



**12 October 2020**

## **Study into establishing UK based Rare Earth processing facility**

Pensana Rare Earths Plc (LSE:PRE, ASX:PM8) has appointed the Wood Group to undertake a study into the establishment of an integrated rare earth processing facility in the UK (“the Wood Group Study”) with a view to creating the world’s first sustainable magnet metal supply chain.

Having progressed the design of the Longonjo project to include the production of a mixed rare earth carbonate, Pensana now has a unique opportunity to explore the potential for it to make one further step downstream and to create additional value by establishing a rare earth oxide production facility in the UK.

By linking a mid-stream magnet metal supply with downstream magnet manufacturing capacity there is the potential to create a sustainable magnet metal supply chain at a time of increasing concern over the provenance of these critical metals for the electric vehicle (“EV”) and Offshore Wind Turbine industries.

Following the recent resource upgrade, the Longonjo project is now one of the world’s largest known rare earth resources. To give a sense of scale, the Longonjo project could, together with the UK processing facility, produce enough rare earth oxide to supply the wind turbines at Dogger Bank, projected to be the world’s biggest wind farm, for the next 20 years.

Located 130 km (80 miles) off the Yorkshire coast, the Dogger Bank wind farm will be powered by an array of 260 metre high Haliades X 13MW turbines, each requiring over 7 tonnes of permanent magnets, and has the capacity to generate enough renewable electricity to power 4.5 million homes, or 5% of the UK’s total electricity supply.

With Presidential approval and ongoing financial backing from the Angolan Sovereign Wealth Fund, Pensana’s Longonjo project is well-placed to become the first producing major rare-earth mine in over a decade at a time of burgeoning demand for these critical metals.

The project is being developed to international standards, has established infrastructure, including the capacity to be entirely powered by hydro-electricity, making Longonjo one of the world's most sustainable rare earth producers.

Thierry Breton, the EU's internal market commissioner, recently announced the establishment of a European Raw Materials Alliance recognizing that the EU needs to establish sustainable supply and processing capacity of rare earths to support the UK government's plans for the UK to become the Saudi Arabia of wind.

Pensana is focused on this broader context and the Wood Group Study will take into account sustainable development when considering the process route, preferred location, capital and operating costs, financing arrangements and government incentives relating to the UK project. The study is currently expected to take approximately three months to complete.

**Chairman Paul Atherley commented:**

*"We all want a green economy and to 'build back better', however this burgeoning demand for magnet metals brings into focus the provenance and sustainability of these critical supply chains.*

*The UK and the EU lead the world in the Offshore Wind and EV industries, both of which are dependent on permanent magnets. Both have recognized that the green recovery requires critical raw materials and that a sustainable magnet metal supply chain is needed to support the green economy.*

*The Wood Group Study will look at the first and most important step in creating a sustainable mine to magnet supply chain and that is establishing rare earth processing capability in the UK."*

Authorised by the Board of Pensana Rare Earths Plc

**For further information:**

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**About Pensana Rare Earths Plc**

Pensana is a rapidly growing sustainable resources company with shares trading on the London Stock Exchange's Main Market for listed securities (PRE:LSE) and on the Australian Stock Exchange (PM8:ASX).

Pensana is looking to bring online the world's first major rare earth mine for over a decade at a time of burgeoning demand for critical magnet metals from electric vehicles and offshore wind turbines.

It is looking to develop its Longonjo project, one of the world's largest magnet metal rare earth deposits, located in infrastructure rich Angola, as a major new sustainable supply of rare earths critical to a range of industries and technologies that are vital to the green economy and to supporting the global Energy Transition to a lower carbon future.

As the Angolan government continues to diversify its economy away from oil and gas and diamonds and to develop its agriculture, tourism and mining sectors, Longonjo is the flagship mining project and is receiving strong support both within the community and from government at all levels.

The Company has ongoing consultation with the local community and elected authorities and is working closely with them to ensure that the benefits of the project in terms of training, jobs and broad community support meet the aspirations of as many stakeholders as possible.

As the Company continues on its path to building one of the world's lowest carbon footprint mines it also strives to be a trusted partner for its employees, stakeholders and the communities where it operates. The Pensana team is particularly passionate about developing young Angolan professionals, especially women in STEM, engaging responsibly with the environment and broad social engagement with the local community.

Across the Company, at every level, the Pensana team is committed to sustainable value creation and to the advancement of the UN Sustainable Development Goals. The project is being planned to the highest ESG standards and the Company is

conducting a detailed assessment of the appropriate international ESG standards, initiatives and reporting frameworks to adopt to ensure the Company remains best in class as the project moves into the development phase.

With Presidential approval for the mining licence and strong financial backing from FSDEA, the Angolan Sovereign Wealth Fund which now holds a 23% stake in the company, Pensana is in a strong position to bring the project online as the world's first sustainable supplier of critical magnet metal rare earths.