

INTERIM REPORT

INTERIM FINANCIAL REPORT
FOR THE HALF YEAR ENDED 30 DECEMBER 2024

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PRINCIPAL ACTIVITIES AND REVIEW OF OPERATIONS

Overview

Element 25 Limited (**E25**, **Element 25** or **Company**) (**ASX: E25**; **OTCQX: ELMTF**) operates the Butcherbird Manganese Project (**Butcherbird** or **Project**), located 130km south of Newman in the Pilbara region of Western Australia (**WA**), which hosts Australia's largest onshore manganese resource with JORC resources of over 274Mt of manganese ore¹.

E25'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**) for traditional and new energy markets.

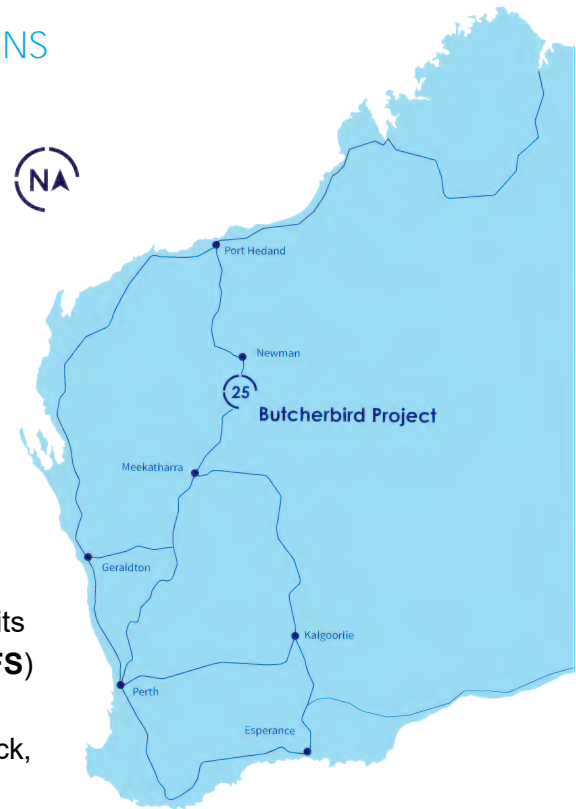
E25 plans to construct a HPMSM facility in Louisiana – the first of its kind in the USA – having completed a Feasibility Study (**HPMSM FS**) for this project in April 2023². The facility will use concentrate from E25's mining and processing operations at Butcherbird as feedstock, with plans currently in train to expand Butcherbird operations to 1.1Mtpa manganese concentrate production¹.

E25's HPMSM 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\$115,000,000 in project funding through equity, pre-payment and senior debt alongside offtake for ~65% of planned HPMSM production from the first production train³.

E25 has also secured support from the United States Government, formally awarded US\$166,128,094 grant from the U.S. Department of Energy (**DoE**) in January 2025⁴ after being selected for grant award negotiations in September 2024.

Operational highlights for the first 6 months of FY2025 include:

- US\$166 million U.S. Department of Energy grant formally awarded under the DoE's Battery Materials Processing Grant Program to support construction of Element 25's planned HPMSM facility in Louisiana, USA.⁴
- Updated Butcherbird Feasibility Study (**BBX FS**) for 1.1Mtpa manganese concentrate production expansion delivers compelling economics including AU\$561 million NPV₈ and 96% IRR with estimated CAPEX of AU\$64.8 million.¹



¹ E25 ASX Announcement dated 23 January 2024 and 22 January 2025

² E25 ASX Announcement dated 12 April 2023

³ E25 ASX Announcements dated 9 January 2023 and 26 June 2023

⁴ E25 ASX Announcement 20 January 2025

- Butcherbird Measured and Indicated Resources increased 142% to 130Mt at 10.23% Mn⁵.
- Butcherbird Mineral Resource Estimate increased by 6% to 274Mt @ 10% Mn⁶.
- Ore Reserve increased 107% to 101.4Mt at 10.4% Mn for 10.54Mt contained manganese, confirming Butcherbird's robust, >18-year LOM operation at 1.1Mtpa production rate, in line with E25's strategic plan⁷.
- Collaboration with Scania and ReGroup for world-first launch of autonomous fleet of in-pit mining trucks at Butcherbird⁸.
- Butcherbird Expansion Project mining proposal and mine closure plan approved⁹.

DIRECTORS' REPORT

The Element 25 Directors submit their financial report for the consolidated entity (the **Group**, the **Company** or **Element 25**) consisting of Element 25 Limited and its controlled entities for the half-year ended 31 December 2024.

Directors

The names of Directors who held office during or since the end of the half-year are set out below.

Directors were in office for this entire period unless otherwise stated:

- | | |
|-----------------------|------------------------|
| • John Ribbons | Non-Executive Chair |
| • Justin Brown | Managing Director |
| • Sam Lancuba | Non-Executive Director |
| • Fanie Van Jaarsveld | Non-Executive Director |

Company Secretary

Michael Jordon

⁵ E25 ASX Announcement 29 October 2024

⁶ E25 ASX Announcement dated 22 January 2025

⁷ E25 ASX Announcement dated 22 January 2025

⁸ E25 ASX Announcement dated 07 October 2024

⁹ E25 ASX Announcement dated 13 January 2025

BUTCHERBIRD OPERATIONS

Safety

For the six months ending December 2024, Element 25 recorded 0 (nil) Lost Time Injuries (**LTI**) and 0 (nil) Medical Treatment Injuries (**MTI**).

Updated Mineral Resource Estimate and Ore Reserve Statement

In 2024, Element 25 completed resource infill drilling at Butcherbird, with 216 percussion drill holes for 6,202m targeting infill of existing inferred resources within granted Mining Lease M52/1074, where Butcherbird Stage 1 mining and processing operations are located.

Drilling further confirmed the geological model and, importantly, the continuity of mineralisation - a key attribute of the lateritic manganese mineralisation at Butcherbird. The drilling has also provided sufficient data density to underpin a re-evaluation of Resources and Reserves to support the planned expansion of the manganese concentrate operation at Butcherbird.

E25 appointed MEC Mining to undertake an updated mineral resource estimate, and a revised mine schedule and reserve statement. Results from the infill drilling were used to update the Mineral Resource Estimate for the Yanneri Ridge, Coodamudgi, Richies Find, and Mundawindi deposits.

The work program achieved the expected result, supporting a 142% increase to the (mining depleted) 2019 Measured and Indicated Resource base within the target mining area for Butcherbird's planned Stage 2 Expansion operations – see Tables 1 and 2.

Table 1: Butcherbird Manganese Project - Global Mineral Resource Estimate - October 2024 (cut-off grade 7%Mn ¹⁰)

Resource Category	Volume (m ³)	Density (t/m ³)	Tonnes (t)	Mn %
Measured	6,000,000	2.36	14,000,000	11.3
Indicated	50,000,000	2.33	116,000,000	10.1
Inferred	60,000,000	2.42	144,000,000	9.8
Total	115,000,000	2.38	274,000,000	10.0

¹⁰ E25 ASX Announcement dated 29 October 2024

Table 2: October 2024 Butcherbird Global MRE by Resource Category and Deposit.

Deposit	Resource Category	Volume (m³)	Density (t/m³)	Tonnes (t)	Mn %
2024 Updated Mineral Resource Estimates					
Yanneri Ridge	Measured	5,000,000	2.39	13,000,000	11.4
	Indicated	38,000,000	2.33	89,000,000	10.1
	Inferred	6,000,000	2.96	17,000,000	9.0
	Subtotal	49,000,000	2.41	119,000,000	10.1
Coodamudgi	Measured	-	-	-	-
	Indicated	11,000,000	2.36	27,000,000	10.2
	Inferred	2,000,000	2.98	5,000,000	11.2
	Subtotal	13,000,000	2.44	32,000,000	10.3
Mundawindi	Measured	-	-	-	-
	Indicated	-	-	-	-
	Inferred	14,000,000	2.35	33,000,000	10.2
	Subtotal	14,000,000	2.35	33,000,000	10.2
Richies Find	Measured	-	-	-	-
	Indicated	-	-	-	-
	Inferred	15,000,000	2.34	34,000,000	9.2
	Subtotal	15,000,000	2.34	34,000,000	9.2
2024 MRE Sub Total	Measured	5,000,000	2.39	13,000,000	11.4
	Indicated	50,000,000	2.43	116,000,000	10.1
	Inferred	36,000,000	2.47	89,000,000	9.7
	Sub Total	91,000,000	2.39	219,000,000	10.0
Previously Reported Mineral Resource Estimates					
Ilgarrarie Ridge	Inferred	15,000,000	2.35	36,000,000	9.9
Budgie Hill	Inferred	2,000,000	2.33	5,000,000	9.3
Bindi Bindi Hill	Inferred	6,000,000	2.34	14,000,000	10.4
Cadgies Flat	Inferred	100,000	2.36	300,000	10.0
Stockpiles	Measured	300,000	1.81	600,000	9.2
Butcherbird Global Mineral Resource Estimate					
Total	Measured	6,000,000	2.36	14,000,000	11.3
	Indicated	50,000,000	2.33	116,000,000	10.1
	Inferred	60,000,000	2.42	144,000,000	9.8
	Total	115,000,000	2.38	274,000,000	10.0

NOTE: MRE are reported above a 7% Mn economic cutoff with no top-cut. Mineral Resources are rounded to reflect they are an estimation, numbers may not sum due to rounding. Mineral Resources are depleted for mining.

Following the updated MRE, in January 2025, E25 announced a 107% increase in Ore Reserves at Butcherbird, relating to the Yanneri Ridge and Coodamudgi manganese deposits within granted mining lease M52/1074¹¹. These are two of the eight known deposits at Butcherbird.






Table 3: Butcherbird Ore Reserve Estimate¹².

Deposit	Classification	Tonnes (Mt)	Grade (Mn%)	Contained Mn (Mt)
Yanneri Ridge	Proved	11.3	11.8	1.33
	Probable	70.4	10.2	7.15
Coodamudgi	Proved	-	-	-
	Probable	19.1	10.3	1.97
Stockpiles	Proved	0.6	9.2	0.06
TOTAL		101.4	10.4	10.5

This updated Ore Reserve is developed from the October 2024 MRE for the Yanneri Ridge and Coodamudgi manganese deposits. The resource models and their development are described separately in the Mineral Resource Estimate report. Proved and Probable Ore Reserves have been derived from Measured and Indicated Mineral Resources in accordance with Joint Ore Reserve Committee (**JORC**) Code 2012 guidelines. The updated Ore Reserve for the Project is summarised in Table 3. The Ore Reserve classification reflects the Competent Persons' assessment of the deposits with the application of appropriate modifying factors. More details can be found in the ASX Announcement dated 22 January 2025.

Updated Expansion Feasibility Study

In January 2025, Element 25 released an updated Butcherbird Feasibility Study (**Study** or **BBX FS**)¹³, refining the previous January 2024 BBX FS to include an updated mining Reserve, updated operating costs and extended mine life at Butcherbird.

				
Capital Cost	NPV ₈	IRR	Cashflow	Payback
AU\$64.8	AU\$561M	96%	AU\$70.5M	1.3
(incl. contingency)	(Pre-tax, real)		(annual)	(years)

¹¹ E25 ASX Announcement dated 22 January 2025

¹² Data are reported to significant figures to reflect appropriate precision in the estimate, and this may cause some apparent discrepancies in totals.

¹³ E25 ASX Announcement dated 22 January 2025

The updated BBX FS uses the forecast production data, along with a detailed review of the process flow design to optimise the design of an expanded processing facility. Highlights of the updated BBX FS included:

- Butcherbird expansion establishes it as a low-cost manganese operator (US\$2.86/dmtu C1 cost) able to produce high-quality manganese concentrate at a globally competitive operating cost.
- Feasibility Study uses all the available measured and indicated resources within the 18.3-year mine plan supporting this Study.
- The Measured, Indicated and Inferred Mineral Resources used to support the 18.3-year mine life represents 68% of the total mineral resource inventory within the granted mining lease M52/1074.
- Low capital requirement of AU\$64.8 million capital in total construction costs including process and non-process infrastructure. Average base case annual operating cashflow of AU\$70.5 million at full production.
- Forecast cashflows generate a simple payback period of 16 months from commencement of operations.
- Expanded mining production and process commissioning is currently scheduled to commence within 14 months from the final investment decision and securing project financing.
- Base case involves an annual production and sale of 1.1Mtpa of lump manganese ore grading 31.6% Mn.
- The concentrate production strategy complements and enhances E25's plan to develop a HPMSM plant in Louisiana to supply offtake partners GM and Stellantis with HPMSM for electric vehicle (**EV**) battery cathodes¹⁴.

The Study contemplates a revised comminution and procession circuit based on learnings gained from the operation of the current Butcherbird processing facility since 2021. Changes to the processing circuit include the use of a mineral sizer for primary comminution, a dense media separation (**DMS**) drum for final beneficiation and a tailings screen and thickener for tails thickening and improved water recovery.

A summary of the parameters used in this Updated Feasibility Study¹⁵ include:

- Increased manganese concentrate production to 1.1Mtpa.
- DMS process recovery of 83.7%.
- Overall processing plant recovery of 59.1%.

¹⁴ E25 ASX Announcements dated 9 January 2023 and 26 June 2023

¹⁵ E25 ASX Announcement dated 22 January 2025

- Increased ore recovery and decreased ore loss due to change in processing equipment.
- Exchange rate (AUD:USD) of 0.67 in 2025, 0.68 in 2026, with a longer-term assumption of 0.69 from 2027 onwards.
- Capital cost estimate of AU\$64,893,386 including:
 - Construction of an expanded processing infrastructure.
 - Construction of an expanded mining camp.
- A revised site organisation chart has been developed with updated costs reflective of the proposed expansion.
- Updated mining costs based on the expanded mining requirements.
- Updated sustaining capex involving an expanded tails storage facility (TSF).
- Updated manganese ore pricing to reflect current forecasts.

The Study results confirm that the robust economics of the project are further improved, with the economics and performance of the project benefiting 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.

Mining Proposal and Mine Closure Plan Approved

In January 2025, Element 25 announced its planned expansion of Butcherbird had received formal approval from the WA Department of Energy, Mines, Industry Regulation and Safety's (DEMIRS) Resource and Environmental Compliance Division¹⁶. This is a key approval under the Western Australian regulatory framework and marks an important milestone for the Butcherbird Project.

A Works Approval is the only pending approval required for Butcherbird to commence construction of the expanded processing facility. E25 submitted its application for the Works Approval in October 2024, and it is anticipated to be granted imminently, with no known impediments.

Autonomous Mining Fleet

As part of Butcherbird mine expansion planning, in October 2024, Element 25 announced plans to consider Scania's world-first fleet of autonomous in-pit mining trucks at the mine, as part of a collaboration between E25, Scania and Australian services provider ReGroup¹⁷.

The world-first fleet of 11 autonomous rigid G 560 8x4 tippers, transporting manganese ore and waste material for E25 at Butcherbird, is targeting commencement in 2025, in line with the planned expansion of the Butcherbird Mine. Scania, ReGroup and E25 are finalising the details of this solution to align with the expansion.

¹⁶ E25 ASX Announcement dated 13 January 2025

¹⁷ E25 ASX Announcement dated 7 October 2024

Implementation of autonomous mining vehicles at Butcherbird is expected to deliver improved productivity, reduced carbon intensity through improved fuel efficiency, enhanced safety and lower costs compared to a traditional mining fleet. The rollout is intended as a stepping stone on E25's journey to fully electric autonomous ore haulage at Butcherbird. In order to support the optimisation of site power infrastructure and planned renewable energy generation at Butcherbird, the program will also include the roll-out of a fully battery electric vehicle (**BEV**) equipped as a water truck. This vehicle will provide important operational data, particularly around duty cycles and charging infrastructure, which will inform a future transition to a fully electric mobile fleet at Butcherbird.

Automation of mining transport at Butcherbird will offer improvements in operational safety, sustainability, and logistical efficiency, as well as reducing energy requirements, mining footprint and infrastructure requirements. The solution is expected to reduce operational costs and, therefore, provide significant advantages across all aspects of the business.

HPMSM FACILITY DEVELOPMENT

Element 25 plans to build and operate a first-of-its-kind, environmentally sustainable refining facility(**Facility**) in the Baton Rouge area, Louisiana, to produce HPMSM, a critical raw material in lithium-ion batteries. The planned 230,000 square-foot (~21,000m²) HPMSM refining facility that will employ an innovative process to produce approximately 71,650 tons (65,000 metric tonnes) of HPMSM annually from the first processing train using manganese ore sourced from its Butcherbird manganese mine.

It will be one of the first commercial facilities to produce HPMSM in the USA, reducing current dependency on Chinese sources. The Facility will create hundreds of highly-skilled, construction and permanent jobs for Louisianans. As outlined above, with the E25 Project Financing Strategy, E25 Louisiana (**E25 LA**) has secured offtake and funding agreements, including five and seven-year supply agreements with global automakers Stellantis and GM.

US\$166M U.S. Department of Energy Grant Awarded

In September 2024, Element 25 announced it had been selected for award negotiations for a US\$166,128,094 grant from the U.S. Department of Energy (**DoE**) under its Manufacturing and Energy Supply Chains (**MESC**) Battery Materials Processing Grant Program¹⁸. This grant was formally awarded and a Grant Agreement signed in January 2025¹⁹. This landmark funding will support the construction of E25's proposed HPMSM facility in Louisiana, USA, which will bring domestic production of a key critical battery raw material to the USA.

The grant award is in addition to the US\$115,000,000 already committed by offtake partners GM and Stellantis.

E25's grant application was submitted under the DoE's Battery Materials Processing Grant Program of the Office of Manufacturing and Energy Supply Chains, which is funded by the Bipartisan

¹⁸ E25 ASX Announcement dated 24 September 2024

¹⁹ E25 ASX Announcement dated 20 January 2025

Infrastructure Law. The program is designed to provide grants for battery materials processing to ensure that the United States has a viable battery materials processing industry. The grant forms a key component of E25's financing strategy for the Facility.

The grant comprises a total of US\$166,128,094 in grant funding, broken into five budget periods, each relating to a staged phase of project execution. The structure of the grant is based on matching funding (cost-share) being provided by the Company for a total of US\$166,128,095 in cost-share. The grant agreement outlines the tasks and milestones required for each budget period with associated reporting and approval requirements.

Grant funding is made available during each budget period in accordance with the approved budget items and the terms and conditions of the grant award. The budget periods, milestones and stage gates have been agreed between the DoE contracts team and the Company as part of the grant negotiation and award process subsequent to the announcement that the project had been selected for the grant award.

Community Benefits Plan

The proposed Facility is supported by local communities, stakeholders, and the State of Louisiana, which has approved a substantial incentives package to support the project²⁰, in acknowledgement of its significant local benefits.

Element 25 is committed to supporting the local economy during and after the construction of the Facility, including a desire to recruit workers from the oil and gas industry and a recently closed refinery that can potentially provide a skilled workforce to the Facility. The Company intends to prioritise local workforce recruitment, including training programs and engaging with local suppliers. The project is expected to create 400 jobs during construction and 144 full-time ongoing roles once production commences.

Project Financing Strategy

In 2023, Element 25 secured a US\$85,000,000 loan under an agreement with GM, whereby Element 25 will, in turn, supply up to 32,500 metric tons of manganese sulphate annually for GM's Ultium battery plant requirements, which added to the commitments from Stellantis that include take-or-pay offtake commitments for 45ktpa of HPMSM over five years and US\$30,000,000 of project funding²¹. The two transactions, combined with the grant award, total US\$281,128,094 in financing support for the project. E25 has been co-ordinating a process to secure the balance of funding for the Facility's construction costs.

²⁰ E25 ASX Announcement dated 19 December 2023

²¹ E25 ASX Announcements dated 9 January 2023 and 26 June 2023

LAKE JOHNSON PROJECT, WA

As announced in January 2024²², the Company faced an Application for Forfeiture by Cacique Resources Pty Ltd (Cacique) affecting the E63/2027 licence at its 100%-owned Lake Johnston Project in WA, however, the application for forfeiture was dismissed and this matter is now resolved²³.

During the period, E25 continued exploration activities at its Lake Johnston Project to follow up on targets defined in an earlier study.

On-ground investigations by E25 personnel confirmed pegmatite occurrences within the project area. Although no economic lithium or spodumene has been located to date, the project remains prospective for lithium and exploration is continuing.

BUSINESS DEVELOPMENT

MOU for Japanese HPMSM facility

Element 25 signed a non-binding Memorandum of Understanding (**MOU**) with Nissan Chemical Corporation (**NC**) and NC Tokyo Bay Corporation (**NCTB**) to complete a feasibility study into a battery grade HPMSM facility to be located at the existing NCTB site in Chiba prefecture, Japan²⁴.

The potential for an HPMSM facility to be built using the unique E25 flowsheet supplied with Butcherbird manganese concentrate fits well with the Company's strategy of building multiple refineries to serve various global markets.

Key synergies can be realised by co-locating E25's low-emission technology and process at NCTB, including:

- NCTB operates a sulphuric acid plant at the Chiba production facility, which can supply acid to the proposed project.
- NCTB has substantial ancillary infrastructure, utilities and services that can be provided to the HPMSM project.
- NCTB is located in Tokyo Bay and has private berths that can handle both liquid and bulk cargo, providing important logistics solutions.

The NCTB site in Chiba offers unique opportunities for the potential co-location of an HPMSM facility. In addition to the production sulphuric acid at the Chiba site, NC also produces sulphuric acid at both their Aichi and Toyama prefecture facilities, as well as other key reagents at the Toyama prefecture facility, all key inputs into the E25 process. NCTB also generates CO₂-free power via an established cogeneration unit attached to the acid plant. Both power and steam can be supplied to E25 without the requirement for significant additional capital works. All other required

²² E25 ASX Announcement dated 31 January 2024

²³ E25 ASX Announcement dated 16 October 2024

²⁴ E25 ASX Announcement dated 3 September 2024

utilities, including natural gas, water and sewer services are also available at the NCTB site, in addition to substantial ancillary infrastructure and services.

Japan has a long and proud history in automotive excellence including the production of hybrid and Electric Vehicles (**EVs**), and several leading EV battery and precursor manufacturers are also based there. Japan, like many other countries, has designated manganese as a critical mineral and has legislated incentives to establish domestic battery-related industries.

Manganese is becoming an increasingly important input into EV batteries as the technology shifts away from nickel-rich chemistries to high manganese and LMFP (manganese-doped LFP) cathodes. This transition is expected to generate increased demand for high-purity manganese chemicals for use in the production of these batteries as the EV transition accelerates.

The MoU is non-binding except in regard to certain obligations relating to cost-sharing, exclusivity and confidentiality. However, it outlines a number of key steps and target timelines to progress the potential Facility development with a final investment decision in September 2026.

CORPORATE

Subscription Agreement

Subsequent to year-end, Element 25 announced it had utilised an At-The-Market Subscription Agreement (**ATM**) with Acuity Capital Investment Management Pty Ltd (Acuity Capital) to raise AU\$2,850,000 (inclusive of costs) by agreeing to issue 8,700,000 fully paid ordinary Element 25 ASX shares to Acuity Capital at an issue price of AU\$0.3275 per share^{25,26}. The facility with Acuity Capital has \$27,150,000 available for the Group to raise capital.

The 8,700,000 E25 shares has been issued as per the shareholder approval obtained at the Company's most recent Annual General Meeting on 22 November 2024²⁷. The issue price of \$0.3275 represents a premium of 13% to the five trading day volume weighted average price (**VWAP**) of \$0.2891 to 29 January 2025 (inclusive).

Funds raised were put towards E25's working capital.

RESULTS

During the half year ended 31 December 2024, the Company had total of \$97,664 income, the majority was other income amounted to \$94,170 (2023: \$357,181). There was no revenue generated in respect of sales of Manganese Ore due to Butcherbird Expansion.

During the period the Group recognised cost of sales of \$1,394,503 (2023: \$15,097,565) in respect to the fixed costs incurred for care and maintenance across critical operational areas including mining, processing and distribution.

²⁵ E25 ASX Announcement dated 30 January 2025

²⁶ E25 ASX Announcements dated 10 February 2023, 14 February 2023 and 16 June 2023

²⁷ E25 ASX Announcement dated 22 November 2024

During the period, the Group incurred general and administration expenditure amounting to \$1,128,529 (2023: \$3,409,351), including corporate administration expense of \$1,055,118 (2023: \$2,578,964), depreciation of Property, Plant and Equipment of \$57,902 (2023: \$283,753), depreciation of right of use asset of \$14,303 (2023: \$38,766), and \$1,206 (2023: \$507,868) on loss of foreign exchange, loss of sales of assets, share-based payment expense, and fair value loss on remeasurement of financial assets. This has resulted in an operating loss after income tax for the half year ended 31 December 2024 of \$2,435,181 (2023: \$13,793,391).

The Group had a cash balance of \$4,616,351 as at 31 December 2024.

	2024	2023
	\$	\$
Basic and diluted loss per share (cents)	(1.10)	(6.35)

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

No other matters or circumstances, besides those disclosed at note 14, have arisen since the end of the period which 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 periods.

DIVIDENDS

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

AUDITORS 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 15.

Signed in accordance with a resolution of the Directors.



Justin Brown
Managing Director

Perth, 13 March 2025



Auditor's Independence Declaration

As lead auditor for the review of Element 25 Limited for the half-year ended 31 December 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 review; and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.

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

A handwritten signature in black ink, appearing to read 'Adam Thompson'.

Adam Thompson
Partner
PricewaterhouseCoopers

Perth
13 March 2025

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

	Note	31 Dec 2024 \$	31 Dec 2023 \$
Revenue	3	3,494	4,566,764
Cost of sales	4	(1,394,503)	(15,097,565)
GROSS PROFIT		(1,391,009)	(10,530,801)
Other income		99,407	357,181
Exploration and feasibility expenditures		-	(189,562)
General and administration expenses	5	(1,128,529)	(3,409,351)
Finance expense		(15,050)	(20,858)
LOSS BEFORE INCOME TAX		(2,435,181)	(13,793,391)
INCOME TAX EXPENSE		-	-
LOSS FOR THE YEAR ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		(2,435,181)	(13,793,391)
OTHER COMPREHENSIVE INCOME			
<i>Items that may be reclassified to profit or loss</i>			
Exchange differences on translation of foreign operations		1,166	(113)
Other comprehensive loss for the year, net of tax		1,166	(113)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		(2,434,015)	(13,793,504)
LOSS PER SHARE FOR LOSS ATTRIBUTABLE TO THE ORDINARY EQUITY HOLDERS OF THE COMPANY			
Basic and diluted loss per share (cents per share)		(1.10)	(6.35)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2024

	Note	31 Dec 2024	30 Jun 2024
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents		4,616,351	11,326,929
Trade and other receivables		383,612	854,035
Inventory	6	7,890,775	7,945,620
Financial assets at fair value through profit or loss		238,521	243,158
TOTAL CURRENT ASSETS		13,129,259	20,369,742
NON-CURRENT ASSETS			
Restricted cash		528,560	528,560
Property, plant and equipment	7	21,346,563	21,432,262
Assets under construction	7	25,549,775	20,955,253
Deferred exploration and evaluation expenditure		2,173,889	1,737,058
Right of use asset		801,791	166,138
TOTAL NON-CURRENT ASSETS		50,400,578	44,819,271
TOTAL ASSETS		63,529,837	65,189,013
CURRENT LIABILITIES			
Trade and other payables	8	4,889,551	5,566,671
Provisions	9	569,614	627,857
Lease Liability		340,303	180,023
TOTAL CURRENT LIABILITIES		5,799,468	6,374,551
NON-CURRENT LIABILITIES			
Lease Liability		461,513	-
Provisions	9	1,683,000	1,683,000
TOTAL NON-CURRENT LIABILITIES		2,144,513	1,683,000
TOTAL LIABILITIES		7,943,981	8,057,551
NET ASSETS		55,585,856	57,131,462
EQUITY			
Issued capital	10	135,158,278	134,533,276
Reserves		7,556,177	7,291,604
Accumulated losses		(87,128,599)	(84,693,418)
TOTAL EQUITY		55,585,856	57,131,462

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

	Note	Contributed Equity \$	Share-Based Payments Reserve \$	Foreign Currency Translation Reserve \$	Accumulate d Losses \$	Total \$
BALANCE AT 1 JULY 2023		111,448,309	7,159,981	(3,167)	(63,178,467)	55,426,656
Loss for the period		-	-	-	(13,793,391)	(13,793,391)
OTHER COMPREHENSIVE INCOME						
Exchange differences on translation of foreign operations		-	-	(113)	-	(113)
TOTAL COMPREHENSIVE LOSS		-	-	(113)	(13,793,391)	(13,793,504)
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS						
Shares issued during the period		23,091,967	-	-	-	23,091,967
Share issue transaction costs		(7,000)	-	-	-	(7,000)
Share-based payments			46,316			46,316
BALANCE AT 31 DECEMBER 2023		134,533,276	7,206,297	(3,280)	(76,971,858)	64,764,435
BALANCE AT 1 JULY 2024		134,533,276	7,293,065	(1,461)	(84,693,418)	57,131,462
Loss for the period		-	-	-	(2,435,181)	(2,435,181)
OTHER COMPREHENSIVE INCOME						
Exchange differences on translation of foreign operations		-	-	1,166	-	1,166
TOTAL COMPREHENSIVE LOSS		-	-	1,166	(2,435,181)	(2,434,015)
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS						
Shares issued during the period	10	643,145	-	-	-	643,145
Share issue transaction costs	10	(18,143)	-	-	-	(18,143)
Share-based payments		-	235,657	-	-	235,657
Revaluation of equity settled share- based payments		-	27,750	-	-	27,750
BALANCE AT 31 DECEMBER 2024		135,158,278	7,556,472	(295)	(87,128,599)	55,585,856

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

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

	Note	31 Dec 2024	31 Dec 2023
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		184,109	4,446,280
Payments to suppliers and employees		(3,019,965)	(21,373,553)
Interest received		45,945	319,375
Interest paid		(8,890)	(18,513)
Expenditure on HPMSM		-	(369,295)
NET CASH OUTFLOW FROM OPERATING ACTIVITIES		(2,798,801)	(16,995,706)
CASH FLOWS FROM INVESTING ACTIVITIES			
Movement in cash from restricted to non-restricted		-	(50,000)
Payments for plant and equipment		(4,105,588)	(13,017,060)
Payments for tenement		(442,729)	(194,726)
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		(4,548,317)	(13,261,786)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issues of ordinary shares	10	643,145	23,091,967
Payment of share issue transaction costs	10	(18,143)	(7,000)
Principal lease repayments		(194,479)	(194,272)
NET CASH INFLOW FROM FINANCING ACTIVITIES		430,523	22,890,695
NET DECREASE IN CASH AND CASH EQUIVALENTS		(6,916,595)	(7,366,797)
Cash and cash equivalents at the beginning of the period		11,326,929	28,885,874
Effects of exchange rate changes on cash and cash equivalents		206,017	(147,616)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		4,616,351	21,371,461

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

1. BASIS OF PREPARATION

These interim consolidated financial statements are general purpose financial statements prepared in accordance with the requirements of the Corporations Act 2001, applicable accounting standards including AASB 134 Interim Financial Reporting, Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board (AASB). Compliance with AASB 134 ensures compliance with IAS 34 Interim Financial Reporting.

During the period ended 31 December 2024, the Butcherbird site remained in care and maintenance to enable progression of the funding initiatives for the Butcherbird Stage 2 Expansion project and the HPMSM project. In relation to financing for the Stage 2 Expansion project, the Group has initiated full technical due diligence under the NAIF assessment process and is exploring multiple financing proposals for private sector funding. During the period the HPMSM Project was selected for award negotiations by the US Department of Energy (DoE) for a US\$166m grant under the Battery Minerals Processing and Battery Minerals Manufacturing Program. The Grant Agreement was signed in January 2025, securing a significant portion of the capital required to commence construction of the HPMSM refinery. In addition to the potential NAIF finance and the DoE grant, the Group has utilised its At-The-Market Subscription Agreement (ATM) with Acuity Capital to raise AU\$2,850,000 (inclusive of costs) by issuing 8,700,000 fully paid ordinary shares in January 2025. The facility with Acuity Capital has \$27,150,000 available for the Group to raise capital as needed.

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

It is recommended that this interim financial report be read in conjunction with the annual financial report for the year ended 30 June 2024 and any public announcements made by Element 25 Limited and its subsidiaries during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

The half-year financial report covers the consolidated group comprising Element 25 Limited and its subsidiaries. The company is a for-profit company limited by shares and incorporated in Australia, whose shares are publicly traded on the Australian Securities Exchange (ASX).

Material Accounting Policies

The accounting policies applied in these financial statements are consistent with those applied by the Group in the 30 June 2024 consolidated financial statements, and the adoption of new and amended standards that became applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these amended standards.

Certain new accounting standards, amendments and interpretations have been published that are not mandatory for the 31 December 2024 interim reporting period and have not been applied in these financial statements. The Company is currently assessing the impact of these new standards and amendments on future financial statements.

2. SEGMENT INFORMATION

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

3. REVENUE

	31 Dec 2024	31 Dec 2023
	\$	\$
Sale of manganese	-	4,532,256
Shipment revenue	3,494	34,508
	3,494	4,566,764

There were no sales of manganese ore to customers during the half year ended 31 December 2024 due to production at the Butcherbird site being suspended in January 2024*. A small amount of shipment revenue was recognized during the period relating to sales of manganese ore in the prior period.

*Refer to announcement of "Element 25 Commences Butcherbird Stage 2 Expansion" released at 30 January 2024.

4. COST OF SALES

	31 Dec 2024	31 Dec 2023
	\$	\$
Mining costs	(18,478)	(3,315,373)
Processing costs	(140,224)	(6,371,247)
Site administration costs	(618,615)	(1,986,206)
Haulage costs	(115,356)	(3,489,907)
Port and shipping costs	(238,148)	(871,735)
Sales and marketing costs	(32,849)	(160,561)
Royalty costs	(59,242)	(262,133)
Depreciation of processing equipment	(250)	(615,763)
Depreciation of mining equipment	-	(131,645)
Depreciation of restoration	(39,990)	(51,433)
Depreciation of right of use asset	(131,364)	(131,364)
Inventory movement	13	2,289,802
	(1,394,503)	(15,097,565)

Depreciation of restoration was previously classified as General and Administration Expenses but has now been reclassified to Cost of Sales.

During the period ended 31 December 2024, production at the Butcherbird site remained suspended. However, the reported Cost of Sales reflects the fixed costs incurred in relation to the care and maintenance of the site across the critical operational areas of mining, processing and distribution. These costs are necessary to ensure the continued safety, integrity and operational readiness of the mine site and its infrastructure, retention of site assets, site security, compliance with environmental standards and workforce retention.

5. GENERAL AND ADMINISTRATION EXPENSES

	31 Dec 2024	31 Dec 2023
	\$	\$
Depreciation expense	(57,902)	(283,753)
Loss of foreign exchange expense	(76,541)	(154,997)
Loss of sales of assets	(26,956)	(60,485)
Share-based payment expense	106,928	(46,316)
Fair value loss on remeasurement of financial assets	(4,637)	(246,070)
Director fees, salaries and wages and other staff costs	(329,206)	(994,942)
Consultants	(369,639)	(572,712)
ASX and other compliance costs	(32,921)	(143,890)
Insurance	(225,188)	(349,548)
Occupancy	(29,441)	(71,727)
Investor relation expenses	(28,005)	(50,717)
Depreciation of right of use asset	(14,303)	(38,766)
Other administration expenses	(40,718)	(395,428)
	(1,128,529)	(3,409,351)

The share-based payment expense for the half year ended 31 December 2024 includes \$342,585 (2023: \$nil) in relation to the revaluation of shares issued for equity and a share-based payment expense of \$235,657.

6. INVENTORY

	31 Dec 2024	30 Jun 2024
	\$	\$
Raw materials	7,110,820	7,110,820
Finished goods at fair value less costs to sell	734,154	734,154
Warehouse stores and materials	45,801	100,646
	7,890,775	7,945,620

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.

During the half year ended 31 December 2024, there was no movement of Manganese ore stockpiles due to production being suspended at the Butcherbird site.

7. PROPERTY, PLANT AND EQUIPMENT

	Buildings	IT Equipment	Mine Properties and Development	Plant and Equipment	Furniture & Fittings	Assets Under Construction	Total
	\$	\$	\$	\$	\$	\$	\$
Carrying amount – at cost							
At 30 June 2024	4,732,299	297,387	9,576,674	12,357,149	-	20,955,253	47,918,762
Additions	-	8,391	-	2,502	1,550	4,606,966	4,619,409
Disposals	-	-	-	-	-	(12,444)	(12,444)
Other	-	-	-	-	-	-	-
At 31 December 2024	4,732,299	305,778	9,576,674	12,359,651	1,550	25,549,775	52,525,727
Accumulated depreciation							
At 30 June 2024	(1,376,293)	(279,321)	(649,734)	(3,225,899)	-	-	(5,531,247)
Depreciation expense	(52,731)	(5,094)	(39,990)	(250)	(77)	-	(98,142)
Disposals	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
At 31 December 2024	(1,429,024)	(284,415)	(689,724)	(3,226,149)	(77)	-	(5,629,389)
Net book value							
At 30 June 2024	3,356,006	18,066	8,926,940	9,131,250	-	20,955,253	42,387,515
Additions	-	8,391	-	2,502	1,550	4,606,966	4,619,409
Depreciation expense	(52,731)	(5,094)	(39,990)	(250)	(77)	-	(98,142)
Disposals	-	-	-	-	-	(12,444)	(12,444)
Other	-	-	-	-	-	-	-
At 31 December 2024	3,303,275	21,363	8,886,950	9,133,502	1,473	25,549,775	46,896,338

Assets under construction at 31 December 2024 of \$25,549,775 (30 June 2024: \$20,955,253) 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 \$21,737,022 (30 June 2024: \$19,759,268) for HPMSM project and \$3,781,870 (30 June 2024: \$1,161,050) for the Butcherbird Stage 2 Expansion project.

In accordance with AASB - 136 Impairment of Assets, the Group assessed whether there were any indicators of impairment. The assessment considered the Group's Consolidated 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 no indicators of impairment exist.

8. TRADE AND OTHER PAYABLES

	31 Dec 2024	30 Jun 2024
	\$	\$
Trade payables	4,549,238	4,488,497
Other payables and accruals	340,313	1,078,174
	4,889,551	5,566,671

9. PROVISIONS

	31 Dec 2024	30 Jun 2024
	\$	\$
Current		
Provision for annual leave	410,212	473,595
Provision for long service leave	159,402	154,262
	569,614	627,857
Non-Current		
Rehabilitation provision	1,683,000	1,683,000
	1,683,000	1,683,000

10. ISSUED CAPITAL

	31 Dec 2024	30 Jun 2024
	\$	\$
221,912,401 fully paid ordinary shares (30 June 2024: 219,530,335)	135,158,278	134,533,276

	31 Dec 2024		30 Jun 2024	
	Number	\$	Number	\$
a) Movement in ordinary share capital				
Balance at the beginning of the period	219,530,335	134,533,276	194,960,368	111,448,309
Placement Issue (i)	2,382,066	643,145	22,569,967	22,569,967
Exercise of options	-	-	2,000,000	522,000
Transaction costs	-	(18,143)	-	(7,000)
Total issued capital	221,912,401	135,158,278	219,530,335	134,533,276

- (i) During the half year ended 31 December 2024, the Company issued 2,382,066 fully paid ordinary shares at an issue price of \$0.27 under a Share Purchase Plan.

11. CONTINGENCIES

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

12. RELATED PARTY

There were no significant changes in the nature of related party transactions since 30 June 2024.

13. 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:

Name	Country of Incorporation	Class of Shares	31 Dec 2024	30 Jun 2024
			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 (HPMSM) LLC	United States of America	Ordinary	100	100
Element 25 (Louisiana) LLC	United States of America	Ordinary	100	100

14. SUBSEQUENT EVENTS

In January 2025, the Group entered into a Grant Agreement with the US Department of Energy for the provision of US\$166,128,094 funding to support the construction of the HPMSM refinery in Louisiana.

On 13 January 2025, the Company received formal approval from the WA Department of Energy, Mines, Industry Regulation and Safety, for the planned Butcherbird Stage 2 Expansion project.

On 30 January 2025, the Group announced that it has utilised its At-The-Market Subscription Agreement (ATM) with Acuity Capital to raise AU\$2,850,000 (inclusive of costs) by agreeing to issue 8,700,000 fully paid ordinary shares.

No other matter or circumstance has arisen since 31 December 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 periods.

DIRECTORS' DECLARATION

In the opinion of the directors:

- (a) The financial statements and notes of the Group for the half-year ended 31 December 2024 are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Group's financial position as at 31 December 2024 and of its performance for the half-year ended on that date; and
 - (ii) complying with Australian Accounting Standard *AASB 134 Interim Financial Reporting*, International Financial Reporting Standard, IAS 34 Interim Financial Reporting and the Corporations Regulations 2001, and other mandatory professional reporting requirements.
- (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.

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



Justin Brown
Managing Director

Perth, 13 March 2025

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Independent auditor's review report to the members of Element 25 Limited

Report on the half-year financial report

Conclusion

We have reviewed the half-year financial report of Element 25 Limited (the Company) and the entities it controlled during the half-year (together the Group), which comprises the consolidated statement of financial position as at 31 December 2024, the consolidated statement of changes in equity, consolidated statement of cash flows and consolidated statement of profit or loss and other comprehensive income for the half-year ended on that date, selected explanatory notes and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Element 25 Limited does not comply with the *Corporations Act 2001* including:

1. giving a true and fair view of the Group's financial position as at 31 December 2024 and of its performance for the half-year ended on that date
2. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report.

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

Responsibilities of the directors for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year 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 half-year financial report that is free from material misstatement whether due to fraud or error.



Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2024 and of its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

A stylized, handwritten-style signature of the firm PricewaterhouseCoopers.

PricewaterhouseCoopers

A handwritten signature of Adam Thompson.

Adam Thompson
Partner

Perth
13 March 2025

CORPORATE DIRECTORY

DIRECTORS

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

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SECRETARY

Michael Jordon

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