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Pensana ready to promote after unveiling huge magnet metal deposit

MARKETING by magnet input company Pensana Metals is set to go into overdrive after recent drilling at the Longonjo project in Angola posited it as “one of the world’s largest and highest grade NdPr deposits”.



Longonjo, Angola

Longonjo is currently estimated to contain 240 million tonnes grading 1.6% rare earth oxide, including 0.35% NdPr for 840,000t of contained NdPr.

To put that into perspective, Australia's leading NdPr producer Lynas is targeting annual production of about 7000t of NdPr from its integrated mine and processing operations in Australia and Malaysia.

Pensana believes magnet metal neodymium will be the biggest beneficiary of all metals in the global move to electric vehicles now underway.

Pensana's ambition is to supply an NdPr concentrate to Chinese producers of magnet metals.

Longonjo is located next to the Chinese-built US\$1.8 billion Benguela rail line that ends up at the Atlantic deep water port of Lobito.

A site visit to Longonjo by a Chinese delegation, analysts and European IR consultants is planned for next month.

Meanwhile infill drilling of the deposit is underway, and further metallurgical work is being planned.

Pensana looks to have a well-credentialed board, with chairman Paul Atherley said to be well connected in China having been based in Beijing for 10 years from 2005.

Atherley, a mining engineer with extensive capital markets experience, is also the managing director of Berkeley Resources, owner of the advanced, high grade Salamanca project in Spain.

Pensana's board also features Mark Hohnen, an executive whose biggest success was founding Kalahari Resources last decade and listing it on AIM in 2006 for £15 million. Kalahari was subsequently taken over for £651 million in 2012.

Pensana will likely already be on the hunt for cash ahead of the site visit given it started the current quarter with A\$2.5 million cash.

The company last raised funding in July 2018 when \$5.5 million was placed at 1.5c per share.

Shares in Pensana were up 10% to 2.2c in early trade, capitalising the company at \$26.5 million.

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