



PRIMOBIOUS JV ENTERS INTO RECYCLING MOU WITH EUROPEAN BATTERY PRODUCER

HIGHLIGHTS

- MoU with InoBat j.s.a., founder of European battery producer, InoBat Auto j.s.a. (jointly as “InoBat”), to establish cooperation framework for recycling of lithium-ion batteries in Central/Eastern Europe
- MoU evaluation will build investment case for sustainable recycling of InoBat production scrap and end of life products as well as third party battery feedstock
- Primobius GmbH (50:50 JV between Neometals and German SMS group) and InoBat propose to cooperate on InoBat battery production pilot recycling before processing larger volumes from commercial operations in 2024
- Future Primobius/InoBat hub and spoke operations to produce cathode ready materials for new battery manufacture
- MoU represents the first steps in Primobius’ commercial roll-out in Europe and secures a pathway to a source for significant volumes of critical plant feed

Neometals Ltd (ASX: 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 a non-binding memorandum of understanding (“MoU”) with InoBat j.s.a., a founder and the controlling person of a Slovakian battery manufacturing company, InoBat Auto j.s.a. (jointly as “InoBat”). The MoU provides an evaluation framework towards a potential Primobius-InoBat commercial cooperation (“Cooperation”) that will operate a commercial lithium-ion battery recycling facility in Central/Eastern Europe.

InoBat is a member of the IPM Group of companies, focusing mainly on infrastructure and technology related investments in Europe, primarily in Slovakia, where it is establishing lithium-ion battery (“LiB”) demonstration and production lines with applications in the electric vehicle sector.

Initial processing of InoBat pilot battery production scrap would occur in a recycling ‘spoke’ facility. This is anticipated to be followed by hydrometallurgical refining of the spoke output (“Black Mass”) in a ‘hub’ facility to generate battery cathode raw materials.

In addition to strong progress on its feasibility studies and preparations for the upcoming German recycling demonstration trials, Primobius is currently very active in its endeavours to secure feed sources and offtake partners for future commercial operations. The InoBat MoU is a significant step towards commercial operations for Primobius and represents the first of many pathways to near-term cashflow.

Primobius and InoBat have commenced business planning activities and will work progressively towards definitive legal agreements for the proposed JV.



Neometals Managing Director Chris Reed commented:

“Neometals is delighted with the level of engagement that has been received by Primobius from the battery sector in Europe. Reaching preliminary development terms with a battery producer so quickly after Primobius’ establishment reflects the status of our project and the industrial scalability of our recycling solution.

Europe leads the world in electric vehicle value chain investments and we are seeing first-hand how industry is positioning to ensure that brands can deliver the lowest carbon footprint products and support resource efficiency and circular economy principles. Primobius is very well placed to capitalise on the push for domestically sourced supply chains and this deal with InoBat is a material endorsement of the Primobius business plan. The relevance of the MoU should also be considered in the context of the consortium of conglomerate partners that sit behind InoBat (inc. CEZ, MOL and IPM Group)”.

InoBat Background

InoBat is an emerging R&D and LiB manufacturing company with staged plans to build a Gigafactory in Slovakia. Established in 2019, InoBat has signed cooperation agreements and secured funding from parties including Czech energy company, CEZ Group, the Slovak Government (grant financing) and developed valuable partnerships with strong industrial partners such as oil and gas major the MOL Group. In June 2020 InoBat acquired the site for its proposed 100MWh production pilot line in Voderady (Bratislava) and secured a Eur10m investment from CEZ Group. An order was placed in September 2020 for pilot line production equipment valued at Eur23m. The pilot line will manufacture stacked LiB pouch cells mainly for electric vehicles and targets commissioning at the end of 2021. The gradual expansion of the production capacity of LiB cells with an annual capacity of 10 GWh is planned by 2024.

Overview of MOU

- Primobius and InoBat have agreed to engage with each other with a view to establish a Cooperation arrangement, under which Primobius would contribute its LiB material processing capabilities.
- This would involve a Cooperation covering:
 - securing commercial inputs for mechanical recycling/shredding (comminution and beneficiation) facility circuits (a “Spoke facility”), which might be co-owned by Primobius and InoBat; and
 - potentially, a hydrometallurgy recycling facility, utilizing Neometals’ proprietary technology licensed to the Primobius JV, for processing the Black Mass created from the Spoke (a “Hub” facility). Prior to establishing a Hub facility, material from the Spoke facility would be processed by Primobius’ proposed recycling facility to be established in Germany.
- LiB feedstock will be sourced from InoBat’s own operations, as well as potentially from third parties within InoBat’s network.
- Under the MoU, Primobius and InoBat will work jointly to produce a business plan, and ascertain suitable commercial terms and conditions encompassing the following activities, with a view to entering into binding definitive legal agreements for a potential Primobius-InoBat Cooperation or even joint venture:
 - Primobius will provide a strategy for material processing and provide suitable Spoke technology for shredding and beneficiating to Black Mass;
 - the Cooperation partners will contract a suitable supplier, such as SMS group, to perform the construction, installation and commissioning of the Spoke facility; and
 - if a Hub facility is constructed, InoBat may procure the recycled products for cathode precursor production for its LiB manufacturing processes.
- The MoU is effective for a period of three years.

ENDS

Authorised by the Board of Neometals

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About Neometals Ltd

Neometals innovatively develops opportunities in minerals and advanced materials essential for a sustainable future. With a focus on the energy storage megatrend, the strategy focuses on de-risking and developing long life projects with strong partners and integrating down the value chain to increase margins and return value to shareholders.

Neometals has four core projects with large partners that span the battery value chain:

Recycling and Resource Recovery:

- Lithium-ion Battery Recycling – a proprietary process for recovering cobalt and other valuable materials from spent and scrap lithium batteries. Pilot plant testing completed with plans well advanced to conduct demonstration scale trials with 50:50 JV partner SMS group, working towards a development decision in early 2022; and
- Vanadium Recovery – a 27-month option to evaluate establishing a 50:50 joint venture to recover vanadium from processing by-products ("Slag") from leading Scandinavian steel maker SSAB. Underpinned by a 10-year Slag supply agreement, a decision to develop sustainable European production of high-purity vanadium pentoxide is targeted for December 2022.

Downstream Advanced Materials:

- Lithium Refinery Project – evaluating the development of India's first lithium refinery to supply the battery cathode industry with potential 50:50 JV partner Manikaran Power, underpinned by a binding life-of-mine annual offtake option for 57,000 tonnes per annum of Mt Marion 6% spodumene concentrate, working towards a development decision in 2022.

Upstream Industrial Minerals:

- Barrambie Titanium and Vanadium Project - one of the world's highest-grade hard-rock titanium-vanadium deposits, working towards a development decision in mid-2021 with potential 50:50 JV partner IMUMR.