



22 December 2021

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION

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

£10 million Placement to M&G Investment Management ("M&G")

Pensana announces that M&G, one of the UK's largest and long-standing fund managers, has agreed to invest £10.0 million in the Company by way of a placement of 12,345,680 new ordinary shares of £0.001 each in the capital of the Company ("Ordinary Shares")(the "Placing Shares") at a price of 81 pence per share (the "Placing Price"). Following the admission of the Placing Shares to trading M&G will have an interest in approximately 5% of the Company's enlarged issued share capital.

M&G's Head of UK Equities Michael Stiasny commented:

"With this strategic investment, we look forward to supporting Pensana in the future as they continue to develop an independent and sustainable rare earth supply chain based in the UK, which is essential as we move towards becoming a net zero economy."

Pensana Chairman, Paul Atherley noted:

"We are delighted with the investment by M & G which comes at an exciting time for the Company as we look to establish a world class processing hub at Saltend chemical park in the UK's Humber Freeport, to meet the burgeoning demand from the Electric Vehicle and Offshore Wind industries."

Application has been made for the Placing Shares to be admitted to the Official List (Standard Listing Segment) and to trading on the London Stock Exchange's Main Market for listed securities. Admission is expected to occur on or about 8.00 a.m. on Thursday 6 January 2022 ("Admission"). The Placing Shares will rank pari passu in all respects with each other and with the existing Ordinary Shares, including, without limitation, the right to receive all dividends and other distributions declared, made or paid after the date of issue.

Following Admission, the Company's issued share capital will consist of 235,599,539 Ordinary Shares. No shares are held in treasury and, therefore, the total number of voting rights of the Company on Admission will be 235,599,539. This figure may be used by shareholders as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change in their interest in, the Company under the Financial Conduct Authority's Disclosure Guidance and Transparency Rules.

An Appendix 2A follows in relation to the securities issued described above.

The information contained within this announcement is considered by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No.596/2014. Upon the publication of this announcement via a Regulatory Information Service, this inside information will be considered to be in the public domain. The person responsible for arranging for the release of this announcement on behalf of the Company is Paul Atherley (Chairman).

ENDS

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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\$190 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 over 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 125 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.