

For immediate release

25 March 2025

## CINOVEC DECLARED A STRATEGIC PROJECT UNDER EU CRITICAL RAW MATERIALS ACT

**European Metals Holdings Limited** (ASX & AIM: EMH, OTCQX and OTCQB: EMHXY and EMHLF) ("**European Metals**" or the "**Company**") is pleased to announce that the European Commission has declared Cinovec to be a Strategic Project under the recently implemented Critical Raw Materials Act ("**CRMA**").

- Declaration confirms the importance of Cinovec in supplying battery grade lithium chemicals to the European battery supply chain.
- Strategic Project status will bring with it explicit support from European institutions, including financial institutions.
- Permitting will be brought within accelerated and simplified process and time limits set out within the CRMA.

The CRMA aims to strengthen security of critical raw material supplies, reduce dependence on imports from third countries, and support innovation in the sustainable sourcing of mineral resources. Lithium is a key raw material for the transition to a modern low-carbon economy, and critical for the development of the automotive industry and the modernisation of the power sector.

### Strategic Project Status under the EU Critical Raw Materials Act

The designation of the Cinovec Project as a Strategic Project under the CRMA represents confirmation of the advanced stage of development of the Project. The definitive feasibility study ("**DFS**") is progressing towards completion in mid-2025, with the Environmental Impact Assessment ("**EIA**") to be completed and submitted for approval by the end of 2025.

Being designated a Strategic Project means that the Project is considered highly important for ensuring a secure and sustainable supply of critical raw materials in Europe. Such projects must have a credible timeframe and production volumes and have to be implemented with the highest ESG credentials. These projects are essential for the green and digital transition, as well as for the resilience of the defence and aerospace sectors. The Cinovec Project, containing the largest hard rock lithium resource in the EU by far, is vital to achieving the EU's objectives on Climate Change.

The responsibility for meeting the permitting timelines set out in the CRMA rests with the Member State Government. Geomet s.r.o. ("**Geomet**") as the 100%-owner of the Project and the Czech Government must now agree on a binding permitting schedule within the timeframes set by the CRMA. The developer, Geomet, is responsible for the timely submission of documentation, and the Government is responsible for the timely issuance of individual permits.

Obtaining Strategic Project status offers several key advantages for developers, significantly facilitating and accelerating the exploration and extraction process within the EU.

The principal benefits Strategic Project status brings are:

#### Simplified Bureaucracy

- Harmonised permitting procedures across EU member states.
- Access to a single contact point ("one-stop-shop") to streamline administrative processes.

#### Accelerated Approval Processes

- Projects designated as strategic receive priority status in permitting processes.
- Shortened approval timelines for environmental and administrative clearances (maximum 24 months for mining projects and 12 months for processing projects).

#### Access to Funding

- Eligibility for public funding, including grants and investments from programs such as InvestEU.
- Increased attractiveness to private investors.
- Potential financing from major European financial institutions, such as the European Investment Bank ("**EIB**")

#### Support for Innovative Technologies

- Favorable conditions for research and development of new extraction and processing methods.
- Opportunities to participate in strategic partnerships under the European Raw Materials Alliance.

#### Secured Market and Stability

- Strategic Projects may obtain long-term supply agreements with key industrial sectors (e.g., battery production, electromobility, renewable energy).

- Participation in EU strategic value chains.

#### **Protection Against Geopolitical Risks**

- Potential use of EU protective measures, such as export restrictions on critical raw materials.

**Pavel Cyrani, Deputy Chairman of the Board of Directors of our Project Partner, CEZ, commented:** *"We welcome the European Commission's decision, which confirms that the lithium project at Cinovec is of great importance to the Czech Republic and the European Union as a whole. Lithium is a strategic raw material that the Czech Republic needs to meet its ambitious goals for raw material and energy security, the development of the automotive industry and the ongoing transition of coal regions into modern energy centres. The project for production of Czech lithium is one of the most important transition projects in the Ústí nad Labem Region. We expect that it will bring approximately 1,800 jobs, which will be available, among others, to employees of the coal-fired power plants and mines that will be closing."*

**Keith Coughlan, Executive Chairman, commented:** *"The recognition by the European Commission of the importance of the Cinovec Project is a significant milestone in the development of the Project. We recently announced the formal declaration of Cinovec as a Strategic Deposit by the Czech government and this escalating formal support for the Project provides greater confidence in the future permitting and financing. In short, it brings the production of battery grade lithium chemicals from Cinovec one big step closer to fruition."*

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 Definitive Feasibility Study ("**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 Haman (B.Sc Chem Eng, B.Com). Mr Haman is an independent consultant and the principal of Lithium Consultants Australasia Pty Ltd with in excess of 14 years of lithium chemicals experience. Mr Haman 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 Haman 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<sub>2</sub>O) content or percent lithium carbonate (Li<sub>2</sub>CO<sub>3</sub>) content.

Lithium carbonate equivalent ("LCE") is the industry standard terminology for, and is equivalent to, Li<sub>2</sub>CO<sub>3</sub>. 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<sub>2</sub>CO<sub>3</sub> value in percent. Use of LCE assumes 100% recovery and no process losses in the extraction of Li<sub>2</sub>CO<sub>3</sub> 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
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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.

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