Primobius Commercial Update

Highlights

- **Stelco Inc. ("Stelco") has extended the expiry date of Primobius' option to acquire up to 50% of its lithium-ion battery recycling business to 30 June 2025;**
- **Primobius has amended the definition and timing of product readiness under the technology licence agreement to align with a fully-integrated plant offer before 30 June 2025, rather than a standalone spoke followed by the hydrometallurgical refinery hub; and**
- **Primobius' commercial spoke product readiness remains on track for April 2024 following installation of the Mercedes-Benz spoke.**

Innovative battery materials recycler, Neometals Ltd (ASX: NMT & AIM: NMT) ("**Neometals**" or "**the Company**"), advises that Primobius GmbH ("**Primobius**"), the joint venture company owned 50:50 by Neometals and SMS group GmbH ("**SMS group**"), has amended the technology licence and option agreements with 1340455 B.C. LTD, Stelco's lithium-ion battery recycling 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 operation[1]. The Stelco SPV holds an exclusive licence from Primobius to process LiB's from end-of-life vehicles (excluding German carmakers) in North America. Primobius holds an option to acquire up to 50% equity in the Stelco SPV. The preferred business case is the start up as a fully-integrated operation to provide the carmakers, who supply the end-of-life EVs, with a secure supply of key battery cathode chemicals.

The option agreement amendment extends the option expiry date for Primobius to buy-in to Stelco SPV until 30 June 2025. The technology licence amendment changes the product offering from a shredding spoke to a hydrometallurgical refinery hub and the product readiness date to 30 June 2025. Primobius is working to achieve product readiness for its commercial spoke plants by April 2024.

Primobius plans to offer a fully-integrated plant supply contract to the Stelco SPV (and other customers) in the June Q 2025 following completion of a detailed engineering study and final factory acceptance testing of the fully-integrated Mercedes-Benz 2,500tpa pilot plant.

[1] For full details refer to Neometals ASX announcements titled "Primobius to enter North America with Stelco for Recycling of Electric Vehicle Batteries" dated 31st December 2021 and "Primobius Commercial Update" dated 6 January 2023.

Neometals Managing Director Chris Reed said:

"Primobius values the strong working relationship with Stelco. The shift in business model to offer North American car makers a secure supply of battery materials from their end-of-life electric vehicles is a reflection of what the end customer wants. Primobius recycling plants provide their owners with a recycling solution to recover high-purity battery materials at lower carbon-footprint than from virgin mined materials.

We committed to becoming the leading provider of LiB recycling plants through a stepwise approach to demonstrate the efficacy of our plants at increasing scales, firstly with Mercedes at 2,500tpa then rolling out the ~20,000tpa offering worldwide."

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 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 enable sustainable production of 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.