

NEO Battery Materials Receives Construction Permit Approval for Silicon Anode Commercial Plant

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- Approval of Construction Permit for Silicon Anode Commercial Plant in Oseong Foreign Investment Zone, Pyeongtaek City
- Actively Engaged in Discussions to Secure Reliable, Long-Term Investors for Strategic Investments
 - Ideal Strategic Investors to Cooperate with NEO to Expand Business Initiatives
- Targeting Non-Dilutive Funding Opportunities from South Korean Governments' Green and Clean Technology Policies

NEO Battery Materials Ltd. (“NEO” or the “**Company**”), a low-cost silicon anode materials developer that enables longer-running, rapid-charging lithium-ion batteries, is highly pleased to announce that the construction permit for the Company’s Silicon Anode Commercial Plant has been approved by the City of Pyeongtaek. With an initial capacity of 240 tons per year, the Commercial Plant will be capable of supplying silicon anodes to up to 160,000 electric vehicles, and NEO plans to target the full-fledged capacity at a minimum production of 2,000 tons per year.

The construction permit has been approved after a rigorous

examination and due diligence period with the relevant departments of Pyeongtaek City and external organizations. As discussed, the Company will proceed to the invitation for bid (IFB) to select the ideal contractor for construction, and the initial construction phase will include site clearance and basic civil engineering to prepare for the build-out of the Commercial Plant.

Mr. Spencer Huh, President and CEO of NEO, commented, “We are extremely excited to announce this long-awaited milestone goal to initiate the first steps of our commercial plant’s construction. From the active, diligent work of our commercialization engineering team, we have completed the due diligence period with the city earlier than expected to gain the approval, and we will continue to expedite the next processes to break ground and establish the Company into an indispensable supplier of silicon anodes in the EV battery supply chain as soon as possible.”

Strategic Investments & Non-Dilutive Funding from Green/Clean Technology Policies for Commercial Plant Construction & Equipment

NEO Battery Materials is actively engaged to secure reliable, long-term investors, which include institutional investors and corporations, that will provide strategic investments for construction and equipment. Management deems strategic investors that possess the necessary resources, competencies, and network can support NEO’s business initiatives to expand in the global EV lithium-ion battery sector. In concurrence with commercialization progress, the Company prioritizes minimizing equity dilution and achieving the optimal capital structure level.

Additionally, through NBM Korea Ltd., NEO’s South Korean subsidiary, the management team is in active discussion with

multiple South Korean financial institutions to secure strategic debt financing at favorable terms with low-interest rates.

“As we are on schedule to proceed to the next stages, the construction permit approval is a substantial catalyst that provides an advantageous position to attract the ideal strategic investments and also serves as a symbolic milestone to our business advancements. We aim to deliver subsequent news that bolsters both our business and financial position to create significant value for our shareholders,” stated Mr. Spencer Huh.

Along with strategic investments, South Korean governmental non-dilutive financing from green and clean technology policies will be targeted, and NEO Battery Materials will cooperate and work together with the Gyeonggi Province to secure various funding opportunities. In July 2020, the federal government announced the Korean New Deal to support green infrastructure and innovation in green industries, injecting approximately 135 billion USD to create 1.9 million jobs by 2025. Likewise, both federal and provincial South Korean governments are creating additional policies to encourage carbon neutrality and zero-emission initiatives.

About NEO Battery Materials Ltd.

NEO Battery Materials Ltd. is a Vancouver-based company focused on electric vehicle lithium-ion battery materials. NEO has a focus on producing silicon anode materials through its proprietary single-step nanocoating process, which provides improvements in capacity and efficiency over lithium-ion batteries using graphite in their anode materials. The Company intends to become a silicon anode active materials supplier to the electric vehicle industry. For more information, please visit the Company's website at: <https://www.neobatterymaterials.com/>.

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