

PRESS RELEASE

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SMS group supplies Front-End Engineering Design (FEED) for Europe's first lithium battery chemicals facility



Lithium Plant Design for Battery-Grade Lithium Chemicals Production.

Geomet s.r.o., a Joint Venture between Australian mineral exploration and development company European Metals (Frankfurt: E861; ASX:EMH;

AIM:EMH) and Czech energy giant CEZ (PSE:CEZ; WSE:CEZ), has appointed SMS group as the lead engineer for the minerals processing and lithium battery-grade chemicals production at the Cinovec project in Czech Republic.

The project will be an important cornerstone in advancing import-independent battery production in Europe. The new facility is set to produce – in full compliance with the most stringent environmental standards – about 22,500 tons of lithium carbonate or about 25,000 tons of lithium hydroxide per year (both of battery grade), as well as tin and tungsten concentrates from a by-products recovery circuit.

SMS group is going to provide the process and plant technology for the complete process chain: from ore comminution via logistics for concentrate handling up to and including the extractive metallurgy processes.

Under the FEED agreement, SMS group will provide the following:

- Full process integration from the point of delivery of ore to the underground crusher through to the delivery of finished battery-grade lithium chemicals for battery and cathode manufacturers.
- All process steps – comminution, beneficiation, roasting, leaching and purification.
- The lithium process flowsheet and the tin/tungsten recovery circuit delivering metal concentrates to refineries.

The FEED is intended to deliver a binding fixed-price lump-sum turnkey EPC contract with associated process guarantee and product specification guarantees for battery-grade lithium chemicals.

“In the last few years, we have gained a strong position within the fast-growing segment of technological metals, including those for battery production. We are very familiar with the Cinovec project and take pride in having been chosen by Geomet as lead engineer under this FEED agreement,” said Herbert Weissenbaeck, responsible at SMS group for strategic project development, on the occasion of the contract signing.

Given the situation that in Europe lithium ion battery

production capacities equating approx. 200 GWh per year are being planned or currently under construction and the fact that approx. 800 kilograms of lithium carbonate is needed to produce one GWh of battery capacity, the production volume planned by Geomet in the first phase of the project will only cover a small portion of the medium-term demand generated in Europe. This is the reason for SMS group to believe that there will be increasing lithium project activity right on the doorstep within Europe and this FEED contract appointment, at what is Europe's largest hard-rock lithium resource, will put SMS group at the forefront of this developing industry.

“Especially, as we see that off-the-shelf metallurgical processes are becoming increasingly inadequate for the extraction of valuable metals from non-conventional ores at reasonable costs and with a minimum ecological footprint, we can count on our broad-based portfolio of technologies and our extensive know-how in both pyro and hydrometallurgy, offering our customers in the technological metals sector optimized, integrated solutions.”

After taking the first step into the value chain of battery recycling just recently by acquiring a stake in lithium ion battery recycler Primobius GmbH, SMS group is now further extending its activities to include plant and process engineering for the production of electrolyte used in lithium ion batteries.

SMS group is a group of companies internationally active in plant construction and mechanical engineering for the steel and nonferrous metals industry. It has some 14,000 employees who generate worldwide sales of more than EUR 2.9 billion. The sole owner of the holding company SMS GmbH is the Familie Weiss Foundation.