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PRESS RELEASE

Eramet decides not to engage the construction of its lithium production plant in Argentina

At the time of the Group's annual results release on 19 February 2020, Eramet announced its lithium development project in Argentina was on hold, since launch requirements had yet to be met.

In the current context of the sanitary crisis, which scale and length remain unknown to date, there is considerable uncertainty in the global economy and particularly in raw materials markets, including lithium.

To address this situation, Eramet is strengthening and accelerating measures to preserve its cash, in particular by reducing its investments.

As a result, Eramet's board of directors decided not to engage the construction of the lithium production plant in Argentina. The pilot plant, which has been operated for four months in real conditions on the Andean highlands, will continue its activity in order to finish collecting the process results.

This decision will result in the recognition of an expense of approximately €150m, including an asset impairment charge. Cash outflows will amount to approximately €90m in 2020, essentially corresponding to the investments already committed and to the costs to terminate contracts and to mothball the project.

This ore deposit is still a valuable asset and offers the Group huge potential in the years ahead. The positioning of the process is competitive as it ranks in the first quartile of the cash-cost curve of the lithium industry, with large-scale drainable resources of nearly 10 Mt LCE¹. The pilot plant has reached a very high yield level to date.

All measures will be taken, in particular towards local communities and suppliers, in order to allow a follow-up and a restart in the best conditions when it will be possible.

Christel Bories, *Eramet Chairman and CEO*:

“In the current context of the Coronavirus pandemic and considering the many uncertainties that currently weigh on the global economy and our markets, we have decided not to engage the construction of our lithium production plant in Argentina. Since the discovery of this world-class deposit to the success of the pilot plant, our teams in Argentina and in France did remarkable work, being actively supported by the authorities and local communities, and the project was fully in line with expectations. This ore deposit, which is one of the most competitive in the lithium industry with the process developed by Eramet teams, remains a high-potential asset in our portfolio.”

¹ LCE: Lithium Carbonate Equivalent



Calendar

28/04/2020: Publication of 2020 first-quarter sales

26/05/2020: General Shareholders' meeting

29/07/2020: Publication of 2020 half-year results

ABOUT ERAMET

Eramet, a global mining and metallurgical group, is a key player in the extraction and valorisation of metals (manganese, nickel, mineral sands) and the elaboration and transformation of alloys with a high added value (high-speed steels, high-performance steels, superalloys, aluminium and titanium alloys).

The Group supports the energy transition by developing activities with high growth potential. These include lithium extraction and refining, as well as recycling.

Eramet positions itself as the privileged partner of its customers in sectors that include carbon and stainless steel, aerospace, pigments, energy, and new battery generations.

Building on its operating excellence, the quality of its investments and the expertise of its employees, the Group leverages an industrial, managerial and societal model that is virtuous and value-accretive. As a contributive corporate citizen, Eramet strives for a sustainable and responsible industry

Eramet employs around 13,000 people in more than 20 countries with sales of approximately €4 billion in 2019.

For further information, go to www.eramet.com

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