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21 March 2025Â LSE: PRE

Pensana Plc

(â€œPensanaâ€, â€œthe companyâ€ or â€œthe groupâ€)

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Unaudited Interim results for the six months ended 31 December 2024

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The board is pleased to present its review of Pensana Plc, the rare earth exploration, mining and processing group, whose flagship development assets are the Longonjo NdPr Project and the Coola exploration project in Angola alongside the Saltend rare earth processing hub in the UK.

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Half Year Highlights

- 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).
- Further offtake and co-operation agreement signed with a major Japanese partner, Hanwa Co. Ltd.
- US 3.4 million technical assistance grant funding secured from the United States (US) International Development Finance Corporation (DFC), Americaâ€™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.
- United Kingdom (UK) Minister for Africa Lord Collins accompanied by UK Ambassador to Angola Mr Roger Stringer inspected the ongoing development and works at Pensanaâ€™s Longonjo Project.

Post period-end

- 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 funding approvals received include equity financed by FSDEA of US 38.0 million comprising equity and a convertible loan, as well as US 54.9 million from AFC 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, all at a subsidiary level.

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CEOâ€™s Review

Dear Pensana Shareholders,

Having prepared the Longonjo site for main construction over the period our attention was predominantly focussed on any additional due diligence workstreams the Lender group required as they progressed through the multiple stages of their credit approval processes. At the time of writing this report I am delighted to confirm that both ABSA Bank Limited (â€œABSAâ€) and the Africa Finance Corporation (â€œAFCâ€), alongside our highly supportive and largest shareholder, the Angolan Sovereign Wealth fund (â€œFSDEAâ€), have now completed their requisite credit approval processes thereby allowing the team to initiate the move to main construction on the Longonjo Project.

In the build up to this key financing event, FSDEAâ€™s US 15 million bridging facility continued to provide the impetus on-site over this period. Having now fully deployed these funds I am pleased to confirm completion of the accommodation camp (including all underground and surface infrastructure encompassing electrical reticulation, water supply, effluent services and storm water management), the upgrade of the access road to the Longonjo railway station, contractor laydown areas and the agricultural demonstration plots under the Land Restitution Programme.

We are particularly pleased with the progress by the management of the Lobito Atlantic Rail Consortium (LARC) who now have assumed full operational control of the freight services along the rail corridor to the port. Serving as the primary route for inbound materials and reagents, and the export of ultra-clean Mixed Rare Earth Carbonate product (â€œMRECâ€), LARCâ€™s management is a further de-risking of the logistics chain that will serve the mine site.

We have a strong owners team supporting the main construction led by Kevin Botha, with supervision of all project deliverables by Mining Consultancy Company Limited (MCC), a veteran project management team with a track record of delivering projects across Africa, including Angola. The engineering team is supported by 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. Additionally, our team within Angola continue to develop and progress in their careers with internal merit-based promotions of Angolan nationals to management positions in the roles of country manager (Geraldine Tchimbali) and site manager (Benedito Dumbo) during the past year. Stakeholder engagement continues apace with regular meetings taking place over the period between the project team and key stakeholders. This includes local, provincial and national authorities, transitional leadership, project-affected people, training institutions and more. This is supported by the continued operation of an active community grievance mechanism.

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Strategic partnering continued on the offtake front with Pensana signing a non-binding Memorandum of Understanding with major Japanese trading group Hanwa. Key terms included an Offtake for up to 20,000tpa of ultra-clean Mixed Rare Earth Carbonate from the Longonjo mine over 5 years. Additionally, both parties agreed to co-operate on global marketing and distribution and on developing a strategic and sustainable supply chain for magnet metal materials.

Hanwa is also investigating a deeper co-operation with Pensana, including an investment in both upstream and downstream projects with the aim to deliver low embedded carbon magnet metal materials to Hanwaâ€™s customers and future partners.

Hanwa is also currently considering providing financial support and to jointly study support opportunities from Japanese governmental and financial institutions for the various Pensana projects, including potential Coola expansion, the separation facilities and metallisation project, thereby ensuring that high quality magnet metal products with leading ESG benefits are available to Hanwaâ€™s Global customers in the long-term.

With the increased focus on the Lobito Corridor as a supply and processing chain for critical minerals to the West, Pensanaâ€™s ongoing engagement with the US International Development Finance Corporation was rewarded with a US 3.4million Technical Assistance Grant.

The grant will fund studies into the proposed US 100 million expansion of the Longonjo operations (Stage 2), doubling the capacity to 40,000 tonnes per year of MREC containing 4200 tonnes of NdPr.

The grant will also fund studies into development of the recently discovered Coola deposits and the potential for downstream processing in Angola in due course.

The Technical Assistance program is part of the US Better Utilization of Investments Leading to Development (BUILD) Act, which is used to provide advice and financial assistance and prepare future deals for the DFC to offer further financial support stimulating development. The Grant Funds have been earmarked for specific projects in and around Longonjo which have the potential to receive later DFC loan funding for any necessary capital, contingent on the successful completion of associated feasibility studies.

In having now reached a key inflection point in the Companyâ€™s history I need to express my sincere gratitude for the assistance rendered by the special task team appointed by H.E. Diamantino Azevedo, Minister of Mineral Resources, Petroleum and Gas to accelerate the development of the Longonjo Project. This task team is led by H. E. Dr JÃ¢nio da Rosa CorrÃªa Victor, the Secretary of State for Mines, alongside Eng. Paulo Tanghana to navigate any issues which may affect the project execution.

I am also thankful for the ongoing collaborative efforts of 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.

I also wish to thank the Angolan Sovereign Wealth Fund for their ongoing financial support, in the form of an interim US 15 million facility, towards maintaining project momentum at Longonjo and their commitment to further investment in the Longonjo Project with additional equity investment.

The above engagements are recognition of the quality of the Longonjo Project, the Angolan environment as a preferred country of choice and the loyal support within the state organisations of Angola for the speedy development of Longonjo as a demonstration project for the stated policy of diversification of the Angolan economy.

I conclude that this new chapter in this significant project is articulated clearly by the Chairpersons of both FSDEA and AFC:Â

â€œThe Longonjo Mining Project holds strategic significance for the Angolan Sovereign Wealth Fund as part of its commitment to advancing the national mining sector. Beyond its substantial economic impactâ€"such as job creation and tax revenuesâ€"the project plays a crucial role in establishing in Angola a key segment of the value chain for an industry essential to the global energy transition. As a key investor, FSDEA has been instrumental in demonstrating the untapped potential of Angolaâ€™s mining sector, which remains a critical driver of economic diversification. With the support of ABSA and AFC, this initiative represents a concerted effort to foster sustainable growth, enhance local capabilities, and reinforce Angolaâ€™s position in the international mining landscapeâ€. **Armando Manuel, FSDEA Chairman.**

â€œWith approximately one-third of the worldâ€™s rare earth mineral reserves, Africa is poised to become a cornerstone of the global clean energy revolution. These minerals are essential for high-tech industries, from semiconductors to advanced batteries and renewable energy solutions. At AFC, we recognize the immense strategic value of Africaâ€™s resourcesâ€"not just for our economic transformation but for securing diversified, sustainable supply chains for the future. Our partnership with Pensana and FSDEA on the Longonjo project reflects our unwavering commitment to unlocking Africaâ€™s mineral potential through local value addition, industrial growth, and responsible mining. By investing in Africaâ€™s rare earth sector, we are not only accelerating regional development but also strengthening global energy security in line with the aspirations of the Mineral Security Partnership.â€ **Samaila Zubairu, President & CEO of Africa Finance Corporation,**

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Principle activities

Pensanaâ€™s operations are centred around rare earth exploration, mining and processing. Its 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.

The current year focused on the advancement of the Longonjo Project while continuing to explore the development of the Coola exploration property and downstream processing opportunities. 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 was centred around the finalisation of financing workstreams 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 memorandum of understanding (MOU) with Hanwa. This MOU, in addition to existing MOUs with other potential offtake partners, is 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. Pensana has continued to evaluate the downstream market and continue our relationships with the magnet producers and has successfully been awarded several grant funding opportunities including a US 3.4 million grant from the DFC and â‚¬877,000 from the EU to pursue these developments.

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.

Downstream beneficiation includes the development of a REE separation plant through the establishment of the Saltend refinery as an independent, sustainable supplier of key magnet metal oxides to a growing market, fuelled in part by the green energy transition, which is currently dominated by China. The Saltend facility is being designed to produce circa 12,500t per annum of rare earth oxides, of which 4,500t will be NdPr, representing around 5% of the global market.

Operating and Financial Review

During the period ended 31 December 2024, the consolidated total comprehensive loss amounted to US 3,191,700 (2023: US 3,657,839), comprising mainly of administration expenses of US 2,545,911 (2023: US 3,461,420) and foreign exchange losses of US 409,504 (2023: US 50,471 gain). The decrease in total losses for the year of US 466,139 (-13%) compared to the prior period mainly consisted of the following key variances:

- Lower administration costs of US 915,509 (-26%) largely driven by reduced employee benefit costs as a result of no short-term share performance awards in the current period compared to allocations made in prior years (-US 535,106), lower Directors fees due to a reduction in board members (-US 231,652), as well as lower overall general expenditure (-US 148,751);
- These costs were partially offset by higher foreign exchange losses of US 459,975. These gains and losses arise from the settlement of invoices in currencies other than the functional currencies (US , Â£, AUD, AOA), as well as the translation of balances denominated in foreign currency.

Net assets for the period ended 31 December 2024 amounted to US 48,259,304 (30 June 2024: US 50,955,814), mainly consisting of fixed assets capitalised as part of developing the Longonjo and Saltend Projects. The decrease in net assets of US 2,696,510 (-5%) compared to 30 June 2024 is a result of cash outflows to support ongoing operations (-US 1,475,245) combined with credits included in property, plant and equipment relating to grant funding and foreign currency translations (-US 1,382,110). Also included in net assets is a gross increase in property, plant and equipment of US 4,160,534 as part of early construction at Longonjo which was facilitated by a drawdown on the FSDEA bridging loan (US 4.596,627 increase on the bridging loan facility).

Cash generation remains a focus, with a decrease in cash for the period of US 1,475,245. Cash outflows during the period ended 31 December 2024 were mainly utilised in operating activities in the form of corporate costs incurred to support the development of the projects of US 2,393,764 (2023: US 3,223,494) and payments towards property, plant and equipment as part of early construction activities at Longonjo of US 4,369,954 (2023: US 10,425,893). Financing activities for the period consisted of proceeds from the FSDEA loan facility drawn of US 4,118,468 (2023: US 4,784,851,total facility value of US 15,000,000 of which US 447,393 was undrawn at period end). Other cash inflows include R&D credits and DFC grant funding received to the total value of US 849,503 (2023: US 1,598,061 R&D credits), combined with proceeds from directorsâ€™ loans settled through equity shares issued (US 320,544).

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 Â£250,000 loan proceeds under the directorsâ€™ loan facility (the â€œFacilityâ€). Subsequently, Mr Rob Kaplan was added as an assignee to the loan and made available Â£32,521 in December 2024. Following the various drawdowns, the balance available under the Facility reduced to Â£1.72 million at period end.

Going concern

The directors have prepared a cash flow forecast for the period ending 30 June 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 not required to provide working capital to the group, as the Company has access to a Â£3.0 million term loan facility with an accredited UK-based investment house. This is in addition to the Â£1.72 million available under the Facility. . Engagement with existing project-related contractors in the UK has continued over the Period and the support of these contractors will be required until the group has secured this financing 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 main financing at Longonjo Project level, which will include the appropriate restructuring of the FSDEA loan, is not achieved. Given the support provided by the Angolan Government for the Longonjo Project to date, along with recent approvals received for Longonjo main financing, the directors anticipate 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 and issuing a green bond. The ability of the company and group to continue as a going concern is dependent on securing such additional funding given the forecast expenditure.

Although conditions regarding the financing and cash flow mentioned above indicate a material uncertainty which may result in the Group being unable to realise its assets and discharge its liabilities in the normal course of business, the recent approvals received from the Lender consortium on the Project Longonjo financing have provided comfort to the Board of the Groupâ€™s ability to continue as a going concern and work towards raising the requisite funding as outlined above.

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

Update on construction activities at Longonjo

Early construction activities at Longonjo continued during the current period to ensure project momentum and the advancement of critical workstream ahead of main construction. This follows the revised execution plan, based on a staged development of the mine and processing facilities with a reduced upfront capital cost of US 217 million.

Key activities completed to date include the camp installation, comprising of civil works for the camp, establishing fence and access control, installation of 350 person accommodation units and facilities and installation of effluent lines and power distribution; as well as ground preparation and backfilling for contractors laydown area; rehabilitation of the access road to Longonjo camp; construction of water drainage and sewer systems; and completion of agricultural demonstration plots under the Livelihood Restoration Programme (LRP).

With various engineering contractors and Longonjo staff now working on-site in preparation for the commencement of main construction, there has been a very positive reaction to the activities on-site among the local community, in particular, with the creation of well-paid jobs and the successful implementation of the first phase of the LRP.

Over the period, the early-stage development activities on the Longonjo Project continued to be funded via a US 15 million bridging loan provided by FSDEA ahead of the main finance.

During March 2025, the company received approvals for the full financing totalling circa US 268 million for the Longonjo rare earth project. The funding structure includes debt funding of US 160 million, with participation of US 81.2 million from AFC and US 78.8 million from ABSA, comprising approximately 60% of Phase 1 project funding for Longonjo. In addition to the US 15.0 million bridging loan already provided by the Angolan Sovereign Wealth Fund, 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 equity investments will be at subsidiary level.

The approval for main financing is a key milestone and now allows for the full commencement of main construction activities at Longonjo.

Partnerships and collaborations

During September 2024, the company signed a non-binding MOU with major Japanese trading group Hanwa. This includes an offtake arrangement for 20,000tpa of ultra-clean MREC from the Longonjo Mine over five years. The MOU also allows for co-operation in marketing and distribution of products globally and the opportunity for Hanwa to consider investment into downstream projects. This MOU is in addition to existing MOUs that cover more than 200% of the stage 1 production of the Longonjo Project.

The Hanwa partnership will cater for the offtake of the initially produced MREC but also allows for the conversion to the oxide or metal products once the downstream facilities are available.

In January 2024, the company was nominated by the UK government to be considered as one of the strategic projects under the Minerals Security Partnership (MSP) programme. This is a collaboration of 14 countries and the EU to catalyse public and private investment in responsible critical minerals supply chains globally. The MSP submission is to cover the Longonjo mining and beneficiation facilities and downstream processing in the UK, including the metallisation plant providing some of the lowest embedded carbon products to our downstream customers.

The company has also received grant funding under the HORIZON-CL4-2024-RESILIENCE-01-08 Initiative to develop a small-scale pilot facility to demonstrate the sustainable electrochemical production of rare earth metal. The total value of the project is â‚¬1.2 million of which 70% is grant funded by the European Horizon project.

Geopolitical landscape

During the period, the board considered the outcome of various global elections, in particular the UK general elections and more recent United States of America (US) elections to ensure the impact of any policy changes is considered as part of the strategic positioning of the company and to understand the impact on the global marketability of our product.

In January 2025, the newly elected US Trump administration reemphasised the importance of Critical Minerals, including Rare Earths and NdFeB magnets, as well as the global drive to derisk supply chains and the reliance on China for the supply of these critical goods. This was done through US tariffs of 10% on all China imports along with a proposed 25% tariff on permanent magnets, noting that the US market is amongst the largest NdFeB magnet consumers. This means that a US-based magnet maker, or any other country outside of China, selling at a ~35% premium to China-priced materials could become a cost-competitive alternative to China at least until (if ever) the US landscape becomes oversaturated with supply.

We believe that the developments in the US, along with the increased global focus on Rare Earth metals, will benefit the company as part of production ramp-up at Longonjo, including the finalisation of binding offtake agreements, to deliver on our strategy of becoming one of the largest independent suppliers of NdPr metals.

The board also continues to consider the impact of ongoing wars 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.

Environment Social Governance (ESG)

The business continues to ensure ESG is at the heart of its activities with the core business strategy focused on providing a source of sustainable rare earths to the market.

From a health, safety and environment (HSE) view the business embeds HSE into its operating culture and has had zero recordable injuries and zero environmental incidents in the period. The main risk, as with every rainy season in Angola, continues to be malaria contraction at our Longonjo project. The company continues to deliver a targeted malaria awareness campaign and holds weekly HSE meetings attended by senior management from Pensana Plc. and Ozango Minerais S.A.

In the period the Longonjo project continued to work collaboratively with the local communities, authorities and other relevant stakeholders. The project is further engaging with the community through a representative community advisory committee and continues to hold regular sessions with each of the affected communities. Regular dialogue is maintained with authorities on a regional, provincial and national level along with traditional leadership. After the completion of phase one of the resettlement action plan (RAP) in October 2022, 28 project affected households continue to receive transitional support food packages to supplement their temporary loss of livelihood.

Focus continues to be made towards developing local procurement and local employment where it is feasible and practical do so.

Furthermore, the project has continued to invest in its agricultural test and demonstration plots to further investigate the most effective techniques and crops for optimal yield. In this period this work has expanded into testing the most effective method for the development of a site tree line, which is a requirement of the sites environmental licence.

The business has continued with a focus on utilising innovative research to support its sustainability activities. This has included the continuation in the period of an Innovate UK supported project to consider how socio-economic modelling can be used to assess the value to society of rare earth projects. This research project is being delivered alongside University of Leeds, University of Hull, Route2 and Polestar. The business has also supported a PhD studentship at the university of Leeds through the White Rose Doctoral Partnership to study the social impacts of the Longonjo project. Pensana also continues to work alongside Polestar on its ambitious Polestar0 project which aims to produce a truly carbon-neutral car by 2030.

Exploration

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 7,456km^2 which was reduced to 824km^2 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 mineralization and added additional exploration targets. Drilling of the geophysical targets was postponed to 2025. 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 six months ending 31 December 2025 are summarised below.

<u>Sulima West</u>

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 a REE concentrate of > 35% TREO on site that would be trucked to the Longonjo plant for further processing and final extraction of rare earth elements.

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 150Âµm. 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 nonmagnetic fraction. The results indicate that this may generate a nonmagnetic 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.

<u>Coola</u>

The Coola carbonatite sample consisted mainly of Dolomite and Ankerite with minor gangue minerals comprising Fe-oxides, Barite and Quartz. The main REE minerals is Bastnaesite (3.98%), with minor Monazite and Florencite. The sample had a TREO of 3.98%. The sample was milled to 80% passing 150Âµm and subjected to mineralogy. The Ce was mostly associated with Dolomite in the +45Âµm fractions, indicating that the Bastnaesite was locked with Dolomite.

A sample was milled to 80% passing 75Âµm and testwork was completed. This included magnetic and enhanced gravity separation test work. 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.

Principal Business Risks

The Group is exposed to several risks and uncertainties which could have a material impact on its long-term development and performance, management of these risks is an integral part of the management of the Group. An overview of the key risks, and risk management procedures, which could affect the Groupâ€™s operational and financial performance was included in the companyâ€™s 2024 Annual Report, which can be accessed at www.pensana.co.uk. These may impact the Group over the medium to long term; however, the following key risks have been identified which may impact the Group over the short term.

i. Financing and liquidity

The company notes that, alternative sources of funding will be required in the event that contemplated grant funding is delayed, or the conditions are not met. Additional 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 main financing, which will include the appropriate restructuring of the FSDEA loan, is not achieved. Given the support provided by the Angolan Government for the Longonjo Project to date along with recent approvals received for Longonjo main financing, the directors anticipate such a restructuring to be successfully concluded.

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It is anticipated that the contemplated financing across the group may include further issues of equity, export credit-backed debt financing and issuing a green bond. The ability of the company and group to continue as a going concern is dependent on securing additional funding given the forecast expenditure.

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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.

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ii. Development of the Longonjo and Saltend Projects

The groupâ€™s operations are at an early stage of construction development and future success will depend on the groupâ€™s ability to manage the Longonjo and Saltend Projects (the projects) and the production of NdPr-rich mixed rare earth product at Longonjo for export to the Saltend processing plant and further processing into a rare earth oxide. In particular, the groupâ€™s success is dependent upon the directorsâ€™ ability to develop the projects by commencing and maintaining production at the sites, including the conclusion of definitive documentation and the fulfilment of conditions precedent to funding approvals received. 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.

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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 both the Longonjo and Saltend Projects, and any of

these factors may have a material adverse effect on the groupâ€™s business, results of operations and activities, financial condition and prospects.

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iii. Logistical challenges and delays

Global supply chain challenges could result in logistical risks relating to availability, potential delays and increased costs ofÂ equipment and material both for the project and operations phase.

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iv. Commodity price and market supply concentration

If the group is able to develop the Longonjo and Saltend 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 for the group to continue to attract finance, meet debt service requirements and ultimately generate profits could be adversely affected.

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Currently, China is the dominant producer of the worldâ€™s rare earth magnets. China could manipulate market prices of rare earth oxides to control the number of new entrants into the market.

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v. Attracting skilled employees

The groupâ€™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.

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The loss of key management and/or technical personnel could delay the development of the Longonjo Project, exploration at the Longonjo Project and the Coola Project and development and commissioning of the Saltend refinery thereby negatively impacting on the ability of the group to compete in the resources and chemical processing sectors.

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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.

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Mr. Tim George

Chief Executive Officer

21 March 2025

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Condensed Consolidated Statement of Comprehensive Income
for the six months ended 31 December 2024

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		Unaudited	**Unaudited**
Â	***Â***	**31 December 2024**	**31 December 2023**
Â	**Note**	**US**	**US**
Administration expenses	5	(2,545,911)	(3,461,420)
Impairment gains/(losses) on financial assets	Â	59,075	(46,543)
Foreign currency exchange (losses)/gains	5	(409,504)	50,471
Loss from operations	Â	**(2,896,340)**	**(3,457,492)**
Finance costs	Â	-	-
Loss before income tax	Â	**(2,896,340)**	**(3,457,492)**
Income tax	6	Â	-
Total loss for the period	**Â**	**(2,896,340)**	**(3,457,492)**
Â	**Â**	**Â**	**Â**
Other comprehensive loss	**Â**	**Â**	**Â**
Items that may be reclassified subsequently to profit or loss	**Â**	Â	Â
Foreign currency translation	**Â**	(295,360)	(200,347)
Total comprehensive loss for the period	**Â**	**(3,191,700)**	**(3,657,839)**
Â	**Â**	**Â**	**Â**
Net loss for the period is attributable to:	**Â**	Â	Â
Owners of Pensana Plc	**Â**	**(2,896,340)**	**(3,457,492)**
Â	**Â**	**Â**	**Â**
Total comprehensive loss is attributable to:	**Â**	Â	Â
Owners of Pensana Plc	**Â**	**(3,191,700)**	**(3,657,839)**
Â	**Â**	**Â**	**Â**
Loss per share attributable to owners of Pensana Plc:			Â
Basic (cents per share)	17	(1,00)	(1.21)
Diluted (cents per share)	17	(1,00)	(1.21)

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Notes to the interim financial statements are included on pages 14 to 29.

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Condensed Consolidated Statement of Financial Position
as at 31 December 2024

Â	Â	**Unaudited As at 31 December 2024**	**Â As at 30 June 2024**
Â	**Note**	**US**	**US**
ASSETS	**Â**	Â	Â
NON-CURRENT ASSETS	**Â**	Â	Â
Property, plant and equipment	10	60,114,213	57,354,414
Intangible assets	9	13,624,992	13,612,261
TOTAL NON-CURRENT ASSETS	**Â**	**73,739,205**	**70,966,675**
Â	Â	**Â**	**Â**
CURRENT ASSETS	**Â**	Â	Â
Cash and cash equivalents	7	40,133	1,515,378
Trade and other receivables	8	1,976,533	2,089,554
TOTAL CURRENT ASSETS	**Â**	**2,016,666**	**3,604,932**
Â	**Â**	Â	Â
TOTAL ASSETS	**Â**	**75,755,871**	**74,571,607**
Â	**Â**	Â	Â
LIABILITIES	**Â**	Â	Â
CURRENT LIABILITIES	**Â**	Â	Â
Trade and other payables	11	12,110,357	12,826,210
Loans and borrowings	12	15,386,210	10,789,583
TOTAL CURRENT LIABILITIES	**Â**	**27,496,567**	**23,615,793**
TOTAL LIABILITIES	**Â**	**27,496,567**	**23,615,793**
NET ASSETS	**Â**	**48,259,304**	**50,955,814**
EQUITY	**Â**	Â	Â
Issued capitalÂ Â	13	360,922	361,440
Share premium	Â	71,147,070	70,826,007
Reserves	Â	45,608,483	45,729,198

Accumulated losses	Â	(68,857,171)	(65,960,831)
TOTAL EQUITY	**Â**	**48,259,304**	**ÂÂÂÂ 50,955,814**

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Notes to the interim financial statements are included on pages 14 to 29.

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Condensed Consolidated Statement of Changes in Equity
for the six months ended 31 December 2024

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Â	**Fully paid ordinary shares**	**Share premium**	**Accumulated Losses**	**Merger Reserve**	**Foreign Exchange Reserve**	**Share based Payments Reserve**	**Equity Reserve**	**Total**
Unaudited	**US**	**US**	**US**	**US**	**US**	**US**	**US**	**US**
	Â	**Â**	**Â**	**Â**	**Â**	**Â**	**Â**	**Â**
Â	**Â**	**Â**	**Â**	**Â**	**Â**	**Â**	**Â**	**Â**
Balance 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 period	-	-	(2,896,340)	-	-	-	-	**(2,896,340)**
Other comprehensive loss	-	-	-	-	(295,360)	-	-	**(295,360)**
Total comprehensive loss for the period	**Â**	**Â**	**(2,896,340)**	**Â**	**(295,360)**	**-**	**-**	**(3,191,700)**
Issue of shares (note 13)	(518)	321,063	Â	Â	Â	Â	Â	**320,545**
Share based payments	Â	Â	Â	Â	Â	174,645	Â	**174,645**
Balance at 31 December 2024	**360,922**	**71,147,070**	**(68,857,171)**	**45,748,045**	**(1,493,981)**	**1,854,419**	**(500,000)**	**48,259,304**

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Â	**Fully paid ordinary shares**	**Share premium**	**Accumulated Losses**	**Merger Reserve**	**Foreign Exchange Reserve**	**Share based Payments Reserve**	**Equity Reserve**	**Total**
Unaudited	**US**	**US**	**US**	**US**	**US**	**US**	**US**	**US**
	Â	**Â**	**Â**	**Â**	**Â**	**Â**	**Â**	**Â**
Â	**Â**	**Â**	**Â**	**Â**	**Â**	**Â**	**Â**	**Â**
Balance 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 period	-	-	(3,457,492)	-	-	-	-	**(3,457,492)**
Other comprehensive loss	-	-	-	-	(200,347)	-	-	**(200,347)**
Total comprehensive loss for the period	**-**	**-**	**(3,457,492)**	**-**	**(200,347)**	**-**	**-**	**(3,657,839)**
Share based payments	-	-	-	-	-	709,751	-	**709,751**
Balance at 31 December 2023	**356,898**	**70,826,007**	**(64,401,988)**	**45,748,045**	**(398,385)**	**2,181,937**	**(500,000)**	**53,812,514**

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Notes to the interim financial statements are included on pages 14 to 29.

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Condensed Consolidated Statement of Cash Flows
for the six months ended 31 December 2024

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		Unaudited 31 December 2024	**Unaudited 31 December 2023**
Â	Â	**Â**	
Â	Â	**Â**	**Â**
Â	**Note**	**US**	**US**
Cash flows from operating activities	Â	**Â**	**Â**
Operating cash flows	19	(2,393,764)	(3,223,494)
Net cash used in operating activities	Â	**(2,393,764)**	**(3,223,494)**
Â	Â	Â	Â
Cash flows from investing activities	Â	Â	Â
R&D tax credit	Â	509,503	1,598,061
Technical assistance government grant received	Â	340,000	-
Payments for property, plant and equipment and intangibles	19	(4,369,954)	(10,425,893)
Net cash used in investing activities	**Â**	**(3,520,451)**	**(8,827,832)**
Â	Â	Â	Â
Cash flows from financing activities	Â	Â	Â
Proceeds from short-term debt	Â	4,118,468	4,784,851
Net proceeds from issues of equity securities	13	320,544	-
Net cash provided by financing activities	**Â**	**4,439,012**	**4,784,851**
Â	Â	Â	Â
Net decrease in cash and cash equivalents	Â	**(1,475,203)**	**(7,266,475)**
Â	Â	Â	Â
Cash and cash equivalents at beginning of the period	Â	1,515,378	9,695,491

Effects of exchange rate changes on the balance of cash held in foreign currencies	Â	(42)	18,681
Cash and cash equivalents at the end of the period	7	**40,133**	**2,447,697**

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Notes to the interim financial statements are included on pages 14 to 29.

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Notes to the financial statements

1.Â General information

The consolidated financial statements present the financial information of Pensana Plc and its subsidiaries (collectively, the group) for the six months ended 31 December 2024 in United States dollars (US). Pensana Plc (the company or the parent) is a public company limited by shares listed on the Main Market of the London Stock Exchange (LSE) and incorporated in England & Wales on 13 September 2019. The registered office is located at 107 Cheapside, Second Floor, London, EC2V 6DN, UnitedÂ Kingdom.

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

In early 2020, Pensana Metals Ltd 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.

2.Â New accounting standards and interpretations

(a)Â 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. Â

Standard	**Description**	**Effective date**
Amendment to IAS 1	Classification of Liabilities as Current or Non-Current â€“ Amendments to IAS 1 Presentation of Financial Statements	1 January 2024
Amendments to IAS 1	Non-current liabilities with covenants â€“ Amendments to IAS 1 Presentation of Financial Statements	1 January 2024
Amendments to IFRS 16	Lease liability in sale and leaseback â€“ Amendments to IFRS 16	1 January 2024
Amendments to IAS 7	Supplier Finance Arrangements â€“ Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures	1 January 2024
Â	Â	Â

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

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(b)Â Accounting standards and interpretations issued but not yet effective:

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

Standard	**Description**	**Effective date**
Amendments to IAS 21	Lack of Exchangeability â€“ Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates	1 January 2025

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Management has reviewed and considered these new standards and interpretations and none of these are expected to have a material effect on the reported results or financial position of the Group.

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3.Â Material accounting policies and Going Concern

Basis of preparation

The condensed interim report, which is unaudited, has been prepared in accordance with UK-adopted International Accounting Standard 34 Interim Financial Reporting and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdomâ€™s Financial Conduct Authority. Â This condensed interim report does not include all the notes of the type normally included in an annual financial report. This condensed interim report is to be read in conjunction with the annual report for the year ended 30 June 2024, and any public announcements made by the group during the interim reporting period. The comparative financial information for the year ended 30 June 2024 in this interim report does not constitute statutory accounts for that year. The statutory accounts for 30 June 2024 have been delivered to the Registrar of Companies.

The auditors' report on those accounts was unqualified but drew attention to a material uncertainty in relation to going concern. It did not contain a statement under 498(2) or 498(3) of the Companies Act 2006. Â The financial report for the six months ended 31 December 2024 was prepared in accordance with the annual financial statements of the group and are prepared in accordance with UK adopted International Accounting Standards (IFRSs).

The accounting policies applied in this condensed interim report are consistent with the polices applied in the annual financial statements for the year ended 30 June 2024 and were prepared in accordance with UK adopted International Financial Reporting Standards (IFRSs).

As disclosed in the 30 June 2024 Annual Report, 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 Limited and its subsidiary companies for the effective issuance of 152,973,315 shares to the shareholders of Pensana Metals 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 Â£0.001 per share subscribed for incorporation of the company by Pensana Metals Ltd which were transferred to CHESS Depositary Nominees Pty Ltd (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 Â£0.001 per share additionally issued by the company to CHESS Depositary Nominees Pty Ltd for use in the scheme of arrangement. CHESS Depositary Nominees Ltd 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 (GAAPs). 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 occur as a result of the transaction, and the assets and liabilities are incorporated at their predecessor carrying values.

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

Going Concern

The group financial statements have been prepared on a going concern basis. The directors are of the opinion that the group 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.

As at 31 December 2024, the group was in a net asset position of US 48,259,304 (June 2024: US 50,955,814) and net current liabilities position of US 25,479,901 (June 2024: US 20,010,861). In addition, the group reported a net loss after income tax of US 2,896,340 (2023: US 3,457,492) and experienced cumulative net cash outflows from operating and investing activities of US 5,914,215 (2023: US 12,051,326).

Cash and cash equivalents totalled US 40,133 at the year-end (June 2024: US 1,515,378). Cash and cash equivalents as at the date of approval of these financial statements amounted to US 286,255, including subsequent final drawdowns against the FSDEA loan. The Company further has access to a Â£3.0 million term loan facility with an accredited UK based investment house in addition to the Directors loan facility highlighted below.

The directors have prepared a cash flow forecast for the period ending June 2026.

In the prior period, the companyâ€™s chairman, Mr Paul Atherley and the CEO, Mr Tim George made available a loan Facility of Â£2 million to the company to meet the underlying operating costs for the UK as required over the coming months, excluding the existing UK contractor balances and capital development costs. In July 2024, the chairman sold 1,500,000 of his ordinary shares in the company and used the proceeds to make Â£250,000 available to the parent company under the Facility as working capital support, while the group finalises its main fundraising for the Longonjo Project. To avoid incurring interest costs, the parent company settled the Â£250,000 under the Facility by the issue to the chairman of 1,500,000 ordinary shares being equal to the number sold by the chairman, at an effective price of 16.666 pence per ordinary share. Subsequently, Mr Rob Kaplan was added as an assignee to the loan and made available Â£32,521 in December 2024. Following the various drawdowns, the balance available under the Facility reduced to Â£1.72 million at period end, with a maturity date of 31 July 2025.

During the prior year, in Angola, the group secured a US 15 million loan facility, secured over the indirect shareholding in the groupâ€™s Angolan subsidiary. The loan is directly linked to the main finance structuring currently being contemplated by the group, and the loan facility is part of the broader US 108 million equity investment to facilitate the development of the Longonjo Project. The undrawn balance as at 31 December 2024 of US 447,393 is expected to be sufficient to cover ongoing costs at Longonjo until main financing is concluded. The loan was repayable on 30 September 2024. While the loan has not been formally extended, the directors have been in discussions with the lenders not to recall the loan. The directors have no current expectation that the loan will be called. In March 2025, the group received approvals for the full financing totalling circa US 268 million for the Longonjo rare earth project subject to conclusion of definitive documentation and the fulfilment of conditions precedent contained therein. The approved funding will enable the restructuring of the FSDEA loan, and provide funds for the wider Longonjo project development.

In addition to ongoing traction in Angola, in September 2024, Pensana also secured a US 3.4 million of Technical Assistance grant funding secured from the US International Development Finance Corporation (DFC) which will support feasibility studies for increased processing capacity at Longonjo, downstream refining opportunities in Angola as well as test work for the development of the Coola project orebodies. The initial 10% mobilisation request has been received during the period, with workstreams and subsequent drawdowns ongoing.

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 loan in the event that the main financing, which will include the appropriate restructuring of the FSDEA loan, is not achieved. Given the support provided by the Angolan Government for the Longonjo Project to date along with recent approvals received for Longonjo main financing, the directors anticipate such a restructuring to be successfully concluded.

In assessing the going concern basis of preparation, the directors have also considered the availability of funding and its impact on the progression of the Longonjo Project in Angola and the Saltend Project in the UK. Similarly, the directors have also considered the impact of the ongoing geopolitical landscape, including ongoing global wars and elections as it relates to costs, marketability of our product and the potential volatility in the debt and equity markets.

The directors have continued to actively engage with institutional investors and financing institutions in the UK, Europe and Africa to discuss opportunities around potential future financing in anticipation of a final investment decision being taken to initiate main project development. Such additional funding, including the option to utilise existing director loan facilities, will be required to meet the groupâ€™s committed and planned development expenditure across the forthcoming year. The ability of the group to continue as a going concern is dependent on securing such additional funding.

Despite the ongoing engagements, the directors note that the required funding outlined above has not been secured at the date of approval of these financial statements and the availability of such funding on terms that would be acceptable is not guaranteed. Similarly, settlement of the FSDEA loan is dependent on the fulfilment of main financing.

The group is therefore dependent on securing additional funding; contractors support of existing project-related contractor balances until the additional funding is secured; and on conclusion of Longonjo Project main financing definitive documentation and the fulfilment of conditions precedent contained therein, which includes appropriate restructuring of the FSDEA loan and if not successful, will lead to a refinance of the FSDEA loan. These are not guaranteed. These circumstances indicate the existence of material uncertainties which may cast significant doubt on the groupâ€™s ability to continue as going concern. Therefore, the group may be unable to realise their assets and discharge their liabilities in the normal course of business.

On the back of the recent approvals the directors have increased confidence that the required funding will be secured; contractors support of existing project-related contractor balances will be obtained; and that the Longonjo Project main financing definitive documentation and the fulfilment of conditions precedent contained therein which includes appropriate restructuring of the FSDEA loan will be finalised. 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.

Critical accounting judgements and key sources of estimation uncertainty
In applying the Groupâ€™s accounting policies, management continually 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 judgments, 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:

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(i) Â ***Significant accounting judgements***

Impairment indicator assessment of development assets Â

The ultimate recovery of the value of the groupâ€™s development assets as at 31 December 2024 is dependent on the successful development and commercial exploitation, or alternatively, the sale of the Longonjo Project. Judgement was exercised in assessing the extent to which impairment indicators existed as at 31 December 2024 in respect of the Longonjo Project and associated balances. In forming this assessment, internal and external factors were evaluated.

Management considered the companyâ€™s market capitalisation relative to the groupâ€™s net asset value, the progression of the Longonjo and Saltend Projects and the financial life of mine plan, feasibility study equivalent assessments and the associated Ore Reserve Statement and the competent personâ€™s report covering the Longonjo and Saltend Projects. The underlying financial life of asset involves estimates regarding commodity prices, production and reserves, operating costs and capital development together with discount rates which demonstrates significant headroom.

After performing in-depth reviews, including sensitivities around key value drivers, management determined that no impairment existed.

Climate change

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

â€¢Â Â Â Â Â Â Â Â The judgements involved in the evaluation of indicators of impairment for the groupâ€™s development assets and assets under construction);

â€¢Â Â Â Â Â Â Â Â The judgements used in the evaluation of the groupâ€™s exploration and evaluation assets for impairment; and

â€¢Â Â Â Â Â Â Â Â The evaluation of the residual values and economic useful lives of property, plant and equipment.

The effects of climate-related strategic decisions are incorporated into managementâ€™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.

(ii)Â Â Â Â Â Â Â Â Â Â Â Â Â Significant accounting estimates and assumptions

Share-based payment transactions

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 groupâ€™s estimate of shares that will eventually vest. 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.Â 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 assessment of Saltend intangibles

The ultimate recovery of the value of the Saltend intangibles as at 30 June 2024 is dependent on the successful development and commercial exploitation of the Saltend facility or the sale thereof. An impairment assessment is performed annually.Â Judgement was exercised in assessing the extent to which impairment existed as at 31 December 2024 in respect of the Saltend Project and associated balances. In forming this assessment, internal and external factors were evaluated, including those that applied last year. Management determined that no impairment existed having considered the companyâ€™s market capitalisation relative to the groupâ€™s net asset value, and the contemplated staged development of Saltend. The underlying financial life of asset involves estimates regarding commodity prices, production and reserves, operating costs and capital development together with discount rates and demonstrates significant headroom.

4.Â 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 being related to the activities in Angola and Saltend (UK), on the basis that the assets in Tanzania are fully impaired as at 31 December 2023 and 30 June 2023.Â Corporate relates to operations in Australia and Portugal which consist of corporate and head office-related costs.Â Â

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31 December 2024	**Angola**	**UK**	**Corporate**	**Total**
	US	**US**	**US**	**US**
Non-current assets â€“ opening balance	53,039,521	17,927,154	-	70,966,675
Non-current assets â€“ additions/movements	2,699,430	73,100	Â	2,772,530
Non-current assets â€“ closing balance	**55,738,951**	**18,000,254**	**-**	**73,739,205**
Current assets	853,952	881,907	280,807	2,016,666
Current and non-current liabilities	(834,622)	(25,118,120)	(1,543,825)	(27,496,567)
Cash and cash equivalents	8,881	15,074	16,178	40,133
Six months ended 31 December 2024	Â	Â	Â	Â
Administration expenses	(837,410)	(1,601,266)	(107,235)	(2,545,911)
Operating loss	(3,579,949)	(762,152)	1,445,761	(2,896,340)
Depreciation	(16,952)	(2,045)	-	(18,997)
Loss before tax	(3,579,949)	(762,152)	1,445,761	(2,896,340)
Loss for the period	(3,579,949)	(762,152)	1,445,761	(2,896,340)

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30 June 2024	Angola	UK	Corporate	Total
	US	US	US	US
Non-current assets â€“ opening balance	43,846,788	17,942,784	â€“	61,789,572
Non-current assets â€“ additions	9,192,733	(15,630)	â€“	9,177,103
Non-current assets â€“ 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
Six months ended 31 December 2023	Â	Â	Â	Â
Administration expenses	(880,515)	(2,908,816)	(255,493)	(4,044,824)
Operating loss	(682,645)	(3,123,432)	(397,256)	(4,203,333)
Depreciation	(23,716)	(2,955)	-	(26,671)
Loss before tax	(682,645)	(3,123,432)	(397,256)	(4,203,333)
Loss for the period	(682,645)	(3,123,432)	(397,256)	(4,203,333)

Non-current assets consist mainly of development assets, assets under construction and intangible assets.Â Additions and depreciation of property, plant and equipment are disclosed in note 10 and movements in intangible assets are disclosed in note 9.

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5.Â Other Expenses

				Six months ended 31 December	Six months ended 31 December
				2024	**2023**
Â	Â	**Â**	Â	**US**	**US**
Administration expenses	Â	Â	Â	Â	Â
General administration costs	Â	Â	Â	568,118	702,820
Audit and non-audit fees	Â	Â	Â	93,906	123,996
Consultant Fees	Â	Â	Â	194,701	115,444
Travel expenses	Â	Â	Â	85,012	63,180
Legal fees	Â	Â	Â	2,411	35,101
Â	Â	Â	Â	Â	Â
Operating lease rental expenses:	Â	Â	Â	Â	Â
Lease payments (short-life leases)	Â	Â	Â	47,460	80,433
Â	Â	Â	Â	Â	Â
Depreciation on non-current assets:	Â	Â	Â	Â	Â
Property, plant and equipment	Â	Â	Â	18,997	21,603
Â					
Employee Benefits	Â	Â	Â	**Â**	**Â**
Performance rights and options granted to directors, officers and employees	Â	Â	Â	174,645	709,751
Directorsâ€™ fees and employee benefits	Â	Â	Â	1,282,053	1,513,705
Social security costs	Â	Â	Â	78,608	95,387
Total administration expenses	Â	Â	Â	**2,545,911**	**3,461,420**

Foreign currency exchange gains/losses:Â Â Â Â Â Â Â Â Â Â Â Â Â

Foreign exchange loss of 409,504 (2023: 50,471 gain) comprises realised foreign exchange movements on retranslation of monetary balances and unrealised foreign exchange movements on intercompany loans which are considered repayable in the foreseeable future.

6.Â Income Taxes

				Consolidated	
Â	Â	Â	Â	**6 months ending 31 December**	**6 months ending 31 December**
				2024	**2023**
Â	Â	Â	Â	**US**	**US**
Current taxation	Â	Â	Â	Â	Â
Current tax charge/ (credit)	Â	Â	Â	-	-

No Liability to corporation tax arose in ordinary activities for the half year ended 31 December 2024 or 31 December 2023.

The tax assessed for the year utilised the standard rate of tax in the UK of 25% (2023: 25%).

Tax rate reconciliation:

Â	Â	Â	Â	**Â**	
				Six months ended 31 December	**Six months ended 31 December**
				2024	**2023**
Â	Â	Â	Â	**US**	**US**
Loss from continuing operations before tax	Â	Â	Â	(2,896,340)	(3,457,492)
Â	Â	Â	Â	Â	Â
Loss on continuing activities multiplied by the rate of corporation tax in the UK of 25% (2023:25%)	Â	Â	Â	(724,085)	(864,373)
Â	Â	Â	Â	Â	Â
Tax effects of:	Â	Â	Â	Â	Â
Different tax rates in overseas jurisdictions	Â	Â	Â	2,539	571
Amounts which are not deductible	Â	Â	Â	46,928	177,965

Deferred tax assets not recognised	Â	Â	Â	674,618	685,837
Total tax charge/(credit)	**Â**	**Â**	**Â**	**-**	**-**
Â	Â	Â	Â	Â	Â

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7.Â Cash and Cash Equivalents

Â	Â	Â	Â	Â	**Â**	
Â	Â	Â	Â	Â	**As at 31 December 2024**	**As at Â 30 June 2024**
Â	Â	Â	Â	Â	**US**	**US**
Â	Â	Â	Â	Â	**Â**	**Â**
Cash at bank and on hand	Â	Â	Â	Â	40,133	1,515,378
Â	Â	Â	Â	Â	**40,133**	**1,515,378**

Â

8.Â Trade and Other Receivables

Â	Â	Â	Â	Â	**Â**	
Â	Â	Â	Â	Â	**Â As at 31 December 2024**	**Â As at Â 30 June 2024**
Â	Â	Â	Â	Â	**US**	**US**
Â	Â	Â	Â	Â	**Â**	**Â**
Trade receivables	Â	Â	Â	Â	36,413	39,817
Prepayments	Â	Â	Â	Â	50,916	51,052
R&D tax receivables	Â	Â	Â	Â	242,793	509,503
VAT receivables	Â	Â	Â	Â	1,327,596	1,204,665
Other receivables	Â	Â	Â	Â	318,815	284,517
Â	Â	Â	Â	Â	**1,976,533**	**2,089,554**

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9.Â Intangible assets

		As at 31 December 2024	**As at 30 June 2024**
Â	**Â**	**US**	**US**
ÂÂÂÂÂÂÂ Saltend intangible assets	**Â**	**Â**	**Â**
Carrying value	Â	Â	Â
Balance at the beginning of the year	Â	13,215,564	13,577,069
Additions	Â	110,953	176,971
R&D government grant deferred	Â	-	(509,503)
Adjustment on currency translation	Â	(130,839)	(28,973)
Balance at the end of the period	Â	**13,195,678**	**13,215,564**
Coola exploration and evaluation expenditure	Â	**Â**	**Â**
Carrying value	Â	**Â**	**Â**
Balance at the beginning of the year	Â	396,697	243,249
Additions	Â	32,617	153,448
Balance at the end of the period	Â	**429,314**	**396,697**
Total intangibles	Â	**13,624,992**	**13,612,261**

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10.Â Property, plant and equipment

Â	**Â Buildings**	**Â Plant and equipment**	**Â Development asset**	**Â Assets under construction**	**Â Motor vehicles**	**Â Office equipment**	**Â Computer equipment**	**Â Total**
Â	**US**	**US**	**US**	**US**	**US**	**US**	**US**	**US**
Â	**Â**	**Â**	**Â**	**Â**	**Â**	**Â**	**Â**	**Â**
Cost	Â	Â	Â	Â	Â	Â	Â	Â
Balance at 1 July 2024	38,526	38,467	52,912,614	4,269,553	214,239	7,983	38,298	57,519,680
Additions	-	1,517	4,153,873	-	2,155	-	2,989	4,160,534
R&D government grant deferred	**-**	**-**	(242,793)[1]	-	**-**	**-**	**-**	(242,793)
Technical assistance grant received	-	-	(340,000)	-	**-**	-	-	(340,000)
Adjustment on currency translation	-	-	(756,230)	(42,270)	**-**	-	(817)	(799,317)
Balance at 31 December 2024	**38,526**	**39,984**	**55,727,464**	**4,227,283**	**216,394**	**7,983**	**40,470**	**60,298,104**
Â	Â	Â	Â	Â	Â	Â	Â	Â
Depreciation	Â	Â	Â	Â	Â	Â	Â	Â
Balance at 1 July 2024	8,304	13,969	-	-	113,366	4,386	25,241	165,266

Charge for the year	891	1,920	Â	Â	12,187	349	3,650	18,997
Adjustment on currency translation	-	-	-	-	-	-	(372)	(372)
Balance at 31 December 2024	**9,195**	**15,889**	-	-	**125,553**	**4,735**	**28,519**	**183,891**
Â	Â	Â	Â	Â	Â	Â	Â	Â
Net Book Value	Â	Â	Â	Â	Â	Â	Â	Â
At 1 July 2024	30,222	24,498	52,912,614	4,269,553	100,873	3,597	13,057	57,354,414
At 31 December 2024	**29,331**	**24,095**	**55,727,464**	**4,227,283**	**90,841**	**3,248**	**11,951**	**60,114,213**

[1]The R&D grant deferred during the six months ending 31 December 2023 was 560,725.

11.Â Trade and other Payables

		As at 31 December 2024	As at 30 June 2024
Â	**Â**	**US**	**US**
Â	**Â**	**Â**	**Â**
Trade and other payables	Â	10,531,199	10,571,451
Accrued expenses	Â	1,533,315	2,210,275
Statutory liabilities	Â	45,843	44,484
Â	Â	**12,110,357**	**12,826,210**

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12. Â Loans and borrowings

		As at 31 December 2024	As at 30 June 2024
Â	**Â**	**US**	**US**
Â	**Â**	**Â**	**Â**
Interest bearing liabilities (current)	Â	Â	Â
Bridging loan facility	Â	15,386,210	10,789,583
Total	Â	**15,386,210**	**10,789,583**
Â	Â	**Â**	**Â**
Net cash and borrowings	Â	**Â**	**Â**
Cash and cash equivalents	Â	**40,133**	1,515,378
Borrowings	Â	**(15,386,210)**	(10,789,583)
Â	Â	**(15,346,077)**	**(9,274,205)**
Â			

Â	Â **Borrowings**	**Â** **Cash**	**Â** **Total**
Â	**US**	**US**	**US**
Net (borrowings)/cash at 1 July 2024	**(10,789,583)**	**1,515,378**	**(9,274,205)**
Net cash used in operating activities	-	(2,393,764)	(2,384,891)
Net cash used in investing activities	-	(3,520,451)	(3,529,324)
Net proceeds from loans and borrowings	(4,118,468)	4,118,468	-
Capitalisation of interest on borrowings	(478,159)	-	(478,159)
Proceeds from issues of equity securities	-	320,544	320,544
Foreign exchange movements	-	(42)	(42)
Net (borrowings)/cash at 31 December 2024	**(15,386,210)**	**40,133**	**(15,346,077)-**

Â

The FSDEA facility is currently under review as part of the main financing for Longonjo, which will include the appropriate restructuring of the FSDEA loan. Given the support provided by the Angolan Government for the Longonjo Project to date along with recent approvals received for Longonjo main financing, the directors anticipate such a restructuring to be successfully concluded.

By 31 December 2024, 14.6 million of the facility was drawn down and the average interest rate incurred during the period was 6.95%.Â

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13.Â Issued Capital

Â	**As at 31 December 2024**	**As at 31 December 2024**	**As at 30 June 2024**	**As at 30 June 2024**
Â	**No.**	**US**	**No.**	**US**
Fully paid ordinary shares	**Â**	**Â**	**Â**	**Â**
Balance at 1 July	288,772,873	361,440	285,180,873	356,898
Shares issued - conversion of performance rights	-	-	Â	Â
Share Placement	1,500,000	1,938	2,250,000	2,845
Correction	-	(2,456)	-	-
Share Placement	-	-	1,342,000	1,697
Balance at period end	290,272,873	360,922	288,772,873	361,440
Â	Â	Â	Â	Â

Placements during half year ending 31 December 2024:

On 26 July 2024, the company issued 1,500,000 fully paid ordinary shares to the Chairman at a price of Â£0.16 per share and raised US 323,000.Â This was part of the funding facilitated by the chairman under the Â£2 million working capital Facility made available to the company on 28 March 2024.Â Refer to note 20 for further information.

There were no shares issued during the half year ending 31 December 2023.

Share options on issue

As at 31 December 2024, there were nil shares under option (31 December 2023: nil).Â

Performance rights on issue

There are no performance rights outstanding as at period end.

14.Â 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.

(i)Â Â Â Â Â Â Â Â Exploration Commitments

There were no commitments for payments under exploration permits and mineral leases in existence at the reporting date, but not recognised as liabilities payable, as well as at 30 June 2024.

(ii)Â Â Â Â Â Â Â Â Capital Commitments

Capital expenditure contracted for at the reporting date but not yet incurred was as follows:

		As at 31 December 2024	As at 30 June 2024
Â	**Â**	**US**	**US**
Â	Â	Â	Â
Capital expenditure	Â	1,888,937	1,006,698

The expenditure relates primarily to the Longonjo Project in Angola, as well as the Saltend Project in the UK.

15.Â 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.

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16.Â Share-based Payments

Half year ended 31 December 2024

During the period, no share awards and no short-term bonus share awards were issued to directors, senior management and employees.Â

No legacy awards remained to vest during the period.

Half year ended 31 December 2023

During the period 3,050,000 share awards were issued to directors, senior management and employees.Â

During the period 1,342,000 short-term bonus share awards were also issued to directors, senior management and employees.

US 709,751 was charged to the statement of comprehensive income relating to these new awards, as well as to existing share awards.

During the period, the remainder of the 750,000 legacy awards vested.

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17.Â Loss per share

Â		**2024**	**2023**
	Â	**cents per share**	**cents per share**
Basic loss per share	**Â**	**Â**	**Â**
From continuing operations	Â	1.00	1.21
Total basic loss per share	Â	1.00	1.21
Diluted loss per share	**Â**	**Â**	**Â**
From continuing operations	Â	1.00	1.21
Total diluted loss per share	Â	1.00	1.21

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:

Â	**Â**	**Unaudited Â As at 31 December 2024**	**Unaudited Â As at 31 December 2023**	
		US	**US**	
Net loss	Â	**(2,896,340)**	(3,457,492)	Â
Losses used in the calculation of basic loss per share from continuing operations	Â	**(2,896,340)**	(3,457,492)	Â
Losses used in the calculation of diluted loss per share attributable to ordinary shareholders	Â	**(2,896,340)**	(3,457,492)	Â
Â	Â	Â	Â	Â

Â

Â		**As at 31 December 2024**	**As at 31 December 2023**
	Â	**No.**	**No.**
Weighted average number of ordinary shares for the purposes of calculating basic loss per share and diluted loss per share	Â	290,125,332	285,180,873

Â

No options (31 December 2023: nil) or performance rights (31 December 2023: nil) have been included in the diluted earnings per share calculations.

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18.Â Related party transactions

During the period, Mr Kaplan settled an amount of Â£30,000 against advances made to him previously, and in addition provided funding of Â£32,521 to the company under the Facility. The net amount owing to Mr Kaplan as at 31 December 2024 was Â£12,050 (30 June 2024: Â£49,913).

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19.Â Notes to the Consolidated Statement of Cashflows

Reconciliation of loss for the period to net cash flows from operating activities

Â	**Â**	**Â**	**Â Â Six months ended**
		Six months ended	

		31 December 2024 US	31 December 2023 US
Â	**Â**	**Â**	**Â**
Net lossÂ	Â	**(2,896,340)**	**(3,457,492)**
Add/less non-cash items	Â	Â	Â
Depreciation	Â	18,997	21,603
Share based payments	Â	174,645	709,751
Impairment (gains)/losses on financial assets	Â	(59,075)	46,543
Foreign exchange losses /(gains)	Â	409,504	(50,471)
Changes in Trade and other receivables	Â	(94,614)	(646,467)
Changes in Trade and other payables	Â	53,119	153,039
Net cash used in operating activities	Â	**(2,393,764)**	**(3,223,494)**

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Reconciliation of additions to property, plant and equipment and intangibles to payments for property, plant and equipment and intangibles used in investing activities

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			Â **Â**
		Six months ended	**Six months ended**
		31 December 2024	**31 December 2023**
Â	**Â**	**US**	**US**
Â	**Â**	**Â**	**Â**
Additions to property, plant and equipment	10	(4,160,534)	(5,531,583)
Additions to Saltend intangible assets	9	(110,953)	(311,255)
Additions to exploration and evaluation		(32,617)	(117,435)
Total additions	Â	(4,304,104)	(5,960,273)
Capital items included in working capital[1]	Â	(65,850)	(4,465,620)
Payments for property, plant and equipment and intangibles		Â	**Â**
(cash flow investing activities)	Â	(4,369,954)	(10,425,893)

Â 1 Include interest capitalised of 478,159 (31 Dec 2023: 82,259).

20.Â Subsequent events

In January 2025, Mr Kaplan settled an amount of Â£19,000 against advances made to him previously. In February 2025 Mr Kaplan also provided additional funding of Â£74,907 to the company under the Facility, whilst the Company finalised its main fundraising for the Longonjo project, which was partially settled through the issue of shares amounting to Â£52,376. The net amount owing to Mr Kaplan was Â£53,576 and the balance available under the Facility reduced to Â£1.64 million at the date of this report.

Â

In February 2025, the company issued a total of 2,098,223 new ordinary shares of Â£0.001 each. The issue relates to the settlement of contractor balances of US 550,000 (1,850,723 ordinary shares) and partial settlement of amounts due to Mr Rob Kaplan under the Facility of Â£ 52,376 (247,500 ordinary shares.).

Following this issue, the Company's issued share capital consists of 292,371,096 Ordinary Shares.

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In March 2025, the company received approvals for the full financing totalling circa US 268 million for the Longonjo rare earth project, subject to conclusion of definitive documentation and the fulfilment of conditions precedent contained therein.

In March 2025 the Company entered into a 12-month term loan agreement with an accredited UK based investment house.

No other matters or circumstances have arisen since 31 December 2024 that have significantly affected, or may significantly affect:

- Â The Groupâ€™s operations in future financial years; or
- Â The results of those operations in future financial years; or
- Â The Groupâ€™s state of affairs in future financial years.

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RESPONSIBILITY STATEMENT

We confirm that to the best of our knowledge: a. the Condensed Interim Report have been prepared in accordance with IAS 34 Interim Financial Reporting and give a true and fair view of the assets, liabilities, financial position and profit of the Group; and b. the Interim Management Report includes a fair review of the information required by FCAâ€™s Disclosure and Transparency Rules (DTR 4.2.7 R and 4.2.8 R).

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By order of the Board

Mr Paul Atherley

21 March 2025

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