

# Element 25 Limited AGM Investor Update

Building a globally significant, low cost, high purity manganese project turbocharged by early cashflow from a low capex concentrate export opportunity.

Investor Presentation – November 2020



# Disclaimer

This presentation contains only a brief overview of Element 25 Limited and its associated entities (“Element 25”) and their respective activities and operations. The contents of this presentation, including matters relating to the geology of Element 25's projects, may rely on various assumptions and subjective interpretations which it is not possible to detail in this presentation and which have not been subject to any independent verification.

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The information contained in this presentation is not a substitute for detailed investigation or analysis of any particular issue. Current and potential investors and shareholders should seek independent advice before making any investment decision in regard to Element 25 or its activities.

# Corporate Overview



## Financial Information

ASX Ticker	E25
Shares on Issue	128.7M
Share Price	\$0.83
Market Capitalisation	\$107M
Cash (post completion of tranche 2 <sup>1</sup> )	~\$16M
Listed Investments	~\$4.1M
Debt	Nil
Enterprise Value	~\$87M

## Important Shareholders

JP Morgan Nominees Australia	9.33%
Aradia Ventures Pty Ltd	4.35%
Duketon Mining Limited	3.72%
OM Holdings Limited (via subsidiary)	0.97%

## Share Price Performance



Top 20 Shareholders	52%
Board and Management	10.22%

# Experienced Owner's Team



Seamus Cornelius  
Chairman  
Lawyer



John Ribbons  
Non-Executive Director  
CPA



Justin Brown  
Managing Director  
Geologist



Ian Huitson  
Study Manager  
(ex. Consolidated Minerals)  
Mining Engineer



Sias Jordaan  
Marketing Manager  
(ex. BHP)  
Accountant



Neil Graham  
Plant Design Lead  
(ex. ICI, Huntsman)  
Process Engineer

- Experienced team supported by industry leading consultants.
- Covers a broad spectrum of disciplines.
- >100 years combined experience in mining and processing industries.
- Outcomes focused, all with “skin in the game”.

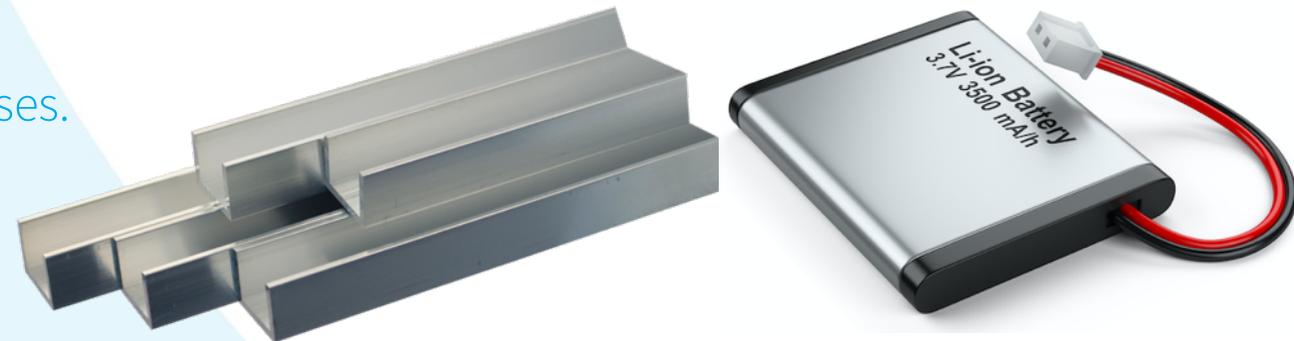


# World Class Manganese Resource

Australia's largest onshore manganese deposit with simple outcropping geology allowing for free-dig low cost mining.

# What is Manganese?

- Manganese (**Mn**) is the fourth most used metal on earth in terms of tonnage, behind iron, aluminum and copper.
- It has many uses including steel, portable batteries, and aluminium cans.
- Manganese is an essential component of the steel-making process.
- Manganese is a versatile element, a common component in several alloys including zinc and magnesium alloys.
- The main non-metallurgical application of manganese is in the batteries industry.
- There is no substitute for manganese in many cases.



# The Butcherbird Manganese Project

- Large resource, currently >260 Mt of manganese ore in Measured, Indicated and Inferred JORC resources<sup>1</sup>.
- Maiden Proved and Probable Reserve of 50.6M tonnes at 10.3% Mn for 5.22t of contained manganese<sup>2</sup>.
- Excellent local infrastructure (bitumen road and gas pipeline).
- 100% owned by Element 25 Limited.
- Located in WA, ranked as the #1 mining investment jurisdiction globally<sup>3</sup>.
- Very simple geology, low strip ratio and free dig (no blasting) mining.
- Measured and Indicated resources underpin the 42-year PFS.
- Simple beneficiation process.
- Pre-Feasibility Study highlights outstanding economics.

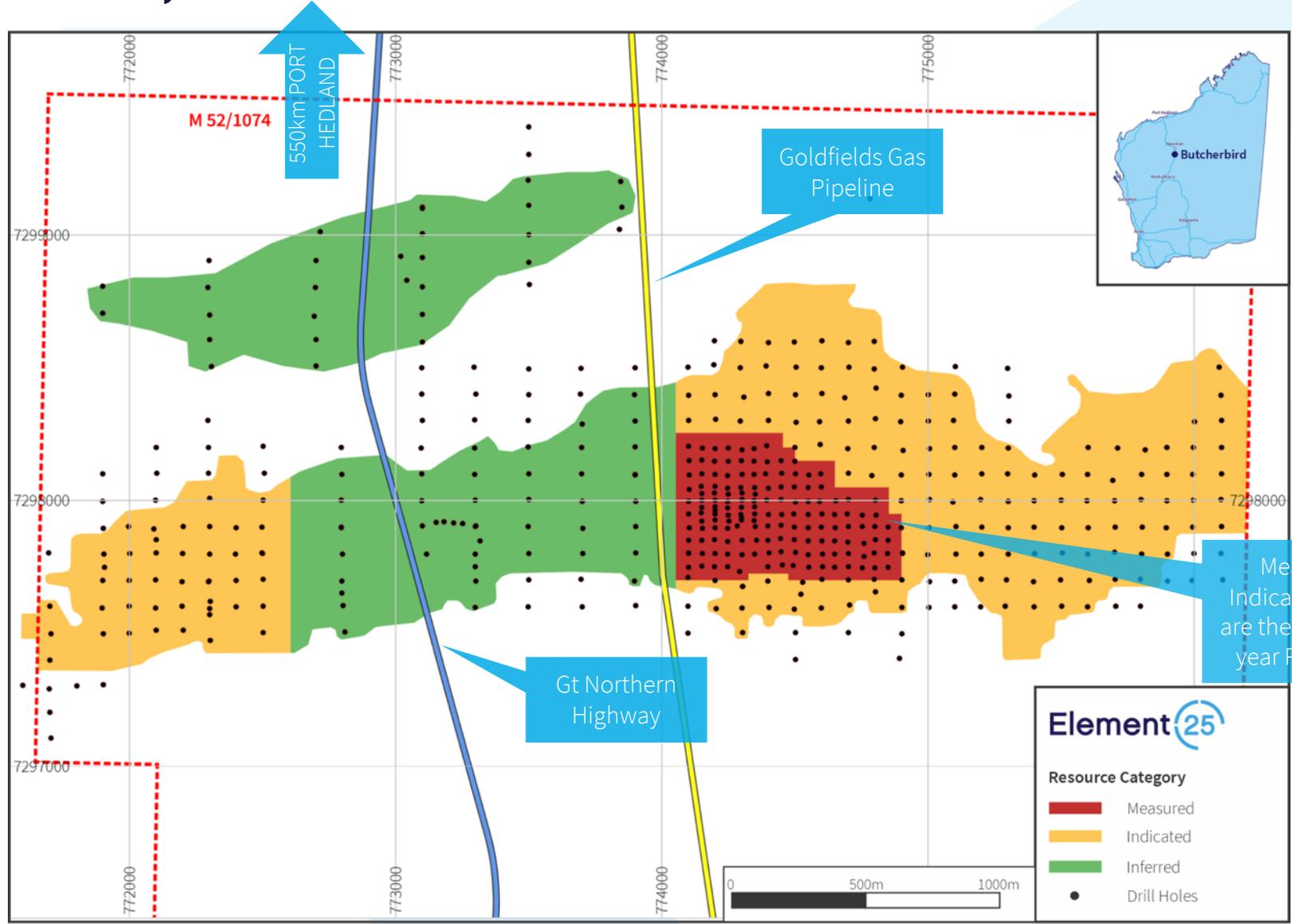


# World Class Resource, Great Infrastructure Endowment

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large resource,  
excellent  
infrastructure,  
simple geology

Simple, low  
cost Mn units  
for all  
processing  
options



Measured and Indicated Resources are the focus of the 42 year PFS base case





# A Staged Development Strategy

Early cashflow from the concentrate export startup stage will fund expansion to utilise the very large resource and maximise Project returns.

# Simple, Low Cost Beneficiation



Low cost, free dig mining of ore from surface.

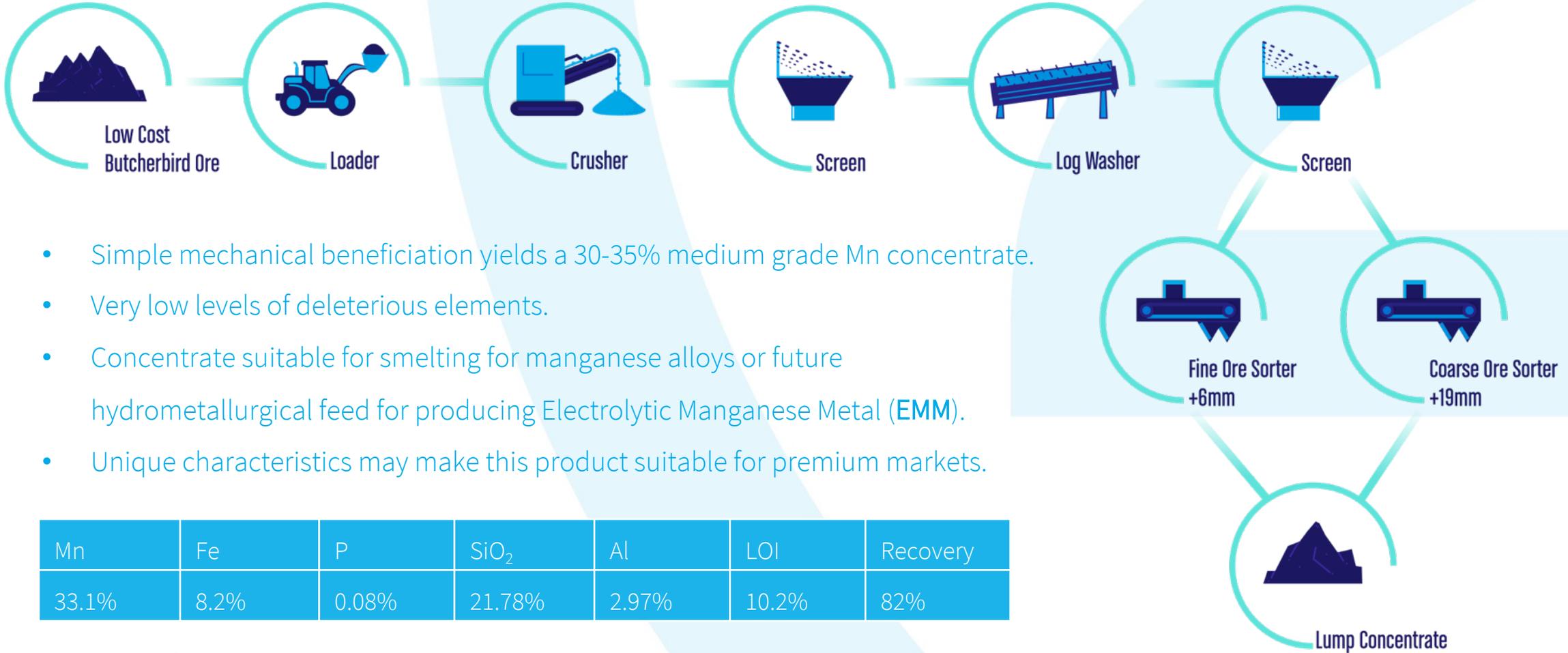


Screening and wet scrubbing removes clays.



Ore sorting rejects shale waste to produce Mn concentrate.

# Simple Process, Low Capital, Low Operating Cost



- Simple mechanical beneficiation yields a 30-35% medium grade Mn concentrate.
- Very low levels of deleterious elements.
- Concentrate suitable for smelting for manganese alloys or future hydrometallurgical feed for producing Electrolytic Manganese Metal (EMM).
- Unique characteristics may make this product suitable for premium markets.

Mn	Fe	P	SiO <sub>2</sub>	Al	LOI	Recovery
33.1%	8.2%	0.08%	21.78%	2.97%	10.2%	82%

# Concentrate Export PFS Delivers Robust Economics

- Low capital cost A\$14.5M.
- NPV<sub>8</sub>: Nominal A\$441M (A\$283M Real)
- IRR: Nominal 255% (223% Real)
- Strong cashflows.
- Simple payback 6 months.
- Long mine life.
- Mine plan utilises only 20% of the total resource.

## Financial Highlights<sup>2</sup>

Pre-Tax Operating Cashflow \$A (Years 1-5)	\$32.1M pa
NPV <sub>8</sub> Pre Tax AUD	Nominal \$441M (Real \$283M)
IRR Pre Tax	Nominal 255% (Real 223%)
Operating Cost (AISC) US\$/dmtu <sup>1</sup>	\$2.80
Simple Payback	6 months

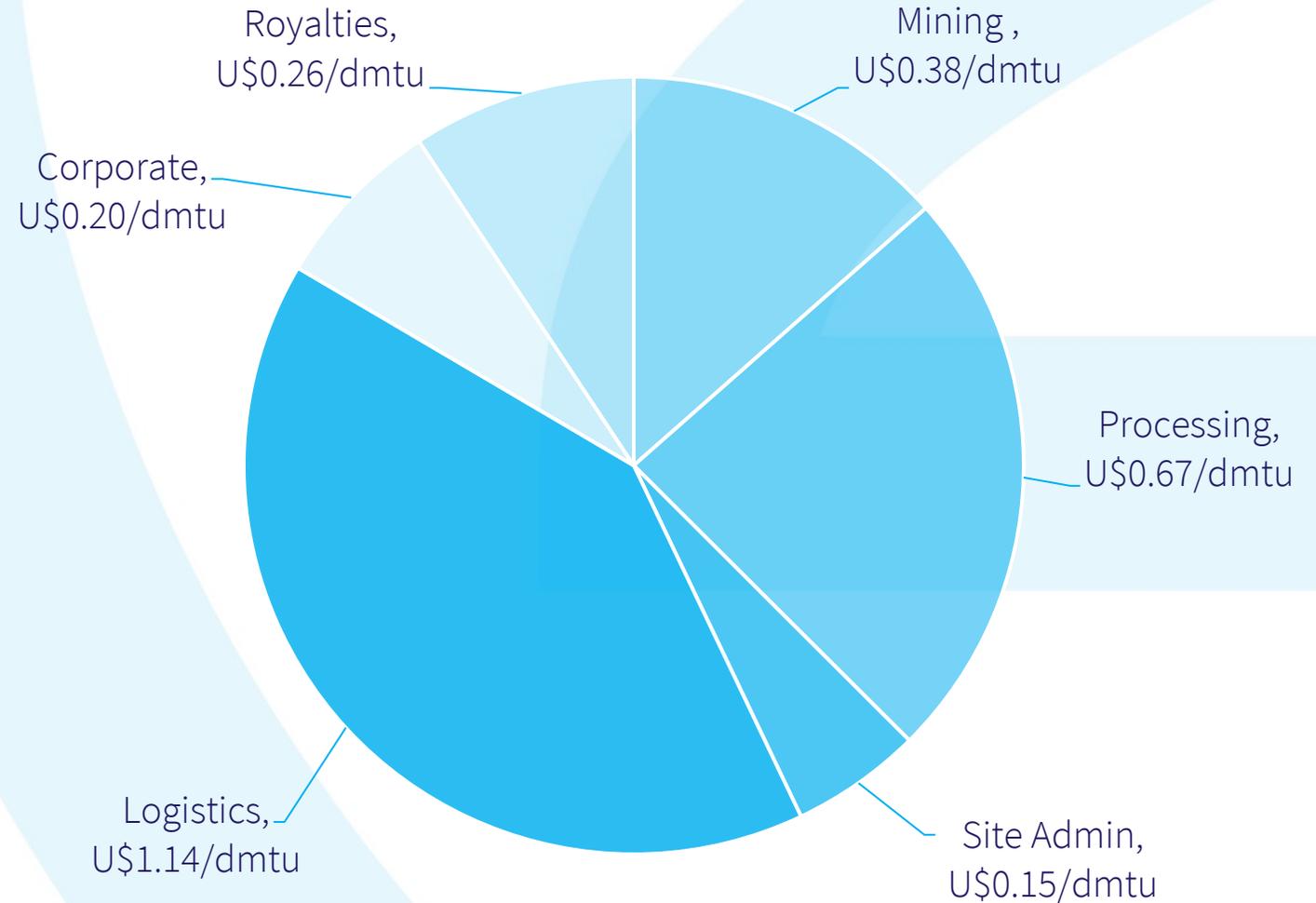
## Key Assumptions and Outcomes<sup>2</sup>

Mn Price USD/dmtu LOM FOB Port Hedland	\$4.79 (years 1-5)
Exchange Rate USD:AUD	\$0.70 (\$0.65 for 2021 and 2022)
Mine Life	42 Years
Ore Mined (tonnes per annum)	1.2M
Annual Concentrate Production (33% Mn)	357Kt (Years 1-5)
Pre Production Capital Cost AUD	\$14.5M Incl. Contingency

# Competitive Operating Costs

- Low-cost mining.
- Simple processing.
- Excellent logistics infrastructure keeps costs low.
- Access to Port Hedland bulk handling facilities.

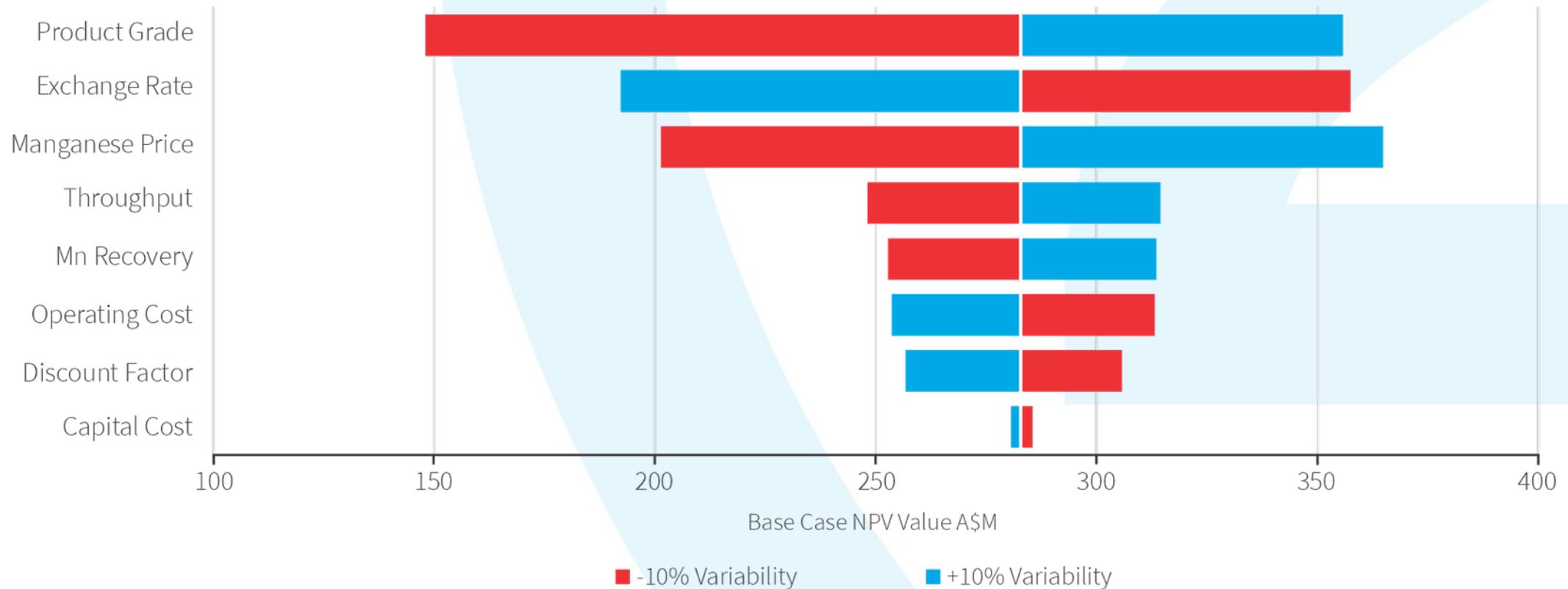
Butcherbird Manganese Project  
Unit Operating Cost (U\$/dmtu Sold)



# A Resilient Project



## Key Sensitivities

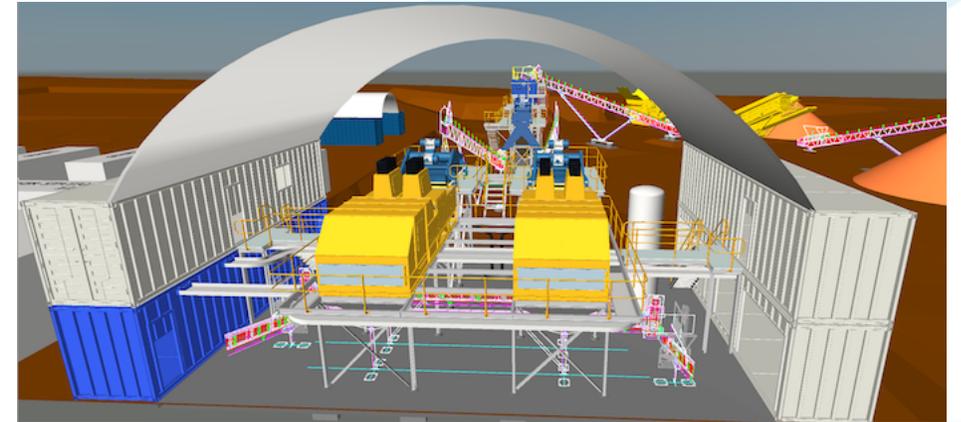
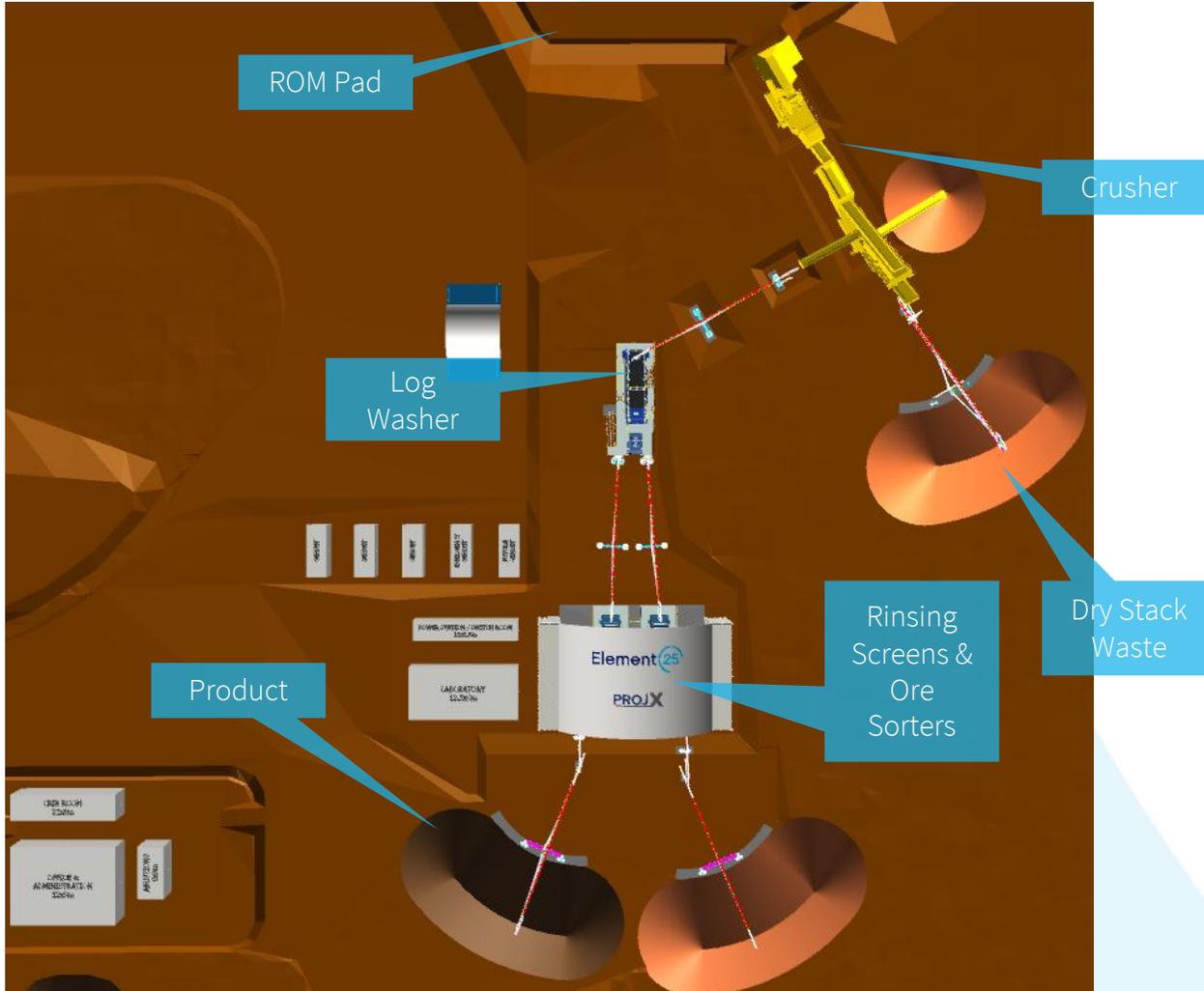


# Logistics Strategy

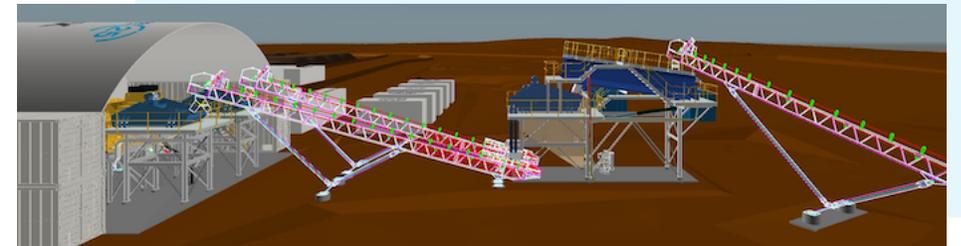
- Road haul to Port Hedland on the Great Northern Highway.
- Approximately 6-7 trucks per day.
- Bulk shipping via Utah Point facility.



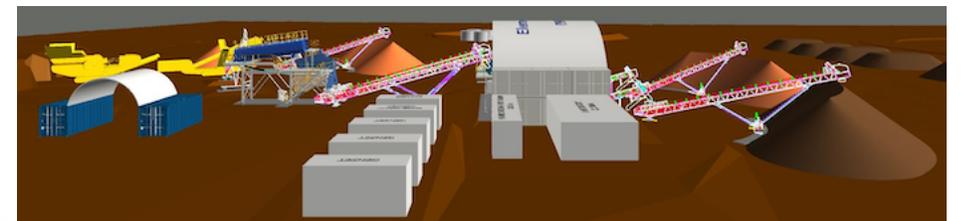
# Detailed Engineering and Commissioning Planning Well Advanced



Ore sorters housed under dome shelter.



Side on view of the log washer and ore sorters.



# Project Delivery on Time and Budget

- Mining Lease **granted**.
- All access agreements **finalised**.
- Processing water source **confirmed**.
- Project financing secured<sup>1</sup>.
- Permitting applications **well advanced**.
- Offtake terms agreed, definitive documents being drafted.
- Key equipment currently starting to ship.
- All critical path items **on time and budget**.
- Commissioning scheduled for Q1 calendar 2021

Fast track project delivery to maximise shareholder returns.



Vibrating screens on the wharf in Durban.



Logwasher construction complete. Shipping underway.



Ore sorter construction nearing completion.

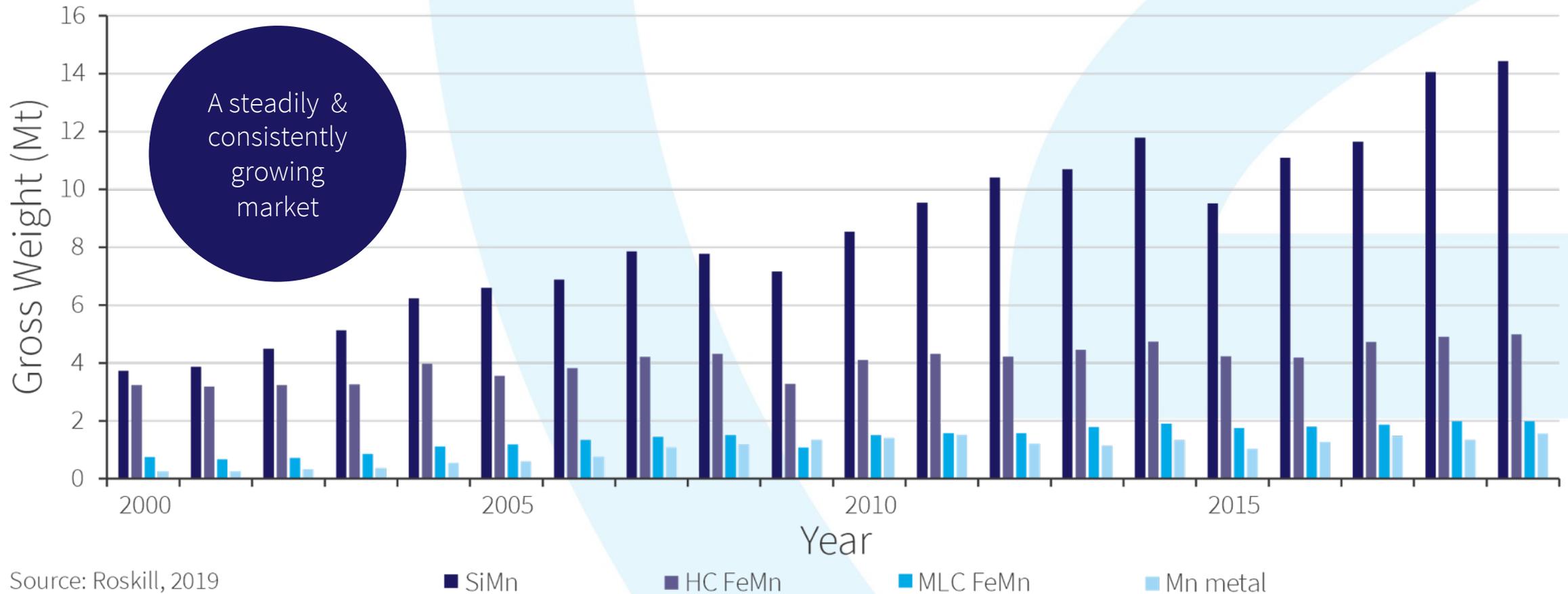


# Manganese Markets & Offtake Discussions

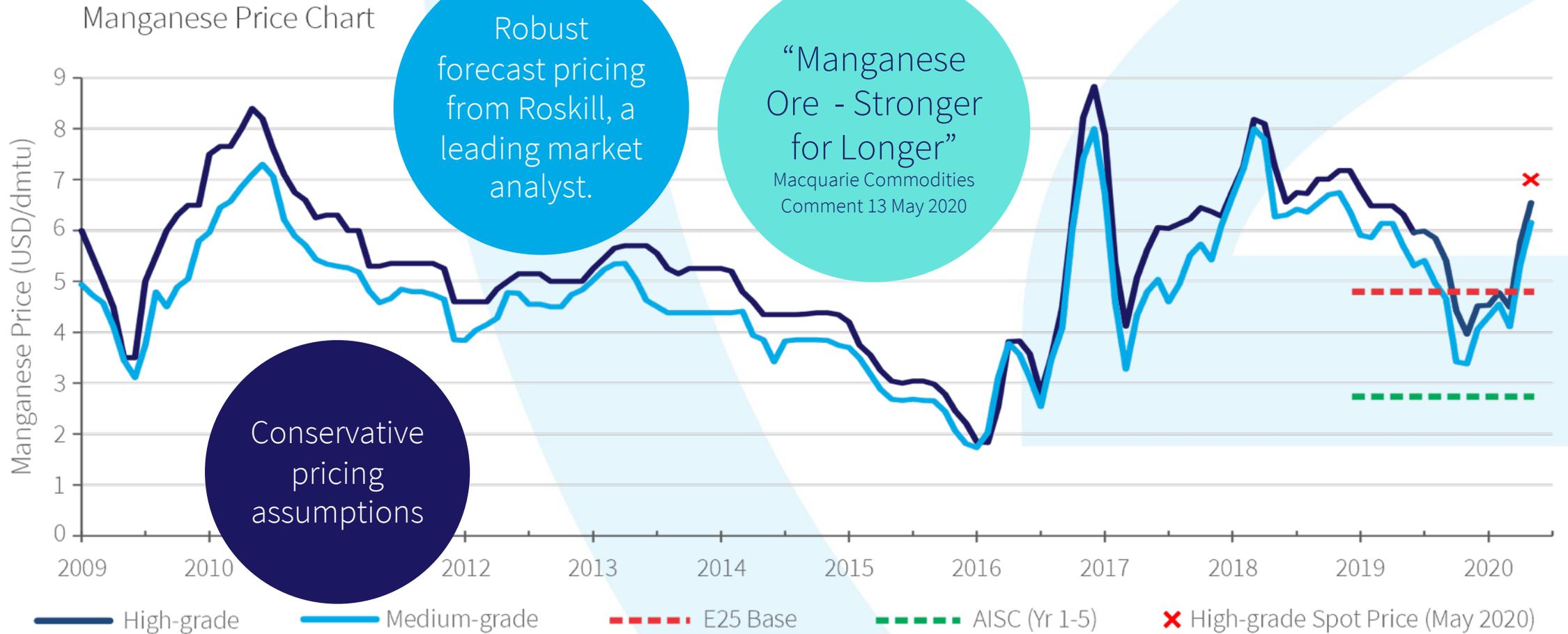
Demand for manganese is growing and supply has constraints. Butcherbird is closer to market than most existing projects and demand for our product is strong.

# Manganese Demand Growing

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# Manganese Concentrate Pricing



Source: Roskill/UBS

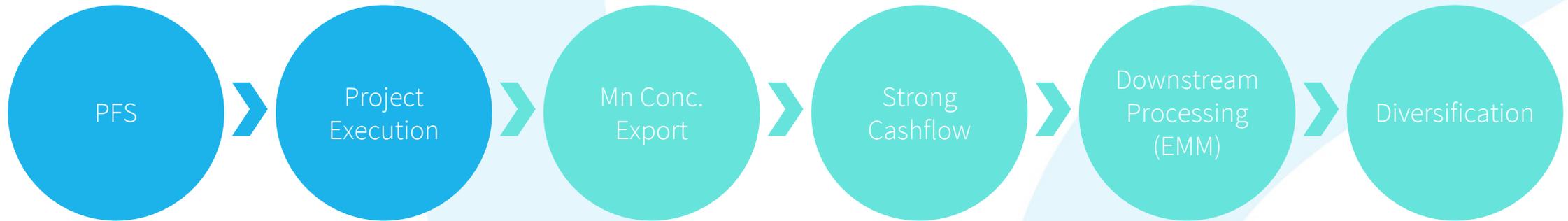


# Where to From Here?

Transitioning from an explorer to a miner is the goal of all junior exploration companies and we are firmly on the path.

# A Growth Story...

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## Our Goal...

- Produce clean, low cost, ethical manganese products for world markets.
- Become a globally significant manganese producer.
- Achieve best in class quality and cost profile.
- Operate ethically and sustainably in a Tier 1 jurisdiction.
- Generate strong sustainable investor returns over the long term.



# Thank you.

For more information, please contact Element 25 Limited:

+61 8 6315 1400

[admin@e25.com.au](mailto:admin@e25.com.au)

[www.element25.com.au](http://www.element25.com.au)

**Element** The logo for Element 25, featuring the word 'Element' in a bold, sans-serif font, followed by the number '25' inside a white circle with a partial arc above it.





# Reserves and Resources

## Maiden Ore Reserve<sup>1</sup>

Category	Tonnes (Mt)	Mn (%)	Contained Mn (Mt)
Proved	14.4	11.5	1.65
Probable	36.2	9.8	3.56
Total	50.6	10.3	5.22

## Global Mineral Resource<sup>2</sup>

Category	Tonnes (Mt)	Mn (%)	Si (%)	Fe (%)	Al (%)
Measured	16	11.6	20.6	11.7	5.7
Indicated	41	10.0	20.9	11.0	5.8
Inferred	206	9.8	20.8	11.4	5.9
Total	263	10.0	20.8	11.4	5.9

- 89% conversion of measured and indicated resources to reserve.
- Maiden Reserve only exploits approximately 20% of global mineral resource.
- Excellent potential for future expansion.
- More drilling has potential to add to global resource.

# Competent Person's Statement

The information in this presentation that relates to Exploration Results is based on information compiled by Mr Justin Brown who is a full-time employee of the Company and is a member of the Australasian Institute of Mining and Metallurgy. Justin Brown has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Justin Brown consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

All references to Mineral Resources pertain to the ASX release dated 17 April 2019. The Company confirms that all material assumptions, underpinning the estimations continue to apply and have not materially changed.

All references to Mineral Reserves pertain to the ASX release dated 19 May 2020. The Company confirms that all material assumptions, underpinning the estimations continue to apply and have not materially changed.

For further information on Element 25 Limited and its Projects please visit its website at [www.element25.com.au](http://www.element25.com.au) which contains copies of all continuous disclosure documents to ASX, Competent Persons' Statements and Corporate Governance Statement and Policies.

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This announcement is authorised for market release by Element 25 Limited's Board of Directors.