ANNUAL REPORT

ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2026

Element 25 Limited
ABN 46 119 711 929 **ASX** E25
element25.com.au

2026

The future has always been electric...

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HIGHLIGHTS

The Butcherbird Expansion Project (**BBX**) transitioned from Feasibility[1] through financing and into full project delivery – targeting mechanical completion and commissioning in Q1 CY2027

Altris Engineering appointed as Lead Project Engineer, establishing an Integrated Project Team to accelerate design, cost optimisation and execution readiness

BBX Project Execution Plan delivered to establish structured construction planning and contractor integration

Executed Integrated Mining & Haulage Contracts with ReGroup, using a single-contractor model to optimise pit-to-port operations and reduce interface risk

Binding take-or-pay offtake agreement signed with OM Holdings Limited (**ASX: OMH**) subsidiary, OM Materials (S) Pte Ltd, for 100% of manganese concentrate (subject to carve-outs for future high purity manganese sulphate monohydrate (**HPMSM)** feedstock requirements) produced at Butcherbird

Secured and delivered major long-lead equipment for BBX, with the first item – the logwasher – arriving at Fremantle Port in June 2026

Strengthened balance sheet and project delivery with two equity placements (AU$10 million and AU$18 million) and materially progressed Northern Australia Infrastructure Facility's (**NAIF**) AU$50 million senior debt facility

Review and optimisation of the HPMSM Project in the USA reflective of evolving market dynamics and new battery technologies

Secured a revised agreement with the US Department of Energy (**DoE**) for a US$166 million DoE grant to ensure alignment with our updated execution strategy

1 E25 Butcherbird Feasibility Study, released as ASX Announcement dated 22 January 2025.

MESSAGE FROM THE CHAIR

Dear Fellow Shareholders,

Welcome to the 2026 Annual Report for Element 25 Limited (ASX: E25).

The past year was a defining period for Element 25 as we advanced our Butcherbird Expansion Project (**BBX**) in Western Australia's Pilbara region from feasibility into full project delivery, while continuing to advance our long term strategy to become a global supplier of high purity manganese.

The Company has made disciplined and measurable progress across engineering, procurement, contracting and financing workstreams, positioning BBX for mechanical completion and commissioning.

Following the appointment of Altris Engineering as our Lead Project Engineer for BBX, the Company implemented an Integrated Project Team with Altris, embedding our technical personnel directly into the detailed design process. This collaborative model has delivered tangible benefits, including cost optimisation opportunities, greater execution flexibility and a more robust engineering foundation for construction.

The execution of integrated mining and haulage contracts with ReGroup further strengthened our pit to port operating model, aligning performance incentives across the supply chain and reducing interface risk. The arrival of the purpose built 600 tonne per hour logwasher at Fremantle Port in June 2026 marked the first equipment milestone for BBX and provided further validation of our vendor to site logistics chain.

Post year-end, the Company announced a binding take or pay offtake agreement with OM Materials (S) Pte Ltd, a subsidiary of OM Holdings Limited (ASX: OMH), for 100% of manganese concentrate from our expanded Butcherbird operations (subject to carve-outs for future high purity manganese sulphate monohydrate (**HPMSM**) feedstock requirements). This agreement secures a high quality, long-term offtake partner for Butcherbird's manganese concentrate and further extends our existing relationship with OM Holdings, which previously purchased Butcherbird product.

Alongside BBX, we continued to refine our strategy for HPMSM in response to evolving market conditions, emerging battery chemistries and updated U.S. government priorities. The renegotiated US$166 million grant agreement with the U.S. Department of Energy reflects strong alignment between Element 25's updated execution plan and the strategic objectives of the United States to establish resilient domestic supply chains for critical minerals. This support, together with current offtake commitments reinforces the strategic importance of high purity manganese in the next generation of lithium manganese rich and lithium manganese iron phosphate (**LMFP**) battery technologies.

Capital management remained a key priority throughout the year. The Company successfully completed two share placements, raising AU$10 million in September 2025 and AU$18 million in April 2026 to fund BBX engineering, procurement and working capital requirements. I thank our Shareholders, both new and existing, for their support in these initiatives. Together with support from the Northern Australia Infrastructure Facility (**NAIF**) in relation to the AU$50 million senior debt facility, this positions Element 25 to execute its growth plans with confidence.

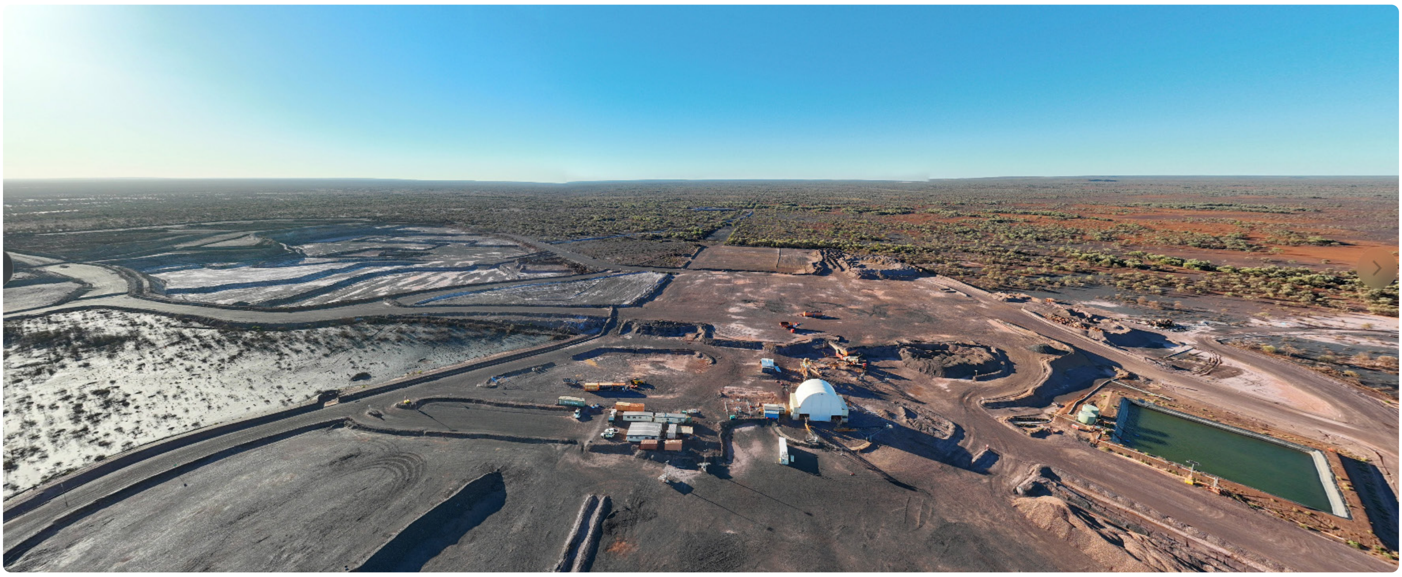
Finally, on behalf of the Board, I acknowledge the retirement of Rudolph (Fanie) van Jaarsveld as Non-Executive Director. Fanie has made a significant contribution to Element 25 during his tenure and his guidance, support and assistance to the Board have been greatly valued and appreciated. I also thank all the Board members and senior management team for their efforts in continuing to steer Element 25 towards achievement of its strategic objectives over the past 12 months.

Element 25 enters FY2027 with clarity, momentum and a strengthened platform as we work towards creating shareholder value. I thank our Shareholders for their continued support and look forward to sharing this journey with you as we progress the Company's strategy.

John Ribbons
Non-Executive Chair
Element 25 Limited

REVIEW OF OPERATIONS

KEY OPERATIONAL MILESTONES FOR FINANCIAL YEAR 2026



BUTCHERBIRD MANGANESE MINE, WESTERN AUSTRALIA

- Altris Engineering appointed as Lead Project Engineer for the Butcherbird Expansion Project (**BBX**) and established an Integrated Project Team to accelerate design, cost optimisation and execution readiness
- Project Execution Plan outlined structured construction planning and contractor integration
- Integrated Mining & Haulage Contracts executed with ReGroup, using a single-contractor model to optimise pit-to-port operations and reduce interface risk
- Major long-lead equipment for BBX procured and delivered, with the first items now arriving in WA for transport to site
- Strengthened balance sheet to deliver BBX by completing two equity placements (AU$10 million and AU$18 million) and progressed NAIF's AU$50 million senior debt facility
- Post year-end, in August 2026, binding take-or-pay offtake agreement executed with OM Holdings Limited (ASX: OMH) subsidiary, OM Materials (S) Pte Ltd, for 100% of manganese concentrate (subject to carve-outs for future HPMSM feedstock requirements) produced at Butcherbird

HPMSM PROJECT, UNITED STATES OF AMERICA

- Review initiated of the High Purity Manganese Sulphate Monohydrate (**HPMSM**) Project in Louisiana, USA to better position it for new battery technologies
- Agreement with the US Department of Energy (**DoE**) for a US$166 million DoE grant to ensure alignment with our updated execution strategy revised and signed

BUSINESS DEVELOPMENT

- Detailed investigation on potential location of a battery-grade HPMSM facility in Chiba prefecture, Japan is underway as part of a non-binding Memorandum of Understanding with Nissan Chemical Corporation and NC Tokyo Bay Corporation

COMPANY OVERVIEW

Element 25 Limited (**Element 25**, **E25** or **Company**) (**ASX: E25; OTCQX: ELMTF**) operates the Butcherbird Manganese Project (Butcherbird or Project), 130km south of Newman in the Pilbara region of Western Australia (**WA**), which hosts Australia's largest onshore manganese resource with JORC resources of 274Mt of manganese ore[2].

Element 25's goal is to become an industry-leading sustainable battery materials manufacturer, producing high-quality manganese concentrate and battery grade High Purity Manganese Sulphate Monohydrate (**HPMSM**) products for traditional and new energy markets.

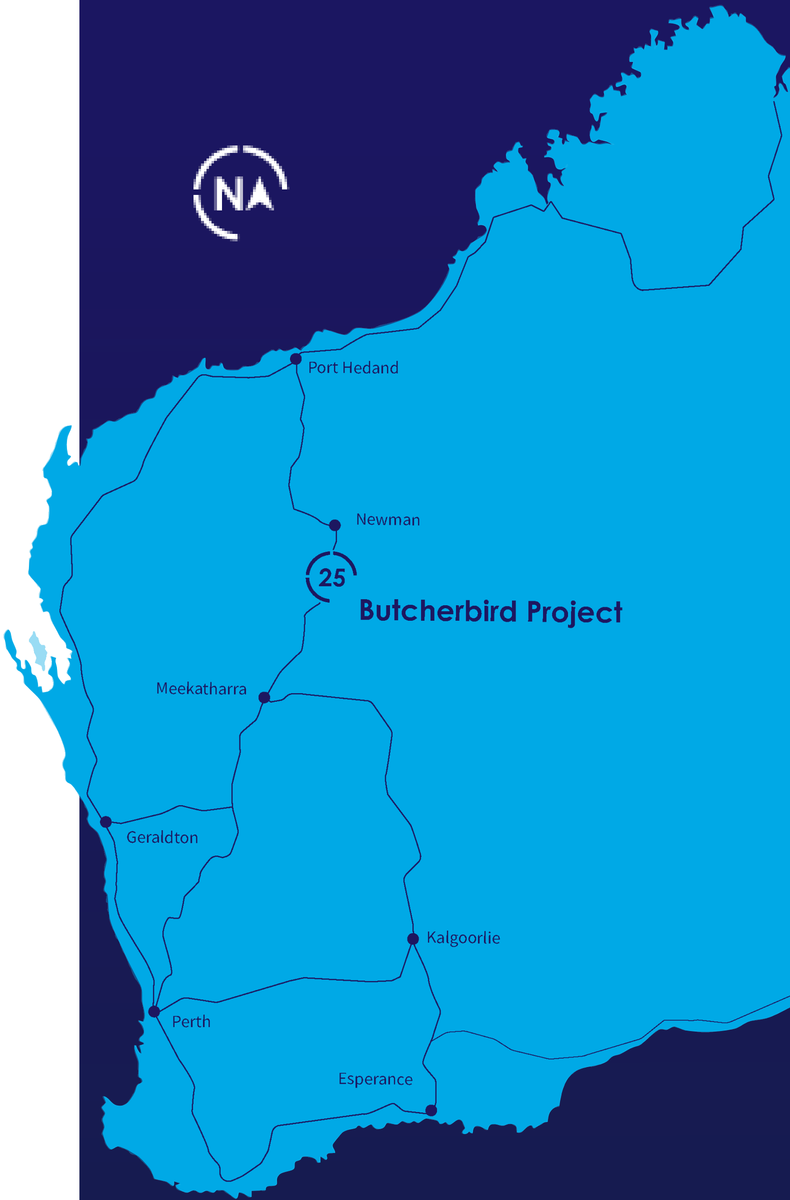
Element 25 has commenced works to expand the Butcherbird operation to 1.1Mtpa of manganese concentrate production[3], targeting commercial production by Q1 CY2027 (**Butcherbird Expansion Project** or **BBX**). The expanded processing operation is based on Butcherbird's 18-year Reserve[4].

E25 plans to use ore from BBX as feedstock for its HPMSM processing strategy, with its first HPMSM facility planned for Louisiana – a first of its kind in the USA. Additionally, Element 25 was awarded US$166 million (AU$268 million)[5] in grant funding from the U.S. Department of Energy (**DoE**) originally in January 2025[6] to support the project.

In addition to Louisiana, Element 25 is investigating the potential for further HPMSM production sites, including in Japan. Ore from Butcherbird will also supply traditional steel markets.

Element 25's priorities during FY26 focused on:

- De-risking and readying its BBX for construction and commissioning;
- Securing and aligning project finance and commercial contracts; and
- Repositioning the HPMSM refinery plan to reflect evolving market and grant conditions in the United States.



2 E25 ASX Announcement dated 22 January 2025
3 E25 ASX Announcement dated 22 January 2025
4 E25 ASX Announcement dated 22 January 2025
5 USD:AUD conversion rate 0.62. Reference: www.xe.com
6 E25 ASX Announcement 20 January 2025

BUTCHERBIRD MANGANESE PROJECT, WESTERN AUSTRALIA

SAFETY

For the 12 months ending 30 June 2026, the Butcherbird minesite sustained 0 (nil) Lost Time Injuries and 0 (nil) Medical Treatment Injuries. The 12 month Lost Time Injury and Medical treatment Injury rates were noted as 0 (nil) and 0 (nil) respectively.

MINERAL RESOURCE ESTIMATE AND ORE RESERVE STATEMENT

The Mineral Resource Estimate and Ore Reserve Statement for Butcherbird have minor changes for the period reflecting an inventory adjustment of remaining manganese product stockpiles, with no manganese concentrate shipments made during the year. The estimates and statement are outlined within this report (see section: *Mineral Resources and Ore Reserves*).

BUTCHERBIRD EXPANSION PROJECT

Element 25's 100%-owned Butcherbird Project in northern WA hosts Australia's largest onshore manganese resource of 274 million tonnes[7], comprising large tonnages of near-surface manganese oxide ore.

Following a small-scale mining campaign at Butcherbird which ended in 2024, Element 25 completed a Feasibility Study in January 2025, targeting expansion of its Butcherbird processing facility to 1.1 million tonnes per annum[8]. The BBX Feasibility Study remains the economic foundation for the expansion and continues to drive decisions based on estimates of:

Capital Cost	NPV	IRR	Cashflow	Payback
AU$64.8M	AU$561M	96%	AU$70.5M	1.3
(incl. contingency)	(pre-tax, real)		(annual)	(years)

Those metrics underpin Element 25's capital allocation and contracting strategy and explain the concentrated effort on procurement, contractor selection and schedule discipline during FY2026.

7 E25 ASX announcement dated 29 October 2024

8 E25 ASX announcement dated 22 January 2025

BUTCHERBIRD EXPANSION PROJECT PROGRESS

Through FY2026, the Company transitioned BBX from feasibility and front end engineering into a coordinated delivery phase, appointing Altris Engineering as lead project engineer to lead BBX and undertake all detailed engineering design for the project[9]. Altris is a Perth-based engineering consultancy providing practical and innovative solutions to clients in the mineral processing sector.

Element 25 and Altris implemented an Integrated Project Team (**IPT**) methodology, with Element 25 engineering personnel embedded and located with the Altris team to ensure collaboration and information sharing are maximised. Early process and cost improvement studies commenced with benefits being identified relating to cost-saving and execution flexibility opportunities.

Altris expanded its team in line with the ramp up of project resourcing requirements as the project advances towards commencement of construction. The IPT has focussed on refinement and further definition of the core engineering detail, including trade-off studies, site layout, detailed cost range analysis and a review of pricing and quantities with the previous project cost estimate as the baseline.

The logwasher, which boasts 600 tonne per hour throughput, was designed and manufactured specifically for the BBX flowsheet. It arrived in Western Australia in June 2026[10] and was transported to a safe storage location in preparation for construction. This marked the first major equipment arrival and validated Element 25's vendor to site logistics chain.

Other key long lead equipment items for BBX, including the primary and secondary sizers from Mining Machinery Developments (**MMD**), are en route to WA. Orders have been placed for the balance of main plant items, including the apron feeder, conveyors and stackers, thickener and screens, with the remaining packages including structural steel, pumps and drives in the final stages of award.

9 E25 ASX announcement dated 22 October 2025

10 E25 ASX Announcement dated 23 June 2026

MINING AND HAULAGE CONTRACTS

Element 25 negotiated and executed integrated mining and haulage arrangements with Regroup Australia Pty Ltd (**ReGroup**) in May[11], representing another major milestone for BBX.

By securing a single contractor across mining and haulage activities, Element 25 is establishing an integrated operating model designed to optimise productivity, reduce operating costs, minimise commercial interface risk and enhance overall project efficiency.

Under the Mining Services Agreement, ReGroup will deliver open pit mining services, including ore extraction in accordance with the Company's rolling mine plans and associated activities required to support processing, waste removal and stockpiling operations.

The Ore Haulage Services Agreement provides for the loading and transportation of ore from site to the Utah Point port facility in Port Hedland under a structured and scalable logistics framework. Ore haulage from Butcherbird minesite to Utah Point is a core component of Element 25's Pit-to-Port (**P2P**) supply chain.

Taken together, the contracts cover on-site material handling, stockpile management and loading; road transport logistics from mine to port, and real-time fleet monitoring and operational data integration to support end-to-end visibility in line with the Company's P2P business intelligence framework which will be designed to provide clear transparency and visibility on all elements of the Project supply chain.

Commercial terms for the contracts are generally in line with the BBX Feasibility Study, with volumes and performance indicators directly linked to the Butcherbird mine plan. The contracts include variable cost structure with a monthly floor for mining services and a scalable take or pay obligation for haulage, with cross defaults for underperformance in either contract providing a robust risk management structure for Element 25 and clear performance incentives for ReGroup. This structure will provide clear alignment between all parts of the P2P supply chain.

BINDING OFFTAKE AGREEMENT

Post year-end, in August 2026, Element 25 announced the execution of a binding take-or-pay offtake agreement with a subsidiary of OM Holdings Limited (ASX: OMH) for 100% of manganese concentrate produced at E25's Butcherbird Mine in WA, subject to carve-outs for future E25's HPMSM feedstock requirements.

The agreement provides offtake certainty for an initial five-year term, with the option to extend for a further five years.

Product specification is aligned with standard manganese concentrate benchmarks (~31.5% Mn), and there are restrictions on resale into certain downstream markets to support the Company's plans to produce HPMSM.

OM Holdings is a long-established manganese alloy producer and operator of manganese smelting facilities in Malaysia, providing a downstream industrial customer for Butcherbird production.

OTHER CONTRACTS

At year end, Element 25 had issued construction contract tender packages for BBX to several pre-qualified bidders, and initial bid evaluations are underway.

In addition, the camp services and port contracts are close to finalisation, pending agreement on final commercial details.

11 E25 ASX Announcement dated 27 May 2026

BUTCHERBIRD EXPANSION GOVERNMENT APPROVALS AND PERMITTING

Element 25 has maintained all regulatory approvals from the Stage 1 pilot plant operations through ongoing compliance and regular statutory reporting. The environmental licence, water abstraction licence, heritage clearances, native title and pastoral agreements are in place and continue to remain applicable.

A fully approved Tailings Storage Facility (**TSF**) supports the initial six years of operations with staged lifts designed for the Reserve life.

To reflect the expanded processing plant footprint and increase in throughput, the Mining Proposal and Mine Closure Plan were updated and approved in December 2024 by the Department of Local Government, Industry Regulation and Safety (**LGIRS**), formerly Department of Mines, Industry Regulation and Safety (**DMIRS**)[12].

The Works Approval for the construction of the expanded processing facility project was approved by the WA Department of Environmental Regulation (**DWER**) in March 2025[13].

PROJECT EXECUTION

In parallel with equipment procurement, the Company continues to advance project execution activities across multiple workstreams, including contractor engagement, detailed engineering, and construction planning. These coordinated activities are designed to ensure readiness for the commencement of construction and efficient progression through the build phase.

A Project Execution Plan (**PEP**) was finalised in the March quarter, and Element 25 finalised supply arrangements for primary processing equipment, including mineral sizers from MMD and a purpose built logwasher from KISA in Germany.

The Company maintains a disciplined project management framework, with ongoing tracking of milestones, supplier deliverables and schedule alignment to support timely delivery and proactive risk management across the project.

Element 25 continues to progress the remaining workstreams required to move into full construction, including finalisation of key commercial arrangements and integration of suppliers and contractors into the overall execution plan. All permits remain in place for construction and BBX remains on track for mechanical completion and commissioning in Q1 CY2027.

PROJECT FINANCE

Element 25 significantly advanced financing for BBX during FY2026 through a combination of debt and equity.

In September 2025, Element 25 completed a AU$10 million (before costs) share placement to fund detailed engineering works and long lead item procurement activities for the Butcherbird Project. The placement settled on 19 September 2025.

In April 2026, the Company successfully undertook a placement of new shares to raise AU$18 million (before costs) to fund the Butcherbird Project and for working capital purposes. The placement settled on 23 April 2026.

In September 2026 the Company executed the facility agreement for an AU$50 million financing package provided through Northern Australia Infrastructure Facility (**NAIF**). Execution of the binding facility agreement represents a major project financing milestone and progresses the previously announced NAIF funding package from commitment into an agreed contractual framework.

12 E25 ASX Announcement dated 13 January 2025

13 E25 ASX Announcement dated 12 March 2025

HPMSM PROJECT, USA

Element 25 plans to build and operate a first-of-its-kind, environmentally sustainable refining facility in the Baton Rouge area, Louisiana, to produce HPMSM, a critical raw material in lithium-ion batteries. The planned 230,000 square-foot (~21,000m^2) HPMSM refining facility will employ an innovative process to produce approximately 71,650 tons (65,000 metric tonnes) of HPMSM annually from the first processing train using manganese ore sourced from its expanded Butcherbird manganese mine.

This development will be one of the first commercial facilities to produce HPMSM in the U.S., reducing current dependency on Chinese sources, and is expected to create hundreds of highly skilled construction and permanent jobs for Louisianans.

In January 2025, Element 25 was formally awarded a US$166 million grant[14] from the U.S. Department of Energy (**DoE**) under its Manufacturing and Energy Supply Chains (**MESC**) Battery Materials Processing Grant Program for this facility. The grant forms a key component of Element 25's financing strategy, in addition to commitments by offtake partners GM and Stellantis.

During the year, Element 25 initiated a review of the HPMSM Project Execution Plan to optimise sequencing, capital intensity and feedstock logistics in response to evolving EV battery chemistries and original equipment manufacturer (**OEM**) demand signals.

The review considered the accelerating interest in lithium manganese-rich (**LMR**) and lithium-manganese-iron-phosphate (**LMFP**) chemistries, which materially increase manganese demand per cell.

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 performance[15].

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 adoption[16].

Major automotive manufacturers, including General Motors 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[17,18].

In July 2026, Element 25 advised that following discussions with the DoE over preceding months, the Company agreed on a revised grant agreement for US$166 million in funding[19]. 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.

The material obligations under the grant remain consistent with those previously announced, 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.

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.

14 E25 ASX Announcement dated 20 January 2025

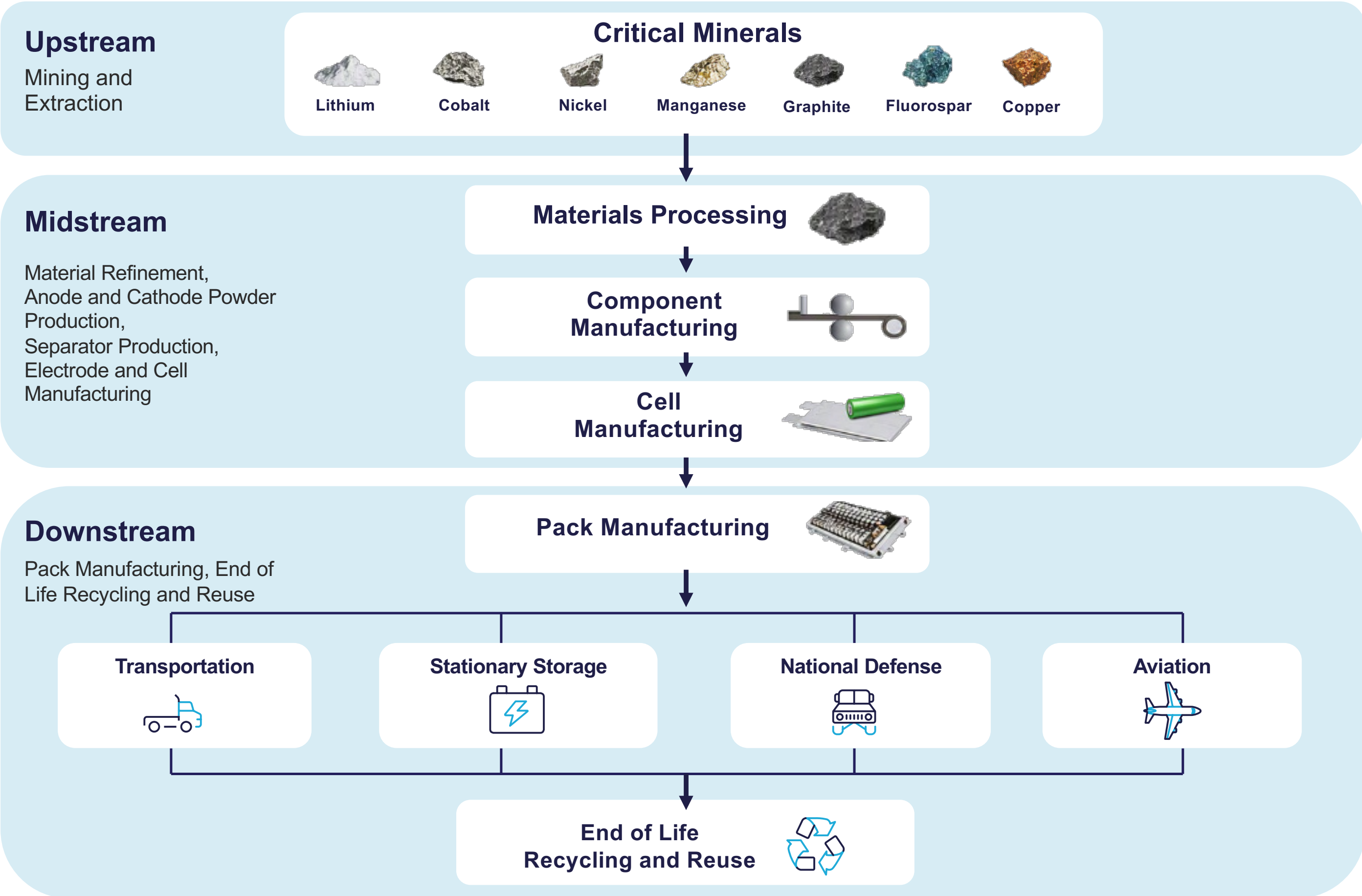
15 https://news.gm.com/home.detail.html/Pages/topic/us/en/2025/may/0513-LMR-batteries-outlook-EV-market.html?pubDate=20250518

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

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

18 https://www.mobilityglobal.com/en-us/automotive-insights/blog/lmr-battery-technology-the-next-rival-to-lfp

19 E25 ASX Announcement dated 7 July 2026



Source: U.S. Department of Energy, Office of Critical Minerals and Energy Innovation / Manufacturing Deployment Office, Battery Materials

The grant funding from the DoE reinforces the importance of high purity manganese as a critical raw material for USA's strategic requirements.

Element 25 looks forward to re-engaging with project stakeholders to implement the updated project execution plan and progress towards delivery of this project.

INTELLECTUAL PROPERTY (IP) PROTECTION

Element 25 has lodged national patent applications across multiple key jurisdictions to secure international protection for its proprietary lithium-ion battery grade HPMSM processing technology. The two patent applications cover innovative in-house hydrometallurgical processes designed to materially improve the quality, efficiency, sustainability and commercial value of HPMSM recovery operations:

- Patent 1: Leach and primary purification – the first key stage of the Company's technology is a low-carbon, low-energy leach and purification process that reduces reagent consumption and generates a saleable by-product, thereby avoiding the creation of waste material that is a key challenge for incumbent technologies in China.
- Patent 2: Selective extraction of manganese from acidic leach solution to produce a high-purity manganese sulphate product without using conventional toxic fluoride reagents, making the process safer and more cost-effective. The technology enables production of a very high-purity product while also generating a saleable by-product stream with zero waste generation.

The Company has filed national patent applications in 17 strategic jurisdictions, including Australia, the United States, Mexico, Canada, China, Japan and key European markets. As patents are granted by each country's relevant national patent office, these National Phase filings are an important step in progressing patent protection internationally.

These filings follow the initial provisional patent applications lodged in November 2023 under the International Patent Cooperation Treaty and represent the next stage in securing global protection for the Company's intellectual property.

LAKE JOHNSTON PROJECT, WESTERN AUSTRALIA

Following a strategic review of the Company's tenement portfolio, E63/2027 was relinquished during the year.

BUSINESS DEVELOPMENT

PROPOSED JAPANESE HPMSM FACILITY

In September 2024, Element 25 signed a non-binding Memorandum of Understanding with Nissan Chemical Corporation and NC Tokyo Bay Corporation (**NCTB**) to complete a pre-feasibility study into a battery grade HPMSM facility to be located at the existing NCTB site in Chiba prefecture, Japan[20].

The potential for a HPMSM facility to be built using the unique Element 25 flowsheet supplied with Butcherbird manganese concentrate fits well with Element 25's strategy of building multiple refineries to serve various global markets.

The parties agreed to proceed to a more detailed investigation[21].

CORPORATE

SHARE PLACEMENTS

In September 2025, Element 25 completed a AU$10 million (before costs) share placement[22] to fund detailed engineering works and long lead item procurement activities for BBX. The placement followed the announcement in June 2025[23] of a AU$50 million senior debt facility secured from the NAIF.

Under the placement, Element 25 issued 36,323,146 shares (13,461,906 under ASX Listing Rule 7.1 and 22,861,240 under ASX Listing Rule 7.1A) at a price of AU$0.28 per share.

In April 2026, the Company undertook a further placement of new shares to raise AU$18 million (before costs), issuing 60,000,000 fully paid ordinary shares (34,602,414 under ASX Listing Rule 7.1 and 25,397,586 under ASX Listing Rule 7.1A) at an issue price of AU$0.30 per share.

DIRECTOR RETIREMENT

In December 2025, the Company announced the retirement of Rudolph (Fanie) van Jaarsveld from its Board of Directors and his position as a Non-Executive Director, effective 1 January 2026[24].

Mr van Jaarsveld remains available as a consultant to the Company and will continue to bring his valuable operational experience to the delivery of the Butcherbird Expansion Project as required.

SUBSCRIPTION AGREEMENT

As part of its ongoing capital management strategy, the Company retains an At-the-Market Subscription Agreement (ATM) with Acuity Capital Investment Management Pty Ltd (**Acuity Capital**), providing Element 25 with up to AU$30 million of standby equity capital over a 36-month period.

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20 E25 ASX Announcement dated 3 September 2024
21 E25 ASX Announcement dated 2 April 2025
22 E25 ASX Announcement dated 12 September 2025
23 E25 ASX Announcement 17 June 2025
24 E25 ASX Announcement dated 19 December 2025

OVERVIEW OF ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)

Element 25 recognises the responsibilities and expectations associated with operating in the mining sector and conducting business across global markets. The Company's objective is to produce clean, low-cost and ethically sourced manganese products for international customers, including high-quality manganese oxide concentrate for traditional steel-related markets and battery-grade high purity manganese sulphate monohydrate (**HPMSM**) for the electric vehicle supply chain. In doing so, Element 25 is focused on progressing its strategy to become an industry-leading, world-class and low-carbon battery materials manufacturer.

The Company's commitment to Environmental, Social and Governance (**ESG**) performance is central to the way it conducts its business and is an important contributor to its long-term success. ESG considerations are embedded across the Company's operations, decision-making and corporate culture. To support this commitment, the Board has established an ESG Committee to guide the development of ESG strategies and ensure ESG leadership remains aligned with Element 25's purpose, values and business objectives.

VALUES AND STRATEGIES

Achieving **best-in-class quality;**	Being **innovative and proactive;**	Developing **low-cost and clean processes** to convert manganese to battery materials;	Operating **ethically and sustainably;** and	**Working as a strong team** to deliver positive outcomes.

The Company remains committed to integrating sustainability into every aspect of its business. Its sustainability strategy focuses on generating lasting social and economic benefits while reducing environmental impacts, supporting the transition to a more sustainable and low-carbon future. Sustainability considerations are embedded within the Company's governance framework, operational practices and long-term growth objectives.

The key objectives of our ESG Strategy are to:

- Embed ESG across all business functions and locations;
- Ensure stakeholders are aligned with the ESG Strategy;
- Create sustainable and positive value for all stakeholders; and
- Review the strategy to ensure critical areas are targeted and reporting is meaningful.

ENVIRONMENTAL (E)

The Company recognises that responsible resource development requires careful stewardship of environment, respect for communities and Traditional Owners, and strong governance practices. The Company remains committed to minimising its environmental footprint, supporting the wellbeing of its people and stakeholders, and maintaining high standards of ethics, accountability and transparency across its operations and value chain.

ENERGY AND EMISSIONS

The Company is committed to improving energy efficiency and reducing greenhouse gas emissions across its operations. This includes integrating renewable energy sources where practical, optimising process design, and prioritising energy-efficient equipment and technologies.

As development advances through BBX and the HPMSM project, the Company has continued to evaluate opportunities to increase the use of renewable energy and implement technologies that support lower-carbon production pathways.

WATER AND WASTE MANAGEMENT

REDUCTION

Efficient utilisation of water and responsible waste management remain key operational priorities. The Company seeks to minimise water consumption through optimised plant design, process improvements and the selection of efficient equipment.

The design of the Butcherbird Expansion project incorporates initiatives aimed at improving water usage efficiency, resulting in lower water consumption. The Company also seeks to incorporate sustainable procurement practices and develop the processing process with reduced waste impacts.

RECYCLING

Water recycling forms an important component of the Company's processing operations. Process water is recovered through thickening and recycling systems and returned to operations, reducing reliance on borefield water supplies.

The Company also partners with waste management providers to maximise recycling opportunities and improve the recovery of materials generated through the operations.

SUSTAINABILITY

CLEAN PROCESS

The Company continues to investigate opportunities to reduce, reuse and repurpose process residues wherever practical. At the Butcherbird mine site, manganese processing is undertaken without the use of toxic chemicals. The HPMSM project has also been designed to utilise widely available reagents and efficient processing technologies that minimise harmful by-products and support strong ESG outcomes.

MINE CLOSURE AND REHABILITATION

The Company maintains an active mine closure and rehabilitation planning process throughout the life of its operations. Rehabilitation obligations are reviewed annually, with estimated closure costs assessed and recognised in accordance with applicable accounting standards.

BIODIVERSITY

The Company recognises the importance of biodiversity in maintaining healthy ecosystems and supporting long-term environmental sustainability. The Company is committed to protect native habitats and ecological values that helps reduce environmental risks and supports the resilience of nature systems.

SOCIAL (S)

HUMAN RIGHTS

Respect for human rights is fundamental to the Company's operations and business relationships. The Company is committed to fostering a workplace that promotes inclusion, diversity, equal opportunity and mutual respect, while preventing discrimination, harassment and unfair treatment.

The Company expects employees, contractors, suppliers and business partners to uphold the same standards, including:

- Supporting internationally recognised human rights principles, including the United Nations Guiding Principles on Business and Human Rights
- Prohibiting all forms of modern slavery, forced labour and child labour
- Providing fair remuneration and safe working conditions
- Promoting equitable treatment and preventing harassment and discrimination
- Protecting personal information and respecting privacy in accordance with applicable laws

WORKPLACE HEALTH AND SAFETY

The health, safety and wellbeing of employees, contractors and visitors remain the Company's highest operational priority.

The Company maintains safety management systems, operational controls, training programs and risk-based processes designed to prevent workplace injuries and illnesses and promote a positive safety culture. The Company seeks to ensure all personnel are equipped with the knowledge, skills and resources required to work safely and effectively.

The Company also expects contractors and suppliers to demonstrate the same commitment to health and safety performance.

EMPLOYEE WELLBEING

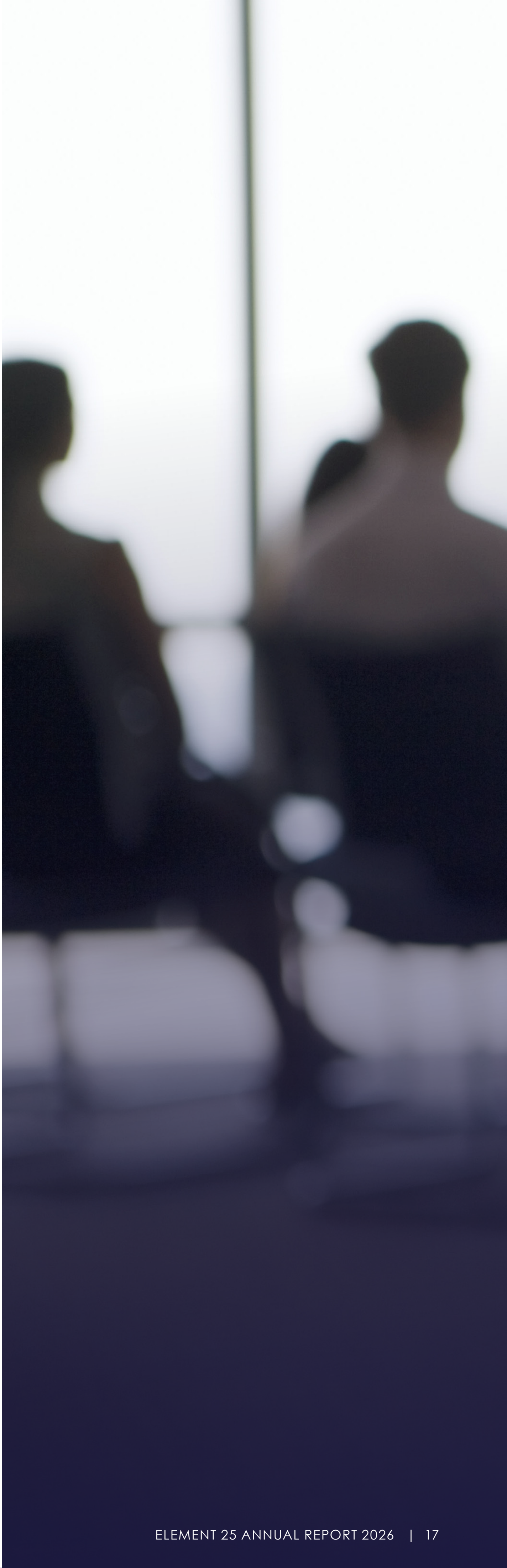
The Company is committed to fostering a workplace that supports the physical, mental and emotional wellbeing of the employees.

MENTAL HEALTH

At Element 25, employees and their families have access to a confidential Employee Assistance Program (EAP) delivered by independent professional service providers. The program offers counselling and psychological support services and is available to all eligible personnel and their families.

LIFESTYLE AND WELLBEING

To encourage healthy lifestyles and positive workplace engagement, the Company supports a range of wellbeing initiatives. These initiatives including health and wellness programs, fitness incentives and activities that promote overall employee wellbeing.



COMMUNITY AND STAKEHOLDER ENGAGEMENT

The Company acknowledges the importance of maintaining strong relationships with local communities, Traditional Owners and other stakeholders. Therefore, the Company actively seeks to create sustainable social and economic value through local employment, contracting opportunities and ongoing community engagement. The Company recognises that long-term success is strengthened through collaborative partnerships that deliver shared benefits and support regional development. In addition, the Company seeks to engage with stakeholders who demonstrate responsible environmental and social practices.

GOVERNANCE (G)

Strong governance is fundamental to the Company's long-term performance and sustainable growth. The Company is committed to maintaining governance practices that support accountability, transparency, ethical conduct and effective risk oversight.

The Board and management team bring a diverse range of skills, experience and perspectives to guide the Company's strategic direction and oversee business performance.

The Company expects its employees, contractors and suppliers to act with integrity and comply with all applicable legal, regulatory and ethical obligations.

ETHICS, ACCOUNTABILITY, TRANSPARENCY AND INTEGRITY

The Company promotes a culture of ethical behaviour and maintains systems and controls designed to prevent bribery, corruption, fraud and other forms of misconduct. Policies and reporting mechanisms are in place to enable employees and stakeholders to report concerns or grievances without fear of retaliation. Reports are assessed and addressed through established governance processes.

The Company annually reviews and reports its corporate governance practices against the ASX Corporate Governance Council's Principles and Recommendations. Current governance disclosures are available on the Company's website at www.element25.com.au.

ESG RISK MANAGEMENT

The Company adopts a proactive approach to identifying, assessing and managing ESG related risks and opportunities across operations and projects.

Key ESG risks include environmental impacts, climate-related risks, water management, biodiversity, cultural heritage, workforce wellbeing, community relations, regulatory compliance and ethical business conduct.

Through risk assessments, stakeholder engagement, continuous monitoring and transparent reporting, the Company seeks to minimise adverse impacts, strengthen organisational resilience and support sustainable value creation. Further information on ESG related risks is provided in the section titled *External Factors and Material Business Risks.*

MINERAL RESOURCES AND ORE RESERVES

BUTCHERBIRD MINERAL RESOURCE ESTIMATE AS AT 30 JUNE 2026

The Butcherbird Manganese Project Mineral Resource Estimate was first reported on 17 April 2019 and an updated Mineral Resource was published on 29 October 2024. The mining depleted mineral resource estimate as at 30 June 2026 is as follows:

Category	Tonnes (Mt)	Mn (%)	Si (%)	Fe (%)	Al (%)
30 June 2025					
Measured	13.0	11.3	20.5	11.5	5.7
Indicated	116.2	10.1	21.0	11.4	6.0
Inferred	145.2	9.8	20.6	11.5	5.9
TOTAL[1]	**274.4**	**10.0**	**20.8**	**11.5**	**5.9**
Less Mining					
Measured	0	0	0	0	0
Indicated	0	0	0	0	0
Inferred	0	0	0	0	0
TOTAL[2]					
Less ROM Stocks Movement					
Measured	0.015	28.4	20.5	11.5	5.8
TOTAL[3]					
30 June 2026					
Measured	13.0	11.3	20.5	11.5	5.7
Indicated	116.2	10.1	21.0	11.4	6.0
Inferred	145.2	9.8	20.6	11.5	5.9
TOTAL / AVERAGE %[4]	**274.4**	**10.0**	**20.8**	**11.5**	**5.9**

Notes:

1 Closing ROM stocks at 30 June 2025 included in opening stock figure
2. No Mining occurred during the period
3. ROM stocks movement/survey adjustment changed between 1 July 2025 - 30 June 2026
4. Includes Mineral Resource estimate update released ASX: 29 Oct 2024

All figures rounded to reflect the appropriate level of confidence (apparent differences may occur due to rounding)

BUTCHERBIRD MINERAL ORE RESERVE AS AT 30 JUNE 2026

The Butcherbird Manganese Project Mining Reserve Classification was first reported on 19 May 2020 and an updated Mineral Reserve was published on 22 January 2025. No mining occurred during the reporting period and the depleted mineral reserves as at 30 June 2026 is as follows:

Category	Tonnes (Mt)	Grade (Mn %)	Contained Mn (Mt)	Recovered Mn[5] (Mt)
30 June 2025				
Proved	11.9	11.8	1.4	0.8
Probable	89.5	10.2	9.1	5.5
Total [1]	**101.4**	**10.4**	**10.5**	**6.3**
Less Mining				
Proved	0	0	0	0
Probable	0	0	0	0
Total [2]	**0**	**0**	**0**	**0**
Less ROM Stocks Movement				
Proved	0.015	28.4	0.004	0.003
Total [3]				
30 June 2026				
Proved	11.9	11.8	1.4	0.8
Probable	89.5	10.2	9.1	5.5
Total / Average %[4]	**101.4**	**10.4**	**10.5**	**6.3**

Notes:

1 Closing ROM stocks at 30 June 2025 included in opening stock figure
2. No mining occurred during the period
3. ROM stocks movement/survey adjustment changed between 1 July 2025 - 30 June 2026
4. Includes Ore Reserve update released ASX: 22 January 2025
5. Updated 2025 manganese recovery based on the Ore Reserve update released ASX: 22 January 2025

All figures rounded to reflect the appropriate level of confidence (apparent differences may occur due to rounding).

The Company's ore reserve and mineral resource estimates for the Butcherbird Operations in accordance with the 2012 JORC code, involve elements of estimation and judgement. The preparation of these estimates involves application of significant judgement and no guarantee or assurance of mineral recovery levels, or the commercial viability of deposits can be provided. The actual quality and characteristics of mineral deposits cannot be known until mining takes place and will almost always differ from the assumptions used to develop resources. Further, ore reserves are valued based on assumed future costs and future commodity prices and, consequently, the value of actual ore reserves including their economic extraction, and mineral resources may differ from those estimated, which may result in either a negative or positive effect on operations. Element 25 takes a medium-term view to these inputs in the formulation of ore reserves and then monitors operating conditions to allow the Company to respond accordingly should negative variances occur.

REVIEW OF MATERIAL CHANGES

The Company updated its Mineral Resource Estimates for the Project on 29 October 2024. Total reported Measured, Indicated and Inferred Mineral Resource estimates at that date was 274 million tonnes at 10.0% per cent manganese for 27.4 million tonnes of contained manganese.

The Company updated the Butcherbird Project Ore Reserves on 22 January 2025. The depleted Proved and Probable Reserves at 30 June 2026 are 101.4 million tonnes at 10.4% Mn for 10.5 million tonnes of contained manganese.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original announcements dated 29 October 2024 and 22 January 2025 and that all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.

GOVERNANCE CONTROLS

The Company reports its Mineral Resources and Ore Reserves on an annual basis, with Mineral Resources inclusive of Ore Reserves. Reporting is in accordance with the 2012 Edition of the Australasian Code for Report of Exploration Results, Mineral Resources and Ore Reserves and the ASX Listing Rules. All Competent Persons named by Element 25 are suitably qualified and experienced as defined in the JORC Code 2012 Edition.

COMPETENT PERSONS STATEMENT

The information in this report that relates to Exploration Results, Mineral Resources and Ore Reserves listed in the table below is based on, and fairly represents, information and supporting documentation prepared by the Competent Person whose name appears in the same row. Each person named in the table below has sufficient experience which is relevant to the style of mineralisation and types of deposits under consideration and to the activity which he/she has undertaken to qualify as a Competent Person as defined in the JORC Code 2012. Each person identified in the list below consents to the inclusion in this announcement of the material compiled by them in the form and context in which it appears.

Activity	Competent Person	Membership Institution
Exploration Results	Justin Brown	Australasian Institute of Mining and Metallurgy
Mundawindi and Ritchies Mineral Resource Estimates	Greg Jones	Australasian Institute of Mining and Metallurgy
Bindi Bindi, Budgie Hill, Ilgararie Ridge, and Cadgies Flat Mineral Resource Estimates	Mark Glassock	Australasian Institute of Mining and Metallurgy
Yanneri Ridge and Coodamudgi Mineral Resource Estimates	Dean O'Keefe	Australasian Institute of Mining and Metallurgy
Mining, Metallurgy and Financial Modelling in relation to Mineral Reserves	Ian Huitson	Australasian Institute of Mining and Metallurgy

At the time that the Exploration Results and Exploration Targets were compiled, Mr Brown was an employee and shareholder of Element 25 Limited.

Mr. Jones, who acts as Consultant Geologist for Element 25 is a full-time employee of IHC Robbins.

At the time that the Mineral Resources were compiled, Mr Glassock was a consultant to Element 25 Limited.

At the time that the Ore Reserves were compiled, Mr Huitson was an employee and shareholder of Element 25 Limited.

Please note with regard to exploration targets, the potential quantity and grade is conceptual in nature, that there has been insufficient exploration to define a Mineral Resource and that it is uncertain if further exploration will result in the determination of a Mineral Resource.

EXTERNAL FACTORS AND MATERIAL BUSINESS RISKS

The Company's Board and management identify, assess, monitor and manage material business risks through its Risk Management Framework. Where practicable, the Company seeks to mitigate the potential for adverse outcomes through appropriate controls, governance processes and risk mitigation strategies. The factors outlined below may, either individually or collectively, have a material adverse effect on the Company's business, financial results, operations and prospects in future financial years.

COMMODITY PRICES

The Company generates revenue from the sale of manganese concentrate through long-term customer offtake and sales agreements.

The commodity price is determined by external markets which are outside the Company's control, making it susceptible to adverse price movements. During operations the Company uses foreign exchange hedging to manage commodity price and currency exchange risk. Declining commodity prices can impact the financial returns from existing operations. The Company closely monitors manganese concentrate pricing.

CONSTRUCTION

The Company is currently progressing the Butcherbird expansion project which includes construction of a new processing plant as well as non process infrastructure, camp and accommodation facilities. The external construction market remains challenging and the Company is continually looking for opportunities to mitigate construction risk.

The Company has implemented an integrated project delivery methodology with the appointed lead project engineer, Altris Engineering to ensure collaboration and communication are maximised. Early process and cost improvement studies have been undertaken to identify cost savings as well as execution flexibility opportunities. Lean construction will optimise processes, improve communication and eliminate unnecessary steps that lead to resource (time, materials and labour) wastage.

There are limited suppliers for several of the key procurement items however supply chain diversification has been investigated where possible. To further mitigate supply chain risk and its impact on the construction plan and capital cost estimate, long-lead items and all main plant items have been committed to early (e.g. logwasher and primary and secondary sizers). This has been combined with strong contract management to clearly allocate risk and to ensure there are enforceable clauses to mitigate risks related to delays, cost overruns and disputes.

The Company will continue to monitor and review all aspects of the project plan to identify and address potential challenges and issues related to construction commencing or progressing so that these can be managed and mitigated effectively.

PRODUCTION AND OPERATING

The Company's current and future financial performance and position are dependent on production levels achieved, as well as operating and, to a lesser extent, capital cost outcome. Production activities can be subject to variation due to several factors including the local mine strip ratio and changes in ore characteristics. The Company's main operating costs include contractor costs, materials and diesel, personnel costs, and ore haulage and shipping costs.

Operating costs are subject to external economic conditions (including inflationary pressures both domestically and globally) which can impact the availability, cost, and quality of procured items. Examples could include the availability of spare parts, changes to diesel fuel price or diesel fuel rebate, ore haulage and shipping prices, the availability of suitably qualified and experienced labour and maintenance parts and equipment.

Changes in the operating costs of the Company's mining and processing operations costs could occur due to unforeseen events, international and local economic and political events, and could result in changes in manganese reserve estimates. Many of these factors are beyond the Company's control, therefore the Company may be faced with varied production and higher operating costs in the future compared to current costs.

TRANSPORT SERVICES

The Company depends on reliable transport links to move finished product to port and to deliver the materials, supplies, services and equipment required at the Butcherbird mine site. These activities depend on third-party providers of ore haulage, port, shipping and other logistics services. Disruptions arising from contractual disputes, constrained port capacity, shortages of trucks or vessels, industrial action, travel restrictions, adverse weather or other events may delay the movement of product and essential inputs. Any such interruption could affect delivery schedules and may adversely impact Element 25's operations, financial performance and broader business activities.

WATER SUPPLY MANAGEMENT

Water is essential to manganese processing and, accordingly, the management of water resources is a key operational priority for the Company. Production water has historically been sourced from the silcrete aquifer, which has finite storage capacity and variable recharge characteristics.

To mitigate this risk, the Company proactively monitors groundwater levels and extraction rates from the silcrete aquifer, while continuing to pursue improvements in water-use efficiency per tonne of production.

These actions are intended to maintain sufficient water availability for operational requirements and support compliance with applicable legal and regulatory obligations.

If monitoring identifies potential constraints on water availability, the Company may assess and implement appropriate responses, including supplementary water sources or modifications to infrastructure.

CULTURAL HERITAGE

Mining operations can intersect with Indigenous cultural heritage, encompassing physical sites, cultural landscapes and intangible heritage. If these matters are not appropriately managed, they may affect relationships with Indigenous communities, environmental outcomes, project schedules and the Company's financial obligations.

The Company addresses these risks through early and continuing engagement with Traditional Owners, relevant heritage surveys and, where required, adjustments to operational plans. Element 25 seeks to generate enduring social and economic benefits for the Nyiyaparli, Ngarlawangga and Gingirana peoples, the Traditional Owners of the land on which the Butcherbird mine site and tenements are located. The Company also maintains proactive consultation with Indigenous communities and provides regular cultural heritage awareness training to support compliance with applicable Aboriginal heritage legislation.

HEALTH AND SAFETY

Mining activities involve a range of health and safety hazards, including the improper use of plant and equipment, failure to follow established policies and procedures, equipment malfunction, fatigue and environmental conditions. If not effectively managed, these hazards may result in injury or illness, reduce productivity and adversely affect employee wellbeing.

The Company manages these risks through comprehensive health and safety systems, regular workforce training, workplace inspections, risk assessments and audits, together with ongoing monitoring of health and safety performance. Element 25 also promotes a proactive safety culture in which employees are supported and expected to contribute to maintaining a safe and healthy workplace.

DIRECTORS REPORT

Your Directors submit their report on the consolidated entity (Group, Company or Element 25) consisting of Element 25 Limited and the entities it controlled at the end of, or during, the year ended 30 June 2026.

DIRECTORS

The names and details of the Company's directors in office during the financial year and until the date of this report are as follows.

Where applicable, all current and former directorships held in listed public companies over the past three years have been detailed below. Directors were in office for this entire period unless otherwise stated.

JOHN RIBBONS

B.BUS, CPA, ACIS

Non-Executive Chair

Audit and Risk Committee Member
Remuneration Committee Member
ESG Committee Chair

Mr Ribbons is a finance and governance professional with more than 25 years' experience in company secretarial, corporate governance and corporate compliance, including serving as a Non-Executive Director and Company Secretary of ASX-listed and unlisted companies.

Mr Ribbons has a strong background in the resources sector, having assisted a number of junior companies from incorporation through to ASX listing. Mr Ribbons has extensive knowledge and experience across ASX- and TSX-listed exploration and production companies, together with considerable site-based experience at operating mines.

Mr Ribbons is currently a Non-Executive Director of Legend Mining Limited and has held no other Directorships in other listed entities in the last three years.

JUSTIN BROWN

B.SC. (HONS.)

Managing Director

Audit and Risk Committee Member
ESG Committee Member

Mr Brown is a geologist with over 30 years of experience in global mineral exploration, mining and business management. Mr Brown has a keen interest in the role that ethically sourced critical raw materials can play in the decarbonisation efforts to reverse global warming. Mr Brown founded Element 25 in 2006 taking a corporate leadership role as founding Managing Director, guiding the business through numerous economic cycles and being the architect of multiple successful value accretive transactions in multiple commodities. In addition to an executive role with Element 25 Limited since 2006, Mr Brown has also held a number of board positions, and has a strong track record of closing successful commercial transactions.

Mr Brown is currently the Non-Executive Chairman of Wide Open Agriculture Limited and has held no other Directorships in other listed entities in the last three years.

SALVATORE (SAM) LANCUBA

B.ENG (CHEM ENG)

Non-Executive Director

Audit and Risk Committee Member
Remuneration Committee Chair
ESG Committee Member

Mr Lancuba is a chemical engineer with more than 40 years' experience in the global fertiliser industry across research and development, process engineering, manufacturing and management. Following 27 years at Incitec Pivot Limited, an ASX top 50 company, Mr Lancuba has consulted to industry clients in Australia, New Zealand, USA, South America, Europe, India and China in areas including plant design and maintenance, project management, project evaluation and marketing strategies. He has extensive experience in chemical processing, project development and operations in the chemical industry.

COMPANY SECRETARY

MICHAEL JORDON
B.BUS, CPA

Mr Jordon has extensive experience across many industries with a focus on manufacturing and service delivery sectors. He has held positions of Chief Financial Officer and Chief Operating Officer and has been responsible for business start-up development, merger as well as acquisition and business financing activities across Australia and Europe.

CHANGES TO YOUR ELEMENT 25 BOARD

In December 2025, the Company announced the retirement of Rudolph (Fanie) van Jaarsveld from its Board of Directors and his position as a Non-Executive Director, effective 1 January 2026.

Mr van Jaarsveld joined the Element 25 Board in 2022 as a Non-Executive Director.

Element 25 Managing Director Justin Brown said *"On behalf of the Board and management, we extend our sincere gratitude to Fanie for his significant contributions to Element 25. Fanie's dedication, passion and insight have been invaluable in guiding the Company through key activities, and his commitment to our vision has left a lasting impact. We wish Fanie all the best in his future pursuits."*

INTERESTS IN THE SHARES AND OPTIONS OF THE COMPANY AND RELATED BODIES CORPORATE

As at the date of this report, the interests granted for the Directors in the shares, options and rights of Element 25 Limited were:

Director	Ordinary Shares	Options Over Ordinary Shares	Performance / Service Rights
John Ribbons	2,411,112	200,000	-
Justin Brown	9,275,463	1,000,000	1,224,938
Salvatore (Sam) Lancuba	37,037	-	37,037

DIRECTORS MEETINGS

During the year the Company held the following meetings of Directors. The attendance of Directors at meetings of the Board and committees were:

	Directors Meetings		Audit and Risk Committee Meetings		Remuneration Committee Meetings		ESG Committee Meetings	
	Meetings Attended	Meetings Eligible to Attend	Meetings Attended	Meetings Eligible to Attend	Meetings Attended	Meetings Eligible to Attend	Meetings Attended	Meetings Eligible to Attend
John Ribbons	10	10	6	6	4	4	1	1
Justin Brown*	9	10	6	6	4*	N/A	1	1
Rudolph van Jaarsveld**	5	5	3	3	3	3	1	1
Salvatore Lancuba	10	10	6	6	4	4	1	1

* Mr Brown attended 4 Remuneration Committee Meetings during the year by invitation of the Committee

** Mr van Jaarsveld resigned from the Board of Directors, associated Committees and his position as a Non-Executive Director effective 1 January 2026.

SHARES UNDER OPTION

Unissued ordinary shares of Element 25 under option at the date of this report are as follows:

Date Options Granted	Expiry Date	Exercise Price (cents)	Number of Options
29 September 2022	1 July 2027	65.40	500,000
25 October 2022	29 September 2027	117.47	1,000,000
23 December 2022	23 December 2027	146.75	50,000
25 November 2022	25 November 2027	158.00	900,000
29 September 2022	23 September 2027	128.06	250,000
28 November 2023	27 November 2028	67.00	500,000
22 December 2023	21 December 2028	60.00	500,000
Total number of options outstanding at the date of this report			3,700,000

No option holder has any right under the options to participate in any other share issue of the Company or any other entity.

PRINCIPAL ACTIVITIES

The Element 25 Group's principal activities were centred on advancing the 100%-owned Butcherbird Manganese Mine in Western Australia, with the Butcherbird Expansion Project. The expansion is progressing toward an enlarged operation capable of producing 1.1 million tonnes per annum of manganese concentrate for traditional steel markets and as feedstock for Element 25's planned battery-grade high purity manganese sulphate monohydrate (HPMSM) facilities. The Group continues to progress its proposed HPMSM facility in Louisiana, USA, and evaluate further development opportunities in other strategic markets.

DIVIDENDS

No dividends were paid or declared during the financial year. No recommendation for payment of dividends has been made.

RESULTS

During the year ended 30 June 2026, the Company undertook the Butcherbird Expansion project. As a result, no shipment of ore was made and therefore recognised revenue of $nil (2025: $1,883,253), cost of sales of $nil, and other income of $1,180,156 (2025: $802,763).

During the year the Group incurred care and maintenance costs of $667,973 (2025: $nil), inventory adjustment of $963,267 (2025: $nil), general and administration expenditure amounting to $1,669,094 (2025: $3,156,365), and a finance expense amount of $22,143 (2025: $38,541). This has resulted in an operating loss after income tax for the year ended 30 June 2026 of $2,142,321 (2025: $5,867,866). The Company had a cash balance of $18,277,404 as at 30 June 2026 (2025: $2,162,007).

RISK MANAGEMENT

The Board is responsible for overseeing the Group's approach to corporate and business risk management, including the timely identification, assessment and monitoring of risks and opportunities that may affect the Group's strategy, operations and performance.

Risk management is considered a core responsibility of the full Board. Accordingly, all Board members are part of the Audit and Risk Committee which enables all Directors to be actively involved in the oversight of the Group's risk profile and related governance processes.

The Board maintains a range of mechanisms to ensure Management's objectives, activities and decision-making remain aligned with the risks and opportunities identified by the Board. These mechanisms include:

- Board approval of the Group's strategic plan, including strategic priorities and initiatives designed to meet stakeholder expectations and manage material business risks; and
- Implementation of Board-approved operating plans and budgets, supported by regular Board monitoring of progress, performance and emerging risk matters.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

During the period, a US$166 million U.S. Department of Energy grant was reconfirmed with minor updates to the grant agreement under the U.S. Department of Energy's Battery Materials Processing Grant Program to support construction of Element 25's planned HPMSM facility in Louisiana, USA.

No other significant changes in the state of affairs of the Group occurred during the financial year.

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

In July, the Group agreed terms on a revised grant agreement for US$166 million in funding with DoE under the DoE's Battery Materials Processing Grant Program for the Group's proposed HPMSM facility in Louisiana, USA.

A long-term binding manganese offtake agreement with OM Materials (S) Pte Ltd (a subsidiary of OM Holdings Limited), for 100% of manganese concentrate produced at Butcherbird Mine in WA was executed in August.

In September 2026, Element 25 executed a binding AU$50 million project finance facility agreement with the Northern Australia Infrastructure Facility (**NAIF**)[25] to support development of the Company's Butcherbird Expansion Project (**BBX**), which was initially announced in June 2025[26]. Funding comprises a AU$42.5 million Term Facility and an AU$7.5 million Cost Overrun Facility, providing long tenor, non dilutive funding and dedicated cost overrun support.

Execution of the definitive agreement marks a major financing milestone, progressing NAIF's earlier funding commitment into a contractual framework ahead of financial close and first drawdown. The facility will fund eligible development and ramp up costs for BBX as Element 25 expands Butcherbird's manganese concentrate production capacity to 1.1 Mtpa[27].

Element 25 is now focused on satisfying the remaining conditions precedent to financial close and first drawdown of the facility agreement.

In September 2026, the Group favourably settled a contractual claim with an external service provider, resulting in compensation owed to the Group. As a result, capitalised project expenditure was adjusted and a receivable of AU$2.8 million was recognised to reflect management's revised estimate of the costs ultimately attributable to the construction of the project.

25 E25 ASX Announcement dated 8 September 2026

26 E25 ASX Announcement dated 17 June 2025

27 E25 ASX Announcements dated 22 January 2025, 25 November 2025, 11 February 2026, 13 May 2026, 27 May 2026 and 23 June 2026

No other matters or circumstances have arisen since the end of the financial year that significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The Group expects to continue progressing the Butcherbird expansion project to recommence mining operations at the Butcherbird mine site as well as advancing plans for the HPMSM processing facility in the U.S.A.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Group aims to ensure the appropriate standard of environmental care is achieved and in doing so, that it is aware of and compliant with all environmental legislation. The Directors of the Group are not aware of any breach of environmental legislation for the year under review.

REMUNERATION REPORT (AUDITED)

The information provided in this remuneration report has been audited as required by section 308(3C) of the Corporations Act 2001.

GOVERNANCE

The Board is responsible for the Company's remuneration framework and policy. Under a formal charter, the Board has established a Remuneration Committee who make recommendations to the Board on the nature and amount of remuneration for key management personnel to ensure remuneration arrangements align with and reflect the Company's strategic objectives, values and risk appetite.

REMUNERATION POLICY

The Company's remuneration policy has been tailored to increase the direct positive relationship between shareholders' investment objectives and key management personnel performance.

EXECUTIVES AND KEY MANAGEMENT PERSONNEL

The remuneration policy of Element 25 has been designed to align executive interests and key management personnel objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific short term and long-term incentives based on key performance areas affecting the Group's operational and financial results. The Board of Element 25 believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best key management personnel to run and manage the Group.

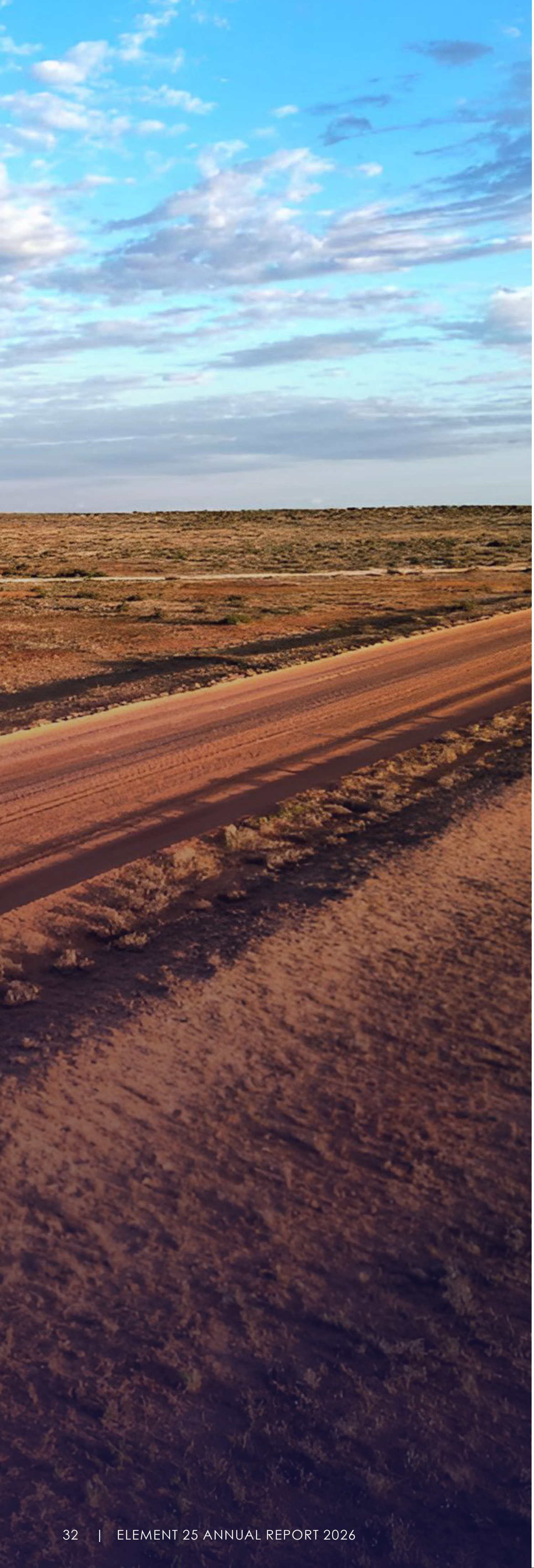
The Board ensures that the executive reward framework satisfies the following key criteria in line with appropriate corporate governance practices:

- Attract, retain and motivate key executives at important stages of the Group's development linked to strategy and performance;
- Ensure effective benchmarking for total annual remuneration in accordance with market practices and clearly defined peer groups of similar companies to ensure remuneration is fair and competitive;
- Align executive interests with those of the Company's shareholders; and
- Comply with applicable legal requirements and appropriate standards of governance.

The Company has structured an executive remuneration that is market-competitive and complementary to the reward strategy for the organisation. The Board reviews executive packages annually by reference to the Group's performance, executive performance, key objectives and comparable information from industry sectors and other listed companies in similar industries. The Board may exercise discretion in relation to approving incentives, bonuses, and options. Executives are also entitled to participate in the employee share and option arrangements.

The Executive Directors and executives (if any) receive a superannuation guarantee contribution required by the government, which was 12.0% for the 2026 financial year, capped at the concessional contributions threshold of $30,000 per annum, and do not receive any other retirement benefits. Some individuals may choose to sacrifice part of their salary to increase payments towards superannuation.

All remuneration paid to Directors and executives is valued at the cost to the Group and expensed. Options and rights are valued using the Black Scholes methodology.



NON-EXECUTIVE DIRECTORS

Non-Executive Director remuneration is reviewed on an annual basis with the aim of assessing the performance of each Director, identifying areas where improvements can be made and takes into consideration:

- currency of a Director's knowledge and skills; and
- whether a Director's performance has been impacted by other commitments.

The Chair of the Board provides each Director with confidential feedback on their performance, which is then used to create development and action plans. The Chair of the Audit and Risk Committee undertakes the review of the Chair of the Board. Independent external advice is sought when required.

The maximum aggregate amount of fees that can be paid to Non-Executive Directors is subject to approval by shareholders at the Annual General Meeting. Fees for Non-Executive Directors are not linked to the performance of the Group, however, to align Directors' interests with shareholder interests, the Directors are encouraged to hold shares in the Company.

PERFORMANCE BASED REMUNERATION

Performance based remuneration for the Managing Director and employees of the Company became effective from 1 July 2024, in accordance with the Performance Rights plan which was approved at the 2023 Annual General Meeting.

Performance Rights for the Managing Director were approved by the Shareholders at the 2025 Annual General Meeting.

USE OF REMUNERATION CONSULTANTS

No remuneration consultants were engaged during the financial year ended 30 June 2026. The framework provided by Remsmart Pty Ltd continued to be applied by the Company in supporting the Remuneration Policy.

VOTING AND COMMENTS MADE AT THE COMPANY'S 2025 ANNUAL GENERAL MEETING

The Company received approximately 99% of "yes" votes on its remuneration report for the 2025 financial year. The Company did not receive any specific feedback at the Annual General Meeting or throughout the year on its remuneration practices.

DETAILS OF REMUNERATION

Details of the remuneration of the key management personnel of the Group are set out in the following table:

	Short Term	Post Employment	Long Term		Share Based Payments	Total
	Salary & Fees	Superannuation	Annual Leave	Long Service Leave	Options / Rights	
	$	$	$	$	$	$
John Ribbons						
2026	100,000	12,000	-	-	-	112,000
2025	100,000	11,500	-	-	-	111,500
Justin Brown						
2026	362,000	30,000	-	5,833	94,226	492,059
2025	361,104	29,292	-	5,833	63,596	459,825
Rudolph van Jaarsveld (resigned 01 January 2026)						
2026	25,000	3,000	-	-	3,169	31,169
2025	142,626	16,402	-	-	4,979	164,008
Salvatore Lancuba						
2026	56,000	-	-	-	11,667	67,667
2025	55,748	-	-	-	4,979	60,727
Total Key Management Personnel Compensation						
2026	543,000	45,000	-	5,833	109,062	702,895
2025	659,479	57,194	-	5,833	56,083	778,588

SERVICE AGREEMENTS

The details of service agreements of the key management personnel of the Group are as follows:

JUSTIN BROWN, MANAGING DIRECTOR

- Term of agreement – until terminated in accordance with the agreement:
  - The Company may terminate without cause at any time by giving six months' written notice;
  - Executive must provide three months' written notice of termination; and
  - Standard clauses on immediate termination for breach of contract or misconduct.

- Annual salary of $350,000 effective 1 January 2024 (plus statutory entitlements), reviewed annually. In addition, the Company has provided the following bonus incentives to Justin Brown:
  - Short-Term Incentives of 712,728 Performance Rights vesting subject to the specific conditions outlined in Share Based Compensation; and
  - Long-Term Incentives of 356,364 Performance Rights vesting subject to the specific conditions outlined in Share Based Compensation.

SHARE BASED COMPENSATION

OPTIONS

There were no options granted and exercised during the year.

RIGHTS

To facilitate goal congruence between shareholders' investment objectives and key management personnel performance, rights are issued to key management personnel to encourage the alignment of personal and shareholder interests. Rights are issued to key management personnel as part of their remuneration with associated performance and retention criteria including meeting annually agreed objectives and performance conditions.

The following rights were granted to or vesting with key management personnel during the year:

	Grant Date	Granted Number	Vesting Date	Expiry Date	Exercise Price	Value per right at grant date	Vested and Exercised Number	% of Remun-eration
						$		
Justin Brown	1 Jul 2024	289,074	1 Oct 2025	31 Oct 2026	Nil	63,596	158,991	13%
	26 Nov 2025	356,364	31 Aug 2026	31 Aug 2027	Nil	105,127	-	-
	26 Nov 2025	356,364	31 Aug 2027	31 Aug 2028	Nil	105,127	-	-
	26 Nov 2025	356,364	31 Aug 2028	31 Aug 2029	Nil	105,127	-	-
Rudolph van Jaarsveld (resigned 1 Jan 2026)	1 Jul 2024	37,037	1 Oct 2025	31 Oct 2026	Nil	8,148	37,037	15%
	26 Nov 2025	37,037	31 Aug 2026	31 Aug 2027	Nil	10,926	-	-
Salvatore Lancuba	1 Jul 2024	37,037	1 Oct 2025	31 Oct 2026	Nil	8,148	37,037	15%
	26 Nov 2025	37,037	31 Aug 2026	31 Aug 2027	Nil	10,926	-	-

The following performance conditions are attached to the granted rights to Justin Brown above:

1) 356,364 Performance Rights granted on 26 November 2025 were subject to assessment against the four performance objectives, including Operational Excellence, Innovation & Growth, Environmental, Social & Governance (ESG), and People, Capability & Performance set out below in Short Term Incentive (STI) for the period from 01 July 2025 to 30 June 2026. Following the assessment, 210,255 rights will vest on 31 August 2026 upon the completion of service period from 01 July 2025 to 31 August 2026 with the balance 146,109 forfeiting due to conditions not being met.

2) 356,364 Performance Rights granted on 26 November 2025 were subject to assessment against the four performance objectives, including Operational Excellence, Innovation & Growth, Environmental, Social & Governance (ESG), and People, Capability & Performance set out below in Short Term Incentive (STI) for the period from 01 July 2025 to 30 June 2026. Following the assessment, 210,255 rights will vest on 31 August 2027 upon the completion of service period from 01 July 2025 to 31 August 2027 with the balance 146,109 forfeiting due to conditions not being met.

3) 356,364 Performance Rights granted on 26 November 2025, 356,364 will vest upon the completion of service period from 01 July 2025 to 31 August 2028, and will be proportionately aligned with the outcomes of the assessment conducted over the performance period from 01 July 2025 to 30 June 2028 against the total shareholder return set out below in Long Term Incentive (LTI).

The following performance conditions are attached to the granted rights to Rudolph van Jaarsveld above:

1) 37,037 service rights granted at the Annual General Meeting on 26 November 2025 were subject to vesting on 31 August 2026 upon the completion of the service period from 01 July 2025 to 30 June 2026. These rights subsequently lapsed as the service condition was not satisfied.

The following performance conditions are attached to the granted rights to Salvatore Lancuba above:

1) 37,037 service rights granted at the Annual General Meeting on 26 November 2025 will vest on 31 August 2026 upon the completion of the service period from 01 July 2025 to 30 June 2026.

SHORT TERM INCENTIVE (STI)

The Company assesses performance against the following four objectives:

Objective	Performance Conditions
Operational Excellence	Achieve finance to execute the Butcherbird expansion project and disciplined project execution measured by: • Delivery of milestones against Board approved schedule; and • Funding agreements executed.
Innovation & Growth	Achieve finance to execute the High Purity Manganese Sulphate Monohydrate (HPMSM) project and disciplined project execution measured by: • Delivery of milestones against Board approved schedule; and • Funding agreements executed.
Environmental, Social & Governance (ESG)	Improvement in ESG governance and outcomes measured by: • Improved Digbee ESG score; and • Compliance with ASIC and ASX obligations.
People, Capability & Performance	Develop and retain high performance executive team measured by: • Review of progress against strategic plan objectives and results; and • Retention of executive team.

LONG TERM INCENTIVE (LTI)

The Company assesses performance based on the Company's total shareholder return relative to its peer group over the 3 year performance period against the following three levels:

Performance Level	Company's Total Shareholder Return Relative to Peer Group Over Performance Period
Threshold	100%
Pro-rata	>100% and <150%
Stretch	>150%

EQUITY INSTRUMENTS HELD BY KEY MANAGEMENT PERSONNEL

SHARE HOLDINGS

The number of shares in the Company held during the financial year by each Director of Element 25 and other key management personnel of the Group, including their personally related parties, and any nominally held, are set out below. There were no shares granted during the reporting period as compensation.

	Balance at the start of the year 1 July 2025	Acquired during the year on the exercise of options	Additions	Disposals	Balance at the year end 30 June 2026
John Ribbons	2,411,112	-	-	-	2,411,112
Justin Brown	9,116,472	158,991	-	-	9,275,463
Rudolph van Jaarsveld (resigned 1 Jan 2026)	175,000	37,037	-	-	212,037
Salvatore Lancuba	-	37,037	-	-	37,037

OPTION HOLDINGS

The options over ordinary shares in the Company held during the financial year by each Director of Element 25 and other key management personnel of the Company, including their personally related parties, are set out below:

	Balance at the start of the year 1 July 2025	Granted as compensation	Exercised	Expired	Balance at the year end 30 June 2026	Vested and exercisable	Unvested
John Ribbons	450,000	-	-	(250,000)	200,000	200,000	-
Justin Brown	1,500,000	-	-	(500,000)	1,000,000	500,000	500,000*
Rudolph van Jaarsveld (resigned 1 Jan 2026)	-	-	-	-	-	-	-
Salvatore Lancuba	-	-	-	-	-	-	-

* Note: The 500,000 unvested options were granted at the 28 November 2023 AGM, and are subject to the following vesting conditions: 1) 250,000 options vest upon completion of FID for the HPMSM project; 2) 250,000 options vest upon successful completion of financial close for the HPMSM project.

All vested options are exercisable at the end of the year.

RIGHTS HOLDINGS

The rights over ordinary shares in the Company held during the financial year by each Director of Element 25 and other key management personnel of the Company, including their personally related parties, are set out below:

	Balance at the start of the year 1 July 2025	Granted as compensation	Exercised	Lapsed	Balance at the year end 30 June 2026	Vested and exercisable	Unvested
John Ribbons	-	-	-	-	-	-	-
Justin Brown	607,056	1,069,091	(158,991)	(292,218)	1,224,938	-	1,224,938
Rudolph van Jaarsveld (resigned 1 Jan 2026)	37,037	37,037	(37,037)	(37,037)	-	-	-
Salvatore Lancuba	37,037	37,037	(37,037)	-	37,037	-	37,037

Following the FY2025 and FY2026 performance assessment outcomes, 292,218 performance rights and 37,037 service rights lapsed during the financial year ended 30 June 2026.

LOANS TO KEY MANAGEMENT PERSONNEL

There were no loans to key management personnel during the year.

-- End of audited Remuneration Report –

INSURANCE OF DIRECTORS AND OFFICERS

During the financial year, Element 25 paid a premium of $71,595 to insure the Directors of the Company.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the Group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the company. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

NON-AUDIT SERVICES

During the year, non-audit and assurance services were provided by Element 25's auditor, PricewaterhouseCoopers. The Directors are satisfied that the provision of non-audit and assurance services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001* (Cth). The nature and scope of each type of non-audit and assurance service provided means that auditor independence was not compromised.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the Corporations Act 2001.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 38.

Signed in accordance with a resolution of the Directors.

Justin Brown
Managing Director
25 September 2026

Auditor's Independence Declaration

As lead auditor of Element 25 Limited's financial report for the year ended 30 June 2026, I declare that, to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit of the financial report; and

b) no contraventions of any applicable code of professional conduct in relation to the audit of the financial report.

Adam Thompson
Partner
PricewaterhouseCoopers

Perth
25 September 2026

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2026

	Note	2026	2025
		$	$
Revenue	4	-	1,883,253
Cost of sales	6	-	(5,358,886)
GROSS LOSS		**-**	**(3,475,633)**
Other income	5	1,180,156	802,763
Care and maintenance costs		(667,973)	-
Inventory adjustments	11	(963,267)	-
General and administration expenses	7	(1,669,094)	(3,156,365)
Finance expenses		(22,143)	(38,541)
LOSS BEFORE INCOME TAX		**(2,142,321)**	**(5,867,776)**
INCOME TAX EXPENSE	8	**-**	**(90)**
LOSS FOR THE YEAR ATTRIBUTABLE TO EQUITY HOLDERS OF THE GROUP		**(2,142,321)**	**(5,867,866)**
OTHER COMPREHENSIVE INCOME			
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations		(465)	3,145
Other comprehensive income for the year, net of tax		**(465)**	**3,145**
TOTAL COMPREHENSIVE LOSS FOR THE YEAR ATTRIBUTABLE TO EQUITY HOLDERS OF THE GROUP		(2,142,786)	**(5,864,721)**
LOSS PER SHARE FOR LOSS ATTRIBUTABLE TO THE ORDINARY EQUITY HOLDERS OF THE GROUP			
Basic and diluted loss per share (cents per share)	30	(0.79)	(2.60)

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Element 25

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2026

	Note	2026 $	2025 $
CURRENT ASSETS			
Cash and cash equivalents	9	18,277,404	2,162,007
Trade and other receivables	10	3,329,514	486,840
Inventory	11	5,914,467	6,877,734
Financial assets at fair value through profit or loss	12	214,750	338,740
TOTAL CURRENT ASSETS		**27,736,135**	**9,865,321**
NON-CURRENT ASSETS			
Restricted cash	13	178,560	528,560
Property, plant and equipment	14	55,430,903	49,237,837
Deferred exploration and evaluation expenditure	15	2,629,653	2,329,506
Right of use asset	16	95,464	272,585
TOTAL NON-CURRENT ASSETS		**58,334,580**	**52,368,488**
TOTAL ASSETS		**86,070,715**	**62,233,809**
CURRENT LIABILITIES			
Trade and other payables	17	3,510,767	1,578,679
Provisions	18	583,192	3,610,799
Lease liability	19	90,534	175,970
TOTAL CURRENT LIABILITIES		**4,184,493**	**5,365,448**
NON-CURRENT LIABILITIES			
Lease liability	19	15,868	106,403
Provisions	18	1,593,454	1,690,582
TOTAL NON-CURRENT LIABILITIES		**1,609,322**	**1,796,985**
TOTAL LIABILITIES		**5,793,815**	**7,162,433**
NET ASSETS		**80,276,900**	**55,071,376**
EQUITY			
Issued capital	20	164,818,938	138,008,278
Reserves	21	8,161,567	7,624,382
Accumulated losses		(92,703,605)	(90,561,284)
TOTAL EQUITY		**80,276,900**	**55,071,376**

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2026

	Note	Contributed Equity	Share-Based Payments Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Total
		$	$	$	$	$
BALANCE AT 1 JULY 2024		**134,533,276**	**7,293,065**	**(1,461)**	**(84,693,418)**	**57,131,462**
Loss for the year		-	-	-	(5,867,866)	(5,867,866)
OTHER COMPREHENSIVE INCOME						
Exchange differences on translation of foreign operations		-	-	3,145	-	3,145
TOTAL COMPREHENSIVE LOSS		**-**	**-**	**3,145**	**(5,867,866)**	**(5,864,721)**
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS						
Shares issued during the year - placement	20	3,493,145	-	-	-	3,493,145
Employee and consultant share-based payments	31	-	301,883	-	-	301,883
Revaluation of Equity Settled Share-based Payments		-	27,750	-	-	27,750
Shares issue transaction costs	20	(18,143)	-	-	-	(18,143)
BALANCE AT 30 JUNE 2025		**138,008,278**	**7,622,698**	**1,684**	**(90,561,284)**	**55,071,376**
BALANCE AT 1 JULY 2025		**138,008,278**	**7,622,698**	**1,684**	**(90,561,284)**	**55,071,376**
Loss for the year		-	-	-	(2,142,321)	(2,142,321)
OTHER COMPREHENSIVE INCOME						
Exchange differences on translation of foreign operations		-	-	(465)	-	(465)
TOTAL COMPREHENSIVE LOSS		**-**	**-**	**(465)**	**(2,142,321)**	**(2,142,786)**
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS						
Shares issued during the year - placement	20	28,170,481	-	-	-	28,170,481
Employee and consultant share-based payments	31	-	537,650	-	-	537,650
Shares issue transaction costs	20	(1,359,821)	-	-	-	(1,359,821)
BALANCE AT 30 JUNE 2026		**164,818,938**	**8,160,348**	**1,219**	**(92,703,605)**	**80,276,900**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2026

	Note	2026 $	2025 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		63,304	1,962,763
Payments to suppliers and employees		(3,814,971)	(7,457,481)
Interest received		168,571	80,184
Interest and other financing costs paid		(7,589)	(27,037)
Research and development refund received		778,841	628,071
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	29	**(2,811,844)**	**(4,813,500)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Movement in cash from restricted to non-restricted		350,000	-
Proceeds from disposal of financial assets at fair value through profit or loss		94,088	-
Payments for plant and equipment		(8,093,320)	(7,629,783)
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		**(7,649,232)**	**(7,629,783)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issues of ordinary shares	20	28,170,481	3,493,145
Payment of share issue transaction costs	20	(1,359,822)	(18,143)
Principal elements of lease payments		(190,525)	(358,423)
NET CASH INFLOW FROM FINANCING ACTIVITIES		**26,620,134**	**3,116,579**
NET INCREASE IN CASH AND CASH EQUIVALENTS		16,159,058	(9,326,704)
Cash and cash equivalents at the beginning of the financial year		2,162,007	11,326,929
Effects of exchange rate changes on cash and cash equivalents		(43,661)	161,782
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	9	**18,277,404**	**2,162,007**

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2026

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the consolidated entity consisting of Element 25 Limited and its subsidiaries. The financial statements are presented in the Australian currency.

Element 25 Limited is a company limited by shares, domiciled and incorporated in Australia.

A) BASIS OF PREPARATION

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the Corporations Act 2001. Element 25 Limited is a for-profit entity for the purpose of preparing the financial statements.

(I) COMPLIANCE WITH IFRS

The consolidated financial statements of the Element 25 group companies also comply with International Financial Reporting Standards (**IFRS**) as issued by the International Accounting Standards Board (**IASB**).

(II) NEW AND AMENDED STANDARDS ADOPTED BY THE GROUP

The Group has reviewed all new, revised or amending Accounting Standards and Interpretations issued by the AASB that are relevant to its operations and effective for the current annual reporting period. The Group has applied the following standards and amendments for the first time for its annual reporting period commencing 1 July 2025:

- AASB 2023-5 Amendments to Australian Accounting Standards – Lack of Exchangeability [AASB 1, AASB 121 & AASB 1060]
- AASB 2026-1 Amendments to Australian Accounting Standards – Disclosure about Uncertainties in the Financial Statements

The Group has determined that the amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(III) NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2026 reporting periods and have not been early adopted by the Group. The Group's assessment of the impact of these new standards and interpretations is that they are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions, except below:

- AASB 18: Presentation and Disclosure in Financial Statements [AASB18]

AASB 18 will replace AASB 101 Presentation of Financial Statements. It introduced and enhanced presentation and disclosure requirements for financial statements, to enable investors and other financial statement users to make more informed decisions that will contribute to long-term financial stability.

The Group is currently assessing all detailed impacts of applying AASB 18 on the Group's consolidated financial statements, and will apply AASB 18 from its mandatory effective date for annual reporting periods beginning on or after 1 January 2027 retrospectively.

(IV) HISTORICAL COST CONVENTION

These financial statements have been prepared under the historical cost convention, except for certain financial assets and liabilities measured at fair value.

B) PRINCIPLES OF CONSOLIDATION

(I) SUBSIDIARIES

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

Intercompany transactions, balances, and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the transferred asset. To ensure consistency, accounting policies of subsidiaries are aligned with the policies adopted by the Group.

C) SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the full Board of Directors.

D) FOREIGN CURRENCY TRANSLATION

(I) FUNCTIONAL AND PRESENTATION CURRENCY

Items included in the financial statements of each of the Group entities are measured using the currency of the primary economic environment in which the entity operates (‘the functional currency’). The consolidated financial statements are presented in Australian dollars, which is the Group’s functional and presentation currency.

(II) TRANSACTIONS AND BALANCES

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. They are deferred in equity if they are attributable to part of the net investment in a foreign operation.

(III) GROUP COMPANIES

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that Consolidated Statement of Financial Position;
- Income and expenses for each Consolidated Statement of Comprehensive Income are translated at average exchange rates (unless that is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- All resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

E) REVENUE AND OTHER INCOME RECOGNITION

(I) REVENUE FROM CONTRACTS WITH CUSTOMERS

The Group is principally engaged in the business of producing manganese ore. Revenue is measured at the amount the Group expects to be entitled to in exchange for those goods or services and is recognised at the point at which control of the goods or services is transferred to the customer.

Revenue from the sale of products is recognised when control has passed to the customer, no further work or processing is required by the Group, the quantity and quality of the products have been determined with reasonable accuracy, the price can be reasonably estimated, and collectability is reasonably assured. The above conditions are generally satisfied when title passes to the customer, typically on the bill of lading date when manganese ore is delivered to the vessel.

(II) FINANCE INCOME FROM INTEREST

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial assets.

F) GOVERNMENT GRANTS

Grants from the government are recognised at their fair value on Statement of Profit and Loss where there is a reasonable assurance that the grant will be received, and the Group will comply with all attached conditions.

G) INCOME TAX

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

H) LEASES

The Group enters into contractual arrangements for the leases of mining plant and buildings.

The nature of these arrangements can be lease contracts or service contracts with embedded assets. Typically, the duration of these contracts is for periods of between two and four years, some of which include extension options.

Leases are recognised on the balance sheet as a right of use asset, representing the lessee's entitlement to the benefits of the identified asset over the lease term, and a lease liability representing the lessee's obligation to make the lease payments. Each lease payment is allocated between its liability and finance cost component. The finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right of use asset is amortised on a straight-line basis over the shorter of the useful life of the asset and lease term. When the right of use asset is used in the extraction, processing and transportation of ore, depreciation is included in inventory.

Liabilities arising from contractual arrangements which contain leases are initially measured at the present value of the future lease payments. These payments include the present value of fixed payments prescribed in the contract; variable lease payments based on an index or prescribed rate; amounts expected to be payable by the lessor under residual value guarantees; and exercise price of a purchase option if it is reasonably certain that the option will be exercised.

Right of use assets are initially measured at the amount of the initial lease liability plus any lease payments at or before commencement date less incentives received, plus any initial direct costs, and any costs required for dismantling and rehabilitation. Right of use assets are subsequently measured at cost less any accumulated depreciation and accumulated impairment losses; and any adjustment for remeasurement of the lease liability. Lease liabilities are subsequently measured at present value, adjusted for any variations to the underlying contract terms.

Lease payments are discounted using the interest rate implicit in the lease. If this rate cannot be determined, the Company's incremental borrowing rate is used, which is the rate which the Company would have to pay to borrow the funds necessary to obtain an asset of a similar value in a similar economic environment over a similar term and security.

Payments for short term leases and low value assets are recognised on a straight-line basis as an expense in the income statement. Short term leases are for a period of 12 months or less and contracts involving low value assets typically comprise small items of IT hardware and minor sundry assets.

I) IMPAIRMENT OF ASSETS

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

J) CASH AND CASH EQUIVALENTS

For Consolidated Statement of Cashflows presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash, and which are subject to insignificant risk of changes in value, and bank overdrafts.

K) INVESTMENTS AND OTHER FINANCIAL ASSETS

(I) CLASSIFICATION

The Group classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value either through other comprehensive income or through profit or loss; and
- Those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (**FVOCI**).

(II) RECOGNITION AND DERECOGNITION

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(III) MEASUREMENT

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (**FVPL**), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other income or expenses. Impairment losses are presented as a separate line item in the Consolidated Statement of Comprehensive Income.
- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other income or expenses. Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other income or expenses and impairment losses are presented as a separate line item in the Consolidated Statement of Comprehensive Income.
- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other income or expenses in the period in which it arises.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payment is established.

Changes in the fair value of financial assets at FVPL are recognised in other income or expenses in the Consolidated Statement of Comprehensive Income as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(IV) IMPAIRMENT

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology depends on whether there has been a significant increase in credit risk.

L) INVENTORIES

Diesel fuel stock, work in progress and finished goods are stated at the lower of cost and net realisable value. Cost for raw materials and stores is determined as the purchase price. For partly processed and saleable manganese, cost is based on the weighted average cost method and includes:

- Material and production costs directly attributable to the extraction, processing and transportation of manganese to the existing location;
- Production and transportation overheads; and
- Depreciation of property, plant and equipment used in the extraction, processing and transportation of manganese.

Manganese ore stockpiles represent manganese ore that has been extracted and is available for further processing or sale. Quantities are assessed primarily through internal and third-party surveys. Where there is an indication that inventories are obsolete, damaged or recorded above net realisable value, these inventories are written down to net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

M) PLANT AND EQUIPMENT

Each class of plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the statement of comprehensive income during the reporting period in which they are incurred.

Depreciation of plant and equipment is calculated using the straight-line method over their estimated useful lives during the operation or, in the case of leasehold improvements and certain leased plant and equipment, the shorter lease term. The estimated useful lives for the principal categories of property, plant and equipment depreciated on a straight-line basis are as follows:

- Buildings – 3 to 20 years
- Furniture and fittings – 10 to 20 years
- IT equipment – 3 years
- Mine, property and development – 10 to 40 years
- Plant and equipment – 1.5 to 20 years

The assets nature, conditions, residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date to reflect the underlying physical, commercial and, where appropriate, legal facts.

An assets carrying amount is written down immediately to its recoverable amount if the asset carrying amount is greater than its estimated recoverable amount (note 1(I)).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of comprehensive income. When revalued assets are sold, it is Group policy to transfer the amounts included in other reserves in respect of those assets to retained earnings.

The process of removing waste materials to access mineral deposits is referred to as stripping. Stripping is necessary to obtain access to mineral deposits and occurs throughout the life of an open-pit mine. Development and production stripping costs are classified as Mine Properties and Development in Property, Plant and Equipment.

Costs required for dismantling and rehabilitation are included in the rehabilitation estimates.

N) ASSETS UNDER CONSTRUCTION

The cost of assets includes the cost of materials and direct labour and any other costs directly attributable to bringing an asset to a working condition ready for its intended use. Assets under construction are recognised separately in assets under construction. Upon commissioning, which is the date when the asset is in the location and condition necessary for it to be capable of operating in the manner intended by management, the assets are transferred into property, plant and equipment.

O) EXPLORATION AND EVALUATION COSTS

Exploration and evaluation expenditures in relation to each separate area of interest are recognised as an exploration and evaluation asset in the year in which they are incurred where the following conditions are satisfied:

- The rights to tenure of the area of interest are current; and
- At least one of the following conditions is also met:
  - The exploration and evaluation expenditures are expected to be recouped through successful development and exploration of the area of interest, or alternatively, by its sale; or
  - Exploration and evaluation activities in the area of interest have not at the balance date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling, trenching and sampling and associated activities and an allocation of depreciation and amortisation of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (for the cash generating unit(s) to which it has been allocated being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Where a decision has been made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment, and the balance is then reclassified to development.

P) TRADE AND OTHER PAYABLES

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured, non-interest bearing and are paid on normal commercial terms.

Q) EMPLOYEE BENEFITS

(I) WAGES AND SALARIES AND ANNUAL LEAVE

Liabilities for wages and salaries, including non-monetary benefits, and annual leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

(II) OTHER LONG-TERM EMPLOYEE BENEFIT OBLIGATIONS

The Group also has liabilities for long service leave that are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. These obligations are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period of high-quality corporate bonds with terms that match, as closely as possible, the estimated future cash outflows. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the Group does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(III) SHARE-BASED PAYMENTS

The Group provides benefits to employees (including Directors) of the Group in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares (‘equity-settled transactions’), refer to note 31.

The cost of these equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an internal valuation using a Black-Scholes option pricing model.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (‘vesting date’).

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of options or rights that, in the opinion of the Directors of the Group, will ultimately vest. This opinion is formed based on the best available information at balance date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. Unless they are cancelled, no expense is recognised for awards that do not ultimately vest.

R) REHABILITATION PROVISION

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events. It is more likely than not that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated.

The mining, extraction and processing activities of the Group give rise to obligations for site rehabilitation. Rehabilitation obligations include decommissioning of facilities, removal or treatment of waste materials, land rehabilitation and site restoration.

The extent of work required, and the associated costs are estimated using current restoration standards and techniques. The initial measurement of the rehabilitation provision is to discount expected expenditures to settle the obligation by using Australian Government bond market yields that match the timing of estimates.

The Group has conducted an assessment for estimate of reasonable ‘at present’ expenditure required to restore the Butcherbird mine site. At each reporting date, the Group will remeasure the rehabilitation liability to account for any new disturbance, for changes in estimated reserves and lives of operations, new regulatory requirements, environmental policies and revised discounted rates. The Group adjusts the rehabilitation provision accordingly.

S) ISSUED CAPITAL

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

T) EARNINGS PER SHARE

(I) BASIC EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit attributable to owners of the Group, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year.

(II) DILUTED EARNINGS PER SHARE

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

U) GOODS AND SERVICES TAX (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the Consolidated Statement of Financial Position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

V) CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of these financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are:

(I) SHARE-BASED PAYMENT TRANSACTIONS

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an internal valuation using a Black-Scholes option pricing model, using the assumptions detailed in note 31.

(II) TAXATION

Balances disclosed in the financial statements and the notes thereto related to taxation are based on the best estimates of the Directors. These estimates consider both the financial performance and position of the Group as they pertain to current income taxation legislation, and the Directors understanding thereof. No adjustment has been made for pending or future taxation legislation. The current income tax position represents the Directors' best estimate, pending final lodgement of Income Tax Returns.

(III) REHABILITATION ESTIMATE

The accounting policy for the recognition of rehabilitation provisions requires significant estimates including the magnitude of possible works required for the removal of infrastructure and of rehabilitation works, future cost of performing the work, the inflation and discount rates and the timing of cash flows. These uncertainties may result in future actual expenditure differing from the amounts currently provided.

(IV) IMPAIRMENT OF NON-CURRENT ASSETS

The Group performs an assessment for impairment indicators for the non-current assets at the end of each reporting period. The assessment is conducted based on the estimation and judgements of the management by assessing the market capitalisation of the Group, the industry environment and the market trend, discount rate and other factors that affect the non-current assets obsolescence.

The Group uses Fair Value Less Cost of Disposal (**FVLCD**) approach to assess the recoverable amount of Butcherbird operation cash generating unit when the Group has completed an impairment test. The FVLCD is based on discounted cashflows using market-based factors and assumptions.

For the year ended 30 June 2026, the Group has completed an assessment of impairment indicators and determined that no impairment indicators exist.

(V) FAIR VALUE ESTIMATION

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. The equity investments held by the Group are classified at fair value through profit or loss. The market value of all equity investments represents the fair value based on quoted prices on active markets (ASX) as at the reporting date without any deduction for transaction costs. These investments are classified as level 1 financial instruments.

The carrying amounts and estimated fair values of financial assets and financial liabilities are as follows:

	2026 $	2025 $
Financial Assets		
Cash and cash equivalents	18,277,404	2,162,007
Restricted cash	178,560	528,560
Trade and other receivables	3,329,514	486,840
Financial assets at fair value through profit or loss	214,750	338,740
Total Financial Assets	**22,000,228**	**3,516,147**

	2026 $	2025 $
Financial Liabilities		
Trade and other payables	3,510,767	1,578,679
Total Financial Liabilities	**3,510,767**	**1,578,679**

The methods and assumptions used to estimate the fair value of financial instruments are outlined below:

Cash

The carrying amount is fair value due to the liquid nature of these assets.

Receivables/Payables

Due to the short-term nature of these financial rights and obligations, their carrying amounts are estimated to represent their fair values.

Fair value measurements of financial assets

The carrying values of financial assets and liabilities of the Group approximate their fair values. Fair values of financial assets and liabilities have been determined for measurement and / or disclosure purposes.

Fair value hierarchy

The Group classifies assets and liabilities carried at fair value using a fair value hierarchy that reflects the significance of the inputs used in determining that value. The following table analyses financial instruments carried at fair value by the valuation method. The different levels in the hierarchy have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1 $	Level 2 $	Level 3 $	Total $
30 June 2026				
Financial assets at fair value through profit or loss	214,750	-	-	214,750
	214,750	**-**	**-**	**214,750**
30 June 2025				
Financial assets at fair value through profit or loss	338,740	-	-	338,740
	338,740	**-**	**-**	**338,740**

2. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, commodity risk, price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

Risk management is carried out by the full Board of Directors as the Group believes that it is crucial for all board members to be involved in this process. The Managing Director, with the assistance of senior management as required, has responsibility for identifying, assessing, treating and monitoring risks and reporting to the Board on risk management.

A) MARKET RISK

(I) FOREIGN EXCHANGE RISK

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the United States Dollar.

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the entity's functional currency. The Group does not have a formalised foreign currency risk management policy; however it monitors its foreign currency expenditure considering exchange rate movements.

Sensitivity Analysis

At 30 June 2026, if the value of the assets held in foreign currency had increased/decreased by 5% with all other variables held constant, post-tax loss for the Group would have been $100,782 lower/higher, with no changes to other equity balances, as a result of gains/losses on financial assets and liabilities (2025: $76,361 lower/higher post-tax loss).

(II) COMMODITY RISK

The Group is exposed to commodity risk arising from fluctuations of the Manganese market price and sales volume. The Group has entered into long-term customer offtake and sales agreements for supplying Manganese Ore to its major customer to minimise the risk caused by unexpected reduction in market demand. The Group closely monitors the Manganese market price and modifies operations if necessary.

Sensitivity analysis

At 30 June 2026, if the value of the Manganese stock held had increased / decreased by 15% with all other variables held constant, post-tax loss for the Group would have been $Nil lower/higher with no changes to other equity balances, as a result of cost of sales of Manganese (2025: $7,523 lower/higher post-tax loss).

(III) PRICE RISK

The Group is exposed to equity securities price risk. This arises from investments held by the Group and classified in the statement of financial position as financial assets at fair value through profit or loss.

To minimise the risk, the Group's investments are of high quality and are publicly traded on the ASX. The investments are managed on a day-to-day basis to pick up any significant adjustments to market prices.

Sensitivity analysis

At 30 June 2026 if the value of the equity instruments held had increased/decreased by 15% with all other variables held constant, post-tax loss for the Group would have been $32,213 lower/higher, with no changes to other equity balances, as a result of gains/losses on equity securities classified as financial assets at fair value through profit or loss (2025: $50,811 lower/higher post-tax loss).

(IV) INTEREST RATE RISK

The Group is exposed to movements in market interest rates on cash and cash equivalents. The Group policy is to monitor the interest rate yield curve out to six months to ensure a balance is maintained between the liquidity of cash assets and the interest rate return. The entire balance of cash and cash equivalents for the Group $18,277,404 (2025: $2,162,007) is subject to interest rate risk. The proportional mix of floating interest rates and fixed rates to a maximum of six months fluctuate during the year depending on current working capital requirements. The weighted average interest rate received on cash and cash equivalents by the Group was 0.92% (2025: 3.71%).

Sensitivity analysis

At 30 June 2026, if interest rates had changed by +/- 50 basis points from the weighted average rate for the year with all other variables held constant, post-tax profit for the Group would have been $91,387 higher/lower (2025: $10,810 higher/lower post-tax loss on +/- 50 basis points), as a result of higher/lower interest income from cash and cash equivalents.

B) CREDIT RISK

The maximum exposure to credit risk at reporting date is the carrying amount (net of provision for impairment) of those assets as disclosed in the Consolidated Statement of Financial Position and Notes to the financial statements. The Group has an exposure to credit risk arising from cash and cash equivalents, restricted cash held with financial institutions and trade receivables. All material deposits are held with the major Australian banks for which the Board evaluate credit risk to be minimal.

C) LIQUIDITY RISK

The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and ensuring sufficient cash and marketable securities are available to meet the current and future commitments of the Group. Due to the nature of the Group's activities, being mineral exploration, the Group does not have ready access to credit facilities, with the primary source of funding being equity raisings. The Board of Directors constantly monitor the state of equity markets in conjunction with the Group's current and future funding requirements, with a view to initiating appropriate capital raisings as required.

The focus of the Group's capital risk management is the current working capital position against the requirements of the Group to meet Butcherbird expansion expenditure and corporate overheads. The Group's strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements. The working capital position of the Group at 30 June 2026 and 30 June 2025 are as follows:

	2026 $	2025 $
Cash and cash equivalents	18,277,404	2,162,007
Restricted cash	178,560	528,560
Trade and other receivables	3,329,514	486,840
Financial assets at fair value through profit or loss	214,750	338,740
Trade and other payables	(3,510,767)	(1,578,679)
Employee benefit obligations (current)	(583,192)	(570,541)
Working capital position	**17,906,269**	**1,366,927**

The financial liabilities of the Group are confined to trade and other payables as disclosed in the Consolidated Statement of Financial Position. All trade and other payables are non-interest bearing and due within 12 months of the reporting date.

3. SEGMENT INFORMATION

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources. The Group is managed primarily on the basis of geographic location of assets given that the type of work done in each location is of a similar nature. Operating segments are therefore determined on this basis, with one segment being identified: Australia. The segment details are therefore fully reflected in the results and balances reported in the Consolidated Statement of Comprehensive Income and the Consolidated Statement of Financial Position.

4. REVENUE

	2026	2025
	$	$
Sale of manganese	-	1,879,759
Shipment revenue	-	3,494
	-	**1,883,253**

The Group primarily generates revenue from the sales of manganese ore to customers. Revenue is recognised when the performance obligations are met and the control of the product has passed to the customer. The material performance obligations to be met are the delivery of the contracted quantity of manganese ore to the vessel at the contracted grade. Shipment revenue is recognised separately to reflect the allocation of revenue between its performance obligations.

Customer sales contracts are denominated in United States Dollars (US$) with the final pricing determined by product grade and quantity of the product passed to the customer.

5. OTHER INCOME

	2026	2025
	$	$
Research and development refund	914,383	628,071
Bank interest and other income	265,773	174,692
	1,180,156	**802,763**

6. COST OF SALES

	2026	2025
	$	$
Mining costs	-	(30,537)
Processing costs	-	(259,882)
Site administration costs	-	(1,012,665)
Haulage costs	-	(1,341,797)
Port and shipping	-	(1,247,238)
Sales and marketing costs	-	(41,307)
Royalty costs	-	(134,940)
Depreciation of processing equipment	-	(454)
Depreciation of mining equipment	-	-
Depreciation of restoration	-	(81,651)
Depreciation of right of use assets	-	(241,195)
Inventory movement	-	(967,220)
	-	**(5,358,886)**

Inventory movement mainly includes movement in manganese ore stockpiles and warehouse stores and net realisable value (**NRV**) adjustment on Manganese held by the Group. Where there is an indication that inventories are obsolete, damaged or recorded above NRV, these inventories are written down to NRV. NRV is the estimated selling price in the ordinary course of business less the estimated costs of completion and estimated costs necessary to make the sale. The Group reviews Manganese stock on a monthly basis and adjusts accordingly.

Element 25

7. GENERAL AND ADMINISTRATION EXPENSES

	2026 $	2025 $
Plant, Property and Equipment depreciation expense	(11,785)	(116,139)
(Loss)/Gain of foreign exchange	8,523	52,469
Loss of disposal of assets	(187,669)	(393,211)
Fair value (loss)/gain on remeasurement of financial assets	(29,902)	95,582
Share-based payment expense	(537,650)	40,702
Director fees, salaries and wages and other staff costs	(866,731)	(671,978)
Consultants	511,739	(1,471,549)
ASX and other compliance costs	(184,291)	(134,821)
Insurance	(94,826)	(263,895)
Occupancy	(77,638)	(100,534)
Investor relation expenses	(48,110)	(64,766)
Depreciation of right of use assets	(29,386)	(30,101)
Other administration expenses	(121,368)	(98,124)
	(1,669,094)	**(3,156,365)**

During the year ended 30 June 2026, consultant expenses include compensation received in connection with the favourable resolution of a contractual claim with an external service provider. The settlement agreement was executed subsequent to year end and was determined to be an adjusting event under AASB 110. The compensation has been recognised as an offset to consultant expenses, resulting in a net credit balance for the year.

8. INCOME TAX

	2026 $	2025 $
a) Income tax benefit		
Current tax	-	(90)
Deferred tax	-	-
	-	(90)
b) Reconciliation of income tax expense/(benefit) to prima facie tax payable		
(Loss) from continuing operations before income tax expense	(2,142,321)	(5,867,776)
Prima facie tax (benefit)/expense at the Australian tax rate of 25.0% (2025: 25.0%)	(535,580)	(1,466,944)
Difference in overseas tax rate	-	309
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income:		
Share-based payments	134,413	(10,175)
Non-assessable amounts	(228,596)	(156,810)
Gains/losses on investments	-	(23,896)
Others	-	-
	(629,763)	**(1,657,516)**
Movements in unrecognised temporary differences	(697,722)	(114,094)
Tax effect of current year tax losses for which no deferred tax asset has been recognised	1,327,486	1,771,520
Income tax expense/(benefit)	**-**	**(90)**

	2026 $	2025 $
c) Recognised temporary differences		
Deferred Tax Assets at 25.0% (2025: 25.0%)		
On Income Tax Account		
Financial assets at fair value through profit or loss	63,438	-
Capital raising expenses	363,724	181,588
Accruals and provisions	156,064	171,207
Lease liabilities	26,601	70,593
Capitalised project expenditure	1,049,749	1,101,879
Australian carry forward tax losses	9,028,032	8,695,390
Rehabilitation provision	398,364	422,646
	11,085,970	**10,643,303**
Deferred Tax Liabilities at 25.0% (2025: 25.0%)		
Unrealised FX on cash balances	1,856	28,016
Prepayments	-	11,315
Property, Plant & Equipment	10,717,922	10,159,309
Right of use asset	23,866	68,146
Rehabilitation asset	342,326	376,517
	11,085,970	**10,643,303**
d) Unrecognised temporary differences		
Deferred Tax Assets at 25.0% (2025: 25.0%)		
Foreign carry forward tax losses	224,071	224,071
Australian carry forward tax losses	13,319,831	12,435,305
	13,543,902	**12,659,376**

	2026 $	2025 $
e) Total Deferred Tax Assets at 25% (2025: 25.0%)		
On Income Tax Account		
Financial asset held on FVTPL	63,438	-
Capital raising expenses	363,724	181,588
Accruals and provisions	156,064	171,207
AASB 16 lease liability	26,601	70,593
Project pool	1,049,749	1,101,879
Foreign carry forward tax losses	224,071	224,071
Australian carry forward tax losses	22,347,863	21,130,695
Rehabilitation provision	398,364	422,646
	24,629,872	**23,302,679**
Total Net Deferred Tax Asset / Deferred Tax Loss	**13,543,902**	**12,659,376**

Net deferred tax assets were not brought to account as it was not considered probable within the immediate future that tax profits would be available against which deductible temporary differences and tax losses could be utilised.

The Group’s ability to use losses in the future is subject to each Group company satisfying the relevant tax authority’s criteria for using these losses.

In April 2017, the Australian Government enacted legislation which reduces the corporate rate for small and medium business (base rate) entities from 30% to 25% over the next decade. For the 2021 financial year, the tax rate decreased to 26% and then 25% for the 2022 and later financial years. Element 25 Limited satisfies the criteria to be a base rate entity.

9. CASH AND CASH EQUIVALENTS

	2026 $	2025 $
Cash at bank and in hand	18,277,404	2,162,007
Cash and cash equivalents as shown in the Consolidated Statement of Financial Position and the Consolidated Statement of Cash Flows	**18,277,404**	**2,162,007**

Cash at bank and in hand earns interest at floating rates based on daily bank deposit rates.

Short-term deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group and earn interest at the respective short-term deposit rates.

10. TRADE AND OTHER RECEIVABLES

	2026 $	2025 $
Trade receivables	7,775	101,743
Sundry receivables	2,964,427	208,937
Prepayments	357,312	176,160
	3,329,514	**486,840**

Included within sundry receivables is an amount relating to the favourable resolution of a contractual claim with an external service provider. The settlement agreement was executed subsequent to year end and prior to the completion of the financial statements. Management concluded that the settlement provided additional evidence regarding conditions that existed at 30 June 2026 and therefore represented an adjusting event in accordance with AASB 110. Accordingly, the receivable has been recognised at 30 June 2026 reflecting management's assessment of the compensatory amount recoverable under the settlement arrangement.

11. INVENTORY

	2026 $	2025 $
Manganese ore stockpiles	5,914,467	6,827,578
Finished goods at fair value less costs to sell	-	50,156
	5,914,467	**6,877,734**

Manganese ore stockpiles represent manganese ore that has been extracted and is available for further processing or sale. For partly processed and saleable manganese, cost is based on the weighted average cost method and includes material and production costs directly attributable to the extraction, processing and transportation of manganese to the existing location and depreciation of property, plant and equipment used in the extraction, processing and transportation of manganese. Warehouse stock and Manganese inventory are recorded at the lower of cost and net realised value (NRV). NRV is determined using the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale. NRV is estimated using the most reliable evidence available at the time reflecting the amount that the inventories are expected to be realised at. The Group reviews and adjusts NRV if required at each end of reporting date or earlier if indicators of impairment exist.

During the year ended 30 June 2026, the Group recognised an inventory adjustment of $963,267 in respect of certain manganese ore stockpiles with a high probability of being impacted by the ongoing expansion project. The adjustment reflects management's assessment of the recoverability and future utilisation of those stockpiles and has been recognised as an expense in the Statement of Profit or Loss.

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2026 $	2025 $
Australian listed equity securities	214,750	338,740
	214,750	**338,740**

13. RESTRICTED CASH

	2026 $	2025 $
Bank guarantees and term deposits	178,560	528,560
	178,560	**528,560**

14. PROPERTY, PLANT AND EQUIPMENT

	Buildings	Furniture & Fittings	IT Equipment	Mine Properties and Development	Plant and Equipment	Assets Under Construction	Total
	$		$	$	$	$	$
Carrying amount – at cost							
At 30 June 2024	4,732,299	-	297,387	9,576,674	12,357,149	20,955,253	47,918,762
Additions	-	1,550	11,969	-	2,502	8,446,526	8,462,547
Disposals	-	-	-	-	-	(1,421,564)	(1,421,564)
Change in restoration and rehabilitation estimate	-	-	-	7,582	-	-	7,582
Other	-	-	-	-	-	-	-
At 30 June 2025	4,732,299	1,550	309,356	9,584,256	12,359,651	27,980,215	54,967,327
Additions	-	-	-	-	-	9,444,261	9,444,261
Disposals	-	-	-	-	-	(90,000)	(90,000)
Change in restoration and rehabilitation estimate	-	-	-	(97,128)	-	-	(97,128)
Other	(1,481,753)	(155)	-	(731,384)	(3,226,353)	(3,012,648)	(8,452,293)
At 30 June 2026	**3,250,546**	**1,395**	**309,356**	**8,755,744**	**9,133,298**	**34,321,828**	**55,772,167**
Accumulated depreciation							
At 30 June 2024	(1,376,293)	-	(279,321)	(649,734)	(3,225,899)	-	(5,531,247)
Depreciation expense	(105,460)	(155)	(10,524)	(81,650)	(454)	-	(198,243)
Disposals	-	-	-	-	-	-	-
Change in restoration and rehabilitation estimate	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
At 30 June 2025	(1,481,753)	(155)	(289,845)	(731,384)	(3,226,353)	-	(5,729,490)
Depreciation expense	-	-	(11,785)	(39,634)	-	-	(51,419)
Disposals	-	-	-	-	-	-	-
Change in restoration and rehabilitation estimate	-	-	-	-	-	-	-
Other	1,481,753	155	-	731,384	3,226,353	-	5,439,645
At 30 June 2026	**-**	**-**	**(301,630)**	**(39,634)**	**-**	**-**	**(341,264)**
Net book value							
At 30 June 2024	3,356,006	-	18,066	8,926,940	9,131,250	20,955,253	42,387,515
Additions	-	1,550	11,969	-	2,502	8,446,526	8,462,547
Depreciation expense	(105,460)	(155)	(10,524)	(81,650)	(454)	-	(198,243)
Disposals	-	-	-	-	-	(1,421,564)	(1,421,564)
Change in restoration and rehabilitation estimate	-	-	-	7,582	-	-	7,582
Other	-	-	-	-	-	-	-
At 30 June 2025	3,250,546	1,395	19,511	8,852,872	9,133,298	27,980,215	49,237,837

	Buildings	Furniture & Fittings	IT Equipment	Mine Properties and Development	Plant and Equipment	Assets Under Construction	Total
	$		$	$	$	$	$
Additions	-	-	-	-	-	9,444,261	9,444,261
Depreciation expense	-	-	(11,785)	(39,634)	-	-	(51,419)
Disposals	-	-	-	-	-	(90,000)	(90,000)
Change in restoration and rehabilitation estimate	-	-	-	(97,128)	-	-	(97,128)
Other	-	-	-	-	-	(3,012,648)	(3,012,648)
At 30 June 2026	**3,250,546**	**1,395**	**7,726**	**8,716,110**	**9,133,298**	**34,321,828**	**55,430,903**

In accordance with AASB - 136 Impairment of Assets, the Group assessed whether there were any indicators of impairment. The assessment considered the Group's statement of financial position, historical manganese prices, validity of historical data, the suspension of the Butcherbird operations and the market capitalisation in comparison to its net asset value. As the result of the assessment, management determined that indicators of impairment do not exist.

On 1 July 2025, Element 25 Limited transferred Property, Plant and Equipment of $26,559,710 and Deferred Exploration and Evaluation Expenditure of $1,670,894 with a total carrying value of $28,230,604 to its wholly owned subsidiary Butcherbird Operations Pty Ltd, with the transaction recorded through the intercompany loan account. This transfer resulted in the removal of the cost and the corresponding accumulated depreciation of the transferred items, totalling of $5,439,645, in order to reset the assets' cost to their value at the transfer date, with no impact on the consolidated net carrying amount.

Assets under construction at the end of the year of $34,321,828 (2025: $27,980,215) includes costs directly attributable to bringing assets to a working condition so they are ready for their intended use. The assets which are currently under construction mainly include $19,575,287 for HPMSM Project (2025: $22,306,790) and $14,710,672 (2025: $5,642,542) for Butcherbird Expansion.

During the year ended 30 June 2026, the Group performed a review of the Assets Under Construction. As a result, an amount of $90,000 in relation to HPMSM project has been decided no longer to meet the capitalisation criteria and therefore derecognised from Assets Under Construction. Subsequent to year end, the Group entered into a favourable settlement agreement relating to a contractual claim with an external service provider. Management concluded that the settlement represented an adjusting event under AASB 110 as it provided further evidence of conditions existing at 30 June 2026. As a result, previously capitalised project expenditure of $3,012,648 was derecognised, reflecting management's revised estimate of the costs ultimately attributable to the construction of the project.

15. DEFERRED EXPLORATION AND EVALUATION EXPENDITURE

	2026	2025
	$	$
Balance at the beginning of the period	2,329,506	1,737,058
Expenditure incurred	487,817	628,694
Disposal expense	(187,670)	(36,246)
Balance at the end of the period	**2,629,653**	**2,329,506**

The recoupment of costs carried forward in relation to areas of interest in the exploration and evaluation phases is dependent upon the successful development and commercial exploitation or sale of the respective areas.

16. RIGHT OF USE ASSET

	2026 $	2025 $
Cost	245,255	359,939
Accumulated depreciation	(149,791)	(87,354)
	95,464	**272,585**
Balance as at beginning of year	272,585	166,138
Acquisition of plant and equipment by means of finance leases	-	359,940
Depreciation of right of use assets	(177,121)	(253,493)
Balance at end of year	**95,464**	**272,585**

Leased assets are capitalised at the commencement date of the lease and comprise of the initial lease liability amount, initial direct costs incurred when entering into the lease less any lease incentives received. The Group undertakes impairment reviews for any right of use lease asset that shows indicators of impairment, and an impairment loss is recognised against any right of use lease assets that is impaired.

For the financial year ended 30 June 2026, there was a derecognition of right of use asset due to the termination of the old lease.

17. TRADE AND OTHER PAYABLES

	2026 $	2025 $
Trade payables	1,927,148	125,094
Other payables and accruals	1,583,619	1,453,585
	3,510,767	**1,578,679**

18. PROVISIONS

	2026 $	2025 $
Current		
Provision for annual leave	409,636	406,679
Provision for long service leave	173,557	163,862
Provision for HPMSM project	-	3,040,258
	583,192	**3,610,799**
Non-Current		
Rehabilitation provision	1,593,454	1,690,582
	1,593,454	**1,690,582**

Movement of provisions during the year

	Annual leave $	Long service leave $	HPMSM Project $	Rehabilitation $
Movement of provisions during the year				
Balance at beginning of the year	406,679	163,862	3,040,258	1,690,582
Changes in estimate	2,702	735	(3,040,258)	(97,128)
Additional amount during the year	184,023	8,960	-	-
Used amount during the year	(183,768)	-	-	-
Balance at the end of the year	**409,636**	**173,557**	**-**	**1,593,454**

During the year ended 30 June 2026, the Group reassessed the provision recognised in relation to the HPMSM Project following the favourable resolution of a contractual claim with an external service provider. The settlement agreement was executed subsequent to year end and was determined to be an adjusting event under AASB 110. Accordingly, the provision of $3,040,258 was released as the underlying obligation no longer existed.

Major assumptions used in measuring the rehabilitation provision are:

	2026	2025
Estimated Asset Retirement Obligation	$2,602,502	$2,531,067
Inflation rate	2.43%	2.48%
Discount rate	5.26%	4.68%

The cost of rehabilitation is recorded at the present value of the estimated future costs of legal and constructive obligations to restore the Butcherbird mine site. The discount rate used reflects current market assessments of time value of money and risks. Factors such as change in discount rate, change in policies or regulations, change in the life of the mine plan and change in market prices of associated costs may significantly impact measurement and value of the rehabilitation cost. The Group reviews the rehabilitation provision on an annual basis and will disclose any material changes. The current estimate assumes the majority of the rehabilitation and decommissioning expenditure is expected to occur over 12 months from FY2045.

19. LEASE LIABILITIES

	2026 $	2025 $
Current		
Lease liabilities	90,534	175,970
	90,534	**175,970**
Non-Current		
Lease liabilities	15,868	106,403
	15,868	**106,403**

20. ISSUED CAPITAL

	2026 Number of Shares	2026 $	2025 Number of Shares	2025 $
Ordinary shares fully paid	327,810,579	164,818,938	230,612,401	138,008,278
Total issued capital	**327,810,579**	**164,818,938**	**230,612,401**	**138,008,278**

		2026 Number of Shares	2026 $	2025 Number of Shares	2025 $
a) Movement in ordinary share capital					
Balance at the beginning of the financial year		230,612,401	138,008,278	219,530,335	134,533,276
Placement	(i)	96,323,146	28,170,481	11,082,066	3,493,145
Exercise of rights	(ii)	875,032	-	-	-
Transaction costs		-	(1,359,821)	-	(18,143)
Total issued capital		**327,810,579**	**164,818,938**	**230,612,401**	**138,008,278**

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Group in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Ordinary shares have no par value and the Group does not have a limited amount of authorised capital.

		2026 Number of Options	2025 Number of Options
b) Movement in options on issue			
Beginning of the financial year		6,680,000	9,180,000
Issued during the year		-	-
Exercised during the year		-	-
Forfeited during the year		-	-
Expired during the year			
– At $0.2730, on or before 20 November 2025		-	(2,000,000)
– At $0.5000, on or before 25 June 2025		-	(500,000)
– At $0.4400, on or before 13 July 2025		(1,000,000)	-
– At $1.2090, on or before 04 November 2025		(1,980,000)	-
		3,700,000	**6,680,000**

		2026 Number of Rights	2025 Number of Rights
c) Movement in rights on issue			
Beginning of the financial year		-	-
Issued during the year			
– Exercisable at $nil, on or before 30 September 2026		1,017,620	-
Exercised during the year			
– At $nil, on or before 30 September 2026	(ii)	(875,032)	-
Lapsed during the year		-	-
		142,588	**-**

(i) During the financial year ending 30 June 2026, the Group issued the following shares upon the placement:

- On 19 September 2025, the Group issued 36,323,146 fully paid ordinary shares at an issue price of A$0.2800 upon the placement.
- On 23 April 2026, the Group agreed to issue 60,000,000 fully paid ordinary shares with Acuity Capital Investment Management Pty Ltd (Acuity Capital) at an issue price of AU$0.3000 per share.

(ii) During the financial year ending 30 June 2026, the Company issued the following shares upon the exercise of rights:

- On 28 October 2025, the Group issued 290,362 shares upon the exercise of rights of $nil per share, which expire on 30 September 2026
- On 27 November 2025, the Group issued 160,050 shares upon the exercise of rights of $nil per share, which expire on 30 September 2026
- On 05 December 2025, the Group issued 248,237 shares upon the exercise of rights of $nil per share, which expire on 30 September 2026
- On 12 December 2025, the Group issued 142,637 shares upon the exercise of rights of $nil per share, which expire on 30 September 2026
- On 24 February 2026, the Group issued 5,421 shares upon the exercise of rights of $nil per share, which expire on 30 September 2026
- On 02 April 2026, the Group issued 28,325 shares upon the exercise of rights of $nil per share, which expire on 30 September 2026

21. RESERVES

		2026	2025
		$	$
Foreign currency translation reserve	(a)	1,219	1,684
Share-based payments reserve	(b)	8,160,348	7,622,698
		8,161,567	**7,624,382**

a) Foreign currency translation reserves

Exchange differences arising on translation of the foreign controlled entity are recognised in other comprehensive income as described in note 1(d) and accumulated within a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

b) Share-based payments reserve

The share-based payments reserve is used to recognise the fair value of options and rights granted.

22. DIVIDENDS

No dividends were paid during the financial year. No recommendation for payment of dividends has been made.

23. REMUNERATION OF AUDITORS

During the year the following fees were paid or payable for services provided by the auditor of the parent entity, its related practices and non-related audit firms:

	2026	2025
	$	$
PricewaterhouseCoopers - audit and review of financial reports	120,700	145,700
PricewaterhouseCoopers – non-audit services	36,682	-
Total remuneration of auditors	**157,382**	**145,700**

24. CONTINGENCIES

There are no material contingent assets or liabilities of the Group at balance date.

25. COMMITMENTS

A) EXPLORATION COMMITMENTS

The Group has certain commitments to meet minimum expenditure requirements on the mineral exploration assets it has an interest in. Outstanding exploration commitments are as follows:

	2026	2025
	$	$
Within one year	428,700	472,000
Later than one year but not later than five years	848,800	849,300
Later than five years	1,602,700	1,748,400
	2,880,200	**3,069,700**

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26. RELATED PARTY TRANSACTIONS

A) PARENT ENTITY

The ultimate parent entity within the Group is Element 25 Limited.

B) KEY MANAGEMENT PERSONNEL COMPENSATION

	2026	2025
	$	$
Short-term benefits	543,000	659,478
Post-employment benefits	45,000	57,194
Other long-term benefits	5,833	5,833
Share-based payments	109,062	56,083
	702,895	**778,588**

C) SUBSIDIARIES

Interests in subsidiaries are set out in note 27.

D) LOANS TO RELATED PARTIES

There were no loans to related parties, including key management personnel, during the year.

27. SUBSIDIARIES

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1 B):

Name	Country of Incorporation	Class of Shares	2026 Equity Holding %	2025 Equity Holding %
Element 25 (Malaysia) SDN. BHD.	Malaysia	Ordinary	100	100
Element 25 Butcherbird Project Pty Ltd	Australia	Ordinary	100	100
Butcherbird Operations Pty Ltd	Australia	Ordinary	100	100
Element 25 (USA) LLC	United States of America	Ordinary	100	100
Element 25 (Louisiana) LLC	United States of America	Ordinary	100	100
Element 25 (HPMSM) LLC	United States of America	Ordinary	100	100

28. SUBSEQUENT EVENTS

On 7 July 2026, the Group agreed terms on a revised grant agreement for U$166 million in funding with DoE under the DoE’s Battery Materials Processing Grant Program for the Group’s proposed HPMSM facility planned in Louisiana, USA.

On 3 August 2026, the Group signed a long-term binding manganese offtake agreement with OM Materials for 100% of manganese concentrate produced at Butcherbird Mine in WA.

On 8 September 2026, the Group executed the facility agreement for a A$50 million financing package provided through NAIF for the Butcherbird expansion project.

In September 2026, the Group favorably settled a contractual claim with an external service provider, resulting in compensation owed to the Group. As a result, capitalised project expenditure was adjusted by AU 3.0 million and a receivable of AU$2.8 million was recognised to reflect management's revised estimate of the costs ultimately attributable to the construction of the project.

No other matter or circumstance has arisen since 30 June 2026, which has significantly affected, or may significantly affect the operations of the Group, the result of those operations, or the state of affairs of the Group in subsequent financial years.

29. CASHFLOW INFORMATION

	2026 $	2025 $
Reconciliation of loss after income tax to net cash outflow from operating activities		
Loss for the year	(2,142,321)	(5,867,866)
Non-cash items		
– Depreciation of non-current assets	51,419	199,878
– Net exchange differences and other	(61,946)	(201,142)
– Share based payment	537,650	301,883
– Modification of Right of Use	-	(2,703)
– Gain of revaluation of share-based payment	-	(342,585)
– Loss on disposal of assets	187,669	393,211
– Depreciation of right of use assets	177,121	322,026
– Derecognition of non-current assets	3,192,648	-
– Fair value movement on remeasurement of financial assets at fair value through profit or loss	29,902	(95,582)
Change in operating assets and liabilities		
– (Increase)/Decrease in trade and other receivables	(2,842,674)	368,118
– Decrease in inventory	963,267	1,067,886
– Increase/(Decrease) in trade and other payables	123,028	(3,939,566)
– Increase/(Decrease) in employee benefit obligations	12,651	(57,316)
– Decrease/(Increase) in other current provisions	(3,040,258)	3,040,258
Net cash outflow from operating activities	**(2,811,844)**	**(4,813,500)**

30. LOSS PER SHARE

A) RECONCILIATION OF EARNINGS USED IN CALCULATING LOSS PER SHARE

	2026 $	2025 $
Loss attributable to the owners of the Group used in calculating basic and diluted loss per share	(2,142,321)	(5,867,866)

B) WEIGHTED AVERAGE NUMBER OF SHARES USED AS THE DENOMINATOR

	2026	2025
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted loss per share	278,739,115	225,508,379

C) BASIC AND DILUTED LOSS PER SHARE

	2026 $	2025 $
Basic and diluted loss per share (cents per share)	(0.79)	(2.60)

D) INFORMATION ON THE CLASSIFICATION OF OPTIONS AND RIGHTS

As the Group made a loss for the year ended 30 June 2026, the options on issue were considered anti-dilutive and were not included in the calculation of diluted earnings per share. The options and rights currently on issue could potentially dilute basic earnings per share in the future.

31. SHARE-BASED PAYMENTS

A) RECONCILIATION OF OPTIONS AND RIGHTS USED IN CALCULATING SHARE-BASED PAYMENTS

The Group provides benefits to employees (including Directors) and contractors of the Group in the form of share-based payment transactions, whereby employees render services in exchange for options / rights to acquire ordinary shares.

Options and rights granted carry no dividend or voting rights. When exercisable, each option is convertible into one ordinary share of the Group with full dividend and voting rights.

FAIR VALUE OF OPTIONS GRANTED

Set out below is a summary of the share-based payment options granted.

	2026 Number of options	2026 Weighted average exercise price cents	2025 Number of options	2025 Weighted average exercise price cents
Outstanding at the beginning of the year	6,680,000	104.66	9,180,000	84.83
Granted	-	-	-	-
Forfeited	-	-	-	-
Exercised	-	-	-	-
Expired	(2,980,000)	95.10	(2,500,000)	31.84
Outstanding at year-end	**3,700,000**	**112.37**	**6,680,000**	**104.66**

The weighted average remaining contractual life of share options outstanding at the end of the financial year was 1.5 years (2025: 1.5 years), and the exercise prices range from 60.00 cents to $1.47 (2025: 44.00 cents to $1.58).

During the financial year ended 2026, there was no option granted.

FAIR VALUE OF RIGHTS GRANTED

The value of rights granted was calculated by using the Black-Scholes European Option Pricing Model applying the following inputs:

	2026 $	2025 $
Weighted average exercise price	$0.00	$0.00
Weighted average life of the option (years)	2.75	3.02
Weighted average underlying share price (cents)	36.14	23.00
Expected share price volatility	80%	80%
Risk free interest rate	4.73%	3.78%

Historical volatility has been used as the basis for determining expected share price volatility as it assumed that this is indicative of future trends, which may not eventuate.

	2026 Number of rights	2026 Weighted average price cents at grant date	2025 Number of rights	2025 Weighted average price cents at grant date
Outstanding at the beginning of the year	3,098,379	23.00	-	-
Granted	5,483,357	35.61	4,925,503	23.00
Exercised	(875,032)	22.51	-	-
Expired/Lapsed	(3,417,270)	33.10	(1,827,124)	23.00
Outstanding at year-end	**4,289,434**	**36.08**	**3,098,379**	**23.00**

The rights granted during the year ending 30 June 2026 includes performance rights granted through the Performance Rights Plan approved at the Company's AGM held 28 November 2023, and service rights granted upon approval at the Company's AGM held 26 November 2025.

The price of rights granted during the year are Nil consideration, with expiry dates ranging from 1 March 2027 to 31 August 2029.

A) EXPENSES ARISING FROM SHARE-BASED PAYMENT TRANSACTIONS

Total expenses arising from share-based payment transactions recognised during the period were as follows:

	2026 $	2025 $
Options granted to employees and contractors expensed to profit or loss	-	34,625
Rights granted to employees and contractors expensed to profit or loss	537,650	267,258
	537,650	**301,883**

32. PARENT ENTITY INFORMATION

The following information relates to the parent entity, Element 25 Limited, as at 30 June 2026. The information presented here has been prepared using accounting policies consistent with those presented in note 1.

	2026 $	2025 $
Current assets	10,516,871	9,793,606
Non-current assets	73,628,309	52,469,570
Total assets	**84,145,180**	**62,263,176**
Current liabilities	2,345,022	5,392,959
Non-current liabilities	15,868	1,796,985
Total liabilities	**2,360,890**	**7,189,944**
Issued capital	164,818,938	138,008,279
Share-based payments reserve	8,160,348	7,622,698
Accumulated losses	(91,194,996)	(90,557,745)
Total equity	**81,784,290**	**55,073,232**
Loss for the year	(637,251)	(5,866,180)
Total comprehensive loss for the year	**(637,251)**	**(5,866,180)**

Element 25

CONSOLIDATED ENTITY DISCLOSURE STATEMENT

AS AT 30 JUNE 2026

Name of entity	Type of entity	Trustee, partner, or participant in joint venture	% of share capital held	Country of incorporation	Australian resident or foreign resident	Foreign jurisdiction(s) of foreign residents
Element 25 Limited	Body corporate	-	100	Australia	Australian	N/A
Element 25 Butcherbird Project Pty Ltd	Body corporate	-	100	Australia	Australian	N/A
Butcherbird Operations Pty Ltd	Body Corporate	-	100	Australia	Australian	N/A
Element 25 (Malaysia) SDN. BHD.	Body corporate	-	100	Malaysia	Australian	N/A*
Element 25 (USA) LLC	Body corporate	-	100	United States of America	Australian	N/A*
Element 25 (Louisiana) LLC	Body corporate	-	100	United States of America	Australian	N/A*
Element 25 (HPMSM) LLC	Body corporate	-	100	United States of America	Australian	N/A*

** These entities are also a tax resident in their respective countries of incorporation. However, they are assessed as an Australian resident under the Income Tax Assessment Act 1997 and therefore not classified as a foreign resident under that Act.*

BASIS OF PREPARATION

This Consolidated Entity Disclosure Statement (**CEDS**) has been prepared in accordance with the *Corporations Act 2001* and includes information for each entity that was part of the consolidated entity as at the end of the financial year in accordance with AASB 10 Consolidated Financial Statements.

DETERMINATION OF TAX RESIDENCY

Section 295(3A)(vi) of the Corporation Act 2001 defines tax residency as having the meaning in the *Income Tax Assessment Act 1997*. The determination of tax residency involves judgement as there are different interpretations that could be adopted, and which give rise to a different conclusion of residency.

In determining tax residency, the consolidated entity has applied the following interpretations:

A) AUSTRALIAN TAX RESIDENCY

The consolidated entity has applied current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance in Tax Ruling TR 2018/5.

B) FOREIGN TAX RESIDENCY

Where necessary, the consolidated entity has used independent tax advisers in foreign jurisdictions to assist in its determination of tax residency to ensure applicable foreign tax legislation has been complied with (see section 295(3A)(vii) of the *Corporations Act 2001*).

DIRECTOR'S DECLARATION

In the Directors' opinion:

(a) the financial statements and notes set out on pages 39 to 69 are in accordance with the Corporations Act 2001, including:

   i. complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

   ii. giving a true and fair view of the consolidated entity's financial position as at 30 June 2026 and of its performance for the financial year ended on that date;

(b) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable; and the Consolidated Entity Disclosure Statement on page 70 is true and correct; and

(c) a statement that the attached financial statements are in compliance with International Financial Reporting Standards has been included in the notes to the financial statements.

The Directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer required by section 295A of the Corporations Act 2001.

This declaration is made in accordance with a resolution of the Directors.

Justin Brown
Managing Director

25 September 2026

Independent auditor's report

To the members of Element 25 Limited

Report on the audit of the financial report

Our opinion

In our opinion, the accompanying financial report of Element 25 Limited (the Company) and its controlled entities (together the Group) is in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the Group's financial position as at 30 June 2026 and of its financial performance for the year then ended; and

b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

The financial report comprises:

- the consolidated statement of financial position as at 30 June 2026;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended;
- the notes to the consolidated financial statements, including material accounting policy information and other explanatory information;
- the consolidated entity disclosure statement as at 30 June 2026; and
- the directors' declaration.

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Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to audits of the financial report of public interest entities in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Our audit approach

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the geographic and management structure of the Group, its accounting processes and controls and the industry in which it operates.

Audit Scope

Our audit focused on where the Group made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events.

In establishing the overall approach to the group audit, we determined the type of work that needed to be performed by us, as the group auditor.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. The key audit matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Further, any commentary on the outcomes of a particular audit procedure is made in that context. We communicated the key audit matters to the Audit and Risk Committee.

Key audit matter	*How our audit addressed the key audit matter*
Impairment indicator assessment of the Group's Property, Plant and Equipment (Refer to Note 14) For the financial year ended 30 June 2026, the Group held $55.4m in Property Plant and Equipment. In accordance with Australian Accounting Standards and internal policies, the Group is required to assess at each reporting date whether there is any indication that its Property, Plant and Equipment assets may be impaired. The Group's assessment identified no indicators of impairment and concluded that an impairment test was not required. We consider the impairment indicator assessment a key audit matter given the significance of the Property Plant and Equipment to the consolidated statement of financial position and the significant judgement required to assess whether there are any indicators of impairment.	To evaluate the Group's assessment for impairment indicators, we performed the following procedures amongst others: • Developed an understanding of the process by which the Group conducted the impairment indicator assessment, including the identification of Cash Generating Units (CGUs) and whether it was appropriate under the Australian Accounting Standards; • Considered management's assessment of external factors including future manganese ore prices, exchange rates, discount rates and other inputs; • Considered the status of the projects to which assets under construction relate, the associated funding for and cost estimates to complete these projects; • Evaluated the completeness of the Group's assessment of whether there were any other external or internal sources of information that could indicate that the Group's assets may be impaired; and • Assessed the disclosures made in the financial report against the requirements of Australian Accounting Standards.
Accounting for the settlement of a contractual dispute (refer to Notes 7, 10, 14 and 18) Subsequent to year end, the Group entered into a settlement agreement relating to a contractual dispute with an external service provider. Management determined that the settlement provided evidence of conditions existing at 30 June 2026 and therefore reflected the impacts of it as an adjusting event under AASB 110 Events after the Reporting Period.	To evaluate the Group's accounting treatment of the settlement, we performed the following procedures amongst others: • Obtained and considered the executed settlement agreement and evaluated management's assessment of the substance of the settlement arrangement and the resulting accounting treatment;

Key audit matter	*How our audit addressed the key audit matter*
The accounting treatment required significant judgement by management, including the assessment of the nature of the settlement, the recognition of amounts recoverable under the settlement arrangement, the release of a provision previously recognised in respect of the dispute, and the corresponding adjustment to capitalised project expenditure. Given the significance of the amounts involved and the judgement required in determining the appropriate accounting treatment and presentation in the financial report, this matter was considered a key audit matter.	• Assessed management's conclusion that the settlement represented an adjusting event under AASB 110; • Assessed the release of the existing provision, adjustment to capitalised HPMSM project costs, recognition of the settlement receivable and classification within the consolidated statement of comprehensive income; and • Assessed the appropriateness and adequacy of the related disclosures in the financial report.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2026, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon through our opinion on the financial report. We have issued a separate opinion on the remuneration report.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report in accordance with Australian Accounting Standards and the *Corporations Act 2001*, including giving a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://auasb.gov.au/media/bwvjcgre/ar1_2024.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Our opinion on the remuneration report

We have audited the remuneration report included in the directors' report for the year ended 30 June 2026.

In our opinion, the remuneration report of Element 25 Limited for the year ended 30 June 2026 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

PricewaterhouseCoopers

Adam Thompson
Partner

Perth
25 September 2026

ASX ADDITIONAL INFORMATION

Additional information required by Australian Stock Exchange Ltd and not shown elsewhere in this report is as follows. The information is current as at 21 September 2026.

A. DISTRIBUTION OF EQUITY SECURITIES

			Ordinary shares	
			Number of holders	Number of shares
1	-	1,000	626	316,043
1,001	-	5,000	1,186	3,179,967
5,001	-	10,000	472	3,778,072
10,001	-	100,000	950	32,282,351
100,001		and over	249	228,764,856
			3,483	328,321,289

The number of equity security holders holding less than a marketable parcel of securities are:	1,004	871,821

B. TWENTY LARGEST SHAREHOLDERS

The names of the twenty largest holders of quoted ordinary shares are:

		Listed ordinary shares	
		Number of shares	Percentage of ordinary shares
1	CITICORP NOMINEES PTY LIMITED	35,778,386	10.90%
2	FARJOY PTY LTD	21,190,477	6.45%
3	BNP PARIBAS NOMINEES PTY LTD <CLEARSTREAM>	17,036,350	5.19%
4	GOLDEN CRANE HOLDINGS LIMITED	15,964,717	4.86%
5	BILLY INTERNATIONAL GROUP LIMITED	15,666,667	4.77%
6	ULTRA BRIGHT INVESTMENTS PTE LTD	15,666,667	4.77%
7	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	13,699,141	4.17%
8	BNP PARIBAS NOMS PTY LTD	9,833,955	3.00%
9	ACUITY CAPITAL INVESTMENT MANAGEMENT PTY LTD <ACUITY CAPITAL HOLDINGS A/C>	9,500,000	2.89%
10	MR LIAM RAYMOND CORNELIUS	7,789,720	2.37%
11	ARADIA VENTURES PTY LTD <J & A BROWN FAMILY A/C>	6,698,215	2.04%
12	RANGUTA LIMITED	6,585,440	2.01%
13	DUKETON CONSOLIDATED PTY LTD	5,422,170	1.65%
14	GC (SENSES) VENTURES LIMITED	4,959,950	1.51%
15	MORGAN STANLEY AUSTRALIA SECURITIES (NOMINEE) PTY LIMITED <NO 1 ACCOUNT>	4,427,136	1.35%
16	DUKETON MINING LIMITED	4,177,974	1.27%
17	MRS YULIAN LIU	3,572,092	1.09%
18	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	3,326,305	1.01%
19	MR SEAMUS IAN CORNELIUS	2,845,548	0.87%
20	SINO WEST ASSETS PTY LTD	2,528,586	0.77%
		209,001,844	**63.66%**

C. SUBSTANTIAL SHAREHOLDERS

There were no substantial shareholders at 30 June 2026 who have notified the Company in accordance with section 671B of the Corporations Act 2001.

D. VOTING RIGHTS

All ordinary shares (whether fully paid or not) carry one vote per share without restriction.

E. SCHEDULE OF INTERESTS IN MINING TENEMENTS

As at 25 September 2025:

The mining tenements held and their location

Tenement reference	Location	Percentage held/earning
E20/659	Eelya Hill WA	10%
E52/1529	Mt Padbury WA	100% (Note 1)
E52/2350	Butcher Bird WA	100%
E52/3606	Yanneri Bore WA	100%
E52/3706	Yanneri Pool WA	100%
E52/3735	Limestone Bore WA	100%
E52/3769	Kumarina WA	100%
E52/3779	Beyondie Bluff WA	100%
E52/3858	Yanneri Well WA	100%
E52/4064	Neds Gap WA	100%
E52/4149	Neds Gap WA	100%
E52/4358	Butcherbird North WA	100%
E52/4625	Butcherbird North WA	100%
E52/4634	Weelarrana WA	100%
L45/871	Wodgina WA	100%
L52/211	Limestone Bore WA	100%
L52/215	Butcherbird East 1 WA	100%
L52/216	Butcherbird East 2 WA	100%
L52/217	Butcherbird East 3 WA	100%
L52/218	Butcherbird East 4 WA	100%
L52/220	Butcherbird East 5 WA	100%
L52/221	Butcherbird East 6 WA	100%
L52/225	Butcherbird East 7 WA	100%
L52/254	Butcherbird North WA	100%
L52/255	Butcherbird North WA	100%
L52/256	Butcherbird North WA	100%
L52/257	Butcherbird North WA	100%
L52/275	Butcherbird North WA	100%
L52/276	Butcherbird East WA	100%
M52/1074	Yaneri Ridge WA	100%
E57/1060	Victory Well WA	20%
E63/2429	Lake Johnston WA	100%

Notes:

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

F. UNQUOTED SECURITIES

As at 25 September 2026, the Company had the following unlisted options on issue:

Name	Unlisted options exercisable at $0.654 expiring 01/07/27	Unlisted options exercisable at $1.281 expiring 23/09/27	Unlisted options exercisable at $1.175 expiring 29/09/27
Holders < 20%	500,000	250,000	1,000,000
	500,000	250,000	1,000,000

Name	Unlisted options exercisable at $1.580 expiring 25/11/27	Unlisted options exercisable at $1.468 expiring 23/12/27	Unlisted options exercisable at $0.670 expiring 27/11/28
Aradia Ventures Pty Ltd	500,000	-	500,000
Mr John George Ribbons	200,000	-	-
Holders < 20%	200,000	50,000	-
	900,000	50,000	500,000

Name	Unlisted options exercisable at $0.600 expiring 21/12/28
Holders < 20%	500,000
	500,000

As at 25 September 2026, the Company had the following unlisted rights on issue:

Name	Unlisted rights exercisable at $nil expiring 01/03/27	Unlisted rights exercisable at $nil expiring 31/08/27	Unlisted rights exercisable at $nil expiring 31/08/28
Aradia Ventures Pty Ltd	-	158,991	709,584
Mr Salvatore Lancuba	-	37,037	-
Holders < 20%	200,000	1,012,400	1,168,969
	200,000	1,208,428	1,878,553

Name	Unlisted rights exercisable at $nil expiring 28/02/29	Unlisted rights exercisable at $nil expiring 31/08/29
Aradia Ventures Pty Ltd	-	356,363
Holders < 20%	200,000	585,454
	200,000	941,817


The future has always been electric...

CORPORATE DIRECTORY

DIRECTORS

John Ribbons (Non-Executive Chair)
Justin Brown (Managing Director)
Sam Lancuba (Non-Executive Director)

SECRETARY

Michael Jordon

PRINCIPAL PLACE OF BUSINESS

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Element 25