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Envirostream Australia confirms offtake deal with Korean battery recycler SungEel Hitech

Lithium Australia's 24% subsidiary Envirostream Australia Pty Ltd ('Envirostream') has signed a memorandum of understanding ('MoU') with South Korean company SungEel HiTech Co., Ltd ('SungEel') for the sale of recycled battery metals.

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HIGHLIGHTS

- The Envirostream/SungEel MoU involves the exclusive supply of metals extracted from recycled lithium-ion batteries ('LIBs') out of Australia.
- That supply comprises mixed metal dust ('MMD') – containing the energy metals cobalt, nickel and lithium – recovered from spent LIBs at Envirostream's battery recycling plant in Melbourne, Australia.
- Currently, Envirostream is the only Australian company able to recycle all the energy metals from spent LIBs.
- Envirostream will recommence its shipments of MMD this month, following a recent expansion of its recycling facilities.



SungEel President Mr Kang Myung Yi and Envirostream Managing Director Andrew Mackenzie shake hands after signing the offtake MoU.

SungEel has agreed that Envirostream will have exclusivity of MMD supply from Australia. Envirostream will now increase its MMD shipments to SungEel, for refining into cobalt, nickel and lithium chemicals for the production of new LIBs.



Background – SungEel

SungEel, which recovers critical energy metals from LIB scrap, has become South Korea's (and one of the world's) largest battery recyclers. A leader in the development of environmentally sustainable technologies, SungEel's research and development programmes are ongoing. SungEel's work is vital to the implementation of a circular battery economy not just within Australia but also internationally.

Background – Envirostream

Envirostream is the only company in Australia with the integrated capacity to collect, sort, shred and separate all the components of spent LIBs, making it a perfect fit with Lithium Australia's recycling expertise.

On **16 October 2019**, Lithium Australia announced it had increased its equity in Envirostream to 24%, heralding the amalgamation of the two companies' resources to create the only entity in Australia capable of creating new battery materials from spent LIBs. The funds Lithium Australia has injected into Envirostream are being used to expand the latter's Melbourne battery recycling facilities.

Together, Lithium Australia and Envirostream are developing environmentally responsible solutions to the mounting problems spent LIBs represent.

Comment from Lithium Australia MD Adrian Griffin

"Lithium Australia is working with Envirostream to roll out the latter's Australia-wide collection network and expand its shredding and separation capacities as rapidly as possible. The MoU with SungEel provides for immediate refining of the MMD that Envirostream produces. It is expected that Envirostream's next MMD shipment to SungEel will take place this month. Expanding Envirostream's processing capacity to keep spent LIBs from landfill and export the energy metals they contain is an Australian imperative. Closing the loop on the production of battery materials reduces the environmental footprint of the mining and processing aspects inherent in LIB production, improves sustainability and prevents the components of spent LIBs from leaking into groundwater and oceans as a consequence of their relegation to landfill or transport to other jurisdictions. Together, Lithium Australia, Envirostream and SungEel can provide an immediate and viable solution to the LIB disposal crisis in this country."

ASX ANNOUNCEMENT

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Lithium Australia aims to ensure an ethical and sustainable supply of energy metals to the battery industry (enhancing energy security in the process) by creating a circular battery economy. The recycling of old lithium-ion batteries to new is intrinsic to this plan. While rationalising its portfolio of lithium projects/alliances, the Company continues with R&D on its proprietary extraction processes for the conversion of *all* lithium silicates (including mine waste), and of unused fines from spodumene processing, to lithium chemicals. From those chemicals, Lithium Australia plans to produce advanced components for the battery industry globally, and for stationary energy storage systems within Australia. By uniting resources and innovation, the Company seeks to vertically integrate lithium recycling, extraction and processing.

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