



1 November 2019

Pensana Metals to re-domicile to the United Kingdom

Pensana Metals Limited (ASX: PM8) ('Pensana' or the 'Company') is pleased to advise that it proposes to re-domicile in the United Kingdom in January 2020, subject to certain conditions including the receipt of shareholder and regulatory approvals.

The re-domiciling of the Company will be undertaken pursuant to an Australian Scheme of Arrangement (**Scheme**), in which the Company's shareholders will exchange their existing shares in the Company for shares (held in the form of CHESS Depository Interests (**CDIs**)) in Pensana Rare Earths Plc (**Pensana UK**), a newly incorporated special purpose public limited company established under the laws of England and Wales. Pensana and Pensana UK have today entered into an implementation agreement in connection with the Scheme and its implementation, a copy of which is attached to this announcement. Upon the Scheme becoming effective, Pensana UK will become the new parent company of the Pensana Group and will be listed on the ASX. Pensana UK also intends to make applications for admission to the standard listing segment of the Official List of the Financial Conduct Authority and for trading on main market for listed securities of the London Stock Exchange (see ASX announcement 2 April 2019) subject to the necessary regulatory approvals. The re-domicile will not result in any material changes to the Company's assets, management, operations or strategy.

Upon the Scheme becoming effective:

- Each shareholder of the Company (other than certain excluded foreign shareholders) will receive one Pensana UK CDI for every one share held in the Company (such that the Company's capital structure is replicated by Pensana UK).
- Pensana UK will become the holder of all the issued shares in the Company.
- The Company will be delisted from the ASX and will become a wholly-owned subsidiary of Pensana UK.
- In connection with the Scheme, Pensana UK will list on the ASX and Pensana UK CDI holders will be able to trade their CDIs on the ASX.
- As stated above, the re-domicile will not result in any material changes to the Company's assets, management, operations or strategy.

The Scheme is conditional upon, amongst other conditions, the approval of Pensana shareholders and the approval of the Court.

The Board has engaged an independent expert to assess if the Scheme is in the best interest of the Company's shareholders. A report prepared by the independent expert will form part of the Scheme Booklet, which will contain detailed information regarding the Scheme. Pensana encourages its shareholders to read the Scheme Booklet carefully.

INDICATIVE TIMETABLE

It is expected that the Scheme Booklet will be lodged with the Australian Securities and Investments Commission on or around 7 November 2019 and sent to shareholders on or around 29 November 2019 with a shareholder meeting to approve the Scheme to be held in early January 2020. Assuming the Scheme is approved, the Pensana Group will be re-domiciled in the United Kingdom by the end of January 2020. The Scheme Booklet will outline the full details of the Scheme as well as the independent expert's conclusions. It should be noted that the dates set out in this announcement are indicative dates and are subject to change.

For further information, please contact:

Scott Mison
Company Secretary / Chief Financial Officer
scott@pensanametals.com



SCHEME IMPLEMENTATION AGREEMENT

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DETAILS

Date 31 October 2019

Parties**PM8**

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Address Ground Floor, 10 Outram Street, West Perth, Western Australia 6005
Email scott@pensanametals.com
Attention Scott Mison

UK Holdco

Name Pensana Rare Earths Plc
Company No 12206525
Address Suite 1, 3rd Floor 11 - 12 St. James's Square London SW1Y 4LB
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Attention Tim George

BACKGROUND

- A The directors of PM8 consider it would be in the best interests of PM8 Shareholders to effect a re-domiciliation of PM8 and its Subsidiaries in the United Kingdom.
- B Accordingly, the directors of PM8 have resolved to propose to PM8 Shareholders a restructure by way of scheme of arrangement, the effect of which will make PM8 a wholly owned Subsidiary of UK Holdco following the acquisition of the Scheme Shares (the **Transaction**).
- C This agreement is entered into to record and give effect to the terms and conditions on which UK Holdco and PM8 propose to implement the Transaction.

AGREED TERMS**1. INTERPRETATION****Definitions**

- 1.1 In this agreement the following terms shall bear the following meanings:

Affiliate means, in relation to any specified person (other than a natural person), any other person (which shall include a natural person) directly or indirectly controlling or controlled by such specified person or under direct or indirect common control with such specified person.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the Australian Securities Exchange, as the context requires.

ASX Listing Rules means the official listing rules of the ASX.

ASX Settlement means ASX Settlement Pty Ltd ABN 49 008 504 532.

ASX Settlement Operating Rules means the settlement rules of the settlement facility provided by ASX Settlement.

Business Day means a business day as defined in the ASX Listing Rules.

CDI means a CHESS depositary interest representing a unit of beneficial ownership in a UK Holdco Share registered in the name of CDN and **CDIs** mean a number of them.

CDN means CHESS Depositary Nominees Pty Ltd CAN 071 346 506.

CHESS means the clearing house electronic sub-register system of security transfers operated by ASX Settlement.

Conditions Precedent means the conditions precedent in clause 3.1.

control has the meaning given to that term in section 50AA of the Corporations Act and **controlling** and **controlled** has the corresponding meaning.

Convertible Securities means the Options and the Performance Rights.

Convertible Security Cancellation Deeds means the binding agreements to be entered into in accordance with clause 4.11 between PM8, UK Holdco and each of the Option Holders and Performance Right Holders in respect of the cancellation of the Convertible Securities (as applicable).

Corporations Act means the *Corporations Act 2001* (Cth).

Court means the Supreme Court of Western Australia or such other court of competent jurisdiction as agreed in writing between PM8 and UK Holdco.

Deed Poll means the deed poll to be entered into by UK Holdco on or about the date of this agreement, the form of which is contained in schedule 3.

Effect means, when used in relation to the Scheme, the coming into effect pursuant to section 411(10) of the Corporations Act of the order of the Court made under section 411(4)(b) of the Corporations Act in relation to the Scheme and **Effective** has a corresponding meaning.

Effective Date means the date the Scheme becomes Effective.

Encumbrance means any encumbrance, mortgage, pledge, charge, lien, assignment, hypothecation, security interest, title retention, preferential right or trust arrangement and any other security arrangement of any kind given or created and including any possessory lien in the ordinary course of business whether arising by law or contract.

End Date means 31 March 2020, or such later date as agreed to in writing between the parties.

Excluded Shares means any PM8 Shares held by UK Holdco and its Affiliates.

Explanatory Statement means the statement pursuant to section 412 of the Corporations Act, which will be registered by ASIC in relation to the Scheme, copies of which will be included in the Scheme Booklet.

First Court Date means the first day on which an application is made to the Court for an order under section 411(1) of the Corporations Act approving the convening of the Scheme Meeting.

Foreign Holder means any PM8 Shareholder whose address shown on the PM8 Share Register as at the Record Date is a place outside Australia, New Zealand, the United Kingdom, Hong Kong, Singapore and such other jurisdictions as agreed in writing between the parties, unless, no less than three Business Days prior to the Scheme Meeting, PM8 and UK Holdco agree in writing that it is lawful and not unduly onerous or unduly impracticable to issue that PM8 Shareholder with the Scheme Consideration when the Scheme becomes Effective.

GST has the meaning given to it in the GST law.

GST law has the meaning given to it in the *A New Tax System (Goods and Services Tax) Act 1999* (Cth).

Implementation Date means the fifth Business Day after the Record Date, or such other date agreed to in writing by the parties.

Independent Expert means a person to be appointed by PM8 pursuant to clause 5.1(c) as an independent expert to prepare a report to be provided to the PM8 Board and PM8 Shareholders stating whether, in the expert's opinion, the Scheme is in the best interests of PM8 Shareholders.

Independent Expert's Report means the independent expert's report prepared by the Independent Expert in relation to the Scheme including any updates or amendments to this report made by the Independent Expert.

Indicative Timetable means the timetable contained in schedule 1 or as otherwise may be agreed in writing by UK Holdco and PM8, acting reasonably.

Notice of Meeting means the notice convening the Scheme Meeting together with the proxy forms for that meeting.

Option means an option to subscribe for a PM8 Share.

Option Holder means a person who is registered in PM8's register of option holders as the holder of an Option.

Performance Right means a performance right on issue in PM8.

Performance Right Holder means a person who is registered in PM8's register of performance right holders as the holder of a Performance Right.

PM8 means Pensana Metals Ltd ACN 121 985 395.

PM8 Board means the board of PM8 Directors from time to time.

PM8 Director means a director of PM8 from time to time.

PM8 Group means PM8 and its Subsidiaries.

PM8 Share means a fully paid ordinary share issued in the capital of PM8.

PM8 Share Register means the register of holders of PM8 Shares maintained by Computershare Investor Services Pty Limited.

PM8 Shareholder means a person who is registered in the PM8 Share Register as the holder of one or more PM8 Shares, from time to time.

Record Date means 7.00pm on the fifth Business Day following the Effective Date, or such other date (after the Effective Date) as PM8 and UK Holdco may agree in writing.

Regulatory Approvals has the meaning given to that term in clause 3.1(a).

Regulatory Authority includes:

- (a) a government or governmental, semi-governmental, administrative, fiscal or judicial entity or authority;
- (b) a minister, department, office, commission, delegate, instrumentality, tribunal, agency, board, authority or organisation of any government;
- (c) any regulatory organisation established under statute;
- (d) in particular, the Commonwealth Treasurer, the Australian Taxation Office, the Foreign Investment Review Board, ASX and ASIC; and
- (e) any representative of any of the above.

Representative means:

- (a) in relation to PM8, a member of the PM8 Group, any director, officer or employee of any member of the PM8 Group, and any financier, financial adviser, accounting adviser, auditor, legal adviser or technical or other expert adviser or consultant to any member of the PM8 Group in relation to the Transaction; and
- (b) in relation to UK Holdco, a member of the UK Holdco Group (other than a member of the PM8 Group), any director, officer or employee of any member of the UK Holdco Group (other than a member of the PM8 Group) and any financier, financial adviser, accounting adviser, auditor, legal adviser, or technical or other expert adviser or consultant to any member of the UK Holdco Group (other than a member of the PM8 Group) in relation to the Transaction.

RG 60 means Regulatory Guide 60 issued by ASIC on 22 September 2011, as amended.

Sale Agent means an appropriately licenced person appointed by UK Holdco to administer a facility to sell the CDIs that would otherwise be issued to or for the benefit of Foreign Holders under the terms of the Scheme.

Scheme means the scheme of arrangement pursuant to Part 5.1 of the Corporations Act to be proposed between PM8 and PM8 Shareholders, the form of which is contained in schedule 2,

together with any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act and approved in writing by UK Holdco and PM8.

Scheme Booklet means the information to be despatched to all PM8 Shareholders and approved by the Court in connection with the Scheme, including the Scheme, the Explanatory Statement in respect of the Scheme, the Independent Expert's Report and the Notice of Meeting.

Scheme Consideration means one UK Holdco Share in the form of a CDI for each Scheme Share held by a Scheme Participant, subject to the terms of the Scheme.

Scheme Order means the Order of the Court made for the purposes section 411(4)(b) of the Corporations Act in relation to the Scheme.

Scheme Meeting means the meeting of PM8 Shareholders convened by the Court in relation to the Scheme pursuant to section 411(1) of the Corporations Act and includes any adjournment of that meeting.

Scheme Participant means a holder of Scheme Shares as at 7.00pm on the Record Date.

Scheme Resolution means the resolution to be put to PM8 Shareholders at the Scheme Meeting to approve the Scheme.

Scheme Shares means all of the PM8 Shares on issue at 7.00pm on the Record Date other than Excluded Shares.

Second Court Date means the first day on which the application made to the Court for an order pursuant to section 411(4)(b) of the Corporations Act approving the Scheme is heard or, if the application is adjourned for any reason, the first day on which the adjourned application is heard.

Subsidiaries has the meaning given to that term in section 9 of the Corporations Act.

Transaction has the meaning given to that term in the Background.

WST means western standard time.

UK Holdco means Pensana Rare Earths Plc, a company incorporated in England and Wales with company number 12206525 and whose registered office is at Suite 1, 3rd Floor 11 - 12 St. James's Square London SW1Y 4LB.

UK Holdco Board means the board of directors of UK Holdco.

UK Holdco Group means UK Holdco and its Affiliates (other than members of the PM8 Group).

UK Holdco Information means the information that UK Holdco provides to PM8 under clause 5.3(a) for inclusion in the Scheme Booklet.

UK Holdco Share means a fully paid ordinary share of £0.001 in the capital of UK Holdco.

UK Holdco Share Register means the Australian branch register of registered shareholders of UK Holdco Shares.

Interpretation

- 1.2 In this agreement, except where the context otherwise requires:
- (a) the singular includes the plural and vice versa, and a gender includes other genders;
 - (b) another grammatical form of a defined word or expression has a corresponding meaning;
 - (c) a reference to a clause, paragraph, or schedule is to a clause or paragraph of, or schedule to, this agreement, and a reference to this agreement includes any schedule;
 - (d) a reference to a document or instrument includes the document or instrument as novated, altered, supplemented or replaced from time to time;
 - (e) a reference to A\$, dollar, Australian dollar or \$ is to Australian currency;
 - (f) a reference to £, GBP or pounds sterling is to the lawful currency of the United Kingdom;
 - (g) a reference to time is to time in Sydney, New South Wales, unless otherwise noted;
 - (h) a reference to a party is to a party to this agreement, and a reference to a party to a document includes the party's executors, administrators, successors and permitted assigns and substitutes;
 - (i) a reference to a person includes a natural person, partnership, body corporate, association, governmental or local authority or agency or other entity;
 - (j) a reference to a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re enactments or replacements of any of them;
 - (k) a word or expression defined in the Corporations Act and not otherwise defined in this agreement has the meaning given to it in the Corporations Act;
 - (l) the meaning of general words is not limited by specific examples introduced by including, for example or similar expressions;
 - (m) a rule of construction does not apply to the disadvantage of a party because the party was responsible for the preparation of this agreement or any part of it; and
 - (n) if a day on or by which an obligation must be performed or an event must occur is not a Business Day, the obligation must be performed or the event must occur on or by the next Business Day.

2. AGREEMENT TO PROPOSE SCHEME

- 2.1 PM8 agrees to propose and implement the Scheme, and UK Holdco agrees to assist PM8 to propose and implement the Scheme, on and subject to the terms of this agreement and in accordance with the Corporations Act.

- 2.2 Each party agrees to execute all documents and do all acts and things within its power as may be necessary or desirable for the implementation and performance of the Scheme substantially in accordance with this agreement.

3. CONDITIONS PRECEDENT

Conditions Precedent to implementation of the Scheme

- 3.1 Subject to this clause 3, the Scheme will not become Effective, and the respective obligations of the parties in relation to the implementation of the Scheme are not binding, unless each of the following conditions precedent are satisfied or waived to the extent and in the manner set out in this clause 3 on or prior to 8.00am the Second Court Date (or such other date as specified in the relevant Condition Precedent):

- (a) **Regulatory Approvals:** before 5.00pm on the Business Day before the Second Court Date:
- (i) **ASIC:** ASIC issues or provides all such reliefs, confirmations, consents, approvals, modifications or exemptions, or does such other acts which the parties agree are reasonably necessary or desirable to implement the Scheme and such reliefs, waivers, confirmations, consents, approvals, modifications or exemptions or other acts (as the case may be) have not been withdrawn, suspended, varied or revoked before 5.00pm on the Business Day before the Second Court Date;
 - (ii) **ASX:** ASX issues or provides all such reliefs, confirmations, consents, approvals, waivers or does such other acts which the parties agree are reasonably necessary to implement the Scheme and such reliefs, confirmations, consents, approvals, waivers or other acts (as the case may be) have not been withdrawn, suspended, varied or revoked before 5.00pm on the Business Day before the Second Court Date; and
 - (iii) all other regulatory approvals or waivers required to implement the Scheme being granted or obtained and those regulatory approvals or waivers not being withdrawn, cancelled, revoked or varied in a manner that is materially adverse to the parties,
- (together **Regulatory Approvals**);
- (b) **PM8 Shareholder Approval:** PM8 Shareholders approve the Scheme at the Scheme Meeting by the requisite majorities required under the Corporations Act;
- (c) **Restraining Orders:** as at 8.00am on the Second Court Date, no judgement, order, decree, statute, law, ordinance, rule of regulation, or other temporary restraining order, preliminary or permanent injunction, restraint or prohibition or other order or decision has been issued, made, entered, enacted, promulgated or enforced by any court of competent jurisdiction or any Regulatory Authority remains in effect that prohibits, restricts, makes illegal or restrains the completion of the Scheme, and there is no other legal restraint or prohibition, preventing the consummation of any aspect of the Transaction on the Implementation Date;

- (d) **Court Approval:** the Court approves the Scheme at the Second Court Date in accordance with section 411(4)(b) of the Corporations Act either unconditionally or on conditions that do not impose unduly onerous obligations upon either party;
- (e) **Independent Expert Report:** the Independent Expert provides a report to PM8 that concludes that the Scheme is in the best interests of PM8 Shareholders on or before the time when the Scheme Booklet is registered by ASIC under the Corporations Act and the Independent Expert does not withdraw or adversely modify its conclusion before 8.00am on the Second Court Date;
- (f) **ASX Listing:** ASX approving:
 - (i) the admission of UK Holdco to the official list of the ASX; and
 - (ii) the CDIs for official quotation by the ASX,subject only to any conditions which ASX may reasonably require, including the Scheme becoming Effective, and such approval remains in full force and effect in all respects and does not become subject to any notice, intimation or indication of intention to revoke, suspend, restrict, modify or not renew the same; and
- (g) **Ability to issue CDIs:** before 5:00pm on the Business Day prior to the Second Court Date, UK Holdco and PM8 doing everything necessary under the ASX Settlement Operating Rules to enable CDN to allot and issue the Scheme Consideration under the Scheme, other than the actual allotment, issue and transfer of the UK Holdco Shares to CDN under the Scheme.

Waiver of Conditions Precedent

- 3.2 The Conditions Precedent in:
 - (a) clauses 3.1(a) (Regulatory Approvals), 3.1(b) (PM8 Shareholder Approval), 3.1(c) (Restraining Orders), 3.1(d) (Court Approval), 3.1(f) (ASX Listing), and 3.1(g) (Ability to Issue CDIs) are for the benefit of both parties, and any breach or non-fulfilment of them may only be waived (if capable of waiver) with the written consent of both parties, which consent either party may give or withhold in its absolute discretion; and
 - (b) clause 3.1(e) (Independent Expert Report) is for the sole benefit of PM8, and any breach or non-fulfilment of such Conditions Precedent may only be waived with the written consent of PM8.
- 3.3 A party entitled to waive the breach or non-fulfilment of a Condition Precedent pursuant to clause 3.2 may do so in its absolute discretion subject to the provision of written notice to the other party. Any such waiver by a party for whose benefit the relevant Condition Precedent applies must take place on or prior to 8.00am on the Second Court Date.
- 3.4 If a party waives the breach or non-fulfilment of a Condition Precedent, that waiver precludes the party from suing another party for any breach of this agreement that resulted in the breach or non-fulfilment of the Condition Precedent.
- 3.5 Waiver of a breach or non-fulfilment in respect of one Condition Precedent does not constitute:

- (a) a waiver of breach or non-fulfilment of any other Condition Precedent resulting from the same event; or
- (b) a waiver of breach or non-fulfilment of that Condition Precedent resulting from any other event.

Reasonable endeavours to satisfy Conditions Precedent

3.6 Each of the parties will use its reasonable endeavours to procure that:

- (a) each of the Conditions Precedent is satisfied as soon as practicable after the date of this agreement and continues to be satisfied at all times until the last time it is to be satisfied (as the case may require); and
- (b) there is no occurrence within the control of PM8 or UK Holdco (as the context requires) or their Affiliates that would prevent the Conditions Precedent being satisfied.

Certificates in relation to Conditions Precedent

3.7 At the hearing at which the application for an order under section 411(4)(b) of the Corporations Act approving the Scheme is considered by the Court, PM8 and UK Holdco will provide a joint certificate to the Court confirming whether or not the Conditions Precedent have been satisfied or waived in accordance with the terms of this agreement.

3.8 The parties shall use their reasonable endeavours to agree a draft of the joint certificate referred to in clause 3.7, by 5.00pm on the Business Day prior to the Second Court Date.

4. TRANSACTION STEPS

Scheme

4.1 PM8 must propose the Scheme to PM8 Shareholders as soon as reasonably practicable after the date of this agreement and substantially in accordance with the Indicative Timetable.

4.2 If the Scheme becomes Effective, on the Implementation Date the Scheme will be implemented in the following order:

- (a) all of the Scheme Shares held by Scheme Participants on the Record Date will be transferred to UK Holdco or a nominee of UK Holdco; and
- (b) in exchange, each Scheme Participant will receive the Scheme Consideration for each Scheme Share held by them at the Record Date.

No amendment to the Scheme without consent

4.3 PM8 must not consent to any modification of, or amendment to, or the making or imposition by the Court of any condition in respect of, the Scheme without the prior written consent of UK Holdco.

Provision of information

- 4.4 In order to facilitate the allotment and issue of the Scheme Consideration, PM8 must provide, or procure the provision of, a complete copy of the PM8 Share Register as at the Record Date (which must include the name, registered address and registered holding of each PM8 Shareholder as at the Record Date) within two Business Days after the Record Date to UK Holdco or a nominee of UK Holdco.
- 4.5 The details and information to be provided under clause 4.4 must be provided in such form as UK Holdco, or its nominee, may reasonably require.

Consideration

- 4.6 Subject to clause 4.7, UK Holdco undertakes and warrants to PM8 (in its own right and on behalf of each Scheme Participant) that in consideration of the transfer to UK Holdco or a nominee of UK Holdco of each Scheme Share held by a Scheme Participant under the terms of the Scheme, on the Implementation Date, UK Holdco will allot and issue, or procure the allotment and issuance of, the Scheme Consideration to each Scheme Participant, in accordance with the terms of this agreement, the Scheme and the Deed Poll.
- 4.7 Where the calculation of the number of UK Holdco Shares (in the form of CDIs) to be issued to a particular Scheme Participant as Scheme Consideration would result in the issue of a fraction of a UK Holdco Share, the fractional entitlement will be rounded down to the nearest whole number of UK Holdco Shares.
- 4.8 PM8 acknowledges that the undertaking by UK Holdco in clause 4.6 is given to PM8 in its capacity as agent for each Scheme Participant.

Foreign Holders

- 4.9 UK Holdco has no obligation under this agreement to allot or issue, and will not allot nor issue the Scheme Consideration to any Foreign Holders and, instead, will allot and issue, or procure the allotment and issuance of, the Scheme Consideration to which the Foreign Holders would have otherwise been entitled, to the Sale Agent, in trust for the Foreign Holder who is the beneficial owner thereof.
- 4.10 UK Holdco will instruct the Sale Agent to:
- (a) sell all Scheme Consideration issued to the Sale Agent pursuant to clause 4.9 in such manner, at such price and on such other terms as the Sale Agent determines in good faith, as soon as reasonably practicable and in any event not more than 20 Business Days after the Implementation Date; and
 - (b) remit (or procure the remittance) to each Foreign Holder the proceeds of sale (on an averaged basis so that all Foreign Holders receive the same price per CDI, subject to rounding to the nearest whole cent) in Australian dollars (after deducting any applicable brokerage, foreign exchange, stamp duty and other selling costs, taxes and charges).

Convertible Securities

- 4.11 PM8 and UK Holdco will use all reasonable endeavours to enter into binding agreements with each Option Holder and each Performance Right Holder to cancel the Convertible Securities

held by such holder in consideration of the grant of equivalent rights (as near as reasonably practicable) to acquire the same number of UK Holdco Shares (in the form of CDIs) instead of PM8 Shares.

Shares to rank equally

- 4.12 UK Holdco covenants in favour of PM8 (in its own right and on behalf of the Scheme Participants) that it will procure that:
- (a) the UK Holdco Shares to be allotted and issued or transferred pursuant to the Scheme will be duly and validly authorised and will be of the same class of UK Holdco Shares currently issued and outstanding and will rank equally in all respects with all issued and outstanding UK Holdco Shares; and
 - (b) each such UK Holdco Share issued or transferred pursuant to the Scheme will be validly allotted and issued or transferred, fully paid, free from any Encumbrance or other third party rights and non-assessable.

Timetable

- 4.13 The parties will use their commercially reasonable endeavours to implement the Transaction and perform their respective obligations substantially in accordance with the Indicative Timetable.

Quotation of PM8 Shares

- 4.14 PM8 must apply to ASX to suspend trading on ASX in PM8 Shares with effect from the close of trading on the Effective Date.
- 4.15 On a date to be determined by UK Holdco after the Implementation Date, PM8 must apply:
- (a) for termination of the official quotation of PM8 Shares on ASX; and
 - (b) to have itself removed from the official list of ASX.

5. IMPLEMENTATION OF THE SCHEME

PM8's specific obligations

- 5.1 PM8 must execute all documents and do all acts and things within its power as may be necessary or desirable for the implementation and performance of the Scheme on a basis consistent with this agreement and substantially in accordance with the Indicative Timetable (and must consult with UK Holdco on a regular basis about its progress in that regard), and in particular PM8 must:
- (a) **prepare Scheme Booklet:** prepare and dispatch the Scheme Booklet in respect of the Scheme to PM8 Shareholders in accordance with all applicable laws and in particular with the Corporations Act, RG 60 and the ASX Listing Rules, and in accordance with the requirements of clauses 5.4 to 5.6. For the avoidance of doubt, PM8 is not responsible for the preparation of the Independent Expert's Report;

- (b) **directors' recommendation:** include in the Scheme Booklet and any accompanying ASX announcement a statement based on and made by the PM8 Directors:
 - (i) that each of the PM8 Directors recommend to Scheme Participants that the Scheme be approved, subject to the Independent Expert expressing an opinion that the Scheme is in the best interests of PM8 Shareholders;
 - (ii) unanimously recommending that PM8 Shareholders vote in favour of the Scheme unless there has been a change of recommendation permitted under this agreement; and
 - (iii) that each PM8 Director will vote, or procure the voting of any PM8 Shares (as applicable) held by or controlled by a PM8 Director at the time of the Scheme Meeting in favour of the Scheme at the Scheme Meeting;
- (c) **commission Independent Expert's Report:** promptly appoint the Independent Expert and provide all assistance and information reasonably requested by them in connection with the preparation of the Independent Expert's Report for inclusion in the Scheme Booklet (including any updates to such report) and any other materials to be prepared by them for inclusion in the Scheme Booklet (including any updates to the Scheme Booklet);
- (d) **liaise with ASIC:** as soon as reasonably practicable after the date of this agreement but no later than 14 days before the First Court Date, provide a copy of the draft Scheme Booklet to ASIC for its review and approval for the purposes of section 411(2) of the Corporations Act;
- (e) **Court direction:** promptly apply to the Court for orders under section 411(1) of the Corporations Act directing PM8 to convene the Scheme Meeting to consider the Scheme and take all reasonable steps necessary to comply with the orders of the Court;
- (f) **registration of Scheme Booklet and provision of copy to UK Holdco:** if the Court directs PM8 to convene the Scheme Meeting, request ASIC to register the Explanatory Statement included in the Scheme Booklet in relation to the Scheme in accordance with section 412(6) of the Corporations Act and, on request, provide a copy of the same to UK Holdco on the date the Explanatory Statement is registered by ASIC;
- (g) **section 411(17)(b) Statement:** apply to ASIC for the production of a statement pursuant to section 411(17)(b) of the Corporations Act stating that ASIC has no objection to the Scheme;
- (h) **Scheme Meeting:** promptly convene and hold the Scheme Meeting in accordance with any orders which are made by the Court pursuant to section 411(1) of the Corporations Act;
- (i) **Court documents:** prepare and lodge with the Court all documents required for the Court proceedings in relation to the Scheme;
- (j) **Court approval:** as soon as practicable after PM8 Shareholders approve the Scheme at the Scheme Meeting, apply (and to the extent necessary, re-apply) to the Court for an order approving the Scheme under section 411(4) of the Corporations Act substantially in accordance with the Indicative Timetable;

- (k) **lodge copy of Court orders:** if the Court makes orders under section 411(4) of the Corporations Act approving the Scheme, lodge with ASIC an office copy of the order of the Court approving the Scheme under section 411(10) of the Corporations Act by no later than the Business Day after the order of the Court has been made or such later date as agreed in writing by UK Holdco;
- (l) **certificate:** at the hearing on the Second Court Date, provide to the Court a joint certificate with UK Holdco confirming whether or not the Conditions Precedent have been satisfied or waived in accordance with this agreement;
- (m) **registration generally:** if the Court makes orders under section 411(4) of the Corporations Act approving the Scheme:
 - (i) close the PM8 Share Register as at the Record Date to determine the identity of the Scheme Participants and their entitlements to the Scheme Consideration;
 - (ii) provide to UK Holdco all information about the Scheme Participants that UK Holdco reasonably requires in order for UK Holdco to provide the Scheme Consideration to the Scheme Participants in accordance with the Scheme;
 - (iii) execute proper instruments of transfer of the PM8 Shares and effect and register the transfer of the PM8 Shares in accordance with the Scheme;
 - (iv) execute proper instruments of transfer for all the UK Holdco Shares held by PM8 and effect the transfer of the UK Holdco Shares to CDN to be held on trust for Scheme Participants in accordance with the Scheme;
 - (v) register all transfers of PM8 Shares to UK Holdco or a nominee of UK Holdco and register UK Holdco or a nominee of UK Holdco (as applicable) as the holder of such PM8 Shares on, or as soon as practicable after, the Implementation Date; and
 - (vi) do all other things contemplated by or necessary to give effect to the Scheme and the orders of the Court; and
- (n) **compliance with laws:** do everything reasonably within its power to ensure that the Transaction is effected in accordance with all laws applicable in relation to the Transaction (including, without limitation, doing everything reasonably within its powers to ensure the Transaction complies with all applicable securities laws or is otherwise exempt from them).

PM8 registry details

- 5.2 For the purpose of clause 5.1(m), PM8 must give all necessary directions to the PM8 Share registry to ensure that any information that UK Holdco reasonably requests in relation to the PM8 Share Register, including any CHESSE sub-register and any issuer sponsored sub-register, is promptly provided to UK Holdco and, where requested by UK Holdco, PM8 must procure that such information is made available in such electronic form as is reasonably requested by UK Holdco.

UK Holdco's specific obligations

- 5.3 UK Holdco must execute all documents and do all acts and things within its power as may be necessary or desirable for the implementation and performance of the Scheme on a basis consistent with this agreement and substantially in accordance with the Indicative Timetable (and must consult with PM8 on a regular basis about its progress in that regard), and in particular UK Holdco must:
- (a) **UK Holdco Information:** prepare and provide to PM8 for inclusion in the Scheme Booklet all information relating to:
 - (i) UK Holdco; and
 - (ii) UK Holdco's intentions in relation to the assets, business and employees of PM8 if the Scheme is approved and implemented,required under the Corporations Act and all other applicable laws, RG 60 and the ASX Listing Rules to be included in the Scheme Booklet;
 - (b) **review UK Holdco Information:** provide to PM8 drafts of the UK Holdco Information in a timely manner, provide PM8 with a reasonable opportunity to review those drafts and consider in good faith the reasonable comments of PM8 and its Representatives when preparing revised drafts of that information;
 - (c) **assist Independent Expert:** provide any assistance and information reasonably requested by PM8 or by the Independent Expert in connection with the preparation of the Independent Expert's Report;
 - (d) **review drafts of Scheme Booklet:** as soon as practicable after receipt of any draft of the Scheme Booklet from PM8 review and provide comments on that draft;
 - (e) **execute Scheme documents:** before the First Court Date execute and deliver to PM8 the Deed Poll;
 - (f) **UK Holdco Share listing:** apply to ASX for the UK Holdco Shares to be issued as Scheme Consideration to be quoted on ASX and to trade on ASX in the form of CDIs as soon as practicable after the Implementation Date;
 - (g) **Scheme Consideration:** if the Scheme becomes Effective, provide the Scheme Consideration in the manner and amount contemplated by clause 4 and the terms of the Scheme and the Deed Poll, including approving and registering the transfer of the UK Holdco Shares to be transferred by PM8 pursuant to clause 5.1(m)(iv) and allotting and issuing the Scheme Consideration that is not being transferred by PM8 pursuant to clause 5.1(m)(iv); and
 - (h) **compliance with laws:** do everything reasonably within its power to ensure that the Transaction is effected in accordance with all laws applicable in relation to the Transaction (including, without limitation, doing everything reasonably within its powers to ensure the Transaction complies with all applicable securities laws or is otherwise exempt from them).

Scheme Booklet

- 5.4 PM8 and UK Holdco must consult with each other as to the content of the Scheme Booklet.
- 5.5 PM8 and UK Holdco must undertake appropriate due diligence and verification processes in respect to the information in the Scheme Booklet.
- 5.6 The parties must promptly inform the other if they have any reason to believe that any information in the Scheme Booklet is misleading or deceptive in any material respect (whether by omission or otherwise).

Good faith co-operation

- 5.7 Each party must procure that its Representatives work (including by attending meetings and by providing information) in good faith and in a timely and co-operative fashion with the other parties to implement the Scheme and to prepare all documents required relating to the Scheme.

PM8 Directors' recommendations

- 5.8 Subject to clause 5.9, the PM8 Directors must:
- (a) unanimously recommend that, subject to the Independent Expert concluding that the Scheme is in the best interests of PM8 Shareholders, PM8 Shareholders vote in favour of all resolutions to be proposed at the Scheme Meeting in relation to the Scheme and approve the Scheme, and not subsequently change, withdraw or modify that recommendation; and
 - (b) not make any public statement or take any other action that contradicts or qualifies the recommendation of the Scheme by the PM8 Directors,

and the Scheme Booklet must state that each of the PM8 Directors who holds or controls PM8 Shares intends to vote in favour of the Scheme.

- 5.9 Clauses 5.1(b) and 7.2 are qualified to the extent that and the PM8 Directors collectively, and each PM8 Director individually, must not, change, withdraw or modify his or her recommendation unless:
- (a) the Independent Expert does not provide a report to the PM8 Board that concludes that the Scheme is in the best interests of PM8 Shareholders; or
 - (b) due only to any change in fact or law, or application of any law or policy by any Regulatory Authority, after the date of this agreement, an independent senior counsel provides written advice to the applicable PM8 Director advising that the director should not provide or continue to maintain any recommendation due to any interest in the Scheme that renders it inappropriate to maintain such a recommendation.

6. TERMINATION RIGHTS**Termination events**

- 6.1 Without limiting any other provision of this agreement:

- (a) either party (**non-defaulting party**) may terminate this agreement by notice in writing to the other party:
 - (i) if the Conditions Precedent have not been satisfied or waived within the time frames specified in accordance with clause 3;
 - (ii) if the End Date has passed before the Effective Date (other than as a result of a breach by the terminating party of its obligations under this agreement);
 - (iii) if each of the following has occurred:
 - (A) the other party (**defaulting party**) is in breach of a material provision of this agreement at any time prior to 8.00am on the Second Court Date;
 - (B) the non-defaulting party has given notice to the defaulting party setting out the relevant circumstances of the breach and stating an intention to terminate the agreement; and
 - (C) the relevant circumstances have continued to exist five Business Days (or any shorter period ending at 8.00am on the Second Court Date) from the time the notice in clause 6.1(a)(iii)(B) is given;
 - (iv) if the required majorities of PM8 Shareholders do not approve the Scheme at the Scheme Meeting; or
 - (v) if a Court or other Regulatory Authority has issued an order, decree or ruling or taken other action that permanently restrains or prohibits the Transaction and that order, decree, ruling or other action has become final and cannot be appealed;
- (b) UK Holdco may terminate this agreement by notice in writing to PM8 if a PM8 Director, fails to recommend the Scheme or the Transaction or makes or withdraws his or her recommendation that PM8 Shareholders vote in favour of the Scheme or makes a public statement indicating that he or she no longer supports the Scheme; and
- (c) either party may terminate this agreement if the other party consents to do so and both parties confirm it in writing.

Notice of breach

- 6.2 Each party must give notice to the other as soon as practicable after it becomes aware of a breach by it of this agreement (including in respect of any representation or warranty).

Termination right

- 6.3 Any right to terminate this agreement under clauses 6.1(a) or 6.1(b) that arises before the Second Court Date ceases at 8.00am on the Second Court Date.
- 6.4 Subject to clause 6.3, any right to terminate this agreement ceases when the Scheme becomes Effective.

Effect of termination

- 6.5 If a party terminates this agreement, each party will be released from all further obligations under this agreement other than under clauses 1, 7, 8, 9, 10 and 11.
- 6.6 Subject to any rights or obligations arising under or pursuant to clauses that are expressed to survive termination (including by virtue of clauses 6.5 to 6.6), on termination of this agreement, no party shall have any rights against or obligations to any other party under this agreement except for those rights and obligations which accrued prior to termination.

7. PUBLIC ANNOUNCEMENTS**Announcement of transaction**

- 7.1 Immediately after the execution of this agreement, the parties must, after consultation with the other party, issue public announcement(s) in a form agreed to in writing between them, each party acting reasonably.
- 7.2 The PM8 announcement must include a recommendation by the PM8 Directors to PM8 Shareholders that, subject to the Independent Expert's Report concluding that the Scheme is in the best interests of PM8 Shareholders, PM8 Shareholders vote in favour of the Scheme and that all PM8 Directors will vote (or will procure the voting of) all PM8 Shares held by or controlled by a PM8 Director in favour of the Scheme.

Public announcements

- 7.3 Subject to clause 7.4, no public announcement or disclosure in relation to the Transaction or any subject matter thereof, or any other transaction the subject of this agreement or the Scheme (including any staff or client announcements or presentations) may be made other than in a form approved by each party (acting reasonably), but each party must use all reasonable endeavours to provide such approval as soon as practicable.
- 7.4 Where UK Holdco, PM8 or any of their respective Affiliates is required by law and/or the ASX Listing Rules, to make any announcement or make any filing or disclosure in relation to the Transaction or any other transaction the subject of this agreement or the Scheme, it may do so only after it has given as much notice as possible to, and has consulted (to the fullest extent reasonable in the circumstances) with the other party prior to making the relevant disclosure.
- 7.5 UK Holdco and PM8 agree to consult with each other in advance in relation to:
- (a) overall communication plans;
 - (b) approaches to PM8 Shareholders;
 - (c) approaches to the media;
 - (d) proxy solicitations; and
 - (e) written presentations,

including to provide each other a reasonable advance opportunity to comment, to ensure that the information used in clauses 7.5(a) to 7.5(e) above is consistent with the information in the Scheme Booklet.

Statements on termination

- 7.6 The parties must act in good faith and use all reasonable endeavours to issue agreed statements in respect of any termination of this agreement and, to that end but without limitation, clauses 7.3 to 7.5 applies to any such statements or disclosures.

8. NOTICES

Manner of giving notice

- 8.1 Any notice or other communication to be given under this agreement must be in writing (which includes email) and may be delivered or sent by post or email to the party to be served as follows:

- (a) to PM8 at:

Address	Ground Floor, 10 Outram Street, West Perth, Western Australia 6005
Email	scott@pensanametals.com
Attention	Scott Mison

- (b) to UK Holdco at:

Address	Suite 1, 3rd Floor 11 - 12 St. James's Square London SW1Y 4LB
Email	tim.george@pensanametals.com
Attention	Tim George

or at any such other address or email address notified for this purpose to the other parties under this clause. Any notice or other communication sent by post must be sent by prepaid ordinary post (if the country of destination is the same as the country of origin) or by airmail (if the country of destination is not the same as the country of origin).

When notice given

- 8.2 Any notice or other communication is deemed to have been given:
- (a) if delivered, on the date of delivery; or
 - (b) if sent by post, on the third day after it was put into the post (for post within the same country) or on the fifth day after it was put into the post (for post sent from one country to another); or
 - (c) if sent by email, on the earlier of the sender receiving an automated message confirming delivery or, provided no automated message is received stating that the email has not been delivered, three hours after the time the email was sent by the sender, such time to be determined by reference to the device from which the email was sent,

but if the notice or other communication would otherwise be taken to be received after 5.00pm or on a day that is not a Business Day in the place of receipt then the notice or communication is taken to be received at 9.00am on the next day that is a Business Day in the place of receipt.

Proof of service

- 8.3 In proving service of a notice or other communication, it shall be sufficient to prove that delivery was made or that the envelope containing the communication was properly addressed and posted either by prepaid post or by prepaid airmail or that the email was properly addressed and transmitted by the sender's server into the network and there was no apparent error in the operation of the sender's email system, as the case may be.

Documents relating to legal proceedings

- 8.4 This clause 8 does not apply in relation to the service of any claim form, notice, order, judgment or other document relating to or in connection with any proceedings, suit or action arising out of or in connection with this agreement.

9. ENTIRE AGREEMENT

Entire agreement

- 9.1 This agreement, the Scheme, the Scheme Booklet, the Deed Poll and the Convertible Security Cancellation Deeds together represent the entire agreement between the parties relating to the Transaction and supersede all previous agreements, whether oral or in writing, between the parties relating to the Transaction.

No reliance

- 9.2 Each party acknowledges that in agreeing to enter into this agreement it has not relied on any express or implied representation, warranty, collateral contract or other assurance (except those expressly set out in this agreement) made by or on behalf of any other party before the entering into of this agreement. Each party waives all rights and remedies which, but for this clause 9.2 might otherwise be available to it in respect of any such representation, warranty, collateral contract or other assurance.

Termination rights

- 9.3 Except for the express right of termination contained in clause 6, no party has any right to terminate this agreement and the parties waive their rights (if any) to annul, rescind, dissolve, withdraw from, cancel or terminate this agreement in any circumstances.

10. GENERAL

Amendments

- 10.1 This agreement may only be amended in writing and where such amendment is signed by all the parties.

Assignments

- 10.2 None of the rights or obligations of a party under this agreement may be assigned or transferred without the prior written consent of the other party.

Costs

- 10.3 PM8 must pay the costs and expenses of the Scheme, except that UK Holdco must pay any stamp duties and similar charges (if any) payable under Australian law in connection with the transfer of the Scheme Shares to UK Holdco or a nominee of UK Holdco.

GST

- 10.4 Where under the terms of this agreement one party is liable to indemnify or reimburse another party in respect of any costs, charges or expenses, the payment shall include an amount equal to any GST thereon not otherwise recoverable by the other party, subject to that party using all reasonable endeavours to receive such amount of GST as may be practicable.
- 10.5 If any payment under this agreement constitutes the consideration for a taxable supply for GST purposes, then in addition to that payment the payer shall pay any GST due.
- 10.6 Unless otherwise expressly stated, all prices or other sums payable or consideration to be provided under or in accordance with this agreement are exclusive of GST.

Consents

- 10.7 Except as otherwise expressly provided in this agreement a party may give or withhold its consent to any matter referred to in this agreement in its absolute discretion. A party that gives its consent to any matter referred to in this agreement is not taken to have made any warranty or representation as to any matter or circumstance connected with the subject matter of that consent.

Counterparts

- 10.8 This agreement may be executed in counterparts, which taken together must constitute one and the same agreement, and any party (including any duly authorised representative of a party) may enter into this agreement by executing a counterpart.

Exercise and waiver of rights

- 10.9 The rights of each party under this agreement:
- (a) may be exercised as often as necessary;
 - (b) except as otherwise expressly provided by this agreement, are cumulative and not exclusive of rights and remedies provided by law; and
 - (c) may be waived only in writing and specifically,
- and delay in exercising or non-exercise of any such right is not a waiver of that right.

No merger

- 10.10 Each of the obligations, warranties and undertakings set out in this agreement (excluding any obligation which is fully performed at the Implementation Date) must continue in force after the Implementation Date.

Severability

- 10.11 The provisions contained in each clause and sub clause of this agreement shall be enforceable independently of each of the others and their validity shall not be affected if any of the others is invalid.

11. GOVERNING LAW AND JURISDICTION**Governing law**

- 11.1 This agreement and any non-contractual obligations arising out of or in connection with it is governed by the law applying in Western Australia.

Jurisdiction

- 11.2 The courts having jurisdiction in Western Australia have non-exclusive jurisdiction to settle any dispute arising out of or in connection with this agreement (including a dispute relating to any non-contractual obligations arising out of or in connection with this agreement) and each party irrevocably submits to the nonexclusive jurisdiction of the courts having jurisdiction in Western Australia.

SCHEDULE 1: INDICATIVE TIMETABLE

Event	Target Date (Perth Time unless stated otherwise)
PM8 Board approved Scheme Booklet lodged with ASIC	7 November 2019
First Court Date	25 November 2019
Dispatch of Scheme Booklet to PM8 Shareholders	29 November 2019
Scheme Meeting	6 January 2020
Second Court Date	15 January 2020
Effective Date	16 January 2020
Record Date	23 January 2020
Implementation Date	31 January 2020

SCHEDULE 2: SCHEME

**SCHEME OF ARRANGEMENT MADE
UNDER SECTION 411 OF THE
CORPORATIONS ACT 2001 (CTH)**

Pensana Metals Ltd

DETAILS

Date 31 October 2019

Parties

PM8	
Name	Pensana Metals Ltd
ACN	121 985 395
Address	Ground Floor 10 Outram Street, West Perth, Western Australia 6005
Email	scott@pensanametals.com
Attention	Scott Mison

The registered holders of the fully paid ordinary shares in the capital of PM8 as at 7.00pm on the Record Date

1. DEFINED TERMS & INTERPRETATION**Defined terms**

1.1 In this Scheme, except where the context otherwise requires:

Affiliate means, in relation to any specified person (other than a natural person), any other person (which shall include a natural person) directly or indirectly controlling or controlled by such specified person or under direct or indirect common control with such specified person.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the Australian Securities Exchange, as the context requires.

ASX Settlement means ASX Settlement Pty Ltd ABN 49 008 504 532.

ASX Settlement Rules means ASX Settlement Operating Rules of ASX Settlement.

Business Day means a business day as defined in the ASX Listing Rules.

CDI means a CHESS depositary interest representing a unit of beneficial ownership in a UK Holdco Share registered in the name of CDN and **CDIs** mean a number of them.

CDN means CHESS Depository Nominees Pty Ltd ACN 071 346 506.

CHESS means the clearing house electronic sub-register system of security transfers operated by ASX Settlement.

Conditions Precedent means the conditions precedent set out in clause 3.1 of the Implementation Agreement.

Corporations Act means the *Corporations Act 2001* (Cth).

Court means the Supreme Court of Western Australia.

Deed Poll means the deed poll between executed by UK Holdco substantially in the form of Schedule 3 to the Implementation Agreement, or in such other form as agreed in writing between PM8 and UK Holdco.

Depository Nominee has the meaning given to it in the ASX Settlement Rules.

Effect means, when used in relation to the Scheme, the coming into effect pursuant to section 411(10) of the Corporations Act of the order of the Court made under section 411(4)(b) of the Corporations Act in relation to the Scheme and **Effective** has a corresponding meaning.

Effective Date means the date on which the Scheme becomes Effective.

Encumbrance means any encumbrance, mortgage, pledge, charge, lien, assignment, hypothecation, security interest, title retention, preferential right or trust arrangement and any other security arrangement of any kind given or created and including any possessory lien in the ordinary course of business whether arising by law or contract.

End Date means 31 March 2020, or such later date as agreed to in writing between the parties.

Excluded Shares means any PM8 Shares held by UK Holdco and its Affiliates.

Explanatory Statement means the statement pursuant to section 412 of the Corporations Act, which will be registered by ASIC in relation to the Scheme, copies of which will be included in the Scheme Booklet.

Foreign Holder means any PM8 Shareholder whose address shown on the PM8 Share Register as at the Record Date is a place outside Australia, New Zealand, the United Kingdom, Hong Kong, Singapore and such other jurisdictions as agreed in writing between the parties, unless, no less than three Business Days prior to the Scheme Meeting, PM8 and UK Holdco agree in writing that it is lawful and not unduly onerous or unduly impracticable to issue that PM8 Shareholder with the Scheme Consideration when the Scheme becomes Effective.

Implementation Agreement means the Scheme Implementation Agreement dated on or about 31 October 2019 between PM8 and UK Holdco, as amended or varied from time to time.

Implementation Date means the fifth Business Day after the Record Date, or such other date agreed to in writing by PM8 and UK Holdco.

Independent Expert means a person to be appointed by PM8 pursuant to clause 5.1(c) of the Implementation Agreement as an independent expert to prepare a report to be provided to the PM8 Board and PM8 Shareholders stating whether, in the expert's opinion, the Scheme is in the best interests of PM8 Shareholders.

Independent Expert's Report means the independent expert's report prepared by the Independent Expert in relation to the Scheme including any updates or amendments to this report made by the Independent Expert.

Notice of Meeting means the notice convening the Scheme Meeting together with the proxy forms for that meeting.

PM8 means Pensana Metals Limited ACN 121 985 395.

PM8 Board means the board of directors of PM8 from time to time.

PM8 Share means a fully paid ordinary share issued in the capital of PM8.

PM8 Share Register means the register of holders of PM8 Shares maintained by Computershare Investor Services Pty Limited.

PM8 Shareholder means a person who is registered in the PM8 Share Register as the holder of one or more PM8 Shares, from time to time.

Record Date means 7.00pm on the fifth Business Day following the Effective Date, or such other date (after the Effective Date) as PM8 and UK Holdco may agree in writing.

Registered Address means, in relation to a Scheme Participant, the address of that Scheme Participant as shown in the PM8 Share Register as at the Record Date.

Sale Agent means an appropriately licenced person appointed by UK Holdco to administer a facility to sell the UK Holdco Shares that would otherwise be issued to or for the benefit of Foreign Holders under the terms of the Scheme.

Scheme means the scheme of arrangement pursuant to Part 5.1 of the Corporations Act to be proposed between PM8 and the PM8 Shareholders as set out in this document, together with any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act and approved in writing by UK Holdco and PM8.

Scheme Booklet means the information to be despatched to all PM8 Shareholders and approved by the Court in connection with this Scheme, including this Scheme, the Explanatory Statement in respect of this Scheme, the Independent Expert's Report and the Notice of Meeting.

Scheme Consideration means one UK Holdco Share in the form of a CDI for each Scheme Share held by a Scheme Participant, subject to the terms of this Scheme.

Scheme Participant means a holder of Scheme Shares as at 7.00pm on the Record Date.

Scheme Shares means all of the PM8 Shares on issue at 7.00pm on the Record Date other than Excluded Shares.

Second Court Date means the first day on which an application made to the Court for an order pursuant to section 411(4)(b) of the Corporations Act approving the Scheme is heard or, if the application is adjourned or subject to appeal for any reason, the day on which the adjourned or appealed application is heard.

Scheme Meeting means the meeting of PM8 Shareholders convened by the Court in relation to the Scheme pursuant to section 411(1) of the Corporations Act and includes any adjournment of that meeting.

Subsidiaries has the meaning given to that term in section 9 of the Corporations Act.

UK Holdco means Pensana Rare Earths Plc, a company incorporated in England and Wales with company number 12206525 and whose registered office is at Suite 1, 3rd Floor 11 - 12 St. James's Square London SW1Y 4LB.

UK Holdco Share means a fully paid ordinary share of £0.001 in the issued share capital of UK Holdco.

UK Holdco Share Register means the Australian branch register of registered shareholders of UK Holdco Shares.

Interpretation

1.2 In this Scheme, except where the context otherwise requires:

- (a) the singular includes the plural and vice versa, and a gender includes other genders;
- (b) another grammatical form of a defined word or expression has a corresponding meaning;
- (c) a reference to a clause, paragraph, or schedule is to a clause or paragraph of, or schedule to, this agreement, and a reference to this agreement includes any schedule;
- (d) a reference to a document or instrument includes the document or instrument as novated, altered, supplemented or replaced from time to time;
- (e) a reference to A\$, dollar, Australian dollar or \$ is to Australian currency;
- (a) a reference to £, or GBP or pounds sterling is to the lawful currency of the United Kingdom;
- (f) a reference to time is to time in Sydney, New South Wales, unless otherwise noted;
- (g) a reference to a party is to a party to this agreement, and a reference to a party to a document includes the party's executors, administrators, successors and permitted assigns and substitutes;
- (h) a reference to a person includes a natural person, partnership, body corporate, association, governmental or local authority or agency or other entity;
- (i) a reference to a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re enactments or replacements of any of them;
- (j) a word or expression defined in the Corporations Act and not otherwise defined in this agreement has the meaning given to it in the Corporations Act;
- (k) the meaning of general words is not limited by specific examples introduced by including, for example or similar expressions;
- (l) any agreement, representation, warranty or indemnity by two or more parties (including where two or more persons are included in the same defined term) binds them jointly and severally;
- (m) any agreement, representation, warranty or indemnity in favour of two or more parties (including where two or more persons are included in the same defined term) is for the benefit of them jointly and severally;

- (n) a rule of construction does not apply to the disadvantage of a party because the party was responsible for the preparation of this agreement or any part of it; and
- (o) if a day on or by which an obligation must be performed or an event must occur is not a Business Day, the obligation must be performed or the event must occur on or by the next Business Day.

2. THE SCHEME

2.1 Subject to and conditional on:

- (a) approval of the Scheme by the Court pursuant to section 411(4)(b) of the Corporations Act and if applicable, PM8 and UK Holdco having accepted in writing any modification or condition made or required by the Court under section 411(6) of the Corporations Act;
- (b) such other conditions made or required by the Court under section 411(6) of the Corporations Act in relation to this Scheme and agreed to by PM8 and UK Holdco as having been satisfied or waived;
- (c) lodgement with ASIC of an office copy of the order of the Court approving the Scheme pursuant to section 411(10) of the Corporations Act;
- (d) the orders of the Court made or required by the Court under section 411(4)(b) (and, if applicable, subsection 411(6)) of the Corporations Act approving this Scheme coming into effect, pursuant to section 411(10) of the Corporations Act, on or before the End Date;
- (e) all of the Conditions Precedent being satisfied or waived (other than the condition in clause 3.1(d) (Court Approval) of the Implementation Agreement or those that cannot be waived) in accordance with the Implementation Agreement by the times set out in the Implementation Agreement;
- (f) as at 8.00am on the Second Court Date, the Implementation Agreement not having been terminated in accordance with its terms; and
- (g) as at 8.00am on the Second Court Date, the Deed Poll not having terminated in accordance with its terms,

in consideration for the Scheme Consideration and in accordance with the terms of this Scheme, the Scheme Shares, and all rights and entitlements attaching to the Scheme Shares, will be transferred to UK Holdco or a nominee of UK Holdco with effect from the Implementation Date and without the need for any further act by the holders of the Scheme Shares (other than any acts performed by PM8 or its directors or officers as attorney or agent for the Scheme Participants) on the terms of this Scheme.

2.2 The satisfaction of each condition in clauses 2.1(a) to 2.1(g) (inclusive) of this Scheme (Condition) is a condition precedent to the operation of this Scheme.

2.3 PM8 and UK Holdco will provide to the Court on the Second Court Date a joint certificate (or such other evidence as the Court requests) confirming (in respect of matters within their knowledge) whether or not the Conditions Precedent have been satisfied or waived (other than

- the condition in clause 3.1(d) (Court Approval) of the Implementation Agreement or other than those that cannot be waived) as at 8.00am on the Second Court Date.
- 2.4 The certificate referred to in this clause 2.3 will constitute conclusive evidence of whether such Conditions Precedent have been satisfied or waived as at 8.00am on the Second Court Date.
- 2.5 Subject to clause 2.6, this Scheme becomes Effective for all purposes on the Effective Date.
- 2.6 This Scheme will lapse and be of no further force or effect if:
- (a) the Effective Date has not occurred on or before the End Date; or
 - (b) the Implementation Agreement or the Deed Poll is terminated in accordance with their respective terms,
- unless UK Holdco and PM8 otherwise agree in writing.
- 2.7 In consideration of the transfer of the Scheme Shares to UK Holdco or a nominee of UK Holdco (as detailed in clause 2.10) and the other terms and conditions of this Scheme, on the Implementation Date:
- (a) each Scheme Participant (who is not Foreign Holder) will be issued the Scheme Consideration by CDN as the Depositary Nominee for UK Holdco in respect of the Scheme Shares held by them as at 7:00pm on the Record Date; and
 - (b) the Sale Agent will be issued the Scheme Consideration by CDN as the Depositary Nominee for UK Holdco in respect of the Scheme Shares held by all Foreign Holders as at 7.00pm on the Record Date.
- 2.8 Notwithstanding any rule of law or equity to the contrary, holders of Scheme Shares will be entitled to exercise all voting and other rights attached to the Scheme Shares pending their transfer pursuant to clause 2.10, subject to the restrictions on dealing in Scheme Shares set out in clause 3.
- 2.9 If the Scheme becomes Effective, a Scheme Participant (other than a Foreign Holder) will be deemed to have accepted the UK Holdco Shares allotted and issued or transferred to CDN on behalf of that Scheme Participant as Scheme Consideration under this Scheme and be subject to and bound by, the articles of association of UK Holdco.
- 2.10 On the Implementation Date, the Scheme will be implemented in the following order:
- (a) PM8 must procure the delivery of a duly completed and executed instrument or instruments of transfer transferring all of the Scheme Shares to UK Holdco or its nominee;
 - (b) UK Holdco must execute the instrument or instruments of transfer received from PM8 in accordance with clause 2.10(a) and deliver it to PM8 for registration;
 - (c) subject to UK Holdco having executed these instruments of transfer, PM8 must enter the name of UK Holdco or its nominee in the PM8 Share Register as the holder of the Scheme Shares; and

- (d) UK HoldCo will provide or procure that the Scheme Consideration is provided in accordance with clause 4.
- 2.11 This Scheme notes actions to be taken by UK Holdco but does not itself impose an obligation on UK Holdco to perform those actions. UK Holdco has agreed, by executing the Deed Poll, to perform (or procure the performance of) its obligations as contemplated by this Scheme, including to provide the Scheme Consideration to Scheme Participants.
- 2.12 PM8 undertakes in favour of each Scheme Participant to enforce the Deed Poll against UK Holdco on behalf of and as agent and attorney for the Scheme Participants.
- 2.13 Each Scheme Participant warrants to UK Holdco and is deemed to have authorised PM8 to warrant to UK Holdco as agent and attorney for the Scheme Participant by virtue of this clause 2.13, that:
- (a) all their Scheme Shares (including any rights and entitlements attaching to those shares) transferred to UK Holdco or its nominee under the Scheme will, as at the date of the transfer, be fully paid and free from all Encumbrances; and
- (b) they have full power and capacity to sell and to transfer their Scheme Shares (including any rights and entitlements attaching to those shares) to UK Holdco or its nominee under the Scheme.

Transfer free of encumbrances

- 2.14 To the extent permitted by law, all Scheme Shares (including any rights and entitlements attaching to those shares) which are transferred to UK Holdco or its nominee under this Scheme will, at the date of the transfer of them to UK Holdco or its nominee, vest in UK Holdco or its nominee free from all Encumbrances and interests of third parties of any kind, whether legal or otherwise, and free from any restrictions on transfer of any kind not referred to in this Scheme.

Appointment of UK Holdco as sole proxy

- 2.15 Subject to the issue of the Scheme Consideration for the Scheme Shares as contemplated by clauses 2.7 and 2.10 of this Scheme, on and from the Implementation Date until PM8 registers UK Holdco or its nominee as the holder of all of the Scheme Shares in the PM8 Share Register, each Scheme Participant:
- (a) irrevocably appoints UK Holdco and each of its directors from time to time (jointly and each of them individually) as its sole proxy and where applicable, corporate representative, to attend shareholders' meetings, exercise the votes attaching to the Scheme Shares registered in its name and sign any shareholders resolution, and no Scheme Participant may itself attend or vote at any of those meetings or sign any resolutions, whether in person, by proxy or by corporate representative (other than pursuant to this clause 2.15(a));
- (b) must take all other actions in the capacity of the registered holder of Scheme Shares as UK Holdco directs; and
- (c) acknowledges and agrees that in exercising the powers referred to in clause 2.15(a), UK Holdco and any director, officer, secretary or agent nominated by UK Holdco under

clause 2.15(a) may act in the best interests of UK Holdco as the intended registered holder of the Scheme Shares.

3. DEALINGS IN PM8 SHARES

- 3.1 To establish the identity of Scheme Participants, dealings in PM8 Shares will only be recognised if:
- (a) in the case of dealings of the type to be effected using CHESS, the transferee is registered in the PM8 Share Register as holder of the relevant PM8 Shares on or before 7.00pm on the Record Date; and
 - (b) in all other cases, registrable transmission applications or transfers in registrable form in respect of those dealings are received on or before 7.00pm on the Record Date at the place where the PM8 Share Register is kept.
- 3.2 PM8 must register any transmission application or transfer received in accordance with clause 3.1 by 7.00pm on the Record Date.
- 3.3 If the Scheme becomes Effective:
- (a) no dealing in PM8 Shares, whenever initiated, will be given effect to if it is received after 7.00pm on the Record Date;
 - (b) any purported dealing in PM8 Shares after 7.00pm on the Record Date will be void and of no effect; and
 - (c) no PM8 Shares or options to subscribe for PM8 Shares will be allotted or issued by PM8 after the Effective Date.
- 3.4 For the purpose of determining entitlements to the Scheme Consideration, PM8 will maintain the PM8 Share Register in accordance with the provisions of this clause 3 until the Scheme Consideration has been issued (as applicable) to the Scheme Participants and UK Holdco or its nominee has been entered in the PM8 Share Register as the holder of all the Scheme Shares. The PM8 Share Register in this form will solely determine entitlements to the Scheme Consideration.
- 3.5 Subject to provision of the Scheme Consideration and registration of the transfer to UK Holdco contemplated in clause 2.10, any statements of holding in respect of PM8 Shares will cease to have effect after 7.00pm on the Record Date as documents of title in respect of those shares. After 7.00pm on the Record Date, each entry current on the PM8 Share Register as at 7.00pm on the Record Date will cease to have effect except as evidence of entitlement to the Scheme Consideration.
- 3.6 As soon as practicable after the Record Date, and in any event within two Business Days of the Record Date, PM8 will ensure that details of the names, Registered Addresses and holdings of PM8 Shares for each Scheme Participant, as shown in the PM8 Share Register at 7.00pm on the Record Date, are available to UK Holdco in such form as UK Holdco reasonably requires.
- 3.7 PM8 will apply to ASX to suspend trading on ASX in PM8 Shares with effect from the close of trading on ASX on the Effective Date.

- 3.8 On a date to be determined by UK Holdco after the Implementation Date, PM8 will apply:
- (a) for termination of the official quotation of PM8 Shares on ASX; and
 - (b) to have itself removed from the official list of the ASX.

4. ISSUE OF SCHEME CONSIDERATION

- 4.1 Not later than two Business Days after the Record Date, PM8 will give to UK Holdco a notice specifying:
- (a) the persons to whom the Scheme Consideration is to be issued pursuant to clause 2.7; and
 - (b) the total number of UK Holdco Shares to be issued by UK Holdco or transferred by PM8 to CDN on behalf of Scheme Participants for their entitlement to the Scheme Consideration (including the CDIs to be issued by CDN as the Depositary Nominee to the Sale Agent for and on behalf of those Scheme Participants who are Foreign Holders).
- 4.2 Where the calculation of the number of UK Holdco Shares (in the form of CDIs) to be issued to a particular Scheme Participant would result in the issue of a fraction of a UK Holdco Share, the fractional entitlement will be rounded down to the nearest whole number of UK Holdco Shares.

Issue of the UK Holdco Share consideration

- 4.3 On the Implementation Date, the obligation of UK Holdco to provide the Scheme Consideration under this Scheme will be satisfied by UK Holdco (or UK Holdco procuring the provision of the Scheme Consideration):
- (a) allotting and issuing, or procuring the allotment and issue, to each Scheme Participant who is not a Foreign Holder, one CDI (representing one UK Holdco Share) for each Scheme Share held by them as at 7:00pm on the Record Date in accordance with clause 4.5; and
 - (b) in respect of Foreign Holders, issuing, or procuring the issue, to or otherwise making available for sale by the Sale Agent the total number of CDIs (representing beneficial ownership in UK Holdco Shares) to which a Foreign Holder would otherwise have been entitled under clause 4.1(a) (if they were eligible Scheme Participants) in accordance with clause 5.
- 4.4 The UK Holdco Shares to be allotted and issued or transferred under this Scheme will be validly issued or transferred (as applicable), fully paid, free from any Encumbrance and upon issue, rank equally in all respects with all other UK Holdco Shares on issue at the time.

Obligations in relation to Scheme Consideration

- 4.5 Subject to clause 5, the following will occur:
- (a) PM8 will transfer all UK Holdco Shares it holds to CDN to be held on trust for Scheme Participants;

- (b) UK Holdco will issue and allot such number of UK Holdco Shares equal to the total number of UK Holdco Shares specified pursuant to clause 4.1(b) less the number of UK Holdco Shares transferred by PM8 pursuant to clause 4.5(a) to CDN to be held on trust for Scheme Participants;
 - (c) UK Holdco will enter the name and address of CDN and the number of UK Holdco Shares issued or transferred to it in the UK Holdco Share Register and dispatch or procure the dispatch of a share certificate representing the total number of UK Holdco Shares issued or transferred to CDN under the Scheme by pre-paid post to the address of CDN; and
 - (d) UK Holdco will do everything reasonably necessary to cause and procure that CDN:
 - (i) in the case of Scheme Participants who hold their Scheme Shares on the CHESS sub register, procures that the CDIs in respect of such Scheme Participant's entitlement to UK Holdco Shares as Scheme Consideration are credited to that register;
 - (ii) in the case of Scheme Participants who hold their Scheme Shares on the issuer sponsored sub register, procures that the CDIs in respect of such Scheme Participant's entitlement to UK Holdco Shares as Scheme Consideration are credited to that register; and
 - (iii) maintains the CDI register for each Scheme Participant who receives CDIs under the Scheme and procures the provision of CDI holding statements to all applicable Scheme Participants in accordance with the ASX Listing Rules.
- 4.6 UK Holdco will use all reasonable endeavours to ensure that all CDIs in respect of the Scheme Participants' entitlement to Scheme Consideration are approved for official quotation on ASX and that trading of CDIs commences on ASX on the first trading day following the Implementation Date (or such later date as ASX requires).

5. FOREIGN HOLDERS

- 5.1 UK Holdco has no obligation to issue any Scheme Consideration to a Foreign Holder under the Scheme.
- 5.2 The Scheme Consideration that would, but for clause 5.1, have been issued to Foreign Holders must be issued by UK Holdco (or UK Holdco procures the issue) to the Sale Agent on trust for the Foreign Holders and UK Holdco must cause and procure that CDN enters the name of the Sale Agent on the CDI register for the relevant number of CDIs that but for clause 5.1 would have been issued to Foreign Holders. UK Holdco must instruct the Sale Agent to:
- (a) sell all CDIs issued to it for the benefit of the Foreign Holders, as soon as reasonably practicable and, in any event, not more than 20 Business Days after the Implementation Date; and
 - (b) within seven Business Days after receiving the proceeds in respect of the sale of all of the CDIs referred to in clause 5.2(a):
 - (i) account to the Foreign Holders for the net proceeds of sale (on an averaged basis so that all Foreign Holder receive the same price per CDI, subject to

rounding to the nearest whole cent), and any income referable to those CDIs, after deduction of any applicable costs or fees, brokerage, taxes and charges, at the Foreign Holders' risk in full satisfaction of the Foreign Holders' rights under this Scheme; and

- (ii) remit the net proceeds of sale to the Foreign Holders by dispatching, or procuring the dispatch of, a cheque for the relevant amount in Australian dollars drawn in the registered name(s) of the Foreign Holder (or in the case of joint holders, in accordance with clause 7.5) by ordinary pre-paid post to the address of that Foreign Holder appearing in the PM8 Share Register at the Record Date.

5.3 If the Sale Agent believes, after consultation with PM8 and UK Holdco, that a Foreign Holder is not known at its address appearing in the PM8 Share Register at the Record Date, the Sale Agent may credit the amount payable to that Foreign Holder to a separate bank account of UK Holdco to be held until the Foreign Holder claims the amount or the amount is dealt with in accordance with unclaimed money legislation and UK Holdco must hold the amount in trust but any amount accruing from the amount will be to the benefit of UK Holdco. An amount credited to the account is to be treated as having been paid to the Foreign Holder. UK Holdco must maintain records of the amounts paid, the Foreign Holders who are entitled to the amounts and any transfers of the amounts.

5.4 Payment by the Sale Agent to a Foreign Holder in accordance with this clause 5 satisfies in full the Foreign Holder's right to Scheme Consideration.

5.5 None of UK Holdco, PM8 or the Sale Agent gives any assurance as to the price that will be achieved for the sale of the UK Holdco Shares (in the form of CDIs) described in this clause 5, and the sale of the UK Holdco Shares (in the form of CDIs) under this clause 5 will be at the risk of the Foreign Holder.

5.6 Each Foreign Holder appoints PM8, and each director or officer of PM8, as its agent to receive on its behalf any financial services guide or other notice which may be given by the Sale Agent to the Foreign Holder for or in connection with its appointment or sales.

6. WHEN SCHEME BECOMES BINDING

6.1 This Scheme will become binding on PM8 and each Scheme Participant only if the Court makes an order under section 411(4)(b) of the Corporations Act approving the Scheme and that order becomes effective in accordance with section 411(10) of the Corporations Act. PM8 must lodge an office copy of that order with ASIC not later than 7.00pm on the Business Day after the order has been made.

6.2 If this Scheme becomes binding as provided by clause 6.1, the rights of any holder at the Record Date of a PM8 Share are the same as the rights that a PM8 Shareholder who held that PM8 Share immediately prior to the Effective Date would have had if he had remained the holder of the PM8 Share until the Record Date.

6.3 Where this Scheme becomes binding as provided by clause 6.1, a PM8 Shareholder (and any person claiming through that holder) may only assign, transfer or otherwise deal with those PM8 Shares on the basis that the rights so assigned, transferred or dealt with are limited in the manner described in clause 6.2.

7. GENERAL

- 7.1 PM8 may by its counsel or solicitors consent on behalf of all persons concerned to any modification of or addition to this Scheme or to any condition, which the Court may think fit to approve or impose and to which UK Holdco has consented in writing (such consent not to be unreasonably withheld). Each Scheme Participant agrees to any such modification.
- 7.2 The accidental omission to give notice of the Scheme Meeting to any PM8 Shareholder or the non-receipt of such a notice by any PM8 Shareholder will not, unless so ordered by the Court, invalidate the Scheme Meeting or the proceedings at the Scheme Meeting.
- 7.3 For the purpose of this Scheme, the expression "send" or "sent" means:
- (a) for the purpose of clause 4 and clause 5, sending by ordinary pre-paid post to a Scheme Participant at the address of that Scheme Participant appearing in the Register at the Record Date; or
 - (b) delivery to the relevant address by any other means at no cost to the recipient.
- 7.4 If a notice, transfer, transmission application, direction or other communication referred to in this Scheme is sent by post to PM8, it will not be taken to be received in the ordinary course of post or on a date and time other than the date and time (if any) on which it is actually received at PM8's registered office or at the office of the registrar of PM8 Shares.
- 7.5 In the case of Scheme Shares held by joint holders:
- (a) any Scheme Consideration to be issued under this Scheme must be issued to and registered in the names of the joint holders; and
 - (b) any other document required to be sent under this Scheme, will be forwarded to the holder whose name first appears in the PM8 Share Register as at the Record Date.
- 7.6 Each Scheme Participant will be deemed (without the need for any further act) to have irrevocably appointed PM8 and each of its directors and officers, jointly and severally, as the holder's attorney for the purpose of executing any document necessary to give effect to this Scheme, including executing a share transfer form or master share transfer form for the PM8 Shares.
- 7.7 The Scheme Participants:
- (a) agree to the transfer of their Scheme Shares to UK Holdco or its nominee in accordance with the terms of this Scheme and consent to each of PM8 and UK Holdco doing all things necessary for or incidental to the implementation of this Scheme; and
 - (b) acknowledge that this Scheme binds PM8 and all Scheme Participants (including those who do not attend the Scheme Meeting or do not vote at that meeting or vote against the Scheme at that Meeting).
- 7.8 If not prohibited by law, all instructions, notifications or elections by a Scheme Participant to PM8 binding or deemed binding between the Scheme Participant and PM8 relating to PM8 or PM8 Shares (including any email addresses, instructions relating to communications from PM8, whether dividends are to be paid by cheque or into a specific bank account, notices of

meetings or other communications from PM8) will be deemed from the Implementation Date (except to the extent determined otherwise by UK Holdco in its sole discretion), by reason of this Scheme, to be made by the Scheme Participant to UK Holdco until that instruction, notification or election is revoked or amended in writing addressed to UK Holdco at its registered address.

- 7.9 PM8 must execute all deeds and other documents and do all acts and things as may be necessary or expedient on its part to implement this Scheme in accordance with its terms.
- 7.10 Neither PM8 nor any of its officers will be liable for anything done or for anything omitted to be done in performance of this Scheme in good faith.
- 7.11 To the extent of any inconsistency, this Scheme overrides PM8's constitution and binds PM8 and PM8 Shareholders.
- 7.12 The proper law of this Scheme is the law of Western Australia and each party irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of Western Australia.

Stamp duty

- 7.13 UK Holdco will pay all stamp duty (if any, including any fines, penalties and interest) payable in connection with this Scheme.

SCHEDULE 3: DEED POLL

DEED POLL

Pensana Rare Earths Plc

DETAILS

Date 31 October 2019

Parties

UK Holdco	
Name	Pensana Rare Earths Plc
Company No	12206525
Address	Suite 1, 3rd Floor 11 - 12 St. James's Square London SW1Y 4LB
Email	tim.george@pensanametals.com
Attention	Tim George

IN FAVOUR OF Each registered holder of fully paid ordinary shares in Pensana Metals Ltd ACN 121 985 395 of G 10 Outram Street, West Perth, Western Australia 6005 (**PM8**) as at 7.00pm on the Record Date.

BACKGROUND

- A PM8 and UK Holdco are parties to a scheme implementation agreement dated on or about the date of this deed poll in respect of the Scheme and associated matters (**Implementation Agreement**).
- B In accordance with clause 5.3(e) of the Implementation Agreement, UK Holdco is entering into this deed poll to covenant in favour of the Scheme Participants that it will observe and perform its obligations under the Implementation Agreement and the Scheme, including providing the Scheme Consideration.

AGREED TERMS**1. DEFINITIONS AND INTERPRETATION****Definitions**

- 1.1 In this deed poll:

First Court Date means the first day on which an application is made to the Court for an order under section 411(1) of the Corporations Act approving the convening of the Scheme Meeting.

Scheme means the scheme of arrangement pursuant to Part 5.1 of the Corporations Act to be proposed between PM8 and PM8 Shareholders, substantially in the form contained in Annexure A to this deed poll, together with any alternations or conditions made or required by the Court under section 411(6) of the Corporations Act and approved in writing by PM8 and UK Holdco.

- 1.2 All other capitalised words and phrases have the same meaning as given to them in the Scheme.

Interpretation

- 1.3 Clause 1.2 of the Scheme applies to the interpretation of this deed poll, except that references to "this agreement" in clause 1.2 of the Scheme are to be read as references to "this deed poll".

2. NATURE OF DEED POLL

2.1 UK Holdco acknowledges that:

- (a) this deed poll may be relied upon and enforced by any Scheme Participant in accordance with its terms, even though the Scheme Participants are not party to it; and
- (b) under the Scheme, each Scheme Participant irrevocably appoints PM8 and each of its directors and officers (jointly and severally) as its agent and attorney to enforce this deed poll against UK Holdco on behalf of that Scheme Participant.

3. CONDITIONS AND TERMINATION

Conditions

- 3.1 This deed poll and the obligations of UK Holdco under this deed poll are subject to the Scheme becoming Effective.

Termination

- 3.2 The obligations of UK Holdco under this deed poll to the Scheme Participants will automatically terminate and the terms of this deed poll will be of no further force or effect, if:

- (a) the Implementation Agreement is terminated in accordance with its terms prior to the Scheme becoming Effective; or
- (b) the Scheme does not become Effective on or before the End Date,

unless UK Holdco and PM8 otherwise agree in writing.

Consequences of Termination

- 3.3 If this deed poll is terminated under clause 3.2 then, in addition and without prejudice to any other rights, powers or remedies available:

- (a) UK Holdco is released from its obligations to further perform this deed poll except for any obligations which by their nature survive termination; and
- (b) Scheme Participants retain the rights they have against UK Holdco in respect of any breach of this deed poll which occurs before termination.

4. SCHEME OBLIGATIONS

Payment of Scheme Consideration

- 4.1 Subject to clause 3, UK Holdco undertakes in favour of each Scheme Participant to:

- (a) provide, or procure the provision of, the Scheme Consideration to each Scheme Participant in accordance with the terms of the Scheme; and
- (b) undertake all other actions, and give each acknowledgement, representation and warranty (if any), attributed to it under the Scheme,

subject to and in accordance with the provisions of the Scheme and the Implementation Agreement.

5. WARRANTIES

5.1 UK Holdco represents and warrants in favour of each Scheme Participant that:

- (a) it is a corporation validly existing under the laws of its jurisdiction of continuance;
- (b) it has the corporate power to enter into and perform its obligations under this deed poll and to carry out the transactions contemplated by this deed poll;
- (c) it has taken all necessary corporate action to authorise its entry into this deed poll and has taken or will take all necessary corporate action to authorise the performance of this deed poll and to carry out the transactions contemplated by this deed poll;
- (d) this deed poll is valid and binding on it and enforceable against it in accordance with its terms; and
- (e) this deed poll does not conflict with, or result in the breach of or default under, any provision of the articles of association of UK Holdco (as the same have been amended, restated or supplemented from time to time as of the date hereof) or any material term or provision of any agreement, or any writ, order or injunction, judgement, law, rule or regulation to which UK Holdco is a part, is subject to, or is bound by.

6. CONTINUING OBLIGATIONS

6.1 This deed poll is irrevocable and, subject to clause 3, remains in full force and effect until:

- (a) UK Holdco has fully performed its obligations under this deed poll; or
- (b) the earlier termination of this deed poll under clause 3.

7. NOTICES

Notices

7.1 Any notice or other communication to UK Holdco in respect of this deed poll must be in legible writing and in English and:

- (a) must be addressed as shown below:

UK Holdco
Attention: Tim George
Address: Suite 1, 3rd Floor 11 - 12 St. James's Square London SW1Y
4LB
Email tim.george@pensanametals.com

- (b) must be signed by the person making the communication or by a person duly authorised by that person;

- (c) must be delivered or posted by prepaid post to the address of UK Holdco in accordance with clause 7.1(a) or sent by email to the email address specified above; and
- (d) will be regarded as received by the addressee:
 - (i) if delivered, on the date of delivery;
 - (ii) if sent by post, on the third day after it was put into the post (for post within the same country) or on the fifth day after it was put into the post (for post sent from one country to another); or
 - (iii) if sent by email, on the earlier of the sender receiving an automated message confirming delivery or, provided no automated message is received stating that the email has not been delivered, three hours after the time the email was sent by the sender, such time to be determined by reference to the device from which the email was sent,

but if the notice or other communication would otherwise be taken to be received after 5.00pm or on a day that is not a Business Day in the place of receipt then the notice or communication is taken to be received at 9.00am on the next day that is a Business Day in the place of receipt.

8. GENERAL

Governing law and jurisdiction

- 8.1 This deed poll is governed by the law of Western Australia. UK Holdco irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of Western Australia and courts of appeal from them in respect of any proceedings arising out of or in connection with this deed poll. UK Holdco irrevocably waives any objection to the venue of any legal process in these courts on the basis that the process has been brought in an inconvenient forum.

Waiver

- 8.2 Without limiting any other provisions of this deed poll, UK Holdco agrees that:
- (a) failure to exercise or enforce or delay in exercising or enforcing or the partial exercise or enforcement of any right, power or remedy provided by law or under this deed poll will not in any way preclude, or operate as a waiver of, any exercise or enforcement, or further exercise or enforcement of that or any other right, power, or remedy provided by law or under this deed poll;
 - (b) any waiver or consent given under this deed poll will only be effective and binding if it is given or confirmed in writing by the person giving the waiver or consent;
 - (c) no waiver of a breach of any term of this deed poll will operate as waiver of another breach of that term or of a breach of any other term of this deed poll; and
 - (d) nothing in this deed poll obliges a party to exercise a right to waive any conditional term of this deed poll that may be in its power.

Variation

8.3 This deed poll may not be varied unless:

- (a) if before the First Court Date, the variation is agreed to by PM8 in writing; or
- (b) if on or after the First Court Date, the variation is agreed to by PM8 and the Court indicates that the variation would not of itself preclude approval of the Scheme,

in which event UK Holdco will enter into a further deed poll in favour of the Scheme Participants giving effect to the variation.

Cumulative rights

8.4 The rights, powers and remedies of UK Holdco and the Scheme Participants under this deed poll are cumulative and do not exclude any other rights, powers or remedies provided by law independently of this deed poll.

Assignment

8.5 The rights created by this deed poll are personal to UK Holdco and each Scheme Participant and may only be assigned with the prior written consent of UK Holdco and PM8.

8.6 Any purported dealing in contravention of clause 8.5 is invalid.

Stamp duty and costs

8.7 UK Holdco must:

- (a) pay any stamp duties any related fines and penalties in respect of this deed poll, the performance of this deed poll and each transaction effected by or made under or pursuant to this deed poll (if any);
- (b) pay other costs incurred in connection with the transfer of PM8 Shares to UK Holdco in accordance with the terms of the Scheme; and
- (c) indemnify on demand each Scheme Participant against any liability arising from failure to comply with clauses 8.7(a) or 8.7(b).

Further assurances

8.8 UK Holdco must promptly do all things necessary or expedient to be done by it in connection with the matters referred to in this deed poll and to implement the Scheme.

Annexure A
Scheme of Arrangement

EXECUTION

Executed as a Deed Poll.

Executed as a deed by **Pensana Rare Earths Plc** acting by


.....
Signature of director

In the presence of:

Witness Signature


.....

Witness Name

Ambur Unite-Penny

Witness Address

18 Gemini Way, Constantia, Cape
Town, 7806, RSA

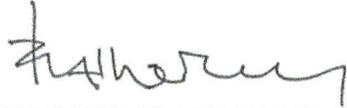
Witness Occupation

Property Broker

EXECUTION

Executed as an agreement.

Executed by **Pensana Metals Ltd**
ACN 121 985 395 acting by the following
persons or, if the seal is affixed, witnessed by
the following persons in accordance with s127
of the Corporations Act 2001:



.....
Signature of director

Paul Atherley
.....
Name of director (print)



.....
Signature of ~~director~~/company secretary

Scott Mison
.....
Name of ~~director~~/company secretary
(print)

Executed as a deed by **Pensana Rare Earths
Plc** acting by



.....
Signature of director

In the presence of:

Witness Signature



Witness Name

Ambur Unite-Penny

Witness Address

18 Gemini Way, Constantia, Cape
Town, 7806, RSA

Witness Occupation

Property Broker