



PENSANA Plc

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2025 ANNUAL REPORT
for the financial year ended 30 June

CONTENTS

Corporate highlights	IFC
Operational highlights	1
FY2025 results	1
STRATEGIC REPORT	
Chairman’s review	4
Chief executive officer’s review	6
Five-year performance	9
Operational review	10
Directors’ section 172 statement	18
Geology and Mineral Resources	20
Principal risks and uncertainties	24
Corporate governance report	32
Environmental, social and governance report	41
GOVERNANCE	
Board of directors	62
Remuneration report	64
Annual remuneration report	66
ANNUAL FINANCIAL STATEMENTS	
Directors’ responsibility statement	80
Directors’ report	81
Audit and risk committee report	85
Independent auditor’s report	88
Consolidated statement of comprehensive income	96
Consolidated statement of financial position	97
Consolidated statement of changes in equity	98
Consolidated statement of cash flows	100
Notes to the financial statements	101
COMPANY ANNUAL FINANCIAL STATEMENTS	
Company statement of financial position	134
Company statement of cash flows	135
Company statement of changes in equity	136
Notes to the company financial statements	138
ADDITIONAL INFORMATION	
Abbreviations	143
Corporate directory	IBC

The directors of Pensana Plc (the company) submit herewith the annual financial report of Pensana Plc (consolidated entity) for the year ended 30 June 2025.

CORPORATE HIGHLIGHTS

- Funding approvals of US\$268 million secured for 100% of Longonjo Phase 1 through debt and equity. Initial deployment of US\$25 million by Fundo Soberano de Angola (FSDEA) towards main construction is underway, in addition to a US\$15 million loan utilised towards early construction works.
- In May 2025, the company secured a £2 million equity placement to major shareholder M&G Investment Management (M&G) which has agreed to invest £1 million alongside other strategic investors to the value of £1 million.
- Memorandum of understanding (MOU) with ReElement Technologies (ReElement) to develop a sustainable rare earth supply chain. It includes a proposed offtake of up to 20,000t per annum of ultra-clean mixed rare earth carbonate (MREC) and a shared commitment to develop a sustainable, independent rare earth supply chain to meet rising demand from United States (US) and allied defence and commercial industries.
- Further offtake and co-operation agreements signed with major Japanese partners Hanwa Co. Ltd. and Toyota Tsusho Corporation, each proposing up to 100% of Longonjo Phase 1 production (~20,000t of MREC per annum).
- US\$3.4 million technical assistance grant funding secured from the US International Development Finance Corporation (DFC), America’s development finance institution for secure investment in emerging economies.
- Achievement of the EcoVadis gold medal, indicating environmental, social and governance (ESG) performance among the top 5% of companies assessed.

Post period-end:

- In September 2025, the company announced a proposed share consolidation and potential listing for Pensana on the Nasdaq Stock Market due to US interest in the Longonjo Project.
- Appointment of rare earths veteran Karen Brown as chief operating officer, effective 1 October 2025.

OPERATIONAL HIGHLIGHTS

- Longonjo main construction commenced and is on track to meet the capital cost schedule of US\$217 million with engineering delivery partners mobilised ahead of targeted production in 2027.
- Coola to commence a drilling programme in H2 2025 to test the potential for a deeply weathered and supergene enrichment central diatreme, as occurs at the Longonjo carbonatite.
- The updated 2012 Australasian Code for Reporting of Mineral Resources and Ore Reserves (JORC)-compliant Ore Reserve grade has increased to 3.04% total rare earth oxide (TREO) containing 139,000t of neodymium and praseodymium (NdPr) oxide for a mine life of over 20 years, making it one of the largest and highest-grade undeveloped magnet metal projects worldwide.
- Completion of the Longonjo early construction works, including construction and development of the civil works for the camp facilities, the rehabilitation of the access road to Longonjo camp and continued development of positive community relations.
- Zero recordable injuries in the period.

FY2025 RESULTS

TOTAL COMPREHENSIVE LOSS FOR THE PERIOD
US\$5,872,510
(2024: US\$6,818,628)

TOTAL LOSS AFTER TAX FOR THE PERIOD
US\$11,497,912
(2024: US\$5,818,045)

PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS
US\$78,728,336
(2024: US\$70,966,675)

CASH AND CASH EQUIVALENTS
US\$811,049
(2024: US\$1,515,378)



STRATEGIC REPORT

Chairman's review	4
Chief executive officer's review	6
Five-year performance	9
Operational review	10
Directors' section 172 statement	18
Geology and Mineral Resources	20
Principal risks and uncertainties	24
Corporate governance report	32
Environmental, social and governance report	41

CHAIRMAN'S REVIEW



The construction of Longonjo Mine has commenced, making it one of the only major rare earth mines coming into production anytime soon, and allowing the company to transition from developer to producer at a time of considerable strategic interest in realigning global supply chains.

Dear shareholders,

On behalf of my board colleagues, I am pleased to present the 2025 annual report and a year of considerable progress for the company.

During the period, we put in place US\$268 million of finance and commenced construction of one of the world's largest rare earth mines.

We are grateful to the Angolan Sovereign Wealth Fund (FSDEA), Absa Bank Limited, acting through its Corporate and Investment Banking Division (Absa), and the Africa Finance Corporation (AFC) for their ongoing support for the project which during peak construction activity will employ over 650 personnel and contractors and, once in production, will create over 420 high-value full-time jobs, and will create many more jobs in the region.

The mine will also make significant fiscal and other contributions both to the local and Angolan governments.

The construction of Longonjo Mine has commenced with the extensive site works which are scheduled to continue into the new year and will be followed by the modular construction of the processing facilities during the second half of 2026 with commissioning and production in 2027.

Longonjo will produce 20,000t per annum of highly sought-after clean, high-grade MREC. There has been considerable interest in securing this offtake internationally with strong interest more recently from the US.

In April 2025, China implemented export restrictions on seven medium and heavy rare earth elements (REEs), creating immediate market disruption and further highlighting the need for diversified supply chains outside of China.

In response to this and reflecting the US government's commitment to realign the global supply chain for rare earths in July of this year, MP Materials entered into a significant public-private partnership with the US Department of Defense to accelerate the build-out of a domestic rare earth magnet supply.

In June, we signed an MOU with ReElement to develop a sustainable rare earth supply chain. The partnership aims to establish a globally competitive, non-China-dependent supply chain for magnet-grade rare earths.

Under the agreement, ReElement will potentially offtake up to 20,000tpa of MREC from our Longonjo Mine in Angola over a five-year period, and we will look to integrate ReElement's advanced refining platform with Pensana's Mineral Resources to produce ultra-pure separated rare earth oxides.

The partnership will further look to leverage the Lobito Corridor in Angola for low-cost, efficient access to global export and will aim to create a resilient and sustainable supply network, meeting the rising demand for REEs in industries such as electric vehicles and wind turbines.

The Longonjo Mine contains one of the world's largest rare earth deposits, with a JORC-compliant reserve of 22Mt grading 3.04% TREO.

The partnership represents a significant step towards building a true mine-to-magnet global rare earth supply chain, with both companies sharing a clear vision for establishing an efficient, scalable and enduring supply chain for magnet-grade rare earths.

The US is serious about developing a domestic rare earth supply chain and there is growing investor interest in Pensana as we develop one of the world's largest rare earth mines and form strategic partnerships with US downstream players.

Longonjo is one of the few mines in development that will be in production when the US closes the door to Chinese imports in 2027. We are looking to become a long-term reliable supplier to the US market at a time when China continues to tighten its control over global supply.

As one of the only major rare earth mines coming into production anytime soon, our production is highly sought-after, and we have been encouraged by our strengthened engagements with high-profile players in the industry across Europe (Solvay), Japan (Hanwa), Korea (Posco) and China (CD Logistics).

More recently, we have also focused on the opportunity for Pensana to supply NdPr MREC to midstream customers in the US.

I would like to express my gratitude towards FSDEA for their continued support of the project over this period and their agreement to unlock the first tranche of equity to cater for the initiation of main construction, which has been crucial to maintaining project momentum as well as evidencing their continued support for what is a world-class rare earth development project.

We are delighted to see Angola and the efforts of local and national government to uplift infrastructure and create regional development being actively realised.

Angola is a growing mining jurisdiction attracting global investment from Rio Tinto, Anglo American, Trafigura, Mota Engil, the US Department of Energy and the European Union (EU) due to untapped geological endowment, excellent infrastructure and a highly supportive government.

Over the period, the criticality and importance of the US\$550 million Lobito Corridor as one of Africa's most important rail transport systems continued to be highlighted by the significant ongoing capital investment, and we are expecting it to have a very positive impact on the transport logistics during Longonjo's construction and on the reagent and product transport during operations.

We have now initiated construction for what has been engineered to be one of the lowest capital expenditure lines among its peers, and we are now on the cusp of unlocking one of the first major rare earth mines to be put into production in over a decade.

This has been made possible by the ongoing financial support of our major shareholders. I would like to take this opportunity to thank Mr Armando Manuel, President of the board of FSDEA, and his team for their ongoing support of this important project, M&G, our major United Kingdom (UK) shareholder, and the various US government agencies for their support in unlocking grant funding.

Finally, we have announced a resolution to be voted on at the annual general meeting (AGM) which will consider a proposed share consolidation ahead of a proposed Nasdaq listing in the first quarter of 2026. This dual listing will allow more US institutional investors to gain exposure to these rapidly unfolding supply chain developments in the US.

I want to take this opportunity to thank chief executive officer Tim George and chief financial officer Rob Kaplan and their teams for their unrelenting efforts which have been rewarded by a transformational year during which the company has embarked on the transition from developer to producer at a time of considerable strategic interest in realigning global supply chains.

We very much look forward to reporting to you on the continued progress of your company over the forthcoming 12 months.

Paul Atherley
Executive chairman

14 October 2025

CHIEF EXECUTIVE OFFICER'S REVIEW



Longonjo main construction has begun, and downstream processing ambitions continue alongside exploration opportunities at Coola.

Dear shareholders,

Having weathered a challenging period in the capital markets, with the effort of our project team diligently managing available funds, I am pleased to confirm that at the time of writing, the Longonjo team is now actively at work on the main construction roll-out at Longonjo. This has largely been on the back of the Angolan Sovereign Wealth Fund's direct project-level equity injection into Ozango Minerals SA (Ozango) following on from their loan to facilitate the early works programme.

Following a protracted multidisciplinary due diligence process, both the Absa and AFC credit committees gave the green light for their participation. A detailed review of the capital cost estimates and construction schedule in the third quarter, subsequent to the finance approvals secured, have confirmed that the overall capital cost envelope of US\$217 million (including contingency) is intact. Consequently, our Phase 1 production target of 20,000tpa of clean, highly marketable MREC remains scheduled to ramp up in early 2027.

We announced an updated JORC-compliant Ore Reserve grade increase to 3.04% TREO containing 139,000t of NdPr oxide for a mine life of over 20 years making Longonjo one of the largest and highest-grade undeveloped magnet metal projects worldwide. This is underpinned by Phase 1 processing capacity of 800,000t per annum with a feed grade for the first five years of 4.12% TREO coupled with the comparatively low capital intensity benefiting from existing regional infrastructure.

The company currently has oversubscribed interest in offtake for the Phase 1 production and has received significant interest towards the proposed expansion to 40,000t of MREC per annum.

Downstream ambitions are also firmly back on track, now that primary feedstock is secured, with several near-term opportunities currently being explored against a markedly different macro rare earth environment.

On the exploration front, following various campaigns across the broader Coola prospection concession area, we are now scheduled to drill the central diatreme of the Coola carbonatite in the coming months with the view to adding to the longer-term resource base in support of the Longonjo life-of-mine (LOM).

Over the year, the Longonjo Project team has focused on ensuring that main construction activities may commence seamlessly with completion of the construction camp and associated infrastructure including access road upgrades, full 11kV line electrical reticulation, potable water supply and a wastewater treatment plant and storm water management.

Our team continues to ensure we are responsible in our relationships with the local communities and we continue to deliver our Resettlement Action Plan (RAP) aligned to best international practice. Additionally, we continue to develop and progress our Angolan team in their careers with support and development and this has played out with several successful internal promotions. We employ over 90% Angolan nationals on-site.

Stakeholder engagement continues apace with regular meetings taking place over the period including local and national authorities, transitional leadership, project-affected people and training institutions. I am delighted that we have a fully engaged community advisory committee in place alongside an active grievance mechanism ensuring two-way communication between ourselves and the local communities.

We have now matured relationships with key partners going forward to unlock the true value of the Pensana offering, including:

- The technical assistance grant from the DFC will support activities in the form of feasibility studies for doubling the capacity of the existing Longonjo Mine design, the addition of downstream refining in Angola as well as the longer-term development of the Coola Project orebodies;
- The offtake agreement with Hanwa is considering deeper co-operation including the possibility of an investment to continue to develop the Pensana upstream and downstream projects with the aim of delivering a low embedded carbon magnet metal supply chain supporting Hanwa's customers and future partners. The MOU also allows for Hanwa to consider providing financial support and to jointly study support opportunities from governmental and financial institutions for the various Pensana projects. These include separation facilities, further exploration activities and a metallisation project;
- Toyota Tsusho are also exploring deeper co-operation with Pensana as both parties jointly assess additional opportunities across the rare earth value chain. Since 2013, Toyota Tsusho has been processing rare earth materials at its Indian facility and continues to expand operations to meet the growing demand from Japanese magnet manufacturers;

- The collaboration with ReElement builds on the offtake agreement for a similar tonnage of MREC with Toyota Tsusho and our plans for downstream magnet metal production. Integration of ReElement's advanced refining platform offers a high-throughput, low-waste and cost-effective process to produce ultra-pure separated rare earth oxides; and
- More recently, following the recent developments with the US administration and MP Materials in realigning magnet metal rare earth supply chains to the US, we appointed research and investor outreach firm Stonegate with a view to presenting the Pensana story to North American institutional investors adding to the growing interest in the company's US Over-the-Counter listing.

The collective impact of the above evolving partnerships marks an important milestone in Pensana's journey to build a globally diversified and resilient magnet metal rare earth supply chain.

Having now reached the next exciting chapter in the evolution of the Longonjo Project, I need to give my special thanks for the ongoing support rendered by H.E. Diamantino Azevedo, Minister of Mineral Resources, Petroleum and Gas, H.E. Dr Jânio da Rosa Corrêa Victor, the Secretary of State for Mines, Eng. Jacinto Rocha, Chair of the National Agency for Mineral Resources and H.E. Periera Alfredo, Governor of Huambo, alongside the support from the Longonjo municipality to navigate any issues which may affect the project execution.

I also express appreciation to the Angolan Sovereign Wealth Fund and M&G for their ongoing financial support towards maintaining Pensana's momentum during this year.

The above engagements are a testament to the enthusiastic and continued support within the state organisations of Angola for the development of Longonjo as an example supporting the stated policy of diversification of the Angolan economy. In conclusion, Angola continues to be 'open for business' with a stable regulatory landscape.

Tim George
Chief executive officer

14 October 2025



Longonjo main construction underway with first production scheduled in 2027

FIVE-YEAR PERFORMANCE

The table below sets out summary information about the consolidated entity's earnings and movements in shareholder equity for the five years to 30 June 2025.

Description	Pensana Plc				
	30 June 2025 US\$	30 June 2024 US\$	30 June 2023 US\$	30 June 2022 US\$	30 June 2021 US\$
Statement of comprehensive income					
Finance and other (costs)/income	(40)	–	(28)	28	342
Net loss before tax	(11,497,912)	(5,818,045)	(4,302,823)	(11,712,022)	(9,583,772)
Net loss after tax	(11,497,912)	(5,818,045)	(4,302,823)	(11,712,022)	(9,370,862)
Weighted average number of ordinary shares (number)	291,117,481	285,997,684	254,074,694	229,019,699	199,554,645
Basic (loss) per share (US\$ cents per share)	(3.95)	(2.03)	(1.69)	(5.11)	(4.70)
Diluted (loss) per share (US\$ cents per share)	(3.95)	(2.03)	(1.69)	(5.11)	(4.70)
Statement of financial position					
Property, plant and equipment	63,708,542	57,354,414	47,969,254	31,277,770	18,507,768
Intangible assets	15,019,794	13,612,261	13,820,318	5,417,432	132,040
Net current (liabilities)/assets	(29,072,535)	(20,010,861)	(5,028,970)	1,683,787	17,528,826
Total equity attributable to equity shareholders	50,525,938	50,955,814	56,760,602	38,378,989	36,168,634
Share price history					
Share price at the start of the year (US\$ cents)	22.7	33.1	72.0	150.5	18.6
Share price at the end of the year (US\$ cents)	83.1	22.7	33.1	72.0	150.5
Market capitalisation (US\$ million)	248.8	65.7	94.3	169.0	325.7

OPERATIONAL REVIEW

The board is pleased to present its review of Pensana Plc, the rare earth exploration, mining and processing development group, currently constructing one of the world's largest rare earth mines at the Longonjo NdPr Project in Angola.

PRINCIPAL ACTIVITIES

Pensana is currently constructing one of the world's largest rare earth mines at the Longonjo NdPr Project. Through successfully concluding the development phase of the Longonjo Project in Angola, the company managed to establish itself as the most important rare earth developer in over a decade on the backdrop of a global focus to secure critical minerals, in particular, rare earths for permanent magnets, as part of the biggest energy and technological transition in history.

Included in the current portfolio of assets is the Coola Exploration Project in Angola and a downstream rare earth separation facility (RESF) in the UK. The timing around the development of these assets is largely dependent on strategic sequencing in line with the relevant financing frameworks being secured and evidence of ongoing support from the relevant governments and associated development agencies.

Activities conducted in the current period were centred around the finalisation of financing work streams following the revised Longonjo feasibility study and execution plan allowing for the staged mine development through a reduced capital envelope which was supported by a full technical due diligence review on the revised feasibility study. This resulted in approvals of the full financing totalling circa US\$268 million for the Longonjo Rare Earth Project, for the 84%-owned subsidiary Ozango which owns 100% of the Longonjo Project.

Pensana has continued its focus on securing offtake for the first phase of the project by successfully signing a MOUs with Hanwa, Toyota Tsusho Corporation and US-based ReElement. These MOUs, in addition to existing MOUs with other potential offtake partners, are for 100% of the ultra-clean

MREC produced from the Longonjo asset but can convert to offtake for the metal products once the downstream activities are complete, available through continued relationships with magnet producers and original equipment manufacturers (OEMs).

Pensana has continued to evaluate downstream opportunities to convert MREC feedstock from Longonjo to oxide, including metallisation and magnet manufacturing. The execution of these opportunities is supported by the US DFC grant towards further studies for downstream refining opportunities in Angola, along with strategic partnerships with the likes of Hanwa, Toyota Tsusho and other offtake partners and OEMs to support the development of a Western-facing magnet supply chain. The initial feasibility studies completed to support oxide separation were aimed at the establishment of the Saltend refinery in the UK, although opportunities exist to establish a separation facility elsewhere, independently or through partnerships.

One of these opportunities includes an MOU signed with ReElement, a leader in the critical mineral supply chain, to integrate their refining platform, which offers a high-throughput, low-waste, and cost-effective process to produce ultra-pure separated rare earth oxides and to co-operate, strengthen and secure the global rare earth value chain and explore additional joint opportunities along with Pensana as a strategic partner.

Exploration activities mainly revolve around mineralogical studies to confirm processing potential of the rare earth host minerals at the Coola carbonatite and Sulima West exploration targets, with future plans to advance metallurgical testwork programmes on the Coola concession orebodies and initial focus on the surface Sulima West laterite deposit to accelerate plans to use this as additional feedstock for the Longonjo processing plant.

OPERATIONAL AND FINANCIAL REVIEW

During the year ended 30 June 2025, the consolidated total loss for the year amounted to US\$11,497,912 (2024: US\$5,818,045), comprising mainly administration expenses of US\$7,399,959 (2024: US\$6,294,336) and foreign exchange losses of US\$4,610,939 (2024: US\$562,611 gain). The increase in total losses for the year of US\$5,679,867 (+98%) compared to the prior year mainly comprises the following key variances:

- Increased foreign exchange losses of US\$5,173,550. These gains and losses arise from the settlement of invoices in currencies other than the functional currencies (US dollar, British pound, Australian dollar, Angolan kwanza), as well as the translation of balances denominated in foreign currencies. The increase in foreign exchange losses was mainly driven by the strengthening of the British pound against the US dollar which impacted the loans and payables in the parent company denominated in British pound.

FUNDING APPROVALS FOR 100% OF LONGONJO PHASE 1 CONSTRUCTION OF
US\$268 MILLION
INCLUDE PHASE 1 CAPITAL EXPENDITURE, CAPITALISED INTEREST AND UPFRONT FEES

EQUITY PLACEMENT TO MAJOR INSTITUTIONAL SHAREHOLDERS OF
£2 MILLION
TO SUPPORT CORPORATE FUNDING REQUIREMENTS DURING MAIN CONSTRUCTION

PHASE 1 LONGONJO CAPITAL ESTIMATE OF
US\$217 MILLION
ONE OF THE LOWEST CAPITAL NDPR PROJECTS GLOBALLY

- Higher administration costs of US\$1,105,623 (+18%) largely driven by increased employee benefits as a result of the current year share-based payment provision (US\$2,201,279), offset by lower overall corporate costs as part of cash preservation initiatives across the group (-US\$856,488).

The total comprehensive loss for the year amounted to US\$5,872,510 (2024: US\$6,818,628), with the reduced loss of -14% driven by higher foreign currency translation gains of US\$6,625,985, offset by the increase in total losses for the year as explained previously of -US\$5,679,867. Foreign currency translation relates to exchange differences arising on translation of foreign operations.

Net assets for the period ended 30 June 2025 amounted to US\$50,525,938 (2024: US\$50,955,814), mainly consisting of non-current assets capitalised as part of developing the Longonjo and Saltend Projects. The marginal decrease in net assets of US\$429,876 (-1%) compared to the prior year is mainly a result of an increase in net borrowings (US\$7,074,862) following the drawdown of the remaining FSDEA loan and Pensana Plc short-term debt facility, a decrease in working capital balances (US\$1,116,675) driven by higher creditor balances, offset by an increase in property, plant and equipment of US\$7,761,661 as part of early construction at Longonjo.

Cash generation remains a focus, with a decrease in cash for the period of US\$704,329. Cash outflows during the period ended 30 June 2025 were mainly utilised in operating activities in the form of corporate costs incurred to support the development of the projects of US\$3,880,395 (2024: US\$5,559,603) and payments towards property, plant and equipment as part of early construction activities at Longonjo of US\$4,933,933 (2024: US\$14,639,915). Financing activities for the period consisted of proceeds from an FSDEA loan facility drawn of US\$4,565,861 (total facility value of US\$15,000,000 fully drawn), net proceeds from the Pensana Plc short-term debt facility of US\$800,000 and share issue proceeds of US\$1,745,165, compared to prior year proceeds of US\$10,434,138 facilitated solely by drawing down on the FSDEA loan facility. Other cash inflows include research and development (R&D) credits received of US\$258,402

(2024: US\$1,586,640) and grant funding received to the value of US\$770,839 (2024: US\$nil).

Share issues during the current year include 1,747,500 shares for settlement of director loans to the value of US\$392,316 (1,500,000 to Mr Atherley for US\$321,062 and 247,500 to Mr Kaplan for US\$71,254) and the issue of 2,857,143 shares to M&G as part of their £1 million placing for US\$1,346,841. Other shares issued in the year include shares issued to directors, senior management and employees in the amount of 1,043,750 relating to shares vested under the FY2024 long-term incentive (LTI) scheme and a further 2,900,000 shares relating to short-term incentive (STI) share awards to certain other members of senior management and employees. At period-end, a further 2,857,143 shares remain outstanding from equity placings committed by strategic investors to the value of £1 million, as well as 4,750,000 shares outstanding for STI shares awarded to executive directors.

Going concern

The key risks associated with the company's ability to continue as a going concern include receipt of funding for the future development of Phase 1 of Longonjo along with the raising of funds to support ongoing operational costs, working capital and the settlement of existing creditors.

In March 2025, the company received approvals for the full financing totalling circa US\$268 million for the Longonjo Rare Earth Project. In addition to the US\$15.0 million bridging loan already provided by FSDEA, the balance of Phase 1 funding will be provided through equity, with FSDEA having approved an investment of US\$38 million in the form of equity and a convertible loan, and the AFC having approved an investment of US\$54.9 million in the form of a convertible loan. The debt funding, which comprises approximately 60% of Phase 1 project funding for Longonjo, includes participation by the AFC of US\$81.2 million and Absa of US\$78.8 million. The funding will be at subsidiary level and is also subject to the conclusion of definitive documentation and the fulfilment of certain conditions precedent contained therein, which primarily relate to regulatory approvals and definitive offtake agreements, with all technical and due diligence reviews already successfully completed.

Additionally, in May 2025, FSDEA agreed the terms for the conversion of the US\$15 million bridging loan, previously advanced over the past 18 months to facilitate early-stage construction at Longonjo, into Pensana equity, subject to regulatory and shareholders' approvals. This is expected to be finalised in the coming financial year.

Equity raises during the current year included the announcement of a £2 million placement to major institutional shareholders, where M&G agreed to invest £1 million alongside other strategic investors who will invest a further £1 million into the company. This resulted in 2,857,143 new ordinary shares issued to M&G on 10 June 2025 for the value of £997,143. The balance of the £2 million placement was received and issued in September 2025. Other share issues include 1,500,000 ordinary shares issued to Mr Atherley and 247,500 ordinary shares issued to Mr Kaplan as settlement of the £250,000 and £52,376 respective advances under the directors' loan facility, as well as 1,850,723 shares issued to contractors who elected share settlement towards some creditor balances to the value of £438,608.

Additional funding activities also include a drawdown of US\$800,000 from a term loan agreement with an accredited UK-based investment house to support ongoing corporate costs while deploying the main Longonjo funding.

Alongside the current Longonjo lender group process, Pensana has also secured a US\$3.4 million technical assistance grant from the DFC which will support feasibility studies for increased processing capacity at Longonjo, downstream refining opportunities in Angola, as well as testwork for the development of the Coola Project orebodies. As at 30 June 2025, ~US\$0.5 million of the grant funding was drawn, with the balance expected to be utilised towards the ongoing work streams during H2 2025.

The directors have prepared a cash flow forecast for the period ending 31 December 2026 to support the going concern assessment, including estimated timing and sources of funds to support ongoing operations and project development.

The forecast indicates that immediate funding is required to settle existing overdue project-related contractor balances in the UK and to also provide working capital to the group. Continuing support of these contractors will be required until the group has secured this required funding and then remain as the group subsequently moves towards project construction and into production.

The board also notes that alternative sources of funding will be required to support the feasibility studies for increased processing capacity at Longonjo, downstream refining opportunities in Angola, as well as testwork for the development of the Coola Project orebodies in the event that the grant funding is delayed, or the conditions are not met.

Additionally, the group would need to refinance the FSDEA facility in the event that the planned conversion of the US\$15 million loan facility is not approved. Given the support provided by the Angolan government for the Longonjo Project to date, the directors anticipate the conversion or such a restructuring to be successfully concluded.

It is anticipated that the contemplated financing across the group may include further issues of equity, export credit-backed debt financing or issuing a bond.

The ability of the company and group to continue as a going concern is dependent on meeting the conditions precedent to secure the deployment of the main Longonjo Project financing, conversion of the US\$15 million FSDEA loan facility, securing additional funding to settle existing overdue project-related contractor balances in the UK and to provide working capital to the group along with continued contractors support of existing project-related contractor balances until the additional funding is secured.

These circumstances indicate the existence of material uncertainties which may cast significant doubt on the group's and the parent company's ability to continue as a going concern. Therefore, the group and the parent company may be unable to realise their assets and discharge their liabilities in the normal course of business.

The directors have a reasonable expectation that the conditions precedent on the main Longonjo financing will be met and the funding deployed, the US\$15 million FSDEA loan facility will be converted into equity, additional required funding will be secured and contractors support of existing project-related contractor balances will continue. Therefore, the directors continue to adopt the going concern basis of accounting in preparing the financial statements of the parent company and the group.

Refer to note 3 to the financial statements for more details on the going concern statement.

KEY PERFORMANCE INDICATORS

Given that the group is in the development stage for the Saltend and Longonjo Projects, in the exploration stage at the Coola Project, and has no revenue, the board considers usual financial key performance indicators (KPIs) as inappropriate in the measurement of value creation of the group. The board considers the carrying value of the development assets, access to funding and completion of construction milestones to be the most applicable KPIs at this stage of the group's development, further details of which have been given above. In addition to this, the directors consider that the detailed information in the operational review is the best guide to the group's progress and performance during the year.

Further details are provided in the chairman's review, the chief executive officer's review and the technical development programme update as highlighted on **page 14**.

GEOPOLITICAL LANDSCAPE

During the year, the board regularly considered the impact of ongoing wars, global elections and geopolitical policies and their potential impact on the company and the industry. The board is continuously monitoring supply chains, labour availability and future energy supply and is strategically positioning the group to mitigate any potential negative impact of these wars.

The geopolitical backdrop has shifted markedly in the current financial year with governments playing a larger role in the market through supportive investment policies, deploying instruments of state to rewire supply chains, supporting domestic processing capacity and onshore strategic mineral flows, all benefiting deal dynamics and investment.

There is a growing recognition that any credible decoupling from Chinese critical minerals will require upstream partnerships, and Pensana is uniquely positioned to support such a transition through being the only Western-producing NdPr mine currently in construction, along with key strategic partnerships in place to support Western supply chains.

PENSANA'S STRATEGY

From wind turbines to electric vehicles, bikes and trains to trucks, drones, industrial tools, automation, robotics and air conditioners, the electric motor is the driving force behind a cleaner energy future. As most industries prepare to make the shift to zero-emission solutions, along with the geopolitical focus on securing critical minerals, demand for super-strong permanent magnets essential in these motors and generators is increasing.

Through the staged development of the Longonjo Mine and the Coola exploration and separation facility projects, Pensana aims to build an independent supply chain of rare earth minerals. With funding secured, the focus of the company over the coming year will be to conclude offtake agreements and advance construction of Longonjo to secure production and revenue from as early as 2027.

Further development of the Coola exploration properties, as well as downstream separation, will be executed through strategic partnerships and funding support from external agencies with the aim of developing the various expansion opportunities alongside the Longonjo Rare Earth Project.

Unlocking these opportunities will allow for synergies and seamless expansion of production output at Longonjo, with further metal beneficiation being a key driver to increasing value for the group.

Pensana is of the view that provenance of critical rare earth materials supply, life cycle analysis and greenhouse gas (GHG) Scope 1, Scope 2 and Scope 3 emissions will all become significant factors in supply chains for major customers. The company intends to offer customers an independently and sustainably sourced supply of rare earth metal oxides and carbonates of increasing importance to a range of applications central to the energy transition in the industrial, medical, military and communications sectors.

ENVIRONMENTAL, SOCIAL AND CORPORATE GOVERNANCE

During the current year, Pensana completed the EcoVadis ESG screening and was successful in achieving a gold medal, which places the company among the top 5% of assessed businesses in any sector globally. EcoVadis is a market leader in ESG assessment and is used by companies globally to review performance of potential customers, suppliers and partners. This further enhances external recognition of the company's ESG performance, already confirmed through a light green rating from the sustainable finance rating organisation CICERO (the CICERO Shades of Green rating for sustainable finance). The innovative methodology used by CICERO is aligned with the International Capital Market Association's Green Bond Principles.

Pensana continues to deliver against the ESG strategy outlined in the Pensana Blueprint for Sustainable Rare Earths (the Blueprint)¹ published in FY2022. This sets the company 11 wide-ranging objectives structured into four delivery areas, namely carbon, environmental, social and communities. These targets directly meet the needs of stakeholders and were developed based on the company's non-financial materiality matrix (also available in the Blueprint). The full list of ambitions and targets can be found in the Blueprint and includes an aim for deep and meaningful carbon reduction to be net zero by no later than 2040, to produce the lowest carbon rare earths and to develop infrastructure and skills so that communities local to our sites see a direct, long-term economic benefit from our presence. Specific details on the climate element of the Blueprint are further explained through our Task Force on Climate-related Financial Disclosures (TCFD) declaration on **pages 46 to 55**.

¹ Pensana Blueprint for Sustainable Rare Earths – https://pensana.co.uk/wp-content/uploads/2022/09/Pensana_Blueprint_for_Sustainable_Rare_Earths.pdf



LONGONJO MINE

Longonjo is differentiated from other rare earth projects as a low-capital expenditure development through the combination of low-cost mining of the ‘free dig’ high-grade surface-weathered zone mineralisation of the deposit, the favourable location of the project adjacent to modern infrastructure reducing logistics costs and the company’s strategy to adopt a double beneficiation process on-site and thereby ship a high-value, low-volume, high-purity mixed rare earth product.

Infrastructure advantages

The Longonjo Project lies just 4km from the sealed national highway and rail line that runs from the Port of Lobito under 300km to the west and the provincial capital of Huambo 60km to the east. The national grid power transmission line from the 2GW Laúca hydropower scheme in the north of Angola has been operational for the past three years and currently extends to Caala, some 45km to the east of the project.

The refurbished national highway EN260 connects Angola’s second-largest city, Huambo, through the municipality of Longonjo to the Port of Lobito.

The railway extends from the border of the Democratic Republic of the Congo (DRC) and services the ports of Benguela and Lobito on the Atlantic coast of Angola.

Trafigura, Mota Engil and Vecturis are part of a consortium that has been awarded a 30-year concession to operate the 1,300km Lobito railway, which runs across Angola to the border of the DRC. To realise its full potential, the joint venture partners will invest more than US\$450 million on the railway and associated infrastructure, and secure more than 1,500 wagons and 35 locomotives.

The G7 Partnership for Global Infrastructure and Investment (PGI) prioritises infrastructure projects in developing countries, including through a series of investments in the Lobito Corridor to connect the African continent from sea to sea. In October 2023, PGI signed an MOU between the US, Angola, the DRC, the EU, Zambia, the African Development Bank and AFC to develop the corridor, initiating a new rail line expansion to Zambia. In alliance, the DFC, in February 2024, approved a US\$250 million investment, increased in June 2024, with a US\$553 million loan for the development of the Lobito Atlantic Railway (LAR).

The LAR was previously refurbished between 2006 and 2014 by the China Railway Construction Corporation at a cost of US\$1.83 billion employing 100,000 Angolans.

The Angolan government invested approximately US\$2 billion for the refurbishment and upgrade of the Port of Lobito and associated infrastructure. The rail system links directly into the dry port, container and mineral terminals at the Port of Lobito. The container terminal is 414m long, the ore terminal has a 310m jetty and the dry dock has an area of 90,000m².

The new Laúca hydropower plant is in the north of the country in the middle section of the Kwanza River. The project consists of a main powerhouse with six units and an eco-powerhouse with one unit. The total capacity of HPP Laúca will be 2,070MW with a head of about 200m. It supplies renewable energy to meet the rapidly growing demand of the capital, Luanda, and feeds into the national grid to the south, to the city of Huambo and to within 45km of Pensana’s Longonjo Project. The Longonjo Project anticipates tapping into this grid alongside the mine development.

Technical development and metallurgical testwork programmes

Activities conducted in the current year were focused around the completion of the Longonjo early construction works, including construction and development of the civil works for the camp, accommodation units and facilities, the rehabilitation of the access road to Longonjo camp and the agricultural demonstration plots under the Livelihood Restoration Plan (LRP). This allowed for a swift transition to main construction which commenced following the funding approval received in the first quarter of 2025. The construction programme is managed by MCC, a leading project management team with a track record of delivering projects across Africa, including Angola. The engineering team is supported by Lycopodium (previously ADP Group) and ProProcess, both being African minerals specialists in the detailed design, construction and commissioning of modular mineral processing plants with extensive development experience in Angola.

Further pilot plant runs for the production of MREC for scrutiny by potential offtake partners continued during the year. This work was undertaken by Nagrom at its facility in Perth.

Health, safety and the environment

The company continues to prioritise and implement a zero-harm approach to health and safety and, in the reporting period, has had zero recordable injuries. However, we continue to face challenges from the prevalence of malaria in the operating area. As such, the company continues to deliver intensive malaria awareness training to all colleagues and provide appropriate mitigation equipment.

The company’s subsidiary, Ozango, retains environmental licence approval for the Longonjo site and continues to work with regulators to ensure a legal and compliant operation. This builds on the approved Environmental and Social Impact Assessment (ESIA), with the most recent licence update approved in January 2023, having been originally accepted in FY2022.

Social and communities

The company continues to prioritise the importance of liaison with the communities local to the project and continues to deliver against the project stakeholder engagement plan, which was developed in association with independent experts in the area. Regular targeted engagements are led by the site-based social and communities team led by an experienced manager, Mr Adriano.

The project has begun delivering an LRP. Through close collaboration between Pensana’s local subsidiary, Ozango, and the municipality of Longonjo, a fair and robust compensation and opportunity package has been developed for those whose land is affected by the project which includes provisions to ensure livelihoods can be restored. The comprehensive LRP will include agricultural development and training for affected households to focus on improving economic opportunity from agriculture in the area. This programme will be co-delivered by Vuna Agri, an organisation experienced in developing agricultural programmes across Africa.

In FY2024, the project continued to support 30 households that have had land economically displaced as a result of the project. The project continues to engage with all those affected to date and in the future. Discussions in respect of the remainder of the RAP are ongoing with affected personnel, traditional leaders, the local administration and other relevant stakeholders.

Operational readiness

Over the period, the Longonjo Project’s team has focused on ensuring the construction plan was on track to meet the capital cost schedule and that engineering delivery partners were lined up to be mobilised. A detailed review of the capital cost estimates and construction schedule since the approval of finance has been completed and based on updates from all major contractors and supplier quotations, the project team confirmed that the overall capital cost envelope of US\$217 million remained intact and that the project remained on schedule.

Notable developments towards de-risking aspects of the project over the period included:

- The team confirming pricing and manufacturing schedules of all long lead equipment items, including the ball mill, acid plant and thickeners;
- Approximately 70% of the equipment packages have been tendered and priced externally, including all of the Tier 1, 2 and 3 packages;

- The design, costing and contractor selection for the site infrastructure, along with the provision of bulk services, were completed and contractors mobilised;
- Modularisation of the processing plant was facilitated to enable efficient site erection and to allow for pre-commissioning testing before dispatch to site;
- The services to be provided by the Port of Lobito, Caminho de Ferro de Benguela, Lobito Atlantic Rail Consortium, and the national power company RNT have been extensively defined and negotiated;
- The specialist equipment manufacturers with a focus on long lead time plant equipment were identified, pre-selected and included in the design process, including the milling units, flotation columns, calciner, acid plant, reagent plants and thickeners; and
- A recruitment campaign in Angola has commenced, targeting the availability of local skill sets, which will allow confidence in the delivery of an effective operations readiness training programme during the construction phase.

Project delivery team

Following the previous design work streams completed in the Wood front-end engineering design (FEED) study and the identification of long lead equipment suppliers, Pensana has engaged with the African-based Lycopodium (previously ADP Group) and ProProcess to develop and implement the detailed design and execution plan within the initial US\$217 million capital expenditure envelope. Lycopodium has designed, built and commissioned metallurgical plants in Angola since 1997, with particular emphasis on a modular approach to optimise regional fabrication, installation and commissioning time. ProProcess is an Africa-centric vertically integrated hydrometallurgy engineering and modular fabrication company which has serviced the global mining community for the past 14 years.

Expansion of the owner’s team under MCC’s (formerly Project Paradigm Partners) supervision continues to be an integral part of the Longonjo Project development to increase local capacity in the Angolan subsidiary, Ozango, and has matured well over the past two years. Initially assuming responsibility for the design and execution of the operational support infrastructure (electrical, civils, earthworks, camp and water infrastructure), the owner’s team responsibilities now extend to overarching co-ordination of execution of the project, as well as the procurement, construction, operational readiness and commissioning management activities.

PARTNERSHIPS AND COLLABORATION

Offtake and strategic positioning alongside our future client base have continued to be a crucial work stream over this period, and several major OEMs and government agencies have indicated their desire to partner with Pensana now that we have initiated main construction and our route to production can be evidenced. During the current period, partnership agreements, in the form of MOUs, were entered into with Hanwa, Toyota Tsusho, and more recently, ReElement Technologies, where we have focused on the opportunity for Pensana to supply NdPr (MREC) to midstream customers in the US.

These MOUs include respective offtake arrangements for 20,000tpa of ultra-clean MREC from the Longonjo Mine along with co-operation with Hanwa in marketing and distribution of products globally and the opportunity for Hanwa to consider investment into downstream projects, Toyota Tsusho looking to collaborate with Pensana to develop a new, independent and sustainable supply chain for rare earth materials, utilising the Indian processing facility, and integration of ReElement’s advanced refining platform, which offers a high-throughput, low-waste and cost-effective process to produce ultra-pure separated rare earth oxides. These MOUs are in addition to existing MOUs that cover more than 200% of the Stage 1 production of the Longonjo Project.

During the current year, the company also secured a US\$3.4 million grant under the technical assistance programme by the DFC, the US’ development finance institution. The grant funds will support technical assistance activities in the form of feasibility studies for doubling the capacity of the existing Longonjo Mine design, the addition of downstream refining in Angola, as well as testwork for the development of the Coola Project orebodies.

It is the company’s intention to best collaborate with the various partners in developing a true Western-facing supply chain and, as a result, optimise value for its shareholders.

FUTURE DEVELOPMENTS

The directors intend to continue to explore and develop the company’s key existing projects with a key focus on the exploration project at Coola, as well as further expansion into separation of heavy rare earth oxides and further downstream expansion into magnet metal/alloy production and magnet recycling.

CORPORATE ACTIVITIES

Equity placings

July 2020

On 1 July 2020, the company issued 16,508,633 fully paid ordinary shares to FSDEA, the Angolan Sovereign Wealth Fund. This was the balance of the shares to be allotted out of a total of 25,808,633 fully paid ordinary shares that formed part of their second equity placing in the company of US\$5 million as announced on 11 June 2020.

August 2020

On 11 August 2020, the company announced the conversion of 500,000 zero-cost performance rights into fully paid ordinary shares on listing on the London Stock Exchange (LSE).

On 11 August 2020, the company issued 821,157 fully paid ordinary shares to third-party service providers at a price of AUD0.33 per share, for a total of US\$0.2 million

September 2020

On 25 September 2020, the company raised an additional US\$8.6 million (net of share issuance costs) by way of a placing of 13,500,000 new ordinary shares with FSDEA.

January 2023

On 5 January 2023, M&G invested US\$3.8 million in the company by way of a placement of 7,250,000 new ordinary shares.

May and June 2023

During May 2023, M&G invested US\$5.2 million in the company by way of a placement of 15,000,000 new ordinary shares at a price of £0.275 per share.

During May and June 2023, FSDEA invested a total of US\$5.2 million in the company by way of a placement of a total of 15,000,000 new ordinary shares at a price of £0.275 per share.

April 2024

In April 2024, the company issued shares in the aggregate amount of 3,592,000 to directors as part of the vesting of legacy executive share awards granted in 2019/2020 and senior management for STIs.

January 2021

On 4 January 2021, the company issued 550,000 fully paid ordinary shares (of which 250,000 were related to share options, and 300,000 to third-party service providers) at a price of £0.50 per share, for a total of US\$0.2 million.

June and July 2021

On 25 June 2021, the company raised circa US\$21.1 million (net of share issuance costs) via the placing of 12,500,000 fully paid ordinary shares to long-term shareholders, FSDEA and chairman, Mr Atherley.

On 6 July 2021, 7,108,037 shares related to share awards were issued to executive management.

January 2022

On 6 January 2022, M&G invested £10.0 million in the company by way of a placement of 12,345,680 new ordinary shares.

August 2022

During August 2022, the company raised US\$10.0 million via the placing of 12,331,334 shares with FSDEA.

July 2024

In July 2024, the company issued 1,500,000 ordinary shares to the chairman at an effective price of 16.666 pence per ordinary share to serve as repayment of the £250,000 loan proceeds under the directors’ loan facility.

February 2025

In February 2025, the company issued 247,500 ordinary shares to Mr Kaplan at an effective price of 23.5 pence per ordinary share to serve as a proportionate repayment to the value of £52,376 under the directors’ loan facility.

The issue relates to the settlement of contractor balances of US\$550,000 which resulted in the issue of 1,850,723 ordinary shares at an effective price of 23.5 pence per ordinary share.

June 2025

Placement to major institutional shareholder M&G for 2,857,143 ordinary shares at an effective price of 35 pence per ordinary share as part of the £1 million placing.

Issue of shares to directors, senior management and employees to the amount of 1,043,750 relating to shares vested under the FY2024 LTI scheme and a further 2,900,000 shares relating to STI share awards to certain other members of senior management and employees.

At period-end, a further 2,857,143 shares remain outstanding from equity placings committed by strategic investors to the value of £1 million, as well as 4,750,000 shares outstanding for STI shares awarded to executive directors.

DIRECTORS' SECTION 172 STATEMENT

The long-term strategy of the company is to grow the assets through the construction of the Longonjo Mine, development of exploration targets and expansion through downstream separation potential with a view to building an independent supply chain of rare earth minerals. With funding secured, the focus of the company over the coming year will be to advance downstream partnerships and execute the construction of Longonjo to secure production and revenue from as early as 2027. Leveraging years of industry experience, coupled with our targeting a guarantee for reliability and sustainability of supply, we aim to introduce an innovative mine-to-magnet solution amid increased political focus, all while creating value for our shareholders.

The company has a number of stakeholders and partners, and the board recognises that managing these relationships is critical to the success of the company, and that the success of the company will be to the benefit of all of its stakeholders. Activities conducted in the current period were centred around the finalisation of financing work streams following the revised Longonjo feasibility study and execution plan allowing for the staged mine development through a reduced capital envelope which was supported by a full technical due diligence review on the revised feasibility study. This resulted in approvals of the full financing totalling circa US\$268 million for the Longonjo Rare Earth Project, for the 84%-owned subsidiary Ozango which owns 100% of the Longonjo Project.

Pensana has continued its focus on securing offtake for the first phase of the project by successfully signing an MOU with Hanwa, Toyota Tsusho Corporation and US-based ReElement Technologies. These MOUs, in addition to existing MOUs with other potential offtake partners, are for 100% of the ultra-clean MREC produced from the Longonjo asset but can convert to offtake for the metal products once the downstream activities are complete, available through continued relationships with magnet producers and OEMs.

Pensana has continued to evaluate downstream opportunities to convert MREC feedstock from Longonjo to oxide, including metallisation and magnet manufacturing. The execution of these opportunities is supported by the DFC grant towards further studies for downstream refining opportunities in Angola, along with strategic partnerships with the likes of Hanwa, Toyota Tsusho and other offtake partners and OEMs to support the development of a Western-facing magnet supply chain. The initial feasibility studies completed to support oxide separation were aimed at the establishment of the Saltend refinery in the UK, although opportunities exist to establish a separation facility elsewhere, independently or through partnerships.

Exploration activities mainly revolve around mineralogical studies to confirm processing potential of the rare earth host minerals at the Coola carbonatite and Sulima West exploration targets with future plans to advance metallurgical testwork programmes on the Coola concession orebodies and initial focus on the surface Sulima West laterite deposit to accelerate plans to use this as additional feedstock for the Longonjo processing plant.

Equity raises during the current year included the announcement of a £2 million placement to major institutional shareholders, where M&G has agreed to invest £1 million alongside other strategic investors for a further £1 million into the company. In May 2025, FSDEA agreed the terms for

the conversion of the US\$15 million bridging loan, previously advanced over the past 18 months to facilitate early-stage construction at Longonjo, into Pensana equity, subject to regulatory and shareholders' approvals.

The company views its relationship with local communities as vital to its social licence to operate. There are two sides to this aspect: firstly, the company needs to consider, and therefore minimise, the potential negative or disruptive impacts of exploration and mining operations locally; and secondly, the company needs to communicate the benefits of such operations to the local economy. As part of the development of the ESIA on Longonjo, any potential impacts on the local communities have been comprehensively assessed and suitable mitigation measures established.

This has included the development of a stakeholder engagement plan including national government, provincial government, local authorities, traditional leaders and local communities living in the vicinity of the project. Both Ozango and Pensana have maintained regular dialogue with all stakeholders. As part of the mine and MREC development, the business is required to undertake a programme of economic displacement. A RAP has been authored and filed with the Angolan authorities and an LRP has been developed. Both of these were authored independently by reputable third parties, HCV Africa and Development Workshop, the latter a non-governmental organisation (NGO) specialising in land rights based in the Huambo province in Angola, with specialist agricultural support from Vuna Agri. The company has moved into implementation stage of the programme and will ensure that all affected are supported in ensuring food security and are offered opportunities for economic development. To deliver the LRP, the business has appointed Vuna Agri to provide expert agronomy support.

Engagement with the governments of Angola and the UK is another critical aspect of the company's strategy, and management has devoted considerable time to ensuring both governments have been supportive of the company. Much of this interaction has been through the Ministry of Mineral Resources, Petroleum and Gas, as well as other key departments, through written communication and meetings in Angola and with local council, and the Automotive Transportation Fund in the UK.

The relationships the company has with its key suppliers are vital, including those providing process engineering, mineral processing services, laboratory and analysis, as well as local suppliers and advisers. These relationships are evidenced by the creditors standing by the company.

The company has taken great care in the selection of its suppliers in order to ensure positive, mutually beneficial long-term relationships can be put in place, which maximises the quality of the services and goods received while remaining cost-competitive.

The company's workforce remains relatively small, however, this is growing steadily as the company progresses towards project development roll-out and production and, as the company continues to rely on its staff and workers, increased emphasis is being placed on the health, safety and well-being of the workforce, as well as ensuring employment terms are competitive and attractive.

The company is aware of the challenges that extractive industries face with regard to maintaining ethical standards at all levels, particularly in developing countries. Several national and international initiatives and regulations exist in this regard, but the board does not view this area as a matter of compliance, but rather one of competitive advantage. The company intends to bring its assets into profitable operation while always acting with the highest integrity and, in so doing, will play a part in developing a culture of responsible operations that can be replicated by other operators and industries in Angola and beyond. This is a critical aspect of the company's strategy and has been communicated to the government and local communities.

These wider relationships and challenges are considered by the board to be key elements of the group's strategy and critical to delivering long-term value to its members. The Pensana board has strong relationships with all of its shareholders, all of whom are treated with integrity and fairness.

GEOLOGY AND MINERAL RESOURCES

GEOLOGY

The Longonjo carbonatite is located within the north-east-orientated Lucapa Lineament of central Angola, as shown in **Figure 1**. Longonjo is a Cretaceous-age, sub-circular carbonatite diatreme, approximately 2.5km in diameter, which is intruded into Neoproterozoic granitic rocks. REEs, including NdPr mineralisation, are widespread across the carbonatite.

A horseshoe-shaped ring of hills surrounds much of the carbonatite and consists of more resistant potassic and sodic-altered granitic country rocks (fenite) and carbonatite ring dykes. High-level explosion breccias of mixed carbonatite and fenite clasts form the bulk of the carbonatite body, with sub-vertical ring dykes and carbonate plugs cutting and intruding the northern and southern margins of the carbonatite and surrounding fenite.

A simplified geological interpretation of the carbonatite is shown in Figure 2. The fenite ring surrounding the carbonatite proper as illustrated also contains additional fenite bands and fenite-dominated breccias. The map in **Figure 2** also shows the drilling completed to September 2020, on which the Mineral Resource estimate described in this report is based.

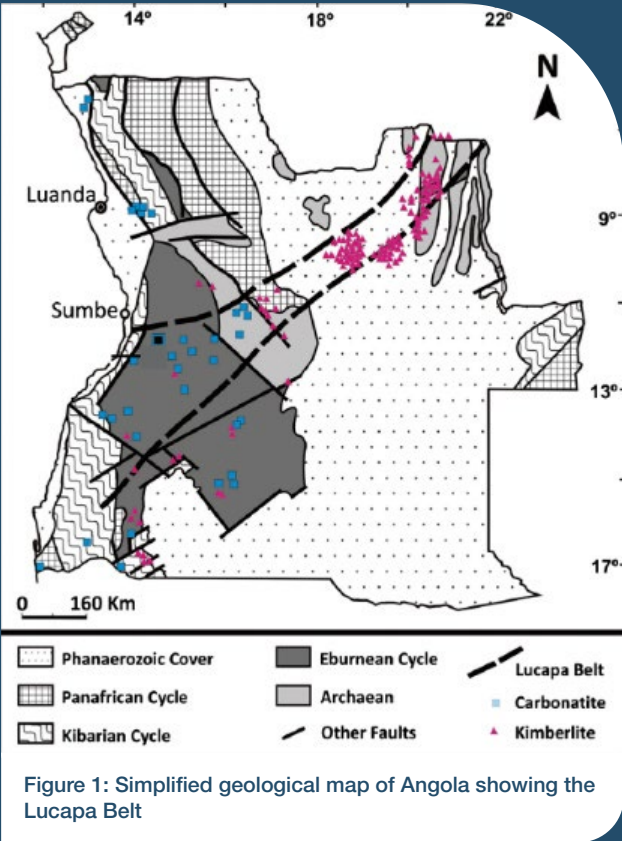


Figure 1: Simplified geological map of Angola showing the Lucapa Belt

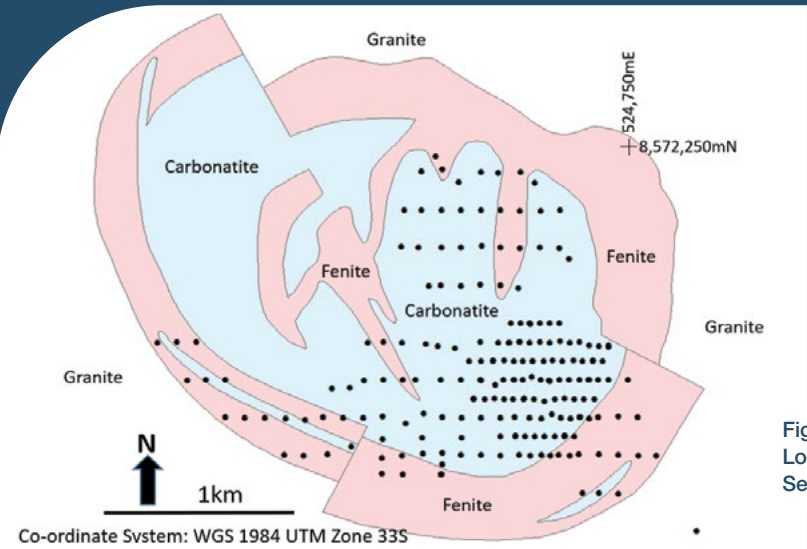


Figure 2: Simplified geological map of Longonjo with all drillhole collars as of September 2020

MINERAL RESOURCES

A 195-hole, 7,987m reverse circulation infill and extension drilling programme completed during 2020 was done in support of the geological studies. The drilling programme confirmed the continuity of high-grade mineralisation in the weathered zone, proved some extensions to the deposit and provided a first test of the fresh rock potential of the project.

The company appointed international mining industry consultants, SRK Consulting, to complete a revised Mineral Resource estimate for Longonjo to incorporate the new drilling and, on 14 September 2020, announced an upgraded Measured, Indicated and Inferred Mineral Resource estimate of 313Mt at 1.43% REO, including 0.32% NdPr* for 4,470,000t of REO, including 990,000t of NdPr.

* NdPr = neodymium and praseodymium oxide. REO = total rare earth oxides. A 0.1% NdPr cut is applied.

Refer to the LSE announcement of 14 September 2020 for Mineral Resource estimate details. All material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.

Longonjo Mineral Resource estimate at 0.1% NdPr cut-off grade

Mineral Resource estimate category	Tonnes (million)	TREO grade (%)	NdPr grade (%)	Contained REO (tonnes)	Contained NdPr (tonnes)
Measured	26	2.58	0.55	664,000	141,000
Indicated	165	1.51	0.33	2,490,000	536,000
Inferred	123	1.08	0.25	1,320,000	313,000
Total	313	1.43	0.32	4,470,000	990,000

REO includes NdPr. Any discrepancies in totals are due to rounding.

MINING ORE RESERVES

The current Ore Reserve statement for the Longonjo NdPr Project, as completed by independent consultants A&B Global Mining Proprietary Limited (ABGM), shows a total of 21.54Mt at 3.04% TREO, including 0.65% NdPr.

Compared to the maiden Ore Reserve from 2022, this update by ABGM is based on Stage 1 development of the mine, with an initial run-of-mine (ROM) throughput of 0.85Mtpa, compared to the 2022 Ore Reserve which was based on a 1.6Mtpa ROM throughput mine plan. This has resulted in a reduction in Ore Reserves from the maiden declaration while still showing a sufficient LOM period of 20+ years and economic viability of the project.

The current mine design and Ore Reserve statement is based on the work completed by ABGM. The mine design was determined from an optimised pit established with Datamine's NPVS software. Only Measured and Indicated Resources were considered for the Ore Reserve. The cut-off grade is determined on a block-by-block basis associated with the revenue and cost parameters and is typically between 0.2% and 0.3% NdPr. The cut-off grade is variable due to the implication that calcium oxide and barium oxide levels have on process recoveries.

The Longonjo Ore Reserves are classified using the JORC guidelines.

The upgraded estimate is summarised in the table below:

- It contains more than 2.3 times the previous estimate of the Measured and Indicated Resources used in the preliminary feasibility study¹ (announced on the Australian Securities Exchange on 15 November 2019).
- The proportion of the resources reported in the Measured and Indicated categories has increased from 31% to 68%².
- The overall contained NdPr has increased by 35%².

¹ Comparison of contained NdPr within the weathered zone Measured and Indicated categories at a 0.2% NdPr cut-off, November 2019, and new Mineral Resource estimates.

² Comparison of contained NdPr within the November 2019 and new total Longonjo Mineral Resource estimates at a 0.1% NdPr cut-off (Measured, Indicated and Inferred categories).

The Ore Reserve estimate is summarised in the table below.

Longonjo Proved and Probable Ore Reserve April 2025 reported using a 0.3% NdPr (approximate) cut-off

Classification	Tonnes (million)	TREO grade (%)	NdPr grade (%)	Contained REO (tonnes)	Contained NdPr (tonnes)
Proved	11.69	3.49	0.73	407,981	85,337
Probable	9.84	2.51	0.55	246,984	54,120
Total	21.54	3.04	0.65	654,965	139,457

- Notes:
- Million tonnes are dry and rounded to two decimal places. Grades are rounded to two significant figures.
 - No fixed cut-off is applied to the rare earths NdPr; the cut-off varies between 0.2% NdPr and 0.3% NdPr.
 - The variable NdPr cut-off reflects the block cash flow positive method used to determine the economically viable portion of the resource.
 - NdPr tonnes and grade are inclusive of the TREO and not additional to it.



2025 Coola drilling programme under the leadership of Mr Grant Hayward (Pensana exploration manager)

COOLA EXPLORATION PROJECT

The Coola Exploration Project licence is located in Angola, approximately 160km east of the Port of Lobito. Pensana, through Coola Mining LDA in which Pensana holds a 90% interest, was granted the Coola exploration licence in May 2020 and has since completed multiple field programmes.

The Coola licence covered an initial area of 7,456km² which was reduced to 824km² following three years of intensive prospecting.

Systematic phased exploration of the licence over the past four years has led to the identification of two highly prospective REE-bearing complexes, namely the Sulima West alkaline complex and the Coola carbonatite, 90km and 40km north of Longonjo, respectively. Recent exploration and evaluation have been focused on these two highly prospective, REE-bearing complexes.

Ground geophysical surveys were completed at both targets in 2023 which helped to better define known areas of mineralisation and added additional exploration targets. Drilling of the geophysical targets was postponed to 2025 to leverage drill rigs secured as part of Longonjo tailings storage facility (TSF) drilling as part of main construction activities. Still, the most compelling exploration target is the Coola carbonatite central sand-covered diatreme magnetic anomaly which may represent a deeply weathered supergene-enriched carbonatite and will be drill tested in the second half of 2025.

Early results indicate the potential for low-cost physical beneficiation of the rare earth minerals and production of a high-grade REE concentrate at site which will then feed into the Longonjo processing plant.

Recent testwork conducted and significant findings for the period ended 30 June 2025 are summarised below.

Sulima West

Metallurgical testwork on the monazite-rich Sulima West laterite and the bastnaesite-bearing dolomitic carbonatite at Coola carbonatite continued during the latter half of 2024 at BluSky Mining in South Africa. The primary aim of this work is to explore physical separation techniques on the mineralised lithologies (gravity and/or magnetics) with the aim of producing an REE concentrate of >35% TREO on-site that would be trucked to the Longonjo plant for further processing and final extraction of REEs.

The Sulima West laterite consisted mainly of goethite and psilomelane, monazite and bastnaesite. The sample had a TREO of 8.4%. The liberation of monazite is good throughout the total sample, after milling to 80% passing 150µm. A milled sample was subjected to dry and wet magnetic separation testwork and gravity separation testwork. The results show

that the magnetic separation testwork was more successful in beneficiating the TREO when compared to the gravity testwork.

Processing this material at a medium to high magnetic field intensity is recommended to generate a relatively low TREO magnetic fraction, which can be considered tailings. The TREO is upgraded to the non-magnetic fraction. The results indicate that this may generate a non-magnetic stream of circa 25% TREO at a >40% TREO recovery. Further testwork is currently underway on a more representative bulk sample grading 2.6% TREO. The extent of the laterite will be determined by drilling in 2025 should this second round of testwork show encouraging TREO concentrate grades are attainable from the lower-grade, more representative sample.

Coola

The Coola carbonatite sample consisted mainly of dolomite and ankerite with minor gangue minerals comprising iron oxides, barite and quartz. The main REE mineral is bastnaesite (3.98%), with minor monazite and florencite. The sample had a TREO of 3.98%. The sample was milled to 80% passing 150µm and subjected to mineralogy. The cerium was mostly associated with dolomite in the +45µm fractions, indicating that the bastnaesite was locked with dolomite.

A sample was milled to 80% passing 75µm and testwork was completed. This included magnetic and enhanced gravity separation testwork. The sample was not amenable to either magnetic or enhanced gravity separation beneficiation. This is mainly attributed to disseminated REE minerals that are included in the dolomite matrix. As a result of the poor physical separation characteristics of this material, chemical intervention (floatation) is being investigated to see if this can improve bastnaesite recovery.

In July 2025, the company announced a further drilling programme at Coola. This drilling programme will commence following the drilling on the TSF at Longonjo, contracted by SRK as part of the Longonjo Mine development. The drilling contractor will remobilise to the Coola Exploration Project, located approximately 40km north of Longonjo, to commence a drilling programme to test the potential for a deeply weathered and supergene enrichment central diatreme, as occurs at the Longonjo carbonatite.

The central diatreme is a compelling magnetic target and is covered by 3m to 5m of sand and a ferricrete layer. An initial 10 holes of 30m to 50m are planned to investigate this unique magnetic anomaly. Samples collected will be analysed on-site by portable XRF and mineralogical studies initiated. This will confirm the resource potential and allow for follow-up drilling to delineate the contribution that this deposit may make as a high-grade feedstock to the Longonjo operation.

PRINCIPAL RISKS AND UNCERTAINTIES

The group is exposed to several risks and uncertainties which could have a material impact on its performance and long-term viability. The effective identification, management and mitigation of these risks and uncertainties are core focus areas of the group, as they are key to the company's strategy and objectives being achieved. Central to Pensana's approach to risk management is having the right board and senior management team in place, with such members combining extensive experience of the specialist worlds of rare earth mining, sales, sustainability, health, safety and the environment, human resources (HR), skills development, diversity and transformation, finance, corporate governance, community liaison and risk management, as well as in-depth knowledge of the local operating conditions in Angola and the UK and the regulatory environments of all of the countries in which Pensana operates or has a corporate presence. The board, supported by the audit and risk committee, oversees overall risk management. The executive committee is responsible for risk management processes and systems and drives a culture of individual employee accountability in implementing these.

PRINCIPAL RISKS

A summary of the risks identified as the group's principal external, operating and strategic risks (in no order of priority) is listed below.

Risk	Risk appetite	Risk rating	Change year-on-year	Nature of risk and management of risk
External risks				
Commodity price	Medium	High		If the group is able to develop the Longonjo and separation facility projects and/or the Coola Project for production and the market price of rare earth oxide decreases significantly for an extended period of time, the ability of the group to attract finance and ultimately generate profits could be adversely affected.
				Managing the risk The development phase of the projects has at all times included a significant focus on future market supply demand fundamentals, including price forecasts which are supported by independent research reports, all of which continue to support the decision to continue with the development of the projects. Once operational, the group will primarily look to focus on managing its underlying production costs to mitigate price volatility. If appropriate, the group may also consider entering into binding offtake agreements with the goal of preserving future revenue streams. The group has, to date, not entered into any such contracts. During the year, engagements continued with several potential strategic partners with a view to securing binding offtake agreements in due course alongside the non-exclusive and non-binding MOUs already entered into. These arrangements could include floor pricing arrangements to de-risk the exposure to price fluctuations.
Demand risk	Medium	Low		The risk that forecast product demand may be lower than expected.
				Managing the risk The group actively monitors market demand, customer needs and potential new entrants into the rare earth industry. Engagement over the period with potential offtake partners has highlighted an increasing demand for the company's product and demand/supply fundamentals remain positive for the group's planned production.
Foreign exchange risk	Medium	Medium		The group operates across multiple jurisdictions and is exposed to several currencies outside of its reporting currency, including the Angolan kwanza, Australian dollar, Euro and British pound.
				Managing the risk The group to date has raised finance in US dollars and British pounds to align with input costs in the various jurisdictions it operates within. On completion of main financing, consideration will be given to foreign currency hedging.
Market supply concentration	Medium	High		Currently, China is the dominant producer of the world's rare earth magnets. China could manipulate market prices of rare earth oxides to control the number of new entrants into the market.
				Managing the risk The group may consider entering into offtake agreements with the goal of preserving future revenue streams. The group has entered into strategic partnerships and MOUs with offtake customers and during the year, looked to further entrench the potential partnering with these strategic OEMs with the provision of product test samples and the outlining of production profiles in preparation for main financing and construction.

PRINCIPAL RISKS AND UNCERTAINTIES continued

Risk	Risk appetite	Risk rating	Change year-on-year	Nature of risk and management of risk
External risks continued				
Country and political	Medium	Medium		There are substantial risks associated with investments in emerging markets, such as Angola, where civil unrest, nationalist movements, political violence and economic crises are possible. Any changes in the political, fiscal and legal systems or conditions, or civil unrest in these countries, may affect the ownership or operation of the group's interests, in particular, the Longonjo Project which could have a material adverse effect on the group's business, financial condition, results of operations and prospects. There is a risk that Angolan bank payments to service providers are not being made timeously causing a risk to the project in the form of lack of confidence in doing business in Angola.
				Managing the risk This is deemed a medium risk due to Angola's recent strong economic performance and the Angolan government's and FSDEA's (the group's largest shareholder) support and backing of the Longonjo Project. The group continues to maintain strong local and national government relations in Angola and vigorous compliance with local regulations. The group will continue to engage with Angolan banks and regulatory bodies on a regular basis. Facilities that allow for payments outside of Angola within current regulatory frameworks have been established.
Operating risks				
Attracting skilled employees	Low	Medium		The group's ability to compete in the competitive natural resources and specialist rare earth chemical processing sectors depends upon its ability to retain and attract highly qualified management, geological and technical personnel. The loss of key management and/or technical personnel could delay the development of the Longonjo Project, exploration at the Longonjo Project and the Coala Project and development and commissioning of a separation facility thereby negatively impacting the ability of the group to compete in the resources and chemical processing sectors. In addition, the group will need to recruit key personnel to develop its business as and when it moves to construction and ultimately operation of a mine, each of which requires additional skills.
				Managing the risk The board seeks to incentivise and retain key employees through an appropriate blend of short- and long-term incentivisation packages and share schemes that are appropriately aligned to the environment and conditions under which key management are operating. A project development team has been established for the construction phase and key operating personnel are currently being recruited to ensure a smooth transition from construction and commissioning to sustainable operations.

Risk	Risk appetite	Risk rating	Change year-on-year	Nature of risk and management of risk
Operating risks continued				
Development of the Longonjo and separation facility projects	Low	Medium		The group's operations are at an early stage of construction development and future success will depend on the group's ability to manage the Longonjo and separation facility projects (the projects) and the production of NdPr-rich mixed rare earth product at Longonjo for offtake to the separation facility processing plant and further processing into a rare earth oxide. In particular, the group's success is dependent upon the directors' ability to develop the projects by commencing and maintaining production at the sites, and there is no certainty that funding will be available. Development of the projects could be delayed or could experience interruptions or increased costs as a result of supply chain or inflationary pressures or may not be completed at all due to a number of factors, including but not limited to: - the group's ability to raise finance for the development of the projects; - changes in the regulatory environment; - non-performance by third-party contractors; - inability to attract, train (as required) and retain a sufficient number of workers; - changes in environmental compliance requirements; - unfavourable weather conditions or catastrophic events; - unforeseen escalation in anticipated costs of development, delays in construction or adverse currency movements resulting in insufficient funds being available to complete planned development; - increases in extraction costs, including energy, material and labour costs; - lack of availability of mining equipment and other exploration services; and - shortages or delays in obtaining critical mining and processing equipment. There can therefore be no assurance that the group will complete the various stages of development necessary to begin generating revenue for the group at the projects, and any of these factors may have a material adverse effect on the group's business, results of operations and activities, financial condition and prospects.
				Managing the risk Through the engagement of independent industry experts in the geological, metallurgical, engineering, financial and environmental fields, as appropriate, alongside the in-house skill set which has significant mine development experience, the board seeks to mitigate the project development risk upfront through systematically addressing perceived risks. Funding models have incorporated contingencies for project development and logistical delays, as well as the current high-inflation environment. The group has recruited an owner's team to ensure active contract management to enforce any penalty clauses for project delays due to contractor delays.

PRINCIPAL RISKS AND UNCERTAINTIES continued

Risk	Risk appetite	Risk rating	Change year-on-year	Nature of risk and management of risk
Operating risks continued				
Health and safety	Low	Low	New risk	The nature of the business involves activities and exposure to disease which without appropriate management could lead to serious injuries and death.
				Managing the risk Health and safety is actively managed by the board and senior management with a robust management system to operational level. Training, development and controls are applied as required with oversight from a team of experienced professionals.
Logistics challenges and delays	Medium	Medium	↔	Global supply chain challenges could result in logistical risks for equipment and materials both for the project and operations phases.
				Managing the risk Management has put in place contingency plans in respect of potential logistics risks for equipment and materials. This may include bulk movement of consumables by road. The engineering team also focuses extensively on modularisation opportunities for several aspects of the plant and associated infrastructure to facilitate transportation and construction build. The group further continues to work with Angolan government entities to ensure that key logistics and infrastructural networks are in place for Longonjo. In addition, the group continues to support group projects for renewable energy supply to Longonjo and the separation facility, as well as exploring independent options for Pensana.



UK Ambassador to Angola
Mr Bharat Joshi visits the
Longonjo site

Risk	Risk appetite	Risk rating	Change year-on-year	Nature of risk and management of risk
Strategic risks				
Financing	Low	High	↔	The group is in pre-production phase and therefore has no revenues from operations currently. There is a risk that funding may not be available and/or the cost of financing may be higher than expected. The group notes that immediate funding is required to settle existing overdue project-related contractor balances in the UK and to also provide working capital to the group. Continuing support of these contractors will be required until the group has secured this required funding and then remain as the group subsequently moves towards project construction and into production. Additionally, the group would need to refinance the FSDEA facility in the event that the planned conversion of the US\$15 million loan facility is not approved. Given the support provided by the Angolan government for the Longonjo Project to date, the directors anticipate the conversion or such a restructuring to be successfully concluded. It is anticipated that the contemplated financing across the group may include further issues of equity, export credit-backed debt financing or issuing a bond. Refer to note 3 to the financial statements for disclosure on going concern.
				Managing the risk The board continuously monitors the liquidity position of the group and benchmarks key targeted milestones against funding requirements to ensure adequate resources will be available. Furthermore, management and the board engage continuously with potential financiers, investors, sovereign wealth funds and lenders across the US, UK, Europe and Africa thereby keeping them abreast of project developments and the timing of potential fundraising. During the current year, the group received approvals for the full financing of the Longonjo Rare Earth Project, including the deployment of the first tranche of the US\$25 million equity from FSDEA post period-end. The deployment of the balance of the debt and equity funds is subject to the conclusion of definitive loan documentation and the fulfilment of conditions precedent contained therein. Future funding of downstream projects may include issuing a bond which, together with further issues of equity and debt financing, is expected to raise sufficient funding for the ongoing development of both the Longonjo and separation facility projects.

PRINCIPAL RISKS AND UNCERTAINTIES continued

Risk	Risk appetite	Risk rating	Change year-on-year	Nature of risk and management of risk
Strategic risks continued				
Licence to operate	Low	Low		To the extent approvals, community consent, licences and permits are not obtained, the group may be curtailed or prohibited from proceeding with planned exploitation, development and operations of the Longonjo and separation facility projects and the exploration and potential exploitation of the Coola Project.
				Managing the risk The group continuously endeavours to foster strong relations with the Angolan and UK governments at a local and national level and ensures ongoing interaction with key stakeholders, including communities local to our sites and compliance with mandated licensing terms and requirements. The group has furthermore built in a holistic approach to its mine development plans at Longonjo in order for it to address the key areas of safety, social, environmental and local community obligations and thereby ensure opportunity for true long-term sustainability.
Dependence on the Longonjo Project for feedstock and revenue generation	Medium	Medium to low		The group's primary source of feedstock into a separation facility is currently focused on the exploration and development of the Longonjo Project. While the group does have an additional interest in the Coola Project, this is in very early stages of exploration and the viability of the licence area for commercial production is currently unknown. Therefore, any material adverse development affecting the progress of the Longonjo Project would have a material adverse effect on the group's business, financial performance, results of operations and prospects.
				Managing the risk Included in the current asset portfolio is the development of a separation facility which will have capacity to process third-party feedstock and as a result produce revenues independent of Longonjo, if required. The group is currently in discussions with various third-party feedstock providers that can reduce or supplement the Longonjo feedstock. In addition, the group is actively progressing the Coola Exploration Project with the latest encouraging metallurgical samples highlighting a strong potential additional feedstock source into the group.

Risk	Risk appetite	Risk rating	Change year-on-year	Nature of risk and management of risk
Environmental risks				
Climate change – physical risks Physical risks resulting from climate change can be event-driven (acute) or longer-term shifts (chronic) in climate patterns	Medium	Medium		The rapid pace of climate change is a risk for all businesses. Pensana has identified its exposure to climate change for a period beyond 10 years as a principal risk. This risk is a combined risk of all physical climate risks to the business. Internally reviewed risks which are grouped into the principal risk are: operational and physical asset risk to Pensana operational sites; exposure to the upstream supply chain for raw materials not adequately adapting to changes as a result of climate; and the effects of physical climate change on global availability of raw materials which may cause shortages, short-term price volatilities and loss of supply routes.
				Managing the risk The business has ensured climate change modelling has been considered as part of project development. Further modelling opportunities have been identified and will be deployed at relevant junctures in project development (refer to the TCFD disclosure for progress in FY2025). This risk has decreased in FY2025 due to increased use of models and scenario analysis providing new provincial-level insight to the business in respect of the Longonjo Project. Refer to the TCFD disclosure on pages 46 to 55 for more details on the use of climate models and scenario analysis. Longonjo's physical risks have been identified and assessed in accordance with International Finance Corporation (IFC) Performance Standards and as recommended by independent assessment through the ESIA.
Climate change – transitional risks Transitioning to a lower-carbon economy may entail extensive policy, legal, technology and market changes to address mitigation and adaptation requirements related to climate change	Medium	Medium		Pensana could be exposed to transitional climate risks over 10 years into the future. This could include exposure with potential impacts on pricing, tax and public/customer perception. Public climate policy may increase taxation or costs and leave the business unable to compete on price with China and other new plants. Statute or OEM procurement rules may be integrated which directly restrict trade for material not meeting climate limits and requirements, thus disqualifying Pensana from trade.
				Managing the risk The company will continue to monitor potential regulatory, financial market, customer and investor requirements on short- and medium-term horizons and ensure the business is well placed to comply with both current and future requirements. The group will continue to work with partners (including governments, NGOs and commercial partners) to explore carbon and impact reduction opportunities, including sourcing renewable energy and exploring innovative partnerships. Refer to the TCFD disclosure for progress in FY2025. This risk has decreased in FY2025 due to increased use of models and scenario analysis providing new insight to the business in respect of the Longonjo Project. Refer to the TCFD disclosure on pages 46 to 55 for more details on the use of climate models and scenario analysis. The business is exploring net-zero aligned growth opportunities which remain less vulnerable to transitional climate risk.

CORPORATE GOVERNANCE REPORT

Dear shareholders,

I am pleased to introduce Pensana's governance statement under my tenure as chairman. Pensana is committed to upholding the highest standards of corporate governance and ethical business underpinned by a strong and effective governance system, which has been continuously enhanced during this period to ensure the long-term success of the company. The governance highlights during this period include the following:

 BOARD EVOLUTION AND SUCCESSION PLANNING

The Pensana board has the most suitable and appropriate balance of skills and expertise at board level for the company's current and future stages of development. The board as a whole, with its blend of experience and skills in rare earths, mining, exploration, finance, as well as the Angolan and UK operating environments, contains the necessary mix of experience, skills, personal qualities and capabilities to deliver the strategy of the company for the benefit of the shareholders over the medium to long term. The composition of the board is continuously assessed within the context of the size and scale of the company's operations, including involvement of senior management, to provide them with the appropriate exposure as part of long-term succession planning. Refer to the board of directors on **pages 62 and 63** for a breakdown on the directors' details and their role in the company.

 BOARD STRATEGY, PROCESS AND PERFORMANCE

The board will continue to ensure that sufficient financial and other resources are in place to ensure the successful implementation of Pensana's strategy.

 CULTURE

As the company rapidly evolves and expands, the ongoing evaluation of our company culture is a necessary objective that the board will continue to focus on as one of its key criteria as we look to expand our world-class management team and develop the projects in Angola and the UK. This will include a non-negotiable commitment to health and safety and sustainable environmental practices, especially at an operational level at Longonjo, together with a 'can-do' attitude that has seen the company create the opportunity to build the world's first rare earth processing facility in over a decade and develop the world's first sustainable magnet metal supply chain to meet the burgeoning demand from electric vehicles, offshore wind turbines, robotics and alike.

 DIVERSITY

We remain committed to improving diversity levels throughout the workforce, management team and board. Key hires have and will continue to be targeted in the coming year to ensure our focus on diversity, with Women in STEM (science, technology, engineering and mathematics) initiatives and women in key managerial positions being key focus areas.

 STAKEHOLDER ENGAGEMENT AND FEEDBACK

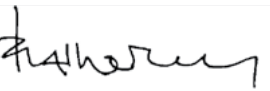
Positive relationships with our stakeholders continue to be essential for the long-term success of our business and we are continuously looking to improve and strengthen our stakeholder engagement processes. Significant engagement with the Angolan government, FSDEA, local and national agencies in the UK, local communities and leaders continues on a regular basis and is seen as a key driver to building sustainable, long-term projects that will create a wider benefit for all involved.

 GOVERNANCE POLICIES

Publicly disclosed policies, as well as the company's code of conduct, cover the company's approach to group governance, including anti-bribery, corruption and diversity. The company has also put in place a whistle-blowing policy, along with its social and communities policy, both of which are available on the Pensana website.

 GOVERNANCE UPDATES

The company has fully adopted the provisions as set out in the UK's Quoted Companies Alliance (QCA) Corporate Governance Code, which are deemed appropriate to our size and current scale. The development of our governance framework will continue to evolve and strengthen in line with, and in support of, the dynamic growth and development of the company. The company also notes the recent updates to the UK listing regime and categories. Pensana will continue to consider alternative listing categories available to it that may be more appropriate for its size and operations.



Paul Atherley
Executive chairman

14 October 2025

THE BOARD OF DIRECTORS OF PENSANA IS RESPONSIBLE FOR ESTABLISHING THE CORPORATE GOVERNANCE FRAMEWORK OF THE GROUP.

The company is committed to implementing the best standards of corporate governance appropriate for the company's size and scale.

The company's corporate governance statement has been approved by the board and can be located on the company's website at www.pensana.co.uk/corporate-governance.

This statement outlines the main corporate governance practices in place for the period ended 30 June 2025, which comply with the application of the corporate governance principles as set out in the QCA Corporate Governance Code, unless otherwise stated.

INTRODUCTION

The company has adopted systems of control and accountability as the basis for the administration of corporate governance.

Additional information about the company's corporate governance policies and practices is set out on the company's website at www.pensana.co.uk, including the:

- code of conduct;
- securities trading policy;
- health and safety policy;
- environment policy;
- shareholder communications and continuous disclosure strategy;
- risk management policy;
- board charter;
- diversity policy;
- social and communities policy;
- whistle-blowing policy;
- modern slavery statement; and
- principles for sustainable procurement.

QCA CORPORATE GOVERNANCE CODE PRINCIPLES AND RECOMMENDATIONS

The company hereby discloses how the provisions of the QCA Corporate Governance Code have been followed during the financial year.

Principle 1	Application	Disclosure
Establish a strategy and business model which promote long-term value for shareholders	The board must be able to express a shared view of the company's purpose, business model and strategy.	The company's annual report, as read with the annual financial statements, sets out the company's business model and strategy, including how the company intends to deliver shareholder value in the medium to long term. In summary, Pensana intends to build the world's first sustainable magnet metal supply chain to meet the burgeoning demand from electric vehicles, offshore wind turbines and robotics. In this regard, Pensana aims to construct a mine in Angola (Longonjo) producing ethically sourced rare earths and also to establish a rare earths separation facility. Key challenges include construction and financing risks in relation to both Longonjo and a separation facility. During the current year, the group received approvals for the full financing of the Longonjo Rare Earth Project, including the deployment of the first tranche of US\$25 million equity from FSDEA post period-end. The deployment of the balance of the debt and equity funds is subject to the conclusion of definitive loan documentation and the fulfilment of conditions precedent contained therein. Alongside the advancement of the Longonjo Project, the company will continue to explore the development of the Coola exploration property and downstream processing at a separation facility. The timing around the development of these assets is largely dependent on strategic sequencing in line with the relevant financing frameworks being secured and evidence of ongoing support from the relevant governments and associated development agencies.

Principle 2	Application	Disclosure
The company should seek to understand and meet shareholder needs and expectations	Directors must develop a good understanding of the needs and expectations of all elements of the company's shareholder base.	The board ensures that the shareholders are informed of all major developments affecting the company via the investor relations section of the company's website and through the release of regular media and Regulatory News Service announcements, all of which are also accessible via the company's website. The following additional information is available to shareholders via the company's website: • Information briefings to media and analysts; • Electronic dispatches; • Notices of all shareholder meetings, explanatory notes and documentation; and • Annual and interim reports. The company encourages shareholders to attend all general meetings of the company. Shareholders are also able to email or contact the company with any queries.
Principle 3	Application	Disclosure
The company should take into account wider stakeholder and social responsibilities and their implications for long-term success	The board needs to identify the company's stakeholders and understand their needs, interests and expectations. Where matters that relate to the company's impact on society, the communities within which it operates or the environment have the potential to affect the company's ability to deliver shareholder value over the medium to long term, then those matters must be integrated into the company's strategy and business model. Feedback is an essential part of all control mechanisms. Systems need to be in place to solicit, consider and act on feedback from all stakeholder groups.	The board, using a double materiality approach, as well as through risk identification and mitigation workshops performed by senior management and reported to the board, has identified all material stakeholder groups in the areas in which it operates in both the UK and Angola, and management has created forums and mechanisms to communicate with stakeholders and to obtain feedback from stakeholders. Senior management is also in regular communication with key shareholders by means of shareholder meetings and stakeholders by way of interaction with senior representatives of those stakeholders. The ESG board sub-committee monitors key stakeholder engagement for the company and ensures that the company fulfils its environmental and social responsibilities as identified by management and the board. The company retains relationships with relevant stakeholders (including the Angolan Sovereign Wealth Fund, the Angolan National Mineral Resources Agency, the Ministry of Mineral Resources, Petroleum and Gas, local communities, the Humber Energy Cluster, universities, further education/colleges, schools, national elected officials, local elected officials, marketing bodies, wildlife and environmental bodies, unions and charities) and engages with each group with a focus on two-way communication. In Angola, the CEO and Longonjo country manager take responsibility for ensuring stakeholder feedback is listened to and, where relevant, acted upon. The chief commercial officer retains ownership of the stakeholder engagement process for the UK. Examples have included community support packages for those affected by economic land displacement as part of the Longonjo Project and additional data gathering exercises as part of the planning consent for a separation facility.

Principle 4	Application	Disclosure
Embed effective risk management, considering both opportunities and threats, throughout the organisation	The board needs to ensure that the company's risk management framework identifies and addresses all relevant risks in order to execute and deliver strategy. Companies need to consider their extended business, including the company's supply chain, from key suppliers to the end customer. Setting strategy includes determining the extent of exposure to the identified risks that the company is able to bear and willing to take (risk tolerance and risk appetite).	The board is responsible for the oversight of the group's risk management and control framework. Responsibility for control and risk management is delegated to the appropriate level of management within the company with the CEO having ultimate responsibility to the board for the risk management and control framework. The primary objectives of the risk management system at the company are to ensure: all major sources of potential opportunity for and harm to the company (both existing and potential) are identified, analysed and treated appropriately; business decisions throughout the company appropriately balance the risk and reward trade-off; regulatory compliance and integrity in reporting is achieved; and senior management, the board and investors understand the risk profile of the company. In line with these objectives, the risk management system covers: • operations risk; • financial reporting; • compliance/regulations; • health, safety, climate and the environment; • system/information technology process risk; and • the degree of risk tolerance and risk appetite in respect of each identified risk. The key risks, as identified, are disclosed annually in the company's annual report. The board has appointed an audit and risk committee which is chaired by a senior independent non-executive director. One of the functions of the audit and risk committee is to act as a forum for discussion of internal control issues and contribute to the board's review of the effectiveness of the group's internal control and risk management systems and processes.

Principle 5	Application	Disclosure
Maintain the board as a well-functioning, balanced team led by the chair	The board members have a collective responsibility and legal obligation to promote the interests of the company and are collectively responsible for defining corporate governance arrangements.	The board is chaired by an executive director and comprises a balance of independent non-executive directors and executive directors, details of whom are disclosed on the company's website and in the annual report. Non-executive directors are expected to make sufficient time available to fully engage with the activities of the board and relevant committees. This includes time preparing for meetings and reviewing relevant papers, the meetings themselves and subsequent follow-ups. Executive directors are required to make sufficient time available to discharge their duties in executive office. The board has formed and is supported by the following committees, each of which is chaired by an independent non-executive director: • Audit and risk committee; • Remuneration and nomination committee; and • ESG committee. The committees' terms of reference are disclosed on the company's website. Refer to pages 62 and 63 for the board of directors and director' details. The number of board and committee meetings attended by each director is recorded annually in the company's annual report on page 84.

Principle 6	Application	Disclosure
Ensure that between them the directors have the necessary up-to-date experience, skills and capabilities	The board must have an appropriate balance of sector, financial and public markets skills and experience, as well as an appropriate balance of personal qualities and capabilities. As companies evolve, the mix of skills and experience required on the board will change, and the board composition will need to evolve to reflect this change.	The composition of the board ensures that combined skills, experience and personal qualities of the board match the requirements of the company in its current stage of development. The board is assisted by a lead independent director who chairs the audit and risk committee, as well as the remuneration and nomination committee. In addition, a senior independent director chairs the ESG committee and serves on the remuneration and nomination committee. If any of the directors feel that their skill sets need to be updated in any particular area, refresher training options will be investigated and provided as necessary. The company secretary is in attendance at all board and committee meetings and provides independent advice to the board and board committees on all governance matters. The profiles of each director are disclosed on the company's website and are published in the annual report on pages 62 and 63. The board as a whole, with its blend of experience and skills in rare earths, mining, exploration, finance, as well as the Angolan and UK operating environments, contains the necessary mix of experience, skills, personal qualities (including gender balance) and capabilities to deliver the strategy of the company for the benefit of the shareholders over the medium to long term.

Principle 7	Application	Disclosure
Evaluate board performance based on clear and relevant objectives, seeking continuous improvement	The board should regularly review the effectiveness of its performance as a unit, as well as that of its committees and the individual directors. The board performance review may be carried out internally or, ideally, externally facilitated from time to time.	An internal evaluation of the board composition has been conducted. Appropriate and effective board composition has recently been considered within the context of the size and scale of the company's operations and activities. The remuneration and nomination committee monitors, on a continuous basis, succession plans for each director and the board. Pensana's remuneration and nomination committee is responsible for reviewing the skills, expertise, composition and balance of the board on an ongoing basis as part of the company's succession planning. When considering new appointments, a brief is prepared, and an independent external search agency is utilised to identify potential candidates. The committee continues to focus on succession planning, reviewing the programmes which the company has in place to grow talent within Pensana. As part of our succession practices, the remuneration and nomination committee will continue to review programmes in place to assimilate talent into leadership and specialist positions. No formal board performance evaluation has been undertaken in the period. The board was restructured during this past financial year so as to align it more appropriately with its market capitalisation. A board performance evaluation will be conducted following a full year in office for the restructured board.

Principle 8	Application	Disclosure
Promote a corporate culture that is based on ethical values and behaviours	The board should embody and promote a corporate culture that is based on sound ethical values and behaviours and use it as an asset and a source of competitive advantage.	The board is committed to creating a corporate culture which is underpinned by the highest ethical values and the following by every director and employee of sound ethical behaviours. The board ensures that ethical corporate values guide the objectives and strategy of the company. The company has a code of conduct that sets out the principles and standards which the board, management and employees of the company are encouraged to strive to abide by when dealing with each other, shareholders and the broader community. The board endeavours to ensure that the sound ethical corporate culture of the company is recognisable throughout the disclosures in the annual report, website and any other statements issued by the company. Principles for sustainable procurement have been developed by the company, which reference the code of conduct and require compliance on matters such as avoiding discrimination, bribery and corruption, ethical practice generally and transparency from all suppliers on these matters.

Principle 9	Application	Disclosure
Maintain governance structures and processes that are fit for purpose and support good decision-making by the board	The company should maintain governance structures and processes in line with its corporate culture and appropriate to its size and complexity.	The board is of the opinion that its governance structures and processes are suitable for the current size and complexity of the company and applicable for its present stage of development. The board is committed to ensuring that the governance structures as reported on in the annual report will evolve over time in parallel with its objectives, strategy and business model to reflect the development of the company. The chairman leads the board and is primarily responsible for the effective working of the board, including the following: • In consultation with the board, ensures good corporate governance and sets clear expectations with regard to company culture, values and behaviour; • Sets the board's agenda and ensures that all directors are encouraged to participate fully in the activities and decision-making process of the board; • Is the ultimate custodian of shareholders' interests; • Engages with shareholders and other governance-related stakeholders, as required; and • Meets with the senior independent director and with the non-executive directors without the executive directors present, in order to encourage open discussions and to assess the executive directors' performance. The CEO is primarily responsible for implementing Pensana's strategy established by the board and for the operational management of the business, including the following: • Leads and provides strategic direction to the company's management team; • Runs the company on a day-to-day basis; • Implements the decisions of the board and its committees, with the support of the executive committee; • Monitors, reviews and manages key risks; • Ensures that the assets of Pensana are adequately safeguarded and maintained; • Leads by example in establishing a performance-orientated, inclusive and socially responsible company culture; and • Chairs the executive committee and is a member of the ESG committee, thereby having direct involvement in the strategic management of Pensana's ESG matters.

Principle 9 (continued)	Application	Disclosure
Maintain governance structures and processes that are fit for purpose and support good decision-making by the board (continued)	The company should maintain governance structures and processes in line with its corporate culture and appropriate to its size and complexity.	The audit and risk committee assists the board in discharging its oversight responsibilities relating to audit and risk matters. The ESG committee assists the board in discharging its ESG-related oversight responsibilities. The remuneration and nomination committee assists the board in discharging its oversight responsibilities relating to remuneration and the company's executive directors, senior executives, management and non-management. The remuneration committee also comprises the nomination committee. The function of the nomination committee is to identify and recommend candidates to fill vacancies and to determine the appropriateness of director nominees for election to the board. Work undertaken by board committees during the year included: Audit and risk committee: Oversaw the external audit process and monitors implementation of recommendations. The committee also provided independence for putting a directors' facility in place. Remuneration and nomination committee: Oversaw the issue of shares in accordance with the company share incentive scheme (remuneration and nomination committee). ESG committee: Oversaw the ESG strategy, including publication of policies on Pensana's website such as the social and communities and whistle-blowing policies, the sustainability award by EcoVadis, as well as the RAP at Longonjo. Board: Oversaw the process of obtaining Longonjo funding approvals, including the restructuring of the FSDEA bridging loan, the process to obtain shareholder and other regulatory approvals for the issue of shares as part of equity raises and employee incentive schemes, as well as putting in place access to various sources of funds to support corporate activities.
Principle 10	Application	Disclosure
Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders	A healthy dialogue should exist between the board and all of its stakeholders, including shareholders, to enable all interested parties to come to informed decisions about the company.	The annual report includes details of the key reportable activities of all board committees during the year. An audit and risk committee report is included in the company's annual report on pages 85 to 87. A directors' remuneration report is included in the company's annual report on pages 64 to 77. A principal risks and uncertainties report, as well as a section 172 statement, are included in the company's annual report on pages 24 to 31 and pages 18 and 19, respectively. The results of all voting at a shareholders' meeting will be disclosed on the company's website.

The results of shareholder voting at the 5 December 2024 AGM are summarised in the table below.

Item	Number of votes for	Number of votes against	Number of votes withheld	Number of votes at chairman's or proxy's discretion
Statutory accounts	49,694,692 (99.890%)	55,765 (0.110%)	70,387 (0.141%)	285 (0.001%)
To approve the directors' remuneration report	49,474,946 (99.500%)	250,179 (0.500%)	95,719 (0.192%)	285 (0.001%)
To approve the directors' remuneration policy	49,396,131 (99.430%)	284,857 (0.570%)	139,856 (0.282%)	285 (0.001%)
To re-elect Mr Atherley as a director	49,543,179 (99.600%)	201,354 (0.400%)	76,311 (0.153%)	285 (0.001%)
To reappoint BDO LLP as the auditor	49,692,248 (99.990%)	6,421 (0.010%)	122,175 (0.246%)	285 (0.001%)
To authorise the audit and risk committee to determine the remuneration of the auditor	49,599,931 (99.700%)	147,197 (0.300%)	73,716 (0.148%)	285 (0.001%)
To authorise the directors to issue new ordinary shares or grant rights to subscribe for or convert securities into ordinary shares	49,505,029 (99.600%)	197,534 (0.400%)	118,281 (0.238%)	285 (0.001%)
Disapplication of pre-emptive provisions	49,433,957 (99.670%)	165,924 (0.330%)	220,963 (0.445%)	285 (0.001%)
Additional disapplication of pre-emptive provisions, for purposes of financing	49,467,034 (99.710%)	142,847 (0.290%)	210,963 (0.425%)	285 (0.001%)
To authorise the purchase of ordinary shares	49,692,676 (99.900%)	47,895 (0.100%)	80,273 (0.161%)	285 (0.001%)
That a general meeting other than an AGM may be called on not less than 14 clear days' notice	49,703,918 (99.940%)	29,419 (0.060%)	82,455 (0.166%)	285 (0.001%)

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Pensana remains committed to embedding ESG at the core of its strategy and in day-to-day decision-making. The business has achieved a gold medal from EcoVadis, one of the leading ESG rating agencies, placing it in the top 5% of businesses for sustainability worldwide¹.

Pensana launched its ambitious Blueprint for Sustainable Rare Earths (the Blueprint) in FY2022. This document, approved by the board's ESG sub-committee, represents Pensana's detailed ESG strategy and provides a mapped-out plan of how Pensana intends to achieve 11 sustainability ambitions from across the ESG suite over the short, medium and long term. These ambitions include, among others, a commitment to deep and meaningful carbon reduction (achieving net zero no later than 2040), an aim to produce the lowest carbon rare earth products and a plan to protect and enhance nature. Pensana continues to ensure that delivery of each of these 11 ambitions remains core to all its decision-making².

In July 2024, Pensana received a gold medal from the EcoVadis sustainability rating platform. EcoVadis is one of the leading rating agencies and the gold medal places Pensana among the top 5% of companies assessed cross-sector. The assessment is broad-ranging and covers the environment, labour and human rights, ethics and sustainable procurement.

Pensana takes its responsibility towards addressing high ESG standards very seriously. To support the desire to build the world's first sustainable magnet metal supply chain, a full-time sustainability manager has been employed since the early stages of the company's work and serves as a member of the executive committee reporting directly to the CEO. The CEO has responsibility for the delivery of ESG at Pensana and the board oversees ESG and its associated impacts through a mandated board sub-committee chaired by non-executive director Ms Alison Saxby. Mr Danny McNeice (sustainability manager) also attends these meetings to provide management reports. The committee is responsible for the approval of the company's sustainability strategy and is responsible for the delivery of the

Blueprint and was previously involved in the authoring and approval of the Blueprint. The Blueprint also includes approval of the company's determination of materiality of non-financial issues. This remains valid as of FY2025 and will be reviewed in the FY2026 period. The ESG committee retains responsibility for overseeing the effectiveness of the company's performance in all elements of ESG.

In FY2022, Pensana identified its material data points for internal and external reporting and will report against the same metrics in this period. This was reviewed by management for relevance in FY2025 which considered the analysis was still valid; monitoring of this will continue as the business develops. Data deemed applicable for external reporting by the company, based on the current levels of operations and materiality, is published on **pages 56 to 59**.

The company remains committed to its membership of the United Nations Global Compact and continues to align with the recommendations of the TCFD. The business further highlights its commitment to aligning its work to other respected standards, especially those relevant to the financing of new infrastructure projects, including the Equator Principles, the IFC Performance Standards and World Bank Environmental and Social Standards (World Bank Standards). A full list of external standards and commitments is available in the Blueprint.

Progress continues towards developing a sustainable and traceable value chain. Pensana views its ESG responsibilities in the context of its value chain, including opportunities to influence both upstream and downstream activity. It continues to demonstrate this commitment through partnerships with other companies across the value chain, such as electric vehicle

¹ Top 5% of businesses rated by EcoVadis – https://support.ecovadis.com/hc/en-us/articles/210460227-Understanding-EcoVadis-Medals-and-Badges#h_01J33AFR7DPFQ2NNKTXWZD5GB6
² Pensana Blueprint for Sustainable Rare Earths – https://pensana.co.uk/wp-content/uploads/2022/09/Pensana_Blueprint_for_Sustainable_Rare_Earths.pdf

manufacturer Polestar with whom we joined the Polestar0 project. Pensana continues its engagement with industry and beyond to influence policy and processes internationally, including the company's sustainability manager being a member of the British Standards Institute's rare earth technical committee.

ESG risk identification is incorporated into the company's risk process with ESG risks embedded within its primary risk matrix, which, in turn, is reviewed by the audit and risk committee. The general effectiveness of the approach is reviewed by the ESG committee, including the management of health, safety and environmental risks. Risks specific to climate change beyond a period of 10 years, the environment and our social licence to operate are disclosed in the principal risks and uncertainties section (refer to **page 31**).

Through the integrated risk assessment processes for climate change, Pensana has identified long-term climate change as a principal risk to the company. This risk covers climate change more than 10 years into the future. Pensana has undertaken a desk-based review of physical climate risk in Angola which has been extended in FY2025 to consider scenarios using data from the Coupled Model Intercomparison Project (CMIP6) available from the World Bank's Climate Change Knowledge Portal (refer to the TCFD disclosure on **pages 46 to 55**). The details of this and the scenarios and climate change models used can be seen in the TCFD disclosure starting on **page 46**. The company has developed qualitative risk and opportunity assessments from transitional risk using internal expertise.

The company views R&D into ESG issues and opportunities as crucial to its future strategy. In the period, Pensana has completed an Innovate UK-funded research project with partners from the University of Leeds, the University of Hull, Route2 and Polestar to identify future opportunities to reduce the negative impacts and increase the positive impacts of ESG across the NdPr magnet value chain. The second project is a PhD studentship funded through the White Rose Doctoral partnership and hosted by the Universities of Leeds and York. The studentship is using our Longonjo Project as a case study of the socio-economic impacts of rare earth mining.

CLIMATE AND CARBON

The extraction and processing of rare earths is crucial to global decarbonisation efforts, as they are an essential component of wind turbines and electric vehicles. These products will displace fossil carbon emissions and are forecast to be in high demand. The International Energy Agency (IEA) has forecast that there could be a sevenfold increase by 2040 in demand for REEs for use in clean energy technologies¹.

This section provides a progress update for three of Pensana's objectives from the Blueprint:

- Provide a reliable and sustainable source of separated rare earth metals and compounds, essential to global decarbonisation products;
- Produce the rare earth products with the lowest embedded carbon on the market; and
- Promote deep and meaningful carbon reduction across our entire value chain, to be net zero no later than 2040.

As part of its commitment to being climate aware, Pensana continues to provide disclosure aligned with the recommendations of the TCFD. The group has now completed four continuous years of disclosure and has disclosed in a measure consistent with the TCFD recommendations and recommended disclosure.

To ensure Pensana supports the demand from customers and investors to reduce the impact of climate change, the company instructed Route2, a leading consultancy in quantifying sustainability impacts, to develop a product life cycle carbon emissions analysis aligned with the GHG Protocol Product Life Cycle and Reporting Standard in FY2023. Findings were presented across the business, including to the ESG board sub-committee and C-suite senior management. This work not only quantified the impacts of the engineering and design already completed, but also demonstrated where future material carbon emissions are likely to be in the value chain, allowing a targeted strategic approach to their reduction particularly through the evolution of partnerships and research.

In this period, the carbon emissions, alongside environmental and social impact, were reviewed as part of the Innovate research project introduced in the previous section. This review looked at carbon emissions from the product and assessed their socio-economic impacts, both negative and positive, to society. The project invigorated a partnership with the University of Hull to create a list of possible future carbon savings, which will be taken forward into future R&D projects. The project report can be seen in the sustainability section of the Pensana website¹.

Furthermore, Pensana continues to strive to embed low-carbon design into its planning. This has included the electrification of key plant items and planning of logistics, benefiting from the siting of the Longonjo Mine adjacent to the Lobito rail corridor, which runs directly to the Port of Lobito.

The company discloses details on its carbon and climate performance through the TCFD disclosure starting on **page 46** and ESG data on **pages 56 to 59**.

PROTECTING THE NATURAL ENVIRONMENT

Ozango, the subsidiary responsible for the operation of the Longonjo site, retains installation licence approval for the project and has continued to have zero environmental licence breaches since the project's inception.

Pensana is committed to making every effort to protect and enhance the natural environment and included an objective in the Blueprint to "integrate leading practice across our business to protect and enhance the natural environment in and around our operations". This includes the area of biodiversity where the project will continue to review opportunities for biodiversity net-gain, alongside strict following of the biodiversity hierarchy. The project continues work to develop a tree curtain around the site aligned with the principles of assisted rewilding, contributing to habitat gain in the area, alongside the deployment of a tree nursery on-site.

The company remains committed to embedding protection of the environment within its decision-making and is working towards ISO14001. While there are no recognised or registered protected areas for biodiversity adjacent to the proposed mining area, Pensana has made a commitment to reduce the area of the mining plan to avoid an area of high-conservation value within the mine lease boundary. This habitat is home to species of conservation concern, including the endemic Angolan Cave Chat (*Xenocopsychus ansorgei*). Additionally, all staff continue to be trained on ecological challenges, and a select group of employees are trained to deal with any ad hoc wildlife sightings safely and ethically.

Furthermore, environmental management and risk alleviation are high-priority areas throughout the operations. All operations will be compliant with, as a minimum, local environmental legislation, the Equator Principles, the IFC Performance Standards and World Bank Environmental and Social Standards. Applying high operating standards has included ensuring that the planned construction of the TSF meets the requirements of the Global Industry Standard on Tailings Management and that comprehensive monitoring and reporting plans are designed and integrated early in the construction process in the event that any risks emerge. Monitoring programmes to understand any wider environmental impact of the business (including on the local community) are well established, alongside embedded waste segregation programmes. A rehabilitation plan has been developed, and requirements under Angolan legislation for rehabilitation have been met. This plan will continuously evolve throughout the LOM and will consider, in addition to safety, the role of the business as a steward of the land and will research optimised rehabilitation plans considering economy, ecology and carbon. An experienced environment co-ordinator remains in post,

who will provide expertise to ensure compliance with all environmental licence requirements and build stakeholder relations in-country. Despite the fact that the business has noted it does not operate in a water-stressed area¹, Pensana considers its water consumption seriously and as such has designed the Longonjo process to facilitate water recycling within the operational processes with zero process water discharge (other than evaporative losses) to reduce the demand required from the local water supply. Pensana continues on its track towards its ambition as part of the Blueprint to "implement a world-class rare earth recycling scheme displacing some of the need for mining and reducing landfilling" and continues to explore circular economic opportunities through partnerships and research programmes.

OUR COLLEAGUES, THEIR SAFETY AND THE COMMUNITIES IN WHICH THEY LIVE

Health and safety

Pensana continues to apply a continuous improvement philosophy to health and safety management systems. Pensana continues to develop, review and update documented processes, performance indicators and reporting procedures to ensure senior management can effectively oversee the health and safety implementation at each of the subsidiaries. The company continues to report health and safety statistics based on the International Council on Mining and Metals (ICMM) Health and Safety Performance Indicators.

Each subsidiary leads and is responsible for its own health and safety performance. The group CEO remains responsible for overseeing health and safety performance across the group with the group's audit and risk and ESG committees jointly responsible for board oversight. The business continues to work towards ISO45001 certification, for its operating subsidiaries, with Ozango developing a timetable in the coming months.

All staff are encouraged to engage in good health and safety procedures through daily briefings and toolbox talks (brief training sessions), site walkabouts and easy-to-access hazard and incident reporting which can be accessed by all staff and contractors. Pensana has developed practices for monitoring and mitigating risks where they exist in current operations, including the encouragement of hazard identification by staff through a mix of processes, including a hazard observation card system. In FY2025, Ozango rolled out further developments in the company's approach to occupational health, action tracking, incident investigation, auditing, worker consultation, specialist work areas and training.

¹ <https://pensana.co.uk/sustainability/>

¹ <https://pensana.co.uk/sustainability/>

Additionally, Pensana is committed to ensuring all contracts and sub-contracts relating to security ensure adherence to the Voluntary Principles on Security and Human Rights, the United Nations Basic Principles on the Use of Force and Firearms by Law Enforcement Officials, the United Nations Code of Conduct for Law Enforcement Officials and the International Code of Conduct on Private Security Providers, ensuring our security practices align with the highest international standards.

In the period, the business has had zero recordable injuries and a total of one recordable case, which was a disease case from malaria. The Longonjo area, in which the project is located, has high malaria prevalence and as such monitoring has begun of non-recordable malaria cases. The business is cognisant of the malaria risk and regularly runs training sessions and malaria awareness campaigns. The lost time injury rate for the period is zero, for a second consecutive year, as a result of no incidents in the 12-month period.

Pensana has placed the health and safety of our colleagues as a highly material issue to the business and the Blueprint contains an ambition to implement a zero-harm approach to health and safety.

Communities

Pensana takes the social implications of its business impacts seriously and is aware of both the potential challenges and the positive impacts we can have on an area. Pensana continues to make available its social and communities policy, demonstrating our commitment to deliver our strategic objective of delivering a lasting legacy through infrastructure and skills in the communities where we operate. To support this, we are actively creating pathways for local training, employment and entrepreneurship, ensuring communities gain lasting skills and opportunities.

The business continues to adhere to the IFC Performance Standards and the World Bank Environment and Social Framework. This ensures the project is delivered in alignment with international expectations for ESG risk. Ozango has designed a RAP that avoids physical housing displacement and addresses economic displacement (i.e. loss of land) by supporting affected households to secure land-for-land replacement and to transition towards sustainable and resilient livelihoods. Ozango has established a community advisory committee as a permanent platform for dialogue, enabling communities to shape decisions on resettlement, grievance resolution and wider development priorities. Membership of the committee comes from each affected community, which has selected its own representatives, traditional leadership, local administration and respected NGOs.

The company has begun delivery of the RAP, with 30 households already receiving tailored transitional support designed to accelerate their recovery and unlock new opportunities. While like-for-like land replacement is a minimum ambition (aligned to IFC Performance Standards), the project has begun delivery of an agricultural development programme designed to offer opportunities to ensure livelihoods are strengthened beyond pre-resettlement levels. This programme, supported by Vuna Agri (an expert consultancy in supporting roll-out of agronomy in livelihood restoration programmes in Africa), builds long-term capacity by strengthening farming techniques, improving productivity and connecting local farmers to wider markets. To support this, the project has committed land within the lease area to the development of an anchor farm, which will provide training and marketing opportunities for agricultural products. This model will allow the project to explore opportunities to source food supplies immediately local to the project's location. Data and learning from the company's agricultural demonstration and test plots, set up previously to explore effective agricultural techniques and trial of new ideas, will be used to underpin the development of the anchor farm.

As part of the project, stakeholder engagement is vitally important, and ensuring strong relations with communities and other key stakeholders is key to delivering a successful project. In previous periods, a stakeholder engagement plan, including national government, provincial government, local authorities, traditional leaders and local communities living in the vicinity of the project, was developed and Ozango is now delivering the requirements of that plan. Through continued engagement, the project continues to build relations and its understanding of the community dynamics and will continue to develop the project in liaison with all key stakeholders. As part of our engagement, a grievance mechanism is in place to empower communities to raise concerns and receive timely solutions, helping to build trust and accountability. In FY2025, all grievances which were raised were dealt with at step 1 in the process, which is resolution between Ozango and the complainant directly. Although it has never been used, step 2 is available and involves the escalation of the grievance to a committee, including key local personnel in the local community. In FY2025, a legal dispute was raised in the local legal system outside of the boundary of the grievance mechanism relating to the compensation package. The case was dismissed and settled in Ozango's favour.

To further enshrine Pensana's commitment to the local community, a local procurement policy remains in place which dictates that we investigate local sourcing opportunities where it is feasible to do so. This year, examples of local purchases have included furniture for the new camp and increased use of Longonjo-based businesses for catering supplies.

As mentioned before, the Innovate UK-funded research project looked at social and community impacts of the project and the value chain for rare earth magnets and assessed their socio-economic impacts, both negative and positive, to society. The project invigorated a partnership with the University of Leeds to review existing proposed and new ideas for projects or interventions which can increase the overall socio-economic impact of the project. The project partnership highlighted the challenges in estimating quantifiable impacts of infrastructure projects on local communities and took groundbreaking steps to begin to address some of these challenges, which include land resettlement, agricultural development projects, health impacts, job and training opportunities and human rights, among others.

Human resources

It is the company philosophy that all employees, regardless of whether they are permanently appointed or not, will receive relevant formal and on-the-job vocational training (technical, supervisory and management), as well as health, safety and mine induction training. This will enable them to develop to their full potential and to work safely and efficiently in a culture that is conducive to ongoing learning and development.

Over the period and to date, the project has been successful in developing internal candidates to a point where they have been

selected for internal promotion. In this period, two promotions have been made in the health, safety and environment team, which follows on from FY2024 where promotions to the positions of country manager, site manager, driver and chef were made. As the headcount increases, the necessary structures to encourage internal promotion will be developed and embedded in the day-to-day company culture.

Ozango delivers a training and development programme primarily through the delivery of on-site mentoring and on-the-job learning. This is designed to ensure that where we need to utilise expatriate labour (i.e. where skills may not currently exist in Angola), it can be on a fixed-term basis with succession planning for Angolan nationals to take over when contracts expire. The success of these programmes can be seen from the number of internal promotions listed in the previous paragraph.

The project is engaging with a number of Angolan training institutions to facilitate recruitment and skills development for early career candidates. An MOU was agreed between Ozango and the Eduardo dos Santos University and one intern has completed a placement in the social and livelihoods team. Partnerships have been established with other training facilities, including Centro Integrado de Formação Tecnológica and Instituto Nacional de Emprego e Formação Profissional.



Mrs Geraldine Tchimbali (Ozango country manager) facilitating a site visit at Longonjo

¹ <https://pensana.co.uk/sustainability/>
² <https://www.ifc.org/en/insights-reports/2012/ifc-performance-standards>

HR and HR-related policies, procedures and processes are in place and are the basis for our HR practices. Development of these continues and all documents will be available in both Portuguese and English to ensure that all our employees have a full understanding of the content. This ensures alignment with Angolan law on issues such as overtime and annual leave. The company notes Angolan law in these areas is comparable to international norms. The company utilises externally benchmarked salary scales and periodically reviews these to ensure continued market salaries are offered.

Ozango continues to identify employment opportunities for the local community. This includes appointments to roles where it is safe and feasible to do so. Appointments include not only Ozango employees but we also ensure contractors use local labour too.

This all feeds into the objective in the Blueprint of developing infrastructure and skills so that communities local to our sites see a direct, long-term, economic benefit from our presence. This will, as with all ambitions, be delivered in three phases: construction, optimisation and operations. The key strategic target for the company in the construction phase is to recruit to ensure all roles are filled to enable safe operations with a focus on providing local employment.

OPERATING AN ETHICAL COMPANY WITH STRONG CORPORATE GOVERNANCE

Pensana continues to develop its already robust approach to ethics and corporate governance. In the reporting year, the company delivered training to colleagues globally on human rights, corruption, bribery and modern slavery, as well as continuing to operate a robust whistle-blowing process available to all colleagues. This is demonstrated within this section, alongside the corporate governance report, which forms part of this annual report. A working group remains in place to continue to develop corporate and operational policies and procedures, especially within the Ozango subsidiary, proportionate with the identified business risk. The corporate governance report can be viewed on **pages 32 to 40**.

In this reporting period, Pensana published its fourth modern slavery report in December 2024 (for FY2024) aligned with the requirement under section 54 of the Modern Slavery Act 2015. This demonstrated the company's approach to the issue, including the organisational structure, risk identification, policies, due diligence and the effectiveness of the approach.

The company takes sustainable procurement seriously and has in place a pre-screening process for suppliers and a sustainable procurement policy, in the form of principles which must be adhered to by all suppliers and contractors to the company. The pre-screening process requires disclosure to Pensana of information across the company's four ESG work streams, i.e. climate and carbon, protecting the natural environment, operating an ethical business with strong corporate governance and colleagues and communities. Companies are contractually required to adhere to these requirements which also includes access for audit and reasonable access to data. This process also allows Pensana to operate a due diligence programme with targeted suppliers, and it has already begun to expand due diligence on human rights, as well as bribery and corruption across a wide array of contracts, including those within Angola.

The company remains committed to equality and opportunity in all forms and actively promotes anti-discrimination across all its workplaces. Pensana's data on its gender split can be found on **page 59**. The business recognises that it does not yet fully comply with the Financial Conduct Authority listing rules on diversity and inclusion on company boards. The company has a strong director team with an appropriate skill set but will continue to work towards compliance as board vacancies arise.

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

Pensana has taken great strides to ensure that addressing climate change, and specifically the requirements of the TCFD, have been embedded in the development of the business. This disclosure represents the company's performance for FY2025 and highlights our developments in the reporting year.

For the purposes of compliance, the ESG committee and senior management believe this disclosure adheres to the requirements of the TCFD and considers that they have given sufficient information to be consistent with the TCFD framework in the current year.

1. GOVERNANCE

1a Describe the board's oversight of climate-related risks and opportunities

Disclosure

The board has ultimate responsibility for group risk and opportunity. It has an established audit and risk sub-committee to monitor these closely. Climate risks are integrated and therefore reported and managed via the same channels as other risks across the business. For more information on the audit and risk committee, refer to **page 85**.

The board has an ESG sub-committee to have specific and focused oversight of the climate and carbon work stream. It reviews the effectiveness of the company's approach to all ESG areas, including addressing climate risks. The sustainability manager submits a report to each ESG committee meeting which contains an update on progress against the requirements of the TCFD and further highlights areas of relevance to the committee, including progress against targets. Frequency and attendance at ESG committee meetings can be found on **page 84**.

The board has demonstrated the importance of climate, among ESG issues, to the company through the formation of the ESG committee chaired by an ESG specialist, Ms Saxby. Part of the mandate of the ESG committee is to critique and review the company's performance in effectively considering climate-related issues in all elements of decision-making. Both the audit and risk committee and the ESG committee mandate the consideration of climate-related issues in all elements of decision-making.

Currently, the board oversees progress against the targets and goals through a qualitative approach through sustainability manager reports, which are received at all ESG sub-committee meetings. The work remains ongoing to develop a monitoring plan for progression against ESG targets. The board continues to oversee progress against the targets and goals through a qualitative approach through sustainability manager reports. This is in addition to the annual figures on energy, carbon and water which are published in this report (refer to **pages 56 and 57**).

Progress during FY2025

The board was kept abreast of ESG-specific risk and interest areas of the now complete Longonjo-related financing. As part of the due diligence, detailed interest was taken in our carbon reduction credentials and climate mitigation aligned with international standards and lender requirements.

The board continues to note future risks and opportunities within the climate space led by regular reporting to the ESG committee by the company's in-house expertise.

1b Describe management's role in assessing and managing climate-related risks and opportunities

Disclosure

Senior management oversees risk across the company in each of their respective areas, with climate risks being expressly included and escalated as required through operational teams to management. The CEO retains overall responsibility for the performance of the climate mitigation system and thus reporting of such activity to the board and associated sub-committees. The CEO is supported by the sustainability manager, who has technical expertise in the area of climate risk. As climate risks are integrated, where technical support is required, it is provided by internal expertise and, where relevant, external experts are appointed. Climate-related risks are considered on the short-, medium- and long-term time horizons.

Climate risks and opportunities are reported integrally with other company risks to the audit and risk committee, with the ESG committee overseeing the effectiveness of the system with respect to climate. Specific risks and risk areas were identified through the company's risk identification process with support provided by the company's sustainability manager where required in assessing risk ratings and if risks should be added to risk registers. The sustainability manager heads up the company-wide climate risk and opportunity identification process and ensures cross-company risks are identified.

Read in conjunction with disclosure 3a (refer to **page 52**).

Progress during FY2025

A company-wide climate risk and opportunity review was completed in FY2022 and risk categories were added to the group risk register directly related to climate. This was reviewed in FY2023 and FY2024. In FY2025, an updated physical climate risk assessment was completed for the Longonjo site. This was a high-level risk assessment using the World Bank's Climate Change Knowledge Portal¹. The output showed that there may be physical risk from climate change to the project. Refer to disclosure 2c on **page 51**.

¹ <https://climateknowledgeportal.worldbank.org/country/angola/climate-data-projections> (accessed October 2024)

2. STRATEGY

2a

Describe the climate-related risks and opportunities the company has identified over the short, medium and long term

Disclosure

Pensana has identified three time horizons for the assessment of climate risk and opportunity, aligned to the company's current development plan. They provide a structure against which risk impact and risk appetite can be assessed. The three horizons are:

- Short term – Less than three years, which aligns with our construction and early operations phases;
- Medium term – Three to 10 years which aligns with our business optimisation period; and
- Long term – Beyond 10 years.

Pensana remains on a journey towards fully embedding tackling climate change within its corporate governance, and more details on this can be found in the Blueprint on the Pensana website at <https://pensana.co.uk/sustainability/>.

Pensana has identified its core business strategy as a climate-related opportunity. There will be an increase in demand for neodymium permanent magnets driven by sustainable technologies, leaving a significant shortfall if additional supply is not hastily created. This material will be required to be produced sustainably to align with the demands of the market, and Pensana has developed its core strategy to develop a product to address the shortfall in demand from the green technology transition in a sustainable, low-carbon manner. Pensana has further embedded its commitment by developing its medium-term strategy to move towards embedding recycled feedstock and embracing circular economy opportunities.

Additional opportunities within Pensana's own business embraced over the short term include exploration of renewable power and consideration of low-carbon technology and electrification throughout the design process.

The company has identified, as part of the integrated risk process, a number of risk areas which align directly or indirectly to climate change. Each of these is then assessed on its own merits and each is assessed separately against all three time horizons. As a result of this process, Pensana has identified the potential of both physical and transitional risk of climate change over a period beyond 10 years (long term) as a principal risk to the business (refer to **page 31**). While identified as risks, the company did not identify the physical or transitional risks in the short and medium term as principal to the business.

The company's risk assessment process assesses all risks on a matrix which considers likelihood and impact. The likelihood process is adjusted for climate change with an assessment for each risk three times, once against each of the three distinct time horizons (short term, medium term and long term). The process for assessing impact has impact ratings across each of the following categories: revenue, cost, safety and health; environment; regulatory; public stakeholders and socio-economic. The highest of the risk scoring categories is used to score each risk with the highest risks identified being reviewed by senior management and where required, reported to the audit and risk committee.

As part of this work, Pensana has undertaken scenario analysis using the IEA's climate scenarios from its World Energy Model and CMIP6 climate pathways to test the resilience of its strategy and risk management processes. These scenarios inform the assessment of physical and transition risks across the identified time horizons and help guide the company's forward planning activity (refer to disclosure 2c).

As the process works by assessing individual risks, examples of the specific risks which contributed to the identification of the physical and transitional climate change risks over 10 years into the future as a principal risk include:

Transitional

- Public climate policy increases taxation or costs and leaves the business unable to compete on price with China and other new plants, including carbon leakage.
- Carbon-intensive value chain activity does not decarbonise and becomes exposed to carbon pricing and taxation regimes thus increasing price (including transportation and supply).
- Remaining presence of hard-to-abate GHG emissions in operations affecting 'net zero', carbon costs and corporate reputation.
- Statute or OEM procurement rules are developed which directly restrict trade for material not meeting climate limits and requirements, thus disqualifying Pensana from trade.

2a continued

Describe the climate-related risks and opportunities the company has identified over the short, medium and long term

Physical

- Upstream supply chain not adapted for climate change, from both physical asset risk and availability of resources causing increased availability shortages, short-term price volatilities and loss of supply routes.
- Physical climate risk to transportation of material through the value chain either by ship, air, road or rail, including both the transportation phase and associated loading, unloading and storage logistics leading to preferred supply routes becoming unusable, thus creating supply backlogs or the requirement for alternative supply routes and logistics infrastructure.
- Water-related physical climate impacts from drought and flooding for operations, power supply and wider community use in Angola creating supply shortages or operational outages.

One of the major aggravating factors in the assessment of the long-term risk is the lack of reliable data on rare earth production and the lack of reliable and granular data on climate change in Angola. While Pensana has endeavoured to use the most current and relevant information available (refer to disclosure 2c for updates in FY2025), further information is still needed. Pensana will monitor the release of new data, but data sources are usually out of the control of the business. Pensana continues to take additional steps to model the risks directly associated with the projects to develop more robust risk assessments while taking parallel opportunities to educate stakeholders on the importance of rare earth materials and the need to address data gaps.

Pensana discloses geography and sector-specific risks in a manner integrated within its existing frameworks. Therefore, those risks which reach appropriate thresholds are disclosed via principal risks. The business believes, given its size and current status, this is sufficient to provide information relevant to the recommendation.

Progress during FY2025

Pensana continues work focused on developing a robust understanding of the scale of the risk to the company from climate change. In order to gain a more detailed and bespoke understanding of the climate risks to the company, Pensana has in this period:

- completed a research project working alongside chemical engineering expertise from the University of Hull, OEM Polestar and impact measurement expertise from UK-based consultancy Route2 to quantify the socio-economic impact of climate change on society across the value chain. This also allowed more granular analysis of the actual impact of the change in climate on, not only, just the company but also the impact on society caused by the rare earth value chain and Pensana's operations. This quantification has been backed up by the production of a list of future carbon savings opportunities in the value chain and further opportunities the company may consider to have a positive socio-economic impact on society through facilitating broader adaptation and mitigation;
- continued liaison with potential customers and strategic partners to understand the dynamic of their future demand and the risks they foresee in their supply chains to enable Pensana to be abreast of customer-driven future required mitigation;
- engaged with financial partners to explore climate mitigation and opportunities in the financing process; and
- as a result of the updated modelling (refer to disclosure 2c), Pensana has a better understanding of the scale of the risks associated with physical climate change and will instruct a detailed physical climate change risk assessment for the Longonjo Project, based on latest design, in FY2026.

2b Describe the impact of climate-related risks and opportunities on the company's business, strategy and financial planning

Disclosure

Climate change has had a significant influence on the company. The core strategy and development plan are focused on a market opportunity to sell a product identified as being essential for reaching global net zero i.e. neodymium permanent magnets. The board agreement to the Blueprint demonstrates the core importance of ESG to its strategy, including performance related to the climate and location of resources to ensure this can be delivered. Refer to **page 13** on strategy.

Pensana has taken a number of decisions to address the risks and opportunities of climate change. This has included resourcing studies into financing and/or sourcing renewable power and optimising electrification and reducing water consumption/increasing water recycling in the company's planned operations.

Pensana's target to embed deep and meaningful carbon reduction across its value chain, and to be net zero no later than 2040, will be reached through a robust and thorough company-wide approach. Currently, engineering and procurement teams are reviewing opportunities to reduce emissions before construction commences. This includes sourcing renewable power, plant electrification and efficient design for logistics. Going forward, the company will continuously review future reduction opportunities, including those in procurement (for example, reagents) and those downstream (such as a circular economy). Driven by customer demand and the requirement to meet future expected regulations, this carbon reduction strategy has engaged staff and resources, including capital allocation, across the company involved in product development and marketing, sales, R&D and supply chain and sourcing. In addition to external resources, the company has established partnerships with other similarly-minded companies such as the electric vehicle manufacturer Polestar (refer to **page 42**). For more information on the target and product screening, refer to **pages 43 and 55**.

As a result of customer demand and forthcoming regulations in the areas of carbon and climate, the company has prioritised addressing the associated risks and reviewing opportunities to access the market. As a result of this, it has committed to developing low-carbon products and has invested in R&D, staff resources, project capital and operational costs directly associated with addressing these risks.

While climate change models demonstrate a likely increase in price, there remains a risk as to the exact pricing. Pensana has considered this and it can be seen as a principal risk (refer to **page 31**). In terms of wider financial impacts, Pensana has identified climate change over 10 years as a principal risk. Therefore, the company will develop its knowledge in this respect on a pathway aligned to that of the company's development. The primary short-term driver of activity in this regard and the key driver of the principal risk rating of long-term climate change is to address data gaps in climate knowledge, especially for our Longonjo operations in Angola. Filling these data gaps, alongside the development of detailed process design and development, will further facilitate a greater understanding of wider quantitative financial impacts, including those associated with revenue, procurement spend and future mitigation and adaptation capital expenditure. Pensana aims to disclose this in FY2026, after completion of the detailed physical risk assessment for the Longonjo Project (refer to disclosure 2c). Pensana believes that at this point sufficient data will be available to disclose financial exposure to climate change.

Away from deep and meaningful carbon reduction, the wider transitional risks have been considered in the company's financial planning. Directed by the board, the company has ensured continued resource availability through the employment of a senior sustainability expert who sits on the company's executive committee and reports directly to the CEO.

The company has opted against a detailed transition plan at this point as the current focus remains, at this point, to ensure initial design and operational strategy are robust against future scenarios. The company acknowledges that transition plans are important and will switch focus to transition once it develops an understanding of its operational baseline. The company has committed via the Blueprint to embed deep and meaningful carbon reduction with net zero no later than 2040 into strategy, which will be overseen by the board.

Progress during FY2025

Pensana completed an independent (Route2) and full GHG product analysis (aligned to the GHG Protocol Product Standard) in FY2022 to identify the areas exposed to carbon risk and to identify opportunities to continuously reduce the emissions of our product aligned to a 1.5°C pathway. Updated considerations on a socio-economic impact level were made through the Innovate UK-funded research project (refer to **page 42**).

Pensana has considered the latest research from the IEA through their 'Global Critical Minerals Outlook 2025', published in May 2025¹. This shows that demand for rare earth materials will continue to increase, including in the sectors of electric vehicles and wind, alongside additional forecast growth in other net-zero aligned sectors.

¹ <https://www.iea.org/reports/global-critical-minerals-outlook-2025>

2c Describe the resilience of the company's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario

Disclosure

Pensana's strategy to develop a sustainable supply of rare earths was tested against two of the IEA's climate scenarios from its World Energy Model. Using the model's stated policies scenario (STEPS) and its sustainable development scenario, the models, respectively, showed a threefold and sevenfold increase in demand for rare earths for clean energy technologies by 2040^{1,2}. The sustainable development scenario represents a well below 2°C scenario and the stated policies scenario is a more conservative benchmark considering actions put in place to achieve benchmarks globally. Under both scenarios, Pensana's strategy and business plan to supply sustainable rare earths demonstrated robust strength in a sector essential to global net zero moving towards 2040, aligning to Pensana's long-term time horizon (>10 years) and within the life of the projects. Furthermore, while Pensana acknowledges the transitional risk of rare earth demand not increasing as suggested by the forecasts (which would in turn undermine the strategy of producing a product with a future demand shortfall), it notes growth in additional net-zero aligned sectors.

The company then reviewed third-party evidence in order to model future pricing of the rare earth market in which it will sell its products. Using both climate modelling and price forecast modelling (which incorporates climate change mitigation change in demand), for the LOM, Pensana has tested its potential future revenue models and ensured that its future market and therefore core revenue stream is well placed to take advantage of the future increases in demand from green technology. While climate change models demonstrate a likely increase in price, there remains a risk as to the exact pricing. Pensana has considered this and it can be seen as a principal risk (refer to **page 31**).

As Pensana does not have revenue in excess of a one billion US dollar equivalent, it believes the scenarios analysed are adequate to provide sufficient assurance of business strategy robustness under multiple scenarios.

Refer to **page 13** on company strategy.

An updated physical risk considered high-level trend analysis for the Longonjo site in FY2025. This involved using the World Bank's Climate Knowledge Portal to review modelled scenarios in the Huambo province in Angola (where the project is located). This tool uses the CMIP6 climate model and the assessment considered two scenarios (SSP1-2.6 and SSP5-8.5). This demonstrated a new depth in data which the business can use to direct a more detailed physical assessment of the climate change risk to the project in FY2026.

¹ <https://www.iea.org/reports/global-critical-minerals-outlook-2025>

² <https://www.iea.org/reports/the-role-of-critical-minerals-in-clean-energy-transitions/executive-summary>

Progress during FY2025

Pensana has stress-tested its core business strategy against climate scenarios developed by the IEA and, in FY2025, this was considered using the latest publication entitled, 'Global Critical Minerals Outlook 2025' and no material change in demand was observed which would affect business planning.

An updated assessment of climate risk for the Longonjo Project was completed using the World Bank's Climate Knowledge Portal which will direct a more detailed physical climate risk study in FY2026.

3. RISK MANAGEMENT

3a

Describe the company's processes for identifying and assessing climate risks

Disclosure

Pensana has identified three time horizons over which it identifies climate risk (refer to **page 48**).

Pensana works on an integrated approach to climate risk. Colleagues in each business area are expected to include both physical and transitional climate risks within their own assessments. This is supported by technical expertise from the in-house ESG team and, where relevant, external consultancies. The company encourages all colleagues to use available data and the ESG team furnishes staff with relevant data where required. It has already established data collection methods for water and carbon and can therefore use these growing multi-year databases to monitor local changes due to climate change and in turn use these in the future to stress test climate models and risk assessments.

Colleagues are expected to consider the impacts of emerging and existing climate legislation and associated impacts on their own work areas, with additional support, where required, provided by technical expertise from the in-house ESG team and, where relevant, external consultancies. The ESG team, led by the sustainability manager, leads the process of identifying legislation and associated risk at a group level reporting this through existing channels, including risk, to the board.

Each climate risk is assessed separately for each of these three time horizons to allow management to understand the risks over the different time horizons and direct mitigations and capital as suitable. Each risk is assessed by competent management of the relevant business area and through the ESG team's climate expertise. Risks are assessed for both consequence and likelihood using a custom risk matrix defined by an external expert in risk frameworks to suit the needs of the project. Climate risks are each assessed three times, once against each of the climate horizons using an internal framework developed by an independent experienced risk analyst. This framework is used across the company in all functional areas to ensure that climate risks are treated on a level parallel to other risks, such as reputation, finance, etc.

For risks assessed as high risk, these are reported to the board and where relevant reported in the company's principal risk register (refer to **pages 25 to 31**).

Read in conjunction with disclosure 1b (refer to **page 47**).

Progress during FY2025

Continued collection of further data on resource availability at the Longonjo Project to increase the quality of any future modelling was undertaken.

Pensana made comprehensive progress in FY2022 in this area, and the focus in FY2023 and since has been on consolidation and continuous review of these developments. The company still considers these current, but continues to consider continuous improvement within the system where opportunities are identified.

For reference, in FY2022, developments implemented were:

- an amendment to the group risk process to include an adapted rating system for climate risks aligned to the main system but adjusted to cater for three timescales (<three years; three to 10 years; >10 years); and
- completion of the maiden transitional risk and opportunity assessment.

In FY2025, the company reviewed the transitional risk and opportunity assessment and noted no material changes.

3b

Describe the company's processes for managing climate-related risks

Disclosure

Climate risk management is integrated into business processes. Risks are overseen by the group audit and risk committee which has overall responsibility for the company's risk appetite. Risks are managed throughout the company through an escalation process. All business functions have direct responsibility for their own risks, with technical support from the specialist sustainability team where required. Risks that are deemed of sufficient impact or likelihood are escalated to group management (using an internally designed risk matrix that scores all risks as high, medium or low based on likelihood and impact), including C-suite, and from there, risks are escalated to the audit and risk committee. The group ESG committee has an independent role to ensure the effectiveness of the climate risk management process, among ESG risk processes. For group risk management, refer to **pages 24 to 31** and recommendation 2a.

Progress during FY2025

Management instructed and ensured an update of a group-wide climate risk screening, including transitional and physical risks as per the disclosure in the FY2023 TCFD disclosure, with no material changes identified in FY2025. This was stress-tested using the IEA's Global Critical Minerals Outlook 2025.

3c

Describe how processes for identifying, assessing and managing climate-related risks are integrated into the company's overall risk management

Disclosure

Pensana's approach to climate risk is wholly integrated with its approach to risk with a slight adjustment in the assessment of the risks from climate change. Each climate change risk is separately assessed against each of the short-, medium- and long-term time horizons identified in recommendation 2a.

Refer to **page 24** for the group's risk management process.

Climate expertise is provided in-house through the sustainability function with additional support for specialist areas contracted as required.

Progress during FY2025

Management reviewed those risks relevant to climate change as part of the annual risk review process and updated risk and impact ratings where relevant. As a result, the long-term (>10 years) physical and transitional risks remain principal risks to the company.

4. METRICS AND TARGETS

4a Disclose the metrics used by the company to assess climate-related risks and opportunities in line with its strategy Disclosure Pensana has identified its material ESG issues as part of the Blueprint and has set a series of challenging ambitions. These are broken down into four work streams, with climate and carbon identified as one (refer to page 56), and a series of measures and KPIs set to measure progress against its strategy. This includes performance and measurement of company-wide and product-level GHG data (refer to page 56) and water (refer to page 57). Pensana has disclosed data for its operations but as it remains pre-operational, the publishing of historical trends is not yet relevant. Information on the forward-looking modelling and expected pricing can be seen on page 51 and the disclosure recommendation 2c. Pensana does not yet directly link climate indicators and performance to remuneration at any level of the company. However, where international standards, such as International Finance Corporation Performance Standards are required for commercial agreements, clauses specific to climate change will be met. Progress during FY2025 Pensana has ensured the continued evolution of its material non-financial data reporting suite and has again reported relevant KPIs in this report (refer to pages 56 to 59).
4b Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 GHG emissions, and the related risks Disclosure Refer to the ESG data tables starting on page 56. Pensana does not yet disclose Scope 3 data as it is not feasible to do so given the company's stage of development. The company is working towards Scope 3 disclosure. As disclosed in recommendation 2a (refer to page 48), Pensana has identified the long-term transitional risk from carbon emissions as part of its principal risk profile and has identified a low appetite for this risk. Refer to page 31 for more information on transitional risks specific to carbon. Progress during FY2025 In FY2022, the company completed a product-level GHG screening. This was reviewed, alongside other ESG risks, on a socio-economic impact basis, as part of the Innovate UK-funded research project (refer to page 42). The company continues to disclose actual Scope 1 and Scope 2 emissions on an annual basis and now discloses the last three years of data to allow monitoring of trends.

4c Describe the targets used by the company to manage climate-related risks and opportunities and performance against targets Disclosure Pensana has committed to developing a sustainable supply chain for rare earths. Through the publication of the Pensana Blueprint for Sustainable Rare Earths, Pensana has committed to a series of strategic ambitions and targets relating to climate. These include: • providing a reliable and sustainable source of separated rare earth metals and compounds, essential for global decarbonisation products; • producing the rare earth products with the lowest embedded carbon on the market; • promoting deep and meaningful carbon reduction across our entire value chain, to be net zero no later than 2040; and • integrating leading practice across our business to protect and enhance the natural environment in and around our operations (which includes water and biodiversity within its scope). The company's current focus on working towards targets, including net zero no later than 2040, is a qualitative approach to deep and meaningful carbon reduction i.e. engineering and design are being empowered to reduce emissions where financially and technically feasible. For example, this has heavily included electrification of carbon-intensive plant items. The business currently believes the actions being taken are appropriate for the stage of development it is currently at. While no quantitative or interim targets were approved and monitored in FY2025, management and the board will review interim targets and KPIs on a periodic basis and will consider both qualitative and quantitative metrics during reviews once operational. The company's deep and meaningful carbon reduction target has been developed by reviewing the GHG screening exercise completed by Route2, consideration of net-zero targets across the key supply sectors (wind turbines and electric vehicles) and national-level targets. Pensana acknowledges there are knowledge gaps in the work required to achieve this, but has invested in R&D and in corporate-level partnerships to both address these knowledge gaps and work towards identifying solutions. The company has based its carbon calculations for Scope 1, Scope 2 and Scope 3 on the GHG Protocol on a basis of operational control albeit not yet including Scope 3 emissions (refer to page 56). The company envisions it will use the GHG Protocol's 'The Product Life Cycle Accounting and Reporting Standard' to monitor the ambition to produce the rare earth products with the lowest embedded carbon on the market. Indeed, this standard has already been used for baselining as the GHG product screening was completed using this standard. Pensana will continue to review the effectiveness of this standard to review this ambition. Refer to pages 56 to 59 for information on metrics and targets. Progress during FY2025 Pensana continues to monitor progress against the strategic approach published in the Pensana Blueprint for Sustainable Rare Earths. Pensana has continued to develop partnerships and R&D programmes (refer to page 42) to further improve the company's knowledge of future investment and changes needed to reach a net-zero target across the value chain.

ESG DATA FOR THE PERIOD ENDED 30 JUNE 2025

Climate and carbon				
Data point	Angola	UK ⁷	Total	Methodology
Scope 1 GHG emissions ^{1,6}	FY2025: 286tCO ₂ e FY2024: 125tCO ₂ e FY2023: 110tCO ₂ e	FY2025: 0tCO ₂ e FY2024: 0tCO ₂ e FY2023: 0tCO ₂ e	FY2025: 286tCO ₂ e FY2024: 125tCO ₂ e FY2023: 110tCO ₂ e	Calculated using the GHG Protocol and based on a boundary of operational control using emissions factors published by the Department for Environment, Food and Rural Affairs in the UK ^{1, 2, 8} .
Scope 2 market-based GHG emissions ^{1,6}	FY2025: 0tCO ₂ e FY2024: 0tCO ₂ e FY2023: 0tCO ₂ e	FY2025: 0tCO ₂ e FY2024: 0tCO ₂ e FY2023: 0tCO ₂ e	FY2025: 0tCO ₂ e FY2024: 0tCO ₂ e FY2023: 0tCO ₂ e	Calculated using the GHG Protocol and based on a boundary of operational control. The business does not yet import any electricity into its operations.
Scope 3 emissions	FY2025: n/a FY2024: n/a FY2023: n/a	FY2025: n/a FY2024: n/a FY2023: n/a	FY2025: n/a FY2024: n/a FY2023: n/a	The company has not reported Scope 3 emissions as it is not yet feasible with the nature of the project to do so.
Emissions intensity ³			FY2025: 5.7g/US\$ FY2024: 2.5g/US\$ FY2023: 1.9g/US\$	In order to meet the requirements of the Streamlined Energy and Carbon Reporting Regulations, Pensana is required to report an emissions intensity. Due to no revenue or production information being available during the development phase, the metric was calculated using net asset value.

¹ A Corporate Accounting and Reporting Standard – Revised Edition.

² Greenhouse gas reporting: conversion factors 2022 – <https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2021>

³ Carbon Emission Factors and Calorific Values from the UK Greenhouse Gas Inventory (Ricardo Energy & Environment, 2021) to support the UK ETS <https://www.gov.uk/government/publications/using-uk-greenhouse-gas-inventory-data-in-uk-ets-monitoring-and-reporting-the-country-specific-factor-list>

⁶ Indicates data disclosed as required under the Streamlined Energy and Carbon Regulations.

⁷ Pensana currently has no facilities under operational control in the UK. Only corporate office-based functions of our colleagues and not the offices themselves are within the operational control boundary in the UK.

⁸ For the avoidance of doubt, this includes only operations under the direct control of Pensana and its subsidiaries, at the point of action. It therefore does not include contractors, which will be included in later Scope 3 reporting.

Where no figure is quoted for a prior reporting period, no disclosure was made. This is represented by n/a.

Environment and ecology				
Data point	Angola	UK ⁷	Total	Methodology
Permit or compliance breaches (environmental)	FY2025: 0 FY2024: 0 FY2023: 0	FY2025: 0 FY2024: 0 FY2023: 0	FY2025: 0 FY2024: 0 FY2023: 0	Upheld breaches of environmental permits or government-induced conditions such as planning consents against the business.
Energy consumption directly from electricity	FY2025: 787kWh FY2024: 905kWh FY2023: 540kWh	FY2025: 0kWh FY2024: 0kWh FY2023: 0kWh	FY2025: 787kWh FY2024: 905kWh FY2023: 540kWh	Calculated using the GHG Protocol and based on a boundary of operational control; note the company does not yet import any electricity into its operations. Energy consumption from electricity reported for Angola is all self-generated from on-site solar power.
Energy consumption not from electricity	FY2025: 1,047,923kWh FY2024: 458,200kWh FY2023: 401,600kWh	FY2025: 0kWh FY2024: 0kWh FY2023: 0kWh	FY2025: 1,047,923kWh FY2024: 458,200kWh FY2023: 401,600kWh	Calculated using the GHG Protocol and based on a boundary of operational control. Consists solely of diesel oil, with the energy factor taken from ‘Carbon Emission Factors and Calorific Values from the UK Greenhouse Gas Inventory (2022)’ ³ .
Total energy consumption ⁴	FY2025: 1,048,710kWh FY2024: 459,200kWh FY2023: 402,100kWh	FY2025: 0kWh FY2024: 0kWh FY2023: 0kWh	FY2025: 1,048,710kWh FY2024: 459,200kWh FY2023: 402,100kWh	Calculated using the GHG Protocol and based on a boundary of operational control ⁸ .
Water import – from groundwater	FY2025 ⁵ : 7,300m ³ FY2024: 3,600m ³ FY2023: 750m ³	FY2025: 0m ³ FY2024: 0m ³ FY2023: 0m ³	FY2025 ⁵ : 7,300m ³ FY2024: 3,600m ³ FY2023: 750m ³	Water that is being held in, and can be recovered from, an underground formation (as defined by CDP ⁴).
Water import – from fresh surface water	FY2025 ⁵ : 0 FY2024: 0 FY2023: 0	FY2025: 0 FY2024: 0 FY2023: 0	FY2025 ⁵ : 0 FY2024: 0 FY2023: 0	Water that is naturally occurring water on the earth’s surface in ice sheets, ice caps, glaciers, icebergs, bogs, ponds, lakes, rivers and streams, and has a low concentration of dissolved solids (less than 10,000mg/l total dissolved solids) (as defined by CDP ⁴).
Water import – from third party	FY2025: 0 FY2024: 0 FY2023: 0	FY2025: 0 FY2024: 0 FY2023: 0	FY2025: 0 FY2024: 0 FY2023: 0	This includes water provided by municipal water suppliers, public or private utilities and wastewater from any other organisation (as defined by CDP ⁴). No Pensana sites are yet connected to municipal water supplies.

³ Carbon Emission Factors and Calorific Values from the UK Greenhouse Gas Inventory (Ricardo Energy & Environment, 2021) to support the UK ETS <https://www.gov.uk/government/publications/using-uk-greenhouse-gas-inventory-data-in-uk-ets-monitoring-and-reporting-the-country-specific-factor-list>

⁴ Definitions taken from the CDP Water questionnaire (accessed September 2022): <https://www.cdp.net/en/guidance/guidance-for-companies>

⁵ For FY2025, only the total figure for groundwater and surface water is combined into a single figure.

⁷ Pensana currently has no facilities under operational control in the UK. Only corporate office-based functions of our colleagues and not the offices themselves are within the operational control boundary in the UK.

⁸ For the avoidance of doubt, this includes only operations under the direct control of Pensana and its subsidiaries, at the point of action. It therefore does not include contractors, which will be included in later Scope 3 reporting.

Where no figure is quoted for a prior reporting period, no disclosure was made.

Colleagues and community				
Data point	Angola	UK ⁷	Total	Methodology
Total recordable cases	FY2025: 1 FY2024: 5 FY2023: 5	FY2025: 0 FY2024: 0 FY2023: 0	FY2025: 1 FY2024: 5 FY2023: 5	Total recordable cases is the total of recordable incidents and recordable disease cases as defined by the ICMM ⁶ . The recordable case in FY2025 was a recordable disease case of malaria contracted while working on-site in Angola. Refer to pages 43 to 46 .
Total recordable injury frequency rate (per million hours)			FY2025: 0 FY2024: 0 FY2023: 5.15	A recordable injury case is a new case of sufficient severity that it requires medical treatment beyond first aid or results in the worker's inability to perform his or her routine work function on the next calendar day. Refer to pages 43 to 46 . Reported as a single metric, including employees of Pensana Plc, Pensana Metals Limited and Ozango Minerais, and project owner's teams and contractors associated with the respective projects, excluding those contracted directly on the Saltend Project.
Total recordable fatalities	FY2025: 0 FY2024: 0 FY2023: 0	FY2025: 0 FY2024: 0 FY2023: 0	FY2025: 0 FY2024: 0 FY2023: 0	A fatality is defined as the death of a worker from an occupational injury or disease. A fatality is recorded when death is a direct result of an occupational injury or disease ⁶ .
% grievances raised and resolved between Ozango and individual raising grievance	FY2025: 100% FY2024: 100% FY2023: 100%	FY2025: n/a FY2024: n/a FY2023: n/a	FY2025: 100% FY2024: 100% FY2023: 100%	Grievances were raised through official grievance mechanism systems for the mine site and the power line project; these were resolved at step 1 between Ozango and the individual raising the grievance.
% grievances raised referred to independent committee and resolved	FY2025: 0% FY2024: 0% FY2023: 0%	FY2025: n/a FY2024: n/a FY2023: n/a	FY2025: 0% FY2024: 0% FY2023: 0%	Grievances raised through official grievance mechanism systems for the mine site and the power line project resolved at step 2 through the independent committee stage (refer to pages 43 to 46). It should be noted zero grievances reached this stage as all were resolved at step 1.

⁶ For the purpose of health and safety reporting, Pensana uses the ICMM Health and Safety Performance Indicators Guidance published in 2021. As per the guidance, all frequency rates are calculated per 1,000,000 hours worked. The guidance from the ICMM (accessed September 2022) can be accessed at https://www.icmm.com/website/publications/pdfs/health-and-safety/2021/guidance_health-and-safety-indicators.pdf

⁷ Pensana currently has no facilities under operational control in the UK. Only corporate office-based functions of our colleagues and not the offices themselves are within the operational control boundary in the UK.

Where no figure is quoted for a prior reporting period, no disclosure was made. This is represented by n/a.

Ethical business and corporate governance				
Data point	Angola	UK ⁷	Total	Methodology
Breaches upheld relating to ethical business	FY2025: 0 FY2024: 0 FY2023: 0	FY2025: 0 FY2024: 0 FY2023: 0	FY2025: 0 FY2024: 0 FY2023: 0	Breaches of ethical conduct upheld by the business after being raised and investigated.
Breaches raised via internal whistle-blowing ⁹	FY2025: 0 FY2024: 0 FY2023: n/a	FY2025: 0 FY2024: 0 FY2023: n/a	FY2025: 0 FY2024: 0 FY2023: n/a	Queries raised via internal whistle-blowing which were upheld as breaches after investigation.
Gender split on the board	FY2025: Male 80%/Female 20% FY2024: Male 71%/Female 29% FY2023: Male 71%/Female 29%			% members of the Pensana Plc board broken down by gender as of 30 June 2025. Based on a total of five board members (four male, one female)
Gender split in the workforce	FY2025: Male 69%/Female 31% FY2024: Male 80%/Female 20% FY2023: Male 85%/Female 15%	FY2025: Male 73%/Female 27% FY2024: Male 71%/Female 29% FY2023: Male 68%/Female 32%	FY2025: Male 71%/Female 29% ¹⁰ FY2024: Male 77%/Female 23% ⁷ FY2023: Male 80%/Female 20%	% employees within Pensana Plc and all subsidiaries under operational control as of 30 June 2025. Based on a total of 55 employees (39 male, 16 female), of which four are senior management (four male, nil female).

⁷ Pensana currently has no facilities under operational control in the UK. Only corporate office-based functions of our colleagues and not the offices themselves are within the operational control boundary in the UK.

⁹ Data from FY2023 has been restated to reflect the presence of a new whistle-blowing policy. Disclosure in FY2023 and prior to that was based on queries raised under statutory whistle-blower protection. As Pensana introduced a whistle-blowing policy in FY2024, this measure has been restated.

¹⁰ Includes one male employee contracted through Pensana Metals Limited, based in Australia.

Where no figure is quoted for a prior reporting period, no disclosure was made. This is represented by n/a.


Tim George
Chief executive officer

14 October 2025

GOVERNANCE



evercharging ...

Board of directors

Remuneration report

Annual remuneration report

62

64

66

855 %

255 MIN

Time Remaining ...

40%

LOADING...

50%

LOADING...

75%

LOADING...

LOW

H

BOARD OF DIRECTORS

DIRECTORS AND DIRECTORS' DETAILS



**PAUL
ATHERLEY**
Executive chairman

Appointed: 13 May 2018

Mr Atherley is the founding director of Pensana Plc. He has pioneered the establishment of an independent and sustainable rare earth processing hub in the UK and value-added mineral processing in Angola. He is a highly experienced senior resources executive with wide-ranging international and capital markets experience. He graduated as a mining engineer from Imperial College London and has held a number of mine management, senior executive and board positions during his career.

He served as executive director of the investment banking arm of HSBC Australia where he undertook a range of advisory roles in the resources sector. He has completed a number of acquisitions and financings of resource projects in Europe, China, Australia and Asia.

Mr Atherley is a strong supporter of Women in STEM (science, technology, engineering and mathematics) and has established a scholarship which provides funding for young women to further their education in science and engineering.

Other current directorships of listed companies:

- Alkemy Capital Investments Plc (January 2021 to present)
- Co-founder and member of the investment committee of the Arch Sustainable Resources Fund (March 2023 to present)

Former directorships of listed companies in the past three years:

- None



**TIM
GEORGE**
*Executive director/
chief executive officer*

Appointed: 22 April 2019

Mr George is a minerals engineer with over 30 years of experience in the mining and engineering sectors, with broad experience in mining project development throughout sub-Saharan Africa.

He holds an Honours Degree in Minerals Engineering from Leeds University and spent over a decade in production management at several Anglo American operations in Africa along with plant design and feasibility studies in various base and precious metal projects.

His history in Angola started in 1998 in the construction and engineering sector, migrating to chairman and CEO of Xceldiam, an Angola-focused AIM-listed diamond exploration company and subsequently, as a non-executive director of a Scandinavian dual-listed resources entity with assets in sub-Saharan Africa, including Angola.

Other current directorships of listed companies:

- None

Former directorships of listed companies in the past three years:

- None



**ROBERT
KAPLAN**
*Executive director/
finance director*

Appointed: 31 March 2022

Mr Kaplan is a chartered accountant with over 20 years of operating experience in the African mining sector. His addition to the Pensana team brings a broad skill set in both UK and sub-Saharan corporate finance together with experience in mining operations in Angola, South Africa and Tanzania.

Mr Kaplan joined Pensana from LSE-listed Petra Diamonds Limited where, in his role as finance manager corporate and head of treasury, he was involved in a number of mine financings, including two US dollar bond issues totalling US\$1 billion, a number of African lender facilities totalling over US\$750 million and, most recently, an equity rights issue of US\$178 million on the LSE. Prior to this, he was financial director of Xceldiam, an Angola-focused AIM-listed diamond exploration company.

Other current directorships of listed companies:

- None

Former directorships of listed companies in the past three years:

- None



**STEVEN LAWRENCE
SHARPE**
Independent non-executive director

Appointed: 29 September 2021

Mr Sharpe is a highly experienced natural resources financier and has been involved with financing of some US\$6 billion over his 37-year career. He is an executive board member of EIT Raw Materials. He was formerly the president and CEO of Euromax Resources Limited, senior vice president of European Goldfields Limited, managing director at Canaccord Genuity, managing director at Endeavour Financial, assistant general manager at Standard Bank London Limited and assistant director of N M Rothschild & Sons Limited.

Other current directorships of listed companies:

- None

Former directorships of listed companies in the past three years:

- None



ALISON SAXBY
Independent non-executive director

Appointed: 17 August 2022

Ms Saxby is an industry-leading expert with over 35 years of experience in industrial minerals and metals. Her expertise includes pricing, deep market knowledge, research and communications gained through consultancy projects, minerals trading and commercial reports. She was previously a managing director at metals consultancy Roskill, where she led the strategic direction of the company's research and products through a period of growth, with a focus on critical minerals. Prior to that, she held roles at Fastmarkets as an independent consultant.

Ms Saxby was recently a member of the UK government's Critical Materials Global Expert Mission to both Canada and the United States of America for Innovate UK-KTN and is working with Edumine to provide educational courses on critical materials. She is the author of numerous publications on critical and other minerals and originally trained as a mineral engineer.

Other current directorships of listed companies:

- None

Former directorships of listed companies in the past three years:

- None

REMUNERATION REPORT

STATEMENT OF THE CHAIRMAN OF THE REMUNERATION AND NOMINATION COMMITTEE

The remuneration report outlines remuneration awarded to directors and non-executive directors during the year.

Pensana was admitted to the Official List of the Financial Conduct Authority (transition segment) and commenced trading on the LSE's Main Market for listed securities on 6 July 2020. Pensana continuously looks to develop its remuneration framework in accordance with Schedule 8 to the Accounting Regulations.

As part of this process, the remuneration and nomination committee has considered the latest governance developments, independent evaluations of market trends and the evolving views of shareholders. There were no significant recommended changes proposed at the last AGM held on 5 December 2024. A resolution to approve the directors' remuneration report was tabled for consideration by shareholders. A total of 49,725,125 votes were cast, with 99.50% of shareholders voting in favour and 0.5% voting against.

During the financial year ended 30 June 2025, the remuneration and nomination committee sought to recognise the significant efforts of the team over the past five years on the back of having reached a significant milestone in obtaining the approval of the Longonjo financing. Being acutely aware of the need to recognise these outstanding, if not unprecedented, achievements, while cognisant of the prudence of preserving cash at this stage of the company's evolution, the committee took the decision to make the awards exclusively equity-based, such awards being made within the combined parameters of the short- and long-term incentive plans.

Given that Pensana has adopted a phased approach towards the development of the company's projects, all the awards are at this juncture largely related to the financing of the Longonjo Project and its construction completion parameters.

In the coming year, the committee will be significantly more engaged in determining new transitional KPIs as the company evolves from developer to producer.

We recognise the importance of fostering a culture of accountability and alignment with shareholders' interests, and we remain dedicated to reviewing our remuneration policies and incentive structures to ensure they are effective and reflective of our company's performance and future prospects, while aligning to market comparators and trends.

For the purposes of this report, key management personnel of the group are identified as those persons having the authority and responsibility for planning, directing and controlling major activities of the company and the group, directly or indirectly. Refer to the board of directors on **pages 62 and 63** for a breakdown of the directors' details and their roles in the company.

Shareholders will be asked to approve the annual remuneration report as an ordinary resolution at the AGM in December 2025.

The company's auditor, BDO LLP, is required by law to audit certain disclosures, and where disclosures have been audited, they are indicated as such. No persons materially assisted the committee in its consideration of remuneration during the current year.



Steven Sharpe
Chairman of the remuneration and nomination committee

14 October 2025

REMUNERATION AND NOMINATION COMMITTEE MEMBERSHIP

The table below shows the members of the committee during 2025 and their attendance:

Committee members	Attendance
S Sharpe	2/2
A Saxby	2/2
R Kaplan	2/2

OVERVIEW OF THE POLICY AND HOW IT WAS APPLIED FOR FY2025

Fixed remuneration	
Salary	
Influenced by role requirements, performance of the individual, level of experience and market positioning.	No increases were awarded to executive directors during FY2025. With effect from 1 July 2025, executive director base annual salaries, reflected in British pounds to align to their contract terms, were as follows: - Mr Paul Atherley – £288,750 (2024: £288,750); US\$372,805 (2024: US\$363,712); - Mr Timothy George – £315,000 (2024: £315,000); US\$406,697 (2024: US\$367,512); and - Mr Robert Kaplan – £220,000 (2024: £220,000); US\$284,042 (2024: US\$277,114).
Benefits	
Provision of an appropriate level of benefits for the relevant role and local market.	Executive directors do not currently receive any benefits.
Variable remuneration	
Annual bonus	
Linked to key financial, operational, health, safety and the environment, socio-economic development and strategic goals of the company, which reflect critical factors of success.	Maximum opportunity for FY2025 of 150% of salary. The committee reviewed the annual bonus targets for FY2025 to ensure that they are aligned to our strategic priorities and completion of main financing. The bonus scorecard for FY2025 was linked to: - completion of main financing; - initiation of construction at Longonjo; - health and safety objectives; and - ESG objectives. Annual bonuses are subject to a clawback provision, which may apply for up to two years following the end of the performance period. Bonuses in the form of 4,750,000 shares were approved to executives during the year but are subject to timing on share capacity availability and have not been issued as at the date of this report.
LTI plan	
Aligned with shareholders and motivating the delivery of long-term objectives.	8,250,000 share awards were issued to executives during the year. Awards are currently reviewed under performance conditions, including ESG, project financing of the Longonjo Project, construction completion and cold commissioning of the Longonjo Project. LTI awards are subject to a two-year holding period post vesting to further align executive remuneration to shareholder interests. The LTI awards are also subject to a clawback provision, which applies for up to two years following the end of the relevant performance period.
Shareholding guidelines	Aligned with shareholders. Shareholding guidelines of 200% of salary.
Clarity	The committee is mindful of ensuring that our remuneration arrangements are clear and transparent for both participants and shareholders. When considering changes to our remuneration policy, the committee engaged with major shareholders and key proxy bodies and took their comments into account.
Simplicity	Pensana's remuneration framework is focused on simplicity, consisting of fixed remuneration, an annual bonus and a single LTI plan.
Remuneration arrangements should ensure reputational and other risks from excessive rewards, and behavioural risks that can arise from target-based incentive plans, are identified and mitigated.	The committee takes risk factors into account when setting and assessing remuneration arrangements. The performance framework includes a balanced range of measures which include construction roll-out, future anticipated production, financial, health and safety and ESG measures. The remuneration framework provides the committee with discretion to adjust incentive outturns or to claw back remuneration in certain circumstances.

ANNUAL REMUNERATION REPORT

THE FOLLOWING INFORMATION HAS BEEN AUDITED

Single total figure of remuneration for the year ended 30 June 2025

	Salaries and fees ¹ US\$	Total fixed US\$	Short-term share awards bonus ² US\$	Benefits US\$	Options and rights ³ US\$	Total variable US\$	Total 2025 US\$
Non-executive directors⁴							
S Sharpe	67,783	67,783	–	–	–	–	67,783
J Beeton ⁵	12,601	12,601	–	–	–	–	12,601
L Northover ⁶	12,601	12,601	–	–	–	–	12,601
A Saxby	67,783	67,783	–	–	–	–	67,783
Executive directors							
T George	375,321	375,321	520,030	–	55,718	575,748	951,069
P Atherley	372,805	372,805	445,740	–	–	445,740	818,545
R Kaplan	284,042	284,042	445,740	–	35,288	481,028	765,070
Key management							
R Smith	262,500	262,500	118,864	–	52,003	170,867	433,367

¹ Over the period, salaries were withheld to facilitate cash preservation. Salaries and fees owing to P Atherley (US\$70,204), S Sharpe (US\$28,243), A Saxby (US\$28,243), T George (US\$175,083) and R Smith (US\$21,875) have been accrued. Additionally, a loan in the amount of US\$402,453 is due to R Kaplan in respect of personal shares he sold to facilitate working capital to the group.

² Granted shares as a short-term incentivisation. The valuation in the table above is based on the 1 April 2025 grant date price of 23 pence. No shares related to these awards have yet been issued to the executive directors. All shares awarded remain subject to final remuneration and nomination committee approval before they can be exercised by the holder.

³ The options and rights represent FY2024 LTI share awards that have vested during the year, following the successful fulfilment of some of the vesting conditions.

⁴ There have been no changes to non-executive director fees in the current year. No additional fees were paid to the non-executive directors during FY2025.

⁵ Resigned on 19 September 2024.

⁶ Resigned on 18 September 2024.

Single total figure of remuneration for the year ended 30 June 2024

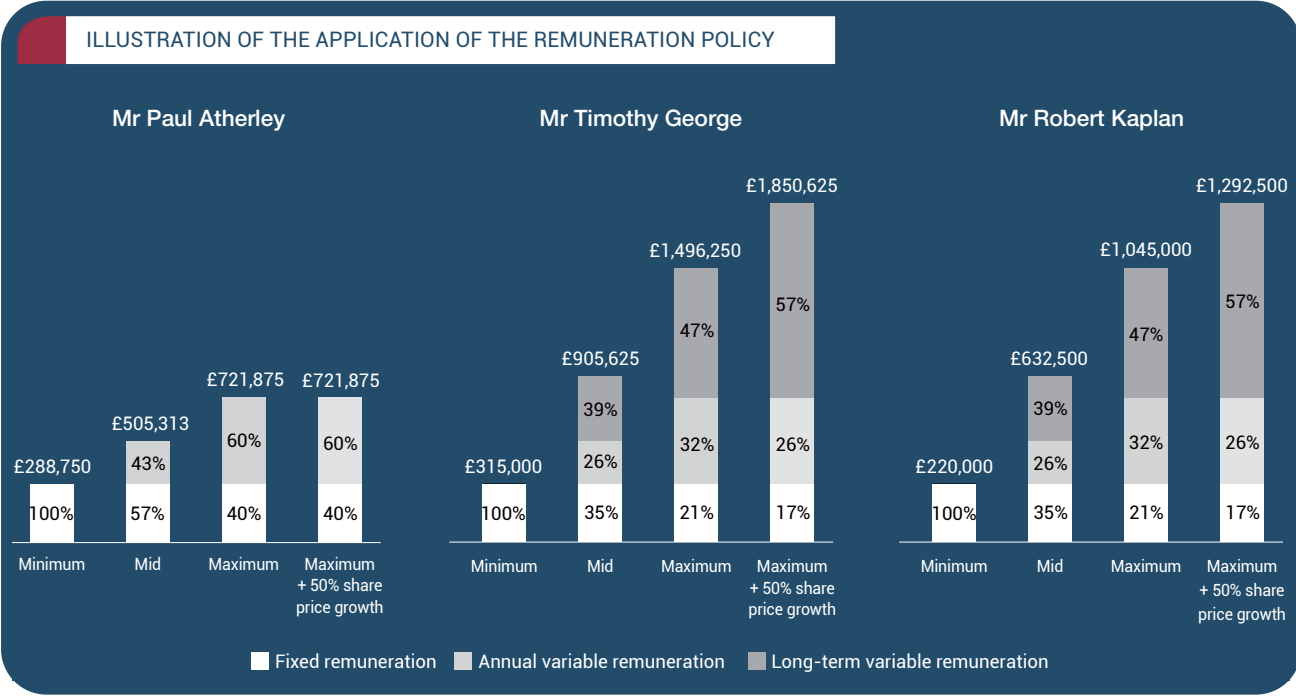
	Salaries and fees US\$	Total fixed US\$	Short-term share awards bonus ¹ US\$	Benefits US\$	Options and rights ² US\$	Total variable US\$	Total 2024 US\$
Non-executive directors							
S Sharpe	66,130	66,130	–	–	–	–	66,130
J Beeton	66,130	66,130	–	–	–	–	66,130
L Northover	66,130	66,130	–	–	–	–	66,130
A Saxby	66,130	66,130	–	–	–	–	66,130
Executive directors							
T George	367,512	367,512	120,924	–	115,123	236,047	603,559
P Atherley	363,712	363,712	–	–	–	–	363,712
R Kaplan	277,114	277,114	76,275	–	92,098	168,373	445,487
Key management							
R Smith	262,500	262,500	76,275	–	–	76,295	338,795

¹ Granted shares as a short-term incentivisation. The valuation in the table above is based on the 7 November 2023 grant date price of 30 pence. Shares were issued on 8 April 2024 post receipt of a non-binding term sheet from the lender group and remain unsold as at the date of this report. All shares awarded remain subject to final remuneration and nomination committee approval before they can be exercised by the holder.

² The options and rights represent the legacy shares awarded in 2019 that vested during the year as per the initial three-year time-weighted measurement criteria having been met on 31 December 2023. No performance shares relating to FY2022 and FY2023 vested during the year.

³ There have been no changes to non-executive director fees in the current and prior years. No additional fees were paid to the non-executive directors during FY2024.

The graph below is unaudited.



The charts above have been compiled using the following assumptions:

Fixed remuneration	Salary as at 1 July 2025
Variable remuneration	- Annual bonus: maximum award of 150% of base salary; and - LTI plan: maximum award of 150% of base salary.

PERFORMANCE SCENARIOS

Minimum	Fixed remuneration only
Medium	Fixed remuneration plus variable pay for the purpose of illustration as follows: - Annual bonus: assumes a bonus payout of 50% of maximum; and - LTI: assumes vesting of 50% of maximum.
Maximum	Fixed remuneration plus variable pay for the purpose of illustration as follows: - Annual bonus: assumes a bonus payout of 100% of maximum; and - LTI: assumes vesting of 100% of maximum.

ADDITIONAL NOTES TO THE TOTAL REMUNERATION TABLE

For FY2025, the committee has determined that the base salaries (per annum) for the executive directors will remain unchanged as set out below.

	Base salary from 1 July 2025 £	Base salary from 1 July 2024 £
Executive directors		
T George	315,000	315,000
P Atherley	288,750	288,750
R Kaplan	220,000	220,000

SHARE-BASED PAYMENTS

Performance rights

2025

During the year, no performance rights were issued to directors and key management personnel.

2024

During the prior year, no performance rights were issued to directors and key management personnel.

Share-based options

2025

During the year, no options were issued to directors and key management personnel.

2024

During the prior year, no options were issued to directors and key management personnel.

No share-based option holdings existed as at 30 June 2025 for key management personnel.

Share-based option holdings of key management personnel as at 30 June 2024

Name	Balance as at 1 July 2023 Number	Granted Number	Vested in shares Number	Balance as at 30 June 2024 (beneficial interest) Number
T George	416,666	–	(416,667)	–
R Kaplan	333,334	–	(333,333)	–

LTI PLAN SHARE AWARDS

2025

Share awards were issued to executive directors and key management personnel in April 2025.

These awards are subject to four performance conditions, namely:

- full drawdown of the required Longonjo equity funding component for Stage 1, to the satisfaction of the remuneration and nomination committee (30% of award);
- full drawdown of the Longonjo debt component for Stage 1 (30% of award);
- 30% of award on cold commissioning of Longonjo Stage 1 (30% of award); and
- measured annually on the health, safety, security and environment framework (10% of award).

The vesting period for these shares is three years from 1 April 2025.

2024

Share awards were issued to executive directors and key management personnel in November 2023.

These awards are subject to four performance conditions, namely:

- total shareholder return (TSR) (35% of award);
- successful financing of the Longonjo Stage 1 development of US\$200 million (25% of award);
- 50% construction completion of the Longonjo Project on a cost basis (25% of award); and
- measured annually on the health, safety, security and environment framework (15% of award).

The vesting period for these shares is three years from 1 July 2023. During the year, 25% of the FY2024 share awards vested, as successful financing of the Longonjo Stage 1 was completed and announced, with credit committee approvals by Absa and AFC.

2022

Of the FY2022 share awards, 15% related to the lost time injury frequency rate (LTIFR) portion is likely to vest, following approval of the remuneration and nomination committee. These shares have not yet been approved or issued as at 30 June 2025.

STI PLAN SHARE AWARDS

Short-term bonus awards were granted to executive directors and key management personnel on 1 April 2025 totalling 7,650,000 shares. 2,900,000 of these shares were issued on 23 June 2025 to management and staff. The short-term bonus awards granted to executive directors have not yet been issued as at 30 June 2025, but have been included in the single figure of remuneration table for the year.

Short-term bonus awards were granted to executive directors and key management personnel in 2024 on 7 November 2023 totalling 1,342,000 shares. These shares were issued on 8 April 2024. There are no additional performance conditions attached to the share awards, however, executives cannot exercise the shares without the prior approval of the committee.

Share awards granted to executive directors and key management personnel

2025 share awards issued

Name	Grant date	Quantity of shares awarded	Vesting period
P Atherley	1 April 2025	2,750,000	Three years ending 31 March 2028
T George	1 April 2025	3,000,000	Three years ending 31 March 2028
R Kaplan	1 April 2025	2,500,000	Three years ending 31 March 2028
R Smith	1 April 2025	750,000	Three years ending 31 March 2028
		9,000,000	

The face value of the shares awarded was US\$2.7 million.

2024 share awards issued and movement during the year

Name	Grant date	Quantity of shares awarded in FY2024	Quantity of shares cancelled in FY2025	Quantity of shares vested in FY2025	Share awards balance as at 30 June 2025	Vesting period
T George	8 November 2023	750,000	–	187,500	562,500	Three years ending 30 June 2026
R Kaplan	8 November 2023	475,000	–	118,750	356,250	Three years ending 30 June 2026
R Smith	8 November 2023	700,000	–	175,000	525,000	Three years ending 30 June 2026
		1,925,000	–	481,250	1,443,750	

These shares were vested following credit committee approvals by Absa and AFC in April 2025. Trading in these shares is still subject to approval by the board.

Share awards issued to executive directors and key management personnel

2023 share awards issued

Name	Grant date	Quantity of shares awarded in FY2022	Quantity of shares cancelled in FY2023	Quantity of shares cancelled in FY2024	Share awards balance as at 30 June 2024	Vesting period
T George	16 May 2022	708,333 ¹	354,166 ¹	247,917	106,250	Three years ending 30 June 2024
R Kaplan	16 May 2022	487,500 ¹	243,750 ¹	170,625	73,125	Three years ending 30 June 2024
R Smith	16 May 2022	400,000	200,000	140,000	60,000	Three years ending 30 June 2024
		1,595,833	797,916	558,542	239,375	

¹ The FY2021 allocation was added to the FY2022 allocation due to the expanded scope around the FEED study and the associated timing delays. As the KPIs could not be finalised, management agreed to defer the allotment and included it in the FY2022 share award. The value of these shares is estimated at US\$516,395.

Of these share awards, 50% related to the financing and construction KPIs were deemed unlikely to vest and were cancelled in FY2023. In FY2024, 35% that were subject to TSR KPIs were cancelled with the balance of 15% being subject to LTIFR KPIs, subject to final approval by the committee in FY2025.

ANNUAL REMUNERATION REPORT continued

There was no change to these awards during FY2025.

Shareholdings of key management personnel in the company

The interests of key management personnel in the shares of the company, held directly or indirectly, as at 30 June 2025 were as follows. The company does not have a minimum requirement or guideline for director shareholdings.

Name	Balance as at 1 July 2024 Number	Received on vesting of LTI awards (issued) Number	Received on issue of short-term bonus awards Number	Net purchases/ (sales) during the period Number	Balance as at 30 June 2025 Number
P Atherley	14,444,116	–	1,500,000 ¹	367,000	14,811,116
J Beeton	–	–	–	–	–
L Northover	–	–	–	–	–
S Sharpe	–	–	–	–	–
A Saxby	–	–	–	–	–
T George	2,865,495	187,500	1,750,000 ¹	–	3,052,995
R Kaplan	2,205,000	118,750	1,500,000 ¹	(1,113,686) ²	1,210,064

¹ The short-term bonus awards granted on 1 April 2025 to executive directors are unissued as at 30 June 2025 and therefore excluded from the total balance.

² Includes 315,000 shares sold in December 2024 to settle a director loan advance and 798,686 net shares (1,046,186 sold, 247,500 reissued by the company) sold by R Kaplan to provide short-term working capital to the company and settle associated tax charges thereon. During the prior year, US\$61,169 was advanced to R Kaplan for relocation expenses. The advance carried interest at 2.25% per annum and was repaid in full by 8 January 2025.

The interests of key management personnel in the shares of the company, held directly or indirectly, as at 30 June 2024 were as follows:

Name	Balance as at 1 July 2023 Number	Received on vesting of performance rights (issued) Number	Received on vesting of performance rights Number	Purchases during the period Number	Balance as at 30 June 2024 Number
P Atherley	13,427,898 ¹	–	–	1,016,218	14,444,116
J Beeton	–	–	–	–	–
L Northover	–	–	–	–	–
S Sharpe	–	–	–	–	–
A Saxby	–	–	–	–	–
T George	1,250,000	1,250,000 ²	325,000 ³	40,495	2,850,495
R Kaplan	1,000,000	1,000,000 ²	205,000 ¹	–	2,205,000

¹ These include historical share awards prior to the group's listing on the LSE (9,069,861), share purchases on the LSE during FY2021 (500,000) and vested and issued share options of 3,858,037.

² Last third of the legacy shares vested on 31 December 2023 and 2,250,000 shares were issued on 8 April 2024.

³ Short-term bonus awards were issued on 8 April 2024 post the release of the group's interim results and the associated updates to the market.

Payments to past directors

No payments were made to past directors in the year ended 30 June 2025 (2024: US\$nil).

Payments for loss of office

No payments for loss of office were made in the year ended 30 June 2025 (2024: US\$nil).

THE FOLLOWING SECTION IS UNAUDITED

Relative importance of spend on pay

The following table sets out the percentage change in payments to shareholders and overall expenditure on pay across the group:

	2025 US\$	2024 US\$	2023 US\$	2022 US\$	2021 US\$	2020 US\$	2019 US\$
Non-executive directors⁵							
S Sharpe ²	67,783	66,130	159,693	50,183	–	–	–
L Northover	12,601	66,130	63,275	66,232	45,222	–	–
J Beeton	12,601	66,130	63,275	66,232	22,410	–	–
A Saxby	67,783	66,130	55,893	–	–	–	–
S Bates	–	–	–	16,558	48,983	–	–
M Hohnen ⁴	–	–	–	–	62,349	33,500	30,089
N Maclachlan ⁴	–	–	–	–	62,384	33,500	30,089
Executive directors⁵							
T George	375,321	367,512	330,975	364,531	232,327	200,863	33,335
P Atherley ³	372,805	363,712	348,010	364,273	56,483	50,205	45,134
R Kaplan	284,042	277,114	265,151	62,920	–	–	–
D Hammond	–	–	–	–	177,090	180,411	150,445
S Mison	–	–	–	–	–	–	108,320
Other							
Payments to shareholders	–	–	–	–	–	–	–
Group employment costs ⁶	5,932,587	3,928,481	1,701,642	5,439,626	2,578,814	1,723,500	–

	Change from 2024 to 2025 ¹ %	Change from 2023 to 2024 ¹ %	Change from 2022 to 2023 %	Change from 2021 to 2022 %	Change from 2020 to 2021 %	Change from 2019 to 2020 %
Non-executive directors⁵						
S Sharpe ²	2	(59)	218	–	–	–
L Northover ⁴	(81)	5	(4)	46	–	–
J Beeton ⁴	(81)	5	(4)	196	–	–
A Saxby	2	–	–	–	–	–
S Bates	–	–	–	(66)	–	–
M Hohnen ⁴	–	–	–	–	86	11
N Maclachlan ⁴	–	–	–	–	86	11
Executive directors⁵						
T George	2	11	(9)	57	16	503
P Atherley ³	3	5	(4)	545	13	11
R Kaplan ⁴	3	5	321	–	–	–
D Hammond	–	–	–	–	(2)	20
S Mison	–	–	–	–	–	–
Other						
Payments to shareholders	–	–	–	–	–	–
Group employment costs ⁶	51	152	(69)	111	50	–

¹ % change movements for 2023 to 2024 are a function of translation at different GBP:US\$ exchange rates unless stated otherwise. There have been no salary increases in the current year.

² At the request of the board, Mr Sharpe assumed significant additional duties for the period January 2023 to May 2023 relating to a proposed strategic investment by a third party. In compensation for these duties, he received US\$48,209 in addition to the director's fee of US\$56,420.

³ Served as executive chairman since 1 July 2021.

⁴ The percentages shown for these directors are skewed due to their appointments commencing partway through the year.

⁵ Directors' remuneration represents salaries and fees, being the fixed remuneration per annum.

⁶ % change movements for 2023 to 2024 are a result of the current year share-based payment provision compared to a full reversal of annual bonuses and share-based payments in the prior year. Refer to note 7 for more details on employee benefits and employee wages and salaries.

ANNUAL REMUNERATION REPORT continued

Pay ratios

During FY2024 and FY2023, the company fell below the 250 UK employee limit. As a result thereof, using the two-year rule, the company was exempt from reporting pay ratios for FY2025.

Annual percentage change in single-figure remuneration for the year ended 30 June 2025

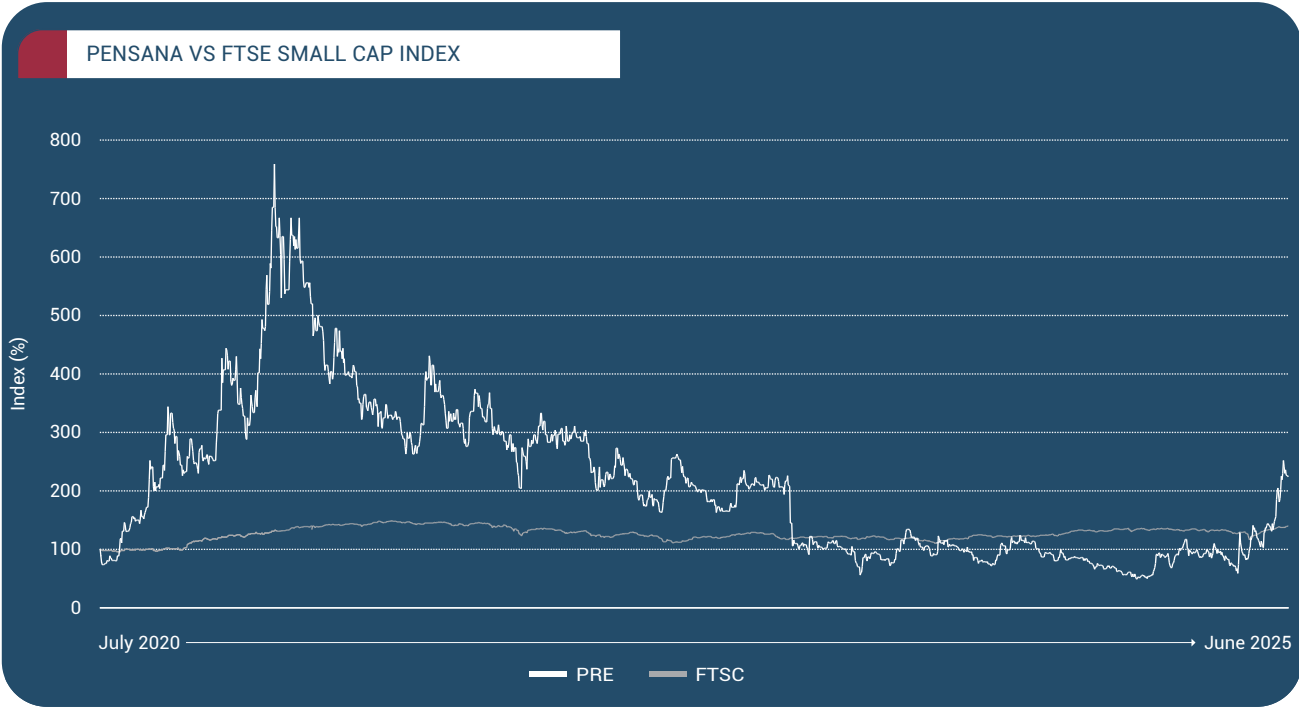
	Year	Short-term share awards US\$	Bonuses US\$	Options and rights US\$	Total US\$	% change year-on- year ¹
Non-executive directors						
S Sharpe	2025	67,783	–	–	67,783	2
	2024	66,130	–	–	66,130	
L Northover	2025	12,601	–	–		(81)
	2024	66,130	–	–	66,130	
J Beeton	2025	12,601	–	–	12,601	(81)
	2024	66,130	–	–	66,130	
A Saxby	2025	67,783	–	–	67,783	2
	2024	66,130	–	–	66,130	
Executive directors						
P Atherley	2025	372,805	445,740	–	818,545	125
	2024	363,712	–	–	363,712	
T George	2025	375,321	520,030	55,718	951,069	58
	2024	367,512	120,924	115,123	603,559	
R Kaplan	2025	284,042	445,740	35,288	765,070	72
	2024	277,114	76,275	92,098	445,487	

¹ % change movements year-on-year are a function of translation at different GBP:US\$ exchange rates unless stated otherwise. There have been no salary increases in the current year.

The following table sets out the total remuneration and incentive plan payouts for the CEO over a six-year period:

	Single total figure of remuneration US\$	Annual bonus payout (% of maximum) US\$
2025	951,069	92
2024	603,559	20
2023	555,359	0
2022	1,181,468	47
2021	2,498,580	88
2020	289,330	29

The following graph illustrates the company's performance over the past five years relative to the FTSE Developed Small Cap Index. The directors believe this comparison is appropriate as it compares the company to an index comprising small cap stocks below the US\$150 million free float-adjusted market cap.



Consideration by the directors of matters relating to directors' remuneration

Due to the nature of the group's current financial position and the internal focus on cash preservation during the main financing process, the remuneration and nomination committee considered it prudent that the executive directors' remuneration be aligned with that of FY2024. Similarly, the board considered the non-executive directors' remuneration for the year ended 30 June 2025 within the same parameters with no changes proposed.

Shareholder voting

At the AGM on 9 December 2021, there was an advisory vote to adopt the remuneration policy. Of the 71,909,111 proxy votes validly appointed, 71,558,022 (99.51%) voted in favour. Due to 98.88% of votes in favour of the policy, the policy is deemed satisfactory from a shareholder perspective.

Refer to **page 40** of the corporate governance report for details of the total number of votes cast, votes for and against, as well as votes withheld during the AGM for each resolution passed.

Service contracts

All executive directors and key management personnel have full-time contracts of employment with the company; non-executive directors have contracts of service. No director has a contract of employment or contract of service with the company or its associated companies with a fixed notice term which currently exceeds six months. Directors' notice periods were considered sufficient during the period to ensure an effective handover of duties should a director leave the company. These will be considered for review as to their appropriateness during the current financial year. Service contracts are kept at the registered office and are available for inspection on request.

The termination provisions are as follows:

Description	Notice period	Payment in lieu of notice
Employer-initiated termination without reason	Six months	Six months
Termination for serious misconduct	None	None
Employee-initiated termination	Six months	Six months

Key terms of employment contracts

Contracts for services of key management personnel and relevant executives

Remuneration and other terms of employment for the directors and other key management personnel are formalised in service agreements. The contractual arrangements contain certain provisions typically found in contracts of this nature. The termination provisions are as follows:

Mr Paul Atherley – Executive chairman
(effective 1 July 2021)
(previously non-executive chairman – effective 13 May 2018)

Mr Atherley has entered into a letter of appointment with the company in respect of his appointment as executive director/ chairman.

Base terms

- Letter of appointment as executive director/chairman, agreement effective from 1 July 2021 and has no set term;
- Base remuneration which is a monthly salary and will be reviewed annually (£288,750 per annum); and
- An STI of up to 150% of base salary will be reviewed annually and will be paid on achievement of near-term milestones (KPIs) in accordance with the bonus scorecard for the period in question.

Mr Timothy George – Chief executive officer
(appointed 22 April 2019)

Base term

- Base remuneration which is a monthly salary and will be reviewed annually (£315,000 per annum).

Incentive package

- An STI of up to 150% of base salary which will be reviewed annually and will be paid on achievement of near-term milestones (KPIs) in accordance with the bonus scorecard for the period in question; and

- LTI share awards based on a maximum of 150% of base salary with vesting over a three-year period linked to six performance conditions: absolute TSR (market-based), the LTIFR, full financing of the Longonjo Project, full financing of the Saltend Project, construction completion of the RESF and production of the RESF.

Mr Robert Kaplan – Finance director
(effective 31 March 2022)
(previously chief financial officer, appointed 1 January 2020)

Base term

- Base remuneration which is a monthly salary and will be reviewed annually (£220,000 per annum).

Incentive package

- An STI of up to 150% of base salary which will be reviewed annually and will be paid on achievement of near-term milestones (KPIs) in accordance with the bonus scorecard for the period in question; and
- LTI share awards based on a maximum of 150% of base salary with vesting over a three-year period linked to six performance conditions: absolute TSR (market-based), the LTIFR, full financing of the Longonjo Project, full financing of the Saltend Project, construction completion of the RESF and production of the RESF.

Non-executive directors

The company's Constitution provides that the directors may be paid out of company funds, as remuneration for their services, a sum determined from time to time by the company's shareholders in general meeting, with that sum to be divided among the directors in such manner as they agree.

Directors' remuneration for their services as directors is by a fixed sum and not a commission on a percentage of profits or operating revenue. The maximum sum of directors' remuneration may not be increased except at a general meeting in which particulars of the proposed increase have been provided in the notice convening the meeting to

shareholders. There is provision for directors who devote special attention to the business of the company or who perform services which are regarded as being outside the scope of their ordinary duties as directors, or who at the request of the board engage in any journey on company business, to be paid extra remuneration determined by the board. Directors are also entitled to reimbursement for their reasonable travel, accommodation and other expenses incurred in attending company or board meetings, or meetings of any committee engaged in the company's business.

Payments to past directors

No payments were made to past directors in the year ended 30 June 2025 (2024: nil).

DIRECTORS' REMUNERATION POLICY REPORT

The following section sets out the group's remuneration policy (the policy report). It is intended that this policy report will be put forward to shareholders for approval at the 2025 AGM and will thereafter come into immediate effect following the AGM.

Remuneration principles

Pensana's culture is performance-driven within a high-growth environment requiring significant time, effort and commitment. We have a management team that is highly experienced within the specialist world of rare earth mining and chemical engineering, which therefore requires unique skill sets to be brought to bear. Against this background, our approach to remuneration is guided by the following overarching principles:

- The employment terms for executive directors and senior management are designed to attract, motivate and retain high-calibre individuals who will drive the performance of the

company. The group competes for talent in the niche rare earth sector and we aim for packages to be competitive in this market;

- Remuneration packages should be weighted towards performance-related pay;
- Performance measures should be tailored to Pensana's strategic goals, and targets should be demanding;
- Share-based rewards should be meaningful – the committee believes long-term share awards provide alignment with the long-term interests of shareholders and the company; and
- Remuneration structures should take into account best practice developments, but these should be applied in a manner that is appropriate for Pensana's industry and specific circumstances.

Review process and changes to the policy report

The committee completed a major review of the remuneration policy in 2021, culminating in its approval at the AGM in December 2021. This review considered the latest governance developments, independent evaluations of market trends and the evolving views of shareholders alongside input from the committee's independent advisers. Input was also received from the company's management, while ensuring that any conflicts of interest were suitably mitigated. Notable new features of the remuneration structure that were introduced were:

- A post-vesting holding period under the LTI plan will now form part of the policy report;
- Post-employment shareholding requirements have been introduced; and
- LTIs will be extended to a standard three-year measurement term and will be subject to malus and clawback.



Ground work preparations for the process plant platform at Longonjo

Having established the remuneration policy at the December 2021 AGM, the committee recognised that this should not be a static process and, as such, during the current period, continued to follow the latest governance developments and market trends, so as to ensure that the remuneration policy remained fully fit for purpose. The committee’s responsibilities include reviewing and having regard to the remuneration of the wider workforce, including considering pay gaps and disparities in the company’s broader approach to workforce remuneration, particularly considering gender and ethnic diversity in determining remuneration policies for executive directors.

Policy on payments for loss of office

The company may require the executive director to work their notice period or may choose to place the individual on ‘garden leave’ if this is the most commercially sensible approach. In the event of termination, certain restrictions may apply for a period of up to 12 months to protect the business interests of Pensana.

Salary Purpose and link to strategy	- To attract and retain executive directors of the calibre required by the business. - This is a core element of the remuneration package.
Operation	- The base salaries for executive directors are determined by the committee taking into account a range of factors, including: - the scope of the role; - the individual’s performance and experience; and - positioning against comparable roles in other mining companies of similar size and complexity. - Base salaries are normally reviewed annually with changes effective from the start of the financial year on 1 July.
Maximum opportunity	- In determining salary increases, the committee is mindful of general economic conditions and salary increases for the broader company employee population. - More significant increases may be made at the discretion of the committee in certain circumstances, including (but not limited to): - where an individual’s scope of responsibilities has increased; - where, in the case of a new executive director who is positioned initially on a lower starting salary, an individual has gained appropriate experience in the role; and - where the positioning is out of step with salaries for comparable roles in the market.
Benefits Purpose and link to strategy	To provide market-competitive benefits.
Operation	- The benefit policy is to provide an appropriate level of benefit for the role taking into account relevant market practice. - Under the current arrangements, executive directors do not receive any benefits, however, consideration is being given to: - a benefits allowance of 10% of salary in respect of both benefits and pension; and - group life, disability and critical illness insurance. - The committee retains the discretion to provide reasonable additional benefits based on individual circumstances (for example, travel allowance and resettlement expenses for new hires or pension arrangements).
Maximum opportunity	The benefit provision will be set at an appropriate level taking into account the cost to the company and the individual’s circumstances.
Annual bonus Purpose and link to strategy	To motivate and reward performance measured against annual key financial and operational strategic goals of the company, which reflect critical factors of success.
Operation	Short-term annual incentive based on performance during the financial year. Awards will be subject to malus and clawback provisions.
Maximum opportunity	Maximum award of up to 150% of base salary.

Performance measures	- The amount of bonus earned is based on performance against financial, operational, strategic and personal measures. - The committee reviews the performance measures annually and sets targets to ensure that they are linked to corporate priorities and are appropriately stretching in the context of the business plan. - Prior to determining bonus outcomes, the committee considers performance in the round to ensure that actual bonuses are appropriate. The committee retains the discretion to amend the formulaic outcome if considered appropriate and to ensure fairness to both shareholders and participants.
LTI plan Purpose and link to strategy	- To motivate and reward for the delivery of long-term objectives in line with the business strategy. - To create alignment with the shareholder experience and motivate long-term objectives.
Operation	- Awards of conditional shares (or equivalent) which would normally vest based on performance over a period of three years. - Awards granted from FY2021 will be subject to a post-vesting holding period. - Awards may accrue dividend equivalents. - Awards will be subject to malus and clawback provisions.
Maximum opportunity	Maximum award of up to 200% of salary and a normal award of 150% of salary.
Performance measures	- Vesting is normally based on performance against financial, operational and strategic measures. - The committee determines targets each year to ensure that targets are stretching and represent value creation for shareholders, while remaining motivational for management. - The committee retains the discretion to amend the formulaic outcome if considered appropriate and to ensure fairness to both shareholders and participants. - The committee has additional discretion to make downward adjustments in the event that a significant increase in the share price leads to potentially excessive rewards.
Shareholding guidelines	It is the company’s policy that each of the executive directors holds a meaningful number of Pensana shares. The guideline is to build and maintain a minimum of two years’ basic salary for the applicable director. Newly appointed executive directors will normally have five years from the date of appointment to reach this guideline.
Malus and clawback provisions	- In line with best practice, the vesting of LTI awards is subject to malus and clawback provisions. The malus provision enables the committee to exercise discretion to reduce, cancel or impose further conditions on an award prior to vesting or exercise (as the case may be). The clawback provision enables the committee to require participants to return some or all of an award after payment or vesting. Both provisions may be applied in circumstances including: - a serious misstatement of the company’s audited results; - gross misconduct; - payments based on erroneous data; or - a serious failure of risk management.

For and on behalf of the board:

SS Sharpe

Steven Sharpe
Chairman of the remuneration and nomination committee

14 October 2025



ANNUAL FINANCIAL STATEMENTS

DIRECTORS' RESPONSIBILITY STATEMENT

The directors are responsible for preparing the annual report and the financial statements in accordance with United Kingdom (UK)-adopted international accounting standards and applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law, the directors are required to prepare the consolidated financial statements and have elected to prepare the company financial statements in accordance with UK-adopted international accounting standards. Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company and of the profit or loss for the group for that period.

In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with UK-adopted international accounting standards, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the company will continue in business; and
- prepare a directors' report, a strategic report and a directors' remuneration report which comply with the requirements of the Companies Act 2006.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and for ensuring that the financial statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for ensuring that the annual report and accounts, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the group's position and performance, business model and strategy.

WEBSITE PUBLICATION

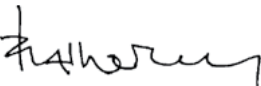
The directors are responsible for ensuring the annual report and the financial statements are made available on a website. Financial statements are published on the company's website in accordance with legislation in the UK governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the company's website is the responsibility of the directors. The directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

DIRECTORS' RESPONSIBILITIES PURSUANT TO DISCLOSURE GUIDANCE AND TRANSPARENCY RULES REQUIREMENTS

The directors confirm to the best of their knowledge:

- the financial statements have been prepared in accordance with UK-adopted international accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the group; and
- the annual report includes a fair review of the development and performance of the business and the financial position of the group and company, together with a description of the principal risks and uncertainties that they face.

This responsibility statement and the directors' report were approved by the board of directors on 14 October 2025 and are signed on its behalf by:



Paul Atherley
Executive chairman

DIRECTORS' REPORT

The directors of Pensana Plc (the company) submit herewith the annual financial report of Pensana Plc (consolidated entity) for the year ended 30 June 2025.

DIRECTORS AND DIRECTORS' DETAILS

The names and particulars of the directors of the company during or since the end of the financial year are stipulated on **pages 62 and 63**.

CAPITAL STRUCTURE

Note 14 to the financial statements sets out the capital structure and summary of equity placements of the company.

DIVIDENDS

No dividends have been paid or proposed since the start of the financial year, and the directors do not recommend the payment of a dividend in respect of the financial year.

FINANCIAL INSTRUMENTS

Note 22 to the financial statements sets out the risks in respect of financial instruments. The board reviews and agrees overall treasury policies, delegating appropriate authority to the finance director. Treasury operations are reported at each board meeting and are subject to weekly internal reporting.

PRICE RISK, CREDIT RISK, LIQUIDITY RISK AND CASH FLOW RISK

The principal risks and uncertainties section on **pages 24 to 31** sets out the company's exposure and mitigation relating to price risk, credit risk, liquidity risk and cash flow risk.

POLITICAL CONTRIBUTIONS AND CHARITABLE DONATIONS

During the current and previous years, the group did not make any political contributions and charitable donations.

RESEARCH AND DEVELOPMENT

During the year, Pensana continued research and development (R&D) efforts in relation to the optimisation of production of high-purity rare earth products from Longonjo and Saltend and spent an amount of US\$29,207 during the year.

BRANCHES OUTSIDE THE UK

The company has no branches outside the UK.

ACQUISITION OF OWN SHARES

The company did not acquire any of its own shares during the financial year ended 30 June 2025.

EMPLOYEE ENGAGEMENT

Details of how the directors have engaged with employees and how the directors have had regard to employee interests and the effect of that regard, including on the principal decisions taken by the company during the financial year, are included in the section 172 statement contained within the strategic report (refer to **page 19**).

BUSINESS RELATIONSHIPS

Details of how the directors have had regard to the need to foster the company's business relationships with suppliers, customers and others and the effect of that regard, including on the principal decisions taken by the company during the financial year, are included in the section 172 statement contained within the strategic report (refer to **page 19**).

FUTURE DEVELOPMENTS

In addition to the mine development at Longonjo, the directors intend to continue to explore and develop the company's existing projects with a key focus on the exploration project at Coola and ongoing consideration of moving further downstream into metal/alloy production.

BOARD APPOINTMENTS

There were no new board appointments during the year.

BOARD DIVERSITY DISCLOSURE

As of 30 June 2025, Pensana assessed its board diversity in accordance with the requirements outlined in the Quoted Companies Alliance Corporate Governance Code. The following are the results of our evaluation:

Gender diversity and senior positions held by women

As at 30 June 2025, Pensana's board of directors consisted of five individuals, of whom one was a female. This represents 20% of the total board composition, under the minimum recommended requirement of at least 40% of individuals on the board being women. Pensana has, therefore, not met this target.

Minority ethnic background

As at 30 June 2025, Pensana's board of directors includes no individuals from minority ethnic backgrounds, and has, therefore, not met the requirement of having at least one person from a minority ethnic background on the board.

Non-met targets and reasons

Pensana is committed to promoting diversity and inclusion at all levels of the organisation. However, we regret to report that we have not met the diversity targets in this reporting period as stated above.

With Pensana focusing on establishing an independent supply chain of rare earths, the processes with regard to adherence to diversity targets, recruitment and succession planning with the board of directors are still in the process of being formalised.

We recognise the importance of addressing these gaps and are actively implementing measures to improve board diversity. The board composition and diversity will be evaluated on an ongoing basis and an action plan will be put together to address board diversity, including recruitment strategies.

Pensana remains committed to achieving greater diversity and inclusivity within our board and will provide regular updates on our progress in future reports. By making these disclosures, Pensana demonstrates its commitment to transparency and accountability regarding board diversity, as required by UK company disclosure requirements.

POST BALANCE SHEET EVENTS

In July 2025 Ozango Minerais SA which holds the Longonjo mining licence, entered into a subscription agreement with FSDEA, through its wholly owned subsidiary ASF Yova Mining Holding Limited, for the first tranche of Longonjo equity funding in an amount of US\$25 million. The revised shareholding in Ozango will be conditional and dependent upon fulfilment of the subscription agreement and execution of the full funding structure as part of Longonjo Phase 1 construction. At the date of approval of the financial statements equity advanced under the subscription agreement amounted to US\$13,135,903.

In August 2025 the company restructured its external loan facility with an accredited UK based investment house. The term of the facility is 12 months for each drawdown.

On 10 September the company issued, further to the announcement dated 30 May 2025 regarding a GBP 2 million placement to institutional shareholders, 3,290,476 New Ordinary Shares of £0.001 each. This accounts for 2,857,143 shares representing an amount of GBP 1 million and 433,333 representing corporate finance fees to Quark Financial Limited.

Subsequent to year-end the Planning permission for Saltend refinery, as obtained in 2023, expired. Subsequent to the year end, management made a strategic decision to defer the renewal, taking into account the refinements and updated designs currently underway as part of studies towards downstream refining opportunities. Management is in regular engagement with the Yorkshire council as part of the application process.

In October, the company and Wood entered into a Full and Final Settlement agreement in relation to historic invoices. In relation to the settlement, the Board agreed to issue, subject to admission of the shares to the Official List and trading on the London Stock Exchange, a total of 4,828,970 new ordinary shares of £0.001 each.

CORPORATE GOVERNANCE STATEMENT

The disclosure guidance and transparency rules require certain information to be included in a corporate governance statement set out in a company's directors' report. In common with many companies, Pensana has an existing practice of issuing, within its annual report, a corporate governance report that is separate from its directors' report. Refer to **page 32** for the corporate governance report.

HEALTH AND SAFETY POLICY

The company is committed to developing a culture which supports the health and safety of all employees, contractors, customers and communities associated with its business and operations.

ENVIRONMENT POLICY

The company is committed to protecting and ensuring it does no harm to the natural environment around the sites on which it operates. Refer to the environmental, social and governance (ESG) report on **page 41** for further details on the company's environmental initiatives and reporting, as well as relevant statements regarding emissions.

ANTI-SLAVERY AND HUMAN TRAFFICKING

The group is committed to upholding high ethical standards throughout all aspects of its business, as well as respecting and safeguarding the human rights of all its stakeholders. This commitment is based on the belief that business should be conducted honestly, fairly and legally. We expect all employees, suppliers, contractors and other stakeholders to share our commitment to high moral, ethical and legal standards. As the group looks to develop its mine at Longonjo, actions are being taken to prevent occurrences of slavery or human trafficking in our business and supply chain for the current financial year and beyond.

ANNUAL GENERAL MEETING

This report and the financial statements will be presented to shareholders for their approval at the next annual general meeting (AGM). The notice of the AGM will be distributed to shareholders during the month of November.

AUDITOR

BDO LLP became the company's auditor with effect from 21 February 2020.

STATEMENT OF DISCLOSURE OF INFORMATION TO THE AUDITOR

As at the date of this report, the serving directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

SHARES UNDER LONG-TERM INCENTIVE SCHEMES, OPTIONS OR ISSUED ON EXERCISE OF OPTIONS

As at the date of this report, there were 9,168,750 long-term incentive (LTI) awards issued to the executive directors (30 June 2024: 1,225,000). There are no unissued shares or interests under option (30 June 2024: none).

INDEMNIFICATION OF DIRECTORS AND OFFICERS

During the financial year, the company paid a premium of US\$224,367 in respect of a contract insuring the directors of the company, the company secretary and all executive officers of the company and any related body corporate against a liability incurred by such a director, secretary or executive officer. The company has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer of the company or of any related body corporate against a liability incurred by an officer.

DIRECTORS' COMMITTEES

The following sets out the composition of the directors' committees.

Audit and risk committee

S Sharpe
A Saxby

Remuneration and nomination committee

S Sharpe
A Saxby
R Kaplan

ESG committee

T George
A Saxby

DIRECTORS' MEETINGS

The following table sets out the number of directors' meetings and committee meetings held during the financial year:

	Board meetings		Audit and risk committee		Remuneration and nomination committee		ESG committee	
	Number eligible to attend	Attended	Number eligible to attend	Attended	Number eligible to attend	Attended	Number eligible to attend	Attended
P Atherley	3	3	–	–	–	–	–	–
T George	3	3	–	–	–	–	4	4
S Sharpe	3	3	2	2	2	2	4	4
R Kaplan	3	3	2	2	2	2	–	–
A Saxby	3	3	2	2	2	2	4	4

DIRECTORS' INTERESTS IN THE COMPANY

The following table sets out each director's relevant interest in fully paid ordinary shares, performance rights and options in the company at the date of this report:

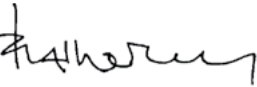
Directors	Fully paid ordinary shares	Share plan awards ¹	Share option awards
P Atherley	14,811,116	2,750,000	–
T George	3,052,995	3,000,000	–
R Kaplan	1,210,064	2,500,000	–
J Beeton	–	–	–
L Northover	–	–	–
A Saxby	–	–	–
S Sharpe	–	–	–

¹ FY2025 LTI share awards.

Short-term bonus awards were granted to executive directors on 1 April 2025 totalling 4,750,000 shares. The short-term bonus awards granted to executive directors have not yet been issued as at 30 June 2025.

Refer to the share awards issued table on **page 69** and to the shareholdings table on **page 70** for more details.

Approval by and signature on behalf of the board:



Paul Atherley
Executive chairman

14 October 2025

AUDIT AND RISK COMMITTEE REPORT

Dear shareholders,

As the chairman of the committee, I am pleased to have this opportunity to summarise some of the key developments during the year, as well as our ongoing responsibilities and objectives.

The audit and risk committee plays a vital role at Pensana by ensuring that the group has effective and appropriate risk management and internal control systems, backed up by comprehensive financial, governance and reporting functions and, as we look to make a further stepped change in the group's history, with the imminent move towards the main financing and project developments in the UK and Angola, I will ensure that the audit and risk committee provides the appropriate guidance, governance and oversight to management in order to help facilitate the effective delivery of the projects.

FINANCIAL REPORTING

As part of its role, the audit and risk committee assessed the audit findings that were considered most significant to the financial statements, including those areas requiring significant judgement and/or estimation. The key areas of consideration during the year were as follows:

GOING CONCERN

In line with the board's staged development strategy of the Longonjo, Coola and Saltend Projects, regular meetings were held by the committee with management throughout the period so as to assess the technical teams' progress at Longonjo, including the early-stage project development and funding arrangements concluded during the current period.

In 2025, ongoing operations and early-stage development at Longonjo were funded from the US\$15 million loan facility from Fundo Soberano de Angola (FSDEA) (ring-fenced to Longonjo), ensuring the ability to progress engineering and initial construction activities ahead of anticipated main financing at Longonjo.

In March 2025, the company received approvals for the full financing totalling circa US\$268 million for the Longonjo Rare Earth Project. In addition to the US\$15.0 million bridging loan already provided by FSDEA, the balance of Phase 1 funding will be provided through 40% equity, with FSDEA having approved an investment of US\$38 million in the form of equity and a convertible loan, and the Africa Finance Corporation (AFC) having approved an investment of US\$54.9 million in the form of a convertible loan. The debt funding, which comprises approximately 60% of Phase 1 project funding for Longonjo, includes participation by AFC of US\$81.2 million and Absa of US\$78.8 million. The funding will be at subsidiary level and is also subject to the conclusion of definitive documentation and the fulfilment of conditions precedent contained therein.

Additionally, in May 2025, FSDEA agreed the terms for the conversion of the US\$15 million bridging loan, previously advanced over the past 18 months to facilitate early-stage construction at Longonjo, into Pensana equity, subject to regulatory and shareholders' approvals.

Funding raised at a Pensana Plc level included a £2 million placement to major institutional shareholders M&G Investment Management (M&G) alongside other strategic investors, director loan facilities to the value of £302,376 from Mr Atherley and Mr Kaplan which were subsequently settled in shares, contractors who elected share settlement towards some creditor balances to the value of £438,608, and US\$800,000 proceeds from a term loan agreement with an accredited UK-based investment house to support ongoing corporate costs while deploying the main Longonjo funding.

Alongside the current Longonjo lender group process, Pensana has also secured a US\$3.4 million technical assistance grant from the Development Finance Corporation (DFC) which will support feasibility studies for increased processing capacity at Longonjo, downstream refining opportunities in Angola, as well as testwork for the development of the Coola Project orebodies. As at 30 June 2025, ~US\$0.5 million of the grant funding was drawn, with the balance expected to be utilised towards the ongoing work streams during H2 2025.

The various sources of funding secured, in anticipation of main financing being deployed, are evidence of the company's ability to navigate through adversity while still executing the company's strategy and creating shareholder value.

The directors have prepared a cash flow forecast for the period ending 31 December 2026 to support the going concern assessment, including estimated timing and sources of funds to support ongoing operations and project development.

The board notes that alternative sources of funding will be required in the event that the grant funding is delayed, or the conditions are not met. The forecast indicates that immediate funding is required to settle existing project-related contractor balances in the UK and to also provide working capital to the group. Continuing support of these contractors will be required until the group has secured this required funding and then remain as the group subsequently moves towards main financing in the normal course of project development.

Additionally, the group would need to refinance the FSDEA facility in the event that the planned conversion of the US\$15 million loan facility is not approved. Given the support provided by the Angolan government for the Longonjo Project to date, the directors anticipate the conversion or such a restructuring to be successfully concluded.

As disclosed in note 3 to the financial statements, a material uncertainty in respect of going concern is considered to exist and the committee evaluated this conclusion and disclosures.

The committee reviewed the cash flow forecasts and strategic plans covering, among others, offtake, financing, strategic collaborations and exploration prepared by management, including the assumptions made. Having considered the cash flow forecast, risks and sensitivity analysis, the committee was satisfied with management's forecast and judgement that the going concern basis of preparation remained appropriate.

In addition, the committee assessed the disclosures in respect of going concern and concluded that they were appropriate.

IMPAIRMENT ASSESSMENT OF LONGONJO AND SALTEND

The ultimate recovery of the value of the development assets as at 30 June 2025 is dependent on the successful development and commercial exploitation of the Longonjo Project.

Judgement was exercised in assessing the extent to which impairment indicators existed as at 30 June 2025 in respect of the Longonjo Project. In forming this assessment, internal and external factors were evaluated. Management determined that no impairment indicators existed having considered the steadiness in rare earth pricing, the Longonjo funding approvals being obtained and the contemplated staged development of Longonjo. The underlying financial model involves estimates regarding commodity prices, production and reserves, operating costs and capital development together with discount rates.

The ultimate recovery of the value of the Saltend intangibles as at 30 June 2025 is dependent on the successful development and commercial exploitation of the Saltend facility.

An impairment assessment is performed annually. Judgement was exercised in assessing the extent to which impairment existed as at 30 June 2025 in respect of the Saltend Project. In forming this assessment, management performed an impairment assessment based on the feasibility studies at Saltend. The underlying financial model involves estimates regarding commodity prices, production and reserves, operating costs and capital development together with discount rates and demonstrates significant headroom. Management therefore determined that no impairment existed. The committee reviewed management's assessment and conclusions and was satisfied with the conclusions reached. In addition, the committee assessed the disclosures in respect of impairment and concluded they were appropriate.

AUDIT TENDERING AND AUDIT EFFECTIVENESS

BDO LLP was first appointed as the external auditor of the group in 2020, when a formal tender was conducted to appoint the new external auditor. During 2024, Ms Jill MacRae took over from Mr Ryan Ferguson as the BDO lead partner following his rotation after being part of the engagement team since 2020. Another audit tender must be concluded on or before the 2030 audit and the audit and risk committee will continue to review the appropriate timing of such tender.

In accordance with the guidance set out in the Financial Reporting Council's 'Practice Aid for Audit Committees', the assessment of the external audit has not been a separate compliance exercise, or an annual once-off exercise, but rather it has formed an integral part of the audit and risk committee's activities. This has allowed the audit and risk committee to form its own view on audit quality and on the effectiveness of the external audit process, based on the evidence it has obtained during the year.

TERMS OF REFERENCE

The committee's terms of reference have been approved by the board and follow published guidelines which are available from the company secretary. The audit and risk committee currently comprises two directors: Mr Sharpe (chairman) (senior independent non-executive director) and Ms Saxby.

The qualifications of the audit and risk committee members are summarised as follows:

- Mr Sharpe – BA (Hons); and
- Ms Saxby – BEng (Hons).

The audit and risk committee's prime tasks are to:

- review the scope of the external audit, to receive regular reports from the auditor and to review the half-yearly and annual accounts before they are presented to the board, focusing, in particular, on accounting policies and areas of management judgement and estimation;
- monitor the controls which are in force to ensure the integrity of the information reported to the shareholders;
- assess key risks and to act as a forum for discussion of risk issues and contribute to the board's review of the effectiveness of the group's risk management control and processes;

- act as a forum for discussion of internal control issues and contribute to the board's review of the effectiveness of the group's internal control and risk management systems and processes;
- consider each year the need for an internal audit function;
- advise the board on the appointment of the external auditor and rotation of the audit partner every five years, and on their remuneration for both audit and non-audit work, and discuss the nature and scope of their audit work;
- participate in the selection of a new external auditor and agree the appointment when required;
- undertake a formal assessment of the auditor's independence each year which includes:
 - pre-approval and a review of non-audit services provided to the group and related fees;
 - discussion with the auditor of a written report detailing all relationships with the company and any other parties that could affect independence or the perception of independence;
 - a review of the auditor's own procedures for ensuring the independence of the audit firm and partners and staff involved in the audit, including the rotation of the audit partner; and
 - obtaining written confirmation from the auditor that, in their professional judgement, they are independent.

MEETINGS

The committee meets and approves (on a round robin basis if needed) the annual and half-year results. These meetings are attended by the external audit partner, chairman, finance director and company secretary. Additional formal meetings are held as necessary.

	Audit and risk committee	
	Number eligible to attend	Attended
S Sharpe	2	2
A Saxby	2	2

During the past year, the committee:

- met with the external auditor and discussed their reports;
- approved the publication of the annual and half-year financial results;
- considered the going concern position of the group and company and the planned equity placings and financing requirements;
- considered and approved the annual review of internal controls;
- considered control environment improvement recommendations by the auditor; and
- decided that due to the size and nature of the operation, there was no current need for an internal audit function.

There were no audit-related services performed by the external auditor during the year.

EXTERNAL AUDITOR

BDO LLP held office throughout the year and acts as the external auditor for the group.

AUDIT FEES

Refer to note 26 to the financial statements for detailed disclosure on audit fees.

S Sharpe

Steven Sharpe
Chairman of the audit and risk committee

14 October 2025

INDEPENDENT AUDITOR'S REPORT

Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 30 June 2025 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the Parent Company financial statements have been properly prepared in accordance with UK-adopted international accounting standards and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Pensana Plc (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 30 June 2025 which comprise the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of changes in equity, the consolidated statement of cash flows, the company statement of financial position, the company statement of changes in equity, the company statement of cash flows and notes to the financial statements, including material accounting policy information. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards and as regards the Parent Company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit opinion is consistent with the additional report to the audit and risk committee.

Independence

Following the recommendation of the audit and risk committee, we were appointed by the Directors on 21 February 2020 to audit the financial statements for the year ended 30 June 2020 and subsequent financial periods. The period of total uninterrupted engagement including retenders and reappointments is six years, covering the years ended 30 June 2020 to 30 June 2025. We remain independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical

Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services prohibited by that standard were not provided to the Group or the Parent Company.

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to the going concern section in Note 3 to the financial statements, which indicates that the ability of the Group and the Parent Company to continue as a going concern is dependent upon meeting the conditions precedent to secure the deployment of the main Longonjo project financing, converting the \$15m FSDEA loan facility into equity, securing such additional funding to settle existing overdue project-related contractor balances in the UK and providing working capital to the group along with continued contractors support of existing project-related contractor balances until the additional funding is secured. These are not guaranteed. As stated in the going concern section in Note 3, these events or conditions, along with other matters as set forth in the going concern section in Note 3, indicate that material uncertainties exist that may cast significant doubt on the Group's and the Parent Company's ability to continue as going concerns. The financial statements do not include any adjustments that would result if the Group or Parent Company were unable to continue as a going concern. Our opinion is not modified in respect of this matter.

Given the material uncertainties noted above and our risk assessment, we considered going concern to be a key audit matter.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the Directors' assessment of the Group and the Parent Company's ability to continue to adopt the going concern basis of accounting, and in response to the key audit matter included:

- Discussing the potential risks to going concern with the Directors and the Audit and Risk Committee including their assessment of risks and uncertainties associated with the development of the operations in both Angola and the United Kingdom. This included challenging the nature and proposed timeline of the Longonjo Project funding and the forecast capital expenditure as part of the ongoing construction. We formed our own assessment of risks and uncertainties based on our understanding of the business and the mining sector;
- Obtaining the Board's paper and associated cash flow forecast in respect of the Directors' assessment of going concern and challenging the key underlying judgements and assumptions. In doing so, we compared forecast operating

and capital expenditures to recent actuals and the Longonjo financial model. We evaluated the extent to which forecast cash receipts are committed by agreeing this to available documentation. We evaluated the licence obligations and commitments and checked if they had been appropriately included in the forecast. In addition, we compared the operating and capital costs in the prior year's forecast to the actual costs incurred to evaluate management's ability to forecast accurately;

- Reviewing external legal confirmations and obtaining written representations by internal legal counsel and the Board confirming that no legal proceedings had been initiated against the Group in relation to the historical unsettled creditor balances, and obtaining correspondence with key suppliers to search for contradictory evidence;
- Making inquiries of the Directors regarding the current financing package related to the Longonjo project, inspecting agreements and term sheets with FSDEA, AFC

and ABSA, and obtaining written representations regarding the Board's conclusion that funds will be deployed to meet the Group's liquidity requirements;

- Inquiring from management and reviewing minutes of Board meetings and Regulatory News Service announcements to identify additional matters that could impact the Parent Company and the Group's going concern;
- Reviewing correspondence and obtaining confirmations from FSDEA in relation to the planned conversion of the US\$15 million bridging loan facility to equity in order to assess the Directors' restructuring plan; and
- Reviewing the financial statement disclosures regarding going concern to assess if the disclosures are appropriate and consistent with the Directors' going concern assessment.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

OVERVIEW

	2025	2024
Key audit matters	1. Material uncertainty related to going concern	Yes
	2. Carrying value of the Longonjo development asset	Yes
	3. Carrying value of the Saltend asset under construction and intangible asset	Yes
Materiality	Group financial statements as a whole US\$810,000 (2024: US\$740,000) based on 1% (2024: 1%) of total assets	

AN OVERVIEW OF THE SCOPE OF OUR AUDIT

Our Group audit was scoped by obtaining an understanding of the Group and its environment, the applicable financial reporting framework and the Group's system of internal control. On the basis of this, we identified and assessed the risks of material misstatement of the Group financial statements including with respect to the consolidation process. We then applied professional judgement to focus our audit procedures on the areas that posed the greatest risks to the group financial statements. We continually assessed risks throughout our audit, revising the risks where necessary, with the aim of reducing the group risk of material misstatement to an acceptable level, in order to provide a basis for our opinion.

Components in scope

Pensana Plc is a Company registered in the UK and listed on the London Stock Exchange in the UK. The Group's principal operations are located in Angola and the UK. In approaching the audit, we considered how the Group is organised and managed. We assessed the business as being principally two projects, comprising the Longonjo development project in Angola and the Saltend development project in the UK.

Our Group audit scope focused on the two components which comprised the Angolan operating subsidiary and the UK parent company. The components were subject to full scope audits conducted by the Group engagement team using a team with mining sector experience. The remaining components were principally subject to analytical risk assessment procedures, performed by the Group engagement team, with specific procedures performed on any significant balances impacting the Group results.

As part of performing our Group audit, we have determined the components in scope as follows:

	Number of components	
	FY2025	FY2024
Full scope audit [1]	2	3
Full scope audit of one or more balance [2]	2	1
Risk assessment procedures [3]	3	14
	7	18

As part of performing our Group audit, we have determined the components in scope as follows:

Scope [1]: Comprises Pensana plc (parent company) and the Longonjo development project (2024: Pensana plc (parent company), the Longonjo development project and Australian cost centre)

Scope [2]: Comprises the Australian cost centre and Saltend project (2024: Saltend project)

Scope [3]: Comprises of the remaining insignificant/ dormant components within the Group.

In determining components, we have considered how components are organized within the Group, and the commonality of control environments, legal and regulatory framework, and level of aggregation associated with individual entities. While there is relative commonality of controls across the Group, differences in jurisdictional risk, and the legal and regulatory frameworks under which the entities operate, prevent the further amalgamation of components.

For components in scope, we used a combination of risk assessment procedures and further audit procedures to obtain sufficient appropriate evidence. These further audit procedures included:

- Procedures on the entire financial information of the components where identified aggregation risk, including performing substantive procedures;
- Procedures on one or more classes of transactions, account balances or disclosures for components where we identified low or no aggregation of risks; and
- Specified audit procedures.

Locations

Pensana Plc's operations are spread over a number of different geographical locations. As part of our audit, we visited the Longonjo site in Angola. In addition, our teams worked remotely, holding calls and video conferences with the component and the Group management teams.

Climate change

Our work on the assessment of potential impacts on climate-related risks on the Group's operations and financial statements included:

- Enquiries and challenge of management to understand the actions they have taken to identify climate-related risks and their potential impacts on the financial statements and adequately disclose climate-related risks within the annual report;
- Our own qualitative risk assessment taking into consideration the sector in which the Group operates and how climate change affects this particular sector;
- Review of the minutes of Board and Audit and Risk Committee meetings and other papers related to climate change and performed a risk assessment as to how the impact of the Group's commitment as set out in the Parent Company's website may affect the financial statements and our audit.

We challenged the extent to which climate-related considerations, including the expected cash flows from the initiatives and commitments have been reflected, where appropriate, in management's going concern assessment and in management's judgements and estimates in relation to impairment of non-current assets.

We also assessed the consistency of management's disclosures included as Other Information within the Environmental, Social and Governance report in the annual report on **page 41** and notes to the financial statements within the financial statements and with our knowledge obtained from the audit.

Based on our risk assessment procedures, we did not identify any Key Audit Matters materially impacted by climate-related risks.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. These matters were addressed in the

context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the "material uncertainty related to going concern" section above, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How the scope of our audit addressed the key audit matter
Carrying value of the Longonjo development asset. See Note 3 and Note 4 for details of the accounting policy and critical accounting judgements relating to this key audit matter.	At 30 June 2025, the Group held a development asset on the consolidated statement of financial position as detailed in Note 11, totalling US\$59.2 million relating to the Longonjo Project. As detailed in Note 4, there are judgements and inherent uncertainties around the recoverability of development assets. Management and the Board are required to assess whether there are any impairment indicators which would indicate that the carrying value of the asset at 30 June 2025 may be lower than its recoverable amount. Given the materiality of the development asset in the context of the Group's statement of financial position, and the significant management judgements involved in the identification of impairment indicators for a development asset, we considered this to be a focus area for our audit and a key audit matter. Our audit procedures included the following: • We obtained and examined management's impairment indicator assessment for the Longonjo CGU for reasonableness. We considered if the impairment indicator assessment complied with the relevant accounting framework. We noted that management did not identify any impairment indicators. • We inspected the licences to confirm the Group held legal title to the Longonjo Project and evaluated legal advice obtained by the Group. • We inspected the licence commitments and the entity's compliance with these commitments. • We compared the Parent Company's market capitalisation to the Group's net asset value; • We examined reports in respect of development activity in the year and public announcements regarding future development proposals to assess whether there was any evidence from activity to date which would indicate a potential impairment; • We obtained and inspected Board-approved budgets, made inquiries of Management and inspected minutes of Board meetings to confirm that further development expenditure was planned for the assets; • We considered publicly available information and other information obtained during the course of our work and assessed whether there were any other potential indicators of impairment that had not been identified by Management; and • We assessed the appropriateness of the disclosures included in the financial statements with regards to the requirements of the relevant accounting standards. Key observations: Based on the procedures performed, we found Management's conclusion that there are no impairment indicators at 30 June 2025 relating to the Longonjo development asset to be appropriate.

Key audit matter		How the scope of our audit addressed the key audit matter
Carrying value of the Saltend asset under construction and intangible asset. See Note 3 and Note 4 for details of the accounting policy and critical accounting estimates and judgements relating to this key audit matter.	At 30 June 2025, the Group held an asset under construction on the statement of financial position as detailed in Note 11, totalling US\$4.4 million and intangible assets of US\$14.6 million on Note 10 relating to the Saltend Project. Management is required to test the intangible asset annually for impairment and include appropriate disclosure in the financial statements, specifically in relation to key estimates and judgements. The preparation of the cash flow models used in the impairment review requires management to make critical judgements and estimates regarding rare earth prices, production rates, operating costs and capital expenditure, as well as economic variables such as discount rates. Given the materiality of the Saltend assets in the context of the Group's statement of financial position, coupled with the judgements and estimates involved in the impairment test we have considered this to be a key audit matter.	Our audit testing over the carrying value of intangible assets and assets-under-construction related to the Saltend Project included: • We obtained management's impairment model for the intangible asset and tested the mathematical accuracy and mechanics of the model. • We inspected key assumptions in the model and challenged the appropriateness of key assumptions, such as production rates, operating costs and capital expenditure with reference to external evidence where available. • We researched the market outlook and trends on publicly available information in regard to rare earth commodity prices and checked the reasonability of forecast prices to available market data. • We engaged an audit expert to recalculate the discount rate used in the impairment model. • We performed sensitivities on key inputs to the model. • We assessed the competence of management's experts relied upon in determining key estimates and assumptions in the model • Through enquiries, we challenged management on the plans of the Saltend Project for threats to the viability of the project. • We assessed the appropriateness of the disclosures included in the financial statements with regards to the requirements of the relevant accounting standards. Key observations: Based on the procedures performed, we found the key judgements made by management and the Board in assessing the cash flow estimates and the carrying value of the Saltend CGU to be appropriate.

OUR APPLICATION OF MATERIALITY

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

	GROUP FINANCIAL STATEMENTS		PARENT COMPANY FINANCIAL STATEMENTS	
	2025 US\$	2024 US\$	2025 US\$	2024 US\$
Materiality	US\$810,000	US\$740,000	US\$720,000	US\$666,000
Basis for determining materiality	1% of total assets	1% of total assets	1% of total assets capped at 90% of Group Materiality	1% of total assets capped at 90% of Group Materiality
Rationale for the benchmark applied	Materiality has been based on total assets as the Group and the Parent Company are in the development phase of their operations and are not generating revenue or making profits. We consider total assets to be one of the principal considerations for users of the financial statements. Parent company materiality was based on the lower of 1% of the Parent Company's total assets and 90% of group materiality ensuring the materiality remained below Group materiality.			
Performance materiality	US\$567,000	US\$481,000	US\$504,000	US\$433,000
Basis for determining performance materiality	70% (2024: 65%) of materiality considering factors such as the expected total value of known and likely misstatements (based on past experience), our knowledge of the Group's internal controls and Management's attitude towards proposed adjustments.		70% (2024: 65%) of materiality considering factors such as the expected total value of known and likely misstatements (based on past experience), our knowledge of the Parent Company's internal controls and Management's attitude towards proposed adjustments.	
Rationale for the percentage applied for performance materiality				

Component performance materiality

For the purposes of our Group audit opinion, we set performance materiality for each component of the Group, apart from the Parent Company whose materiality and performance materiality are set out above based on a percentage of between 25% and 62% (2024: 14% and 58%) of Group materiality dependent on a number of factors including potential significant risks of material misstatements at the component, relative size of components, extent of disaggregation of the financial information across components, control environment and our assessment of the risk of material misstatement of those components. Component performance materiality ranged from US\$0.2 million to US\$0.5 million (2024: US\$0.2 million to US\$0.7 million).

Reporting threshold

We agreed with the Audit and Risk Committee that we would report to them all individual audit differences in excess of US\$40,000 (2024: US\$14,800). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the document entitled 'annual report' other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OTHER COMPANIES ACT 2006 REPORTING

Based on the responsibilities described below and our work performed during the course of the audit, we are required by the Companies Act 2006 and ISAs (UK) to report on certain opinions and matters as described below.

Strategic report and Directors' report	In our opinion, based on the work undertaken in the course of the audit: - the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and - the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements. In light of the knowledge and understanding of the Group and Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the Directors' report.
Directors' remuneration	In our opinion, the part of the Directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.
Matters on which we are required to report by exception	We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion: - adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or - the Parent Company financial statements and the part of the Directors' remuneration report to be audited are not in agreement with the accounting records and returns; or - certain disclosures of Directors' remuneration specified by law are not made; or - we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the Directors' responsibilities statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could

reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Non-compliance with laws and regulations

Based on:

- Our understanding of the Group and the industry in which it operates;
- Discussion with management and those charged with governance, including the Audit and Risk Committee; and
- Obtaining and understanding of the Group's policies and procedures regarding compliance with laws and regulations.

We considered the significant laws and regulations to be UK-adopted international accounting standards, the Listing Rules of the Financial Conduct Authority, the Companies Act 2006, tax legislation in the UK, Australia, Portugal and Angola, mining legislation and environmental legislation.

The Group is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigation.

We identified such laws and regulations to be health and safety legislation, employment laws and the UK Bribery Act 2010.

Our procedures in respect of the above included:

- Reviewing minutes of meetings of those charged with governance and market announcements for any instances of non-compliance with laws and regulations;
- Involvement of tax specialists to support our planning phase tax risk assessment;
- Reviewing correspondence with regulatory and tax authorities, where applicable, for any instances of non-compliance with laws and regulations; and
- Enquiring with Management and those charged with governance if there are aware of any actual or suspected non-compliance with laws and regulations.

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiring with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Group's policies and procedures relating to:
 - Detecting and responding to the risks of fraud; and
 - Internal controls established to mitigate risks related to fraud;
- Review of minutes of meetings of those charged with governance for any known or suspected instances of fraud;
- Discussion among the engagement team as to how and where fraud might occur in the financial statements;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Considering remuneration incentive schemes and performance targets and the related financial statement areas impacted by these; and
- Involving our specialist forensics audit support team to support the engagement team in the assessment of potential fraud risks.

Based on our risk assessment, we considered the area most susceptible to fraud to be management override of controls.

We addressed the fraud risk over management override of controls by:

- Testing the appropriateness of journal entries made throughout the year which met specific risk-based criteria by agreeing them to supporting documentation;
- Evaluating cash calls provided to the Angolan operating subsidiary for unusual characteristics;
- Selecting a sample of journals throughout the year which does not match the risk criteria to introduce unpredictability into the audit;

- Assessing the judgements made by Management when making key accounting estimates and judgements, and challenging Management on the appropriateness of these estimates and judgements, specifically around key audit matters as discussed above;
- Performing detailed reviews of the Group's year-end adjusting entries and investigating any that appear unusual as to their nature or amount to supporting documentation; and
- Performing a detailed review of the Group's consolidation entries and investigating any that appear unusual with regards to their nature or amount to corroborative evidence.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

USE OF OUR REPORT

This report is made solely to the Parent Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Parent Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:
Jill MacRae
6103657B0565103
Jill MacRae (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor

London, United Kingdom
14 October 2025

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the financial year ended 30 June 2025

	Note	30 June 2025 US\$	30 June 2024 US\$
Administration expenses	6	(7,399,959)	(6,294,336)
Impairment gains/(losses) on financial assets		552,986	(86,320)
Foreign currency exchange (loss)/gain	6	(4,610,939)	562,611
Loss from operations		(11,457,912)	(5,818,045)
Finance costs		(40,000)	–
Loss before income tax		(11,497,912)	(5,818,045)
Income tax	7	–	–
Total loss for the year		(11,497,912)	(5,818,045)
Other comprehensive loss			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation on translation of foreign operations		5,625,402	(1,000,583)
Total comprehensive loss for the year		(5,872,510)	(6,818,628)
Net loss for the period is attributable to:			
Owners of Pensana Plc		(11,497,912)	(5,818,045)
Total comprehensive loss is attributable to:			
Owners of Pensana Plc		(5,872,510)	(6,818,628)
Loss per share attributable to owners of Pensana Plc			
Basic (cents per share)	16	(3.95)	(2.03)
Diluted (cents per share)	16	(3.95)	(2.03)

Notes to the financial statements are included on **pages 101 to 132**.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2025

	Note	30 June 2025 US\$	30 June 2024 US\$
ASSETS			
Non-current assets			
Property, plant and equipment	11	63,708,542	57,354,414
Intangible assets	10	15,019,794	13,612,261
Trade and other receivables	9	870,137	–
Total non-current assets		79,598,473	70,966,675
Current assets			
Cash and cash equivalents	8	811,049	1,515,378
Trade and other receivables	9	1,504,136	2,089,554
Total current assets		2,315,185	3,604,932
Total assets		81,913,658	74,571,607
LIABILITIES			
Current liabilities			
Trade and other payables	12	14,227,604	12,826,210
Loans and borrowings	13	17,160,116	10,789,583
Total current liabilities		31,387,720	23,615,793
Total liabilities		31,387,720	23,615,793
Net assets		50,525,938	50,955,814
EQUITY			
Issued capital	14	372,767	361,440
Share premium	15	73,047,517	70,826,007
Reserves	15	53,428,255	45,729,198
Accumulated losses	15	(76,322,601)	(65,960,831)
Total equity		50,525,938	50,955,814

The notes on **pages 101 to 132** form part of these financial statements.

The financial statements were approved by the board of directors and authorised for issue on 14 October 2025 and are signed on its behalf by:



Steven Sharpe
Chairman of the audit and risk committee

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the financial year ended 30 June 2025

	Fully paid ordinary shares US\$	Share premium US\$	Accumulated losses US\$	Merger reserve US\$	Foreign currency reserve US\$	Share-based payments reserve US\$	Equity reserve US\$	Total US\$
Balance as at 1 July 2023	356,898	70,826,007	(60,944,496)	45,748,045	(198,038)	1,472,186	(500,000)	56,760,602
Loss for the year	–	–	(5,818,045)	–	–	–	–	(5,818,045)
Other comprehensive income	–	–	–	–	(1,000,583)	–	–	(1,000,583)
Total comprehensive loss for the year	–	–	(5,818,045)	–	(1,000,583)	–	–	(6,818,628)
Issue of shares (note 14)	4,542	–	801,710	–	–	(806,252)	–	–
Share-based payments	–	–	–	–	–	1,013,840	–	1,013,840
Balance as at 30 June 2024	361,440	70,826,007	(65,960,831)	45,748,045	(1,198,621)	1,679,774	(500,000)	50,955,814
Balance as at 1 July 2024	361,440	70,826,007	(65,960,831)	45,748,045	(1,198,621)	1,679,774	(500,000)	50,955,814
Loss for the year	–	–	(11,497,912)	–	–	–	–	(11,497,912)
Other comprehensive income	–	–	–	–	5,625,402	–	–	5,625,402
Total comprehensive loss for the year	–	–	(11,497,912)	–	5,625,402	–	–	(5,872,510)
Issue of shares (note 14)	11,327	2,291,890	1,136,142	–	–	(1,141,461)	–	2,297,898
Capital raising costs	–	(70,380)	–	–	–	–	–	(70,380)
Share-based payments	–	–	–	–	–	3,215,116	–	3,215,116
Balance as at 30 June 2025	372,767	73,047,517	(76,322,601)	45,748,045	4,426,781	3,753,429	(500,000)	50,525,938

Notes to the financial statements are included on pages 101 to 132.

CONSOLIDATED STATEMENT OF CASH FLOWS

for the financial year ended 30 June 2025

	Note	30 June 2025 US\$	30 June 2024 US\$
Cash flows from operating activities			
Operating cash flows	21	(2,643,916)	(5,559,603)
Net cash used in operating activities		(2,643,916)	(5,559,603)
Cash flows from investing activities			
R&D tax credit		258,402	1,586,640
Technical assistance government grant received		770,839	–
Payments for property, plant and equipment and intangibles	22	(6,130,410)	(14,639,915)
Net cash used in investing activities		(5,101,169)	(13,053,275)
Cash flows from financing activities			
Proceeds from short-term debt	13	5,365,861	10,434,138
Proceeds from issues of equity securities, net of share issue costs	14	1,674,782	–
Net cash generated from financing activities		7,040,643	10,434,138
Net decrease in cash and cash equivalents		(704,442)	(8,178,740)
Cash and cash equivalents at the beginning of the year		1,515,378	9,695,491
Effects of exchange rate changes on the balance of cash held in foreign currencies		113	(1,373)
Cash and cash equivalents at the end of the year	8	811,049	1,515,378

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2025

1. GENERAL INFORMATION

The consolidated financial statements present the financial information of Pensana Plc and its subsidiaries (collectively, the group) for the year ended 30 June 2025 in United States (US) dollars. Pensana Plc (the company or the parent) is a public company limited by shares listed on the Main Market of the London Stock Exchange and incorporated in England and Wales on 13 September 2019. The registered office is located at 107 Cheapside, Second Floor, London, EC2V 6DN, United Kingdom.

The company is focused on rare earth exploration, mining and processing, whose flagship development assets are the Longonjo neodymium and praseodymium (NdPr) Project and the Coola Exploration Project in Angola alongside the Saltend rare earth processing hub in the UK.

In early 2020, Pensana Metals Limited redomiciled the group to the UK pursuant to a scheme of arrangement in which Pensana Metals Limited became a wholly owned subsidiary of Pensana Plc. Prior to the transaction, the company was incorporated on 13 September 2019 and was a wholly owned subsidiary of Pensana Metals Limited.

The board of Pensana resolved to restructure the group to remove redundant holding companies and streamline the group structure. As part of this restructuring process, the shares in the wholly owned subsidiaries, Sable Minerals GmbH and Sable Rare Earths GmbH, were acquired directly by Pensana Rare Earths Plc and it is anticipated that additional dormant entities in Tanzania and Australia will be liquidated in due course.

2. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

Changes in accounting policies and disclosures

From 1 July 2024, the group has adopted the following standards and interpretations, mandatory for annual periods beginning on or prior to 1 January 2024.

Standard	Description	Effective date
Amendment to IAS 1	Classification of Liabilities as Current or Non-current – Amendments to IAS 1 <i>Presentation of Financial Statements</i>	1 January 2024
Amendments to IAS 1	Non-current Liabilities with Covenants – Amendments to IAS 1 <i>Presentation of Financial Statements</i>	1 January 2024
Amendments to IFRS 16	Lease Liability in Sale and Leaseback – Amendments to IFRS 16	1 January 2024
Amendments to IAS 7	Supplier Finance Arrangements – Amendments to IAS 7 <i>Statement of Cash Flows</i> and IFRS 7 <i>Financial Instruments: Disclosures</i>	1 January 2024

The application of these standards has not had a material impact on the financial statements.

2. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS continued
Accounting standards and interpretations issued but not yet effective

There are several standards, amendments to standards and interpretations which have been issued by the International Accounting Standards Board that are effective in future accounting periods that the group has decided not to adopt early.

Table with 3 columns: Standard, Description, Effective date. Rows include: Amendments to IAS 21, Amendments to IFRS 9 and IFRS 7, Amendments to IFRS 9 and IFRS 7, IFRS 18, IFRS 19, IFRS S1, IFRS S2.

Management is currently assessing the effect of these new accounting standards and amendments.

3. MATERIAL ACCOUNTING POLICIES AND GOING CONCERN
Basis of preparation

The consolidated financial statements of the group are prepared in accordance with UK-adopted international accounting standards. The parent company financial statements have been prepared in accordance with UK-adopted international accounting standards and as applied in accordance with the provisions of the Companies Act 2006.

The principal accounting policies adopted by the group in the preparation of the financial statements are set out as follows.

The policies have been consistently applied to all the years presented, unless otherwise stated.

The consolidated financial statements are presented in US dollars (US\$) rounded to the nearest dollar.

Basis of measurement

The consolidated financial statements have been prepared on the basis of historical cost, adjusted for the treatment of certain financial instruments, as explained in the accounting policies. Historical cost is generally based on the fair values of the consideration given in exchange for goods and services.

Going concern

The group financial statements and the parent company financial statements have been prepared on a going concern basis. The directors are of the opinion that the group and the parent company will be able to meet their obligations as and when they fall due for a period of at least 12 months from the date of approval of the financial statements. The going concern assessment of the parent company has been performed as part of the group's going concern assessment.

As at 30 June 2025, the group was in a net asset position of US\$50,525,938 (2024: US\$50,955,814) and net current liabilities position of US\$29,072,535 (2024: US\$20,010,861). In addition, the group reported a net loss after income tax of US\$11,497,912 (2024: US\$5,818,045) and experienced cumulative net cash outflows from operating and investing activities of US\$7,745,085 (2024: US\$18,612,878).

Cash and cash equivalents totalled US\$811,049 at the year-end (2024: US\$1,515,378). Cash and cash equivalents as at the date of approval of these financial statements amounted to US\$10,269,312.

The key risks associated with the company's ability to continue as a going concern include receipt of funding for the future development of Phase 1 of Longonjo along with the raising of funds to support ongoing operational costs, working capital and the settlement of existing creditors.

3. MATERIAL ACCOUNTING POLICIES AND GOING CONCERN continued
Going concern continued

In March 2025, the company received approvals for the full financing totalling circa US\$268 million for the Longonjo Rare Earth Project. In addition to the US\$15.0 million bridging loan already provided by FSDEA, the balance of Phase 1 funding will be provided through equity, with FSDEA having approved an investment of US\$38 million in the form of equity and a convertible loan, and the AFC having approved an investment of US\$54.9 million in the form of a convertible loan. The debt funding, which comprises approximately 60% of Phase 1 project funding for Longonjo, includes participation by the AFC of US\$81.2 million and Absa of US\$78.8 million. The funding will be at subsidiary level and is also subject to the conclusion of definitive documentation and the fulfilment of certain conditions precedent contained therein, which primarily relate to regulatory approvals and definitive offtake agreements, with all technical and due diligence reviews already successfully completed.

Additionally, in May 2025, FSDEA agreed the terms for the conversion of the US\$15 million bridging loan, previously advanced over the past 18 months to facilitate early-stage construction at Longonjo, into Pensana equity, subject to regulatory and shareholders' approvals. This is expected to be finalised in the coming financial year.

Equity raises during the current year included the announcement of a £2 million placement to major institutional shareholders, where M&G agreed to invest £1 million alongside other strategic investors who will invest a further £1 million into the company. This resulted in 2,857,143 new ordinary shares issued to M&G on 10 June 2025 for the value of £997,143. The balance of the £2 million placement was received and issued in September 2025. Other share issues include 1,500,000 ordinary shares issued to Mr Atherley and 247,500 ordinary shares issued to Mr Kaplan as settlement of the £250,000 and £52,376 respective advances under the directors' loan facility, as well as 1,850,723 shares issued to contractors who elected share settlement towards some creditor balances to the value of £438,608.

Additional funding activities also include a drawdown of US\$800,000 from a term loan agreement with an accredited UK-based investment house to support ongoing corporate costs while deploying the main Longonjo funding.

Alongside the current Longonjo lender group process, Pensana has also secured a US\$3.4 million technical assistance grant from the DFC which will support feasibility studies for increased processing capacity at Longonjo, downstream refining opportunities in Angola, as well as testwork for the development of the Coola Project orebodies. As at 30 June 2025, ~US\$0.5 million of the grant funding was drawn, with the balance expected to be utilised towards the ongoing work streams during H2 2025.

The directors have prepared a cash flow forecast for the period ending 31 December 2026 to support the going concern assessment, including estimated timing and sources of funds to support ongoing operations and project development.

The forecast indicates that immediate funding is required to settle existing overdue project-related contractor balances in the UK and to also provide working capital to the group. Continuing support of these contractors will be required until the group has secured this required funding and then remain as the group subsequently moves towards project construction and into production.

The board also notes that alternative sources of funding will be required to support the feasibility studies for increased processing capacity at Longonjo, downstream refining opportunities in Angola, as well as testwork for the development of the Coola Project orebodies in the event that the grant funding is delayed, or the conditions are not met.

Additionally, the group would need to refinance the FSDEA facility in the event that the planned conversion of the US\$15 million loan facility is not approved. Given the support provided by the Angolan government for the Longonjo Project to date, the directors anticipate the conversion or such a restructuring to be successfully concluded.

It is anticipated that the contemplated financing across the group may include further issues of equity, export credit-backed debt financing or issuing a bond.

The ability of the company and group to continue as a going concern is dependent on meeting the conditions precedent to secure the deployment of the main Longonjo Project financing, conversion of the US\$15 million FSDEA loan facility, securing additional funding to settle existing overdue project-related contractor balances in the UK and to provide working capital to the group along with continued contractors support of existing project-related contractor balances until the additional funding is secured.

NOTES TO THE FINANCIAL STATEMENTS continued

for the financial year ended 30 June 2025

3. MATERIAL ACCOUNTING POLICIES AND GOING CONCERN continued

Going concern continued

These circumstances indicate the existence of material uncertainties which may cast significant doubt on the group's and the parent company's ability to continue as a going concern. Therefore, the group and the parent company may be unable to realise their assets and discharge their liabilities in the normal course of business.

The directors have a reasonable expectation that the conditions precedent on the main Longonjo financing will be met and the funding deployed, the US\$15 million FSDEA loan facility will be converted into equity, additional required funding will be secured and contractors support of existing project-related contractor balances will continue. Therefore, the directors continue to adopt the going concern basis of accounting in preparing the financial statements of the parent company and the group.

The group and the parent company financial statements do not include the adjustments that would result if the group and the parent company were unable to continue as going concerns.

Principles of consolidation

The consolidated financial information comprises the financial statements of Pensana Plc and its subsidiaries as at 30 June 2025.

Subsidiaries are all those entities controlled by the company. Control is achieved when the group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

A list of controlled entities is shown in note 20. Specifically, the group controls an investee if and only if the group has:

- power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns.

When the group has less than a majority of the voting or similar rights of an investee, the group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- the contractual arrangement with the other vote holders of the investee;
- rights arising from other contractual arrangements; and
- the group's voting rights and potential voting rights.

The group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the group obtains control over the subsidiary and ceases when the group loses control of the subsidiary. Income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the group gains control until the date the group ceases to control the subsidiary.

All inter-company balances and transactions between entities in the economic entity, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those policies applied by the parent entity.

Initial recognition and subsequent measurement

On initial recognition, the group has elected to recognise non-controlling interests at the fair value of consideration received for the shares in the investee. For free carry non-controlling interests, the fair value of consideration received is nil. Subsequent to initial recognition, non-controlling interest is measured based on the on the existing ownership interest the non-controlling interest has in the post-acquisition profits/losses of the investee. The group has not recorded any non-controlling interest as of 30 June 2025 as the amount is immaterial to the consolidated financial statements.

In the company's financial statements, investments in subsidiaries are carried at cost less impairments.

Group reconstruction and merger accounting principles

The company was incorporated on 13 September 2019 as a wholly owned subsidiary of Pensana Metals Limited. The company subsequently acquired 100% of the share capital of Pensana Metals and its subsidiary companies for the effective issuance of 152,973,315 shares to the shareholders of Pensana Metals Limited further to the scheme of arrangement approved on 22 January 2020 and completed on 5 February 2020.

The shares issued to the former shareholders of Pensana Metals Limited comprised 50,000,000 shares with a nominal value of £0.001 per share subscribed for incorporation of the company by Pensana Metals Limited which were transferred to CHESS Depositary Nominees Proprietary Limited (a subsidiary of the Australian Securities Exchange (ASX)) for use in the scheme of arrangement and 102,973,314 shares with a nominal value of £0.001 per share additionally issued by the company to CHESS Depositary Nominees Proprietary Limited for use in the scheme of arrangement.

3. MATERIAL ACCOUNTING POLICIES AND GOING CONCERN continued

Principles of consolidation continued

Group reconstruction and merger accounting principles continued

CHESS Depositary Nominees Proprietary Limited subsequently issued CHESS Depositary Instruments in proportion to the interests the former shareholders of Pensana Metals held in that company for trading on the ASX with 152,973,315 CHESS Depositary Instruments issued for trading. The transaction represented a group reconstruction and common control transaction.

The accounting for common control transactions is scoped out of IFRS 3 and, accordingly, the group has developed an accounting policy with reference to methods applied in alternative generally accepted accounting principles. Consequently, the consolidated financial statements are presented as if the company has always been the holding company for the group and the group has elected to apply merger accounting principles. Under this policy, the company and its subsidiaries are treated as if they had always been a group. The results are included from the date the subsidiaries joined the group and the comparatives reflect the results of the company and its subsidiaries. No fair value adjustments occurred as a result of the transaction and the assets and liabilities are incorporated at their predecessor carrying values.

Under the Companies Act 2006, the transaction was considered to meet the qualifying criteria for merger relief. Accordingly, shares issued by the company as part of the scheme of arrangement are recorded at nominal value. The difference between the share capital and the investment is recorded in a merger reserve.

Under IAS 27, the investment is measured at cost at the carrying amount of its share of the equity items shown in the separate financial statements of the original parent at the date of the scheme of arrangement i.e. the net asset value of the company acquired as part of the common control transaction. Accordingly, the investment was initially recorded at US\$11,756,018.

Segment information

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

This includes start-up operations which are yet to earn revenues. Management will also consider other factors in determining operating segments such as the existence of a line manager and the level of segment information presented to the board of directors.

Operating segments have been identified based on the information provided to the chief operating decision maker, being the executive management team.

Foreign currency translation

Functional and presentation currency

The functional currency of each of the group's operations is measured using the currency of the primary economic environment in which that entity operates.

The functional currency of the company is British pounds. The functional currency of its Australian subsidiaries is Australian dollars. The functional currency of its Angolan subsidiaries is US dollars and the functional currency of the Portuguese entities is Euro. The presentational currency of the group and parent company is US dollars.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary assets and liabilities are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined. Exchange differences arising on the translation of monetary items are recognised in the statement of comprehensive income. The gain or loss arising from translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in equity or profit or loss are also recognised in equity or profit or loss, respectively).

The financial results and position of foreign subsidiaries whose functional currency is different from the group's presentation currency are translated as follows:

- Assets and liabilities are translated at year-end exchange rates prevailing at that reporting date;
- Income and expenses are translated at average exchange rates for the period; and
- All resulting exchange differences shall be recognised in other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS continued

for the financial year ended 30 June 2025

3. MATERIAL ACCOUNTING POLICIES AND GOING CONCERN continued

Principles of consolidation continued

Foreign currency translation continued

Transactions and balances continued

Exchange differences arising on translation of foreign operations are transferred directly to the group's foreign currency translation reserve in the statement of financial position. These differences are recognised in the statement of comprehensive income in the period in which the operation is disposed.

Unrealised gains and losses arising on the translation of loans to subsidiaries into the currency in which they are denominated and that are not expected to be repaid in the foreseeable future are treated as part of the net investment in foreign operations.

The unrealised foreign exchange gains and losses attributable to foreign operations are taken directly to the consolidated statement of other comprehensive income and reflected in the foreign currency translation reserve. Such unrealised gains and losses are recycled through the consolidated income statement on disposal of the group's shares in the entity. Unrealised gains and losses arising on the translation of loans to subsidiaries into the currency in which they are denominated and that are expected to be repaid in the foreseeable future are recognised in the consolidated income statement.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of less than three months.

Financial instruments

Financial assets

All of the group's financial assets are measured at amortised cost. Financial assets include trade and other receivables but exclude prepayments and R&D tax credits.

Financial assets at amortised cost

Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are classified and measured subsequently at amortised cost.

Impairment of financial assets

The group recognises an allowance for expected credit losses (ECLs) for other receivables, as well as for inter-company receivables at company level. ECLs are based

on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

At each reporting date, the group and parent company assess whether financial assets carried at amortised cost are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities measured at amortised cost using the effective interest method.

Financial liabilities include trade and other payables, but exclude corporation tax, social security and other taxes as they are not considered financial instruments.

Trade and other payables

Trade and other payables are carried at amortised cost. They represent liabilities for goods and services provided to the group, prior to the end of the period, that are unpaid and arise when the group and company become obligated to make future payments in respect of the purchase of goods and services. The amounts are unsecured and are usually paid within 30 days of recognition. Payables to related parties are carried at the principal amount. Interest, when charged by the lender, is recognised as an expense on an accrual basis.

Loans and borrowings

All loans and borrowings are initially recognised at fair value less transaction costs and subsequently at amortised cost. Any difference between the proceeds received and the redemption amount is recognised in the income statement over the year of the borrowings using the effective interest method.

Exploration and evaluation expenditure

Exploration and evaluation assets are initially measured at cost and include the acquisition of sampling and associated activities. Exploration and evaluation expenditure incurred by or on behalf of the group is accumulated separately for each area of interest. Such expenditure comprises net direct costs and an appropriate portion of related overhead expenditure but does not include general overheads or administrative expenditure not having a specific connection with a particular area of interest.

3. MATERIAL ACCOUNTING POLICIES AND GOING CONCERN continued

Principles of consolidation continued

Exploration and evaluation expenditure continued

Exploration and evaluation costs in relation to separate areas of interest for which rights of tenure are current are brought to account in the year in which they are incurred and carried forward provided that:

- the rights to tenure of the area of interest are current; and
- such costs are expected to be recouped through successful development and exploitation of the area or, alternatively, through its sale; or
- exploration and/or evaluation activities in the area have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves.

Once a development decision has been taken based on finalisation of a definitive feasibility study or a bankable feasibility study (or equivalent), all past evaluation expenditure in respect of the area of interest is reclassified as capitalised costs of development within property, plant and equipment. Capitalised development costs have not been depreciated to date; depreciation will commence upon commissioning of the assets.

Exploration and evaluation assets shall be assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount.

Government grants

Government grants are recognised when there is reasonable assurance that the group will comply with the conditions attached to the grant and that the grant will be received. Grants related to capital expenditure are deferred on the balance sheet and netted off against the development assets and the intangible assets associated with the grants.

R&D tax credits

R&D tax credits are accounted for as government grants rather than income tax. These credits are recognised when reliable estimates of the future benefits have been made and when it is reasonably certain that the tax credit will be received. R&D tax credits related to capital expenditure are deferred on the balance sheet and netted off against the development assets and the intangible assets associated with the grants.

Impairment of property, plant and equipment

The group assesses at each reporting date whether there is an indication that an asset has been impaired and, for exploration and evaluation costs, whether the above carry forward criteria are met.

Where an indicator of impairment is identified and an impairment test is performed, and if the recoverable amount is lower than the carrying amount, an impairment is recorded. The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment exists when the carrying amount of an asset or cash-generating unit exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount. Any impairment losses are recognised in profit or loss. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Where a decision is made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is assessed for impairment and the balance is classified as a development asset within property, plant and equipment.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made. Costs are capitalised during construction until commercial levels of production are achieved after which the relevant costs are depreciated. The accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Accumulated costs in respect of areas of interest are written off or a provision made in the statement of comprehensive income when the above criteria do not apply or when the directors assess that the carrying value may exceed the recoverable amount. The costs of productive areas within property, plant and equipment are amortised over the life of the area of interest to which such costs relate on the production output basis. Provisions are made where farm-in partners are sought and there is a possibility that carried forward expenditures may have to be written off in the future if a farm-in partner is not found. In the event that farm-in agreements are reached, or the group undertakes further exploration in its own right on those properties, the provisions would be reviewed and, if appropriate, written back.

3. MATERIAL ACCOUNTING POLICIES AND GOING CONCERN continued
Principles of consolidation continued

Property, plant and equipment

Plant and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses. The carrying value of the plant and equipment also includes costs eligible for capitalisation. Other costs relating to plant and equipment are expensed when incurred.

Land and buildings are measured at cost, less accumulated depreciation on buildings.

Development assets and assets under construction are depreciated once commissioning of the assets occurs. Depreciation will be charged over the useful life of the asset.

Depreciation is calculated on a straight-line basis over the estimated useful life of the assets as follows:

Asset	Depreciation rate
Motor vehicles	25%
Office equipment	33.33%
Computer equipment	33.33%
Plant and machinery	10%
Buildings	2%

The assets' residual values, useful lives and depreciation methods are reviewed and adjusted, if appropriate, at each financial year-end.

Borrowing costs that are directly attributable to the construction of a qualifying asset are capitalised.

Disposal

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

Intangible assets

Recognition and measurement

Intangible assets are recognised at cost and capitalised when the costs can be measured reliably, and it is probable that there will be future economic benefits. Intangible assets that are deemed to have indefinite lives and intangible assets that are not yet ready for use are not amortised and are tested annually for impairment.

Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Provisions

Provisions are recognised when the group has a present obligation (legal or constructive) as a result of a past event, it is probable that the group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

A provision for restoration and rehabilitation will be recognised when there is a present obligation as a result of exploration and development activities undertaken, it is probable that an outflow of benefits will be required to settle the obligation and the provision can be measured reliably. The estimated future obligations will include the costs of restoring the affected exploration and evaluation areas contained in the group's tenements.

The provision for future restoration will be the best estimate of the present value of the expenditure required to settle the restoration obligation at the reporting date. Future restoration costs will be reviewed annually and any changes in the estimate reflected in the present value of the restoration provision at each reporting date. The initial estimate of restoration and rehabilitation relating to development assets will be capitalised into the cost of the related asset and amortised on the same basis as the related asset. Changes in the estimate of the provision for restoration and rehabilitation will be treated in the same way, except that the unwinding of the effect of discounting on the provision will be recognised as a finance cost rather than being capitalised into the cost of the related asset. As at 30 June 2025, the group has not recognised any provision for restoration and rehabilitation. The group does not have any obligation yet, due to the limited disturbances to date as the group is still in the early stages of developing the projects, including the construction camp at Longonjo.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In applying the group's accounting policies, management continuously evaluates judgements, estimates and assumptions based on experience and other factors, including expectations of future events that may have an impact on the group. All judgements, estimates and assumptions made are believed to be reasonable based on the most current set of circumstances available to management. Actual results may differ from the judgements, estimates and assumptions. Significant judgements, estimates and assumptions made by management in the preparation of these financial statements are outlined below.

Significant accounting judgements

Impairment indicator assessment of development assets (note 11)

The ultimate recovery of the value of the development assets as at 30 June 2025 is dependent on the successful development and commercial exploitation of the Longonjo Project.

Judgement was exercised in assessing the extent to which impairment indicators existed as at 30 June 2025 in respect of the Longonjo Project. In forming this assessment, internal and external factors were evaluated. Management determined that no impairment indicators existed having considered the steadiness in rare earth pricing, the Longonjo funding approvals being obtained and the contemplated staged development of Longonjo.

Impairment indicator assessment of assets under construction (note 11)

The ultimate recovery of the value of the Saltend development assets as at 30 June 2025 is dependent on the successful development and commercial exploitation of the Saltend facility.

Judgement was exercised in assessing the extent to which impairment indicators existed as at 30 June 2025 in respect of the Saltend Project.

In forming this assessment, internal and external factors were evaluated. As detailed below, the underlying financial model involves estimates regarding commodity prices, production and reserves, operating costs and capital development together with discount rates and demonstrates significant headroom. Management therefore determined that no impairment indicator existed.

Impairment indicator assessments of the company's investment in subsidiaries and loans to subsidiaries

The ultimate recovery of the value of the company's investment in subsidiaries and loans to subsidiaries is dependent on the successful development and commercial exploitation, or alternatively, the sale of the Longonjo and Saltend Projects.

In assessing potential impairment of investment indicators and inter-company receivables (applying an ECL approach for the latter), the directors exercised judgement over the reasonableness of projections and considered the status of both the Longonjo and Saltend Projects, together with the implied economic value of the assets. The carrying value of the investment in subsidiaries and loans to subsidiaries are held at the lower of cost or net realisable value.

Climate change

Management has considered the impact of climate change in preparing these consolidated financial statements. These considerations, which are integral to the group's strategy and operations, were considered in the following areas:

- The judgements involved in the evaluation of indicators of impairment for the group's development assets and assets under construction (note 4);
- The judgements used in the evaluation of the group's exploration and evaluation assets for impairment (note 4); and
- The evaluation of the residual values and economic useful lives of property, plant and equipment (note 11).

The effects of climate-related strategic decisions are incorporated into management's judgements and estimates, as these relate to the future cash flow projections underpinning the recoverable amounts of mining interests, when the decisions have been approved by the board, and the implementation of these is likely to occur. The considerations with respect to climate change did not have a material impact on the key accounting judgements and estimates noted above in the current year, however, the emphasis on climate-related strategic decisions, such as a focus on decarbonisation, further electrification and sourcing of renewable power, may have a significant impact in future periods.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY continued

Significant accounting estimates and assumptions

Share-based payment transactions (note 25)

The group measures the cost of equity-settled transactions with directors and others by reference to the fair value of the equity instruments at the date on which they are granted. The fair value is determined using a stochastic model to value awards with market-based conditions and a Black-Scholes valuation model for awards that are not subject to market-based performance conditions. These models require estimates for inputs such as share price volatility and total shareholder return. The share-based payment arrangements are expensed on a straight-line basis over the vesting period, based on the group's estimate of shares that will eventually vest. This only relates to non-market vesting conditions, as market conditions are incorporated into the fair value calculation and therefore no subsequent adjustments are made. At each reporting date, vesting assumptions are reviewed to ensure they reflect current expectations and immediately recognise any impact of the revision to original estimates. Judgement is required as to the likelihood of the vesting conditions being met, such as the progress of financing of various projects, the lost time injury frequency rate, progress of construction of the projects, etc. If fully vested share options are not exercised and expire, then the accumulated expense in respect of these is reclassified to accumulated losses.

Impairment test of Saltend intangibles (note 10)

The ultimate recovery of the value of the Saltend intangibles as at 30 June 2025 is dependent on the successful development and commercial exploitation of the Saltend facility.

An impairment assessment is performed annually. Judgement was exercised in assessing the extent to which impairment existed as at 30 June 2025 in respect of the Saltend Project. In forming this assessment, management performed an impairment assessment based on the feasibility studies at Saltend. The underlying financial model involves estimates regarding commodity prices, production and reserves, operating costs and capital development together with discount rates and demonstrates significant headroom. Management therefore determined that no impairment existed.

Management determined that the financial model is most sensitive towards price and discount rates. A reduction of 10% in the price assumption would reduce the headroom by US\$112 million and an increase of 1% in the discount rate would reduce the headroom by US\$76 million. These sensitivities were performed, in isolation and in combination, and indicate sufficient headroom when comparing the carrying value to the recoverable amount.

5. OPERATING SEGMENTS

Description of segments

The group has identified its operating segments based on the internal reports that are used by the chief operating decision maker in assessing performance and determining the allocation of resources.

The group has identified that it has two operating segments, related to the activities in Angola and Saltend (UK). Corporate relates to operations in Australia and Portugal which consist of corporate and head office-related costs. Any property, plant and equipment included in the Australian and Portuguese entities which relates to Longonjo, has been included in the Angolan reporting segment.

	Angola US\$	UK US\$	Corporate US\$	Total US\$
2025				
Non-current assets – opening balance	53,039,521	17,927,154	–	70,966,675
Non-current assets – additions/movements	6,723,985	1,907,813	–	8,631,798
Non-current assets – closing balance	59,763,506	19,834,967	–	79,598,473
Current assets	884,146	2,264,544	36,632	3,185,322
Current and non-current liabilities	1,371,717	28,330,874	1,685,129	31,387,720
Cash and cash equivalents	2,910	800,401	7,738	811,049
Administration expenses	(1,528,158)	(6,368,220)	496,419	(7,399,959)
Depreciation	(32,815)	(3,705)	–	(36,520)
Operating loss	(1,372,280)	(10,438,593)	352,961	(11,457,912)
Material non-cash items – share-based payments	–	(3,215,116)	–	(3,215,116)
Material non-cash items – foreign exchange gains and losses	155,878	(4,583,358)	(183,459)	(4,610,939)
Loss before tax	(1,372,280)	(10,478,593)	352,961	(11,497,912)
Loss for the year	(1,372,280)	(10,478,593)	352,961	(11,497,912)
2024				
Non-current assets – opening balance	43,846,788	17,942,784	–	61,789,572
Non-current assets – additions	9,192,733	(15,630)	–	9,177,103
Non-current assets – closing balance	53,039,521	17,927,154	–	70,966,675
Current assets	782,157	1,463,964	1,358,811	3,604,932
Current and non-current liabilities	(1,371,948)	(20,698,799)	(1,545,046)	(23,615,793)
Cash and cash equivalents	35,532	126,585	1,353,261	1,515,378
Administration expenses	(1,850,565)	(4,211,896)	(231,875)	(6,294,336)
Depreciation	(34,013)	(6,591)	–	(40,604)
Operating loss	(1,795,998)	(3,224,381)	(797,666)	(5,818,045)
Material non-cash items – share-based payments	–	(1,013,840)	–	(1,013,840)
Material non-cash items – foreign exchange gains and losses	54,436	1,073,835	(565,660)	562,611
Loss before tax	(1,795,998)	(3,224,381)	(797,666)	(5,818,045)
Loss for the year	(1,795,998)	(3,224,381)	(797,666)	(5,818,045)

Non-current assets consist mainly of development assets and assets under construction. Additions and depreciation of non-current assets are disclosed in note 11.

6. OTHER EXPENSES

	CONSOLIDATED	
	2025 US\$	2024 US\$
Administration expenses		
General administration costs	523,178	1,531,969
Audit and non-audit fees	213,042	256,517
Consultant fees	360,864	219,602
Travel expenses	122,987	146,319
Legal fees	118,958	41,110
Operating lease rental expenses		
Lease payments (short-life leases)	91,824	129,734
Depreciation on non-current assets		
Property, plant and equipment	36,520	40,604
Employee benefits and employee wages and salaries¹		
Performance rights and options granted to directors, officers and employees	3,215,116	1,013,840
Directors' fees and employee benefits	2,586,442	2,763,115
Social security costs	131,028	151,526
Total administration expenses	7,399,959	6,294,336

¹ Key management personnel remuneration, disclosed in note 24, includes amounts in employee benefits disclosed above. Information in respect of the highest-paid director is provided in the remuneration report.

The group employed 55 people as at 30 June 2025 (30 June 2024: 51 people). The average number of full-time employees in the group is as follows:

	Average 30 June 2025 Number	Average 30 June 2024 Number
Administration, finance and marketing	15	17
Technical and exploration	8	11
Environmental and governance	2	2
Operations	39	21
Total	64	51

Foreign currency exchange gains/losses

The foreign currency exchange loss of US\$4,610,939 (2024: US\$562,611 gain) comprises foreign exchange movements on retranslation of monetary balances and foreign exchange movements on inter-company loans which are considered repayable in the foreseeable future.

7. INCOME TAXES

	CONSOLIDATED	
	2025 US\$	2024 US\$
Current taxation		
Current tax charge/(credit)	–	–

No liability to corporation tax arose in the ordinary activities for the year ended 30 June 2025 or 30 June 2024.

The tax assessed for the year utilised the standard rate of tax in the UK of 25% (2024: 25%).

The differences are explained as follows:

	CONSOLIDATED	
	2025 US\$	2024 US\$
Loss from continuing operations before tax	(11,497,912)	(5,818,045)
Loss on continuing activities multiplied by the rate of corporation tax in the UK of 25% (2024: 25%)	(2,874,478)	(1,454,511)
Tax effects of:		
Different tax rates in overseas jurisdictions	34,439	3,747
Amounts which are not deductible (taxable)	825,676	276,142
Unrecognised tax losses	1,939,153	1,006,205
Prior year adjustment	75,210	168,417
Total tax credit	–	–

The taxation benefits of tax losses and temporary differences not brought to account will only be obtained if:

- assessable income is derived of a nature and of an amount sufficient to enable the benefit from the deductions to be realised;
- conditions for deductibility imposed by the law are complied with; and
- no changes in tax legislation adversely affect the realisation of the benefit from the deductions.

The company is subject to 25% income tax in the UK. In Australia, Pensana Metals Limited is subject to a corporation tax rate of 25%. In Tanzania, all subsidiaries are subject to 30% corporation tax. In Angola, Ozango Minerais SA (Ozango) and Coola Mining are subject to 25% corporation tax.

Longonjo benefits from a six-year tax holiday in Angola from the commencement of production until the exoneration period expires.

No deferred tax asset has been recognised in respect of the tax losses carried forward as the recoverability is dependent on the future profitability of the individual entities within the group. Main construction has recently commenced at Ozango, however, the timing for the application of the available tax losses is still considered uncertain at this stage. The amount of tax losses for which no deferred tax asset was recognised was US\$28,467,541 (30 June 2024: US\$20,272,332).

These unused tax losses do not expire. There are no unused tax credits for which no deferred tax asset is recognised.

8. CASH AND CASH EQUIVALENTS

	CONSOLIDATED	
	2025 US\$	2024 US\$
Cash at bank and on hand	811,049	1,515,378
Total	811,049	1,515,378

NOTES TO THE FINANCIAL STATEMENTS continued

for the financial year ended 30 June 2025

9. TRADE AND OTHER RECEIVABLES

	CONSOLIDATED	
	2025 US\$	2024 US\$
Trade receivables	29,771	39,817
Prepayments	193,776	51,052
R&D tax credits	–	509,503
Value added tax (VAT) receivables	1,493,655	1,204,665
Other receivables	657,071	284,517
	2,374,273	2,089,554
Less: Non-current VAT receivable	(870,137)	–
Total current receivables	1,504,136	2,089,554

VAT receivables increased year-on-year, mainly due to increases in VAT receivable balances at Ozango due to increased work performed on-site.

Of the other receivables as at 30 June 2025, US\$1,261,165 (gross) (30 June 2024: US\$1,290,063) relates to payment pending as part of the equity raise completed on 25 June 2021. The net amount included in the closing balance as at 30 June 2025 was US\$636,888 (30 June 2024: US\$193,510).

Management has taken legal advice from their external counsel and legal proceedings for the amount due have commenced and are in the process of being served. The company's broker has maintained full security over the shares originally issued for trading. The opening ECL provision at 30 June 2024 was US\$1.1 million. There was a reduction of US\$0.4 million relating the movement in share price, a reduction of US\$0.2 million due to forex and an offset of US\$0.1 million, resulting in a closing ECL provision of US\$0.6 million at 30 June 2025.

There has been no change in the underlying Simplified ECL model apart from the revaluation at period end.

10. INTANGIBLE ASSETS

Saltend intangible assets

	CONSOLIDATED	
	2025 US\$	2024 US\$
Carrying value		
Balance at the beginning of the year	13,215,564	13,577,069
Additions	223,690	176,971
R&D tax credits	–	(509,503)
Adjustment on currency translation	1,123,626	(28,973)
Balance at the end of the year	14,562,880	13,215,564

These costs were capitalised in respect of the Saltend Project and have been classified as intangible assets given their nature, being consulting fees relating to process design and testwork.

Coola exploration and evaluation expenditure

	CONSOLIDATED	
	2025 US\$	2024 US\$
Carrying value		
Balance at the beginning of the year	396,697	243,249
Additions	60,217	153,448
Balance at the end of the year	456,914	396,697
Total intangibles	15,019,794	13,612,261

The above amounts represent capitalised costs of exploration incurred at the Coola Project in Angola carried forward as an asset in accordance with the accounting policy set out in note 3. The ultimate recoupment of the exploration and evaluation expenditure in respect of the areas of interest carried forward is dependent upon the discovery of commercially viable reserves and the successful development and exploitation of the respective areas or, alternatively, the sale of the underlying areas of interest for at least their carrying value.

11. PROPERTY, PLANT AND EQUIPMENT

	Buildings US\$	Plant and equipment US\$	Develop- ment asset US\$	Assets under construc- tion ¹ US\$	Motor vehicles US\$	Office equipment US\$	Computer equipment US\$	Total US\$
2025								
Cost								
Balance as at 1 July 2024	38,526	38,467	52,912,614	4,269,553	214,239	7,983	38,298	57,519,680
Adjustment on currency translation	–	–	211,856	363,010	–	–	(282)	574,584
Technical assistance grants received	–	–	(512,843)	(257,996)	–	–	–	(770,839)
R&D tax credits	–	–	(258,402)	–	–	–	–	(258,402)
Additions	–	1,517	6,838,107 ²	–	2,156	–	3,889	6,845,669
Balance as at 30 June 2025	38,526	39,984	59,191,332	4,374,567	216,395	7,983	41,905	63,910,692
Depreciation								
Balance as at 1 July 2024	8,304	13,969	–	–	113,366	4,386	25,241	165,266
Charge for the year	1,764	3,870	–	–	23,213	686	6,987	36,520
Adjustment on currency translation	–	–	–	–	–	–	364	364
Balance as at 30 June 2025	10,068	17,839	–	–	136,579	5,072	32,592	202,150
Net book value								
As at 30 June 2024	30,222	24,498	52,912,614	4,269,553	100,873	3,597	13,057	57,354,414
As at 30 June 2025	28,458	22,145	59,191,332	4,374,567	79,816	2,911	9,313	63,708,542

¹ Assets under construction relate to Saltend.

² Interest of US\$964,671 relating to the bridging loan was capitalised during the year.

NOTES TO THE FINANCIAL STATEMENTS continued

for the financial year ended 30 June 2025

11. PROPERTY, PLANT AND EQUIPMENT continued

	Buildings US\$	Plant and equipment US\$	Develop- ment asset US\$	Assets under construc- tion ¹ US\$	Motor vehicles US\$	Office equipment US\$	Computer equipment US\$	Total US\$
2024								
Cost								
Balance as at								
1 July 2023	28,310	33,021	43,504,012	4,272,967	214,239	7,325	34,092	48,093,966
Adjustment on currency translation	–	–	(318,566)	(58,539)	–	–	(233)	(377,338)
R&D tax credits	–	–	(549,304)	–	–	–	–	(549,304)
Additions	10,216	5,446	10,276,472 ²	55,125	–	658	4,439	10,352,356
Balance as at								
30 June 2024	38,526	38,467	52,912,614	4,269,553	214,239	7,983	38,298	57,519,680
Depreciation								
Balance as at								
1 July 2023	6,460	10,359	–	–	88,538	3,628	15,727	124,712
Charge for the year	1,844	3,610	–	–	24,828	758	9,564	40,604
Adjustment on currency translation	–	–	–	–	–	–	(50)	(50)
Balance as at								
30 June 2024	8,304	13,969	–	–	113,366	4,386	25,241	165,266
Net book value								
As at								
30 June 2023	21,849	22,662	43,504,012	4,272,967	125,701	3,697	18,366	47,969,254
As at								
30 June 2024	30,222	24,498	52,912,614	4,269,553	100,873	3,597	13,057	57,354,414

¹ Assets under construction relate to Saltend.

² Interest of US\$355,445 relating to the bridging loan was capitalised during the year.

Refer to note 13 for assets pledged as security. Refer to note 18 for capital commitments for the acquisition of property, plant and equipment.

12. TRADE AND OTHER PAYABLES

	CONSOLIDATED	
	2025 US\$	2024 US\$
Trade and other payables	12,278,293	10,571,451
Accrued expenses	1,906,951	2,210,275
Statutory liabilities	42,360	44,484
	14,227,604	12,826,210

The increase in trade and other payables is the result of the timing of the deployment of financing and the settlement of creditor invoices for the project.

13. LOANS AND BORROWINGS

	CONSOLIDATED	
	2025 US\$	2024 US\$
Interest-bearing liabilities (current)		
Bridging loan facility	16,320,116	10,789,583
External loan facility	840,000	–
Total	17,160,116	10,789,583

The increase in the bridging loan facility relates to the full drawdown of the FSDEA bridging loan facility, as well as the receipt of funds from an external source.

Net debt reconciliation

		CONSOLIDATED	
	Note	2025 US\$	2024 US\$
Cash and cash equivalents	8	811,049	1,515,378
Borrowings		(17,160,116)	(10,789,583)
Net debt		(16,349,067)	(9,274,205)

	Borrowings US\$	Cash US\$	Total US\$
Net debt as at 1 July 2024	(10,789,583)	1,515,378	(9,274,205)
Net cash used in operating activities	–	(3,378,246)	(3,378,246)
Net cash used in investing activities	–	(4,366,839)	(4,366,839)
Net proceeds from loans and borrowings	(5,365,861)	5,365,861	–
Capitalisation of interest on borrowings	(964,672)	–	(964,672)
Interest paid	(40,000)	–	(40,000)
Foreign exchange movements	–	113	113
Proceeds from issues of equity securities	–	1,674,782	1,674,782
Net debt as at 30 June 2025	(17,160,116)	811,049	(16,349,067)

The FSDEA loan facility was fully drawn by 30 June 2025 (30 June 2024: US\$10.4 million). The facility is in the process of being converted to equity as part of the Longonjo Phase 1 approved equity funding by FSDEA. The average interest rate incurred during the year was 6.7% (2024: 7.19%). The facility carries interest at 2% plus three-month SONIA (Sterling Overnight Index Average).

13. LOANS AND BORROWINGS continued

Net debt reconciliation continued

The group received an external loan facility in April 2025 of US\$800,000. A fixed coupon rate of 5% is payable on the facility. Repayment was initially scheduled for four months following the drawdown, however, the loan has subsequently been restructured in August 2025 into a new facility that carries interest at 12% per annum on the outstanding principal amount, to be paid quarterly in arrears. The term of the facility is 12 months for each drawdown.

The company may elect to redeem in varying amounts the outstanding principal prior to the maturity date by notifying the investor no less than 10 working days in advance of the intended cash redemption together with any outstanding interest and with an early redemption fee equal to 5% of the outstanding principal amount and interest.

Assets pledged as security

The company's shareholding in Ozango acts as security for the bridging loan facility from FSDEA.

In terms of the external loan facility, the company charged its shares in its subsidiaries as security for the facility. The charge covers the shares held by the company in Sable Min Unipessoal Lda, SBLRTHS Unipessoal Lda and Saltend Magnet Metals Limited.

14. ISSUED CAPITAL

	2025 Number	2025 US\$	2024 Number	2024 US\$
GROUP AND COMPANY				
Fully paid ordinary shares				
Balance at the beginning of the period	288,772,873	361,440	285,180,873	356,898
Share placement	1,500,000	1,938	2,250,000	2,845
Shares issued	2,098,223	2,667	–	–
Share placement	2,857,143	3,859	1,342,000	1,697
Correction	–	(2,457)	–	–
Shares issued on STI and LTI awards	3,943,750	5,320	–	–
Balance at the end of the financial year	299,171,989	372,767	288,772,873	361,440

Placements during the year ended 30 June 2025

On 19 July 2024, the company issued 1,500,000 £0.001 fully paid ordinary shares to Mr Atherley as settlement of the £250,000 advance made to the company.

On 3 March 2025, the company issued 2,098,223 £0.001 fully paid ordinary shares. 1,850,723 shares were issued to contractors who elected share settlement towards creditor balances to the value of US\$552,735. The balance of 247,500 shares was issued to Mr Kaplan as settlement of advances made by him to the company.

On 10 June 2025, the company issued 2, 857,143 £0.001 fully paid ordinary shares to M&G at a price of £0.35 per share and raised US\$1,350,700.

On 23 June 2025, the company issued 1,043,750 £0.001 shares related to the vesting of a portion of the FY2024 LTI executive and management share awards, as well as the short-term incentivisation of management totalling 2,900,000 shares.

Placements during the year ended 30 June 2024

On 8 April 2024, the company issued 3,592,000 £0.001 shares related to the vesting of legacy executive share awards totalling 2,250,000 shares granted in 2019/2020 and the short-term incentivisation of executive/management totalling 1,342,000 shares.

15. RESERVES

The following describes the nature and purpose of each reserve within equity:

Reserve	Description and purpose
Fully paid ordinary shares	Represents fully paid ordinary shares in the company of £0.001 par value. The company may, by ordinary resolution, declare a dividend to be paid to the members, according to their respective rights and interest in the profits, and may fix the time for payment of such dividend, but no dividend shall exceed the amount recommended by the board.
Share premium	Represents the difference between the par value of the shares issued and the subscription or issue price less share issue costs.
Foreign currency reserve	Represents foreign exchange differences arising from the translation of the financial statements of entities in the group denominated in a currency other than US dollars.
Share-based payments reserve	The reserve includes the grant of share options and performance rights to executives, senior employees and consultants. Amounts are transferred out of the reserve and into issued capital when the options, share awards or performance rights are converted to equity. Further information about share-based payments can be found in note 25 to the financial statements.
Equity reserve	This relates to the company's purchase of an additional 14% equity in its Angolan subsidiary company, Ozango, for US\$500,000 from non-controlling interests in FY2019. Ozango holds the title to the Longonjo NdPr Project.
Accumulated losses	Cumulative net losses and other adjustments recognised in the statement of comprehensive income.
Merger reserve	The company issued shares at par value as part of a group reorganisation to acquire 100% of the share capital of Pensana Metals. The difference between fair value and par value arising in the group at the date of the group reorganisation is recorded in the non-distributable merger reserve as part of the transaction. The company-level merger reserve represents the difference between the investment and nominal value of shares issued in the scheme of arrangement.

16. LOSS PER SHARE

	2025 cents per share	2024 cents per share
Basic loss per share		
Basic loss per share	3.95	2.03
Diluted loss per share		
Total diluted loss per share	3.95	2.03

16. LOSS PER SHARE continued

Basic loss per share

The net loss and weighted average number of ordinary shares used in the calculation of basic loss per share are as follows:

	2025 US\$	2024 US\$
Net loss	(11,497,912)	(5,818,045)
Losses used in the calculation of basic loss per share from continuing operations	(11,497,912)	(5,818,045)
Losses used in the calculation of diluted loss per share attributable to ordinary shareholders	(11,497,912)	(5,818,045)

	2025 Number	2024 Number
Weighted average number of ordinary shares for the purpose of calculating basic loss per share	291,117,481	285,997,684
Weighted average number of ordinary shares for the purpose of calculating diluted loss per share	291,117,481	285,997,684

The weighted average is calculated by adjusting the number of shares outstanding at the beginning of the period by the number of shares issued during the period, multiplied by a time-weighting factor to reflect the proportion of the period for which those shares were outstanding. Diluted loss per share equals basic loss per share. Potential ordinary shares that could dilute basic earnings per share in the future but were anti-dilutive for the year, amounted to 6,863,713 shares (30 June 2024: none).

As at year-end, there are no share options in issue (2024: none).

Share awards were issued to employees and management in November 2023 and in April 2025. Refer to note 24 for more details of the share awards.

17. DIVIDENDS

No dividends were paid or proposed during the current or previous financial year.

18. COMMITMENTS FOR EXPENDITURE

The group has certain obligations to perform exploration work and expend minimum amounts of money on mineral exploration tenements.

No provision is required for minimum expenditure requirements in respect of tenements.

Operating leases

The group has entered into leases with Regus Serviced Offices and Parkway Business Centre Limited in the UK, as well as with Workspace in South Africa. The group also has leases in Angola for offices in Luanda and Huambo, as well as a warehouse.

The leases are currently operating on a short-term basis. As the group is expanding, lease commitments have been kept to a minimum as it is likely that bigger premises will be required in the near future, hence the reason for the leases not being extended or are not anticipated to be extended beyond a 12-month period at inception.

18. COMMITMENTS FOR EXPENDITURE continued

Operating leases continued

There are no restrictions placed upon the lessee by entering into these leases.

	CONSOLIDATED		COMPANY	
	2025 US\$	2024 US\$	2025 US\$	2024 US\$
Operating lease expenditure				
Less than one year ¹	49,709	46,750	45,248	41,958
	49,709	46,750	45,248	41,958

¹ The short-term lease commitments that are less than one year have been reviewed under IFRS 16, and the short-term lease exemption has been applied.

Exploration commitments

Commitments for payments under exploration permits and mineral leases in existence at the reporting date but not yet incurred are as follows:

	CONSOLIDATED	
	2025 US\$	2024 US\$
Exploration and evaluation expenditure		
No longer than one year	–	–
Longer than one year and not longer than five years	–	–
Longer than five years	–	–
	–	–

Capital commitments

Capital expenditure contracted for at the reporting date but not yet incurred was as follows:

	CONSOLIDATED		COMPANY	
	2025 US\$	2024 US\$	2025 US\$	2024 US\$
Capital expenditure	2,502,588	1,006,698	–	–

The expenditure relates primarily to the Longonjo Project in Angola, as well as the Saltend Project in the UK.

19. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The directors are not aware of any other contingent liabilities or contingent assets that are likely to have a material effect on the results of the group as disclosed in these financial statements.

20. INTERESTS IN CONTROLLED ENTITIES

Name of entity	Country of incorporation	Principal activity	Registered office	OWNERSHIP INTEREST	
				2025 % ¹	2024 % ¹
Parent entity					
Pensana Plc	United Kingdom		107 Cheapside Second Floor London, EC2V 6DN, UK		
Controlled entities					
Saltend Magnet Metals Limited ²	United Kingdom	Manufacturing	107 Cheapside Second Floor London, EC2V 6DN, UK	100	100
Pensana Metals Limited ²	Australia	Mining	202/37 Barrack St Perth WA 6000 Australia	100	100
Carlton Resources Proprietary Limited	Australia	Holding company	202/37 Barrack St Perth WA 6000 Australia	100	100
Carlton Miyabi Tanzania Limited	Tanzania	Holding company	Plot 8, Block 41 Capri Point PO Box 10116 Mwanza – Tanzania	100	100
Carlton Kitongo Tanzania Limited	Tanzania	Holding company	Plot 8, Block 41 Capri Point PO Box 10116 Mwanza – Tanzania	100	100
Bright Star Tanzania Limited	Tanzania	Holding company	Plot 8, Block 41 Capri Point PO Box 10116 Mwanza – Tanzania	100	100
Rift Valley Resources (Africa) Proprietary Limited	Australia	Holding company	202/37 Barrack St Perth WA 6000 Australia	100	100
Rift Valley Resources Tanzania Limited	Tanzania	Holding company	Plot 8, Block 41 Capri Point PO Box 10116 Mwanza – Tanzania	100	100
Tasman Goldfields Australia Operations Proprietary Limited	Australia	Holding company	202/37 Barrack St Perth WA 6000 Australia	100	100
Sable Minerals Proprietary Limited	Australia	Holding company	202/37 Barrack St Perth WA 6000 Australia	100	100
Sable Min Unipessoal Lda (previously Sable Minerals GmbH) ²	Portugal	Holding company	Avenida 5 de Outubro nº 124, 7º Piso Distrito: Lisboa Concelho: Lisboa Freguesia: Avenidas Novas, Portugal	100	100

20. INTERESTS IN CONTROLLED ENTITIES continued

Name of entity	Country of incorporation	Principal activity	Registered office	OWNERSHIP INTEREST	
				2025 % ¹	2024 % ¹
SBLRTHS Unipessoal Lda (previously Sable Rare Earths GmbH) ²	Portugal	Holding company	Avenida 5 de Outubro nº 124, 7º Piso Distrito: Lisboa Concelho: Lisboa Freguesia: Avenidas Novas, Portugal	100	100
Ozango Minerais SA ³	Angola	Mining	BairroTalatona – Condomínio Dolce Vita Edifício n.º 1B, quinto andar, porta 5B Luanda, Angola	84	84
Coola Mining LDA ³	Angola	Exploration	BairroTalatona – Condomínio Dolce Vita Edifício n.º 1B, quinto andar, porta 5B Luanda, Angola	90	90
Mtemi G (Tanzania) Limited	Tanzania	Holding company	Plot 8, Block 41 Capri Point PO Box 10116 Mwanza – Tanzania	100	100
Mtemi O (Tanzania) Limited	Tanzania	Holding company	Plot 8, Block 41 Capri Point PO Box 10116 Mwanza – Tanzania	100	100
Mtemi U (Tanzania) Limited	Tanzania	Holding company	Plot 8, Block 41 Capri Point PO Box 10116 Mwanza – Tanzania	100	100

¹ All shareholdings are held via ordinary shares.
² Shares held directly by Pensana Plc.
³ Pensana Plc is the immediate and ultimate controlling party of the group as at 30 June 2025. During the exploration and development phases on the Longonjo and Coola projects, the minority shareholders are entitled to free carry. Prior to the distribution of dividends, the group's investment costs in the project will be reimbursed to the group from income generated from the project once free cash flows are established. The parent entity and its controlled entities are not within a tax-consolidated group.

21. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

Reconciliation of loss for the period to net cash flows from operating activities

	CONSOLIDATED	
	2025 US\$	2024 US\$
Net loss	(11,497,912)	(5,818,045)
<i>Add/less non-cash items</i>		
Depreciation	36,520	40,604
Share-based payments	3,215,116	1,013,840
Unrealised foreign exchange gains/(losses)	4,610,939	(562,611)
Impairment (reversal)/charge on financial assets	(552,986)	86,320
Decrease/(increase) in trade and other receivables	268,266	(188,473)
Interest accrued	40,000	–
Increase/(decrease) in trade and other payables	1,236,141	(131,238)
Net cash used in operating activities	(2,643,916)	(5,559,603)

Reconciliation of additions to property, plant and equipment and intangibles to payments for property, plant and equipment and intangibles used in investing activities

	Note	CONSOLIDATED	
		2025 US\$	2024 US\$
Additions to property, plant and equipment	11	(6,845,669)	(10,352,356)
Additions to Saltend intangible assets	10	(223,690)	(176,971)
Additions to exploration and evaluation	10	(60,217)	(153,448)
Total additions		(7,129,576)	(10,682,775)
Capital items included in working capital ¹		999,166	(3,957,140)
Payments for property, plant and equipment and intangibles		(6,130,410)	(14,639,915)

¹ Include interest capitalised of US\$964,671 (2024: US\$355,445).

22. FINANCIAL INSTRUMENTS

Financial risk management objectives

Senior management and the board monitor and manage the financial risk relating to the operations of the group and company. The group's activities include exposure to market price risk, foreign exchange risk, credit risk, liquidity risk and cash flow interest rate risk. The overall risk management programme focuses on managing these risks and implementing and monitoring controls over the cash management function. Owing to the unpredictability of finance markets, senior management and the board seek to minimise potential adverse effects on financial performance. There have been no substantive changes in the group and company's exposure to financial instrument risks, their objectives, policies and processes for managing these risks or the methods to measure them.

Capital risk management

The group and company manage their capital to ensure that they will be able to continue as a going concern. The group and company also currently use short-term bridging loans as capital. Refer to note 13. The group undertakes its exploration and evaluation and development activities through its subsidiaries. None of the group's entities are subject to externally imposed capital requirements.

Market price risk

The group and company are involved in the exploration and development of mining tenements for rare earths. Revenue from any future mining associated with metal sales, the acquisition and disposal consideration for mining tenements and the ability to raise funds through equity and debt will be largely dependent on the commodity price for resources at the time of the transaction. The group and company actively monitor factors that could impact market prices, including market demand, customer needs and potential new entrants into the rare earth industry.

Interest rate risk

The group and company are exposed to interest rate movements through their short-term bridging loans. Cash deposits with banks and financial institutions are managed by senior management and the board in accordance with the group and company's internal policy.

The group and company continuously monitor their exposure to interest rates and are comfortable with their exposure given the relatively short term of the bridging loans.

Interest of US\$964,671 (2024: US\$355,445) relating to the bridging loan was capitalised during the year. The group also received an external loan facility during the year with the interest being fixed at 5% and US\$40,000.

Credit risk management

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to financial loss. The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance sheet date, to recognised financial assets is the carrying amount of those assets, net of any provisions for estimated credit losses, as disclosed in the statement of financial position and notes to the financial statements. The group and company do not have any material credit risk exposure to any single debtor or group of debtors under financial instruments or customer contracts entered into by the group and company, other than cash deposits and the outstanding proceeds due from the June 2021 equity placing as disclosed in note 9. The group and company's internal policy requires deposits to be held with financial institutions holding a benchmark credit rating. At the balance sheet date, the majority of cash and deposits were held with Barclays Bank which has a Fitch rating of A+ as at period-end.

Financial instruments and cash deposits

Cash deposits with banks and financial institutions are managed by senior management and the board in accordance with the group and company's internal policy. We are exposed to credit risk from our investing activities that include balances with banks and financial institutions of US\$811,049 (30 June 2024: US\$1,515,378). The balance with banks and financial institutions for the company was US\$788,062 (30 June 2024: US\$118,655).

22. FINANCIAL INSTRUMENTS continued

Credit risk management continued

Trade and other receivables

As at 30 June 2025, the group was exposed to trade and other receivables of US\$686,844 (2024: US\$324,335). The company was exposed to trade and other receivables of US\$680,536 (2024: US\$310,198). An impairment analysis is performed at each reporting date by senior management on all trade and other receivable balances. The maximum exposure to credit risk for trade and other receivables at the reporting date is the carrying value of each class of financial asset. In respect of other receivables that were past due by more than 90 days, an estimated credit loss allowance has been recognised based on the estimated lifetime credit loss. Refer to note 9 for further details.

Foreign currency risk

The group and company are exposed to fluctuations in foreign currencies arising from the purchase of goods and services and the holding of assets and liabilities in currencies that are not the functional currency of the relevant group entity. In general, the group does not enter into any material derivatives to manage these currency risks.

As at 30 June 2025, the group had exposure to other foreign currencies; primarily the following exposure to the Australian dollar, British pound and the Angolan kwanza that is not designated in cash flow hedges. In addition, the company also had exposure to the US dollar.

	CONSOLIDATED		COMPANY	
	2025 US\$	2024 US\$	2025 US\$	2024 US\$
Level of exposure of foreign currency risk				
Carrying value of foreign currency balances				
<i>Cash and cash equivalents include balances denominated in:</i>				
Australian dollar	5,843	9,850	644	654
British pound	779,351	77,100		
Angolan kwanza	2,910	35,530	–	–
US dollar			20,406	48,831
Euro	1,358	1,045	–	–
Trade and other receivables include balances denominated in:				
British pound	674,816	242,986		
US dollar			–	–
Angolan kwanza	6,204	14,033	–	–
Trade and other payables include balances denominated in:				
Australian dollar	1,274	40,896	–	–
British pound	9,849,270	9,185,681		
Japanese yen	9,181	7,526	9,181	7,526
Euro	93,767	–	51,650	–
Angolan kwanza	1,128,962	1,283,167	–	–
US dollar			–	–
South African rand	277,343	11,400	(811)	11,400

22. FINANCIAL INSTRUMENTS continued

Foreign currency risk continued

The group and company's exposure to foreign currency arises where a company holds monetary assets and liabilities denominated in a currency different to the functional currency of the holder of the instrument which is the US dollar. The following table shows the impact of a 10% change in the US dollar on profit and equity arising as a result of the retranslation of the group's foreign currency financial instruments.

	GROUP		COMPANY	
	Effect of 10% strengthening of US\$ on net earnings and equity		Effect of 10% strengthening of US\$ on net earnings and equity	
	2025 US\$	2024 US\$	2025 US\$	2024 US\$
Angolan kwanza	111,985	123,360	–	–
British pound	839,510	886,559	832,945	879,982

Liquidity risk

Ultimate responsibility for liquidity risk management rests with the board of directors who have built an appropriate liquidity risk management framework for the management of the group and company's short-, medium- and long-term funding and liquidity management requirements. With reference to the current going concern commentary (note 3), the group will look to manage liquidity risk by maintaining adequate reserves, and by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets, expenditure commitments and liabilities.

The FSDEA loan facility was fully drawn by 30 June 2025 (30 June 2024: US\$10.4 million). The facility is in the process of being converted to equity as part of the Longonjo Phase 1 approved equity funding by FSDEA.

The group received an external loan facility in April 2025 of US\$800,000. A fixed coupon rate of 5% is payable on the facility. Repayment was initially scheduled for four months following the drawdown, however, the loan has subsequently been restructured into a new facility that carries interest at 12% per annum on the outstanding principal amount, to be paid quarterly in arrears. The term of the facility is 12 months for each drawdown.

NOTES TO THE FINANCIAL STATEMENTS continued
for the financial year ended 30 June 2025

22. FINANCIAL INSTRUMENTS continued

Liquidity risk continued

Maturity profile of financial instruments

The following table details the group's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on undiscounted cash flows as at 30 June 2025 and 30 June 2024.

	Less than 1 year US\$	1 to 5 years US\$	5+ years US\$	Total US\$
2025				
GROUP				
Financial liabilities				
Interest-bearing	17,160,116	–	–	17,160,116
Non-interest-bearing	14,185,244	–	–	14,185,244
COMPANY				
Financial liabilities				
Interest-bearing	17,160,116	–	–	17,160,116
Non-interest-bearing	25,291,924	–	–	25,291,924
2024				
GROUP				
Financial liabilities				
Interest-bearing	10,789,583	–	–	10,789,583
Non-interest-bearing	12,781,726	–	–	12,781,726
COMPANY				
Financial liabilities				
Interest-bearing	10,789,583	–	–	10,789,583
Non-interest-bearing	23,647,495	–	–	23,647,495

23. KEY MANAGEMENT PERSONNEL COMPENSATION

	CONSOLIDATED	
	2025 US\$	2024 US\$
Short-term employee benefits	2,985,810	1,535,358
Share-based payment	143,009	705,818
Total	3,128,819	2,241,176

This includes compensation for two executive directors (2024: two) and four non-executive directors (2024: five). Further details of the key management personnel compensation can be found in the directors' remuneration report.

24. SHARE-BASED PAYMENTS

Options

2025

During 2025, no share-based options were issued.

2024

During 2024, no share-based options were issued.

Reconciliation of options outstanding

The following reconciles outstanding share options provided as share-based payments at the beginning and end of the financial year:

	Number of options 2025	Weighted average exercise price 2025	Number of options 2024	Weighted average exercise price 2024
Balance at the beginning of the financial year	–	–	750,000	–
Vested during the financial year	–	–	(750,000)	US\$0.103
Balance at the end of the financial year	–	–	–	–
Exercisable at the end of the financial year	–	–	–	–

24. SHARE-BASED PAYMENTS

continued

Share awards

2025

Share awards were issued to executive directors in April 2025 as follows.

These awards are subject to four performance conditions, namely:

- full drawdown of the required Longonjo equity funding component for Stage 1, to the satisfaction of the remuneration and nomination committee (30% of award);
- full drawdown of the Longonjo debt component for Stage 1 (30% of award);
- 30% of award on cold commissioning of Longonjo Stage 1 (30% of award); and
- measured annually on the health, safety, security and environment framework (10% of award).

The vesting period for these shares is three years from 1 April 2025. No dividends are attributable during the vesting period.

Refer to the remuneration and nomination committee report on **page 64** of this annual report for more details.

The fair value of the share awards issued to executives was calculated using a Black-Scholes pricing model.

The key assumptions used in the models for shares granted during the year ended 30 June 2025 were as follows:

Share awards	1 April 2025
Quantity of shares issued	8,250,000 shares
Fair value of shares issued	US\$2,452,252 (£1,897,000)
Performance period	Three years
Volatility	n/a
Risk-free interest rate	n/a
Dividend yield	0%
Weighted average share price on grant and valuation date	US\$0.30 (£0.23)

2024

Share awards were issued to executive directors in November 2023 as follows.

These awards are subject to four performance conditions, namely:

- total shareholder return (35% of award);
- successful financing of the Longonjo Stage 1 development of US\$200 million (25% of award);
- 50% construction completion of the Longonjo Project on a cost basis (25% of award); and
- measured annually on the health, safety, security and environment framework (15% of award).

The vesting period for these conditions is 8 November 2023 to 30 June 2026. No dividends are attributable during the vesting period.

During the year, 25% of the FY2024 share awards vested, as successful financing of the Longonjo Stage 1 was completed and announced, with credit committee approvals by Absa and AFC.

Refer to the remuneration and nomination committee report on **page 64** of this annual report for more details.

The fair value of the share awards issued to executives was calculated using both a stochastic simulation model, as well as a Black-Scholes pricing model.

The key assumptions used in the models for shares granted during the year ended 30 June 2024 were as follows:

Share awards	8 November 2023
Quantity of shares issued	1,925,000 shares
Fair value of shares issued	US\$611,310 (£497,000)
Performance period	Three years
Volatility ¹	83.79%
Risk-free interest rate	4.45%
Dividend yield	0%
Weighted average share price on grant and valuation date	US\$0.32 (£0.26)

¹ Volatility was calculated over the period of time commensurate with the remainder of the performance period immediately prior to the date of grant.

24. SHARE-BASED PAYMENTS

continued

Share awards issued to employees

2025

Share awards were issued to employees in April 2025 as follows.

These awards are subject to three performance conditions, namely:

- full drawdown of the required Longonjo equity funding component for Stage 1, to the satisfaction of the remuneration and nomination committee (33.3% of award);
- full drawdown of the Longonjo debt component for Stage 1 (33.3% of award); and
- 33.4% of award on cold commissioning of Longonjo Stage 1 (33.4% of award).

The performance period is three years. There are no market-based vesting conditions on the share awards.

The fair value of the share awards is detailed below, and the share-based payment charge is charged to profit evenly between the grant and vesting dates. No dividends are attributable during the vesting period. The share awards have an exercise price of nil.

The fair value of the share awards issued to employees was calculated using a Black-Scholes pricing model.

The key assumptions used in the models for shares granted during the year ended 30 June 2025 were as follows:

Share awards	1 April 2025
Quantity of shares issued	5,650,000 shares
Fair value of shares issued	US\$1,680,510 (£1,300,000)
Performance period	Three years
Volatility	n/a
Risk-free interest rate	n/a
Dividend yield	0%
Weighted average share price on grant and valuation date	US\$0.30 (£0.23)

2024

Share awards were issued to employees in November 2023. These awards are subject to two performance conditions, namely:

- successful financing of the Longonjo Stage 1 development of US\$200 million (50% of award); and
- 50% construction completion of the Longonjo Project on a cost basis (50% of award).

The performance period is three years. There are no market-based vesting conditions on the share awards.

The fair value of the share awards is detailed below, and the share-based payment charge is charged to profit evenly between the grant and vesting dates. No dividends are attributable during the vesting period. The share awards have an exercise price of nil.

The fair value of the restricted shares issued in 2024 was calculated using the Black-Scholes pricing model. The key assumptions used in the model for shares granted during the year ended 30 June 2024 were as follows:

Share awards	8 November 2023
Quantity of shares issued	1,125,000 shares
Fair value of shares issued	US\$403,440 (£328,000)
Performance period	Three years
Volatility	83.79%
Dividend yield	0%
Weighted average share price on grant and valuation date	US\$0.36 (£0.29)

Share awards vesting in FY2025

During the year, 50% of the FY2024 share awards vested, as successful financing of the Longonjo Stage 1 development was completed and announced, with credit committee approvals by Absa and AFC.

25. RELATED PARTY TRANSACTIONS

Parent entity

The parent entity of the group is Pensana Plc which is incorporated in the UK.

Equity interests in related parties

Details of the percentage of ordinary shares held in subsidiaries are disclosed in note 20 to the financial statements.

Transactions with key management personnel and related parties

The aggregate compensation made to key management personnel is disclosed in note 6 to the financial statements, and details of the compensation have been provided in the remuneration report which forms part of the directors' report.

During the year, Mr Kaplan settled an amount of £49,000 against advances made to him previously, and in addition, provided funding of £293,307 to the company under the facility. The net amount owing to Mr Kaplan as at 30 June 2025 was £291,831 (30 June 2024: £49,913 owed to the company).

During the year, the chairman, Mr Atherley, made funds available to the company under the facility. The company settled the funds advanced under the facility by the issue of ordinary shares to him.

26. FEES PAYABLE TO BDO LLP FOR THE AUDIT OF THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS

	CONSOLIDATED	
	2025 US\$	2024 US\$
Fee payable to BDO LLP as the company's external auditor for the audit of the company's annual financial statements	213,042	203,613
Fee payable to BDO LLP as the company's external auditor for non-audit services to the group ¹	–	52,904

¹ During the period, there were no audit-related service fees (2024: US\$52,904) incurred by BDO LLP with respect to the half-year interim review.

27. SUBSEQUENT EVENTS

In July 2025, Ozango Minerais SA, which holds the Longonjo mining licence, entered into a subscription agreement with FSDEA, through its wholly owned subsidiary ASF Yova Mining Holding Limited, for the first tranche of Longonjo equity funding in an amount of US\$25 million. The revised shareholding in Ozango will be conditional and dependent upon fulfilment of the subscription agreement and execution of the full funding structure as part of Longonjo Phase 1 construction. At the date of approval of the financial statements, equity advanced under the subscription agreement amounted to US\$13,135,903.

In August 2025, the company restructured its external loan facility with an accredited UK-based investment house. The term of the facility is 12 months for each drawdown.

On 10 September, the company issued, further to the announcement dated 30 May 2025 regarding a £2 million placement to institutional shareholders, 3,290,476 new ordinary shares of £0.001 each. This accounts for 2,857,143 shares representing an amount of £1 million and 433,333 representing corporate finance fees to Quark Financial Limited.

Subsequent to year-end, the planning permission for Saltend refinery, as obtained in 2023, expired. Subsequent to the year-end, management made a strategic decision to defer the renewal, taking into account the refinements and updated designs currently underway as part of studies towards downstream refining opportunities. Management is in regular engagement with the Yorkshire council as part of the application process.

In October, the company and Wood entered into a full and final settlement agreement in relation to historical invoices. In relation to the settlement, the board agreed to issue, subject to admission of the shares to the Official List and trading on the London Stock Exchange, a total of 4,828,970 new ordinary shares of £0.001 each.

COMPANY
ANNUAL FINANCIAL
STATEMENTS

Company statement of financial position	134
Company statement of cash flows	135
Company statement of changes in equity	136
Notes to the company financial statements	138

COMPANY STATEMENT OF FINANCIAL POSITION

for the financial year ended 30 June 2025

	Note	30 June 2025 US\$	30 June 2024 US\$
ASSETS			
Non-current assets			
Investment in subsidiaries	C3	14,713,547	13,560,586
Trade and other receivables	C2	73,362,870	67,765,848
Property, plant and equipment	C5	4,776,820	4,254,864
Intangible assets	C6	13,505,785	12,447,465
Total non-current assets		106,359,022	98,028,763
Current assets			
Cash and cash equivalents	C1	788,062	118,655
Trade and other receivables	C2	976,871	888,294
Total current assets		1,764,933	1,006,949
Total assets		108,123,955	99,035,712
LIABILITIES			
Current liabilities			
Trade and other payables	C4	25,729,501	23,318,243
Loans and borrowings	13	17,160,116	10,789,583
Total current liabilities		42,889,617	34,107,826
Total liabilities		42,889,617	34,107,826
Net assets		65,234,338	64,927,886
Equity			
Issued capital	14	372,767	361,440
Share premium	15	73,047,517	70,826,007
Reserves	15	20,466,456	13,267,292
Accumulated losses	15	(28,652,402)	(19,526,853)
Total equity		65,234,338	64,927,886

The notes to the financial statements, included on **pages 138 to 142**, form an integral part of these financial statements.

The company's loss for the financial year was US\$10.3 million (2024: US\$2.9 million). The company has taken advantage of the section 408 exemption in the Companies Act 2006 not to present a separate statement of comprehensive income.

The financial statements were approved by the board of directors and authorised for issue on 14 October 2025 and are signed on its behalf by:



Steven Sharpe
Chairman of the audit and risk committee

Registered number: 12206525. Pensana Plc (the company) is incorporated in the UK, registered in England and Wales and domiciled in the UK.

COMPANY STATEMENT OF CASH FLOWS

for the financial year ended 30 June 2025

	Note	30 June 2025 US\$	30 June 2024 US\$
Cash flows from operating activities			
Operating cash flows	C8	(1,449,674)	(1,520,078)
Net cash used in operating activities		(1,449,674)	(1,520,078)
Cash flows from investing activities			
Technical assistance government grant received		770,839	–
R&D tax credit		–	1,037,336
Funding of group companies		(5,597,022)	(17,143,885)
Payments for property, plant and equipment and intangibles	C8	(96,239)	(1,350,601)
Net cash used in investing activities		(4,922,422)	(17,457,150)
Cash flows from financing activities			
Proceeds from issues of equity		1,674,783	–
Proceeds from issue of short-term debt		5,365,861	10,434,138
Net cash generated from financing activities		7,040,644	10,434,138
Net increase/(decrease) in cash and cash equivalents		668,548	(8,543,090)
Cash and cash equivalents at the beginning of the year		118,655	8,662,086
Effects of exchange rate changes on the balance of cash held in foreign currencies		859	(341)
Cash and cash equivalents at the end of the year	C1	788,062	118,655

The notes to the financial statements, included on **pages 138 to 142**, form an integral part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY

for the financial year ended 30 June 2025

	Issued share capital US\$	Share premium US\$	Accumulated losses US\$	Merger reserve US\$	Foreign currency reserve US\$	Share-based payments reserve US\$	Total US\$
Opening balance as at 1 July 2023	356,898	70,826,007	(17,422,387)	11,557,230	409,495	1,334,179	67,061,422
Loss for the year	–	–	(2,906,176)	–	–	–	(2,906,176)
Other comprehensive income	–	–	–	–	(241,200)	–	(241,200)
Total comprehensive income for the year	–	–	(2,906,176)	–	(241,200)	–	(3,147,376)
Issue of shares (note 14)	4,542	–	801,710	–	–	(806,252)	–
Share-based payments	–	–	–	–	–	1,013,840	1,013,840
Balance as at 30 June 2024	361,440	70,826,007	(19,526,853)	11,557,230	168,295	1,541,767	64,927,886
Opening balance as at 1 July 2024	361,440	70,826,007	(19,526,853)	11,557,230	168,295	1,541,767	64,927,886
Loss for the year	–	–	(10,261,691)	–	–	–	(10,261,691)
Other comprehensive income	–	–	–	–	5,125,509	–	5,125,509
Total comprehensive income for the year	–	–	(10,261,691)	–	5,125,509	–	(5,136,182)
Issue of shares (note 14)	11,327	2,291,890	1,136,142	–	–	(1,141,461)	2,297,898
Capital raising costs	–	(70,380)	–	–	–	–	(70,380)
Share-based payments	–	–	–	–	–	3,215,116	3,215,116
Balance as at 30 June 2025	372,767	73,047,517	(28,652,402)	11,557,230	5,293,804	3,615,422	65,234,338

The notes to the financial statements, included on **pages 138 to 142**, form an integral part of these financial statements.

NOTES TO THE COMPANY FINANCIAL STATEMENTS

for the financial year ended 30 June 2025

BASIS OF PREPARATION

The basis of preparation for the Pensana Plc company financial statements is set out within the consolidated financial statements.

The company's results are presented in US dollars, the presentation currency of the group, and are rounded to the nearest dollar.

Material accounting policies, new accounting pronouncements and going concern

The accounting policies applied, new accounting pronouncements and going concern are consistent with those adopted and disclosed in the group financial statements for the year ended 30 June 2025. Refer to note 4 Critical accounting judgements and key sources of estimation uncertainty of the company's investment in subsidiaries and loans to subsidiaries, for details of the impairment indicator assessments performed.

Information included in the notes to the consolidated financial statements

The following information has also been included in the notes to the consolidated financial statements as disclosed above:

Note 14 – Issued capital	Note 23 – Key management personnel compensation
Note 15 – Reserves	Note 24 – Share-based payments
Note 18 – Commitments for expenditure	Note 26 – Fees payable to BDO LLP for the audit of the parent company and consolidated financial statements
Note 19 – Contingent liabilities and contingent assets	Note 27 – Subsequent events
Note 22 – Financial instruments	

C1. CASH AND CASH EQUIVALENTS

	30 June 2025 US\$	30 June 2024 US\$
Cash at bank and on hand	788,062	118,655
Total	788,062	118,655

C2. TRADE AND OTHER RECEIVABLES

	2025 US\$	2024 US\$
Current		
Prepayments	191,957	38,846
R&D tax credits	–	509,503
VAT receivables	104,378	29,746
Other receivables	680,536	310,199
	976,871	888,294
Non-current		
Amounts owed by group undertakings	73,362,870	67,765,848
Total	74,339,741	68,654,142

C2. TRADE AND OTHER RECEIVABLES continued

Balances with subsidiaries at year-end were:

	30 June 2025 US\$	30 June 2024 US\$
Pensana Metals Limited	16,368,195	16,355,697
Ozango Minerais SA	11,012,320	10,320,144
Coola Mining Lda	57,173	54,145
SBLRTHS Unipessoal Lda	3,229,842	3,142,469
Sable Min Unipessoal Lda	40,306,688	35,798,591
Saltend Magnet Metals Limited	2,388,652	2,094,802
Total	73,362,870	67,765,848

Amounts owed by group undertakings are unrestricted and payable on demand, but the directors do not anticipate that they will be paid within 12 months and, therefore, have classified them as non-current. As part of the company's going concern assessments, the directors have assessed the ECLs, the viability of the project considered alongside the macro environment reviewed and evidenced no need for adjusting the carrying value of the company's loan receivables. Refer to note 4 Significant accounting judgements for the impairment indicator assessments performed.

Pensana Plc is the immediate and ultimate controlling party of the group as at 30 June 2025. Refer to note 20 to the consolidated financial statements.

The increase in amounts owed by group undertakings was the result of the increase in funds being advanced to subsidiaries for the development of the group's projects, in particular, Longonjo.

C3. INVESTMENTS IN SUBSIDIARIES

Investments of US\$14.7 million (30 June 2024: US\$13.6 million) represent the parent company's investment in subsidiary companies as at year-end. Investments in subsidiaries are stated at cost less, where appropriate, provisions for impairment.

Refer to note 20 for details of interests held in subsidiaries.

C4. TRADE AND OTHER PAYABLES

	30 June 2025 US\$	30 June 2024 US\$
Inter-company loan payable to Pensana Metals	14,648,814	13,500,926
Trade payables	9,833,320	9,130,905
Statutory liabilities	439,605	34,304
Accrued expense	807,762	652,108
Total	25,729,501	23,318,243

NOTES TO THE COMPANY FINANCIAL STATEMENTS continued

for the financial year ended 30 June 2025

C5. PROPERTY, PLANT AND EQUIPMENT

	Development asset US\$	Assets under construction ¹ US\$	Computer equipment US\$	Total US\$
2025				
Cost				
Balance as at 1 July 2024	437,829	3,813,227	20,500	4,271,556
Additions	934,450	–	–	934,450
Technical assistance grants received	(512,843)	(257,996)	–	(770,839)
Adjustment on currency translation	37,226	324,212	1,743	363,181
Balance as at 30 June 2025	896,662	3,879,443	22,243	4,798,348
Depreciation				
Balance as at 1 July 2024	–	–	16,692	16,692
Charge for the year	–	–	3,417	3,417
Adjustment on currency translation	–	–	1,419	1,419
Balance as at 30 June 2025	–	–	21,528	21,528
Net book value				
As at 30 June 2024	437,829	3,813,227	3,808	4,254,864
As at 30 June 2025	896,662	3,879,443	715	4,776,820
2024				
Cost				
Balance as at 1 July 2023	82,791	3,261,650	19,570	3,364,011
Additions	355,445	1,409	1,026	357,880
Reclassification	–	607,068	–	607,068
Adjustment on currency translation	(407)	(56,900)	(96)	(57,403)
Balance as at 30 June 2024	437,829	3,813,227	20,500	4,271,556
Depreciation				
Balance as at 1 July 2023	–	–	10,418	10,418
Charge for the year	–	–	6,325	6,325
Adjustment on currency translation	–	–	(51)	(51)
Balance as at 30 June 2024	–	–	16,692	16,692
Net book value				
As at 30 June 2023	82,791	3,261,650	9,153	3,353,594
As at 30 June 2024	437,829	3,813,227	3,808	4,254,864

¹ Assets under construction relate to Saltend.

C6. INTANGIBLE ASSETS

	2025 US\$	2024 US\$
Carrying value		
Balance at the beginning of the year	12,447,465	13,577,069
Additions	–	12,959
R&D tax credits	–	(509,503)
Reclassification	–	(607,068)
Adjustment on currency translation	1,058,320	(25,992)
Balance at the end of the year	13,505,785	12,447,465

C7. EMPLOYEE COSTS

	2025 US\$	2024 US\$
Short-term employee benefits	2,367,566	1,300,342
Share-based payments	3,215,116	1,013,840
Total	5,582,682	2,314,182

The company employed 14 people as at 30 June 2025 (30 June 2024: 16 people).

C8. NOTES TO THE STATEMENT OF CASH FLOWS

Reconciliation of loss for the period to net cash flows from operating activities

	30 June 2025 US\$	30 June 2024 US\$
Net loss before tax	(10,261,691)	(2,906,176)
<i>Add/less non-cash items</i>		
Depreciation	3,417	6,325
Share-based payments	3,215,116	1,013,840
Impairment (reversal)/charge on financial assets	(552,986)	86,320
Foreign exchange losses	3,362,546	(1,112,307)
Decrease in trade and other receivables	464,408	914,913
Interest accrued	40,000	–
Increase in trade and other payables	2,279,516	477,007
Net cash used in operating activities	(1,449,674)	(1,520,078)

C8. NOTES TO THE STATEMENT OF CASH FLOWS

continued

Reconciliation of property, plant and equipment and intangibles additions for the period to net cash flows from investing activities

	Note	CONSOLIDATED	
		2025 US\$	2024 US\$
Additions to property, plant and equipment	C5	(934,450)	(357,880)
Additions to intangible assets	C6	–	(12,959)
Total additions		(934,450)	(370,839)
Capital items included in working capital ¹		838,211	(979,762)
Payments for property, plant and equipment and intangibles (cash flow investing activities)		(96,239)	(1,350,601)

¹ Include interest capitalised of US\$964,671 (2024: US\$355,445).

ABBREVIATIONS

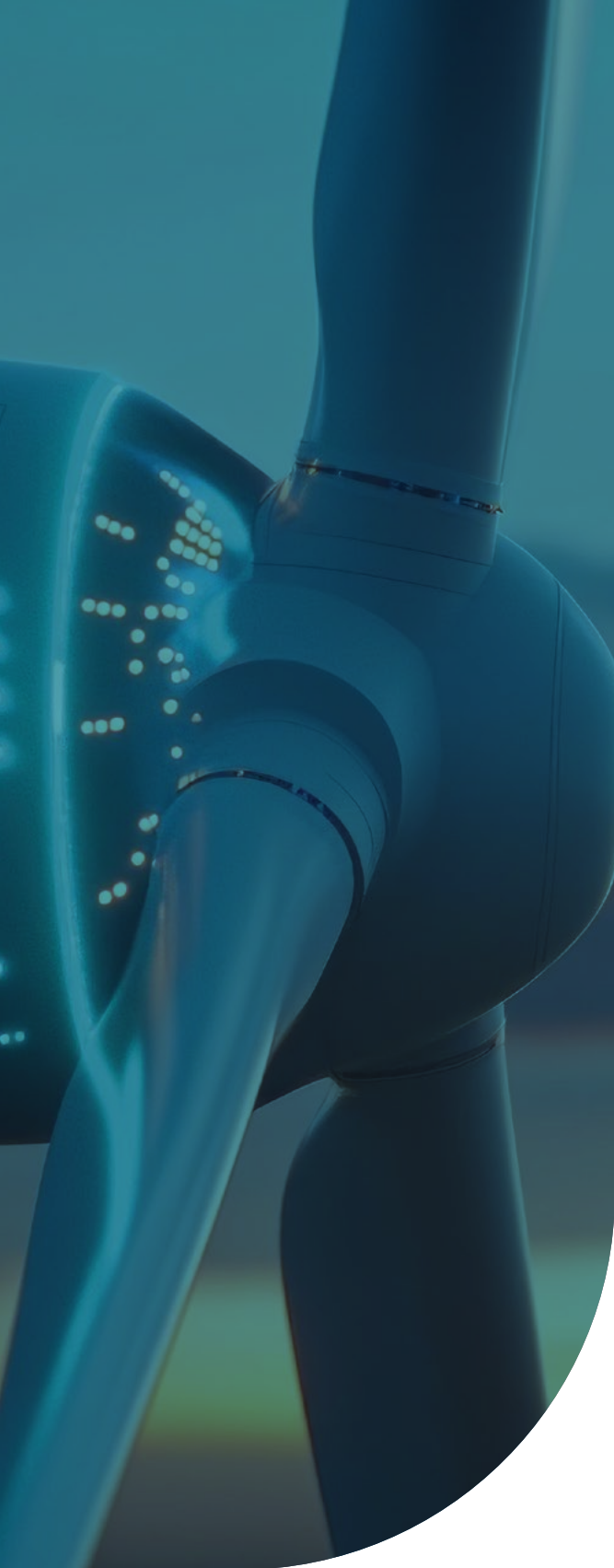
µm	Micrometre
ABGM	A&B Global Mining Proprietary Limited
Absa	Absa Bank Limited
AFC	Africa Finance Corporation
AGM	Annual general meeting
AIM	The London Stock Exchange's international market for smaller growing companies (formerly known as the Alternative Investment Market)
ASX	Australian Securities Exchange
AUD	Australian dollar
Blueprint	Pensana Blueprint for Sustainable Rare Earths
°C	Degrees Centigrade
CEO	Chief executive officer
CGU	Cash-generating unit
CICERO	Centre for International Climate Research Shades of Green, formerly part of CICERO, now part of S&P Global, provides independent research-based evaluations of green bond and sustainability financing frameworks to determine their environmental robustness. In December 2022, S&P Global acquired the Shades of Green business from CICERO
CMIP6	Coupled Model Intercomparison Project
CO ₂	Carbon dioxide
DFC	US International Development Finance Corporation
DRC	Democratic Republic of the Congo
ECL	Expected credit loss/es
ESG	Environmental, social and governance
ESIA	Environmental and Social Impact Assessment
EU	European Union
FEED	Front-end engineering design
FRC	Financial Reporting Council
FSDEA	Fundo Soberano de Angola
FTSC	FTSE Small Cap
FTSE	Financial Times Stock Exchange
FY	Financial year
GBP	British pound
GHG	Greenhouse gas

GW	Gigawatt
H2	Second half of the financial year
HR	Human resources
IAS	International Accounting Standards
ICMM	International Council on Mining and Metals
IEA	International Energy Agency
IFC	International Finance Corporation
IFRS	IFRS® Accounting Standards
ISAs (UK)	International Standards on Auditing (UK)
ISO	International Organisation for Standardisation
JORC	2012 Australasian Code for Reporting of Mineral Resources and Ore Reserves
km	Kilometre
km ²	Square kilometre
KPI	Key performance indicator
kV	Kilovolt
kWh	Kilowatt hour
LAR	Lobito Atlantic Railway
LOM	Life-of-mine
LRP	Livelihood Restoration Plan
LSE	London Stock Exchange
LTI	Long-term incentive
LTIFR	Lost time injury frequency rate
m	Metre
m ²	Square metre
m ³	Cubic metre
M&G	M&G Investment Management
MCC	Mining Consultancy Company Limited
mg/l	Milligrams per litre
MOU	Memorandum of understanding
MREC	Mixed rare earth carbonate
MSP	Minerals Security Partnership
Mt	Million tonnes
Mtpa	Million tonnes per annum
MW	Megawatt

NdPr	Neodymium and praseodymium
NGO	Non-governmental organisation
OEM	Original equipment manufacturer
Ozango	Ozango Minerais SA
PGI	G7 Partnership for Global Infrastructure and Investment
QCA	Quoted Companies Alliance
R&D	Research and development
RAP	Resettlement Action Plan
REE	Rare earth element
ReElement	ReElement Technologies
REO	Rare earth oxide
RESF	Rare earth separation facility
RNS	Regulatory News Service
ROM	Run-of-mine
SSP	Shared Socioeconomic Pathways
STEM	Science, technology, engineering and mathematics
STI	Short-term incentive
t	Tonne
TCFD	Task Force on Climate-related Financial Disclosures
tCO ₂ e	Tonnes (t) of carbon dioxide (CO ₂) equivalent
tpa	Tonnes per annum
TREO	Total rare earth oxide
TSF	Tailings storage facility
TSR	Total shareholder return
UK	United Kingdom
US	United States
US\$	United States dollar
VAT	Value added tax
XRF	X-ray fluorescence

CORPORATE DIRECTORY

Directors	Mr Paul Atherley – Executive chairman Mr Timothy George – Executive director/chief executive officer Mr Robert Kaplan – Finance director Ms Alison Saxby – Non-executive director Mr Steven Sharpe – Non-executive director
Chief executive officer	Mr Timothy George
Chief operating officer	Mrs Karen Brown, as of 1 October 2025 (previously Mr Rocky Smith)
Company secretary	St James's Corporate Services Limited
Registered office	107 Cheapside Second Floor London EC2V 6DN, United Kingdom
Share registry UK	Computershare The Pavilions, Bridgwater Road Bristol BS13 8AE, United Kingdom
Auditor	BDO LLP 55 Baker Street London W1U 7EU United Kingdom
Lawyers UK	Simmons and Simmons City Point, 1 Ropemaker Street London EC2Y 9SS United Kingdom
LSE code	PRE
Website	www.pensana.co.uk
Pensana Plc	Company registration number: 12206525



www.pensana.co.uk