



ANNOUNCEMENT

14th July 2022



Neometals
All the right elements

LITHIUM-ION BATTERY RECYCLING UPDATE

HIGHLIGHTS

- **Primobius' Engineering and Cost Study for a 50tpd lithium-ion battery shredding 'Spoke' expected end of July 2022 and refinery 'Hub' study in DecQ 2022;**
- **Cost study delays due to Primobius' focus on ramp-up of its Hilchenbach Spoke operation and engineering obligations associated with the Mercedes/LICULAR and Stelco agreements; and**
- **Completion of front-end engineering will precede the offer of equipment supply agreements for both 10tpd Mercedes/LICULAR and 50tpd Stelco Spokes in December 2022.**

Emerging battery materials producer, Neometals Ltd (ASX: NMT) ("**Neometals**" or "**the Company**"), is pleased to provide an update on the lithium-ion battery ("**LIB**") recycling commercialisation activities of Primobius GmbH ("**Primobius**"), the joint venture company owned 50:50 by Neometals and SMS group GmbH ("**SMS group**").

Primobius' focus on the continued ramp-up of Primobius' commercial disposal facility in Hilchenbach, Germany ("**10tpd Spoke**") and its engineering obligations under its commercial agreements has resulted in delays to completion of the Company's internal Engineering and Cost study ("**ECS**"). The original ECS contemplated the construction and operation of a 50tpd integrated LIB recycling plant at a greenfield site in Kaiserslautern, Germany, with the results forming baseline financial metrics to consider future investment decisions for their deployment globally. The ECS will now be delivered in two parts, aligned to Primobius' staged commercial rollout plan (comprising individual shredding and hydrometallurgical refining plants, ("**Spoke ECS**" and "**Hub ECS**" respectively). The Spoke ECS will be completed in July and the Hub ECS is targeted for delivery in the December quarter 2022.

Primobius' near-term commercial agreements are summarised below:

- A Cooperation Agreement with Mercedes-Benz's ("**Mercedes**") LIB recycling subsidiary LICULAR GmbH ("**LICULAR**") ("**LICULAR Cooperation**") for the engineering, equipment supply and installation for a recycling plant ("**LICULAR 10tpd Spoke**" followed by "**LICULAR 10tpd Hub**"), non-exclusive technology licence and long-term research collaboration (*for full details refer to Neometals ASX announcement titled "Cooperation Agreement with Mercedes Benz" released on 13th May 2022*); and
- Technology licensing agreement and option agreement to purchase up to 50% of a subsidiary of Stelco Inc. ("**Stelco**") ("**Stelco Agreements**") which plans to secure large volumes of end-of-life vehicles in North America for scrap steel and recycle lithium-ion batteries attached in a proposed 50tpd integrated operation ("**Stelco 50tpd Spoke**" followed by "**Stelco 50tpd Hub**") at Stelco's Hamilton Works, Ontario, Canada (*for full details refer to Neometals ASX announcement titled "Battery Recycling - Binding Agreements with Stelco for NA" released on 31st December 2021*).

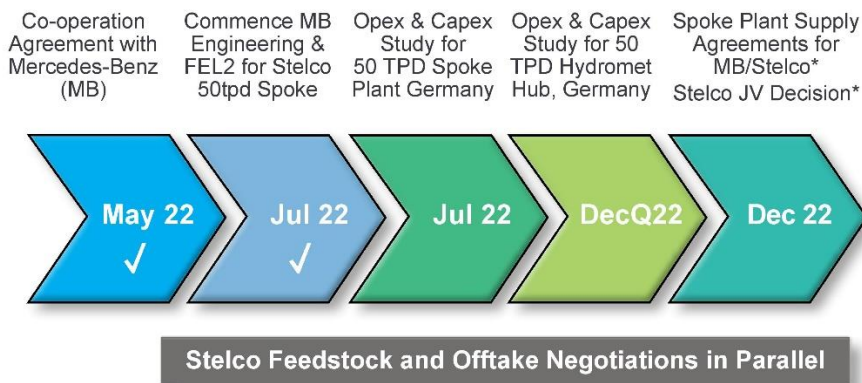
Front-end engineering studies (FEL-1) for the Stelco 50tpd Spoke were recently completed and more detailed engineering studies are currently in progress. Completion of the detailed engineering studies will underpin the provision by SMS group of Primobius plant supply agreements for both parties in December 2022. The LICULAR Cooperation and Stelco Agreements both contemplate construction of Spoke plants before commencing construction activities on Hub plants. This reduces overall financing requirements and, in Stelco's case, will likely facilitate early cashflow generation from the sale of intermediate 'black mass', a cathode bearing product from the shredding of batteries.

Neometals’ Managing Director Chris Reed said:

“Primobius’ commercial success in securing partners and customers has necessitated the decoupling of the previous integrated model to a two-part ‘spoke and hub’ approach, to enable timely delivery of plant supply contracts to meet LICULAR and Stelco’s requirements. Near-term investment decisions will now be based on more accurate and detailed engineering and cost studies and actual equipment supply contracts from SMS group. This staged rollout addresses the immediate need for safe disposal and recovery of key LIB materials, ahead of truly closing-the-loop with integrated hydrometallurgical refining.

We are very pleased that Primobius is actively prosecuting its three business models – as principal in Hilchenbach, a potential 50:50 joint venture with Stelco and a licensed plant supply to LICULAR. We look forward to delivering more success from our growing business development pipeline”.

Indicative Project Timeline - LiB Recycling



* Subject to Board Approval and Primobius Board Approvals.

Figure 1 – Indicative Project Timeline

Authorised on behalf of Neometals by Christopher Reed, Managing Director

ENDS

For further information, please contact:

Chris Reed
 Managing Director
 Neometals Ltd
 T: +61 8 9322 1182
 E: info@neometals.com.au

Jeremy Mcmanus
 General Manager - Commercial and IR
 Neometals Ltd
 T: +61 8 9322 1182
 E: jmcmamus@neometals.com.au



About Neometals Ltd

Neometals’ focus is the continuous development and commercialisation of our proprietary innovative technologies to achieve our Purpose in collaboration with strong global partners. The demand for environmentally and ethically sourced battery materials will continue to grow with energy storage being the key enabler for the energy transition. Decarbonisation, sustainability and resilient supply chains are the key challenges for the energy storage and electric vehicle supply chain. Our technologies, particularly those in battery materials recycling and recovery, reduce reliance on traditional mining and processing, and support circular economic principles.

Neometals has three core battery materials businesses commercialising proprietary, low-cost, low-carbon process technologies:

- Lithium-ion Battery Recycling (50% equity) – to produce nickel, cobalt and lithium from production scrap and end-of-life lithium-ion batteries in an incorporated JV with leading global plant builder SMS group. The Primobius JV has commenced operation of a 10tpd commercial disposal service in Germany and has been selected as technology partner by Mercedes-Benz. Investment decision for its first 50tpd operation with Stelco in Canada is expected DecQ 2022;
- Vanadium Recovery (earning 50% equity) – to produce high-purity vanadium pentoxide via processing of steelmaking by-product (“Slag”). Finalising evaluation studies on a 300,000tpa operation in Pori, Finland and potential joint venture with Critical Metals, underpinned by a 2Mt, 10-year Slag supply agreement with leading Scandinavian steelmaker SSAB (and non-binding letter of intent for an additional 1.1Mt). Investment decision expected end Dec 2022; and
- Lithium Chemicals (earning 35% equity) – to produce lithium hydroxide from brine and/or hard rock feedstocks using our ELi® electrolysis process. Co-funding pilot plant and evaluation studies on a 25,000tpa operation in Estrarreja, Portugal towards a potential JV with technology co-owner Mineral Resources Ltd and Portugal’s largest chemical producer Bondalti Chemicals S.A. Investment decision expected Dec 2023.