



18 December 2018

Tanzania Asset Sale Update

Pensana Metals Ltd (“Pensana” or “Company”) (ASX: PM8) provides an update regarding the divestment of the company’s Tanzanian gold exploration assets as previously announced.

Kitongo Gold Project - Sale agreement executed

The company executed a conditional sale agreement to sell the Kitongo Gold Project tenements for a total consideration of US\$550,000. The purchaser, Busolwa Mining Limited (Managing Director – Baraka Ezekiel) a private company incorporated in the United Republic of Tanzania, has deposited a non-refundable US\$50,000 commitment fee as per the agreement.

A further US\$150,000 was paid following the establishment of the Mineral Commission.

The remaining amount of US\$350,000 shall be paid upon the remaining conditions of the sale as follows:

- Work together on all issues related to relinquishing any part of the licences grounds to the Artisanal Miners or for any other purposes
- Sign an agreement with the illegal miners
- Provide the buyer with all geological and geophysical data

To date the abovementioned conditions are well advanced and the company is confident that all conditions will be satisfied to enable completion.

Canuck Prospecting Licence – Mineral prospecting rights agreement executed

A Mineral Prospecting rights agreement has been executed by Pensana and the Purchaser for the sale of the company’s 100% owned Tanzania prospecting licence PL 11016/2017 - “Canuck”. The purchaser, Pamoja Mining Company Limited, (Director – Nathan Conradie), a private company incorporated in the United Republic of Tanzania, has agreed to purchase the licence for a total consideration of US\$250,000 subject to the transfer of the prospecting licence to the purchaser.

The purchaser has transferred into Pensana's bank account US\$100,000 cash deposit. The remaining US\$150,000 will be transferred upon the transfer of the licence.

The cash deposit is refundable should the transfer of the prospecting license not proceed. The transfer documentation and lodgement process well advanced.

Miyabi Gold Project - Update

Pensana had entered into a "non-binding" and "non-exclusive" option agreement for the acquisition of the company's 100% interests in the Miyabi Gold Project. That option agreement had lapsed, however the board is currently considering entering into an "exclusive, non-binding agreement with the same group.

For further information please contact:

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