



Pensana looks to ride Angola's makeover

Tim George, newly installed CEO at market minnow Pensana Metals, has set out his stall in an interview with Mining Journal. The former Anglo American stalwart is a big believer in Angola's mineral development potential and particularly Pensana's rare earth element (REE) project.

By Richard Wachman

Production at the Longonjo neodymium-praseodymium (NdPr) project in Angola is slated for 2021. And a main board London listing would come later this year after Fidelity bought 5% of Pensana on market as they, with other UK generalist institutions, "are showing strong interest in the EV thematic", George said.

Longonjo ranked among "the largest and highest-grade NdPr projects worldwide and was expected to get bigger at a time when China controls 96% of rare earth magnet production" he said.

After spending 15 years with Anglo American, six of them in Angola, George said his near-term focus was to oversee a pre-feasibility study to be published in September.

Angola was amazing these days, he said, rebuilt with Chinese money after a ruinous civil war.

"On a recent site visit, I was astounded by the transformation of the country's infrastructure with US\$20 billion of Chinese investment over the past decade." George said.

NdPr is a rare earth element (REE) most commonly deployed in magnets for electric motors, and widely used in EVs but also wind turbines, air-conditioning and military applications.

The personable George was born in Zambia, educated in the UK and now lives in Cape Town. He saw nothing odd about moving from a major such as Anglo to an REE tiddler with a slender market capitalisation of A\$23 million.

"For years I have been involved in start-ups or business development roles linked to new ventures within Anglo, I left large scale mining production quite some time ago. I'm not your average large corporation mining type".

A London listing would "top-out" tangible progress on the PFS and be dependent on the success of the licencing and permitting side.

George spent 10 years in production management at several Anglo operations in Africa and was involved with plant design and feasibility studies in base and precious metal projects across the continent.

"The good thing about our deposit is that it's highly weathered, so mining is going to be relatively easy because it's soft crop mining."

Earlier this year SRK Consulting reported an inferred mineral resource estimate of 240 million tonnes at 1.6% rare earth oxides including 0.35% NdPr, for 3.85 million tonnes of rare earth oxide and 840,000 tonnes of NdPr.

The new estimate contained more than four times the amount of NdPr compared with the mineral resource estimate reported in September 2017.

But the real excitement about Longonjo is that it's located next to the Chinese-built US\$1.8 billion Benguela rail line which links the project with the Atlantic deep-water port of Lobito and directly onto customers in China.

The idea would be to produce a concentrate that could be shipped for processing to China, with an offtake agreement highly likely.

David Merriman at London consultancy Roskill said it was too early to declare the project a success. Other REE operations in Canada and Australia were further down the road, he said. The current price environment was weak – "a lot of capacity was built up in china last year, but there wasn't the demand to soak it up at that time".

As the stockpile reduces, however, "we should see prices harden towards the end of the year and early next year," he said.

Merriman noted that producing and separating REE products was metallurgically difficult. "I think Pensana is looking to produce a mixed rare earth concentrate and then ship it to China; it's not easy to make these projects economic but that doesn't mean it can't be done." he said.