

**18 May 2023**

**Reach**

**European Metals Holdings Limited**

("European Metals" or the "Company")

**Czech PM visits Cinovec, signs key MoC with PM of Saxony**

**Highlights:**

- **Czech Republic Prime Minister, Petr Fiala, visits the globally significant Cinovec Lithium Project**
- **PM Fiala signs Memorandum of Cooperation ("MoC") with Prime Minister Kretschmer of the German state of Saxony to enhance cooperation on strategic projects, including Cinovec.**

**European Metals Holdings Limited (ASX & AIM: EMH, OTCQX: EMHXY, ERPNF and EMHLF)** is pleased to advise Czech Republic Prime Minister, Petr Fiala, has visited the Cinovec Project, which is a globally significant lithium deposit and also sought to expedite the development of significant projects, such as Cinovec.

[Prime Minister Fiala has commented on the Cinovec project via social media](#), which translates to:

*"Lithium is a critical and key raw material. Cinovec is the largest European deposit of this raw material. Thanks to this, the Czech Republic has a unique opportunity to contribute to both its own and European raw material security."*

*"We are on the threshold of a "lithium revolution" as the use of lithium will grow significantly. As a country with a large share of the automotive industry, it is important for us to support it and capture current trends."*

*"We are offered a unique chance to build the entire chain from mining to the production of electric cars. That is why we need lithium and we are trying to build a battery factory, the so-called gigafactory."*

[Prime Minister Fiala also commented on the MoC via social media](#), which translates to:

*"I believe that this memorandum will help our cooperation on the development of the lithium deposit in Cinovec and, in the future, the creation of the entire production chain for the production of batteries for cars."*



**Prime Minister Petr Fiala (Left) and Pavel Cyrani, ČEZ Vice-Chairperson of the Board of Directors (Right) at the Cinovec project.**

Following a visit to Cinovec, Mr Fiala continued across the Czech border to the nearby German city of Dresden, signing a Memorandum of Cooperation ("MoC") on the implementation of projects of strategic importance with Saxon Prime Minister Michael Kretschmer.

The MoC strengthens cooperation between the states on raw materials, energy and fuel security, with a particular emphasis on lithium, given the strategic location of the Cinovec lithium deposit on the Saxon-Czech border.

Prime Minister Fiala has continued to highlight the importance of lithium development in the Czech Republic and it is anticipated the MoC will further expedite the regulatory and development pathway of Cinovec.

**Commenting on the enhanced government support European Metals Executive Chairman Keith Coughlan said:**

*"The recent visit by Prime Minister Fiala and the subsequent Memorandum of Cooperation between the Czech Republic and the state of Saxony are highly significant. These developments highlight the strategic importance of our project to the region and to the broader European Union. With increased recognition of the importance of Cinovec, EMH anticipates further acceleration in support throughout the project's development pathway."*

**This announcement has been approved for release by the CEO.**

## **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/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% Li<sub>2</sub>O and 0.08% Sn, Indicated Mineral Resource of 360.2Mt at 0.44% Li<sub>2</sub>O and 0.05% Sn and an Inferred Mineral Resource of 294.7Mt at 0.39% Li<sub>2</sub>O 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% Li<sub>2</sub>O 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.

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