

## ASX Announcement

### HANNANS MARKET DEVELOPMENT AGREEMENT FOR PROPOSED UK LITHIUM BATTERY RECYCLING OPERATION

- › **Market development agreement frames the path to lithium-ion battery (“LiB”) supply for potential LiB recycling operations in the UK**
- › **G&P Battery Recycling collaborating with Hannans towards a LiB supply arrangement over four years with a project earn-in option**
- › **Hannans evaluating site selection and permitting**

Australia-listed Hannans Ltd (ASX: HNR) (**Hannans** or the **Company**) announces the signing of a binding market development agreement (**Agreement**) between Hannans BatRec (Europe) Limited (a wholly owned subsidiary of the Company) and G&P Battery Recycling Limited (**GPBR**) in the United Kingdom. This follows an earlier agreement between Greenhouse Investments Limited (**Greenhouse**) with an affiliate of GPBR in 2022, the benefit of which has been passed to Hannans in connection with the assignment of Greenhouse’s rights under recycling licence agreements with ACN 630 589 507 Pty Ltd (a subsidiary of Neometals Ltd (ASX: NMT) and the owner and licensor of the LiB recycling technology).

The terms of the agreement with GPBR contemplate a four-year (4) undertaking by GPBR to deliver 16,800 tonnes of qualifying LiB feedstock (subject to entry into a formal feedstock supply agreement) for a proposed battery-recycling operation to be formed in the UK (**Hannans Shredding Spoke**). Hannans has also granted GPBR the right to earn up to a 20% total participating interest in the proposed UK entity that will operate the Hannans Shredding Spoke by meeting its Minimum Commitment<sup>1</sup>. GPBR founders have 40 years of industry experience owning, managing and operating end-of-life battery recycling companies across Europe. GPBR currently focuses on providing approved trading and recovery services to numerous British waste compliance schemes. Battery manufacturers engage GPBR to withdraw batteries from the market for reprocessing.

The agreement represents a significant milestone in Hannans' new recycling strategy. With the recent emphasis on compliance with increasing environmental regulation, the arrangement with GPBR positions Hannans in the UK. GPBR brings expertise in battery treatment and transportation, allowing the venture to process waste LiBs locally and close to the source. This aligns with Hannans' previously disclosed commitment to establish our first commercial operation for battery recycling.

GPBR’s founders established one of the UK’s first nationwide waste battery collection services that expanded to include other chemistries, alongside the dominant lead acid battery. This responded to the requirement of new European Union and British legislation from 2010 that required producers to recover increasing volumes to reduce the materials going to landfill and incineration. GPBR has built an alternative business model for collection services to facilitate the recycling of the increasing number of spent LiBs anticipated in future years.

Hannans intends to provide management and product sales services to the proposed UK entity through the Company’s wholly-owned EU subsidiary based in Ireland, Hannans BatRec (Europe) Limited. Working towards securing a joint final investment decision, Hannans and GPBR have agreed to conclude a final operational scoping

<sup>1</sup> Refer to Appendix A for a summary of Material Transaction Terms



study and business plan, among other initiatives. Subject to Hannans making a final investment decision and following the completion of an engineering and design study for the processing and recycling of LiBs, Hannans proposes to submit a request to an engineering firm to construct and commission a 10-tonne per day shredding and sorting plant by year-end 2023.

Greg Clementson, Managing Director, GBPR, said: "*Through our groundbreaking joint venture with Hannans in the UK, GBPR is proud to be among the first UK-Approved Battery Treatment Operators and Exporters (ABTO/ABE) addressing the pressing issue of fire risk in the transportation and management of waste lithium batteries. As we work on behalf of British battery compliance schemes, we recognise the importance of localised recycling provision to process materials as close to the source as possible. Our partnership with Hannans is a positive, long-term opportunity that aligns with our commitment to making a meaningful impact on the environment and the communities we serve.*"

"*We are truly excited about the opportunity to play a role in the UK's battery manufacturing supply chain that also connects with other Australian investment in downstream production. Our venture with GBPR is a significant milestone for Hannans, providing a foundation opportunity to provide original equipment manufacturers with battery-grade materials for UK cell production*" concluded Michael O'Leary-Collins, Head of Hannans' European Operations.

The Company is also pursuing similar opportunities to leverage its rights to commercialise the LiB recycling technology in other European jurisdictions. The Company will continue to keep the market informed of any material developments.

This ASX announcement has been authorised for release by the Board of Hannans.

For further information, please contact Mindy Ku, Company Secretary: [mku@corpbservices.com](mailto:mku@corpbservices.com)

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#### **IMPORTANT NOTICE**

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This announcement contains forward-looking statements that are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this announcement, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the directors and the Company's management.

The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this announcement will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

## Appendix A

### Summary of Material Transaction Terms

#### 1 Minimum Commitment

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##### 1.1 Year 1

For purposes of the first 365 days following the date of this Agreement, "Minimum Commitment" is:

- (a) Costs and actions related to securing all necessary permits and licenses for the development, construction and operation of one Plant;
- (b) The allocation of the equivalent of 1 full-time employee of PBRL to the Development of the Project which, for the avoidance of doubt, shall include a material commitment of time and participation of Greg Clementson; and
- (c) Such other actions as the Parties shall agree in writing in respect of the Milestones for such period.

##### 1.2 Subsequent Years

The Minimum Commitment in respect of each subsequent Milestone Period shall be agreed by the Earn-In Committee (comprising two (2) representatives from each of GPBR and Hannans) not less than 60 days prior to the first anniversary of the date of this agreement and thereafter not less than 60 days prior to the earlier of the end of each Milestones Period and each subsequent anniversary of the date of this agreement.

#### 2 Earn-In Schedule

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##### 2.1 First Milestones Period

As soon as practicable following the date of this Agreement, the Earn-In Committee shall approve:

- (a) The Minimum Commitment;
- (b) The general Program and Budget for such period; and
- (c) The specific Milestones to be achieved by PBRL to the extent not specified in paragraph 1.1 of this Schedule.

For the avoidance of doubt, the general Program and Budget shall not constitute Milestones for purposes of the Earn-In Obligations unless such items are specifically noted to be Milestones as approved by the Earn-In Committee.

##### 2.2 Subsequent Years

The Parties shall agree the Earn-In Schedule for the second year following the date of this Agreement and any following years no later than 60 days prior to the end of the previous Milestones Period or each subsequent anniversary of the date of this agreement (if earlier).

The Parties propose to enter a Shareholders Agreement (consistent with the terms of the Agreement) to further regulate their relationship and obligations with respect to the operation.

#### 3 Termination

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If a condition precedent to the obligations of a party in the Agreement have not been satisfied or waived within the time provided, this Agreement will terminate automatically without prejudice to the right of such party to claim damages for breach of the terms of this Agreement where there has been default by the other party.