

# THIS ANNOUNCEMENT CONTAINS INSIDER INFORMATION

## Pensana Plc

### ("Pensana" or the "Company")

#### Update on Longonjo Finance

Pensana Plc (PRE.LSE) (the "**Company**") is pleased to provide the following update on the debt finance component of the Longonjo rare earth project:

- Leading Pan-African bank Absa Bank Limited, acting through its Corporate and Investment Banking Division ("**Absa**"), has conditionally approved a credit term sheet for its 50% participation in an approximately US\$160 million syndicated loan facility ("**the Facility**"), subject to the conclusion of definitive loan documentation and the fulfilment of conditions precedent contained therein as well as obtaining political and commercial risk insurance cover from a reputable political risk insurer on Absa's exposure under the Facility.
- The Facility will provide senior funding for the Phase 1 development of the Company's Longonjo rare earth mine ("**Longonjo**") in Angola through its 84% owned subsidiary Ozango Minerais SA ("**Ozango**").
- The debt financing will look to deliver approximately 60% of all project funding for Longonjo with the balance (40%) funded through equity provided at the Ozango level.

#### **Pensana Chairman, Paul Atherley, commented:**

*"We are grateful for the work undertaken by the Absa team in providing the Longonjo project with a conditional commitment to its share of the US\$160 million debt funding requirement for the Longonjo project.*

*This is an important step towards finalising funding for a project which will have a major positive impact on the community, creating over 600 high value jobs of which over 50% are expected to be allocated to young people as well as supporting local businesses and farmers.*

*Once in full production the project will create an estimated 2,400 direct and indirect jobs and will produce around 5% of the world's magnet metal rare earths used for wind turbines and electric vehicles"*

The agreed term sheet follows the successful completion of a detailed technical, marketing, environmental and fiscal due diligence process and conditional approval of the loan by Absa's credit committee, with the legal due diligence process to be finalised.

#### **About Longonjo**

Pensana has spent over US\$70 million over the past six years on exploration, technical and environmental studies on the Longonjo rare earth project in the Huambo district of Angola approximately 350 kilometres Southeast of the capital Luanda.

The company has successfully delineated one of the world's largest undeveloped magnet metal rare earth deposits.

The electrification of motive power is arguably the biggest energy transition in history and needs rare earths for permanent magnets.

Once in full production the mine will produce ~5% of the world's production in the form of a high value mixed rare earth carbonate, capable of being converted into permanent magnets for electric vehicles and offshore wind turbines.

The project will cost over US\$325 million to bring into full production and over its 20 year life we will spend over US\$2.3 billion in operating expenditure, much of it spent locally. The project will generate over US\$6 billion in export revenue and importantly will contribute over US\$1 billion of tax to regional and national treasuries.

The project will create over 600 high value jobs of which over 50% are expected to be allocated to young people. Once in full production the investment will create an estimated 2,400 direct and indirect jobs and will support local businesses and farmers.

We are committed to developing the mine to the very best international standards with the highest level of community engagement and have published a blueprint for sustainable rare earth development which is available on our website.

[Pensana Blueprint for Sustainable Rare Earths.pdf](#)

The team's efforts were recognised in 2022 when we received an award by S&P Green Bond Rating Agency CICERO and more recently, we were awarded a Gold Medal by EcoVadis, a leading sustainability ratings provider, placing it among the top 5% of the companies assessed.

It has been independently estimated that the mine, which is powered by hydroelectricity and has direct access to the Atlantic Port of Lobito via the Lobito Corridor rail line will save over 4 million tonnes of CO2 emissions - the carbon equivalent of replacing 1.5 GW of fossil fuel electricity generation.

**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*.**

**– ENDS –**

**For further information, please contact:**

**Shareholder/analyst enquiries:**

**Pensana Plc**

Paul Atherley, Chairman

[IR@pensana.co.uk](mailto:IR@pensana.co.uk)

Tim George, Chief Executive Officer

Rob Kaplan, Chief Financial Officer