

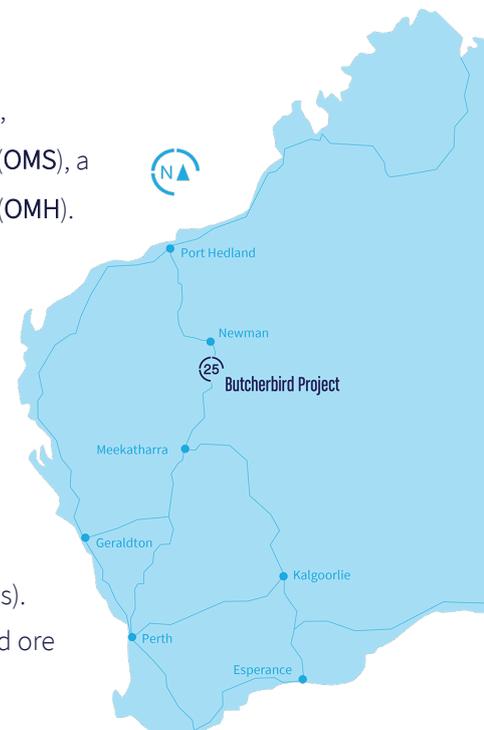
Binding Take or Pay Offtake Terms Finalised with OM Holdings Limited Subsidiary

Element 25 Limited (E25 or Company) (ASX:E25) is pleased to advise that binding, take or pay offtake agreements have been finalised with OM Materials (S) Pte Ltd (OMS), a wholly owned subsidiary of ASX listed company OM Holdings Limited (ASX:OMH) (OMH).

The agreement covers 100% of the manganese ore produced from the first stage (Stage 1) of the Butcherbird Project (Project) over an initial five year term, with a conditional provision to extend this for a further five years.

The key terms of the definitive agreements include the following:

- OMS to take 100% of the manganese ore from the Project from Stage 1.
- An ore pricing mechanism which is calculated as a discount against the Fast Markets published 44% Mn benchmark price (adjusted for FOB delivery terms).
- The parties have agreed the specification and pricing formula(e) for delivered ore between a manganese grade of 28%-35%.
- The parties have agreed on minimum and maximum levels/ratios of certain impurities including iron, silica, phosphorous and moisture. Certain pricing adjustments are provided for in the agreement including both discounts and premia, the details of which are commercial in confidence.
- The term of the Offtake Agreement will be 5 years, with provision for an extension subject to satisfactory performance by OMS measured against agreed KPI's.
- Trade terms will include a provision in the first twenty-four months for payment to be made on delivery of parcel sizes as small as 1,000 tonne to Port Hedland, significantly reducing E25's working capital requirements.
- The ore will be delivered on an FOB basis.
- The Offtake Agreement includes conditions precedent in relation to board approvals, and the receipt of all necessary regulatory approvals for Stage 1 production.



Company Snapshot

Share Market Summary

ASX Code: E25
 Shares on Issue: 133M
 Share Price: \$1.79

Board of Directors:

Seamus Cornelius Chairman
 Justin Brown MD
 John Ribbons NED

Developing the world class Butcherbird Manganese Project in Western Australia to produce high quality manganese concentrate and high purity manganese products for traditional and new energy markets.

Element 25 Limited
 P +61 8 6315 1400
 E admin@e25.com.au
 element25.com.au
 Level 2, 45 Richardson Street,
 West Perth, WA, 6005
 PO Box 910 West Perth WA 6872
 Australia

E25 Managing Director Mr Justin Brown commented, “*This is a landmark moment for E25 as it advances the construction of the first stage of development of the world class Butcherbird Project. The arrangements with OMH underpin the early stage Project financials and place E25 in an enviable position to accelerate growth into battery grade manganese sulphate and other high purity manganese products. E25 regard this as the start of a long term mutually beneficial arrangement with OMH and looks forward to building on the progress to date.*”

About OM Holdings Limited

OM Holdings Limited is an integrated manganese and silicon company. It is engaged in the business of mining and trading raw ores, as well as the smelting and marketing of processed ferroalloys. With an established history of over 25 years in the industry, OMH is listed on the ASX and captures value across the entire process chain through operations in Australia, China, Japan, Malaysia, Singapore, and South Africa. Its latest project is a smelter complex in Sarawak, Malaysia, which successfully commenced production in 2014.

About the Butcherbird Manganese Project

The Butcherbird Manganese Project is a world class manganese resource with current JORC resources in excess of 263 Mt of manganese ore¹. The Company completed a Pre-Feasibility Study (PFS) with respect to developing the deposit to produce manganese concentrate for export to generate early cashflow with a modest capital requirement². The outstanding economics and low capital hurdle of less than A\$17 million for the first stage of development will allow the Company to develop the project in a relatively short timeframe. The delivery of this first stage of production is fully funded and already underway.

The PFS also highlighted the Project has the potential for significant growth beyond the initial Stage 1 production volumes (the studies examined the potential for a 2X and 3X expansion to Stage 1 within 12 months of initial commissioning) and the Company expects to expedite the expansion of the Project once Stage 1 is fully operational.

In addition to the concentrate export business, the Company has completed extensive research & development and laboratory test work into the production of high purity manganese products including battery grade manganese sulphate (HPMSM) and High Purity Electrolytic Manganese Metal (HPEMM). The work has highlighted that the Butcherbird ores are highly amenable to an ambient temperature, atmospheric pressure leach process, resulting in a very efficient extraction of the manganese into solution, the key requirement for the cost effective and sustainable production of HPMSM and HPEMM.

¹ Reference: Company ASX release dated 17 April 2019.

² Reference: Company ASX release dated 3 December 2020

The Project straddles the Great Northern Highway and the Goldfields Gas Pipeline, providing turnkey logistics and energy solutions. The Company plans to integrate renewable energy into the power solution over time to target a zero-carbon footprint for the Project, which is expected to also reduce energy costs. A cleaner, lower carbon flowsheet and high penetration renewable energy will place Butcherbird at the forefront of sustainable high purity manganese production.

Mineral Resources

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

Notes:

- Reported at a 7% Mn cut-off for the Measured and Indicated categories and an 8% Mn cut-off for the Inferred categories.
- All figures rounded to reflect the appropriate level of confidence (apparent differences may occur due to rounding)

Mining Reserve

Based on the results of the Pre-Feasibility Study completed in May 2020, E25 has published a Maiden Ore Reserve for the Project of 50.55Mt in the Proved and Probable categories³.

Classification	Tonnes (Mt)	Grade (Mn%)	Contained Mn (Mt)	Recovered Mn (Mt)
Proved	14.4	11.5	1.65	1.35
Probable	36.2	9.8	3.56	2.92
Total	50.6	10.3	5.21	4.27

Justin Brown

Managing Director

Company information, ASX announcements, investor presentations, corporate videos and other investor material in the Company's projects can be viewed at: <http://www.element25.com.au>.

³ Reference: Element 25 Limited Reserve Statement lodged with ASX 19 May 2020.

Competent Persons Statement

The company confirms that in the case of estimates of Mineral Resource or Ore Reserves, all material assumptions and technical parameters underpinning the estimates in the market announcements dated 17 April 2019 and 19 May 2020 continue to apply and have not materially changed. The company confirms that the form and context in which the competent person's findings are presented has not been materially modified from the original market announcements.

The information in this report that relates to Exploration Results and Exploration Targets is based on information compiled by Mr Justin Brown who is a member of the Australasian Institute of Mining and Metallurgy. At the time that the Exploration Results and Exploration Targets were compiled, Mr Brown was an employee of Element 25 Limited. Mr Brown is a geologist and 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'. Mr Brown consents to the inclusion of this information in the form and context in which it appears in this report.

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