

ELEMENT 25 PROVIDES U.S. HPMSM PROJECT DEVELOPMENT UPDATE

HIGHLIGHTS

- Revised US\$166 million U.S. Department of Energy grant terms agreed, supporting the revised development pathway for the planned Louisiana HPMSM Project.
- E25 participates in the U.S. Defense Industrial Base Consortium critical minerals round two RPP which identifies manganese (HPMSM and electrolytic) as one of four named commodities.
- Element 25 and Stellantis have agreed in principle revised HPMSM offtake and prepayment arrangements, subject to completion and execution of definitive amendment documents.
- GM supply and financing agreements mutually terminated as part of the revised Project execution strategy; the parties remain engaged regarding future opportunities to work together.
- Project financing strategy expanded beyond original OEM-linked structure, with debt, strategic equity and project-level investment pathways under evaluation.
- Global battery storage additions reached 108 GW in 2025, 40% above 2024, broadening battery demand beyond electric vehicles.

Element 25 Limited (**E25** or **Company**) (**ASX: E25; OTCQX: ELMTF**) is pleased to provide the following update on its planned high-purity manganese sulphate monohydrate (**HPMSM**) facility in Louisiana, USA (**Project**).

U.S. DEPARTMENT OF ENERGY GRANT

On 7 July 2026, E25 announced that revised terms had been agreed with the U.S. Department of Energy (**DoE**) for the Company's US\$166 million grant under the Battery Materials Processing Grant Program. The revised agreement updates the scope of work, budget-period tasks and milestones for the revised Project execution plan¹.

The DoE grant remains a central component of the Project development and funding strategy. The Company continues to work with the DoE on implementation of the revised scope and milestones, with the changes principally of an administrative and scheduling nature.

The Company is currently working through the administrative processes with the DoE team to formally update the grant documentation and will provide further confirmation once the revised documentation has been finalised.

¹ E25 ASX Announcement dated 7 July 2026

STELLANTIS OFFTAKE UPDATE

Element 25 and Stellantis N.V. (**Stellantis**) remain committed to supporting the Project and are working constructively toward revising their existing agreements to align with the updated Project execution plan and development schedule. A further update will be provided once negotiations have been finalised.

UPDATED GM COMMERCIAL FRAMEWORK

Element 25 and General Motors LLC (**GM**) have mutually terminated the supply agreement, credit agreement and related letter agreements entered into in June 2023. The legacy agreements reflected an earlier Project schedule, execution plan and funding structure.

The termination was completed on a mutually agreed basis and includes reciprocal releases, termination of GM's term loan commitments, and release of related security interests and collateral arrangements.

The Company and GM remain engaged regarding potential future opportunities for HPMSM supply as the Project advances. Further updates will be provided as the Project advances.

U.S. CRITICAL MINERALS AND DEFENCE INDUSTRIAL BASE FOCUS

United States Executive Order 14241, issued on 20 March 2025, identified domestic mineral production, including mining, processing, refining and production of processed critical minerals and derivative products, as relevant to U.S. national and economic security.

The US Defense Industrial Base Consortium (**DIBC**) released Request for Project Proposals (**RPP**) RPP-CM-26-02, Domestic Processing Capabilities of Critical Minerals in August 2026. The solicitation expressly identifies "Manganese (including high purity and electrolytic)" alongside indium, magnesium and titanium.

The DIBC solicitation seeks solutions addressing domestic supply-chain gaps across activities including raw mineral sourcing and beneficiation, separation and processing, refining and upscaling, alloying and finish processing, recycling and recovery, and supporting supply chains.

Element 25 has made an initial submission under the RPP, and will provide further information as requested to support the RPP evaluation process. Participation in any DIBC process is subject to separate application, evaluation and approval, and there is no assurance of an award.

Element 25 Managing Director Justin Brown said:

"The U.S.A. HPMSM Project is being progressed in a substantially different market, policy and funding environment from that which existed when the original commercial agreements were entered into in 2023. The updated DoE grant terms, the commercial reset with GM and the agreement in principle reached with Stellantis allow the Company to align its development pathway with the revised Project execution strategy and timeline.

The revised Project structure also provides greater flexibility in relation to financing and the Company is assessing a range of alternatives including project finance debt, strategic investment and project-level participation structures, alongside existing government support mechanisms."

ENGAGEMENT WITH THE U.S. CRITICAL MINERALS ECOSYSTEM

The Company continues to engage with a broad range of stakeholders across the United States critical materials, advanced manufacturing and battery supply chain sectors.

As part of these activities, members of the Company's management team recently visited Kansas City, Missouri, and met with representatives from the Critical Materials Crossroads (**CMC**) initiative, together with a range of government, industry, research and commercial stakeholders involved in critical minerals and advanced manufacturing development.

CMC is a collaborative initiative involving government, industry, academic and non-profit organisations focused on strengthening domestic critical materials supply chains, advanced manufacturing capability and regional economic development within the United States.

The Company views initiatives such as CMC as an important forum for collaboration across the broader critical minerals value chain and an opportunity to better understand emerging industry priorities, technology developments, supply chain requirements and investment trends relevant to domestic critical materials processing.

Discussions undertaken by the Company formed part of its broader program of stakeholder engagement associated with the planned Louisiana HPMSM Project and were focused on potential collaboration opportunities, industry development initiatives and evolving requirements for secure domestic supply chains for strategically important materials.

The Company intends to continue engagement with industry organisations, government agencies, research institutions and strategic market participants as it progresses development of the U.S. HPMSM Project.

Element 25 Managing Director Justin Brown said:

"In addition to engagement with existing stakeholders, we have also increased our engagement across the broader U.S. critical materials ecosystem, including through discussions with participants in the CMC initiative and other industry stakeholders. These engagements reinforce the importance of domestic manufacturing initiatives as the U.S. seeks to re-invigorate its industrial base, including capacity building for critical minerals processing and supply chains."

STRATEGIC IMPORTANCE OF MANGANESE

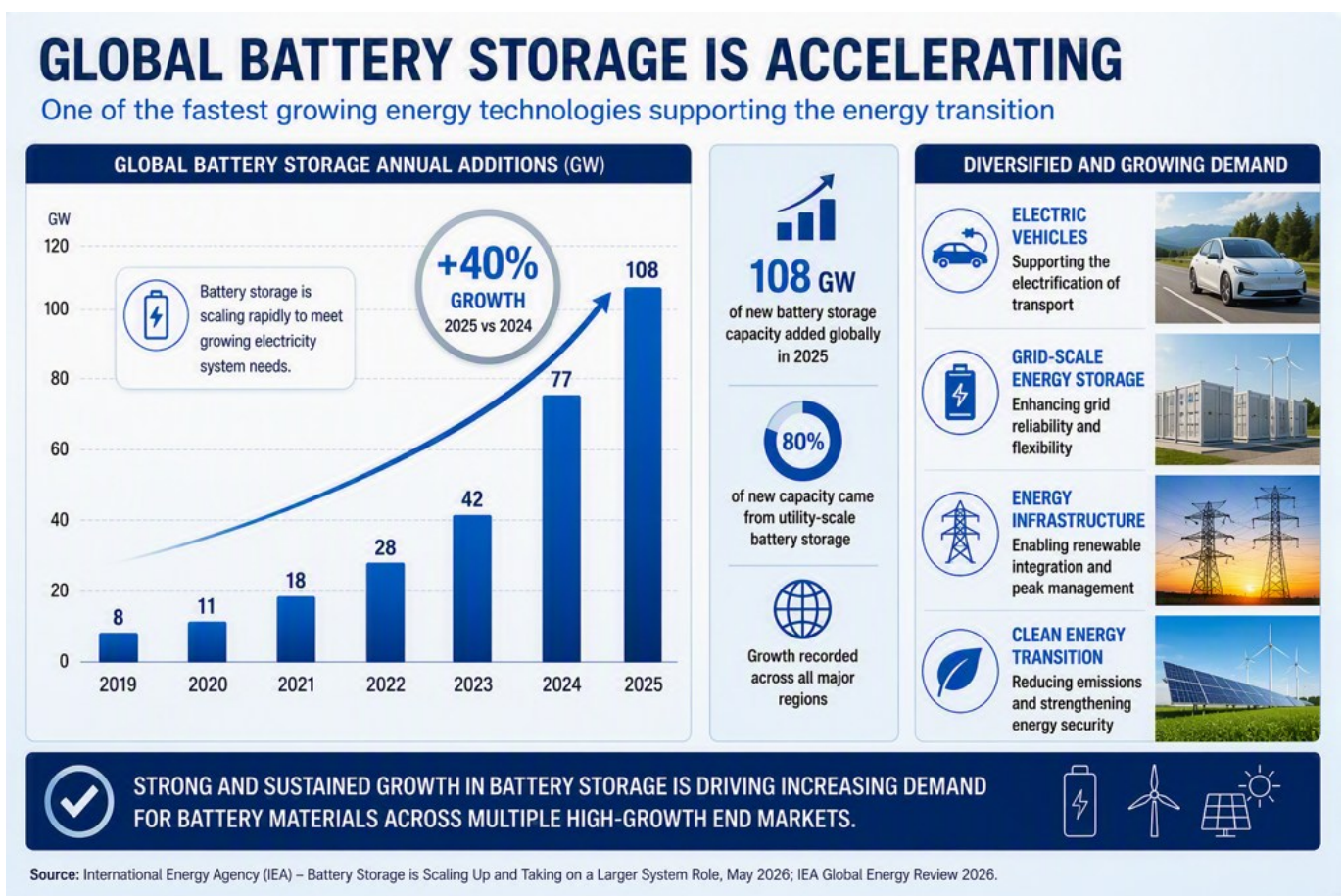
Manganese has established industrial uses. The U.S. Geological Survey (**USGS**) states that manganese is essential to iron and steel production, with steelmaking representing most U.S. domestic manganese demand. USGS also notes applications in aluminium alloys and batteries².

USGS has reported that the United States has been reliant on imported manganese for many decades and has described the combination of import reliance, essential uses and the potential for supply disruption as making manganese among the most critical minerals for the United States³.

The International Energy Agency (**IEA**) has also identified the emergence of manganese-rich lithium-ion cathodes as part of the evolving battery technology and mineral supply-chain landscape⁴.

BATTERY STORAGE MARKET DEVELOPMENT

Battery demand is increasingly relevant across both transport and stationary energy applications. The IEA reported that 108 GW of new battery storage capacity was deployed globally in 2025, 40% more than in 2024, and that approximately 80% of new capacity was utility-scale.



² <https://www.usgs.gov/centers/national-minerals-information-center/manganese-statistics-and-information>

³ <https://www.usgs.gov/centers/national-minerals-information-center/manganese-statistics-and-information>

⁴ <https://www.iea.org/reports/global-critical-minerals-outlook-2025/beyond-nmc-batteries-supply-chain-issues-for-emerging-battery-technologies>

The IEA also reported that battery storage is being used to support grid balancing, renewable energy integration and electricity security. While electric vehicles remain an important source of battery demand, the growth of stationary storage broadens the range of end markets relevant to battery materials.

The Company continues to assess developments in battery chemistry and end-use markets as part of the revised Project execution strategy.

NEXT STEPS

- Progress definitive Stellantis amendment documents;
- Continue engagement with the DoE on the revised grant scope and milestones;
- Advance the revised Project execution plan and associated financing workstreams; and
- Monitor and assess relevant U.S. critical minerals policy and funding processes.

The Company will provide updates in accordance with its continuous disclosure obligations.

ABOUT ELEMENT 25

Element 25 is an ASX-listed company (**ASX: E25**) that operates the world-class 100%-owned Butcherbird Manganese Project in Western Australia and is currently undertaking activities to recommence production at approximately 1.1Mtpa of medium-grade high silica manganese ore⁵ for use in traditional and new energy markets.

E25 is also commercialising innovative proprietary technology to produce battery-grade high-purity manganese sulphate monohydrate (**HPMSM**) for use in battery manufacturing. The Company is planning its first HPMSM refinery in Louisiana USA to produce raw material for the US market, with a grant for US\$166 million (AU\$268 million) in project funding from the U.S. Department of Energy (**DoE**) under the Battery Materials Processing Grant (**MESC**) Programme⁶.

An anticipated strategic shift towards lithium manganese rich (**LMR**) battery chemistries over high nickel formulations will materially increase demand for HPMSM, with automakers looking to adopt this technology after extensive research. Automakers have announced plans to introduce LMR batteries to improve safety, energy density, and reduce costs. LMR battery cells use around to 50-70% manganese increasing the required manganese by up to 10X compared to high nickel ternary chemistries.

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

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

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⁵ E25 ASX Announcement dated 22 January 2025

⁶ E25 ASX Announcement dated 7 July 2026

Competent Persons Statement

The Company confirms that in the case of Production Targets, all material assumptions underpinning the production target, or the forecast financial information derived from a production target, in the market announcement dated 22 January 2025 continue to apply and have not materially changed. All estimates or Mineral Resources or Ore Reserves underpinning the production target have been prepared by a competent person or persons in accordance with the requirements of the JORC Code, Appendix 5A.

The Company confirms that in the case of Mineral Resource or Ore Reserves, all material assumptions and technical parameters underpinning the estimates in the market announcements dated 29 October 2024 and 22 January 2025 continue to apply and have not materially changed.

The Company confirms that it is not aware of any new information or data that materially affects information included in previous announcements, and all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.

Investor Relations Disclaimer

Certain Statements included in this announcement are forward-looking statements concerning Element 25 Limited and its subsidiaries (E25) and its operations, economic performance, financial condition, plans and expectations. Without limiting the foregoing, statements including the words “believes”, “anticipates”, “plans”, “expects”, “could”, “potential”, “should” and similar expressions are also forward-looking statements.

All forward-looking statements are subject to a variety of known and unknown risks, uncertainties and other factors that could cause actual events or results to differ from those expressed or implied, including, without limitation, business integration risks; uncertainty of production, development plans and cost estimates, commodity price fluctuations; political or economic instability and regulatory changes; currency fluctuations, the state of the capital markets, uncertainty in the measurement of mineral reserves and resource estimates, E25's ability to attract and retain qualified personnel and management, potential labour unrest, reclamation and closure requirements for mineral properties; unpredictable risks and hazards related to the development and operation of a mine or mineral or mineral deposit or mineral processing facility that are beyond E25's control, the availability of capital to fund all of the Company's projects and other risks and uncertainties.

You are cautioned that the foregoing list is not exhaustive of all factors and assumptions which may have been used. E25 cannot assure you that actual events, performance or results will be consistent with these forward-looking statements, and management's assumptions may prove to be incorrect. E25's forward-looking statements reflect current expectations regarding future events and operating performance and speak only as of the date hereof and E25 does not assume any obligation to update forward-looking statements if circumstances or management's beliefs, expectations or opinions should change other than as required by applicable law. For the reasons set forth above, you should not place undue reliance on forward-looking statements.