

Element 25 Secures \$30 Million Funding Facility

Highlights

- At-the-Market Subscription Agreement (“ATM”) provides E25 with up to \$30M funding over three years as it continues development of its battery-grade high purity manganese sulphate (HPMSM) processing capabilities.
- E25 has full control over use of the facility including:
 - the quantum of issued shares,
 - the minimum issue price of shares, and
 - the timing of each placement tranche (if any).
- Establishment of this facility is an important component of E25’s HPMSM funding strategy as it progresses the HPMSM development program.
- E25’s Feasibility Study examining a USA-based HPMSM processing facility is due for delivery in Q1 CY23.

At-the-Market Subscription Agreement

Element 25 Limited (ASX:E25) (E25 or Company) is pleased to announce that it has entered into an At-the-Market Subscription Agreement (ATM) with Acuity Capital to provide E25 with up to \$30 million of standby equity capital over the coming 36 month period. This standby facility may be used to fund the development of the High Purity Manganese Sulphate Facility Project and working capital

Under the ATM, E25 has full discretion as to whether or not to utilise the ATM, the maximum number of shares to be issued, the minimum issue price of shares and the timing of each subscription (if any). There are no requirements on E25 to utilise the ATM and E25 may terminate the ATM at any time, without cost or penalty.

Acuity Capital and the ATM do not place any restrictions on E25 raising capital through other methods. If E25 does decide to utilise the ATM, E25 is able to set a floor price (at its sole discretion) and the final issue price will be calculated as the greater of that floor price set by E25 and up to a 10% discount to a Volume Weighted Average Price (VWAP) over a period of E25’s choosing (again at the sole discretion of E25).

As security for the ATM, the Company has agreed to place 9,500,000 fully paid ordinary E25 shares to Acuity Capital at nil cash consideration. E25 will issue 5,000,000 shares from its Listing Rule 7.1 capacity and 4,500,000 will be issued subject to shareholder approval. Upon termination or maturity of the ATM, E25 may buy back (and cancel) the shares placed as security for no cash consideration (subject to shareholder approval).

COMPANY SNAPSHOT

Market Summary

ASX code: E25
 Shares on issue: 185M
 Share price: \$0.77

Board of Directors:

| | |
|---------------------|----------|
| Seamus Cornelius | Chairman |
| Justin Brown | MD |
| John Ribbons | NED |
| Fanie van Jaarsveld | NED |
| Sam Lancuba | NED |

Element 25 Limited is developing the world class Butcherbird Manganese Project in Western Australia to produce ethically sourced, sustainable, high quality manganese products including lithium-ion battery grade manganese sulphate monohydrate (HPMSM) for the rapidly growing electric vehicle (EV) battery markets.

About Element 25

Element 25 is an ASX listed company (ASX: E25) operating the world class 100%-owned Butcherbird Manganese Project in Western Australia and developing high purity manganese sulphate monohydrate (HPMSM) products for traditional and new energy markets. It aims to become an industry leading, world class, low-carbon battery materials manufacturer.

About the Butcherbird Manganese Project

E25's Butcherbird Manganese Project is a world-class manganese resource with current JORC resources of more than 260Mt of manganese ore¹. The Project straddles the Great Northern Highway and the Goldfields Gas Pipeline, providing turnkey logistics and energy solutions. The Company plans to integrate renewable energy into the power solution over time to target a zero-carbon footprint for the Project, which is expected to also reduce energy costs. A cleaner, lower carbon flowsheet and high penetration renewable energy will place Butcherbird at the forefront of sustainable high purity manganese production.



Mineral Resources

| Category | Tonnes (Mt) | Mn (%) | Si (%) | Fe (%) | Al (%) |
|--------------|-------------|-------------|-------------|-------------|------------|
| Measured | 16 | 11.6 | 20.6 | 11.7 | 5.7 |
| Indicated | 41 | 10.0 | 20.9 | 11.0 | 5.8 |
| Inferred | 206 | 9.8 | 20.8 | 11.4 | 5.9 |
| Total | 263 | 10.0 | 20.8 | 11.4 | 5.9 |

Notes:

- Reported at a 7% Mn cut-off for the Measured and Indicated categories and an 8% Mn cut-off for the Inferred categories.
- All figures rounded to reflect the appropriate level of confidence (apparent differences may occur due to rounding)

Company information, ASX announcements, investor presentations, corporate videos, and other investor material in the Company's projects can be viewed at: www.element25.com.au.

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Competent Persons Statement

The company confirms that in the case of estimates of Mineral Resource or Ore Reserves, all material assumptions and technical parameters underpinning the estimates in the market announcements dated 17 April 2019 and 19 May 2020 continue to apply and have not materially changed. The company confirms that the form and context in which the competent person's findings are presented has not been materially modified from the original market announcements.

The information in this report that relates to Exploration Results and Exploration Targets is based on information compiled by Mr Justin Brown who is a member of the Australasian Institute of Mining and Metallurgy. At the time that the Exploration Results and Exploration Targets were compiled, Mr Brown was an employee of Element 25 Limited. Mr Brown is a geologist and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Brown consents to the inclusion of this information in the form and context in which it appears in this report.

This announcement is authorised for market release by Element 25 Limited's Board of Directors.

¹ Reference: Company ASX release dated 17 April 2019.