ANNOUNCEMENT | 12 SEPTEMBER 2025 | ASX: E25

# ELEMENT 25 RECEIVES FIRM COMMITMENTS FOR $10M PLACEMENT TO FUND EXPANSION OF BUTCHERBIRD, WA

## HIGHLIGHTS:

- Element 25 receives firm commitments for **$10 million Share Placement** at AU$0.28 per share to fund expansion of its Butcherbird Manganese Project (**Butcherbird**) in WA and for working capital.
- Butcherbird is a world-class manganese resource with an Ore Reserve of 101Mt at 10.4% Mn for 10.5 million tonnes of contained manganese[1].
- The Butcherbird Expansion Project (**BBX**) is designed to increase Butcherbird's production capacity to 1.1 million tonnes per annum with the January 2025 Feasibility Study[2] update estimating a capital cost of AU$64.8 million with a pre-tax Net Present Value (NPV) of AU$561 million and 96% pre-tax Internal Rate of Return (IRR).
- Increased production capacity via BBX will support Element 25's planned high-purity manganese sulphate monohydrate (**HPMSM**) production facility in Louisiana, USA.
- **$10 million** Placement follows Element 25 securing AU$50 million senior debt facility from Northern Australia Infrastructure Facility (**NAIF**)[3].
- BBX fully approved under WA Regulatory Framework including WA Department of Water (**DWER**)[4] and Environmental Regulation and WA Department of Energy, Mines, Industry Regulation and Safety (**DEMIRS**)[5].

Element 25 Limited (**E25** or **Company**) (**ASX: E25; OTCQX: ELMTF**) is pleased to announce it has received firm commitments for a $10 million Share Placement (**Placement**) to fund expansion of its Butcherbird Manganese Project in Western Australia (WA).

The Placement follows Element 25 securing a senior debt facility of up to AU$50 million from Northern Australia Infrastructure Facility (**NAIF**) for the BBX expansion, as announced in June 2025.

Element 25 plans to expand Butcherbird's production capacity to 1.1 million tonnes per annum (Mtpa) of manganese oxide concentrate [2]. Butcherbird's expansion will enable it to supply manganese concentrate feedstock for Element 25's planned battery grade, high purity manganese sulphate monohydrate

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[1] E25 ASX Announcement dated 22 January 2025
[2] E25 ASX Announcement dated 22 January 2025
[3] E25 ASX Announcement dated 17 June 2025
[4] E25 ASX Announcement dated 12 March 2025
[5] E25 ASX Announcement dated 13 January 2025

(**HPMSM**) processing facility which it plans to build in Louisiana, USA, as well as securing concentrate sales to other customers.

Under the Placement, Element 25 will issue 36,323,146 shares (13,461,906 under ASX Listing Rule 7.1 and 22,861,240 under ASX Listing Rule 7.1A) at a price of AU$0.28 per share, representing a 13.4% discount to the 10-day volume weighted average price (**VWAP**) of AU$0.323/share and a 16.4% discount to the last close price of AU$0.335/share.

***Element 25 Managing Director Justin Brown said:*** *"We are extremely pleased with the support from new and existing Shareholders in this Placement, which will allow us to move forward with our fully approved Butcherbird expansion following the AU$50 million secured from the Northern Australia Infrastructure Fund. Expanding Butcherbird is an important part of our strategy to produce HPMSM, with our first facility planned for Louisiana, USA and a development strategy that is backed by General Motors, Stellantis and the US Department of Energy. Funds raised under the Placement will allow key orders to be placed for long lead equipment items and will fund the acceleration of detailed engineering design activities to progress the project in line with the project plan.*

The Placement is anticipated to settle on 18 September 2025 with shares to be issued on or around 19 September 2025. Petra Capital was Sole Lead Manager and Sole Bookrunner to the offer.

A Feasibility Study for BBX updated in January 2025 estimated a capital cost of AU$64.8 million with a pre-tax Net Present Value (NPV) of AU$561 million with a 96% pre-tax Internal Rate of Return (IRR), generating an average of AU$70.5 million per year cashflow over a mine life of more than 18 years[6].

Finalising the $10 million Placement follows Element 25's awarding of a Grant Agreement for US$166 million (AU$268 million) from the U.S. Department of Energy (**DoE**) under the Battery Materials Processing Grant Program [7] to support construction of its HPMSM facility in Louisiana, which will bring domestic production of a key critical battery raw material to the USA. Element 25 also secured US$115 million from its offtake partners General Motors LLC (**GM**) and Stellantis N.V. (**Stellantis**)[8].

Using manganese ore sourced from Butcherbird and shipped to Louisiana, Element 25 will leverage its innovative, advanced processing flowsheet to convert Butcherbird manganese concentrate into HPMSM, a critical raw material for the manufacture of lithium-ion batteries. The proprietary flowsheet reduces energy consumption, virtually eliminates waste and delivers the lowest reported carbon intensity HPMSM globally[9].

Recent industry developments include a potential industry shift towards lithium manganese rich (**LMR**) battery chemistry, rather than a high nickel formulation, with Element 25's offtake partner GM one of the

[6] E25 ASX Announcement dated 22 January 2025
[7] E25 ASX Announcement dated 20 January 2025
[8] E25 ASX Announcements dated 9 January and 26 June 2023
[9] E25 ASX Announcement dated 21 February 2023

first automakers looking to adopt this technology, after spending more than a decade on research[10]. While high nickel battery cells typically use about 10% manganese, LMR battery cells use around to 50-70% manganese[11] increasing the required manganese by a factor of around 10.

Element 25's process offers a pathway to the delivery of expanding volumes of ethically sourced, traceable, transparent HPMSM supply to US markets. Element 25 plans to produce up to 135Kt per annum of HPMSM for US electric vehicle (**EV**) supply chains in a first-of-its-kind processing facility in Louisiana.

## NEXT STEPS

The Company continues to work with potential financiers to secure the balance of funding to finance the construction of the BBX project. Potential structures include royalty streams, offtake prepayments and subordinated debt structures.

Key work streams in relation to engineering and procurement will now be initiated and run in parallel, to ensure that the project continues to advance towards completion as quickly and cost effectively as possible.

## 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[12].

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**)[13]. E25 aims to become an industry leading, world class, low-carbon battery materials manufacturer.

The Louisiana refinery is planned as the first of several HPMSM facilities planned for development under E25's "*Design One Build Many*" commercialisation strategy which envisages a hub and spoke model, with ore supplied from E25's Butcherbird Mine in Western Australia to supply processing facilities in key regional markets to supply HPMSM to the rapidly growing EV servicing key global regions.

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.

**Justin Brown**

Managing Director

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[10] Article, Why LMR batteries will change the outlook for the EV market

[11] Article: GM, LG Energy target commercializing manganese-rich batteries for EVs | Automotive Dive

[12] E25 ASX Release dated 22 January 2025

[13] E25 ASX Releases dated 9 January 2023 and 26 June 2023

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## Competent Persons Statement

The Company confirms that in the case of Production Targets, all material assumptions underpinning the production target, or the forecast financial information derived from a production target, in the market announcement dated 22 January 2025 continue to apply and have not material changed.  All estimates or Mineral Resources or Ore Reserves underpinning the production target have been prepared by a competent person or persons s in accordance with the requirements of the JORC Code, Appendix 5A.

The Company confirms that in the case of Mineral Resource or Ore Reserves, all material assumptions and technical parameters underpinning the estimates in the market announcements dated 29 October 2024 and 22 January 2025 continue to apply and have not materially changed.

The Company confirms that it is not aware of any new information or data that materially affects information included in previous announcements, and all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.

## Investor Relations Disclaimer

Certain Statements included in this announcement are forward-looking statements concerning Element 25 Limited and its subsidiaries (E25) and its operations, economic performance, financial condition, plans and expectations. Without limiting the foregoing, statements including the words “believes”, “anticipates”, “plans”, “expects”, “could”, “potential”, “should” and similar expressions are also forward-looking statements.

All forward-looking statements are subject to a variety of known and unknown risks, uncertainties and other factors that could cause actual events or results to differ from those expressed or implied, including, without limitation, business integration risks; uncertainty of production, development plans and cost estimates, commodity price fluctuations; political or economic instability and regulatory changes; currency fluctuations, the state of the capital markets, uncertainty in the measurement of mineral reserves and resource estimates, E25’s ability to attract and retain qualified personnel and management, potential labour unrest, reclamation and closure requirements for mineral properties; unpredictable risks and hazards related to the development and operation of a mine or mineral or mineral deposit or mineral processing facility that are beyond E25’s control, the availability of capital to fund all of the Company’s projects and other risks and uncertainties.

You are cautioned that the foregoing list is not exhaustive of all factors and assumptions which may have been used. E25 cannot assure you that actual events, performance or results will be consistent with these forward-looking statements, and management’s assumptions may prove to be incorrect. E25’s forward-looking statements reflect current expectations regarding future events and operating performance and speak only as of the date hereof and E25 does not assume any obligation to update forward-looking statements if circumstances or management’s beliefs, expectations or opinions should change other than as required by applicable law. For the reasons set forth above, you should not place undue reliance on forward-looking statements.