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

Signing of Cooperation Agreement with Equinor for magnet recycling using hydrogen

Pensana announces that it has signed a cooperation agreement with leading energy provider, Equinor New Energy Limited (Equinor), to form a working group to share technical and commercial information to develop a low energy method for recycling of end-of-life magnets at Pensana's rare earth hub in Saltend Chemical Park.

Pensana's Chairman, Paul Atherley ,commented:

"We are establishing a world-class, independent and sustainable, rare earth processing facility at Saltend Chemicals Park. We are also looking to process end-of-life magnets from wind turbine nacelles using hydrogen's properties as a powerful reductant. We very much look forward to working with Equinor using hydrogen from the H2H Saltend project in establishing this innovative process route as a key component in the circular economy for rare earth magnets in the UK."

The partnership with Equinor supports Pensana's commitment to the circular economy as it looks to recycle an addressable annual market of 4,000 tonnes of end-of-life permanent magnets. Recycling permanent magnets utilising hydrogen not as fuel, but as a reductant, whilst benefitting from the decarbonised power supply within Saltend, offers a clean alternative using 88% less energy than virgin magnet manufacture and aligns with Pensana's continued efforts to produce a sustainable supply chain for these critical materials.

Equinor has submitted plans for its 'Hydrogen to Humber (H2H) Saltend' hydrogen production facility into phase two of the Government's Cluster Sequencing Process. The facility will be supported by the potential supply of hydrogen to Pensana and other regional hydrogen users ,which could be a world first and a catalyst for the Humber to achieve net zero.

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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 mine's 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.