



31 August 2021

Pensana Plc
("Pensana" or the "Company")

Update on site development, Financing and Investor Webinar

Pensana Plc is pleased to provide an investor update following a recent Board Meeting held at the Saltend Chemicals Park ("Saltend") in Humber Freeport, Northern England.

Pensana's US\$125 million plant will be the first major rare earth separation facility to be built in over a decade and the first to be located in a Freeport. It will become an important hub in establishing an independent magnet metal supply chain for the UK and beyond, creating over 100 high value direct jobs and over 500 jobs during construction.

Site developments under way at Saltend and Longonjo

At the Saltend project in Humber, UK:

- Front End Engineering Design (FEED) is advancing per schedule and expected to be complete in October. Thereafter EPCM contracts are expected to be awarded.
- Pensana has entered into a 25-year lease agreement with pxGroup and Associated British Ports (ABP) for the initial nine-hectare Saltend site with scope for expansion.
- Geotechnical drilling and trenching works have commenced. These will confirm input data for the completion of foundation design for the processing plant buildings and infrastructure.
- Wood, the international engineering group, is working with pxGroup to optimise jetty to site reagent and material handling arrangements along with the provision of 'plug and play' power, water, steam and fuel supplies.
- Pensana is also in discussions with Freeport stakeholders from pxGroup, ABP and KPMG to finalise government submissions to clarify of the benefits and incentives applicable to the Freeport enterprise zone tax and customs zone for the Saltend Chemicals Park.

At the Longonjo project in Angola:

- Front End Engineering Design (FEED) is again advancing per schedule and expected to be complete in October with EPCM contracts awarded thereafter.
- The Lidar survey for the complete site (inclusive of surrounding bulk service infrastructure and the transmission line providing connection to hydro-electric power) has now been completed along with hydrological studies of water supply and 100 year floodline assessments.

- Detailed geotechnical investigation, under the supervision of global specialists SRK, has been mobilized. It will confirm final plant and infrastructure foundation design, tailings storage facility and pit stability criteria which have been based on previous broader area campaigns.

ATF Funding

The Company's expression of interest in the UK Government's up to £1bn Automotive Transformation Fund ("ATF") has been received positively by the programme board. The application for grant or other forms of financial support is currently under government review.

The Company does not have any indication on the timing of any potential award, however it will advise shareholders as soon as advice is received.

Bond Financing for the Saltend rare earth separating facility in Humber, UK

Pensana has engaged ABG Sundal Collier (ABGSC), a leading Nordic investment bank headquartered in Oslo, Norway, to progress the debt financing.

ABGSC is a premier investment bank in the Nordic market with an extensive track record in the Nordic high yield market and broad natural resources sector expertise and debt structuring. The transaction will be supported by ABGSC's top ranked credit research team, delivering unique investor education and credit story marketing.

With broad natural resources sector expertise, capital markets and debt structuring experience alongside extensive capabilities in negotiating intercreditor terms with government agencies, ABGSC is well placed to assist in the execution of the proposed bond issuance.

The envisaged senior debt facilities under discussion comprise a senior secured first lien facility amount of up to US\$250 million over a five-year term.

ABGSC will be initiating their detailed due diligence review shortly and will look to be in a position to target a bond issuance during Q4 2021 once FEED and site preparation is complete.

Offtake and Marketing Agreements

Discussions have commenced with a number of prospective offtake partners with a view to securing offtake and/or marketing agreements to support the main financing. To date non-disclosure agreements have been executed with three interested parties and discussions have been initiated with several more.

Investor Webinar

Pensana will hold an investor webinar at 08:00 UK on Wednesday 8 September. Investors may register and submit questions ahead of the webinar using this link:

<https://www.investormeetcompany.com/pensana-plc/register-investor>

Chairman Paul Atherley commented *“We continue to work closely with the UK Government’s Automotive Transformation Fund on support for the world-class Saltend rare earth processing hub which will create over 500 jobs during construction and over 100 high value permanent jobs once in operation.*

Saltend will be the first major rare earth separation facility to be developed in over a decade and will be the first to be located in a Freeport. The facility will process feedstock from the Company’s Longonjo project and from other sources around the world, producing the magnet metal oxides critical for the EV and offshore wind turbine supply chains.”

For further information:

Pensana Plc

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About Pensana

The electrification of motive power is the most important part of the energy transition and one of the biggest energy transitions in history. Magnet metals are central to the transition and critical to high value manufacturing applications such as electric vehicles and offshore wind turbines.

Pensana plans to establish Saltend as an independent, sustainable supplier of the key magnet metal oxides to a market which is currently dominated by China. The US\$125 million Saltend facility is being designed to produce circa 12,500 tonnes per annum of rare earth oxides, of which 4,500 tonnes will be neodymium and praseodymium (NdPr), representing around 5% of the world market in 2025.

The Saltend facility is located within the world class Saltend Chemicals Park, a cluster of leading chemicals and renewable energy businesses at the heart of the UK’s energy estuary, and host to a range of companies including BP Petrochemicals technology, INEOS, Air Products, Triton Power, Nippon Gohsei and Tricoya.

Pensana’s plug and play facility will create over 500 jobs during construction and over 100 direct jobs once in production. It will be the first major separation facility to be established in over a decade and will become one of only three major producers located outside China.

Initial feedstock will be shipped as a clean, high purity mixed rare earth sulphate (MRES) from the Company’s Longonjo low impact mine in Angola. The open-cast mine, state-of-the-art concentrator and proprietary MRES processing plant are being designed by Wood to the highest international standards. They will be powered by minimal carbon hydro-electric power and connected to the Port of Lobito by the recently upgraded Benguela railway line.

Pensana is of the view that provenance of critical rare earth materials supply, life cycle analysis and GHG Scope 1, 2 and 3 emissions will all become significant factors in supply chains for major customers. The Company intends to offer customers an independently and sustainably sourced supply of the metal oxides and carbonates of increasing importance to a range of applications central to the energy transition, industrial, medical, military and communications sectors.

For many miners around the world who are looking to access the European and US supply chains, it is becoming increasingly clear that the proposed EU and possible UK carbon border taxation would mean that it is no longer acceptable for manufacturers to source material extracted or processed unsustainably.

Pensana is aiming to establish Saltend as an attractive alternative to mining houses who may otherwise be limited to selling their products to China, having designed the facility to be easily adapted to cater for a range of rare earth feedstocks.