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ANNUAL REPORT

ANNUAL FINANCIAL REPORT FOR
THE YEAR ENDED 30 JUNE 2024

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2024

**The future has always
been electric...**



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HIGHLIGHTS



Butcherbird Expansion Feasibility Study targeting 1.1 million tonnes per annum (**Mtpa**) manganese production demonstrated robust economics.



Butcherbird: Pre-tax Net Present Value (**NPV**) of A\$228 million (8% discount), Internal Rate of Return (**IRR**) of 113% and Annual cashflow of A\$57.3M.



Acceleration of activities for Butcherbird expansion, focusing on process optimisation, Front-End Engineering and Design (**FEED**) activities, project finance and permitting.



Resource infill drilling of 216 percussion drill holes for 6,203m completed at Butcherbird, targeting Mineral Resource re-estimation and subsequent Ore Reserve update.



Northern Australia Infrastructure Facility (**NAIF**) proceeded to detailed due diligence after completing a strategic assessment of Butcherbird Stage 2 Expansion Project.



Element 25 progressed plans for its proposed High Purity Manganese Sulphate Monohydrate (**HPMSM**) facility in Louisiana, USA in partnership with General Motors (**GM**) and Stellantis N.V. (**Stellantis**) under binding financing and offtake agreements.



Binding term sheet signed with Veolia North America (**Veolia**) to secure a site for Element 25's planned HPMSM refinery in Louisiana, USA. Title V Air Permit received for HPMSM refinery at the Veolia Burnside site.



Selected for award negotiations for a US\$166m grant from the US Department of Energy (**DoE**) under their Battery Minerals Processing and Battery Manufacturing Program which will fund the construction of the planned HPMSM facility.



Approval of US\$57 million of tax incentives under Louisiana State's Industrial Tax Exemption Program (**ITEP**).



Two international HPMSM patents lodged under the Patent Co-Operation Treaty to provide protection for key manganese processing steps in Element 25's flowsheet.



Share Purchase Plan (**SPP**) completed, raising \$643,145 to support Butcherbird Stage 2 Expansion and Louisiana HPMSM project.



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MESSAGE FROM THE CHAIR

Dear Fellow Shareholders

I am pleased to present Element 25 Limited's 2024 Annual Report, my first as Chair since my appointment in late 2023. This year has been marked by significant progress, and I want to highlight some key achievements in our journey to build a global manganese business.

Our Butcherbird Manganese Mine in Western Australia, home to Australia's largest onshore manganese resource, remains the cornerstone of our operations. This year, we completed a Feasibility Study (FS) to expand manganese concentrate production to 1.1 million tonnes annually. The FS results were compelling, with an NPV of A\$228 million (pre-tax, real) and an IRR of 113%, alongside a rapid payback period of just 1.2 years.

Expanding production at Butcherbird would establish Element 25 as a low-cost producer, capable of operating during the lowest price points in the market cycles. This expansion also aligns with our plans to produce high-purity manganese sulphate monohydrate (HPMSM) at a proposed facility in Louisiana, USA, in partnership with General Motors LLC (GM) and Stellantis NV (Stellantis) and potentially in Japan in the future, in partnership with Nissan Chemical Corporation.

In the past six months, we advanced our expansion plans, including process optimisation, Front-End Engineering and Design (FEED), project finance, and permitting. In early 2024, we suspended production at Butcherbird to focus resources on the expansion. However, due to shifting market dynamics and disruptions in Africa, we began exploring the possibility of resuming operations to sell lower-grade stockpiles. This parallel opportunity is under review as we continue our expansion efforts.

Additionally, our Butcherbird Expansion Project has successfully passed a strategic assessment by the Northern Australia Infrastructure Fund (NAIF), and is now in the due diligence phase. Given NAIF's history of investing in significant minerals projects, we are closely monitoring progress and will keep shareholders informed.

On the HPMSM front, we agreed terms for a preferred processing facility site in Louisiana. We have been selected for award negotiations by the US Department of Energy (DoE) for a US\$166 million grant from the US Department of Energy under their Battery Minerals Processing and Battery Manufacturing Program which will contribute to funding the construction of the planned HPMSM facility. A Title V Air Permit has since been granted, and we are finalising agreements for a land sale and essential utilities.

Our agreements with GM and Stellantis, combining offtake and funding, remain active, providing an additional US\$115 million of construction capital. We will progress the DoE grant negotiations and continue to work with our advisor, Jett Capital, on private-sector funding options to secure the remaining funds for construction and commissioning, with multiple financing proposals under review.

We also made strides in exploring our Lake Johnson lithium project in Western Australia, identifying several high-priority targets. While an application for forfeiture has been lodged against tenement E63/2027, we are defending it vigorously.

I would like to acknowledge my predecessor, Seamus Cornelius, who resigned as Chairman before last year's AGM. I sincerely thank Seamus for his leadership, leaving a strong legacy. I also extend my gratitude to our Directors and Management team for their dedication over the past year. We look forward to continuing our work towards creating shareholder value.

The Board is excited about Element 25's future as we strive to build a global manganese business, supplying in-demand, low-carbon sustainable manganese ore and battery-grade HPMSM worldwide. On behalf of the Board, we thank our shareholders for their ongoing support.



John Ribbons
Non-Executive Chair
Element 25 Limited

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REVIEW OF OPERATIONS

KEY OPERATIONAL MILESTONES FOR FINANCIAL YEAR 2024

BUTCHERBIRD MANGANESE MINE, WA

- Butcherbird Expansion Feasibility Study targeting 1.1 million tonnes per annum (**Mtpa**) manganese production, pre-tax Net Present Value of A\$228 million (8% discount) with an Internal Rate of Return of 113% and annual cashflow of A\$57.3M.⁷
- Acceleration of activities for the planned expansion of Butcherbird, focusing on process optimisation, Front-End Engineering and Design (FEED) activities, project finance and permitting.
- Northern Australia Infrastructure Facility (**NAIF**) completed a strategic assessment of Butcherbird Stage 2 Expansion Project.
- Investigations commenced into potential restart of operations at Butcherbird to take advantage of the recent movement in manganese ore prices caused by market factors, including disruptions at South 32 Limited's Groote Eylandt (**GEMCO**) operations.
- Resource infill drilling completed at Butcherbird, with 216 percussion drill holes completed for a total of 6,203m, targeting infill of existing inferred resources¹.
- Resource upgrade commenced to evaluate the conversion of inferred resources to measured and indicated to support an upgraded reserve estimate.

HPMSM REFINERY, LOUISIANA, USA

- Binding term sheet (**TS**) with Veolia North America (**Veolia**) to secure a site for Element 25's planned HPMSM refinery in Louisiana, USA.
- Title V Air Permit received for HPMSM refinery at the Veolia Burnside site.
- Approval of US\$57 million of tax incentives under Louisiana State's Industrial Tax Exemption Program (**ITEP**).
- Two key international patents lodged under the Patent Co-Operation Treaty, expected to be processed in 2024².
- Selected for award negotiations by the US Department of Energy under their Battery Minerals Processing and Battery Manufacturing Program for a US\$166M to fund construction of the planned refinery³.

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1. E25 ASX Announcement dated 19 June 2024
2. E25 ASX Announcement dated 27 November 2023
3. E25 ASX Announcement dated 24 September 2024



BUTCHERBIRD FEASIBILITY STUDY SUMMARY



Capital Cost

AU\$49.8

(incl. contingency)



NPV

AU\$228M

(pre-tax, real)



IRR

113%



Cashflow

AU\$57.3M

(annual)



Payback

1.2

(years)

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COMPANY OVERVIEW

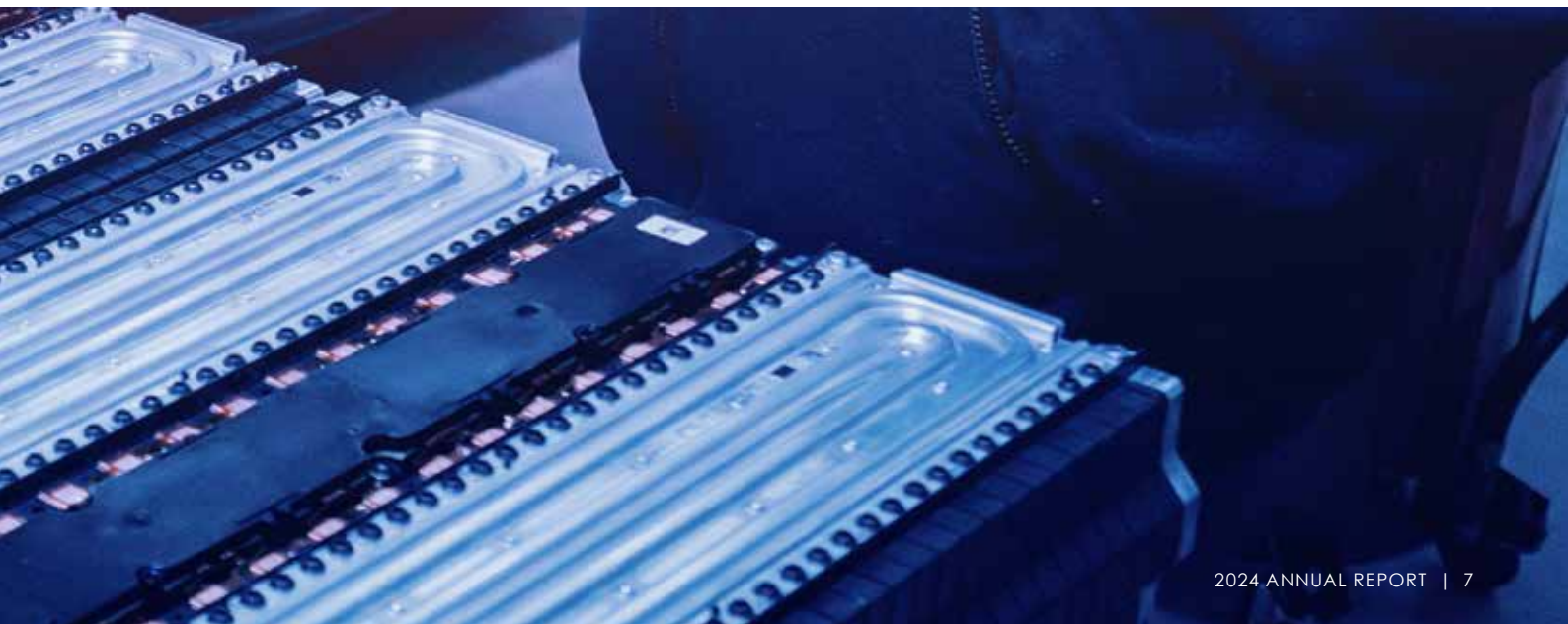
Element 25 Limited (**E25**, **Element 25** or **Company**) (**ASX: E25** | **OTCQX: ELMTF**) is the operator of the Butcherbird Manganese Project (**Butcherbird** or the **Project**) which hosts Australia's largest onshore manganese (**Mn**) resource with current JORC resources of over 260Mt of manganese ore⁴. Butcherbird is 1,050km north of Perth and 130km south of Newman in the Pilbara region of Western Australia (**WA**).

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

The Company plans to construct a HPMSM facility (**Facility**), in Louisiana, USA, having completed a Feasibility Study (**FS**)⁵ for this project in April 2023 and selected for award negotiations by the US Department of Energy for a US\$166m grant⁶. The Facility will use concentrate from Element 25's existing mine at the Butcherbird Project in Western Australia as feedstock.

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

4. E25 ASX Announcement dated 17 April 2019
5. E25 ASX Announcement dated 12 April 2023
6. E25 ASX Announcement dated 24 September 2024



BUTCHERBIRD OPERATIONS, WESTERN AUSTRALIA

SAFETY

For the 12 months ending 30 June 2024, the Butcherbird minesite sustained 2 Lost Time Injuries (**LTIs**) and 0 Medical Treatment Injuries (**MTIs**). The 12-month LTI and MTI rates were noted as 28 and 0 respectively.

BUTCHERBIRD EXPANSION STRATEGY

In January 2024, Element 25 released the Butcherbird (**BB**) Expansion Feasibility Study (**FS**)⁷ on the proposed expansion of the Butcherbird Mine to produce 1.1 million tonnes per annum (Mtpa) of manganese concentrate.

The BB FS demonstrated strong economics with robust economic returns and rapid capital payback.

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Highlights included:

- 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 (**direct production cost**) FOB (**Free on Board**) cost – which will ensure sustainable profitability at lower manganese prices compared to the current pilot operation.
- The BB 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.
- The BB FS indicated a modest capital cost of A\$49.8M.
- Measured, Indicated and Inferred Mineral Resources used to support the 7.2 years mine life from 2024 to 2031 represents approximately 36.0% of the total mineral resource inventory within granted mining lease M52/1074.
- Average base case annual operating cashflow of A\$57.3M at full production.
- Payback period of 14 months from start of operations based on forecast cashflows.
- Process plant commissioning is currently estimated to be achievable within approximately 11 months from a final investment decision (**FID**).
- The base case contemplates annual production and sale of 1.1Mtpa of manganese ore grading 32% Mn.
- Expanded concentrate production strategy complements and enhances Element 25's plan to develop a HPMSM plant in Louisiana.

The BB FS results confirm that the economics of the mine are improved under the planned expansion scenario, which benefit from 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 resources and 61% of the Indicated resources available within the Butcherbird resource base.

If viable, restarted activities will occur in parallel with and will not impact the expansion plans for the Butcherbird Project. A potential restart requires several critical steps with respect to operational readiness and an assessment of re-start and production costs, and it is not guaranteed that this will be commercially feasible.

7. E25 ASX Announcement dated 23 January 2024

MINING AND PROCESSING

With manganese prices at cyclical lows during the reporting period, Element 25 restructured production at Butcherbird to reduce ore production and costs to align with this lower-priced environment. This helped to preserve cash and allow the team to focus on Element 25's downstream project. In-pit mining ceased and production shifted focus to processing stockpiles to minimise operational costs.

With the release of Element 25's expansion study for Butcherbird, the Company subsequently suspended Butcherbird's production operations in early calendar year 2024 to re-focus resources and available cash on implementing the mining and processing expansion plan. Stockpiles were depleted in line with care and maintenance activities on site, with haulage winding back and ceasing in early March 2024.

In June 2024, Element 25 commenced investigations into the potential to recommence operations at Butcherbird to take advantage of movement in manganese ore prices caused by market factors, including disruptions at the GEMCO operations, which is expected to be out of operation until quarter three calendar year 2025. Restarted Element 25 operations may include the sale of stockpiles and/or recommencing processing of run-of-mine (**ROM**) stockpiles at site, which have been mined but not yet processed.

If viable, Element 25 restart activities will occur in parallel with and will not impact the expansion plans for the Butcherbird Project. A potential restart requires several critical steps with respect to operational readiness and an assessment of re-start and production costs, and it is not guaranteed that this will be commercially feasible.

LOGISTICS

Element 25 completed a shipment of 50,540mt of manganese concentrate on 27 January 2024, and ~15,000mt of manganese concentrate was later transported to Port Hedland.

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

PLANT DESIGN OPTIMISATION

Element 25 accelerated activities for the expansion of Butcherbird, focusing on key areas, including process optimisation, FEED activities, project finance and permitting.

There have been important advancements, particularly in the FEED phase of the Butcherbird expansion, where the Company has optimised the plant's delivery while minimising design, cost, delivery and processing risks and improving energy efficiency and emission profiles.





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ENGINEERING DESIGN AND PROJECT MANAGEMENT

Element 25 engaged local specialist engineering firm Aspect Engineering Solutions (**Aspect**) to manage the engineering design phase and serve as owner's engineer throughout project execution. Aspect will assist with engineering, procurement and construction management activities to ensure a streamlined and well-managed project implementation plan.

OPERATIONAL IMPROVEMENTS

The project team has made strategic improvements to the initial plant design, enhancing operational efficiency and maximising productivity.

Integrating a second-stage crushing system will process larger materials directly into the primary circuit. The feed bin and apron feeder were upsized to optimise truck cycling times and minimise feed disruptions, which has the potential to increase plant utilisation and reduce bottlenecks.

The secondary crushing stage was optimised to handle specific material sizes, ensuring a seamless process flow and eliminating the need for additional screening and material re-handling, a key focus of the design methodology.

Mining equipment sizing optimisation modelling has confirmed equipment selection to minimise unit mining costs, rehandling and ensure continuous plant feed availability. Further studies will investigate the potential to introduce electrified mining equipment and mine site light vehicles to reduce carbon emissions.

Process controls are being designed to ensure that each principal processing stage can operate as close to maximum performance as possible whilst allowing for in-process surge points and redundancy to allow for scheduled maintenance without interrupting production. Automation is being implemented at each stage to optimise equipment set points and performance.

Water consumption reduction through the potential introduction of a thickener and intelligent recycling will reduce the impact on the local water resources while reducing bore field operational costs. Inline analysers will enable dynamic feedback to process control systems based on desired product specifications and allow for the optimisation of product blends and sales pricing based on customer requirements.

Element 25 has identified numerous improvements across various aspects of the plant including:

- Crushing and screening circuit;
- Logwashing system;
- Incorporating a new Dense Media Separation (**DMS**) circuit;
- Dust suppression and containment systems; and
- Incorporating control optimisation and industrial internet of things (**IIoT**).

Each of these improvements and their benefits is outlined in detail in Element 25's June 2024 Quarterly Report⁸.

8. E25 ASX Announcement dated 16 July 2024

PROJECT SCHEDULING, PROCUREMENT AND COST MANAGEMENT

The Company is initiating the FEED design stage before the final funding allocation, which allows Element 25 to control initial costs and avoid timeline delays. This proactive strategy ensures that plant design advances efficiently to 3D modelling, effectively managing equipment selection risks, ordering long-lead items, layout design, and permitting.

Detailed project scheduling has identified several long-lead procurement requirements, particularly the vendor selection and ordering of the principal equipment for the crushing circuit. The project team has confirmed mineral sizers as the technology of choice, and a bid package has been prepared to source crushing equipment from reputable suppliers who can provide ongoing support and maintenance services. Other long-lead items are being approached similarly to minimise project execution schedules.

INDIGENOUS ENGAGEMENT

As part of the Company's commitment to ongoing engagement with Traditional Owners, an Indigenous Engagement Plan (**IEP**) is being developed to provide a strategy to enhance Indigenous groups' participation, procurement, and employment in relation to the project.

The IEP will include processes for engaging with local Indigenous groups to assess their capabilities and capacity to participate and ensure that they have an opportunity to participate in procurement and contracting opportunities as they arise throughout project execution.

Element 25 has agreements in place with Traditional Owners on whose lands the project will operate, but the intention is to expand the level of Indigenous engagement into other opportunities through construction and operations.

COMMITMENT TO EXCELLENCE AND SUSTAINABILITY

Element 25's commitment to building a state-of-the-art processing plant that sets new standards in performance, reliability, emission reduction, safety and operational efficiency is unwavering. By leveraging industry-leading expertise and lessons learned from the Butcherbird pilot plant, the Company targets a high level of operational readiness and smooth project execution and commissioning.

The Stage 2 Butcherbird Expansion Project aims to harness lessons learned from the Stage 1 Pilot Plant to extract the maximum value from the process-proven resource at the Butcherbird Project, deploying cutting-edge technologies with a view to generating shareholder returns whilst demonstrating a core focus on safety, sustainability, Indigenous engagement and operational excellence.

The expanded Butcherbird Mine has the potential to supply high-quality, low-carbon, sustainable manganese ore over many years to the Company's planned HPMSM refineries to provide a critical raw material for the electrification of energy systems as the world looks to reduce its dependency on fossil fuels and fight climate change.

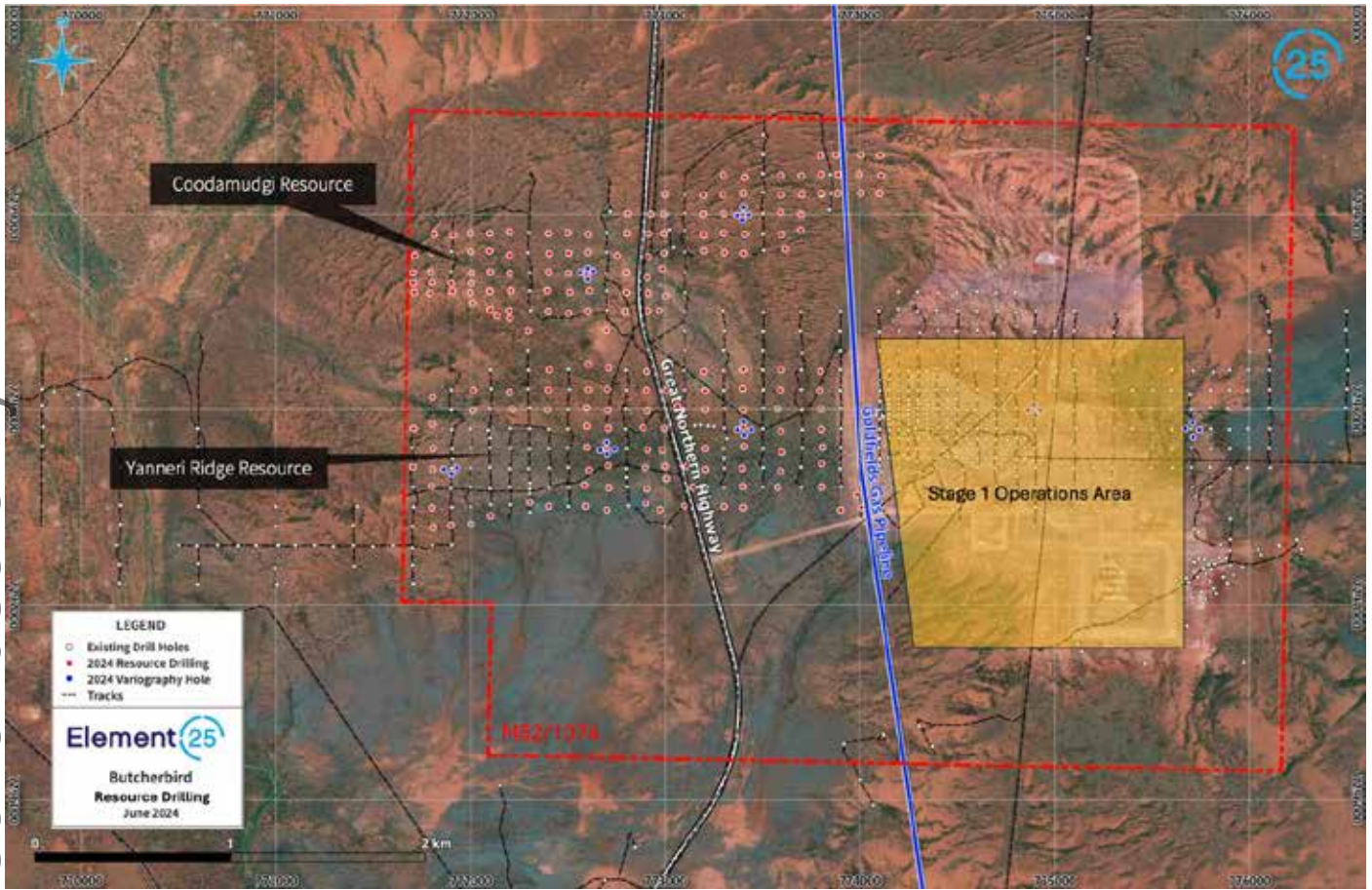


“generating shareholder returns whilst demonstrating a core focus on safety, sustainability, Indigenous engagement and operational excellence.”

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BUTCHERBIRD INFILL DRILLING

In June 2024, Element 25 completed resource infill drilling at Butcherbird, with 207 percussion drill holes for 6,202m targeting infill of existing inferred resources. All samples were dispatched to Bureau Veritas for assay with results pending.



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Current Butcherbird reserves are based around mineral resources within granted mining lease M52/1074, of which less than half has been drilled to a sufficient density to meet the requirements for Measured and Indicated resource classifications. The balance is classified as inferred. The additional drilling will provide infill data to better define and potentially convert these areas to Indicated or Measured categories to support the re-estimation of mine reserves. The increase in the “reserve tail” will support project financing activities with NAIF and other potential financiers who are currently undertaking project expansion due diligence.

NORTHERN AUSTRALIA INFRASTRUCTURE FACILITY STRATEGIC ASSESSMENT

The Northern Australia Infrastructure Facility (NAIF) successfully completed a strategic assessment of the Butcherbird Stage 2 Expansion Project during the March 2024 quarter and proceeded to detailed due diligence under the NAIF assessment process.

NAIF is a Commonwealth Government financier providing concessional loans for the development of infrastructure projects in northern Australia and the Australian Indian Ocean Territories to deliver economic and social growth.

Completion of a strategic assessment by NAIF does not represent a formal decision to offer or commit finance. NAIF has not yet made any decision to offer finance or made any commitment to provide any financial support to the Project, and there is no certainty that an agreement will be reached between the parties.

The NAIF assessment process has moved into a detailed project review by an independent technical expert (ITE). Element 25 has appointed RPM Global to act as the ITE during the review process. The results of this phase will be announced as soon as the process is completed.

HPMSM PROJECT, USA

Element 25 is progressing with plans for construction of an integrated battery grade high purity manganese sulphate (**HPMSM**) facility in Louisiana, USA to produce battery-grade HPMSM, a critical raw material used in the construction of lithium-ion battery cathode precursor materials to power the electrification of the global vehicle fleet. The HPMSM produced in Louisiana will be used in the manufacture of electric vehicle Pre-Cathode Active Materials (**pCAM**).

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

Element 25's HPMSM Facility is supported by key offtake and funding agreements with GM and Stellantis, which are contributing a combined US\$115M in project funding through a combination of equity, pre-payment and senior debt alongside offtake for approximately 65% of the planned HPMSM production from the first production train.

LOUISIANA SITE SECURED

In May 2024, the Company signed a binding term sheet (**TS**) with Veolia North America (**Veolia**) to secure a site for Element 25's planned high-purity manganese sulphate monohydrate (HPMSM) refinery in Louisiana, USA.

The TS contemplates several parallel definitive agreements, and completion is conditional on the execution of these contract documents as well as securing project financing and the Company's Board reaching final investment decision (FID) before 30 October 2024 (or such later date as the parties may agree).

Definitive agreements in the TS include:

- Land Purchase Agreement;
- Sulphuric Acid Supply Agreement;
- Road Easement Agreement;
- Utilities and Services Agreement; and
- Temporary Lease Agreement.

Element 25 has based civil engineering works for the HPMSM project on the Veolia site. It brings together a number of important synergies to support the long-term competitiveness of the Element 25 Facility. Under the Sulphuric Acid Supply Agreement, Veolia will provide long-term secure sulphuric acid supply and agreed tariffs.

The Veolia site was chosen following a rigorous process which included numerous surveys, including a cultural survey, a wetland delineation survey and geotechnical, boundary and topographical surveys, which did not highlight any issues or concerns.



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ENGINEERING DEVELOPMENT

Equipment vendors have generated basic engineering packages for specific sections of the plant, with design development of the balance of the processing facility progressing. The project engineers developed an initial project execution plan, procurement plan and other foundational elements, which are being reviewed, with controls to manage cost and schedule.

The schedule incorporates all facets of the project, including engineering, permitting, project financing and construction. It provides for approximately 80 weeks of project build time, based on the current critical path.

PILOT-SCALE METALLURGICAL TEST PROGRAM

Early in the year, Element 25 completed a final pilot-scale process verification test program for its flowsheet at Veolia HPD's North America facility, utilising the purified leach solution (**PLS**) previously produced and processed it through the Veolia pilot scale crystalliser facility using optimised conditions established in previous tests.

This was successful, producing HPMSM well within the required specifications for battery applications and well inside the Element 25 Standard Specification stipulated in the agreements with both Stellantis and GM. The results exceeded expectations and confirmed the Element 25 process is able to deliver into existing requirements and offer opportunities to supply higher purity product options into the future as battery technology develops and higher purities are required.

The program yielded significant quantities of HPMSM which was packaged and dispatched to Element 25's existing offtake partners as well as potential future offtake and funding partners to assist in discussions.

SUPPLY AGREEMENTS

Apart from negotiating a Sulphuric Acid Supply Agreement with Veolia, Element 25 also commenced discussions with utility, service and reagent suppliers, covering other essential components for the facility, including natural gas, water and power.

KEY PERMIT SECURED

In May 2024, Element 25 was issued a Title V Air Permit for the construction of its HPMSM refinery via its subsidiary Element 25 (Louisiana) LLC (**E25LA**).

As part of the process, Element 25 completed a detailed assessment of expected emissions from the HPMSM refinery and provided this information along with supporting documentation to the Louisiana Department of Environmental Quality (**LDEQ**).

The Element 25 HPMSM refinery was defined as a "minor source" for New Source Review⁹ federal hazardous air pollutant (HAP), Louisiana toxic air pollutant, or Title V (Part 70) purposes. Any source, including a temporary source, which emits or has the potential to emit any air contaminant (defined as particulate matter, dust, fumes, gas, mist, smoke, or vapour, or any combination thereof produced by the process(es) other than natural) requires an air permit.

LDEQ issued the draft Air Permit to Element 25 in early February 2024 and the final stage of the permitting process, prior to issuance, was a statutory public consultation period. This included a public meeting held in the local community on 18 April 2024, where feedback was supportive of the Project, with the permit issued soon after.

9 Reference: <https://www.epa.gov/sites/default/files/2015-12/documents/nsrbasicsfactsheet103106.pdf>



Prior to construction commencement, the project site also requires the US Army Corps of Engineers (**USACE**) to issue a Nationwide Permit 39, which allows minor impacts of wetlands/waters for industrial developments. The application for this permit was submitted to USACE in November 2023. Element 25 awaits its approval.

LOGISTICS

Element 25's logistics and marketing team commenced commercial discussions with Associated Terminals, the leading stevedore and terminal operator on the Lower Mississippi River. Associated Terminals handles between 25 - 30 million tons of bulk and project cargoes annually and operates the Port of South Louisiana (**POSL**), including existing bulk cargo handling facilities.

Commercial negotiations with Associated Terminals cover the provision of manganese ore handling services with respect to inbound manganese ore. Associated Terminals also has existing facilities available to store material as an intermediate staging point. This may minimise the need for storage facilities at the refinery site and provide flexibility with respect to ore shipments. The parties are working to agree competitive commercial terms for the provision of these services.

PROJECT FINANCING

OFFTAKE AND FUNDING AGREEMENTS

Element 25 has binding agreements in place with GM and Stellantis respectively, which provide for combined offtake and funding arrangements¹⁰. Both agreements remain on plan and Element 25 has achieved all milestones in relation to the Stellantis agreement schedule.

Two milestones with respect to the GM agreements which relate to the signing of the site lease and the delivery of a final project budget and plan are being revisited with revised dates under discussion, based on the current level of project development. It is anticipated these dates will be varied as a result of the discussions.

The two transactions provide a total of US\$115M in addition to the US\$166M grant from the US Department of Energy in financing support for the Louisiana HPMSM project and the Company is co-ordinating a process to secure funding for the balance of total construction costs. Jett Capital Advisors is assisting the Company during the financing process and exploring funding options including:

- Bank debt via a range of tier-one lenders;
- Joint venture development of the project and or project-level equity investment;
- Royalty and streaming arrangements; and
- Government sponsored funding via loan programs.

Multiple potential financiers have conducted due diligence including the detailed review of financial and technical information relating to the project and one group has undertaken a site visit to Louisiana as part of their process. In the course of the process, the Company has received a number of term sheets. Various proposals are under review by Element 25 in conjunction with the Company's advisors.

10 E25 ASX Announcements dated 9 January 2023 and 26 June 2023

U.S. DEPARTMENT OF ENERGY

Element 25 (Louisiana) LLC has applied for funding under the US Government's Advanced Technology Vehicles Manufacturing Loan Program (**ATVM**), which provides loans to support the manufacture of eligible advanced technology vehicles and qualifying components from the Bipartisan Infrastructure Law. Through the ATVM program, the Department of Energy Loan Programs Office (**LPO**) can support the manufacturing of qualifying components for eligible vehicles. These projects can be along the automotive value chain after material has been mined, such as manufacturing of battery cell components, battery cells, battery modules, and battery packs for EVs or manufacturing of EV charging infrastructure components⁹.

LPO supports projects to onshore and re-shore the production of the critical materials including projects that process critical minerals using innovative technology for end use in a variety of eligible clean energy technologies, or for projects that manufacture eligible advanced technology vehicles or their components. The Element 25 application has resulted in a number of requests for information (**RFI**) as it proceeds through the intake process with the next stage being detailed due diligence.

MANUFACTURING AND ENERGY SUPPLY CHAINS (MESC) GRANT APPLICATION

In January 2024, Element 25's project financing team prepared and submitted a concept paper as the first stage of assessment for project funding under Funding Opportunity Announcement Number DE-FOA-0003099, Bipartisan Infrastructure Law: Battery Materials Processing and Battery Manufacturing Grants. The grant programme has funding of US\$3B over 5 years¹¹.

Under the application process the Company subsequently received a letter of encouragement to proceed with a full application. The full application was submitted as the next stage in the process and subsequent follow up queries were addressed as the application moved through the proscribed process. In September 2024, the Company was notified that it was selected for award negotiations for US\$166m under the grant to fund the construction of the planned HPMSM refinery facility¹².

“LPO supports projects to onshore and re-shore the production of the critical materials including projects that process critical minerals using innovative technology for end use in a variety of eligible clean energy technologies”

¹¹ <https://www.energy.gov/mesc/battery-materials-processing-grants>

¹² E25 ASX Announcement dated 24 September 2024

GOVERNMENT INCENTIVES

In December 2023, Element 25 announced it had achieved all milestones for the Louisiana State Industrial Tax Exemption Program (**ITEP**) incentive package to support Element 25'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 Industry¹³.

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 estimated by Ernst & Young (**EY**) at US\$57M.

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, Element 25 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. Element 25'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.

PATENT APPLICATIONS

Element 25 uses a proprietary processing flowsheet to convert Butcherbird manganese concentrate into HPMSM, which reduces energy consumption, targets zero waste and delivers the lowest carbon intensity HPMSM globally based on publicly available information. The process offers a pathway to the delivery of expanding volumes of ethically sourced, traceable, transparent HPMSM supply to US and global 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 chains, using this technology.

In November 2023, Element 25 finalised and lodged two key international patent applications in relation to its battery grade 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; and
- 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 in relation to the Element 25 process can claim industry-leading low carbon intensity and compete on cost in target markets when compared with existing producers.



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CORPORATE GOVERNANCE

The Company's Corporate Governance Statement which reports against ASX Corporate Governance Council's Principles and Recommendations may be accessed from the Company's website at www.element25.com.au.

Good corporate governance is critical to the long term, sustainable success of the Company and is the collective responsibility of the Board, all levels of management and employees. Element 25 seeks to adopt contemporary governance standards and apply these through best practice in a manner that is consistent with its core values and culture.

The key elements of the Company's corporate governance are:

EMPOWERMENT



Everyone at Element 25 is empowered to make decisions that support the Company objectives and are in the best interests of the Company and its stakeholders. Management and employees are encouraged to think strategically and innovatively. When making decisions, these must align with the Company's risk appetite and are to be conducted in a manner that is consistent with corporate expectations and standards.

INTEGRITY



Developing and maintaining a culture committed to compliance with the law and ethical behaviour at all times.

TRANSPARENCY



Being clear about the Company's structure, operations and performance, both externally and internally, and maintaining genuine open dialogue with, and providing insight to, stakeholders and the market generally.

CORPORATE ACCOUNTABILITY

Ensuring that there are processes in place to ensure clarity of decision making including those which authorise the right people to make effective and efficient decisions with appropriate consequences when these processes are not followed.

STEWARDSHIP

Developing and maintaining company wide recognition that Element 25 is managed for the benefit of its shareholders whilst taking into account the interests of other stakeholders.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

Element 25 are aware of the unique challenges and responsibilities associated with operating in the mining industry and conducting global business. The Element 25 business strategy is to support a global transition to a low-carbon future and in doing so to create positive social impacts and minimise environmental harm whilst generating shareholder returns.

The Company’s commitment to environment, social and governance (ESG) outcomes is a principle that guides its operations and is critical to its success. It is integrated into all aspects of the business. As part of the Company’s ESG commitment, the Board has established an ESG committee to formulate strategies and to ensure that ESG leadership is at the forefront of its purpose and corporate culture.

The ESG framework guides the Company to be a responsible, transparent and accountable business when managing the economic, environmental and social impacts of the Company’s projects and operations. The ESG strategy is based on the premise that ESG is at the fore of the Company’s decision making and operations – committed to doing the right thing for the right reasons.

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The key objectives of our ESG strategy are to:

- Clearly define with ESG means to Element 25;
- 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 addressed and focussed on and reporting is meaningful.

ESG RATING

In July 2024, the Company engaged external agency Digbee, who are the mining sector’s foremost independent assessment platform for ESG disclosure, to determine an independently assessed baseline ESG score for the Company’s current and planned activities.

The outcome of the submission was an overarching score based on Corporate and Project (Butcherbird and HPMSM) elements and potential opportunities, risks, actions and positive and negative scorecards. The independent panel of globally recognised ESG experts at Digbee awarded Element 25 an inaugural ESG score of BB for its 2024 activities.



FIGURE 1: A graphic representation of Element 25’s overall ESG risks and opportunities assessed by Digbee ESG. The top five rating bands of AAA to BB give credit for present positives/opportunities. The bottom five rating bands of B to D reflect present negatives/threats.

The following sections outline the Company's current areas of focus and form the interconnected pillars of the ESG strategy.



ENVIRONMENTAL

Recognising the potential impacts of mining operations on the environment, the Company is committed to responsibly managing and respecting the land and resources that are shared with Traditional Owners and other stakeholders. The Company continues work to minimise environmental harm in a variety of ways including minimisation of waste and water usage, preventing contamination of water resources, ensuring waste is safely disposed of and prioritising the health of the surrounding environment and our stakeholders when making operational decisions.

Element 25 are also seeking to reduce the carbon emissions generated from its operations through the adoption of renewable energy sources, and by including energy-efficient technologies when making design decisions.



HUMAN RIGHTS

Respect for human rights, the rights and liberties we are all entitled to as human beings, is an essential aspect of the Company's business. The Company's commitment to human rights includes ensuring fair treatment of employees, avoiding discrimination, and promoting ethical practices throughout operations, business relationships and the supply chain. The Company has processes in place to ensure its policies and practices are reflective of broader community standards and expectations with respect to inclusiveness and diversity.

To continue our commitment to human rights, Element 25 has recently reviewed and implemented changes to the terms and conditions for contracting parties. Suppliers must respect and uphold the same level of the safeguarding of human rights and dignity of all workers and stakeholders involved in their business activities. This includes:

- Working to implement core international business and human rights expectations and standards, including the United Nation's Guiding Principles on Business and Human Rights.
- Not using any form of modern slavery such as forced or compulsory labour and preventing the use of child labour.
- Ensuring that fair remuneration and work conditions are provided for all workers, equitable treatment of all workers and harassment and discrimination in any form and on any basis is prevented.
- Respecting the privacy of employees and stakeholders and complying with all laws in relation to the collection, use and protection of personal information.



WORKPLACE HEALTH AND SAFETY

The safety and well-being of the Company's workforce, both direct and indirect are paramount. Rigorous safety protocols, regular training sessions and health initiatives are implemented to ensure our employees are able to work in a safe and supportive environment.

The Company continually works to create a safe work environment so that everyone is supported and goes home safely every day. All practical and reasonable measures are taken by the Company to eliminate workplace fatalities, injuries and disease, to provide training to ensure people have the skills required to work safely and to comply with applicable health and safety laws, regulations and contract requirements.

The Company takes steps to ensure that its suppliers share this commitment to providing a safe and healthy working environment for employees and subcontractors and can actively demonstrate compliance.

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PARTNERSHIPS

The Company seeks to create sustainable social and economic value for the Nyiyaparli people, Gingirana people and Ngarlawangga people who are the Traditional Owners of the land where the Butcherbird mine is situated. Through meaningful employment and contracting opportunities and the creation of long term relationships, the Company believes that value can be created and sustained. At all times Element 25 treats partners and stakeholders with respect, care and decency.

The Company seeks to engage with stakeholders and suppliers whose ESG values and practices align with its own and who have a clear commitment to responsible environmental and social practice and to achieving positive ESG outcomes

Partners and suppliers are prioritised based on their ability to demonstrate strong environmental credentials and sustainability in their operations and who have:

- a formal commitment to environmental responsibility.
- a culture that values the environment and acts to protect the environment in which they operate.
- actively sought ways to minimise any adverse environmental impact across their operations and supply chain, including in relation to biodiversity, waste, water, energy and emissions.



ETHICAL GOVERNANCE AND ANTI-CORRUPTION

Element 25 operates with the highest standards of integrity and transparency with governance structures designed to assist with the detection and prevention of bribery, corruption, and other unethical practices, ensuring that the Company remains accountable to stakeholders and provides opportunities for grievances to be appropriately addressed. The Company maintains policies and practices to allow violations, misconduct, or grievances to be reported by workers and other stakeholders and addressed without fear of retaliation. The Whistleblower and Stakeholder Feedback Policy can be accessed on the Company's website at www.element25.com.au.

Rigorous corporate governance is essential for developing and maintaining the trust of stakeholders and ensuring that business is conducted in a transparent and sustainable manner. The Company is committed to maintaining a culture of accountability, integrity and transparency so that there are no conflicts of interest between personal activities and interests of employees and subcontractors and those of the Company, bribery or corruption in any form is not accepted or committed and fairness is instilled in all operating practices.

Element 25 believes that ethical corporate governance practices are an important aspect of long-term success and the Company expects that suppliers are committed to the same values and compliance with ethical, legal and statutory obligations.

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MINERAL RESOURCES AND ORE RESERVES

BUTCHERBIRD MINERAL RESOURCE ESTIMATE AS AT 30 JUNE 2024

The Butcherbird Manganese project Mineral Resource Estimate was first reported on 17 April 2019. The mining depleted mineral resource estimate as at 30 June 2024 is as follows:

Category	Tonnes (Mt)	Mn (%)	Si (%)	Fe (%)	Al (%)
30-JUN-23					
Measured	12.99	11.3	20.6	11.6	5.7
Indicated	40.80	10.0	20.9	11.0	5.8
Inferred	206.00	9.8	20.8	11.4	5.9
Total¹	259.79	9.9	20.8	11.3	5.9

Less mining					
Measured	0.22	11.8	20.7	12.2	5.6
Indicated	0.01	12.0	20.9	11.5	5.7
Inferred	0.00	0.0	0.0	0.0	0.0
Total	0.23	11.8	20.7	12.2	5.6

Plus ROM Stocks Movement²					
Measured	+0.016	28.6	23.3	12.0	3.1
Total	+0.016	28.6	23.3	12.0	3.1

30-JUN-2024					
Measured	12.8	11.3	20.6	11.6	5.7
Indicated	40.8	10.0	20.9	11.0	5.8
Inferred	206.0	9.8	20.8	11.4	5.9
Total	259.6	9.9	20.8	11.3	5.9

NOTES

- Closing ROM stocks at 30 June 2023 included in opening stock figure
- Includes Stocks at 30 June 2024
 - Reported at a 7% Mn cut-off for the Measured and Indicated categories and an 8% Mn cut-off for the Inferred categories.
 - All figures rounded to reflect the appropriate level of confidence (apparent differences may occur due to rounding)

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BUTCHERBIRD MINERAL ORE RESERVE AS AT 30 JUNE 2024

The Butcherbird Manganese project Mining Reserve Classification was first reported on 19 May 2020. The depleted mineral reserves as at 30 June 2024 is as follows:

Classification	Tonnes (Mt)	Grade (Mn%)	Contained Mn (Mt)	Recovered Mn (Mt)
30-JUN-23				
Proved	13.0	11.1	1.4	1.2
Probable	36.2	10.1	3.6	3.0
Total¹	49.2	10.2	5.0	4.1

Less mining				
Proved	0.22	11.8	0.03	0.02
Probable	0.01	12.0	0.00	0.00
Total	0.23	11.8	0.03	0.02

Plus ROM Stocks Movement²				
Proved	+0.016	28.6	0.005	0.005
Total	+0.016	28.6	0.005	0.005

30-Jun-24				
Proved	12.8	11.1	1.4	1.2
Probable	36.2	10.1	3.7	3.0
Total	49.0	10.2	5.0	4.1

NOTES

1. Includes Stocks at 30 June 2023
2. ROM stocks movement at 1 July 2023 - 30 June 2024 included in production figure

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.

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REVIEW OF MATERIAL CHANGES

The Company updated its Mineral Resource estimates for the Project on 17 April 2019. Total reported Measured, Indicated and Inferred Mineral Resource estimates at that date was 263 million tonnes at 10.0% per cent manganese for 26 million tonnes of contained manganese.

A Maiden Reserve for the Project was announced on 19 May 2020. The Depleted Proved and Probable Reserves at 30 June 2024 are 49.0 million tonnes at 10.2% Mn for 5.0 million tonnes of contained manganese.

Other than mining depletion, shown above, 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 17 April 2019 and 19 May 2020 and that all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.

The Company has completed a Mineral Resource infill drilling program in May/June 2024 with the aim of increasing the Indicated Mineral Resource base at Butcherbird to sustain the Butcherbird expansion. The assays results or this program were reported in August 2024.

EXTERNAL FACTORS AND MATERIAL BUSINESS RISKS AFFECTING COMPANY RESULTS

The Company's Board and management identify, monitor and manage risks through its Risk Management Framework, and where possible, attempt to mitigate the risk of adverse outcomes through the adoption of controls and mitigation strategies. The following factors are all capable of having a material adverse effect on the Company's business, affecting the Company results and impacting the Company's prospects for 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. 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 and where necessary, can modify operations to minimise exposure to adverse price movements and maximise upside during times of above average pricing.

PRODUCTION, OPERATING AND CAPITAL COSTS

The Company's current and future financial performance and position are dependent on production levels achieved, as well as operating and 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 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 Element 25 may be faced with varied production and higher operating costs in the future compared to current costs. The Company manages risks associated with costs through a centralised contracts and procurement function.

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TRANSPORT SERVICES

The Company's operations depend on the delivery of finished product to port and the delivery of materials, supplies, services, and equipment to the Butcherbird mine site. Element 25 is dependent on third parties for the provision of ore haulage, port, shipping, and other transportation services. Contractual disputes, port capacity issues, availability of trucks or vessels, labour disruptions, COVID-19 related travel restrictions, weather problems or other factors could have a material adverse effect on Element 25's ability to transport product and materials to meet schedules, which may in turn impact Element 25's business, results of operations and financial performance.

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	Australian Institute of Mining and Metallurgy
Yanneri Ridge, Coodamudgi, Mundawindi and Ritchies Mineral Resource Estimates	Greg Jones	Australian Institute of Mining and Metallurgy
Bindi, Ilgarrari, and Cadgies Mineral Resource Estimates	Mark Glassock	Australian Institute of Mining and Metallurgy
Mining, Metallurgy and Financial Modelling in relation to Mineral Reserves	Ian Huitson	Australian 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. Greg 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. Mr Ian Huitson is employed by Mining Solutions Pty Ltd.

Mr Huitson is a shareholder of Element 25 Limited. Mr Huitson has visited site on a number of occasions as part of the ongoing studies of the Project.

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.

DIRECTOR'S REPORT

Your Directors submit their report on the consolidated entity (Group, Company, Element 25 or E25) consisting of Element 25 Limited and the entities it controlled at the end of, or during, the year ended 30 June 2024.

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

(November 2023 onward)

Audit and Risk
Committee Member

Remuneration
Committee Member

Mr Ribbons is an accountant who has worked in the resources industry for more than 20 years in Group Financial Controller, Chief Financial Officer and Company Secretary roles. Mr Ribbons has extensive knowledge and experience with ASX-listed production and exploration companies, including experience with operating mines and has also been involved with ASX listings for several exploration companies. Mr Ribbons has experience in capital raising, ASX and TSX compliance and regulatory requirements. Mr Ribbons has not held any former directorships in the past three years.



JUSTIN BROWN

B.SC. (HONS.)

Managing Director

Audit and Risk
Committee Member

Mr Brown is a geologist with over 25 years of experience in global mineral exploration, mining and business development. 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.



RUDOLPH (FANIE) VAN JAARSVELD

ND ANALYTICAL CHEMISTRY

Non-Executive Director

Audit and Risk
Committee Chair

Remuneration
Committee Member

Mr Fanie van Jaarsveld is an experienced company director and has held numerous senior management and executive positions over a career spanning more than 40 years. With a demonstrated history of working in the mining and metals industry, Mr van Jaarsvelds was the Managing Director for OM Manganese which operates the Bootu Creek manganese mine in the Northern Territory and highly skilled in mining, mineral processing and operational management. Mr van Jaarsveld has a ND Analytical Chemistry from the Cape Peninsula University of Technology, Cape Town.

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SALVATORE (SAM) LANCUBA

B.ENG (CHEM ENG)

Non-Executive Director

Audit and Risk
Committee Member

Remuneration
Committee Chair

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.

CHANGES TO YOUR ELEMENT 25 BOARD

Element 25's long-serving Chair, Seamus Cornelius, resigned from the Board with his resignation effective at the conclusion of the Company's Annual General Meeting (AGM) on 28 November 2023¹⁴. Mr Cornelius commenced as a Company director in 2010.

John Ribbons assumed the role of Chair for the Element 25 Board following his successful re-election as a Director at the Company's AGM.

"On behalf of Element 25, I would like to extend our thanks to Seamus for this tremendous contribution to the Company over the years, and his wise counsel which is greatly appreciated and has helped shape Element 25 during our biggest growth phase to date. The team and I wish Seamus every success with his future endeavours"

JUSTIN BROWN, MANAGING DIRECTOR

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.

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

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

	Ordinary Shares	Options Over Ordinary Shares
John Ribbons	2,300,000	950,000
Justin Brown	9,005,360	2,500,000
Rudolph van Jaarsveld	-	-
Salvatore Lancuba	-	-

PRINCIPAL ACTIVITIES

The Element 25 Group is focused on building a global, vertically integrated manganese business formed around the 100% owned Butcherbird Manganese Mine in Western Australia, supplying manganese ore to a proposed high purity, battery grade manganese sulphate monohydrate (HPMSM) facility in development in Louisiana, USA.

Butcherbird hosts the largest onshore manganese deposit in Australia, which commenced production and export of high-quality manganese concentrate in 2021.

Element 25 has completed a Feasibility Study (**FS**) to expand production at Butcherbird to 1.1 million tonnes per annum¹⁵ of concentrate product, to supply feedstock to the proposed Louisiana HPMSM facility¹⁶. Process optimisation, Front-End Engineering and Design (FEED), project financing and permitting activities are underway to expedite the delivery of the expanded processing facility.

Element 25 is developing its HPMSM facility in partnership with global automakers General Motors (**GM**) and Stellantis N.V. (**Stellantis**) and has secured a site for the facility in Louisiana. HPMSM is a critical raw material used in the manufacture of lithium-ion batteries to power electric vehicles (**EVs**). Its Louisiana HPMSM project will be the first of its kind in the USA.

Stellantis and GM are contributing US\$115 million towards financing the project as part of binding offtake agreements in place with Element 25.

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 2024, the Company recognised revenue of \$13,296,901 (2023: \$33,469,168) in respect to the shipments of ore from the Group's 100% owned Butcherbird Manganese Project located in Australia, and other income of \$611,273 (2023: \$322,008).

During the year the Company incurred cost of sales of \$30,442,802 (2023: \$47,533,950) in respect to direct material and production costs attributable to the extraction, processing, and transportation of manganese ore.

During the year the Company incurred exploration and feasibility expenses of \$189,674 (2023: \$6,644,123), general and administration expenditure amounting to \$4,726,449 (2023: \$4,426,197), and a finance expense amount of \$64,012 (2023: \$65,708). This has resulted in an operating loss after income tax for the year ended 30 June 2024 of \$21,514,951 (2023: \$24,878,802). The Group had a cash balance of \$11,326,929 as at 30 June 2024.

15 E25 ASX Announcements dated 23 January 2024

16 E25 ASX Announcement dated 22 November 2023

RISK MANAGEMENT

The Board is responsible for ensuring that risks and opportunities are identified on a timely basis and that activities are aligned with the risks and opportunities identified by the Board.

The Group believes that it is crucial for all Board members to be a part of this process, and as such the Board has not established a separate Risk Management committee.

The Board has a number of mechanisms in place to ensure that Management's objectives and activities are aligned with the risks identified by the Board. These include the following:

- Board approval of a strategic plan, which encompasses strategy statements designed to meet stakeholders needs and manage business risk.
- Implementation of Board approved operating plans and budgets and Board monitoring of progress.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

In July 2024, the Company completed a Share Purchase Plan (**SPP**) at A\$0.27 per share. The SPP raised \$643,145 and 2,382,066 new Shares in the Company were issued in July 2024. Funds raised from the SPP will be used to assist with funding activities for the Butcherbird Stage 2 Expansion Project as well as continuing to support the high purity manganese sulphate monohydrate project to be built in Louisiana, USA in partnership with General Motors and Stellantis.

In September 2024, the Company was advised that they have been selected for award negotiations by the US Department of Energy under the Battery Materials Processing and Battery Manufacturing Program in relation to a US\$166m grant in support of the construction of the planned HPMSM refinery 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

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.

17 E25 ASX Announcements dated 3 July 2024

18 E25 ASX Announcements dated 24 September 2024

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 11.0% for the 2024 financial year, 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 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 2023 Annual General Meeting.

Performance Rights to be assigned to the Managing Director are subject to Shareholder approval at the 2024 Annual General Meeting.

USE OF REMUNERATION CONSULTANTS

The Group employed the services of Remsmart Pty Ltd during the financial year ended 30 June 2024 in an advisory capacity to assist in preparing a remuneration structure.

VOTING AND COMMENTS MADE AT THE COMPANY'S 2023 ANNUAL GENERAL MEETING

The Company received approximately 83% of "yes" votes on its remuneration report for the 2023 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	
	\$	\$	\$	\$	\$	\$
Seamus Cornelius (resigned 28 November 2023)						
2024	22,410	2,465	-	-	-	24,875
2023	54,794	5,753	-	-	138,000	198,547
Justin Brown						
2024	312,500	34,375	14,684	5,776	56,716	424,051
2023	275,000	28,875	17,981	4,593	345,000	671,449
John Ribbons						
2024	76,641	6,544	-	-	-	83,185
2023	42,000	-	-	-	138,000	180,000
Rudolph van Jaarsveld						
2024	78,959	3,621	-	-	-	82,580
2023	35,261	-	-	-	-	35,261
Salvatore Lancuba						
2024	55,248	-	-	-	-	55,248
2023	23,020	-	-	-	-	23,020
Total key management personnel compensation						
2024	545,758	47,005	14,684	5,776	56,716	669,939
2023	430,075	34,628	17,981	4,593	621,000	1,108,277

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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.

SHARE-BASED COMPENSATION

OPTIONS

To facilitate goal congruence between shareholders' investment objectives and key management personnel performance, options are issued to the majority of key management personnel to encourage the alignment of personal and shareholder interests. Options are issued to key management personnel as part of their remuneration with associated performance criteria.

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

	Grant Date	Granted Number	Vesting Date	Expiry Date	Exercise Price	Value per option at grant date ⁽¹⁾	Exercised Number	% of Remuneration
Justin Brown	28 Nov 2023	500,000	-	27 Nov 2028	0.67	\$153,000	-	-

The following performance conditions are attached to the granted options above:

- 1) 50% of the options (250,000 options) will vest upon completion of Final Investment Decision for the HPMSM project; and
- 2) 50% of the options (250,000 options) will vest upon successful completion of financial close for the HPMSM project.

Details of ordinary shares in the Company provided as a result of the exercise of remuneration options to key management personnel of the Group are set out as follows:

	Number of ordinary shares issued on exercise of options during the year	Amount paid per ordinary share	Value exercised (\$) ⁽¹⁾
John Ribbons	500,000	\$0.261	\$99,500
Justin Brown	1,000,000	\$0.261	\$199,000
Seamus Cornelius (resigned 28 Nov 2023)	500,000	\$0.261	\$99,500

No amounts are unpaid on any shares issued on the exercise of options.

⁽¹⁾ The value at exercise date of the options that were granted as part of remuneration and were exercised during the year has been determined as the intrinsic value of the options at that date.

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 start of the year 1 July 2023	Acquired during the year on the exercise of options	Additions	Disposals	Balance at year end 30 June 2024
John Ribbons	1,800,000	500,000	-	-	2,300,000
Justin Brown	8,005,360	1,000,000	-	-	9,005,360
Rudolph van Jaarsveld	N/A	-	-	-	-
Salvatore Lancuba	N/A	-	-	-	-
Seamus Cornelius (resigned 28 Nov 2023)	6,555,177	500,000	-	-	7,055,177

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 start of the year 1 July 2023	Granted as compensation	Exercised	Balance at year end 30 June 2024	Vested and exercisable	Unvested
John Ribbons	1,450,000	-	(500,000)	950,000	950,000	-
Justin Brown	3,000,000	500,000	(1,000,000)	2,500,000	2,000,000	500,000
Rudolph van Jaarsveld	N/A	-	-	-	-	-
Salvatore Lancuba	N/A	-	-	-	-	-
Seamus Cornelius (resigned 28 Nov 2023)	1,450,000	-	(500,000)	950,000	950,000	-

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

LOANS TO KEY MANAGEMENT PERSONNEL

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

-- End of audited Remuneration Report --



DIRECTORS MEETINGS

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

	Directors Meetings		Audit and Risk Committee Meetings		Remuneration Committee Meetings	
	Meetings Attended	Meetings Eligible to Attend	Meetings Attended	Meetings Eligible to Attend	Meetings Attended	Meetings Eligible to Attend
Justin Brown	14	14	2	3	N/A	N/A
John Ribbons	14	14	3	3	3	3
Rudolph van Jaarsveld	14	14	3	3	3	3
Salvatore Lancuba	13	14	2	3	3	3
Seamus Corneluis (resigned 28 Nov 2023)	4	4	1	1	N/A	N/A

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
22 November 2019	20 November 2024	27.30	2,000,000
26 June 2020	25 June 2025	50.00	500,000
4 November 2020	4 November 2025	120.90	1,980,000
22 December 2020	13 July 2025	44.00	1,000,000
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			9,180,000

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

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INSURANCE OF DIRECTORS AND OFFICERS

During the financial year, Element 25 paid a premium of \$107,884 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

There were no non-audit services provided by the Company's auditor, PricewaterhouseCoopers, or associated entities, during the year.

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 36.

Signed in accordance with a resolution of the Directors.


Justin Brown
Managing Director
27 September 2024

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Auditor's Independence Declaration

As lead auditor for the audit of Element 25 Limited for the year ended 30 June 2024, 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; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Element 25 Limited and the entities it controlled during the period.

A handwritten signature in black ink that reads 'Adam Thompson'.

Adam Thompson
Partner
PricewaterhouseCoopers

Perth
27 September 2024

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2024

	Note	2024 \$	2023 \$
Revenue	4	13,296,901	33,469,168
Cost of sales	6	(30,442,802)	(47,533,950)
GROSS LOSS		(17,145,901)	(14,064,782)
Other income	5	611,273	322,008
Exploration and feasibility expenditure	7	(189,674)	(6,644,123)
General and administration expenses	8	(4,726,449)	(4,426,197)
Finance expense		(64,012)	(65,708)
LOSS BEFORE INCOME TAX		(21,514,763)	(24,878,802)
INCOME TAX EXPENSE	9	(188)	-
LOSS FOR THE YEAR ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		(21,514,951)	(24,878,802)
OTHER COMPREHENSIVE INCOME			
<i>Items that may be reclassified to profit or loss</i>			
Exchange differences on translation of foreign operations		1,706	(15,215)
Other comprehensive income for the year, net of tax		1,706	(15,215)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		(21,513,245)	(24,894,017)
LOSS PER SHARE FOR LOSS ATTRIBUTABLE TO THE ORDINARY EQUITY HOLDERS OF THE COMPANY			
Basic and diluted loss per share (cents per share)	31	(9.86)	(14.26)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024

	Note	2024 \$	2023 \$
CURRENT ASSETS			
Cash and cash equivalents	10	11,326,929	28,885,874
Trade and other receivables	11	854,035	975,551
Inventory	12	7,945,620	12,135,790
Financial assets at fair value through profit or loss	13	243,158	651,440
TOTAL CURRENT ASSETS		20,369,742	42,648,655
NON-CURRENT ASSETS			
Restricted cash	14	528,560	528,560
Property, plant and equipment	15	21,432,262	22,464,399
Assets under construction	15	20,955,253	1,026,401
Deferred exploration and evaluation expenditure	16	1,737,058	890,340
Right of use asset	17	166,138	504,549
TOTAL NON-CURRENT ASSETS		44,819,271	25,414,249
TOTAL ASSETS		65,189,013	68,062,904
CURRENT LIABILITIES			
Trade and other payables	18	5,566,671	9,401,012
Provisions	19	627,857	630,633
Lease liability	20	180,023	367,263
TOTAL CURRENT LIABILITIES		6,374,551	10,398,908
NON-CURRENT LIABILITIES			
Lease liability	20	-	180,023
Provisions	19	1,683,000	2,057,317
TOTAL NON-CURRENT LIABILITIES		1,683,000	2,237,340
TOTAL LIABILITIES		8,057,551	12,636,248
NET ASSETS		57,131,462	55,426,656
EQUITY			
Issued capital	21	134,533,276	111,448,309
Reserves	22	7,291,604	7,156,814
Accumulated losses		(84,693,418)	(63,178,467)
TOTAL EQUITY		57,131,462	55,426,656

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 2024

	Note	Contributed Equity	Share-Based Payments Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Total
		\$	\$	\$	\$	\$
BALANCE AT 1 JULY 2022		77,691,579	5,874,424	(36,320)	(38,251,297)	45,278,386
Loss for the year		-	-	-	(24,878,802)	(24,878,802)
OTHER COMPREHENSIVE INCOME						
Exchange differences on translation of foreign operations		-	-	33,153	(48,368)	(15,215)
TOTAL COMPREHENSIVE LOSS		-	-	33,153	(24,927,170)	(24,894,017)
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS						
Shares issued during the year - placement	21	34,999,999	-	-	-	34,999,999
Shares issued during the year - exercise of options	21	523,500	-	-	-	523,500
Employee and consultant share-based payments	32	-	1,285,557	-	-	1,285,557
Shares issue transaction costs	21	(1,766,769)	-	-	-	(1,766,769)
BALANCE AT 30 JUNE 2023		111,448,309	7,159,981	(3,167)	(63,178,467)	55,426,656
Loss for the year		-	-	-	(21,514,951)	(21,514,951)
OTHER COMPREHENSIVE INCOME						
Exchange differences on translation of foreign operations		-	-	1,706	-	1,706
TOTAL COMPREHENSIVE LOSS		-	-	1,706	(21,514,951)	(21,513,245)
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS						
Shares issued during the year - placement	21	22,569,967	-	-	-	22,569,967
Shares issued during the year - exercise of options	21	522,000	-	-	-	522,000
Employee and consultant share-based payments	32	-	133,084	-	-	133,084
Shares issue transaction costs	21	(7,000)	-	-	-	(7,000)
BALANCE AT 30 JUNE 2024		134,533,276	7,293,065	(1,461)	(84,693,418)	57,131,462

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

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CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2024

	Note	2024 \$	2023 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		13,002,630	33,573,516
Payments to suppliers and employees		(33,510,265)	(48,679,813)
Interest received		529,018	22,414
Interest and other financing costs paid		(26,791)	(49,043)
Other government grants received		-	211,621
Expenditure on HPMSM		-	(5,707,858)
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	30	(20,005,408)	(20,629,163)
CASH FLOWS FROM INVESTING ACTIVITIES			
Movement in cash from restricted to non-restricted		-	99,975
Proceeds on sale of mining interests		-	30,000
Proceeds from disposal of financial assets at fair value through profit or loss		-	2,416,066
Proceeds from disposal of plant and equipment		111,530	-
Payments for plant and equipment		(20,484,355)	(1,236,837)
NET CASH (OUTFLOW)/INFLOW FROM INVESTING ACTIVITIES		(20,372,825)	1,309,204
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issues of ordinary shares	21	23,091,967	35,523,499
Payment of share issue transaction costs	21	(7,000)	(1,766,769)
Principal elements of lease payments		(389,221)	(266,883)
NET CASH INFLOW FROM FINANCING ACTIVITIES		22,695,746	33,489,847
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(17,682,487)	14,169,888
Cash and cash equivalents at the beginning of the financial year		28,885,874	14,927,576
Effects of exchange rate changes on cash and cash equivalents		123,542	(211,590)
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	10	11,326,929	28,885,874

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 2024

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 E25 and its subsidiaries. The financial statements are presented in the Australian currency. E25 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. E25 is a for-profit entity for the purpose of preparing the financial statements.

During the financial year ended 30 June 2024, the Group has seen historical low manganese market sell prices which has been a factor in the suspension of its Butcherbird operations. Management's decision to suspend the production at Butcherbird has enabled cash to be preserved whilst the completion of the funding of the initiatives of the Butcherbird upgrade and the HPMSM project can be implemented.

The Group has completed cash flow forecasts showing the Group will have sufficient cash flows for at least 12 months to continue operations. In addition, the Group expects to be successful in financing the HPMSM and Butcherbird expansion projects based on the current funding opportunities which include being selected for award negotiations by the US Department of Energy (DoE) for a US\$166m grant under the Battery Minerals Processing and Battery Manufacturing Program, the offtake and funding agreements with GM and Stellantis remaining active which provide US\$115m, the Northern Australia Infrastructure Fund proceeding to detailed due diligence after completing a strategic assessment of the Butcherbird Stage 2 Expansion Project and multiple financing proposals for private sector funding from advisor Jett Capital.

The directors believe the Group will be successful in securing the funding required to support its strategic plans and accordingly have prepared the financial report on a going concern basis.

(I) COMPLIANCE WITH IFRS

The consolidated financial statements of the E25 Group 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 2023:

- AASB 17 Insurance Contracts
- AASB 2023-2 Amendments to Australian Accounting Standards - Definition of Accounting Estimates International Tax Reform – Pillar Two Model Rules [AASB 112]
- AASB 2021-5 Amendments to Australian Accounting Standards - Deferred Tax related to Assets and Liabilities arising from a Single Transaction [AASB 112]
- AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies Definition of Accounting Estimates [AASB 7, AASB 101, AASB 108, AASB 134 & AASB Practice Statement 2].
- AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current [AASB 101]

- AASB 2022-6 Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants [AASB 101 and AASB Practice Statement 2].

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 2024 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.

(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. Accounting policies of subsidiaries have been changed where necessary to ensure consistency 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's 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 E25 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 statement of financial position;
- income and expenses for each statement of profit or loss and other 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 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 Group's incremental borrowing rate is used, which is the rate which the Group 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 statement of cash flows 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 OCI 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 OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Company 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 Company has transferred substantially all the risks and rewards of ownership.

(III) MEASUREMENT

At initial recognition, the Company 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 Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company 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 statement of profit or loss.
- **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 statement of profit or loss.

- 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 Company subsequently measures all equity investments at fair value. Where the Company'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 Company'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 statement of profit or loss 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 Company 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 Company 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
- 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 Company 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 amortised 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 Company 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 Company provides benefits to employees (including Directors) of the Company 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 32.

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 that, in the opinion of the Directors of the Company, 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. No expense is recognised for awards that do not ultimately vest.

R) REHABILITATION PROVISION

Provisions are recognised when the Company 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 Company 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 Company 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 company 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 Company, 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 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 Company 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 32.

(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 the impairment test for the non-current assets at the end of each reporting period. The impairment test 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.

At the end of financial year 2024, the Group has used Fair Value Less Cost of Disposal (FVLCD) approach to assess the recoverable amount of Butcherbird operation CGU when the Group has completed an impairment test. The FVLCD is based on discounted cashflows using market-based factors and assumptions.

2. FINANCIAL RISK MANAGEMENT

The Group’s activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price 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 has not formalised a foreign currency risk management policy however, it monitors its foreign currency expenditure considering exchange rate movements.

Sensitivity Analysis

At 30 June 2024, 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 \$413,001 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 (2023: \$924,085 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 of the market demand. The group closely monitors Manganese price and modify operations if necessary.

Sensitivity analysis

At 30 June 2024, 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 \$1,266,387 lower/higher with no changes to other equity balances, as a result of gross profit from sales of Manganese (2023: \$5,032,525 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.

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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 2024, 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 \$36,474 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 (2023: \$97,716 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 \$11,326,929 (2023: \$28,885,874) 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 4.67% (2023: 0.08%).

Sensitivity analysis

At 30 June 2024, 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 \$56,635 higher/lower (2023: \$146,000 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 statement of financial position and notes to the financial statements. The group has an exposure to credit risk arising from cash and cash equivalents 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 operating 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 2024 and 30 June 2023 are as follows:

	2024	2023
	\$	\$
Cash and cash equivalents	11,326,929	28,885,874
Restricted cash	528,560	528,560
Trade and other receivables	854,035	975,551
Financial assets at fair value through profit or loss	243,158	651,440
Trade and other payables	(5,566,671)	(9,401,012)
Employee benefit obligations (current)	(627,857)	(630,633)
Working capital position	6,758,154	21,009,780

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

D) 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:

	2024	2023
	\$	\$
Financial Assets		
Cash and cash equivalents	11,326,929	28,885,874
Restricted cash	528,560	528,560
Trade and other receivables	854,035	975,551
Financial assets at fair value through profit or loss	243,158	651,440
Total Financial Assets	12,952,682	31,041,425
	2024	2023
	\$	\$
Financial Liabilities		
Trade and other payables	5,566,671	9,401,012
Total Financial Liabilities	5,566,671	9,401,012

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).

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	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
30 June 2024				
Financial assets at fair value through profit or loss	243,158	-	-	243,158
	243,158	-	-	243,158
30 June 2023				
Financial assets at fair value through profit or loss	651,440	-	-	651,440
	651,440	-	-	651,440

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 Statement of Profit or Loss and Other Comprehensive Income and Statement of Financial Position.

4. REVENUE

	2024	2023
	\$	\$
Sale of manganese	13,209,178	32,527,217
Shipment revenue	87,723	941,951
	13,296,901	33,469,168

The Company 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 with the final pricing determined by product grade and quantity of the product passed to the customer. The Company has a long-term sales agreement with OM Materials (Singapore) Pte Ltd for the supply of manganese ore on a Free On Board (FOB) basis.

5. OTHER INCOME

	2024	2023
	\$	\$
Net gain on sale of mining interests	-	30,000
Government grant funding	-	211,621
Bank interest and other income	611,273	80,387
	611,273	322,008

6. COST OF SALES

	2024	2023
	\$	\$
Mining costs	(3,381,948)	(11,455,356)
Processing costs	(9,637,692)	(9,926,408)
Site administration costs	(2,996,893)	(4,591,866)
Haulage costs	(5,974,314)	(15,209,858)
Port and shipping	(1,931,831)	(3,133,838)
Sales and marketing costs	(207,949)	(289,076)
Royalty costs	(769,670)	(1,723,520)
Depreciation of processing equipment	(822,438)	(1,194,733)
Depreciation of mining equipment	(175,730)	(259,030)
Depreciation of restoration	(102,866)	-
Depreciation of right of use assets	(261,300)	(260,586)
Inventory movement	(4,180,171)	510,321
	(30,442,802)	(47,533,950)

Inventory movement mainly includes inventory movement and net realisable value (NRV) adjustment on Manganese held by Element 25. 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. E25 revalue Manganese stock monthly and adjusts accordingly at the end of the month.

7. EXPLORATION AND FEASIBILITY EXPENDITURE

	2024	2023
	\$	\$
Exploration	(5,299)	(82,640)
Product Development General	(184,375)	(200,525)
Product Development HPMSM	-	(6,360,958)
	(189,674)	(6,644,123)

8. GENERAL AND ADMINISTRATION EXPENSES

	2024	2023
	\$	\$
Plant, Property and Equipment depreciation expense	(465,008)	(566,952)
Gain / (Loss) of foreign exchange	309,109	(207,990)
Loss of sale of assets	(437,843)	-
Fair value (loss)/gain on remeasurement of financial assets	(408,283)	1,013,252
Share-based payment expense	(133,084)	(1,285,558)
Director fees, salaries and wages and other staff costs	(1,260,887)	(1,216,246)
Consultants	(785,159)	(643,021)
ASX and other compliance costs	(271,322)	(280,517)
Insurance	(467,125)	(571,233)
Occupancy	(128,962)	(138,935)
Investor relation expenses	(74,547)	(145,170)
Depreciation of right of use assets	(58,017)	(76,902)
Other administration expenses	(545,321)	(306,925)
	(4,726,449)	(4,426,197)

9. INCOME TAX

	2024	2023
	\$	\$
a) Income tax benefit		
Current tax	(188)	-
Deferred tax	-	-
	(188)	-
	2024	2023
	\$	\$
b) Reconciliation of income tax expense/(benefit) to prima facie tax payable		
(Loss) from continuing operations before income tax expense	(21,514,763)	(24,879,231)
Prima facie tax (benefit)/expense at the Australian tax rate of 25.0% (2022: 25.0%)	(5,378,691)	(6,219,808)
Difference in overseas tax rate	336	-
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income:		
Share-based payments	33,271	321,389
R&D refund	39,399	(52,905)
Gains/losses on investments	102,071	(33,635)
Others	-	(6,269)
	(5,203,614)	(5,991,228)
Movements in unrecognised temporary differences	66,598	1,922,798
Tax effect of current year tax losses for which no deferred tax asset has been recognised	5,136,828	4,068,430
Income tax expense/(benefit)	(188)	-
c) Recognising temporary differences		
Deferred Tax Assets at 25.0% (2023: 25.0%)		
On Income Tax Account		
Capital raising expenses	385,590	592,471
Accruals and provisions	164,916	199,943
Lease liabilities	45,006	136,821
Capitalised project expenditure	1,156,615	3,065,781
Australian carry forward tax losses	6,984,468	395,532
Rehabilitation provision	420,750	514,329
	9,157,345	4,904,877
Deferred Tax Liabilities at 25.0% (2023: 25.0%)		
Unrealised FX on cash balances	69,464	22,876
Prepayments	10,426	16,150
Property, Plant & Equipment	8,640,887	4,225,385
Right of use asset	41,534	126,137
Rehabilitation asset	395,034	514,329
	9,157,345	4,904,877
Unrecognising temporary differences		
Deferred Tax Assets at 25.0% (2023: 25.0%)		
Foreign carry forward tax losses	224,071	224,071
Australian carry forward tax losses	12,158,255	13,476,798
	12,382,326	13,700,869

d) Total Deferred Tax Assets at 25% (2023: 25.0%)

	2024	2023
	\$	\$
On Income Tax Account		
Capital raising expenses	385,590	592,471
Accruals and provisions	164,916	199,943
AASB 16 lease liability	45,006	136,821
Project pool	1,156,615	3,065,782
Foreign carry forward tax losses	224,071	224,071
Australian carry forward tax losses	19,142,723	13,872,330
Rehabilitation provision	420,750	514,329
	21,539,671	18,605,747
Total Net Deferred Tax Asset / Deferred Tax Loss	12,382,326	13,700,869

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.

10. CASH AND CASH EQUIVALENTS

	2024	2023
	\$	\$
Cash at bank and in hand	11,326,929	28,885,874
Cash and cash equivalents as shown in the statement of financial position and the statement of cash flows	11,326,929	28,885,874

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.

11. TRADE AND OTHER RECEIVABLES

	2024	2023
	\$	\$
Trade receivables	190,035	-
Sundry receivables	426,400	348,461
Prepayments	237,600	627,090
	854,035	975,551

12. INVENTORY

	2024	2023
	\$	\$
Manganese ore stockpiles	7,110,820	10,005,448
Finished goods at fair value less costs to sell	734,154	2,019,742
Warehouse stores and materials	100,646	110,600
	<u>7,945,620</u>	<u>12,135,790</u>

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 Company reviews and adjusts NRV if required at each end of reporting date or earlier if indicators of impairment exist.

13. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2024	2023
	\$	\$
Australian listed equity securities	243,158	651,440
	<u>243,158</u>	<u>651,440</u>

14. RESTRICTED CASH

	2024	2023
	\$	\$
Bank guarantees and term deposits	528,560	528,560
	<u>528,560</u>	<u>528,560</u>

15. PROPERTY, PLANT AND EQUIPMENT

	Buildings	IT Equipment	Mine Properties and Development	Plant and Equipment	Assets Under Construction	Total
	\$	\$	\$	\$	\$	\$
Carrying amount – at cost						
At 30 June 2022	4,650,322	279,205	9,084,067	11,634,194	76,109	25,723,897
Additions	5,346	-	370,503	400,243	1,031,371	1,807,463
Disposals	-	-	-	-	-	-
Change in restoration and rehabilitation estimate	-	-	179,316	-	-	179,316
Other	-	-	-	-	(81,079)	(81,079)
At 30 June 2023	4,655,668	279,205	9,633,886	12,034,437	1,026,401	27,629,597
Additions	76,631	22,181	922,130	417,525	20,955,210	22,393,677
Disposals	-	(3,999)	(605,025)	(94,813)	-	(703,837)
Change in restoration and rehabilitation estimate	-	-	(374,317)	-	-	(374,317)
Other	-	-	-	-	(1,026,358)	(1,026,358)
At 30 June 2024	<u>4,732,299</u>	<u>297,387</u>	<u>9,576,674</u>	<u>12,357,149</u>	<u>20,955,253</u>	<u>47,918,762</u>

	Buildings	IT Equipment	Mine Properties and Development	Plant and Equipment	Assets Under Construction	Total
	\$	\$	\$	\$	\$	\$
Accumulated depreciation						
At 30 June 2022	(521,247)	(106,405)	(212,945)	(1,277,485)	-	(2,118,082)
Depreciation expense	(475,444)	(91,508)	(259,030)	(1,194,733)	-	(2,020,715)
Disposals	-	-	-	-	-	-
Change in restoration and rehabilitation estimate	-	-	-	-	-	-
Other	-	-	-	-	-	-
At 30 June 2023	(996,691)	(197,913)	(471,975)	(2,472,218)	-	(4,138,797)
Depreciation expense	(379,602)	(85,407)	(278,596)	(822,438)	-	(1,566,043)
Disposals	-	3,999	100,837	68,757	-	173,593
Change in restoration and rehabilitation estimate	-	-	-	-	-	-
Other	-	-	-	-	-	-
At 30 June 2024	(1,376,293)	(279,321)	(649,734)	(3,225,899)	-	(5,531,247)
Net book value						
At 30 June 2022	4,129,075	172,800	8,871,122	10,356,709	76,109	23,605,815
Additions	5,346	-	370,503	400,243	1,031,371	1,807,463
Depreciation expense	(475,444)	(91,508)	(259,030)	(1,194,733)	-	(2,020,715)
Disposals	-	-	-	-	-	-
Change in restoration and rehabilitation estimate	-	-	179,316	-	-	179,316
Other	-	-	-	-	(81,079)	(81,079)
At 30 June 2023	3,658,977	81,292	9,161,911	9,562,219	1,026,401	23,490,800
Additions	76,631	22,181	922,130	417,525	20,955,210	22,393,677
Depreciation expense	(379,602)	(85,407)	(278,596)	(822,438)	-	(1,566,043)
Disposals	-	-	(504,188)	(26,056)	-	(530,244)
Change in restoration and rehabilitation estimate	-	-	(374,317)	-	-	(374,317)
Other	-	-	-	-	(1,026,358)	(1,026,358)
At 30 June 2024	3,356,006	18,066	8,926,940	9,131,250	20,955,253	42,387,515

Depreciation for Mine Properties and Development and Plant and Equipment is up to February 2024 align with Butcherbird production operation.

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, historically low manganese prices, the suspension of the Butcherbird operations and the market capitalisation in comparison to its net asset value. As a result of this assessment, management determined that indicators of impairment exist.

For the purposes of impairment testing, management identified the Group's wholly owned Butcherbird project as a single cash-generating unit ("CGU"). The estimated recoverable amount was determined using the Fair Value Less Cost of Disposal (FVLCD) method with reference to the Butcherbird expansion feasibility study. Management determined that the recoverable value of the CGU is greater than the carrying value and therefore no impairment has been recognised.

Assets under construction at the end of the year of \$20,955,253 (2023: \$1,026,401) 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 \$19,759,268 for HPMSM Project and \$1,161,050 for Butcherbird Expansion.

16. DEFERRED EXPLORATION AND EVALUATION EXPENDITURE

	2024	2023
	\$	\$
Balance at the beginning of the period	890,340	489,548
Expenditure incurred	846,718	400,792
Impairment expense	-	-
Balance at the end of the period	1,737,058	890,340

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.

17. RIGHT OF USE ASSET

	2024	2023
	\$	\$
Cost	1,296,105	1,296,105
Accumulated depreciation	(1,129,967)	(791,556)
	166,138	504,549
Balance as at beginning of year	504,549	842,037
Acquisition of plant and equipment by means of finance leases	-	-
Depreciation of right of use assets	(338,411)	(337,488)
Balance at end of year	166,138	504,549

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. On initial adoption of AASB 16 the Group has adjusted the right-of-use assets at the date of initial application by the amount of any provision for onerous leases recognised immediately before the date of initial application. Following initial application, an impairment review is undertaken 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.

18. TRADE AND OTHER PAYABLES

	2024	2023
	\$	\$
Trade payables	4,488,497	5,765,866
Other payables and accruals	1,078,174	3,635,146
	5,566,671	9,401,012

19. PROVISIONS

	2024	2023
	\$	\$
Current		
Provision for annual leave	473,595	506,783
Provision for long service leave	154,262	123,850
	627,857	630,633
Non-Current		
Rehabilitation provision		
Estimate balance as at beginning of year	2,057,317	1,878,001
Changes in restoration and rehabilitation estimate	(374,317)	179,316
	1,683,000	2,057,317

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, change in market prices of associated costs, may significantly impact measurement and value of the rehabilitation cost. The Company reviews the rehabilitation provision on an annual basis and will disclose any material changes.

20. LEASE LIABILITIES

	2024	2023
	\$	\$
Current		
Lease liabilities	180,023	367,263
	180,023	367,263
Non-Current		
Lease liabilities	-	180,023
	-	180,023

21. ISSUED CAPITAL

	2024	2024	2023	2023
	Number of Shares	\$	Number of Shares	\$
Ordinary shares fully paid	219,530,335	134,533,276	194,960,368	111,448,309
Total issued capital	219,530,335	134,533,276	194,960,368	111,448,309
	2024	2024	2023	2023
	Number of Shares	\$	Number of Shares	\$
a) Movement in ordinary share capital				
Balance at the beginning of the financial year	194,960,368	111,448,309	152,710,369	77,691,579
Controlled placement agreement collateral shares	-	-	9,500,000	-
Placement (i)	22,569,967	22,569,967	31,249,999	34,999,999
Exercise of options (ii)	2,000,000	522,000	1,500,000	523,500
Transaction costs	-	(7,000)	-	(1,766,769)
Total issued capital	219,530,335	134,533,276	194,960,368	111,448,309

(i) During the year ending 30 June 2024, the Company issued the following shares upon the placement:

- On 11 July 2023, the Company issued 22,569,967 fully paid ordinary shares at an issue price of A\$1.00 upon the placement.

(ii) During the year ending 30 June 2024, the Company issued the following shares upon the exercise of options:

- On 24 November 2023, the Company issued 2,000,000 shares upon the exercise of options of A\$0.261 per share which expire on 28 November 2023.

	2024	2023
	Number of Options	Number of Options
b) Movement in options on issue		
Beginning of the financial year	10,930,000	9,480,000
Issued during the year		
– Exercisable at \$0.6700, on or before 27 November 2028	500,000	-
– Exercisable at \$0.6000, on or before 21 December 2028	500,000	-
– Exercisable at \$0.6547, on or before 1 July 2027	-	500,000
– Exercisable at \$1.2806, on or before 23 September 2027	-	500,000
– Exercisable at \$1.1747, on or before 29 September 2027	-	1,000,000
– Exercisable at \$1.580, on or before 25 November 2027	-	900,000
– Exercisable at \$1.4657, on or before 23 December 2027	-	50,000
Exercised during the year		
– At \$0.2610, on or before 28 November 2023	(2,000,000)	-
– At \$0.3250, on or before 3 November 2022	-	(100,000)
– At \$0.3250, on or before 3 November 2022	-	(200,000)
– At \$0.3250, on or before 28 November 2022	-	(300,000)
– At \$0.3250, on or before 28 November 2022	-	(300,000)
– At \$0.3250, on or before 28 November 2022	-	(600,000)
Forfeited during the year		
– At \$1.2806, on or before 23 September 2027	(250,000)	-
Expired during the year		
– At \$0.2600, on or before 22 February 2024	(500,000)	-
	<u>9,180,000</u>	<u>10,930,000</u>

c) Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company 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 Company does not have a limited amount of authorised capital.

22. RESERVES

		2024	2023
		\$	\$
Foreign currency translation reserve	(a)	(1,461)	(3,167)
Share-based payments reserve	(b)	7,293,065	7,159,981
		<u>7,291,604</u>	<u>7,156,814</u>

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 performance rights granted.

23. DIVIDENDS

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

24. 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:

	2024	2023
	\$	\$
PricewaterhouseCoopers - audit and review of financial reports	143,192	95,000
Rothsay Auditing- audit and review of financial reports	-	18,000
Total remuneration for audit services	143,192	113,000

25. CONTINGENCIES

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

26. COMMITMENTS

A) EXPLORATION COMMITMENTS

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

	2024	2023
	\$	\$
Within one year	372,700	192,700
Later than one year but not later than five years	985,800	875,800
Later than five years	1,894,100	2,039,800
	3,252,600	3,108,300

27. RELATED PARTY TRANSACTIONS

A) PARENT ENTITY

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

B) SUBSIDIARIES

Interests in subsidiaries are set out in note 28.

C) KEY MANAGEMENT PERSONNEL COMPENSATION

	2024	2023
	\$	\$
Short-term benefits	545,758	430,075
Post-employment benefits	47,005	34,628
Other long-term benefits	20,460	22,574
Share-based payments	56,716	621,000
	669,939	1,108,277

D) LOANS TO RELATED PARTIES

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

28. 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	2024		2023	
			Equity Holding %	Equity Holding %		
Element 25 (Malaysia) SDN. BHD.	Malaysia	Ordinary	100	100		
Element 25 Butcherbird Project 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		

29. SUBSEQUENT EVENTS

On 3 July 2024, the Company completed a A\$643,145 Share Purchase Plan placement with a total of 2,382,066 new fully paid ordinary shares issued at A\$0.27 per share. Funds raised from the Share Purchase Plan will fund the Company to progress its current prime project at the Butcherbird mine site as Butcherbird Stage 2 expansion, as well as continuing to support the high purity manganese sulphate monohydrate (HPMSM) project to be built in Louisiana, USA in partnership with General Motors LLC and Stellantis NV.

In September 2024, the Company was advised by the US Department of Energy (DoE) that it had been selected for award negotiation for a US\$166m grant under the DoE's Battery Minerals Processing Program. The funding of US\$166m will support the construction of the Company's proposed battery grade HPMSM facility in Louisiana.

No other matter or circumstance has arisen since 30 June 2024, 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.

30. CASHFLOW INFORMATION

	2024	2023
	\$	\$
Reconciliation of (loss)/profit after income tax to net cash outflow from operating activities		
Loss for the year	(21,514,951)	(24,878,802)
Non-cash items		
– Depreciation of non-current assets	1,566,043	2,020,715
– Net exchange differences and other	(140,124)	207,273
– Impairment of non-current assets	-	11,615
– Loss on sale of assets	437,843	-
– Amortisation of right of use assets	338,411	337,488
– Decrease/(Increase)/ in fair value movement on remeasurement of financial assets at fair value through profit or loss	408,282	(1,402,814)
– Decrease/(Increase) in restoration	374,317	(179,316)
– (Decrease)/Increase in restoration obligations	(374,317)	179,316
Change in operating assets and liabilities		
– Decrease in trade and other receivables	121,516	5,912,363
– Decrease/(Increase) in inventory	4,190,170	(654,017)
– Decrease in trade and other payables	(5,332,917)	(2,307,215)
– (Decrease)/Increase in employee benefit obligations	(79,681)	124,231
Net cash outflow from operating activities	(20,005,408)	(20,629,163)

31. LOSS PER SHARE

A) RECONCILIATION OF EARNINGS USED IN CALCULATING LOSS PER SHARE

	2024	2023
	\$	\$
Loss attributable to the owners of the Company used in calculating basic and diluted loss per share	(21,514,951)	(24,878,802)

B) WEIGHTED AVERAGE NUMBER OF SHARES USED AS THE DENOMINATOR

	2024	2023
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted loss per share	218,111,980	174,495,121

C) BASIC AND DILUTED LOSS PER SHARE

	2024	2023
	\$	\$
Basic and diluted loss per share (cents per share)	(9.86)	(14.26)

D) INFORMATION ON THE CLASSIFICATION OF OPTIONS

As the Group made a loss for the year ended 30 June 2024, the options on issue were considered anti-dilutive and were not included in the calculation of diluted earnings per share. The options currently on issue could potentially dilute basic earnings per share in the future.

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32. SHARE-BASED PAYMENTS

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

The Company provides benefits to employees (including Directors) and contractors of the Company in the form of share-based payment transactions, whereby employees render services in exchange for options to acquire ordinary shares. The exercise price of the options granted and on issue at 30 June 2024 range from 27.30 cents to \$1.58 per option, with expiry dates ranging from 20 November 2024 to 21 December 2028.

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

Fair value of options granted

The weighted average fair value of the options granted during the year was 24.25 cents (2023: 47.00 cents). The price was calculated by using the Black-Scholes European Option Pricing Model applying the following inputs:

	2024	2023
	\$	\$
Weighted average exercise price	\$0.6350	\$1.23
Weighted average life of the option (years)	4.46	5.0
Weighted average underlying share price (cents)	43.50	80.60
Expected share price volatility	80%	80%
Risk free interest rate	4.10%	3.56%

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.

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

	2024	2024	2023	2023
	Number of options	Weighted average exercise price cents	Number of options	Weighted average exercise price cents
Outstanding at the beginning of the year	10,930,000	72.00	9,480,000	50.70
Granted	1,000,000	63.50	2,950,000	123.31
Forfeited	(250,000)	128.06	-	-
Exercised	(2,000,000)	26.10	(1,500,000)	34.90
Expired	(500,000)	26.00	-	-
Outstanding at year-end	9,180,000	84.83	10,930,000	72.00

The weighted average remaining contractual life of share options outstanding at the end of the financial year was 1.9 years (2023: 2.1 years), and the exercise prices range from 27.30 cents to \$1.58 (2023: 26.00 cents to \$1.58).

B) EXPENSES ARISING FROM SHARE-BASED PAYMENT TRANSACTIONS

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

	2024	2023
	\$	\$
Options granted to employees and contractors expensed to profit or loss	133,084	1,285,557

33. PARENT ENTITY INFORMATION

The following information relates to the parent entity, Element 25 Limited, at 30 June 2024. The information presented here has been prepared using accounting policies consistent with those presented in note 1.

	2024	2023
	\$	\$
Current assets	20,341,806	42,575,088
Non-current assets	44,920,350	25,490,555
Total assets	65,262,156	68,065,643
Current liabilities	6,444,380	10,398,908
Non-current liabilities	1,683,000	2,237,340
Total liabilities	8,127,380	12,636,248
Issued capital	134,533,276	111,448,309
Share-based payments reserve	7,293,065	7,159,982
Accumulated losses	(84,691,565)	(63,178,896)
Total equity	57,134,776	55,429,395
Loss for the year	(21,512,669)	(24,878,802)
Total comprehensive loss for the year	(21,512,669)	(24,878,802)

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CONSOLIDATED ENTITY DISCLOSURE STATEMENT

AS AT 30 JUNE 2024

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
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*).

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DIRECTOR'S DECLARATION

In the Directors' opinion:

- (a) the financial statements and notes set out on pages 37 to 66 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 2024 and of its performance for the financial year ended on that date;
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and the Consolidated Entity Disclosure Statement on page 67 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

27 September 2024

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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 2024 and of its financial performance for the year then ended
- (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 2024
- 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 2024
- the directors' declaration.

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 our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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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.

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
<p>Basis of preparation of financial report <i>(Refer to note 1(A))</i></p> <p>As described in note 1(A) to the financial report, the financial statements have been prepared by the Group on a going concern basis, which contemplates that the Group will have sufficient cash flows for at least 12 months to continue operations and will be successful in securing the funding requirements to support its strategic plans.</p> <p>Assessing the appropriateness of the Group's basis of preparation for the financial report was a key audit matter due to its importance to the financial report as a whole and the level of judgement involved in assessing future funding, in particular with respect to the Group forecasting future cash flows for a period of at least 12 months from the audit report date.</p>	<p>In assessing the appropriateness of the Group's going concern basis of preparation for the financial report, we performed the following procedures, amongst others:</p> <ul style="list-style-type: none">• Evaluated the appropriateness of the Group's assessment of their ability to continue as a going concern, including whether the level of analysis is appropriate given the nature of the Group, the period covered is at least 12 months from the date of our auditor's report and relevant information of which we are aware as a result of the audit has been included.• Enquired of management and the board of directors as to their knowledge of events or conditions that may cast significant doubt on the Group's ability to continue as a going concern.



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<i>Key audit matter</i>	<i>How our audit addressed the key audit matter</i>
<p data-bbox="263 1064 813 1153"><i>Impairment assessment of the Butcherbird project Cash Generating Unit (CGU)</i> <i>(Refer to note 15)</i></p> <p data-bbox="263 1198 845 1444">In accordance with Australian Accounting Standards, the Group determined that indicators of impairment existed in relation to the Butcherbird project CGU. Accordingly, an impairment assessment was performed, and the recoverable value of the CGU was determined to be greater than the carrying value and therefore no impairment was recognised.</p> <p data-bbox="263 1478 845 1702">The impairment assessment of the Butcherbird project CGU was a key audit matter given the financial significance of the CGU's assets to the consolidated statement of financial position and the level of judgement involved by the Group in determining the recoverable amount of the CGU, including key assumptions.</p>	<ul data-bbox="941 492 1484 1030" style="list-style-type: none">• Evaluated selected data and assumptions used in the Group's cash flow forecasts for at least 12 months from the date of signing the auditor's report.• Requested written representations from management and the board of directors regarding their plans for future action and their intent and ability to take actions necessary to continue as a going concern.• Evaluated whether, in view of the requirements of Australian Accounting Standards, the financial report provides adequate disclosures about these events or conditions. <p data-bbox="885 1064 1452 1131">Our audit procedures, amongst others included the following:</p> <ul data-bbox="941 1164 1484 1915" style="list-style-type: none">• Assessing the reasonableness of the CGU determination based on our knowledge of the Group's operations and the requirements of the Australian Accounting Standards.• Considering whether the model used to estimate the recoverable value of the CGU was consistent with the requirements of the Australian Accounting Standards.• Assessing the Group's ability to forecast future cash flows for the business by comparing historical budgets with reported actual results.• With the assistance of PwC valuation experts, assessing the appropriateness of significant assumptions used in determining the recoverable amount of the CGU.• Agreeing the mathematical accuracy, on



Key audit matter	How our audit addressed the key audit matter
	<p>a sample basis, of the impairment model calculations.</p> <ul style="list-style-type: none">• Evaluating the reasonableness of disclosures made in the financial statements against the requirements of Australian Accounting Standards.

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 2024, 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://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.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 2024.

In our opinion, the remuneration report of Element 25 Limited for the year ended 30 June 2024 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.

A handwritten signature in black ink that reads 'PricewaterhouseCoopers'.

PricewaterhouseCoopers

A handwritten signature in black ink that reads 'Adam Thompson'.

Adam Thompson
Partner

Perth
27 September 2024

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 17 September 2024.

A. DISTRIBUTION OF EQUITY SECURITIES

1	-	1,000
1,001	-	5,000
5,001	-	10,000
10,001	-	100,000
100,001		and over

The number of equity security holders holding less than a marketable parcel of securities are:

Ordinary shares	
Number of holders	Number of shares
758	404,665
1,159	3,154,052
475	3,789,656
929	30,860,224
217	183,703,805
3,538	221,912,402
1,355	1,424,050

B. TWENTY LARGEST SHAREHOLDERS

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

1	CITICORP NOMINEES PTY LIMITED
2	BNP PARIBAS NOMINEES PTY LTD
3	ACUITY CAPITAL INVESTMENT MANAGEMENT PTY LTD
4	ARADIA VENTURES PTY LTD
5	RANGUTA LIMITED
6	MR LIAM RAYMOND CORNELIUS
7	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED
9	DUKETON CONSOLIDATED PTY LTD
9	DUKETON MINING LIMITED
10	BNP PARIBAS NOMS PTY LTD
11	BNP PARIBAS NOMINEES PTY LTD
12	BUTTONWOOD NOMINEES PTY LTD
13	MR JACOBUS GERARDUS DE JONG
14	MR SEAMUS IAN CORNELIUS
15	NO WEST ASSETS PTY LTD
16	HAJEK FT CUSTODIANS PTY LTD
17	HAYES PASTORAL CORPORATION PTY LTD
18	MRS ANTOINETTE JANET RIBBONS
19	MR ROHAIN IAN CORNELIUS
20	BRAZIL FARMING PTY LTD

Listed ordinary shares	
Number of shares	Percentage of ordinary shares
29,390,669	13.24
16,060,398	7.24
9,500,000	4.28
6,698,215	3.02
6,585,440	2.97
5,754,006	2.59
4,999,437	2.25
4,991,170	2.25
4,177,974	1.88
4,129,779	1.86
4,084,406	1.84
3,136,015	1.41
2,966,489	1.34
2,845,548	1.28
2,528,586	1.14
2,141,000	0.96
2,038,917	0.92
1,911,112	0.86
1,770,000	0.80
1,663,678	0.75
117,372,839	52.88

C. SUBSTANTIAL SHAREHOLDERS

There were no substantial shareholders at 30 June 2024 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 17 September 2024:

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%
E52/4153	Yanneri Well WA	0%
E52/4155	Weelarrana WA	100%
E52/4358	Butcherbird North 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%
L52/258	Butcherbird East WA	100%
M52/1074	Yaneri Ridge WA	100%
E57/1060	Victory Well WA	20%
E63/2027	Lake Johnston WA	100%
E63/2429	Lake Johnston WA	100%

Notes:

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

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F. UNQUOTED SECURITIES

At 17 September 2024, the Company had the following unlisted securities on issue:

Name	Unlisted options exercisable at \$0.273 expiring 20/11/24	Unlisted options exercisable at \$0.50 expiring 25/06/25	Unlisted options exercisable at \$0.44 expiring 13/07/25	Unlisted options exercisable at \$1.209 expiring 4/11/25
Aradia Ventures Pty Ltd	1,000,000	-	-	500,000
Mr John George Ribbons	500,000	-	-	250,000
Mr Seamus Cornelius	500,000	-	-	250,000
Zoetmelksvlei (Pty) Ltd	-	500,000	-	-
Duketon Consolidated Pty Ltd	-	-	-	300,000
Karlka Niyaparlia Aboriginal Corp. RNTBC	-	-	1,000,000	-
Mr Sias Jordaan	-	-	-	160,000
Holder < 20%	-	-	-	520,000
	2,000,000	500,000	1,000,000	1,980,000

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 \$1.1747 expiring 29/09/27	Unlisted options exercisable at \$1.58 expiring 25/11/27
Aradia Ventures Pty Ltd	-	-	-	500,000
Mr John George Ribbons	-	-	-	200,000
Mr Seamus Cornelius	-	-	-	200,000
Mr Michael Jordon	500,000	-	-	-
Mr Sias Jordaan	-	-	500,000	-
Ms Andrea Gertrud Graham	-	-	500,000	-
Holder < 20%	-	250,000	-	-
	500,000	250,000	1,000,000	900,000

Name	Unlisted options exercisable at \$1.4675 expiring 23/12/27	Unlisted options exercisable at \$0.67 expiring 27/11/28	Unlisted options exercisable at \$0.60 expiring 21/12/28
Aradia Ventures Pty Ltd	-	500,000	-
Mr Michael Jordon	-	-	500,000
Holder < 20%	50,000	-	-
	50,000	500,000	500,000

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CORPORATE DIRECTORY

DIRECTORS

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

SECRETARY

Michael Jordon

PRINCIPAL PLACE OF BUSINESS

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