

ASX Announcement
EUROPEAN GRANT
FOR LITHIUM-ION PHOSPHATE BATTERY RECYCLING PROJECT

- › **Hannans' project consultant, Greenhouse, secures European grant for lithium-ion phosphate battery recycling technology through its participation in the ReLiFe Project, aimed at establishing a pilot plant for LFP battery recycling.**
- › **Diversifying towards LFP battery recycling supplements Hannans' existing LiB recycling technology and provides potential exposure to a growing market.**
- › **Participation in the ReLiFe Project aligns with EU targets for critical raw materials, sustainability, energy transition, and the circular economy.**

Hannans Ltd (ASX: HNR) (**Hannans** or the **Company**) is pleased to report the successful award of a grant to lithium ferrous phosphate (**LFP**) battery recycling project, ReLiFe¹ (the **Project**). The Project's lead partner is Sunlight Group Energy Storage Systems (**Sunlight**) and Hannans is presently represented in the Project by its consultant Greenhouse Investment Group Limited (**Greenhouse**). Sunlight, Greenhouse, Hatch Küttner GmbH, Helmholtz-Zentrum Dresden-Rossendorf e.V., Monolithos Ltd, SE&C IKE, Technische Universität Bergakademie Freiberg (the **Project Participants**) have joined together to assess the Project which aims to establish a pilot recycling plant for recovering lithium carbonate, iron phosphate and graphite from end-of-life and scrap LFP batteries.

According to the International Energy Agency, LFP batteries are estimated to be among the leading battery chemistries in the global market, accounting for an estimated 30 per cent of batteries used in electric vehicles around the world. This figure is expected to grow over the next ten years due to increased demand for battery powered vehicles and other technologies².

The European Institute of Innovation and Technology (**EIT**) RawMaterials GmbH, a European Union-funded community of companies and research institutions with the stated goal of supporting the development of critical raw materials supply in Europe, awarded the grant to the Project Participants. Total funding awarded by EIT RawMaterials GmbH to the Project is EUR€3.4 million expected to be allocated in apportionments³ during 2023, 2024 and 2025. Hannans apportioned total share is estimated at approximately EUR€235,000 with a EUR€41,000 payment made in November 2023 and the final instalment currently expected to be paid in March-April 2026.

A successful implementation of the Project is expected to meet a series of core EU targets regarding Critical Raw Materials (**CRMs**), sustainability, energy transition, and the circular economy, by facilitating the recovery of lithium, iron phosphate and graphite.

¹ Refer to ReLiFe website, <https://relifeproject.eu/>

² Refer to <https://www.iea.org/reports/global-ev-outlook-2023/trends-in-batteries>

³ 60 per cent of the estimated annual apportionment is expected to be paid in the year of apportionment and the remaining 40 per cent is expected to be paid in March-April of the following year.



Michael O’Leary-Collins, Hannans’ Head of Europe, commented:

“This generous grant marks a significant milestone in our journey to redefine the future of battery recycling. Hannans involvement in the ReLiFe project underscores our dedication to advancing technology that aligns with European Union guidelines.”

Brett Salt, Chief Executive Officer of Hannans, concluded:

“Meeting the evolving needs of our customers is a crucial component of Hannans transformation into a sustainable battery recycler and we are excited about the positive impact these initiatives can have on the environment and the circular economy. This is just one example of the support, to include funding, by Governments across the Hannans licenced regions for the energy transition, and its critical enabling industries, and is a positive development for Hannans, our partners and our longer-term ambitions.”

Hannans looks forward to updating the market further on key developments of the Project.

This ASX release has been authorised by Brett Salt, CEO, on behalf of the Board of Directors.

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IMPORTANT NOTICE

This announcement contains forward-looking statements that are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this announcement, are expected to take place. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the directors and the Company’s management.

The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this announcement will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

Appendix A

Summary of Material Project Agreement Terms

1. The Project

- 1.1. The Project targets, activities, and milestones are as follows:
- (i) a 66 ktn treatment capacity recycling plant for recovering lithium carbonate (3.6 ktn/year), iron phosphate (12.6 ktn /year), graphite (9 ktn /year) from end-of-life and scrap LFP batteries;
 - (ii) utilizing a process with 30 per cent lower cost and 90 per cent lower CO₂ emission compared to current recycling processes deploying thermal pretreatment.

2. Duration

- 2.1. The Project commenced on 31 January 2023 and will complete no later than 31 December 2025.

3. Amount of funding

- 3.1. EIT RawMaterials GmbH has agreed to assign to the Project an amount of up to EUR€3'477'449.
- 3.2. The Project Participants have agreed to contribute (or have third parties contribute for the account of the Project Participants) to the Project a total amount of EUR€1'746'364.
- 3.3. The Hannans proportion of EUR€108'396 is to be satisfied via the contribution of time, resources and work product, to include among other things, the go to market strategy and communications for the Project.

4. Consequences of non-achievement of milestones

- 4.1. Should EIT RawMaterials GmbH determines, in its reasonable discretion, that the non-achievement of a milestone or other underperformance of the Project seriously jeopardises the Project it may:
- (i) order the Project to be discontinued in whole or in part and/or impose other measures such as additional reporting requirements, go/no go decision points or similar, in its reasonable discretion;
 - (ii) upon such decision the Project Participants' right to receive the Funding shall cease to exist – or, as the case may be, become subject to the fulfilment of the additional requirements so imposed by EIT RawMaterials GmbH;
 - (iii) for the Project or the Project parts affected by such decision, and any amounts already prepaid and unused are to be returned to EIT RawMaterials GmbH;
 - (iv) in case a milestone is not achieved or the Project Underperforming occurring due to a wilful act or gross negligence, EIT RawMaterials GmbH may claim back the parts of the Funding already used.
- 4.2. The Project Participants have acknowledged and agreed to monitoring, reporting and enabling checks, reviews, audits and investigations as required.