



## Primobius Corporate Update

### Highlights

- To accelerate Primobius' commercial activities Neometals has formalised 50:50 ownership of its lithium-ion battery recycling IP ("Recycling IP") with SMS group GmbH; and
- Primobius has also been issued with an exclusive full commercial operations license to the Recycling IP, replacing the previous limited evaluation licence, to support its multiple business models.

Emerging sustainable battery materials producer, Neometals Ltd (ASX: NMT & AIM: NMT) ("**Neometals**" or "**the Company**"), is pleased to announce that SMS group GmbH ("**SMS group**") will be issued with a 50% equity interest in Neometals' battery recycling IP holding company, ACN 630 589 507 Pty Ltd ("**ACN 630**") on an unconditional basis. ACN 630 has also granted Primobius an exclusive commercial activities phase IP licence to its battery recycling technology ("**Commercial Licence**"). The Commercial License replaces the evaluation activities phase licence previously granted in 2020 (for further details regarding the original Primobius arrangements refer to ASX announcement titled "*Neometals and SMS Group Create JV to Recycle Lithium-Ion Batteries*" released on 3 August 2020). These arrangements have been entered into together with a revised shareholders agreement in respect of Primobius GmbH ("**Primobius**") ("**Revised Primobius SHA**") reflecting a broader Primobius ambit of commercial operations.

Primobius was originally established in 2020 to build and operate lithium-ion battery ("**LIB**") recycling plants as principal. Neometals, through its wholly owned subsidiary ACN 630, owned 100% of its battery recycling technology ("**Recycling IP**") and granted Primobius a limited licence to undertake evaluation activities. The commercial success of Primobius is evident in the commercial recycling operation at Hilchenbach, Germany, the entry into partnership agreements, commercial licensing and potential plant supply agreements. A prime example of the success of the partnership/plant supply and licensing model was Primobius' execution of a cooperation agreement with LICULAR GmbH ("**LICULAR**"), a wholly-owned subsidiary of Mercedes-Benz AG ("**Mercedes-Benz**") (*for full details refer to Neometals ASX announcement titled "Cooperation Agreement with Mercedes Benz" released on 13<sup>th</sup> May 2022*).

Under the Revised Primobius SHA, Primobius will continue to complete a revised scope of the technical and economic evaluation of the ACN 630 Recycling IP. These evaluation activities include a new dedicated 'end-to-end' LIB recycling demonstration trial for customers commencing in December 2022 ("**Customer Demonstration Trial**" or "**CDT**") and delivery of an engineering cost study for a commercial-scale hydrometallurgical refinery ("**Hub ECS**"). The CDT will precede H1 2023 targets for execution of the Mercedes-Benz Spoke and Hub supply agreements, the Hub ECS and execution of the Stelco Spoke plant supply agreement. For further details refer to ASX announcement titled "*Neometals Operations Update*" released on 25 November 2022.

Chris Reed, Neometals Managing Director said:

*The formalisation of the technology ownership with SMS and issue of the full Commercial License completes the partners original commitments in the evaluation phase of the Primobius JV. It heralds the partners full alignment and commitment to accelerate the Company's transition to become a leading, independent provider of lithium-ion battery recycling solutions to the global EV supply chain. We are proud of the progress by the Neometals and SMS teams and excited by the future prospects for the business. Neometals is committing more staff to Primobius' operations and management in Germany to support Primobius' transition into an autonomous global recycling business."*

Authorised on behalf of Neometals by Christopher Reed, Managing Director.

**ENDS**

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## About Neometals Ltd

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 SepQ 2023;
- **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, underpinned by a 10-year Slag supply agreement with leading Scandinavian steelmaker SSAB. Decision to form 50:50 JV with Critical Metals expected December 2022 with project investment decision expected June 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 Resource Ltd). Co-funding pilot plant and evaluation studies on a 20,000tpa operation in Estarreja with Portugal's largest chemical producer, Bondalti Chemicals S.A. Decision to form 50:50 JV with Bondalti expected March 2023.