

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION**Pensana Plc****("Pensana" or the "Company")****UK Government Grant Offered for Saltend**

Pensana is pleased to announce that the Secretary of State for Business and Trade has offered Pensana a Grant of up to £4,000,000 towards the funding required to build a rare earth oxide separation facility in the 'Humber Freeport' at Saltend ("Offer of Grant").

The Offer of Grant, made under Section 7 of the Industrial Development Act 1982, follows an application submitted by Pensana to the Automotive Transformation Fund, is subject to terms set out in a grant funding agreement and conditional upon Pensana providing 1) clearance from the relevant authority monitoring state subsidies and 2) a funding, activities and deliverables plan which are expected to be provided in the coming weeks.

Chairman Paul Atherley commented: *"The successful development of the US\$250 million Saltend project would be an important step in supporting the UK automotive supply chain, which employs over 780,000 people, as it transitions to electric vehicles (EVs).*

By 2030 the UK is expected to have transitioned from being a major European producer of internal combustion engines to be a world leader in the manufacture of electric drive units (EDUs), producing three million EDUs annually, with a large proportion destined for export. Without a secure magnet metal supply chain this is under threat."

Pensana is establishing an independent, sustainable rare earth supply chain with mid-stream processing to produce magnet metal in the UK.

The Saltend project will deliver 450 jobs during construction and 150 high value jobs in operation with a significant opportunity for further expansion.

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.*

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