



26 August 2020

Envirostream Australia to commence recycling of spent electric vehicle batteries

HIGHLIGHTS

- **Envirostream Australia Pty Ltd ('Envirostream') has signed recycling agreements with two additional batteries suppliers.**
- **Over the past 2 years, Envirostream has trialled the recycling of end-of-life ('EOL') battery packs from six different types of electric vehicles ('EVs').**
- **The significance of these contracts are that Envirostream will become a first mover in the recycling of EOL EV batteries in Australia**
- **Envirostream expects to begin regular recycling of EOL EV battery packs over the next few weeks.**
- **Worldwide, numbers of spent lithium-ion batteries, including EV battery packs, are expected to grow rapidly, underpinning Envirostream's business model.**

Commercial recycling of EV batteries

Envirostream – a 90% owned subsidiary of Lithium Australia NL (ASX: LIT, 'the Company') is pleased to announce that it expects to begin regular recycling EOL EV batteries in coming weeks.

Battery recycling trials

Envirostream has successfully conducted a series of recycling trials on six different types of EV battery packs at its mixed-battery recycling facilities in Melbourne, Australia. The trials, all of which were conducted without incident, were intended to document the complete process of EV battery recycling, from transport, handling and discharge through to disassembly and materials recovery. Envirostream's report on the trials, which included details of safety procedures, transport, and environmental assessments, illustrated that Envirostream can process these EOL battery packs safely, effectively, cost-efficiently and sustainably, thereby providing a sound and environmentally aware solution to their disposal going forward.

Battery recycling agreements

Under the terms of the non-exclusive battery recycling agreements with the two Suppliers, Envirostream will be responsible for the transport of these battery packs to its recycling facility, as well as protection of intellectual property, the discharge of any residual battery energy and pack disassembly and recycling. Transport of batteries is expected to come from capital city's around Australia and Brunei to its Melbourne facilities.

Neither agreement is considered material agreement due to the volumes and no significant costs are being borne by the Company. The agreements have an indefinite term but can be terminated by the Supplier on between zero and 60 days notice. Neither supplier are expected to rank in Envirostream's top ten suppliers of batteries by volume this financial year. Whilst there are no set volumes under either agreement the significance of these agreements are that Envirostream becomes a first mover in the recycling of EOL EV batteries in Australia.

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ASX ANNOUNCEMENT



Envirostream expects to begin recycling a regular small volume of EOL EV battery packs over the next few weeks. Envirostream will continue activity marketing this service to other Australian and international EV suppliers and manufacturers.

Authorised for release by the Board.

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About Lithium Australia NL

Lithium Australia aims to ensure an ethical and sustainable supply of critical materials to the battery industry by creating a circular battery economy. In particular, the recycling of spent lithium-ion batteries to create new battery cathode materials 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 these, Lithium Australia plans to produce advanced components for the battery industry globally, including for stationary energy storage systems marketed in Australia. By uniting resources and innovation, the Company seeks to vertically integrate lithium extraction, processing and recycling while enhancing energy security.

About Envirostream Australia Pty Ltd

Envirostream is a national leader in battery recycling. It operates the only commercial facility in Australia capable of shredding all types of spent batteries to efficiently recover a range of recyclable materials – in particular mixed-metal dust, which comprises the critical ‘active’ materials in spent lithium-ion batteries. Mixed-metal dust contains cobalt, nickel, lithium and manganese, making it a sustainable feed source for the manufacture of new batteries. The Envirostream process is designed for zero atmospheric emissions and very low soluble losses, and only minimal amounts of material are consigned to landfill. Together with its high mass yields, this positions Envirostream as the planet’s most environmentally credentialled battery recycler.

Forward-looking statements

This announcement contains forward-looking statements. Forward-looking statements are subject to a variety of risks and uncertainties that it is beyond the Company’s ability to control or predict and which could cause actual events or results to differ materially from those anticipated in such forward-looking statements.

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