

# Element 25 Limited Investor Update – Commissioning for Growth

Building a world-class Zero Carbon Manganese™ business

July 2021– Port Hedland Chamber of Commerce and Industry Breakfast



# 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     | \$2.10 (7 July 2021) |
| 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 – 42 years using only 20% of the global resource, potential to improve.
- Outstanding economics<sup>2</sup>
- First sale contract signed<sup>3</sup>
- Transport of first shipment to port<sup>4</sup>.



<sup>1</sup>Reference: Company ASX release 17 April 2019. <sup>2</sup>Reference: Company ASX Release 3 December 2020. <sup>3</sup>Reference: Fraser Institute Annual Survey of Mining Companies, 2019, <sup>3</sup>Reference: Company ASX Release 26 May 2021, <sup>4</sup>Reference: 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.**

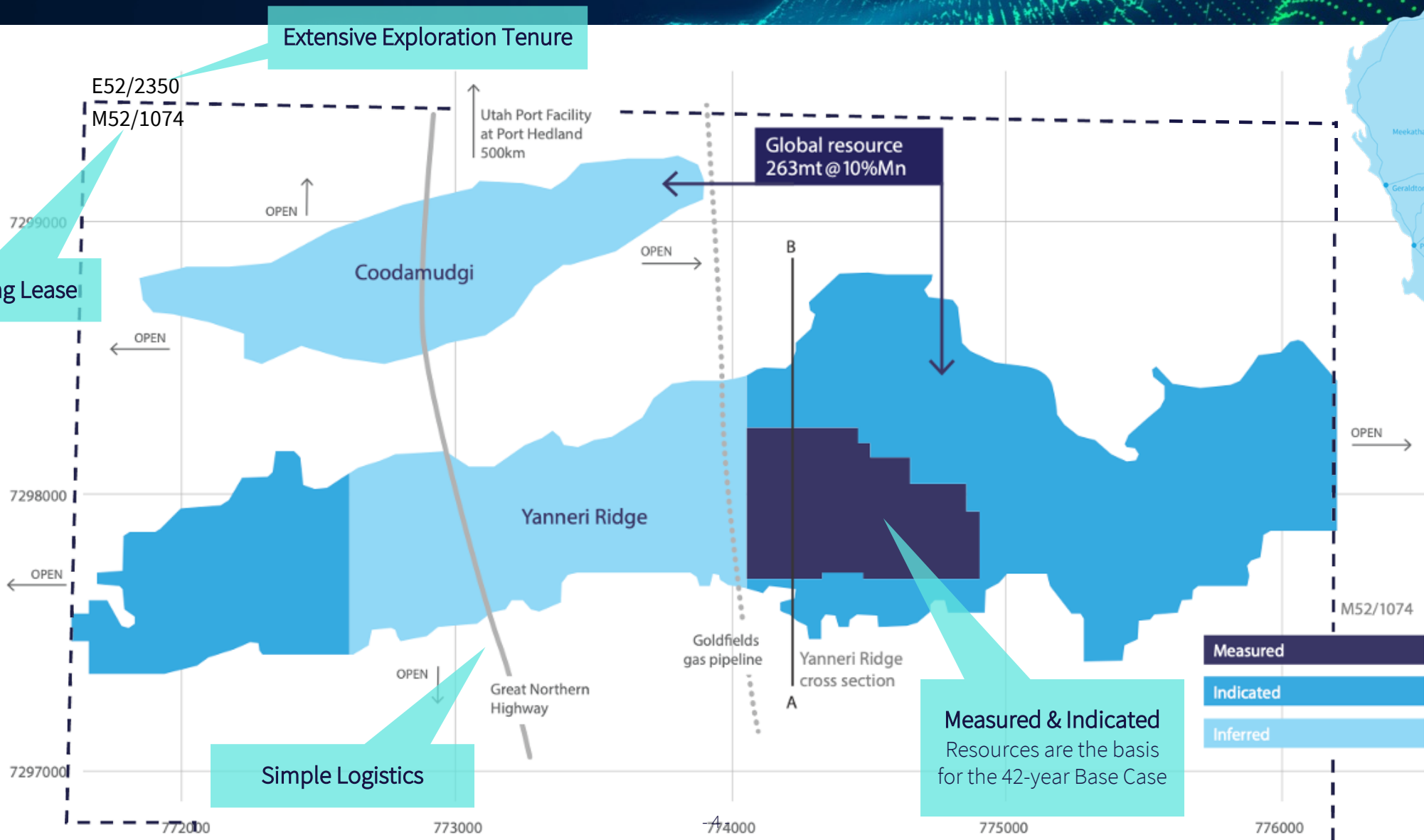
## And the New...

- 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.**



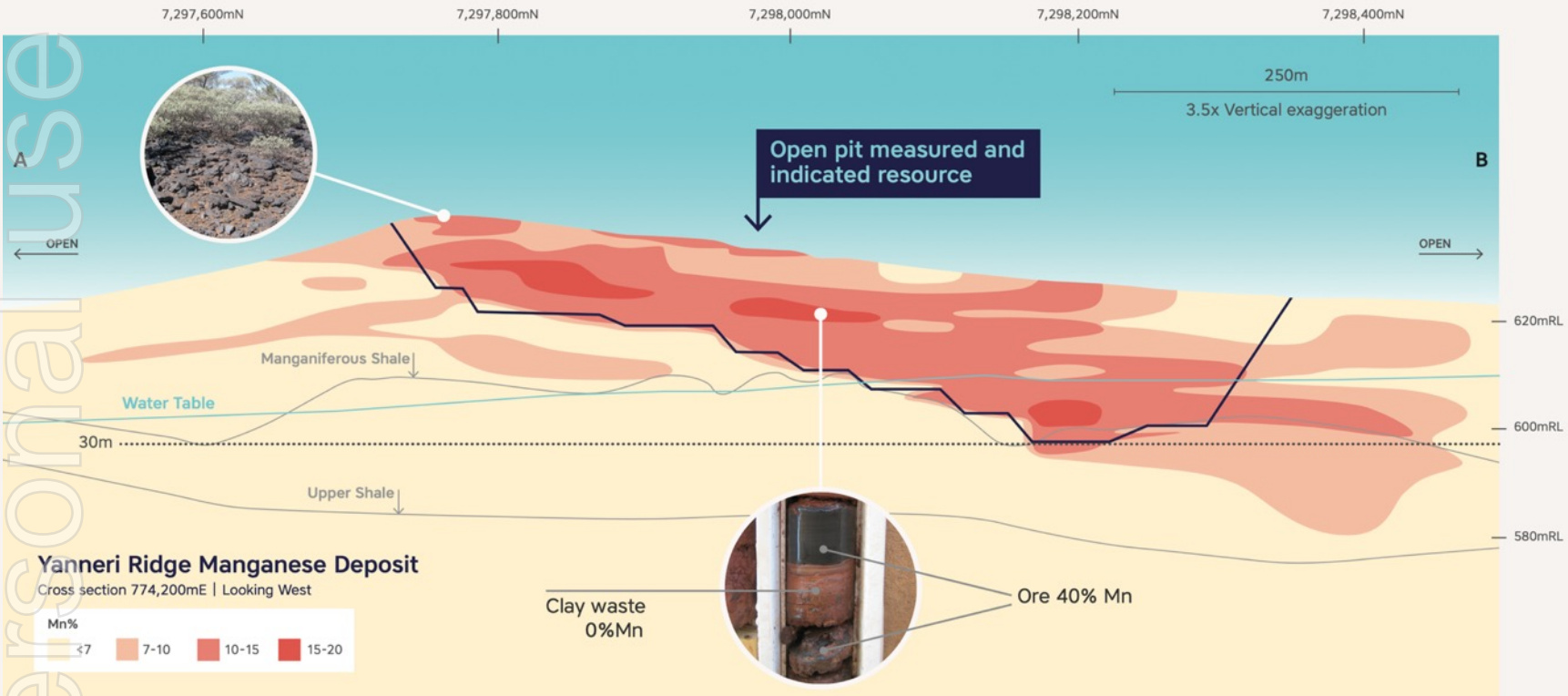
# Great infrastructure endowment, fully permitted

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  $\text{MnSO}_4$  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 $\text{MnSO}_4$

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**

**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  
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**

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

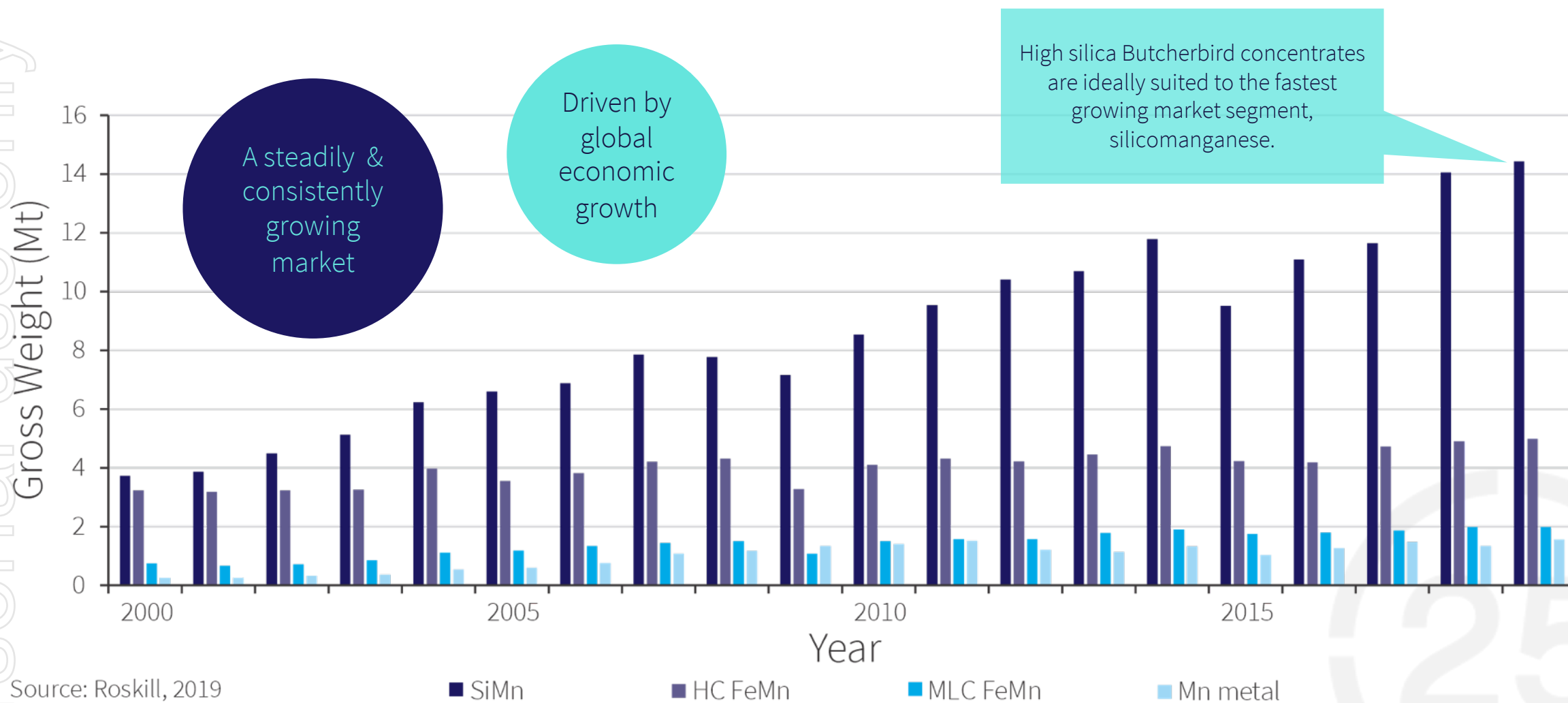
# Stage 1: Project Delivery Complete – First Shipment in Port Hedland

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E25 Manganese Ore



# “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**

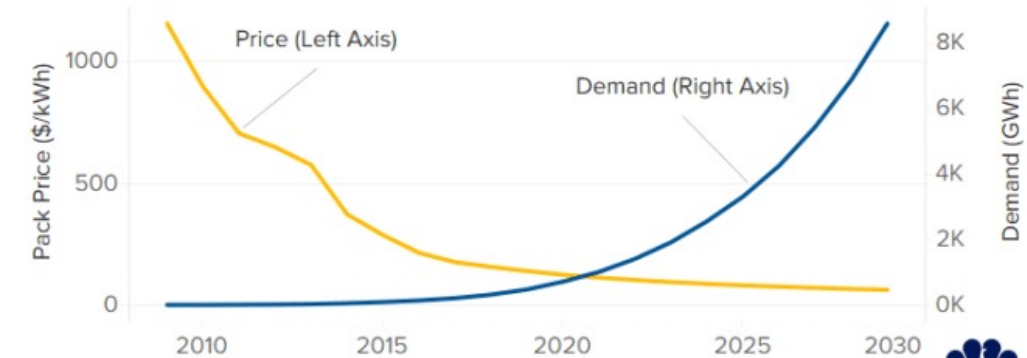
barrels of oil displaced by EVs each day

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

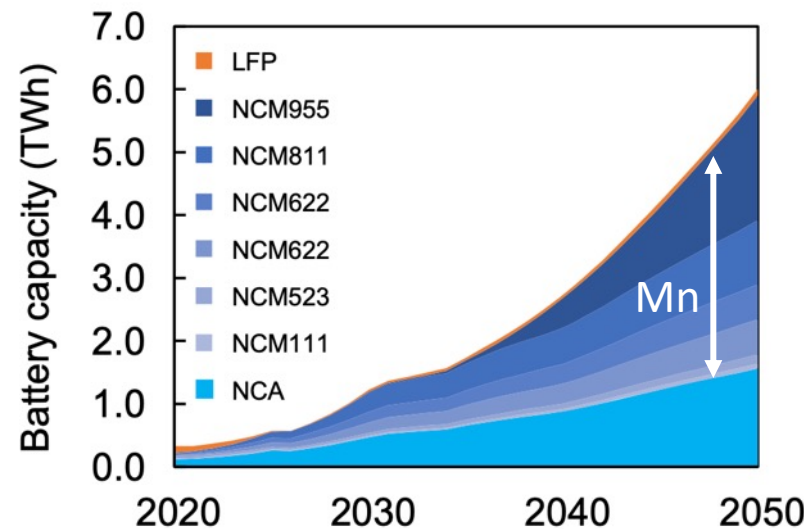
Elon Musk, Tesla

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

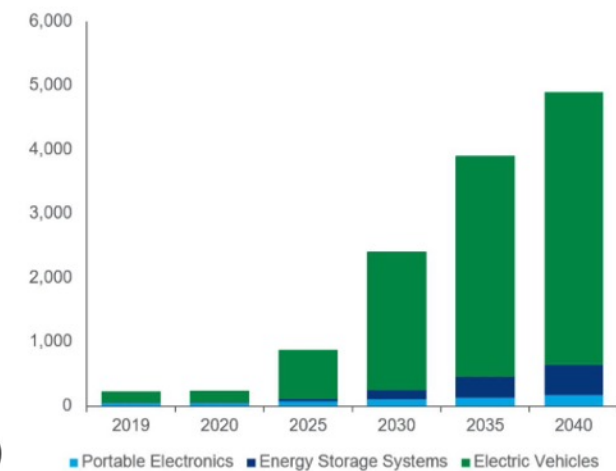
## Li-ion battery market development for electric vehicles



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



## 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**

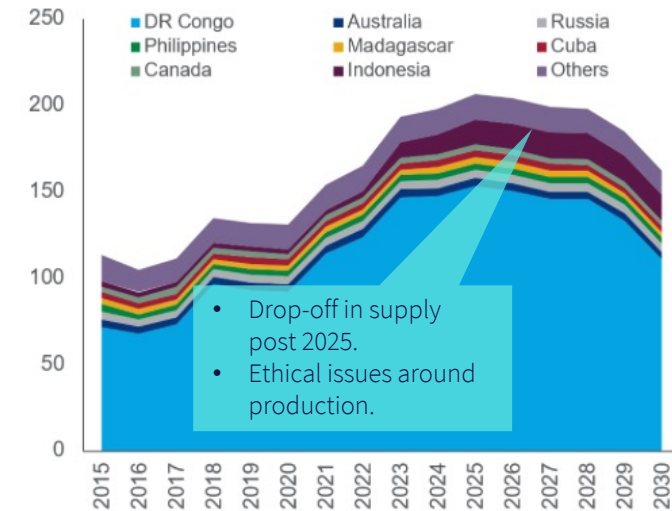
barrels of oil displaced by EVs each day

“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....”

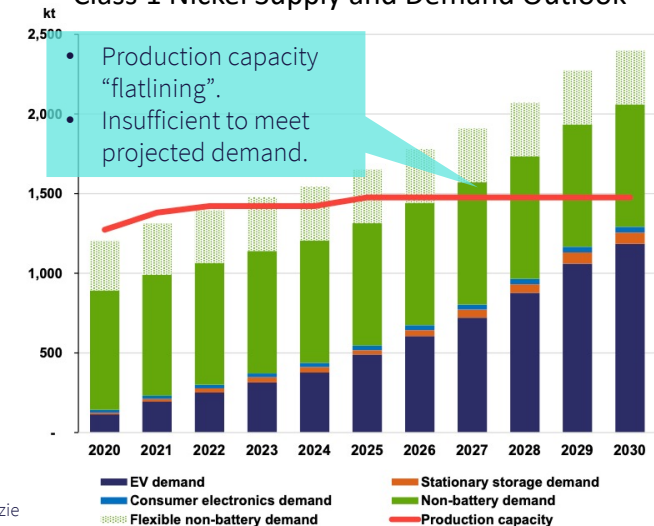
*The Driven, March 2021*

- 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 methods<sup>1</sup>.
- 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.**

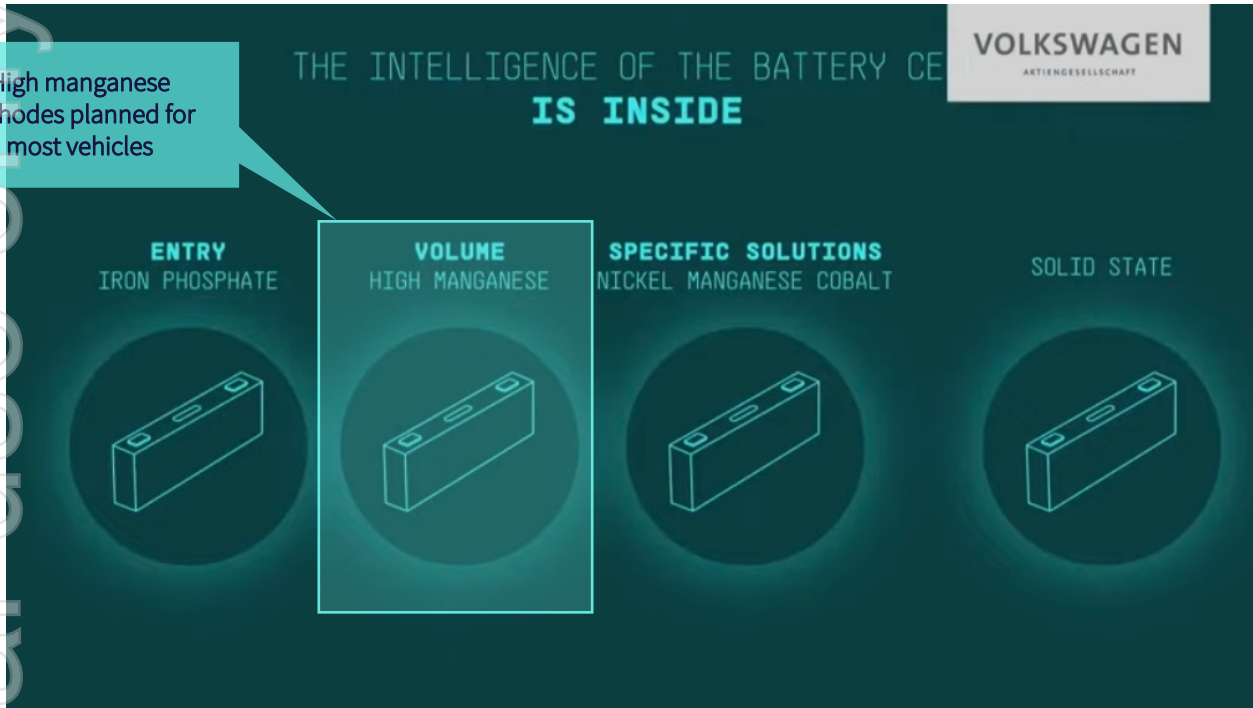
Global mined cobalt output (Kt)



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...



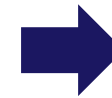
■ Historical ■ Projected

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...

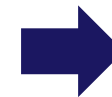
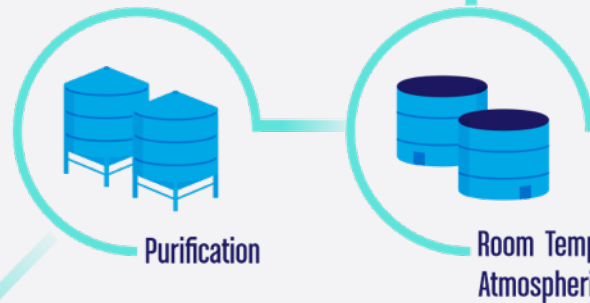


- In Production
- First Shipment June 2021



## 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

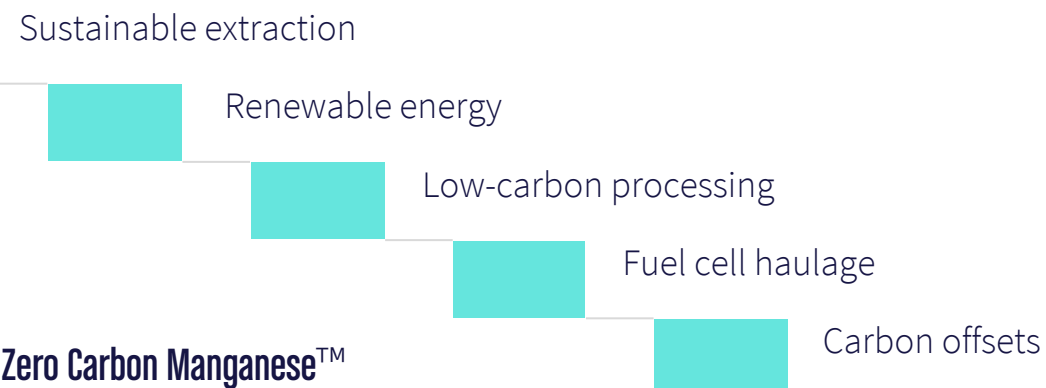


## Stage 3

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 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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