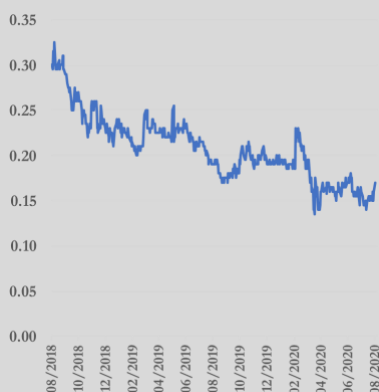


Neometals Ltd.

Ticker: NMT AU
Share Price: A\$0.17
Market cap: A\$92.7m
Cash: A\$81.3m
Investments (Listed): A\$5.0m
Debt: A\$0m
Enterprise Value: A\$6.7m
Shares Outstanding: 545.4m
Shares - Fully Diluted: 555.6m
Managing Director: Chris Reed



Prices as of the close of business
4 August 2020

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Neometals Ltd.

4 August 2020

Battery Recycling JV with German Industrials Giant

Neometals Ltd have announced a binding agreement to form a 50:50 incorporated Joint Venture (JV) with the German industrials giant SMS group, in order to commercialise Neometals' proprietary lithium-ion battery-recycling technology. The technology has been developed by Neometals' technical team in Perth and this announcement, following extensive due diligence by SMS group, is a **strong endorsement of its commercial potential**. After all, the privately-owned SMS group is one of the world's leading suppliers of industrial plants and equipment, with turnover of approximately EUR3.0billion and over 14,000 employees.

The JV, called **Primobius**, will employ a patent-pending hydro-metallurgical process to recover lithium, nickel, cobalt and other materials from lithium-ion batteries. Importantly, the recovered and refined materials will be in a form that can be re-used in the battery supply chain.

We view this hydro-metallurgical process as **environmentally-superior** to the pyro-metallurgical processes currently employed to recycle lithium-ion batteries, and offers a **sustainable materials-recovery strategy crucial for the electric vehicles industry**.

The next steps for the JV will include the construction of a demonstration plant at one of SMS group's facilities in Germany, with commissioning expected early next year. Results from the demonstration plant will feed into a formal feasibility study, with a final investment decision (FID) by JV partners expected in the March Q 2022.



From an investment perspective, the Primobius JV is supported by two large, long-term, global thematic; **sustainability** and the **electrification of vehicles**. Both of which are receiving increasing political support. SMS group Senior VP Strategic Project Development Herbert Weissenbaeck commented, "SMS group sees compelling growth and opportunity in the sector. The timing is good to secure a foothold and build credibility with OEMs who value closing the loop in the battery value chain. There is a groundswell of global, and particularly European, support for sustainability and circular opportunities and this strengthens our commitment to Primobius." **Neometals' market cap is almost entirely backed by its cash holding with the market assigning virtually no value to its significant portfolio of core and non-core projects.**

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