

Element 25 Ltd

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Element 25 sees 2020 as transformational as it works to bring Butcherbird Manganese Project into production

Element 25 Ltd (ASX:E25) (FRA:QFP) sees 2020 as a transformational year despite the difficult circumstances, with progress made and more work planned for the Butcherbird Manganese Project in Western Australia.

The progress achieved in difficult circumstances is reflected in the company's share price, market capitalisation and positive profile.

Today market cap is approximately \$90.6 million with shares trading at 74 cents, up from 20 cents at the market close on May 14 with a new record of 77 cents reached on Monday, September 21.

Chairman Seamus Cornelius said: "There is more work to be done in order to bring the Butcherbird project into production on budget, on time and safely."

He said the company's managing director Justin Brown and his team were "focused on continuing to deliver superior outcomes for shareholders and the wider stakeholder community while maintaining the highest standards for safety, environmental, stewardship and governance."

Next significant manganese mine

Price: 1.21

Market Cap: \$160.19 m

1 Year Share Price Graph



November 2019 June 2020 November 20

Share Information

Code: E25

Listing: ASX

52 week High Low
1.315 0.095

Sector: Rare earths & specialist minerals

Website: www.element25.com.au

Company Synopsis:

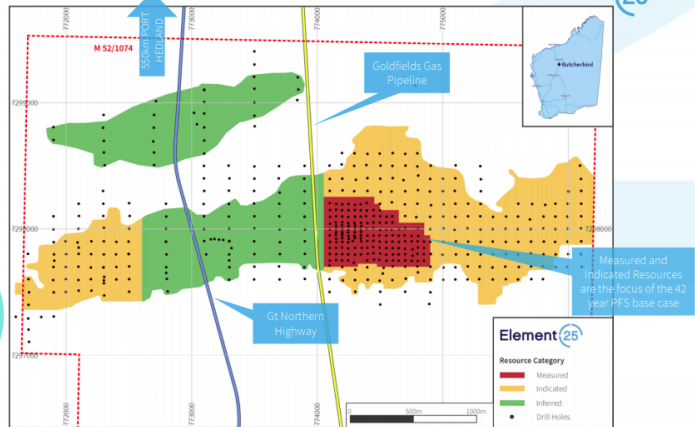
Element 25 Ltd's (ASX:E25) wholly-owned Butcherbird Project hosts a very large manganese resource which underpins the company's core strategy of producing high purity Electrolytic Manganese Metal (EMM) and Manganese Sulphate for use in specialty metals and lithium ion battery cathodes.

action@proactiveinvestors.com.au

World Class Resource, Great Infrastructure Endowment

large resource,
excellent
infrastructure,
simple geology

Simple, low
cost Mn units
for all
processing
options



Element 25

Beneficiation test-work completed during the first quarter of 2020 highlighted a compelling opportunity to fast-track the development of the project by implementing a low capital cost start-up stage exporting manganese lump ore.

The pre-feasibility study (PFS) and maiden reserve for the project confirmed outstanding economics and a low capital requirement, with the potential to be Australia's next significant manganese mine.

Highlights of the PFS include a maiden proved and probable ore reserve of 50.55 million tonnes at 10.3% manganese-containing 5.22 million tonnes of manganese.

It has a low capital requirement of \$14.5 million and an average annual operating cashflow of \$32.1 million for years 1-5.

There is a simple payback period six months from the start of operations.

The base case assumes annual production and sale of 312,000 tonnes per annum of medium grade lump manganese ore grading 30-35% manganese.

Logistics and ore transport

The lump ore will be trucked from the project to the Utah Point bulk handling facility at Port Hedland where it will be loaded for export.

The manganese ore is neither classified as a dangerous or as a hazardous good in transit.

Element 25 is in talks with Pilbara Ports for access to the Utah Point stockpile and port facilities at Port Hedland.

The product will be in a lumpy form and is perfectly suited to existing handling infrastructure at Utah Point.

E25 has also engaged with Qube Logistics, the current operator of the ship loading infrastructure on behalf of Pilbara Ports.

Qube, which has extensive experience loading manganese ores, has indicated the product can be handled and loaded efficiently with the current infrastructure.

Potential offtake

Element 25 has engaged with a number of potential offtake counterparties to negotiate terms for the sale of the planned production volumes.

As part of the process, it has entered into a non-binding MOU with OM Materials (S) Pte Ltd (OMS), a wholly-owned subsidiary of OM Holdings Limited (ASX:OMH) to supply manganese lump products.

Under the MOU, E25 and OMH will negotiate a formal offtake agreement as part of the development of the project.

The final terms of the offtake agreement are subject to further negotiations.

Royalty sale completed

A royalty sale agreement with Vox Royalty Corp (VOX) (TSXV:VOX) has completed with the royalties included being the Green Dam, Holleton and Yamarna gold royalties and the Yalbra graphite royalty.

In consideration for the sale of the royalty portfolio, Element 25 was issued 151,700 Vox shares at a deemed valuation of C\$3.00 for total consideration of A\$500,000.

The shares were not subject to escrow conditions and have been sold in the market.

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Contact us +61 (0)2 9280 0700 action@proactiveinvestors.com.au

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