Mercedes-Benz Battery Recycling Plant Purchase Order

Highlights

- Primobius cooperation with Mercedes-Benz ("**Mercedes**") advances with purchase order for fabrication, installation and commissioning of a 10tpd lithium-ion battery ("**LIB**") shredding 'Spoke';
- Mercedes recycling plant installation is scheduled to commence in Q4 2023, immediately after building completion; and
- The Primobius 10tpd Spoke is 'product ready' and can now be supplied to existing licensees and new customers. The Mercedes Hub is scheduled to be 'product ready' in the SepQ 2023.

Sustainable battery materials producer, Neometals Ltd (ASX: NMT & AIM: NMT) ("**Neometals**" or "**the Company**"), is pleased to announce that Primobius GmbH ("**Primobius**"), the battery recycling incorporated joint venture ("**JV**") company owned 50:50 by Neometals and SMS group GmbH ("**SMS**"), has received a Purchase Order ("**PO**") for supply of a 10 tonne per day ("**tpd**") Spoke with Mercedes for installation at Kuppenheim in southern Germany.

The PO was awarded as part of a cooperation arrangement with Mercedes ("**Cooperation**"). Under the Cooperation, Primobius is responsible for the engineering, equipment supply and installation for a fully integrated, closed loop Mercedes LIB Recycling Plant ("**Mercedes 10tpd Spoke**" followed by "**Mercedes 10tpd Hub**") (together "**Mercedes LIB Recycling Plant**") (*for full details refer to Neometals ASX announcement headlined "Cooperation Agreement with Mercedes Benz" released on 13th May 2022*).

The Mercedes LIB Recycling Plant marks the automotive giants' entry into the field of LIB recycling. As set out in the Mercedes 'Kuppenheim Ground-Breaking Ceremony' Press Release dated 3rd March 2023, the Mercedes LIB Recycling Plant at Kuppenheim "*aims to cut resource consumption and establish closed-loop recycling of battery raw materials as (Mercedes) moves towards going electric only*". The facility is expected to have an annual capacity of 2,500 tonnes, recovering materials (including lithium, cobalt, nickel, and manganese amongst others) which will be fed back into production of a targeted 50,000 battery modules for installation into new Mercedes vehicles.

The Mercedes Spoke PO marks a significant Primobius milestone, it represents the first commercial recycling plant supply agreement to a global electric vehicle OEM and the first significant revenue. The award is strong validation of the efficacy and scalability of the Primobius technology to meet the needs of global OEM's generally, and the automotive industry more specifically. The Mercedes LIB Recycling Plant at Kuppenheim will showcase Primobius' integrated recycling solution to recover and regenerate battery materials for use in new cell production.

Primobius is finalising the front-end-engineering ("**FEED**") activities for the integrated Mercedes LIB Recycling Plant and expects a separate Hub PO in the Sep Q 2023. Primobius' immediate priority is completion of procurement and fabrication of the plant and equipment supply package. Spoke Installation is planned to commence in Q4 2023 with commissioning set to commence in Q1 2024.

Figure 1 & 2: *LHS depicting render of integrated Mercedes LIB Recycling Pilot in Kuppenheim Germany and RHS showing the cleared site in March 2023*

Chris Reed says:

"We are honoured to supply and support Mercedes in its journey to lead the closed-loop recycling of lithium batteries by automakers. Our long-term collaboration will ensure our process remains at the leading edge, able to process the latest innovations in cell chemistry, format and function.

The Spoke is ready to be offered to our business development pipeline and the Hub will soon be product ready. I would like to thank our partner SMS and our respective teams in Primobius for their commitment to ensuring the quality of our recycling solution to meet Mercedes' exacting requirements.

Primobius looks forward to working with Mercedes to scaleup the technology and provide an industrial scale recycling solution to meet their future needs."

About Primobius GmbH

Primobius is a 50:50 incorporated joint venture between Australian sustainable battery materials producer, Neometals Ltd, and German global plant manufacturer SMS group. Primobius is focused on the development of sustainable processes for the recovery and recycling of lithium-ion batteries.

For more information, please visit https://www.primobius.com.

Authorised on behalf of Neometals by Christopher Reed, Managing Director

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About Neometals Ltd

Neometals has developed and is commercialising three environmentally-friendly processing technologies that produce critical and strategic battery materials at lowest quartile costs with minimal carbon footprint.

Through strong industry partnerships, Neometals is demonstrating the economic and environmental benefits of sustainably producing of lithium, nickel, cobalt and vanadium from lithium-ion battery recycling and steel waste recovery. Reducing the reliance on traditional mine-based supply chains and creating more resilient, circular supply chains to support the energy transition.

The Company's three core business units are exploiting the technologies under principal, joint venture and licensing business models:

- **Lithium-ion Battery ("LIB") Recycling (50% technology) –** Commercialisation via Primobius GmbH JV (NMT 50% equity). All plants built by Primobius' co-owner (SMS group 50% equity), a 150-year old German plant builder. Providing recycling service as principal in Germany and commenced plant supply and technology licencing activities as technology partner to Mercedes-Benz. investment decision for Primobius' first commercial 50tpd plant and JV with Stelco in Canada expected end 2023;
- **Lithium Chemicals (70% technology) –** Commercialising patented ELi™ electrolysis process, co-owned 30% by Mineral Resources Ltd, to produce battery quality lithium hydroxide from brine and/or hard-rock feedstocks at lowest quartile operating costs. Co-funding Pilot Plant trials in 2023 with Demonstration Plant trials and evaluation studies in 2024 for potential 25,000tpa LiOH operation in Portugal under a 50:50 JV with Bondalti, Portugal's largest chemical company; and
- **Vanadium Recovery (100% technology) –** aiming to produce high-purity vanadium pentoxide from processing of steelmaking by-product ("**Slag**") at lowest-quartile operating cost. Investment decision with JV partner, Critical Metals pending on planned 9,000tpa vanadium pentoxide operation in Pori, Finland (NMT 72.5% equity). Feedstock sourced under 10-year Slag supply agreement with SSAB and product offtake agreement with Glencore. MOU with H2Green Steel for potential second, larger operation in Boden, Sweden.