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PRESS RELEASE

Eramet inaugurates its direct lithium extraction plant in Argentina, becoming the first European company to produce battery-grade lithium carbonate at industrial scale

- Start of the commissioning of the Centenario direct lithium extraction plant, located in Salta Province, Argentina; first production planned in November 2024
- A key milestone in Eramet's strategic development into producing metals for energy transition
- A technological achievement at 4,000 m of altitude, implementing at industrial scale one of the most advanced Direct Lithium Extraction ('DLE') process, developed in-house
- Centenario Phase 1 is designed to extract and produce 24,000 t/year¹ of battery-grade lithium carbonate at full capacity, and should be positioned in the 1st quartile of the lithium industry cost-curve
- A project developed according to the most stringent standards of sustainable mining

Christel Bories, Group Chair and CEO:

With the start of our first Centenario plant, Eramet will become a key global player in the sustainable production of lithium, a critical metal for the batteries of electric vehicles.

This inauguration confirms our technological and sustainable leadership across the entire lithium value chain, from exploration to extraction and processing.

This success is the result of a collective achievement, combining the expertise and commitment of our teams, our partnership with Tsingshan, the support of Argentina's regional and national authorities and a strong and respectful relationship built with local communities since the start of the project.

The lithium produced by Eramet in Centenario, with the objective of meeting the IRMA standard, will be much valuable for our customers. ➤

A key milestone in Eramet's development towards metals for the energy transition

Christel Bories, Chair and CEO of Eramet, has inaugurated today the Centenario Phase 1 lithium carbonate production plant in the presence of Gustavo Saenz, Governor of Salta Region, Diana Mondino, Minister of Foreign Affairs of the Republic of Argentina, and Luis Lucero, Mining Federal Secretary of the Republic of Argentina. This industrial flagship is operated by Eramine, a joint venture owned by Eramet (50.1%) and its partner Tsingshan (49.9%).

Today's ceremony launches the start of the commissioning of the plant designed to extract lithium from the salar brine and process it into battery-grade lithium carbonate, required for the electric vehicles value chain.

¹ On a 100% basis.

The start of production is planned in November 2024. Ramp-up is expected to be achieved by mid-2025. At full capacity, the Centenario Phase 1 plant will produce 24,000 t/year¹ battery-grade lithium carbonate equivalent ('LCE'), equivalent to the requirements for 600,000 electric vehicles/year. Production will be very limited in 2024.

The total amount of investment for Centenario Phase 1 is forecast to be around \$870m¹. At full capacity, the cash cost for Phase 1 should be positioned in the first quartile of the industry cost curve (estimated at around \$4,500 to \$5,000/t-LCE), and the annual EBITDA is estimated at between \$210 and \$315 million¹, based on a long-term price assumption of between \$15,000 and \$20,000/t-LCE.

In November 2023, Eramet's Board of Directors conditionally approved the investment decision for a second plant at Centenario, representing an additional 30,000t-LCE per year¹. This approval remains subject to the obtention of construction permits as well as to the implementation of the new investment fiscal regime for large projects² currently under discussion at Federal level, as this regime would enhance Centenario Phase 2 economics and financing conditions.

A large resource, long-life, high-grade, scalable brine deposit

The Centenario-Ratones deposit is one of the most attractive salars in Argentina, located in Latin America's 'lithium triangle' (Argentina, Bolivia, Chile). Eramet's extraction rights are covered by a single concession of 560 km², for which the Group owns perpetual mining rights.

The drainable mineral resources amount to more than 15 Mt-LCE³, with an average concentration of 407 mg/L of lithium contained in the brine, supporting further capacity expansion.

Delivering a project at 4,000 m of altitude in the remote Andean Highlands

Eramet is starting today the commissioning of a state-of-the-art processing plant highly automated. This is a key successful milestone in the project execution considering the very challenging environment, in particular:

- Altitude and extreme weather conditions,
- Logistics challenge to bring on site large pieces of equipment and material,
- Lack of pre-existing infrastructure,
- Up to 1,600 people working at site simultaneously and applying the highest health & safety standards (delivering a TRIR⁴<2 for roughly 7 million hours of construction activity),
- Importing equipment from more than 10 countries with an international supply chain disturbed by the Covid crisis.

One of the most advanced Direct Lithium Extraction ('DLE') process

The Centenario Phase 1 plant uses one of the most advanced DLE technology:

- Tested for 5 years under real-life conditions in a pilot plant built on the Centenario site, it has achieved a high recovery rate of lithium contained in the brine of approximately 90%. In comparison, if we were using the traditional natural evaporation process in Centenario, the recovery rate would be 40-50%,

¹ On a 100% basis.

² Regimen de Incentivo Para Grandes Inversiones, "RIGI"

³ 15,120 Mt-LCE, Measured + Indicated + Inferred, as of January 1st, 2024.

⁴ TRIR (total recordable injury rate) = number of lost time and recordable injury accidents for 1 million hours worked (employees and subcontractors)

- As a result, the DLE technology developed by Eramet is 50% more efficient than the conventional natural evaporation method. It also enables to reduce the production lead-time to 1 week vs a 12 to 18-month period for the conventional evaporation method,
- Developed in France by Eramet Ideas, the Group's R&D and Open Innovation center, this technology is covered by 12 patents.

A strong CSR commitment

The most stringent standard for responsible mining

As part of its "Act for Positive Mining" CSR roadmap, Eramet has committed to subjecting all its mining operations to an independent audit process based on the IRMA (Initiative for Responsible Mining Assurance) standard. It is the first international standard for the mining sector with a global approach, including environmental, social and governance aspects of mining operations. By engaging stakeholders from various sectors, including communities, NGOs and industry experts, IRMA ensures a holistic perspective that addresses diverse concerns and promotes transparency throughout the mining supply chain. The Centenario site completed its self-assessment in 2022 and is preparing for an external audit scheduled for the beginning of 2025.

Dialogue with local communities

In early 2010, from the very beginning of the project, Eramet teams started a process of study and dialogue with local communities, in particular the community of Kollas, who is recognized as an indigenous population through the constitution of the Province of Salta. A Free, Prior and Informed Consent ('FPIC') procedure has been carried out in accordance with the provisions of ILO Convention 169, leading to the granting of consent for the Centenario project in February 2020. The communities continue to be kept informed of the project development.

Local employment

During the construction phase, Eramet has contributed to the creation of more than 2,500 direct jobs in Salta Region. The Centenario Phase 1 plant will employ around 350 people, out of which 92 % are Argentinians, 76% from Salta Province.

"Eramet Beyond" programs for positive impact

Eramet is also developing relationships with local NGOs fostering local economic development as part of its "Eramet Beyond" program to accelerate local and sustainable development beyond mining activities. Thus, Eramet partners with "ProMujer" to enable women entrepreneurs of Salta Province to strengthen their skills and improve the income from their activities. Also, with the foundation "Por Nuestros Niños", Eramet has developed the "Triple Impact" project to promote the creation and growth of micro-businesses with financial, environmental and social impacts in the Province of Salta.

Calendar

25.07.2024: Publication of 2024 half-year results

24.10.2024: Publication of 2024 Group third-quarter turnover

ABOUT ERAMET

Eramet transforms the Earth's mineral resources to provide sustainable and responsible solutions to the growth of the industry and to the challenges of the energy transition.

Its employees are committed to this through their civic and contributory approach in all the countries where the mining and metallurgical group is present.

Manganese, nickel, mineral sands, lithium, and cobalt: Eramet recovers and develops metals that are essential to the construction of a more sustainable world.

As a privileged partner of its industrial clients, the Group contributes to making robust and resistant infrastructures and constructions, more efficient means of mobility, safer health tools and more efficient telecommunications devices.

Fully committed to the era of metals, Eramet's ambition is to become a reference for the responsible transformation of the Earth's mineral resources for living well together.

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