

Element 25 Ltd

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Element 25 targets June half-year delivery of Butcherbird manganese PFS

- Set to benefit from expected increases in the global manganese price
- Upgrading resources in the June 2019 half-year
- Expects to release its PFS by mid-year, with a maiden ore reserve
- Has budgeted a DFS and is paying for works with asset sales

What does Element 25 do?

Element 25 Ltd (ASX:E25) (FRA:QFP) specialises in manganese exploration and development in Western Australia. It is run by Justin Brown, a geologist with a strong technical background in activities that span minerals exploration through to mine production. Brown is an experienced director and served on the board of Exterra Resources Ltd before it merged with Anova Metals Ltd (ASX:AWV).

What does Element 25 own?

The key asset is the large Butcherbird Manganese Project which lies 130 kilometres south of the Pilbara town of Newman and 1,050 kilometres north of Perth.

Element 25's flagship project in WA's Southern Pilbara sub-region features a high-purity JORC resource of 180.8 million tonnes of manganese ore grading 10.8% manganese, 43.9% silica, 11.7% iron, 0.3% phosphorus pentoxide and 10.9% aluminium oxide.

The resource was updated to JORC 2012 standards in October 2017.

Element 25 is completing a pre-feasibility study (PFS) for the wholly-owned project and told the Proactive Investors Stocktube video channel this week it was on track to produce the study this quarter.

During test work, the company produced high-purity electrolytic manganese metal (HPEMM) grading 99.95% manganese from Butcherbird core samples after working with CSIRO on a scale-up of its processing flowsheet.

Element 25's core strategy is to produce HPEMM and manganese sulphate for use in specialty metals and lithium-ion battery cathodes.

Before releasing the study the company is due to update its resource model during the June 2019 half-year.

Element 25 has tipped it expects the model will form the basis of a maiden ore reserve to be unveiled with the PFS.

The company recently completed 6,672 metres of additional aircore drilling at the project.

Price: A\$0.185

Market Cap: A\$16.5M

1 Year Share Price Graph



Share Information

Code: E25

Listing: ASX

52 week High Low
A\$0.24 A\$0.15

Sector: Mining

Website: www.element25.com.au

Company Synopsis:

Element 25 Ltd (ASX:MZM) is a diversified explorer primarily focused on manganese, copper and gold.

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It expects results from its 2018 drilling program will help it upgrade the planned starter pit at the project from 43% inferred and 68% indicated resources to indicated and measured status.

Element 25 hopes to put 25% of resources in the measured category and 75% in the indicated category in the study to serve an initial 20-year mine plan.

The company's PFS is a follow-on from a positive 2018 scoping study for the project released in May 2018 when the company was known by its previous name Montezuma Mining Company (ASX:MZM).

Then Montezuma's 2018 scoping study was designed to focus on open pit development and processing at Butcherbird's Yanneri Ridge deposit.

Yanneri Ridge consists of 70.5 million tonnes at 11.1% manganese, 43.3% silica and 11.3% iron and includes indicated and inferred mineralisation.

The May 2018 scoping study modelled an economically and technically viable project with upside.

Later that month Montezuma became Element 25, naming itself after manganese, the 25th chemical element on the periodic table

The rebranded company then set a course to complete its fully-funded PFS.

It also set a budget for a definitive feasibility study (DFS) and targets for development.

These targets included applying for regulatory consents this year, with mine development targeted for the 2020-2021 time period.

The company told Stocktube it is partly funding its work program through the strategic sell-off of gold assets.

An October 2011 scoping study produced by Montezuma had previously valued a 0.5 to 1 million tonne operation at a net present value of up to \$376 million, putting the project's maximum IRR at up to 59%.

The study was based on Yanneri Ridge's historical, inferred JORC resource of the time which was 64.7 million tonnes grading 11.2% manganese at an 8% manganese cut-off.

Montezuma's Butcherbird ore-grading modelled in 2011 was a nominal 36% manganese while mine life was at least 10 years.

Element 25 also holds the Green Dam Gold Nickel Project near Kalgoorlie-Boulder in WA's Goldfields-Esperance region.

The company's updated Butcherbird resource model and PFS are expected by mid-year.

Inflection points

- Butcherbird resource upgrade

- Butcherbird maiden ore reserve and positive pre-feasibility study
- Funding milestones for a budgeted Butcherbird definitive feasibility study
- Expected price growth in the global manganese industry following two years of volatility

Executive director Justin Brown "very pleased"

"The proprietary process that we've developed with CSIRO for our Butcherbird ore was fantastically successful ... 99.95% purity which is an outstanding result," Element 25 executive director Justin Brown told the Proactive Investors Stocktube video channel this week. "We're very pleased."

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