NEO Battery Materials to Establish Canada’s First Silicon Anode Facility on 8 Acres in Windsor, Ontario

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- Secured 8 Acres to Establish Canada's First Advanced Silicon Anode Manufacturing Facility in Windsor, Ontario
- Commercial Facility to Produce 5,000 Tons of Silicon Anodes Annually with Full-Phase Expansion
  - Plans to Initially Invest CAD 69 Million with Future Expansion Investment Totalling Approximately CAD 120 Million in the Next 8 Years
  - Creating Over 100 Skilled Jobs in the Battery Value Chain
- Initial Term of 49 Years with Tax Incentives and Favourable Lease Terms to Foster Economic Growth and Innovation
  - Windsor City Council Approved Grant to Support Operations

NEO Battery Materials Ltd. (TSXV: NBM) (OTC: NBMFF), a low-cost silicon anode materials developer that enables longer-running, rapid-charging lithium-ion batteries, is highly pleased to enter into a definitive lease agreement (the "Agreement") on December 20, 2024, with the City of Windsor, Ontario ("Windsor"), securing 8 acres of surplus lands at Windsor Airport. This significant milestone marks a critical step toward establishing Canada's first advanced silicon anode manufacturing facility, further solidifying NEO's role in strengthening the Canadian battery value chain.

Advancing Canada and Ontario's Battery Ecosystem

Located in one of Canada's key automotive and battery hubs, NEO will lease 8 acres or 350,000 square feet to construct a commercial plant capable of producing 5,000 tons of silicon anodes annually. Initially planning to invest CAD 69 million, NEO expects to invest approximately CAD 120 million in total over the next 8 years for future expansion of the Windsor facility and value-added projects. The investment is expected to create over 100 skilled jobs when fully operational. NEO's facility is expected to play a pivotal role in reducing reliance on imported materials and enhancing the resilience of the burgeoning battery supply chain in Ontario and across North America.

With an initial term of 49 years, the Agreement includes tax incentives and favourable lease terms compared to market rates, reflecting Windsor's commitment to fostering economic growth and innovation in battery technology. Through a Community Improvement Plan, Windsor City Council has approved, in principle, a grant for NEO Battery Materials to support their establishment and operations. NEO's decision to establish its first North American manufacturing facility in Windsor underscores the Company's confidence in the region's infrastructure, workforce, and business-friendly environment.

From Left to Right: *Irek Kusmierczyk*, MP for Windsor-Tecumseh; *Joe Goncalves*, VP, Investment Attraction & Strategic Initiatives, Invest Windsor-Essex; *Spencer Huh*, President & CEO, NEO Battery Materials; *Danny Huh*, SVP, Strategy & Operations, NEO Battery Materials; *Na Qu*, Senior Investment Attraction Officer, Invest Windsor-Essex; *Tom Schnekenburger*, Director, Research Partnerships, University of Windsor; *Drew Dilkens*, Mayor of City of Windsor

Mr. Drew Dilkens, Mayor of the City of Windsor and Board Chair of Invest WindsorEssex, commented, "Today's announcement is a testament to Windsor's strategic location, skilled workforce, and leadership in the automotive and EV industries. NEO Battery Materials' decision to invest in our city highlights our ability to attract forward-thinking companies that drive innovation and create opportunities for our community. As the Automotive and Automobility Capital of Canada, and one of the most important communities to watch in the province and country, we are excited to welcome NEO to Windsor and look forward to the positive impacts, including job creation, this investment will bring to our region."

Mr. Joe Goncalves, Vice President of Investment Attraction & Strategic Initiatives at Invest WindsorEssex, expressed, "We are thrilled to welcome NEO Battery Materials to Windsor-Essex, a testament to our region's strategic location and prominence as a global leader in next-generation vehicle production and battery manufacturing. We are proud to support NEO Battery Materials in establishing their innovative operations here and look forward to their continued growth and impact in our community."

"The execution of the Agreement represents a transformative milestone for NEO Battery Materials and the Canadian and Ontario battery ecosystem," stated Mr. Spencer Huh, Director, President and CEO of NEO. "We are proud to be establishing Canada's first advanced silicon anode manufacturing facility, enabling us to address the increasing demand for high-performance and cost-effective battery technologies. With a significant investment in the Windsor community, NEO will further bolster Ontario's clean tech sector and strengthen Canada's growing leadership in the battery supply chain."

Mr. Tom Schnekenburger, Director of Research Partnerships at the University of Windsor, commented, "Creating a thriving innovation ecosystem in Windsor-Essex comes from collaborations with teams like NEO Battery Materials. These projects are crucial to developing a world-class talent pool and critical to advancing R&D and material discovery."

About City of Windsor
Windsor is the proud International Gateway between Canada and the United States of America, and the largest border city in the country. The city boasts one of the busiest commercial Canada-U.S. border crossings, handling about a third of all Canada-U.S. trade per day. Strategically located, the city has easy access to the Right Honourable Herb Gray Parkway, Highway 401, Highway 3, the Ambassador Bridge, the Windsor-Detroit Tunnel, the Windsor International Airport, and the Detroit Metropolitan Airport. At the municipal level, the City of Windsor is led by a Mayor and City Council who remain committed to making strategic investments in infrastructure, assets, amenities and experiences to support and sustain record growth, while keeping affordability and quality of life top of mind.

About Invest WindsorEssex
Invest WindsorEssex is the lead economic development agency for the Windsor-Essex region. The focus of the organization is to develop and execute strategies to retain, expand, attract and help new businesses start-up in Windsor-Essex. Invest WindsorEssex is led by a board of distinguished community leaders. A team of professional staff will assist you with all your location and investment decisions by working one-on-one with businesses, to facilitate the process of starting, growing or locating in Windsor-Essex. investwindsoressex.com

About University of Windsor
With a rich history dating back to 1857, the University of Windsor is a comprehensive, student-focused institution with more than 17,000 students enrolled in a broad range of undergraduate and graduate programs in the faculties of Arts, Humanities and Social Sciences, Education, Engineering, Graduate Studies, Human Kinetics, Law, Nursing, Odette School of Business and Science. UWindsor's mission is to empower positive change through regionally and globally engaged inquiry, learning, scholarship, creative activity and advance bold and impactful research. Visit www.uwindsor.ca to learn more.

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

For Investor Relations, PR & More Information:
info@neobatterymaterials.com

T: +1 (437) 451-7678

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 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" or "be achieved". 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: volatile stock prices; the general global markets and economic conditions; the possibility of write-downs and impairments; the risk associated with the research and development of advanced technologies; the risk associated with the effectiveness and feasibility of technologies that have not yet been tested or proven on commercial scale; the risks associated with entering into collaborations, joint ventures, or partnerships with battery cell manufacturers and OEMs; the risks associated with the construction, completion, and financing of commercial facilities including the Windsor and South Korean plant; fluctuations in input precursor prices; the risks associated with uninsurable risks arising during the course of research, development and production; competition faced by the Company in securing experienced personnel and financing; access to adequate infrastructure to support battery materials research and development activities; the risks associated with changes in the technology regulatory regime governing the Company; the risks associated with the timely execution of the Company's strategies and business plans; the risks associated with the Company's abilities to attain its goals and commercialization; the risks associated with the lithium-ion battery industry's demand and adoption of the Company's silicon anode technology; the risks associated with the various environmental and political regulations the Company is subject to; the risks related to regulatory and permitting delays; the reliance on key personnel; liquidity risks; the risk of litigation; risk management; and other risk factors as identified in the Company's recent Financial Statements and MD&A and in recent securities filings for the Company which are available on www.sedarplus.ca. 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 R&D and commercialization activities, no material adverse change in precursor prices, development and commercialization 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. Forward-looking information is made as of the date of this presentation, and the Company does not undertake to update such forward-looking information except in accordance with applicable securities laws.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of theTSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

A photo accompanying this announcement is available at
https://www.globenewswire.com/NewsRoom/AttachmentNg/1fb76d5f-899a-459d-8500-711fe072b8bd