MPS
MARTIN PLACE SECURITIES

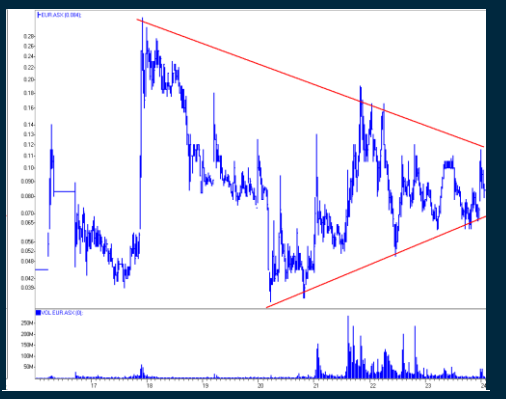
30 JANUARY 2024
12 Month Price Target: (>A$0.50)
24 Month Price Target: (>A$1.00)

CAPITAL STRUCTURE

Share Price	$0.084
12 Month Range	$0.062- $0.11
Market Cap (undiluted)	$139m
Issued Shares	1,394.2m
Options A$0.075 Apr 24	166.7m
Options A$0.18 Mar 25	223.0m
Full dil capital @ A$0.30	1896m
Cash/Liquid Assets (est)	~A$6m

DIRECTORS

Antony Sage	Exec Chairman
Malcolm Day	Non-Exec Director
Michael Carter	Non-Exec Director
Mykhailo Zhernov	Non-Exec Director



TOP SHAREHOLDERS

BNP Paribas Nominees	38.5%
Citicorp Nominees	9.3%
Dempsey Resources	4.5%
HSBC Custody Nominees	3.2%
Okewood Pty Ltd	2.0%
BNP Nominees	2.0%
Battle Mountain Pty Ltd	1.6%
Top 20	68.2%

This report has been written by Martin Place Securities Pty Ltd.
Data has been sourced from available public information and reflects the author's own assessments.

EUROPEAN LITHIUM LTD (EUR.ASX)

Developing a Lithium and Rare Earths Portfolio

1.0 SUMMARY

NASDAQ LISTING OF WOLFSBERG COULD BRING A$1.1BN TO EUR VALUE

EUR is developing a portfolio of European lithium and rare earth projects that have considerable potential to significantly increase the market value of EUR and make it an early leader in European lithium production.

The key asset is the smaller scale 8.8ktpa LHM Wolfsberg Lithium spodumene mining project in Austria soon to be vended into CRML for listing on NASDAQ for US$750m in shares to EUR and lead to it becoming the first EU producer of battery grade lithium.

1.1 KEY POINTS

- Wolfsberg Integrated Lithium Project mining spodumene to LHM product
  - March 2023 DFS gave NPV of US$1,504m at high LiOH prices
- Long term LiOH offtake agreement with BMW
- NASDAQ listing of Critical Metals Corp. (CRML) via Sizzle SPAC in train
  - Acquiring 100% of Wolfsberg Lithium Project
  - Potential merger due for completion in February 2024
  - CRML shares to be issued at US$750m value giving EUR ~82%
- CRML may develop LHM plant using Wolfsberg concentrate in Saudi Arabia
- Additional lithium resource exploration tenement projects in Austria
- Progress made toward acquisition of two lithium deposits in Ukraine
- EUR holds 7.5% of Tanbreez REE deposit – potential value >US$3bn gross
- Market cap A$117m on 1,394m shares @ A$0.084

EUR.ASX has constructed a valuable portfolio of key critical minerals projects in Europe that are now well placed to participate in the EU's clean energy transition programme.

- The Wolfsberg Lithium Project has completed a DFS (March 2023)
- Additional nearby Austrian lithium resource potential exploration projects
- Acquisition of an investment path into Ukrainian spodumene resources
- 7.5% of the world's largest REE deposit at Tanbreez in Greenland

Wolfsberg would be one of the first operating lithium mines in Europe where EU regulations for the energy transition call for growing a major lithium industry to assist in the phasing in of electric vehicles there by 2035.

BMW, recognising the need for security of supply, has entered into an offtake agreement with a US$15m prepayment for all of the Wolfsberg Zone 1output for its own battery manufacturing centre in Germany.

EUR is also seeking access to the largest lithium resource in Ukraine which potentially has Europe's largest hard rock lithium resources.

The EU-Ukraine Strategic partnership on Critical Raw Materials could sponsor this development of the Shevchenkivske and Dobra deposits in Ukraine post hostilities.

Tanbreez is likely to aim for a NASDAQ listing in 2025 to fund its development.

EUR is trading well below its see-through asset backing of around A$0.61 and is poised to achieve a much higher market valuation.

EUR also has a portfolio of strategic minority interests in ASX-listed companies.

Table 1 Financial History

Financial History A$m Year End 30 June	2020	2021	2022	2023
Assets	36.7	38.6	44.8	58.2
Cash	0.3	5.4	33.0	13.1
Accum losses	2.1	(1.8)	(14.2)	(26.4)
Net equity	34.6	42.6	78.6	66.3
Net equity per share (cts)	5.2	4.6	5.7	4.8
Shares on issue (m)	662.3	933.9	1,383.0	1,394.0

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2.0 EUROPEAN LITHIUM- IN PROFILE

Europe focussed

A potential industry leader

EUR is developing a portfolio of high quality Critical Minerals projects in Europe.

2.1 Austrian Assets (EUR – 100%)

Focus on Wolfsberg lithium resource and surrounding exploration prospects.

2.1.1 Wolfsberg Lithium Project

Wolfsberg 2023 DFS in place – update due

The Wolfsberg Lithium Project is currently a DFS for the development of a 780ktpa mine that will produce ~69ktpa of 5.2% Li_2O spodumene concentrate with ~180ktpa of associated feldspar and quartz industrial minerals. Project is based on 12.9mt of spodumene lithium ore @ 1.00% Li_2O. A March 2023 DFS provided a US$1,504m NPV for the integrated project at average price of US$44,000/t LiOH.

US$1,504m NPV in June 2023 DFS (at higher lithium prices)

Table 2 Wolfsberg Lithium Project Resources

12.9mt resource @ 1.00% Li_2O

Wolfsberg Lithium Project Resources		
Classification	Tonnage (000t)	Grade (%Li_2O)
Measured	4,313	1.13
Indicated	5,430	0.95
Total (M+I)	9,743	1.03
Inferred	3,138	0.90
Total (M+I)	12,881	1.00

Table 3 Wolfsberg Lithium Project Reserves Estimate

11.5mt reserve @ 0.64% Li_2O

Wolfsberg Lithium Project Resources			Content
Classification	Tonnage (000t)	Grade (%Li_2O)	Tonnes Li_2O
Sub-total Proved	3,138	0.70	26,102
Sub-total Probable	7,770	0.60	46,834
Total Proved and Probable	11,483	0.64	72,936

2.1.2 Austrian Lithium Exploration Tenements

Potential additional resources nearby

- EUR has a 20% JV interest in a project with tenements surrounding Wolfsberg.
- Several 100% owned lithium exploration tenements within 80km of Wolfsberg.

2.2 Ukraine Lithium Exploration Tenements

Ukraine – high risk play for some of Europe's biggest hard rock lithium resources

Has acquired a Ukrainian company with permit applications for two lithium deposits. The two deposits are the best known in Ukraine with exploration targets:-

- Dobra
- Shevchenkivske

2.3 Tanbreez Greenland Rare Earths 7.5%

Tanbreez – World's largest REE deposit

EUR holds 6.6m Tanbreez shares which is developing the 4.7bn tonne Greenland REE deposit of heavy fraction REE and critical minerals niobium, tantalum and zirconium as well as vast volumes of industrial minerals. 2020 DFS with Independent 2022 NPV >US$3.9bn – US$5.66bn (A$5.9bn-8.4bn and A$0.14 -0.45 /EUR share).

Alone could eventually be worth >A$440m to EUR (A$0.23/share)

2.4 Australian Assets

Some direct interest WA tenements and strategic holdings in CUF and CLE (which has crossholdings in EUR).

A$26m in carried forward losses

A$66m in shareholders' equity

~100m shares bought back @ A$0.10 in 2023

Table 3 Financial History

Financial History A$m Year End 30 June	2020	2021	2022	2023
Total assets	36.7	38.6	44.8	58.2
Exploration & Evaluation Assets	36.5	38.0	44.2	52.7
Cash	0.3	5.4	33.0	13.1
Exploration expenditure	2.8	3.0	8.2	4.6
Accum losses	2.1	(1.8)	(14.2)	(26.4)
Net equity	34.6	42.6	78.6	66.3
Net equity per share (cts)	5.2	4.6	5.7	4.8
Shares on issue (m)	662.3	933.9	1,383.0	1,394.0

3.0 EUROPEAN LITHIUM - A COMPARISON

A smaller project for Australia but not for Europe

Lithium projects in Europe tend to be small
Numerous new smaller global projects being developed

KEY POINTS

Numerous new projects under study

- **Wolfsberg is small compared to most Australian spodumene deposits**
- **Lithium projects being developed as just mines or integrated mine/refinery**

European Lithium's key asset is the Wolfsberg Lithium Project based on that resource (12.9mt @ 1.0% Li_2O)that would be developed through an integrated lithium hydroxide monohydrate (LHM) plant within the proposed merger entity CRML and a JV to develop and operate the Saudi Arabian refinery.

Although the Wolfsberg initial output level is at the lower end of the global spectrum of current and proposed lithium mines it does have expansion potential.

Wolfsberg does have expansion potential

Against Australian pegmatite players it is currently very modest but it is the same resource size as Develop Global's (DVP.ASX) Pioneer Dome and has resource upside of up to 40mt from Wolfsberg Zone 2 and nearby exploration and >100mt from Ukraine.

Australian lithium projects are much larger and are numerous

Table 4 Australian Lithium Operations and Projects

Mine	State	Operator	Mine type	Resource	Grade	LCE	Output
			Type	Mt	%	(Mt)	ktpa LCE
Greenbushes	WA	Albermarle/Tanqi/IGO	Underground	360	1.50%	13.35	300
Pigangoora	WA	Pilbara Minerals	Opencut	305	1.10%	8.30	135
Wodgina	WA	Albermarle/Min Res	Opencut	259	1.17%	7.50	259
Mt Holland	WA	WES/ SQM	Opencut	186	1.53%	7.04	186
Kathleen Valley	WA	Liontown	Underground	156	1.40%	5.40	100
Mount Marion	WA	Albermarle/Min Res	Opencut	51	1.45%	1.84	51
Manna	WA	Global Lithium	Opencut	36	1.13%	1.01	36
Finniss	NT	Core Lithium	Opencut	31	1.31%	0.99	31
Marble Bar	WA	Global Lithium	Opencut	18	1.00%	0.45	18
Mt Cattlin	WA	Allkem	Opencut	13	1.30%	0.41	13
Mt Ida	WA	Delta Lithium	Opencut	13	1.20%	0.38	13
Buldania	WA	Liontown	Opencut	15	1.00%	0.37	15
Pioneer Dome	WA	Develop	Underground	11	1.16%	0.32	25
Total				1,454		47	1182

Source: Liontown, MPS & Company Reports

Europe has no current mine production for lithium chemicals.

Most projects have also small footprints

Regulations in Europe strongly encouraging new small capacity

Mining-only projects require less capital to get started

Many new integrated projects

Comparison against Lithium Developers Smaller Scale Peers

The picture will be different on the global scale where a number of smaller mines and integrated projects are being developed.

All are scrambling to be part of the growth that is projecting demand to rise from around 830kt in 2023 to 2500kt in 2030.

The European Lithium 12-13mt Wolfsberg Lithium Project is a smaller scale but important European lithium deposit with strong EU support to improve the European Critical Raw Materials supply chain and meet requirements for EU's Net Zero targets and Electric Vehicle (EV) production.

Table 4 European Lithium – Smaller Mines and Integrated Refinery Projects Comparisons

	Project	Country	Resource Mt LCE	Grade % Li2O	Ann output LCE t	LoM years	Capex Initial US$m	Total US$m	Opcosts US$/tLCE
Mine Only	San Jose	Spain	1.68	0.61	17600	26	530	570	7200
	Georgia Lake	Canada	0.34	0.91	13222	10	180	280	4400
	Zulu	Zimbabwe	0.53	1.06	12500	16	70	90	3500
	Sirmac	Canada	0.01	1.33	11907	4	0	0	2800
	Separation Rapids	Canada	0.35	1.39	8987	19	50	80	4700
Integrated	Pakeagama Lake	Canada	2.18	1.50	18378	24	450	1150	7300
	Keliber	Finland	0.37	1.03	13200	18	620	790	6300
	Zinnwald	Germany	0.76	0.76	10570	37	320	340	7050
	Wolfsberg	Austria	0.32	1.00	7744	14	850	950	7160
	Tralavour	UK	0.30	0.24	6600	20	220	240	
	Karibib	Namibia	0.15	1.33	1531	15	260	290	7100

Source RFC Ambrian, MPS Company Reports

There are numerous new lithium projects underway around the world. Some are mining-only but other like Wolfsberg are integrated to produce a lithium end product.

RFC Ambrian November 2023 Lithium Projects Review (finnewsnetwork.com.au)

The complexity of regional geology in Europe makes it improbable for large scale spodumene deposits but lithium micas such as zinnwaldite and lepidolite can exist.

An excellent pair of studies (August 2023 and November 2023) by RFC Ambrian has reviewed the current state of lithium mining and refining.

RFC Ambrian November 2023 Lithium Projects Review (finnewsnetwork.com.au)

31 projects covered

20 mining

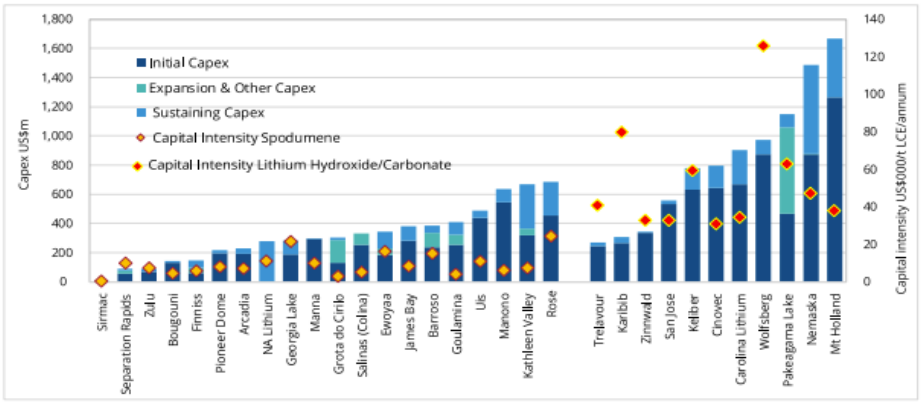
11 integrated

The studies covered 31 projects around the world – 20 mining and 11 integrated.

The studies show that considerable capex is required by the industry to increase lithium output capacity.

Capex and capital intensity

Figure 14. Hard-rock Lithium Projects — Projected Capex LoM (US$m) with Capital Intensity ($/t/y LCE)



Source: Company data, RFC Ambrian estimates.

Wolfsberg has the highest capital intensity but increased resources would allow for higher output and the refinery in Saudi Arabia would reduce these figure

Wolfsberg has the highest capital intensity of this group but true costs at the time of construction may be quite different for each of these projects and the proposed higher capacity refinery in Saudi Arabia will also change the capital intensity for Wolfsberg.

Australian operations to date have been large

The Australian large-scale spodumene operations and developments are very much at the lower end of the cost curve but strong drives for diversification particularly in regulation-controlled economies like the EU with subsidies for new entrants will allow for higher cost production.

Industry Cost Curve

Benchmark Minerals recently (Sept 2023) noted that the marginal cost of production in 2023 was over US$35,000 and produced an industry cost curve for 2030 with marginal cost of production for that year being ~US$30,000/t LCE.

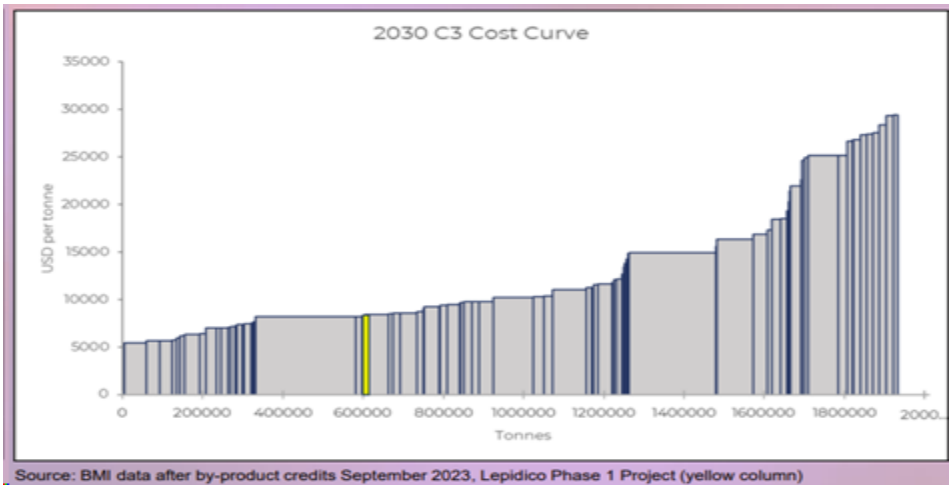
Industry cost curve

Current prices for lithium at sub US$14,000/t are clearly unsustainable.

Lithium prices should recover in 2024 once inventory adjustment is complete.

Marginal costs were ~US$35,000 in 2030

Figure 1 Benchmark Minerals Industry Cost Curve 2030



Should be ~US$30,000 in 2030 as new higher cost capacity is lined up

Source: Benchmark Minerals

4.0 INVESTMENT REVIEW

Portfolio of high impact processing projects

Lithium

and rare earths

Ukraine opportunity

NASDAQ listing

Crystallising value

Expansions and new deposits coming.

CRML selldowns to provide working capital

Wolfsberg growth opportunities

EUR will receive US$750m in CRML shares @ ~US$10/share

Over 25,000m drilling to date

Current resources are only ~12mt but total gross resource base could be substantially higher over time

EUR has a portfolio of high impact Critical Minerals Projects
Values not appreciated by market participants
Prices for lithium and rare earths appear to be bottoming

KEY POINTS

- **Wolfsberg Lithium Project to be listed on NASDAQ**
  - **Pass through fully diluted value of A$0.61/ EUR share**
- **Further lithium asset growth potential in Austria and Ukraine**
- **Lithium sector bottoming**
- **Tanbreez world's largest REE deposit**
  - **Pass through value potential >A$0.20/EUR share**
- **Appraised Value Target for EUR of A$0.58 by end 2025**

European Lithium Ltd is developing its portfolio of high impact processing projects in critical minerals in the European region.

Its two major projects, Wolfsberg for lithium and Tanbreez for rare earths, have established resources assets whilst the Austrian exploration tenements are early stage but potential nearby resources could add to mine life or capacity for Wolfsberg.

The Ukraine venture is a speculative play on two potential lithium resources that could add to mine life and/or treatment capacity of any proposed lithium refinery but it is also a lottery ticket on cessation of hostilities in Ukraine and an internationally guilt-funded renewal of that country's economic prospects.

EUR is, however, looking forward to the completion of the merger transaction with Sizzle SPAC to form Critical Metals Corp (CRML) and a subsequent listing on NASDAQ to crystallise value for shareholders in February 2024.

This listing will not only provide a strong asset backing to the EUR share price with control over an approx. 82% owned >A$1bn subsidiary but also funds through subsequent sell downs of CRML shares to provide EUR with working capital.

CRML of course would be thereafter responsible for all CapEx on Wolfsberg so these funds from selldowns could allow EUR to finance further exploration on its tenements in Austria and progression through successful auction for the properties in Ukraine.

The potential of significant asset revaluation for EUR in 2024 is high through these lithium assets.

- Wolfsberg
- Austrian exploration
- Ukraine

The CRML listing, the construction of Wolfsberg and the refinery in Saudi Arabia will bring value and additional lithium resources could through Austria or Ukraine to bring net lithium resources of anywhere up to 140m tonnes.

Table 5 European Lithium - current and potential lithium resources

European Lithium Ltd Resources potential		M tonnes Ore Current	Near Term	Longer Term	Total
Wolfsberg					
Zone 1	100%	12.9		5	18
Zone 2	100%		10	5	15
Weinebene	20%		0	1	1
Eastern Alps	100%			5	5
Total		12.9	10	16	39
Ukraine					
Shevchenkivske				5	5
Dobra				100	100
Sub total				105	105
Total		12.9	10	121	144

Source: European Lithium MPS estimates

2022 Independent valuation of US$3.93bn-5.66bn (A$5.9bn-US$8.7bn)

EUR's 7.5% = A$440-650m

= A$0.14-0.35/ EUR share

The holding in the Tanbreez Project also offers a large potential revaluation as this massive REE project gains development momentum.

A DFS was completed in 2020 and an independent opinion in February 2022 gave a valuation range of US$3.93bn to US$5.66bn.

The deposit is the world's largest and would supply all of North American and Europe with critical REEs as well as providing a large volume of high quality industrial minerals.

It is at surface, is ~300m thick and initial open cut mine plans have been drawn up.

Tanbreez likely to be listed on NASDAQ in 2025

Consideration could be given to additional equity to Tanbreez ahead of a potential similar SPAC transaction and subsequent listing on NASDAQ in 2025.

Tanbreez could easily eventually cover the current market cap of EUR.

EUR is a pre-revenue company with a list of assets that have high growth potential.

EUR's current balance sheet shows net shareholders funds of A$66m and cash of around A$6m with the Wolfsberg Lithium Project at a book value of around A$40m.

The issue of shares in CRML in Feb 2024 will bring the new book value to US$750m (~A$1138m).

Since all these assets are pre-revenue it is assumed that most costs will be capitalised but admin costs will be expensed for each asset together with any abnormal writeoffs applying through the P&L.

The Valuation Matrix covers Book Value, Market Value and Appraised Value

Book value will be 30 June 2023 plus the assumed announced change for CRML.

Market Value will be assets linked to any current market value defined by transaction or trading price.

Appraised Value will be the appraised and assessed value for end 2024 of each asset.

Valuing CRML will be the key to EUR share price

Valuing CRML should be transparent and an arbitrage should match the value, especially if EUR is able to sell down strategic holdings that will crystallise a tax event but also crystallise a cash transfer to validate the CRML price in EUR.

The CRML appraised value has been set at a 25% discount to the CRML market price.

CRML is unlikely to get operating revenues before 2028 but 80% of EBIT has been consolidated rather than 100% less 18% below the line minorities.

No significant value can be given to the lithium exploration assets in Europe (Austria and Ukraine) until more results begin to emerge.

ASX-listed assets are assessed at current market and currently do not have a material impact on EUR's market capitalisation although there is considerable strategic upside potential in some.

Tanbreez has been given a `market value' related to a 75% discount to the 2022 Independent valuation in line with lower market values for listed REE stocks but appraised at a 90% discount to that valuation.

Action on a US SPAC for Tanbreez as with Wolfsberg could quickly change the market perception of this extraordinary asset.

The Valuation Matrix suggests an end 2024 valuation of A$961 m (A$0.58/share)

The current issued capital is 1394m shares but exercise of ~474m options and Performance Shares will increase the issued capital to 1868m and raise ~53m cash.

Valuation Matrix

Table 6 EUR Valuation Matrix

European Lithium		EUR	0.09											
Year end Dec 31		2023	2024	2025	2026	2027	2028	2029	2028	Book Value		Market Value		Appraised Value	
A$m	%	Contributions to earnings							Revenue	A$M	A$/sh	A$M	A$/sh	A$M	A$/sh
CRML	82%	-0.7	-1.5	-5	-5	-5	25	50	50	1119	0.59	1119	0.59	896	0.47
EV JV	20%	0.0	0.0	0	0	0	0	0	0	0	0.00	1	0.00	2	0.00
Austrian Alpine	100%	0.0	0.0	0	0	0	0	0	0	1	0.00	1	0.00	1	0.00
Ukraine Lithium	100%	0.0	0.0	0	0	0	0	0	0	20	0.01	1	0.00	1	0.00
Lithium WA	100%	0.0	0.0	0	0	0	0	0	0	0	0.00	0	0.00	1	0.00
Corporate		0.0	0.0	0	0	0	0	0	0	0	0.00		0.00		0.00
Interest/cash		0.0	0.0	0	0	0	0	0	0	60	0.03	60	0.03	60	0.03
Admin		-5.0	-5.0	-6.0	-7.0	-8.0	-9.0	-10.0		0	0.00		0.00		0.00
										1201	0.63	1183	0.62	961	0.50
Total Pretax		-5.7	-6.5	-11.0	-12.0	-13.0	16.0	40.0							
Tax		0.0	0.0	0.0	0.0	0.0	0.0	-12.0							
Tanbreeze	8%	0.0	0.0	0.0	0.0	0.0	5.0	25.0		4	0.00	448	0.23	134	0.07
Cyclone Metals		0.0	0.0	0.0	0.0	0.0	0.0	0.0		1	0.00	1	0.00	2	0.00
CuFe Ltd		0.0	0.0	0.0	0.0	0.0	0.0	0.0		0	0.00	0	0.00	3	0.00
Unlisted		0.0	0.0	0.0	0.0	0.0	0.0	0.0		3	0.00	3	0.00	3	0.00
Net		-5.7	-6.5	-11.0	-12.0	-13.0	21.0	53.0	50	1201	0.63	1183	0.62	961	0.58
Cash generation		-5.7	-6.5	-11.0	-12.0	-13.0	16.0	65							
Capex		1.3	6.2	8	8	15	50	50							
EPS		0.00	0.00	-0.01	-0.01	-0.01	0.01	0.03							
CFPS		0.00	0.00	-0.01	-0.01	-0.01	0.01	0.03							
DPS		0	0	0	0	0	0	0							
Shares on Issue*		1494	1661	1911	1915	1915	1915	1915							
* assuming share price>A$0.20 and all options exercised.															

Sum of asset values

Book Value

Market related values

Appraised values

Lithium prices are key to EUR market valuations

The key to the valuation of EUR and any lithium stock is the current and perceived future price of lithium products.

Prices are ~85% lower than 2023 peak

Spot prices for lithium prices have collapsed almost 85% from ~US$80,000/t in January 2023 to ~$US13500 in January 2024 and to levels unsustainable to encourage new mining and processing capacity.

Inventory adjustments affecting the market prices

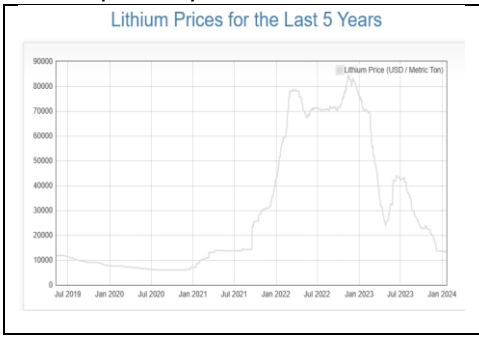
Overstocked battery manufacturers stopped buying lithium inputs and even redirected product back into the market.

Prices are now back to the levels prior to the surge in late 2021.

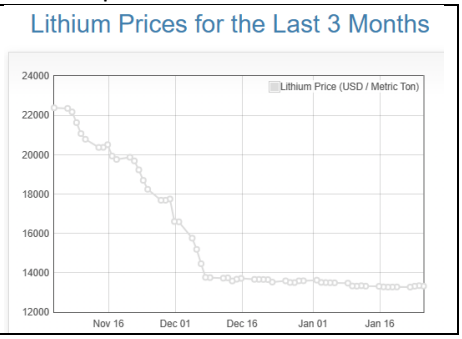
First prices rises noted from recent lows

Lithium prices have moved higher in the past few weeks after months of declines and a price recovery is now likely underway to at least US$40,000/t by end 2024.

Lithium price 5 years



Lithium price last 3 months



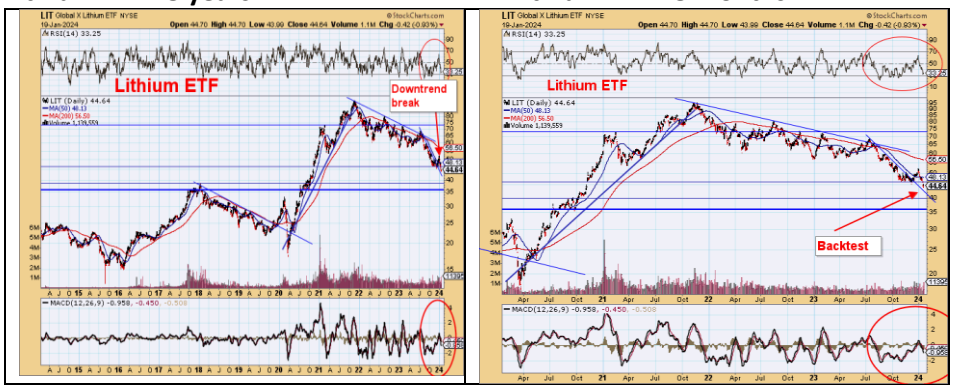
Lows are now around the same levels of 2021

The listed Lithium ETF is a useful indicator of the direction of lithium products and lithium stocks.

Prices are now very close to important technical support that could create a recovery.

Lithium ETF has declined into support

Lithium ETF 8 years **Lithium ETF 18 months**



The two largest lithium producers (Albermarle and SQM with combined 44% of global primary output) have declined to the levels of previous highs.

Albermarle and SQM produce 44% of global primary lithium

Sharp declines back to previous highs

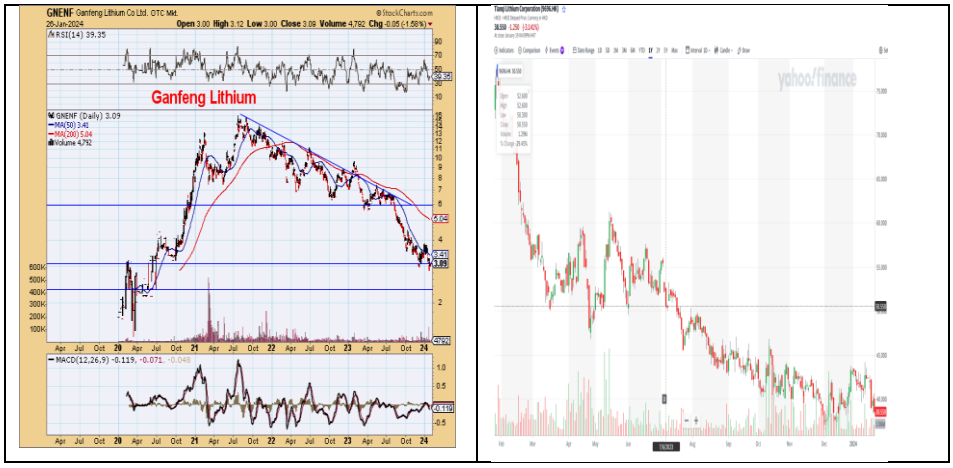
Arcadium (Orecobre/Allkem-Livent merged entity)

The merged Arcadium Lithium(Orecobre/Allkem-Livent) has performed similarly whilst Argentinian brine producer Lithium Americas has fallen sharply to much lower support.

LAC has fallen sharply

The weakness in lithium prices has also been seen in the price levels of the two listed China lithium producers Ganfeng and Tianqi which also are at major lows.

China based lithium companies also very weak



MPS Index of 14 Lithium Project Developers

- *Down 70% and back to earlier support.*

The MPS Index of 14 Lithium Project Developers is down 70% from its April 2022 highs and is now back to 2021 lows and is basing.

EUR is a sector leader and has considerably outperformed its peers.

EUR is leading this sector higher

Europe focus to create corporate value

European focus to create corporate value
Active acquisition program

Current attractive EU investment guidelines for Critical Minerals

KEYPOINTS

- **EU regulations favour Critical Metals projects**
- **ASX companies have geotechnical entreprenuerial experience**
- **Deep markets provide corporate value crystallisation**

European Lithium has a Europe-focussed business strategy of developing a portfolio of high impact lithium and rare earths projects to create corporate value.

Europe is currently very attractive for critical mineral investment given the European Union has enthusiastically adopted energy transition policies to reflect its high population density and it's apparent lack of local resource raw material sourcing.

These policies aim to develop a European Lithium Industry of mines, refineries and battery factories and so has offered grants and fast track procedures to attract new projects to alleviate end user concerns over supply chain security.

Much of Europe has a geological history of strong tectonic activity which has produced large scale folding with subsequent igneous intrusions and widespread high grade metamorphism.

Such history allows for formation of certain styles of mineralisation but most deposits are generally small.

Anti-mining sentiment and bureaucratic controls….

Lack of an entreprenuerial mining sector

Europe has had along history of mining but its post WWII record of anti-mining sentiment, bureaucratic controls and a relative lack of an entrepreneurial mining sector have now provided the opportunities for Australian geotechnical developers.

ASX-listed companies make up 50% of current lithium projects in Europe

Five of the ten current near term important lithium projects in Europe are sponsored by ASX-listed companies.

European Llithium is an excellent example of a funded developer recognising these opportunities in the European theatre.

Building assets…

EUR has ownership or options over key Critical Minerals assets in

- Austria
- Greenland
- Ukraine

4.1.1 Austrian Lithium Assets

Wolfsberg should be first stage of crystallising corporate value investment returns

4.1.1.1 Wolfsberg Lithium Project

EUR acquired Wolfsberg in 2011 and after the expenditure of around A$45m brought the project through to Definitive Feasibility Study status and confirmed reserves of 11.48 mt from resources of 12.88mt.

11.5mt Reserves

Table 7 Wolfsberg Lithium Project Reserves Estimate

Wolfsberg Lithium Project Reserves			
Classification	Tonnage (000t)	Grade (%Li_2O)	Content Tonnes Li_2O
Sub-total Proved	3,138	0.70	26,102
Sub-total Probable	7,770	0.60	46,834
Total Proved and Probable	11,483	0.64	72,936

DFS provided US$1,504m NPV

Wolfsberg DFS produced an NPV_8 of US$1,054m and has been spun off into Critical Metals Corp. to crystallize investment returns.

EUR has investments in tenements with high resource potential in adjacent and regional areas

4.1.1.2 Wolfsberg surrounds

A 20% JV interest with ASX-listed EV Resources was acquired to accelerate exploration efforts to increase lithium resources immediately around Wolfsberg.

EUR's Austrian Lithium Projects (100% EUR) was acquired from Richmond Minerals for exploration targets further afield from but within trucking distance of Wolfsberg. Numerous lithium targets have been Identified.

4.1.2 Ukraine Lithium Assets

Ukraine is a speculative opportunity

EUR has acquired a Ukraine company, European Lithium Ukraine LLC (formerly Petro Consulting LLC), to progress its two applications for Special Permits to develop two separate lithium exploration tenements.

Petro Consulting held permits and pending applications over two advanced exploration tenements

The strategy is to confirm resources that could provide additional ore into Wolfsberg Lithium Project that could more than double the treatment capacity of the Wolfsberg concentrator.

A successful startup of Wolfsberg would give EUR an early mover advantage in European lithium production and the potential additional resources from Ukraine would make it a leading European lithium producer.

Value could be crystallised achieved through vending into CRML at some date

The expectation would be that Critical Metals Corp(CRML) would eventually acquire any Ukrainian resources and further crystallise value for EUR.

No certainty yet…

EUR has progressed with this transaction by buying European Lithium Ukraine LLC outright but there is no certainty that this entity will successfully retrieve or be granted Special Permits over either of the two projects.

Ukraine could have substantial lithium resources

Ukraine is currently recognised as having the potential of the largest hard rock lithium deposits in all of Europe.

Shenchentiske and Dobra are currently the most attractive in Ukraine

Soviet era surveys had previously identified pegmatites and Ukraine has now targetted the potential of significant resources of mostly pegmatite lithium ores with the most attractive being Shevchenkivske and Dobra.

Ukraine has entered into a Critical Minerals Partnership with the EU to develop such resources in Ukraine.

Tanbreez

4.1.3 Tanbreez Asset

Ultra large deposit

Tanbreez is a vast multi billion tonne alkaline intrusion in fjordland along the SW coast of Greenland which is an island autonomous territory of the Kingdom of Denmark..

Independent valuations in excess of US$4bn

It is the world's largest REE deposit, has a 4.7bn t resource, is fully permitted and has had a US$50m DFS completed in February 2022 which gave a project NPV of >$US4bn.

The mine is at surface and would also be a major international supplier of high volume industrial minerals.

Value crystalisation with potential NASDAQ listing in 2025

Greenland fits within the EU CRMA system and Tanbreez is working towards a partnership arrangement.

EUR would be able to increase its shareholding of 6.6m shares (7.5%) here ahead of a proposed major capital raising and listing of Tanbreez on NASDAQ and thereafter crystallise a major gain for shareholders.

Could be worth A$450m and A$0.32/EUR share

EUR's 7.5% holding in a US$4bn (A$6bn) company would be A$450m or >A$0.24/sh.

4.1.4 Australian Assets

Some modest strategic investment in tenements and holdings in ASX companies for iron ore, lithium, niobium and rare earths.

4.2 The Wolfsberg Lithium Project – Introduction

Integrated mine and refinery project

Proposed integrated lithium mine and refinery
DFS completed in June 2023 for 15 year mine life

KEY POINTS

DFS completed

- **Project commenced by Austrian Govt vehicle Minerex 1981-87**
- **Project acquired 2011 by EUR predecessor**
- **Resource upgraded three times**
- **DFS carried out and completed in June 2023**
- **8,800tpa LHM from integrated mine and chemical plant**
- **Life of Mine LHM Offtake Agreement with BMW**
- **NPV_6 of US$1,504m established at US$44,000/t LiOH**
- **Resources of 12.5mt in Wolfsberg Zone1**
- **Potential of doubling resources in Wolfsberg Zone 2**
- **Additional lithium resource potential in surrounding region**

Location in Austria

- **Strong EU backing for successful critical minerals sources**
- **Proposal to construct lithium refinery in Saudi Arabia**

Wolfsberg Lithium Project

The Wolfsberg Lithium Project is located at 1,100m asl in mountains in Carinthia, the southernmost state of Austria:- 270km SW of Vienna, 70km NE from the state capital of Klagenfurt and 20km east of the town of Wolfsberg.

Consists of 20 Mining Permits over >100km^2.

Figure 2 Wolfsberg Lithium Project – Mine/Concentrator site and off-site refinery

Well located amongst infrastructure

Source: European Lithium

Project acquired in 2011

The project was acquired by predecessors of EUR in 2011 after considerable exploration work done by previous operator Austrian Government vehicle Minerex over 1981-87.

Previous owner Minerex's earlier work included:-

- 12,012m of surface drilling
- 4,715m of underground drilling
- 1,389m of decline and underground mine development for trial mining
- 9,940m^3 of surface trenching

Initial metallurgical work had been carried out by University of North Carolina and further work by EUR.

8,000mm new drilling

EUR in FY2022 carried out almost 8,000m of additional deep hole drilling to below 300m to confirm additional Inferred Resources. Considerable additional work on metallurgy was carried out through Dorfner Anzaplan in a purpose-built pilot processing plant at its Hirschau testing facility in Germany.

Initial JORC(2012) in 2017…..

Up 50% then 100% in 2021

EUR has applied JORC 2012) guidelines and increased the resource over time.

Table 8 Resources Growth over Time

Wolfsberg Lithium Project Resources		
Date	Tonnage (000t)	Grade (%Li_2O)
July 2017	6.3	1.17
November 2021	9.7	1.03
December 2021	12.9	1.00

Source: European Lithium

DFS completed in March 2023

Update currently in progress.

The Wolfsberg Lithium Project is currently a Definitive Feasibility Study for the development of a 780ktpa mine that will produce ~70ktpa of 5.2% Li_2O spodumene concentrate with ~180ktpa of associated feldspar and quartz industrial minerals.

The DFS is currently being updated to include the relocation of the refinery to Saudi Arabia.

Resource is within 15 LCT type pegmatite veins

The current resource has lithium spodumene mineralization contained in ~ 15 LCT (Lithium-Cesium-Tantalum) type pegmatite dykes up to 5.1m thick that are hosted by:-

- **Amphibolite grade metamorphosed rocks (AHP)**
  - These are coarsely crystalline with visible spodumene
  - Have a strike length of over a strike of 1,700m
  - Li_2O grades are up to 2.94%

and

- **Mica-schists (MHP)**
  - Finer crystals from recrystallisation
  - Have strike length of 800m
  - Li_2O grades are up to 2.7%

Two ore types

AHP hosted in amphibolites

MHP hosted in mica schists

The pegmatites occur in veins that extend on surface up to 1700m along strike and the current resources have been developed in one leg of an anticline in the Zone 1 deposit.

Resource is in Zone 1

EUR has identified a potential mirror image of mineralisation in another leg of the anticline in Zone 2 (which is not part of the Wolfsberg Lithium Project).

Zone 2 is potentially a mirror image resource

As noted, the Zone 1 deposit has two mineralisation styles, one of coarse grained spodumene in high grade metamorphics (AHP) and the other of finer grained spodumene in lower grade metamorphism in mica schists (MHP).

Additional ore potential in surrounding exploration tenements

Wolfsberg Zone 2 could be a mirror repeat of Zone 1 and the surrounding Weinebene exploration tenements (EUR 20%) and the regional exploration in The Alpine Lithium Project could provide additional resources.

4.3 The Wolfsberg Lithium Project – Definitive Feasibility Study

790ktpa ore

Definitive Feasibility Study completed in June 2023
Integrated mine and refinery

Small site footprint

Underground ore crushing and sorting

Underground tailings storage

Net operating costs US$17,000/t

KEY POINTS

- **780ktpa underground mine and concentrator**
- **11ktpa spodumene concentrates**
- **8,800tpa LHM product**
- **Industrial minerals coproducts of feldspar and quartz**
- **Small footprint mining operation**
- **Underground ore sorting**
- **Underground tailings storage**
- **Capex US$873m**
- **LHM operating cost (after product credits) US$17,016/t**
- **NPV_6 gave US$1,504m**

EUR engaged DRA Projects to complete a DFS and simplified cashflow model for an integrated lithium mine and refinery based on the Wolfsberg resource.

EUR reported the completed Definitive Feasibility Study in March 2023 for a 0.8mtpa mine development that produced 11ktpa of spodumene concentrates and combined it with an 8.8ktpa LHM lithium hydroxide plant.

Ore amenable to effective ore sorting

The mine grade was low but the colour contrast and density differences makes for efficient ore separation using lasers to offset the lower ore grades.

The AHP ores would also produce industrial minerals byproducts of feldspar and quartz.

Large volume of feldspar and quartz saleable byproducts

The project produced an A/Tax NPV_6 of US$1,504m with an IRR of 33%.

This NPV was prepared at much higher than current lithium hydroxide prices and assumed an average life of mine cost structure of US$17,016/t LHM product net of by-products.

Capex US$873m……to be revised

Capex was set at US$873m.

EUR has entered into a binding MoU with Obeikan of Saudi Arabia to construct the refinery in Saudi Arabia to take advantage of lower capital costs and a far lower energy cost regime.

DFS to be updated to incorporate Saudi Arabia Refinery

An updated DFS has been commissioned to take account of the Saudi Arabian Refinery option.

4.4 SIZZLE SPECIAL ACQUISITION CORPORATION

`Sizzle' SPAC to acquire Wolfsberg Lithium Project for US$750m payable in shares to EUR.

Listing of Wolfsberg on NASDAQ
Pass through value of ~A$0.61 /EUR share fully diluted

KEY POINTS

- **Proposed listing of Wolfsberg Lithium Project on NASDAQ via merged entity**
  - **Critical Metals Corp. (CMRL)**
- **EUR to be issued US$750m in Critical Metals Corp shares (~82% EUR)**
- **Estimated US$60m in new equity to be raised by SPAC investors**
- **BMW US$15m investment made into new vehicle**
- **CMRL will develop Wolfsberg and have 20% EV Minerals Austrian JV projects**
- **EUR is likely to sell down over time to fund development of its other assets**

Renamed as Critical Metals Corporation (`CRML') to raise ~US$60m to carry out development of Wolfsberg

Will also acquire 20% interest in Austrian lithium exploration projects

EUR is seeking to fund and develop the Wolfsberg Lithium Project through a business combination agreement (merger) with Sizzle Acquisition Corp, (Nasdaq: SZZL), a publicly traded Special Purpose Acquisition Company (SPAC) and to list on NASDAQ.

Under the business combination agreement, EUR'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."

SEC Form F-4 approved…..

…now subject to shareholders meeting in late Jan 2024

Upon the closing of the merger, Critical Metals Corp will own the Wolfsberg Project and a 20% interest in the Weinebene and Eastern Alps Projects currently held by EUR.

Sizzle has been given SEC approval for its Form F-4 Registration Statement and now the arrangement is now only subject to final approval by Sizzle shareholders at a General Meeting set down for late January 2024.

Pass through value for EUR:-

US$8/share = A$0.49
US$10/share = A$0.61
US$12/share = A$0.73

EUR will be the largest shareholder of Critical Metals Corp, which represents an approximate 82% ownership interest, and continue to be listed on the ASX as a mining exploration and development company.

The following table shows the US$750m value for Wolfsberg and hence that relates to the transaction share price for Sizzle.

Table 9 EUR Pass through Valuation from CRML

CRML		Value per EUR Share at CRML @							
US$/share	10.00	5.00	6.00	7.00	8.00	9.00	10.00	11.00	12.00
EUR share	82%								
US$m	750								
Mkt cap US$m	915	457	549	640	732	823	915	1006	1098
Shares on issue (m)	91								
EUR's 82% shares (m)	75								
US$/A$	0.66								
A$ value (A$m)	1136	568	682	795	909	1023	1136	1250	1364
EUR shares on issue (m)	1394								
A$/EUR share	$0.82	0.41	0.49	0.57	0.65	0.73	0.82	0.90	0.98
Opts & Perf Shares (m)	474								
Fully Diluted Shares (m)	1868								
A$/EUR share	0.61	0.30	0.37	0.43	0.49	0.55	0.61	0.67	0.73

Source: EUR and MPS

Sizzle is trading at 10% premium to US$10 price

Sizzle has continued to trade in excess of the US$10 per share price indicated in the Wolfsberg Lithium Agreement

Figure 3 Share price history of Sizzle SPAC

Sizzle SPAC has been trading above the US$10 share issue price

Future programme

EUR will continue to manage Wolfsberg Lithium Project

EUR will continue to manage the Wolfsberg Project.

New directors and management team to be appointed

CRML Directors will be Tony Sage as Executive Chairman with representatives from Sizzle and UK investors.

The funding of CMRL will be around US60m to carry on from the DFS.

US$33m in funds now, BMW to invest its US$15m pre payment funding and new investment funds

Sizzle has US$33m of current investor funds, BMW will deliver its US$15m and additional investors are expected to deliver additional equity to take the total above US$60m.

4.5 EUROPEAN UNION CRITICAL RAW MATERIAL STRATEGIES (CRMA)

CRMA adopted by EU to fast track Critical Metals development

Bolstering supply chains

Potential funding

No mining operation for lithium chemicals in place yet in Europe
CRMA offers fast tracking approvals and potential funding
Ukraine critical as it holds some Europe's largest lithium pegmatite deposits

KEY POINTS

- **European Critical Raw Materials Act (CRMA) approved to assist mining**
- **Guidelines given on supply chain**
- **Faster permitting times for new projects**
- **Potential EU funding of up to €350m available**
- **Ukraine has potentially large LCT lithium pegmatite mineralisation**

In late 2023 the European Critical Raw Materials Act (CRMA) was provisionally adopted by the European Council and the European Parliament as guidelines to encourage mining and processing of critical raw materials including lithium in Europe.

The CRMA proposes to encourage a European Critical Minerals supply industry by regulating that EU supply capacities along the strategic raw material supply chain meet guidelines of:-

CRMA for Europe intends to

- At least 10% of EU annual consumption to be European mined material,
- at least 40% EU consumption of products to be processed in Europe and
- at least 25% to be from recycled material.

- *Reduce reliance on China*

In addition, no more than 65% of EU consumption/processing should come from any single country outside Europe.

- *Encourage faster permitting times*

The CRMA aims to reduce reliance on imports from China and to increase domestic EU production of critical raw materials by identifying strategic projects that would benefit from faster permitting procedures and EU-facilitated financing.

The Act also provides to accelerate industry development by applying a maximum of 27 months for permitting for extraction projects and 15 months for processing and recycling.

Europe's domestic lithium industry currently has a small base but is already being rapidly developed through concerns of a possible global shortfall in the supply of essential materials such as lithium, graphite, copper, cobalt and nickel into the lithium-ion battery production industry.

There is no actual mine or refining production of Lithium Hydroxide Monohydrate (LHM) in Europe at present so every local project is being welcomed to become part of the emerging European electrical vehicle supply chain.

No local mining or refining but high demand

However, Europe currently does have a number of lithium mining and refining projects planned for commercial operation in 2024 and these are also being strongly encouraged by original equipment manufacturers (OEMs) to support battery supply chain participants and reduce dependence on imported material, particularly from China.

Figure 4 European Lithium Demand Schedule

EU lithium demand

Source: Benchmark Minerals

Europe's current annual lithium processing capacity is around minimal but over 20 projects in mining and refining are being developed to increase commercial production to around 650,000 mt/year by 2028.

The most advanced lithium projects at Prefeasibility Study or better are as follows:-

Figure 5 Advanced Lithium Projects in Europe

European Lithium Projects Hard rock Project	Country	Resource Mt LCE	Grade $\%Li_2O$	Ann Output tonnes LCE	Status
Jadar	Serbia	6.56	1.80	58,000	???
Cinovec	Czechia	7.39	0.42	25,860	PFS
San Jose	Spain	1.68	0.61	17,600	PFS
Zinnweld	Germany	0.76	0.76	10,570	DFS
Barrosa	Portugal	0.72	1.04	25,979	PFS
Avarroes	Portugal	0.41	1.30	1,800	Prod
Keliber	Finland	0.37	1.03	13,200	Const
Wolfsberg	Austria	0.32	1.00	7,744	DFS
Tralavour	UK	0.30	0.24	6,600	PFS
Total				167,353	
Brines					
Project	Country	Resource Mt LCE	Grade mg/l	Ann Output tonnes LCE	Status PFS
Vulcan	Germany	26.58	180	21,120	DFS
Combined total				188,473	

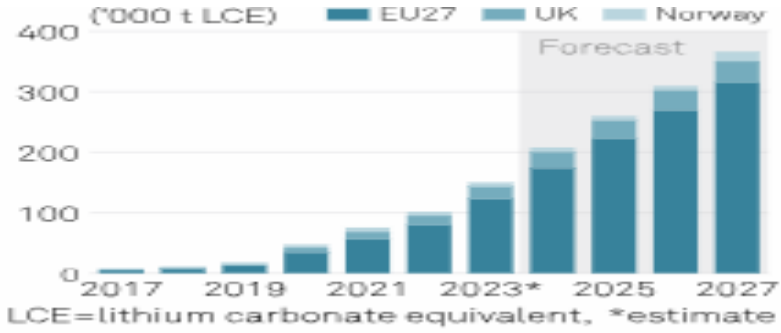
Source RFC Ambrian Company Reports

Most are still at PFS

Vulcan has a large brine resource

The demand for battery electric vehicles (BEV) in Europe is forecast to grow at a compound annual growth rate (CAGR) of 27% between 2023 and 2027 to more than double current demand so concerns over supply deficits are great.

Figure 6 Lithium Demand for Passenger Battery Electric Vehicles in Europe



Source RFC Ambrian

BEV demand to rise 27%pa to 2027

The European Union has passed laws to enforce that all new passenger vehicles will be electric by 2035 and Germany has a stated goal to be fully renewable by 2035.

The EU plans to develop over 1,500GWh li-ion battery manufacturing capacity for BEV transition from a very low base start to support the local production of BEVs.

BEVs to be phased in by 2035

The number of Gigafactories in Europe is anticipated to increase from 142 in 2022 to over 1200 by 2030, which represents a forecast demand for LHM of approximately 650ktpa from current nil.

Supply chain concerns

European OEMs are also seeking more reliable supply chains and so will not only diversify their sources of battery raw materials but will also encourage local production to ensure lower transportation costs and reduced supply times and in some cases to even give these OEMs some control over input prices.

BMW offtake

The BMW 50,000t seven year offtake agreement for EUR's Wolfsberg Lithium Project is an excellent example of this.

Leading European BEV designer and manufacturer Stellantis has also entered into a five-year supply agreement with Vulcan Energy for up to 99,000tpa of lithium carbonate from its Rhine Valley Brine Project.

EU directives are also becoming stricter on compliance with environmental standards and transparency on the origin of the materials and the mining procedures employed.

Bolstering supply chains

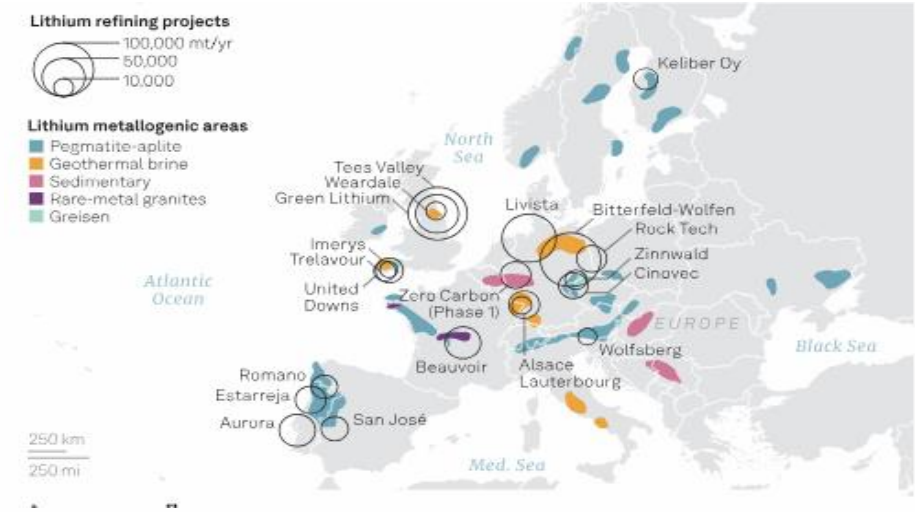
These changes will also drive the plan to develop a European lithium industry which is virtually non-existent today.

Potential funding

The number of Gigafactories in Europe is anticipated to increase from 142 in 2022 to over 1200 by 2030, which represents a forecast demand for LHM of approximately 650Kt per annum.

These projects are spread across Europe and add to the development of other planned lithium processing plants.

Figure 7 European Lithium Refining Projects and Regions of Mineralisation

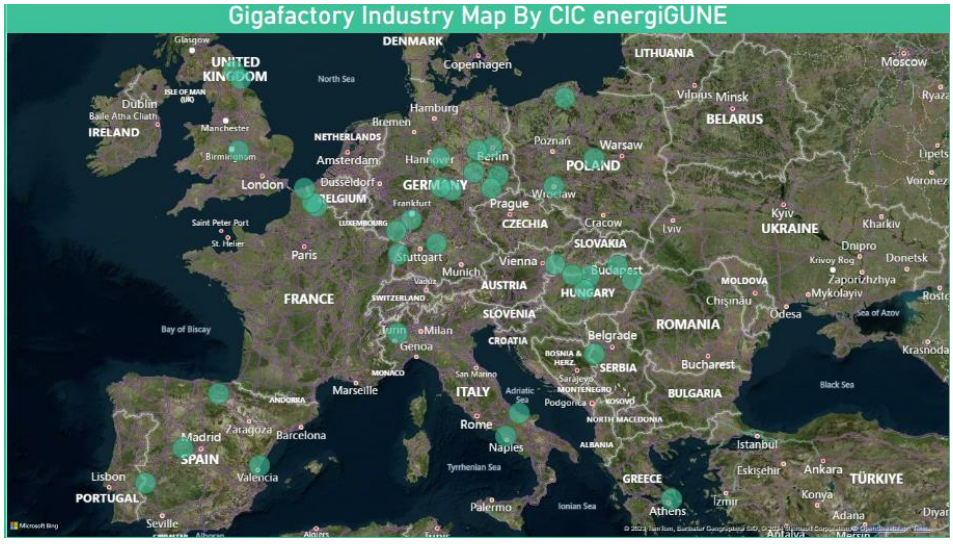


New and expanding battery plants in Europe

In addition, many new battery plants are being planned and will require locally and fully accredited raw materials.

Figure 8 Current and Proposed Lithium Battery Plants in Europe

Potential funding



5.0 LITHIUM DEPOSITS AND MINING PROJECTS IN EUROPE

Non-spodumene deposits dominate

Wide range of lithium mineralisation styles
Non-spodumene ores dominate
No lithium chemical production at present

KEY POINTS

Brines are largest resource

Lithium micas prevalent

- **Europe's largest resource is lithium brines**
- **Jadar deposit is unique Jadarite lithium-boron mineral**
- **Lithium micas (Zinnwaldite) prevalent**
- **LCT Pegmatites sources are not large**
- **Ten advanced projects at PFS stage or better**
- **Five are Australian companies listed on ASX**

Ten advanced projects in Europe

Europe has only about 5% of global lithium resources and occurrences are currently recognised across a wide variety of mineralizing styles.

In ten advanced development projects currently underway in Europe there are around 19m tonnes of lithium as LCE in hard rock projects and a further ~27mt in brines.

Other than **Jadar**(RIO) and **Keliber**(Sabanye), the deposits are being developed by small entreprenuerial companies into integrated producers of lithium hydroxide or lithium carbonate.

Only **Keliber**, **Barrosa** and **Wolfsberg** are spodumene resources.

Jadar is based on a well known deposit of a rare lithium and boron mineral.

The others are lithium micas (Zinnwaldite) that will use other processes.

All these other than Jadar are smaller scale operations in world terms.

The ten advanced projects underway in Europe to develop lithium mining are:-

1. **Jadar** is a very large deposit in Serbia is owned by Rio Tinto but the Serbian Government has recently revoked the licence. This deposit has a unique `jadarite' mineral containing lithium and boron.
2. **Cinovec** and **Zinnwald** are within a large regional zone of mineralisation on the German/Czech border and are two important deposits that are amongst the top four in Europe.

   The resources are based on unique zinnwaldite lithium micas and new processing routes are being developed that could provide a lower cost structure than through the spodumene process.

   A) **Cinovec** in the Czech Republic is currently the world's fourth largest hard rock lithium project with 708mt @ 0.42% Li_2O (7.39mtLCE) and is owned by Czech Govt(51%)/European Metals Holdings(49%) (EMH.ASX). A PFS is now being upgraded to a DFS.

   The deposit is larger than all other European hard rock resources combined (ex Jadar) and occurs as mineralised zones with tin and tungsten in metamorphosed granites and schists.

   B) **Zinnwald** is over on the German side of the border and is being developed by AIM-listed Zinnwald Lithium who consider a much larger resource is possible here.
3. **San Jose** owned by Infinity Lithium (INF.ASX) is the second largest lithium hard rock deposit in Europe and is developing a new lower cost technology on its lithium mica ores.
4. **Barroso** in Portugal owned by Savannah Resources is being developed as a spodumene pegmatite project similar to Australian mines.

5. **Avarroe**s owned by Lepidico, is a pegmatitic resource in Portugal based on lepidolite and supplies primarily to the ceramics industry.
6. **Keliber** is being developed as an integrated lithium hydroxide monohydrate (LHM) operation by Sibanye-Stillwater from several open cut and underground spodumene mines.
7. **Wolfsberg** is being developed as a 8,800tpa LHM pegmatite mine.
8. **Travalour** in Cornwall UK is being developed by unlisted public company Cornish Tin on old china clay granites where accumulations of lithium micas have been established. The project intends to utilise under licence Lepidico's low energy acid extraction and magnetic separation technology.
9. **Vulcan** has an integrated geothermal brine project in the Upper Rhine Valley in Germany based on some very low grade lithium brines and using a DLE process. The project aims for 24,000tpa LHM with co generation of electricity. A very large and saleable project but with a large initial capital investment. Offtake agreement and investment in place from Stellantis.

Vulcan is a large low grade brine resource

Table 10 Advanced Lithium Projects in Europe - 2023

Lithium Projects in Europe							
Hard rock							
Project	**Company**	**Country**	**Type**	**Resource Grade Mt LCE**	**%Li_2O**	**Annual LCE TPA**	**Status**
Jadar	RIO	Serbia	Jadarite	6.56	1.80	58,000	???
Cinovec	EMH	Czechia	Mica	7.39	0.42	25,860	PFS
San Jose	INF	Spain	Mica	1.68	0.61	17,600	PFS
Zinnwald	ZNWD	Germany	Mica	0.76	0.76	10,570	DFS
Barrosa	SAVNF	Portugal	Spodumene	0.72	1.04	25,979	PFS
Avarroes	LEPDICO	Portugal	Lepidolite	0.41	1.30	1,800	Prod
Keliber	SABANYE	Finland	Spodumene	0.37	1.03	13,200	Const
Wolfsberg	EUR	Austria	Spodumene	0.32	1.00	7,744	DFS
Tralavour	Cornish	UK	Mica	0.30	0.24	6,600	PFS
Total				18.5		167,353	
Brines							
Project		**Country**		**Resource Grade Mt LCE**	**mg/l**	**Ann Outp tonnes L(**	**Status PFS**
Vulcan	VUL	Germany		26.58	180	21,120	DFS
Combined total				45		188,473	

Source RFC Ambrian, MPS Company Reports

Source: RFC Ambrian, MPS, Company reports

Most projects are hard rock as lithium micas

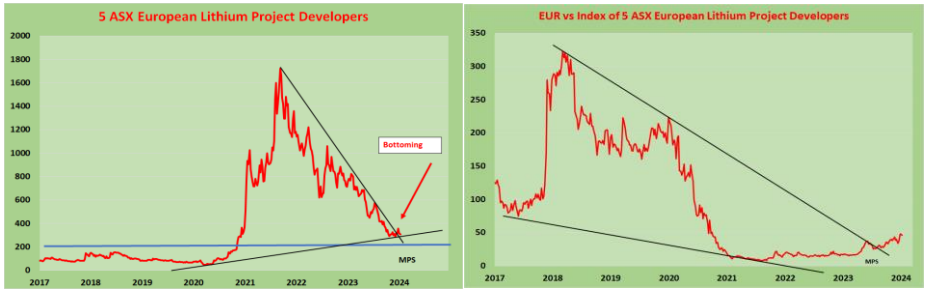
The market place has severely discounted the prospects for these lithium development projects in Europe in line with the sharp decline in the lithium price.

This MPS index of the five ASX listed companies with lithium development projects in Europe has fallen 85 percent from the October 21 highs.

EUR is leading these higher after that major correction.

Figure 9 Share price charts of Lithium Developers in Europe

EUR is leading these stocks higher



Source MPS

Table 11 Five ASX -listed European Lithium Developers

Company	Jan-17	Peak	Gain to peak %	Jan-24	Fall from peak %	Gain from start %
EMH	100	2917	2817%	64	98%	-36%
EUR	100	434	334%	141	68%	41%
INF	100	146	46%	54	63%	-46%
SAVNF	100	212	112%	41	81%	-59%
VUL*	138	8127	5789%	1237	85%	796%
INDEX	100	1724	1624%	307	82%	207%

Source MPS

6.0 LITHIUM MARKET OUTLOOK

High growth rates in lithium demand

But supply is stickier and comes in surges

High growth rate industry

Mismatch between supply and demand

KEY POINTS

- **Strong demand growth**
- **Uncertainty about supply capacity**
- **Inventory adjustment close to completion**

The lithium market has proven to be a remarkable industry with a very high consumption growth rate and with expectations of a continuation of this growth for at least the next decade.

The lithium market is also characterised by periods of price volatility with mismatches between surging demand and the timing of lumpy large volume new supply.

This rapid growth is probably unprecedented in a commodity and can be attributed to the `online' character of EVs where pick up is global and rapid.

Consequently it has been difficult for forecasters to keep up with projections on supply and demand and long range forecasting points to `gaps' between forecasts for surging demand and sluggish and lumpy supply.

High growth rates from low bases are often unsustainable but the larger concern is the ability of mine supply to successfully deliver new projects.

Moreover, the intense development of the technologies of EVs and very competitive market place for batteries have made forecasting lithium demand very difficult.

Numerous cathode compositions are pointing to different markets and the influence of competing sodium ion batteries makes forecasting even more difficult.

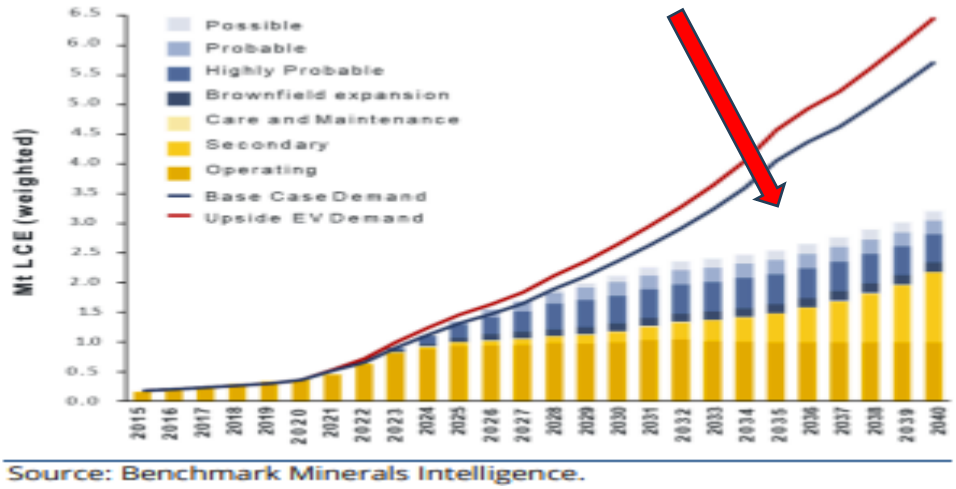
Both the following forecasts reflect an inability of lithium supply to grow rapidly after 2030 even with recycling to meet expectations of demand growth.

Benchmark sees continuing rapid growth in EV demand…….

Benchmark Minerals sees the supply gap is potentially very large.

… but lithium supply currently won't be able to keep up

Figure 10 Benchmark Minerals – An Example of a Lithium Market Balance Forecast

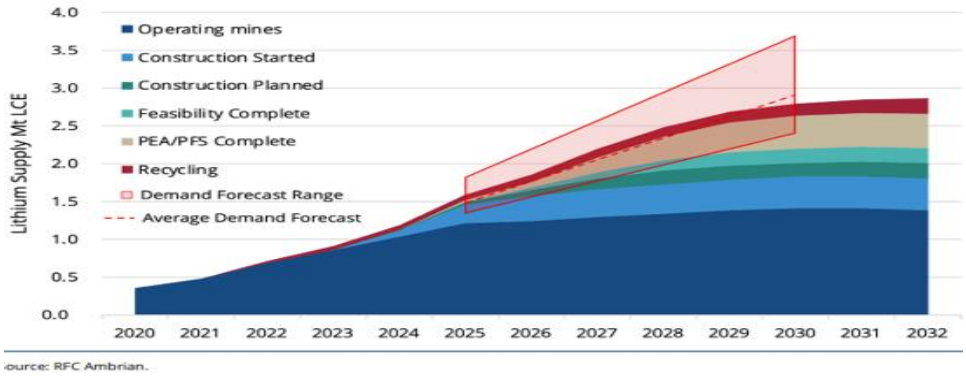


Source: Benchmark Minerals Intelligence.

RFC Ambrian also sees a potential supply problem.

RFC Ambrian sees not enough new PFS and DFS in train to deliver supply with notoriously long lead times

Figure 11 RFC Ambrian Lithium Market Balance Forecast



ource: RFC Ambrian.

Despite a very active exploration program the market place has yet to see a very strong growth rate in new longer term supply options.

6.1 LITHIUM MARKET COMMENTARY

Government mandates promoting BEV demand

Government mandates promoting BEV demand growth
China dominating in BEVs, refined lithium production and batteries

China is the dominant player

…in lithium demand
… in BEV take up
… in lithium production

KEY POINTS

- **Rapid Growth in Lithium Demand**
- **China dominates battery demand for BEVs**
- **China is largest producer of refined lithium products**
- **Brine resources larger than hard rock**
- **Australia has ~30% of hard rock lithium resources**
- **Australia produces ~50% of annual primary lithium output**

The rapid rise in the demand for lithium in lithium ion batteries have been extraordinary by any measure.

The requirement for efficient batteries for personal electronics, household appliances and many domestic and industrial uses has seen the rapid adoption off lithium ion batteries around the world.

Personal electronics has been in an ideal rapid growth market but it has been the advent of the battery electric vehicle that has given the very strong growth productive capacity as well as consumption.

Batteries make up ~80% of total lithium demand

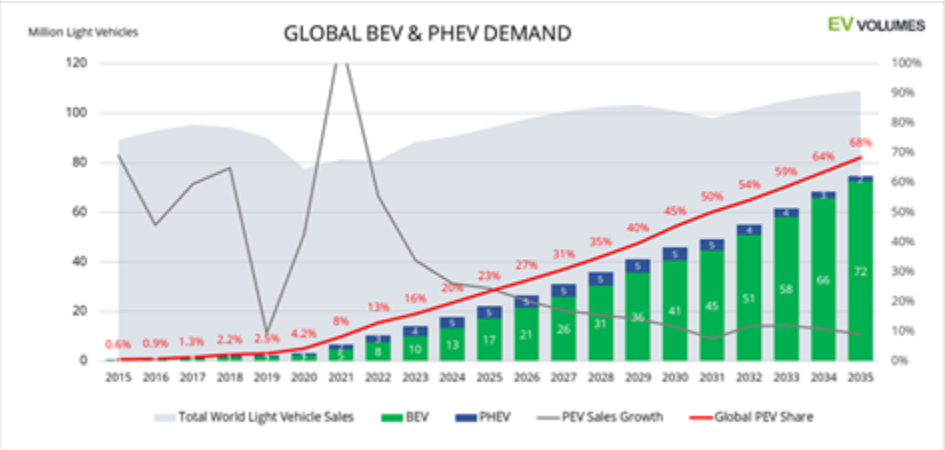
Batteries are now almost 80% of total lithium demand and electric vehicles are at least 85% of total batteries.

China has 65% of BEV demand

China figures largely in the global lithium industry by being the largest consumer in electric vehicles(~60% of global EV sales), manufacturer of many of the electronics items and supplier and the manufacturer of the lithium products into the lithium ion batteries.

Global uptake in BEVs rising

Table 12 Global EV Demand



The character of BEV is also changing with the chargeability and endurance of battery life being traded off with price in the same way models of an ICE vehicle are differentiated by engine size or horsepower.

The choice is cheaper low capacity short distance travel all the way up to high capacity long distance prestige models.

Spodumene is dominant but lepidolite and other lithium micas are becoming more important

The supply of lithium is broken down between brines and the processing of Hard Rock lithium ores based on:-

- Spodumene containing max 8.03% Li_2O (3.7% Li)
- Lepidolite containing max 7.70% Li_2O (3.6% Li)
- Petalite containing max 4.88% Li_2O (2.2% Li)
- Zinnwaldite containing max 4.0% Li_2O (1.6% Li)

Spodumene is only found in LCT type (Lithium-Caesium-Tantalite) pegmatites and spodumene lithium ores are typically up to 1.5% Li_2O and very high grade up to 4%.

Lepidolite and other lithium micas can now be treated through lower energy processes but ore grades are lower requiring more ore tonnes per unit Li_2O output.

Lithium is the most reactive element

Lithium is a highly reactive alkali metal In Group 1 Period Two of the Periodic Table. Consequently it tends to be a highly soluble element that can accumulate in aquifers as a brine and also forms late stage minerals in hydrothermal environments in certain pegmatites.

Brines currently make up around 64% of total global resources of around 123m tonnes contained Li_2O with hard rock (including micas) 29% and clays at ~7%.

Brines make up 64% of global resources

Table 13 Global Lithium Resources by Type

Global Lithium Resources Type	M Tonnes	Share %
Brine	79	64%
Hard rock	36	29%
Clays & Evaporites	9	7%
Total	123	100%

Source RFC Ambrian Company Reports

The bulk of brine resources are in just three countries in South America (Argentina, Bolivia and Chile) with ~82% of brines and 51% of total lithium resources.

Brines are mostly Chile and Argentina

Australia has 30% of hard rock resources and 11% of total.

Table 14 Global Lithium Resources by Country

Global Lithium Resources Type	M Tonnes	Share %
Argentina	22	18%
Bolivia	21	17%
Chile	21	17%
Australia	14	11%
USA	14	11%
China	9	7%
Canada	4	3%
Germany	4	3%
Other	16	13%
Total	123	100%

Source RFC Ambrian Company Reports

Hard Rock produces just over 50%(almost all Australian spodumenes) with brines around 43%.

The Lithium Triangle including Argentina and Chile produces about 30% of lithium content with China producing ~11% mostly from brines and micas.

Most of Australia's spodumene output is processed in China as a 5.5-6.0% Li_2O spodumene concentrate although Australia's processing capacity is growing.

Australia, Argentina, China and Chile make up 94% of annual global primary lithium Li_2O production.

6.2 LITHIUM SUPPLY

Rapid growth ahead
Concentrated in Sth America, China and Australia
Developments coming in North America

Australia is world's largest supplier of contained lithium

Lithium Triangle has Chile as major producer

KEY POINTS

- **Australia mines >50% global contained lithium**
- **Sth America Lithium Triangle produces ~33% global contained lithium**
- **Global lithium production 2023 820kt**
  - **up 220% from 222kt in 2016**
- **Top five producers account for ~66% of contained lithium output**
- **Current lithium production ~840kt pa**
- **Forecasts to 2030 indicate over 2,500ktpa**
- **Lithium micas to become significant ore sources**

Australia and Chile dominant

In 2022 Australia produced 51% of global contained lithium from primarily its WA open cut and underground spodumene mines.

The Lithium Triangle produced about 33% from brines in Chile and Argentina.

China produced another ~6% from brines with lithium micas ~3% and spodumene just 1%.

Canada, Brazil and USA produced 1-2% each from pegmatites.

Table 15 Global Lithium Production 2022

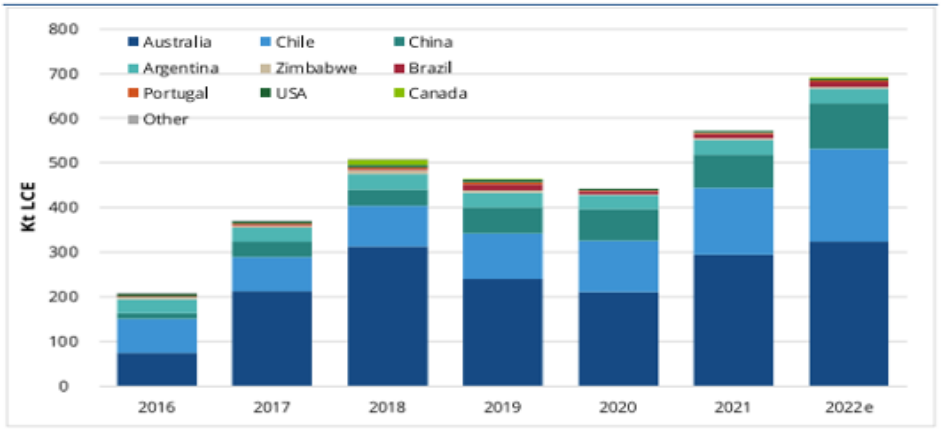
Global Lithium Production 2022		
Country	K Tonnes	Share %
Australia	363	51%
Chile	199	28%
China	71	10%
Argentina	36	5%
Brazil	14	2%
Other	28	4%
Total	712	100%

Source RFC Ambrian Company Reports

Lithium production has been concentrated in Australia, Chile and China throughout this period of growth.

Figure 12 Production of Lithium (LCE kt) 2016-2022

Australia and Chile dominant



Source: USGS 2023

The position on the production of lithium products is of course quite different.

China has a major 66% share of production of refined lithium with the South American brines producers coming next.

There is clearly a requirement for refined production of lithium hydroxide and other lithium products in Europe and North America.

China 66% of refined lithium

Table 16 Regional Refined Lithium Production 2022

Regional Refined Lithium Production 2022		
Country	K Tonnes	Share %
China	470	66%
South America	221	31%
North America	14	2%
Europe	7	1%
Other	0	0%
Total	712	100%

Source Fast Markets

Lithium producers.

Top 5 produce >65%

The top five producers account for >65% of output.

Albermarle and SQM make up 44% of total output.

Albermarle and SQM make up 44%

The Greenbushes operation (and jointly owned by Albermarle, Tianqi and IGO.ASX) produced almost half of global hard rock pegmatite output and 28% of all lithium content globally.

Table 17 Major Lithium Producers 2022

Major Lithium producers 2022		
Country	K Tonnes	Share %
Albermarle	171	24%
SQM	142	20%
Pilbara Minerals	57	8%
Allkem	50	7%
Tianqi Lithium	50	7%
IGO	43	6%
Mineral Resources	36	5%
Ganfeng	36	5%
Qinghai	21	3%
Livent	21	3%
Other	85	12%
Total	712	100%

Source RFC Ambrian Company Reports

Spodumene pegmatite producers 58%

Pegmatite producers made up 58% of output in 2022 with brines providing 40%. Lepidolite and other lithium micas will expand output share from a low base.

Brines 40%

Lepidolite and other lithium micas to rise

Table 18 Breakdown of Major Production Centres – Pegmatites, Brines and Micas

Mine	Country	Operator	Deposit Type	Output T LCE pa	Share Total	Share Pegmatite	Share Brines	Share Micas
Greenbushes	Australia	Albermarle/Tanqi/IGO	Pegmatite	200,000	28%	48.1%		
Salar Atacama	Chile	SQM	Brine	156,800	22%		54.8%	
Mount Marion	Australia	Min Res/Ganfeng	Pegmatite	68,300	10%	16.4%		
Pigangoora	Australia	Pilbara Minerals	Pegmatite	56,100	8%	13.5%		
Salar Atacama	Chile	Albermarle	Brine	50,600	7%		17.7%	
Wodgina	Australia	Albermarle/Min Res	Pegmatite	30,000	4%	7.2%		
Mt Cattlin	Australia	Allkem	Pegmatite	27,000	4%	6.5%		
Chaerhan Lake	China	Qinghai	Brine	24,900	3%		8.7%	
Salar de Hombre Muerto	Chile	Livent	Brine	21,100	3%		7.4%	
Olaroz	Chile	Allkem/Toyota	Brine	12,900	2%		4.5%	
Mibra	Brazil	AMG	Pegmatite	12,000	2%	2.9%		
Tanco	Canada	Sinomine	Pegmatite	11,900	2%	2.9%		
Silver Peak	USA	Albermarle	Pegmatite	10,600	1%	2.5%		
East Taijinair	China	Western Mining Group	Brine	10,300	1%		3.6%	
Yichun	China	Yichun Tantalite	Mica	9,800	1%			100%
Qarhan Lake	China	Zangge Mining	Brine	9,400	1%		3.3%	
Total				711,700	100%			
Total Pegmatite				415,900	58%	100%		
Total Brine				286,000	40%		100%	
Total Mica				9,800	1%			100%
Total				711,700	100%			

Source RFC Ambrian Company Reports

Strong output growth is planned to meet the expected LHM demand to 2030.

A 250% capacity expansion to at least 2500ktpa is needed by 2030 and will come from across the board but North America and Africa will pick up major market share.

Table 19 Global Contained Lithium capacity growth

Strong supply growth to get from 820ktpa to 2,500tpa or more by 2030

Global Lithium production Country	2023E K Tonnes	Share %	2030E K Tonnes	Share %
Australia	426	52%	713	29%
Chile	189	23%	388	16%
China	66	8%	238	10%
Argentina	57	7%	125	5%
Brazil	33	4%	100	4%
Africa	25	3%	263	11%
Canada	25	3%	200	8%
USA	0	0%	250	10%
Europe	0	0%	150	6%
Other	0	0%	75	3%
Total	820	100%	2500	100%

Source RFC Ambrian Company Reports

Exxon and other oil majors will become big players in lithium from brines.

Recent discoveries in Australia such as at Andover might not fit within this 2030 time horizon but should add to global resources.

North America will become more important with spodumene in Canada and various brines and clays in the US.

Drilling and reservoir reinjection are oil industry technologies..

It is important to note the entry of Exxon into Arkansas brines and it will be using Direct Lithium Extraction (DLE) technologies.

Vast amounts of capital will be required to fund a tripling of lithium supply

The drilling, reservoir drawing and reservoir re-injection are standard oilfield practices and their application especially with DLE is inevitable. The hydromet processing of lithium is not far removed from LPG extraction in size and infrastructure.

Oil majors look the obvious supplier of capital

The oil majors currently have limited production growth opportunities and so DLE brine operations will assist oil majors to participate in the energy transition concept, but more importantly, will have the balance sheets to invest the large amounts of capital the lithium supply industry requires to triple current production rates by 2030.

Outside of SQM and Albemarle the lithium industry is really made up of quite small players.

6.3 LITHIUM DEMAND

Battery EVs driving it all

Battery EVs are the driving force
China is the leader
Europe chasing hard

China is the leader

KEY POINTS

- **Batteries take up 77% of lithium demand.**
- **Battery EVs take up 85% of all chemical lithium for batteries.**
- **>60% of BEV demand is in China**
- **Net Zero mandates driving European demand**

Batteries take up almost 80% of all lithium demand,

Batteries took up 77% of 720kt in 2022 and it is expected that this figure will exceed 80% on 2023's 820kt of demand.

Table 20 Global Lithium Demand

Global Lithium Demand 2022 Sector	K Tonnes	Share %
Batteries	554	77%
Glass & ceramics	58	8%
Lubricants	29	4%
Air treatment	14	2%
Metallurgy	14	2%
Other	50	7%
Total	720	100%

Source RFC Ambrian Company Reports

Battery EVs take up 85% of all battery grade lithium

Battery EVs will soon be 90% of lithium chemical demand.

Table 21 Global Lithium Chemical Demand 2022

Global Lithium Chemical Demand End use	k Tonnes	Share %
Electric vehicles	471	85%
Stationary storage	28	5%
Other batteries	55	10%
Total	554	100%

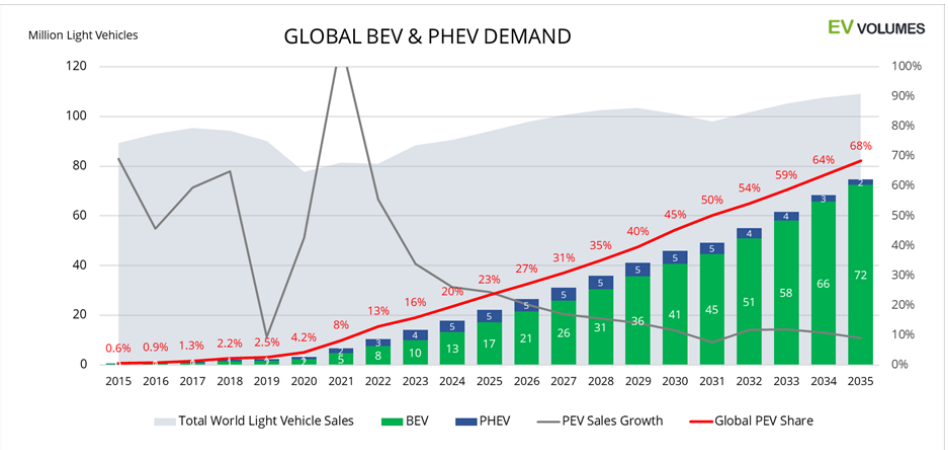
Source RFC Ambrian Company Reports

Global volumes:-

Global EV volumes in 2023 according to ev-volumes.com will be at 13m units, 34% higher than 2022 but below earlier estimates.

13m light vehicles in 2023, up 34% on 2022

Figure 13 Global EV Demand Forecast Estimates



Source: ev-volumes.com

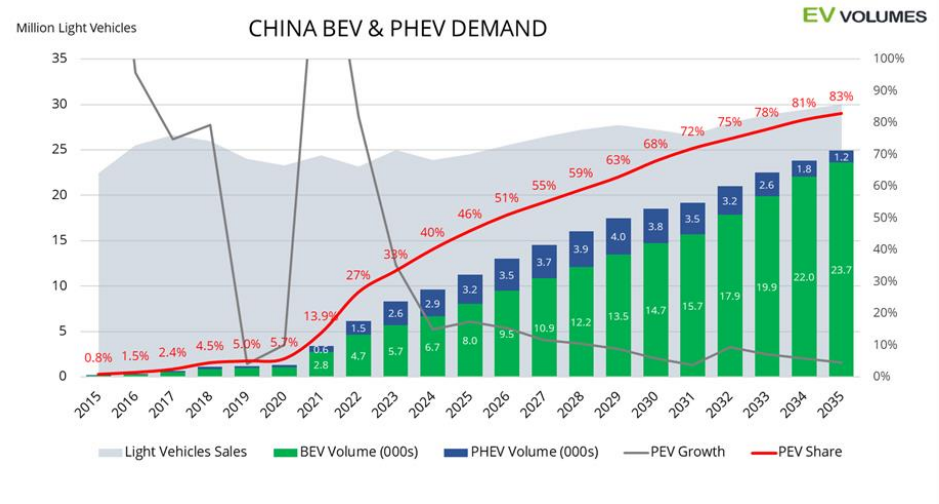
Growth rates slowing after initial surges from low bases

China EV demand is assessed at 8.35m units which is 65% of global demand.

China is the leader

8.35m units

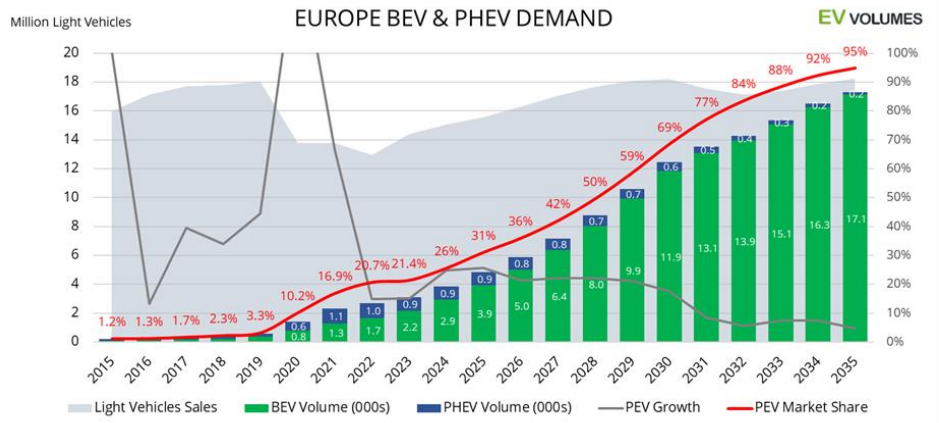
Figure 14 China EV Demand



Source: ev-volumes.com

Demand in Europe was around 3.1m units with demand lower than forecast.

Figure 15 European EV Demand



Source: ev-volumes.com

Europe next

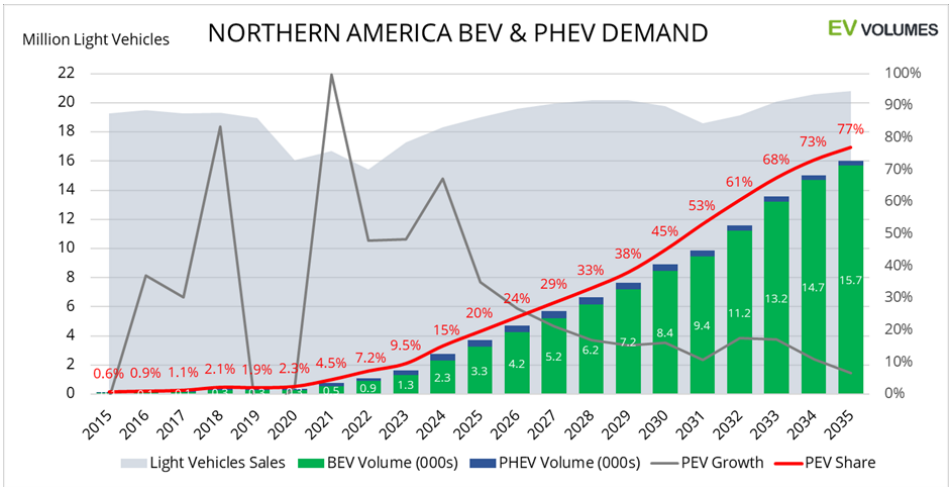
3.1m units

Demand in US was around 1.64m units with demand lower than forecast.

North America

1.6m units

Figure 16 US EV Demand



Source: ev-volumes.com

7.0 WOLFSBERG LITHIUM PROJECT

Highly metamorphosed region in Austrian Alps

15 LCT pegmatite veins in high and medium grade metamorphic rocks.

Discovery of new resources Possible

History began in 1981

Minerex 1981-87

EUR acquisition in 2011

A pegmatite belt extends across Austria

The Geology and the Resources
Highly metamorphosed Austro-Alpine crystalline belt

Key Points

- Pegmatites hosted in metamorphic rocks
- Wolfsberg Zone 1 defined:
    - 15 LCT pegmatite veins with strike up tp 1,700m
    - Two pegmatite vein styles in two rock types
        - Coarse cystallised Amphibolite AHP veins
        - Fine crystallised Mica schist MHP veins
    - 12.88mt Measured, Indicated and Inferred JORC Resource
    - 11.4mt Proved and Probable Reserves
- Wolfsberg Zone 2: Potential additional lithium ore in mirror image mineralisation
- Weinebene nearby high resource potential exploration tenement

The Wolfsberg lithium pegmatites, 20km east of the industrial town of Wolfsberg Austria, were discovered in 1981 by Austrian State-owned company Minerex. The deposits were explored, drilled, mapped and developed over the period 1981-87.

Work included ~17,000m drilling and ~1,400m of underground development including an access drive for trial mining within a Pre Feasibility Study completed in 1987.

EUR has carried out considerable additional work since it and its corporate predecessor acquired the project in 2011.

A positive PFS was carried out in 2018 on a Measured and Indicated Resource JORC(2012) of 6.3mt @ 1.17% Li_2O to define a project producing at ~10ktpa LiOH.

EUR upgraded the resource twice in 2021 to 12.88mt @1.0% Li_2O and completed a DFS in 2023 on a 8,800tpa LHM plant.

The Project is located within the Koralpe-Wölz nappe fold system of the Upper Austro-Alpine unit of the Eastern Alps, a mountain range composed of pre-Alpine (mainly Palaeozoic) medium- to fine-grade metasedimentary rocks.

A pegmatite belt extends across Austria and within an area of >400 km^2 has been recognised within the local region but most deposits are not LCT type pegmatites and do not host lithium mineralisation.

Minerex, however, identified within Zone 1 15 parallel LCT-type lithium bearing pegmatite veins striking west-northwest to east-southeast and dipping at approximately 60° to the north-northeast in an anticlinal setting.

The veins were hosted in two quite different metamorphosed host rocks, coarse grained amphibolites and fine grained mica schists, although both pegmatite veins have quite similar chemistry.

The veins developed as dilation fractures in the folding process with metamorphism of one rock type at high temperatures being converted to an amphibolite and pegmatitic fluids flowing into the fractures and resulting in coarse crystalline material.

A second rock type was metamorphosed at a lower temperature and with its pegmatitic material filling veins that crystallised with fine grained minerals.

The pegmatites from these host rocks are termed here amphibolite hosted pegmatites (AHP) and mica schist hosted pegmatites (MHP).

AHP veins had coarse crystallisation and higher grades

- The AHP veins are coarsely crystalline with visible spodumene crystals, and a lithium grade of up to 2.94% Li_2O and can be followed along strike for 800 m.
- The MHP veins have undergone a partial secondary recrystallisation, and their texture is much finer with spodumene crystals barely visible, and a slightly lower lithium grade of 2.7% Li_2O were followed along strike for 1,700 m.

MHP veins had finer spodumene crystals

These 15 spodumene bearing veins have been individually identified, within both the amphibolite and mica schist host rocks, as having economic potential based on lithium grade and with vein thickness of up to 5.1 m.

15 pegmatitic veins

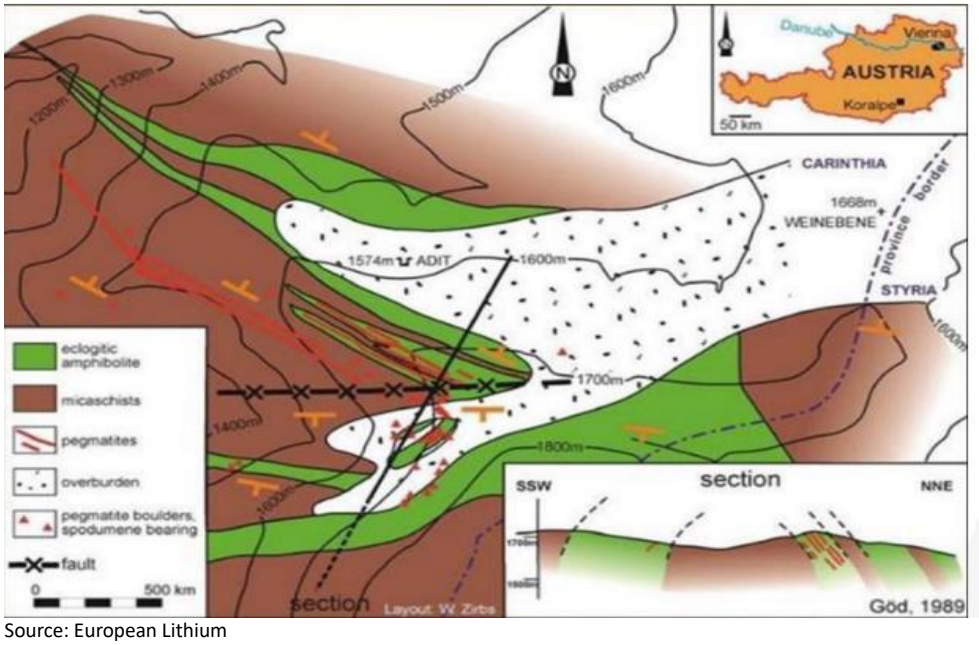
The mineralisation has been delineated in the limbs of a weathered anticlinal structure where fracturing has provided host vein zones for remobilised pegmatitic fluids in the mica schist rocks and in the higher metamorphosed amphibolites.

EUR sees additional resource potential near site and nearby at Weinebene exploration tenements where it has a 20% JV interest with ASX-listed EV Resources.

Additional resource potential

Figure 17 Geology of Wolfsberg Lithium Deposit

Large anticlinal structure offers mirror image resource potential



Source: European Lithium

Although the origin of the intruded pegmatitic melt is still unclear, recent research assumes partial melting and internal differentiation of the mica schist.

The Wolfsberg Project tenements have a typical elevation around 1100 metres but local relief is up to 150m.

Substantial work done by Minerex over 1981-87

Previous surface exploration work completed by Minerex between 1981 and 1987 included:-

- geological and structural mapping,
- geochemical soil surveys,
- pitting and trenching,
- surface diamond drilling.

An underground access decline was established with drives along selected veins to examine vein continuity and to undertake infill drilling and underground trial mining.

Within this Zone 1 Minerex carried out:-

- 12,012 m of surface drilling,
- 4,715 m of underground drilling,
- 1,389 m of decline and underground mine development and
- 9,940 m^3 of surface trenches

- 500 tonnes of trial mining.

Significant work done by Minerex

Samples were sent to the North Carolina State Minerals Research Laboratory (NCMRL) that carried out metallurgical test work in the mid-1980s and established a preliminary process flowsheet and reagent regime for the production of a spodumene flotation concentrate with by-products of feldspar, quartz, and mica.

Figure 18 Underground Photos of Drives and Vein Structures

Metallurgical work done by University of Norh Carolina in mid 1980s..

Pegmatite veins contrasted against country rock

Source: European Lithium

Following on since 2011, EUR has completed 50 drillholes totalling 14,903 m within Zone 1 and also within Zone 2

EUR's deep drill holes in Zone 1 demonstrated the extension of the veins at depth and along strike and a larger Inferred Resource was established in 2017.

Deeper drill holes by EUR in 2017 confirmed a larger resource

European Lithium also carried out surface mapping of the pegmatite outcrop and undertook further drilling in 2012 in Zone 2 in a nine hole drilling programme.

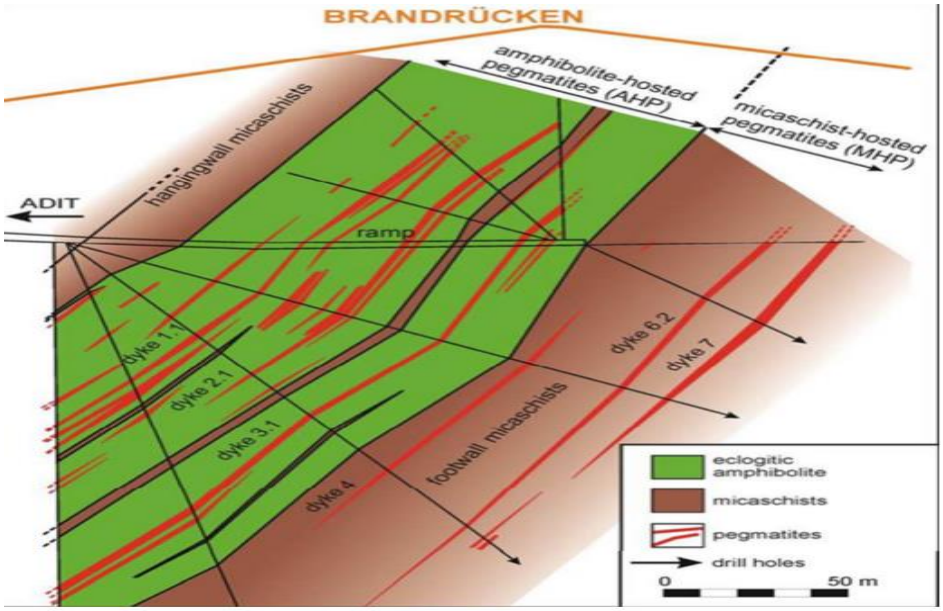
The resource comprises multiple parallel lithium bearing pegmatite veins dipping at about 60°. The veins had good continuity along strike and whilst they varied in width up to 5.5m had an average width of 1.4m.

These fifteen veins in Zone 1 were considered to have economic potential and were included in the mine design.

Veins showed good continuity but widths varied from 1.4m to 5.5m (max)

Figure 19 Cross section showing Veins hosted in Amphibolites and Micaschists dipping at 60°

Veins in the two rock types



Source: European Lithium

Mining widths and vein thickness will result in substantial dilution

Drilling showed there was good continuity along strike for the parallel veins.

The anticipated mining method (long hole open stoping) necessitates taking all the material in the stope which provides considerable mining dilution but this is offset by highly effective ore sorting.

2021 Resource 12.88mt @1.0% Li_2O

Table 22 Wolfsberg Lithium Resources

Wolfsberg Lithium Project Resources		
Classification	Tonnage (000t)	Grade (%Li_2O)
Measured	4,313	1.13
Indicated	5,430	0.95
Total (M+I)	9,743	1.03
Inferred	3,138	0.90
Total (M+I)	12,881	1.00

Source: European Lithium

2021 reserve 11.48mt @ 0.64% Li_2O

Table 23 Wolfsberg Lithiun Reserves

Wolfsberg Lithium Project Reserves			
Classification	Tonnage (000t)	Grade (%Li_2O)	Content Tonnes Li_2O
Proved			
Amphibolite Hosted	2,913	0.67	19,577
Mica-schist Hosted	800	0.82	6,525
Sub-total Proved	3,138	0.70	26,102
Probable			
Amphibolite Hosted	3,285	0.54	17,688
Mica-schist Hosted	4,485	0.65	29,146
Sub-total Probable	7,770	0.60	46,834
Total			
Amphibolite Hosted	6,198	0.6	37,265
Mica-schist Hosted	5,285	0.67	35,671
Total Proved and Probable	11,483	0.64	72,936

Source: European Lithium

In 2023 EUR was granted additional mining permits that double the footprint and incorporated the Zone 2 mineralisation.

Additional resource potential on site and from surrounding regions

The resource potential at Wolfsberg and surrounding regions could give EUR and/or Critical Metals Corp. as much as 40m tonnes over time

The JV with EV Resoures covers tenements immediately surrounding the Wolfberg lithium Project and offers potential for additional nearby lithium resources.

The potential for is for about 30mt of further mineralisation ~ 1%Li_2O.

Table 24 Wolfsberg Lithium Resource Targets (MPS estimates only)

European Lithium Resources potential Mtonnes Ore					
		Current	Near Term	Longer Term	Total
Wolfsberg					
Zone 1	100%	12.9		5	18
Zone 2	100%		10	5	15
Weinebene	20%		0	1	1
Eastern Alps	100%			5	5
Total		12.9	10	16	39

Source: EUR data and MPS estimates

7.1 WOLFSBERG MINING AND CONCENTRATING

Small footprint mining

Small footprint underground mining
Two ore types to be simultaneously treated
Crushing, ore sorting and tailings storage underground

Key Points

- **780tpa underground mining operation**
- **Long hole open stoping mining method**
- **EU regulations required small site footprint with:**
  - **Underground crushing**
  - **Underground ore sorting**
  - **No above ground tailings**
  - **Off-site storage of feldspar and quartz co products**
- **Ore sorting**
- **~70,000tpa concentrate produced**

EU regulations required small site footprint with:

Underground crushing
Underground ore sorting
No above ground tailings
Off-site storage of co products

The the key feature of mining of Wolfsberg will be the requirement for it to be established on a small land footprint to meet local geography and environmental issues due to the limited surface available for stockpiling and plant infrastructure.

Narrow veins mean ore dilution but ore sorting will give 0.93% mill feed

This small footprint will also make materials handling and scheduling very important.

Materials handling will also require simultaneously treatment of both the AHP and MHP ores at different ratios and sequences over time.

Materials scheduling will be important

The mine development will begin with upfront underground construction of:-

- the ore sorter and backfill plant caverns,
- silos for ROM storage during development, and
- excavation of waste stopes in amphibolite for mica schist storage,

to achieve the planned production schedule.

Materials handling of the industrial mineral quartz and feldspar co-products will be required to transport them from site as and when produced.

The most appropriate underground mining method in each ore style is a variant of sublevel stoping, long hole open stoping with paste fill.

The two mineralisation styles are both ideal for ore sorting so the impact of mining dilution is reduced.

Pilot-scale ore sorting test work indicated that both the AHP and MHP material responded well to preconcentration using sensor-based sorting and would be able to offset high mining dilution from mining narrow veins.

Ore sorting would provide an overall Life of Mine Li_2O recovery to spodumene of 70.4% and tests indicated an overall Li recovery of 89.7% at the hydrometallurgical facility.

Ore sorting important

Using ore sorters the mill grade is increased from 0.64% to 0.93% Li_2O.

The DFS concluded 16.1mt of material extracted over the life of mine.

Material extracted is scheduled around 1,000ktpa in the early years of mining would include waste material but in the longer term the waste:ore ratio would fall.

Two main lithologies are to be mined, amphibolite and mica schist, with some minor mica gneiss recovered during the initial development works. The mica gneiss is to be used in the concentrator plant terrace construction.

Material moved will decline over time

The AHP:MHP ratio varies over time

Table 25 Mining and Milling Throughput

Mining and Milling Throughput (000t)	Year 4	Year 10
Material moved	1000	870
Run of mine	800	800
AHP Stope	480	410
MHP Stope	250	300
Ore grade % Li2O	0.64	0.64
Ore sorter product	530	530
Mill feed grade % Li2O	0.93	0.93

Source: European Lithium

European Lithium plans to sell all the amphibolite as aggregate.

All the material streams that are not considered saleable are to be stored underground as uncemented rockfill (mica schist), paste fill (the concentrator tailings combined with the hydrometallurgical cake and cement), or a combination of the two.

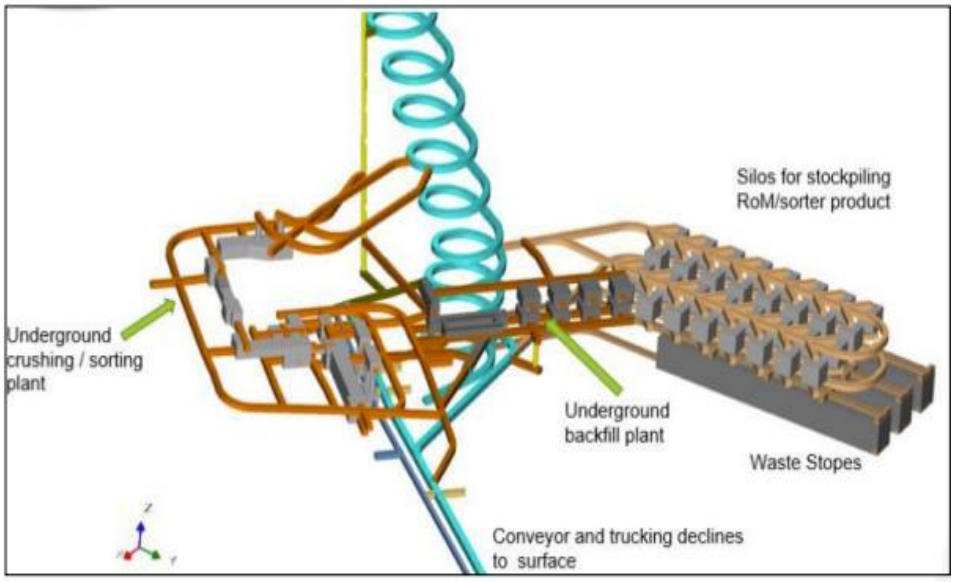
No surface tailings

Figure 20 Underground Infrastructure Caverns for Crushing/Sorting, Backfill and Storage

Waste is stored in old stopes

Crushing and ore sorting underground

Conveyor via decline to surface



Source: European Lithium

The process flowsheet exhibited an underground crushing and sorting circuit with a surface located concentrator plant.

Reject material from the AHP sorter and AHP mining development waste material will be conveyed to the surface for sales as industrial minerals.

The MHP waste has no commercial value so sorter rejects and MHP mining development waste material will be returned to the underground open stopes with the tailings backfill.

AHP rejects and waster sold as feldspar and quartz

MHP waste sent to stope fill

Large initial capital development

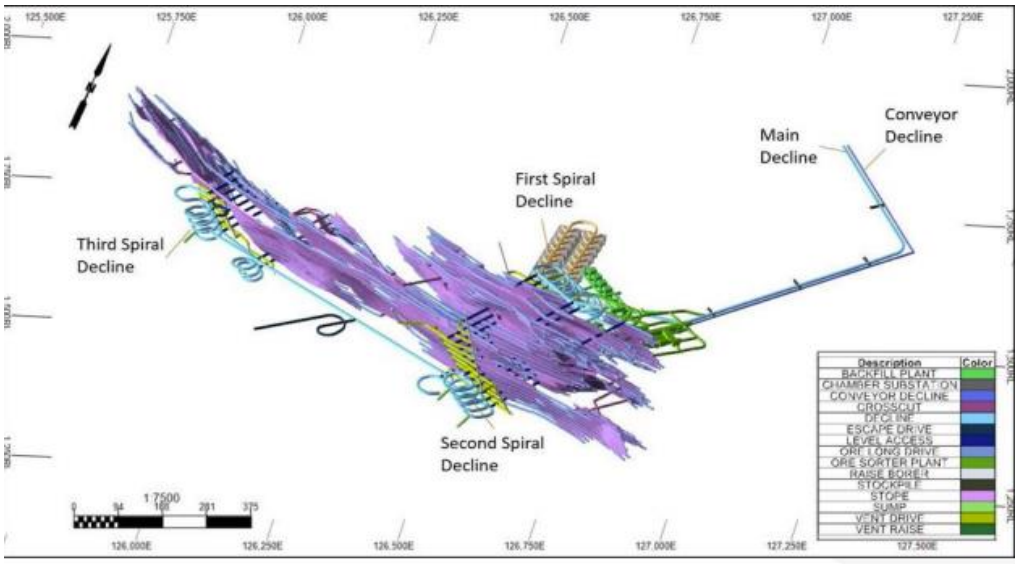
Key items in the mine design include the following and shape capital development:

- Dual decline development
  - one main personnel and services decline
  - ore conveyor and return tailing pipeline decline
- Construction of caverns to house the ore sorter and backfill plants.
- Construction of silos to temporarily store ROM prior to plant start-up.
- Excavation of stopes in the amphibolite material to create space for mica schist development and sorter reject material that will need to be stored underground.

The small surface footprint enforces strict ore movement scheduling.

Figure 21 Mineralised Veins and Mine Development

Mine design



Source: European Lithium

The mill would require a balanced feed of amphibolite and mica schist run of mine (ROM) ore. The ratio of AHP:MHP will vary over time.

Average ROM mill feed ore is 709ktpa

Plant feed will commence once sufficient ROM has been stored in the silos and stoping has been sufficiently ramped up so that a sorter plant

The average annual ROM from stoping and development over the 13 years of full production is 709 kt/a, peaking at 842 kt/a.

Average ROM diluted grade 0.64% Li_2O.

The average diluted ROM grade is 0.64% Li_2O.

Flowsheet development was aimed at maximising the recovery of spodumene against an acceptably high grade spodumene concentrate.

The earlier test work by North Carolina State Minerals Research Laboratory (NCMRL) established a preliminary process flowsheet and reagent regime for the production of a spodumene flotation concentrate with by-products of feldspar, quartz, and mica.

Additional work was done by Dorfner ANZAPLAN in PFS work over 2017 to 2018 and for the DFS over 2019 to 2020.

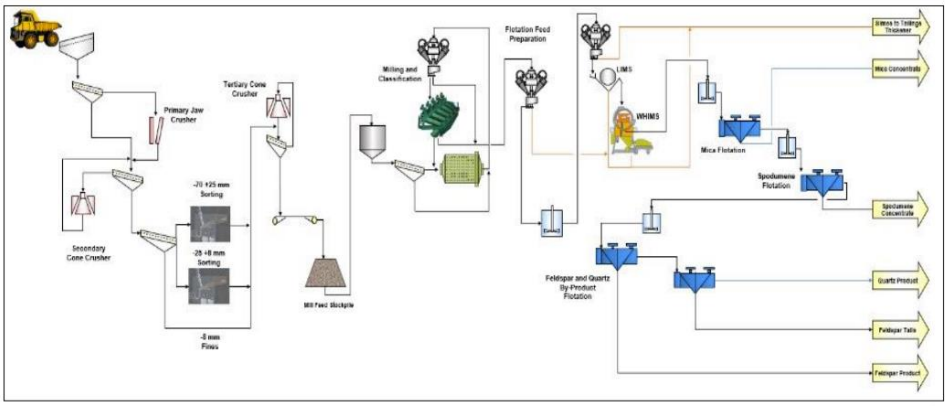
The flowsheet includes crushing, screening, and laser sorting underground.

Sample flow sheet

Mining
Ore sorting
Magnetic separation
Floatation

- *Spodumene cons*
- *Feldspar/qtz products*
- *Waste to stope fill*

Figure 22 Concentrator Flowsheet for Wolfsberg Lithium Project



Source: European Lithium

The crushing and preconcentration circuit has been designed to treat 0.86 Mtpa ROM ore at an average grade of 0.64 wt% Li_2O.

The DFS work confirmed that primary sorting recoveries of 86% to 93% Li_2O were found to be in good agreement with the results achieved in the previous 2017 sorting test work.

Plant capacity is for mill feed from the ore sorters is throughput of 0.54 Mtpa and an average mill feed grade of 0.93 wt% Li_2O.

Consequently, the expected average LOM spodumene flotation feed grade is ~ 1.1 wt% Li_2O.

The surface process plant includes milling, classification, and magnetic separation followed by flotation to produce separate mica (tails), spodumene, feldspar, and quartz concentrates.

Underground crushing and ore sorting cuts energy costs, surface noise and reagent costs.

The DFS notes that `the inclusion of pre-concentration and the underground location of the crushing and sorting plant results in a smaller surface footprint, lower surface noise levels, and reduced power, gas, reagent, and consumable requirements for the milling and flotation circuits at the lower throughput.'.

Tailings storage is a current day topic and always a major onsite issue but the mine design has removed it by minimised waste generation by backfilling and the production and sale of high volumes of quartz and feldspar by-products.

7.2 Wolfsberg Processing

Wolfsberg – offsite processing
Standard processing route

Plant design

~70,000tpa spodumene treatment capacity

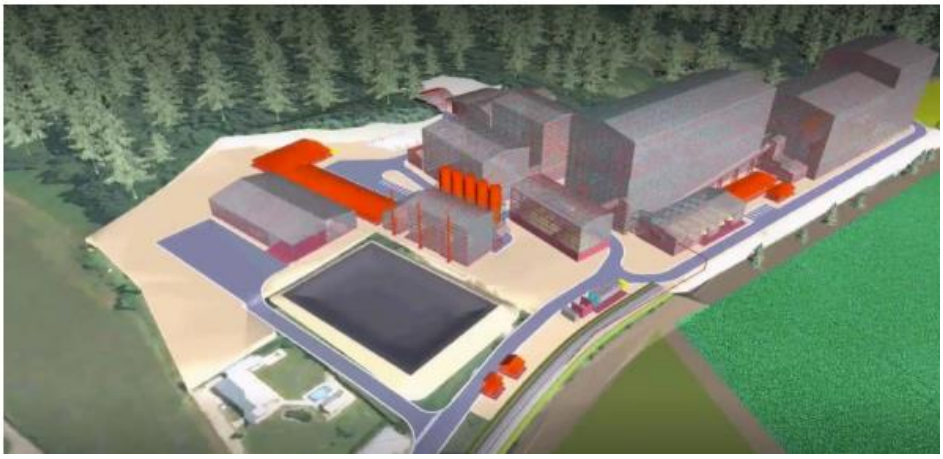
8800tpa LHM

Location to be in Saudi Arabia

Key Points

- **Proposed ~70,000 tpa Spodumene concentrate treatment plant**
- **8800tpa Lithium Hydroxide Monohydrate production (7700tpa LCE)**
- **Location likely to be in Saudi Arabia**

Figure 23 Plant model



Source: European Lithium

24/7 365 days operation

The hydrometallurgical plant would operate 365 days per year, and 24 hours per day at 90% combined availability and utilisation.

Feed input design is ~70,000tpa spodumene concentrate and produce 8,800 t of lithium hydroxide monohydrate ($LiOH.H_2O$) product per year at an estimated lithium recovery of 90%.

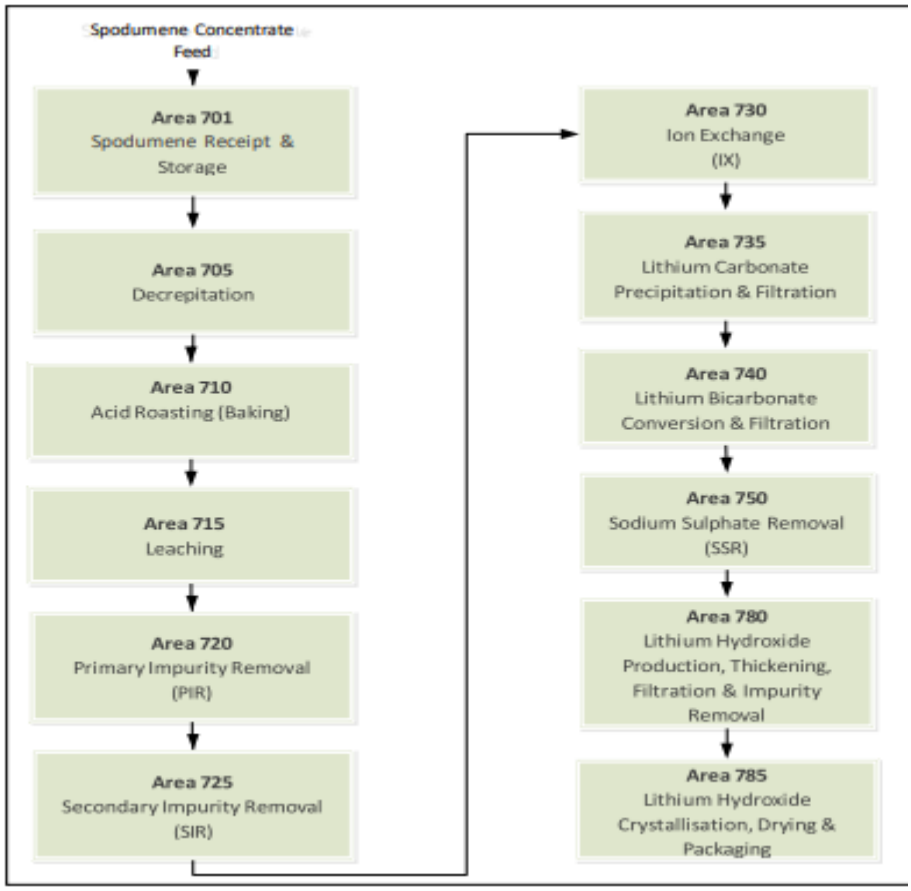
96% lithium recovery from concentrate

Lithium carbonate was produced from spodumene concentrates by calcination and sulphuric acid roasting, followed by impurity removal and carbonate precipitation. Purification of the raw carbonate was carried out by bicarbonation.

Work from the DFS showed lithium recovery to leach solution for the flotation concentrate was 96%.

Modelling the Wolfsberg Project has not been possible given the changes to a refinery in Saudi Arabia.

Figure 24 Hydrometallurgical Flowsheet



Source: European Lithium

Simple flow sheet

Acid roasting

Leaching

Impurity removal

Ion exchange

Li_2CO_3 precipitation

Lithium hydroxide

Lithium hydroxide monohydrate crystallisation

Very low impurity levels

The DFS and earlier metallurgical studies showed very low impurity levels.

The process removes most of the calcium, sodium, and potassium impurities from the crude to the pure crystallisation stage such that the resulting LHM crystals contained very low levels of impurities.

Lithium Hydroxide Monohydrate

Lithium Hydroxide Monohydrate
Four by-products

Four by products

Feldspar
Quartz
Amphibolite
Sodium sulphate

Key Points

- **Mine produces 70,000tpa 5.9% Lithium concentrates**
- **Hydro plant produces 8,800tpa LHM**
- **The Project will also produce four by-products:**
  - **feldspar, quartz, and amphibolite from the concentrator plant,**
  - **and anhydrous sodium sulphate from the hydrometallurgical plant**.

The main product would be lithium hydroxide monohydrate (LHM).

LHM is critical for high end batteries

LHM is considered a critical material for electric vehicles as it is a key component in the production of high performance lithium-ion battery cathodes.

The cathode of electric vehicle (EV) batteries typically contains lithium cobalt oxide ($LiCoO_2$), lithium iron phosphate ($LiFePO_4$), or another lithium-containing material.

LHM is used to produce the cathode material by reacting it with the metal oxide, typically cobalt or iron, in a process called lithiation. The resulting compound is then mixed with other materials to form the cathode.

LHM is preferred over other forms of lithium, such as lithium carbonate, due to its higher purity and the fact that it is better suited to high nickel carbon cathode chemistries which are critical for long range EVs.

Ready local markets in Europe for by products

The Wolfsberg feldspar comprises high-quality glass and ceramic grades that are highly suitable for markets in Italy (ceramics) and would be competitive against current Turkish imports.

The Wolfsberg quartz for glass and ceramics could by completely absorbed within Austria and markets in the adjacent regions of Bavaria, Czech Republic and Slovakia.

A market has been identified in Lenzing Austria that could absorb all sodium sulphate production.

7.4 BMW OFFTAKE AGREEMENT

OEMs wanting Supply Chain Security
Life of mine offtake

BMW requires security of supply

KEY POINTS

And security of raw material sourcing

- **Long term offtake agreement to supply LHM**
- **First right to 100% of output for first six years**
- **European OEMs want security of supply**
- **Security of sourcing paramount**
- **Transferrable to Saudi Arabia**
- **US$15m prepayment to be received in January 2024**
- **Subject to conditions precedent**

First right to offtake for first six years

Subject to conditions precedent.

The Long Term Lithium Offtake Agreement (Offtake Agreement) executed with BMW in late 2022 illustrates the structural shortage of sources of battery grade LHM for European car manufacturers

EU pressure is on auto makers to ensure all new passenger vehicles will be electric by 2035.

To ensure BMW obtains security of supply and security of product source for its European battery manufacturing capacity BMW entered into a binding agreement to essentially take all the Wolfsberg lithium output for the first six years. Thereafter it has an option for a further 3 years.

EU regulations force disclosure on security of sourcing

EU regulations are requiring all manufacturing to have clear paths to the ESG supply of all raw materials and the motor vehicle sector is a major industry with a high level of recycling expected from its products.

The EU CRMA also requires that a high percentage of manufacturing inputs are from recycled sources so the pressure on motor vehicle manufacturers is doubly important for them to have certification of origin of original raw materials.

OEMs of recyclable products need certification of security of raw material origin.

The BMW contract is of considerable importance, reflecting the significance of Wolfsberg as being one of the first European local producers of mined chemical grade lithium.

Pricing will be at market rates less some discount.

This offtake agreement will be a key component in the financing of the Wolfsberg project.

Pricing at market rates

EUR expects CRML to receive this US$15m advance payment in January 2024.

Offtake agreement will assist financing

7.5 Wolfsberg Capital and Operating Costs

Small projects have higher capital cost intensity

Project capital costs US$873m

Operating cash costs US$15,500/t LHM

Capital costs
Mining project US$ 530m

Hydromet plant US$340m

Total US$870m

Operating costs

Mining/cons US$7,000/t
Hydro US$6,000/t
Transport US$2,350/t

Total US$15,500/t

KEY POINTS

- **Updated DFS expects in June Qtr for inlusion of Saudi Arabia plant**

The DFS by DRA Projects gave estimated project costs of:-

Mining and concentrator	US$530m
Hydromet plant	US$340m
Total	**US$ 866m**

An updated DFS to incorporate a Saudi Arabian based plant is expected in June Quarter 2024.

The details broken down by section.

Table 26 Project Capital Cost Breakdown

Section	Capex US$	Contingency	Capex US$
Mine	155	20.0%	186
Concentrator Plant	258	14.4%	295
Hydrometallurgical Plant	265	21.0%	321
Laboratory	3	20.0%	4
Backfill Plant	14	20.0%	17
Owners Costs	39	14.4%	45
Total Project Cost	734	133	867

Source: European Lithium

Operating costs were determined over the life of the mine.

- Mining/cons US$7000/t
- Hydromet costs US$6000/t
- Transport US$2350/t
- **Total** **US$15,500**

Table 27 Project Operating Cost Breakdown

Operating costs			Cost/tonne (US$m) RoM	LHM
Life of Mine - Run of Mine ore (ROM)	ktonnes	11500		
Life of Mine - Lithium HydroMathen (LHM)	ktonnes	130		
Mining	US$m	485	42	3742
Concentrator Plant	US$m	410	36	3167
Hydrometallurgical Plant	US$m	687	60	5299
Backfill Plant	US$m	92	8	706
Owners Costs	US$m	32	3	243
Products Transport costs	US$m	305	27	2354
Total	US$m	2141	175	15511

Source: European Lithium

These figures are high compared to an Australian Open cut spodumene mine.

The hydromet plant will add US$6000 with transport costs at US$2350/t.

The Saudi Arabian option will deliver lower capital costs and much lower energy costs but transport costs are likely to be higher overall.

Further assessment of the costs structure is awaited for the updated DFS that incorporates the Saudi Arabian lithium refinery.

7.6 OBEIKAN INVESTMENT GROUP SAUDI ARABIAN ARRANGEMENT

Option to develop spodumene refinery in Saudi Arabia

Capital, energy and financing cost structure will be much lower

Transport costs likely to be higher

Hydromet plant would be constructed in Saudi Arabia

50/50 JV

BMW offtake assigned to JV

KEY POINTS

- **50/50 JV agreed**
- **Project would be fully funded**
- **Conversion of all Wolfsberg lithium concentrates**
- **Capacity being reviewed to 20,000tpa**
- **BMW offtake agreement assigned to JV**

EUR has arranged a JV with a Saudi based investment group that would construct the hydromet plant in Saudi Arabia to take advantage of a much lower energy cost structure.

The JV intends to have an exclusive right to purchase spodumene concentrates from the existing Wolfsberg Zone 1 resource.

The 50/50 Joint Venture (JV) will be geared towards developing, constructing and commissioning a lithium hydroxide processing plant, and operating the plant for the conversion of lithium spodumene concentrate from the Company's Wolfsberg Project in stages.

The facility is expected to be developed to meet the minimum initial capacity and product specifications based on the Company's binding Long Term Supply Agreement with BMW.

Under the terms of the JV Term Sheet, and subject to the successful commissioning of the plant, EUR will sell the lithium spodumene concentrate to the JV company under an arrangement that will include a floor price and a ceiling price over the life of the current resource of the Wolfsberg mine.

The JV is also reviewing an increase in capacity to 20,000tpa LHM with additional spodumene concentrates being sourced from Wolfsberg Zone 2, Weinebene, other EUR Austrian tenements or from third parties.

8.0 OTHER AUSTRIAN LITHIUM ASSETS

Exploration assets as potential feed into the Wolfsberg Lithium Project

Exploration assets as possible feed into Wolfsberg Lithium Project

Weinebene 20% JV interest will be vended into Critical Minerals IPO

KEY POINTS

EUR has other Austrian lithium exploration assets:-

- **20% of JV with EV Resources over Weinebene tenements surrounding Wolfsberg**
- **Austrian Lithium Projects - 100% of Bretstein-Lachtal, Klementkogel and Wildbachgraben Projects acquired from Richmond Minerals**

8.1 EV Resources JV (EUR 20%)

EUR holds a 20% interest in the Weinebene and Eastern Alps Projects in JV with EV Resources(80%). This interest will be vended into the Critical Minerals transaction.

8.1.1 The Weinebene Project

- Tenements directly enclose the Wolfsberg Project and covers postulated extensions of EUR's Wolfsberg pegmatites.

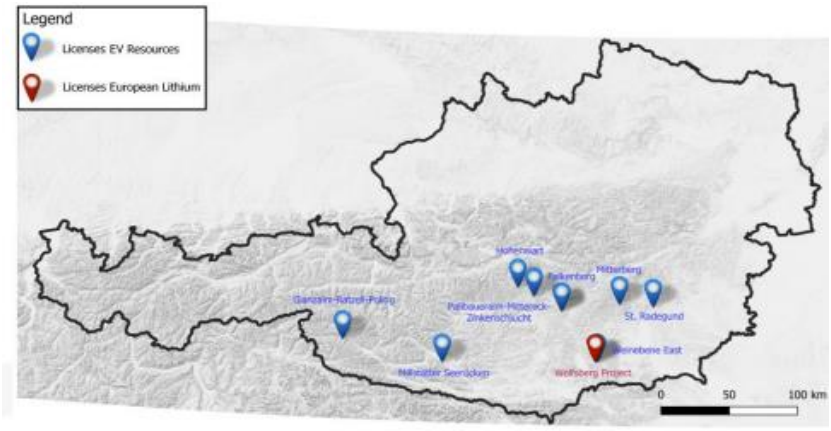
Mineralised outcrop is readily followed over large distances.

Bretstein-Lachtal pegmatites.

8.1.2 Eastern Alps Project

- Several tenements in Southern Austria totalling 64km^2 with encouraging distribution of pegmatite occurrences. Surface sampling over numerous high grade spodumene bearing pegmatites has returned positive results with average grade over 70 samples being 1.6% Li_2O and individual samples up to 3.39%.

Figure 25 Lithium JV Licences - EV Resources 80-% EUR 20%



Source: European Lithium

8.2 The Austrian Lithium Projects

EUR acquired these tenements from Richmond Minerals in a 2023 cash and scrip purchase.

Bretstein-Lachtal, Klementkogel and Wildbachgraben Tenements are grassroots exploration plays over attractive pegmatite dykes.

These consist of 245 exploration licenses covering a total area of 114.6 km² and are located in three projects within 80km from the Wolfsberg Lithium Project.

The licences cover ground that is considered prospective for lithium occurrences in the Styria mining district of Austria about 70km north of the Company's Wolfsberg Project.

Tenement locations

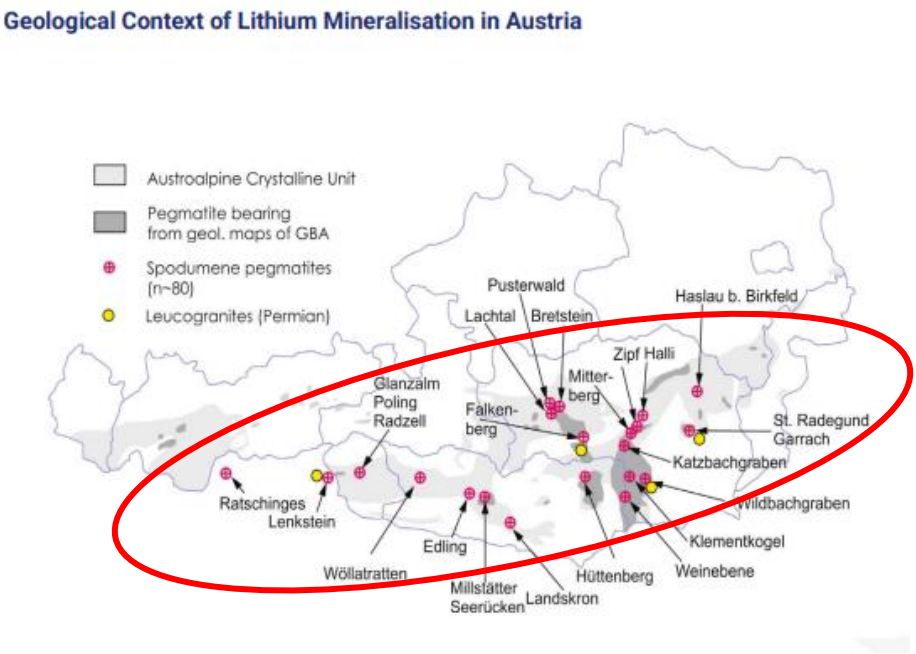
Samples and grades

Lithology	Host Rock	(Li%)	(Li_2O%)
Spodumene Pegmatite	Marble	1.85	3.98
Spodumene Pegmatite	Marble	1.65	3.54
Spodumene Pegmatite	Marble	0.73	1.57
Spodumene Pegmatite	Marble	0.83	1.79
Spodumene Pegmatite	Gneiss	0.29	0.63
Spodumene Pegmatite	Gneiss	0.21	0.45
Spodumene Pegmatite	Gneiss	0.72	1.55
Spodumene Pegmatite	Marble	0.64	1.38
Spodumene Pegmatite	Marble	0.63	1.36
Spodumene Pegmatite	Marble	0.99	2.13
Spodumene Pegmatite	Marble	1.39	2.98
Spodumene Pegmatite	Marble	0.69	1.48
Pegmatite	Gneiss	0.01	0.02
Spodumene Pegmatite	Marble	0.24	0.51
Spodumene Pegmatite	Marble	1.07	2.29
Pegmatite	Marble	0.01	0.01
Spodumene Pegmatite	Marble	1.73	3.72

The most advanced and prospective is the Bretstein-Lachtal Project, located approximately 80km from the Wolfsberg Lithium Project. Multiple pegmatite bodies have been observed in recent new exploration. Spodumene pegmatite outcrops here were reported in veins up to one metre thick with Li_2O grades up to 2.93% and spodumene crystal sizes as large as 10 cm.

Spodumene pegmatite occurrences have been mapped by Austrian geologists (Mali, 2004) in an east-west belt associated with the intrusion of Permian leucogranites into high-grade metamorphosed basement rocks.

Figure 26 Austrian Lithium Project locations – Zones of Austro-Alpine crystalline rock



Source: EV Resources

Figure 27 Lithium Targets

Source: European Lithium

The initial exploration thesis here is for non granitic sources (similar to Wolfsberg).

Based on this model the Bretstein-Lachtal area is considered highly prospective for a future discovery of spodumene pegmatites.

Limited exploration has been undertaken at the Wildbachgraben and Klementkogel Projects with spodumene bearing pegmatite findings have been reported by earlier workers although little is known about the existing outcrops and spatial distribution of spodumene pegmatites.

The Due Diligence sampling strongly supported the vendor's sample results and has identified four initial prospects justifying more systematic exploration:

- Keckgraben
- Ebner Quarry
- Pusterwald
- Hirnkoge

The Company will shortly commence the initial work program to determine potential extent of pegmatite veins that will include:

- Stakeholder engagement;
- Detailed geological and structural mapping of prospective areas:
- Additional trenching and sampling;
- Geophysical investigations; and
- Definition of potential drill target.

The work program is focused primarily on Bretstein-Lachtal Project Area.

10.0 UKRAINE LITHIUM ASSETS

Why Ukraine?

Ukrainian lithium hardrock resources potentially largest in Europe

Strong EU interest in developing Ukraine's Critical Minerals

Official Ukrainian asset development auction process established

Acquisition could make EUR first and largest Lithium hydroxide producer in Europe

Current hostilities make this asset highly speculative

Spodumene concentrates proposed as a feed into Wolfsberg Lithium Project

EUR has acquired European Lithium Ukraine LLC (formerly Petro Consulting LLC)

No certainty

Additional conditional A$50m in performance shares at A$0.07 per EUR share

However, Ukraine lithium potentially big in Europe

European Lithium Ukraine LLC former owner Millstone will invest A$20m in EUR (A$5m paid already).

KEY POINTS

- **Ukraine has largest known spodumene potential in Europe**
- **Shevchenkivske and Dobra deposits considered to be best in Ukraine**
- **Purchase of European Lithium Ukraine LLC gives access to permit process**
- **Acquisition terms recently varied**
- **Success here would be positive once Ukraine hostilities cease**
- **EU-Ukraine Critical Minerals partnership in place**

Lithium deposit occurs in Ukrainian shield rocks

The Ukrainian Shield occupies over 40% of the Ukrainian territory and is the largest and main rare metal province in Ukraine.

Over 20 rare metal deposits formations have been identified here in the Early Proterozoic mobile belts and the subsequent Late Proterozoic superimposed remobilisation in zones of tectonic-magmatic and tectonic-metasomatic activation.

Figure 28 Lithium Deposits in Metallogenic Zones in Ukrainian Shield

Source: Ukraine Mines Dept

EU seeking to develop strategic partnerships with resource rich Countries in Europe such as Ukraine

Granitic and alkaline magmatism, pegmatite formation and metasomatic processes took place in these zones (coloured blue). The local igneous deposits associated with acidic granite magma are characterized by high lithium concentrations.

This potential resource endowment was well recognised within the EU.

The European Commission's Action Plan on Critical Raw Materials (CRMs) in 2020 came with a commitment to developing strategic partnerships with European resource-rich countries and to build on the earlier 2017 launch of the European Battery Alliance and the subsequent European Raw Materials Alliance in 2020.

The EU saw potential in Ukraine in review of existing projects and exploration for new primary and secondary CRMs deposits.

Exploration targets were identified for lithium, nickel, cobalt and copper amongst others.

EU Has been assisting Ukraine with data assessment

Programs were outlined for CRM deposits in Ukraine:-

- technical assessment and evaluation of previously-identified CRMs reserves
- digitalisation and harmonisation of geological and mining documentation of selected subsoil areas with CRMs

and is looking to get mining activities underway

- preparation for auction sale of exploration and development tenements
- modernisation of extractive and refining processes and technologies
- supporting a circular economy in raw materials through effective use and increased recycling of critical materials

In 2021 the Ukraine Government began this auction process for exploration permits to develop its natural resources that play critical roles in the clean energy technology transition.

Ukrainian-incorporated European Lithium Ukraine LLC, formerly Petro Consulting and a wholly owned subsidiary of Millstone and Company Global DW LLC, Millstone (millstone-global.ae), had been applying for 20 year special permits for the extraction and production of lithium at two projects in Ukraine. Petro Consulting had considered the two deposits would be capable of delivering 15,000tpa LCE to the Wolfsberg Lithium Project.

European Lithium Ukraine (formerly Petro Consulting) previously

European Lithium Ukraine LLC had previously been issued a special permit 6255 in 2018 for Shevchenkivske but this was subsequently invalidated by the courts in 2020.

held permits at Shevchenkivske

and had applied for Dobra

European Lithium Ukraine LLC had also applied in 2018 for a permit for Dobra but had the application rejected in 2020 due to more recent changes in legislation. This decision is being appealed.

In November 2021 EUR announced that it would acquire Petro Consulting LLC (renamed European Lithium Ukraine LLC), which was applying for permits over two early stage lithium deposits in Ukraine. The two projects had previously been the subject of exploration and available data was sufficient to generate conservative conceptual exploration targets:-

these projects could potentially deliver 15,000 TPA LCE into the Wolfsberg hydromet plant

- Shevchenkivske project
  - Exploration target 11-14mt @ 1.2-1.3% Li_2O.
- and Dobra Project
  - Exploration targe 80-105mt @1.1-1.4% Li_2O

The Ukraine War has obviously interrupted this arrangement and the agreement was renegotiated.

Terms varied in January 2024

On 2 January 2024 the terms were varied whereby EUR acquired all the shares in European Lithium Ukraine LLC (the former Petro Consulting) as of that date and the balance of the consideration in EUR shares would be conditional on milestones such as the granting of permits and/or commencement of exploration.

EUR is now acquired full ownership of European Lithium Ukraine with milestone considerations

The consideration for Dobra is to be a total of ~193m EUR shares with a further A$45m in EUR performance shares on achieving a minimum 9.879mt @ 1.21% Li_2O, a minimum PFS NPV of US$240m and a PFS IRR of 25%.

Conditions precedent

The consideration for Shevchenkivske would be A$5m in EUR performance shares on achieving a minimum 9.428mt @ 1.12% Li_2O, a minimum PFS NPV of US$240m and a PFS IRR of 25%.

This could be a highly attractive development once the war ends and it could probably attract rebuilding financing as a priority project.

Transactions are conditional on issue of permits

The transaction is conditional on European Lithium Ukraine LLC being issued or reissued special permits (through either court proceedings, public auction and/or production sharing agreement with the Government of Ukraine).

`On 16 July 2021 the President of Ukraine issued the Decree of No. 306/2021 envisaging the lithium subsoil areas (deposits) become of strategic importance for sustainable development of the economy and defence capability of Ukraine. With this regard, the lithium subsoil areas (deposits) of strategic importance shall be granted to subsoil users only based on an auction or production sharing agreement. The list of lithium subsoil areas to be granted on the basis of the auction and the list of lithium subsoil areas to be granted on the basis of the production sharing agreement shall be developed by the Cabinet of Ministers of Ukraine. As of the date of this announcement, these lists have not been adopted. ‘

Source: European Lithium

Tenements locations

Location of tenements in Ukraine

Figure 29 Locations of Dobra and Shevchenkivske Special Permits

Source: European Lithium

Locations of lithium deposits in Ukraine

Figure 30 *Ukraine Geological And Subsoil Survey Known Lithium Targets*

Source: European Lithium

10.1 Shevchenkivske exploration target

Shevchenkivske is in Russian speaking Donetsk Peoples Republic in the Donbass region

Shevchenkivske is within the Russian speaking Donbass region in the east in the Donetsk Peoples Republic within Ukraine. It is located in the Velykonovoselivskyi district of the and about one kilometre east of the village Shevchenko.

The Shevchenkivske deposit is a series of steeply dipping spodumene-albite pegmatite veins and the project has an exploration target ranging from 11 to 14 million tonnes at 1.2 to 1.3 % lithium oxide.

Target of 11-14mt spodumene at 1.2-1.3% Li_2O

The exploration target has been derived from historical foreign estimation works conducted involving computer-based 3D interpretation of drill hole data resulting in the generation of wireframe models of the mineralized pegmatite.

Deposit discovered in 1982

The deposit was discovered in 1982 and worked over 1983-88 by Soviet engineers. The width of the pegmatite field is 260-300m and the length up to 1000m. Mineralised pegmatite veins have an average thickness of 40 m and a length of 600–700 m and a depth up to 600m.

Grades are in the range of 1.1–1.5% Li_2O.

Strike length of field is ~1000m and width of260-300m

Most of the lithium is associated with spodumene with a small amount of petalite.

Laboratory test results gave an average 4.9% in the lithium concentrates produced.

Ukraine geology service recorded that within the field there are six identified pegmatite bodies belonging to a single vein system dipping west at 55–88°.

Lithium mineralization is noted in three zones located in the central parts of the veins:

- albite-spodumene;
- microcline-spodumene;
- petalite-spodumene.

Spodumene makes up more than 90% of the lithium mineralisation

Associated minerals included lithium mica and lithium phosphates along with niobium, tantalum, beryllium, rubidium and caesium.

The State Commission on Mineral Reserves of the USSR protocol № 10525 dated 28.10.1988 approved volumes of lithium ore reserves of the Shevchenko field. http://geoinf.kiev.ua/wp/geologichni%zviti.php?rep=fnd_shifr.rdf&schifr=51341. http://geoinf.kiev.ua/wp/geologichni%zviti.php?rep=fnd_shifr.rdf&schifr=65581

Dobra Project is in western Ukraine and 100km S of Kiev.

10.2 Dobra exploration target

Dobra is within the western parts of Ukraine in the Cherkasy Region and about 100km south of Kiev.

Exploration target of 80-105m tonnes @ 1.1-1.4% Li_2O

The Dobra Project has an exploration target ranging from 80 to 105 million tonnes at 1.1% to 1.4% lithium oxide.

60% petalite

This is a much larger system than Shevchenkivske but has different mineralisation with 60% petalite/40% spodumene.

40% spodumene

The exploration work at the Dobra deposit was carried out directly after the break down of the USSR 1991 and ended 1999.

The lithium mineralization is hosted within steep dipping pegmatite veins within the amphibolic host rock which has a length of 5 -5.7 km and a width of 0.7 – 0.8 km.

The main lithium bearing minerals are petalite (60%) and spodumene (40%).

Accessory elements include niobium, tantalum, rubidium, tin, caesium and beryllium and industrial mineral co-products include quartz, feldspar and mica.

Tantalum	Ta
Niobium	Nb
REE	REE
Zirconium	Z

Tanbreez

Tanbreez Rare Earths		
	Element	%
L	Cerium	35.3
I	Lanthanum	18.1
G	Neodymium	13.0
H	Praseodymiun	3.8
T	Samarium	2.4
	Europium	0.3
Sub total		73
	Yttrium	16.6
H	Dysprosium	2.9
E	Gadolinium	2.4
A	Ytterbium	1.8
V	Erbium	1.5
Y	Holmium	0.6
	Terbium	0.4
	Thulium	0.3
	Lutetium	0.3
Sub total		27
Total		100

Ilimaussaq
Alkaline intrusion with high volatility elements component

11.1 The Tanbreez REE Project

One of the world's very large Rare Earth Deposits

Unique Greenland alkaline geology – Ilimaussaq intrusion

Kakortokite ore body resource defined

EU CRMA support in place

Multi billion US$ valuation potential

KEY POINTS

- **Massive Alkaline Igneous Intrusion**
- **Orebody at surface on coast**
- **73% of REEs are Light types**
  - **13% Neodymium**
  - **3.8% Praseodymium**
- **Three major products (waste-free)**
  - **Eudialyte - Soluble REE + Zr and Ta**
  - **Arfvedsonite – sodium amphibole industrial mineral**
  - **Feldspar – low value building and ceramics sand**
- **4.7-Billion-ton multi-element JORC-compliant resource**
  - **1.9% Zr 0.60% REO 0.20% Nb_2O_5 0.03% Ta_2O_3**
  - **Head grade Upgrades to 9-10% 2.5-2.7% REO**
- **40.6mt Indicated and Inferred Mineral Resource defined for initial mining plan**
- **Exploitation licence issued Aug 2020**
- **MoU in place on local Hydro power**
- **US$50m invested up to and including DFS**
- **US NASDAQ listing in 2025?**
- **EUR holds 6.6m shares in Rimbal Pty Ltd (100% owner of Tanbreez)**

Tanbreez is a fully-permitted, globally significant critical minerals large tonnage mining project in south Greenland, positioned to unlock rare earth supply as a low cost non-China producer for North America and Europe.

Greenland's plate tectonics location is very interesting globally and its geology has historically been of great international scientific focus for the unique **Skaergaard** layered igneous complex and widespread occurrence of highly alkaline igneous rocks.

The **Ilimaussaq** alkaline intrusion is one of these rock masses and is a large differentiated and layered intrusion and is probably the most complex of its type and has no parallel anywhere in the World.

The intrusion is 25km long, 8km wide and at least 4km thick and the Greenland ice cap has preserved the many delicate and often unique minerals since the last Ice Age. This is a big deposit!

The plate tectonics positioning of Greenland aligns with a crustal break that has allowed deep seated magmas rich in sodium, potassium and aluminium (alkaline) to flow from the mantle.

Several geological oddities held back these intrusion magmas and in doing so allowed a very large volume of rock to `differentiate' in the upper crust into many zones of highly mineralised material rich in the `volatile' elements of potassium, sodium, Zirconium, Hafnium, tantalum and many rare earths elements.

The alkaline rocks present a suite of minerals lacking the usual mineralising elements of iron, magnesium and quartz and have a lower Specific Gravity.

The zoning here allowed each of the minerals of interest to occur in significant size and quality. Most notably, the rare earths portion of the deposit consists of 25+% heavy rare earths.

The northern section of the Ilimausaq Intrusion is the 10.2mt Kvanefleld TREO resource held by Energy Transition Metals (EMT.ASX) but that zone has high Thorium and Uranium and has had its 2020 preliminary approval for exploitation revoked by subsequent anti-nuclear political action.

Tanbreez has the southern permit for the Kakortokite orebody which is very rich in Zirconium and heavy REEs Neodymium and Dysprosium as well as high Niobium, Hafnium and Tantalum in a number of specific zones.

The mineralised body is at the base on the complex and made up of Kakortokite. The body is characterized by around 30 rhythmically layered coloured units (averaging around 8m thick)that feature red (eudialyte rich) ,white (feldspar-rich) and black (arfvedsonite- rich) bands.

The eudialyte is the most valuable mineral and carries the REEs with Zirconium grades showing strong correlations with these REE in bulk rock analyses.

REE ore body is world's largest

Eudialyte is quite an unusual mineral for REES as the REE minerals are quite soluble and can be treated by normal acids

The thickness of the lower layered Kakortokite sequence is about 270m within a 400m sequence.

The deposit covers an area of almost 10km^2.

Figure 31 The layered Ilimaussaq intrusion is host to the Tanbreez Project

Ore body is >400m thick at surface and makes the coastline.

Source: Tanbreez

Mostly ice free year round ports

This massive Tanbreez multi-billion tonne resource is currently the World's largest Rare Earths deposit.

Greenland is an island territory of the Kingdom of Denmark and is part of the EU.

Greenland is an island territory of the Kingdom of Denmark and is part of the EU.

On 2 October 2023, the EU-Greenland Strategic Partnership on Critical Minerals held a stakeholder consultation meeting on sustainable raw materials supply chains originating in Greenland.

On 2 October 2023, the EU-Greenland Strategic Partnership on Critical Minerals

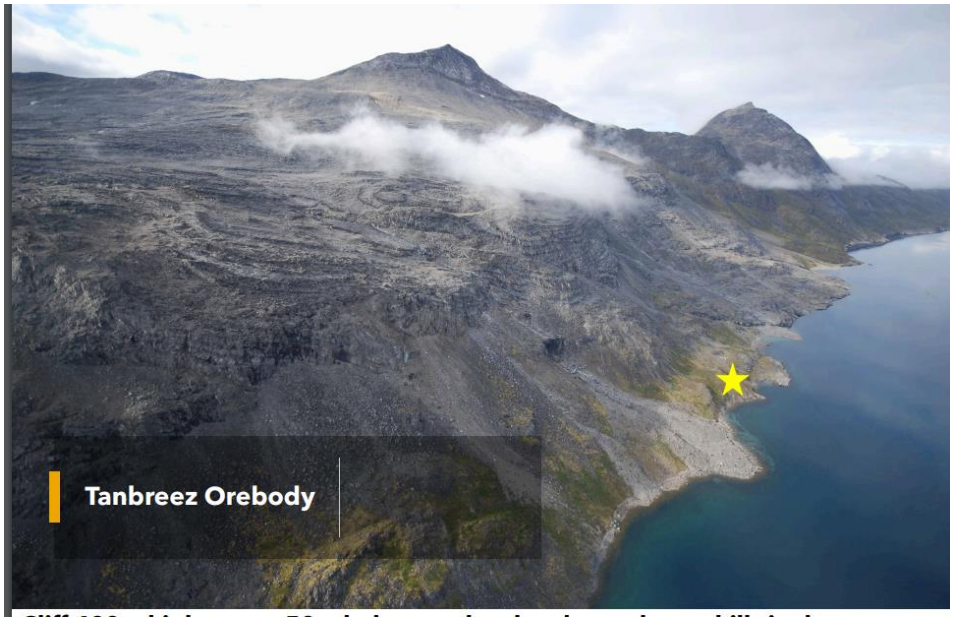
Video from Tanbreez discussing EU arrangements.

https://youtu.be/C5WNvPnSqwA

The Tanbreez orebody is at surface and makes the coastline

Processing site would be on the coast

Figure 32 Tanbreez orebody



Cliff 400m high, ore to 50m below sea level and stretches to hills in the rear
Note port & plant site marked

Source: Tanbreez

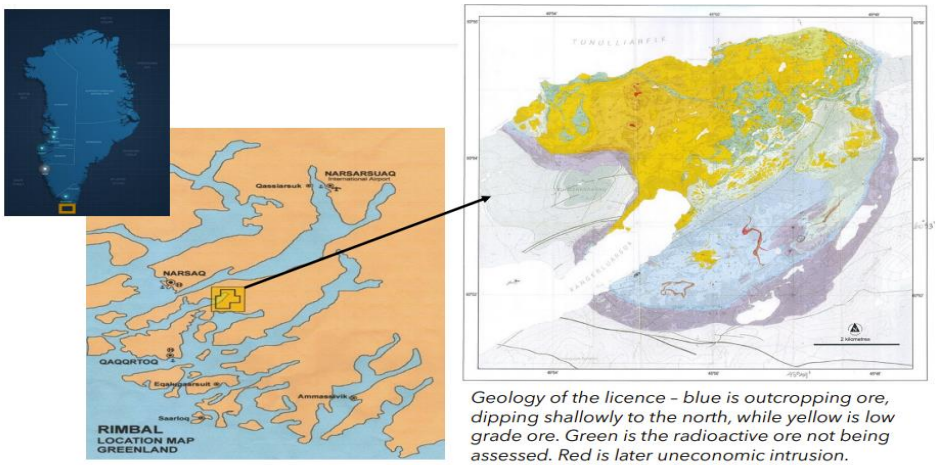
It is situated on Greenland's SW coast in ice-free year round ports, only 25km from the township of Qaqortoq and just 10km from a new international airport.

On Greenland's SW coast

Ice free

Close to new international airport.

Figure 33 Tanbreez licence location



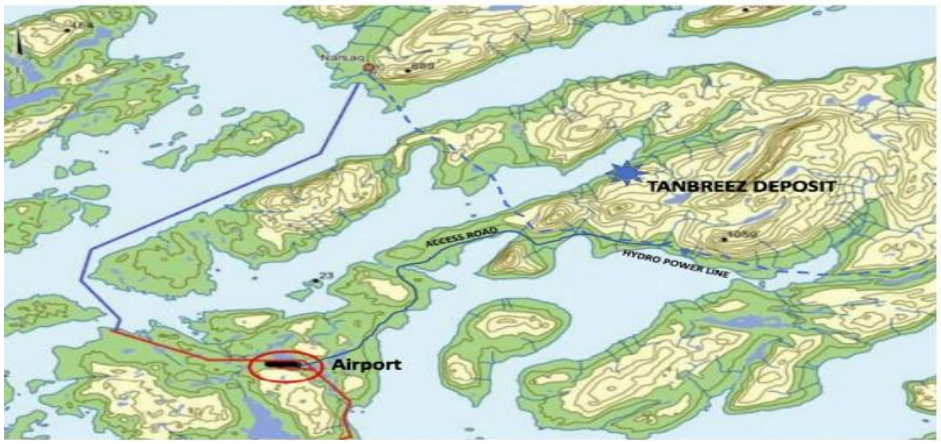
Geology of the licence – blue is outcropping ore, dipping shallowly to the north, while yellow is low grade ore. Green is the radioactive ore not being assessed. Red is later uneconomic intrusion.

Source: Tanbreez

Infrastructure is good for the project

Tanbreez is well located near infrastructure towns, ports and an international airport.

Figure 34 Location and Infrastructure

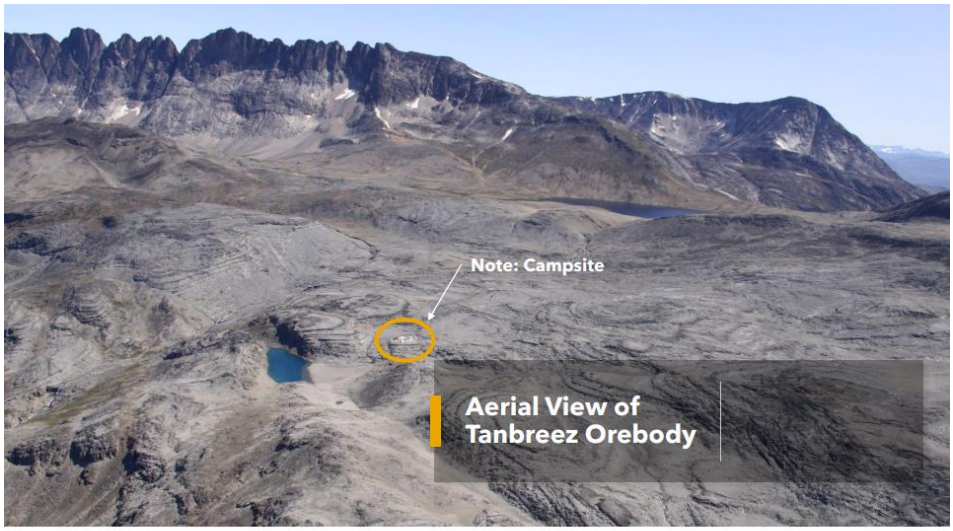


Source: Agricola Mining Consultants

It is rare to come across large at-surface high value ore bodies.

Figure 35 Orebody at surface ....and massive

massive at surface ore body



Stretches to foot of the hills in the rear with tailings to go in the lake, in the rear

Source: Tanbreez

The size of Tanbreez at 28.4mt contained REEs and its grades dwarf most others outside of China and ranks globally #1.

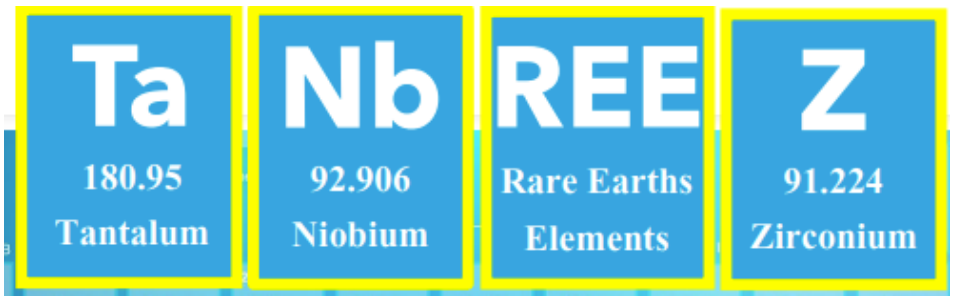
World's largest REE deposit

Table 28 Top Ten REE Deposits

Major Rare Earth Resources							
Rank	Property	Location	Majority Owner	Geology	Dev Status	Activity Status	Tot Res Mt
1	Tanbreez	Greenland	Rimbal	AIR	Permitted	Active	28.2
2	St Honore	Canada	Magris Resources	Carbonatite	Adv Expl	Active	18.4
3	Kvanefjeld	Greenland	Energy Transition Metals	AIR	Denied	Stalled	10.2
4	Mrima Hill	Kenya	Pacific Wilcat Resources	Carbonatite	Adv Expl	Stalled	6.1
5	Halleck Creek	USA	American Rare Earths	AIR	Scoping	Active	4.7
6	Ashram	Canada	Commerce Resources	Carbonatite	PEA	Active	4.7
7	Ngualla	Tanzania	Peak Rare Earths	Carbonatite	Permitted	Active	4.6
8	Strange Lake	Canada	Torngat	AIR	PFS	Active	4.4
9	Montviel	Canada	Geomega Resources	Carbonatite	PEA	Active	3.9
10	Nechalacho	Canada	Avalon Advanced Materials	AIR	DFS	Active	1.8

Source: Mining.com

TaNbREEZ



The Ilimaussaq Intrusion has similarities to many carbonatites and the feldspathic rock types.

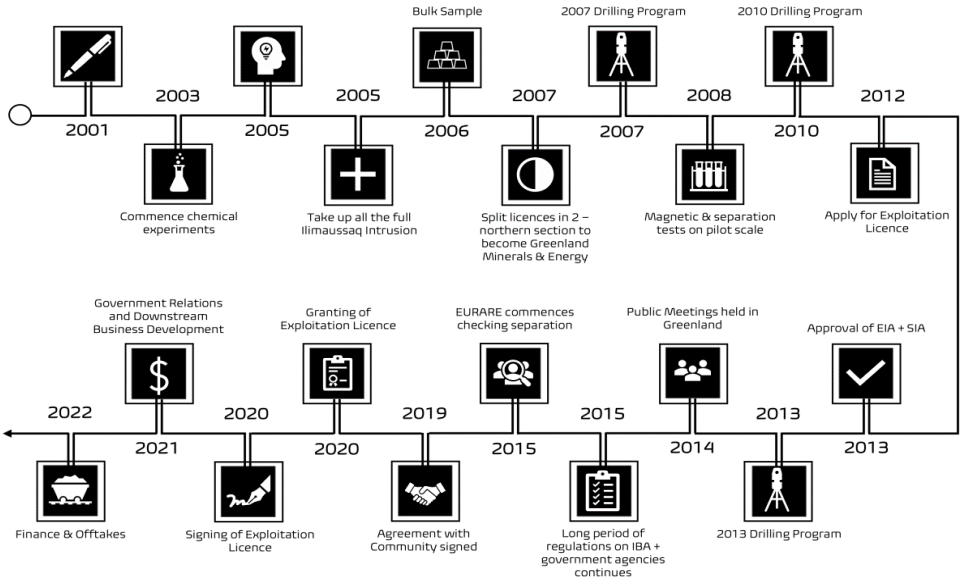
DFS after US$50m expenditure

Tanbreez has expended over US$50m and has completed a very thorough DFS that encompasses:-

- Geology
- Mining
- Processing
- Marketing

Now ready to consider NASDAQ listing in 2025

Figure 36 Tanbeeez Development Timeline



Source: Tanbreez

The Initial Mining Resource was defined in the DFS as 40.6m tonnes over three ore bodies with specific high grade characteristics.

4.7bn tonnes resource with 40.6mt delineated for Initial Mine Plan

Table 29 Mineral Resource for Initial Mining Plan

Mineral Resource – Initial mining plan				
	Fjord	Hill - Upper	Hill Lower	Total
Indicated	11.7	1.9	12.2	25.8
Inferred	12.8	0.2	1.8	14.8
Total	**24.5**	**2.1**	**14.0**	**40.6**

Source: Agricola Mining Consultants

DFS gave staged startup over a decade

The project envisaged a ramp up of output from a small base to allow for the market place absorbing the output.

Table 30 Staged Mine Plan

Staged Ramp Up			
Phase	0.5 Mtpa	3.0 Mtpa	7.5 Mtpa
Years	1 to 2	3 to 9	10 to 25
Tonnes per annum	500,000	3,000,000	7,500,000
% of startup	100%	600%	1500%
Eudialyte (20%), tpa	100,000	600,000	1,500,000
Feldspar (40%) tpa	200,000	1,200,000	3,000,000
Arfvedsonite (40%) tpa	200,000	1,200,000	3,000,000
Waste	30%	30%	30%

Source: Agricola Mining Consultants

Ore is at surface with low cost mining

>95% of mass is saleable

Kakortokite ore material is readily magnetically sorted into three components

- *Eudialyte – contains all the valuable metals*
- *Feldspar*
- *Arfvedsonite amphiblite material*

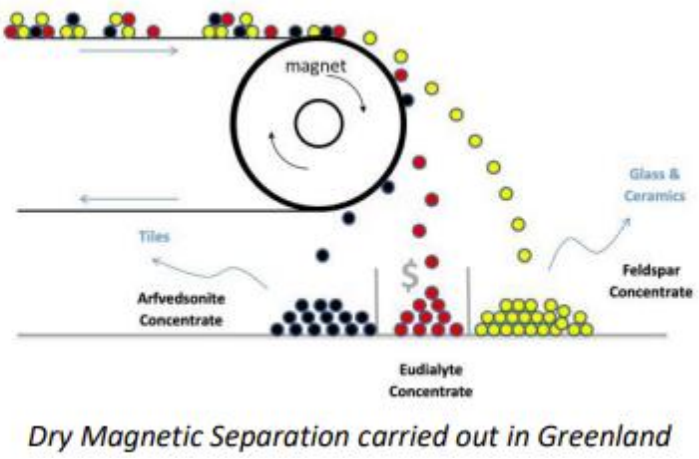
The ore is completely at surface and so its mining will be simple and low cost.

Ore would be crushed and separated magnetically into three main sale products that would account for >95% of mass mined essentially leaving no tailings.

Several high grade zones have been selected for mining operations

The ore body is made up of three components that are separated by magnetic sorting.

Figure 37 Magnetic separation of the ore



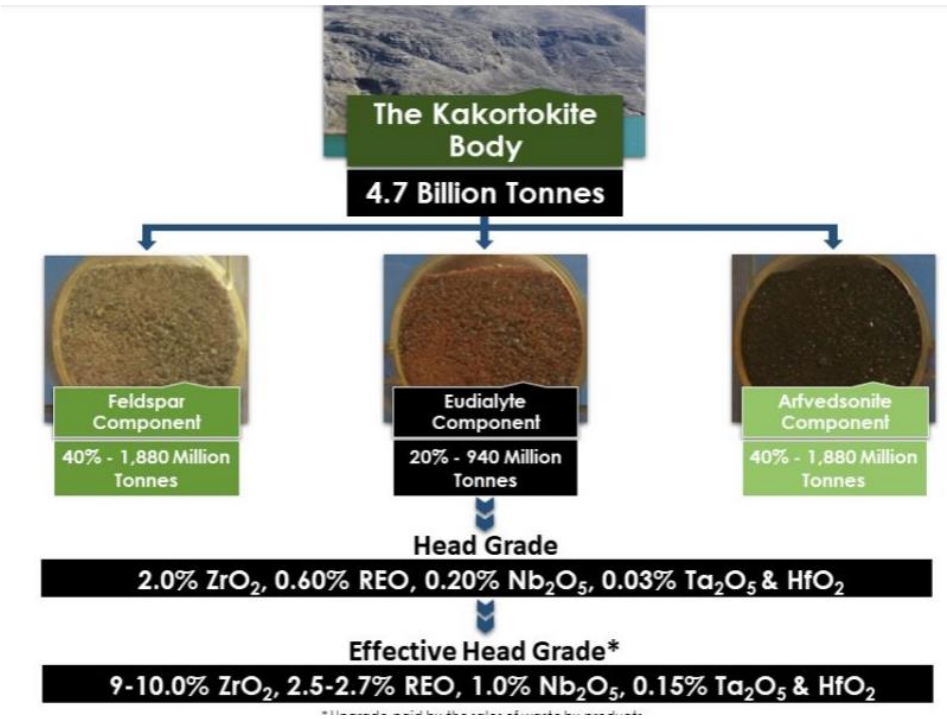
Source: Agricola Mining Consultants

Products are

- Eudialyte – contains all the valuable metals
- Feldspar
- Arfvedsonite amphiblite material

Figure 38 Kakortokite Ore Body

The magnetic separation gives a very high effective 5x head grade increase



Source: Tanbreez

Eudialyte is a very special mineral that contains the REE elements

Eudialyte is a rock forming mineral that is very rich in caesium, niobium and REE elements.

This remarkable mineral that is readily processed to recover REE elements and has no monazite that typically attracts uranium and thorium.

Sale product is a eudialyte concentrate

The DFS concluded that Eudialyte concentrate would be the best as a sale product and a treatment plant could be best sited in North America near markets and close to the recovery reagent chemicals used in the process.

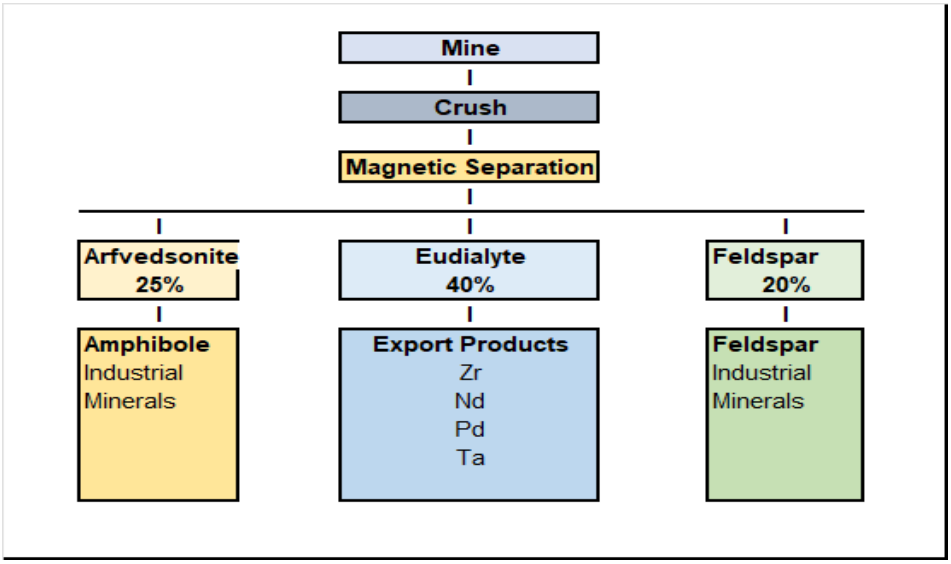
Arfvedsonite is mineral suitable for brick and tile

Arfvedsonite is a sodium amphibole mineral that has particular application in making of ceramic roof tiles that are twice as strong as terracotta or concrete so would be half the weight and fire at a 200ºC lower that terra cotta. European brick and tile makers have expressed strong interest.

Feldspars as industrial minerals

Feldspar is a key component of glass and ceramics and markets have been identified in US and Europe.

Figure 39 Mining and processing



Source: Tanbreez

The DFS also anticipated the concentrate would be treated in a new dedicated plant with a capital cost of US$435m that gave an additional NPV of >US$2bn on a 50% operating margin.

The Independent Valuation prepared by Agricola Mining Consultants used 2021 pre boom REE and other prices to define a valuation range for Rimbal Pty Ltd.

The assessment assumed a startup mine capital cost of US$85m at 0.5mtpa rising to a total of US$435m for 7.5mtpa.

Mining costs would ab a very low US$7/tonne with cost to a concentrate would be ~US$30/t. Industrial minerals costs would be under US$23/t.

Table 31 Valuation Summary

MARKET VALUE SUMMARY - 7-year Ramp Up 1.5 to 3.0 Mtpa			
Rimbal Pty Ltd	**Market Value, US$M - Equity Holding**		
Case 1 - 7 year Ramp Up	**Low**	**High**	**Preferred**
Mining project (DCF 1 to 25 yrs)	2,630.0	3,000.0	2,810.0
Excess Resource (26 - 100yrs)	648.0	920.0	768.0
Exploration Ground	9.9	11.9	10.9
Total	**3,287.9**	**3,931.9**	**3,588.9**
Rounded	*3,290.0*	*3,930.0*	*3,590.0*

Source: Agricola Mining Consultants

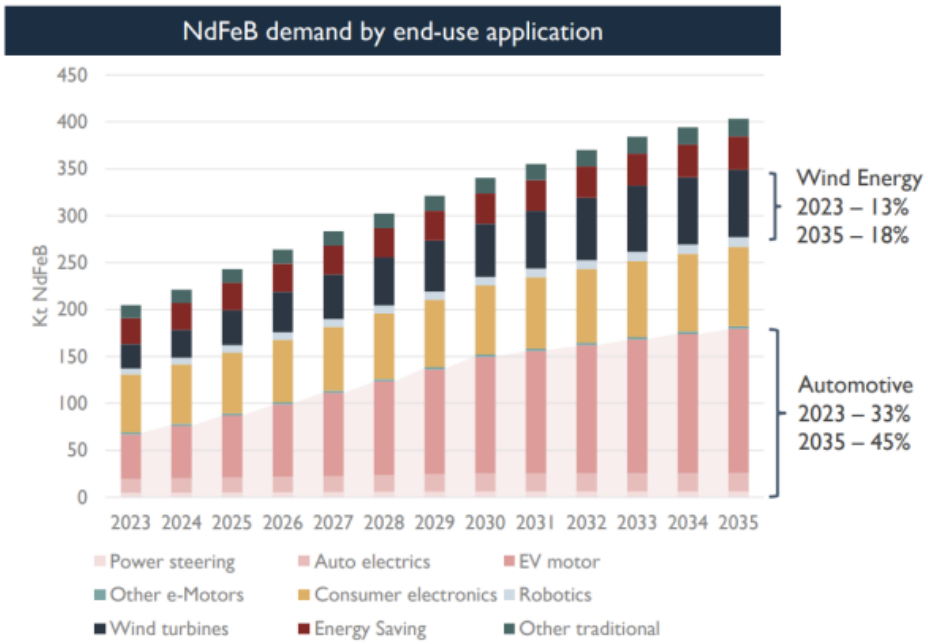
11.2 Markets for Rare Earths

Rare Earths metals are high performance elements that bring unique characteristics to particular applications. In recent times the importance in the energy transition of REEs such as Neodymium and Praseodymium in super magnets has been regarded as `critical'.

Source: American Rare Earths

The application in wind turbines and EVs is of great importance and forecasts give more than 60% of total demand into wind energy and automotive uses.

Figure 40 Demand Breakdown for Neodymium

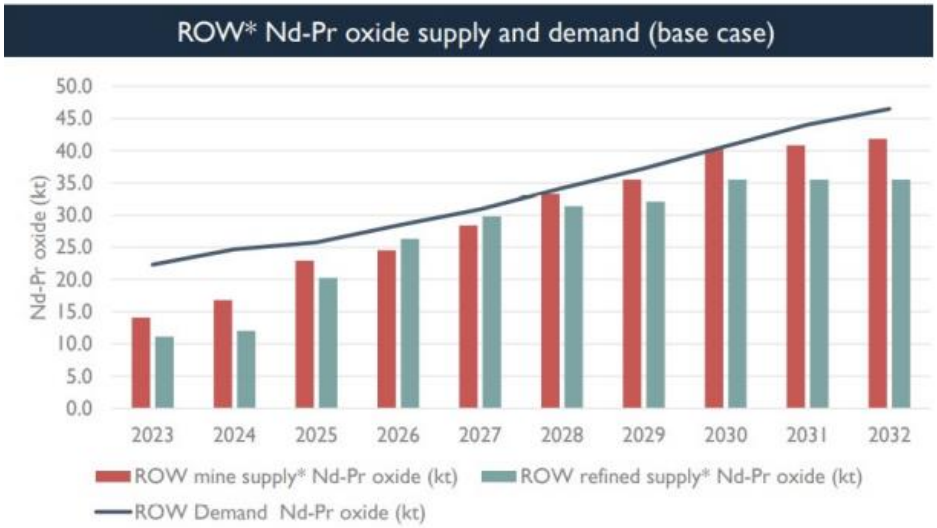


Source: American Rare Earths

China controls the rare-earth market so users are seeking non-China supply.

Figure 41 Non-China Demand and Supply for Nd-Pr oxides

Rest of World demand for Nd-Pr oxide



Source: American Rare Earths

11.3 Listed Rare Earth Companies

The Lithium Sector has been a poorly performing sector over the past few years and the same has applied to the Rare Earths Sector.

Stocks on ASX and North America are covered here.

11.3.1 ASX

The ASX has a number of REE companies with one producer (LYC.ASX) and several in development stages.

MPS ASX REE Sector has had 60% pull back from 2022 highs

This MPS Index of five ASX-listed REE producer and advanced project developer companies has very strong performance in 2020-21 but fell around 60% to the current level where it appears to be bottoming at price highs of 2018.

But back to support?

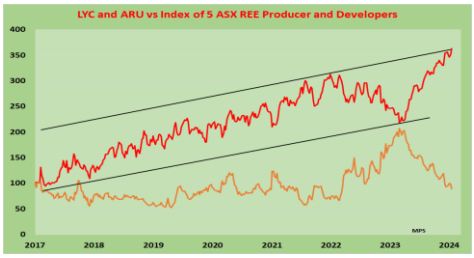
LYC.ASX the producer is leading this index higher. ARU.ASX is in construction but it is matching the performance of this Index.

MPS Index of REE stocks

LYC.ASX a producer and leading

ARU.ASX trying to recover.

LYC.ASX and ARU.ASX vs the MPS Index



Several ASX more speculative stocks also appear to be bottoming.

North American listed REE Stocks

Several of the world's top ten REE deposits are listed on North American markets.

- # 5 American Rare Earths
- #6 Commerce Resources
- #9 Geomega Resources
- #10 Avalon Advanced Materials

These stocks appear to be turning up after long downtrends.

12.0 AUSTRALIAN ASSETS

12.1
EUR holds tenements in WA in its own right and has strategic holdings in a number of ASX-listed companies.

12.1.1 E47/4144

The Company has secured tenement E47/4144 located in Northwest Western Australia and is progressing through the WA Mining Act regulatory application process and has cleared the Native Title process.

The Company is continuing discussions with a stakeholder and remaining objector to negotiate access with respect to areas of existing or intended infrastructure.

12.1.2 John Wally Pty Ltd (EUR 50%)

The Company has a 50% interest in John Wally which has been granted tenements E47/4534 and E47/4532. John Wally has applied for a number of other tenements in Western Australia which are pending.

Initial desktop evaluation work has been carried out on tenement E45/4534 at Munni Munni South.

A review of previous geology and geophysics has indicated areas with diamond and base metal potential.

12.2 Listed Investments

EUR holds strategic investments in a number of promising projects in ASX listed companies

12.2.1 Cyclone Metals

CLE has 10.5bn shares on issue with market cap A$10.5m @ A$0.001.

EUR has 11.5% (1,180m shares) in Cyclone Metals Limited (ASX: CLE)

Cyclone Metals Limited has a portfolio of resources assets that include exploration projects assets and investments.

Key assets include holdings in ASX listed companies:-

- 15.13% interest in CuFe Limited
- 4.5% of European Lithium
- 2.70% of Cauldron Energy

Operating assets include:-
100% of the Block 103 magnetite iron ore project located in the Labrador trough region of Canada and producing about 20kt per month. This Block 103 project has a potentially large iron ore deposit

Figure 42 Location of Block 103 Project in Canada.

Figure 43 Cyclone Metals Asset Summary

APPENDIX 2: GROUP STRUCTURE AND INVESTMENTS

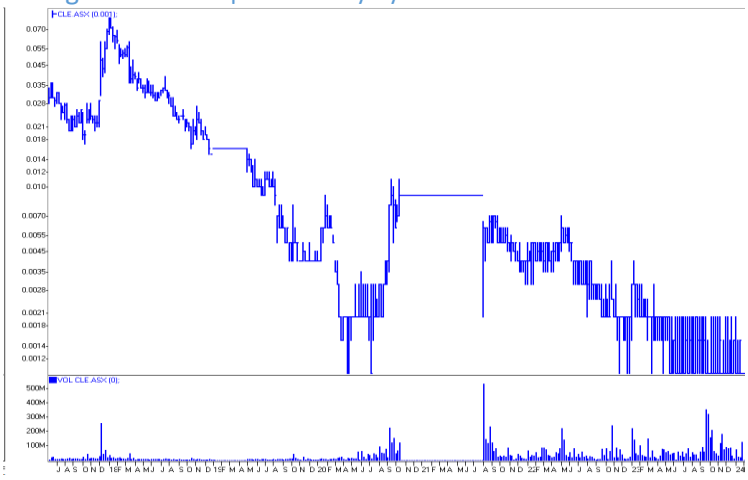
Exploration Projects

- Block 103 Iron Ore Project
  CLE - 100%
  Canada
- Nickol River Project*
  CLE - 100%
  Western Australia
- Wee MacGregor Copper Project
  CLE - 20%
  Qld, Australia
- Grand Port Project*
  CLE - 100%
  New Zealand
- Kukuna Iron Ore Project
  CLE
  Sierra Leone

Investments

- CuFe Limited (ASX: CUF)
  15.13% interest
  Iron Ore, copper (Australia)
- International Goldfields Limited (Unlisted)
  18.82% interest
  Gold (Australia / Cote d'Ivoire / Brazil)
- Cauldron Energy Limited (ASX: CXU)
  2.70% interest
  Uranium, gold, sand (Australia)
- European Lithium Limited (ASX: EUR)
  4.50% interest
  Lithium (Austria)

Figure 44 Share price History Cyclone Metals



12.2.2 CuFe Ltd

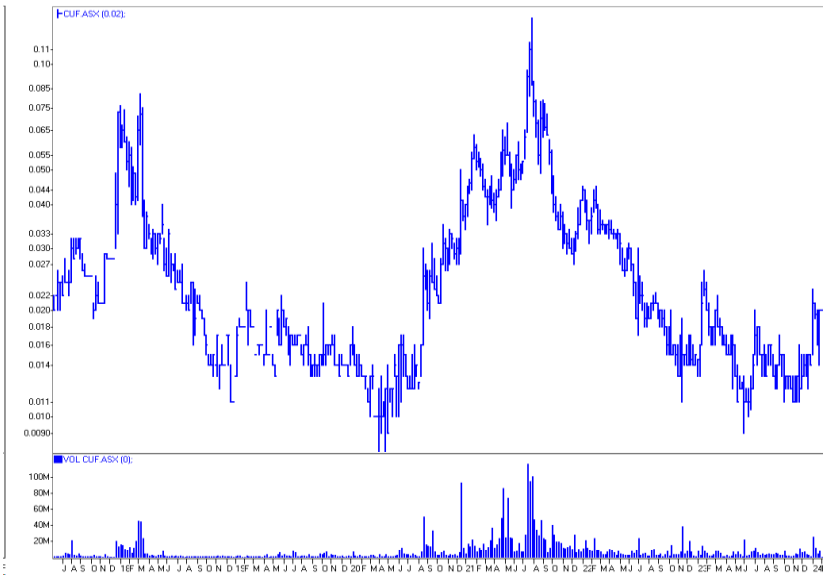
CUF has 1.46bn shares on issue with market cap A$19.5m @ A$0.001.

EUR has 1.3% (15m shares) in CuFe Ltd (ASX: CUF)

CUF has a number of resources investments.

Principal projects are:

- JWD Iron Ore Project (CUF 100%) shipping ~240ktpa iron ore
- Yarram Iron Ore Project (CUF 50%)
- Yilgarn Lithium North Dam Lithium and Rare Earths



13.0 CORPORATE INFORMATION

13.1 DIRECTORS OF EUROPEAN LITHIUM

Tony Sage – Executive Chairman

Mr Sage has in excess of 35 years' experience in the fields of corporate advisory services, funds management and capital raising. Mr Sage is based in Western Australia and has been involved in the management and financing of listed mining and exploration companies for the last 20 years.

Malcolm Day - Non-Exec Director

Mr Day is Managing Director of Moab Minerals Ltd (ASX: MOM) and been on the board since 1999. Prior to that, Mr Day worked in the civil construction industry for 10 years, six of which were spent in senior management as a Licensed Surveyor and then later as a Civil Engineer. Whilst working as a Surveyor, Mr Day spent three years conducting mining and exploration surveys in remote Western Australia. Mr Day is a Member of the Australian Institute of Company Directors..

Bachelor of Applied Science in Surveying and Mapping, Licensed Surveyor Experience

Michael Carter - Non-Exec Director

Mr Carter is experienced in structuring corporate transactions, focusing on junior resource companies, and has also worked in ongoing corporate advisory roles with numerous ASX listed entities over the last 18 years. Mr Carter has been employed as a stockbroker since 1999 and was previously a director of Indian Ocean Capital. He is currently an associate director of CPS Capital Group

Mykhailo Zhernov - Non-Exec Director

Mr Zhernov has a track record of twenty years in the financial sector of Ukraine, CIS, Central and Eastern Europe. Currently, Mr. Zhernov serves as the Managing Partner at Millstone & Co Investment Company, a private investment company specializing on investment, asset and capital management in Central and Eastern Europe. He was the founder and head of Altera Finance (altera-finance.com), the member of the supervisory boards of the insurance companies VUSO (vuso.ua), INNEX Stock Exchange, the head of the private banking in PJSC DIAMANTBANK.

13.2 TOP 20 SHAREHOLDERS AS AT 25 JANUARY 2024

Table 32 Top 20 Shareholders

Top 20 Shareholders			
1	BNP PARIBAS NOMINEES PTY LTD ACF CLEARSTREAM	536,941,446	38.51
2	CITICORP NOMINEES PTY LIMITED	129,505,545	9.29
3	DEMPSEY RESOURCES PTY LTD	62,681,578	4.50
4	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	43,991,498	3.16
5	OKEWOOD PTY LTD	28,200,931	2.02
6	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	27,898,398	2.00
7	BATTLE MOUNTAIN PTY LIMITED	22,738,140	1.63
8	PIXSELL PTY LTD <PIXSELL UNIT A/C>	15,000,000	1.08
9	BNP PARIBAS NOMS PTY LTD	14,585,105	1.05
10	MOAB MINERALS LIMITED	11,000,000	0.79
11	WINANCE	9,344,937	0.67
12	MORGAN STANLEY AUSTRALIA SECURITIES (NOMINEE) PTY LIMITED <NO 1 ACCOUNT>	8,262,527	0.59
13	CASS (FZE)	7,500,000	0.54
14	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	6,144,122	0.44
15	MR ANTONY WILLIAM PAUL SAGE + MRS LUCY FERNANDES SAGE <EGAS SUPERANNUATION FUND A/C>	5,540,578	0.40
16	FINCLEAR PTY LTD <SUPERHERO SECURITIES A/C>	5,008,375	0.36
17	MICHAEL STANLEY CARTER <THE CARTER FAMILY A/C>	5,000,000	0.36
18	NORTH SHORE ADVISORY GROUP PTY LTD	4,450,000	0.32
19	MR DIETRICH LOTHAR WANKE	3,766,684	0.27
20	MR DOUGLAS MCDONALD BENNETT	3,750,000	0.27
Total (m)		951,309,864	68.23
Total issued capital (m)		1,394,239,175	

13.3 OPTION SCHEDULE AS AT 30 JANUARY 2024

At the current EUR price of A$0.09 most of these options are out `of the money' although the pass through value of CRML should put the unlisted 22 Feb 2024 A$0.20 series in the money to potentially raise A$1.55m.

The 19 April 2024 listed options are `in the money' and would raise A$12.5m .

The 2025 options with exercise prices A$0.18 and below would raise a further ~A$43.5m.

Date of Expiry	Status	Exercise Price	Number of Options
22/02/2024	Unlisted	20.0 cents	7,776,425
19/04/2024	Listed	7.5 cents	166,721,965
27/01/2025	Unlisted	10.0 cents	7,000,000
31/03/2025	Listed	18.0 cents	223,076,970
01/05/2025	Unlisted	12.0 cents	5,000,000
01/05/2025	Unlisted	14.0 cents	5,000,000
01/05/2025	Unlisted	16.0 cents	5,000,000
01/05/2025	Unlisted	18.0 cents	5,000,000
26/06/2026	Unlisted	12.0 cents	4,000,000

13.4 PERFORFORMANCE SHARES SCHEDULE AS AT 30 JANUARY 2024

45,000,000 performance shares on issue which vest upon the Company's market capitalisation being equal or greater than A$350,000,000(currently ~A$110m) for 20 consecutive trading days (based on the volume average weighted price of Shares for each trading day during that period) at any time prior to 31 December 2024.

14.0 FINANCIAL FEATURES

14.1 BALANCE SHEET

Table 33 Balance Sheet

Balance Sheet A$m Year End 30 June	2020	2021	2022	2023
Current assets				
Cash	0.3	5.4	33.0	13.1
Receivables	0.2	0.2	0.5	0.3
Other			1.0	
Total Current Assets	0.5	5.7	34.5	13.5
Non Current Assets				
Property, Plant and Equipment	0.0	0.0	0.0	0.0
Exploration expenditure	36.5	38.0	44.2	52.7
Financial assets	0.2	0.0	0.0	4.8
Investments	-	0.5	0.6	0.7
Total Non Current Assets	36.7	38.6	44.8	58.2
Total Assets	37.2	44.3	79.3	71.7
Liabilities				
Trade and payable	1.8	1.3	0.7	5.4
Provisions	0.0			
Convertible Note	0.8	0.4	-	-
Total Current liabilities	2.6	1.7	0.7	5.4
Non-current liabilities		-	-	-
Total liabilities	2.6	1.7	0.7	5.4
Net assets	34.6	42.6	78.6	66.3
Equity				
Issued capital	24.8	36.8	80.6	75.7
Equity Reserves	7.6	7.6	12.1	16.9
Accum losses	2.1	(1.8)	(14.2)	(26.4)
Total Equity	34.6	42.6	78.6	66.3

14.2 PROFIT AND LOSS

Table 34 profit and Loss Statement

Profit and Loss Statement A$m 30-Jun	2020	2021	2022	2023
Operating revenue	0.2	0.0	0.2	0.7
Other net				
Total	0.2	0.0	0.2	0.7
Expenses				
Cost of Sales				
Employee benefits	(0.2)	(0.3)	(0.4)	(0.9)
Exploration write off		-	(0.0)	(0.3)
Administration	(1.6)	(1.4)	(1.2)	(2.6)
Share based expenses	(0.5)	(0.4)	(4.2)	(2.6)
Merger expenses				(7.5)
Finance costs	(0.5)	(0.4)	(0.4)	(0.1)
Contractors	(0.4)	(0.5)	(0.7)	(0.6)
Other	(0.2)	(1.1)	(5.6)	1.6
Total	(3.4)	(4.0)	(12.5)	(12.9)
Operating surplus	(3.2)	(4.0)	(12.3)	(12.2)
Depreciation and Amortisation	(0.0)	(0.0)	(0.0)	(0.0)
EBIT	(3.2)	(4.0)	(12.3)	(12.2)
Interest	-	-	-	-
PreTax	(3.2)	(4.0)	(12.3)	(12.2)
Tax	-	-	-	1.0
Net	(3.2)	(4.0)	(12.3)	(13.2)

14.3 CASHFLOWS

Table 35 Cash Flows Statement

Cash Flows Statement A$m 30-Jun	2020	2021	2022	2023
Cashflows from operating activities				
Interest income	(0.0)	0.0	0.1	0.5
Grants	0.2		(0.1)	0.2
Less				
Payments to suppliers and emp	(1.1)	(2.5)	(2.8)	(3.2)
Exploration expenditure	(2.8)	(3.0)	(8.2)	(4.6)
Royalty payment			(0.8)	-
Other net		(0.1)	(0.6)	(0.1)
Total cash used in operating ac	(3.8)	(5.6)	(12.4)	(7.2)
Cashflows from investing activities				
Tenements	-	(0.1)		(0.3)
Investment	-	(0.1)	(0.2)	(3.6)
Other	-	-	(0.4)	(3.0)
Fixed assets	(0.0)	0.0	(0.0)	(0.0)
Total	(0.0)	(0.2)	(0.6)	(6.9)
Cashflows from financing activities				
Capital raising	0.9	11.1	41.5	
Capital raising costs	(0.1)	(0.6)	(2.3)	(0.0)
Option exercise	-	0.1	2.3	4.1
Repayment of borrowings	2.0	0.4	(1.0)	(1.3)
Share buyback				(8.6)
Total	2.8	11.0	40.6	(5.8)
Net cashflows	(1.0)	5.2	27.6	(19.9)
Opening cash	1.2	0.3	5.4	33.0
Closing	0.3	5.4	33.0	13.1

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This report has been prepared with the assistance of EUR and the views are entirely those of the Analyst using public available information.

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List of Tables