

EUROPEAN METALS HOLDINGS LEVEL 1 AMERICAN DEPOSITORY SHARES PROGRAM (ADS:EMHXY)

European Metals Holdings Limited (EMH, Company) (**ASX & AIM: EMH, OTC – Nasdaq Intl ADS: EMHXY**) is pleased to announce that its American Depository Share (ADS) program will become available for trading in the US on Tuesday 27 July 2021.

EMH's ADS will trade in the US over-the-counter (OTC) market under the symbol EMHXY. One EMH ADS represents twenty existing EMH chess depository instruments.

The ADS program does not involve the issuance of new shares or the raising of new capital by the Company.

ADSs allow US investors to buy shares in foreign companies through US registered securities without the need for cross-border or cross-currency transactions. They are priced in US dollars and can be traded like shares of US-based companies.

EMH's chess depository instruments will also continue to trade on the OTC market in the US as foreign securities under the ticker code ERPNF.

EMH will remain a member company of the Nasdaq International Designation and is not listed or traded on the NASDAQ Stock Market, LLC.

Deutsche Bank Trust Company Americas is the depository bank for the program. www.adr.db.com

Frequently asked questions and answers in relation to ADS's are annexed to this announcement.

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 European Metals and 51% by CEZ a.s. through its wholly owned subsidiary, SDAS. Cinovec hosts a globally significant hard rock lithium deposit with a total Indicated Mineral Resource of 372.4Mt at 0.45% Li₂O and 0.04% Sn and an Inferred Mineral Resource of 323.5Mt at 0.39% Li₂O and 0.04% Sn containing a combined 7.22 million tonnes Lithium Carbonate Equivalent and 263kt of tin reported 28 November 2017 (**Further Increase in Indicated Resource at Cinovec South**).

DIRECTORS AND MANAGEMENT

Keith Coughlan
EXECUTIVE CHAIRMAN

Richard Pavlik
EXECUTIVE DIRECTOR

Kiran Morzaria
NON-EXECUTIVE DIRECTOR

Lincoln Bloomfield
NON-EXECUTIVE DIRECTOR

Dennis Wilkins
COMPANY SECRETARY

CORPORATE INFORMATION

ASX EMH

AIM EMH

NASDAQ ERPNF

Frankfurt E861.F

CDI'S ON ISSUE 175.4M

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 reported 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 fourth 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.

In June 2019 EMH completed an updated Preliminary Feasibility Study, conducted by specialist independent consultants, which indicated a return post tax NPV of USD1.108B and an IRR of 28.8% 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. 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.

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.

WEBSITE

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

The Board of Directors of European Metals Holdings authorised this announcement to be given to ASX.

ENQUIRIES:

European Metals Holdings Limited

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The information contained within this announcement is considered to be inside information, for the purposes of Article 7 of EU Regulation 596/2014, prior to its release. The person who authorised for the release of this announcement on behalf of the Company was Keith Coughlan, Executive Chairman.

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.



ADR overview

European Metals Holdings Limited maintains a sponsored Level 1 American Depositary Receipt (ADR) program with Deutsche Bank Trust Company Americas (Deutsche Bank).

ADR details:

Ticker: EMHXY

Structure: Level 1 ADR

Exchange: OTC

Ratio (ADR:ORD): 1 : 20

DR ISIN: US29882F1084

CUSIP: 29882F 108

Contact details for ADR investors and brokers:

Deutsche Bank ADR broker services desks

New York: +1 212 250 9100

London: +44 207 547 6500

Contact details for registered ADR holders:

Deutsche Bank Shareholder Services

American Stock Transfer & Trust Company

Operations Center

6201 15th Avenue

Brooklyn NY 11219

Email: DB@amstock.com

Toll-free number: +1 866 706 0509

Direct Dial: +1 718 921 8124

European Metals Holdings Limited's ADR program is sponsored by Deutsche Bank. As the depositary bank, Deutsche Bank performs the following roles:

- Issues and cancels European Metals Holdings Limited ADRs
- Records and maintains the register of ADR holders
- Is the stock transfer agent
- Distributes dividends in US dollars (if applicable)
- Facilitates the proxy voting process and exercises the voting rights on behalf of ADR holders (if applicable)
- Distributes company circulars and Annual General Meeting documentation (if applicable)

For those holders which are not registered because their shares are held through a 'street name' (or nominee account), your nominee will receive company documents from time to time from Deutsche Bank to distribute to you. You need to make arrangements with your nominee if you wish to receive such documents and to be able to exercise your vote through the depositary bank at general meetings (if applicable).



ADR FAQs

The following information does not contain all information that may be important to you. For more complete information, we highly recommend that you read the entire deposit agreement and the form of American Depositary Receipt, which contains the American Depositary Shares terms.

What is an American Depositary Receipt (ADR)?

An ADR is a negotiable US dollar denominated certificate representing ownership of share(s) in a non-US company. European Metals Holdings Limited ADRs represent European Metals Holdings Limited ordinary shares deposited with the depository bank, to underlie such certificates and carry the rights attached to them as detailed in the Depositary Agreement. Holders of ADRs receive dividends in US dollars (if applicable) and have the right to vote on shareholders resolutions (if applicable). The term ADR and ADS are often used interchangeably. ADRs were specifically designed to facilitate the purchase, holding and sale of non-US securities by US investors.

What is an ADR ratio?

The ADR ratio defines the numeric relationship between the number of ADRs and the number of ordinary shares. Every 20 ordinary European Metals Holdings Limited share represent 1 European Metals Holdings Limited ADR.

What are the benefits of ADRs to US investors?

US investors may prefer to purchase ADRs rather than ordinary shares in European Metals Holdings Limited's home market because ADRs trade, clear and settle according to US market conventions. ADRs allow chiefly US investors to diversify into non-US securities, relatively easily.

Why did you establish an ADR program?

European Metals Holdings Limited established the ADR program to make it easier for US investors to invest in European Metals Holdings Limited. ADRs are easier for US investors for various reasons including that administrative costs are reduced and capital gains are realized in US dollars.

What effect do you expect the ADR program to have on your shareholder base?

We hope that the ADR program encourages US investors to increase their exposure to European Metals Holdings Limited, as it will now be easier for them to do so.

What types of companies issue ADRs?

ADR issuers are typically large corporations with primary listings outside of the US. Any non-US company seeking to raise capital in the US or increase their base of US investor can also issue ADRs.

Is it easy to get information and updates on European Metals Holdings Limited?

Information about European Metals Holdings Limited is widely available on European Metals Holdings Limited's website: <https://www.europeanmet.com>

Where are European Metals Holdings Limited ADRs traded?

European Metals Holdings Limited ADRs are traded over-the-counter (OTC) on the electronic market operated by OTCMarkets. For more information, visit www.otcm Markets.com



[What is the OTCMarkets?](#)

The OTCMarkets is a decentralized market for securities that are not listed on a stock exchange. Trading on OTCMarkets occurs via a network of dealers who carry inventories of securities to facilitate the buy and sell orders of investors.

[Who is European Metals Holdings Limited's depository for ADRs?](#)

Deutsche Bank Trust Company Americas is the depository bank for European Metals Holdings Limited's ADR program. The depository bank plays a key role in issuance as well as cancellation of ADRs. It also maintains the ADR holder register, distributes the dividends in US dollars (if applicable) and facilitates the exercise by the ADRs holders of their voting rights (if applicable).

[What currency are European Metals Holdings Limited ADRs denominated in?](#)

European Metals Holdings Limited ADRs are denominated in US dollars.

[What is the difference between a registered ADR holder and a beneficial ADR holder?](#)

A registered holder is the party whose name appears on the books of the depository bank. The registered holder is considered the owner of record. A beneficial holder is the ultimate owner of the security, whose holdings are registered in a name other than their own, such as in the name of a broker, bank or nominee.

[How do I convert my ordinary shares into ADRs?](#)

Converting ordinary shares into ADRs must be done through a broker investment advisor or for registered holders through Deutsche Bank Trust Company Americas. You can contact Deutsche Bank broker services desk on +1 212 250 9100 or +44 207 547 6500

[How may I check how many ADRs I hold?](#)

If you do not hold via a broker, bank or nominee, please contact our transfer agent:

Deutsche Bank Shareholder Services
American Stock Transfer & Trust Company
6201 15th Avenue
Brooklyn, NY 11219

Email: DB@amstock.com
Toll-free number: +1 866 706-0509
Direct Dial: +1 718 921 8124

[How may I find out corporate action information on European Metals Holdings Limited?](#)

For corporate action information, please visit:

www.adr.db.com

Search for European Metals Holdings Limited and then select Investor tab.

Alternatively you may contact Deutsche Bank Trust Company Americas Shareholder Services on toll-free number +1 866 706 0509 or direct dial +1 718 921 8137.