

23 November 2023

Update on Avenir and Technology Partner Aleees Arrangements and Work on LFP Project

Avenir Limited (ASX: AEV) (“**Avenir**” or “**the Company**”) is pleased to provide the following update with respect to its partnering with the technology provider, Advanced Lithium Electrochemistry Ltd (“**Aleees**”).

On 26 September 2023, Avenir and Aleees executed a binding Licence and Technology Transfer Agreement (“the **Agreement**”) granting Avenir the right to use Aleees’ intellectual property for the manufacture and global distribution of LFP cathode active material from the Company’s proposed LFP battery cathode manufacturing plant to be developed in Darwin, using Avenir’s flagship Wonarah Phosphate Project (the “**LFP Project**”).

Taiwan-based Aleees is a globally recognised LFP battery material manufacturer and one of the few companies outside China with complete LFP cathode material manufacturing capability and patents for electric vehicle and energy storage systems. Aleees has deep industry connections with offtakers in Asia and will provide management support during the development and operations of the LFP Project.

Since September 2023, a number of workstreams have commenced. The Aleees basic process design has been completed including completion of basic engineering process data, equipment process design and specifications, process flow, materials balance and energy balance. Avenir and Aleees are also continuing to work closely with the Northern Territory Government to finalise site-specific requirements at Darwin’s Middle Arm Sustainable Development Precinct, the proposed site for Avenir’s LFP Project.

Working closely with Aleees, Avenir has commenced discussions with a number of global car manufacturers seeking supply of Lithium Ferro Phosphate (LFP) cathode active material. Aleees has provided valuable technical support to these discussions.

Avenir and Aleees have also agreed to extend the time for payment of the first US\$2 million licence fee due under the Licence and Technology Transfer Agreement¹, with US\$500,000 to be paid on or before 24 December 2023, US\$750,000 on or before 31 March 2024 and the balance US\$750,000 payable by 30 June 2024. This aligns with timing for work at Wonarah, and in relation to the Middle Arm site, to be advanced in preparation for commencement of activities by Aleees that will inform the LFP Project feasibility study.

Commenting on the Aleees relationship, Executive Chairman Brett Clark stated:

“Our recent engagement with global car manufacturers has validated our selection of Aleees as our technology partner. It has also highlighted, very clearly, how important LFP is in the selection of batteries for the electric vehicle industry in the next few years. LFP chemistries are forecast to take an increasing share of the battery market for the electric car and light vehicle sector². Avenir aims to capture a meaningful share of the ex-China market for LFP.”

¹ See Avenir ASX Announcement dated 26 September 2023.

² S&P Global, Commodity Insights 10 November 2023,

<https://www.spglobal.com/commodityinsights/en/market-insights/blogs/metals/111023-4-factors-shaping-the-battery-metals-market-lithium-cobalt-nickel-black-mass>

About Advanced Lithium Electrochemistry Ltd (Aleees)

Aleees (TWSE: 5227), founded in 2005 with main office and factory located in Taiwan, is a lithium-iron phosphate (LFP) battery material manufacturer with a long LFP Cathode Active Material (CAM) history as well as a globally recognised LFP IP licensor. Aleees is one of the few companies outside China with complete LFP battery material manufacturing technology and patents. Aleees is cooperating with global customers and partners in electric vehicles and energy storage systems to establish a localised and international supply chain of LFP lithium-ion battery materials, strengthening the competitiveness of the LFP battery supply chain and building value for an eco-friendly future.

This announcement was authorised for release by the Board of Directors.

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