Element 25

The future has always been electric...

QUARTERLY REPORT

30 September 2022

Highlights

Butcherbird Operational Summary

New Daily Record Production Achieved but Wet Weather and Reliability Issues Require Further Improvement

- New daily concentrate production record of 1,251 tonnes of product achieved in August 2022.
- Quarterly production volume increased from June 2022 quarter.
- Unseasonal wet weather continues to disrupt mining and processing operations.
- Operational improvement plan continues to be rolled out.
- Operational costs in line with budget with shipping costs normalising.

Dense media Separation Bulk Trial Confirms Revised Design Focus for Scale Up

- Large scale Dense Media Separation (DMS) trial of Butcherbird manganese ores demonstrates significantly improved grades using a DMS drum circuit vs ore sorters.
- Approximately 280 tonnes of material from the current operational areas transported to existing DMS facility for batch processing to evaluate DMS process effectiveness.
- Results indicate potential product grade improvement of 9-30% above ore sorter product.
- Potential commercial benefits include a reduction in logistic costs and improvements in payability.
- A higher grade product with less waste material achieves a better price with reduced transport costs.
- Butcherbird expansion studies to incorporate a DMS drum (replacing the ore sorters) in the processing circuit design.

High Purity Manganese Feasibility Study on Track for 2022 Delivery

Flowsheet Completion

- Feasibility Study (FS) into the production of battery grade HPMSM from E25 concentrate targeting the expanding lithium-ion battery market progressing on schedule for a 2022 delivery.
- Proprietary process generates battery grade HPMSM with industry endorsement from potential offtake partners.
- Pilot scale test programme being finalised as final confirmation of flowsheet parameters for engineering design.
- E25 Flowsheet provides for "future-proofing" against tightening specifications as battery technologies evolve.

Project Location

- "Design one – build many" (DOBM) to facilitate multiple build sites and minimise localisation requirements.
- Sarawak Malaysia remains an attractive location and is the base case for the current Feasibility Study.
- Inflation Reduction Act (IRA) in the USA has generated strong interest for a USA based facility.
- Inflation Reduction Act provides strong incentives for USA and FTA country supply chains for USA EVs[1].

[1] Reference: https://www.dlapiper.com/en/us/insights/publications/2022/08/inflation-reduction-act-seeks-to-jumpstart-electric-vehicle-market/

- Australian sourced HPMSM meets the requirements of the IRA for vehicle manufacturers to attract USA federal subsidies and is creating strong interest from potential customers with a USA EV or EV battery market presence.
- Element 25 currently studying a USA location in parallel with Malaysia.
- Engagement with Louisiana Economic Development, Baton Rouge Area Chamber and local industry confirms local support for a Louisiana site, which is also supported by discussions with potential offtake/finance partners.

Offtake and Marketing

- Discussions ongoing with potential offtake partners to provide long term HPMSM supply and price security for electric vehicle and battery manufacturers.
- Multiple parallel offtake negotiations underway and scheduled for substantial finalisation before year end 2022.

Project Financing

- Element 25 pursuing a combined offtake/financing solution with Original Equipment Manufacturers (OEM) and cathode manufacturers to provide substantial project funding.
- Project offtake and financing strategies scheduled to be finalised in line with FS completion in December 2022.

Butcherbird Operations

Production

Operations continued at the Company's 100% owned Butcherbird Manganese Project (Project) in Western Australia, highlighted by the successful dispatch of a further shipment of manganese concentrate.

Production Summary	
Category	Tonnes
Opening Inventory	49,210
Mined Ore Tonnes	267,021
Product Tonnes	49,839
Closing Stockpiles	55,055*
*Note: 44,896 tonnes invoiced to 95% of sale value under prepayment terms. Sales comprised part invoicing of closing stocks under prepayment terms and balance of July shipment not previously invoiced.	

Figure 1. Butcherbird Production Summary

Operational improvements continue with respect to debottlenecking the processing plant and gathering material handling knowledge to inform design decisions to improve clay handling both in the current processing installation and the planned expanded facility which is expected to improve overall economics through economies of scaled benefits.

Unseasonal rains have continued to have a significant impact on operations with multiple days of inclement weather recorded on site for a total of approximately 87mm of rainfall in a relatively short period. Despite the best efforts of our operational team, this has continued to result in lost production hours. A planned major shut was brought forward to minimise operation impacts where possible. Despite the difficult conditions, production volumes were improved compared to the previous quarter.

Processing Plant Optimisation

Process improvements and material handling efforts continue, including a redesign of the ROM to improve ore classification to better optimise process conditions for different feed types. Improved systems for plant uptime and availability management centred on the new maintenance and critical spares system rolled out in the previous quarter in line with the aim to raise plant availability to a targeted 85% which has been shown to then be able to deliver nameplate production of 1,000 tpd.

These initiatives should continue to result in improved production volumes which is a key part of the strategy to progress the operation toward the planned stage two expansion work.

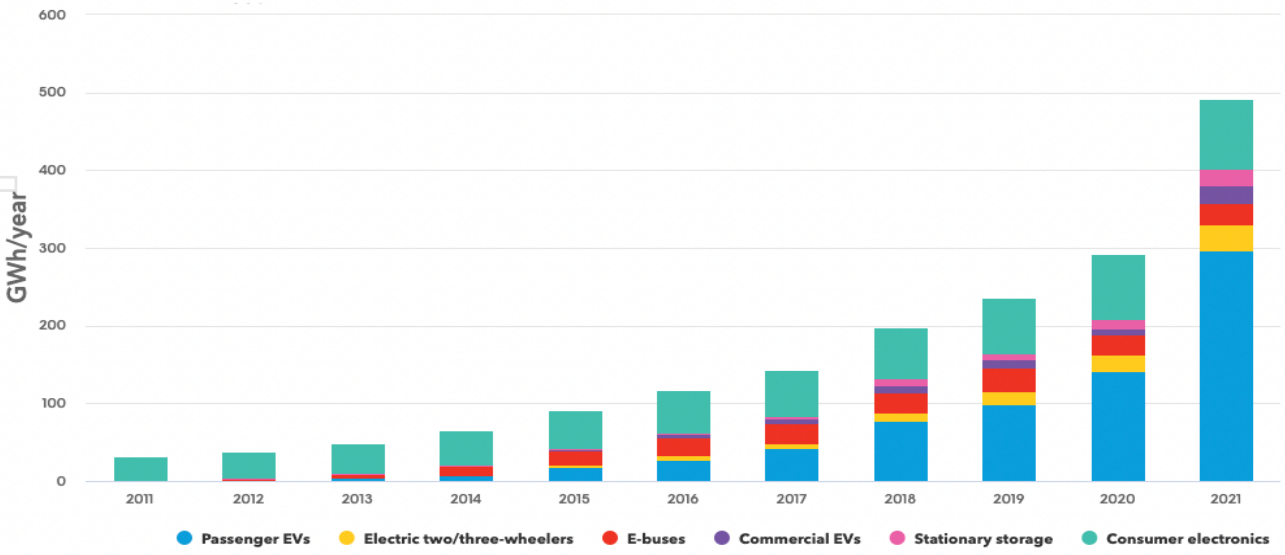
HPMSM Feasibility Progressing on Schedule for 2022 Delivery

USA Inflation Reduction Act sparks interest from potential offtake/financing partners in a USA based location

The Company continues with a key goal of developing conversion capacity to produce high purity battery grade (HPMSM) from manganese oxide concentrates currently produced at the Company's 100% owned Butcherbird Project (Project).

Several locations are being investigated in line with the Company's ambition to develop multiple processing location over time to serve the rapidly expanding lithium-ion battery material markets in different geographic regions with a particular short-term focus on Asia and North America

Annual lithium-ion battery demand by application



Source: BNEF.

Important macro-economic and geopolitical influences support the business case for HPMSM production from an Australian manganese source including widespread efforts to electrify the global vehicle fleet, as well as supply chain

ESG considerations which require more scrutiny on material provenance and a move towards diversifying the source of supply of critical minerals.

HPMSM is the highest purity "battery grade" manganese chemical used in lithium-ion batteries and demand for this specialty material is expected to grow rapidly in coming years[2] in line with the growth in production of EV's and sustainable and ethical considerations will, in the opinion of the Company's board, become an increasingly important factor in sourcing strategies across the globe.

Feasibility Study Overview

The Feasibility Study remains on schedule for completion in December 2022. Vendor pricing and approximate lead times have been received for all major packages with the preliminary numbers for the project capital cost estimate in line with company expectations[3].

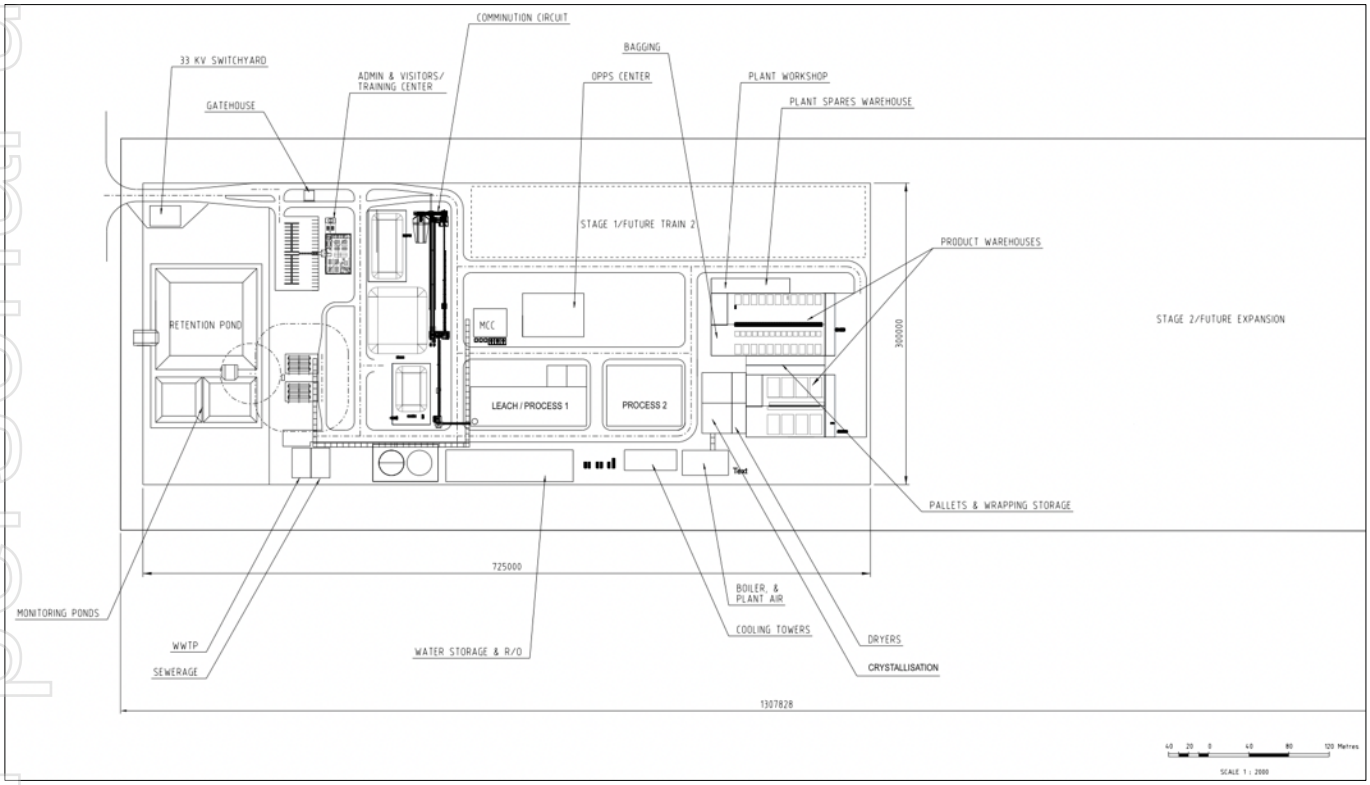


Figure 2. HPMSM processing facility site layout plan.

Ongoing engagement with project engineers and third-party consultants has progressively improved layout and equipment selection with consequent cost optimisation. Decisions around layout and overall design continue to be optimised to align with the DOBM engineering philosophy.

Each HPMSM production module is currently designed with a nameplate production capacity of 65Kt per annum of battery grade HPMSM requiring circa 75Kt per annum of Butcherbird manganese concentrate at a grade of 30-33% Mn as

[2] Reference: https://about.bnef.com/electric-vehicle-outlook/

[3] Reference: https://www.element25.com.au/site/pdf/634d3046-2a69-447e-a1ff-765e6b1a48f7/Scoping-Study-HPMSM-Conversion-Plant-Economics.pdf

the principal feedstock. HPMSM in its purest form contains 32.5% Mn content so the conversion ratio from ore to HPMSM is 1:1 plus any additional required to allow for recovery losses during processing.

Flowsheet Development

Pilot Scale Test programmes

The E25 process flowsheet offers several advantages over existing HPMSM production technologies including reduced reagent consumption and a near zero solid waste footprint due to the production of co-products which can be utilised in complementary processes including the cement, fertiliser and ferro alloy industries.

Process design for the HPMSM facility is largely complete with final metallurgical confirmation of the proprietary Element 25 flowsheet to be based around bulk trials of key purification and crystallisation processes.

The pilot scale test programmes are currently being undertaken in two world class North American test facilities.

The purification and crystallisation programmes are both designed as a final validation of the process parameters but importantly will provide important analytical data to underpin the final design of key processing components from an engineering and project delivery perspective.

In each case the test programmes are being conducted in conjunction with input from preferred equipment manufacturers/vendors to ensure that the transition from feasibility to detailed engineering is as seamless as possible to support the stated project execution timelines for the project.

The test programmes are scheduled for completion by the end of the October 2022 and the results will inform the final inputs into the FS deliverables for both capital and operating cost estimates. The programme will also produce sizeable samples for offtake qualification purposes.

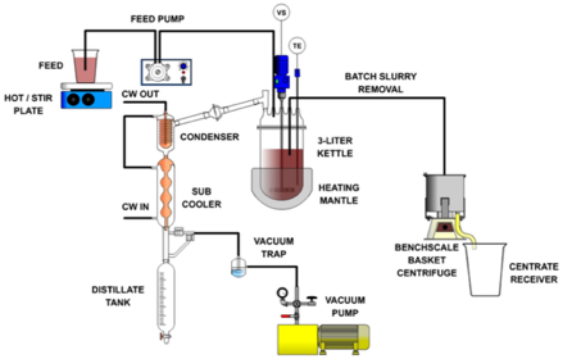


Figure 3. Schematic crystallisation bulk test programme flowsheet design.

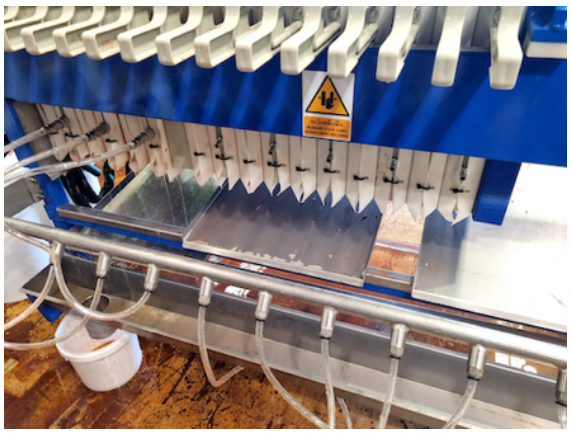


Figure 4. Laboratory test equipment in operation.

Figure 5. Element 25 HPMSM crystalline product.

Offtake/Marketing Update

The impact of the Inflation Reduction Act[4]

The Inflation Reduction Act, (IRA) passed in the USA congress in August 2022 will inject hundreds of billions of dollars into clean energy and EV incentives and programs. A number of the provisions of the IRA directly impact EV supply chains including the HPMSM used in the manufacture of EV batteries.

Importantly, to qualify for certain incentives, a percentage of the value of applicable critical minerals contained in a vehicle's batteries must be extracted or processed in the US or in a country with which the US has a free trade agreement (FTA) (or must have been recycled in North America). Applicable percentages increase from 40 percent prior to 2024, to 80 percent after 2026.

Also significantly, after calendar year 2024, the incentives will not be available for EVs that contain critical minerals that were "extracted, processed, or recycled by a foreign entity of concern" – including companies owned by, controlled by or subject to the jurisdiction of the government of the People's Republic of China.

Importantly for Element 25 investors, qualifying FTA countries include Australia and qualifying critical minerals include manganese, placing the Butcherbird Project and the E25 HPMSM technology in an excellent position to supply US based EV market supply chains in coming years whilst allowing our partners to maintain eligibility for the incentives offered under the IRA scheme.

Offtake/Financing Negotiations

Element 25 has been engaged in constructive discussions with a number of potential offtake partners in relation to the supply of HPMSM using the Element 25 process to satisfy potential growth in demand for HPMSM in lithium-ion battery cathodes for EVs.

Counterparties to these discussions, aimed at securing binding supply agreements with high quality project partners, have included electric vehicle OEMs as well as established cathode and precursor material manufacturers. The discussions have also been focussed on combining offtake, pricing and finance outcomes to bring certainty to project delivery and, in turn, provide supply and pricing certainty to customers.

These discussions are progressing well and in line with stated project timelines, the Company anticipates being in a position to announce binding agreement(s) in the near future.

Project Location

The FS is examining the potential to design a location agnostic conversion facility which can potentially be built in multiple locations to match growing demand from the battery industry, with a design one – build many philosophy.

[4] Reference: https://www.dlapiper.com/en/us/insights/publications/2022/08/inflation-reduction-act-seeks-to-jumpstart-electric-vehicle-market/

Location Option 1 - Samalaju Industrial Park Malaysia

The FS is undertaking location specific investigations into the suitability of a Malaysian location for the first of the proposed HPMSM conversion facilities. The Samalaju Industrial Park located in Sarawak Malaysia is the base case for the FS activities.

Sarawak Malaysia was identified early in the process as a favourable location for the development of a HPMSM facility due to a number of advantages including:

- Logistics infrastructure.
- Relative cost advantages over an Australian construction location.
- Attractive federal and state incentives.
- Proximal access to reagents.
- Access to co-product customers which allows a near zero solid waste process flow.

Within the Samalaju location, a preferred site has been identified and a land application has been submitted. Once this is approved, formal applications for various incentive packages will be submitted to the Malaysian Industrial Development Authority (**MIDA**) as well as to local Sarawak State regulators.

Figure 6. Samalaju Industrial Park - established port facilities including established bulk manganese import capability.

Location Option 2 - Louisiana USA

The passing of the IRA in the USA has had a strong positive impact on the level of interest from both potential offtake and financing partners to construct a HPMSM production facility in the USA to take advantage of federal government incentives for a USA based EV supply chain including battery material inputs.

Louisiana has been identified as a favourable location for the development of a HPMSM facility due to several advantages including:

- Logistics infrastructure.
- Relative cost advantages over an Australian construction location.
- Proximal access to reagents and complementary chemical installations.
- Satisfaction of the IRA requirements for US based EV supply chains to attract local offtake/finance partners.
- Availability of land and rapid permitting for pre-approved sites.
- Access to co-product customers which supports a near zero solid waste process flow.
- Skilled labour availability.

Figure 7. Established industries in Louisiana offer synergies for reagents, power and other inputs.

Figure 8. The Mississippi River provides inbound and outbound logistics access to US markets.

Figure 9. Initial engagement with local stakeholders indicates support for a Louisiana facility.

Along with the benefit of past local experience in Louisiana within the E25 Project executive, a site visit was undertaken in September 2022 to commence engagement with local stakeholders. The site visit confirmed Louisiana as a preferred location for a HPMSM processing facility with strong local support and favourable local infrastructure and reagent supply chains.

Work will now continue on these preliminary works and once offtake and financing agreements are finalised with support for a Louisiana location, work will commence in earnest on this development option.

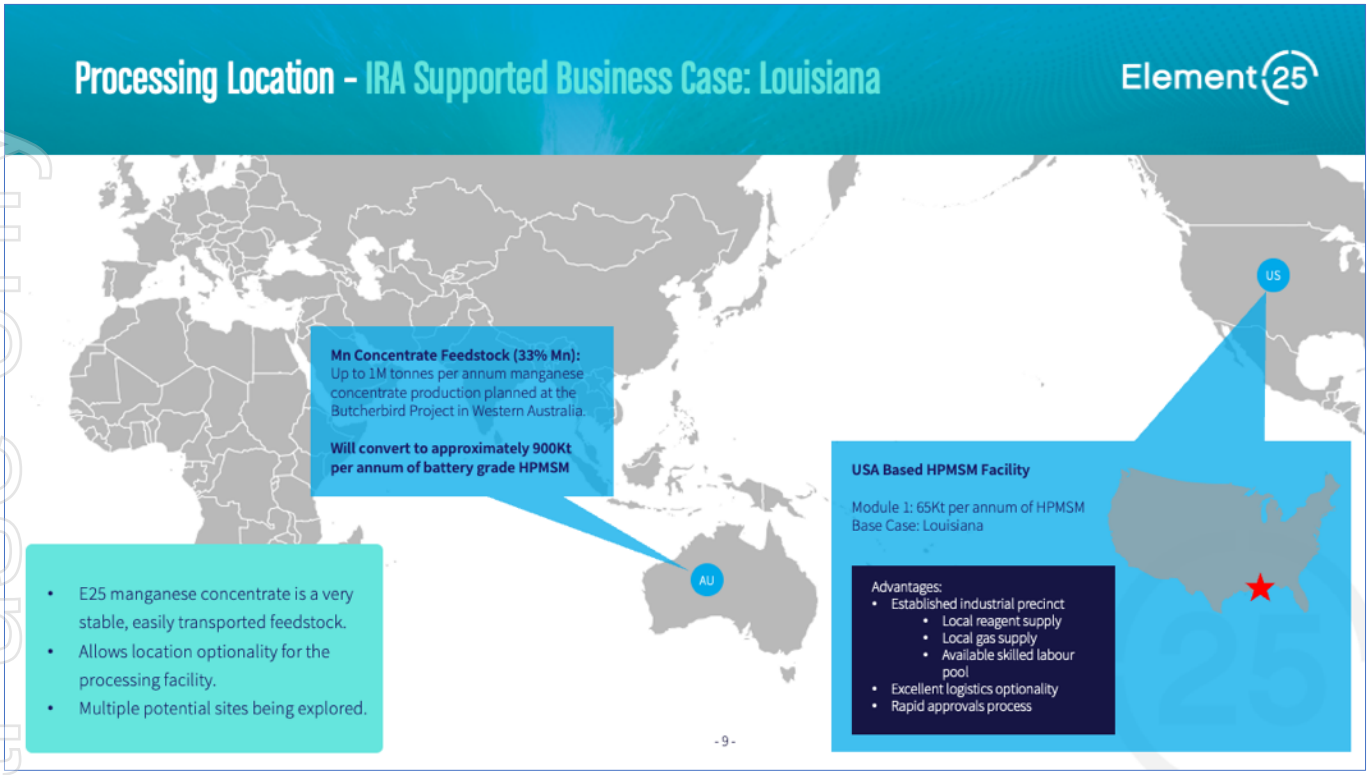


Figure 10. Element 25 is evaluating a USA based option supported by USA offtake and financing in response to the IRA legislation.

Dense media Separation Bulk Trial Confirms Revised Design Focus

A bulk Dense Media Separation (DMS) trial was completed in August 2022, processing approximately 280 tonnes of Butcherbird manganese ores through the DMS plant located at the Bootu Creek Manganese Mine in the Northern Territory.

The Bootu Creek Mine is owned by E25's off-take partner, OM Holdings Limited (OMH). The test programme was undertaken in mid-June 2022.

The 280 tonne trial parcel, made up of six parcels of between 44 to 49 tonnes each, was transported to the Bootu Creek Manganese Mine via road train for processing through the existing production DMS facility.

Figure 11. Bootu Creek DMS processing plant (ref: DRA Global)

The six parcels were processed through the DMS drum plant using three different media densities of 2.7, 2.9 and 3.1 g/cm^3, to provide data on the optimal processing design parameters for Butcherbird material.

The trial results clearly indicate that the use of a DMS drum can meaningfully improve manganese product grades by improving the elimination of waste and gangue materials from the product stream.

Manganese pricing is positively impacted by higher grades and eliminating sub-grade waste material also reduces the overall haulage and shipping costs of transporting the concentrate to market, thereby reducing overall operating costs, .

Figure 12. Butcherbird feed material on the wash screen after densimetric separation showing a clear delineation product and waste.

Trial Programme Results

Six parcels of ore were processed. Sample A consisted of five parcels of low-grade Butcherbird post ore-sorter manganese product with the primary feed material sourced from current operational mining faces to provide material for the test programme. Sample B consisted of a single sample of post- scalper ore which had undergone primary screening for the removal of fines material, with the coarse fraction used for the test programme through the DMS circuit. This was then compared to material from the same parcel of scalped ore which was further processed at Butcherbird via the existing process plant.

The results from the DMS processing of Sample A resulted in the removal of an additional 3.5-7.3% of waste material by weight from the run-of-mine feed that had undergone processing using the current production circuit. All cut densities yielded a similar result with a slightly better result at the highest cut density of 3.1 g/cm^3.

The net result is an increase in the final manganese grades from 28.3% Mn to up to 30.9% Mn, equivalent to a 9.1% improvement. Importantly this demonstrates that even for material where the ore-sorters struggle to achieve the optimum product grades, the DMS process is likely to deliver a higher product grade.

	DMS Density (g/cm^3)	Product Grade (% Mn)	Grade Uplift (%)	Product Volume Saving compared to Ore Sorter (%)
Ore Sorter Grade	-	28.30		-
DMS Grade	2.7	30.84	9.0	3.5
	2.9	30.85	9.0	4.5
	3.1	30.88	9.1	7.3

Figure 13. DMS test results for Sample A

Sample B comprised sub-grade material which was treated using two different methods. The bulk of the parcel was processed through the existing plant at Butcherbird, and yielded a below specification grade of 24.4% Mn due to presence of clays and other factors which impacted the effective operation of the ore sorter and its ability to remove the waste material.

Figure 14. Butchebrird ore post DMS processing

The ore sorters work using optical colour sensors which measure the Red-Green-Blue (RGB) colour of each feed particle. The sorters classify each particle as either ore or waste according to the algorithm that is currently being used. Consequently, it is very important that material is presented as cleanly as possible as any surficial clays or other debris can negatively impact the ore sorter effectiveness.

The DMS process relies on particle density so surface contamination should have only a minor detrimental impact. Importantly and as expected, the DMS plant was not effected by the presence of clays and other surface effects and successfully upgraded the relatively poor ore-sorter result of 24.4% Mn to an significantly improved grade of 32-33.4% Mn depending on the cut density.

As the cut density increases, the product grade increases, also as expected, however there is an associated recovery loss. The optimal density cut is still to be defined, however it is clear from these results that a relatively easily achievable medium density of 2.7 is adequate and the optimal density may be even lower, potentially reducing media costs.

	DMS Density (g/cm³)	Manganese Grade (%Mn)	Mn Recovery (%)	Rejects Volume (%)	Extra Rejects Removed compared to Ore Sorting alone (%)
Scalper Feed	-	9.8	-	-	-
Ore Sorter Feed	-	21.5	100.0	-	-
Ore Sorter Product	-	24.4	82.1	27.8	-
DMS Grade	2.7	32.0	92.2	36.5	8.7
	2.9	32.2	88.6	39.7	11.9
	3.1	33.4	72.2	59.5	31.7

Figure 15. DMS test results for Sample B

Sample B shows that the use of a DMS circuit can increase the manganese grade by an extra 7.55 to 8.92% by the removal of material which is currently part of the tonnage of waste in the Ore Sorter product. This allows manganese grades to increase from 24.4% Mn to between 32.0% and 33.4% Mn for that material, equivalent to at least a 30% improvement.

Project Team Focus

E25's Operations team continues to focus on delivering sustained nameplate production. The Business Development team is focussing on E25's multi-stage development strategy, including a Stage 2 expansion of the concentrate business in parallel with the Stage 3 development of a conversion facility to convert the concentrate material into HPMSM for EV batteries to power the global transition away from fossil fuel powered mobility.

Manganese is emerging as an increasingly important ingredient for EV batteries, with potential supply constraints for nickel and cobalt forcing battery manufacturers to look to high manganese cathodes to produce the vast amount of cathode material required by the EV industry in coming years[5].

The Project is ideally placed to feed this potential demand, with advanced flowsheet development work undertaken in 2019 and 2020 confirming a simple leach process for E25 ores which, when combined with offsets, will target the world's first Zero Carbon Manganese for EV cathode manufacture[6].

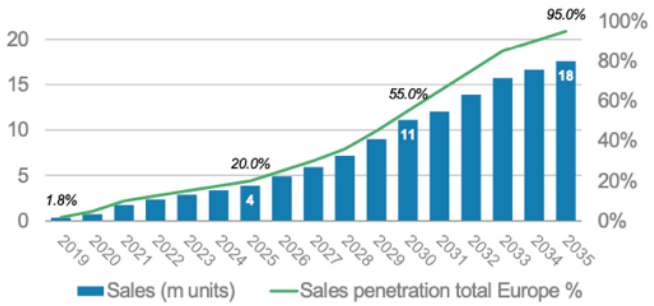
The Company released a Scoping Study (Study) in January 2022[7] to update the market prior to the release of the Feasibility Study which is currently being completed.

[5] https://thenextavenue.com/2021/01/22/svolt-opens-orders-for-its-nmx-nickel-manganese-batteries/

[6] Reference: Company ASX release dated 12 February 2019

[7] Reference: Company ASX release dated 18 January 2022

Battery EV Penetration Rate Forecast to Increase



Source: ACEA, Morgan Stanley Research estimates

Table 1. Europe BEV sales volumes (m) and penetration (%)

As battery electric vehicle (BEV) makers seek to increase the uptake of electric vehicles, one commercial driver is cost reduction. VW's Power Day suggested a 50% cost reduction for batteries with cell design (-15%), production process (-10%), cathode/anode materials (-20%) and battery systems (-5%) driving the change. Global BEV penetration is expected to rise to 15.2% by 2025 and 39.5% in 2030 – led by Europe and China, according to Morgan Stanley's latest report[8]. The main driver in the cathode materials is a shift to a high manganese cathode material for the volume production, which is expected to underpin strong demand growth for battery-grade manganese sulphate. Current estimates put demand by 2030 at 13 times current supply and a deficit of 1.3Mt even factoring in planned supply increases[9].

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 ore[10]. 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)

[8] Morgan Stanley Research published 3 September 2021
[9] Euromanganese company presentation dated September 2021
[10] Reference: Company ASX release dated 17 April 2019.

Mining Reserve

Based on the results of the Pre-Feasibility Study completed in May 2020, E25 has published a Maiden Ore Reserve for the Project of 50.55Mt in the Proved and Probable categories[11].

Classification	Tonnes (Mt)	Grade (Mn%)	Contained Mn (Mt)	Recovered Mn (Mt)
Proved	14.4	11.5	1.65	1.35
Probable	36.2	9.8	3.56	2.92
Total	50.6	10.3	5.21	4.27

Corporate

Appointment of Joint Chief Financial Officer and Joint Company Secretary

During the quarter, the Company advised that Mr Errol Turner has stepped down as Joint Company Secretary, effective 29 July 2022 as part of the Company's transition towards streamlining the corporate functions of the business, and Mr Michael Jordon continues as Chief Financial Officer and Company Secretary.

Mr Jordon has over 25 years' experience across many industries with a focus on manufacturing and service delivery sectors. He has most recently held positions of Chief Financial Officer and Chief Operating Officer. Over the period he has been responsible for business start up development, merger and acquisition and business financing activities across Australia, Europe and America.

Investment Portfolio (as at 30 September 2022)

In addition to cash reserves, the Company also currently holds securities in the following listed entities:

Listed securities at market value:	No. Held
Anova Metals Ltd (ASX:AWV)	7,000,000
Buxton Resources Ltd (ASX:BUX)	356,001
Duketon Mining (ASX:DKM)	1,450,000
Danakali Limited (ASX:DNK)	6,001,331

Justin Brown

Managing Director

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

[11] Reference: Element 25 Limited Reserve Statement lodged with ASX 19 May 2020.

ASX Additional Information

Appendix 5B Quarterly Report and Statement of Cash Flows

The ASX Appendix 5B quarterly report covering the three month period ending 30 September 2022 is attached and lodged with this report.

Payments to Related Parties and their Associates

In accordance with ASX Listing Rule 5.3.5, payments to related parties of the Company and their associates during the quarter totalled $102,000 comprising salary, directors' fees, consulting fees and superannuation.

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.

ASX Additional Information for Quarterly Report to 30 September 2022

	Tenement reference	Location	Interest at beginning of quarter	Acquired/ Disposed	Interest at end of quarter
The mining tenements held at the end of the quarter and their location	E09/2415	Isle Bore WA	100%	Disposed	0%
	E20/659	Eelya Hill WA	10%	N/A	10%
	E28/2577	Pinnacles WA	100%	N/A	100%
	E28/2761	Flanker South WA	100%	N/A	100%
	E46/1366	Black Hill WA	100%	N/A	100%
	E52/1529	Mt Padbury WA	100% (Note 1)	N/A	100% (Note 1)
	E52/2350	Butcher Bird WA	100%	N/A	100%
	E52/3606	Yanneri Bore WA	100%	N/A	100%
	E52/3706	Yanneri Pool WA	100%	N/A	100%
	E52/3735	Limestone Bore WA	100%	N/A	100%
	E52/3769	Kumarina WA	100%	N/A	100%
	E52/3779	Beyondie Bluff WA	100%	N/A	100%
	E52/3840	Woolgatharra Pool WA	100%	Disposed	0%
	E52/3858	Yanneri Well WA	100%	N/A	100%
	E52/4022	Corner Bore WA	100%	N/A	100%
	E52/4055	Weelarrana WA	100%	N/A	100%
	E52/4064	Neds Gap WA	100%	N/A	100%
	E52/4149	Neds Gap WA	0%	Acquired	100%
	E52/4153	Yanneri Well WA	0%	Acquired	100%
	E52/4155	Weelarrana WA	0%	Acquired	100%
	L52/211	Limestone Bore WA	100%	N/A	100%
	L52/215	Butcherbird East 1 WA	100%	N/A	100%
	L52/216	Butcherbird East 2 WA	100%	N/A	100%
	L52/217	Butcherbird East 3 WA	100%	N/A	100%
	L52/218	Butcherbird East 4 WA	100%	N/A	100%
	L52/220	Butcherbird East 5 WA	100%	N/A	100%
	L52/221	Butcherbird East 6 WA	100%	N/A	100%
	L52/225	Butcherbird East 7 WA	100%	N/A	100%
	M52/1074	Yaneri Ridge WA	100%	N/A	100%
	E57/1060	Victory Well WA	20%	N/A	20%
	E63/2027	Lake Johnston WA	100%	N/A	100%

Notes:

1) 100% interest held in all minerals other than iron ore and manganese.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Element 25 Limited

ABN	Quarter ended ("current quarter")
46 119 711 929	30 Sept 2022

	Consolidated statement of cash flows	Current quarter $A'000	Year to date (12 months) $A'000
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	13,231	13,231
1.2	Payments for		
	(a) exploration & evaluation	(42)	(42)
	(b) development	(600)	(600)
	(c) production	(10,570)	(10,570)
	(d) staff costs	(1,499)	(1,499)
	(e) administration and corporate costs	(443)	(443)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	1	1
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	212	212
1.8	Other - Movement of cash previously classified as non-restricted	8	8
1.9	**Net cash from / (used in) operating activities**	**298**	**298**
2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(215)	(215)
	(d) exploration & evaluation	-	-
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter $A'000	Year to date (12 months) $A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	**Net cash from / (used in) investing activities**	**(215)**	**(215)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (lease payments)	(92)	(92)
3.10	**Net cash from / (used in) financing activities**	**(92)**	**(92)**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	14,928	14,928
4.2	Net cash from / (used in) operating activities (item 1.9 above)	298	298
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(215)	(215)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(92)	(92)

Consolidated statement of cash flows		Current quarter $A'000	Year to date (12 months) $A'000
4.5	Effect of movement in exchange rates on cash held	157	157
4.6	**Cash and cash equivalents at end of period**	**15,076**	**15,076**

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter $A'000	Previous quarter $A'000
5.1	Bank balances	15,076	14,928
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**15,076***	**14,928**

* Excludes 30 September market value of listed equity investments of $2,429,500.

6.	Payments to related parties of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	102
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	-	-

7.5	**Unused financing facilities available at quarter end**	-

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

N/A

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	298
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3	Total relevant outgoings (item 8.1 + item 8.2)	298
8.4	Cash and cash equivalents at quarter end (item 4.6)	15,076
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	15,076
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	N/A

Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.

8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:

8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

N/A

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

N/A

8.8.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
N/A	

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: 28 October 2022

'Signed electronically'

Authorised by: Board of Directors
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

6. By the Company lodging this Appendix 5B, the Managing Director and CFO declare that the Appendix 5B for the relevant quarter:

   - presents a true and fair view, in all material respects, of the cashflows of the Company for the relevant quarter and is in accordance with relevant accounting standards;
   - the statement given above is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board; and
   - the Company's financial records have been properly maintained and the Company's risk management and internal compliance and control system is operating efficiently and effectively in all material respects.