

E25 INVESTIGATES BUTCHERBIRD RESTART OPTIONS AMID RECORD HIGH MANGANESE ORE PRICES

Element 25 Limited (**E25** or **Company**) (ASX: E25; OTCQX: ELMTF) is pleased to provide an update on activities to investigate the potential to recommence operations at the Company’s 100%-owned Butcherbird Manganese Project in Western Australia (**Butcherbird**) to take advantage of recent upward movement in manganese ore prices caused by market factors including disruptions at South 32 Limited’s Groote Eylandt (**GEMCO**) operations¹. This may include the sale of stockpiles and or recommencing processing of run-of mine (**ROM**) stockpiles.

HIGHLIGHTS

- Manganese ore prices rise to **four-year highs to US\$8.30/dmtu** for 44% cif Tianjin, China¹.
- E25 operations team and Board investigating opportunities to process ROM and low-grade stockpiles at Butcherbird.
- If operationally feasible, ore production at current prices presents an opportunity to generate short-term cash flow.

GEMCO’s Groote Eylandt Mine typically produces more than 6M tonnes of high-grade manganese ore a year, and damage to the mine’s haul road and ship loading facilities from Tropical Cyclone Megan in March 2024 has resulted in a forecast supply disruption of up to twelve months. GEMCO is currently targeting a production restart in Q3 2025.²

The loss of GEMCO supply coupled with political instability in South Africa has resulted in a significant and rapid increase in manganese ore prices due to increased competition for available supply. This presents an opportunity to potentially sell stockpiles that are of a lower grade, preventing their previous sale at lower prices but which may be profitable to ship now.

Manganese Ore Daily Spot Price Index at Tianjin Port (Unit: Yuan/dmtu)

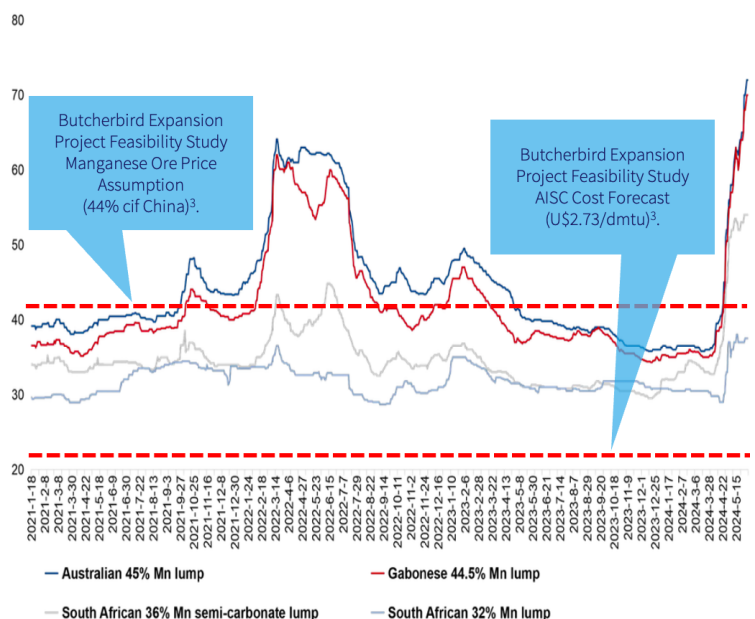


Figure 1: Manganese ore index – Yuan/dmtu Tianjin Port¹.

Butcherbird Expansion Feasibility Study parameters also shown³.

¹ Reference: MySteel Ferroalloys Market Weekly 3 June 2024.

² South 32 Limited ASX Release dated 14 May 2024.

Additionally, ROM stockpiles that have been mined but not yet processed are available at site. The cost structure of a restart is not currently defined, however E25's Board recognises the potential opportunity of selling existing product stockpiles and/or recommencing the processing of ROM stockpiles at Butcherbird to produce material for sale at current elevated prices. If viable, these activities will occur in parallel with and will not impact the expansion plans for the Butcherbird Project. E25 suspended Butcherbird production in early 2024 during a period of depressed ore prices while readying for an upgrade of facilities to achieve a nominal 1.1Mtpa manganese concentrate production, as outlined in a Feasibility Study completed on January 2024³.

The expansion of Butcherbird production aligns with E25's strategy to produce high-purity manganese sulphate monohydrate (HPMSM) at a facility planned to be built in Louisiana, USA, in partnership with global automakers General Motors LLC and Stellantis NV⁴.

Element 25 Managing Director Justin Brown said:

"A potential restart of Butcherbird's processing operations at these increased manganese ore prices on a de-risked basis may be an ideal opportunity to monetise existing stockpiles and generate short-term cashflow. E25 looks forward to updating the market further as these investigations are completed and we will continue to monitor ore markets in the meantime to optimise any potential opportunities that may arise."

A potential restart requires several critical steps with respect to operational readiness and an assessment of re-start and production costs, and it is not guaranteed that this will be commercially feasible in the immediate term. However, E25's Board believes it is a unique opportunity that should be explored. Restart investigations will focus on minimising cash outflows by re-establishing processing via a joint operational arrangement from existing partnerships with mining and haulage contractors and utilising existing port access agreements. Discussions are also underway with E25's existing offtake partner OM Holdings Limited (ASX:OMH) with respect to recommencing ore sales.

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 plans to build 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.

³ E25 ASX Announcement 23 January 2024

⁴ E25 ASX Releases dated 9 January 2023 and 26 June 2023.

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.

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

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Competent Persons Statement

The company confirms that in the case of Mineral Resources or Ore Reserve estimates, 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 have not been materially modified from the original market announcement.

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