

This announcement contains inside information

1 June 2023

**Neometals Ltd
("Neometals" or "the Company")**

Primobius Update

Highlights

- Demonstration plant trialling of process improvements to the hydrometallurgical refining flowsheet have yielded outstanding results with nickel, cobalt and copper recoveries of >95%, new lithium process recoveries pending, previous process recovery >83%;
- Latest test work results will be incorporated into the hydrometallurgical refinery ("Hub") Engineering Cost Study for a proposed 50tpd commercial-scale integrated recycling plant which is expected to be completed and announced in July 2023; and
- Front-End-Engineering (FEED) and mechanical package supply contracts for 10tpd Mercedes Benz Spoke* are in concluding stages. Mercedes Benz hub activities are substantially advanced.

Emerging sustainable battery materials producer, Neometals Ltd ("**Neometals**" or "**the Company**"), is pleased to provide an update on the activities of Primobius GmbH ("**Primobius**"), the joint venture company owned 50:50 by Neometals and SMS group GmbH, that is commercialising its lithium-ion battery ("**LIB**") recycling technology ("**LIB Recycling Technology**").

Primobius completed three LIB recycling Hub demonstration trials of its process improvements during the period December 2022 to March 2023 on electric vehicle battery modules that were shredded in the Hilchenbach LIB disposal facility. Metallurgical data from the trials is now being analysed and incorporated into the engineering cost study for the commercial scale hydrometallurgical refinery ("**Hub ECS**") section of a proposed 50tpd integrated recycling operation in Kaiserslautern, Germany. The Hub ECS is expected to be finalised in July 2023 and will complement the front-end shredding Spoke ECS** completed in September 2022.

The success of the latest trials support Primobius' goal of being the first to achieve the proposed recycling recovery requirements in the pending EU Battery Regulations. These regulations will mandate recycling of all batteries placed on the EU market. Once legislated, authorised recyclers will be required to recover at least 90% of contained nickel, cobalt, and copper by 2026, increasing to 95% in 2030, 35% for lithium in 2026 increasing to 75% by 2030.

** For full details refer to Neometals ASX announcement titled "Cooperation Agreement with Mercedes Benz" released on 13th May 2022.*

***For full details refer to Neometals ASX announcement titled "Primobius – 50tpd Spoke Engineering Cost Study Results" released 13 September 2022.*

**** For full details refer to Neometals ASX announcements titled "Battery Recycling – Binding Agreements with Stelco for NA" released on 31st December 2021 and "Primobius Commercial Update" released on 6 January 2023.*

The process improvements including the overall recoveries referred to above now enable Primobius to offer mechanical package supply contracts for the 10tpd integrated (Spoke and Hub) recycling plants to existing partners, licencees and new customers in a growing Primobius business development pipeline.

Product readiness for the larger proposed Stelco 50tpd Spoke*** is expected to be achieved in the second half of 2023 following the finalisation of more detailed engineering studies in the September quarter.

Future demonstration trials are planned for the second half of 2023 for existing and new carmakers and cellmakers in Primobius' business development pipeline.

All plants supplied by Primobius will be built under mechanical package supply contracts by SMS group GmbH, a 150-year old German plant builder with over 14,000 employees and manufacturing workshops in Europe, North America, India, and China.

Primobius is a leading LIB recycler that can provide disposal services and offer the supply of fully integrated LIB recycling plants under joint venture or technology licensing business models.

Neometals Managing Director Chris Reed said:

"Firstly, I would like to congratulate the SMS group and Neometals teams on an outstanding collaboration to improve the process flowsheet to meet the ambitious new 2030 recovery targets of the EU Battery Regulations. The goal post shift from 85% to 95% during the drafting of the legislation was challenging and we are nearly there. We look forward to seeing the benefits of our new lithium recovery process option and step changes in key recoveries across the process in the upcoming Hub ECS results.

Secondly, I would like to thank our collaboration partner Mercedes-Benz. Together we are working towards the highest-quality plant products, futureproofed to meet the most stringent global regulatory requirements that demand circular supply chains for battery materials. We look forward to finalising the plant supply contracts shortly."



Figure 1: Indicative Primobius Development Timeline. Note Mercedes-Benz ("MB").

Authorised on behalf of Neometals by Christopher Reed, Managing Director

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About Neometals

Neometals is an emerging, sustainable battery materials producer. The Company has developed a suite of green battery materials processing technologies that reduce reliance on traditional mining and processing and support circular economic principles.

Neometals' three core battery materials businesses, listed below, are commercialising these proprietary, low-cost, low-carbon process technologies:

- **Lithium-ion Battery ("LIB") Recycling (50% equity)** - to produce nickel, cobalt and lithium from production scrap and end-of-life LIBs in an incorporated JV with leading global plant builder SMS group. The Primobius JV is operating a commercial disposal service at its 10tpd Shredding 'Spoke' in Germany and is the recycling technology partner to Mercedes Benz. Primobius' first 50tpd operation, in partnership with Stelco in Canada is expected to reach investment decision in Q3 2023;
- **Vanadium Recovery (72.5% equity)** - to produce high-purity vanadium pentoxide via processing of steelmaking by-product ("Slag"). Targeting a 300,000tpa operation in Pori, Finland, underpinned by a 10-year Slag supply agreement with leading Scandinavian steelmaker SSAB. Finnish project investment decision with JV partner, Critical Metals, expected Q2 2023. MOU with H2Green Steel for up to 4Mt of Slag underpins a potential second operation in Boden, Sweden; and
- **Lithium Chemicals (earning 35% equity)** - to produce battery quality lithium hydroxide from brine and/or hard-rock feedstocks using patented ELi® electrolysis process owned by RAM (70% NMT, 30% Mineral Resources Ltd). Co-funding pilot plant and evaluation studies on a 25,000tpa operation in Estarreja with Portugal's largest chemical producer, Bondalti Chemicals S.A.

For further information visit www.neometals.com.au

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