

# NEO Battery Materials Enters into Letter of Intent with Canadian Municipality for Commercial Facility Land Lease

written by Raj Shah | October 29, 2024

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- Letter of Intent Entered with Undisclosed Canadian Municipality for Purposes of Commercial Facility Land Lease
- Intending to Secure Approximately 8 Acres of Municipal Land with Tax Incentives and Favourable Lease Terms
- Plans to Construct and Operate Silicon Anode Manufacturing Plant Capable of Producing 5,000 Tons Per Year
- To Capitalize on Aggressive Policies and Financial Support Provided by Canadian Governmental Authorities and Entities

NEO Battery Materials Ltd. (“**NEO**” or the “**Company**”) (TSXV: **NBM**) (OTC: **NBMFF**), a low-cost silicon anode materials developer that enables longer-running, rapid-charging lithium-ion batteries, is pleased to announce that the Company has entered into a non-binding letter of intent (the “**LOI**”) on September 6, 2024, with a Canadian municipality to lease approximately 8 acres of land for the construction and operation of NEO’s planned commercial manufacturing facility. The municipality and detailed terms will remain confidential until a definitive or formal agreement is reached. There are no material terms or considerations with respect to the LOI.

The Company intends to lease 8 acres or 350,000 square feet of

municipal land to construct and operate its silicon anode commercial facility for lithium-ion batteries in electric vehicles (EV) and electronics. The LOI provides a framework for a long-term lease agreement to support NEO's goal of commercializing Canada's first advanced silicon anode project and the municipality's economic development goals. With tax incentives and favourable lease rates compared to commercial market properties, the terms reinforce the Company's priority of cost-effective expansion.

NEO plans to develop a multi-building manufacturing facility, which is expected to produce an aggregate silicon anode capacity of 5,000 tons annually. This facility will provide the Company with the necessary infrastructure and capability to meet the growing demand for high-performance, low-cost battery anode materials in the North American battery and EV market.

Canada currently houses and will house major battery companies, including NextStar Energy (LG Energy Solution & Stellantis Joint Venture), PowerCo (Volkswagen's Battery Arm), Northvolt, and E-One Moli Energy. In 2024, Canada ranked first place in BloombergNEF's *Global Lithium-Ion Battery Supply Chain Ranking*. Based on the criteria of supply chain reliability, sustainability, and potency, Canada has surpassed China from previous year's rankings.

Mr. Spencer Huh, Director, President, and CEO of NEO, commented, "We are pleased to have entered into this LOI with the municipality after monthslong deliberation. This development aligns with our corporate strategy of initiating commercialization efforts in Canada to capitalize on aggressive government policies and financial support for battery and energy storage projects. Moreover, with the build-out of Canada's EV ecosystem, we hope to accelerate zero-emission vehicle demand by producing low-cost silicon anode materials."

***About NEO Battery Materials Ltd.***

NEO Battery Materials is a Canadian battery materials technology company focused on developing silicon anode materials for lithium-ion batteries in electric vehicles, electronics, and energy storage systems. With a patent-protected, low-cost manufacturing process, NEO Battery enables longer-running and ultra-fast charging batteries compared to existing state-of-the-art technologies. The Company aims to be a globally-leading producer of silicon anode materials for the electric vehicle and energy storage industries. For more information, please visit the Company's website at: <https://www.neobatterymaterials.com/>.

**On Behalf of the Board of Directors**

Spencer Huh

Director, President, and CEO

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**For Investor Relations, PR & More Information:**

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This news release includes certain forward-looking statements as well as management's objectives, strategies, beliefs and intentions. All information contained herein that is not clearly historical in nature may constitute forward-looking information. Generally, such forward-looking information can be identified notably, but not limited to, by the use of forward-looking terminology such as "plans", "expects," or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur", "be achieved", and similar words referring to future events and results. Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of

activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information, including but not limited to: (i) volatile stock prices; (ii) the general global markets and economic conditions; (iii) the possibility of write-downs and impairments; (iv) the risk associated with the research and development of advanced technologies; (v) the risk associated with the effectiveness and feasibility of technologies that have not yet been tested or proven on commercial scale; (vi) the risks associated with entering into joint ventures, collaboration agreements, joint development agreements, and similar commercial agreements; (vii) fluctuations in input precursor prices; (viii) the risks associated with uninsurable risks arising during the course of research, development and production; (ix) competition faced by the resulting issuer in securing experienced personnel and financing; (x) access to adequate infrastructure to support battery materials research and development activities; (xi) the risks associated with changes in the technology regulatory regime governing the Company; (xii) the risks associated with the various environmental regulations the Company is subject to; (xiii) risks related to regulatory and permitting delays; (xiv) the reliance on key personnel; (xv) liquidity risks; (xvi) the risk of litigation; and (xvii) risk management, as described in more detail in our recent securities filings available at [www.sedarplus.com](http://www.sedarplus.com). Forward-looking information is based on assumptions management believes to be reasonable at the time such statements are made, including but not limited to, continued research and development activities, no material adverse change in precursor prices and development plans to proceed in accordance with plans and such plans to achieve their stated expected outcomes, receipt of required regulatory approvals, and such other assumptions and factors as set out herein. Although the Company has attempted to identify important

factors that could cause actual results to differ materially from those contained in the forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such forward-looking information. Such forward-looking information has been provided for the purpose of assisting investors in understanding the Company's business, operations, research and development, and commercialization plans and may not be appropriate for other purposes. Accordingly, readers should not place undue reliance on forward-looking information. We assume no obligation to revise or update these forward-looking statements except as required by applicable law.

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