

Binding Term Sheet for Neometals to Exit LiB Recycling Business

Neometals Ltd (ASX: NMT) (**Neometals** or the **Company**) announces that, following a comprehensive review of its lithium-ion battery (**LiB**) recycling strategy, it has entered into a binding term sheet with its joint venture partner, SMS Group GmbH (**SMS**) to transfer to SMS its 50% interests in both:

- Primobius GmbH (**Primobius**), the incorporated plant-building joint venture with SMS; and
- ACN 630 589 507 Pty Ltd (**ACN 630**), the holding company for patented LiB Recycling Technology.

In accordance with the binding term sheet Neometals and SMS will use all reasonable endeavours to execute formal agreements by 31 August 2025 to give effect to the proposed transaction (**Formal Agreements**), whereby Neometals will divest its interests in Primobius and ACN 630 to SMS in consideration for the payment of €5 million (c. A\$8.9 million¹) cash plus an ongoing commercial compensation fee representing 2% of Primobius' annual revenues determined for each fiscal year from 1 July 2025 to 30 June 2037 and capped at €7 million (and indexed to inflation) (c. A\$12.5 million¹).

Completion is subject to several standard conditions precedent, including:

- receipt by Neometals of any required regulatory approvals; and
- receipt by SMS of approval from its shareholder committee.

The transaction follows Neometals' further assessment of the expected future quantum and timing of working capital requirements for the commercialisation of the Primobius plant building joint venture and the timing of returns from future royalties derived from plant sales. The review also considered forecast market conditions in the battery materials, European lithium-ion cell production and electric vehicle sectors.

The transaction will deliver early cash consideration to Neometals, while relieving Neometals of the requirement for future shareholder capital contributions during Primobius' business development phase. This will enable Neometals to redeploy capital to other opportunities which are believed to be more net value accretive for Neometals' shareholders. The strategy reflects the Company's focus on:

- capital-efficient, lower-risk business models, while limiting Neometals' exposure to more capital intensive projects;
- a disciplined approach to capital management; and
- value realisation from its portfolio.

The parties will work towards satisfying the conditions precedent to the transaction during Q3 2025. Neometals will keep the market informed on material developments as the transaction progresses.

¹ Reserve Bank of Australia 0.5602 AUD:EUR exchange rate, 6th August 2025.

Neometals Managing Director, Chris Reed, said:

"We are proud of the pioneering role we've played in conceiving and developing the hydrometallurgical battery recycling technology and the progress made through the Primobius JV. We thank SMS group for their strong partnership and shared belief and ongoing commitment to responsible battery recycling.

Whilst we are disappointed that Neometals is unable to commit to the ongoing working capital required for this business, we are pleased to be in a position to be able to redirect the proceeds from the sale into nearer-term, cash generative opportunities that align with our strategic priorities."

This announcement has been authorised for release by the Board of Directors.

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About Neometals Ltd

Neometals' purpose is to deliver stakeholder value by enabling the sustainable production of critical and valuable materials essential for a cleaner future. The Company is commercialising a portfolio of sustainable processing solutions that recover critical materials from high-value waste streams in parallel with the exploration and development of low impact mining operations at its Barrambie Gold Project.

The Company's upstream mineral asset has two separate styles of mineralisation and mineral resources:

- **Barrambie Gold (100% NMT)** – historic high-grade gold producing area in early 1900s, with very limited modern exploration. Maiden gold exploration target highlighted potential for camp-scale brownfields gold discoveries. Active exploration program being undertaken in 2025. Barrambie is proximal to a number of camp-scale gold projects with existing processing infrastructure.
- **Barrambie Titanium and Vanadium (100% NMT)** – the world's second highest grade hard-rock titanium deposit is currently in a divestment process.

The Company's portfolio of processing solutions under development comprise:

- **Lithium Chemicals (70% NMT)** – patented ELi Process™ co-owned 30% by Mineral Resources Ltd, aiming to produce battery quality lithium hydroxide and carbonate from brine and/or hard-rock feedstocks at lowest quartile operating costs. Successfully completed Pilot scale test work and planning industrial validation through collaboration with partners including Rio Tinto and commercialisation through a technology licensing business model.
- **Lithium-ion Battery ("LiB") Recycling technology (50% NMT)** – patented technology being commercialised (via Primobius GmbH) with 150-year-old German plant builder, SMS group GmbH. Primobius is supplying Mercedes-Benz a 2,500tpa recycling plant, which is currently being installed and commissioned. Following completion of the transaction contemplated in this announcement, SMS will hold 100% of Primobius and the LiB Recycling Technology and Neometals' ongoing interest in that business will be in the form of the commercial compensation fee described in this announcement.
- **Vanadium Recovery (100% NMT)** – patent pending hydrometallurgical process, aiming to produce high-purity vanadium pentoxide from steelmaking by-product (Slag) at lowest-quartile operating cost and carbon footprint. Planning to exploit under a technology licensing business model. Project financing process for first commercial plant in progress (86.1% NMT).