

Element 25 Limited

Investor Update – Commissioning for Growth

Building a world-class Zero Carbon Manganese™ business

Investor Presentation – June 2021



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.

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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	149M
Share Price	\$2.14 (22 June 2021)
Debt	Nil

- Australia's largest onshore manganese deposit.
- >260 Mt of manganese ore in JORC resources¹.
- Reserve containing 5.22 Mt of manganese².
- 100% owned by Element 25 Limited.
- Located in WA, ranked #1 for mining investment³.
- 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 – 42 years using only 20% of the global resource, potential to improve.
- Outstanding economics²
- First sale contract signed³
- Transport of first shipment to port⁴.



¹Reference: Company ASX release 17 April 2019. ²Reference: Company ASX Release 3 December 2020. ³Reference: Fraser Institute Annual Survey of Mining Companies, 2019, ³Reference: Company ASX Release 26 May 2021, ⁴Reference: Company ASX Release 16 June 2021

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.**

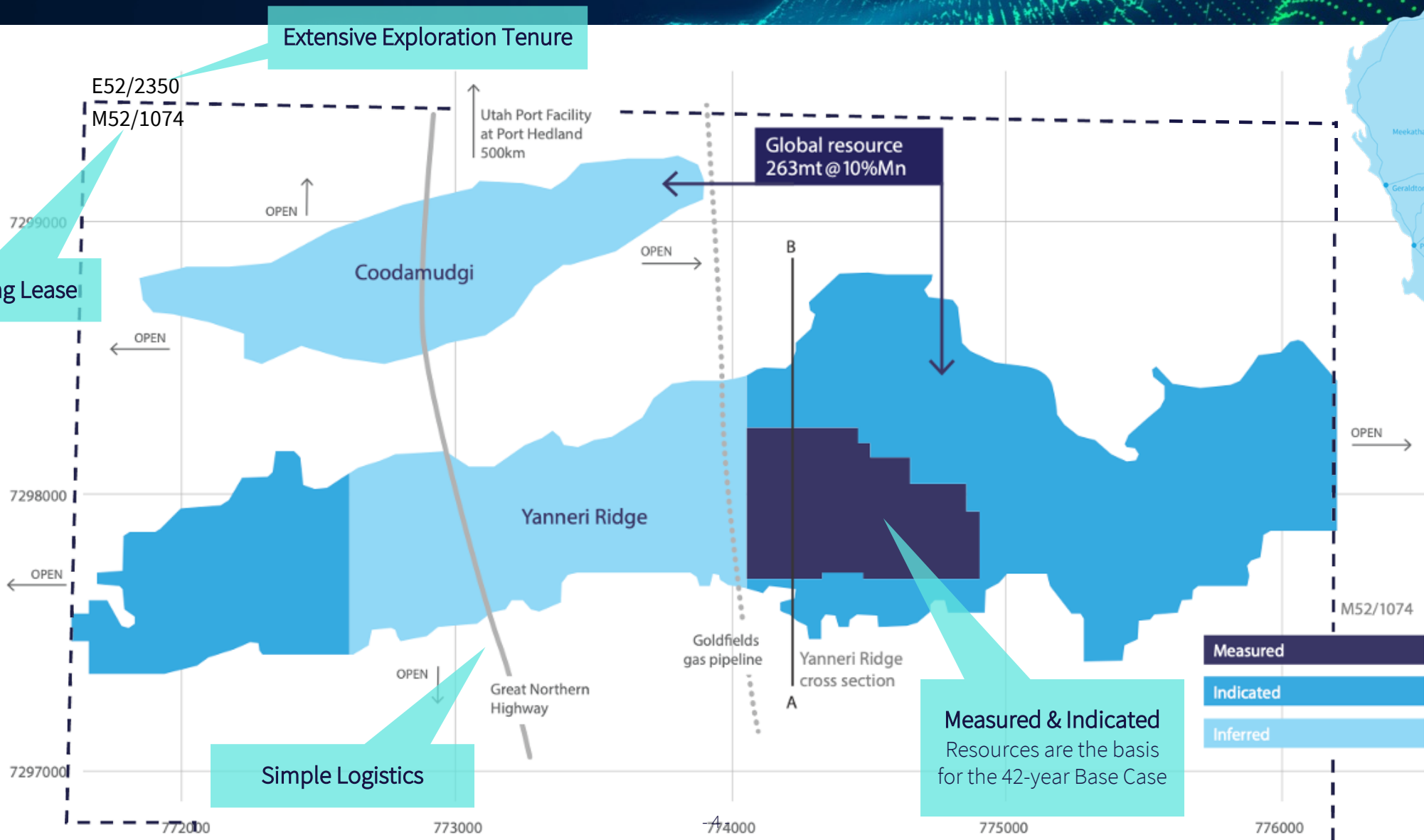
And the New...

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



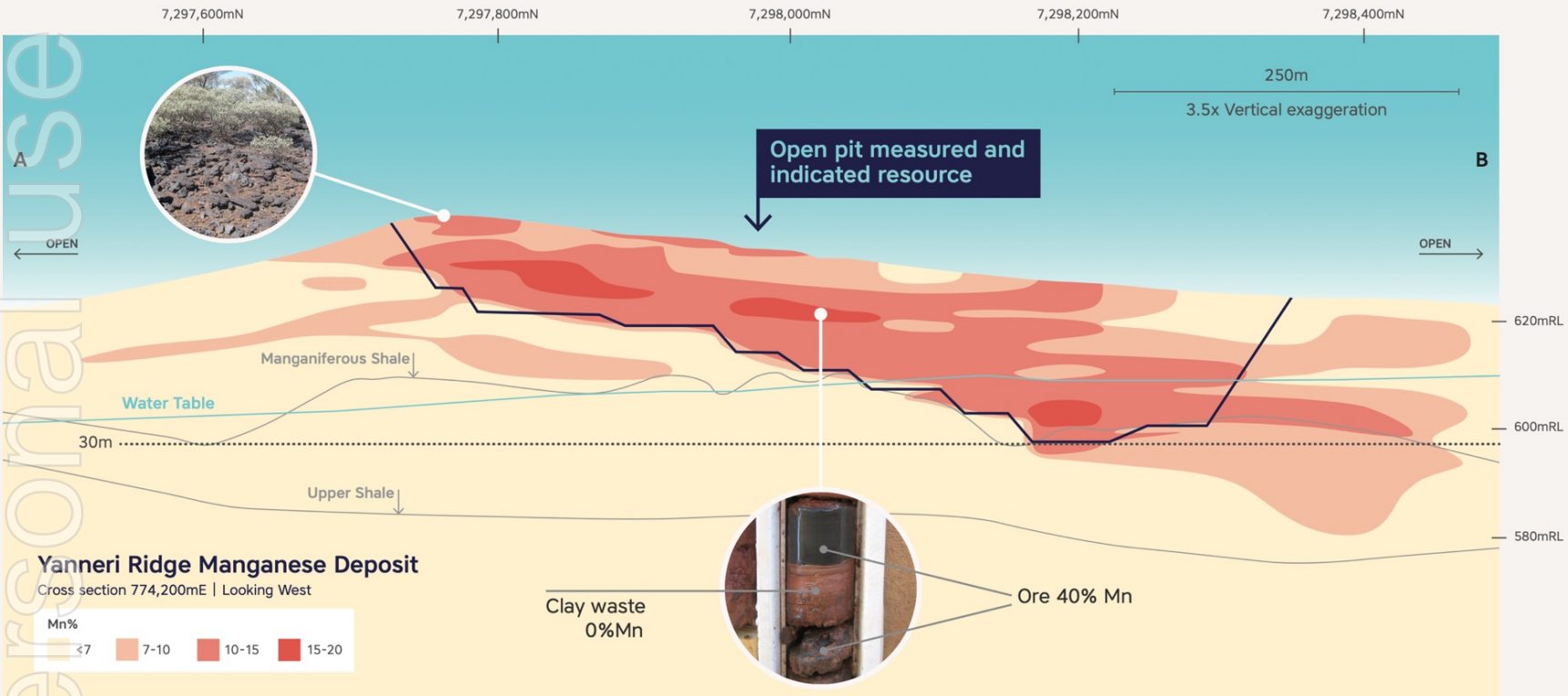
Great infrastructure endowment, fully permitted

ersonal use only



Very simple geology equals low-cost, low environmental impact manganese units

Classification	Tonnes (Mt)	Mn (%)	Contained Mn (Mt)
Resource	263	10.0	20.8
Reserve	50.6	10.3	5.22



RESOURCE GROWTH POTENTIAL

- Enough resource base for multi-decade long expansion pathway.
- Can produce concentrate, battery grade HPMSM and EMM without resource limitation.

ENVIRONMENTALLY BENIGN OPERATION

- Ore from surface
- No explosives required
- No waste water
- One reagent – water
- Extremely low levels of contaminants

Stage 1: Operational, Ramp Up Underway

- 20-year Mining Lease granted
- All Stakeholder Agreements finalised
- Processing water confirmed and permitted
- Fully funded with no debt
- Operation is fully permitted
- Stage 1 is operational
- Stage 2 fully funded to provide material for MnSO_4 conversion

Maiden
product
shipment
June 2021

Stage 1

Low impurity Mn concentrate

Operating and ramping up
First shipment June 2021



Stage 2

Expanded Mn concentrate for MnSO_4

PFS study near complete, fully funded
Startup 2024/25



Stage 1: Project Delivery Complete – Ramp Up Underway



ROM Stocks

Process Water
Storage

Tails Storage

Main Access
Road

Ore Stockpiles

Processing
Plant

ersonal use only

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 10 months from
Stage 1 PFS
to commissioning**

Mn²⁵

341,000 t/a

annual Production over
40 year mine life



\$583 million

NPV₅ pre-tax



387%

IRR pre-tax



\$20.3 million

capital cost including
working capital



0 months

payback period
no debt



March 2021

commissioning
and ramp up commenced

Stage 2 expansion turbocharging cashflows to fund HPM

- Incremental capital required.
- Financing discussions advanced.
- Flowsheet process proven.
- Rapid deployment.
- Fund High Purity Manganese from strengthened balance sheet.

Establishing a globally significant, low carbon manganese business in record time, with minimal dilution

Mn²⁵

1,023,000 t/a

Annual Production over 40-year mine life



\$1.138 billion

NPV₅ pre-tax



359%

IRR pre-tax



\$20.3 million

Incremental capital cost including working capital



6 months

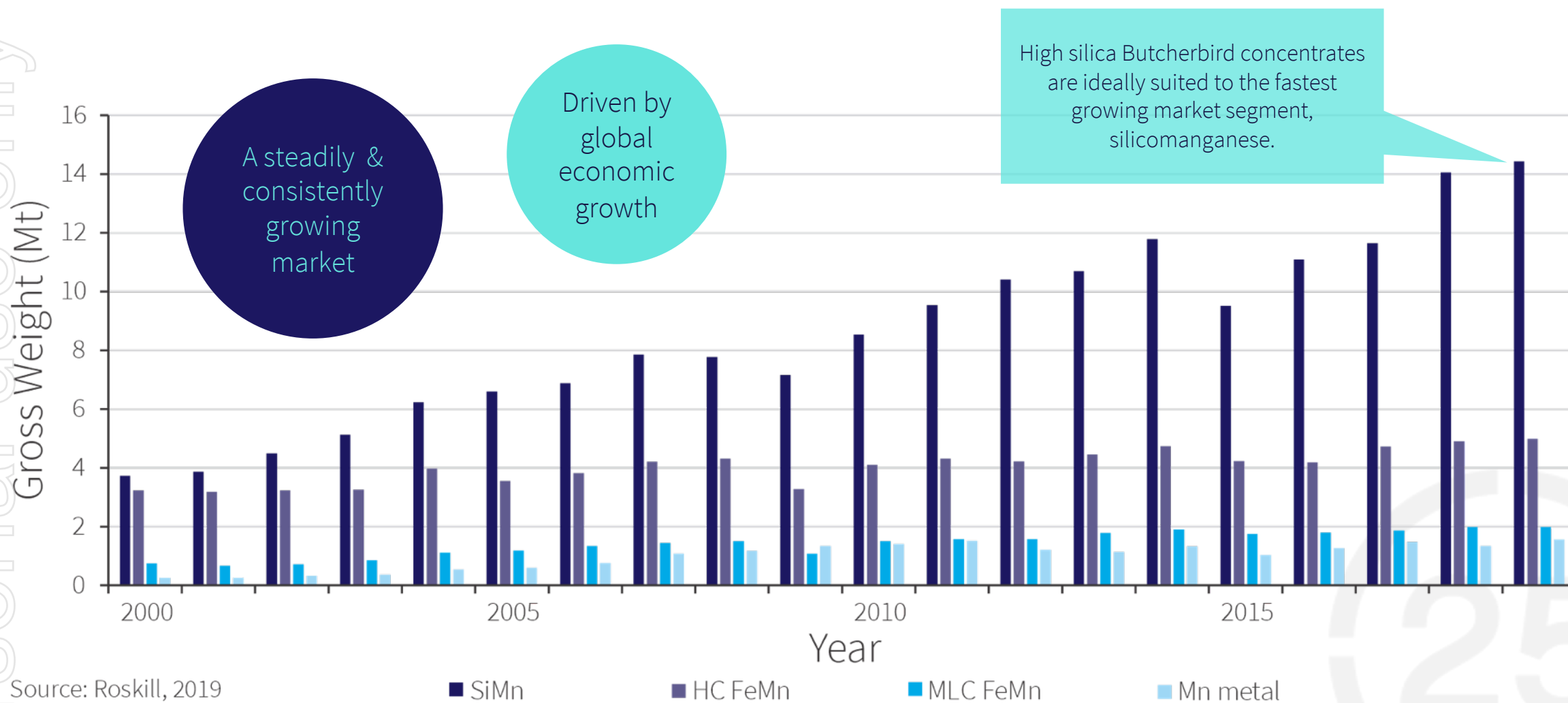
Payback period
Semeru Energy U\$5M debt



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

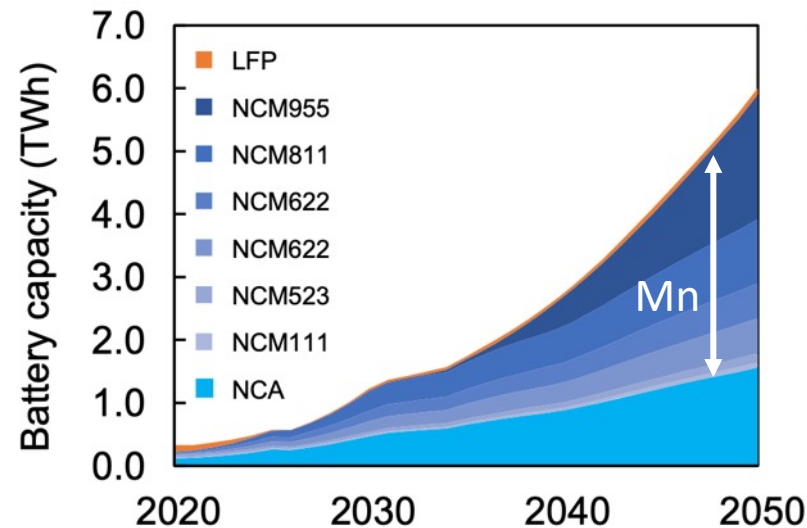
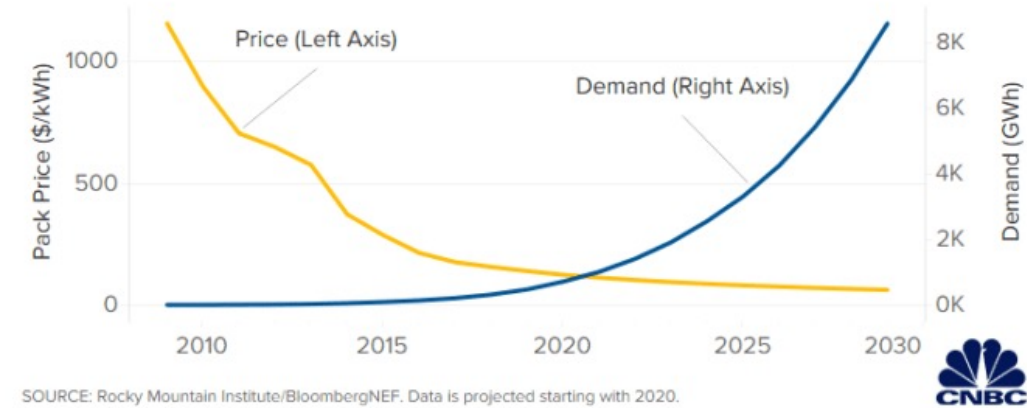
barrels of oil displaced by EVs each day

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

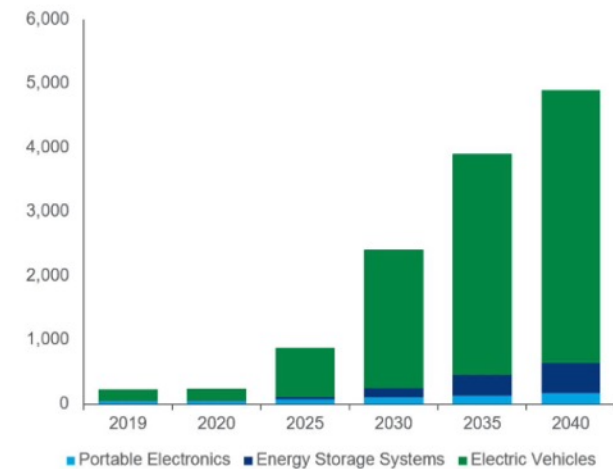
Elon Musk, Tesla

Reference: <https://about.newenergyfinance.com/electric-vehicle-outlook/>

Li-ion battery market development for electric vehicles



Global battery sector demand by capacity (GWh)



Reference: Wood Mckenzie

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

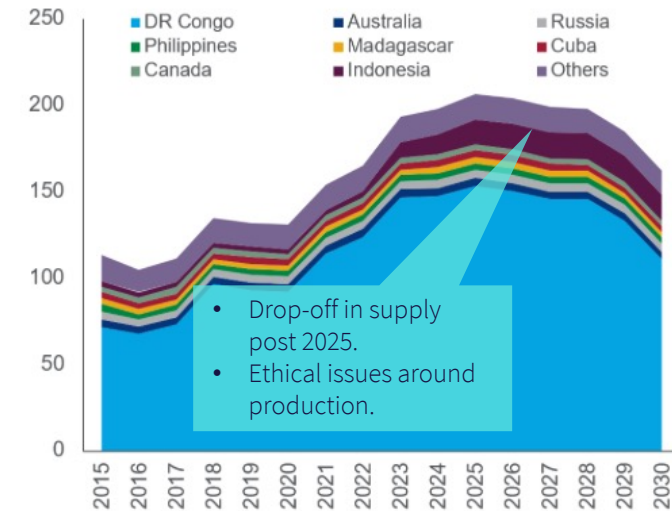
barrels of oil displaced by EVs each day

“In order to save battery costs, VW wants to use nickel and manganese for the cells in the volume segment and, if possible, do without the – more expensive – cobalt....”

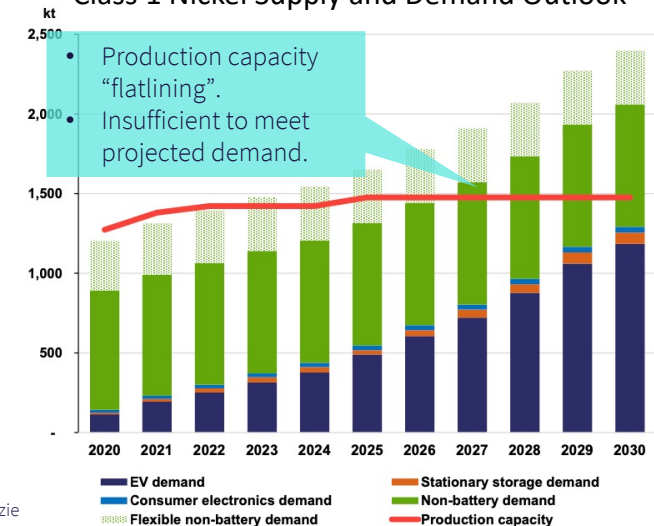
The Driven, March 2021

- 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 methods¹.
- 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.**

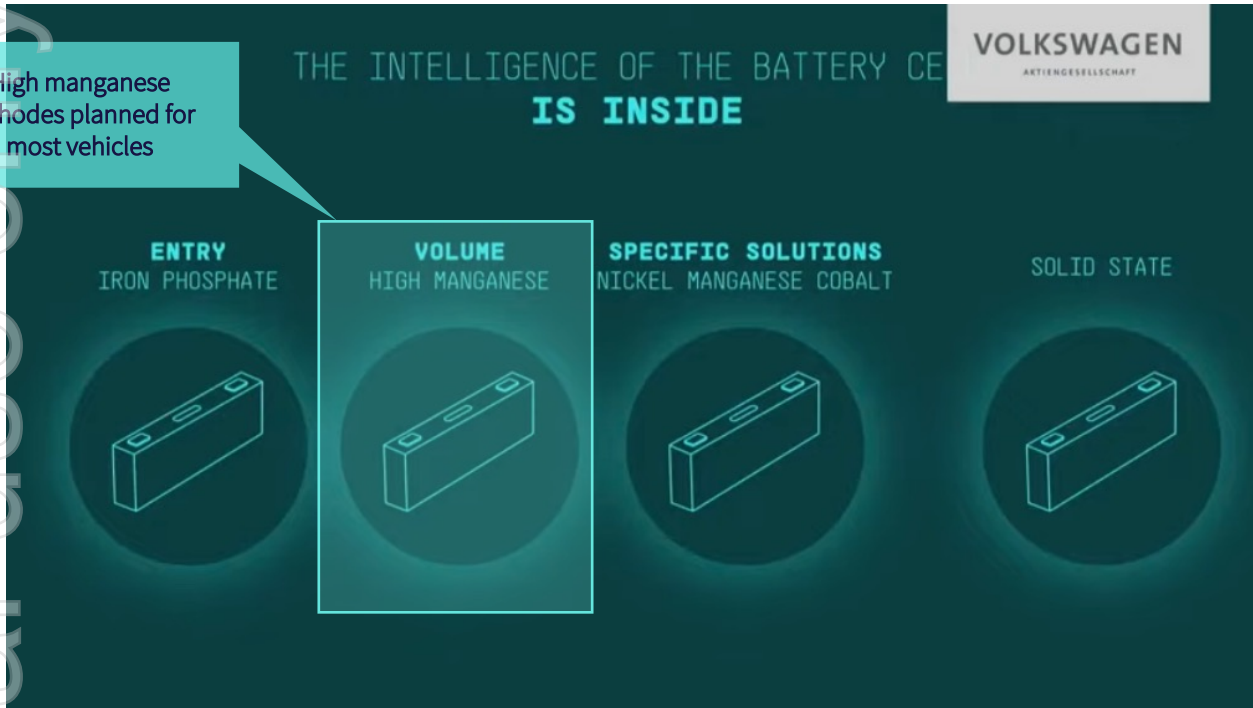
Global mined cobalt output (Kt)



Class 1 Nickel Supply and Demand Outlook



If not manganese, then what?



- VW moving to a high manganese cathode for most of its vehicles.
- High manganese means better energy density and lower cost.
- Requires large volumes of high purity manganese sulphate.
- Element 25 is targeting this market for its long term growth strategy.
- Discussions underway in relation to potential offtake partners in this segment.

“Our transformation will be fast, it will be unprecedented...”

VW Group CEO Herbert Diess

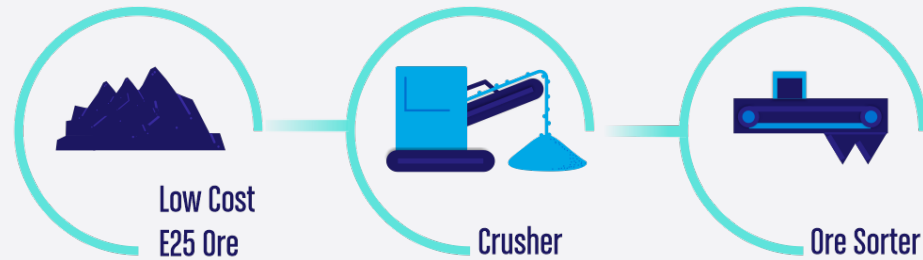
Our Journey- Element 25 has a well advanced flowsheet and business strategy...



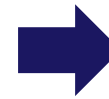
■ Historical ■ Projected

References: ASX Company releases 6 June 2017, 12 February 2019, 16 April 2019, 15 April 2021

Our Goal- Zero Carbon High Purity Manganese for New Energy Vehicles...

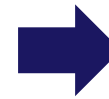
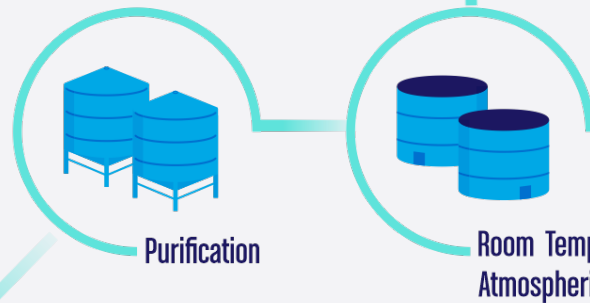


- In Production
- First Shipment June 2021



Stage 1

First production of manganese concentrate to sell to steel alloy manufacturers



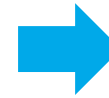
Stage 2

Expansion of the concentrate production to produce manganese feedstock to convert to HPMSM



Proposed Timeline:

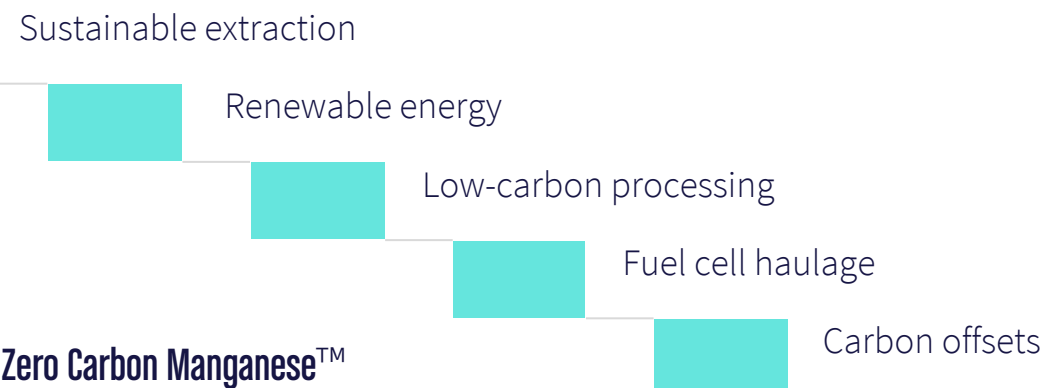
- Pre-Feasibility Study completed 2021
- Full Feasibility Study - H1 2022
- Product Qualification - H2 2022
- First Production Scheduled for 2024/2025



Stage 3

Serving the New Energy Vehicle Markets by converting the concentrate to HPMSM using renewable energy

Zero Carbon Manganese™ – ESG Considerations Integral to Our Thinking



Other potential pathways that Element 25 is investigating:

- Extensive wind and solar resource data set collected at site (>1 year)
- Energy modelling confirmed cost advantage with renewable solutions
- Green hydrogen powered mine fleet and bulk haulage
- Battery powered bulk haulage trucks to be made available in Australia shortly
- Green hydrogen reduction reagent potential (similar to “Green Steel”)
- Supply chain transparency and ESG accounting
- Collaboration with other ESG focused companies to pursue new solutions

Sustainable Extraction



Renewable Energy
Powered Processing



New Energy Fuel

Our Journey...

Stage 1

\$583 million NPV

Commissioning and ramp-up underway



Stage 2

\$1.14 billion NPV

PFS study complete, startup 2022



Stage 3

High Purity Mn

PFS study anticipated for completion 2021



Stage 4

Decarbonise

Global benchmark for Zero Carbon Manganese™

9 month plan

1.5 year plan

5 year plan

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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Element (25)

Reserves and Resources

Maiden Ore Reserve¹

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 Resource²

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.

¹Reference: Element 25 Limited ASX release dated 19 May 2020.

²Reference: 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 which contains copies of all continuous disclosure documents to ASX, Competent Persons' Statements and Corporate Governance Statement and Policies.

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