

QUARTERLY REPORT

Highlights

Battery-Grade High Purity Manganese (HPMSM) progress

- General Motors completes due diligence and accepts the E25 Feasibility Study (FS) achieving a key milestone.
- Front-end Engineering and Design (FEED) completed to optimise HPMSM plant design for preferred Louisiana site.
- Detailed project execution schedule finalised with mechanical completion on track for 2025 target.
- Detailed engineering activities commenced and ongoing.
- Preferred site offers potential advantages including over-the-fence supply of sulphuric acid, steam and other key inputs.
- Site assessments including cultural, environmental and geotechnical surveys completed, with no issues or concerns.
- Site lease in advanced negotiations, remains subject to agreement on acceptable sulphuric acid pricing terms.
- Project execution plan advancing in line with project development timelines outlined in the FS.
- All contractual milestones under the General Motors LLC (GM) and Stellantis N.V. (Stellantis) offtake and funding packages on track.
- Final approvals for Louisiana state government subsidy package received.

Butcherbird Manganese Operations, WA

- Butcherbird production strategy adjusted to focus on utilising existing stockpiles for processing, thereby reducing mining expenditure.
- Finished product to be stored onsite until required for shipment, resulting in reduced haulage cashflows..
- Revised operational strategy to reduce site costs pending ore price recovery.
- Workforce optimisation to reduce costs and improve cashflows.
- Strategy allows operational readiness to be maintained to ramp production as manganese prices recover.
- Strategic operations team to focus on expansion feasibility study.

Butcherbird Expansion Planning

- General Manager (Manganese Ore Business) Gideon van Wyk leading and managing the expansion.
- Most key FS activities completed including process flow design, equipment selection, mass balance, vendor quotations and scheduling.
- Production expansion FS targeted for release in coming quarter pending completion of remaining tasks.

Corporate

- Element 25 joins the OTCQX market in the United States, upgrading from the Pink® market, trading under the symbol “ELMTF”.
- E25 presents to Clean Energy Metals Investor Conference.

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HPMSM Project Execution

In April 2023, E25 published the detailed FS for the construction of an integrated battery grade high purity manganese sulphate facility in Louisiana, USA (**Facility**) to produce battery grade high purity manganese sulphate monohydrate (**HPMSM**)¹. HPMSM is a critical raw material used in the construction of lithium-ion battery cathode precursor materials to power the electrification of the global vehicle fleet. The HPMSM produced in Louisiana will be used in the manufacture of electric vehicle Pre-Cathode Active Materials (**pCAM**).

The Facility will utilise concentrate produced from E25's existing operations at the Butcherbird Manganese Mine which currently exports high silica manganese concentrate for use in the steel industry. The concentrate produced at Butcherbird is uniquely suited for conversion to HPMSM using Element 25's proprietary process, which has a number of unique advantages over existing processes used in China.

The process is energy efficient, eliminates the use of certain toxic reagents, reduces energy and reagent consumption, and importantly, produces waste residues on forms that can be placed in other industrial processes, targeting a zero waste footprint. The Butcherbird concentrate, coupled with the E25 process positions the Company as an industry leader in the production of ethical, secure, low carbon, long term supply of HPMSM to the global electric vehicle (**EV**) industry.

The Facility is supported by key offtake and funding agreements in place with General Motors LLC (**GM**) and Stellantis N.V. (**Stellantis**), which are contributing a combined US\$115M in project funding through a combination of equity, pre-payment and senior debt alongside offtake for approximately 65% of the planned HPMSM production from the first production train.

Subsequent to the FS release, E25 has continued to engage local engineering firms CSRS Inc (**CSRS**) and FIDES (a CSRS subsidiary) as owner's engineers and CDI Engineering Solutions (**CDI**) and Universal Plant Services (**UPS**) as design and construction engineers to continue to refine the engineering and design of the facility prior to commencement of construction targeted for first half 2024. Key focus areas include:

- Front end Engineering and Design (**FEED**).
- Site assessments and permitting.
- Inbound and outbound logistics and reagent supply.
- Project financing.

Engineering/Procurement Services

CSRS, FIDES, CDI and UPS are experienced local engineering contractors in Louisiana with a track record of chemical plant design and construction in the Louisiana region. Subsequent to the publication of the FS, E25 engaged CDI (with the support of UPS) to execute front end engineering and design (**FEED**) for the Project. The FEED programme began in early May 2023 and is now complete.

¹ Reference: Company ASX release dated 12 April 2023.

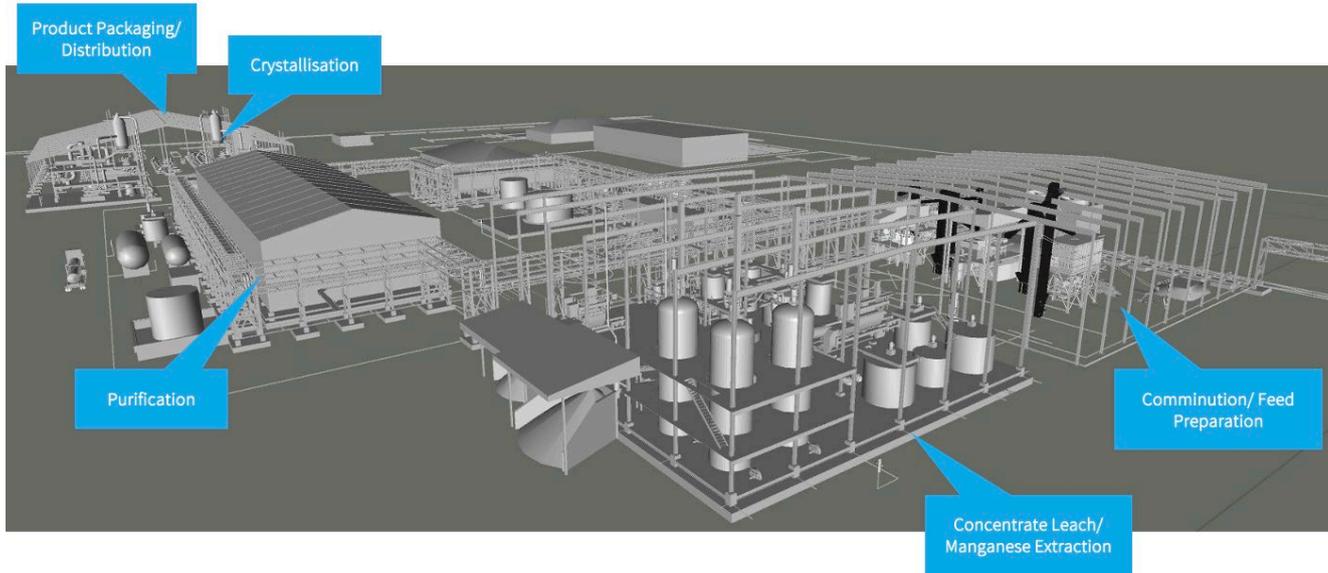


Figure 1. Plant design based on updated detailed engineering 3D model developed as part of FEED studies.

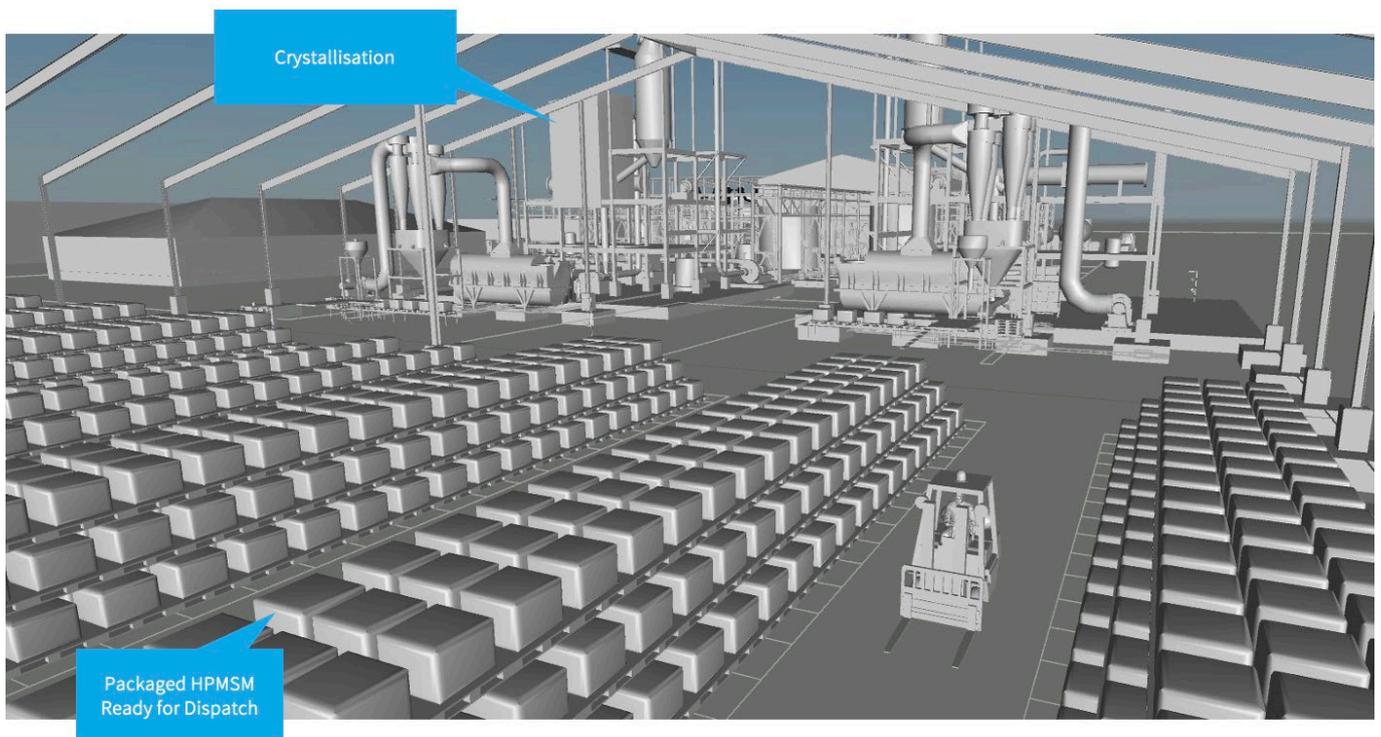


Figure 2. Render showing plant internal layout – product packaging and distribution warehouse.

The FEED work programme included engineering conducted to a greater level of rigor and detail compared to a Feasibility Study. It is an important engineering phase which provides additional engineering and cost estimation detail as a project transitions from conceptual design to an Engineering, Procurement and Construction (EPC) contract.

The FEED study typically precedes a final investment decision phase of a large project such as E25’s planned HPMSM facility in Louisiana. The scope of the study covers engineering disciplines including:

- Site layout optimisation.
- Civil and Structural design and layout.

- Process flow diagrams.
- Process and instrumentation diagrams.
- Electrical design.
- Piping and mechanical design.
- Material take-offs to inform cost estimation activities.

E25 has commissioned FIDES, CDI and UPS to undertake the next phase of detailed engineering and design which will advance the project through to FID and commencement of construction targeted for 2024.

Engineering Subcontractors



CSRS Inc

CSRS is an engineering and architectural services firm with six (6) offices across the Gulf South and 250 employees. The services provided include industry site selection, governmental advisory, environmental permitting, surveying, site engineering design, port advisory, hydraulics & hydrology, and stormwater solutions.

CSRS is engaged as the **strategic consultant** to E25 for aspects specific to the development of the project in Louisiana.

Fides Consulting

Fides Consulting is a subsidiary of CSRS providing program and project management owner support services, including conceptual design and front-end project planning for renewable fuels, clean energy, chemical and petro-chemical projects. Fides has engineers of all disciplines to manage and oversee the engineering design and technical aspects of projects.

FIDES is engaged as the **Owner's Engineer** for E25.

CDI Engineering

CDI is a full-service Engineering, Procurement, and Construction Management firm serving the energy and chemical industries in the USA. CDI has nine (9) offices in the USA with a major office in Baton Rouge, LA. In business for over 70 years, providing services to a range of clients from major energy producers to pilot plant developers.

CDI is responsible for the **Engineering and Procurement** scope of the EPC Joint Venture with UPS.

Universal Plant Services

Established in 1968, UPS is a leading provider of project construction and maintenance services for small to large capital projects. These services include fabrication, welding, piping, mechanical, structural, electrical, instrumentation, and inspection services, among others. UPS contracts combined to deliver a revenue of US\$453M in 2021.

UPS is responsible for the **Construction** scope of the EPC Joint Venture with CDI.

Supply Agreements

Negotiations have commenced with regard to utility, service and reagent suppliers, including natural gas, power and sulphuric acid. All are at an appropriate stage in alignment with the project schedule. Finalisation of these contracts will only occur once the proposed site for the construction of the Facility is formally selected, which remains dependent on finalisation of the LED incentives package and various co-dependent commercial discussions with the landowner.

Contractual arrangements with local suppliers, or nearby facilities are also being negotiated to utilise their existing infrastructure to provide key process and logistical inputs to the project including:

- Sulphuric Acid;
- Steam;
- Raw water;
- Water treatment;
- Construction materials offloading; and
- Manganese ore offloading.

The potential to source this infrastructure and related services without needing to build dedicated infrastructure is an important part of the execution strategy to minimise capital costs.

Site Selection Programmes

Cultural Survey

APA, a local archaeological consultancy was engaged under contract with CSRS, to undertake a Phase I cultural resources survey for the proposed Facility site in Ascension Parish, Louisiana. The Phase I survey was performed in March 2023. The purpose of this study was to determine if any prehistoric or historic properties exist within the limits of the project area, and if so, to document and assess each based on the National Register of Historic Places.

The proposed site has been historically used for agricultural purposes and no archaeological sites, historic areas, historic structures, or cultural material were found as a result of this survey. APA recommends that the project area be cleared of any cultural resource concerns.

Wetland Delineation Survey

The purpose of this study was to determine which areas should be considered jurisdictional wetlands and waters when submitted for U.S. Army Corps of Engineers (USACE) permit for approval. Jurisdictional Wetlands and Waters require a permit from the USACE before any construction can begin in those designated areas.

All critical surveys were completed with minor potential wetlands areas covering approximately 400m² identified for follow up with USACE.

Geotechnical, Boundary & Topographical Surveys

Completed in April 2023, the survey data is used to validate the piling and foundation capacities for the site and to establish the topographical datum for the site. This data is further utilised for the digital 3D model for the project design basis.

The programme comprised the drilling and sampling of test boreholes and performing cone penetration tests (CPTs) to evaluate subsurface stratigraphy and groundwater conditions at the project site. Deliverables from the programme based on geotechnical and analytical laboratory tests on the recovered soil samples included a detailed report detailing findings including existing project site conditions, subsurface soil and groundwater conditions including: design recommendations including:

- Shallow foundation systems;
- Deep foundation systems;
- Ground storage tanks;
- Rigid, flexible and aggregate-surfaced pavement systems;
- Heavy haul roads (HHRs) and aggregate-surfaced laydown areas;
- Heavy crane lifts and/or transloading sites; and
- Site and subbase preparation, excavation considerations, dewatering and groundwater control, fill and backfill placement, compaction requirements, foundation installation and quality control testing, monitoring and inspection guidelines.



Figure 1: Cone penetration test (CPT) track mounted rig.



Figure 2: Soil test borehole drilling rig.

Government / Local Industry Engagement

The E25 HPMSM facility will bring significant economic benefits to a local community through the creation of new direct and indirect jobs during construction and operations. Louisiana Economic Development (LED) estimates the project would result in an additional 408 new indirect jobs, for approximately 628 new jobs in the Capital Region.



As a result of this ongoing engagement, the state of Louisiana has offered Element 25 a competitive incentives package to support a final decision in Louisiana. The incentives include property tax abatements of up to 80% for up to 10 years at parish level and abatements in state property and sales taxes as well as wage subsidies and utility headworks contributions from the state. The final part of the incentives package consists of an in-kind recruitment and training package offered by Louisiana Economic Development. The incentive is provided on the understanding that a minimum number of quality jobs will be created, and a certain level of investment will be made in industrial buildings.



The Company has also applied for the state's Quality Jobs and Industrial Tax Exemption Programs (ITEP)² which includes local government tax abatements and state-based incentives. The application has now passed the local parish's finance committee, school board and council meetings unanimously and has been recommended for approval by the Louisiana Government and ultimately the Governor. The agreement is expected to be issued for execution in coming weeks.

Project Financing

Financing for the proposed Louisiana Facility is cornerstoned by binding commitments for US\$115M from offtake partners General Motors and Stellantis³. The strategy to complete the funding stack includes a number of parallel processes including the investigation of funding under the Department of Energy ATVM loan programme, conventional senior debt alongside the GM senior loan facility of US\$85M, strategic investment from a third offtake partner as well as project level equity partners. The Company is progressing these various discussions in parallel and will provide a more detailed update as soon as further details are available. Notably, Stellantis has completed the first tranche investment of US\$15M in equity and is now the Company's largest shareholder with a 10.2% shareholding⁴.

Pilot-Scale Metallurgical Test Programme

A final pilot-scale process verification test programme for the E25 flowsheet was completed at Veolia HPD's North America facility. The programme utilised the purified leach solution (PLS) previously produced and processed it through the Veolia pilot scale crystalliser facility using optimised conditions established in previous test programme(s).

The programme was successful, producing HPMSM well within the required specifications for battery applications and well inside the E25 Standard Specification which is the quality stipulated in the agreements with both Stellantis and GM.

The results have exceeded expectations and confirmed the E25 process as being able to deliver into existing requirements but also to offer opportunities to supply higher purity product options into the future as battery technology develops and higher purities are required.

The programme also yielded significant quantities of HPMSM which has been packaged and stored in suitable conditions before being dispatched to E25's existing offtake partners as well as potential future offtake and funding partners to assist in ongoing discussions.



Figure 3: E25 HPMSM Sample.

² <https://www.opportunitylouisiana.gov/led-news/news-releases/news/2023/04/12/element-25-proposes-ev-battery-materials-facility-in-ascension-parish>

³ Refer ASX releases dated 9 January 2023 and 26 June 2023.

⁴ Reference: Company ASX release dated 11 July 2023.

General Motors accepts E25 Feasibility Study

In June 2023, Element 25 and General Motors Co. (NYSE: GM) announced binding agreements for E25 to supply up to 32,500 metric tons of manganese sulphate annually, which will support GM's annual production of more than **1 million EVs** in North America⁵.

Under the agreements, GM will provide E25 with a US\$85M loan to partially fund the construction of a new facility in Louisiana, USA, for production of battery-grade manganese sulphate – a key component in lithium-ion battery cathodes – starting in 2025⁶ (Facility). At the Facility, E25 will produce manganese sulphate by processing manganese concentrate from its mining operations in Western Australia. It is expected to be the first facility of its kind in the US⁷.

During the quarter, GM completed due diligence and accepted E25's HPMSM Feasibility Study as a key milestone in the agreements. Remaining conditions include completion of product validation, securing the balance of the required project financing, finalising project permitting and execution of contracts in relation to the preferred plant site in Louisiana, USA. E25 will provide updates as this progresses towards finalisation.

⁵ Reference: Company ASX Release dated 26 June 2023

⁶ Reference: Company ASX Release dated 12 April 2023.

⁷ Reference: Company ASX Release dated 30 September 2022.

Butcherbird Operations

Production

Due to macroeconomic factors weighing on demand from Chinese steel makers, manganese ore prices are currently at cyclical lows⁸. Whilst prices have flattened, they remain depressed, and the timing of a recovery remains uncertain.

Whilst demand and prices are expected to recover in the medium term, E25 is restructuring manganese production at Butcherbird to reduce ore production and costs to align with the lower ore price environment.

This will preserve available cash and allow the strategic operations team to focus on the downstream processing plant engineering and potential plant expansion activities whilst maintaining operational readiness and logistics and supply chains to capitalise when prices recover.

The immediate strategy at site involves the ceasing of increasing mined stockpiles and the processing of available mined stockpiles providing approximately six months of plant feed at budgeted production targets. Finished product will be stockpiled at site deferring haulage to port which is the largest operating cost pertaining to the Butcherbird operations. Haulage will resume on a campaign basis when manganese pricing returns to normal levels.

Further cost reductions will be targeted through optimising labour resourcing and adjusting to the operational schedule with a focus on improved maintenance and plant uptime during reduced operational windows.

Production output is expected to continue at current levels despite reduced resourcing and operational windows, with increased maintenance supporting improved throughput rates aiming for an overall reduction in operating costs per tonne.

During this period of reduced production resourcing, the operations team will focus on improving operating systems and operational disciplines to provide a foundation for the expansion of the team as the potential plant expansion is evaluated.

Production Summary				
Category	Unit	Sep-23	Jun-23	Mar-23
Opening Product Inventory	t	32,710	26,489	24,654
Mined Ore	t	280,037	252,486	311,385
Concentrate Production	t	41,101	59,350	62,277
Product Sales	t	42,001	47,271	62,418
Closing Product Stockpiles	t	31,810	32,710	26,489
Shipping Cost	t	\$ 15.00	\$ 18.00	\$ 14.90
CIF China 44% Benchmark Price	USD	\$ 4.37	\$ 4.98	\$ 6.00

Key Metrics	
Shipping Cost	
Manganese Price	

⁸ <https://www.fastmarkets.com/commodity-price/manganese-ore-index-37-mn-cif-tianjin-mb-mno-0003>

Production Expansion Plans

Engineering works on the proposed plant expansion to a nominal 1Mtpa of concentrate production are nearing completion, with activities during the quarter comprising the core activities outlined in Table 1.

Remaining activities include plant layout, civils design, water balance and detailed project schedule and budget. Once the final information has been received and compiled in the coming quarter, a feasibility study will be released outlining detailed costs and scheduling for the expansion to be implemented subject to a final investment decision by the Element 25 Board.

Target outcomes of the revised plant design using dense media separation instead of ore sorting include increased recoveries and grade. Coupled with reduced unit operating costs drive by economies of scale and improved production volumes are expected to significantly improve project economics over the current pilot processing facility.

Activity	Status
Process flow design	Complete
Mass balance	Complete
Equipment selection	Complete
Vendor quotations for principle mechanical equipment	Complete
Electrical load list - complete.	Complete
Water supply/aquifer pump tests	Complete
Process flow design	Complete
Electrical and instrumentation	In Progress
Detailed project schedule	In Progress
Layout and civil engineering	In Progress
Finalise capital and operating cost estimates	In Progress
Project approvals	In Progress
Feasibility report	In Progress

Table 1. Expansion planning activities

Corporate

E25 joins the US OTCQX market

During the quarter, E25 began trading on the OTCQX market in the United States under the symbol “ELMTF”, upgrading from the Pink® market.

OTC Markets Group Inc. (OTCQX: OTCM) operates regulated markets for trading 12,000 U.S. and international securities. Its data-driven disclosure standards form the foundation of three public markets: OTCQX® Best Market, OTCQB® Venture Market and Pink® Open Market.

Upgrading to the OTCQX Market is an important step for companies seeking to provide transparent trading for their U.S. investors. For companies listed on a qualified international exchange, streamlined market standards enable them to utilize their home market reporting to make their information available in the U.S.

To qualify for OTCQX, companies must meet high financial standards, follow best practice corporate governance and demonstrate compliance with applicable securities laws.

B. Riley Securities, Inc. acted as the company’s OTCQX sponsor.



About Element 25

Element 25 is an ASX listed company (ASX: E25) operating the world class 100%-owned Butcherbird Manganese Project in Western Australia and developing battery grade high purity manganese sulphate monohydrate (HPMSM) products for traditional and new energy markets. It aims to become an industry leading, world class, low-carbon battery materials manufacturer.

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

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ASX Additional Information

The ASX Appendix 5B quarterly report covering the three-month period ending 30 September 2023 is attached and lodged with this report. In accordance with ASX Listing Rule 5.3.5, payments to related parties of the Company and their associates during the quarter totalled \$130,000 comprising salary, directors' fees, consulting fees and superannuation. In accordance with ASX Listing Rule 5.3.1, payments relating to Mining Exploration totalled \$16,000.

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.

Forward Looking Statements

This announcement may include forward-looking statements. These forward-looking statements are based on Element 25's expectations and beliefs concerning future events. Such forward-looking statements concern Element 25's anticipated results and progress of its operations in future periods, planned exploration and, if warranted, development of its properties and plans related to its business and other matters that may occur in the future. These statements relate to analyses and other information that are based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management. All statements contained herein that are not clearly historical in nature are forward-looking, and the words "anticipate," "believe," "expect," "estimate," "may," "might," "will," "could," "can," "shall," "should," "would," "leading," "objective," "intend," "contemplate," "design," "predict," "potential," "plan," "target" and similar expressions are generally intended to identify forward-looking statements.

Forward-looking statements are subject to a variety of known and unknown risks, uncertainties and other factors which could cause actual events or results to differ from those expressed or implied by the forward-looking statements. Forward-looking statements in this release include, but are not limited to, statements with respect to risks related to:

- Element 25's operations being further disrupted and Element 25's financial results being adversely affected by public health threats, including any renewed coronavirus pandemic;
- Element 25's limited operating history in the HPMSM industry;
- Completing required permitting, zoning and re-zoning activities required to commence processing operations for Project;
- Element 25's ability to achieve and maintain profitability and to develop positive cash flows from Element 25's mining and processing activities;
- Investment risk and operational costs associated with Element 25's exploration activities;
- Element 25's ability to enter into and deliver products under supply agreements;
- The pace of adoption and cost of developing electric transportation and storage technologies dependent upon lithium batteries;
- Element 25's ability to access capital and the financial markets;
- Recruiting, training and developing employees;
- Compliance with government regulations;
- Environmental liabilities and reclamation costs;
- Estimates of and volatility in HPMSM prices or demand for HPMSM;
- Element 25's share price and trading volume volatility; and
- Element 25's failure to successfully execute Element 25's growth strategy, including any delays in Element 25's planned future growth.

All forward-looking statements reflect Element 25's beliefs and assumptions based on information available at the time the assumption was made. These forward-looking statements are not based on historical facts but rather on management's expectations regarding future activities, results of operations, performance, future capital and other expenditures, including the amount, nature and sources of funding thereof, competitive advantages, business prospects and opportunities. By its nature, forward-looking information involves numerous assumptions, inherent risks and uncertainties, both general and specific, known and unknown, that contribute to the possibility that the predictions, forecasts, projections or other forward-looking statements will not occur. Although Element 25 have attempted to identify important factors that could cause actual results to differ materially from those described in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those anticipated, believed, estimated, or expected. Element 25 cautions readers not to place undue reliance on any such forward looking statements, which speak only as of the date made. Except as otherwise required by the securities laws of Australia, Element 25 disclaims any obligation to subsequently revise any forward-looking statements to reflect events or circumstances after the date of such statements or to reflect the occurrence of anticipated or unanticipated events. Element 25 qualifies all the forward looking statements contained in this release by the foregoing cautionary statements.



ASX Additional Information for Quarterly Report to 30 September 2023

	Tenement reference	Location	Interest at beginning of quarter	Acquired/ Disposed	Interest at end of quarter
The mining tenements held at the end of the quarter and their location	E20/659	Eelya Hill WA	10%	N/A	10%
	E46/1366	Black Hill WA	100%	N/A	100%
	E52/1529	Mt Padbury WA	100% (Note 1)	N/A	100% (Note 1)
	E52/2350	Butcher Bird WA	100%	N/A	100%
	E52/3606	Yanneri Bore WA	100%	N/A	100%
	E52/3706	Yanneri Pool WA	100%	N/A	100%
	E52/3735	Limestone Bore WA	100%	N/A	100%
	E52/3769	Kumarina WA	100%	N/A	100%
	E52/3779	Beyondie Bluff WA	100%	N/A	100%
	E52/3858	Yanneri Well WA	100%	N/A	100%
	E52/4022	Corner Bore WA	100%	Disposed	0%
	E52/4055	Weelarrana WA	100%	Disposed	0%
	E52/4064	Neds Gap WA	100%	N/A	100%
	E52/4149	Neds Gap WA	100%	N/A	100%
	E52/4153	Yanneri Well WA	100%	N/A	100%
	E52/4155	Weelarrana WA	100%	N/A	100%
	L52/211	Limestone Bore WA	100%	N/A	100%
	L52/215	Butcherbird East 1 WA	100%	N/A	100%
	L52/216	Butcherbird East 2 WA	100%	N/A	100%
	L52/217	Butcherbird East 3 WA	100%	N/A	100%
	L52/218	Butcherbird East 4 WA	100%	N/A	100%
	L52/220	Butcherbird East 5 WA	100%	N/A	100%
	L52/221	Butcherbird East 6 WA	100%	N/A	100%
	L52/225	Butcherbird East 7 WA	100%	N/A	100%
	M52/1074	Yaneri Ridge WA	100%	N/A	100%
	E57/1060	Victory Well WA	20%	N/A	20%
	E63/2027	Lake Johnston WA	100%	N/A	100%

Notes:

- 1) 100% interest held in all minerals other than iron ore and manganese.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Element 25 Limited

ABN

46 119 711 929

Quarter ended ("current quarter")

30 September 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	4,184	4,184
1.2 Payments for		
(a) exploration & evaluation	(16)	(16)
(b) development	(43)	(43)
(c) production	(11,793)	(11,793)
(d) staff costs	(1,804)	(1,804)
(e) administration and corporate costs	(746)	(746)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	150	150
1.5 Interest and other costs of finance paid	(12)	(12)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other – Payment for HPMSM development	-	-
1.8 Other - Movement of cash previously classified as non-restricted	-	-
1.9 Net cash from / (used in) operating activities	(10,080)	(10,080)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	(105)	(105)
(c) property, plant and equipment	(5,223)	(5,223)
(d) exploration & evaluation	-	-
(e) investments	-	-

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
	(f) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(5,328)	(5,328)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	22,570	22,570
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(7)	(7)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (lease payments)	(97)	(97)
3.10	Net cash from / (used in) financing activities	22,466	22,466

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	28,886	28,886
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(10,080)	(10,080)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(5,328)	(5,328)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	22,466	22,466

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	462	462
4.6	Cash and cash equivalents at end of period	36,406	36,406

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	36,406	28,886
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	36,406*	28,886

* Excludes 30 September 2023 market value of listed equity investments of \$563,885.

6. Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to related parties and their associates included in item 1	130
6.2 Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>	

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.	N/A	

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(10,080)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(10,080)
8.4 Cash and cash equivalents at quarter end (item 4.6)	36,406
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	36,406
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	3.6
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	N/A
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	N/A

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

N/A

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 27 October 2023

'Signed electronically'

Authorised by: Board of Directors
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.
6. By the Company lodging this Appendix 5B, the Managing Director and CFO declare that the Appendix 5B for the relevant quarter:
 - presents a true and fair view, in all material respects, of the cashflows of the Company for the relevant quarter and is in accordance with relevant accounting standards;
 - the statement given above is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board; and
 - the Company's financial records have been properly maintained and the Company's risk management and internal compliance and control system is operating efficiently and effectively in all material respects.