

Mining Flash Note

Harena Rare Earths*

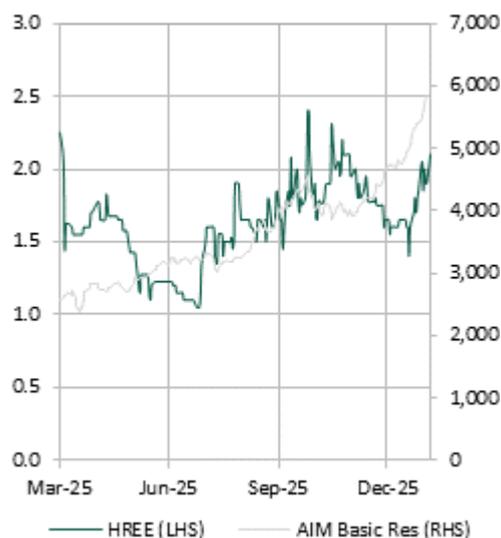
HREE LN

Ampasindava PFS confirms long life IAC heap leach operation

Stock Data

Ticker	HREE LN
Share Price	2.2p
Market Cap	£11m

Price Chart



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Harena Rare Earths (LSE: HREE) a London-listed natural resources Company focused on developing its 100% owned Ampasindava Ionic Clay REE Project in Madagascar, hosting ~700mt at 870ppm TREO, including ~190ppm high value magnet REOs (NdPrTbDy).

- The Company completed PFS on the Ampasindava Ionic Clay Rare Earth Project located in north eastern Madagascar.
- The study compiled by the Company with technical input from SGS envisages a heap leaching operation to process ionic adsorption clay mineralisation (IAC).
- PFS highlights include:
 - 88mt treated over 20y LOM
 - Low waste strip ~0.15x
 - Low cost “free dig” contractor mining of clay ores (ie no drilling/blasting)
 - Heap leaching operation with REE recovered using agglomeration of ROM and ion-exchange based elution process with eluants such as sodium chloride and ammonium sulphate
 - 5mtpa plant treating 1,525ppm material
 - MREC final product ~6.7ktpa (60% TREO)
 - Annual TREO production capacity 4.0ktpa incl 1.7ktpa / 42% MREO (ie NdPrTbDy)
 - MREO account for 93% of total revenues
 - Individual recoveries applied to TREOs with average around ~53%
 - Met work completed by SGS and other consultants over several years of testing including at least two bulk sample programmes
 - Opex ~\$31.3/ore and \$38.5/kg TREO
 - Power provided by on site diesel generators combined with solar power
 - Development capex US\$142m
 - Sustaining capex US\$19m
 - Corporate tax rate and royalty rate 20% and 5%
 - Consensus pricing used for an average US\$63/kg TREO post 75% payability (~\$84/kg TREO pre)
 - Pre tax NPV10 and IRR \$344m and 34%
 - **Post tax NPV10 and IRR \$250m and 30%**
 - Payback 4y
- Alternative pricing scenarios include:
 - AI based scenario (AI applications used to scrape web publicly available REO pricing forecasts; higher pricing assumed in later years reflected in higher NPV but lower IRR)
 - Post tax NPV10 and IRR US\$464m and 27%
 - Ampas Plus scenario (base case adjusted for a 10% reduction in opex and capex)
 - Post tax NVP10 and IRR US\$327m and 36%
- MRE (2023, SGS, 500ppm COG) stand at

- 226.5mt at 863ppmm TREO including 186ppm MREO in Measured and Indicated
- 472.0mt at 870ppm TREO including 189ppm MREO in Inferred
- No reserves are estimated on the Project.
- PFS designed to support conversion from Permit Research license to a Permit Exploitation license.
- The plan is to progress permitting and construction of on-site Proof of Concept (POC) demonstration plant to further de-risk the project ahead of FID and funding.
- POC to be used to confirm operating parameters of the process and leaching agents, engineering and environmental work and further economic assessment.
- The process is expected to take up to 12 months or more depending on results.
- Demo plant is estimated to cost US\$11.5m
- Preliminary development schedule includes:
 - POC licensing 1Q26
 - POC results 2Q27
 - FID 4Q27

Conclusion: The PFS materially advances the Ampasindava Project highlighting modest upfront capex for a heap leaching operation generating \$250m and 30% in post tax NPV10 and IRR. Near term value catalysts include execution on the POC workstream, critical to confirming metallurgy and product quality ahead of FID targeted for late 2027.

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