

Primobius Commercial Update

Highlights

- **Stelco Holdings Inc. and Primobius have agreed term extensions for the technology license and lithium-ion battery recycling JV option agreements entered into in late 2021; and**
- **Stelco ‘Spoke’ plant supply agreement and option exercise decision timelines adjusted to align with completion of ‘Hub’ engineering cost study in June Q 2023.**

Emerging sustainable battery materials producer, Neometals Ltd (ASX: NMT & AIM: NMT) (“**Neometals**” or “**the Company**”), is pleased to announce that Primobius GmbH (“**Primobius**”), the joint venture company owned 50:50 by Neometals and SMS group GmbH (“**SMS group**”), has executed revised agreements with Stelco Holdings Inc. (“**Stelco**”). Under the revised technology licensing agreement (“**Revised Stelco License**”) and option agreement (“**Revised Stelco Option**”) (“together **Revised Stelco License and Option**”), Stelco has extended the option exercise timeline for Primobius to buy-in to its lithium-ion battery (“**LiB**”) special purpose vehicle (“**Stelco SPV**”).

Since 2021, the parties have been conducting due diligence, front-end engineering studies and building the business case for a long-term commercial recycling relationship (*for full details refer to Neometals ASX announcement titled “Primobius to enter North America with Stelco for Recycling of Electric Vehicle Batteries” dated 31st December 2021*). The Stelco SPV plans to process LiB’s from end-of-life vehicles in North America that Stelco secures for its scrap steel requirements. Its first 50tpd integrated LiB recycling operation is planned to be located at Stelco’s former Hamilton Works outside Toronto, Canada.

Primobius’ offer of a plant supply contract to Stelco SPV is now planned for the September Q 2023 following the completion of customer trials and engineering cost studies in the June Q 2023 (*for full details refer to Neometals ASX announcement titled “Primobius Operations Update” dated 25th November 2022*).

Under the Revised Stelco License and Option:

- Primobius has the right to acquire between 25% and 50% of the equity in the Stelco SPV (a Canadian domiciled corporation) on or before 31 December 2023.
- If Primobius acquires equity in the Stelco SPV the technology license becomes royalty free, if not exercised the royalty remains at 10% gross sales basis.
- The date upon which termination rights arise if the Stelco SPV has not obtained executable term sheets for battery feedstock and critical reagents has been extended to 31 December 2023.

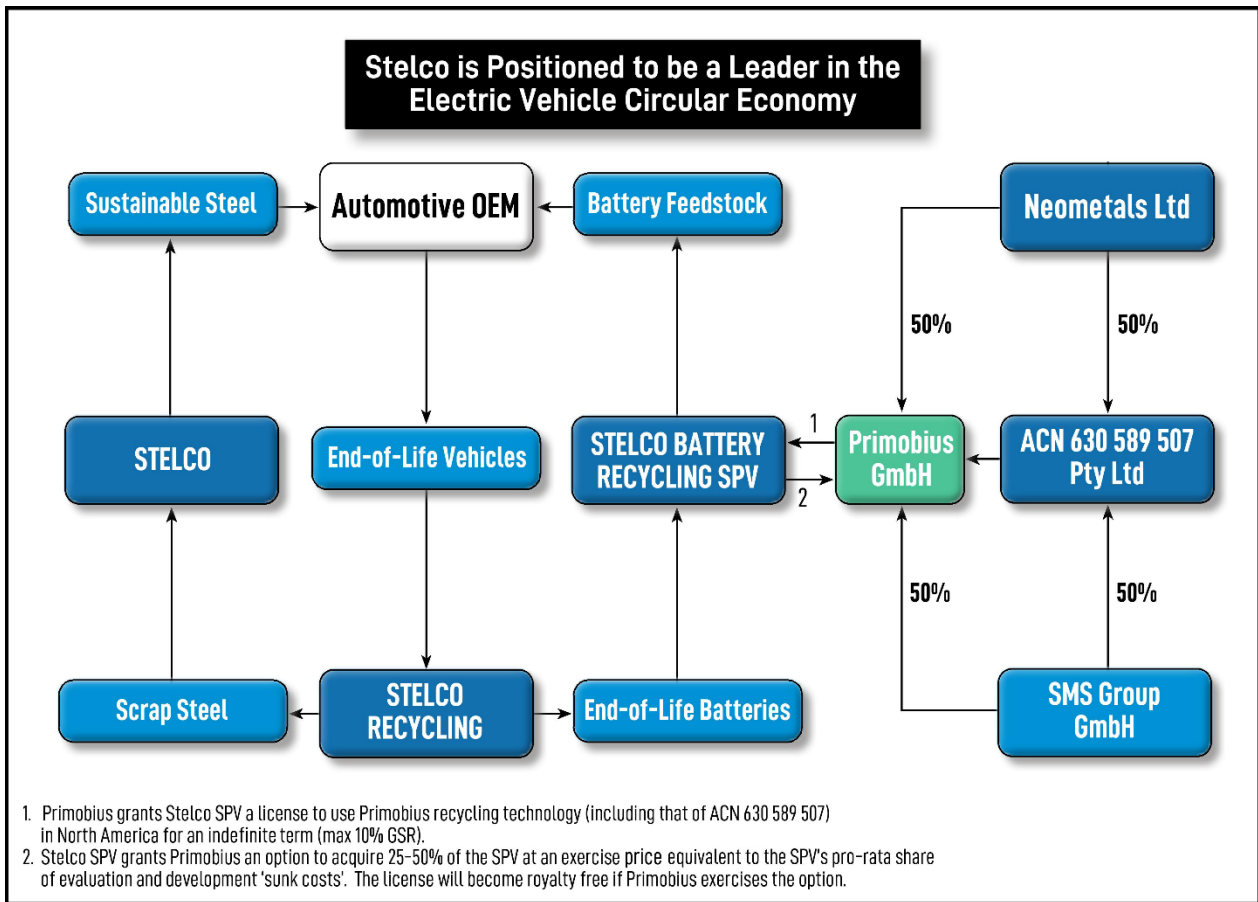


Fig 1 – Diagram showing relationship between Stelco and the Electric Vehicle (Automotive OEM) value chain.

About Stelco

Established in 1910, Stelco is primarily engaged in the production and sale of steel products. The Company owns and operates the newest and one of the most technologically advanced integrated steelmaking facilities in North America. Stelco steel products are supplied to customers in the construction, automotive, energy and appliance industries across Canada and the United States, as well as to a variety of steel service centres, which are regional distributors of steel products. Stelco Holdings Inc., the 100% owner of Stelco, is listed on the Toronto Stock Exchange under the symbol 'STLC'.



Authorised on behalf of Neometals by Christopher Reed, Managing Director.

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About Neometals Ltd

Neometals is an emerging, sustainable battery materials producer. The Company has developed a suite of green battery materials processing technologies that reduce reliance on traditional mining and processing and support circular economic principles.

Neometals' three core battery materials businesses, listed below, are commercialising these proprietary, low-cost, low-carbon process technologies:

- **Lithium-ion Battery ("LIB") Recycling (50% equity)** – to produce nickel, cobalt and lithium from production scrap and end-of-life LIBs in an incorporated JV with leading global plant builder SMS group. The Primobius JV is operating a commercial disposal service at its 10tpd Shredding 'Spoke' in Germany and is the recycling technology partner to Mercedes Benz. Primobius' first 50tpd operation, in partnership with Stelco in Canada is expected to reach investment decision in H2 2023;
- **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, underpinned by a 10-year Slag supply agreement with leading Scandinavian steelmaker SSAB. Decision to form 50:50 JV with Critical Metals expected Q12023 with project investment decision expected June 2023. MOU with H2Green Steel for up to 4Mt of Slag underpins a potential second operation in Boden, Sweden; and
- **Lithium Chemicals (earning 35% equity)** – to produce battery quality lithium hydroxide from brine and/or hard-rock feedstocks using patented ELi® electrolysis process owned by RAM (70% NMT, 30% Mineral Resource Ltd). Co-funding pilot plant and evaluation studies on a 20,000tpa operation in Estarreja with Portugal's largest chemical producer, Bondalti Chemicals S.A. Decision to form 50:50 JV with Bondalti expected March 2023.