

## GENERAL MOTORS AND ELEMENT 25 TO EXPAND U.S. EV SUPPLY CHAIN WITH DOMESTIC MANGANESE SULFATE PRODUCTION

### Element 25 to supply battery-grade manganese sulfate (HPMSM) to General Motors' (GM) USA Ultium Battery Plants; GM to provide US\$85M Project Financing for E25's Louisiana HPMSM Facility

- Element 25 Limited and General Motors LLC (GM) sign definitive agreement for the supply of battery grade high-purity manganese sulfate (HPMSM) for GM's electric vehicle (EV) battery requirements.
- Element 25 to supply GM with manganese sulfate required to scale EV capacity in North America beyond 1 million units annually.
- Element 25 plans to build its first manganese sulfate facility in the U.S. which will process manganese from its Butcherbird mine in Western Australia.
- GM to provide US\$85 million (~A\$128 million) loan to Element 25 to build its facility in Louisiana.

**DETROIT, USA and PERTH, AUSTRALIA** – Element 25 Limited (**E25** or **Company**) (**ASX: E25**) and General Motors Co. (**NYSE: GM**) announce an agreement for E25 to supply up to 32,500 metric tons of manganese sulfate annually, which will support GM's annual production of more than **1 million EVs** in North America.

Under the agreement, GM will provide E25 with a US\$85 million loan to partially fund the construction of a new facility in Louisiana, USA, for production of battery-grade manganese sulfate – a key component in lithium-ion battery cathodes – starting in 2025<sup>1</sup>. (**Facility**) At the facility, E25 will produce manganese sulfate by processing manganese concentrate from its mining operations in Western Australia. It is expected to be the first facility of its kind in the U.S.<sup>2</sup>.

**Element 25 Managing Director Justin Brown said:** “E25 aims to be a leading source of high quality, vertically integrated, traceable and ESG-compliant battery material to the global electric vehicle industry and GM's support does more than accelerate our strategy for HPMSM production in the United States. Together, we are creating a resilient and sustainable North American supply chain that will help introduce millions of customers to the performance and environmental benefits of EVs.”

**GM executive vice president, Global Product Development, Purchasing and Supply Chain, Doug Parks said:** “GM is scaling EV production in North America well past 1 million units annually and our direct investments in battery raw materials, processing and components for EVs are providing certainty of supply, favorable commercial terms and thousands of new jobs, especially in the U.S., Canada and with free trade agreement countries such as Australia. The facility E25 will build in Louisiana is significant because it's expected to be the first plant in the United States to produce battery-grade manganese sulfate, a key component of cathode active material which helps improve EV battery cell cost.”

<sup>1</sup> Reference: Company ASX Release dated 12 April 2023.

<sup>2</sup> Reference: Company ASX Release dated 30 September 2022.

Element 25 expects to invest approximately US\$290 million to build the 230,000-square-foot facility. Site preparation is planned to begin in Q3 CY2023, and the plant is scheduled to open in 2025. The facility is projected to create approximately 200 permanent jobs when it is fully operational.

GM continues to strengthen its domestic supply base for EV production. In addition to manganese sulfate, GM has announced direct investments in lithium, nickel and other commodities, as well as cathode active material (**CAM**). GM and its joint venture partners are installing 160GWh of battery cell manufacturing capacity in the U.S., and its suppliers are onshoring production of permanent magnets and other EV components to North America. To date, these initiatives are creating thousands of jobs in states and provinces including California, Louisiana, Nevada, Texas, Ohio, Michigan, Tennessee, Ontario and Quebec.

**Element 25 Limited (ASX: E25)** operates the world class 100%-owned Butcherbird Manganese Project in Western Australia (Butcherbird), shipping high quality manganese oxide concentrate to partners in traditional steel related industries. Element 25 has developed an innovative, proprietary, low-cost flowsheet to convert Butcherbird manganese concentrate into battery grade high purity manganese sulfate monohydrate (**HPMSM**) to supply the global EV industry. Manganese sulfate is a precursor for battery cathode active material and critical in Australia, Europe and the USA. Element 25 aims to become an industry leading, world class, low-carbon battery materials manufacturer underpinned by the large, long life manganese resource at Butcherbird. 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).

**General Motors (NYSE:GM)** is a global company focused on advancing an all-electric future that is inclusive and accessible to all. At the heart of this strategy is the Ultium battery platform, which will power everything from mass-market to high-performance vehicles. General Motors, its subsidiaries and its joint venture entities sell vehicles under the Chevrolet, Buick, GMC, Cadillac, Baojun and Wuling brands. More information on the company and its subsidiaries, including OnStar, a global leader in vehicle safety and security services, can be found at <https://www.gm.com>.

This announcement has been authorized for release to the ASX by the Board of Directors of Element 25 Limited.

**CONTACTS:**

**Justin Brown**  
 Managing Director  
 Email: [admin@e25.com.au](mailto:admin@e25.com.au)  
 Phone: +61 (8) 6375 2525

**David Caldwell**  
 GM Communications  
 586-899-7861  
[david.caldwell@gm.com](mailto:david.caldwell@gm.com)

**Nathan Ryan**  
 Email: [nathan.ryan@nwrcommunications.com.au](mailto:nathan.ryan@nwrcommunications.com.au)  
 Phone: +61 (0) 420 582 887

**Priscilla Zuchowski**  
 GM Communications  
 630-927-2469  
[priscilla.zuchowski@gm.com](mailto:priscilla.zuchowski@gm.com)

## Appendix A - Summary of Material Commercial Terms

The Agreement contemplates parallel commitments from the parties including:

- An Offtake Agreement for GM to buy up to 32,500 tonnes per annum of battery-grade HPMSM from Element 25 (E25) over a seven-year period from the proposed Facility in Louisiana (**Offtake**).
- Investment of US\$85M structured as senior secured debt repayable over a seven-year period (linked to the term of the Supply Agreement), on commercial terms normal for a facility of this type (Loan).
- The Loan is secured over the assets of the Facility and the operating entity (Element 25 (Louisiana) LLC) (Borrower) which is a wholly owned subsidiary of Element 25 Limited, the Australian parent.

The funds 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:

- GM acceptance of the Feasibility Study (**FS**).
- A decision by the E25 board to proceed with the project based on the FS.
- Execution of the proposed lease for the plant site in Louisiana by November 2023.

### CP for first Loan drawdown:

- Satisfaction of the remaining conditions pursuant to other subordinated debt.
- E25 securing project financing for the balance of the project financing requirements.
- Provision of a final project budget satisfactory to GM.
- Other conditions customary of a senior secured financing including no event of default having occurred.

### Supply of HPMSM to GM is expected to commence in 2025:

- 2025 volumes aligned with planned production ramp-up schedule.
- For years 2026-2032, GM commits to directly or indirectly purchase and E25 commits to supply HPMSM, based on requirements related to GM's North American EV vehicle production.
- E25 will supply quantities of HPMSM produced at the Facility and that meets purity and other specifications as defined in the agreement (**Product**).
- Start of commercial delivery of the product from Facility commissioning in 2025.
- Term of the offtake to be for an initial seven-year period, subject to extension by mutual agreement.