28 March 2024 LSE: PRE

Pensana Plc

(“Pensana”, “the company” or “the group”)

Unaudited Interim results for the six months ended 31 December 2023

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.

Half Year Highlights

- Finalisation of revised Longonjo execution plan allowing for staged mine development reducing upfront capital expenditure to US$217 million with US$105 million deferred until year three.
- Deployment of US$15 million Fundo Soberano de Angola (FSDEA) loan facility as part of a broader US$80 million investment (subject to due diligence and the finalisation of investment terms) to facilitate the development of the Longonjo Project.
- Offtake memorandum of understanding for up to 100% of Longonjo production.
- Ongoing mineralogical studies confirm processing potential of the rare earth host minerals at the Coola carbonatite and Sulima West exploration targets.
- Meeting with United Kingdom (UK) Minister Nusrat Ghani to discuss the potential UK and United States (US) government support for the Saltend Project.
- Pensana, working in partnership with Polestar, Route2 and the Universities of Leeds and Hull, awarded £316,643 in conditional grant funding by Innovate UK under its CLIMATES programme.
- Letter of intent signed between Pensana and The Yorkshire Energy Park (“YEP”) for the site of a future permanent magnet metal facility within the park. The YEP is located adjacent to the Saltend End Chemicals Park in the Humber Freeport UK.

Post period-end

- The Company, through its 84% owned subsidiary Ozango Minerais SA (Ozango), which owns 100% of the Longonjo project, has concluded a non-binding term sheet (Term Sheet) with the Longonjo lender consortium for a US$156 million project finance debt facility (Facility).
- Approval by one of Pensana’s major potential customers of the product qualification specifications for Longonjo’s proposed mixed rare earth carbonate (MREC) product.
- Technical due diligence report on the Longonjo rare earth project reported on by The Mineral Corporation (TMC) to ABSA Capital (ABSA) as the Mandated Lead Arranger for potential debt funding of the Project.
- Review by the six-member board, head of investment and key analysts of FSDEA to review the early-stage construction activities being funded by the US$15 million bridging loan from FSDEA, ahead of conclusion of the main financing.

CEO's Review

Dear Pensana Shareholders,

Over the period our owner's team, along with key financial support from our major shareholders, have focused on rapidly repositioning our Longonjo Rare Earth Project and the Saltend separation facility into a staged development programme targeting first production in early 2026.

The significant efforts have culminated in the finalisation of a Class 2 AACE study being completed providing a high degree of confidence around the capital estimates and contingencies and the lender appointed Independent technical experts, The Mineral Corporation, being able to carry out a detailed review on the updated project.

Additionally, all preferred vendors of major and long-lead equipment items were identified over the Period and have been engaged in preparation for project development; coupled with ongoing improvements and enhanced modularisation enabling for a de-risked off-site pre-fabrication, testing and containerised transport ensuring a faster and more efficient construction phase in terms of schedule, equipment and manpower requirements.

The reduced US$217 million capital cost metallurgical plant is a downscaled version of the identical processing unit stages within the existing defined mining, comminution, flotation, thickening, calcining, leaching and product precipitation process route.

The key points in the revised development implementation that allowed the team to rapidly facilitate the reworked phased development plan were that:

- Existing permits remained intact including the Exploitation Licence, the Environmental and Social Impact Assessment (ESIA) construction permit, the Resettlement Action Plan (RAP) and the Livelihood Restoration Plan (LRP) as developed in conjunction with the local community and relevant provincial authorities;
- Pre-production spend was minimised whilst still ensuring that the project's potential for generating economic benefits on a larger scale were not compromised;
- Production of a standardised and globally saleable refined radionuclide-free mixed rare earth product from Angola, independent of other developments;
- The modular sulphuric acid plant production unit capacity provides the pivot point around which the engineering and design work was undertaken and optimised;
- The historical testwork and pilot plant trials conducted in collaboration with equipment vendors continued to underpin the plant design criteria;
- Job creation in Angola along with training and skills transfer mechanisms remain intact.

Notable developments towards de-risking aspects of the project included:

- The SRK team finalising their geotechnical investigation in support of the dual-purpose TSF detailed design over the Period. The selected TSF site was confirmed as also being able to provide suitable excavated material for use in the TSF starter walls, pit haul roads, plant terracing and other construction-related requirements, thus mitigating the need to develop borrow-pit sources and associated licensing and material transport costs as well as reducing the overall environmental impact.
- Integration of the Longonjo Project bulk reagent consumption requirements (including sulphur and caustic soda) into the Trafigura/Mota Engil-led strategic mineral-focused Lobito Corridor port and rail concessions is being pursued as part of the ongoing operations readiness preparation. Logistical and operational expenditure benefits are obvious in terms of broader reagent supply to the existing Democratic Republic of the Congo (DRC) Copperbelt mines alongside the limestone which will be sourced from the existing quarries in the Lobito area.
- Negotiation of global procurement and logistical support for the construction phase with Deugro, an internationally established freight-forwarding business with a specific relationship with their Africa-centric specialised project logistics division. This combination of global and local logistics to enable efficient movement of material to and from the project site is considered by management to contribute to significantly de-risk this aspect of the project.

Saltend

With the focus on bringing the Longonjo project through financing and into development, on-site activity for the Saltend Project along with all significant engagements with third-party contractors continued to be put on hold whilst the financing options are being advanced. The existing Intellectual Property developed to date and core technical team expertise remain available to the group. Once Longonjo is in construction, attention will turn to the completion of the financing and development of the Saltend facility.

Update on construction activities at Longonjo

Over the Period the early-stage development activities continued to be funded via a US$15 million bridging loan provided by FSDEA ahead of the main finance. The significant activities have been the civil works for the camp, the rehabilitation of the access road to the Longonjo railway station and the agricultural demonstration plots under the Livelihood Restoration Programme.

The 4.5 kilometer road linking the site to the Benguela railway line has been upgraded. The enhanced road features include an improved roadbed substructure, a redefined road profile and rapid drainage systems. Serving as the primary route for inbound materials during construction and later for reagent import and the export of Mixed Rare Earth Carbonate in containers, the road connects the mine to the Longonjo station for rail access to the port of Lobito for shipping.

The Benguela railway line is part of the Lobito corridor undergoing a US$550 million investment from the US Government. The investment aims to secure critical minerals across central Africa to be exported via the port of Lobito and is anticipated to become one of Africa's most important rail transport systems.

Several kilometers of overhead powerlines, together with an underground water supply and effluent disposal system have been installed ahead of the arrival of the 350-person modular camp, which has been assembled at Johannesburg and is being relocated to site. The camp will be the primary operations base for the construction team.

Agricultural demonstration plots have been established by South African agriculture consultants, Vuna Agri, as part of the Livelihood Restoration Programme. The demonstration plots have an area of nine hectares and have now successfully completed their first full season. The Livelihood Restoration Programme was established to provide replacement land for any displaced farmers and additionally to provide a training base for those persons affected by the project to develop their agricultural skill sets.

The objective is to help local growers and farmers create healthy and sustainable agro-ecosystems, boosting household income in nearby communities, whilst enhancing overall food security. This ongoing programme is being conducted in collaboration with local universities with a view to continually improving farming practices.

With well on 50 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 amongst the local community, in particular with the creation of well-paid jobs and the successful implementation of the first phase of the livelihood restoration programme.

We have a strong team supporting the main construction which is being managed by MCC a leading project management team with a track record of delivering projects across Africa, including Angola. The engineering team is supported by ADP 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.

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.

Health, Safety and Environment
From a health, safety and environment view the business embeds HSE into its operating culture and has had zero recordable cases and zero environmental incidents in the Period. In Angola several staff residing in the community reported the contraction of malaria and the business therefore has delivered a malaria awareness programme.

Angola
In the Period the finalisation of the revised Longonjo execution plan including sections on environmental, health and safety, stakeholder relations and social and communities was completed.

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. The project plan will see the requirement for more resettlement to occur in 2024, to ensure land is available for the project. The team are currently in the process of contacting, engaging with and updating the records of all those who will be affected by the next phase of the project. During the period the RAP delivery plan has been reviewed and the project can therefore ensure compensation will be fair and transparent.

Stakeholder engagement continues apace with regular meetings taking place over the period between the project team and key stakeholders. This includes local and national authorities, transitional leadership, project affected people, training institutions and much more. This is supported by continued operation of an active grievance mechanism with community engagement with the process. All grievances raised have continued to be resolved at step 1, between the complainant and Ozango staff.

Further progress has been made over the Period in developing the replacement land to support the economic relocation of agricultural land affected by the project. During the period further studies were undertaken to review existing land use, biodiversity, and agricultural potential, confirming the availability of sufficient suitable land. Additionally, the project has agreed with the local community that Ozango will not affect any existing agricultural land and land not currently used for agriculture will be purchased for a value of at least market price. Furthermore, the project has invested in the formation of two demo plots, one in each of two replacement land blocks, to further investigate the most effective techniques and crops for optimal yield and to further demonstrate to PAPs that the replacement land can effectively host agriculture. These supplement the ongoing test and demonstration work at the existing plots within the mine boundary.

UK
In the UK, the business continues to explore research and development opportunities and during the period a studentship, in partnership with University of York and University of Leeds has commenced looking at the social impacts and opportunities from rare earth mining, using our Longonjo project as a case study. This is in addition to the ongoing project funded by innovate UK's CLIMATEs fund to investigate, in partnership with University of Leeds, University of Hull, Route2 and Polestar, opportunities across the value chain to support Pensana's objective of delivering a sustainable rare earth value chain.

Exploration

In August the Company reported high grade TREO soil sampling results at Sulima West and encouraging results from other targets on the Coola exploration licence area. This was subsequently followed by a report on the Mineralogical Characterisation studies undertaken by SGS South Africa of samples collected at Sulima West and the Coola carbonatite during 2022.

The report highlighted that:

- the Sulima West laterite mineralisation contains monazite which hosts NdPr with moderate liberation and exposure which should be amenable to some degree of simple upgrading at the current location, prior to processing at Longonjo;
- the Coola carbonatite contains a significant amount of bastnaesite which is host to more than 90% of the NdPr. The bastnaesite is moderately liberated and exposed, again suggesting that there is potential for recovery using the physical separation at the current location prior to processing at Longonjo.

The initial mineralogical study has confirmed the processing potential of the rare earth host minerals for both the Sulima West laterite and the Coola Carbonatite. The opportunity for upgrading the ore at the current location using physical separation techniques is currently being further assessed with the testing of larger samples which have been collected. We obviously see both Sulima West and Coola carbonatite as having the potential for upgrading the ore at its current location and thereby providing a high-grade near-term feedstock which would be transported to Longonjo for further processing and extraction of the rare earth elements.

Ground geophysical surveys were completed at both targets in 2023 which helped to better define known areas of mineralization and added additional exploration targets which will be further investigated in 2024.

Post-period end we continued with mineralogical studies and anticipate results to be reported by mid-year. Exploration drilling of the most prospective targets is scheduled for the latter half of 2024.

Operating and Financial Review

During the period, the consolidated entity incurred a comprehensive loss for the period of US$3,657,839 (31 December 2022: US$4,218,451 loss).

Administration expenses decreased to US$3,461,420 (31 December 2022: US$4,044,824). This was due to a decrease in consultancy fees, travel expenditure and legal fees incurred.

The group incurred a foreign currency exchange gain of US$50,471 for the six months ended 31 December 2023 (loss of US$42,468 during the six months ended 31 December 2022). These gains and losses arise from the settlement of invoices in currencies other than the functional currencies (USD, GBP, AUD, AOA), as well as the translation of balances denominated in currencies such as the pound and Australian dollar to the US dollar, where the balances are held in currencies other than the functional currency of the relevant company and reflect the movements in these currencies during the respective periods.

Group net assets decreased in the period from US$56,760,602 at 30 June 2023 to US$53,812,514 at 31 December 2023. This was due to a decrease in cash of $7,266,475 during the period, as explained below. The decrease in cash was partially offset by an increase in property, plant and equipment and intangible assets of US$5,531,583, mainly due to the construction programme at the Longonjo project.

The decrease in cash was due to expenditure at the Longonjo development project of US$10,425,893 (Six months ended 31 December 2022: US$8,615,868). This was partially offset by the receipt of the bridging loan facility from FSDEA which is secured over the company's shareholding in Ozango. By 31 December 2023, $4.7 million of the facility was drawn down.

The Group experienced net cash outflows from operating activities of US$3,223,494 (31 December 2022: US$4,074,921) with the decrease primarily reflecting working capital movements.

Net cash outflows from investing activities of US$8,827,832 increased from cash outflows of US$7,359,572 for the six months to 31 December 2022, mainly due to a decrease in capex items locked up in working capital, due to the timing of payment of invoices. Cash outflows for both periods under review related to cash spent on additions to the Longonjo project, as well as the Saltend project for the six months ended 31 December 2022. During the period, the group also received a R&D tax credit of $1,598,061 for work related to Saltend in the UK ($1,037,336), as well $560,725 for work related to Longonjo.

The decrease in the cash inflows from financing activities from US$10,000,000 for the six months ended 31 December 2022 to US$4,784,851 for the six months ended 31 December 2023 was mainly the result of no equity being issued during the period. The group did however receive a bridging loan facility from FSDEA of $4.7 million as explained above.
The ability of the company and group to continue with its plans to develop the Longonjo mine are contingent on the successful completion of the proposed debt and equity funding arrangements currently underway in the normal course of business. It is anticipated that the contemplated financing across the group may include further issues of equity at the asset level and export credit-backed debt financing. There is a risk that funding may not be available and/or the cost of financing may be higher than expected.

The ongoing support provided by the Angolan government and the approval of a non-binding term sheet from the Longonjo lender consortium as announced recently is expected to enable the Group to refinance the US$15m FSDEA loan facility.

The Group has received a loan facility from two of its directors for GBP2 million to meet the underlying operating costs of the UK over the next 6 to 9 months, excluding the existing UK contractor balances and capital development costs. The Board continues to engage proactively with the UK contractors to maintain support while further funding is secured to enable settlement, with non-binding letters of intent and agreements setting out the route to settlement under discussion with the key contractors.

Please refer note 3 to the financial statements for the going concern statement which includes a material uncertainty in relation to going concern.

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 and management of these risks is an integral part of the management of the Group. An overview of the key risks which could affect the Group's operational and financial performance was included in the company's 2023 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.

Financing and liquidity

The group is in pre-production phase and therefore has no revenues from operations currently.

The ability of the company and group to continue with its plans to develop the Longonjo mine are contingent on the successful completion of the proposed debt and equity funding arrangements currently underway in the normal course of business. It is anticipated that the contemplated financing across the group may include further issues of equity at the asset level and export credit-backed debt financing. 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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Details of the Board's going concern assessment are provided in note 3 to the financial statements and include a material uncertainty in respect of going concern.

Development of the Longonjo and Saltend Projects

The group's operations are at an early stage of construction development and future success will depend on the group's ability to manage the Longonjo and Saltend Projects (the projects) and the production of NdPr-rich MREC for export to the Saltend refinery and further processing into a rare earth oxide. In particular, the group's success is dependent upon the directors' ability to develop the projects by commencing and maintaining production at the sites and there is no certainty that funding will be available. Development of the projects could be delayed or could experience interruptions or increased costs because of supply chain or inflationary pressures or may not be completed at all due to a number of factors.

Logistical challenges and delays

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

Commodity price

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 attract finance and ultimately generate profits could be adversely affected.

Attracting skilled employees

The group'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. 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. 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.

Mr. Tim George
Chief Executive Officer
28 March 2024

INDEPENDENT REVIEW REPORT TO PENSANA PLC

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 31 December 2023 is not prepared, in all material respects, in accordance with UK adopted International Accounting Standard 34 and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 31 December 2023 which comprises the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of changes in equity, the consolidated statement of cash flows, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards and as regards the Parent Company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

Basis for conclusion

We conducted our review in accordance with Revised International Standard on Review Engagements (UK) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" ("ISRE (UK) 2410 (Revised)"). A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

As disclosed in note 3, the annual financial statements of the Pensana Plc are prepared in accordance with UK adopted international accounting standards. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with UK adopted International Accounting Standard 34, "Interim Financial Reporting.

Material uncertainty related to Going Concern

We draw attention to note 3 to the half-yearly financial report which indicates that the group will require additional funding to settle outstanding amounts due to suppliers and further subsequent additional funding to meet its commitments and planned expenditures which is not guaranteed. As stated in note 3, these events or conditions, along with other matters as set out in note 3, indicate the existence of a material uncertainty which may cast significant doubt over the group ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for conclusion section of this report, nothing has come to our attention to suggest that the directors have inappropriately adopted the going concern basis of accounting.

This conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410, however future events or conditions may cause the group to cease to continue as a going concern.

Responsibilities of directors

The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

In preparing the half-yearly financial report, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the review of the financial information

In reviewing the half-yearly report, we are responsible for expressing to the Company a conclusion on the condensed set of financial statement in the half-yearly financial report. Our conclusion, including our Conclusions Relating to Going Concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for Conclusion paragraph of this report.

Use of our report

Our report has been prepared in accordance with the terms of our engagement to assist the Company in meeting the requirements of the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of our terms of engagement or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

Ryan Ferguson
BDO LLP
Chartered Accountants
London, UK
28 March 2024

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Condensed Consolidated Statement of Comprehensive Income
for the six months ended 31 December 2023

	Note	Unaudited 31 December 2023 US$	Unaudited 31 December 2022 US$
Administration expenses	6	(3,461,420)	(4,044,824)
Impairment of financial assets		(46,543)	(116,041)
Foreign currency exchange gains/(losses)	6	50,471	(42,468)
Loss from operations		**(3,457,492)**	**(4,203,333)**
Finance income		-	-
Finance costs		-	-
Loss before income tax		**(3,457,492)**	**(4,203,333)**
Income tax	7	-	-
Total loss for the period		**(3,457,492)**	**(4,203,333)**
Other comprehensive loss			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation[1]		(200,347)	(15,118)
Total comprehensive loss for the period		**(3,657,839)**	**(4,218,451)**
Net loss for the period is attributable to:			
Owners of Pensana Plc		**(3,457,492)**	**(4,203,333)**
Total comprehensive loss is attributable to:			
Owners of Pensana Plc		**(3,657,839)**	**(4,218,451)**
Loss per share attributable to owners of Pensana Plc:			
Basic (cents per share)	18	(1.21)	(1.72)
Diluted (cents per share)	18	(1.21)	(1.72)

[1] Exchange differences arising on translation of foreign operations will be reclassified to profit or loss if specific future conditions are met

Notes to the interim financial statements are included on pages 14 to 27.

Condensed Consolidated Statement of Financial Position
as at 31 December 2023

	Note	Unaudited As at 31 December 2023 US$	As at 30 June 2023 US$
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	10	52,879,304	47,969,254
Intangible assets	11	14,280,428	13,820,318
TOTAL NON-CURRENT ASSETS		**67,159,732**	**61,789,572**
CURRENT ASSETS			
Cash and cash equivalents	8	2,447,697	9,695,491
Trade and other receivables	9	2,077,822	2,515,234
TOTAL CURRENT ASSETS		**4,525,519**	**12,210,725**
TOTAL ASSETS		**71,685,251**	**74,000,297**
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	13,005,626	17,239,695
Loans and borrowings	13	4,867,111	-
TOTAL CURRENT LIABILITIES		**17,872,737**	**17,239,695**
TOTAL LIABILITIES		**17,872,737**	**17,239,695**
NET ASSETS		**53,812,514**	**56,760,602**
EQUITY			
Issued capital	14	356,898	356,898
Share premium		70,826,007	70,826,007
Reserves		47,031,597	46,522,193
Accumulated losses		(64,401,988)	(60,944,496)
TOTAL EQUITY		**53,812,514**	**56,760,602**

Refer to **note 4** for details of the restatement of prior year results.

Notes to the interim financial statements are included on pages 14 to 27.

Condensed Consolidated Statement of Changes in Equity
for the six months ended 31 December 2023

Unaudited	Fully paid ordinary shares US$	Share premium US$	Accumulated Losses US$	Merger Reserve US$	Foreign Exchange Reserve US$	Share based Payments Reserve US$	Equity Reserve US$	Total US$
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 (note 17)	-	-	-	-	-	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**

Unaudited	Fully paid ordinary shares US$	Share premium US$	Accumulated Losses US$	Merger Reserve US$	Foreign Exchange Reserve US$	Share based Payments Reserve US$	Equity Reserve US$	Total US$
Balance at 1 July 2022	**295,425**	**47,043,782**	**(56,641,673)**	**45,748,045**	**688,259**	**1,745,151**	**(500,000)**	**38,378,989[1]**
Loss for the period	-	-	(4,203,333)	-	-	-	-	**(4,203,333)**
Other comprehensive income	-	-	-	-	(15,118)	-	-	**(15,118)**
Total comprehensive loss for the period	**-**	**-**	**(4,203,333)**	**-**	**(15,118)**	**-**	**-**	**(4,218,451)**
Issue of shares (note 14)	14,993	9,985,007	-	-	-	-	-	**10,000,000**
Share based payments (note 17)	-	-	-	-	-	417,818	-	**417,818**
Balance at 31 December 2022	**310,418**	**57,028,789**	**(60,845,006)**	**45,748,045**	**673,141[1]**	**2,162,969**	**(500,000)**	**44,578,356**

Refer to **note 4** for details of the restatement of prior year results.

Notes to the interim financial statements are included on pages 14 to 27.

Condensed Consolidated Statement of Cash Flows
for the six months ended 31 December 2023

	Note	Unaudited 31 December 2023 US$	Unaudited 31 December 2022 US$
Cash flows from operating activities			
Operating cash flows	20	(3,223,494)	(4,074,922)[1]
Net cash used in operating activities		**(3,223,494)**	**(4,074,922)[1]**
Cash flows from investing activities			
R&D tax credit		1,598,061	1,256,296[1]
Payments for property, plant and equipment and intangibles	20	(10,425,893)	(8,615,868)
Net cash used in investing activities		**(8,827,832)**	**(7,359,572)**
Cash flows from financing activities			
Proceeds from short-term debt		4,784,851	-
Proceeds from issues of equity securities	14	-	10,000,000
Net cash provided by financing activities		**4,784,851**	**10,000,000**
Net decrease in cash and cash equivalents		**(7,266,475)**	**(1,434,494)**
Cash and cash equivalents at beginning of the period		9,695,491	2,930,162
Effects of exchange rate changes on the balance of cash held in foreign currencies		18,681	(55,477)
Cash and cash equivalents at the end of the period	8	**2,447,697**	**1,440,191**

Refer to **note 4** for details of the restatement of prior year results.

Notes to the interim financial statements are included on pages 14 to 27.

Notes to the financial statements

1. 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 2023 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, United 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. New accounting standards and interpretations

(a) Changes in accounting policies and disclosures

From 1 July 2023, the Group has adopted the following Standards and Interpretations, mandatory for annual periods beginning on or prior to 1 January 2023.

Standard	Description	Effective date
IFRS 17	IFRS 17 *Insurance contracts*	1 January 2023
Amendments to IAS 1 and IFRS Practise Statement 2	*Disclosure of Accounting Policies* – Amendments to IAS 1 and IFRS Practice Statement 2	1 January 2023
Amendments to IAS 8	IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* (Amendment – Definition of Accounting Estimates)	1 January 2023
Amendments to IAS 12	IAS 12 *Income Taxes* (Amendment – Deferred Tax related to Assets and Liabilities arising from a Single Transaction)	1 January 2023
Amendments to IAS 12	International Tax Reform — Pillar Two Model Rules – Amendments to IAS 12	1 January 2023

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

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

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 IFRS 16	Lease liability in sale and leaseback – Amendments to IFRS 16	1 January 2024
Amendment to IAS 1	Classification of Liabilities as Current or Non-Current – Amendments to IAS 1 Presentation of Financial Statements	1 January 2024
Amendments to IAS 1	Non-current liabilities with covenants – Amendments to IAS 1 Presentation of Financial Statements	1 January 2024
Amendments to IAS 7	Supplier Finance Arrangements – Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures	1 January 2024
Amendments to IAS 21	Lack of Exchangeability – Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates	1 January 2025

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.

3. Material accounting policies and Going Concern

Basis of preparation

The condensed interim report, which is unaudited, have 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 Kingdom's Financial Conduct Authority. 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 2023, and any public announcements made by the group during the interim reporting period. The comparative financial information for the year ended 30 June 2023 in this interim report does not constitute statutory accounts for that year. The statutory accounts for 30 June 2023 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. The financial report for the six months ended 31 December 2023 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 2023 and were prepared in accordance with UK adopted International Financial Reporting Standards (IFRSs).

As disclosed in the 30 June 2023 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 £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 £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 and parent company financial statements have been prepared on a going concern basis with the directors of the opinion that the group and parent company will be able to meet their obligations as and when they fall due.

As at 31 December 2023, the group has a net asset position of US$53,812,514 (30 June 2023: US$56,760,602), net current liabilities of US$13,347,218 (30 June 2023: net current liabilities of US$5,028,970), had incurred a net loss after income tax of US$3,457,492 (Six months ended 31 December 2022: US$4,203,333) and experienced cumulative net cash outflows from operating and investing activities of US$12,051,326 (Six months ending 31 December 2022: US$11,434,494).

The directors have prepared a cash flow forecast for the period ending 30 June 2025.

In Angola, the group secured a US$15 million bridging loan facility from FSDEA secured over the indirect shareholding in the group's Angolan subsidiary. The facility currently has a maturity date in April 2024; however this date is being managed alongside the anticipated completion date of the main financing which includes FSDEA. As at 27 March 2024

$7.5 million of the facility had been utilized to meet the Angolan operating cash flow requirements and progress the Longonjo Project in the near term.

The group would need to refinance the FSDEA facility that matures in April 2024 in the event the main financing is not complete by the maturity date of the FSDEA loan. Given the support provided by the Angolan Government for the Longonjo Project, the directors anticipate such a refinancing being made available to the group.

The parent company is well advanced in its main financing workstreams on the Longonjo Project having announced the approval of a non-binding term sheet with the Longonjo lender consortium and is aiming to complete the main financing shortly which is being structured to include the settlement of the FSDEA facility and provide funds for the main project development.

The forecast indicates that funding is required to settle existing project-related contractor balances in the UK and to also provide working capital. On 28 March 2024, two of the company's directors have made available a loan facility of GBP 2 million to meet the underlying operating costs of the UK over the next 6 to 9 months, excluding the existing contractor balances and capital development costs. The Board continues to engage proactively with the contractors to maintain support while further funding is secured to enable settlement, with non-binding letters of intent and agreements setting out the route to settlement under discussion with the key contractors.

On the Saltend Project, the UK DBT has offered Pensana a conditional grant of up to £4,000,000 towards the funding. A portion of this funding is anticipated to be received in Q1 FY2025 and forms part of the forecast, subject to securing of main financing which is a condition of receipt. The board notes that, in addition to the existing funding requirement for the UK operations, additional funding will also be required during the period to maintain liquidity if the grant funding is delayed, or the conditions are not met.

In assessing the going concern basis of preparation, the directors have also considered supply chain challenges, inflation, 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 Russia-Ukraine and Israel-Gaza wars as it relates to costs 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 on its projects in the UK and Angola. Such additional funding will be required to meet the group's committed and planned development expenditure across the forthcoming year. The ability of the parent company and group to continue as a going concern is dependent on securing such additional funding.

As noted earlier, on the Saltend Project, the UK DBT via the Automotive Transformation Fund has offered Pensana a conditional grant of up to £4,000,000 towards the funding; engagement continues at the highest level within the UK government and bond financiers, which is coupled with strategic engagement with offtake partners. Despite the current turbulence in the world's financial markets, the directors have received positive interest from several key sectors across the rare earth supply chain and are progressing discussions on the Saltend financing in collaboration with these key industry players.

Despite the ongoing engagements, the directors note that the required funding outlined above to settle existing contractor balances in the UK and meet operational costs in the UK for the full forecast period 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, the grant from the UK DBT remains conditional and is dependent on progression of the main financing, while settlement of the FSDEA loan is similarly dependent on the main financing and delays would result in additional funding requirements in the UK and a need to refinance the FSDEA facility in Angola. These circumstances indicate the existence of a material uncertainty which may cast significant doubt about the group's and parent company's ability to continue as a going concern and therefore the group and parent company may be unable to realise their assets and discharge their liabilities in the normal course of business. The group and parent company financial statements do not include the adjustments that would result if the group was unable to continue as a going concern.

Critical accounting judgements and key sources of estimation uncertainty

In applying the Group'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:

(i) Significant accounting judgements

Impairment assessment of development assets, assets under construction and Saltend intangibles

Impairment indicator assessment of development assets (note 10 and 11), as well as impairment assessment of assets under construction and Saltend intangibles (notes 10 and 11).
The ultimate recovery of the value of the Group's development assets and assets under construction and Saltend intangibles as at 31 December 2023, is dependent on the successful development and commercial exploitation, or alternatively, the sale of the Longonjo Project, as well as the successful development and commercial exploitation of the Saltend facility or the sale thereof.

Judgement was exercised in assessing the extent to which impairment existed as at 31 December 2023 in respect of the Longonjo and Saltend Projects 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 company's market capitalisation relative to the group'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 person's report covering the Longonjo and Saltend Projects. The underlying financial life of mine plan involves estimates regarding commodity prices, production and reserves, operating costs and capital development together with discount rates and demonstrates significant headroom.

Recognition of R&D tax credits (note 4)
R&D tax credits are recognised when reliable estimates of the future benefits have been made and when it is reasonably certain that the tax credit will be received. Management have considered the nature of the tax claims, the limited history of successful tax claims and receipt thereof. Management also do not recognise any tax credits before submissions have been made to the relevant tax authority.

(ii) Significant accounting estimates and assumptions

Share-based payment transactions (note 17)

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 at 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 group'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. 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.

4. Restatement of prior year financial statements

As detailed in the Annual Report for the year ended 30 June 2023, the company undertook a review of the classification of costs capitalised in respect of the Saltend Project. Previously, such costs were wholly classified as property, plant and equipment. Based on evaluation of the underlying costs, it was determined that a material portion of these costs should have been classified as intangible assets given their nature and the comparative period was restated accordingly.

As detailed in the Annual Report for the year ended 30 June 2023, an error was identified in the prior period results. In the year ended 30 June 2022, the R&D tax credit related to capital expenditure incurred was recorded in the consolidated income statement within income tax. The associated costs to which the R&D tax credit related were capitalised in line with the group's policy on development assets and the credits are receivable in cash in the absence of corporate tax liabilities such that they are judged to represent a form of government grant. Based on IFRS requirements, the R&D tax credit should therefore, in line with government grant accounting, have been deferred on the balance sheet and netted off against the development asset to be released to the income statement as the asset is depreciated in future periods. As such, the total loss for the year ending 30 June 2022 was understated by US$1,329,553 and the capitalised costs relating to the development at Saltend (previously recognised in property, plant and equipment) were overstated by US$1,256,296. Total equity as at 30 June 2022 was restated by £1,256,296 comprising the increased total loss of £1,329,553 and a £73,257 foreign exchange credit on retranslation of property, plant and equipment. No other previous financial periods are materially impacted by this restatement.

An error was also identified in the prior year results (30 June 2023), whereby accruals were understated by US$2,374,604 and development assets understated by US$2,374,604. No other previous financial years are materially impacted by this restatement.

	(Previously reported) US$	Restatement 1 US$	31 December 2022 (Restated) US$
Cash flows from operating activities	(2,816,626)	(1,256,296)	(4,072,922)
Cash flows from investing activities	(8,615,868)	1,256,296	(7,359,572)

	(Previously reported) US$	Restatement US$	30 June 2023 (Restated) US$
30 June 2023			
Property, plant and equipment	45,594,650	2,374,604	47,969,254
Trade and other payables	(14,865,091)	(2,374,604)	(17,239,695)

5. 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. Unallocated relates to operations in Australia and Portugal which consist of corporate and head office-related costs.

31 December 2023	**Angola US$**	**UK US$**	**Unallocated US$**	**Total US$**
Non-current assets – opening balance[1]	43,846,788	17,942,784	-	61,789,572
Non-current assets – additions	4,911,580	458,580	-	5,370,160
Non-current assets – closing balance	**48,758,368**	**18,401,364**	**-**	**67,159,732**
Current and non-current liabilities	(546,505)	(15,552,410)	()(1,773,822)	(17,872,737)
Cash and cash equivalents	37,499	1,234,851	1,175,347	2,447,697
Six months ended 31 December 2023				
Administration expenses	(882,788)	(2,435,620)	(143,012)	(3,461,420)
Depreciation	(18,173)	(3,430)	-	(21,603)
Operating (loss)/profit	(842,884)	(2,489,568)	(125,040)	(3,457,492)
(Loss)/profit before tax	(842,884)	(2,489,568)	(125,040)	(3,457,492)
(Loss)/profit for the period	(842,884)	(2,489,568)	(125,040)	(3,457,492)

30 June 2023	**Angola US$**	**UK US$**	**Unallocated US$**	**Total US$**
Non-current assets – opening balance	30,228,932	6,466,270	–	36,695,202
Non-current assets – additions[1]	13,617,856	11,476,514	–	25,094,370
Non-current assets – closing balance[1]	**43,846,788**	**17,942,784**	**–**	**61,789,572**
Current and non-current liabilities[1]	(4,205,215)	(12,298,921)	(735,559)	(17,239,695)
Cash and cash equivalents	30,594	8,883,904	780,993	9,695,491
Six months ended 31 December 2022				
Administration expenses	(880,515)	(2,908,816)	(255,493)	(4,044,824)
Depreciation	(23,716)	(2,955)	-	(26,671)
Operating loss	(682,645)	(3,123,432)	(397,256)	(4,203,333)
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)

1 Refer to **note 4** for details of the restatement of prior year results.

Non-current assets consist mainly of development assets, assets under construction and intangible assets. Additions and depreciation of property, plant and equipment are disclosed in note 10 and movements in intangible assets are disclosed in note 11

6. Other Expenses

	Six months ended 31 December 2023 US $	Six months ended 31 December 2022 US $
Administration expenses:		
General administration costs	702,820	964,719
Audit fees	123,996	79,628
Consultant Fees	115,444	447,622
Travel expenses	63,180	211,551
Legal fees	35,101	216,559
Operating lease rental expenses:		
Lease payments (short life leases)	80,433	69,827
Depreciation on non-current assets:		
Property, plant and equipment	21,603	26,671
Employee Benefits		
Performance rights and options granted to directors, officers and employees	709,751	417,818
Directors' fees and employee benefits	1,513,705	1,516,450
Social security costs	95,387	93,979
Total administration expenses	**3,461,420**	**4,044,824**

Foreign currency exchange gains/losses:

Foreign exchange gain of $50,471 (2022: $42,468 loss) 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.

7. Income Taxes

	Consolidated	
	6 months ending 31 December 2023 US $	**6 months ending 31 December 2022 US $**
Current taxation		
Current tax charge/ (credit)	-	-

No Liability to corporation tax arose in ordinary activities for the half year ended 31 December 2023 or 31 December 2022.

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

Tax rate reconciliation:

	Six months ended 31 December 2023 US $	Six months ended 31 December 2022 US $
Loss from continuing operations before tax	(3,457,492)	(4,203,333)
Loss on continuing activities multiplied by the rate of corporation tax in the UK of 25% (2022:19%)	(864,373)	(798,633)
Tax effects of:		
Different tax rates in overseas jurisdictions	571	(67,778)
Permanent differences	177,965	8,557
Deferred tax assets not recognised	685,837	857,854
Total tax charge/(credit)	-	-

8. Cash and Cash Equivalents

	As at 31 December 2023 US$	As at 30 June 2023 US$
Cash at bank and on hand	2,447,697	9,695,491
	2,447,697	**9,695,491**

9. Trade and Other Receivables

	As at 31 December 2023 US$	As at 30 June 2023 US$
Trade receivables	43,795	34,756
Prepayments	323,610	184,744
R&D tax receivables	-	1,037,336
VAT receivables	1,008,835	934,641
Other receivables	701,582	323,757
	2,077,822	**2,515,234**

10. Property, plant and equipment

	Buildings	Plant and equipment	Develop-ment asset	Assets under construction[1]	Motor vehicles	Office equipment	Computer equipment	Total
	US$	US$	US$	US$	US$	US$	US$	US$
Cost								
Balance at 1 July 2023	28,310	33,021	43,504,012	4,272,967	214,239	7,325	34,092	48,093,966
Additions	2,590	1,488	5,491,923	34,603	-	557	422	5,531,583
R&D government grant deferred			(560,725)					(560,725)
Adjustment on currency translation	-	-	(41,832)	2,744	-	-	(97)	(39,185)
Balance at 31 December 2023	**30,900**	**34,509**	**48,393,378**	**4,310,314**	**214,239**	**7,882**	**34,417**	**53,025,639**
Depreciation								
Balance at 1 July 2023	6,460	10,359	-	-	88,538	3,628	15,727	124,712
Charge for the year	900	1,733	-	-	13,687	399	4,884	21,603
Adjustment on currency translation	-	-	-	-	-	-	20	20
Balance at 31 December 2023	**7,360**	**12,092**	**-**	**-**	**102,225**	**4,027**	**20,631**	**146,335**
Net Book Value								
At 1 July 2023	21,849	22,662	43,504,012	4,272,967	125,701	3,697	18,366	47,969,254
At 31 December 2023	**23,540**	**22,417**	**48,393,378**	**4,310,314**	**112,014**	**3,855**	**13,786**	**52,879,304**

*Refer to **note 4** for details of the restatement of prior year results.*

11. Intangible assets

		As at 31 December 2023 US$	As at 30 June 2023 US$
Carrying value			
Saltend intangible assets			
Balance as at 1 July 2023	20	13,820,318	5,236,226
Additions[1]		428,690	9,514,342
-R&D government grant deferred		-	(1,037,336)
Adjustment on currency translation		31,420	107,086
Total intangibles		**14,280,428**	**13,820,318**

1Includesbridging loan interest capitalised

12. Trade and Other Payables

	As at 31 December 2023 US$	As at 30 June 2023 US$
Trade and other payables [1]	10,624,495	13,003,570
Accrued expenses	2,330,731	4,186,457
Statutory liabilities	50,400	49,668
	13,005,626	**17,239,695**

1 *There has been no interest charged on the trade payables.*
Refer to note 4 for restatement of prior period results.

13. Loans and borrowings

	As at 31 December 2023 US$	As at 30 June 2023 US$
Interest bearing liabilities (current)		
Bridging loan facility	4,867,111	-
Total interest-bearing liabilities (current)	**4,867,111**	**-**
Interest bearing liabilities (non-current)		
Bridging loan facility	-	-
Total interest-bearing liabilities (non-current)	-	-
Total	**4,867,111**	**-**

On 7 August 2023, the company obtained a bridging loan facility from FSDEA which is secured over the company's shareholding in Ozango. The facility carries interest at 2% plus 3 months SONIA and was repayable by 28 February 2024. The repayment date was subsequently extended to 19 April 2024. Refer to note 21.
By 31 December 2023, $4.7 million of the facility was drawn down and the average interest rate incurred during the period was 7.19%.

14. Issued Capital

	As at 31 December 2023 No.	As at 31 December 2023 US$	As at 30 June 2023 No.	As at 30 June 2023 US$
Fully paid ordinary shares				
Balance at 1 July	285,180,873	356,898	235,599,539	295,425
Shares issued - conversion of performance rights	-	-	-	-
Share Placement	-	-	49,581,334	61,473
Balance at period end	285,180,873	356,898	285,180,873	356,898

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

Placements during half year ending 31 December 2022:

On 5 August 2022, the company issued 12,331,334 fully paid ordinary shares to M&G Investment Management at a price of £0.67 per share and raised US$10.0 million.

Share options on issue

During the period, 750,000 options vested (31 December 2022: 750,000). As at 31 December 2023, there are nil shares under option (31 December 2022: 750,000).

Performance rights on issue

There are no performance rights outstanding as at period end.

15. Commitments for Expenditure

The group has certain obligations to perform exploration work on mineral exploration tenements.

No provision has been made in the accounts for minimum expenditure requirements in respect of tenements, as no liability has been incurred as at 31 December 2023 relating to these requirements.

(i) Exploration Commitments

Commitments for payments under exploration permits and mineral leases in existence at the reporting date but not recognised as liabilities payable are as follows:

	As at 31 December 2023 US$	**As at 30 June 2023 US$**
<u>Exploration and evaluation expenditure</u>		
Not longer than 1 year	**5,670**	5,718
Longer than 1 year and not longer than 5 years	**-**	-
Longer than 5 years	**-**	-
	5,670	5,718

(ii) Capital Commitments

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

	As at 31 December 2023 US$	**As at 30 June 2023 US$**
Capital expenditure	**1,013,800**	3,784,108

The expenditure relates primarily to the Longonjo Project in Angola.

16. 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.

17. Share-based Payments

Half year ended 31 December 2023

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

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.

Half year ended 31 December 2022

During the period no new share awards were issued.

US$417,818 was charged to the statement of comprehensive income related to existing share awards.

During the period, 750,000 of the outstanding 1,500,000 legacy awards vested.

Reconciliation of options outstanding

The following reconciles outstanding share options provided as share-based payments at the beginning and end of the financial period:

	Six months ended 31 December 2023		**Six months ended 31 December 2022**	
	Number of options	**Weighted average exercise price**	**Number of options**	**Weighted average exercise price**
Balance at beginning of the financial year	750,000	-	1,500,000	-
Vested during the financial period	(750,000)	$0.001	(750,000)	$0.001
Expired during the financial period	-	-	-	-
Exercised during the financial period	-	-	-	-
Balance at end of the financial period	-	-	750,000	-

18. Loss per share

	2023 cents per share	**2022 cents per share**
Basic loss per share		
From continuing operations	1.21	1.72
Total basic loss per share	1.21	1.72
Diluted loss per share		
From continuing operations	1.21	1.72
Total diluted loss per share	1.21	1.72

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:

	Unaudited	Unaudited
	As at 31 December 2023 US$	**As at 31 December 2022 US$**
Net loss	**(3,457,492)**	(4,203,333)
Losses used in the calculation of basic loss per share from continuing operations	**(3,457,492)**	(4,203,333)
Losses used in the calculation of diluted loss per share attributable to ordinary shareholders	**(3,457,492)**	(4,203,333)

	As at 31 December 2023 No.	**As at 31 December 2022 No.**
Weighted average number of ordinary shares for the purposes of calculating basic loss per share and diluted loss per share	285,180,873	244,654,098

No options (31 December 2022: 750,000) and nil performance rights (31 December 2022: nil) have not been included in the diluted earnings per share, as they were anti-dilutive in the current and prior period.

19. Related party transactions

Transactions with Key Management Personnel and Related Parties

On 28 March 2024 the company's Chairman , Mr Paul Atherley and the CEO, Mr Tim George have made available a loan facility of GBP 2 million to the company. The loan is repayable by 31 January 2025 and carries interest at 2% plus 3 months SONIA.

20. Notes to the Consolidated Statement of Cashflows

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

	Six months ended 31 December 2023 US$	**Six months ended 31 December 2022 US$**
Net loss	**(3,457,492)**	**(4,203,333)**
Add/less non-cash items		
Depreciation	21,603	26,671
Share based payments	709,751	417,818
Impairment of assets	46,543	116,041
Foreign exchange (gains)/ losses	(50,471)	42,468
Changes in Trade and other receivables	(646,467)	(775,219)[1]
Changes in Trade and other payables	153,039	300,632
Net cash used in operating activities	**(3,223,494)**	**(4,074,922)[1]**

Refer to **note 4** for details of the restatement of prior year results.

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

		Six months ended 31 December 2023 US$	Six months ended 31 December 2022 US$
Additions to property, plant and equipment	10	(5,531,583)	(9,352,769)
Additions to Saltend intangible assets and exploration and evaluation assets	11	(428,690)	(4,268,786)
Adjustment for borrowing cost on bridging loan		82,260	-
Total additions		(5,878,013)	(13,621,555)
Capital items included in working capital		(4,547,880)	5,005,687
Payments for property, plant and equipment and intangibles (cash flow investing activities)		(10,425,893)	(8,615,868)

21. Subsequent events

Repayment of the bridging loan facility from FSDEA has subsequently been extended to 19 April 2024.
On 28 March 2024 the company's Chairman , Mr Paul Atherley and the CEO, Mr Tim George, have made available a loan facility of GBP 2 million to the company. The loan is repayable by 31 January 2025 and carries interest at 2% plus 3 months SONIA.

Refer to note 3 for details of developments regarding funding.

No other matters or circumstances have arisen since 31 December 2023 that have significantly affected, or may significantly affect:

- The Group's operations in future financial years; or
- The results of those operations in future financial years; or
- The Group's state of affairs in future financial years.

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 FCA's Disclosure and Transparency Rules (DTR 4.2.7 R and 4.2.8 R).

By order of the Board

Mr Paul Atherley

28 March 2024