Company Releases

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Betolar Plc
Inside Information
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Betolar has entered into a long-term supply agreement with Otanmäki Mine Oy covering tailings from the Otanmäki mine area. The agreement grants Betolar exclusive rights to procure and further process approximately 10 million tonnes of titanium-bearing tailings from the area over a period of twenty years.

Titanium and vanadium processed from the tailings are key critical raw materials for the defence industry and security of supply. Betolar's proprietary technology enables efficient recovery of metals and utilization of sidestreams as circular materials. In addition to its previous patent applications related to metal extraction, the company has filed a new patent application concerning the further processing of titanium.

Under the supply agreement, Betolar will pay EUR 1 million for the exclusivity and commits to purchasing tailings for at least EUR 0.5 million per year, starting from the time when the required permits for commencing operations have been obtained.

The Geological Survey of Finland (GTK) has prepared a mineral resource estimate and conducted several studies on the tailings during 2017–2018. According to these studies, the tailings contain significant amounts of critical and strategic metals. Based on GTK's analyses, the material contains approximately 49.1 kg of titanium per tonne (as metal), as well as vanadium and iron. Based on current market prices and estimated recovery rates derived from company's smaller-scale test results, the calculated value of the metals at full production scale is estimated to exceed EUR 7 billion.

Compared to traditional mining operations, the Otanmäki tailings are already above ground and pre-ground as a result of previous mining activity. This significantly reduces technical and economic risks and enables faster start-up of processing. The company aims to commence further processing immediately after obtaining the required permits.

To enable operations under the supply agreement, Betolar has secured the necessary financing, which will be announced separately. The company's new partner, Scalewolf, a firm specialising in strategic investments and industrial development, has committed to participate in Betolar's new financing arrangement with EUR 3 million.

Following the securing of a long-term raw material source through this supply agreement, Betolar will continue process and plant design, as well as commercial development, of its Metal Extraction Technology for tailings processing in cooperation with its new partner Scalewolf. Today, Betolar has also signed a non-binding letter of intent with Scalewolf under which the parties will prepare the structure, financing and related binding agreements for their cooperation.

According to the letter of intent, Betolar intends to establish a new subsidiary to develop the utilisation of its Metal Extraction Technology, in which Scalewolf would become a shareholder with a EUR 3 million investment and a 21.4% ownership stake. The Otanmäki supply agreement would be transferred, directly or indirectly, to a new project company, in which Scalewolf would become a shareholder with a EUR 5 million investment and a 51% ownership stake, while Betolar's new subsidiary would hold 49%.

Additional equity financing is planned for the project company, resulting in these investors holding approximately 9% ownership, and Scalewolf together with Betolar's new subsidiary holding approximately 91% in total.

"For Otanmäki Mine Oy, this cooperation provides a concrete means to rapidly advance our circular economy project and utilize the resources of the Otanmäki mine responsibly. Betolar's technology offers us a new perspective on the recovery of valuable minerals, and we also see its potential in the next phases of our planned mining project. The cooperation supports the development of our planned mining operations and the creation of jobs in the region, and we consider it possible that Betolar's technology will be implemented in our mining project to improve metal recovery," says Jouko Jylänki, CEO of Otanmäki Mine Oy.

"Cooperation with Otanmäki Mine Oy is a historically significant step for us. Our goal is to deploy our proprietary Metal Extraction Technology as quickly as possible. Through the supply agreement, we can advance its implementation and commercialization together with our new strategic partner Scalewolf. This represents a scalable business model, enabling us to utilize tailings from both closed and operating mines in a responsible and economically viable manner," says Tuija Kalpala, CEO of Betolar Plc.

Betolar Plc

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About Betolar

Betolar is a circular economy and materials technology company. Founded in 2016, Betolar is headquartered in Kannonkoski, Finland. Betolar is listed on the Nasdaq First North Growth Market Finland (ticker: BETOLAR), and its share is also traded in the United States on the OTCQX International market (ticker: BTLRF). Further information: www.betolar.com

About Otanmäki Mine

Otanmäki Mine Oy is a Finnish mining and exploration company founded in 2012, operating in Oulu and aiming to start mining operations in Otanmäki in the early 2030s. The company is positioned as a responsible operator supporting regional economic activity and promoting circular economy solutions in the mining industry. Otanmäki Mine Oy is owned by Finnish private individuals and companies. Further information: www.otanmaki.fi

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