

Lithium Chemicals Update

Highlights

- Reed Advanced Materials (Neometals 70%, Mineral Resources 30%) and Lifthium Energy have ceased discussions in relation to updated arrangements for the evaluation of a lithium refinery in Portugal; and
- Reed Advanced Materials will sole fund the final stage of the pilot test work program for its patented ELi™ process and will pursue a low-capital, low-risk technology licensing business model.

Sustainable process technology developer, Neometals Ltd (ASX: NMT & AIM: NMT) (“**Neometals**” or “**the Company**”) advises that its joint venture company, Reed Advanced Materials Pty Ltd (“**RAM**”) (70% NMT, 30% Mineral Resources Ltd) has ceased discussions with Lifthium Energy SA (“**Lifthium**”) in relation to updated arrangements for the further evaluation of a lithium refinery to produce lithium chemicals in Estarreja, Portugal. RAM will proceed to complete the final stage of pilot test work and intends to commercialise its proprietary ELi™ process which comprises an extensive patented technology package through a licensing business model.

RAM has been co-funding evaluation activities with Bondalti Chemicals SA (“**Bondalti**”) and negotiating a new co-operation framework with Bondalti’s sister company, Lifthium¹. RAM and Bondalti completed an Engineering Cost Study (“**ECS**”) to AACE Class 3 standard for a 25,000tpa lithium hydroxide monohydrate merchant refinery in Portugal and have been advancing a phased pilot scale test work program in Canada (“**Pilot**”).

The ECS confirmed the technical feasibility of the process to purify and convert lithium chloride to lithium hydroxide with potential lowest-quartile operating costs and capital cost intensity. Additionally, the first stage of the Pilot successfully purified lithium chloride from an existing South American operation to the specification required for conversion by electrolysis using ELi™². Despite the compelling operating / capital cost metrics and successful purification Pilot activities, RAM and Lifthium have been unable to agree terms for further joint evaluation activities and licensing arrangements.

RAM is fully funded to complete the final stage of Pilot test work and will continue to test third-party brines for potential partners under a low-capex, low-risk technology licensing business model to generate future royalty income.

¹ For full details refer to Neometals ASX announcement titled “Lithium Chemicals Co-operation Update” dated 3 October 2023.

² For full details refer to Neometals ASX announcements titled “Portugal Lithium Refinery Study Confirms Step-change Opex of ELi™ Technology” dated 26 April 2023 and “Successful Eli Purification Pilot Trial” dated 10 November 2023.

Neometals Managing Director Chris Reed said:

“Neometals appreciates the collaboration with Bondalti in advancing the commercialisation of our ELi™ process. We are committed to the commercialisation of ELi™ which we see as the future of sustainable low-cost lithium production from brines to meet the demands of the transport electrification and energy storage thematic. In light of the current price cycle, we will pivot towards a more conservative business model for commercialisation.”

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

ENDS

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About Neometals Ltd

Neometals is commercialising a portfolio of sustainable processing solutions that recycle and recover critical materials from high value waste streams.

The Company collaborates with partners and customers to facilitate circular supply chains and reduce the environmental burden of traditional mining in the global transition to a sustainable economy.

Neometals' three core business units are exploiting the technologies under principal, joint venture and licensing business models:

- **Lithium-ion Battery (“LiB”) Recycling (50% technology)** – Commercialisation via Primobius GmbH JV (NMT 50% equity). All plants built by Primobius' co-owner (SMS group 50% equity), a 150-year-old German plant builder. Providing recycling service as principal in Germany and commenced plant supply and licensing activities as technology partner to Mercedes-Benz. Primobius targeting first commercial, fully integrated, 21,000tpa plant offer to Canadian company Stelco in the JunQ 2025;
- **Lithium Chemicals (70% technology)** – Commercialising patented ELi™ electrolysis process, co-owned 30% by Mineral Resources Ltd, to produce battery quality lithium hydroxide from brine and/or hard-rock feedstocks at lowest quartile operating costs. Pilot scale test work and Engineering Cost Study update in progress. Commercialisation strategy is through technology licensing model; and
- **Vanadium Recovery (100% technology)** – aiming to enable sustainable production of high-purity vanadium pentoxide from processing of steelmaking by-product (“Slag”) at lowest-quartile operating cost. Targeting partnerships with steel makers and participants in the vanadium chemical value chain under a low risk / low capex technology licensing business model.