

## EXTENSION GRANTED TO ALL CINOVEC EXPLORATION LICENSES

**European Metals Holdings Limited (ASX & AIM: EMH)** (“**European Metals**” or the “**Company**”) is pleased to announce the granting of an extension to all four Cinovec Exploration Licences (“the licences”). These licenses fully cover all three granted Preliminary Mining Permits (“PMP’s”) comprising the Cinovec Project. All four licences have been extended until 31 December 2026. The granting of this extension follows a comprehensive evaluation by the relevant state authorities of results achieved to date in exploring the deposit. Plans for future exploration work, including further resource drilling, and compliance with conditions set by the Czech Ministry of Environment were also assessed.

The extension was required as the granted PMP’s, whilst conveying the sole and exclusive rights to apply for a Final Mining Permit, do not allow for further drilling until the final mining area is granted. As the Company plans to conduct further metallurgical and measured resource drilling, an extension to the exploration licenses due to expire in December 2023 was sought.

The licences extension applies to the Exploration Areas Cinovec, Cinovec II, Cinovec III and Cinovec IV, which fully cover the East, South and NorthWest PMP’s.

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](http://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% Li<sub>2</sub>O, Indicated Mineral Resource of 360.2Mt at 0.44% Li<sub>2</sub>O and an Inferred Mineral Resource of 294.7Mt at 0.39% Li<sub>2</sub>O containing a combined 7.39 million tonnes Lithium Carbonate Equivalent (refer to the Company’s ASX/AIM release dated 13 October 2021) (**Resource Upgrade at Cinovec Lithium Project**).

An initial Probable Ore Reserve of 34.5Mt at 0.65% Li<sub>2</sub>O 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/AIM 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/AIM 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. The deposit lies in an active mining region.

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 one of the largest companies in the Czech Republic and a leading energy group operating in Western and Central Europe. 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. The foundation of power generation at CEZ Group are emission-free sources. The CEZ strategy named Clean Energy for Tomorrow is based on ambitious decarbonisation, development of renewable sources and nuclear energy. CEZ announced that it would move forward its climate neutrality commitment by ten years to 2040.

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 20.3 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 Mädel, a full-time employee of Geomet s.r.o a subsidiary of the Company. Mr Mädel 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 Mädel consents to the inclusion in the announcement of the matters based on this information in the form and context in which it appears. Mr Mädel 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 ( $\text{Li}_2\text{O}$ ) content or percent lithium carbonate ( $\text{Li}_2\text{CO}_3$ ) content.

Lithium carbonate equivalent ("LCE") is the industry standard terminology for, and is equivalent to,  $\text{Li}_2\text{CO}_3$ . 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  $\text{Li}_2\text{CO}_3$  value in percent. Use of LCE assumes 100% recovery and no process losses in the extraction of  $\text{Li}_2\text{CO}_3$  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 <sub>2</sub> O	Convert to Li <sub>2</sub> CO <sub>3</sub>	Convert to LiOH.H <sub>2</sub> O
Lithium	Li	1.000	2.153	5.325	6.048
Lithium Oxide	Li <sub>2</sub> O	0.464	1.000	2.473	2.809
Lithium Carbonate	Li <sub>2</sub> CO <sub>3</sub>	0.188	0.404	1.000	1.136
Lithium Hydroxide	LiOH.H <sub>2</sub> 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/](http://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 the release of this announcement on behalf of the Company was Keith Coughlan, Executive Chairman.