Docket #0443 Date Filed: 06/01/2026

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

IN RE:	)	Chapter 11
ASCEND ELEMENTS, INC. et al.,	)	Case No.: 26-90440 (CML)
Debtors.	)	(Jointly Administered)

DECLARATION OF RYAN MELSERT IN SUPPORT OF DEBTORS' EMERGENCY MOTION FOR ENTRY OF ORDERS APPROVING THE SALE OF CERTAIN OF THE DEBTORS' ASSETS FREE AND CLEAR OF CLAIMS, LIENS, AND ENCUMBRANCES, AND GRANTING RELATED RELIEF

I, Ryan Melsert, hereby declare, pursuant to 28 U.S.C. § 1746, under penalty of perjury as follows:

1. I submit this declaration in support of the *Debtors' Emergency Motion for Entry of Orders (I)(A) Approving Bid Procedures, (B) Authorizing Designation of a Stalking Horse Bidder, (C) Scheduling an Auction, Related Deadlines, and a Sale Hearing, and (D) Granting Related Relief; and (II)(A) Approving the Sale of the Debtors' Assets, (B) Approving the Assumption and Assignment of Certain Contracts, and (C) Granting Related Relief* (Docket No. 50) (the "Sale Motion") filed by Ascend Elements, Inc. and Ascend Elements US, LLC, the debtors and debtors-in-possession in the above-styled chapter 11 cases (the "Chapter 11 Cases"). Specifically, I submit the declaration in support of the Debtors' proposed sale of a partially-constructed battery recycling plant located in Hopkinsville, Kentucky (the "Hopkinsville Facility") and certain equipment located at or usable in connection with the Hopkinsville Facility (the "Hopkinsville Equipment" and, together with the Hopkinsville Facility, the "Hopkinsville Assets") pursuant to the Sale Motion.

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2. Except as otherwise indicated, all facts set forth in this declaration are based upon my personal knowledge. If I were called to testify, I would testify competently to the facts set forth in this declaration.

American Battery's Background and Existing Relationship with the DOE

3. I am the Chief Executive Officer and Chief Technology Officer of American Battery Technology Company ("American Battery"), a publicly traded company (NASDAQ: ABAT) based in Reno, Nevada. American Battery has no knowledge of any foreign owner holding 5% or more of its outstanding shares.

4. American Battery is an integrated domestic critical mineral manufacturing company. American Battery focuses on building and operating domestic U.S. manufacturing facilities for critical minerals -- primarily lithium-ion battery recycling and lithium production -- to reduce U.S. dependence on overseas sources.

5. American Battery owns and operates a lithium-ion battery recycling plant located in the Tahoe-Reno Industrial Center in Nevada (the "Nevada Facility"). As such, American Battery is one of the few domestic companies that currently operates a battery recycling facility.

6. American Battery has demonstrated its lithium-ion battery recycling technologies at its Nevada Facility under support of funding obtained pursuant to a grant from the United States Department of Energy (the "DOE").

7. In 2024, American Battery submitted a proposal to the DOE for an additional grant to help fund the design, development, and construction of a second battery-recycling facility to be located in the Eastern region of the United States. In the summer of 2024, the DOE performed a rigorous due diligence review of American Battery's battery recycling technology and its business plan for the new facility. After reviewing American Battery's credentials and proposal, the DOE

awarded American Battery a grant in the amount of up to $150 million to construct and operate its second battery recycling facility (the "DOE-American Battery Grant"). The new facility American Battery will complete and operate with the DOE-American Battery Grant will create up to 500 full-time jobs wherever the plant is built.

8. American Battery was actively scouting sites to develop its second battery-recycling facility when it learned that the Debtors had filed for bankruptcy and that the Hopkinsville Assets would be up for sale.

9. I have personally visited the Hopkinsville Facility and believe that it meets the requirements American Battery needs for our second facility within the terms of the DOE-American Battery Grant. Notably, the terms of the DOE-American Battery Grant contemplate American Battery's development of a facility with a 100,000 tonne-per-year feedrate, and the Hopkinsville Facility was also designed to be a 100,000 tonne-per-year facility.

10. American Battery has received several competitively awarded grants and other financial assistance awards from the DOE in order to develop and scale its technologies within the critical mineral space.

11. In connection with its DOE grants, American Battery has successfully gone through "Transparency of Foreign Connections" reviews administered by the DOE. Those reviews have required American Battery to disclose any "foreign connections" it has or may have as specified by the DOE.

12. At the conclusion of federal funding for DOE-supported projects there are two pathways to determine the ongoing use of the real property and equipment that was purchased with federal funds:

A. The Continued Use Pathway. First, there is the continued use pathway ("Continued Use Pathway"), which is described in 2 CFR § 910.360(f) and in DOE Financial Assistance Letter No. FAL 2022-05, Financial Assistance Letter No. FAL 2022-05 | Department of Energy. Under the Continued Use Pathway, after federal funding for a project ceases, or if , as may be determined by the government contracting officer, the real property or equipment is no longer needed for the purposes of the project, or if the recipient suspends work on the project, the grant recipient may use the real property or equipment for other projects, if, among other things, (i) there are federally-sponsored projects for which the real property or equipment may be used, (ii) the grant recipient obtains written approval from the government contracting officer to do so, and (iii) the grant recipient's use of the real property or equipment for other projects is in the same order of priority as described in 2 CFR § 910.360(e). *See* 2 CFR § 910.360(f)(2). If, however, the only use for the real property or equipment is for projects that have no federal sponsorship, then the recipient must proceed with disposition of the real property or equipment pursuant to 2 CFR § 910.360(g). *Id.* § 910.360(f)(2)(iv).

B. The Disposition Pathway. The second pathway is the disposition pathway described in 2 CFR § 910.360(g) (the "Disposition Pathway"). Under the Disposition Pathway, unless the grant recipient either elects to retain title to the grant-funded property and compensate the federal government for that percentage of the current fair market value of the real property and equipment attributable to the federal participation in the project, or requests approval to use the equipment

as a trade-in or offset for replacement equipment, the grant recipient must request disposition instructions from the responsible agency. *Id*. 2 CFR § 910.360(g)(1).

13. The DOE-American Battery Grant (DE-MS0000104) was awarded pursuant to the same program as the grant the Debtors received (DE-MS0000002) from the DOE to fund and equip the Hopkinsville Facility. Accordingly, the Hopkinsville Assets could be utilized for the authorized purposes of the financial assistance award and could be made available to American Battery through the Continued Use Pathway and not be required to undergo immediate disposition.

American Battery's Bid for the Hopkinsville Assets

14. I participated in the negotiations of the Asset Purchase Agreement dated May 25, 2026 among American Battery and the Sellers identified therein (the "APA"). Pursuant to the APA, American Battery made an offer to purchase the Hopkinsville Assets. In its APA, American Battery offered to purchase the Hopkinsville Assets in consideration for the payment of a specified amount of cash, plus the assumption of the mortgaged obligations of the City of Hopkinsville and the Hopkinsville Industrial Foundation and certain disputed property tax obligations on the property. In its APA, American Battery proposed to acquire the Hopkinsville Assets free and clear of all liens, claims, encumbrances, and other interests, except for (1) the liens of the City of Hopkinsville and the Hopkinsville Industrial Foundation on the Hopkinsville Facility, (2) any and all interests of the DOE in the Hopkinsville Assets, and (3) other defined "Permitted Encumbrances."

15. The Debtors invited American Battery to participate in the auction for the Hopkinsville Assets held on the evening of Tuesday, May 26, 2026 (the "Auction"). American Battery attended the Auction and actively participated in the bidding at the Auction, increasing the cash consideration it had offered as part of its initial bid. American Battery's increased bid at the

Auction was selected by the Debtors as the "Backup Bid." The Debtors selected the bid of Turner Kokosing Joint Venture as the "Prevailing Bid."

16. I have discussed with representatives of the DOE the interest that American Battery has in acquiring the Hopkinsville Assets and in using the DOE-American Battery Grant to help complete construction of the real property and equipment of the Hopkinsville Facility for its authorized purpose in a Continued Use fashion.

17. From my conversations with the DOE, and because of American Battery's proven track record with the DOE, I believe American Battery's acquisition of the Hopkinsville Assets is a strong contender to receive DOE support and avoid the need for an immediate disposition of the Hopkinsville Assets to further DOE and United States Government objectives.

18. Other than as set forth in the APA, American Battery's obligations to close on its purchase of the Hopkinsville Assets are not subject to any (i) financing contingency, (ii) contingency relating to further due diligence, (iii) contingency relating to the approval of American Battery's board of directors, or (iv) the consent of the DOE.

19. As set forth in the APA, American Battery does not propose to assume any executory contracts or unexpired leases of the Debtors.

20. At all times during American Battery's communications and negotiations with the Debtors and their professionals, American Battery has acted in good faith and at arm's-length. American Battery understood that the Debtors were free to deal with any other parties interested in acquiring the Hopkinsville Assets or any other assets the Debtors marketed and auctioned pursuant to the Court approved sale and bidding procedures.

21. To the best of my knowledge, neither American Battery, nor any of its professionals, officers, employees, representatives, or affiliates have engaged, or caused any other

party to engage, in any collusion, or other misconduct, with respect to the APA or the submission of any other bid for any of the Debtors' assets.

22. To the best of my knowledge, neither American Battery, nor any of its professionals, officers, employees, representatives, or affiliates have engaged, or caused any other party to engage, in any collusion or other similar behavior with any other potential bidder for the Hopkinsville Assets to limit or otherwise affect the consideration under the APA.

23. American Battery, on the one hand, and the Debtors, on the other, have been represented by separate legal counsel at all times.

24. Other than the APA, and exhibits and schedules thereto, any related transition services agreements, and the non-disclosure agreement entered into with respect to the marketing process for the Debtors' assets, there are no other agreements between American Battery, on the one hand, and the Debtors, on the other, with respect to the proposed sale of the Hopkinsville Assets.

25. Subject to Court approval and subject to the Prevailing Bid failing to close, American Battery intends to consummate the APA, and all transactions contemplated thereby, on or before the agreed outside closing date set forth in the APA.

26. American Battery is not an "insider" or "affiliate" of the Debtors, and no common identity of officers, directors, or controlling stockholders exists between American Battery, on the one hand, and any of the Debtors, on the other.

27. American Battery would not have entered into the APA and would not consummate the sale contemplated thereby if such sale was not free and clear of all claims, liens, interests and encumbrances (other than Assumed Liabilities and Permitted Encumbrances), pursuant to Bankruptcy Code section 363(f), or if American Battery would, or in the future could, be liable for

any of such claims, liens, interests, and encumbrances (other than Assumed Liabilities and Permitted Encumbrances).

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge, information, and belief.

[***SIGNATURE ON FOLLOWING PAGE***]

Executed on June __, 2026.

Ryan Melsert