

# BUTCHERBIRD EXPANSION PROJECT ADVANCES THROUGH NAIF FUNDING PROCESS

Element 25 Limited (**E25** or **Company**) (**ASX: E25; OTCQX: ELMTF**) is pleased to advise the Northern Australia Infrastructure Facility (**NAIF**) has completed a strategic assessment of the Butcherbird Stage 2 Expansion Project (**Butcherbird** or **Project**). E25 aims to increase Butcherbird's annual production to 1.1 million tonnes per annum of manganese oxide concentrate in line with the Feasibility Study (**FS**) announced in January 2024<sup>1</sup>.

The Expansion Project is now proceeding to the detailed due diligence phase of the NAIF assessment process.

NAIF is a Commonwealth Government financier providing concessional loans for the development of infrastructure projects in northern Australia and the Australian Indian Ocean Territories to deliver economic and social growth<sup>2</sup>.

Completion of a strategic assessment by NAIF does not represent a formal decision to offer or commit finance. NAIF has not yet made any decision to offer finance or made any commitment to provide any financial support to the Project, and there is no certainty that an agreement will be reached between the parties.

**Element 25 Managing Director Justin Brown said:** “*Our Butcherbird Project hosts a world-class manganese deposit with more than 260Mt in resources, which will have the ability to underpin a long life producing asset<sup>3</sup>. The results of our Feasibility Study for the Expansion Project<sup>1</sup> show the potential for this asset to deliver over 1 million tonnes of manganese concentrate per year to market, generating strong returns for shareholders and providing feedstock for the Company's planned HPMSM facility in Louisiana. Having NAIF involved in the project is a positive step towards financing its expansion.*”

## BUTCHERBIRD EXPANSION PROJECT

E25 plans to expand its Butcherbird operations to 1.1Mtpa manganese concentrate production using expanded open-cut mining methods, a modified primary comminution circuit and a dense media separation (**DMS**) back-end solution to optimise grade and recoveries. Expansion would establish Butcherbird as a low-cost Mn operator (estimated US\$2.76/dmtu C1 FOB cost<sup>1</sup>) able to produce at a cost lower than the low manganese sale price points seen within the Mn market. Mineral Resources used to support the Project's 7.2-year mine life from 2024 to 2031 represents 36.0% of the total mineral resource inventory within the granted mining lease M52/1074.

<sup>1</sup> Reference E25 ASX release dated 23 January 2024

<sup>2</sup> <https://www.naif.gov.au/>

<sup>3</sup> Reference E25 ASX release dated 29 September 2023






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**ASX Ticker:** E25  
**OTCQX Ticker:** ELMTF  
**Issued Shares:** 218M  
**Debt:** Nil

E25's expanded production strategy complements and enhances its plan to develop a HPMSM (high purity manganese sulfate) plant in Louisiana, USA to supply offtake partners General Motors LLC (**GM**) and Stellantis NV (**Stellantis**) with HPMSM for EV battery manufacture<sup>4</sup>.

 <b>Capital Cost</b>	 <b>NPV<sub>8</sub></b>	 <b>IRR</b>	 <b>Cashflow</b>	 <b>Payback</b>
<b>AU\$49.8</b>	<b>AU\$228M</b>	<b>113%</b>	<b>AU\$57.3M</b>	<b>1.2</b>
(incl. contingency)	(Pre-tax, real)		(annual)	(years)

## ABOUT ELEMENT 25

Element 25 is an ASX-listed company (**ASX: E25**) that operates the world-class 100%-owned Butcherbird Manganese Project in Western Australia and is currently undertaking activities to expand production to approximately 1.1Mtpa of medium-grade high silica manganese ore for use in traditional and new energy markets.

E25 is also commercialising innovative proprietary technology to produce battery-grade high-purity manganese sulphate monohydrate (**HPMSM**) for use in Electric Vehicle (**EV**) battery manufacturing. The Company is building its first HPMSM refinery in Louisiana USA to produce raw materials for the US EV market, in partnership with General Motors LLC (**GM**) and Stellantis N.V. (**Stellantis**). E25 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).

This announcement is authorised for market release by Element 25 Limited's Board of Directors.

### Justin Brown

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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 announcement dated 29 September 2023 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 announcement.

<sup>4</sup> References E25 ASX releases dated 9 January 2023 and 26 June 2023.