PRIMOBIUS JV ENTERS MOU WITH ITOCHU CORPORATION

HIGHLIGHTS

- **Primobius (JV between Neometals and SMS group) enters into a recycling MoU with Itochu Corporation of Japan;**
- **MoU provides a framework to evaluate Primobius' technology and commercial arrangements to recycle Itochu's end-of-life batteries;**
- **Itochu to supply stationary energy storage batteries for a dedicated Primobius Demonstration Plant trial; and**
- **Products generated during the Trial will be evaluated by Itochu and its supply chain.**

Innovative project development company, 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 ITOCHU Corporation ("**Itochu**"). The MoU provides a framework towards establishing a corporation for battery recycling, under which Primobius would contribute its LiB material processing capabilities.

Itochu is a Japanese multi-national trading company with a strong footprint along the entire battery value chain including supply of materials and equipment to battery manufacturers and stationary energy storage systems.

Under the MoU, Primobius and Itochu will enter into good faith discussions with a view to executing formal long-term cooperation agreements. The formative steps of Itochu's evaluation of the proprietary Primobius technology will include:

- Itochu will supply stationary energy storage batteries to Primobius' Demonstration Plant; and
- Primobius will operate a Demonstration Plant trial campaign dedicated to the Itochu feed, to generate recycled products for analysis by Itochu and cathode makers in Itochu's supply chain.

Primobius and Itochu have commenced business planning discussions and Primobius has preparations underway for a dedicated demonstration plant trial. It is intended that future binding legal agreements will encapsulate sales of recycled product to establish a circular economy for Itochu based on the use of Primobius recycling technology. The Primobius Demonstration Plant is scheduled to commence operation in the June quarter 2021 and the campaign to process Itochu stationary energy storage batteries would follow the maiden campaign on electric vehicle batteries. This MoU is effective until 31 December 2022.

ITOCHU

SmartStar

Itochu's stationary energy storage brand

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Neometals Managing Director Chris Reed commented:

"Neometals remains highly encouraged by the fast commercial progress being made by Primobius. Itochu has a global footprint, over 100,000 staff and holds multiple positions along the battery value chain, from raw materials, battery manufacturing equipment to complete stationary energy storage systems for residential and commercial applications. This is a significant milestone for Primobius as we build our pipeline of potential critical feedstocks for future commercial operations".

The MoU is a non-binding memorandum of understanding to evaluate and negotiate potential commercial arrangements. There is no guarantee that any binding formal agreements will result from the cooperation under the MoU.

About Itochu

Itochu is a Japanese multinational trading company engaged in domestic trading, import/export, and overseas trading of various products such as textiles, machinery, metals, minerals, energy, chemicals, food, general products, realty, information and communications technology, finance, and business investment in Japan and overseas.

Itochu has a strong footprint along the entire battery value chain including but not limited to supplying of battery raw materials, equipment for battery production, battery systems and battery storage systems. Recycling lithium-ion batteries is a major aspect within this value chain, which becomes even more important in the future.

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. 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 support the global transition to clean energy and 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 – sole funding the evaluation of a potential 50:50 joint venture with Critical Metals Ltd 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.