

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION

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

Pensana breaks ground at Saltend and secures ATF funding

Highlights

- Ground breaking at Saltend rare earth processing hub, with attendance from Secretary of State for Business, Energy and Industrial Strategy Rt Hon Kwasi Kwarteng MP
- An important next step in the world's first independent and sustainable rare earth supply chain
 - Production to commence in 2023, with plans to produce 5% of global magnet metals
 - US\$195m plant to play key role in 'levelling up', creating long term, high value jobs
- Funding from the UK Government's Automotive Transformation Fund, demonstrating strong support for Pensana's important role in the UK's magnet metals supply chain
- Significant interest from electric vehicle and wind turbine OEMs, looking to secure magnet metal rare earths with low embedded carbon
- Kwarteng also launched the UK Government's Critical Minerals Strategy at the ceremony

Ground breaking

Pensana announces that it has broken ground at its Saltend rare earth processing hub, a key development in the Company's plans to create the world's first independent and sustainable rare earth supply chain. Located in the Humber Freeport in Hull, Saltend is set to become the world's first rare earth processing facility powered by offshore wind, producing the key components for electric vehicle and offshore wind original equipment manufacturers with low-embedded carbon.

Pensana's project was endorsed by the Rt Hon Kwasi Kwarteng MP, Secretary of State at the Department of Business, Energy and Industrial Strategy, who was present at the ground-breaking ceremony, demonstrating strong government support for Saltend and the Company.

Following a 12 month construction period, the US\$195m state-of-the-art plant is targeting production in late 2023, before ramping up to full capacity in 2024. The Company aims to produce 12,500 tonnes of separated rare earths, including 4,500 tonnes of the critically important magnet metal rare earths, which represent over 5% of world supply. Saltend will employ over 450 people during the 12 month construction phase and will create 125 long-term, high value jobs, demonstrating 'levelling up' in action.

Automotive Transformation Fund support

Pensana is also pleased to announce that it has secured funding under the UK Government's £1bn Automotive Transformation Fund ("ATF") to support development of the Saltend rare earths processing hub. The ATF is a funding programme that has been developed to promote the creation of a high-value

end-to-end electrified automotive supply chain in the UK. It is an important mechanism to reach targets set out in the UK Government's 10-point plan for a green industrial revolution and its recent Transport Decarbonisation Plan.

Critical Minerals Strategy

During the ground breaking ceremony, the Rt Hon Kwasi Kwarteng MP also announced the UK Government's Critical Minerals Strategy, which details the Government's approach to securing technology-critical minerals and metals and is an important step towards securing a resilient, long-term supply chain to deliver a green industrial revolution for the UK.

Pensana Chairman Paul Atherley commented:

"It is a great privilege to have broken ground on the world's first independent and sustainable rare earths separation plant. This is a huge milestone for both Pensana, the Humber region and the UK, as part of our ambition to establish a critical magnet metals supply chain to secure the green energy transition."

"Securing ATF funding is a key development, demonstrating the UK Government's support for this important project in line with the newly launched Critical Minerals Strategy. Pensana is set to play a vital role in transforming the UK's electric vehicle and offshore wind industries, by producing low-embedded carbon magnet metals and creating high value local jobs."

Kwasi Kwarteng MP, Secretary of State at the Department of Business, Energy and Industrial Strategy, commented:

"Pensana breaking ground today has been made possible in part through government support and shows how our plans to secure an internationally competitive electric vehicle supply chain in the UK continues to gain momentum. This incredible facility will be the only of its kind in Europe and will help secure the resilience of Britain's supplies into the future."

"That's why we've also launched the UK's first Critical Mineral Strategy, setting out plans to develop robust supplies of minerals that are key to our economic success and national security. The strategy will bolster our resilience to market shocks and geopolitical events, while supplying key industries such as automotive and defence."

-ENDS-

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About Pensana Plc

The electrification of motive power is by far the most important part of the energy transition and one of the biggest energy transitions in history. Magnet metal rare earths are central to the transition away from internal combustion engines and critical to electric vehicles and offshore wind turbines.

Pensana plans to establish Saltend as an independent and sustainable processing hub supplying the key magnet metal oxides to a market which is currently dominated by China. The US\$195 million Saltend facility is being designed to produce 12,500 tonnes per annum of rare earth oxides, of which 4,500 – 5,000 tonnes will be neodymium and praseodymium (NdPr), representing over 5% of the world market in 2025.

Pensana's plug and play facility is located within the world class Saltend Chemicals Park, a cluster of leading chemicals and renewable energy businesses in the Humber Freeport and 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.

Pensana is aiming to establish Saltend as an attractive alternative for mining companies 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.

www.pensana.co.uk