

# Element 25 Ltd

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## Element 25 is well-funded as it drives development of Butcherbird Manganese Project

Element 25 Ltd (ASX:E25) made strong progress during the June quarter with the publication of the pre-feasibility study (PFS) for its Butcherbird Manganese Project in Western Australia.

The PFS looked at the potential for a low capital cost early cashflow operation exporting manganese concentrate and returned:

- A pre-tax net present value (NPV8) of nominal A\$441 million (real A\$283 million) and IRR of nominal 255%, (real 223%);
- Low capital requirement of \$14.5 million plus \$9.2 million working capital;
- Average annual operating cashflow of \$32.1 million for years 1-5;
- Simple payback period 6 months from start of operations;
- Full beneficial production scheduled for next financial year, and;
- 42-year mine life based on measured and indicated resources.

The company also released the maiden proved and probable ore reserve for the project of 50.55 million tonnes at 10.3% manganese and containing 5.22 million tonnes of manganese with 4.28 million tonnes of recoverable manganese.

### Process plant design

The proposed processing facility for Butcherbird includes the following unit operations, throughput and operating assumptions:

- 1.2 million tonnes per annum mining rate;
- Crushing;
- Screening;
- Scrubbing;
- Sizing, and;
- Ore sorting.

Ore sorting was identified as a potential process to further upgrade the concentrate, with sorting tests confirming the ability of an industrial scale ore sorter to upgrade the manganese concentrate on a repeatable basis to a commercially marketable specification within the range 30-35% manganese.

### Logistics and shipping

The company will produce between 270,000 and 370,000 tonnes of manganese ore per annum which will be trucked from the Butcherbird mine site to the Utah Point at Port Hedland where it will be loaded on to ships for export.

Element 25 has commenced negotiations with Pilbara Ports for the access to the Utah Point stockpile and port facilities at Port Hedland.

The company has also engaged with Qube Logistics, the current operator of the ship loading infrastructure on behalf of Pilbara Ports.

**Price:** 0.835

**Market Cap:** \$107.45 m

### 1 Year Share Price Graph



November 2019 May 2020 October 2020

### Share Information

**Code:** E25

**Listing:** ASX

**52 week High Low**  
1.1 0.095

**Sector:** Rare earths & specialist minerals

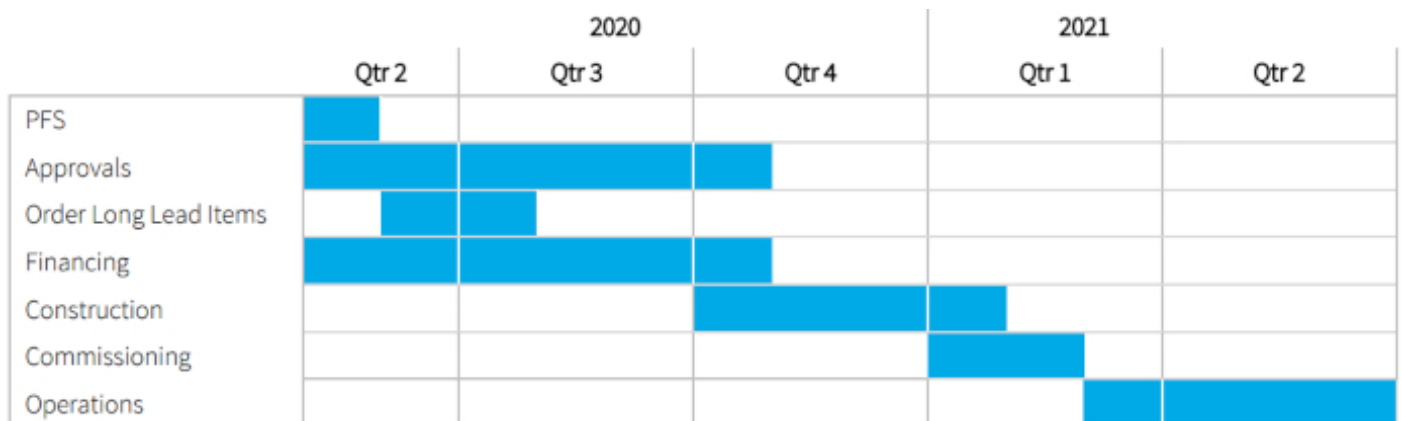
**Website:** www.element25.com.au

### Company Synopsis:

Element 25 Ltd's (ASX:E25) wholly-owned Butcherbird Project hosts a very large manganese resource which underpins the company's core strategy of producing high purity Electrolytic Manganese Metal (EMM) and Manganese Sulphate for use in specialty metals and lithium ion battery cathodes.

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Qube indicated that the product (in lumpy form) can be handled and loaded efficiently with the current infrastructure.



The project development timeline.

### Water bore drilling

A water bore drilling program was commenced at the project to follow up on previously announced water exploration drilling in the March 2020 quarter.

The program will complete two production bores for the purposes of conducting pump tests to confirm the potential of the selected area to provide sufficient process water for the beneficiation plant at the Project.

This is a critical program to de-risk the project and allow the delivery team to meet the development timeline that has been set for first production of manganese concentrate.

### Access agreement signed

In addition, the final access agreement was signed during the quarter with the remaining stakeholder in relation to the granting of mining lease application M52/1074 for the project and the mining lease has now been granted for a period of 21 years.

The granting of the mining lease paves the way for the submission of mining approval documentation to the Department of Mines, Industry Regulation and Safety in relation to the company's planned manganese ore production at the project.

### Potential high-grade zone identified

Sub-sampling of a diamond core drilled into the Coodamudgi manganese resource at the project has returned high-grade manganese values of up to 42.3% manganese from surface with low impurity levels.

Notably, the Coodamudgi resource is located entirely within granted mining lease M52/1074.

The drill hole was completed as part of a metallurgical program in 2013, however, only a single 2-centimetre section of the core was sampled, which returned a manganese grade of 42.2%.

At the time, the company's focus turned elsewhere and metallurgical testing of this hole was not undertaken.

This program is a more comprehensive sampling exercise to follow up the previous work and the results confirm the

potential of this area to produce a high-grade manganese concentrate through beneficiation.

Follow up test-work is planned to confirm these results.

### **\$5 million capital raising**

The company has received firm commitments from sophisticated, professional and institutional investors to raise up to \$3.5 million through a placement of shares at 40 cents each.

In addition, on July 23, the company announced its heavily oversubscribed SPP (at the same share issue price) had closed following receiving applications for more than \$3.2 million.

This surpassed the target of \$1.5 million to accelerate development at the Butcherbird Manganese Project.

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