

## SAGON MOVES TO 100% OWNERSHIP OF CUMMINS RANGE RARE EARTHS PROJECT

### HIGHLIGHTS

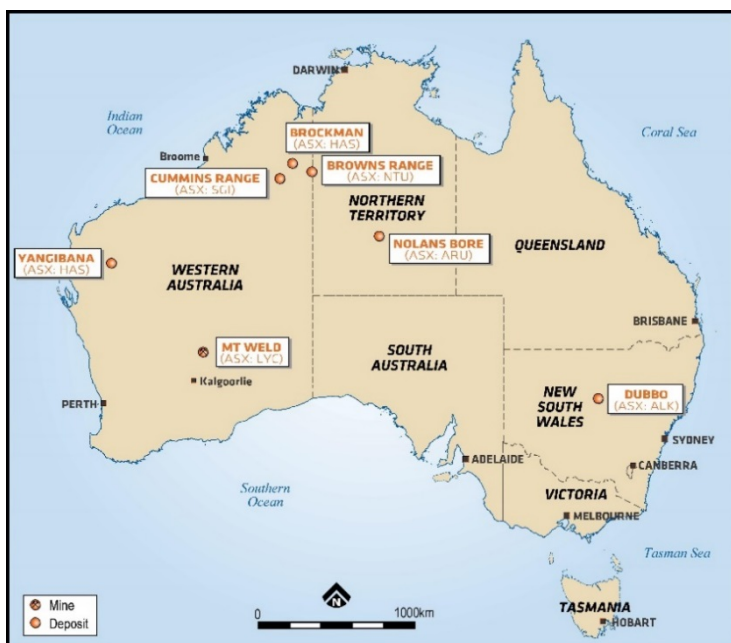
- Sagon moves to 100% ownership of Cummins Range Rare Earth Project
- Completion of \$1.17 million capital raising to institutional and sophisticated investors
- Maiden JORC 2012 Resource estimation underway
- Experienced mining executive Jeremy Robinson appointed as Executive Director
- High impact drill program to commence in the coming months

### Completion of Acquisition of RareX

Sagon Resources Limited (ASX:SG1) ("Sagon" or "the Company") is pleased to confirm that following receipt of shareholder approval at its shareholder meeting held on 26 September 2019 ("Shareholder Meeting") it has now completed the acquisition of RareX Pty Ltd ("RareX") and has exercised its option to acquire 100% of the Cummins Range Rare Earths Project.

As announced on 2 August 2019, Sagon (formerly 'Clancy Exploration Ltd') agreed to acquire 100% of RareX by issuing the shareholders of RareX 60 million Sagon shares, subject to the satisfaction of the conditions precedent as outlined in the ASX announcement. Following receipt of the requisite shareholder approvals at the Shareholder Meeting, Sagon confirms it has now completed the acquisition of RareX and that RareX is now a fully owned subsidiary of Sagon.

### Sagon moves to 100% Ownership of the Cummins Range Rare Earth Project



Sagon advises that it has exercised its option to acquire 100% of Cummins Range and will now proceed to pay \$500,000 cash and issue \$500,000 worth of Sagon shares at the 30 day VWAP (calculated as 13,338,261 shares) to Element 25 Limited.

The Cummins Range Project is located 130km southwest of Halls Creek in the Kimberley Region of Western Australia and is one of two known rare earth bearing carbonatites in Australia with the other being Mt Weld owned by Lynas Corporation Ltd. Cummins Range has potential for high Neodymium and Praseodymium ("NdPr") enrichment.

NdPr are two critical rare elements integral to the manufacture of electric vehicles, wind turbines and military hardware.

### **Completion of Capital Raising**

Further to the Company's ASX announcements dated 2 August 2019 and 23 August 2019, Sagon confirms it has now completed its share placement to raise \$1.17 million before costs and has issued approximately 68.8 million new Sagon shares ("**Placement Shares**"). The funds raised by the issue of the Placement Shares will be used to complete the acquisition of the Cummins Range Rare Earths Project, to fund the Company's maiden exploration program at Cummins Range and to review its historical projects. The Placement Shares were issued pursuant to the shareholder approval obtained at the Shareholder Meeting.

### **Maiden JORC 2012 Mineral Resource Estimation Underway**

The Company has undertaken a comprehensive review of historical resource and geological data and is preparing its Maiden JORC 2012 Mineral Resources Estimate for Cummins Range.

### **High Impact Maiden Drill Program**

Stage 1 of the drill program is planned to commence in the coming months subject to permitting. The drill program will include large diameter PQ drill core to provide samples for metallurgical test work and to better assess the grade of the Cummins Range Rare Earths Project.

### **Passive Seismic**

A detailed geological review has indicated that passive seismic will likely be an effective and cost efficient tool in targeting resource extensions and areas for exploration targeting. Passive seismic is a geophysical technique which maps the depth of weathering. At Cummins Range, rare-earth mineralisation is enriched within and above the host weathered carbonatite and the Company believes passive seismic will map these zones and thus increase the potential to extend known high grade mineralisation. The Company plans to conduct passive seismic concurrently with the proposed maiden drill program.

### **Review of Historical Projects**

Prior to the acquisition of Cummins Range, Sagon was focussed on its Moroccan cobalt project and NSW gold-copper projects. Sagon is currently conducting a strategic review of these projects. While the review is currently incomplete it believes there is considerable value and potential for discovery in the NSW copper gold projects and will continue to keep the market informed in relation to these projects.

### **Appointment of Jeremy Robinson as Executive Director**

Sagon confirms Jeremy Robinson has now been appointed as an Executive Director of the Company following completion of the acquisition of RareX. Mr Robinson is an experienced mining executive having held senior roles at Mungana Goldmines Limited and Apex Minerals Limited. Mr Robinson holds a Bachelor of Commerce from the University of Western Australia majoring in Corporate Finance, Investment Finance and Marketing. Mr Robinson will receive a base salary of \$180,000 per annum plus superannuation and 15 million employee options on terms set out in the Company's Notice of Meeting announced to ASX on 23 August 2019.



As part of the Board's evolution, Mr David Scoggin has resigned from his position as Non-Executive Director with immediate effect. The Board thanks Mr Scoggin for his contribution to the Company and wishes him well for the future.

### **Rare Earths Market Update**

On 21 September 2019 The Australian Financial Review reported that US President Donald Trump and Australian Prime Minister Scott Morrison "met to sign off on a plan to secure a stable supply of rare earths and other critical minerals, which could include the development of new mines in Australia, as part of continuing push to counter the rise of China". Cummins Range is one of a small number of advanced rare earths projects located in Australia.

On 23 September 2019 Shanghai Metals Market reported that prices of rare-earth oxides continued to climb as one of China's largest rare earth miners, China Northern Rare Earth Group, marked up its listed prices for September. Shanghai Metals Market also noted that it expects the recovery of downstream consumers and potential supply tightness on capacity closure to support prices of light rare earth oxides for the rest of the year. Cummins Range has the potential for high NdPr enrichment - two in-demand light rare earth elements used in the manufacture of electric vehicles, wind turbines and military hardware.