

Element 25 Completes the Sale of the Cummins Range Rare Earths Project

Element 25 Limited (**E25** or **Company**) is pleased to advise that RareX Pty Ltd (**RareX**) has exercised its option to purchase the Cummins Range Rare Earths Project comprising Exploration Licence E80/5092 (**Cummins Range**). The sale of Cummins Range has now completed.

Pursuant to the option agreement announced 19 July 2019, RareX has paid \$500,000 in cash and parent company Sagon Resources Limited (**Sagon**) (**ASX:SG1**) has issued 13,338,261 ordinary shares at a deemed price of \$0.0375 per share for total consideration of \$1,000,000. The consideration shares are subject to a six month restriction agreement.

The sale agreement also includes a number of future payments as follows:

- Within twelve months of settlement of the acquisition, RareX/Saigon must pay \$500,000 in cash and issue \$500,000 in shares in Sagon or pay \$1,000,000 in cash (**Deferred Consideration**).
- Within 36 months of settlement, and subject to the completion of a positive Bankable Feasibility Study (**BFS**) on the Cummins Range project, RareX/Sagon must pay or issue \$1,000,000 in cash or Sagon shares or a combination thereof to a total value of \$1,000,000 (**Further Deferred Consideration**).
- If a BFS is unable to be completed within 36 months of the date of settlement, the further Deferred Consideration is not payable and RareX will, in lieu, grant E25 a 1% Net Smelter Return Royalty on future production from the Cummins Range project capped at \$1,000,000.

The Company is pleased with the outcome of this transaction. The additional cash will provide valuable working capital as the Company completes the Pre-Feasibility work at the 100% owned Butcherbird High Purity Manganese Project.

Note: all payments referred to in the transaction details are ex-GST.

Justin Brown

Managing Director

Company Snapshot

ASX Code:	E25	Board of Directors:		Element 25 Limited is developing the world class
Shares on Issue:	92M	Seamus Cornelius	Chairman	Butcherbird manganese project in Western Australia to
Share Price:	\$0.205	Justin Brown	MD	produce high purity manganese sulphate for lithium ion
Market Capitalisation:	\$18.9M	John Ribbons	NED	batteries and electrolytic manganese metal, powered
				with renewable energy.

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