



2020 ANNUAL GENERAL MEETING

LETTER FROM THE CHAIRMAN

PENSANA RARE EARTHS PLC

(Registered in England & Wales with Company No. 12206525)

Registered Office
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6 November 2020

Dear Shareholder,

I am writing to provide details of the Company's first AGM which is to be held on 30 November 2020, at 09:00 GMT. The continuing COVID-19 pandemic has led to the imposition of severe restrictions on public gatherings and as a consequence, the AGM will be held as a closed meeting and, in accordance with the provisions of the Corporate Insolvency and Governance Act 2020 ("CIGA 2020"), will not be held in a designated place.

Whilst shareholders will therefore not be permitted to attend in person, the Company will offer shareholders the option to listen to the formal business of the meeting remotely via an audio webcast. Dial-in details for the webcast will be announced nearer to the AGM and will also be available on the Company's website at that time. If you wish to attend the meeting via this facility, please also see the notes in the Notice of the Meeting. A copy of the AGM Notice is available on the ASX, company's website and can be viewed and downloaded from www.investorvote.com.au (Control Number 184848).

Shareholders will not be able to vote at the meeting when attending via the webcast. I and the board have decided that the fairest way for the AGM to proceed would be by way of poll. This means that every shareholder present in person or by proxy has one vote for every Ordinary Share held.

We therefore strongly encourage you to exercise your vote by submitting your proxy and/or CDI voting form, in advance of the meeting, ensuring that you appoint the Chairman of the meeting as your proxy (since any other person would not be permitted to attend and cast your vote). Please see the Explanatory Notes for further details.

Notes on the Resolutions before the Meeting appear under “Explanatory Notes” on pages 10 to 21. At this year’s Meeting there are 19 resolutions which shareholders are asked to approve. Resolutions 1-16 to be proposed at the meeting will be proposed as ordinary resolutions, which require the approval of more than fifty percent (50%) of the total votes cast on the resolution by shareholders present or represented by proxy at the AGM and resolutions 17-19 will be proposed as special resolutions, which require the approval of more than seventy-five percent (75%) of the total votes cast on the resolution by shareholders present or represented by proxy at the AGM.

For Pensana Rare Earth’s CDI holders, the Company will not be sending hard copies of the Notice of Meeting to shareholders. The Notice of Meeting can be viewed and downloaded from the link set out below.

The Company strongly encourages Shareholders to lodge a directed CDI voting form prior to the meeting. Questions should also be submitted in advance of the Meeting as this will provide management with the best opportunity to prepare for the meeting, for example by preparing answers in advance to Shareholders questions.

The Notice of Meeting and Explanatory Memorandum can be viewed and downloaded from www.investorvote.com.au (Control Number 184848).

Alternatively, a complete copy of the important Meeting documents has been posted on the Company’s ASX market announcements page.

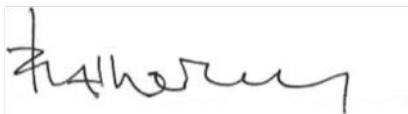
If you have nominated an email address and have elected to receive electronic communications from the Company, you will also receive an email to your nominated email address with a link to an electronic copy of the important Meeting documents.

In order to receive electronic communications from the Company in the future, please update your Shareholder details online at <https://www.investorvote.com.au/184848> and log in with your unique shareholder identification number and postcode (or country for overseas residents). Once logged in you can also lodge your CDI voting form.

The Directors consider that all resolutions to be considered at the Meeting are in the best interests of the Company and its members as a whole. The Directors unanimously recommend that you vote in favour of all the proposed resolutions, as they intend to do in respect of their own shareholdings.

If you are unable to access any of the important Meeting documents online please contact the Company at info@pensana.co.uk

Yours sincerely

A handwritten signature in black ink, appearing to read 'Paul Atherley', is written over a light grey horizontal line.

Paul Atherley
Chairman