

Vanadium Recovery Strategy Update

Innovative battery materials recycler, Neometals Ltd (ASX: NMT & AIM: NMT) ("**Neometals**" or "**the Company**"), advises that it has provided its partner in the Finnish vanadium recovery project ("**VRP1**"), Critical Metals Ltd ("**Critical Metals**"), with notice that it does not wish to proceed with the construction of a vanadium recovery facility. Despite the potential lowest-quartile operating cost and low-carbon footprint, the state of the global financial markets dictate that the Company preserves its cash balance and not contribute further material funding to VRP1 evaluation activities.

Neometals earned a 72.5% interest in VRP1 through its ownership in Recycling Industries Scandinavia AB ("**RISAB**"), with Critical Metals holding 27.5%. RISAB has evaluated the feasibility of producing high-purity vanadium from steel slags under a conditional take-or-pay feedstock agreement ("**Feedstock Agreement**"). The Feedstock Agreement requires a substantial prepayment and financial guarantees from RISAB's shareholders. The Neometals' board has formed the opinion that it will not agree acceptable equity financing terms within the required timeline for consideration of the VRP1 financial investment decision despite having navigated an extensive technical due diligence process with its preferred equity and debt providers.

Neometals has requested that RISAB consider alternative methods of funding, including outright sale of the VRP1 project holding company. However, Neometals intends to revert to a technology licensing business model to commercialise its proprietary vanadium recovery process ("**VRP Technology**").

Neometals retains 100% ownership of the VRP Technology via wholly owned subsidiary Avanti Materials Ltd and will continue to engage directly with potential partners, including steel makers producing suitable steel slags, under a low-capex, low-risk technology licensing business model to generate future royalty income.

Neometals Managing Director Chris Reed said:

"Despite VRP1 having compelling cost and carbon footprint metrics, today's commodity and financial market conditions preclude a positive investment decision at this time. We must realign our commercialisation strategy and pursue a technology licensing model going forward."

Authorised by the board of Neometals.

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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 lithium, nickel, cobalt and vanadium from lithium-ion battery recycling and steel waste recovery. This reduces the reliance on traditional mine-based supply chains and creating more resilient, circular supply 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 licensing activities as technology partner to

Mercedes-Benz. Primobius targeting first commercial 21,000tpa plant offer to Canadian company Stelco in the DecQ 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 planned Demonstration Plant trials and evaluation studies in 2024 for potential 25,000tpa LiOH operation in Portugal under a JV with related entity to 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. Targeting partnerships with steel makers and participants in the vanadium chemical value chain under a low risk / low capex technology licensing business model.