

# Element 25 Ltd

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## Element 25 shares hit 9-year high after Elon Musk says manganese will be key part of Tesla's EV batteries

Manganese stocks Element 25 Ltd (ASX:E25) and Bryah Resources Ltd (ASX:BYH) have gained significant investor interest after Elon Musk said last week during Tesla's Battery Day 2020 that the company's next-generation EV batteries would contain one-third manganese.

Musk said: "It's relatively straightforward to do a cathode that's two-thirds nickel, one-third manganese, which will allow us to make 50% more cell volume with the same amount of nickel."

E25 reached a new 9-year high of 92 cents today and Bryah shares have surged 20% this month to 6 cents.

### Butcherbird Manganese Project

Beneficiation test-work completed during the first quarter of 2020 on E25's Butcherbird Manganese Project in Western Australia 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.

### Payback period of six months

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 cash flow 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.

### Approval process well underway

E25 has submitted several permit applications to relevant government departments for the project approval process, including Native Vegetation Clearing Permit application with the Department of Mines, Industry, Regulation and Safety (DMIRS) and Water Abstraction Licence with Department of Water and Environmental Regulation (DWER).

The company has also lodged a Works Approval with DWER and has received approval from the Mains Road Department for mine access road design.

**Price:** 1.22

**Market Cap:** \$161.51 m

### 1 Year Share Price Graph



November 2019 June 2020 November 20

### Share Information

**Code:** E25

**Listing:** ASX

52 week	High	Low
	1.22	0.095

**Sector:** Rare earths & specialist minerals

**Website:** [www.element25.com.au](http://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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### **Bryah Basin Manganese joint venture project**

Bryah recently intersected further potential direct shipping grade manganese in reverse circulation (RC) drilling at the Bryah Basin Manganese joint venture project near Meekatharra in central Western Australia.

Drilling at the Black Hill prospect intersected potentially direct-shipping grade (>30% manganese) mineralisation in three drill holes (BHRC014, BYRC015 and BHRC018).

The latest results will enable Bryah to complete geological modelling and a mineral resource estimation for this high-grade prospect.

### **Follow-up activities**

OMM, a wholly-owned subsidiary of OM Holdings Ltd, recently completed tranche-1 funding of \$500,000 for the project and now holds a 20% interest in the JV.

Another program of manganese drilling is planned for the December 2020 quarter and will again be fully funded by OMM.

It is expected that this next drilling program will test some new exploration targets the joint venture has not yet had access to as well as testing for extensions of manganese mineralisation adjacent to previous good intercepts.

### **Euro Manganese**

Euro Manganese Inc (ASX:EMN) (CVE:EMN) (FRA:E06) is another beneficiary of the manganese story with shares recently reaching a new 11-month high of 23 cents.

The Canadian-based resource developer, which is advancing the development of its 100%-owned Chvaletice Manganese Project in the Czech Republic, Europe's largest manganese deposit, is expected to become a major primary producer of high-purity manganese products in Europe.

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