



# ASX ANNOUNCEMENT

11 January 2023



## UPDATED DFS NPV SHOWING AN EXTREMELY ROBUST US\$1.5B FOR WOLFSBERG LITHIUM PROJECT

### HIGHLIGHTS

- Accelerated case NPV<sub>6</sub> US\$1.504 billion, based on the Measured and Indicated resource of 9.7 million tonnes at 1% Li<sub>2</sub>O<sup>1</sup>;
- Lithium Hydroxide production average over Life of Mine (inc. ramp up and shutdown) (LOM) 8,800tpa in base case, based on current and advanced Definitive Feasibility Study (DFS) work;
- Mining rate of about 780,000tpa, LOM, based on current and advanced DFS work; and
- The Company aims to be the first local lithium supplier into an integrated European battery supply chain, essential to further advance the clean energy transition.

European Lithium Limited (ASX: **EUR**, FRA:PF8, OTC: EULIF) (the **Company**) is pleased to advise that it has received a NPV<sub>6</sub> calculation on its 100% owned Wolfsberg Lithium Project (**Wolfsberg Project**) in Austria, confirming an extremely robust project and paving the way at completion of the DFS in the first quarter of 2023, for production of the critical commodity, lithium hydroxide (**LiOH**), for the benefit of Europe.

Tony Sage, Chairman, commented: "The robust DFS NPV provides confidence in the commercialisation of the Wolfsberg Project. The DFS NPV update has come during a buoyant market for lithium and an increased urgency for decisive action to accelerate the green energy transition, especially in Europe. Our next steps include finalisation of the listing of Critical Metals on NASDAQ and continuing our discussions with our financiers. Through the business combination with Sizzle, Critical Metals Corp expect to access substantial opportunities available in the U.S. market."

### Summary of NPV calculation and final DFS timing

The final DFS is anticipated in the first quarter of 2023. DRA Global (**DRA**), who is undertaking the DFS, have provided the Company with an updated DFS NPV<sub>6</sub> calculation (having regard to the work done to date and the assumptions set out below).

DRA provided the interim production target and NPV<sub>6</sub> using the following assumptions and based on the Pre-feasibility Study (**PFS**) financial model finalised by DRA in 2018 (see the Company's ASX announcement dated 5 April 2018):

- Increase in pre-production Capex (being approximately US\$866 million);
- Increase in Opex (being US\$15,510/t);
- Debt 60% Equity 40% for Capex;
- Interest rate of 6%;
- New resource number of Measured and Indicated 9.7Mt (see EUR announcement dated 1 December 2021);
- The average over LOM (inc. ramp up and shutdown) 8,800tpa Lithium hydroxide production is an outcome of detailed mechanical and chemical process flow based on completed complex pilot

<sup>1</sup> See EUR announcement dated 1 December 2021



plant test work as an essential part of the ongoing DFS studies and advanced engineering work to deploy this process on an industrial scale; and

- The mining rate of 780,000tpa, over LOM, is an outcome of the ongoing and advanced mine planning and scheduling work as shown in updated layout plan and isometric view below.

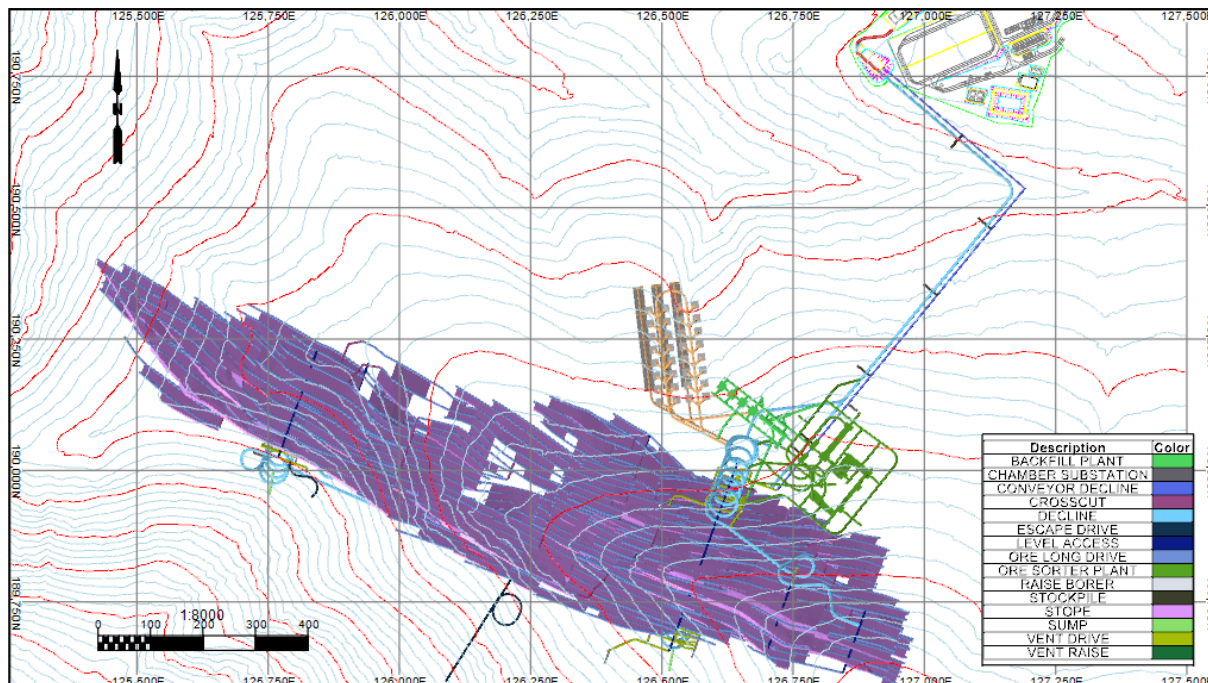


Figure 1: Plan View of Mine Development and Stopes

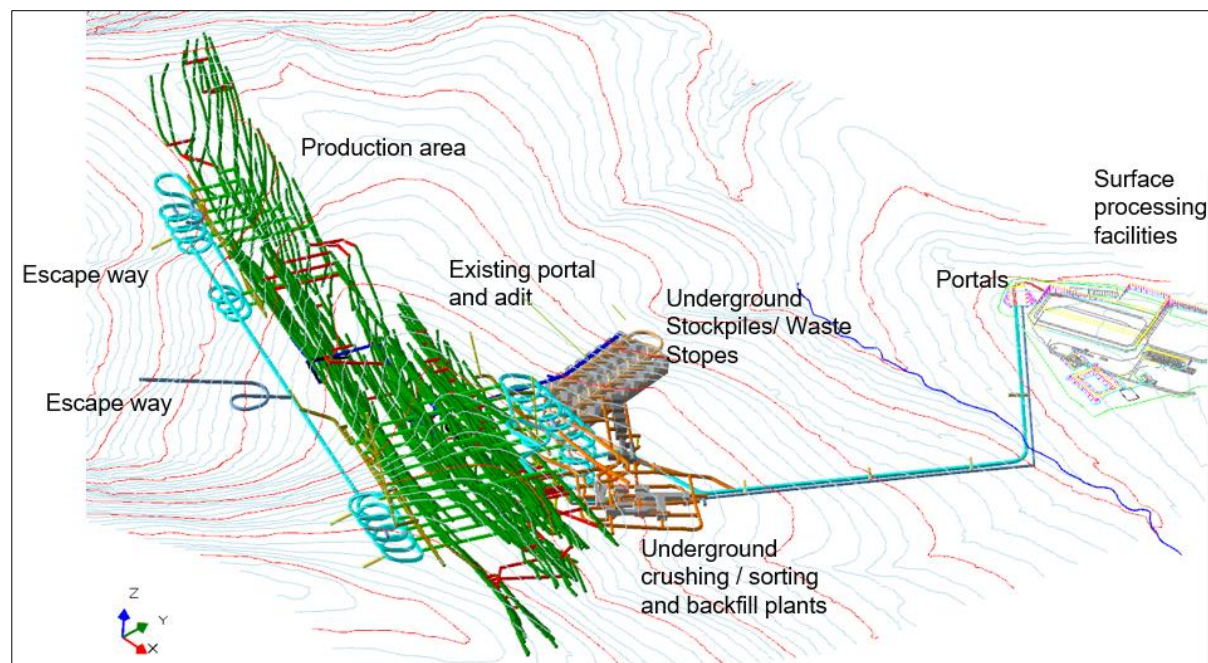


Figure 2: Isometric View of Surface and Underground Layout

The Company expects to achieve an initial approx. 15 years LOM effectively when the underground development has commenced as shown in the draft production schedule below.

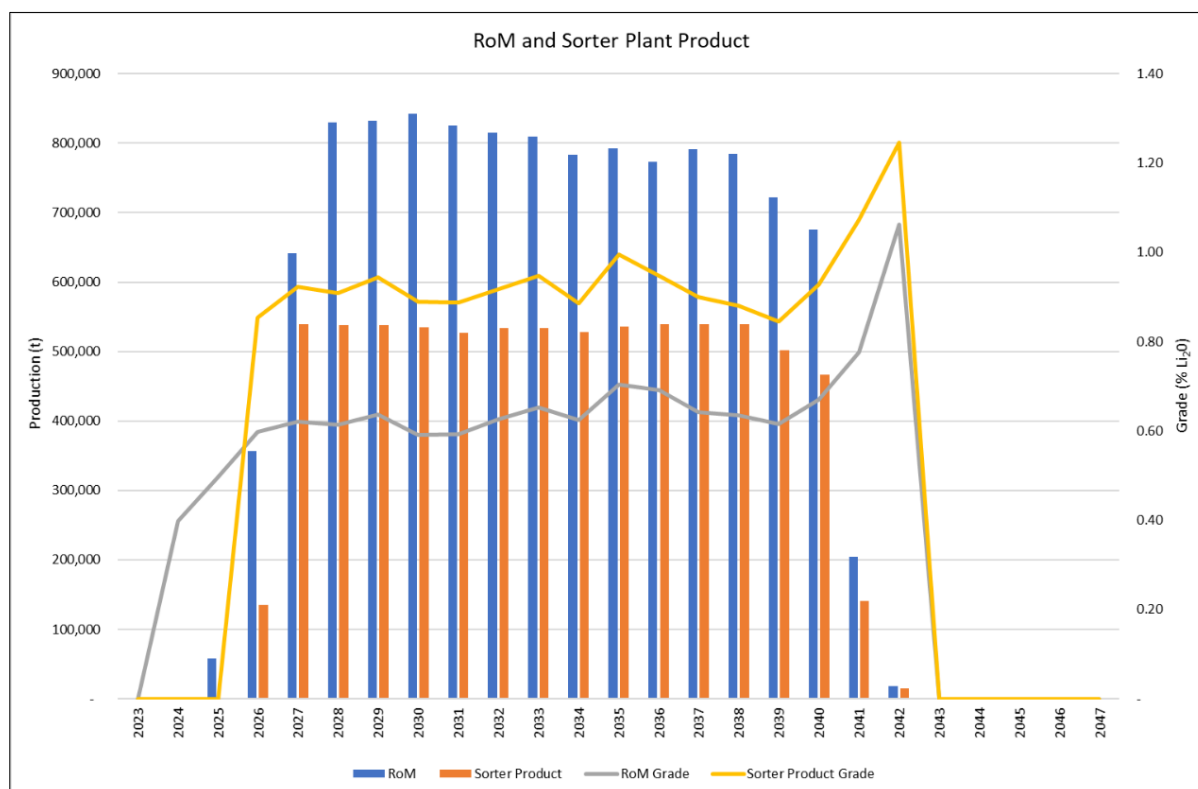


Figure 3: Production Schedule

The pre-tax NPV<sub>6</sub> for the Accelerated case is US\$1,504 million. This estimate is based on based on Fastmarkets spot prices for LiOH with a discount applied.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the 1 December 2021 announcement and that all material assumptions and technical parameters underpinning the estimates in that announcement continue to apply and have not materially changed.

Each mineral resource is unique and the nature of the mineralization, and the occurrence and grade of the lithium, as well as its behavior during mining, can never be wholly predicted. The Mineral Resource Estimates may be materially different from mineral quantities the Company ultimately recovers, its LOM estimates may prove inaccurate and changes in operating and capital costs may render mineral resources uneconomic to mine.

## Production Targets

The production targets and the forecast financial information derived from those production targets referred to in this announcement are based on 100% Measured (44%) and Indicated (56%) JORC (2012) Mineral Resource Estimates (see the Company’s ASX announcement dated 1 December 2021). A significant proportion of the production was based on previously defined Measured and Indicated Resources. No new Ore Reserves have been declared as part of this Interim production target and NPV<sub>6</sub>. The Mineral Resource Estimates underpinning the production targets were previously prepared by a Competent Person in accordance with the JORC Code 2012 (see the Company’s ASX announcement dated 1 December 2021).

## Definitive Feasibility Study

The DFS is led by DRA who integrated the work of third-party consultants and information provided by the Company. Areas of responsibility were as follows:



- DRA Global - DFS lead and integration, process and infrastructure engineering, capital and operating cost estimates for process and infrastructure, construction planning and financial modelling
- Dorfner Anzaplan - Metallurgical testwork in support of DRA process engineering
- SRK Consulting - Mining engineering and mine capital and operating cost estimates, geotechnical engineering, hydrogeology, ore reserves
- Paterson & Cooke - Tailings Design with capital and operating cost estimate
- Umweltbüro – Environmental study
- Benchmark Minerals Intelligence – Base Data for marketing studies, lithium carbonate/hydroxide
- Orykton Consulting - Marketing study spodumene, battery grade LiOH and by-products

The Company and DRA expect the DFS to be completed in Q1 of 2023.

### Wolfsberg Project Description and Location

The Wolfsberg Project mine and concentrator site is located 20km east of Wolfsberg and the hydrometallurgical plant located just to the south of Wolfsberg close to the A2 motorway and the natural gas transmission pipeline that follows the motorway. Wolfsberg is a town of approximately 25,000 inhabitants with a growing light industrial sector. There will be no requirement for the project to provide accommodation or social infrastructure. Austria has a mining tradition with an established mining university in Leoben, 93km from Wolfsberg, that currently has 3,000 students. Technical skill levels to support the Project are high. The Baltic to Adriatic rail corridor will pass just to the south of Wolfsberg on completion of the Koralm tunnel in 2025. The Company believes the Wolfsberg Project will be well located with good access to Europe's motorway and rail infrastructure to distribute lithium hydroxide to the lithium battery plants in construction or planning in northern Europe and by-products to regional industry



Figure 4: Wolfsberg Lithium Project Location

### Mineral Resources

The current resources at Wolfsberg are shown in Table 1: Mineral Resource (JORC) and was first announced to ASX on 1 December 2021.

The mine design for this DFS is based on using only the Measured and Indicated resource of 9.74 million tonnes at 1% Li<sub>2</sub>O. Vein thickness and Li<sub>2</sub>O grade are of paramount importance and a semi-3D modelling

approach is appropriate. Modelling was done in Surpac. Interpolation parameters are derived from variograph analysis. The block dimension of the model is 25m x 25m with variable thickness. Measured resources are stated for the veins immediately above and below the underground workings that visibly show continuity to the extent of the underground drilling which results in profiles at 50m along strike. Indicated resources are stated for the main cross sections where there are at least three drill holes not more than 50m apart. No Li<sub>2</sub>O cut off was applied as previous work indicated 74% of the pegmatite reported to saleable product and there were very limited zones of lower grade material.

Category	Tonnage (Mt)	Grade (%Li <sub>2</sub> O)
Measured	4.31	1.13
Indicated	5.43	0.95
<b>Total (M+I)</b>	<b>9.74</b>	<b>1.03</b>
Inferred	3.14	0.90
<b>Total (M+I+I)</b>	<b>12.88</b>	<b>1.00</b>

Table 1: Mineral Resource (JORC)

The resource comprises multiple parallel lithium bearing pegmatite veins dipping at about 60° as shown in Table 1: Mineral Resource (JORC). The veins vary in thickness with the maximum width recorded at 5.5m but with an average of 1.4m. The historical underground development showed that there was good continuity of the veins along strike. Fifteen of the veins were considered to have economic potential and were included in the mine design.

### Infrastructure

The mine site is accessed via an existing surfaced road from Wolfsberg (18km) and the current forest road (2km) will need to be surfaced. No camp facilities are required as personnel during construction and operations will house themselves in Wolfsberg and other nearby towns.

The power requirement at mine site is expected to be 13MW and this will be provided by the local utility, Kelag, via an underground cable from the Wolfsberg substation. The hydrometallurgical plant requires 11.5MW and this is expected to be supplied from nearby power lines.

The hydrometallurgical plant will connect to the nearby natural gas transmission line for gas required for the flash calciner.

Road and rail infrastructure is in place for product distribution.

### Marketing

For the DFS the Company is utilising data provided by Orykton Consulting, an analyst of the battery materials/by-product market and publisher of monthly lithium price assessments to assess the lithium carbonate and lithium hydroxide market and forecast of lithium hydroxide prices particularly pertaining to Europe. The marketing data provided is based on international trading statistics, authors' personal market experience, specialized press and a previously announced binding long-term lithium offtake agreement with BMW (see EUR announcement dated 21 December 2022). The DFS is based on the Company's focus to supply lithium hydroxide to the European lithium battery supply chain.

### Transaction with Sizzle Acquisition Corp

The Company has entered into a business combination agreement (the **Transaction**) with Sizzle Acquisition Corp, (Nasdaq: SZZL) (**Sizzle**), a publicly traded special purpose acquisition company, (see EUR announcement 26 October 2022). Under the business combination agreement, the Company's wholly owned subsidiary, European Lithium AT (Investments) Ltd and its Austrian subsidiaries, ECM

Lithium AT GmbH and ECM Lithium AT Operating GmbH, will combine with Sizzle via a newly formed, lithium exploration and development company named “Critical Metals Corp.” which is expected to be listed on NASDAQ in the first half of 2023, under the symbol “CRML.”

Upon the closing of the Transaction, Critical Metals Corp will own the Wolfsberg Project and a 20% interest in the Weinebene and Eastern Alps Projects currently held by EUR. EUR will be the largest shareholder of Critical Metals Corp, which represents an approximate 80% ownership interest, and continue to be listed on the ASX as a mining exploration and development company.

The Transaction is subject to approval by EUR and Sizzle shareholders, the effectiveness of a Form F-4 Registration Statement filing under U.S. securities laws, and other customary requirements.

This announcement has been approved for release on ASX by the Board of Directors.

Yours faithfully  
European Lithium Limited

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## Forward looking statements

This announcement contains “forward-looking information” that is based on the Company’s expectations, estimates and projections as of the date on which the statements were made. This forward-looking information includes, among other things, statements with respect to this Interim production target and NPV<sub>6</sub>, the Pre-Feasibility Study (PFS)<sup>2</sup>, the Company’s business strategy, plan, development, objectives, performance, outlook, growth, cashflow, projections, targets and expectations, mineral resources, ore reserves, results of exploration and related expenses. Generally, this forward-looking information can be identified by the use of forward-looking terminology such as, ‘anticipate’, ‘project’, ‘target’, ‘likely’, ‘believe’, ‘estimate’, ‘expect’, ‘intend’, ‘may’, ‘would’, ‘could’, ‘should’, ‘scheduled’, ‘will’, ‘plan’, ‘forecast’, ‘evolve’ and similar expressions. Persons reading this announcement are cautioned that such statements are only predictions, and that the Company’s actual future results or performance may be materially different.

The Company believes the forward-looking information in this announcement is based on reasonable grounds having regard to the fact all production targets and forecast financial information are underpinned by 100% Measured (44%) and Indicated (56%) JORC (2012) Mineral Resource Estimates (see the Company’s announced made 1 December 2022) and, although incomplete, the work undertaken by DRA to date on the DFS. However, neither the Company nor any other person makes or gives any representation, assurance or guarantee that the production targets or expected outcomes in this announcement will ultimately be achieved. The forward-looking information in this announcement is subject to known and unknown risks, uncertainties and other factors that may cause the Company’s actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking information. Such risks include but are not limited to future prices and demand of iron and other metals; foreign exchange rates; availability of funding; results of further optimisation activities (including further exploration and metallurgical work); changes in project parameters as plans continue to be refined; failure of plant; equipment or processes to operate as anticipated; possible variations of ore grade or recovery rates; accident, labour disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing or in the completion of development or construction activities and general business, economic, competitive, political and social uncertainties.

A number of key steps need to be completed in order to achieve the expansion scenarios detailed in this Interim production target and NPV<sub>6</sub>. Investors should note that if there are delays associated with

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<sup>2</sup> See ASX announcement 5 April 2018

completing these steps, or completion of the steps does not yield the anticipated results, the actual estimated production and forecast financial information may differ materially from the Interim production target and NPV<sub>6</sub> results presented in this announcement.

These risks are not exhaustive of the factors that may affect or impact future results. These and other factors should be considered carefully, and readers should not place undue reliance on such forward-looking information. The Company disclaims any intent or obligations to revise any forward-looking statements whether as a result of new information, estimates, options, events or results or otherwise, unless required to do so by law.

## Cautionary Statement

In accordance with the ASX Interim Guidance on reporting studies, the interim production target and NPV<sub>6</sub> referred to in this announcement is a preliminary technical and economic study of the potential viability of the Wolfsberg Lithium Project whilst the Company completes a definitive study. It is based on low level technical and economic assessment that are not sufficient to support the estimation of Ore Reserves beyond Measured and Indicated Resources referred to in the Company's ASX Announcement dated 1 December 2021. Further evaluation work and appropriate studies are required before the Company will be in a position to provide any assurance of an economic development case.

The interim production target and NPV<sub>6</sub> is based on the material assumptions outlined elsewhere in this announcement and those set out in the Company's ASX Announcements dated 5 April 2018 and 1 December 2021. While the Company considers all material assumptions to be based on reasonable grounds, there is no certainty that they will prove to be correct or that the range of outcomes indicated by the Interim production target and NPV<sub>6</sub> will be achieved.

To achieve the range of proposed feasibility studies and potential mine development outcomes indicated in the Interim production target and NPV<sub>6</sub>, project funding will be required. Investors should note there is no certainty that the Company will be able to raise funding when needed. It is also likely that such funding may only be available on terms that may be dilutive or otherwise affect the value of the Company's existing shares. It is also possible that the Company could pursue other value realisation studies such as sale, partial sale, or joint venture of the Project. If it does, this could materially reduce the Company's proportional ownership of the project.

Given the uncertainties involved, investors should not make any investment decisions based solely on the result of the Interim production target and NPV<sub>6</sub>.

## US Securities Laws Legends

### Additional Information and Where to Find It

This press release is provided for informational purposes only and contains information with respect to the proposed Business Combination among Sizzle, European Lithium, European Lithium AT (Investments) Limited ("EUR BVI"), a company formed in the British Virgin Islands, which is wholly owned by European Lithium, and certain other parties formed in connection with the transactions contemplated by the merger agreement (the "Merger Agreement"), including Critical Metals and Project Wolf Merger Sub Inc., a Delaware corporation and wholly owned subsidiary of Critical Metals. Subject to its terms and conditions, the Merger Agreement provides that Sizzle and EUR BVI will become wholly owned subsidiaries of Critical Metals.

In connection with the Proposed Business Combination, Critical Metals has filed a registration statement on Form F-4 with the Securities and Exchange Commission ("SEC"), which includes a proxy statement to be sent to Sizzle shareholders and a prospectus for the registration of Critical Metals securities in connection with the Proposed Business Combination (as amended from time to time, the "Registration Statement"). If and when the Registration Statement is declared effective by the SEC, the definitive proxy statement/prospectus and other relevant documents will be mailed to the shareholders of Sizzle as of the record date to be established for voting on the Proposed Business Combination and will contain important information about the Proposed

Business Combination and related matters. Shareholders of Sizzle and other interested persons are advised to read, when available, these materials (including any amendments or supplements thereto) and any other relevant documents, because they will contain important information about Sizzle, Critical Metals, European Lithium and EUR BVI and the Proposed Business Combination. Shareholders and other interested persons will also be able to obtain copies of the preliminary proxy statement/prospectus, the definitive proxy statement/prospectus, and other relevant materials in connection with the Proposed Business Combination, without charge, once available, at the SEC's website at [www.sec.gov](http://www.sec.gov) or by directing a request to: Sizzle Acquisition Corp., 4201 Georgia Avenue, NW, Washington, D.C. 20011, Attn: Steve Salis, Chief Executive Officer. The information contained on, or that may be accessed through, the websites referenced in this press release in each case is not incorporated by reference into, and is not a part of, this press release.

### **Participants in the Solicitation**

This press release is not a solicitation of a proxy from any investor or securityholder. Sizzle, European Lithium, Critical Metals and EUR BVI and their respective directors and executive officers may be deemed participants in the solicitation of proxies from Sizzle's shareholders in connection with the Proposed Business Combination. Sizzle's shareholders and other interested persons may obtain, without charge, more detailed information regarding the directors and officers of Sizzle in Sizzle's Form 10-K, as amended, filed with the SEC on June 13, 2022. To the extent that holdings of Sizzle's securities have changed since the amounts included in Sizzle's Form 10-K, such changes have been or will be reflected on Statements of Change in Ownership on Form 4 filed with the SEC. Information regarding the persons who may, under SEC rules, be deemed participants in the solicitation of proxies to Sizzle's shareholders in connection with the Proposed Business Combination will be set forth in the proxy statement/prospectus for the Proposed Business Combination, accompanying the Registration Statement that Critical Metals has filed with the SEC. Additional information regarding the interests of participants in the solicitation of proxies in connection with the Proposed Business Combination will likewise be included in that Registration Statement. You may obtain free copies of these documents as described above.

### **No Offer or Solicitation**

This press release is not a proxy statement or solicitation of a proxy, consent or authorization with respect to any securities or in respect of the Proposed Business Combination and shall not constitute an offer to sell or a solicitation of an offer to buy any securities, or a solicitation of any vote or approval, nor shall there be any sale of securities in any state or jurisdiction in which such offer, solicitation, or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction. No offer of securities shall be made except by means of a prospectus meeting the requirements of the Securities Act of 1933, as amended, or an exemption therefrom.