Neometals signs agreement for ELi®Lithium Process

Neometals Ltd (ASX: NMT) and **Mineral Resources (ASX: MIN)**

Jointly announced that their 70:30 co-owned company, Reed Advanced Materials Pty Ltd has entered into a binding Co-operation Agreement with Portugal's largest chemical producer Bondalti Chemicals, S.A. to commercialise the sustainable ELi lithium process to produce lithium hydroxide.

Neometals	ASX : NMT
Stage	Production + development
Metals	Titanium + Vanadium + lithium + nickel
Market cap	A$609 m @ A$1.11
Location	Western Australia, Germany

Neometals ELi process explained

Neometals and Mineral Resources Co-Operation agreement with Bondalti to commercialise their sustainable ELi® Lithium Process.

Neometals Ltd (ASX: NMT) (“Neometals”) and Mineral Resources Limited (ASX: MIN) (“MIN” – via its wholly owned subsidiary Process Minerals International) are pleased to jointly announce that their 70:30 co-owned company, Reed Advanced Materials Pty Ltd** (“RAM”) has entered into a binding Co-operation Agreement (“Co-operation”) with Portugal’s largest chemical producer Bondalti Chemicals, S.A. (“Bondalti”).

** RAM is the holding company for the ELi® processing technology (“ELi®”).

HIGHLIGHTS

• Reed Advanced Materials Pty Ltd (“RAM”) (Neometals 70% and Mineral Resources Ltd 30%) has agreed terms with Bondalti Chemicals, S.A. to evaluate commercialisation of its ELi® lithium process in Europe;
• The proposed 25,000tpa lithium refinery in Portugal will be the first ELi® deployment to produce battery quality lithium hydroxide and lithium carbonate;

• ELi® replaces conventional, carbon-intensive chemical conversion of lithium chloride solutions with electrolysis to produce lithium chemicals, potentially utilising renewable energy;
• Bondalti and RAM will co-fund construction and operation of a pilot plant at Estarreja and complete evaluation studies over 18 months at a shared cost of US$4 million; and
• The pilot plant, and proposed commercial refinery, will be integrated with Bondalti's existing chlor-alkali operations, which share significant processing commonalities with the ELi® process.

The Co-operation contemplates the co-funding of certain evaluation activities required for a decision to forma 50:50 incorporated joint venture ("JVCo") to construct and operate a lithium refinery ("Refinery") at Bondalti's extensive chlor-alkali operations in
Estarreja, Portugal.

The evaluation activities will include the construction and operation of a pilot plant in Portugal and completion of an AACE Class 2 Front End Engineering and Design Study ("FEED Study"). Completion is targeted for 30 June 2023 at a shared cost of approximately US$4 million.

Under the Co-operation RAM and Bondalti have established a Steering Committee with equal representation from both parties to oversee the conduct of the evaluation activities and establishes a framework of terms for JVCo formation.

The proposed Refinery will be the first commercial operation to use RAM's ELi® Process which has successfully produced battery quality lithium hydroxide from operating spodumene and brine operations.

ELi® is a process for purifying an aqueous lithium solution (lithium chloride) to produce lithium hydroxide in conventional chlor-alkali (electrolysis) cells. ELi® uses

commercially
available chlor-alkali equipment and has been tested for reliability in 100 and 200hr duration continuous mini-pilot scale trials.

A feasibility study for the application of the ELi® technology in a Malaysian plant was completed in 2016 (for further details see Neometals announcement titled “Positive Lithium Downstream Processing Feasibility Results” dated 11th July 2016).

This Co-operation is a significant step towards ELi® commercialisation with an industry leading partner that operates similar equipment for shared markets at industrial scale. The technology, which radically reduces the requirement for (and transport of)
reagents represents the opportunity for a step change in environmental sustainability, operating and capital costs for both spodumene and brine lithium projects.

ELi® feedstock flexibility enables domestic production of lithium chemicals from the
conversion of both European hard rock and imported brine concentrates ensuring an ethical and resilient local lithium supply chain for the EV battery industry.

Neometals management comments

“We are eager to take another step towards commercialising our ELi® process and building a globally competitive, high purity ‘battery quality’ lithium chemical facility.

“Bondalti is a highly credentialed chemical producer and

operator of chlor-alkali facilities which use electrolysis to produce sodium hydroxide. Moreover, Bondalti's existing by-product hydrogen and chlorine gases provide a ready market for the by-products of the ELi® Process.

"The synergies of first-class technical skills and infrastructure at Estarreja maximise the probability of technical success in the full scale pilot plant trials and enhance the potential financial metrics of its first commercial application.

"This is another demonstration of our ability to secure strong operating partners to co-fund the commercialisation of our project pipeline.

"The Co-Operation is an exciting milestone for Neometals and its ELi® co-owner, Mineral Resources Ltd, who have been steadfast supporters of this potentially game-changing technology since its genesis in 2012."

Chris Reed, Managing Director, Neometals

For brevity, this summary has been redacted, to read the full news release, please click HERE

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