



MERCEDES-BENZ PRESS RELEASE REGARDING BATTERY RECYCLING WITH PRIMOBIUS

HIGHLIGHTS

- Neometals notes the press release made today by Mercedes-Benz AG (“Mercedes-Benz”), regarding its global strategy for recycling automotive battery systems, which includes a recycling plant at its Kuppenheim operations in Southern Germany;
- Mercedes-Benz has announced that its subsidiary LICULAR GmbH (“LICULAR”) plans to cooperate with Neometals’ battery recycling JV, Primobius, as its technology partner, for the design and construction of the proposed recycling plant;
- Primobius is in advanced discussions with Mercedes-Benz regarding the design and construction of a 2,500 tpa lithium-ion battery recycling plant for LICULAR’s facilities; and
- Neometals looks forward to Primobius’ continuing collaboration with Mercedes-Benz and will keep the market informed of developments.

Innovative project development company, Neometals Ltd (ASX: NMT) (“Neometals” or “the Company”), notes the press release made today by Mercedes-Benz AG (“Mercedes-Benz”) (“Mercedes Release”). Mercedes-Benz has advised that its wholly owned subsidiary LICULAR GmbH (“LICULAR”) plans to cooperate with Primobius GmbH (“Primobius”), the incorporated joint venture company owned 50:50 by Neometals and SMS group GmbH (“SMS”), as part of Mercedes-Benz’s push to develop a holistic and sustainable recycling approach for lithium-ion batteries.

Mercedes-Benz has today announced that Primobius is its preferred technology partner for the conceptual design and construction of a planned battery recycling and waste disposal recycling plant at Mercedes Benz’s Kuppenheim Operations in Southern Germany. The proposed recycling plant at Kuppenheim marks Mercedes-Benz’s first entry into the field of battery recycling. As set out in the Mercedes Release and based on preparatory work carried out by Primobius and LICULAR, Neometals expects the recycling plant will have a nominal capacity of 2,500 tonnes per annum (up to 10 tonnes per day) and will be built in two stages with the first stage (mechanical dismantling) commencing production in 2023.

Neometals confirms that Primobius is finalising discussions with Mercedes-Benz regarding the planned cooperation set out in the Mercedes Release. The formal agreements relating to the cooperation agreement are expected to be signed between Primobius and LICULAR, following negotiations under an earlier informal non-binding memorandum of understanding between the parties. Neometals is pleased with how the discussions are progressing and notes that Mercedes-Benz has publicly made its intentions known in advance of the parties executing binding legal agreements. Neometals looks forward to Primobius continuing its negotiations with Mercedes-Benz and providing further updates on the cooperation with LICULAR.

Chris Reed says:

“We are proud that Mercedes-Benz, one of the greatest names in the automobile industry, has announced its intention to partner with Primobius. Mercedes-Benz has made public its clear commitment towards sustainable battery recycling, with Primobius as its preferred technology partner for the design and construction of an integrated recycling plant in Kuppenheim. Lithium battery recycling supports conservation of resources, decarbonisation and supply chain resilience and we are excited to assist Mercedes in its goal to re-use recovered materials for the manufacture of new cells for Mercedes-EQ vehicle models.

All of our discussions to date have been very positive and we look forward to continuing our negotiations and entering into binding legal agreements in the near future.”

About LICULAR GmbH

LICULAR is a limited liability company and a subsidiary of Mercedes-Benz AG. LICULAR was established in order to build-up a pilot plant in Germany with the target to cover the whole recycling process and implement best-in-class technologies. The project to build up a pilot plant for battery recycling serves as key element for a sustainable business strategy in the field of electric mobility for Mercedes-Benz. The company operates a sustainable business strategy with a clear commitment to CO₂ neutrality and with a focus on implementing electric driving. To support this strategy circular economy is an essential pillar.

About Mercedes

Mercedes-Benz AG is responsible for the global business of Mercedes-Benz Cars and Mercedes-Benz Vans, with around 172,000 employees worldwide. Ola Källenius is Chairman of the Board of Management of Mercedes-Benz AG. The company focuses on the development, production and sales of passenger cars, vans and vehicle-related services. Furthermore, the company aspires to be the leader in the fields of electric mobility and vehicle software. The product portfolio comprises the Mercedes-Benz brand with the brands of Mercedes-AMG, Mercedes-Maybach, Mercedes-EQ, G-Class and the smart brand. The Mercedes me brand offers access to the digital services from Mercedes-Benz. Mercedes-Benz AG is one of the world's largest manufacturers of luxury passenger cars. In 2021 it sold around 1.9 million passenger cars and nearly 386,200 vans. In its two business segments, Mercedes-Benz AG is continually expanding its worldwide production network with around 35 production sites on four continents, while gearing itself to meet the requirements of electric mobility. At the same time, the company is constructing and extending its global battery production network on three continents. As sustainability is the guiding principle of the Mercedes-Benz strategy and for the company itself, this means creating lasting value for all stakeholders: for customers, employees, investors, business partners and society as a whole. The basis for this is the sustainable business strategy of the Mercedes-Benz Group. The company thus takes responsibility for the economic, ecological and social effects of its business activities and looks at the entire value chain.

Authorised on behalf of Neometals by Christopher Reed, Managing Director

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About Neometals Ltd

Neometals innovatively develops opportunities in minerals and advanced materials essential for a sustainable future. We leverage our proprietary, green process technologies to generate battery materials projects with unparalleled exposure to commodities most impacted by the energy storage megatrend.

We build value, de-risk and develop these long-life projects with strong partners having a strategic focus on increasing margins through integration down the value chain. We have a growing suite of sustainable downstream, recovery and recycling projects, supporting the global transition to more circular supply chains and cleaner energy.

Our core projects are:

Downstream Materials Processing:

- Lithium-ion Battery Recycling – commercialising a proprietary process for recovering nickel, cobalt and other valuable materials from spent and scrap lithium-ion batteries through a 50:50 incorporated JV with SMS group called Primobius GmbH. Primobius is targeting commencement of 10tpd principal German commercial shredding operation during H1 2022. Development decision on larger 50tpd LIB recycling plants in 2022;
- Vanadium Recovery – sole funding evaluation studies for a 50:50 joint venture with Critical Metals Ltd to recover high-purity vanadium pentoxide from processing steelmaking by-products (“Slag”) from leading Scandinavian steelmaker SSAB. Underpinned by a 10-year Slag supply agreement, Neometals is targeting an investment decision to develop a commercial scale processing plant in 2022; and
- ELI® Lithium - commercialising a proprietary process to produce lithium hydroxide from lithium solutions (lithium chloride) using electrolysis to avoid costly and carbon intensive reagents used in traditional chemical conversion. Technology 70:30 owned by NMT and Mineral Resources Limited. Bondalti Chemicals S.A is co-funding and piloting the process in Portugal.

Upstream Mineral Extraction:

- Barrambie Titanium and Vanadium Project - one of the world's highest-grade hard-rock titanium-vanadium deposits. Working towards a development decision in 2022 with potential operating JV partner IMUMR and potential cornerstone product off-taker, Jiuxing Titanium Materials Co.