

PRONY RESOURCES ANNOUNCES COMPLETION OF TRANSFER OF OWNERSHIP AND A NEW BEGINNING FOR NEW CALEDONIA'S USINE DU SUD

Nouméa- The Prony Resources New Caledonia consortium ("Prony Resources") today announces the successful completion of its acquisition of Vale Nouvelle-Calédonie S.A.S. from Vale. The transaction means that New Caledonia's Usine du Sud will be majority owned by New Caledonian interests, including Prony Resources employees, communities and government entity Société de Participation Minière du Sud Calédonien SAS (SPMSC) who together will hold a 51 percent non-dilutable shareholding in Prony Resources. Trafigura holds a 19 percent shareholding in the operation, together with an offtake agreement for the Goro Resources nickel production.

Prony Resources management and international investment firm Agio Global indirectly hold the remaining 30 percent shareholding.

Antonin Beurrier, Chief Executive of Prony Resources New Caledonia said: "Today's announcement comes after several months of negotiations that have led to the successful transfer of ownership of the Usine du Sud operation to become 51 percent owned by local New Caledonian interests. It ensures a successful and sustainable future for the operation that will preserve 3,000 direct and indirect jobs and ensure the successful completion of Project Lucy for dry storage of tailings, the largest private investment on the island for the next three years, creating 600 new jobs."

Jeremy Weir, Trafigura Executive Chairman and Chief Executive Officer, commented: "We are pleased to support the Prony Resources New Caledonia consortium as a minority shareholder and to provide our commercial expertise to secure access to international markets for Goro Resources nickel – a vital component in lithium-ion batteries required for electric vehicles."

James Dean, Founding Director for international investment firm Agio Global said: "We're delighted to be co-investing with the management team in Prony Resources. We will also be contributing our commercial expertise to help secure the long-term future and profitability of the operation in New Caledonia. We believe there is significant upside for Prony Resources to benefit from the growth in demand for lithium-ion batteries used in electric vehicles and our confidence is further underpinned by the presence of Trafigura as an international shareholder and in providing the operation with world-class marketing and commercial expertise."

Tesla will provide technical support through a technical and industrial partnership with Prony Resources.

Operations at Prony Resources recommenced this week with the restart of nickel production expected in mid April 2021.

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