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Saltend Chemicals Park Humber selected as proposed site for sustainable rare earth processing facility

Pensana Rare Earths Plc (LSE:PRE, ASX:PM8) (“Pensana” or “the Company”) announces that Saltend Chemicals Park in the Humber Local Enterprise Partnership has been selected as the proposed site to build the UK’s first rare earth processing facility with a view to helping create the world’s first fully sustainable magnet metal supply chain.

Working with Wood Group, the UK engineering consultants, the processing facility would become one of only two major producers outside China of rare earth oxides used in the manufacture of powerful permanent magnets, critical to the offshore wind and electric vehicle industries. Lynas Corporation of Australia is currently the world’s largest non-China producer of magnet metal rare earth oxides from its facility in Malaysia.

Gerry Grimstone, UK Minister for Investment said: *“We very much welcome the proposal to establish a fully sustainable rare earth oxide magnet metal processing facility in the Humber region. This facility is an important step in the establishment of a permanent magnet supply chain in the UK which could support a range of industries important to building back greener and our Net Zero ambitions.”*

The Saltend Chemicals Park is a cluster of world class chemicals and renewable energy businesses including BP Petrochemicals, Ineos, Nippon Gohsei and Air Products, strategically located on the Humber estuary, a gateway to Europe and the UK’s busiest ports complex.

The 370 acre site, which is managed by the px Group, has had £500 million of investment over recent years. The px Group provides a range of services including power, water, reagents, waste disposal, centralised control and administration which will allow the Company to focus on the operational aspects of the facility.



Chairman Paul Atherley commented:

“The Saltend Chemicals Park offers an exceptional range of services allowing us to plug into power, water, reagent supplies and services and to recruit a highly skilled local workforce at internationally competitive rates.

It is very clear that it is no longer acceptable for British and European companies to import the raw materials critical to the Green economy from unsustainable sources.

The Saltend facility has the potential to become a world class producer of rare earth oxides and to help establish a sustainable supply chain for the manufacture of powerful permanent magnets critical for the offshore wind and electric vehicle industries in the UK and Europe.”

The Company is looking to commence development of the Longonjo mine in Angola in the first quarter of next year and bring it online as the first major rare earth mine in over a decade.

By importing mixed rare earth sulphates from Longonjo, which is being established to international standards as one of the world’s most sustainable rare earth mines, and processing them into separated magnet metal oxides in the UK, for the first time customers can purchase these critical raw materials with confidence that they have been sourced and processed sustainably.

Wood Group and the Company are working closely with the px Group to finalise the scoping study of the proposed facility which is expected to highlight the international competitiveness of location particularly in relation to power, labour and reagents costs.

Detailed discussions with local councils and experienced planning agents have confirmed that subject to a final investment decision and funding being available, the necessary planning permission for the proposed UK facility can potentially be obtained with sufficient time for it to be constructed contemporaneously with the Longonjo mine development.



The Company notes the various initiatives surrounding the Northern Powerhouse and the broader commitment to attract investment in high value manufacturing in the UK which will support the green economy.

In this light the Company welcomes the approval by the Government for Less Common Metals Limited to carry out a feasibility study into a fully integrated supply chain for rare earth permanent magnet production in the UK and looks forward to providing whatever support is required in assisting a favourable outcome for this important study.

The Company has commenced discussion with the Department for International Trade regarding the establishment of a sustainable permanent magnet supply chain in the UK and is working with the various initiatives supporting the electric vehicle industry and the offshore wind industry in the UK.

British utility SSE and Equinor have recently announced a £6 billion financing, the world's largest offshore wind financing to date, to fund the development of the Dogger Bank offshore wind power farm located 130 kilometres (80 miles) off the Yorkshire coast.

Dogger Bank will become the world's largest offshore wind farm and has the capacity to generate enough renewable electricity to power 4.5 million homes, or 5% of the UK's total electricity supply. It will be powered by an array of 260 metre high Haliades X 13MW turbines, each requiring over seven tonnes of permanent magnets.

The UK and the EU are world leaders 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 Company has joined a range of industry bodies including the Critical Minerals Association, the Rare Earth Industry Association. 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.

Authorised by the Board of Pensana Rare Earths
Plc

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