

INTERIM REPORT

INTERIM FINANCIAL REPORT
FOR THE HALF YEAR ENDED 31 DECEMBER 2025

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PRINCIPAL ACTIVITIES AND REVIEW OF OPERATIONS

Overview

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

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

Having completed a Feasibility Study (**HPMSM FS**) for the project in April 2023², Element 25 plans to construct a HPMSM facility in Louisiana – the first of its kind in the USA. The proposed HPMSM facility will use concentrate from Element 25's mining and processing operations at Butcherbird as feedstock for the refining process.

The proposed HPMSM facility is supported by key offtake and funding commitments from General Motors LLC (**GM**) and Stellantis N.V. (**Stellantis**)³. Additionally, Element 25 was awarded US\$166 million (AU\$268 million)⁴ in grant funding for the project from the U.S. Department of Energy (**DoE**) in January 2025⁵ to support the project.

Element 25 has also commenced works to upgrade its Butcherbird operations to 1.1Mtpa of manganese concentrate production⁶, targeting commercial production by Q1 CY2027 (the **Butcherbird Expansion Project or BBX**). The expanded processing operation is based on an 18 year Reserve⁷.

Operational highlights for the first half of FY2026 included:

- AU\$50 million secured senior debt facility from Northern Australia Infrastructure Facility (**NAIF**)⁸.
- AU\$10 million share placement completed to fund early works related to BBX, and for working capital.
- Detailed engineering design initiated for BBX with appointment of Perth-based Altris Engineering (**Altris**) as lead engineering consultant⁹.
- BBX Process improvement studies completed, targeting potential cost savings and execution flexibility options.
- Mining services contract tender approaching final selection; key processing equipment procured¹⁰.

1 E25 ASX Announcement dated 22 January 2025

2 E25 ASX Announcement dated 12 April 2023

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

4 USD:AUD conversion rate 0.62. Reference: www.xe.com

5 E25 ASX Announcement 20 January 2025

6 E25 ASX Announcement date 22 January 2025

7 E25 ASX Announcement dated 22 January 2025

8 E25 ASX Announcement dated 17 June 2025

9 E25 ASX Announcement dated 22 October 2025

10 E25 ASX Announcement dated 25 November 2025

DIRECTORS' REPORT

Your 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 2025.

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 (resigned effective 1 January 2026)

Company Secretary

- Michael Jordon



BUTCHERBIRD OPERATIONS

Safety

For the six months ending December 2025, Element 25 recorded 0 (nil) Lost Time Injuries (**LTI**) and 0 (nil) Medical Treatment Injuries (**MTI**).

Butcherbird Expansion Project (BBX)

Element 25 completed a Feasibility Study for its Butcherbird Expansion Project (**BBX**) in January 2025, which estimated a capital cost of AU\$64.8 million with a pre-tax Net Present Value (**NPV**) of AU\$561 million with a 96% pre-tax Internal Rate of Return (**IRR**), generating an average of AU\$70.5 million per year cashflow over a mine life of more than 18 years¹¹.

Butcherbird's expansion will supply traditional steel markets and also underpin the long-term supply of manganese concentrate feedstock for Element 25's planned battery grade, high purity manganese sulphate monohydrate (HPMSM) processing facility which it plans to build in Louisiana, USA.



Capital Cost

AU\$64.8

(incl. contingency)



NPV₈

AU\$561M

(Pre-tax, real)



IRR

96%



Cashflow

AU\$70.5M

(annual)



Payback

1.3

(years)

In September 2025, Element 25 completed a AU\$10 million share placement¹² to fund detailed engineering works and long lead item procurement activities for BBX. The Placement followed the announcement in June 2025¹³ of a AU\$50 million senior debt facility secured from the Northern Australia Infrastructure Facility (**NAIF**). The Placement settled on 19 September 2025.

In October 2025, Element 25 announced the appointment of Perth-based Altris Engineering (**Altris**) to lead BBX and undertake all detailed engineering design for the project¹⁴. Altris is an engineering consultancy providing practical and innovative solutions to clients in the mineral processing sector.

Element 25 and Altris have implemented an Integrated Project Team (**IPT**) methodology, with Element 25 engineering personnel embedded and located with the Altris team to ensure collaboration and information sharing are maximised. Early process and cost improvement studies

¹¹ E25 ASX Announcement dated 22 January 2025

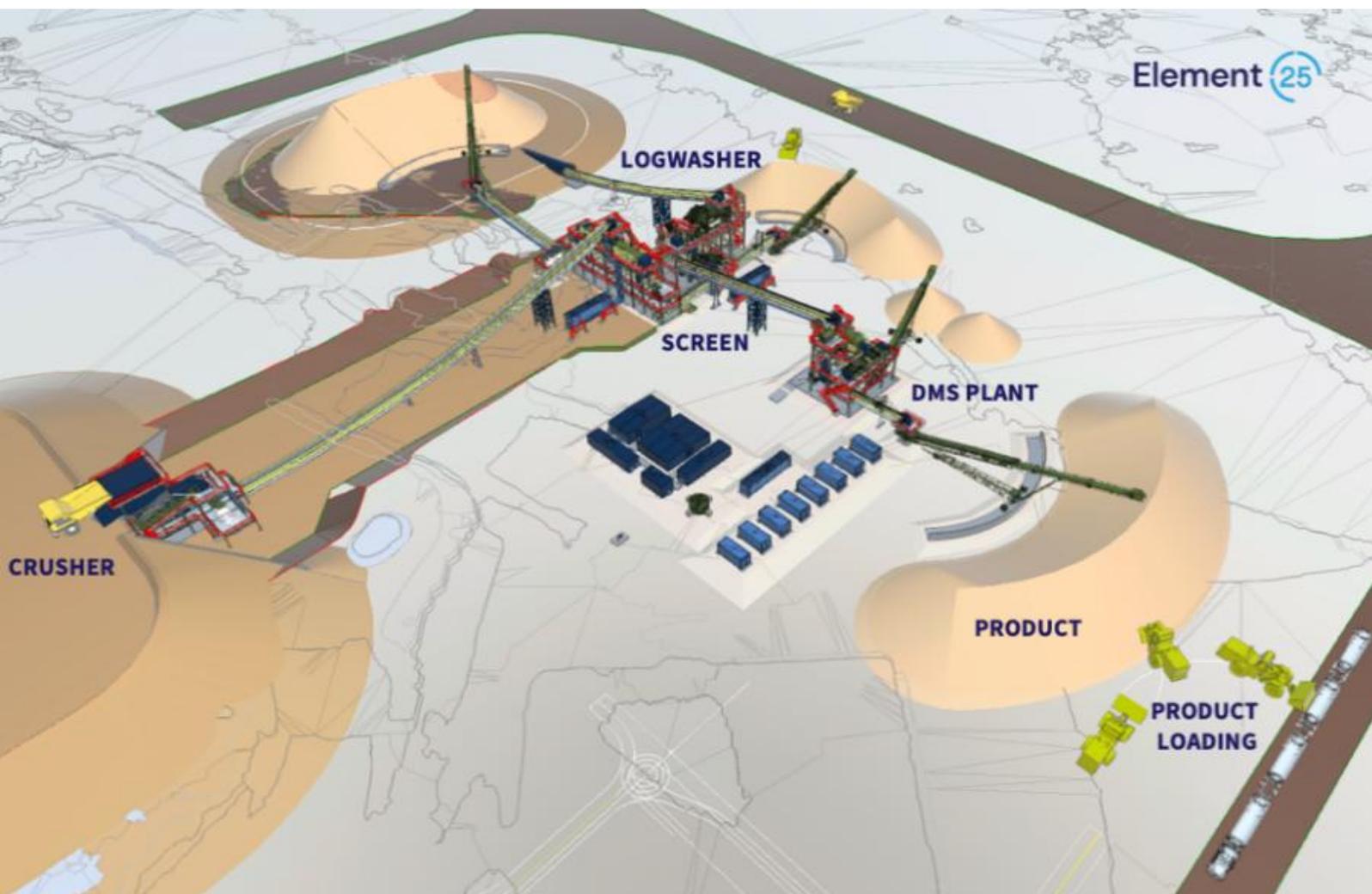
¹² E25 ASX Announcement dated 12 September 2025

¹³ E25 ASX Announcement dated 17 June 2025

¹⁴ E25 ASX Announcement dated 22 October 2025

have commenced with benefits being identified relating to cost-saving and execution flexibility opportunities.

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



Commercial Contracts

Mining Services Contract

Element 25's Procurement Team has materially advanced the tender process to secure a suitable mining services contractor to support expanded mining operations at Butcherbird. The team is evaluating proposals from participating contractors, based on key selection criteria including contractor experience, capability and value for money. Applicants have been short-listed and the tender assessment process continues.

Crushing and Mineral Sizer Solutions

Element 25 selected mineral sizers from MMD as the preferred equipment for this application, and a procurement contract signed with MMD to supply both the primary and secondary sizer units along with critical spares and commitment for commissioning support and post-commissioning maintenance services.



Equipment delivery is scheduled to align with the overall project plan and will be closely monitored.

Logwasher

The logwasher is a large-scale scrubbing unit with two counter-rotating paddle shafts that scrub the feed while an opposing water flow separates liberated fines discharging clean product at the upper outlet of an inclined trough. This is a key step on the process flowsheet for BBX, where the process aims to liberate the lump manganese product for the intercalated lateritic clay material.

Element 25 engaged KISA Gmbh to supply a logwasher unit with a nominal 600 t/h federate and max 11° gradient. The unit has been carefully selected for the proposed BBX use case. The logwasher has been manufactured and awaits transportation to the Project site in accordance with the current schedule.



Logistics

Element 25 maintains a close partnership with REGROUP, the logistics service provider which supported the Stage 1 operations at Butcherbird, providing road haulage services for manganese concentrate from the Butcherbird mine site.



Element 25 is negotiating a road haulage agreement for the BBX Project with REGROUP to provide for increased volumes as well as more efficient material movement through revised equipment selection and scheduling and improved analytics as well as a broader review of contract terms.

As the largest cost of the proposed operation, both parties are working together to maximise efficiencies and reduce transportation costs, with identifying opportunities for continuous improvement being a key priority.

As per the Stage 1 Butcherbird operations, the Company will utilise the Utah Point common user facilities in Port Hedland to export manganese concentrate cargos, with adjustments to the logistics plan being developed to accommodate the larger volumes and optimise the overall transport costs.

Offtake

Discussions remain ongoing with a several key counterparties to finalise offtake for the increased production from BBX.

The manganese concentrate product produced at the Butcherbird Mine has a unique set of properties which make it attractive to smelters, particularly in the silico-manganese market. These attributes include a high silica content (>20%), low levels of deleterious contaminants such as phosphorous, heavy metals and arsenic, a suitable iron-manganese ratio and a physical

competency which minimises fragmentation and fines generation which can be important for transport and in smelting operations.

The Company continues to refine the terms of the offtake under these negotiations and plans to finalise the preferred offtake partner and commercial terms as soon as practicable.

Core Operating Systems

The Core Operating and Business Intelligence Systems are key for the success of both the BBX Project and the long-term operations of the Butcherbird Manganese Mine.

Element 25's procurement team is working with selected consultants to develop the solution design document and define the scope of work for the core systems and associated infrastructure, including its Enterprise Resource Planning (**ERP**) system.



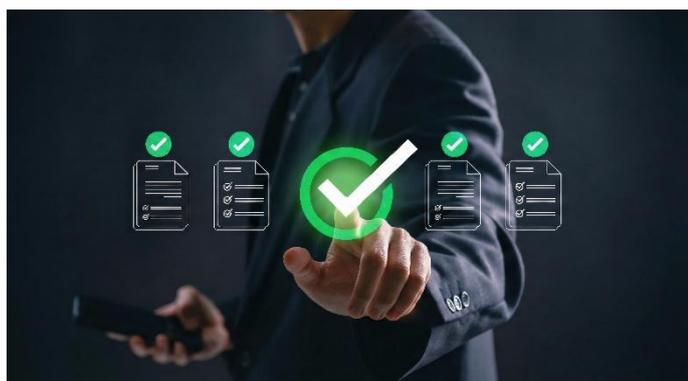
These systems will provide the foundation for Element 25's vision to deliver a highly granular digital business intelligence system with detailed visibility on all operational elements from pit-to-port to support ongoing efficiency improvements, optimise product quality and reduce costs.

As a long-term operation, it is critical that the Butcherbird Mine utilises a future-facing technology strategy to maintain its competitive edge as the world moves towards the expanded adoption of real-time data driven automated decision making to maximise performance across all key metrics including safety, performance, and profitability.

Permitting and Approvals

The Element 25 Butcherbird Project is fully approved under the Western Australian Regulatory Framework to construct the 1.1Mtpa processing plant¹⁵.

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



An established Tailings Storage Facility (**TSF**) is fully approved to support the storage requirements of the expansion for the first six years of operations and subsequent staged lifts and engineering designs have been completed to sustain the current Reserve life of the project.

To reflect the expanded processing plant footprint and increase in throughput, the Mining Proposal and Mine Closure Plan were updated and approved in December 2024 by the Department of Mines, Petroleum and Exploration (**DMPE**, formerly **DMIRS**)¹⁶. The Works Approval for the construction of

¹⁵ E25 ASX Announcement dated 12 March 2025

¹⁶ E25 ASX Announcement dated 13 January 2025

the expanded processing facility project was approved by the WA Department of Environment and Regulation (**DWER**) in March 2025.

Project Schedule

The schedule for BBX is continually updated to accommodate commercial contracting, supplier engagement, completed works, and alignment with the project plan, including activities that are forecasted, planned, commenced and achieved (Figure 1).

The work breakdown structure (**WBS**) is comprehensive, with significant interdependencies among tasks and activities. The team remains dedicated to maintaining project timelines and budgetary objectives.

The schedule remains subject to a number of key dependencies including achieving project financial close, completion of detailed engineering, procurement of key equipment and finalising contracts in accordance with the planned key dates and continues to be monitored as BBX progresses.

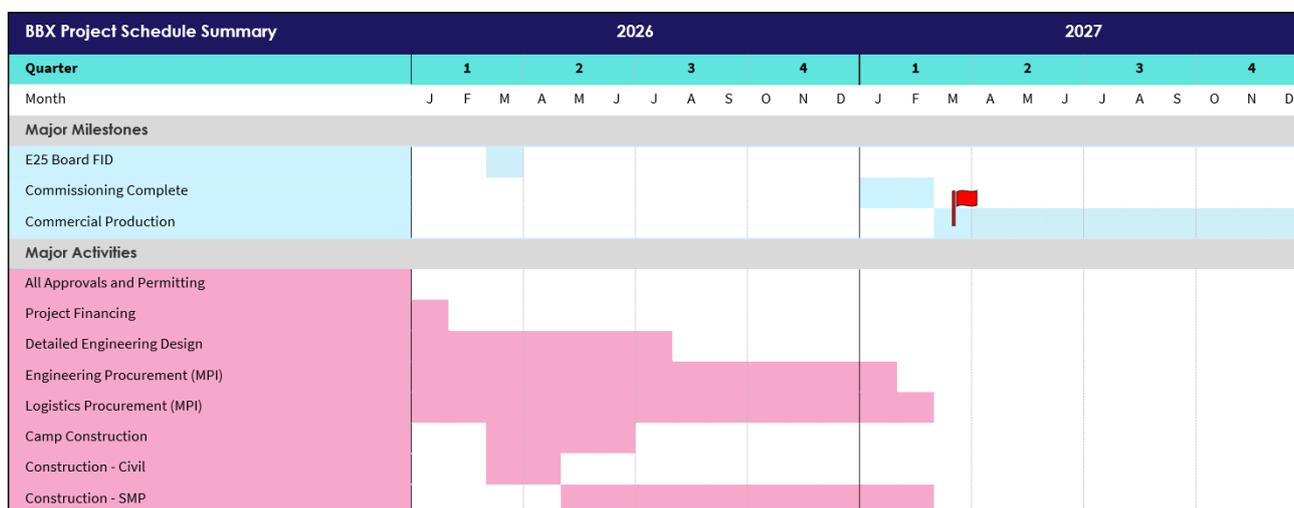


Figure 1: Butcherbird Expansion Project Timeline Summary

HPMSM FACILITY DEVELOPMENT, LOUISIANA

Element 25 plans to build and operate a first-of-its-kind, environmentally sustainable refining facility in the Baton Rouge area, Louisiana, to produce HPMSM, a critical raw material in lithium-ion batteries. The planned 230,000 square-foot (~21,000m²) 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 U.S., reducing current dependency on Chinese sources. The Facility will create hundreds of highly skilled construction and permanent jobs for Louisianans.

In January 2025, Element 25 was formally awarded a US\$166 million grant from the U.S. Department of Energy (**DoE**) under its Manufacturing and Energy Supply Chains (**MESC**) Battery Materials Processing Grant Program. 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 forms a key component of Element 25's financing strategy, in addition to commitments by offtake partners GM and Stellantis, and its execution team will now work to finalise the project schedule, subject to grant finalisation.

LAKE JOHNSON PROJECT, WA

During the period, Element 25 continued exploration activities at its Lake Johnston Project, 500km east of Perth in Western Australia, to follow up on targets defined in an earlier study.

On-ground investigations by Element 25 personnel confirmed pegmatite occurrences within the project area. The project remains prospective for gold and lithium and exploration is continuing.

BUSINESS DEVELOPMENT

Proposed Japanese HPMSM Facility

In September 2024, Element 25 signed a non-binding Memorandum of Understanding with Nissan Chemical Corporation and NC Tokyo Bay Corporation to complete a pre-feasibility study into a battery grade HPMSM facility to be located at the existing NCTB site in Chiba prefecture, Japan¹⁷.

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

As announced in April 2025, the parties completed a high-level scoping study, which examined a range of factors, including permitting, logistics, reagent supply, labour, capital and operating costs. The Study confirmed the potential feasibility of the Facility and identified no fatal flaws, and the parties have agreed to proceed to a more detailed investigation¹⁸.

Site investigation activities are ongoing and the parties have a targeted final investment decision date of June 2026.

CORPORATE

Director Retirement

In December 2025, the Company announced the retirement of Rudolph (Fanie) van Jaarsveld from its Board of Directors and his position as a Non-Executive Director, effective 1 January 2026¹⁹.

Fanie will remain as a consultant to the Company and will continue to bring his valuable operational experience to the delivery of the Butcherbird Expansion Project as required.

¹⁷ E25 ASX Announcement dated 3 September 2024

¹⁸ E25 ASX Announcement dated 2 April 2025

¹⁹ E25 ASX Announcement dated 19 December 2025

Subscription Agreement

As part of its ongoing capital management strategy, subsequent to year-end, the Company signed an At-the-Market Subscription Agreement (**ATM**) with Acuity Capital Investment Management Pty Ltd (**Acuity Capital**) to provide Element 25 with up to \$30 million of standby equity capital over the coming 36-month period.

This standby facility may be used to fund the expansion of the Butcherbird Project, working capital and to fund Company growth.

Under the ATM, Element 25 has full discretion as to whether or not to utilise the ATM, the maximum number of shares to be issued, the minimum issue price of shares and the timing of each subscription (if any). There are no requirements on Element 25 to utilise the ATM and the Company may terminate the ATM at any time, without cost or penalty.

Acuity Capital and the ATM do not place any restrictions on Element 25 raising capital through other methods. If Element 25 does decide to utilise the ATM, it is able to set a floor price (at its sole discretion) and the final issue price will be calculated as the greater of that floor price set by Element 25 and up to a 10% discount to a Volume Weighted Average Price (**VWAP**) over a period of Element 25's choosing (again, at the sole discretion of Element 25).

As security for the ATM, the Company has an existing placement 9,500,000 fully paid ordinary E25 shares to Acuity Capital at nil cash consideration. Upon termination or maturity of the ATM, Element 25 may buy back (and cancel) the shares placed as security for nil cash consideration (subject to shareholder approval²⁰).

RESULTS

During the half year ended 31 December 2025, the Company had total of \$102,207 other income (2024: \$94,170). There was no revenue generated in respect of sales of Manganese Ore due to Butcherbird Expansion.

During the period the Company recognised cost of sales of \$410,430 (2024: \$1,394,503) in respect to the costs incurred for care and maintenance across critical operational areas including mining, processing and distribution.

During the period, the Company incurred general and administration expenditure amounting to \$1,577,028 (2024: \$1,128,529), including corporate administration expense of \$1,379,633 (2024: \$1,055,118), depreciation of Property, Plant and Equipment of \$5,890 (2024: \$57,902), depreciation of right of use asset of \$12,916 (2024: \$14,303), and \$178,589 (2024: \$1,206) 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 2025 of \$1,900,733 (2024: \$2,435,181).

²⁰ E25 ASX Announcement dated 27 January 2026

The Group had a cash balance of \$7,772,915 as at 31 December 2025.

	2025	2024
	\$	\$
Basic and diluted loss per share (cents)	(0.71)	(1.10)

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 12

Signed in accordance with a resolution of the Directors.



Justin Brown
Managing Director

Perth, 12 March 2026



Auditor's Independence Declaration

As lead auditor of Element 25 Limited's financial report for the half-year ended 31 December 2025, 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 of the financial report; and
- b) no contraventions of any applicable code of professional conduct in relation to the review of the financial report.

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

Adam Thompson
Partner
PricewaterhouseCoopers

Perth
12 March 2026

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2025

	Note	31 Dec 2025 \$	31 Dec 2024 \$
Revenue	3	-	3,494
Cost of sales	4	(410,430)	(1,394,503)
GROSS PROFIT		(410,430)	(1,391,009)
Other income		102,207	99,407
General and administration expenses	5	(1,577,028)	(1,128,529)
Finance expense		(15,482)	(15,050)
LOSS BEFORE INCOME TAX		(1,900,733)	(2,435,181)
INCOME TAX EXPENSE		-	-
LOSS FOR THE YEAR ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		(1,900,733)	(2,435,181)
OTHER COMPREHENSIVE INCOME			
<i>Items that may be reclassified to profit or loss</i>			
Exchange differences on translation of foreign operations		99	1,166
Other comprehensive loss for the year, net of tax		99	1,166
TOTAL COMPREHENSIVE LOSS FOR THE YEAR ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		(1,900,634)	(2,434,015)
LOSS PER SHARE FOR LOSS ATTRIBUTABLE TO THE ORDINARY EQUITY HOLDERS OF THE COMPANY			
Basic and diluted loss per share (cents per share)		(0.71)	(1.10)

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 2025

	Note	31 Dec 2025	30 Jun 2025
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents		7,772,915	2,162,007
Trade and other receivables		304,401	486,840
Inventory	6	6,877,734	6,877,734
Financial assets at fair value through profit or loss		280,000	338,740
TOTAL CURRENT ASSETS		15,235,050	9,865,321
NON-CURRENT ASSETS			
Restricted cash		528,560	528,560
Property, plant and equipment	7	52,036,719	49,237,837
Deferred exploration and evaluation expenditure		2,542,254	2,329,506
Right of use asset		173,635	272,585
TOTAL NON-CURRENT ASSETS		55,281,168	52,368,488
TOTAL ASSETS		70,516,218	62,233,809
CURRENT LIABILITIES			
Trade and other payables	8	1,960,622	1,578,679
Provisions	9	3,593,369	3,610,799
Lease Liability		124,369	175,970
TOTAL CURRENT LIABILITIES		5,678,360	5,365,448
NON-CURRENT LIABILITIES			
Lease Liability		62,365	106,403
Provisions	9	1,690,582	1,690,582
TOTAL NON-CURRENT LIABILITIES		1,752,947	1,796,985
TOTAL LIABILITIES		7,431,307	7,162,433
NET ASSETS		63,084,911	55,071,376
EQUITY			
Issued capital	10	147,718,937	138,008,278
Reserves		7,827,991	7,624,382
Accumulated losses		(92,462,017)	(90,561,284)
TOTAL EQUITY		63,084,911	55,071,376

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2025

	Note	Contributed Equity \$	Share-Based Payments Reserve \$	Foreign Currency Translation Reserve \$	Accumulated Losses \$	Total \$
BALANCE AT 1 JULY 2024		134,533,276	7,293,065	(1,461)	(84,693,418)	57,131,462
Loss for the 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		643,145	-	-	-	643,145
Share issue transaction costs		(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
BALANCE AT 1 JULY 2025		138,008,278	7,622,698	1,684	(90,561,284)	55,071,376
Loss for the period		-	-	-	(1,900,733)	(1,900,733)
OTHER COMPREHENSIVE INCOME						
Exchange differences on translation of foreign operations		-	-	99	-	99
TOTAL COMPREHENSIVE LOSS		-	-	99	(1,900,733)	(1,900,634)
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS						
Shares issued during the period	10	10,170,481	-	-	-	10,170,481
Share issue transaction costs	10	(459,822)	-	-	-	(459,822)
Share-based payments		-	203,510	-	-	203,510
BALANCE AT 31 DECEMBER 2025		147,718,937	7,826,208	1,783	(92,462,017)	63,084,911

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 2025

	Note	31 Dec 2025	31 Dec 2024
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		62,912	184,109
Payments to suppliers and employees		(1,593,669)	(3,019,965)
Interest received		47,414	45,945
Interest paid		-	(8,890)
NET CASH OUTFLOW FROM OPERATING ACTIVITIES		(1,483,343)	(2,798,801)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of financial assets		94,088	-
Payments for plant and equipment		(2,423,257)	(4,105,588)
Payments for tenement		(178,240)	(442,729)
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		(2,507,409)	(4,548,317)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issues of ordinary shares	10	10,170,481	643,145
Payment of share issue transaction costs	10	(459,822)	(18,143)
Principal lease repayments		(104,879)	(194,479)
NET CASH INFLOW FROM FINANCING ACTIVITIES		9,605,780	430,523
NET DECREASE IN CASH AND CASH EQUIVALENTS		5,615,028	(6,916,595)
Cash and cash equivalents at the beginning of the period		2,162,007	11,326,929
Effects of exchange rate changes on cash and cash equivalents		(4,120)	206,017
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		7,772,915	4,616,351

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 2025

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 2025, the Butcherbird site remained in care and maintenance to enable progression of the Butcherbird Stage 2 Expansion project and the HPMSM project. Following the Company securing a senior debt facility of up to AU\$50 million from NAIF in June 2025, the Group received AU\$10 million Share Placement in September 2025. In addition, the Company has extended the At-the-Market Subscription Agreement (**ATM**) with Acuity Capital to provide the Company with up to \$30 million of standby equity capital over the coming 36-month period to support the Butcherbird Expansion Project, working capital and broader the Company growth.

Based upon these factors, the Directors has reasonable grounds to believe the Company will be able to continue as a going concern for the foreseeable future, and accordingly, prepare 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 2025 and any public announcements made by Element 25 Limited and its subsidiaries during the half-year ended 31 December 2026 in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the Australian Securities Exchange (**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 ASX.

Material Accounting Policies

The accounting policies applied in these financial statements are consistent with those applied by the Company in the 30 June 2025 consolidated financial statements, and the adoption of new and amended standards that became applicable for the current reporting period. The Company 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 2025 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 Company 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 Company 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 2025	31 Dec 2024
	\$	\$
Sale of manganese	-	-
Shipment revenue	-	3,494
	-	3,494

There were no sales of manganese ore to customers during the half year ended 31 December 2025 due to the Butcherbird Expansion Project.

4. COST OF SALES

	31 Dec 2025	31 Dec 2024
	\$	\$
Mining costs	(22,871)	(18,478)
Processing costs	-	(140,224)
Site administration costs	(224,000)	(618,615)
Haulage costs	(24,000)	(115,356)
Port and shipping costs	7,573	(238,148)
Sales and marketing costs	(17,144)	(32,849)
Royalty costs	(32,540)	(59,242)
Depreciation of processing equipment	-	(250)
Depreciation of restoration	(39,634)	(39,990)
Depreciation of right of use asset	(57,814)	(131,364)
Inventory movement	-	13
	(410,430)	(1,394,503)

During the period ended 31 December 2025, there was no production at the Butcherbird site due to the expansion project. 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 2025	31 Dec 2024
	\$	\$
Depreciation of property, plant and equipment	(5,890)	(57,902)
Loss of foreign exchange expense	(3,249)	(76,541)
Loss of sales of assets	(7,178)	(26,956)
Share-based payment expense	(203,510)	106,928
Fair value loss on remeasurement of financial assets	35,348	(4,637)
Director fees, salaries and wages and other staff costs	(373,955)	(329,206)
Consultants	(710,845)	(369,639)
ASX and other compliance costs	(127,186)	(32,921)
Insurance	(44,357)	(225,188)
Occupancy	(44,935)	(29,441)
Investor relation expenses	(28,510)	(28,005)
Depreciation of right of use asset	(12,916)	(14,303)
Other administration expenses	(49,845)	(40,718)
	(1,577,028)	(1,128,529)

6. INVENTORY

	31 Dec 2025	30 Jun 2025
	\$	\$
Raw materials	6,827,578	6,827,578
Finished goods at fair value less costs to sell	50,156	50,156
	6,877,734	6,877,734

Manganese ore stockpiles represent manganese ore that has been extracted and is available for further processing or sale. For partly processed and saleable manganese, cost is based on the weighted average cost method and includes material and production costs directly attributable to the extraction, processing and transportation of manganese to the existing location and depreciation of property, plant and equipment used in the extraction, processing and transportation of manganese.

During the half year ended 31 December 2025, there was no movement of Manganese ore stockpiles due to the commencement of the expansion project at the Butcherbird site.

7. PROPERTY, PLANT AND EQUIPMENT

	Buildings	Furniture & Fittings	Equipment	IT	Mine Properties and Development	Plant and Equipment	Assets Under Construction	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Carrying amount – at cost								
At 30 June 2025	4,732,299	1,550	309,356		9,584,256	12,359,651	27,980,215	54,967,327
Additions	-	-	-	-	-	-	2,844,406	2,844,406
Disposals	-	-	-	-	-	-	-	-
Other	(1,481,753)	(155)	-	-	(731,384)	(3,226,353)	-	(5,439,645)
At 31 December 2025	3,250,546	1,395	309,356		8,852,872	9,133,298	30,824,621	52,372,088
Accumulated depreciation								
At 30 June 2025	(1,481,753)	(155)	(289,845)		(731,384)	(3,226,353)	-	(5,729,490)
Depreciation expense	-	-	(5,890)		(39,634)	-	-	(45,524)
Disposals	-	-	-		-	-	-	-
Other	1,481,753	155	-		731,384	3,226,353	-	5,439,645
At 31 December 2025	-	-	(295,735)		(39,634)	-	-	(335,369)
Net book value								
At 30 June 2025	3,250,546	1,395	19,511		8,852,872	9,133,298	27,980,215	49,237,837
Additions	-	-	-		-	-	2,844,406	2,844,406
Depreciation expense	-	-	(5,890)		(39,634)	-	-	(45,524)
Disposals	-	-	-		-	-	-	-
Other	-	-	-		-	-	-	-
At 31 December 2025	3,250,546	1,395	13,621		8,813,238	9,133,298	30,824,621	52,036,719

Assets under construction at 31 December 2025 of \$30,824,621 (30 June 2025: \$27,980,215) includes costs directly attributable to bringing assets to a working condition so they are ready for their intended use. The assets which are currently under construction mainly include \$22,378,046 (30 June 2025: \$22,306,790) for the HPMSM project and \$8,204,943 (30 June 2025: \$5,642,542) for the Butcherbird Stage 2 Expansion project.

On 1 July 2025, Element 25 Limited transferred Property, Plant and Equipment of \$26,559,710 and Deferred Exploration and Evaluation Expenditure of \$1,670,894 with a total carrying value of \$28,230,604 to its wholly owned subsidiary Butcherbird Operations Pty Ltd, with the transaction recorded through the intercompany loan account. As a result of the transfer, the cost and corresponding accumulated depreciation of the transferred assets, totalling \$5,439,645, were eliminated to adjust the assets' carrying amount to their value at the date of transfer.

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 2025	30 Jun 2025
	\$	\$
Trade payables	692,516	125,094
Other payables and accruals	1,268,106	1,453,585
	1,960,622	1,578,679

9. PROVISIONS

	31 Dec 2025	30 Jun 2025
	\$	\$
Current		
Provision for annual leave	384,034	406,679
Provision for long service leave	169,077	163,862
Provision for HPMSM project	3,040,258	3,040,258
	3,593,369	3,610,799
Non-Current		
Rehabilitation provision	1,690,582	1,690,582
	1,690,582	1,690,582

10. ISSUED CAPITAL

	31 Dec 2025	30 Jun 2025
	\$	\$
267,776,833 fully paid ordinary shares (30 June 2025: 230,612,401)	147,718,937	138,008,278

	31 Dec 2025		30 Jun 2025	
	Number	\$	Number	\$
a) Movement in ordinary share capital				
Balance at the beginning of the period	230,612,402	138,008,278	219,530,335	134,533,276
Placement Issue (i)	36,323,146	10,170,481	11,082,066	3,493,145
Exercise of rights (ii)	841,285	-	-	-
Transaction costs	-	(459,822)	-	(18,143)
Total issued capital	267,776,833	147,718,937	230,612,401	138,008,278

- (i) During the half year ended 31 December 2025, the Company issued 36,323,146 fully paid ordinary shares at an issue price of \$0.28 upon the placement.
- (ii) During the half year ended 31 December 2025, the Company issued 841,285 fully paid ordinary shares at an issue price of \$Nil upon the exercise of rights.

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 2025.

13. SUBSIDIARIES

The consolidated financial statements incorporate the assets, liabilities, and results of the following subsidiaries:

Name	Country of Incorporation	Class of Shares	31 Dec 2025	30 Jun 2025
			Equity Holding %	Equity Holding %
Element 25 (Malaysia) Sdn. Bhd.	Malaysia	Ordinary	100	100
Element 25 Butcherbird Project Pty Ltd	Australia	Ordinary	100	100
Butcherbird Operations Pty Ltd	Australia	Ordinary	100	100
Element 25 (USA) LLC	United States of America	Ordinary	100	100
Element 25 (HPMSM) LLC	United States of America	Ordinary	100	100
Element 25 (Louisiana) LLC	United States of America	Ordinary	100	100

14. SUBSEQUENT EVENTS

On 27 January 2026, the Company extended the At-the-Market Subscription Agreement (ATM) with Acuity Capital Investment Management Pty Ltd to provide the Company with up to AU\$30 million of standby equity capital over the coming 36-month period.

No other matter or circumstance has arisen since 31 December 2025, 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 2025 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 2025 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, 12 March 2026



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 2025, the consolidated statement of changes in equity, consolidated statement of cash flows, 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 2025 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.

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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 2025 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.

by

Adam Thompson
Partner

Perth
12 March 2026

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CORPORATE DIRECTORY

DIRECTORS

John Ribbons (Non-Executive Chair)

Justin Brown (Managing Director)

Sam Lancuba (Non-Executive Director)

SECRETARY

Michael Jordon

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