



**2 April 2019**

## **Pensana in discussions to list on London Stock Exchange**

Pensana Metals Limited (ASX:PM8) (“Pensana” or “the Company”) announces that the Company intends to undertake an investor roadshow in London in the week starting 8 April 2019, ahead of a planned listing on the Main Board of the London Stock Exchange by the end of 2019.

Discussions have already commenced with financial advisors, and further announcements will be made in due course.

Pensana is developing the Longonjo NdPr mining project, which is located 60 km west from Angola’s second city, Huambo and only 3 km from the newly upgraded Benguela rail line that runs to the Atlantic port of Lobito. NdPr is a vital component of all EV drive trains.

The Company recently announced a substantial upgrade of the Mineral Resource estimate at the Longonjo deposit to an Inferred Resource of 240 million tonnes at 1.60% rare earths oxides (“REO”) including 0.35% NdPr for 3,850,000 tonnes of REO including 840,000 tonnes of NdPr (ASX report, 19 February 2019).

Longonjo ranks as one of the world’s largest and highest grade NdPr deposits at a time when demand for NdPr in electric vehicles is taking off.

The Company notes the renewed interest in the rare earth sector following Australian conglomerate Wesfarmers Limited’s A\$1.5 billion unsolicited cash bid for Lynas Corporation (ASX:LYC) – the world’s only non-Chinese producer of NdPr.

This bid follows the recent announcement that Fidelity, one of Lynas Corporation’s major institutional shareholders, has recently accumulated a 5% stake in Pensana.

## **Share Consolidation**

The Company also intends to undertake a consolidation of securities on the basis of 10 existing shares for 1 new share (10:1), subject to approval by shareholders at a General Meeting (GM) to be held in May 2019. The consolidation has been proposed to reduce the number of shares on issue to approximately 121 million, creating a more efficient capital structure. Further details of the proposed consolidation will be provided in the Company's notice of meeting for the GM.

A copy of the Company's latest presentation is following and available on the Company's website [www.pensanametals.com](http://www.pensanametals.com)

**ENDS**

For further information

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### ***NOTES TO EDITORS***

As the world moves towards zero emissions NdPr electric motors will be at the core of our clean energy future.

The electrification of motive power is the biggest energy transformation in history.

A major NdPr supply shortfall is predicted by 2021. Meanwhile China controls well over 96% of the world's NdPr production.

Pensana Metals Ltd has a globally significant NdPr deposit at the Longonjo NdPr Project.

Longonjo is located close to major transport links and infrastructure which is the key to project development.

## **Competent Persons Statement**

The information in this report that relates to Geology, Data Quality and Exploration results is based on information compiled and/or reviewed by David Hammond, who is a Member of The Australasian Institute of Mining and Metallurgy. David Hammond is the Chief Operating Officer and a Director of the Company. He has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and the activity which he is undertaking to qualify as a Competent Person in terms of the 2012 Edition of the Australian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves. David Hammond consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this statement that relates to the 2019 Mineral Resource estimates is based on work done by Rodney Brown of SRK Consulting (Australasia) Pty Ltd. Rodney Brown is a member of The Australasian Institute of Mining and Metallurgy and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration, and to the activity he is undertaking, to qualify as a Competent Person in terms of The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code 2012 edition).

The Company confirms that it is not aware of any new information or data that materially affects the information included in the above original market announcements. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

# The electrification of motive power is the **biggest energy transformation in history**

It's on every government's policy agenda and it's driven by millennials.

**But it's not just EVs.**

It's also wind turbines, all forms of transport, domestic appliances, military equipment and a growing universe of clean energy applications.

**\$300bn**  
EV boom underway

# Which metal is going to be the **biggest** beneficiary?

An EV is essentially two or four axial electric motors powered by a large Li-ion battery. Most of these electric motors need powerful rare earth magnets.



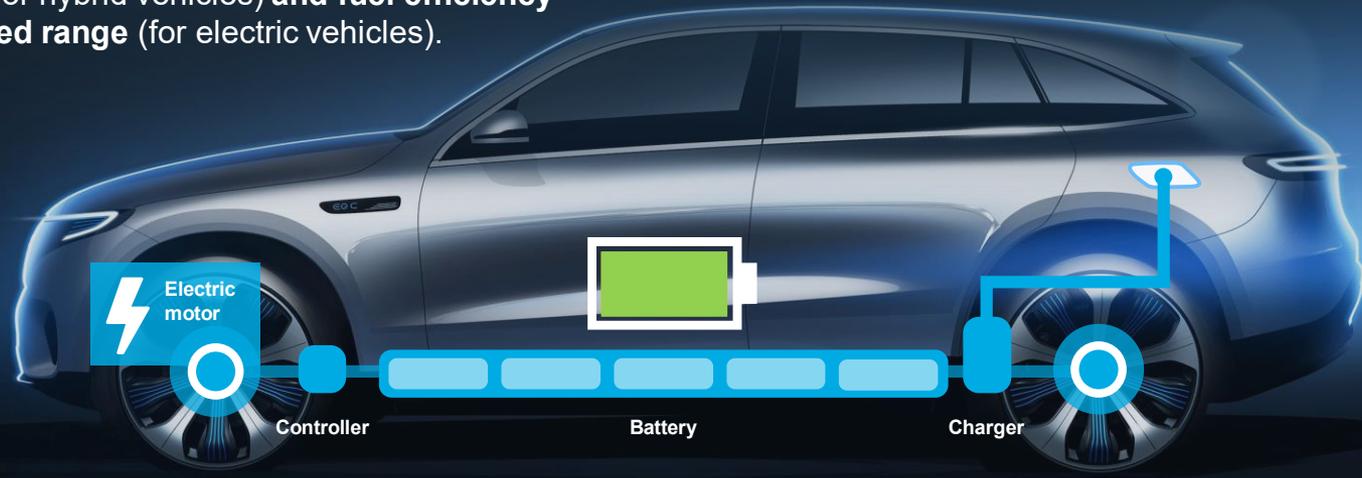
**CLUE: It's not one of the battery metals**

# Neodymium is the magnet metal

## NdPr magnets

Their compact size and higher efficiency favour them for most automotive traction applications.

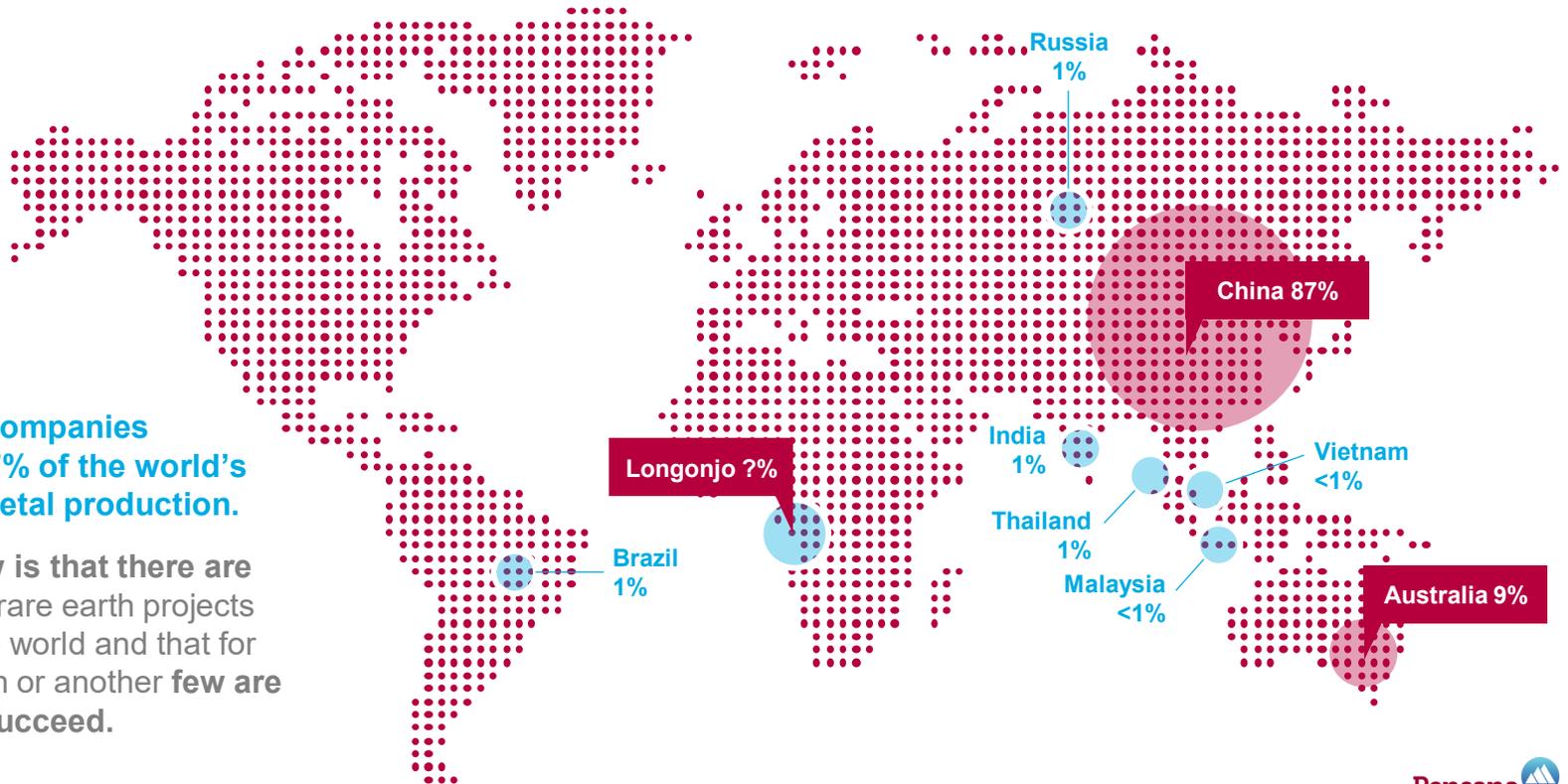
**The main benefits for the vehicle owner is fuel efficiency (for hybrid vehicles) and fuel efficiency and extended range (for electric vehicles).**



# But we have a problem

Chinese companies control 87% of the world's magnet metal production.

Their view is that there are the 60-70 rare earth projects around the world and that for one reason or another **few are likely to succeed.**



# So we asked them what they wanted



They explained that rare earth processing is very complex and highly capital intensive ...they were not interested in supporting a new project that was going to become a competitor.

However they are under pressure from international EV customers to diversify their supply chain away from China and so they wanted to know can we supply them with an NdPr concentrate?

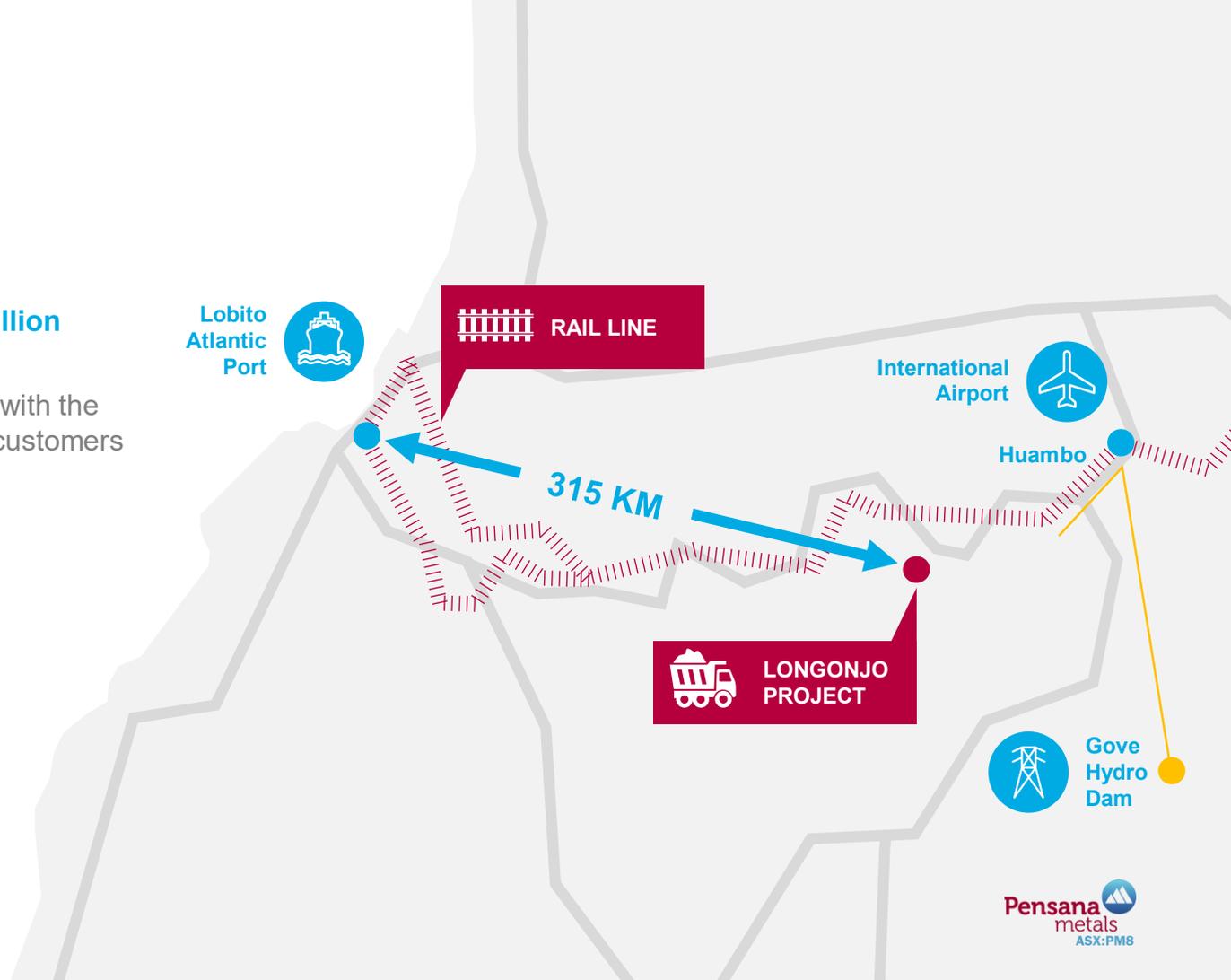
# Yes we can...

Longonjo is located adjacent to the Chinese-built US\$1.8 billion Benguela rail line.

This rail line links the project with the Atlantic port of Lobito and onto customers in China.



Source: Port of Lobito E P



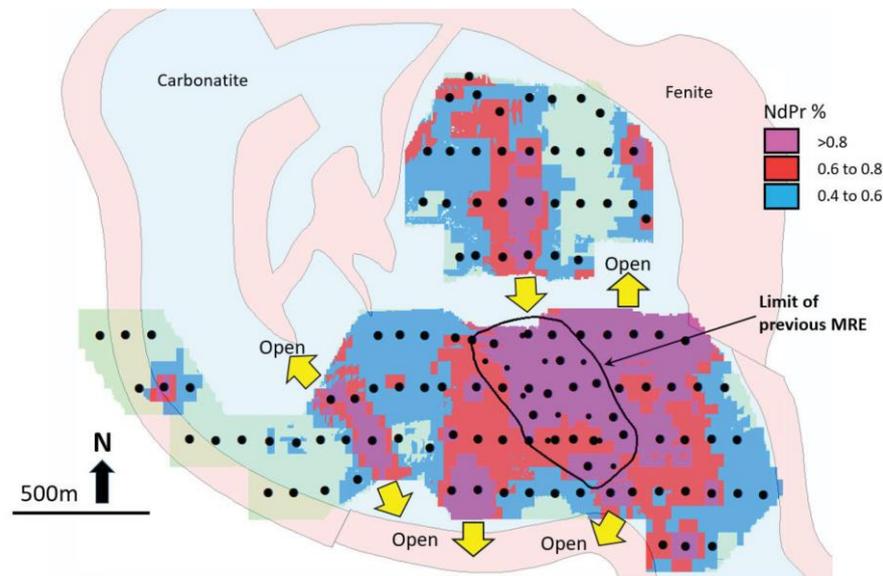
Longonjo ranks as one of the world's largest and highest grade NdPr deposits.

Highly respected international mining industry consultants SRK has reported an Inferred Mineral Resource estimate of:

**240 million tonnes  
at 1.60% REO including 0.35% NdPr  
for 3,850,000 tonnes of REO  
including 840,000 tonnes of NdPr**

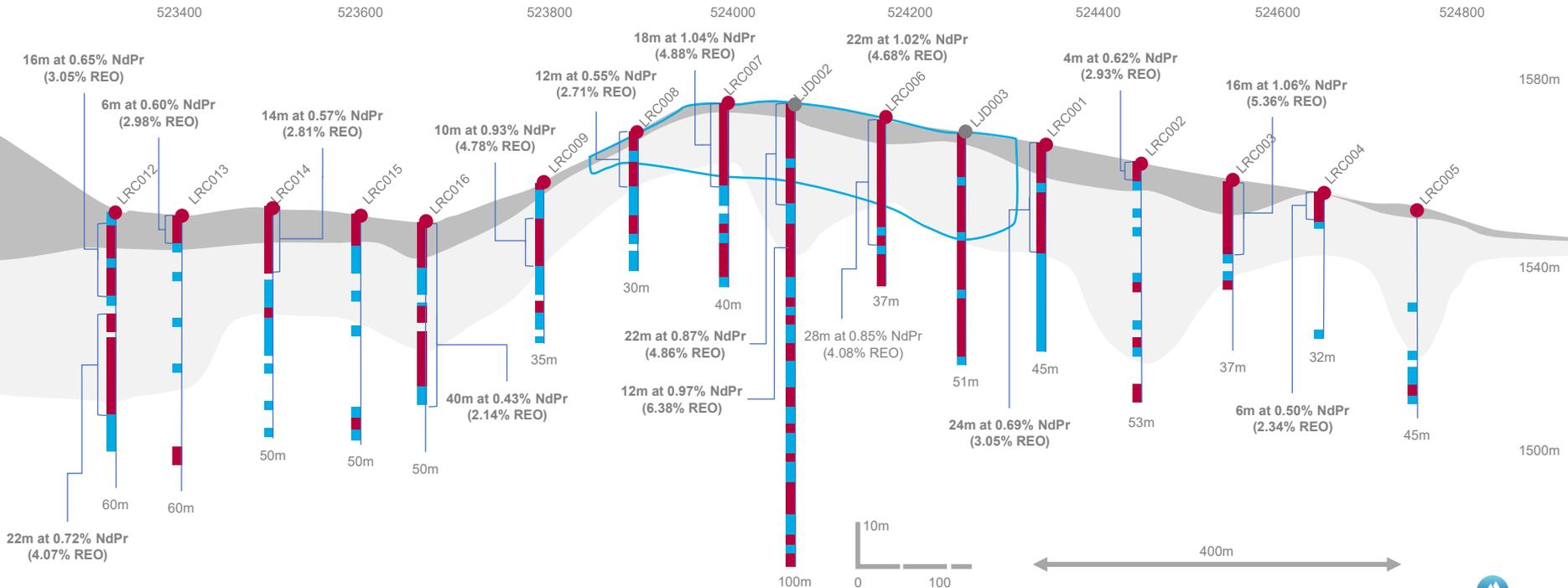
\*NdPr = neodymium+praseodymium oxide. REO = total rare earth oxides. A 0.1% NdPr cut is applied. ASX Announcement 19 February 2019, there has been no change to the estimate.

The initial focus will be on the resource occurring at a cut off of .65% NdPr which totals 22.9 million tonnes at 4.16% REO and .86% NdPr containing around 953,000 tonnes of REO including 197,000 tonnes of NdPr.



Plan view of Mineral Resource block model coloured by maximum NdPr grade over simplified geology of the Longonjo Carbonatite. Drill holes are shown as black dots. The limit of the previous Mineral Resource is shown as the black outline

# Thick blanket of high-grade NdPr mineralisation extending over 1.5 kilometres



Source ASX announcement: "First drill results extend NdPr mineralisation at Longonjo" of 31 October 2018

# WOOD's 2017 Scoping study

highlighted the benefits of the excellent infrastructure road, rail and hydro.



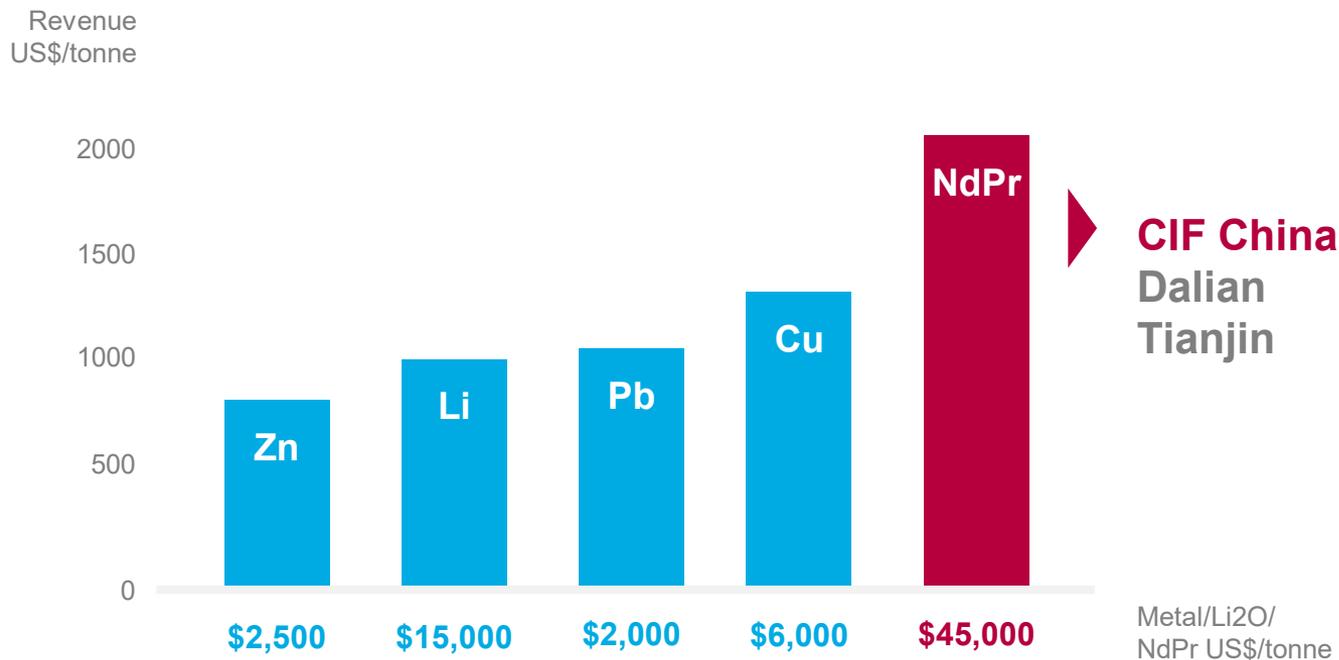
Source: ASX announcement 6 December 2017



## We have asked WOOD

Following the upgraded Mineral Resource estimate, Wood has been engaged to execute a Pre-Feasibility Study study on a **flotation operation** producing **NdPr concentrate** for export to China.

# What interests us is the indicative **concentrate** revenue



Source: Various ASX announcements, Analysts reports and Conrad Partners Hong Kong



中国地质科学院矿产综合利用研究所  
INSTITUTE OF MULTIPURPOSE UTILIZATION OF MINERAL RESOURCES

wood.

 **srk** consulting



**London**  
Stock Exchange

## Strong news flow:

Huge recent upgrade in Mineral Resource estimate makes Longonjo one of the world's largest and highest grade NdPr deposits.

240 million tonnes at 1.60% REO including 0.35% NdPr for 3,850,000 tonnes of REO including 840,000 tonnes of NdPr

Wood Group appointed to conduct pre feasibility study.

In discussion with Chinese customers for offtake agreements .

In discussions to list on the London Stock Exchange

Source: ASX announcement 19 February 2019

## Building a great team

Pensana has been operating in the country since 2013 and has established mutually respectful working relationships with the Ministry of Mineral Resources and Petroleum and our state-owned partner Ferrangol.

We are actively engaged with the local communities and administrations of the city of Huambo and the town of Longonjo.



# Profile



**Paul Atherley**  
Chairman

Mr Atherley London based senior resources executive. Previously Executive Director HSBC.

Wide media experience commentator BBC, CCTV. Chairman British Chamber of Commerce in China. Vice Chairman of the China Britain Business Council.



**David Hammond**  
Chief Operating Officer

Geologist with over 25 years international experience.

7 years as Technical Director with Peak Resources Ngualla Rare Earth Project, Tanzania.



**Mark Hohnen**  
Non Executive Director

Founding Executive Chairman of Kalahari Resources Plc listed on AIM in 2006 for £15million and subject to a £651million takeover in 2012.



**Neil MacLachlan**  
Non Executive Director

Internationally experienced Investment Banker, Funds Manager and Public Company Director.

Director of Kalahari Minerals Plc and also Extract Resources which was also subject to a takeover, for US\$2.2billion in 2012

## Listing

**ASX:PM8**

## Market Capitalisation

**A\$22 million**

## Cash and asset sales

**A\$6 million**

## Major shareholders

Management ~ 12%  
Top 50 ~ 58%  
Top 100 ~ 74%

# Investment Summary



Following upgraded Mineral Resource estimate Longonjo now ranks as **one of the world's largest and highest grade NdPr deposits**



**The NdPr concentrate export strategy avoids the excessive capital cost of downstream processing.**



Scoping study by WOOD highlighted the **benefits of the Chinese funded infrastructure.**



**Experienced board and management team** with strong track record in delivering significant shareholder returns on mining investments at this stage of development.



High grade NdPr deposit, with low mining costs, in close proximity to major rail highlights the **potential to develop a low capital cost flotation** operation.



London  
Stock Exchange

**Plan to list on the London Stock Exchange** to take advantage of strong institutional investor interest in Europe

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