



EUROPEAN METALS

CINOVEC

**PRODUCING LITHIUM IN
EUROPE FOR EUROPE**



INVESTOR PRESENTATION

October 2020

DISCLAIMER & CAUTIONARY STATEMENT



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COMPETENT PERSON

The Exploration information in this presentation is based on information compiled by Mr Widenbar who is a recognised geologist and consultant to European Metals. Mr. Widenbar has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”. Mr Widenbar consents to the inclusion in this presentation of the matters based on his information in the form and the context in which it appears

Cinovec is a globally significant lithium project due to its:

Size

The largest hard rock lithium resource in Europe, 4th largest non-brine resource in the world.

Cost

Potential low cost producer - bottom half of the cost curve.

Flexibility

Ability to produce either battery grade lithium hydroxide or carbonate.

Location

In the heart of Europe within close proximity to numerous potential end-users.

Strategic Partnership

CEZ partnership ensures Project is fully funded to decision to construct.

EMH plans to sustainably supply a minimum 25,267 tpa lithium hydroxide or 22,500 tpa lithium carbonate into the European battery market – low cost, long term.

ESTABLISHED TWO VERY SIGNIFICANT PARTNERSHIPS

The partnerships provide political and financial support and will help deliver the development and ultimate commercialisation of Cinovec



CEZ Group

Czech national power company, 70% state owned

Injected €29 million at project level – Cinovec fully funded through to a construction decision

Investing into green energy solutions

EIT InnoEnergy

Collaborative agreement with EU entity – principal facilitator and organiser of the European Battery Alliance

Support construction financing and ultimate commercialisation of Cinovec

Assist in sourcing construction finance, securing grant funding and facilitate offtake introductions and negotiations



- Headquartered in Prague; operates in 9 European jurisdictions:
 - Czech Republic, Slovakia, Germany, Poland, Hungary, Bulgaria, Romania, Turkey, France
- Nuclear, renewables and coal-fired power plants
 - Electricity supply; electricity and natural gas trading; coal and limestone mining
- CEZ is 70% Czech State-owned
 - Czech Government backing to progress Cinovec as rapidly as possible
- Strong balance sheet and financial results provide backing to finance Cinovec
 - CEZ Balance Sheet €28bn as at 31 December 2019 and EBITDA of €2.4bn in 2019
- CEZ has acquired 51% of Geomet – Cinovec project company
 - Injected €29m into Geomet – Cinovec financed through to construction decision
 - Investment enables immediate commencement of DFS and Front-End Engineering Design programme
 - CEZ and EMH contribute to Board and Executive Management of Geomet
 - Business plan and budget pre-agreed by partners
 - Geomet holds 100% of Cinovec Project (51% CEZ and 49% EMH)

CEZ committed to Green Energy solutions

- **EV charging stations**

- Operates largest number of public charging stations in Czech Republic (>190 and increasing)
- Dedicated home charging stations
- Partnerships with Skoda, Mercedes-Benz, Peugeot

- **Renewable Energy**

- Interests in wind farms in Czech Republic, Germany and Turkey
- Interest in largest on shore wind farm in Europe (Romania) – 240 turbines; 600 MW

- **Lithium ion battery factory**

- CEZ plans to build a lithium ion battery factory in collaboration with existing global battery manufacturers in Czech Republic

“Europe battery production is a strategic imperative for clean energy transition and the competitiveness of its automotive sector.”

“The immediate objective is to create a competitive manufacturing value chain in Europe with sustainable battery cells at its core.”

“Strategic Action Plan for Batteries: Secure access to raw materials for batteries from resource-rich countries outside the EU and facilitate access to European sources of raw materials.”

https://ec.europa.eu/growth/industry/policy/european-battery-alliance_en

The EBA is a European Commission initiative launched in 2017

LITHIUM – NEW DEMAND EUROPE



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Gigafactory to be built in Eastern Europe – 5 sites under consideration

EU HARD ROCK LITHIUM RESOURCES



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| Company | Deposit | Stage | Total resource (Mt) | Li ₂ O (%) | LCE (Mt) | Percentage of EU Resources |
|------------------------|-----------------|---------------|---------------------|-------------------------|--------------|----------------------------|
| European Metals | Cinovec | In DFS | 695.9 | 0.42¹ | 7.22 | 65.5 |
| Infinity Lithium | San Jose | PFS | 111.3 | 0.61 | 1.68 | 15.2 |
| Deutsche Lithium | Zinnwald | DFS | 40.4 | 0.76 ² | 0.76 | 6.9 |
| Savannah Resources | Mino do Barroso | DFS | 27.0 | 1.06 | 0.71 | 6.4 |
| Keliber | Several | DFS | 14.2 | 1.08 | 0.38 | 3.4 |
| European Lithium | Wolfsberg | DFS | 11.0 | 1.00 | 0.27 | 2.4 |
| TOTAL | | | | | 11.02 | |

Source: Relevant company presentations.

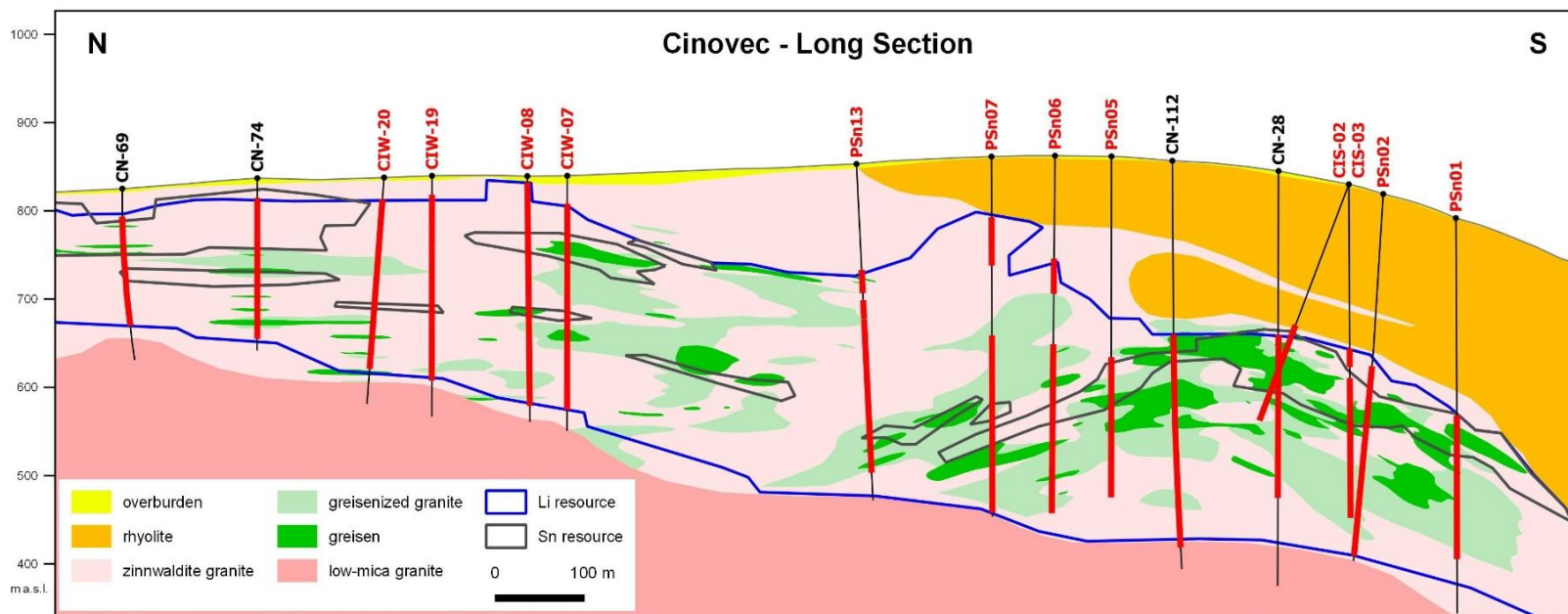
Note 1: Cinovec ore readily concentrated to 2.7% Li₂O due to magnetic susceptibility.

Note 2: Zinnwald resource based on higher cut off grade and mining method assumptions of Cinovec



- Large 1.68mtpa underground mining operation.
- Underground crushing and conveyor to surface milling.
- Slurry pipeline to beneficiation plant.
- Wet magnetic separation of lithium concentrate.
- Production of lithium hydroxide or carbonate via gypsum & sodium sulphate roast, water leach, purification and product precipitation / crystallization route.
- By-product gravity recovery of tin and tungsten.
- Potash and sodium sulphate by-products from lithium plant.
- Potential for recovery of a pure silica product (glass/ceramics).
- Tailings disposal in adjacent abandoned coal pits.

CINOVEC – THE DEPOSIT



| Hole | From | To | Width (m) | Li ₂ O (%) | Hole | From | To | Width (m) | Li ₂ O (%) |
|--------|------|-------|-----------|-----------------------|--------|--------|-------|-----------|-----------------------|
| CN-17 | 22 | 224 | 202 | 0.62 | CIW-25 | 9.5 | 373 | 361.5 | 0.43 |
| CIW-22 | 123 | 387.5 | 264.5 | 0.54 | CIW-26 | 173.75 | 410 | 236.25 | 0.49 |
| CN-81 | 1 | 224 | 223 | 0.52 | CN-86 | 81.8 | 230.9 | 149.1 | 0.48 |

Selected lithium drill intercepts

CINOVEC – THE DEPOSIT



- Historic underground mine for high-grade tin/tungsten veins, closed in 1993.
- Over 83,000m historic diamond drilling, 21.5km historic drive development, EMH confirmation drilling 9,477m, further drilling commenced in October 2018.
- The upper portion of a granite cupola has been mineralized.
- Lithium is hosted in lithium mica (zinnwaldite) disseminated in massive granite.
- Total indicated and inferred resource:
 - 7.22 Mt of lithium carbonate equivalent.
 - 262,600 tonnes of tin.
 - 91,910 tonnes of tungsten.

| Resource Category | Mt | Li (%) | Li ₂ O (%) | LCE (Mt) | Sn (%) | Sn (t) |
|-------------------|-------|--------|-----------------------|----------|--------|---------|
| Indicated | 372.4 | 0.206 | 0.44 | 4.08 | 0.04 | 139,080 |
| Inferred | 323.5 | 0.183 | 0.39 | 3.15 | 0.04 | 123,520 |
| Total | 695.9 | 0.195 | 0.42 | 7.22 | 0.04 | 262,600 |

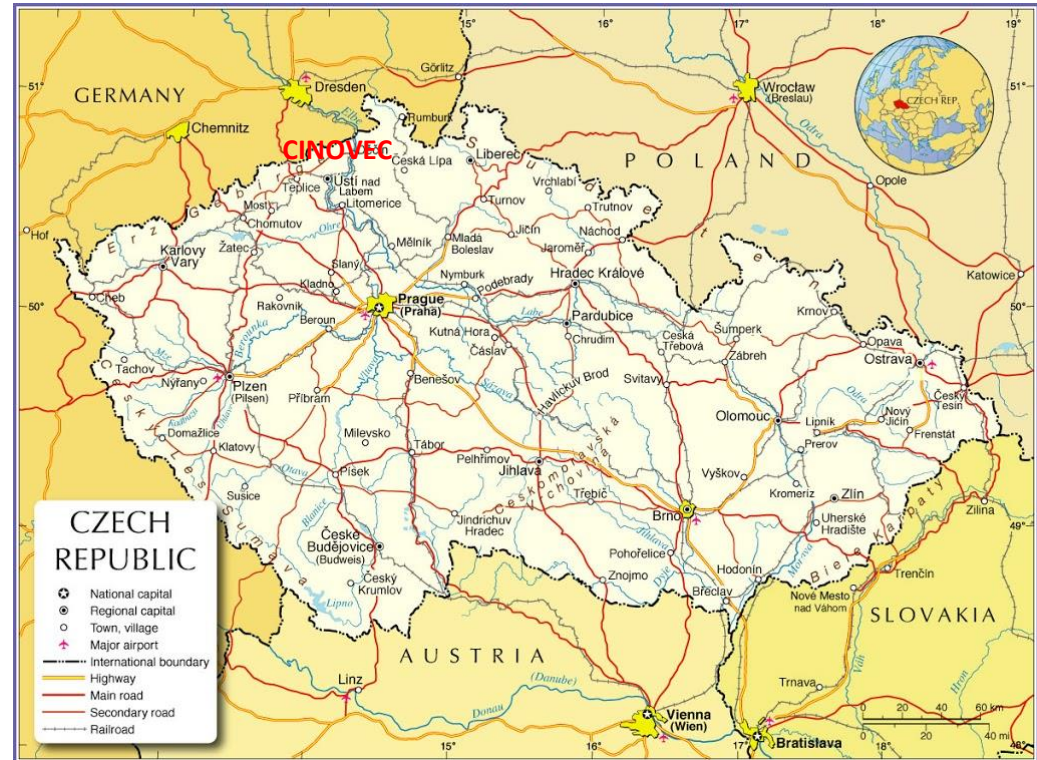
Global Resources Cinovec November 2017

CINOVEC - INFRASTRUCTURE



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- Excellent infrastructure in place to support development of Cinovec
- Adjacent to a main road and near large industrial centres, car and chemical plants in Germany and Czech Republic
- Processing location 2 km from existing rail line in industrial estate and adjacent to primary coal mining and power producing areas in the Czech Republic
- Good water supply and other infrastructure
- 22 KV transmission lines close by mine and processing site



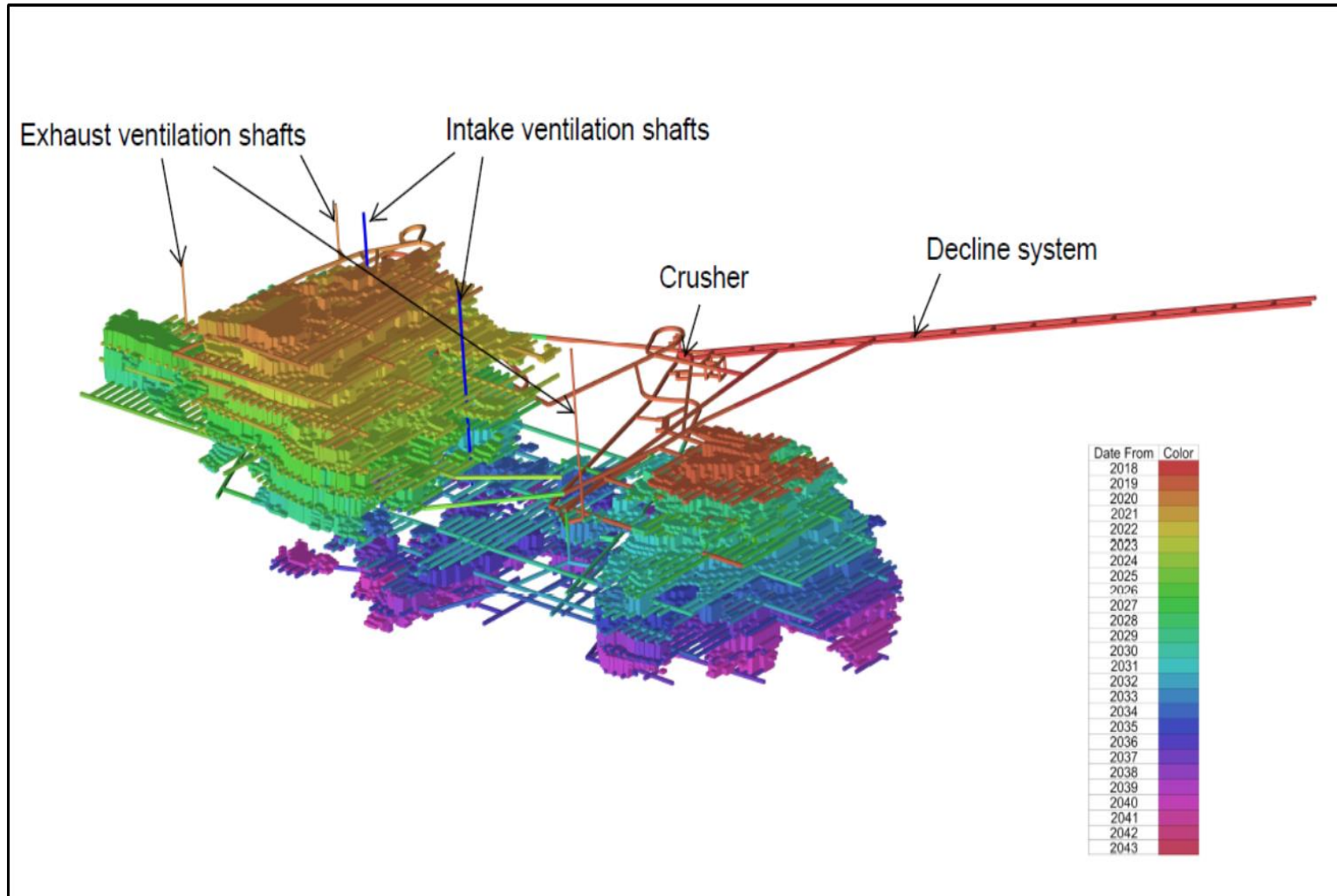
- Central location in Europe
- Over 90% of its exports are to European countries with 32% to Germany alone
- Stable political and economic environment
–Member of the European Union.
- Excellent infrastructure, communication network and power
- Relatively low corporate income tax rate of 19%
- Population is approx. 10.6 million
- Long tradition of silver, uranium, tin and coal mining
- Established mining code



CINOVEC – UNDERGROUND MINE



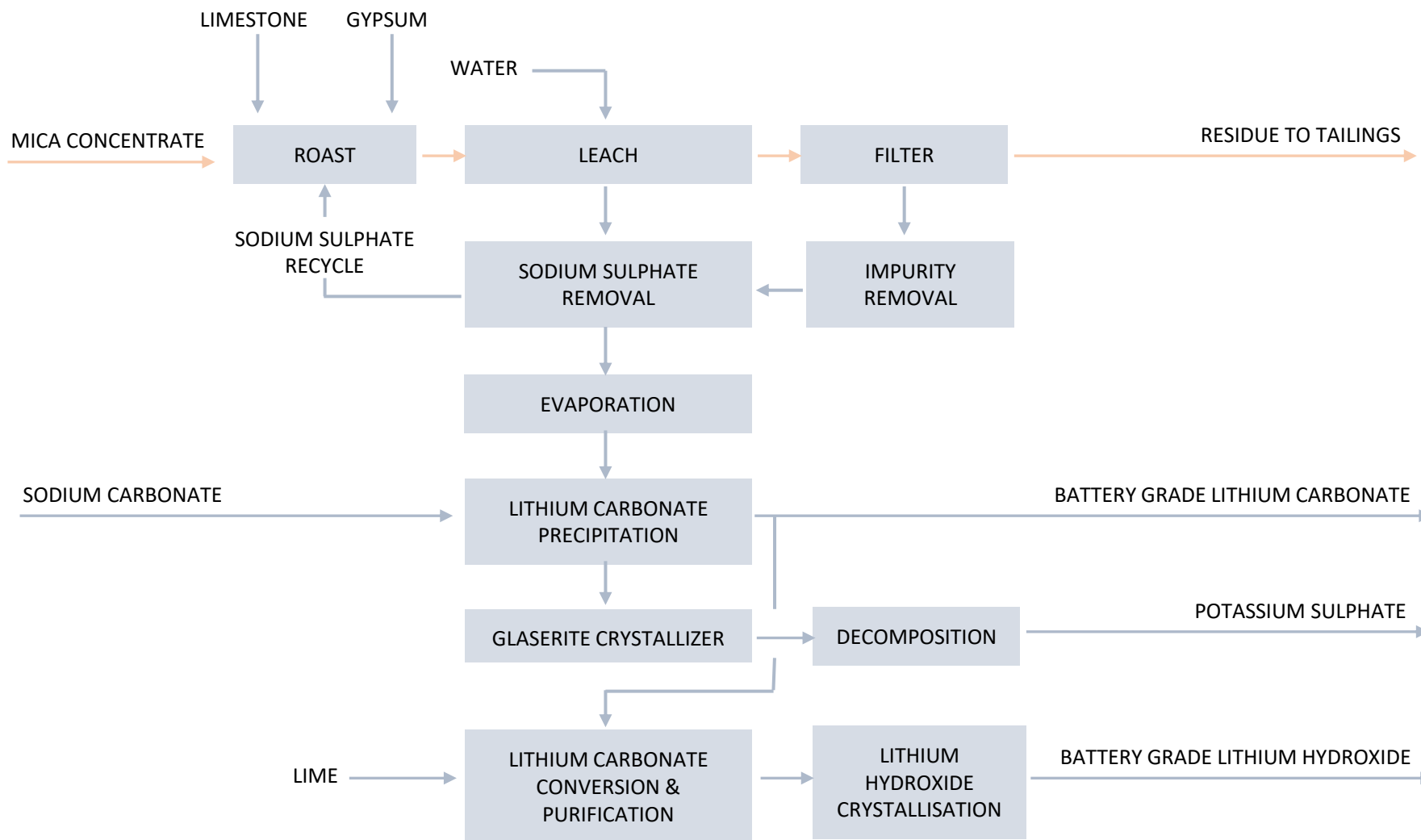
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CINOVEC – LITHIUM HYDROXIDE PROCESS



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UPDATED PFS SUMMARY – JUNE 2019¹ (USD)



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| | |
|-------------------------------------|---|
| ANNUAL PRODUCTION ² | 25,267 tpa battery grade LiOH.H ₂ O |
| PROJECT LIFE | 21 years |
| TOTAL JORC RESOURCE ³ | 7.22 Mt LCE (4.08 Mt indicated, 3.15 Mt inferred) |
| CONSTRUCTION CAPITAL COSTS | \$482.6 million |
| OPERATING COSTS (without credits) | \$4,876/t LiOH.H ₂ O |
| OPERATING COSTS (with credits) | \$3,435/t LiOH.H ₂ O |
| LITHIUM HYDROXIDE PRICE ASSUMPTION | \$12,000/t battery grade LiOH.H ₂ O |
| AFTER TAX ECONOMICS | \$1,108 million (NPV 8% Discount) |
| INTERNAL RATE OF RETURN | 28.8% |

¹ The initial public report for the production target and forecast financial information was released on 16 June 2019

² The annual production is stated as 100% lithium hydroxide

³ The resource was updated 28 November 2017

The Company confirms that all material assumptions underpinning the production target and forecast financial information continue to apply and have not materially changed.

Key activities for the next 12 months:

- DFS and Front-End Engineering Design (FEED)
- Complete drilling and update resource model to include Measured Resources for upgrade of Probable Reserves to Proven Reserves.
- Progress EIAs for mining and processing.
- Complete locked-cycle testwork & flowsheet optimisation.
- FEED programme to produce marketing samples.
- Progress additional strategic partner discussions – in active discussions with leading global industrials (batteries/autos).

CORPORATE SNAPSHOT



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12 MONTH SHARE PRICE

ASX & AIM CODE **EMH**

CDI's **160.5M**

MARKET CAP **83.4M**
@ AUD 0.52 **AUD**

SHARE HOLDER STRUCTURE

Cadence Minerals plc **14.5%**

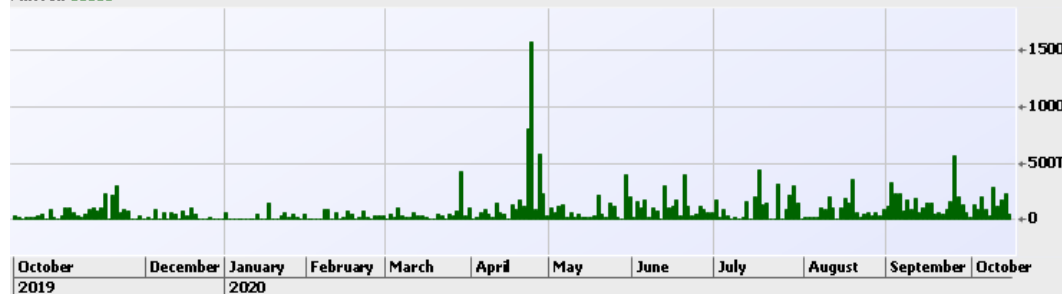
Held by Directors
(inc Cadence Minerals plc) **20.6%**

*all data as at 14 Oct 2020 at 10:00am (WST)

EMH.ASX@AUD: 0.52



MktVol: 38083



THE TEAM



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KEITH COUGHLAN (AUS) EXECUTIVE CHAIRMAN

- 30 years stockbroking & funds management experience
- Global mining finance
- Previously Chair of Talga Resources
- Currently Chair of Doriemus plc and NED of Southern Hemisphere Mining and Calidus Resources Limited

RICHARD PAVLIK (CZ) EXECUTIVE DIRECTOR

- Masters Mining Engineering
- 30 yrs Czech mining experience
- Previously Chief Engineer & Head of Surveying & Geology for OKD & New World Resources

KIRAN MORZARIA (GB) NON EXECUTIVE DIRECTOR

- CEO & Director of EMH's largest shareholder, Cadence Minerals in UK
- Bachelor of Engineering & MBA Finance
- Operational & Management experience in Mineral Resource Industry

SIMON EDWARDS (UK) BUSINESS DEVELOPMENT

- Chartered Accountant (ICAEW)
- 15 years Corporate Finance / Corporate Broking – London
- 15 years mining finance / management
- Metallurgy & Materials (Oxford)

GRANT HARMAN (AUS) METALLURGICAL CONSULTANT

- Previously Manager, Lithium Chemicals, for Talison Lithium
- Held roles with UGL, SNC Lavalin, CleanTeq & Ausenco

PAVEL REICHL (CZ) CONSULTING GEOLOGIST

- Certified Professional Geologist
- Member of American Institute Professional Geologists
- Fellow of Society of Economic Geologists
- Competent Person for Australasian Code
- Qualified Person for AIM Guidance Notes



- Cinovec is located in the heart of Europe.
- Cinovec is the largest economic lithium resource in Europe.
- Now partnered with CEZ – multinational operating across Europe with €2.4bn EBITDA in 2019 and Balance Sheet €28bn
- EU requires substantial supplies of lithium and is fully committed to a battery industry.
- A minimum 25,267 t/a lithium hydroxide or 22,500 t/a lithium carbonate will be produced for more than 20 years for supply to Czech & European industry.
- Low risk, conventional technologies will be used in the process.
- Significant employment opportunities will be created.
- Economic benefits will multiply for the Czech Republic due to local sourcing of lithium for batteries & electric vehicles.



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