ELEMENT 25 AGREES UPDATED TERMS FOR $166M HPMSM GRANT FUNDING WITH US DEPARTMENT OF ENERGY

- DoE and Element 25 agree terms for updated grant agreement for US$166 million to fund E25's planned Louisiana HPMSM Project under the Battery Materials Processing Grant Program.
- The MESC grant funding remains a cornerstone of the Project's development strategy and financing structure.
- Finalising negotiation of the updated agreement confirms U.S. Government support for the revised execution plan with strong alignment with U.S. critical minerals and battery supply chain objectives.
- Continued strong engagement with U.S. Government and key strategic partners.
- Integrated development strategy linking the Butcherbird Expansion Project (**BBX**) with the Louisiana facility underpins long-term supply.

Element 25 Limited (**E25** or **Company**) (**ASX: E25; OTCQX: ELMTF**) is pleased to advise that, following discussions with the U.S. Department of Energy (**DoE**) over recent months, the Company has agreed terms on a revised **grant agreement for U$166 million in funding under the DoE's Battery Materials Processing Grant Program** for the Company's proposed high-purity manganese sulphate monohydrate (**HPMSM**) facility planned in Louisiana, USA (**Project**).

The DoE's continued support reflects strong alignment between the Company's updated project execution strategy and the objectives of the U.S. government to strengthen critical domestic manufacturing and supply chains while increasing critical minerals production for key critical materials used in batteries and other applications[1].

The material obligations under the grant remain consistent with those previously announced[2], with the scope of work, budget-period tasks and associated milestones updated.

The signing of the revised agreement is part of the DoE and Element 25's ongoing review and repositioning of the planned HPMSM Project to align with evolving market conditions, emerging battery chemistries, and long-term demand for manganese-based cathode materials for electrification across multiple sectors including transport, grid storage, defence and aviation[3].

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[1] Opportunity Listing - Infrastructure Investment and Jobs Act (IIJA) Section 40207 Battery Materials Processing & Battery Manufacturing and Recycling Grant Programs
[2] E25 ASX Announcement dated 20 January 2025
[3] E25 ASX Announcement dated 26 May 2026

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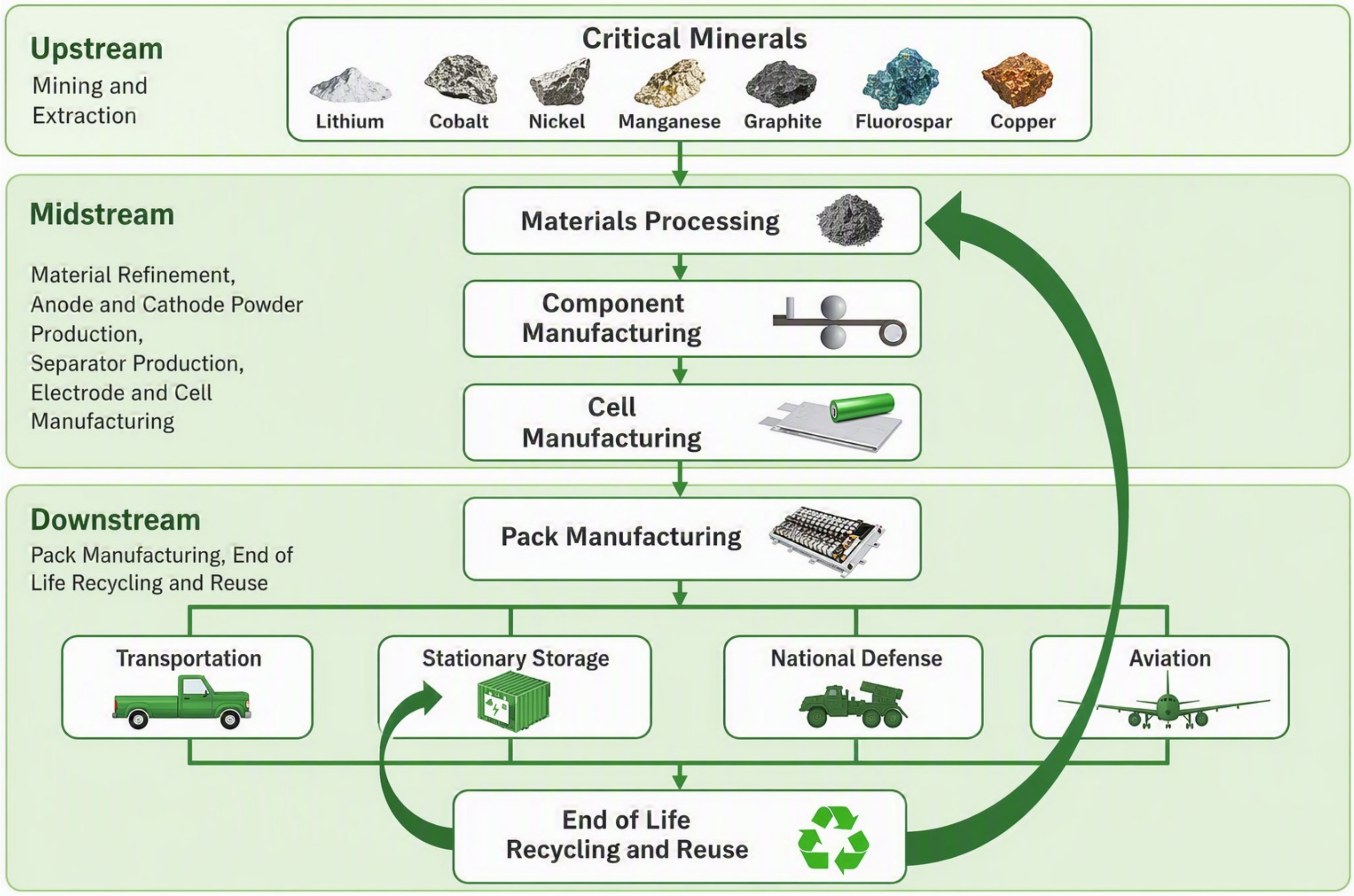
US DoE GRANT REINFORCES STRATEGIC IMPORTANCE OF HPMSM PROJECT

The DoE's Battery Materials Processing Grant Program is designed to support the development of domestic battery materials processing capacity in the United States, ensuring a resilient and secure supply chain for batteries and other applications.



Source: U.S. Department of Energy, Office of Critical Minerals and Energy Innovation / Manufacturing Deployment Office, Battery Materials Processing & Battery Manufacturing and Recycling Grant Programs, NOFO DE-FOA-0003585, 13 March 2026

The grant funding from the DoE reinforces the importance of high purity manganese as a critical raw material for USA's strategic requirements and Element 25 looks forward to re-engaging with project stakeholders to implement the updated project execution plan and progress towards delivery of this Project.

PROJECT REPOSITIONING AND MARKET ALIGNMENT

As announced in May 2026, Element 25 has been actively reviewing and optimising its HPMSM Project Execution Plan (**PEP**) to reflect evolving market dynamics, including the emergence of manganese-rich battery chemistries[4]. The Company is working collaboratively with stakeholders, including the DoE and key partners General Motors LLC (**GM**), Stellantis N.V. (**Stellantis**), to ensure the Project's development pathway supports long-term demand fundamentals and aligns with updated market conditions. This

[4] E25 ASX Announcement dated 26 May 2026

review is expected to enhance the Project's long-term value proposition, while maintaining its role as a strategically important supplier of battery-grade materials.

INTEGRATED DEVELOPMENT STRATEGY DRIVEN BY BUTCHERBIRD EXPANSION

A key component of the Company's strategy is the integration of the Butcherbird Expansion Project (**BBX**) in Western Australia with the proposed Louisiana HPMSM facility.

BBX is designed to increase manganese concentrate production to approximately 1.1Mtpa[5] of medium-grade high silica manganese ore support downstream processing into HPMSM, providing a secure, long-term feedstock supply for the planned U.S. facility.

This integrated "mine-to-market" strategy positions Element 25 to:

- Deliver secure, long-term, supply of manganese from an allied source to the planned Louisiana facility.
- Support growing demand from battery manufacturers across multiple industry sectors.
- Capitalise on the increasing adoption of manganese-rich battery chemistries.
- Strengthen supply chain security for U.S. battery customers.

By linking its upstream resource base at Butcherbird with downstream processing in the United States, Element 25 is seeking to establish a globally competitive, vertically integrated battery materials platform.

Element 25 Managing Director Justin Brown said: *"The support from the U.S. Department of Energy is a strong endorsement of the strategic importance of our HPMSM Project and its role in the development of a secure, domestic battery materials supply chain in the United States.*

Our recent engagement with the DoE, and the signing of this updated execution timeline, ensures that our development strategy is aligned with evolving market conditions and the long-term growth in demand for manganese-based battery chemistries.

Importantly, the integration of the Butcherbird Expansion Project with our planned Louisiana facility underpins a robust, long-term supply solution and positions Element 25 to play a key role in supporting the global energy transition."

NEXT STEPS

The Company will continue to work closely with the DoE and its strategic partners in GM and Stellantis to advance the updated HPMSM PEP, including progressing key workstreams.

Element 25 will provide further updates to the market as the revised execution plan is finalised.

[5] E25 ASX Announcement dated 22 January 2025

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 1.1Mtpa of medium-grade high silica manganese ore for use in traditional and new energy markets[6].

E25 is also commercialising innovative proprietary technology to produce battery-grade high-purity manganese sulphate monohydrate (**HPMSM**) for use in Electric Vehicle (**EV**) battery manufacturing. The Company is planning its first HPMSM refinery in Louisiana USA to produce raw material for the US EV market, with support from General Motors LLC (**GM**), Stellantis N.V. (**Stellantis**) and a grant for US$166 million (A$268M) in project funding from the U.S. Department of Energy (**DoE**) under the Battery Materials Processing Grant Program.

An anticipated strategic shift towards lithium manganese rich (**LMR**) battery chemistries over high nickel formulations will materially increase demand for HPMSM, with GM being one of the first automakers looking to adopt this technology after spending more than a decade on research. Ford Motor Company has also announced a plan to introduce LMR batteries to improve safety, energy density, and reduce costs. LMR battery cells use around to 50-70% manganese increasing the required manganese by up to 10X compared to high nickel ternary chemistries.

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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 material changed. All estimates or Mineral Resources or Ore Reserves underpinning the production target have been prepared by a competent person or persons s 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.

[6] E25 ASX Announcement dated 22 January 2025