

UPDATE ON US HPMSM PROJECT EXECUTION PLAN

HIGHLIGHTS

- Review of HPMSM Project Execution Plan underway to optimise development strategy in response to evolving EV market conditions and emerging battery chemistries.
- Strong ongoing engagement with strategic partners for the Louisiana HPMSM facility.
- Constructive engagement with General Motors & Stellantis to renegotiate contracts.
- Element 25 near term focus is the Butcherbird Expansion Project (**BBX**) delivery.

Element 25 Limited (**E25**, **Element 25** or **Company**) (**ASX: E25; OTCQX: ELMTF**) advises it is undertaking a review of its Project Execution Plan for the Company's proposed production of high purity manganese sulphate monohydrate (**HPMSM**) in the United States. The review is in response to evolving electric vehicle (**EV**) demands in the United States (**US**) and globally, alongside ongoing assessment of emerging EV battery chemistries and the Company's near-term focus on delivering the planned expansion of the Butcherbird Manganese Project.

Element 25 is working to commercialise innovative proprietary technology to produce battery-grade HPMSM for use in EV battery manufacturing. Its first HPMSM refinery, proposed for Louisiana, USA, would produce raw material for the US EV market.

The Company and the HPMSM project has support from key strategic partners in global automakers General Motors LLC (**GM**) and Stellantis N.V. (**Stellantis**), as well as Louisiana Economic Development (**LED**), and the U.S. Department of Energy (**DoE**), with a grant for US\$166 million (A\$268M) in project funding under DoE's Battery Materials Processing Grant Program¹. Element 25 continues to receive strong support from its key strategic partners.

Changes to the HPMSM project schedule has resulted in certain Conditions Precedent (**CPs**) with respect to project delivery timelines under the existing GM agreements not being satisfied. An updated agreement requires negotiation and the parties are constructively engaged and maintain a collaborative approach to review and revise commercial arrangements as appropriate. The Company is in parallel discussions with Stellantis regarding their respective agreements.

In collaboration with its partners and stakeholders, Element 25 is actively repositioning its HPMSM project to align with current market conditions, the long-term projections of the EV market and demands for HPMSM, while also incorporating the development sequencing of its Butcherbird Expansion Project (**BBX**) in Western Australia.

¹ E25 ASX Announcement dated 20 January 2025

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Element 25 Managing Director Justin Brown said:

“Element 25 is taking decisive steps to ensure our HPMSM strategy fits with the rapidly evolving global EV and battery materials market. The landscape has shifted materially over the past 12 months, and it is essential that our strategy reflects current demand signals as well as the emerging chemistry mix being adopted by major equipment manufacturers across the EV and other battery markets.”



EVOLVING BATTERY CHEMISTRY

Lithium manganese-rich (**LMR**) and lithium-manganese-iron-phosphate (**LMFP**) battery chemistries are expected to materially increase global manganese demand due to their significantly higher manganese intensity relative to conventional battery technologies.

LMR and LMFP batteries are characterised by a significantly higher proportion of manganese relative to conventional cathode chemistries, substituting more expensive materials such as nickel and cobalt.

LMR battery cells use around 50% to 70% manganese, increasing the required manganese by up to 10X compared to high nickel ternary chemistries. This increased manganese content not only reduces overall battery costs but also enhances energy density and performance².



LMR batteries can deliver energy density comparable to conventional nickel-rich chemistries, while achieving higher energy density than lithium iron phosphate (**LFP**) batteries. In addition, the stable cathode structure of LMR materials enhances thermal stability and safety performance, further supporting their suitability for large-scale EV adoption³.

Major automotive manufacturers, including GM and Ford, are actively advancing LMR battery technologies in these areas, as well as supply chain stability, highlighting the growing commercial momentum behind manganese-rich chemistries^{4,5}.

As LMR and LMFP adoption scales across the electric vehicle sector, demand for high purity manganese products, particularly HPMSM, is expected to grow. This trend reinforces manganese's emerging role as a critical and strategic raw material within the global EV battery supply chain.

² <https://news.gm.com/home.detail.html/Pages/topic/us/en/2025/may/0513-LMR-batteries-outlook-EV-market.html?pubDate=20250518>

³ <https://inside.lgensol.com/en/2025/11/a-better-life-with-batteries-lithium-manganese-rich-batteries-with-high-energy-density-safety-and-cost-competitiveness/>

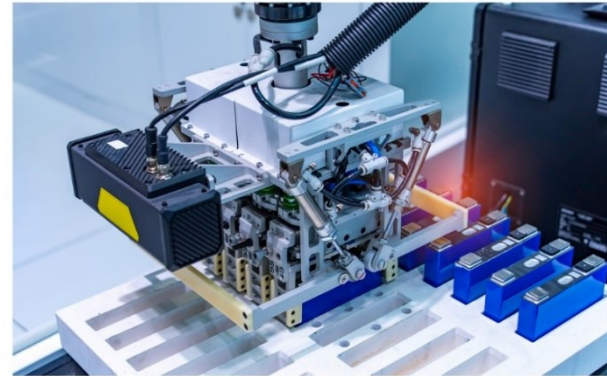
⁴ <https://news.gm.com/home.detail.html/Pages/news/us/en/2025/may/0513-GM-LG-Energy-Solution-pioneer-LMR-battery-cell-technology.html>

⁵ <https://www.spglobal.com/automotive-insights/en/blogs/2025/07/lmr-battery-technology-the-next-rival-to-lfp>

ELEMENT 25'S INTEGRATED DEVELOPMENT STRATEGY

The Company is expanding its Butcherbird operations to a nominal **1.1Mtpa manganese concentrate production**, based on an updated January 2025 Feasibility Study⁶ and an Ore Reserve of 101.4Mt at 10.4% Mn (10.54Mt contained manganese)⁷, supporting an 18+ year Life of Mine (LOM) at the planned throughput rate.

Butcherbird's expanded manganese ore output is intended to supply the Company's planned HPMSM facility in Louisiana, as well as supplying customers in the established ferroalloys (steel) market.

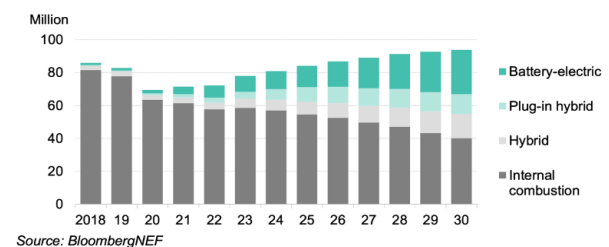


Element 25's integrated development strategy, linking its Butcherbird Expansion Project with its proposed US-based HPMSM processing facility, places the Company in a strong position to capitalise on these emerging market dynamics and support the evolving requirements of global EV manufacturers.

In addition to the specific terms of the GM and Stellantis contracts, the review of the USA HPMSM Project will include aspects such as site selection and associated contracts, completion of project finance, construction timelines, target commissioning dates, and updating grant agreements with the US Department of Energy to align with the revised project plan.

Element 25 will provide a further update to the market upon completion of the HPMSM Project Execution Plan review.

Global Passenger-Vehicle Sales by Drivetrain



ABOUT ELEMENT 25

Element 25 is an ASX-listed company (ASX: E25) that operates the world-class 100%-owned Butcherbird Manganese Project in Western Australia and is currently undertaking activities to recommence production at approximately 1.1Mtpa⁸ of medium-grade high silica manganese ore for use in traditional and new energy markets.

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.

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

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⁶ E25 ASX Announcement dated 22 January 2025

⁷ E25 ASX Announcement dated 22 January 2025

⁸ E25 ASX Announcement dated 22 January 2025

Competent Persons Statement

The Company confirms that in the case of Production Targets, all material assumptions underpinning the production target, or the forecast financial information derived from a production target, in the market announcement dated 22 January 2025 continue to apply and have not materially changed. All estimates of Mineral Resources or Ore Reserves underpinning the production target have been prepared by a competent person or persons in accordance with the requirements of the JORC Code, Appendix 5A.

The Company confirms that in the case of Mineral Resource or Ore Reserves, all material assumptions and technical parameters underpinning the estimates in the market announcements dated 29 October 2024 and 22 January 2025 continue to apply and have not materially changed.

The Company confirms that it is not aware of any new information or data that materially affects information included in previous announcements, and all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.

Investor Relations Disclaimer

Certain Statements included in this announcement are forward-looking statements concerning Element 25 Limited and its subsidiaries (E25) and its operations, economic performance, financial condition, plans and expectations. Without limiting the foregoing, statements including the words “believes”, “anticipates”, “plans”, “expects”, “could”, “potential”, “should” and similar expressions are also forward-looking statements.

All forward-looking statements are subject to a variety of known and unknown risks, uncertainties and other factors that could cause actual events or results to differ from those expressed or implied, including, without limitation, business integration risks; uncertainty of production, development plans and cost estimates, commodity price fluctuations; political or economic instability and regulatory changes; currency fluctuations, the state of the capital markets, uncertainty in the measurement of mineral reserves and resource estimates, E25's ability to attract and retain qualified personnel and management, potential labour unrest, reclamation and closure requirements for mineral properties; unpredictable risks and hazards related to the development and operation of a mine or mineral or mineral deposit or mineral processing facility that are beyond E25's control, the availability of capital to fund all of the Company's projects and other risks and uncertainties.

You are cautioned that the foregoing list is not exhaustive of all factors and assumptions which may have been used. E25 cannot assure you that actual events, performance or results will be consistent with these forward-looking statements, and management's assumptions may prove to be incorrect. E25's forward-looking statements reflect current expectations regarding future events and operating performance and speak only as of the date hereof and E25 does not assume any obligation to update forward-looking statements if circumstances or management's beliefs, expectations or opinions should change other than as required by applicable law. For the reasons set forth above, you should not place undue reliance on forward-looking statements.