






DECEMBER 2023 QUARTERLY REPORT

QUARTERLY HIGHLIGHTS

Butcherbird Manganese Operations, Western Australia

- Butcherbird Expansion Feasibility Study targets 1.1 million tonnes per annum (Mtpa) manganese production.
- Study demonstrates strong fundamentals, with robust economic returns and rapid capital payback:

				
Capital Cost	NPV₈	IRR	Cashflow	Payback
AU\$49.8	AU\$228M	113%	AU\$57.3M	1.2
(incl. contingency)	(Pre-tax, real)		(annual)	(years)

- Expansion envisages expanded open-cut mining methods, modified primary comminution circuit and dense media separation (DMS) back-end solution to optimise grade and recoveries.
- Expanded operation will establish Butcherbird as a low-cost Mn operation with a US\$2.76/dmtu C1 FOB cost – which will ensure sustainable profitability at lower manganese prices compared to the current pilot operation.
- Low capital cost of A\$49.8M with annual operation cashflow of A\$57.3M at full production – payback period of 14 months from start of operations.
- Study used all available Measured and Indicated Resources within the mine plan to support a 7.2-year mine life – which represents 36% of the total mineral resource inventory within granted mining lease M52/1074.
- E25 plans to undertake infill drilling in areas containing Inferred Resources, outside the current mine plan, within the next 12 months targeting an additional 20-25 years of mine reserves at the proposed production levels.

Battery Grade High Purity Manganese (HPMSM) Development - Louisiana USA

- E25 approved for US\$57 million of tax incentives under Louisiana State's Industrial Tax Exempt Program (ITEP).
- Two key international patents lodged under the Patent Co-Operation Treaty, expected to be processed in 2024.

Corporate

- Non-Executive Director John Ribbons was appointed Chairman following Seamus Cornelius' decision to step down from E25 Board.

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BUTCHERBIRD OPERATIONS

Expansion Plans

Post quarter-end in January 2024, E25 released a Feasibility Study (FS) on the proposed expansion of its 100%-owned Butcherbird Manganese Operations in WA to target manganese concentrate production of 1.1 million tonnes per annum (Mtpa). The FS demonstrated strong economics with robust economic returns and rapid capital payback, with highlights including:

- Expansion to 1.1Mtpa manganese concentrate production using expanded open-cut mining methods, a modified primary comminution circuit and a dense media separation (DMS) back-end solution to optimise grade and recoveries.
- Expanded operation will establish Butcherbird as a low-cost Mn operation with a **US\$2.76/dmtu** C1 FOB cost – which will ensure sustainable profitability at lower manganese prices compared to the current pilot operation.
- The FS utilises all the available measured and indicated resources within the mine plan. The Company plans to undertake infill drilling in areas containing Inferred Resources, outside the current mine plan, within the next 12 months targeting an additional 20-25 years of mine reserves at the proposed production levels.
- Measured, Indicated and Inferred Mineral Resources used to support the 7.2 years mine life from 2024 to 2031 represents **36.0%** of the total mineral resource inventory within the granted mining lease M52/1074.
- Low capital requirement of **A\$49.8M** capital. Average base case annual operating cashflow of **A\$57.3M** at full production.
- No change to the Proven and Probable Ore Reserve of 49.2Mt at 10.2% Mn containing 5.0Mt Mn (4.1Mt recoverable Mn).
- Payback period of 14 months from start of operations based on forecast cashflows.
- Expanded mining production and process commissioning is currently scheduled to commence within 11 months, subject to final investment decision and securing project financing.
- Base case involves an annual production and sale of 1.1M tpa of lump manganese ore grading 32% Mn.
- Expanded concentrate production strategy complements and enhances E25's plan to develop a high purity manganese sulfate (HPMSM) plant in Louisiana to supply offtake partners General Motors LLC (GM) and Stellantis NV (Stellantis) with high purity manganese for EV battery manufacture¹.

Butcherbird comprises the granted Mining Lease M52/1074 and two granted exploration licences E52/2350 and E52/3606, as well as several granted and pending Miscellaneous Licences required for Project infrastructure.

The FS included updated macro-economic inputs and other design parameters where appropriate based on current market conditions and on the improved understanding of the optimal processing methodology derived from production data since the commissioning of the current processing plant. Changes to the processing circuit include the use of a mineral sizer for primary comminution, and a DMS drum for final beneficiation.

¹ See E25 ASX Announcements dated 9 January 2023 and 26 June 2023

Key Assumptions:

- DMS process recovery of 96%.
- Increased manganese concentrate production to 1.1Mtpa.
- Increased ore recovery and decreased ore loss due to change in processing equipment.
- Exchange rate (USD:AUD) of 0.66 from 2024, with a longer-term assumption of 0.69 from 2027 onwards.
- Capital cost estimate of A\$49.8M includes:
 - Construction of expanded processing infrastructure;
 - Construction of a nearby mining camp, at a capital cost of A\$5.5M; and
 - Construction of an airstrip to enable direct flights to Butcherbird, at a capital cost of A\$2.2M.
- An updated site organisation chart was developed with updated costs reflective of the proposed expansion.
- Updated mining costs based on the expanded mining requirements.
- Updated sustaining capex involving an expanded tails storage facility (TSF).
- Updated manganese ore pricing to reflect current spot and forecast pricing.

FS results confirmed that the robust economics of the site are maintained and improved for the planned expansion, offering E25 opportunities to further improve the economics and performance of the Project by taking advantages of the inherent economies of scale achieved in the larger scale production operations. This results in better utilisation of mining and processing equipment, improved operational efficiencies and better utilisation of the large resource/reserve base underpinning the Project.

The seven-year project utilises 86% of the Measured resources² and 61% of the Indicated resources available within the Butcherbird resource base.

Ongoing resource delineation drilling is already planned to increase the mine life by adding Yanneri Central and Coodamudgi Central into the Indicated/Measured resource categories in H1 2024.

Production

Following the cessation of in-pit mining, production has focussed on the processing of stockpiles to minimise operational costs. The processing plant is operated on the night shift only; the day shift targets maintenance, maintenance planning, operational discipline and maximising productivity during run hours.

With the successful release of the FS, Element 25 will immediately commence detailed design, planning and procurement for the expansion of manganese ore production³. Expansion of the processing facility at Butcherbird aligns with E25's commissioning target date for its planned battery grade high purity manganese sulphate monohydrate (HPMSM) project to be built in Louisiana, USA in partnership with General Motors LLC and Stellantis NV⁴.

² E25 ASX Announcement dated 17 April 2019

³ Reference: Company ASX Release dated 23 January 2024.

⁴ Reference: Company ASX Releases dated 9 January 2023 and 26 June 2023

Activities over the next three months will focus on detailed engineering and design, project financing and finalising the required permitting to support the commencement of construction in line with the project schedule.

In parallel with expansion activities, the Company will suspend Butcherbird’s current production operations, aiming to reduce operational cash outflows and re-focus resources and available cash on implementing the expansion plan outlined in the FS. Recent weak manganese prices support this decision.

Category	Unit	Dec-23	23-Sep	Jun-23	Mar-23
Opening Product Inventory	t	28,475	32,710	26,489	24,654
Mined Ore	t	-	280,037	252,486	311,385
Concentrate Production	t	44,977	41,101	59,350	62,277
Product Sales	t	-	42,001	47,271	62,418
Closing Product Stockpiles	t	73,452	28,475	32,710	26,489
Shipping Cost	t	\$15.00	\$15.00	\$18.00	\$14.90
CIF China 44% Benchmark Price	USD	4.17	4.37	4.98	\$6.00

Figure 1. Quarterly production figures.

Logistics/Shipping

Approximately 16kt of product was transported to Port Hedland in December following the allocation of the bunker by the Pilbara Port Authority (PPA) in preparation for a January shipment. Since quarter end, haulage has continued and a shipment of approximately 50,000 tonnes of manganese concentrate is expected to sail from Australia in late January or early February.

The Great Northern Highway was closed several times during December for accidents and/or bushfires, impacting haulage volumes. However, it is not expected to affect total tonnages for the planned shipment.

Plans are being reviewed to cooperate with a small iron ore exporter to optimise the usage of trucks and bunker space in Port Hedland. The use of ultra-quad combinations is also being investigated to reduce overall haulage costs in the future, particularly in relation to the planned mining expansion.

No shipments took place during the quarter.

Manganese Market and Ore Marketing Strategy

The manganese ore market remained weaker in line with a general downturn in commodities demand as a result of sluggish economic news out of China⁵. The market during the quarter was generally flat with little direction from major markets where manganese ores are used, most notably silico-manganese, which is where the Element 25 ore product is most commonly consumed.

⁵ <https://www.nytimes.com/2024/01/16/business/china-gdp-q4-2023.html>

Prices of most ferro alloys as well as EMM remain sluggish, despite some announcements of capacity reduction in the market. It is expected that Chinese government stimulus measures will take some time to start impacting steel and, consequently, ferroalloy production which is a major consumer of manganese.

The continued low ore prices have resulted in the closure of some production operations in South Africa⁶. Combined with logistics challenges, this resulted in reduced port stocks in China and a modest price increase early in January 2024.

Shipping rates have returned to pre-COVID levels; however, late in the quarter, there have been some small increases in daily charter rates and resultant freight rates.

The Element 25 marketing team will continue to closely monitor developments in the manganese ore market to guide future strategic decision-making.

HPMSM PROJECT EXECUTION

Patent Applications Submitted

E25 developed an innovative, advanced processing flowsheet to convert Butcherbird manganese concentrate into high purity manganese sulphate monohydrate (HPMSM), a critical raw material for the manufacture of lithium-ion batteries. The proprietary flowsheet reduces energy consumption, virtually eliminates waste and delivers the lowest carbon intensity HPMSM globally based on publicly available information⁷. The process offers a pathway to the delivery of expanding volumes of ethically sourced, traceable, transparent HPMSM supply to US markets. Element 25 is developing a first of its kind processing facility in Louisiana to produce up to 135Kt per annum of HPMSM for US electric vehicle (EV) supply chains⁸.

In November, E25 finalised and lodged two key international patent applications in relation to its battery grade high-purity manganese sulphate monohydrate (HPMSM) production process, lodging these under the Patent Co-Operation Treaty (PCT), claiming priority from Australian Patent Application(s) 2022903576 & 2022903573.

The patent applications are expected to provide protection for two key manganese processing steps in the Element 25 flow sheet, which are critical to delivering the advantages of its HPMSM process compared to existing processes currently in production, namely:

- Reduced energy consumption compared to roast reduction processing.
- Reduced reagent consumption compared to traditional neutralisation.

Separation of waste residues in forms that can be used in existing industrial processes, thereby minimising or eliminating waste disposal requirements. These innovations mean that the E25 process can claim industry-leading low carbon intensity and compete on cost in target markets when compared with existing producers. E25 expects its patent applications to be processed in 2024.

⁶ <https://projectblue.com/blue/news-analysis/712/plans-to-reduce-manganese-ore-output-in-south-africa>

⁷ Reference: Company ASX Release dated 21 February 2023

⁸ Reference: Company ASX Release dated 12 April 2023

LAKE JOHNSON PROJECT, WA

During the quarter, E25 provided an update on exploration activities at its Lake Johnston Lithium Project in WA, with the Lake Johnston area rapidly becoming an emerging province for hard rock pegmatite-hosted lithium mineralisation. The Company holds significant exploration tenure over the Lake Johnston Greenstone Belt, where recent exploration activities continue to enhance the belt’s potential for commercial lithium mineralisation⁹.

Despite the recent increase in global lithium exploration activity, the Lake Johnston greenstone belt remains relatively underexplored, with exploration previously focusing on gold and nickel. Recent results announced by explorers, including TG Metals Limited (ASX:TG6) and Charger Metals Limited (ASX:CHR), however, demonstrate there is significant potential for lithium mineralisation in the belt.

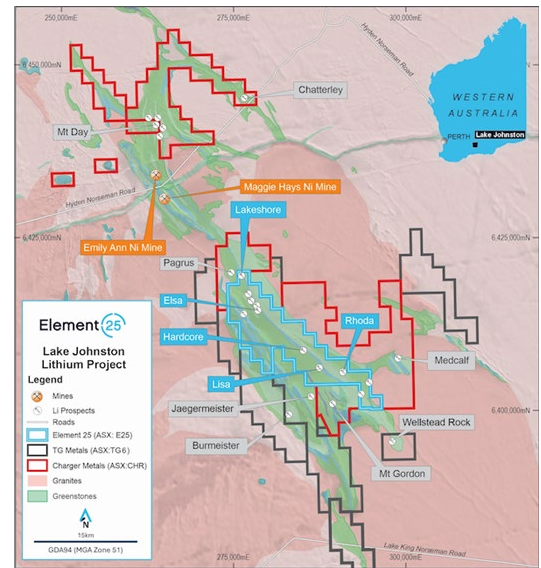


Figure 1: E25's Lake Johnston Project location in WA

CHR, whose exploration tenure abuts E25’s ground to the east, has confirmed economic grades of primary lithium mineralisation in drilling at the Medcalf Prospect and has also identified significant anomalous lithium in soil sampling at the Mt Day Prospect¹⁰.

TG6 holds ground abutting the southwestern margin of Element 25’s tenure and recently announced highly encouraging drilling intercepts at the Burmeister Prospect¹¹.

Accordingly, E25 completed data compilation and target generation in the area to identify high-priority targets for follow-up testing. Activities included the compilation of historical exploration results, re-processing and reinterpreting available geophysical datasets, and analysing satellite imagery and other remote sensing data sets to identify potential outcropping pegmatites or other geological or geochemical targets. A number of high-priority targets have been identified.

Hardcore Prospect

Historic drilling intersected broad zones of light-coloured igneous rocks logged as “pegmatites”. Previous attempts to resample the drill spoils were unsuccessful as the spoils washed away, however drill chips have been successfully recovered from the historic chip trays. These have been sampled as composites and submitted for assay, and while the results will not be quantitative, they may determine if there is anomalous lithium or lithium pathfinder elements in these intersections.

⁹ Reference: Company ASX release dated 28 November 2023.

¹⁰ Reference: <https://chargemetals.com.au/projects/lake-johnston-lithium-project/>

¹¹ Reference: <https://wcsecure.weblink.com.au/pdf/CHR/02650743.pdf>

Lisa Prospect

Satellite image interpretation has identified a potential target at the Lisa Prospect at Lake Johnson. The satellite image clearly shows a light-coloured outcrop with a strike length of approximately 250m. The anomaly is interpreted as a potential pegmatite target, however it will require on-ground follow-up investigations to determine the geological nature of the anomaly.



Figure 2 Satellite image anomaly – potential outcropping pegmatite.

Rhoda Prospect

The Rhoda Prospect was identified from the Geological Survey of Western Australia (GSWA) regional mapping data. Six pegmatite dykes are recorded over a strike length of ~7km on the GSWA 1:100k map of the area with two areas identified in the 'critical minerals database' as mapped pegmatites.

Subsequent to the end of the quarter an application for forfeiture was lodged by Cacique Resources Pty Ltd in relation to E63/2027. The application for forfeiture claims that the tenement holder has failed to comply with the expenditure conditions for the year ending 2023. Element 25 denies that it has failed to comply with the minimum expenditure commitment for the expenditure year the subject of the application and intends to defend the application.

CORPORATE

Louisiana Tax Incentives

In December, E25 announced it had achieved all milestones for the Louisiana State Industrial Tax Exempt Program (ITEP) incentive package to support E25's planned HPMSM processing facility in Ascension Parish, Louisiana. Governor Jon Bel Edwards approved the incentive agreement between E25, the Louisiana Department of Economic Development, and the Louisiana Board of Commerce and Industry.

This concluded several months of active stakeholder engagement with multiple levels of state and local government and local community members to explain the benefits that will flow from the proposed Facility. The total benefits available to the Project from State Incentives have been estimated by EY at US\$57M¹².

¹²Reference: EY

Program	Description	Estimated Value (US\$)
Industrial Tax Exempt Program (ITEP)	The Louisiana Industrial Ad Valorem Tax Exemption Program (ITEP) is a state incentive program, which offers an attractive tax abatement for manufacturers who make a commitment to jobs and payroll in the state. This program provides an 80% property tax abatement for an initial term of five years and the option to renew for five additional years at an 80% property tax abatement on a manufacturer's qualifying capital investment related to the manufacturing process in the state.	\$34.3M
Quality Jobs Program	The Quality Jobs, or QJ, program provides a cash rebate to companies that create well-paid jobs and promote economic development. The program provides up to a 6% cash rebate of annual gross payroll for new direct jobs for up to 10 years.	\$14.8M
Performance-Based Cash Grants	Performance-based grant to be used for qualified permanent infrastructure improvements on site. This will be administered pursuant to a cooperative endeavour agreement and requires company compliance with and adherence to agreed upon employee and payroll goals.	\$6.0M
LED FastStart	FastStart offers essential workforce services such as employee recruitment and screening, safety and teamwork training, leadership development for managers, and specialized assistance for employees as they transition to a new community and a new job.	\$2.0M
TOTAL		\$57.1M

Table 1. Summary of Louisiana State incentives available to E25's HPMSM Project proposed for Ascension Parish

The incentive package agreed with the State includes direct and indirect measures of financial support for the Project, which will reduce the required funding to construct the Facility. To meet the requirements of the incentive agreement, E25 has committed to:

- Construct the Facility with a minimum expenditure of US\$211,640,709 on fixed plant and equipment and buildings/fixed structures.
- Where feasible and practical, consider using local labour and manufacturing capability in the construction of the Facility.
- Operate the Facility in order to provide employment in the State of Louisiana.
- Create and maintain sixty-five (65) jobs with payroll totalling US\$5.85M per annum for the duration of the incentive agreement.

In all cases, the current development plan for the Facility meets or exceeds all required thresholds to secure the State's support under the agreement. E25's Louisiana Project is expected to create 220 new direct jobs with average annual salaries of more than US\$90,000. Louisiana Economic Development estimates the Project will result in an additional 408 new indirect jobs, for a total of 628 new jobs in the Capital Region.

BOARD CHANGES

John Ribbons assumed the role of Chairperson of the Element 25 Board at the Company's Annual General Meeting on 28 November 2023, following long-serving Chairman Seamus Cornelius' decision to tender his resignation.

Mr Ribbons is a long-standing Non-Executive Director of Element 25. Initially appointed to the Board in July 2010, Mr Ribbons has worked within the resources industry for more than 20 years in financial and company secretary roles and is a qualified CPA and Chartered Secretary. Mr Ribbons has extensive knowledge and experience with ASX-listed production and exploration companies. He has considerable mine-site operations experience and has also been involved with the ASX listing of several exploration companies. He has experience in capital raisings, ASX and TSX compliance and regulatory requirements. Mr Ribbons' extensive experience within the industry will add value to Element 25's strategic plan to grow operations and extend its high-purity manganese sulphate (HPMSM) project globally.

The Company thanked Mr Cornelius for his contribution to E25 after joining the Board in 2011. Mr Cornelius left a strong legacy and felt it was the appropriate time to step away as the Company moves into the next strategic phase.

E25's Board now comprises three independent Non-Executive Directors and the Company's Managing Director.

ASX ADDITIONAL INFORMATION

The ASX Appendix 5B quarterly report covering the six month period ending 31 December 2023 is attached and lodged with this report.

In accordance with ASX Listing Rule 5.3.5, payments to related parties of the Company and their associates during the quarter totalled \$120,000 comprising salary, directors' fees, consulting fees and superannuation.

In accordance with ASX Listing Rule 5.3.1, payments relating to Mining Exploration totalled \$70,000.

ABOUT ELEMENT 25

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

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

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COMPETENT PERSONS STATEMENT

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

The information in this report that relates to Exploration Results and Exploration Targets is based on information compiled by Mr Justin Brown who is a member of the Australasian Institute of Mining and Metallurgy. At the time that the Exploration Results and Exploration Targets were compiled, Mr Brown was an employee of Element 25 Limited. Mr Brown is a geologist and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Brown consents to the inclusion of this information in the form and context in which it appears in this report.

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

FORWARD LOOKING STATEMENTS

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

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

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

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

ASX Additional Tenement Information for Quarterly Report to 31 December 2023

	Tenement reference	Location	Interest at beginning of quarter	Acquired/ Disposed	Interest at end of quarter
The mining tenements held at the end of the quarter and their location	E20/659	Eelya Hill WA	10%	N/A	10%
	E46/1366	Black Hill WA	100%	N/A	100%
	E52/1529	Mt Padbury WA	100% (Note 1)	N/A	100% (Note 1)
	E52/2350	Butcher Bird WA	100%	N/A	100%
	E52/3606	Yanneri Bore WA	100%	N/A	100%
	E52/3706	Yanneri Pool WA	100%	N/A	100%
	E52/3735	Limestone Bore WA	100%	N/A	100%
	E52/3769	Kumarina WA	100%	N/A	100%
	E52/3779	Beyondie Bluff WA	100%	N/A	100%
	E52/3858	Yanneri Well WA	100%	N/A	100%
	E52/4064	Neds Gap WA	100%	N/A	100%
	E52/4149	Neds Gap WA	100%	N/A	100%
	E52/4153	Yanneri Well WA	100%	N/A	100%
	E52/4155	Weelarrana WA	100%	N/A	100%
	L52/211	Limestone Bore WA	100%	N/A	100%
	L52/215	Butcherbird East 1 WA	100%	N/A	100%
	L52/216	Butcherbird East 2 WA	100%	N/A	100%
	L52/217	Butcherbird East 3 WA	100%	N/A	100%
	L52/218	Butcherbird East 4 WA	100%	N/A	100%
	L52/220	Butcherbird East 5 WA	100%	N/A	100%
	L52/221	Butcherbird East 6 WA	100%	N/A	100%
	L52/225	Butcherbird East 7 WA	100%	N/A	100%
	M52/1074	Yanneri Ridge WA	100%	N/A	100%
	E57/1060	Victory Well WA	20%	N/A	20%
	E63/2027	Lake Johnston WA	100%	N/A	100%
	E63/2429	Lake Johnston WA	0%	N/A	100%

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

Table 2. Tenement Information for Quarterly Report to 31 December 2023

Appendix 5B

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

Name of entity

Element 25 Limited

ABN

46 119 711 929

Quarter ended ("current quarter")

31 December 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	262	4,446
1.2 Payments for		
(a) exploration & evaluation	(32)	(48)
(b) development	(75)	(118)
(c) production	(4,801)	(16,593)
(d) staff costs	(1,596)	(3,400)
(e) administration and corporate costs	(830)	(1,576)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	170	319
1.5 Interest and other costs of finance paid	(6)	(18)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other – Payment for HPMSM development	-	-
1.8 Other - Movement of cash previously classified as non-restricted	-	-
1.9 Net cash from / (used in) operating activities	(6,908)	(16,988)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	(70)	(175)
(c) property, plant and equipment	(7,775)	(12,998)
(d) exploration & evaluation	-	-
(e) investments	-	-

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
	(f) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	(50)	(50)
2.6	Net cash from / (used in) investing activities	(7,895)	(13,223)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	22,570
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	522	522
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(7)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (lease payments)	(98)	(194)
3.10	Net cash from / (used in) financing activities	424	22,891

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	36,406	28,886
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(6,908)	(16,989)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(7,895)	(13,224)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	424	22,891

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	(656)	(193)
4.6	Cash and cash equivalents at end of period	21,371	21,371

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	21,371	36,406
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	21,371*	36,406

*Excludes 31 December 2023 market value of listed equity investments \$401,020 and Sales Receipts of \$3,177,738 receivable in January 2024.

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	120
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

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

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(6,908)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(6,908)
8.4 Cash and cash equivalents at quarter end (item 4.6)	21,371
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	21,371
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	3.1
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
N/A	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
N/A	

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

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

N/A

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

Compliance statement

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

Date: 31 January 2024

'Signed electronically'

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

Notes

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