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Element 25 shares jump on Stellantis power deal

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Shares in battery minerals company Element 25 leapt 15 per cent on Monday on a \$44 million equity and offtake tie-up with one of the world's biggest car makers.

Stellantis, whose brands include Alfa Romeo, Maserati and Fiat, will provide Element 25 with \$US30m (\$44m) to help fund a planned US plant to turn out manganese for electric car batteries from 2026.

Element 25 shares were more than 15 per cent higher at \$1.10 as at 11.40am. The WA group is developing the Butcherbird manganese project in the Pilbara, with the intention of converting the manganese in the US into manganese sulphate monohydrate.

The Stellantis deal, the latest in a string of agreements by big-name groups seeking to secure battery minerals from WA, includes a five-year offtake deal that will see the car maker take 10,000 tonnes a year of HPMSM for use in its factories.

The \$US30m will be provided in two tranches, with the first \$US15m to be invested in Element

25 shares. The balance is structured as a loan to be repaid from HPMSM delivered to Stellantis over the first five years.

Element 25 managing director Justin Brown said the Stellantis backing was "a fantastic endorsement by one of the world's largest automakers".

"We are fully aligned with Stellantis' decarbonisation and electrification goals, which represent some of the most ambitious in the industry and E25 have a pathway to reach agreed net zero carbon emission goals under this deal," Mr

Brown said. "This is an important step in the delivery of our first production module which will combine Element 25's innovative processing flowsheet and the high quality, ethically sourced manganese concentrate from our 100 per cent-owned Butcherbird project in WA to deliver sustainable, ethically sourced battery grade manganese to the electric vehicle industry."

The Stellantis deal is conditional on Element 25 securing at least \$US100m million in project financing for the US plant.