

26 February 2024

**THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION**

**Pensana Plc**

**Longonjo Project Debt Finance**

Pensana (PRE.L) (the Company) is pleased to provide the following update on debt finance for the Longonjo project:

- The Company, through its 84% owned subsidiary Ozango Minerais SA (Ozango), which owns 100% of the Longonjo project, has concluded a non-binding term sheet (Term Sheet) with the Longonjo lender consortium for a project finance debt facility (Facility).
- The Facility amount is up to US\$156 million with a participation of up to 50% between each of the lender participants.
- The purpose of the Facility is to provide limited recourse senior secured project finance to fund the Longonjo mine, flotation circuit and refinery.
- The maximum tenor of the Facility is to cover the construction period and ramp up to full production plus four years to an overall maximum of seven years.
- The Facility is conditional on obtaining guarantees from the relevant export credit agency for which discussions are well advanced.
- The Company is furthermore in advanced discussions with the Angola Sovereign Wealth Fund (FSDEA) and a member of the lender consortium to finalise the US\$80 million equity component of the overall financing package.
- Conclusion of the Term Sheet follows the successful completion of a modular redesign of the fully permitted Longonjo mine and processing facility, with a total capital expenditure (including 10% contingency) of US\$217 million, making it one of the lowest amongst its peers.
- The Company is in advanced discussions with several parties for the offtake of the highly marketable, radionuclide-free mixed rare earth carbonate (MREC) and has recently received product approval from one of its potential customers.
- The Company expects to be in a position to sign up to 100% of the production of the high value, clean MREC from the Longonjo processing facility.

- FSDEA has provided a US\$15 million bridging loan facility towards the US\$80 million equity investment, which continues to be available to facilitate early-stage project development and the route to main finance.

**Paul Atherley Chairman commented:** *"We are grateful to FSDEA for its ongoing support and to the lender consortium for their work in concluding the US\$156 million debt term sheet to finance the Longonjo rare earths mine and processing facility.*

*This is a major step for the Company in its plans to bring into production one of the world's largest undeveloped rare earth projects.*

*It is also an important step for the establishment of an African-based, independent, supply chain of the metals crucial to the energy transition, which captures significant value within Angola and creates several hundred long-term high value jobs within the local community."*

## **About Longonjo**

The electrification of motive power through Electric Vehicles and Wind Turbines is the biggest energy transition in history and is forecast to generate a demand growth for magnet metal NdPr of 7.5% CAGR over the next decade.

Pensana owns one of the world's largest undeveloped rare earth mines, and one of only three with a JORC Reserve greater than 100,000 tonnes of NdPr.

Pensana recently announced that one of its major potential customers has approved the product qualification specifications for Longonjo's proposed MREC product. The Longonjo MREC contains 50% Total Rare Earth Oxide of which 24% is NdPr with minimal impurities and is radionuclide-free.

Longonjo is expected to produce 20,000 tonnes of MREC commencing 2026 and 40,000 tonnes of MREC from 2029 onwards following the planned expansion.

At full production Longonjo will produce ~5% of world production of NdPr in the form of an exported mixed rare earth carbonate.

The upfront capital cost of US\$217 million for the fully permitted mine and processing facilities is amongst the lowest amongst its peers.

The information contained within this announcement is considered by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No.596/2014. Upon the publication of this announcement via a Regulatory Information Service, this inside information will be considered to be in the public domain. The person responsible for arranging for the release of this announcement on behalf of the Company is *Paul Atherley, Chairman*.

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