

Successful Battery-Grade pilot programme for Cinovec Lithium Project

European Metals Holdings Limited (ASX & AIM: EMH) (“European Metals” or the “Company”) is pleased to announce the results of the Lithium Chemical Plant (LCP) pilot programme, confirming the robustness of the Cinovec LCP process flowsheet and providing a strong foundation for the execution of the Cinovec Project.

Highlights

- Pilot programme has confirmed industrial viability of the LCP process flowsheet.
- Exceptionally clean battery grade lithium carbonate (>99.9%) produced with single-stage purification (bicarbonation) of crude lithium carbonate.
- Pilot programme crude lithium carbonate confirmed at 99.7% purity, greater than battery grade (99.5%) in the carbonate precipitation step without any additional processing.
- Work to produce battery grade lithium hydroxide monohydrate is underway.
- The pilot programme processed ore fully-representative in all respects of the run-of-mine for the first seven years of mining planned at Cinovec, including average grade and expected rock-type mix from the bulk mining.

Executive Chairman Keith Coughlan said:

“The confirmation of the exceptionally clean nature of the Cinovec Lithium Carbonate resulting from the pilot programme is further proof of the tremendous importance of the Cinovec Lithium Project for the whole of the EU. The Lithium Carbonate produced by the simplified flowsheet has the ability to be a major contributor to the EU’s lithium security. The Cinovec Project is well positioned to be a major supplier of battery grade lithium products to the strategically important European car industry to ensure that they are able to compete on the global stage.

The pilot programme data is now being used to confirm design and engineering for the ongoing Definitive Feasibility Study (DFS) being completed by DRA Global and which remains on-track for completion in the current quarter, and also for the post-DFS detailed design.

European Metals, in developing the Cinovec Lithium Project, is well positioned for the rising demand in battery materials in the EU. The Cinovec project is the largest hard rock lithium project in the EU and Europe as a whole and is centrally located on the Czech Republic’s border with Germany.”

Pilot Programme

The pilot programme, which took place at ALS Laboratories in Perth, WA, set out to confirm the LCP flowsheet which was the subject of the Company’s ASX announcement of 31 October 2022 **“Simplified Extraction Process delivers exceptionally-clean battery-grade lithium product with improved economics”** and to produce sufficient marketing samples for potential offtakers to test in their own laboratories.

The pilot programme has achieved these objectives without necessitating any further development of the LCP process flowsheet.

In doing so, the pilot programme has provided extensive data throughout all of the LCP process steps. This data contributes to the confirmation of design and engineering for both the ongoing Definitive Feasibility Study (DFS) and the post-DFS execution of the Project.

Next Stage of Development of Cinovec

The DFS for battery-grade Lithium Carbonate remains on-track for completion in 4Q 2023. Subject to confirmation of the pilot programme work for battery grade Lithium Hydroxide, a decision on the battery grade end-product (carbonate vs hydroxide) for the Cinovec Project is expected to be made in early 2024. This will enable design engineering to proceed enabling the Project to come into production in the shortest possible time frame and includes engagement with long lead equipment OEMs to ensure that the timeline is expedited.

High-Grade Lithium End-Products

The LCP flowsheet pilot programme produced the following crude and battery-grade lithium carbonate products, compared with the published global standard specification, YS/T 582-2013 and the crude and battery grade lithium carbonate products produced in the Cinovec locked cycle tests reported in the Company's ASX announcement of 31 October 2022 "**Simplified Extraction Process delivers exceptionally-clean battery-grade lithium product with improved economics**".

It can be seen that in respect of the majority of the limits specified by standard YS/T 582-2013, being the elements or chemical species of interest to cathode manufacturers, for both the crude and the battery grade lithium carbonate products, the semi-industrial scale continuously piloted results are superior to the results from the locked cycle tests which were bench-scale tests of a batch processing nature.

These results confirm the robustness of the Cinovec LCP process flowsheet and provide a strong foundation for the execution of the Cinovec Project.

In both the LCT and the piloted battery-grade lithium carbonate, the end-product was produced in a single bicarbonation step. This places an important limitation on opex in the final processing stages, avoiding the need for repeated bicarbonation steps or for blending of technical grade lithium carbonate produced with battery grade lithium carbonate, to just achieve battery grade with an assay average, a common step in some lithium carbonate plants.

	Li ₂ CO ₃ %	Na ppm	K ppm	Mg ppm	Ca ppm	Mn ppm	Fe ppm	Ni ppm	Cu ppm	Zn ppm	Al ppm	Si ppm	Pb ppm	SO ₄ ²⁻ - ppm	Cl ppm
YS/T 582-2013	≥99.5	250	10	80	50	3	10	10	3	3	10	30	3	800	30
Crude LC LCTs	99.4	368	3	5	357	0	8	3.4	0.2	1.2	5.1	26	0	4860	59
Crude LC PILOT	99.7	367	2.8	4.4	53.8	0.1	4.0	0.2	0.1	0.9	0.9	4.1	<0.1	2420	50
Battery Grade LC LCTs	99.9	3	0.8	0.9	2	0.7	6.3	3.4	0.2	1.3	2.8	2.1	0.07	95	<10
Battery Grade LC PILOT	99.9	4.7	0.3	0.5	1.6	1.0	0.7	5.4	0.1	0.5	0.6	2.0	0.05	164	27

Battery-Grade Lithium Carbonate – Extended Assay Table

The extended assay table presented below includes the 14 elements in the published lithium carbonate battery-grade standard, YS/T 582-2013, (top table) together with the further 9 elemental impurities that are important to minimise for the manufacture of cathodes / batteries (bottom table).

The battery-grade lithium carbonate assays were assessed by LabWest Minerals Analysis Pty Ltd, Perth.

LabWest was used as it has world-leading detection limits for assaying lithium chemicals, with detection limits for the assayed elements shown in the tables below of between 0.01 to 500 ppb (0.00001 to 0.5 ppm).

	Li ₂ CO ₃ %	Na ppm	K ppm	Mg ppm	Ca ppm	Mn ppm	Fe ppm	Ni ppm	Cu ppm	Zn ppm	Al ppm	Si ppm	Pb ppm	SO ₄ ²⁻ - ppm	Cl ppm
YS/T 582-2013	≥99.5	250	10	80	50	3	10	10	3	3	10	30	3	800	30
Battery Grade LC LCTs	99.9	3	0.8	0.9	2	0.7	6.3	3.4	0.2	1.3	2.8	2.1	0.07	95	<10
Battery Grade LC PILOT	99.9	4.7	0.3	0.5	1.6	1.0	0.7	5.4	0.1	0.5	0.6	2.0	0.05	164	27

	As ppm	B ppm	Cr ppm	Cs ppm	F ppm	Mo ppm	P ppm	Rb ppm	Sr ppm
YS/T 582-2013	NA	NA	NA	NA	NA	NA	NA	NA	NA
Battery Grade LC LCTs	0.17	2.2	0.26	<0.0001	20	0.0518	29.2	0.0026	0.0164
Battery Grade LC PILOT	0.02	2.3	0.10	0.001	5	0.01	124	0.008	0.018

This announcement has been approved for release by the Board.

CONTACT

For further information on this update or the Company generally, please visit our website at www.europeanmet.com or see full contact details at the end of this release.

BACKGROUND INFORMATION ON CINOVEC

PROJECT OVERVIEW

Cinovec Lithium Project

Geomet s.r.o. controls the mineral exploration licenses awarded by the Czech State over the Cinovec Lithium Project. Geomet has been granted a preliminary mining permit by the Ministry of Environment and the Ministry of Industry. The company is owned 49% by EMH and 51% by CEZ a.s. through its wholly owned subsidiary, SDAS. Cinovec hosts a globally significant hard rock lithium deposit with a total Measured Mineral Resource of 53.3Mt at 0.48% Li₂O, Indicated Mineral Resource of 360.2Mt at 0.44% Li₂O and an Inferred Mineral Resource of 294.7Mt at 0.39% Li₂O containing a combined 7.39 million tonnes Lithium Carbonate Equivalent (refer to the Company's ASX release dated 13 October 2021) (**Resource Upgrade at Cinovec Lithium Project**).

An initial Probable Ore Reserve of 34.5Mt at 0.65% Li₂O reported 4 July 2017 (**Cinovec Maiden Ore Reserve – Further Information**) has been declared to cover the first 20 years mining at an output of 22,500tpa of lithium carbonate (refer to the Company's ASX release dated 11 July 2018) (**Cinovec Production Modelled to Increase to 22,500tpa of Lithium Carbonate**).

This makes Cinovec the largest hard rock lithium deposit in Europe and the fifth largest non-brine deposit in the world.

The deposit has previously had over 400,000 tonnes of ore mined as a trial sub-level open stope underground mining operation.

On 19 January 2022, EMH provided an update to the 2019 PFS Update, conducted by specialist independent consultants, which indicates a post-tax NPV of USD1.938B and a post-tax IRR of 36.3% and confirmed that the Cinovec Project is a potential low operating cost producer of battery-grade lithium hydroxide or battery grade lithium carbonate as markets demand. It confirmed the deposit is amenable to bulk underground mining (refer to the Company's ASX release dated 19 January 2022) (**PFS Update delivers outstanding results**). Metallurgical test-work has produced both battery-grade lithium hydroxide and battery-grade lithium carbonate at excellent recoveries. Cinovec is centrally located for European end-users and is well serviced by infrastructure, with a sealed road adjacent to the deposit, rail lines located 5 km north and 8 km south of the deposit, and an active 22 kV transmission line running to the historic mine. As the deposit lies in an active mining region, it has strong community support.

The economic viability of Cinovec has been enhanced by the recent strong increase in demand for lithium globally, and within Europe specifically.

There are no other material changes to the original information and all the material assumptions continue to apply to the forecasts.

BACKGROUND INFORMATION ON CEZ

Headquartered in the Czech Republic, CEZ a.s. is an established, integrated energy group with operations in a number of Central and South-eastern European countries and Turkey. CEZ's core business is the generation, distribution, trade in, and sales of electricity and heat, trade in and sales of natural gas, and coal extraction. CEZ Group is one of the ten largest energy companies in Europe, has 28,000 employees and annual revenue of approximately EUR 9.97 billion.

The largest shareholder of its parent company, CEZ a.s., is the Czech Republic with a stake of approximately 70%. The shares of CEZ a.s. are traded on the Prague and Warsaw stock exchanges

and included in the PX and WIG-CEE exchange indices. CEZ's market capitalization is approximately EUR 17.7 billion.

As one of the leading Central European power companies, CEZ intends to develop several projects in areas of energy storage and battery manufacturing in the Czech Republic and in Central Europe.

CEZ is also a market leader for E-mobility in the region and has installed and operates a network of EV charging stations throughout Czech Republic. The automotive industry in the Czech Republic is a significant contributor to GDP, and the number of EV's in the country is expected to grow significantly in the coming years.

COMPETENT PERSONS

Information in this announcement relating to the FECAB metallurgical testwork is based on technical data compiled or supervised by Mr Walter Mädél, a full-time employee of Geomet s.r.o a subsidiary of the Company. Mr Mädél is a member of the Australasian Institute of Mining and Metallurgy (AUSIMM) and a mineral processing professional with over 27 years of experience in metallurgical process and project development, process design, project implementation and operations. Of his experience, at least 5 years have been specifically focused on hard rock pegmatite Lithium processing development. Mr Mädél consents to the inclusion in the announcement of the matters based on this information in the form and context in which it appears. Mr Mädél is a participant in the long-term incentive plan of the Company.

Information in this release that relates to exploration results is based on information compiled by Dr Vojtech Sesulka. Dr Sesulka is a Certified Professional Geologist (certified by the European Federation of Geologists), a member of the Czech Association of Economic Geologist, and a Competent Person as defined in the JORC Code 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Dr Sesulka has provided his prior written consent to the inclusion in this report of the matters based on his information in the form and context in which it appears. Dr Sesulka is an independent consultant with more than 10 years working for the EMH or Geomet companies. Dr Sesulka does not own any shares in the Company and is not a participant in any short- or long-term incentive plans of the Company.

Mr Grant Harman (B.Sc Chem Eng, B.Com) is an independent consultant with in excess of 7 years of lithium chemicals experience. Mr Harman supervised and reviewed the metallurgical test work and the process design criteria and flow sheets in relation to the LCP. Mr Harman is a participant in the long-term incentive plan of the Company.

The information in this release that relates to Mineral Resources and Exploration Targets is based on, and fairly reflects, information and supporting documentation prepared by Mr Lynn Widenbar. Mr Widenbar, who is a Member of the Australasian Institute of Mining and Metallurgy and a Member of the Australasian Institute of Geoscientists, is a full-time employee of Widenbar and Associates and produced the estimate based on data and geological information supplied by European Metals. Mr Widenbar has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the JORC Code 2012 Edition of the Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves. Mr Widenbar has provided his prior written consent to the inclusion in this report of the matters based on his information in the form and context that the information appears. Mr Widenbar does not own any shares in the Company and is not a participant in any short- or long-term incentive plans of the Company.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of

Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

CAUTION REGARDING FORWARD LOOKING STATEMENTS

Information included in this release constitutes forward-looking statements. Often, but not always, forward looking statements can generally be identified by the use of forward looking words such as "may", "will", "expect", "intend", "plan", "estimate", "anticipate", "continue", and "guidance", or other similar words and may include, without limitation, statements regarding plans, strategies and objectives of management, anticipated production or construction commencement dates and expected costs or production outputs.

Forward looking statements inherently involve known and unknown risks, uncertainties and other factors that may cause the company's actual results, performance, and achievements to differ materially from any future results, performance, or achievements. Relevant factors may include, but are not limited to, changes in commodity prices, foreign exchange fluctuations and general economic conditions, increased costs and demand for production inputs, the speculative nature of exploration and project development, including the risks of obtaining necessary licences and permits and diminishing quantities or grades of reserves, political and social risks, changes to the regulatory framework within which the company operates or may in the future operate, environmental conditions including extreme weather conditions, recruitment and retention of personnel, industrial relations issues and litigation.

Forward looking statements are based on the company and its management's good faith assumptions relating to the financial, market, regulatory and other relevant environments that will exist and affect the company's business and operations in the future. The company does not give any assurance that the assumptions on which forward looking statements are based will prove to be correct, or that the company's business or operations will not be affected in any material manner by these or other factors not foreseen or foreseeable by the company or management or beyond the company's control.

Although the company attempts and has attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in forward looking statements, there may be other factors that could cause actual results, performance, achievements or events not to be as anticipated, estimated or intended, and many events are beyond the reasonable control of the company. Accordingly, readers are cautioned not to place undue reliance on forward looking statements. Forward looking statements in these materials speak only at the date of issue. Subject to any continuing obligations under applicable law or any relevant stock exchange listing rules, in providing this information the company does not undertake any obligation to publicly update or revise any of the forward looking statements or to advise of any change in events, conditions or circumstances on which any such statement is based.

LITHIUM CLASSIFICATION AND CONVERSION FACTORS

Lithium grades are normally presented in percentages or parts per million (ppm). Grades of deposits are also expressed as lithium compounds in percentages, for example as a percent lithium oxide (Li_2O) content or percent lithium carbonate (Li_2CO_3) content.

Lithium carbonate equivalent ("LCE") is the industry standard terminology for, and is equivalent to, Li_2CO_3 . Use of LCE is to provide data comparable with industry reports and is the total equivalent amount of lithium carbonate, assuming the lithium content in the deposit is converted to lithium carbonate, using the conversion rates in the table included below to get an equivalent

Li₂CO₃ value in percent. Use of LCE assumes 100% recovery and no process losses in the extraction of Li₂CO₃ from the deposit.

Lithium resources and reserves are usually presented in tonnes of LCE or Li.

The standard conversion factors are set out in the table below:

Table: Conversion Factors for Lithium Compounds and Minerals

Convert from		Convert to Li	Convert to Li ₂ O	Convert to Li ₂ CO ₃	Convert to LiOH.H ₂ O
Lithium	Li	1.000	2.153	5.325	6.048
Lithium Oxide	Li ₂ O	0.464	1.000	2.473	2.809
Lithium Carbonate	Li ₂ CO ₃	0.188	0.404	1.000	1.136
Lithium Hydroxide	LiOH.H ₂ O	0.165	0.356	0.880	1.000
Lithium Fluoride	LiF	0.268	0.576	1.424	1.618

WEBSITE

A copy of this announcement is available from the Company's website at www.europeanmet.com/announcements/.

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The information contained within this announcement is deemed by the Company to constitute inside information under the Market Abuse Regulation (EU) No. 596/2014 ("MAR") as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 and is disclosed in accordance with the Company's obligations under Article 17 of MAR.

The person who authorised for the release of this announcement on behalf of the Company was Keith Coughlan, Executive Chairman.