

For immediate release

31 January 2025

## CLARIFICATION OF CONCEPT STUDY RESULTS AND RETRACTION OF PRODUCTION TARGETS

**European Metals Holdings Limited (ASX & AIM: EMH, OTCQX: EMHXY and EMHLF)** ("European Metals" or the "Company") provides the following update to its announcement from 20 December 2024 relating to the results of a Concept Study for the Cinovec Project ("Cinovec" or "the Project").

### Highlights

- On 20 December 2024 the Company announced the results of a Concept Study evaluating potential production and processing scenarios for the Cinovec Project. The study assessed potential increases in run-of-mine ("ROM") ore processing capacity compared to the Prefeasibility Study ("PFS"), without significantly impacting processing plant head grade, Life of Mine, or plant recovery. If supported and confirmed in the Definitive Feasibility Study ("DFS"), these scenarios would represent an increase to the possible production previously announced in the PFS of 29,386tpa (refer to the Company's ASX/ AIM release dated 19 January 2022) (**PFS Update Delivers Outstanding Results**).
- The potential increase in production remains conceptual and the economic viability of the project based on the variables considered is currently unknown. However, the potential increase in production would enable the Project to benefit from significant economies of scale which are expected to be confirmed in the DFS, now due for completion in mid-2025.
- Shareholders must not rely on the original Concept Study announcement dated 20 December 2024. There are no changes to the production targets, assumptions, or modifying factors contained in the PFS.

**Keith Coughlan, Executive Chairman, commented:** "This work on the Concept Study, conducted by Bara as part of its Mining DFS, highlights the ongoing efforts of the Company to assess opportunities for improving the economics of the Cinovec Project during the extended timeframe for the DFS. We are pleased that the potential to increase the project's planned capacity has been evaluated as technically achievable, reinforcing the significance of the Cinovec Project and its anticipated role in helping the EU achieve its lithium self-sufficiency goals by 2030."

### Proposed Increase in Battery Grade End-Product Lithium Chemicals Production Capacity

The assessment of potential production capacity increases for the Project has now been completed at concept study level. The Concept Study indicates that a potential increase in ROM production capacity may be achievable, subject to further evaluation in the upcoming DFS.

The proposed increase in ROM capacity is expected to be achievable without the need to increase the size of footprint of the underground mine at surface. This increase in ROM production capacity is expected to result in considerable economic benefits due to the economies of scale flowing through to the lithium chemical plant. Further work will be required to assess the economic benefits of any potential increase in capacity as part of the ongoing DFS.

Bara Consulting, the mining adviser to the Project, was instructed to review options for an increase in the ROM production targeted by the Project. The review was done at concept study level, building on the previous mining PFS published on 19 January 2022 and subsequent DFS-level of work as part of the overall DFS.

In the past, the critical constraint on mine production capacity for the Project was the size of the proposed Dukla processing plant site, at 24 hectares. The Prunéřov EPRI site which is now to be used is 36 hectares which easily supports and enables the increased ROM production objective.

Constraints placed on the ROM capacity review by the Project team were that the mine portal area could not increase in size or change position and that the box-cut and twin decline system would remain the same as designed for the PFS and as a result not materially impact the environmental footprint.

The mine plan for the conceptual study-level assessment is essentially the same as the mine plan for the PFS, producing 2.25 mtpa, except that it assumes a faster mining rate and incorporates Inferred JORC Resources in the last eight years of mining (Years 21 to 28, including three ramp-down years). No Inferred Resources were included in the Concept Study mine plan in Years 1 to 20.

The Concept Study scope includes mining of the Cinovec deposit by sub-level longhole open stoping methods, with backfill, however with an expanded fleet of larger equipment to achieve the increased mining rate. Muck handling circuits previously designed were considered suitable for the expanded production scenario. ROM ore is to be transported 9km to the Dukla site which is now planned to be a trans-shipment site for outbound ROM ore and inbound mine backfill material.

ROM ore is to be transported from Dukla by rail to the new and expanded processing plant site at Prunéřov, where it is processed to LiOH.H<sub>2</sub>O. Appropriate capital provisions for the expanded mining operation as well as an expanded processing facility have been made in the Concept Study.

Tailings are to be disposed of at the Doly Náštrup Tušimice open-pit coal mine site previously planned (4km from the processing plant site), which was assessed as adequate for the increased disposal capacity required. Lithium Chemical Plant residue is now to be transported by backhaul via rail then rope conveyor to the mine portal site where it is prepared as paste backfill and pumped underground.

The Measured and Indicated Resource base previously reported adequately supports the proposed increase in production, however with consequently reduced life of mine. Positive project economics were demonstrated at Concept Study levels of confidence for Mining Inventory derived from Measured and Indicated Resources only. However, project economics as well as life of mine were suitably improved by the inclusion of Inferred Resources in the later years of the mine plan, which were therefore included in the Concept Study evaluation and will thus be carried into the ongoing DFS study workplan.

Note there is a low level of geological confidence associated with Inferred mineral resources and there is no certainty that further exploration work will result in the determination of indicated mineral resources or that the mining production proposed in Years 21 to 28 of the Concept Study will be realised. However, as the Cinovec mineral deposit is massive, the Project shows a

good track record of upgrading Inferred Resources to Indicated and Measured categories.

#### **Assumed Lithium Recovery Levels**

The lithium recovery to concentrate used in this Concept Study represents the recovery from a Front-End Comminution and Beneficiation circuit ("FECAB") design which is now 100% flotation-based. As detailed in the Company's announcements of 31 July 2024 and 27 November 2024, the repeatable lithium recoveries for un-deslimed flotation achieved in bench-scale testing are >94%. The FECAB recovery rate of 91.5% used in the Concept Study incorporates allowances for full scale-up / industrial plant performance.

#### **DFS Status Update**

As noted in the Cinovec Project Update announcement of 27 November 2024, results of the DFS are expected to be released in mid-2025. The proposed increased in ROM and battery grade lithium product tonnages for the Project (as contemplated by the Concept Study) will not impact this timeline.

European Metals, in developing the Cinovec Lithium Project, is well positioned to meet the rising demand for battery materials in the European Union ("EU") and to support the EU's objectives to secure supply of Critical Minerals including lithium within the EU. The Cinovec Project is the largest hard rock lithium project in the EU and Europe and is centrally located on the Czech Republic's border with Germany. The project has excellent ESG credentials underpinning the production of battery grade lithium hydroxide and/or carbonate with low CO<sub>2</sub> emissions in a global context.

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. 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. In February 2023 DRA Global Limited ("DRA") was appointed to complete the DFS.

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 push for supply security of critical raw materials for battery production, including the strong increase in demand for lithium globally, and within Europe specifically, as demonstrated by the European Union's Critical Raw Materials Act (CRMA).

### **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 EVs in the country is expected to grow significantly in the coming years.

### **COMPETENT PERSONS AND QUALIFIED PERSON FOR THE PURPOSES OF THE AIM NOTE FOR MINING AND OIL &**

## GAS COMPANIES

Information in this release that relates to the FECAB metallurgical testwork is based on, and fairly reflects, technical data and supporting documentation compiled or supervised by Mr Walter Mädel, a full-time employee of Geomet s.r.o an associate 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, and fairly reflects, information and supporting documentation 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.

Information in this release that relates to metallurgical test work and the process design criteria and flow sheets in relation to the LCP is based on, and fairly reflects, information and supporting documentation compiled by Mr Grant Harman (B.Sc Chem Eng, B.Com). Mr Harman is an independent consultant and the principal of Lithium Consultants Australasia Pty Ltd with in excess of 14 years of lithium chemicals experience. Mr Harman 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 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 ( $Li_2O$ ) content or percent lithium carbonate ( $Li_2CO_3$ ) content.

Lithium carbonate equivalent ("LCE") is the industry standard terminology for, and is equivalent to,  $Li_2CO_3$ . 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  $Li_2CO_3$  value in percent. Use of LCE assumes 100% recovery and no process losses in the extraction of  $Li_2CO_3$  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 $Li_2O$	Convert to $Li_2CO_3$	Convert to $LiOH \cdot H_2O$
Lithium	Li	1.000	2.153	5.325	6.048
Lithium Oxide	$Li_2O$	0.464	1.000	2.473	2.809
Lithium Carbonate	$Li_2CO_3$	0.188	0.404	1.000	1.136
Lithium Hydroxide	$LiOH \cdot H_2O$	0.165	0.356	0.880	1.000

Lithium Fluoride	LiF	0.268	0.576	1.424	1.618
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#### 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.

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