

# Neometals Exits The Lithium Recycling Business

Neometals Ltd (ASX: NMT)

Following a comprehensive review of its lithium-ion battery recycling strategy, it has entered into a binding term sheet with its joint venture partner, SMS Group GmbH to transfer to SMS its 50% interests in both Primobius GmbH , the incorporated plant-building JV with SMS, and ACN 630 589 507 Pty, the holding company for patented LiB Recycling Technology.



Neometals Primobius JV official opening –  
Credits Neometals



	<b>Neometals</b>	<b>ASX / AIM : NMT</b>
	<b>Stage</b>	<b>Production + development</b>
	<b>Metals</b>	<b>Titanium + Vanadium + lithium + nickel</b>
	<b>Market cap</b>	<b>A\$49 m @ A\$0.053</b>
	<b>Location</b>	<b>Australia, Finland, USA</b>
	<b>Website</b>	<b><a href="http://www.neometals.com.au">www.neometals.com.au</a></b>

## **Binding Term Sheet for Neometals to Exit LiB Recycling Business**

**Neometals Ltd (ASX: NMT)** (Neometals or the Company) announces

that, following a comprehensive review of its lithium-ion battery (LiB) recycling strategy, it has entered into a binding term sheet with its joint venture partner, SMS Group GmbH (SMS) to transfer to SMS its 50% interests in both:

- Primobius GmbH (Primobius), the incorporated plant-building joint venture with SMS; and
- ACN 630 589 507 Pty Ltd (ACN 630), the holding company for patented LiB Recycling Technology.

In accordance with the binding term sheet Neometals and SMS will use all reasonable endeavours to execute formal agreements by 31 August 2025 to give effect to the proposed transaction (Formal Agreements), whereby Neometals will divest its interests in Primobius and ACN 630 to SMS in consideration for the payment of €5 million (c. A\$8.9 million<sup>1</sup>) cash plus an ongoing commercial compensation fee representing 2% of Primobius' annual revenues determined for each fiscal year from 1 July 2025 to 30 June 2037 and capped at €7 million (and indexed to inflation) (c. A\$12.5 million<sup>1</sup>).

## **Completion is subject to several standard conditions precedent, including:**

- receipt by Neometals of any required regulatory approvals; and
- receipt by SMS of approval from its shareholder committee.

The transaction follows Neometals' further assessment of the expected future quantum and timing of working capital requirements for the commercialisation of the Primobius plant building joint venture and the timing of returns from future

royalties derived from plant sales.

The review also considered forecast market conditions in the battery materials, European lithium-ion cell production and electric vehicle sectors.

The transaction will deliver early cash consideration to Neometals, while relieving Neometals of the requirement for future shareholder capital contributions during Primobius' business development phase.

This will enable Neometals to redeploy capital to other opportunities which are believed to be more net value accretive for Neometals' shareholders.

[To read the full news release, please click HERE](#)

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## **Disclosure**

**At the time of writing the author holds no shares in Neometals.**

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