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**Pensana Plc**

**("Pensana" or "the Company")**

**European Raw Materials Alliance launches rare earths call to action**

Pensana Plc notes a recent publication by the European Raw Materials Alliance, of which the Company is a founding member, which calls for governments and manufacturers to support Europe's rare earth industry.

The report, titled *Rare Earth Magnets and Motors: A European Call for Action*, has identified 14 projects in the EU that will require about \$2 billion of total investment.

The report includes a 12-point Action Plan which ERMA summarises in four key recommendations:

- European policymakers will need to create a level playing field given that EU production costs are intrinsically higher than Chinese production costs which benefit from direct and indirect state subsidies.
- European original equipment providers who require rare earths will need to consider potential commitments to buying a significant percentage share of materials from European producers.
- The EU will need to ensure that end-of-life products containing harvestable rare earths stay in Europe to facilitate reprocessing and recycling.
- Match funding presents a unique opportunity to trigger large private investments in the emerging European rare earths value chain. The EU and its Member States should pull all financial levers, including state aid, such as designating a dedicated Important Project of Common European Interest (IPCEI).

Concurrently in Australia, Prime Minister Scott Morrison announced a A\$2 billion loan facility for Australian critical minerals projects, explaining that global demand for critical minerals is expected to grow exponentially over the coming decades.

In the United States, the Biden administration has acknowledged that 10X more rare earths are needed to meet its Electric Vehicle goals and has tasked the Department of Defense to investigate US rare earth supply chains.

Three years ago, Pensana recognised this looming problem and set about establishing the world's first fully sustainable and independent magnet metal supply chain in the UK.

*“The EU has committed to the goal of becoming climate neutral by 2050. The raw materials needs to facilitate this energy transition are massive, and Europe urgently needs to secure their supply. This Action Plan outlines the steps we must take to ensure that the rare earth elements upon which the EU Green Deal relies remain available for European industry and society”,* said Bernd Schäfer, CEO of EIT RawMaterials which manages ERMA.

The ERMA report can be accessed in full here: <https://erma.eu/european-call-for-action/>

**For further information:**

**Pensana Plc**

Website:

[www.pensana.co.uk](http://www.pensana.co.uk)

Paul Atherley, Chairman / Tim George, CEO

[contact@pensana.co.uk](mailto:contact@pensana.co.uk)

**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.