

Deferred Consideration Payment Received from Rare X Limited

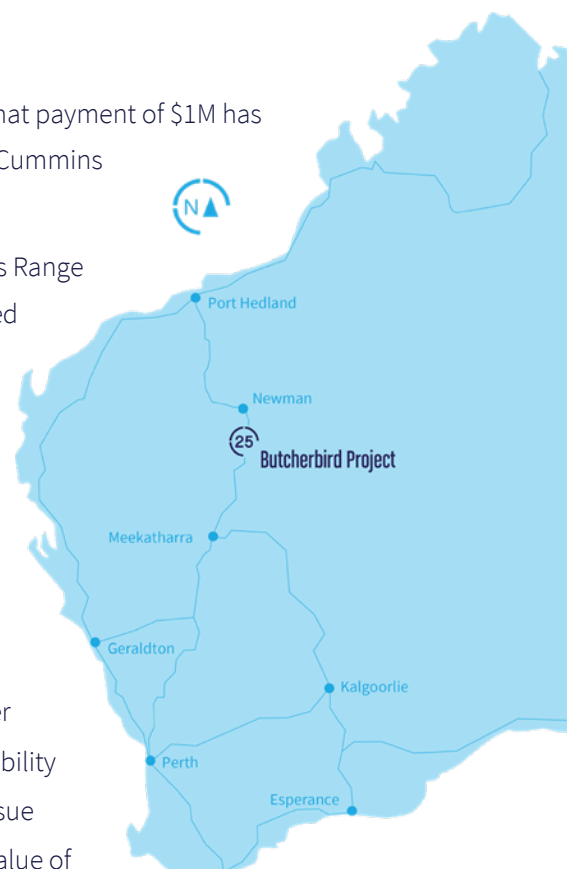
Element 25 Limited (ASX:E25) (E25 or Company) is pleased to announce that payment of \$1M has been received in relation to the deferred consideration for the sale of the Cummins Range Rare Earth deposit to RareX Limited (RareX).

On 27 September 2019, the Company announced the sale of the Cummins Range Project for total consideration of \$3M. The first tranche of \$1M was received at settlement and the Company has now received the second tranche of \$1M which was settled via the payment of \$500,000 in cash and the issue of 7,462,687 fully paid shares in the capital of RareX at a deemed issue price of 6.7c per share. The shares are subject to a six-month voluntary escrow period.

The sale agreement in relation to the Cummins Range Project also includes future payment as follows:

- Within 36 months of settlement (which occurred on 27 September 2019), and subject to the completion of a positive Bankable Feasibility Study (BFS) on the Cummins Range project, RareX must pay or issue \$1,000,000 in cash or 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 funds received will be used to progress the Butcherbird Manganese Project which is currently in development.



Company Snapshot

ASX Code:	E25	Board of Directors:	
Shares on Issue:	118M	Seamus Cornelius	Chairman
Share Price:	\$0.875	Justin Brown	MD
Market Capitalisation:	\$103M	John Ribbons	NED

Element 25 Limited is developing the world class Butcherbird Manganese Project in Western Australia to produce high quality manganese concentrate and high purity manganese products for traditional and new energy markets.

About the Butcherbird Manganese Project

The Butcherbird Manganese Project is a world class manganese resource with current JORC resources in excess of 263 Mt of manganese ore¹. The Company has recently completed a Pre-Feasibility Study with respect to developing the deposit to produce manganese concentrate for export to generate early cashflow with a modest capital requirement². The outstanding economics and low capital hurdle of less than A\$15 million will allow the Company to develop the project in a relatively short timeframe.

This is envisaged as the first stage of a staged ramp up for the project and has the advantage of potentially providing early cashflow to strengthen the Company's balance sheet and assist in funding of the larger high purity manganese production hub which is the subject of a parallel, complimentary work stream.

The Project straddles the Great Northern Highway and the Goldfields Gas Pipeline providing turnkey logistics and energy solutions. The Company is also intending to integrate renewable energy into the power solution to minimise the carbon intensity of the Project as well as reducing energy costs. A cleaner, lower carbon flowsheet and high penetration renewable energy will place Butcherbird at the forefront of sustainable metal production.

Mineral Resources

Category	Tonnes (Mt)	Mn (%)	Si (%)	Fe (%)	Al (%)
Measured	16	11.6	20.6	11.7	5.7
Indicated	41	10.0	20.9	11.0	5.8
Inferred	206	9.8	20.8	11.4	5.9
Total	263	10.0	20.8	11.4	5.9

Notes:

- Reported at a 7% Mn cut-off for the Measured and Indicated categories and an 8% Mn cut-off for the Inferred categories.
- All figures rounded to reflect the appropriate level of confidence (apparent differences may occur due to rounding)

Mining Reserve

Based on the results of the Pre-Feasibility Study completed in May 2020, E25 has published a Maiden Ore Reserve for the Project of 50.55Mt in the Proved and Probable categories³.

¹ Reference: Company ASX release dated 17 April 2019.

² Reference: Company ASX release dated 19 May 2020

³ Reference: Element 25 Limited Reserve Statement lodged with ASX 19 May 2020.

Classification	Tonnes (Mt)	Grade (Mn%)	Contained Mn (Mt)	Recovered Mn (Mt)
Proved	14.4	11.5	1.65	1.35
Probable	36.2	9.8	3.56	2.92
Total	50.6	10.3	5.21	4.27

Justin Brown

Managing Director

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

Competent Persons Statement

The company confirms that in the case of estimates of Mineral Resource or Ore Reserves, all material assumptions and technical parameters underpinning the estimates in the market announcements dated 17 April 2019 and 19 May 2020 continue to apply and have not materially changed. The company confirms that the form and context in which the competent person's findings are presented has not been materially modified from the original market announcements.

The information in this report that relates to Exploration Results and Exploration Targets is based on information compiled by Mr Justin Brown who is a member of the Australasian Institute of Mining and Metallurgy. At the time that the Exploration Results and Exploration Targets were compiled, Mr Brown was an employee of Element 25 Limited. Mr Brown is a geologist and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Brown consents to the inclusion of this information in the form and context in which it appears in this report.

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