

## E25 signs Offtake and Project Financing Agreement with Global Mobility Provider Stellantis

Element 25 to supply battery-grade manganese sulphate to support Stellantis' EV strategy under world-first upstream investment by a top-tier automaker into a listed manganese company.

- Element 25 Ltd (E25) and Stellantis N.V. (NYSE / MTA / Euronext Paris: STLA) (Stellantis) sign definitive agreements for the supply of battery-grade high-purity manganese sulphate (HPMSM) for Stellantis' EV battery requirements.
- E25 to supply HPMSM for a minimum of five years, with opportunities to extend.
- E25 to supply up to 10,000tpa HPMSM for five years with provisions to increase volumes.
- Stellantis to part-fund development of E25's HPMSM processing facility with US\$30M investment in two tranches.

Element 25 Limited (E25 or Company) (ASX:E25) is pleased to announce the signing of a binding agreement (Agreement) with Stellantis N.V. (Stellantis) to supply battery-grade high purity, manganese sulphate monohydrate (HPMSM) from E25's proposed USA-based HPMSM processing facility (the Facility).

The Agreement combines take or pay offtake commitments for 45Kt of HPMSM from the facility over five years with US\$30M in two tranches of project funding towards the facility capital cost. The key commercial terms are outlined in further detail in Appendix A to this announcement.

Element 25 Managing Director Justin Brown commented: "Stellantis' support for Element 25's high purity battery-grade manganese sulphate project is a fantastic endorsement by one of the world's largest automakers and supports our plans to become a globally significant long-term supplier of battery materials to meet growing global demand. 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."

"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%-owned Butcherbird Project in Western Australia to deliver sustainable, ethically sourced battery grade manganese to the electric vehicle industry."

Performance of the parties under the binding term sheet is conditioned on satisfactory completion of technical due diligence and a feasibility study.

### COMPANY SNAPSHOT

#### Market Summary

ASX code: E25  
Shares on issue: 185M  
Share price: \$0.96

#### Board of Directors:

Seamus Cornelius	Chairman
Justin Brown	MD
John Ribbons	NED

Element 25 Limited is developing the world class Butcherbird Manganese Project in Western Australia to produce ethically sourced, sustainable, high quality manganese products including lithium-ion battery grade manganese sulphate monohydrate (HPMSM) for the rapidly growing electric vehicle (EV) battery markets.

## About Stellantis

Stellantis N.V. (NYSE / MTA / Euronext Paris: STLA) is one of the world's leading automakers and a mobility provider. Its storied and iconic brands embody the passion of their visionary founders and today's customers in their innovative products and services, including Abarth, Alfa Romeo, Chrysler, Citroën, Dodge, DS Automobiles, Fiat, Jeep®, Lancia, Maserati, Opel, Peugeot, Ram, Vauxhall, Free2move and Leasys. Powered by our diversity, we lead the way the world moves – aspiring to become the greatest sustainable mobility tech company, not the biggest, while creating added value for all stakeholders as well as the communities in which it operates. For more information, visit [www.stellantis.com](http://www.stellantis.com).

## About Element 25

Element 25 is an ASX listed company (ASX: E25) operating the world class 100%-owned Butcherbird Manganese Project in Western Australia and developing high purity manganese sulphate monohydrate (HPMSM) products for traditional and new energy markets. It aims to become an industry leading, world class, low-carbon battery materials manufacturer.

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

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## 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.

## Appendix A - Summary of Material Commercial Terms

The Agreement contemplates parallel commitments from the parties including:

- Take or pay obligations for Stellantis under an Offtake Agreement to buy 45Kt of battery-grade HPMSM from Element 25 (E25) over a five-year period.
- The equity funding of US\$15M under the Share Subscription Agreement is at a price calculated on the volume-weighted average price (VWAP) of E25 shares in the 20 days prior to the FS announcement or at A\$1.00 per share, whichever is higher. E25 intends to hold a shareholder meeting as soon as practicable to ratify prior share issuances and restore capacity under LR 7.1/7.1A to issue the shares pursuant to the equity funding.
- Further funding of US\$15M is structured as a Prepayment Agreement to be repaid out of HPMSM supplied under the Offtake Agreement to Stellantis over a five-year period, on commercial terms normal for a facility of this type including interest at the prevailing consumer price index inflation rate over the term.

The funds raised will be directed towards the construction costs of the Facility.

The agreements are subject to several conditions precedent (CPs) as expected for an agreement of this nature, including:

### CPs for the overall transaction – by 30 April 2023:

- Stellantis completing a technical due diligence process to its satisfaction.
- E25 completing a successful HPMSM Feasibility Study (FS) for a USA-based HPMSM facility to Stellantis' reasonable satisfaction.
- A decision by the E25 board to proceed with the project based on the FS.

### CP for the Share Subscription Agreement and Offtake Agreement – by 30 April 2023

- E25 securing a minimum of US\$100M project financing.

### CP for the Prepayment Agreement – by 30 June 2023

- E25 securing a minimum of US\$200M project financing.

The supply of HPMSM to Stellantis is expected to commence in 2026, with volumes of 5,000t of HPMSM in year one of operations, increasing to 10,000t in years two to five.

- E25 will supply quantities of HPMSM produced at the Facility and that meets purity and other specifications as defined in the agreement (**Product**).
  - E25 and Stellantis have agreed a product qualification process to be satisfied by 1 January 2026.
  - Start of commercial delivery of the Product from January 2026.
  - Supply of 45Kt of HPMSM over five years from commencement.
- Term of the offtake to be for an initial five-year period, subject to extension by mutual agreement.