



PRIMOBIOUS EXECUTES COOPERATION AGREEMENT WITH MERCEDES-BENZ

HIGHLIGHTS

- Neometals battery recycling JV, Primobius, has executed a cooperation agreement (“Cooperation”) with Mercedes-Benz recycling subsidiary, LICULAR GmbH (“LICULAR”);
- The Cooperation follows a Mercedes-Benz announcement in March 2022, highlighting Primobius as its technology partner for the design and construction of a 2,500tpa lithium-ion battery recycling plant (“Recycling Plant”);
- The Cooperation is conditional upon LICULAR issuing a purchase order for the engineering, supply and installation of the necessary equipment for the Recycling Plant;
- Subject to receipt of the agreed purchase order, under the Cooperation:
 - Primobius will enter into long-term research and development collaboration to recycle next generation cell formats and chemistries;
 - Primobius will provide a non-exclusive technology licence for the Recycling Plant, know-how, staff training, engineering and plant management support to LICULAR; and
 - During the Recycling Plant operations phase, the parties will jointly evaluate an industrial-scale operation of Primobius’ recycling technology.
- The Recycling Plant will be operated at an agreed LICULAR location (which Neometals expects to be Mercedes-Benz’s Kuppenheim Operations in Southern Germany).

Innovative project development company, Neometals Ltd (ASX: NMT) (“**Neometals**” or “**the Company**”) is pleased to announce that Primobius GmbH (“**Primobius**”), the incorporated joint venture (“**JV**”) company owned 50:50 by Neometals and SMS group GmbH (“**SMS**”), has executed a conditional, binding agreement (“**Co-operation Agreement**”) with LICULAR GmbH (“**LICULAR**”). LICULAR is a wholly-owned subsidiary of Mercedes-Benz AG (“**Mercedes-Benz**”) founded specifically for the purpose of running a specialist consortia-based research programme with Mercedes-Benz to develop a holistic and sustainable recycling approach for lithium-ion batteries (“**LiB’s**”). The formal Cooperation follows an earlier press release by Mercedes-Benz of March regarding its global strategy for recycling automotive battery systems and Primobius’ role to support those objectives (*for further details see Neometals announcement titled “Mercedes-Benz Press Release Regarding Battery Recycling with Primobius” dated 11th March 2022*). The Cooperation will commence and become legally binding upon the receipt of an agreed form purchase order (“**Agreed PO**”) from LICULAR to Primobius for the supply and installation of the equipment for the construction, commissioning and operation of a LICULAR Recycling Plant for battery recycling and waste disposal, expected to be located at Mercedes-Benz’s Kuppenheim Operations in Southern Germany.

The Recycling Plant has a nominal design capacity of 10 tonnes per day (2,500 tonnes per annum) and will be built in two stages. Primobius will provide a royalty-free technology licence for the Recycling Plant’s operation, know-how and plant support to LICULAR.

The Mercedes-Benz (through LICULAR) technology partnership is a strong validation of the Primobius technology, its flexible business models and demonstrates the Company’s willingness to tailor commercial agreements to suit the recycling needs of EV car makers, LiB cell-makers and environmental service providers.

With SMS support, Primobius is advancing the engineering and design packages for LICULAR to enable the award of a purchase order for equipment supply and installation of the Recycling Plant as a next step.

Other key terms of the Cooperation include:

- Subject to delivery of the Agreed PO, the parties will co-operate and collaborate regarding the operation of the Recycling Plant, with the parties subject to the following roles and responsibilities:
 - Primobius will support LICULAR on the commissioning of the Recycling Plant, obtaining permits, approvals and government funding for the Recycling Plant, train LICULAR's employees and provide on-site engineering support on a cost-free basis (subject to a cap);
 - LICULAR will purchase from Primobius the necessary equipment for installation of the Recycling Plant; and
 - The parties will share information to optimise performance and jointly evaluate the possibility of commercialising the recycling technology and circular economy approach together during the phase of Recycling Plant operations.
- Separate agreements will be entered into for the engineering of the Recycling Plant, equipment purchase and installation of the Recycling Plant (terms to be agreed and concluded in the Agreed PO).
- The parties acknowledge that any discussions about an extended partnership towards a potential industrialisation/scale up possibilities is planned to be jointly evaluated at a later stage (i.e. during the Recycling Plant phase).
- The Co-operation Agreement has a term until 31 December 2026, which may be extend by mutual agreement, and contains customary provisions for termination with cause.

Chris Reed says:

"We are delighted to formalise our long-term cooperation agreement with Mercedes-Benz. The R&D collaboration is as important to us as successfully supplying the equipment. We are excited to work together to develop a more holistic recycling solution covering logistics, handling, compliance and sustainability. We are grateful for the opportunity and accept the challenge to futureproof our processing technology."

Authorised on behalf of Neometals by Christopher Reed, Managing Director

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About Neometals Ltd

Neometals' focus is the continuous development and innovative commercialisation of our proprietary technologies to achieve our Purpose in collaboration with strong global partners. Neometals believes that the demand for environmentally and ethically sourced battery materials will continue to grow with energy storage being the key enabler for the energy transition. Decarbonisation, sustainability and resilient supply chains are the key challenges for the energy storage and electric vehicle supply chain. Our technologies, particularly those in battery materials recycling and recovery, reduce reliance on traditional mining and processing, and support circular economic principles.

Neometals has three core battery materials businesses commercialising proprietary, low-cost, low-carbon process technologies:

- Lithium-ion Battery Recycling (50% equity) – to produce nickel, cobalt and lithium from production scrap and end-of-life lithium-ion batteries in an incorporated JV with leading global plant builder SMS group. The Primobius JV will soon commence operation of a 10tpd operation in Germany and has been selected as technology partner by Mercedes Benz. Investment decision for its first 50tpd operation with Stelco in Canada is expected SepQ 2022;
- Vanadium Recovery (earning 50% equity) – to produce high-purity vanadium pentoxide via processing of steelmaking by-product ("Slag"). Finalising evaluation studies on a 300,000tpa operation in Pori, Finland and potential joint venture with Critical Metals, underpinned by a 2Mt, 10-year Slag supply agreement with leading Scandinavian steelmaker SSAB. Investment decision expected end Dec 2022. 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 lithium hydroxide from brine and/or hard rock feedstocks using our ELi® electrolysis process. Co-funding pilot plant and evaluation studies on a 25,000tpa operation in Estrarreja, Portugal towards a potential JV with technology co-owner Mineral Resources Ltd and Portugal's largest chemical producer Bondalti Chemicals S.A. Investment decision expected Dec 2023.