

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

Payments to Government for FY 2022

Pensana Plc (LSE: PRE) ("Pensana" or "the Company") publishes the Company's Payments to Governments Report for the year ended 30 June 2022 ("the Year" or "FY2022") (the "Report").

Basis of preparation

This Report, which provides an overview of the payments to governments made by Pensana and its subsidiaries, is required under the United Kingdom's ("UK") Report on Payments to Governments Regulations 2014 and its amendment in December 2015 ("the Regulations"). This Report is also intended to satisfy the requirements of the Disclosure and Transparency Rules of the Financial Conduct Authority in the UK.

This report is also available on the Company's website at: www.pensana.co.uk.

Activities

Payments made by Pensana to governments arising from activities involving the exploration, prospection, discovery, development and extraction of minerals (extractive activities) across its projects are to be disclosed in this report.

Summary of Payments (US\$)¹

Country	Corporate taxes	Mining & other licence fees	Royalties	Infrastructure improvements	Other	Total
Australia	-	-	-	-	-	-
Angola ²	-	1,514	-	-	-	1,514
Tanzania	-	-	-	-	-	-
UK	-	-	-	-	-	-

¹ Payments are shown in US\$ equivalent amounts for the financial year ending 30 June 2022 using the average FX rate for the year

² Payments shown relate to the Longonjo Project only

Government definition

Government includes any national, regional or local authority of a country, and includes a department, agency or entity that is a subsidiary of a government.

Payments

Payments to governments are required to be reported in the following categories:

- **Taxes**

These are any taxes paid by Pensana on its income and profits in accordance with legislation enacted in the applicable jurisdiction. Payments are reported net of refunds. Value added tax, personal income taxes, social taxes, property taxes are excluded.

- **Royalties**

Royalties are not yet applicable as still in exploration/development.

- **Fees**

These are any fees and other sums paid as consideration for acquiring a licence for gaining access to an area where extractive activities are performed. Administrative government fees that are not specifically related to the extractive sector are excluded.

- **Infrastructure improvements**

Payments in kind in the form of infrastructure expenditure other than in circumstances where the infrastructure is expected to be primarily dedicated to operational activities throughout its useful life. The Regulations do not require reporting social or community payments, such as payments to build a hospital or a school.

Other types of payments

Other types of payments that are required to be disclosed in accordance with the Regulations but are not relevant to Pensana's operations are the following:

- Production entitlements
- Dividends

Including dividends paid to a government in lieu of production entitlements or royalties. Dividends paid to a government as an ordinary shareholder on the same terms as to other ordinary shareholders and not paid in lieu of production entitlements or royalties are excluded.

- Signature, discovery and production bonuses

Payments are reported on a cash basis. No in-kind payments were made during year ended 30 June 2022.

Materiality Level

Payments included in the Report are amounts paid, whether in money or in kind, for relevant activities. In line with the Regulations, where a payment or a series of related payments have not exceeded £86,000 they have not been disclosed.

Payments per government

Total payments to governments under the Regulations amounted to US\$1,514 in FY 2022 (FY 2021: US\$32,176).

Authorised by the Board of Pensana Plc

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About Pensana Plc

The electrification of motive power is the most important part of the energy transition if we are to tackle climate change and one of the biggest energy transitions in history. Magnet metal rare earths are central to that transition, forming a critical part of the technology for efficient electric vehicle motors and offshore wind turbines.

Pensana plans to establish its Saltend processing hub as an independent and sustainable supplier of the key rare earth magnet metal oxides to a market which is currently dominated by China.

The US\$195 million Saltend facility is being designed to produce circa 12,500 tonnes per annum of rare earth products, of which 4,500 tonnes will be neodymium and praseodymium oxide (NdPrO), 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.

Powered by low-carbon offshore wind, it will be the first major separation facility to be established in over a decade and will become one of the few major producers located outside China.

Feedstock will be shipped as a clean, high purity mixed rare earth sulphate (MRES) from the Company's Longonjo low-impact operations in Angola. The mine's state-of-the-art concentrator and proprietary MRES processing plant are designed by Wood to the highest international standards.

The operations will be powered by renewable energy from hydroelectric power and connected to the Port of Lobito by the recently upgraded Benguela railway line.

Pensana believes 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 addressing the energy transition.

Pensana is also aiming to establish Saltend as an attractive alternative to mining houses that 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