

## THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION

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

## UPDATE ON LONGONJO MINE DEVELOPMENT DOWNSTREAM AND OFFTAKE

Pensana Plc (LSE: PRE) is pleased to provide an update on the construction of the Longonjo Mine in Angola together with details of the downstream separation and metal conversion strategy which combined with the proposed offtake arrangements are aimed at establishing an independent mine-to-magnet supply chain supporting U.S. and international magnet makers and automotive OEMs and other industrial customers.

### Highlights at a Glance

- The \$250 million development is on target and on budget for first MREC commissioning in 2027 with a 20 year mine life producing initially 20,000 tonnes of clean MREC expanding to 40,000 tonnes in Year four.
- \$36 million has been spent on the direct mine and processing plant development costs and the main construction programme is now 22% complete. The major site earthworks, geotechnical, drilling and test-piling programmes have been completed and the on-site concrete batch and aggregate plants have been fully commissioned.
- Manufacture of the long-lead process equipment is well advanced, with approximately \$135 million of total capex (US\$250 million) expenditure currently committed under the procurement schedule.
- A heavy rare earth recovery circuit optimisation is underway, targeting a production of dysprosium and terbium production of over 122 tonnes per year, making Longonjo one of the western world's largest heavy rare earth producers.
- A modular separation facility is being engineered which will be scalable with the planned mine expansion and will include a metallization circuit to convert both the light and heavy rare earth oxides into metal for direct supply to magnet manufacturers.
- Longonjo hosts one of the world's largest undeveloped rare earth mines with a JORC Ore Reserve containing 139,457 tonnes of NdPrO and 3,689 tonnes of DbTyO with a mine of life more than 20 years based on near surface resources, with the potential to increase this to over one billion tonnes after the forthcoming drilling programme.
- The U.S. Mine-to-Magnet strategy is anchored by US\$165 million strategic investment from Cascade Natural Resources alongside up to US\$160 million ABSA debt financing underpinned by political and commercial risk insurance by US EXIM.
- A multi-partner offtake framework has been established anchored by Toyota Tsusho (Japan), ReElement Technologies (US), and VAC/eVAC Magnetics (US/Germany), spanning the rare earth value chain.
- All the major Japanese trading houses have been engaged, including Hanwa, who are sponsoring an investigation into rare earth separation with the Japanese government under METI's Global South Initiative.
- Currently engaged partners include all three of the main Japanese magnet producers (Shin-Etsu, Proterial, and TDK and tier-one suppliers in Japan (Honda, Nissan and Daido

Electronics), and leading automotive OEMs in Europe (Mercedes, JLR, BMW and VW) and the US (Tesla and General Motors).

- Preparations for a NASDAQ listing are underway to broaden access to US capital markets.

**Tim George Pensana CEO commented:** “We are delighted with the progress by the team on site led by Kevin Botha and Geraldine Tchimbali Máquina. Detailed design has progressed well and resulted in securing the bulk of the procurement program and consequent fabrication processes, thus significantly reducing possible capital overruns. We now look forward to the progressive arrival of the main process plant equipment currently being manufactured offsite and completing the balance of the main construction phase in the coming year.”

**Paul Atherley Chairman commented:** “Longonjo is one of the largest rare earth deposits ever to be developed and has the advantage of world class infrastructure of the Lobito Corridor, hydroelectric power and highly supportive Angolan government and sovereign wealth fund.

Once in full production it will be one of the world’s biggest producers of both light and heavy rare earths and will form part of an integrated and independent rare earth supply chain supporting the Japanese, US and European economies.”

## Longonjo rare earth mine – Development Update

### Project Overview

The Longonjo Rare Earth Mine is located in the Huambo district of Angola, approximately 350 kilometres southeast of Luanda. The project is situated within 5 kilometres of the sealed national road and the Lobito Corridor railway line, providing direct access to the Atlantic Port of Lobito approximately 300 kilometres to the west, from which MREC product will be exported globally.

The operation will extract, concentrate, calcine and chemically refine the near-surface free-dig carbonatite material to produce a high-value mixed rare earth carbonate (MREC), to be railed to Lobito for international export.

### Resource and Reserve

Parameter	Detail	Unit	Notes
Ore Reserve (Stage 1)	22 million	tonnes	JORC-compliant, Measured & Indicated only
Reserve Grade (TREO)	3.04%	% TREO	One of the highest grades globally
NdPrO Content	139,457	tonnes	Magnet metal oxide
DyO + TbO Content	3,689	tonnes	Magnet metal oxide
Mine Life	20+	years	Stage 1 development
ROM Throughput	0.85	Mtpa	Stage 1 design basis
Phase 1 MREC Output	20,000	tpa	Initial production capacity
Phase 2 MREC Output	40,000	tpa	Expansion phase from ~2029

### Construction Progress

#### Main Construction Phase (Active — 2026)

Construction at Longonjo is advancing at full pace and firmly on schedule at over 20% completion of the full project schedule. Main construction activities commenced on plan following the successful conclusion of the FSDEA-funded early works programme.

The site-wide earthworks are now substantially complete, including all earthworks associated with the plant terrace, and supporting geotechnical and drilling programmes previously announced have been completed with all investigations completed and the drilling rig demobilized in April.

The test-piling programme is also complete with an initial 38 piles providing the data now being used to finalise the full piling design. Second and third pile batches are on order, with deliveries due over the coming weeks, giving a total of approximately 1,600m of piling.

The on-site concrete batch and aggregate plants are installed, operational and in use, and at the office and stores complex the earthworks are complete with civil works now commenced.

The procurement programme is well underway with the longest-lead process equipment well advanced and broadly on track. The Sulphuric Acid Plant (Clark Solutions), the single longest-lead package is around 50% complete and has been tracking ahead of schedule. The Ball Mill (NCP), the longest-lead process item, is fully complete.

The main engineering detailed design work by Pro-Process and Lycopodium is advancing well at above

40% completion.

Among the other major procurement workstreams, the Flash Dryer (Ingetecsa) is 56% complete and running slightly ahead of schedule, the Mixer (Ingetecsa) is 69% complete and on target, and the Calciner (Drytech) 69% complete.

### **Infrastructure & Logistics**

Longonjo enjoys an outstanding infrastructure position. The mine sits nearby the national grid linked to the 2GW Laúca hydropower scheme, delivering low-cost, low-carbon electricity that underpins both operating economics and the Company's strong environmental credentials.

Located just 4km from the Lobito Corridor rail line, which is operated under concession by the Trafigura, Mota-Engil and Vecturis consortium. The product will be railed 273km to the Atlantic Port of Lobito, providing fast, efficient and direct access to customers across the United States, Europe and Asia.

### **HREE Recovery Circuit — Upgrade Programme**

A significant value-enhancement initiative has been initiated to develop a Heavy Rare Earth Element (HREE) recovery facility alongside the primary MREC process plant. Technical studies indicate that the current MREC product, which contains approximately 30 tonnes per annum of HREO, can be upgraded to contain up to 122 tonnes of HREO comprising of dysprosium oxide (DyO) and terbium oxide (TbO) in addition to a higher proportion of SEG products than initially anticipated.

At current market pricing, DyO trades at approximately \$208,000 per tonne and TbO at approximately \$918,950 per tonne, representing material additional revenue potential. Capital and operating cost studies for the HREE circuit are being finalised.

This upgrade materially strengthens Longonjo's position as one of the very few suppliers outside China capable of delivering both light and heavy rare earth elements into the full mine-to-magnet supply chain. Encouragingly, offtake partners have already confirmed both increased demand and enhanced valuation for MREC with higher HREO content, reinforcing the compelling commercial logic of the investment.

### **Exploration & Resource Expansion**

An expanded drilling programme has been launched to grow the Longonjo resource inventory further, with the clear ambition of cementing Longonjo's standing among the largest rare earth mines in the world.

## **Downstream Strategy – Separation and Metal Conversion**

### **Downstream Separation & Metal Conversion: Saltend Process Design Optimisation**

Pensana is actively optimising the process design of the previously engineered Saltend separation facility, with the objective of deploying that intellectual property and engineering in the most operationally and commercially advantageous location. The evaluation draws on the substantial body of Front End Engineering Design (FEED) work already completed, preserving the value of the investment made to date whilst ensuring the facility configuration is right-sized and right-sited for the project's evolving requirements.

A key output of the optimisation programme is the re-engineering of the facility into a series of modular processing trains. This modular architecture will allow separation capacity to be scaled precisely to match mine output at each stage of development, with additional trains commissioned in line with the planned expansion of the Longonjo mine from initial Phase 1 production of 20,000 tpa MREC towards the Phase 2 target of 40,000 tpa. The modular approach delivers capital efficiency, operational flexibility, and reduced execution risk compared to a single-train design.

The optimised facility design will also incorporate a dedicated heavy rare earth element (HREE) separation circuit, now under active evaluation. This circuit will complement the HREE recovery upgrade being developed at the Longonjo mine site (see Section 2), enabling the full range of separated rare earth oxides — including neodymium, praseodymium, dysprosium and terbium — to be produced within a single integrated downstream facility and presented directly to magnet metal conversion and manufacturing customers.

A transformational milestone in the delivery of Pensana's full magnet metal value chain has been achieved through the successful award of a grant under the European Union's Horizon Europe programme — specifically the PerMaNet (Permanent Magnet Network for the European Transition) initiative (Horizon-CL4-2024-RESILIENCE-01). This grant will enable Pensana to link rare earth separation directly into a metal conversion facility, delivering a fully integrated mine-to-magnet value chain — from Longonjo ore, through separated rare earth oxides and metal alloy conversion, to permanent magnet production — with first integrated output targeted for 2028. The award positions Pensana as one of the few fully vertically integrated Western rare earth producers operating outside of China.

## **US Mine-to-Magnet Strategy**

### **Japan — Separation via Toyota Tsusho / Toyotsu Rare Earth India**

In June 2025, Pensana signed a non-binding MOU with Toyota Tsusho Corporation — the trading arm of the Toyota Group — for the proposed offtake of up to 20,000 tonnes per annum of MREC from Longonjo over a five-year period, with pricing to be agreed.

Toyota Tsusho intends to deploy Toyotsu Rare Earths India (TREI) — its established processing subsidiary, operating in India since 2013 — to separate Longonjo's MREC into individual rare earth oxides, which will then serve Toyota Tsusho's well-established base of Japanese magnet manufacturer customers. Both parties are actively exploring deeper cooperation across the rare earth value chain.

### **eVAC Magnetics / Vacuumschmelze (VAC) — Magnet Production Partnership**

In October 2025, Pensana signed a Memorandum of Understanding with Vacuumschmelze GmbH & Co. KG (VAC), a global leader in rare earth permanent magnets, to establish a major mine-to-magnet supply chain in the United States. VAC recently commissioned its eVAC Magnetics facility in Sumter, South Carolina.

Under this partnership, MREC from Longonjo is intended to feed the new eVAC Magnetics permanent

magnet plant in South Carolina, whose NdFeB magnet output is designed to scale rapidly from an initial 2,000 tpa to 12,000 tpa by 2029. These magnets will serve high-growth, strategically vital end markets — automotive, wind energy and the US defence sector. VAC is additionally developing heavy-rare-earth-free magnet alloys, further reducing reliance on Chinese supply chains and strengthening the strategic resilience of the partnership.

### **ReElement Technologies — US Rare Earth Refining**

In June 2025, Pensana signed a non-binding MOU with ReElement Technologies, the rare earth refining division of American Resources Corporation, for a proposed offtake of MREC from Longonjo over a five-year period for potential processing through ReElement's developing Marion facility located in Indiana.

The proposed separation licencing agreement is designed to help establish a sustainable, independent rare earth supply chain serving US and Allied defence and commercial industries aiming to convert the Longonjo MREC material to Oxide for further processing. ReElement's advanced refining platform is recognised as a low-waste, cost-effective route to producing separated rare earth oxides, and both parties have agreed to leverage the Lobito Corridor for low-cost, efficient access to global export markets.

### **Product Quality and Customer Qualification**

A major potential customer has formally approved the product qualification specifications for Longonjo's mixed rare earth carbonate (MREC) product which is a key commercial milestone confirming its suitability for downstream separation processes.

Longonjo's MREC is characterised as 'ultra-clean', carrying a notably low impurity profile relative to other global producers. This is a significant competitive advantage for downstream separation. The planned HREE upgrade further enhances the product's appeal to separation and magnet customers.

## Offtake Landscape and Commercial Framework

### Overview of Offtake Position

Pensana is establishing strategic offtake partnerships responding to the significant global demand for the Mixed Rare Earth Carbonate product but also the separated oxides and metal. The demand covers the three main geographies of Japan, Europe and the United States. The Company's pipeline of MOUs has the potential to cover up to 100% of initial Phase 1 production of 20,000 tpa MREC, with significant interest also confirmed for Phase 2 production at 40,000 tpa.

Partner	Geography	Volume (tpa)	Duration	Product	Status
Toyota Tsusho Corporation	Japan / India (TREI)	Up to 20,000	5 years	MREC	MOU (Jun 2025)
ReElement Technologies	United States (Indiana)	TBC	5 years	MREC	MOU (Jun 2025)
eVAC Magnetics / VAC	United States (S. Carolina)	TBC	TBC	MREC → NdFeB magnets	MOU (Oct 2025)
Undisclosed	Europe	10,000	5 years	MREC	

### Market Context and Macro Tailwinds

The market backdrop for Western rare earth supply has shifted decisively in Pensana's favour, with several developments materially increasing both the urgency and the value of Longonjo's MREC production. On policy, the US Administration has signaled significant state support for domestic and allied rare earth production — including guaranteed offtake arrangements for US producers and a stated commitment to remove Chinese-origin rare earth materials from American weapon systems by 2027, a timeline that aligns directly with Longonjo's first production. A reported 25% US tariff on Chinese rare earth imports from 2026 further improves the economics of Western-sourced supply.

Simultaneously, export controls on medium and heavy rare earths introduced by China in late 2025 have driven sharp price increases for controlled materials outside China, strengthening the commercial case for Longonjo's HREE-enriched MREC. Demand-side momentum is equally compelling: emerging humanoid robotics and AI applications represent a substantial new source of NdFeB magnet demand on top of the established electric vehicle and wind turbine markets, positioning Longonjo to deliver during a period of accelerating global demand for NdPr oxides.

### Pricing Framework

Offtake pricing across Pensana's current MOU portfolio remains subject to final agreement and the Company is positioning itself to maximise the value in implementing offtakes in line with the company strategy. The Company is engaged in detailed pricing discussions with all offtake partners, with frameworks expected to reflect market benchmarks for MREC and separated rare earth oxide and metal products.

### Demand Pipeline — Phase 2

The Company has confirmed high interest in proposed Phase 2 production, which would double MREC output to 40,000 tpa from approximately 2029. Discussions are underway with existing and new offtake partners regarding capacity allocations for Phase 2 production.

## **Financing and Corporate Developments**

### **Financing Structure**

#### **Cascade Natural Resources Strategic Investment — US\$165 million**

In December 2025, Pensana announced a US\$165 million strategic equity investment from Cascade Natural Resources Limited to support the development of the Company's US Mine-to-Magnet strategy. The investment has since been revised and updated, with the transaction structure subject to finalisation of long-form documentation.

On completion, Cascade is expected to hold approximately 4% of Pensana and 38.2% of Sable Min., the Company's wholly owned Portuguese subsidiary. Proceeds are earmarked to accelerate construction at Longonjo, advance the HREE drilling programme, progress early downstream initiatives in the USA, fund NASDAQ listing costs and cover corporate expenditure ahead of first production in 2027.

#### **ABSA Debt Financing — US\$160 million (US EXIM Guaranteed)**

Together with the Cascade equity investment, Pensana has a proposed US\$160 million debt financing package being arranged by ABSA, guaranteed by the Export-Import Bank of the United States (US EXIM), intended to support construction of the Longonjo mine.

#### **FSDEA — Angola Sovereign Wealth Fund**

The Angolan Sovereign Wealth Fund (FSDEA) has been Pensana's primary construction finance partner. The FSDEA-funded early works programme was successfully concluded in 2025, with the final tranche of a US\$25 million equity facility having been received by subsidiary Ozango Minerais SA and fully deployed toward Longonjo main construction activities.

FSDEA remains a committed shareholder and strategic partner in the Longonjo project providing continual support across all facets of the Longonjo Project development and Angolan landscape.

#### **NASDAQ Dual-Listing**

The Company's Board is actively evaluating a potential listing on the NASDAQ Stock Market in the United States, in addition to the existing LSE listing (LSE: PRE), to broaden the Company's investor base and deepen access to US institutional capital in the context of the Company's US Mine-to-Magnet strategy.

## **About Pensana**

Pensana is developing one of the world's largest and highest-grade magnet metal rare earth deposits which will initially produce 20,000 tpa of a clean high value MREC including both LREE and HREE. The plan is to expand production to 40,000 tpa of MREC once initial operations have been established.

The Longonjo operation will extract, concentrate, calcine and chemically refine the free dig material to produce a high-value MREC which will be railed 273km in containers to the Atlantic port of Lobito for export.

Pensana is looking to establish a world class fully integrated U.S. Mine-to-magnet supply chain in partnership with eVAC magnetics South Carolina with backing from the U.S. Government.

The Longonjo rare earths deposit is located adjacent to the Lobito rail Corridor approximately 60 km west of the provincial capital of Huambo in central Angola.

The project currently under development comprises an open pit, concentrator and recovery plants, tailings storage facility (designed to meet the requirements of the Global Industry Standard on Tailings Management), process water supply, bulk power supply, mine infrastructure, workshops, offices, accommodation village, recreational facilities, and other associated infrastructure.

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

**-ENDS-**

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