

Land Secured for Cinovec Lithium Plant

Highlights:

- **Cinovec Project Company, Geomet s.r.o. secures ownership of Dukla industrial site for construction of the Cinovec lithium plant**
- **Dukla Plant site will include ore beneficiation plant and battery-grade lithium plant**
- **Geomet s.r.o., owner of 100% of the Cinovec Project, to become sole owner/user of site**

European Metals Holdings Limited (ASX & AIM: EMH, OTCQX: EMHXY, ERPNF and EMHLF) (“**European Metals**” or the “**Company**”) is pleased to announce Geomet s.r.o. (its 49% owned subsidiary) has agreed to purchase land at the industrial site “Dukla” in the Újezdeček Municipality, 6.2 km south of the planned Cinovec Mine portal area, on which it intends to construct a lithium plant, for a total purchase consideration of US\$ 43.96m.

Commenting on the land purchases, European Metals Executive Chairman Keith Coughlan said:

“Acquiring this land secures an integral part of the Cinovec Project – the acquisition of the land on which the Lithium Plant is to be built. The close location of Dukla to the mine site is critical to the minimisation of transport costs and ESG impact. The acquired land is zoned for industrial use.

With the land now secured, DRA Global can complete the layout designs for the lithium plant which are required as part of the DFS. This enables the timeline to completion to be maintained.”

Dukla Processing Plant Site

The Dukla site, which is subject to an existing industrial usage permit, is owned by four private companies, with all peripheral and adjacent land relevant to the site held by Czech State and/or local public bodies.

The Cinovec Project holding company, Geomet s.r.o. (**Geomet**) which is a forty nine percent (49%) owned subsidiary of European Metals, has agreed to acquire one of the privately-held land packages and entered into exclusive and unconditional option agreements for the purchase of the other three.

The Dukla site has been confirmed as an appropriate site upon which to build a lithium plant for the beneficiation of Cinovec ore and production of battery-grade lithium in accordance with the Company’s ongoing DFS which is on track to be completed in 4Q23. This confirmation has been obtained as a result of engineering layout and design work undertaken in the DFS to-date, geohydrological and geotechnical surveys over the site, completed in early 2023.

An application to the Usti Regional Department of Land Use Planning for the rezoning of the land around the Dukla site (which is already zoned for industrial use), ore transport corridor options and the Cinovec Mine portal area was made in April 2022. The result of this re-zoning application is expected to be finalised in 4Q23. The Company intends to exercise its 3 options and settle these land acquisitions after the re-zoning application has been successful, anticipated to occur in 2024.

Figure 1 below shows the Dukla site, including the land packages to be acquired. Figure 2 shows the Dukla site in the context of the local area and the Cinovec Mine portal.

Principal Terms of the Dukla Land Contracts

Geomet signed the contracts having future options to acquire all necessary lands in Dukla location at total value of CZK966m (US\$ 43.96m). EMH has provided a loan of CZK 121m (US\$ 5.51m) to Geomet for its proportion of all deposits and option fees. The Company funded the loan to Geomet using cash at bank and anticipates that the remainder of the monies to be paid at exercise of the Option will be funded as part of the project financing for the Cinovec Project. Each of the contracts are unconditional.

1. Seller - Imola Company a.s. (17.5 Ha, shown in purple in Figure 2)

- Option to purchase the land
- Payments made up to the date of exercise of the option
- Final date for exercise of option to purchase is 31st July 2025
- Geomet has received a pledge over the land

2. Seller - FVE Tech s.r.o. (2.2 Ha, shown in red in Figure 2)

- Option to purchase the land
- Final date for exercise of option to purchase is 31st July 2025
- Geomet has received a pledge over the land

3. Seller - MC Centrum a.s. (Deskform) (4.1 Ha, shown in green in Figure 2)

- Acquired MC Centrum a.s.
- Final date for exercise of option to purchase 31st July 2025
- A mortgage in favour of the Joint venture partners (Severoceske Doly and the Company) has been granted over the land.

4. Seller - DATOU s.r.o. (0.5 Ha, shown in orange in Figure 2)

- CZK 120,000 (US\$5,400) deposit paid.
- CZK 930,000 (US\$41,850) to be paid on completion.
- Acquisition will complete upon entry into land registry, expected on or around 3rd July 2023

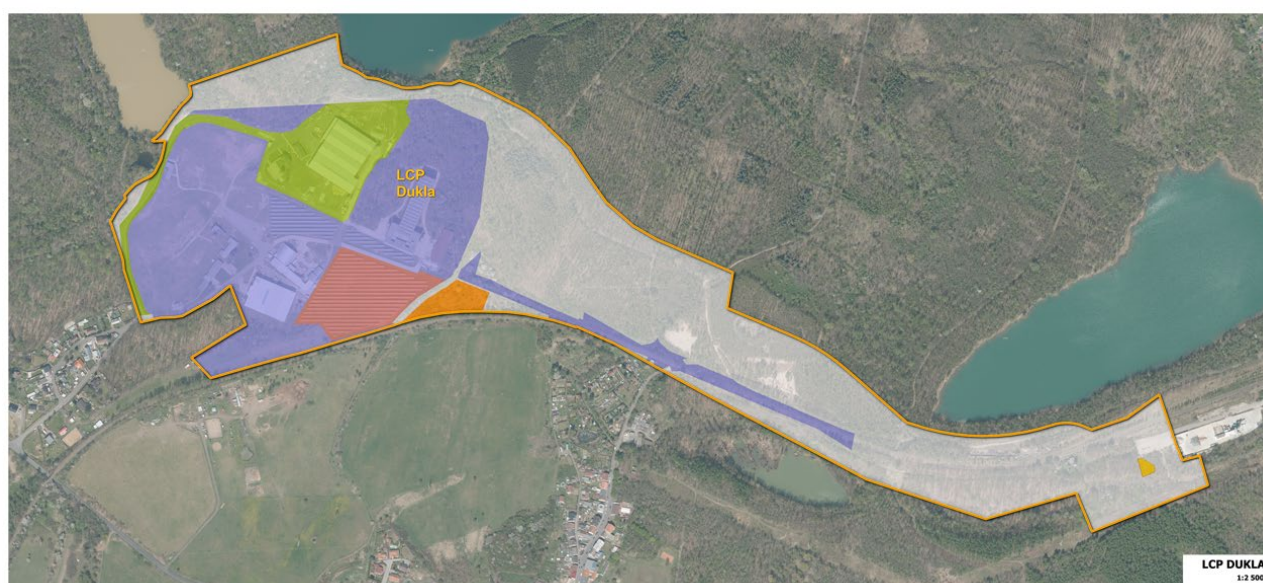


Figure 1: Orange boundary shows the full Dukla land package with the grey area currently in the regional re-zoning permitting process. Purple, green, red and orange areas are the land packages

being acquired or secured by contract as detailed in this announcement; in aggregate, these correspond approximately to the existing industrially-permitted area. All of the grey area within the regional re-zoning application area is held by Czech State and local public bodies. The majority of the grey area is required for land access (road/rail) and/or plant construction purposes.

- Purple Imola Company a.s. land package secured by contract, including rail spur land adjoining existing rail line.
- Red FVE Tech s.r.o. land package secured by contract.
- Green MC Centrum a.s. (Deskform) land package secured by contract.
- Orange DATOU s.r.o., due to complete until 3rd July 2023 at the latest.



Figure 2: The Dukla Plant Site in the local context showing the mine portal area 6.23km to the north. The Project sites are north and north-west of the industrial town of Teplice. The elongated north/south town shown in Figure 2 is Dubí.

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/Tin Project

Geomet s.r.o. controls the mineral exploration licenses awarded by the Czech State over the Cinovec Lithium/Tin 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 and 0.08% Sn, Indicated Mineral Resource of 360.2Mt at 0.44% Li₂O and 0.05% Sn and an Inferred Mineral Resource of 294.7Mt at 0.39% Li₂O and 0.05% Sn containing a combined 7.39 million tonnes Lithium Carbonate Equivalent and 335.1kt of tin (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 and 0.09% Sn 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, the fifth largest non-brine deposit in the world and a globally significant tin resource.

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 in addition to high-grade tin concentrate 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.

ENQUIRIES:

European Metals Holdings Limited

Keith Coughlan, Executive Chairman

Tel: +61 (0) 419 996 333

Email: keith@europeanmet.com

Kiran Morzaria, Non-Executive Director

Tel: +44 (0) 20 7440 0647

Shannon Robinson, Company Secretary

Tel: +61 (0) 418 675 845

Email: shannon@europeanmet.com

WH Ireland Ltd (Nomad & Broker)

James Joyce/Darshan Patel

(Corporate Finance)

Harry Ansell (Broking)

Tel: +44 (0) 20 7220 1666

Panmure Gordon (UK) Limited (Joint Broker)

John Prior

Hugh Rich

James Sinclair Ford

Harriette Johnson

Tel: +44 (0) 20 7886 2500

Blytheweigh (Financial PR)

Tim Blythe

Megan Ray

Tel: +44 (0) 20 7138 3222

Chapter 1 Advisors (Financial PR – Aus)

David Tasker

Tel: +61 (0) 433 112 936