

Partnership with Sibanye-Stillwater ensuring significant financing for Keliber's lithium project

Keliber Oy (Keliber) and Sibanye Stillwater Limited (Sibanye-Stillwater) have signed an investment agreement on bridge financing of 40 million euros. This agreement enables Keliber to significantly advance its lithium project in Central Ostrobothnia, Finland. Keliber aims to start production in 2024. The demand for lithium is expected to surge as a result of increasing digitalization and electrification of transportation.

Sibanye-Stillwater will subscribe for shares in Keliber for 15 million euros, and the current Keliber shareholders will subscribe for shares for up to 10 million euros. Sibanye-Stillwater intends to additionally finance development work of 15 million euros later this year and in early 2022. In the forthcoming financing of the construction of Keliber's lithium project scheduled for mid-2022, Sibanye-Stillwater intends to play a key role as an industrial anchor investor.

As a leading global precious metals company, Sibanye-Stillwater will bring strategic expertise to Keliber and will contribute to project execution. Sibanye-Stillwater supplies metals for multiple climate-critical solutions and the company has a strategy to expand into the battery metals value chain.

"We are delighted to have reached this agreement with Sibanye-Stillwater. Keliber's goal is to be the first European company producing sustainable, high-purity, battery grade lithium hydroxide from its own ore. This agreement responds to the fast-growing need of lithium in the era of electric transport, renewable energy and electrification of consumer products", says **Hannu Hautala**, Chief Executive Officer of Keliber.

Sibanye-Stillwater Chief Executive Officer **Neal Froneman** comments, "In line with our strategic objective of entering the battery metals industry, lithium is viewed as one of the core metals to benefit from the significant growth forecast for the electric vehicle sector. Our investment in Keliber represents a strategic partnership of complementary skills and capabilities and a shared vision to be a preferred provider of responsibly sourced battery grade materials for the market and offers the opportunity for further geographic diversification in an attractive mining destination and the opportunity to forge long term relationships with established lithium industry players that have a shared vision of supplying the electric vehicle supply chain. Together with FMG we have committed to make this a showcase ESG operation."

"Sibanye-Stillwater's and existing shareholders' investment will accelerate the Keliber project significantly. The Board sees Sibanye-Stillwater as a valuable long-term partner", says **Mika Seitovirta**, the Chairman of the Board of Directors of Keliber.

The bridge financing will enable work for permitting, additional piloting, needed engineering and recruiting the right talent. An update of the definitive feasibility study for the lithium project is scheduled in the first quarter of 2022. When in production from 2024 on, Keliber is expected to employ 150–200 people for various positions, and up to 500 people during the construction phase in 2022–2024.

Further information

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Keliber's lithium project in a nutshell

The lithium battery market is growing worldwide as transportation is becoming increasingly electric and the battery needs of several industries and applications are increasing. The growing demand for batteries results in substantial demand for raw materials such as lithium.

The importance of Europe in the lithium-ion value chain is expected to increase during the 2020's. Keliber is expected to be the first vertically-integrated lithium producer in Europe.

Keliber's lithium deposits are located in Kaustinen, Kokkola and Kruunupyy municipalities in Finland, which are among the most significant lithium-bearing areas in Europe. The company currently has 9.3 million tonnes of ore reserves, which is sufficient for more than 13 years of operation. Based on assessments by Geological Survey of Finland, there are good indications of further ore potential in the region. Keliber continues drillings to explore the area.

The planned operations include lithium mines and the concentrator plant in Kaustinen, Kokkola and Kruunupyy, Finland, and a lithium hydroxide plant in Kokkola.

The production process of Keliber enables the most efficient use of natural resources and minimal environmental impacts. The production process is also forecast as one of the most cost-effective worldwide. The planned annual production is 15,000 tonnes of battery grade lithium hydroxide.

Protecting the environment has been part of Keliber's activities from the beginning, and the company is taking several proactive and concrete measures to protect the fauna and flora and waterways in the vicinity of its operations. Keliber's lithium operation will contribute positively to the ongoing transition to a greener society and reduction of CO₂ footprint.