

Manikaran Power Limited and Neometals commence joint feasibility study for Lithium Refinery

HIGHLIGHTS

- **Feasibility Study initiated to further evaluate the feasibility for setting up lithium refinery in India by (Manikaran Power Ltd and Neometals)**
- **Based on off-taker response and market demand forecasts the nameplate capacity has been enhanced to 20,000tpa LCE of LiOH to include toll-treatment capability**
- **Refinery plan to achieve overall capital competence through adopting single product approach and attain economies of scale**
- **Contracts have been awarded to specialised vendors package design teams, study managers, engineers, consultants and project controls specialists**

India's leading power trading company Manikaran Power Limited (**MPL**) in collaboration with its partner Australian project development company Neometals Ltd (ASX: NMT) ("**Neometals**"), is pleased to announce that it has initiated a jointly-financed AACE Class 3 Feasibility Study ("**FS**"). The FS will evaluate a lithium hydroxide refinery located in India with a nameplate capacity of a 20,000 tonnes per annum LCE (lithium carbonate equivalent). In addition, the originally planned lithium carbonate co-product stream has been eliminated, offering scope for significant economies of scale from the expanded output and overall capital efficiency gains arising from a simplified flowsheet and process plant.

The selected organisations which would be managing the key aspects of the study are Primero Group ("**Primero**") to undertake the engineering study and key vendor package integration, supported by Veolia HPD to design and estimate the hydrometallurgical process package and Sichuan Calciner Technologies ("**SCT**") to design and estimate the pyrometallurgical process package. The calcine testing on the Mt Marion spodumene concentrate feed will also be performed by SCT. It is noteworthy that Ganfeng Lithium has been calcining Mt Marion concentrates in China over 3 years.

In June 2019, Neometals entered-into a binding memorandum of understanding ("**MOU**") with Manikaran to jointly finance assessment and estimation initiatives towards developing the first lithium refinery in India ("**Lithium Refinery**"). The key areas of assessment include feasibility studies, finalisation of contractors, consultants and OEM reviews and site evaluation. The assessment activity results will reinforce the staged investment decisions to the formation of a 50:50 joint venture ("**JV**") to develop the Lithium Refinery.

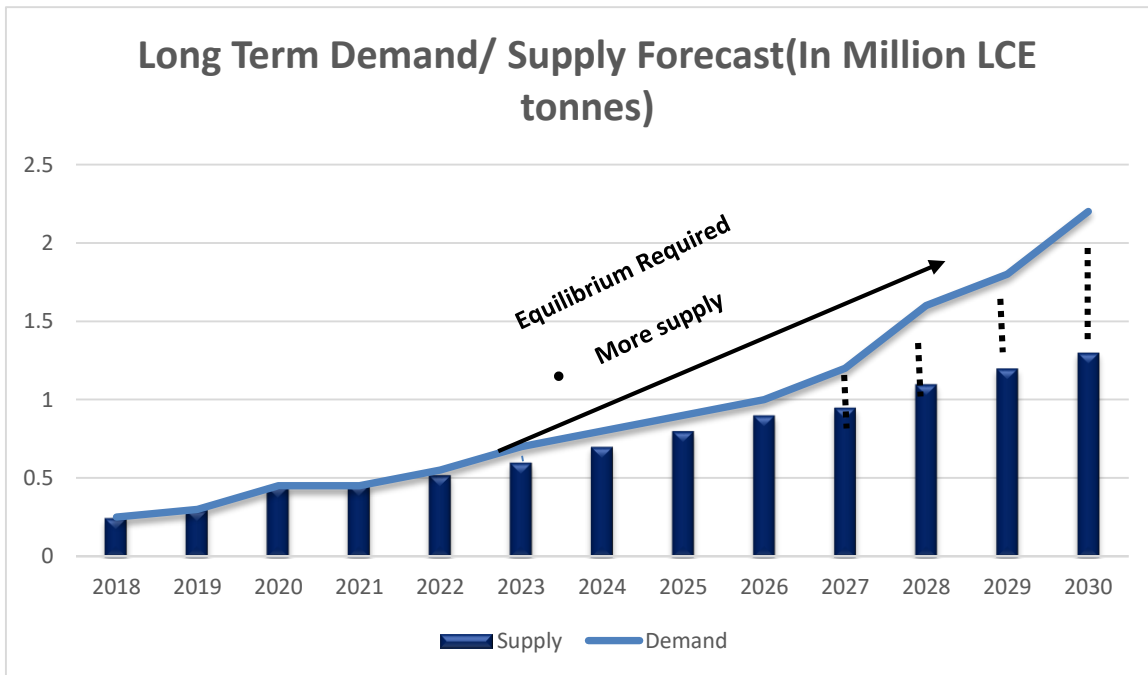
The kick-start of the jointly funded evaluation study is estimated at AU\$ 2 million / US\$1.3 million is a major milestone as it confirms the allegiance from both parties to progress the assessment and achieve a greater degree of accuracy and detailing of the project. The decision to increase the capacity of the Lithium Refinery and simplify the product mix is in response to feedback from potential offtake customers. This commencement to FS establishes Manikaran's conviction to produce lithium chemicals

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in India considering competitive capital costs and meeting the growing demand for Lithium in India. Based on the market inputs and key off-taker views the plant capacity is upgraded and the product mix is streamlined.

The consequent actions will include the selected parties to work towards preparing the AACE Class 3 Estimates confirming to International Recommended Practice No. 18R-97 and would also conduct engineering, capital & operating cost estimation as well as test-works.

The short –medium term forecast for lithium is likely to have an impact on the lithium supply chain during 2025-20208, spurred by the ongoing disturbance caused due to Covid-19. The assessment of the refinery and its development is timed to be commissioned to help match the increased demand for lithium in this period.



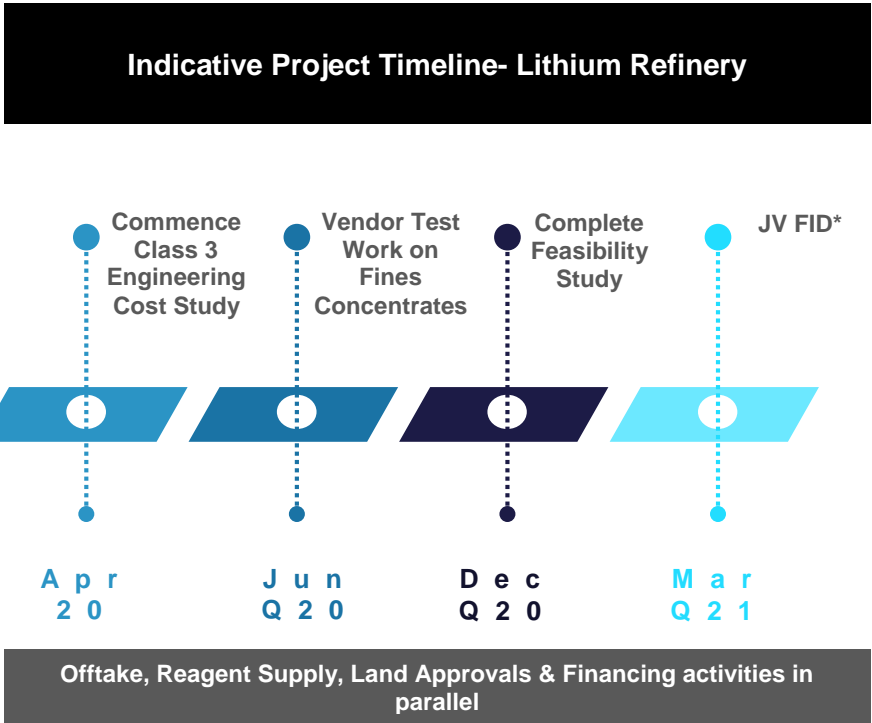
Manikaran Power Limited -Director Mr. Jasmeet Singh Kalsi said:

“Our country is already home to several EV manufacturers, and domestic policymakers are aiming to incentivise EV adoption and downstream investment in the EV supply chain. The proposed lithium refinery, which will produce Lithium Hydroxide, critical for manufacturing of Lithium Ion Battery cells, with Neometals- Australia, as its strategic partner will help in achieving domestic downstream manufacturing capabilities for Lithium Ion Batteries , which in turn, will help the EV manufacturing ecosystem achieve the “Make in India” mission. “

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UPDATED STRUCTURE OF MOU/COOPERATION AGREEMENT WITH Neometals

In accordance with the terms of the MOU, Neometals and Manikaran (the Parties) will consider formation of an incorporated 50:50 JV company based on the results of the FS. The indicative timeline below for targeted project development steps is mentioned below.



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