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# Element 25 Limited

## Investor Update - Growing the Business

Growing a world class Zero Carbon Manganese™ business

Investor Presentation – February 2021

Element 

# Introduction

## Disclaimer

This presentation contains only a brief overview of Element 25 Limited and its associated entities ("Element 25") and their respective activities and operations. The contents of this presentation, including matters relating to the geology of Element 25's projects, may rely on various assumptions and subjective interpretations which it is not possible to detail in this presentation and which have not been subject to any independent verification.

This presentation contains a number of forward-looking statements. Known and unknown risks and uncertainties, and factors outside of Element 25's control, may cause the actual results, performance and achievements of Element 25 to differ materially from those expressed or implied in this presentation.

To the maximum extent permitted by law, Element 25 does not warrant the accuracy, currency or completeness of the information in this presentation, nor the future performance of Element 25, and will not be responsible for any loss or damage arising from the use of the information.

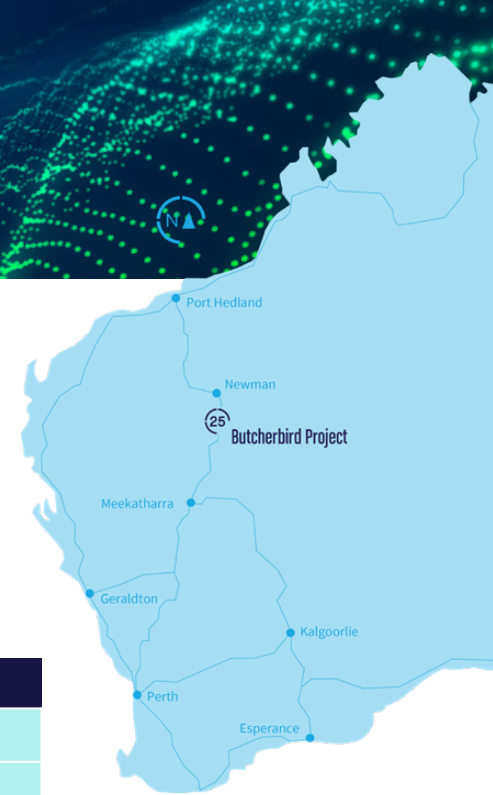
The information contained in this presentation is not a substitute for detailed investigation or analysis of any particular issue. Current and potential investors and shareholders should seek independent advice before making any investment decision in regard to Element 25 or its activities.

## Overview

Developing the world class **Butcherbird Manganese Project** in Western Australia to produce high quality manganese concentrate and High Purity Manganese (HPM) products for traditional and new energy markets.

| Financial Information |         |
|-----------------------|---------|
| ASX Ticker            | E25     |
| Shares on Issue       | 133M    |
| Share Price           | \$1.665 |
| Debt                  | Nil     |

- Australia's largest onshore manganese deposit.
- >260 Mt of manganese ore in JORC resources<sup>1</sup>.
- Reserve containing 5.22 Mt of manganese<sup>2</sup>.
- 100% owned by Element 25 Limited.
- Located in WA, ranked #1 for mining investment<sup>3</sup>.
- Ethical, proven, sustainably regulated jurisdiction.
- Excellent infrastructure (highway and gas pipeline).
- Simple low-cost mining and processing.
- No blasting or dewatering required.
- Long mine life. Currently 42 years using only 20% of the global resource.
- Outstanding economics<sup>2</sup>



<sup>1</sup>Reference: Element 25 Limited ASX release dated 17 April 2019. <sup>2</sup>Reference: Company ASX Release dated 3 December 2020. <sup>3</sup>Reference: Fraser Institute Annual Survey of Mining Companies, 2019



# Not all manganese is created equal...

E25 Manganese

## Serving the Old...

- Manganese (**Mn**) is the fourth most used metal on earth in terms of tonnage.
- Used in steel, specialty alloys and aluminium products.
- Traditionally the market has been dominated by the steel and alkaline battery industries.
- There is no substitute for manganese in steel.
- **E25 manganese concentrate and EMM feed this market.**

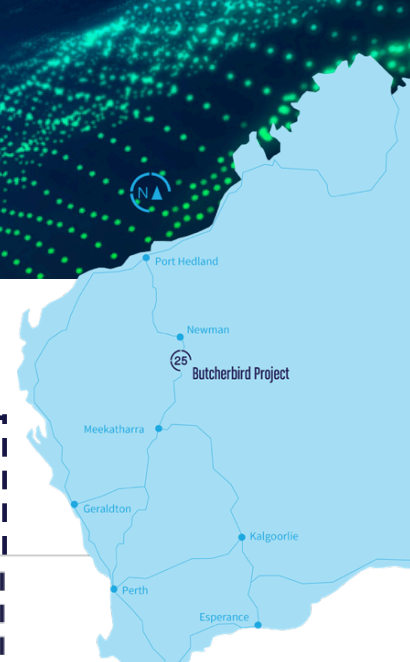
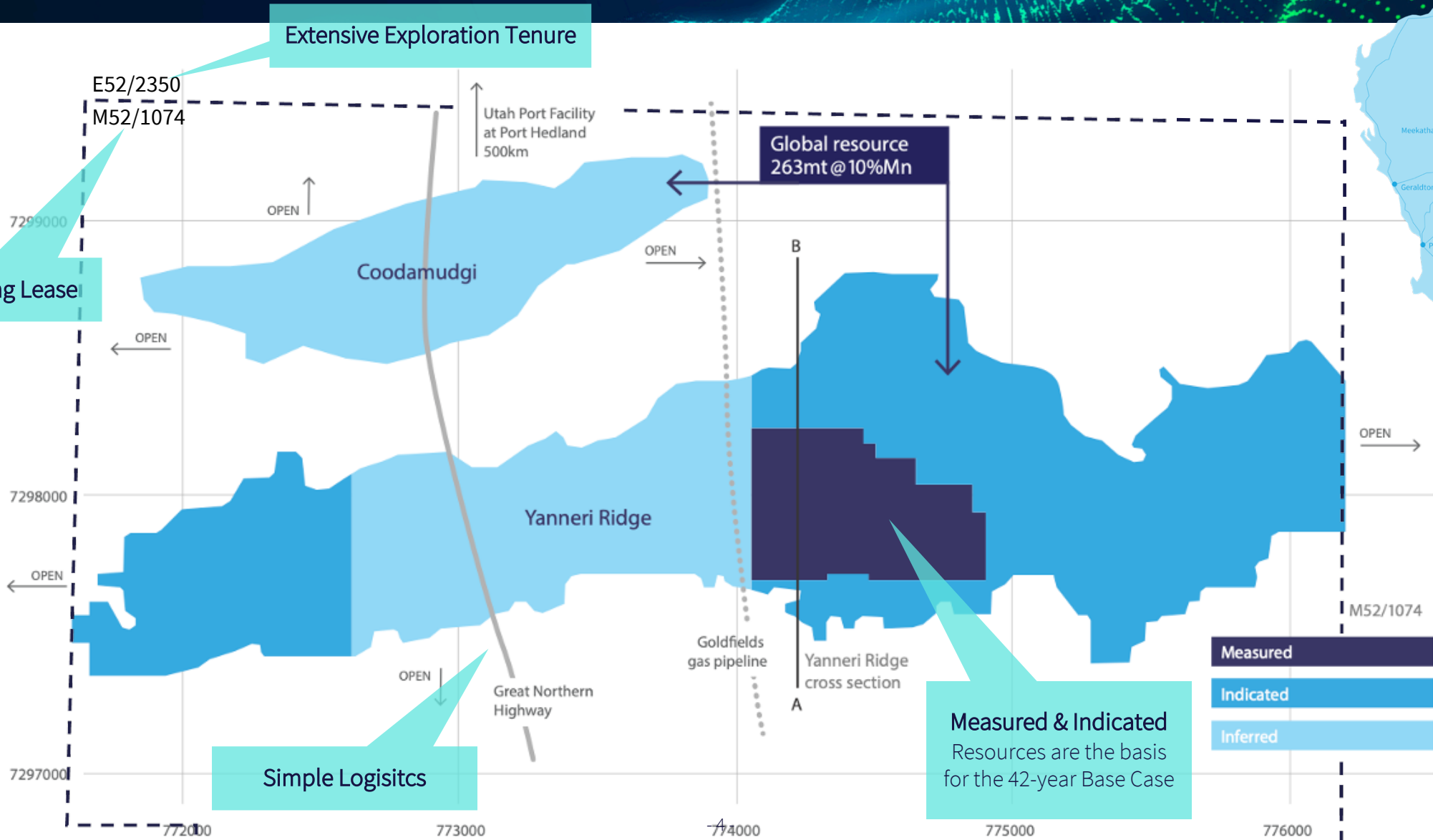
## And the New...

- The electrification of the global vehicle fleet requires vast amounts of cathode materials.
- Nickel and cobalt supplies cannot meet the demand for projected NEV growth.
- Batteries are trending toward higher manganese content for safer, more cost-effective solutions.
- **E25 high purity manganese will feed these markets.**



# Great infrastructure endowment, fully permitted.

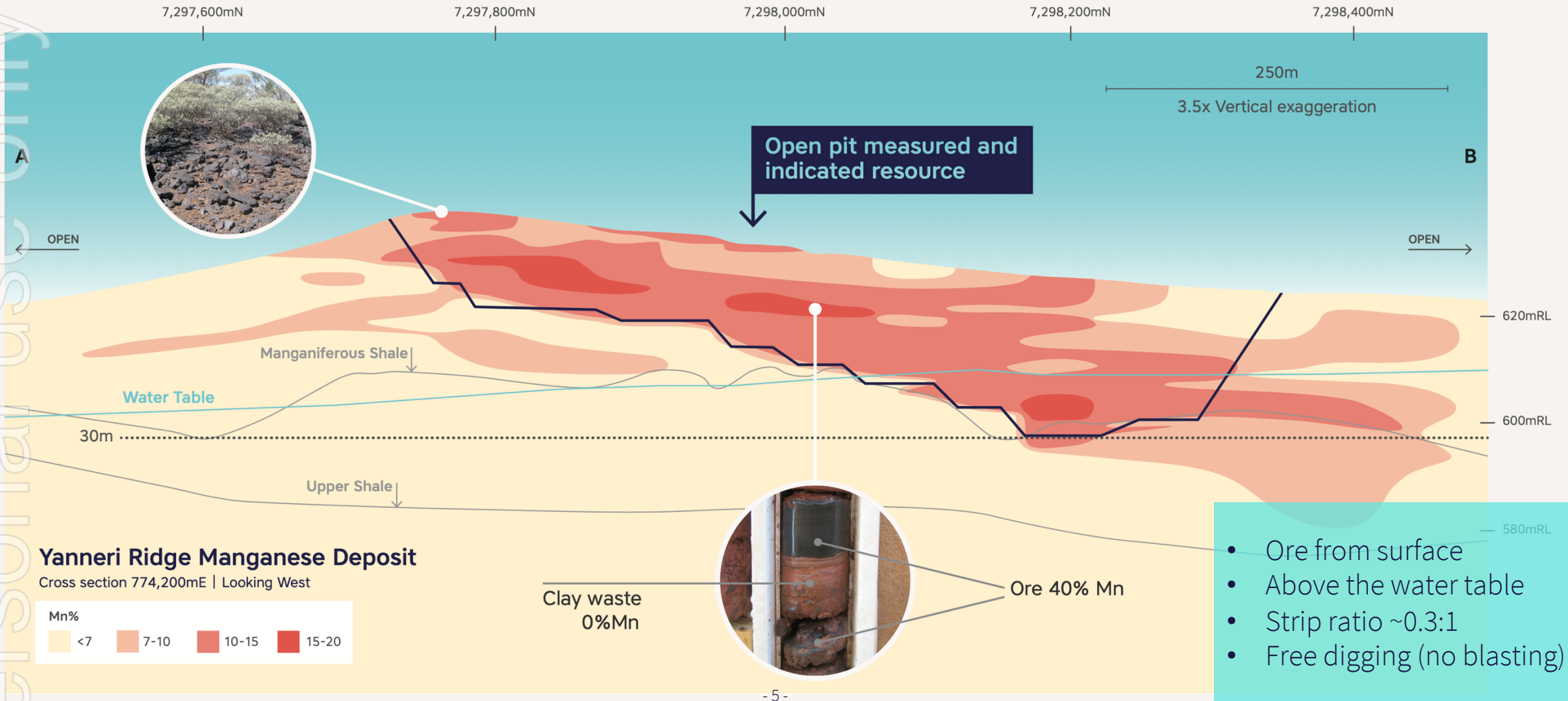
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# Very simple geology equals low-cost manganese...

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- Ore from surface
- Above the water table
- Strip ratio ~0.3:1
- Free digging (no blasting)

# Stage 1: Project Delivery on time and budget

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- Mining Lease granted
- Access agreements finalised
- Processing water confirmed
- Engineering design completed
- Fully funded
- Fully permitted
- Construction commenced.
- Commissioning scheduled for first quarter 2021.



Maiden product shipment imminent.



**Low capex Stage 1** provides a springboard for rapid growth...

# Low capex Stage 1 provides a springboard for rapid growth...

- Low capex.
- Rapid startup.
- Establish cashflow.
- Fund High Purity Manganese (HPM) from strengthened balance sheet.

**Only ten months from announcing the PFS to scheduled commissioning.**

Mn<sup>25</sup>

**341,000 t/a**

annual Production over 40 year mine life



**\$583 million**

NPV<sub>5</sub> pre-tax



**387%**

IRR pre-tax



**\$20.3 million**

capital cost including working capital



**0 months**

payback period no debt



**March 2021**

commissioning scheduled



# Stage 2 expansion turbocharging cashflows to fund HPM...

- Incremental capital required.
- Financing being secured now.
- Flowsheet process proven.
- Rapid deployment.
- Fund High Purity Manganese from strengthened balance sheet.

**Establish a globally significant low carbon manganese business in record time with minimal dilution.**

Mn<sup>25</sup>

**1,023,000 t/a**

Annual Production over 40 year mine life



**\$1.138 billion**

NPV<sub>5</sub> pre-tax



**359%**

IRR pre-tax



**\$20.3 million**

Incremental capital cost including working capital



**6 months**

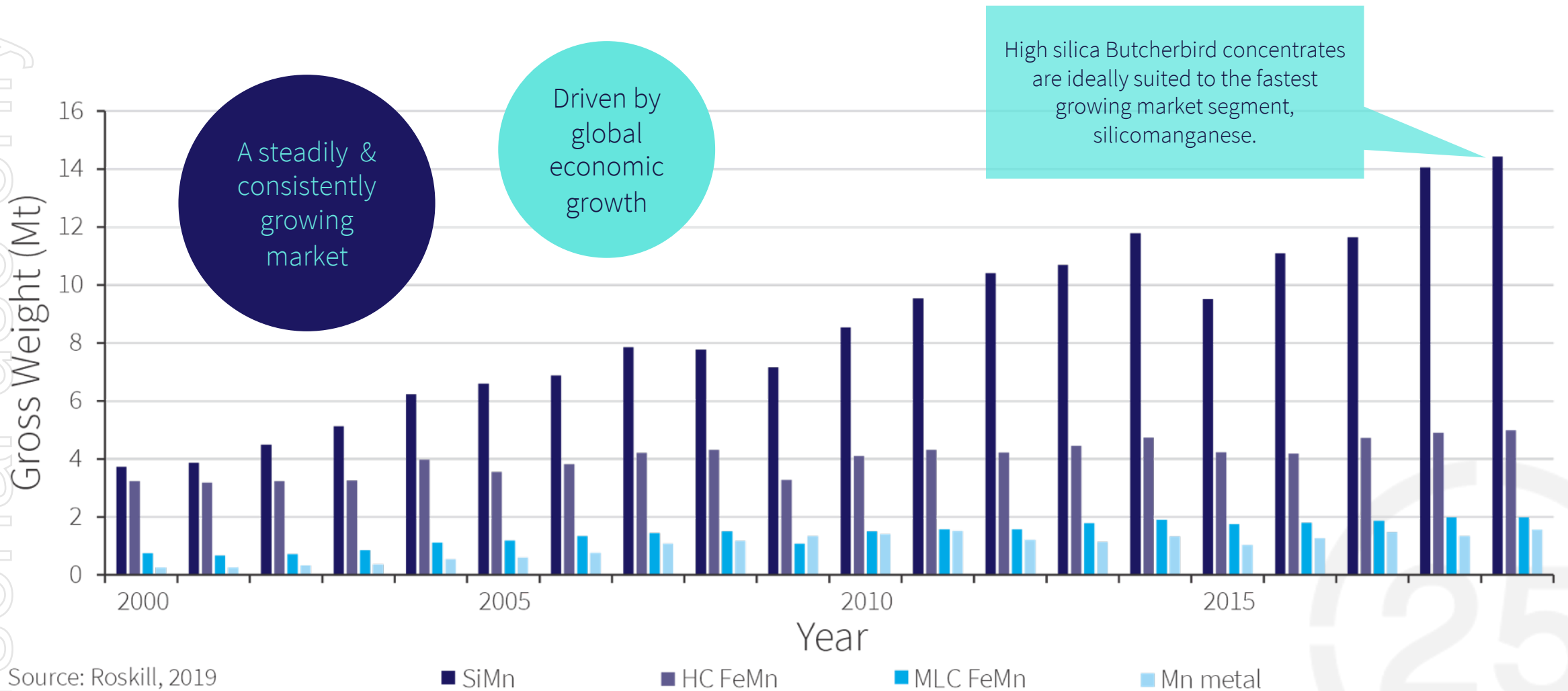
Payback period  
Semeru Energy U\$5M debt



**February 2022**

Commissioning scheduled

# “Old world” manganese demand continues to grow



# New Energy Vehicle (NEV) Demand Growing MUCH Faster...

**58% by 2040**

percentage of new vehicles that will be EV or hybrid

**54 million**

EV passenger sales by 2040

**from 2033**

decline emissions from road transport

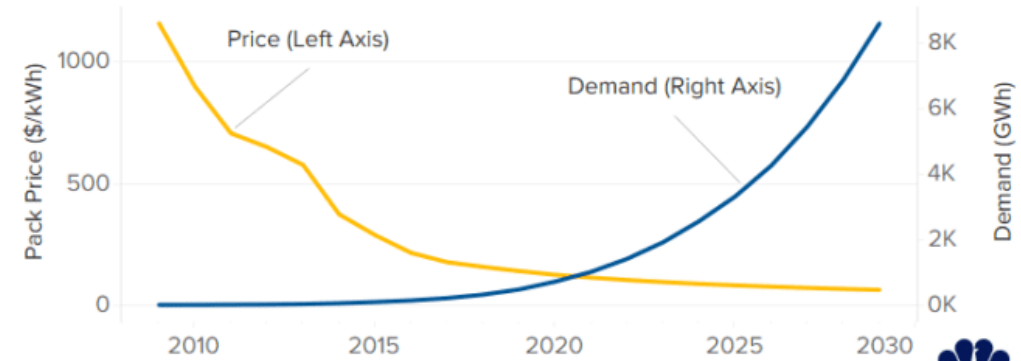
**17.6M by 2040**

barrels of oil displaced by EVs each day

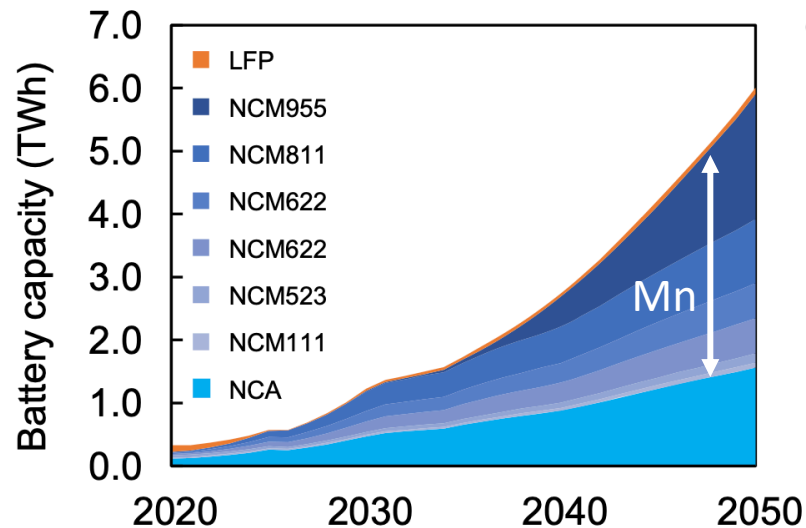
“It is reasonably straight forward to do a cathode that is two-thirds nickel and one-third manganese...”

Elon Musk, Tesla

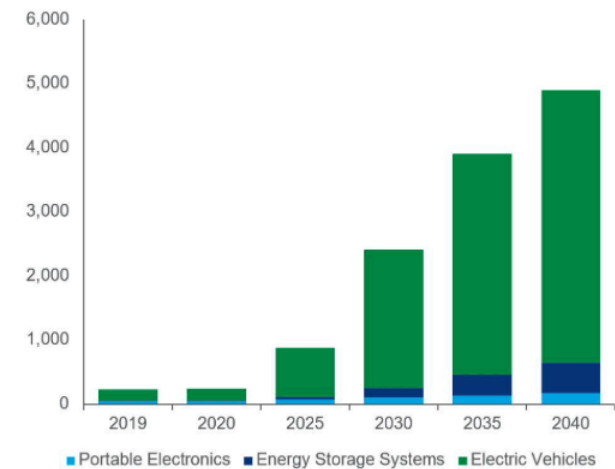
## Li-ion battery market development for electric vehicles



SOURCE: Rocky Mountain Institute/BloombergNEF. Data is projected starting with 2020.



## Global battery sector demand by capacity (GWh)





# If not manganese, then what?

**58% by 2040**

percentage of new vehicles that will be EV or hybrid

**54 million**

EV passenger sales by 2040

**from 2033**

decline emissions from road transport

**17.6M by 2040**

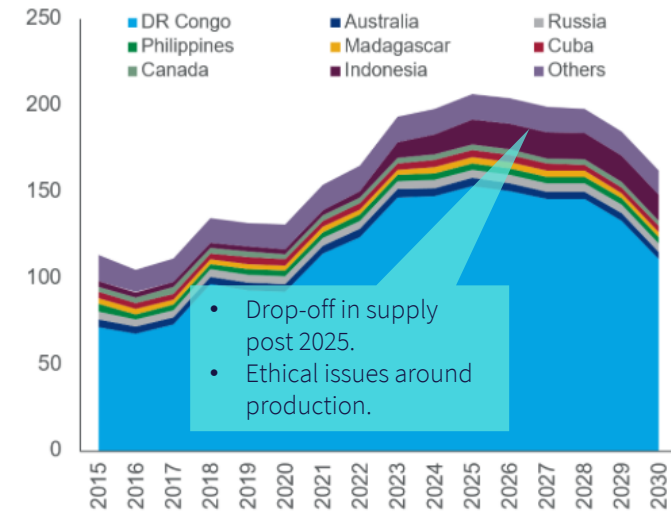
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“It is reasonably straight forward to do a cathode that is two-thirds nickel and one-third manganese...”

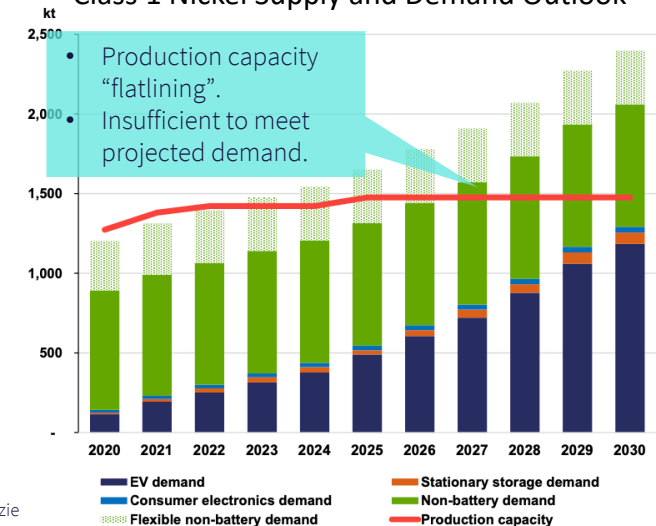
Elon Musk, Tesla

- Manganese (Mn) is the fourth most utilised metal globally.
- It is the cheapest, most abundant of the NMC cathode materials (Ni,Mn,C).
- Nickel and cobalt have supply constraints, manganese does not.
- For cobalt, there are serious ethical concerns around production methods.
- Manganese is perfectly placed to provide the material needed to satisfy the worlds hunger to electrify.
- **Battery makers have manganese rich cathode designs in their roadmaps post 2025.**

Global mined cobalt output (Kt)



Class 1 Nickel Supply and Demand Outlook



# Zero Carbon Manganese™ – a no brainer...

Supply-chain decarbonization will be a 'game changer' for the impact of corporate climate action.

Nigel Topping, UNFCCC



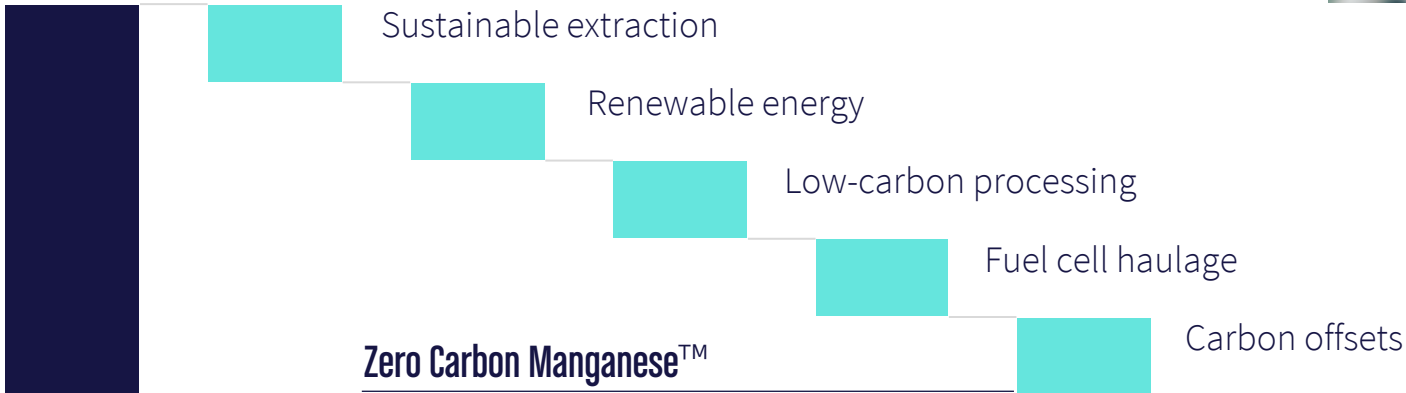
Sustainable Extraction



Renewable Energy Powered Processing



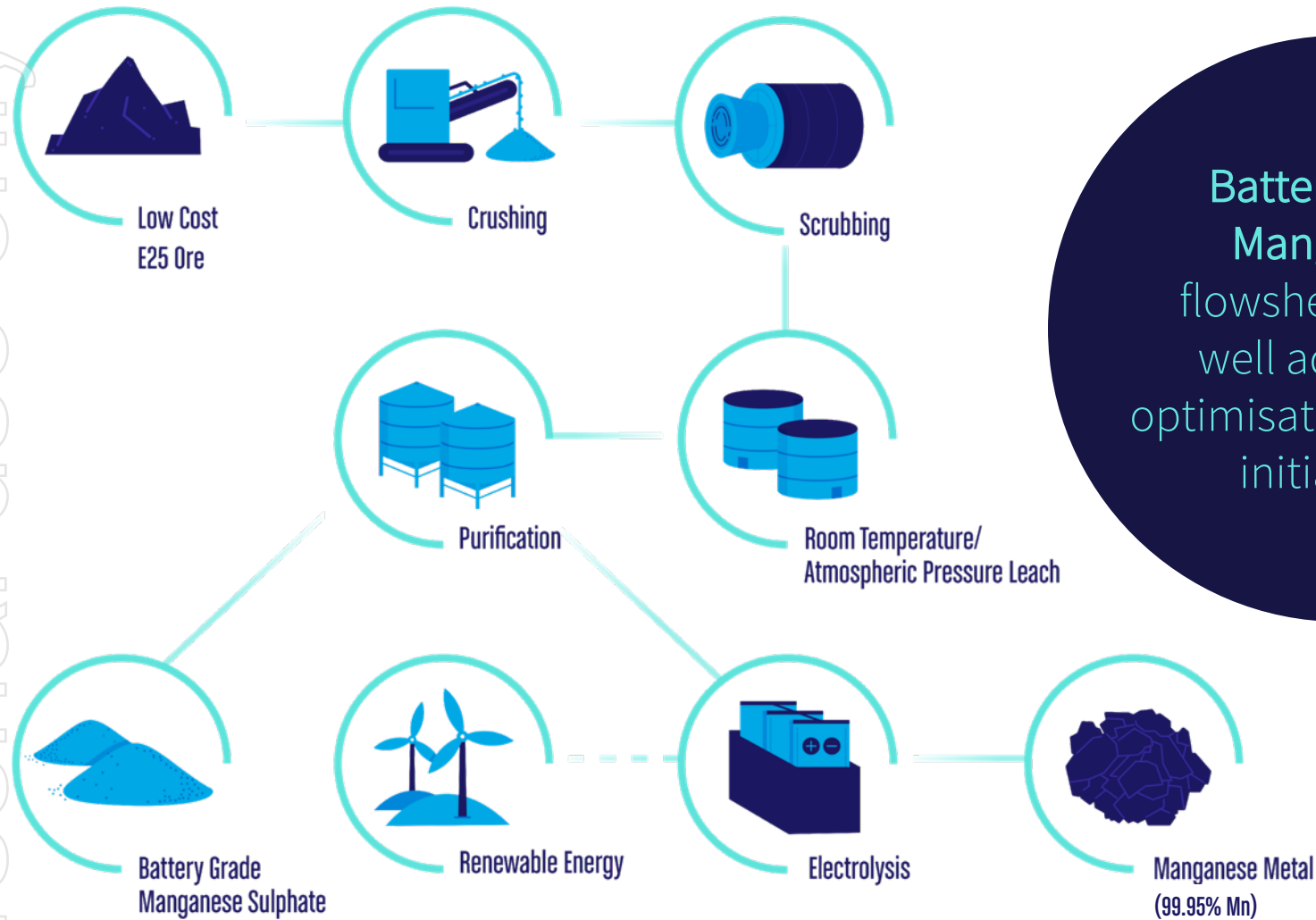
New Energy Fuel



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# EV Fuel - Zero Carbon High Purity Manganese...



Battery Grade Manganese flowsheet design well advanced, optimisation program initiated...

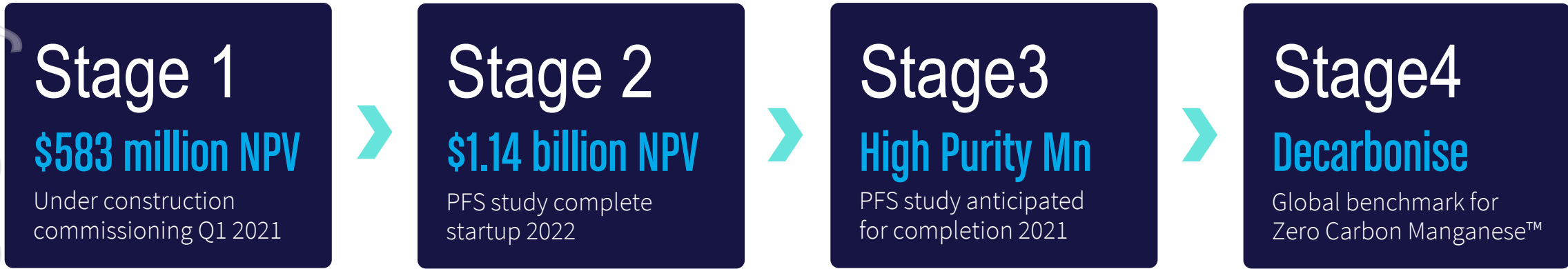


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# Our Journey...

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**Cashflow**  
Low capital cost, rapid start up to establish E25 as a producer while minimising dilution.

**Expansion**  
Improved resource utilisation, reduction in unit operating costs, increased operating cash.

**The Prize**  
Position E25 as a globally dominant producer of high purity, sustainable manganese products.

**Zero Carbon Manganese™**  
Best in class, zero carbon, ethically produced, scalable high purity manganese for global markets.

# Thank you.

For more information, please contact Element 25 Limited:

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# Reserves and Resources

## Maiden Ore Reserve<sup>1</sup>

| Category | Tonnes (Mt) | Mn (%) | Contained Mn (Mt) |
|----------|-------------|--------|-------------------|
| Proved   | 14.4        | 11.5   | 1.65              |
| Probable | 36.2        | 9.8    | 3.56              |
| Total    | 50.6        | 10.3   | 5.22              |

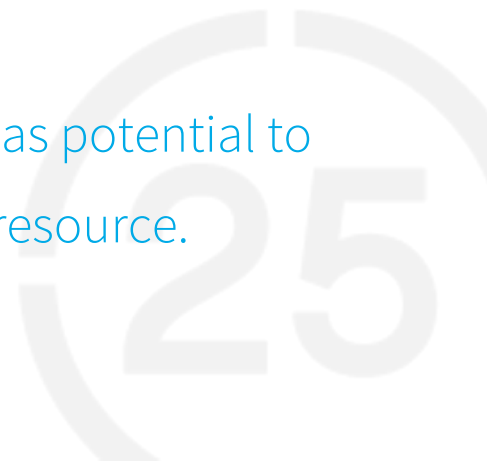
## Global Mineral Resource<sup>2</sup>

| 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    |

- 89% conversion of measured and indicated resources to reserve.
- Maiden Reserve only exploits approximately 20% of global mineral resource.
- Excellent potential for future expansion.
- More drilling has potential to add to global resource.

<sup>1</sup>Reference: Element 25 Limited ASX release dated 19 May 2020.

<sup>2</sup>Reference: Element 25 Limited ASX releases dated 17 April 2019.





# Competent Person's Statement

The information in this presentation that relates to Exploration Results is based on information compiled by Mr Justin Brown who is a full-time employee of the Company and is a member of the Australasian Institute of Mining and Metallurgy. Justin Brown 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'. Justin Brown consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

All references to Mineral Resources pertain to the ASX release dated 17 April 2019. The Company confirms that all material assumptions, underpinning the estimations continue to apply and have not materially changed.

All references to Mineral Reserves pertain to the ASX release dated 19 May 2020. The Company confirms that all material assumptions, underpinning the estimations continue to apply and have not materially changed.

For further information on Element 25 Limited and its Projects please visit its website at [www.element25.com.au](http://www.element25.com.au) which contains copies of all continuous disclosure documents to ASX, Competent Persons' Statements and Corporate Governance Statement and Policies.

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