

QUARTERLY ACTIVITIES REPORT – JUNE 2021

European Metals Holdings Limited (ASX & AIM: EMH, NASDAQ: EMHXY) (“European Metals” or the “Company”) is pleased to provide an update on its activities during the three-month period ending 30 June 2021 which highlights the continued progress in the development of the globally significant Cinovec Lithium/Tin Project (“the Project” or “Cinovec”) in Czech Republic.

The quarter was marked with positive and encouraging results from locked cycle testwork, the lodging of the Environmental Impact Assessment submission, significant advances in the formal assessment of the Project’s environmental credentials and continued successful drilling programme. The Company also announced its intentions to list its securities in the US via the NASDAQ ADR programme.

From a macro perspective, the market for and price of lithium improved significantly throughout the quarter. The Company expects this improvement to continue.

ENVIRONMENTAL IMPACT ASSESSMENT

On 6 May 2021 the Cinovec Project company Geomet s.r.o submitted the documentation related to the initial EIA notification to the Czech Ministry of the Environment.

The submission officially initiates the environmental impact assessment process of the Cinovec project. The Ministry of Environment launched a screening procedure, including the notification of all concerned stakeholders. During this time, the Ministry assesses the submitted documentation, comments of all stakeholders in the proceedings and decides whether it will be necessary to prepare additional studies. Following European and Czech environmental legislation the submission also included an independent expert assessment of Natura 2000 (the European Union’s network of nature protection areas) which concluded that there is no negative impact on proximate nature reserves or any other sites of natural importance.

STRONG RESULTS FROM LOCKED-CYCLE TESTS

On 19 May the Company announced successful locked-cycle test (“LCT”) results, further supporting the Cinovec project’s credentials to produce battery-grade lithium chemicals.

The highlights of the announcement were –

- European Metals demonstrated that Cinovec battery grade lithium carbonate can be easily converted into lithium hydroxide monohydrate with a commonly utilised liming plant process.
- Six LCTs were planned but testwork was stopped after four cycles as the main process stream compositions had been successfully stabilised.

DIRECTORS AND MANAGEMENT

Keith Coughlan
EXECUTIVE CHAIRMAN

Richard Pavlik
EXECUTIVE DIRECTOR

Kiran Morzaria
NON-EXECUTIVE DIRECTOR

Lincoln Bloomfield
NON-EXECUTIVE DIRECTOR

Dennis Wilkins
COMPANY SECRETARY

CORPORATE INFORMATION

ASX EMH

AIM EMH

NASDAQ ERPNF

Frankfurt E861.F

CDI’S ON ISSUE 175.4M

- Battery grade lithium carbonate was produced in every LCT with lithium recoveries of up to 92.0% achieved in the four LCTs performed.
- The LCTs tested zinnwaldite concentrate from the southern part of Cinovec, representative of the first five years of mining.
- Improved fluoride removal process step further enhances project's economic outcomes because of the regeneration and reuse of the ion exchange resins.
- Further optimisation work in hydrometallurgy processing steps is expected to improve lithium recoveries from concentrate to >92.0%.

LOCKED-CYCLE TEST RESULTS PROVE ABILITY TO PROCESS ZINNWALDITE

Geomet commissioned the LCTs with the principal objective of confirming the flowsheet for the processing of zinnwaldite concentrate from Cinovec run-of-mine ore. The LCTs differ from previous proof of concept and optimisation testwork conducted during the Cinovec PFS by confirming the effect of recycle streams (which carry some lithium and other alkali metals) on the overall recovery of lithium from the pregnant leach solution resulting from the water leaching of the roasted zinnwaldite concentrate and the ability to produce battery grade lithium carbonate. The LCTs have been performed by Dorfner Anzaplan, Germany and have been supervised by Lithium Consultants Australasia and SMS group Processing Technologies GmbH ("SMS") in parallel with the FrontEnd Engineering Design ("FEED") programme being undertaken by SMS. The LCTs have processed zinnwaldite concentrate from drill core samples taken from the southern part of the Cinovec orebody, representing ore that will be processed in the first five years of the mine plan. The recovery of up to 92% of the lithium in the concentrate sample compares favourably with the similar recovery in the PFS flowsheet of 91%. However, this new recovery of up to 92% is before lithium plant DFS/FEED optimisation testwork that will be targeted in specific process areas and which is expected to increase hydrometallurgical recovery in the lithium plant to more than 92%. Separate metallurgical testwork on the Front-End Comminution and Beneficiation ("FECAB") circuit is underway and is designed to improve upon the lithium recovery of 90% from ore to concentrate. This testwork will be reported at a later date.

PROOF OF PROCESSING STEPS FOR REMOVAL OF FLUORIDE, POTASSIUM AND RUBIDIUM

Ahead of the LCTs, Geomet tested an alternative process to remove fluoride in order to meet the EV grade specification of <50ppm in the lithium carbonate. The PFS flowsheet included the removal of fluoride by the use of activated alumina, a relatively costly step because the activated alumina was not considered suitable for regeneration. This step has been replaced by a cheaper and more environmentally friendly two-step process involving chemical precipitation and ion-exchange. This new method of fluoride removal has been proven to be highly effective, easier to implement and is less costly as the ion-exchange resin can easily be regenerated and re-used many times.

The zinnwaldite mica at Cinovec contains alkali metals other than lithium, including potassium, rubidium and caesium, which are leached into solution and will build up in the plant if not removed from the circuit.

The LCTs have proven conclusively that the unwanted alkali metals can be removed preferentially by control of temperature, pH, solution saturation and crystallisation. It has been confirmed that these alkali metals will not build up due to recycles within the plant. The achievement of this within four LCTs with minor loss of lithium is a major step towards confirmation of process plant design.

LITHIUM HYDROXIDE PRODUCTION

The current LCTs have been commissioned to confirm the lithium carbonate processing flowsheet. The Cinovec Project has optionality to either produce a battery grade lithium carbonate product or to further process the lithium carbonate to produce battery grade lithium hydroxide.

As the FEED programme continues, Geomet is expected to commission testwork to confirm the optimal production route for lithium hydroxide and to produce marketing samples for prospective offtake partners and environmental samples to assist in permitting approvals.

ADOPTION OF ESG REPORTING AND ENGAGEMENT OF LITHIUM LIFE CYCLE ASSESSMENT SPECIALIST

The Company believes that the Cinovec Project will have very strong ESG credentials and a low carbon footprint relative to its peers. As part of the Company's commitment to developing the Project with this very strong environmental focus, two key environmental consultants were engaged during the period.

On 10 May 2021 the Company announced the adoption of a set of Environmental, Social and Governance ("ESG") metrics and disclosures following the recommendations released by the World Economic Forum ("WEF") in Geneva, Switzerland which are acknowledged as the gold standard for ESG reporting.

The highlights of this announcement are as follows –

- Establishment of an ESG Committee at Board level, to be chaired by Ambassador Lincoln Bloomfield who has considerable private sector experience centred on sustainability, resilience and renewable energy
- Engagement of Socialsuite ESG technology platform - a global leader in ESG impact management systems and sustainability reporting
- Initiation of ESG reporting, monitoring and improvement for European Metals utilising Socialsuite
- EMH's ESG transparency commitment is a precursor to an independent lithium production Life Cycle Assessment² ("LCA") which includes a full Carbon Footprint assessment

ADOPTING AN ESG FRAMEWORK

ESG and impact investing have become key criteria for both investors and fund managers, leading a new path to how companies are being assessed. In 2020, 33% of the US\$51.4 trillion in total US assets under professional management used ESG investment criteria, with demand for ESG compliance continuing to rise sharply with total Global sustainable investment now topping \$30 trillion—up 68% since 2014 and tenfold since 2004. The acceleration has been driven by heightened social, governmental, and consumer attention on the broader impact of corporations, as well as by the investors and executives who acknowledge that a strong ESG proposition is a key indicator of a company's long-term success. ESG reporting offers a tool and roadmap for investors and society to hold companies to account, to make sure that the issues such as climate change, social justice, equality, diversity and environmental protection are reflected and appropriately addressed by the company in focus.

EMH BASELINE ESG DASHBOARD

The Company has deployed Socialsuite's ESG technology platform to set its initial ESG baseline in its first quarterly ESG dashboard. With a tailored action plan, the Company will focus on delivering and reporting ongoing progress toward disclosing and improving ESG metrics and indicators. Socialsuite's ESG reporting technology provides an easy way for investors and other stakeholders to assess the commitment and progress of the Company on its journey to create "best in class" ESG credentials and outcomes.

BACKGROUND TO WORLD ECONOMIC FORUM REPORTING GUIDELINES

Before choosing an investment or purchase, all stakeholders want to be assured businesses are truly “walking the ESG walk” and not just “ESG washing”. However, the key challenge for many companies is the lack of a universal and consistent framework to measure and report the shared and sustainable value it creates. During 2019, the World Economic Forum’s International Business Council (“IBC”), flagged the existence of multiple ESG reporting frameworks and the lack of consistency and comparability of metrics as major issues preventing companies from credibly demonstrating to all stakeholders its progress on sustainability and its contributions to the sustainable development goals. In collaboration with Deloitte, EY, KPMG and PwC, the IBC worked to identify a set of universal, material ESG metrics and recommended disclosures that could be reflected in the mainstream annual reports of companies on a consistent basis across industry sectors and countries. The metrics were designed to be capable of verification and assurance, to enhance transparency and alignment among corporations, investors, and all stakeholders. The result of this process is a set of 21 core and 34 expanded metrics and disclosures, which have been adopted by Socialsuite in its ESG reporting platform to help companies such as European Metals effortlessly and instantly commence ESG reporting.

ABOUT SOCIALSUITE

Socialsuite is a fast-growing global company based in Melbourne, Australia. It has clients across Asia Pacific, the Americas and Europe. Its clients include financial institutions, large companies, government agencies, philanthropic foundations, not-for-profits and NGOs that want to monitor and fully understand how they impact people and the environment. As a global leader in impact management systems, Socialsuite delivers an efficient and rigorous measurement and monitoring service that is simple to use, infinitely adjustable and tailored to European Metals’ requirements. Its automated data-collection, analysis and reporting tools provide accurate and timely insights to allow European Metals to monitor and understand the impact of the Company’s initiatives. Socialsuite’s impact monitoring technology provides structured ESG data collection, ongoing ESG reports that can be directly inserted into quarterly reports, benchmarking across other similar companies’ ESG journeys and expanding ESG reporting depth/complexity as the company grows over time. Socialsuite provides a clear and practical way businesses can get started with ESG measurement based on the company’s size and resources, which can be scaled and extended as capacity increases. It uses the World Economic Forum’s 21 material ESG metrics and records “ESG Progress velocity” from quarter to quarter, enabling businesses to measure, track and report progress toward the ESG indicators. The benefits of ESG compliance for small to medium listed companies are significant, which is why the first cohort of ESG reporters have been so quick to pioneer ESG compliance in Australia by beginning to measure progress and demonstrate its credentials. A technology platform like Socialsuite combined with the new WEF ESG metrics has made gold standard ESG reporting accessible and easily understandable.

ENGAGEMENT OF LCA SPECIALIST

As highlighted in the above announcement, the Company’s ESG transparency commitment was a precursor to an independent lithium production Life Cycle Assessment (“LCA”) which would include a full Carbon Footprint assessment.

On 10 June 2021 the Company announced the appointment of that specialist. The highlights of the announcement were –

- UK-based and globally recognised sustainability and life cycle assessment consultancy, Minviro, engaged to provide an ISO compliant life cycle assessment (“LCA”) of the Cinovec lithium / tin project.

- Cinovec LCAs to be produced for both battery-grade lithium carbonate and battery-grade lithium hydroxide monohydrate which will be manufactured at a lithium chemical plant nearby to the Cinovec mine.
- Cinovec LCAs will be benchmarked against global lithium peers.
- Minviro has been actively engaged to identify low-carbon optimisations in the developing feasibility study for Cinovec.
- Cinovec LCAs expected to demonstrate strong carbon footprint credentials with lower energy use, less intensive reagent application and net carbon credits from mine and process by-products.
- LCA Report anticipated to be completed and provided to the Company in Q3 2021.

LOW CARBON LITHIUM FROM CINOVEC

Geomet is committed to delivering a low carbon footprint, high quality lithium product for cathode and battery manufacturers. The work that will be conducted by Minviro will help Geomet understand how to best achieve this and how the Cinovec project compares against hard-rock [and brine] lithium peers. The International Organisation for Standardisation ("ISO") has a set of standards published on Life Cycle Assessment ("LCA") (ISO 14040 and 14044). The standards outline the best practice requirements and principles to be undertaken for a LCA study. ISO compliance includes a third-party review by an independent panel of experts. The results are then allowed to be disclosed publicly and used for comparison with different primary production methods of raw materials. This will provide the Cinovec project with an independently-verified carbon assessment that is recognised by financiers and potential off-takers.

ABOUT MINVIRO

Minviro (www.minviro.com) is a London based and globally recognized consultancy and technology company specialised in carrying out life cycle assessments in the technology metal space. The company provides quantitative environmental and climate impact data for mineral resource projects, battery manufacturers and OEMs to make environmentally informed decisions. Minviro Ltd has recently completed, or are engaged for LCA assessments, for various processes and products being developed in the battery raw materials markets. Minviro will use data generated from the pre-feasibility study of the Cinovec Project. The LCA includes a cradle-to-gate life cycle inventory and life cycle impact assessment for five impact categories including carbon footprint, alongside recommended impact mitigation opportunities. The results will be delivered to the Company in the form of an ISO-compliant and third-party reviewed Life Cycle Assessment (LCA) Report.

EMH ADS TO TRADE IN THE U.S.

On 18 June 2021 the Company announced its intention to expand its presence in the U.S. with Deutsche Bank appointed as the depositary bank for EMH's American Depositary Shares.

Highlights –

- EMH and Deutsche Bank establishing a sponsored Level 1 ADS program with each ADS representing 20 EMH Chess Depositary Instruments
- ADSs expected to commence trading on the OTC Market as a member of the Nasdaq International Designation during July 2021 under the ticker symbol "EMHXY".
- Extensive marketing campaign to begin to new U.S. investors, further build relationships with U.S. banks, green energy funds and institutional investors and brokers

- The Company advised it had appointed one of the world's leading depository banks, Deutsche Bank, as the depository bank for the issue of its American Depository Shares ("ADS").

European Metals has worked with Deutsche Bank to create a sponsored Level 1 ADS program with each ADS issued under the program representing 20 Chess Depository Instruments (CDI'S) of the Company.

EMH's ADS commenced trading on the OTC Market as a member of the Nasdaq International Designation under the ticker symbol "EMHXY" on 27 July 2021 and will attract institutional and fund investors who are restricted from trading in non US stocks. The Nasdaq International Designation and Level 1 ADS program in the United States will enable new and existing U.S. investors to trade EMH's ADS electronically 'commission free' on most retail trading platforms such as Charles Schwab, E-Trade, TD Ameritrade in U.S. dollars and during normal U.S. trading hours. European Metals' CDI's and Certificates of Depository Interest ("DIs"), representing ordinary shares in the Company, will continue to trade on the ASX and London AIM respectively, under the symbol "EMH" as will the shares with the tickers ERPNF and EMHLF currently trading in the USA.

With the establishment of the Level 1 ADS program, the Company will now begin an extensive marketing campaign to new investors throughout the United States and will continue to build relationships with U.S. banks, green energy funds and institutional investors and brokers that have experience and knowledge of the lithium and "clean-technology" sectors.

RESOURCE DRILLING UPDATE

The measured resource drilling programme continued throughout the quarter with the Company announcing further results from the programme on 6 May. The current drill programme has been planned to define blocks of resource for the first 5 years of mining within the Cinovec-South area, with a goal to convert the resource from indicated to measured category. The holes have been terminated in ore consistent with the aim of targeting the first 5 years of resource blocks for the mine.

The Company highlighted the completion of 17 of a total of 19 hole programme (with the eighteenth hole currently underway) with interim results in line with or better than expectations.

Given the relative ease of beneficiation of the Cinovec deposit through wet magnetic separation it was decided that it was important to report the drill results and the "in lab" beneficiation results. As reported to the market 21 October 2016 (Outstanding Lithium Recoveries at Coarse Grind) wet magnetic separation ("WMS") achieved a near pure lithium mica concentrate grading 2.85% Li₂O with a lithium recovery of 92%.

Results reported were:

- Resource drill holes CIS-24, CIS-25, CIS-26, CIS-28, CIS-29 and CIS-30 have been completed including analytical reports.
- Resource drill holes CIS-15, CIS-16, CIS-17, CIS-27 and CIS-32 have been drilled with analytical results pending.
- Drilling of resource hole CIS-33 is currently underway.
- Hole CIS-24 returned 66.5m averaging 0.56% Li₂O, incl. 6.7m @ 0.93% Li₂O, and 20m @ 0.13% Sn.
- Hole CIS-25 returned 88.2m averaging 0.60% Li₂O and 0.17% Sn, incl. 21.4m @ 0.73% Li₂O and 0.46% Sn.
- Hole CIS-26 returned 84.6m averaging 0.49% Li₂O and 0.09% Sn.
- Hole CIS-28 returned 86.3m averaging 0.51% Li₂O, incl. 5.25m @ 0.97% Li₂O.

- Hole CIS-29 returned 70.8m averaging 0.52% Li₂O, incl. 3.1m @ 0.99% Li₂O, and 2m @ 0.99% Li₂O.
- Hole CIS-30 returned 66.2m averaging 0.49% Li₂O and 0.13% Sn, incl. 3.5m @ 1.31% Li₂O, 0.42% Sn and 0.155% W, 1m @ 2.3% Li₂O, 0.59% Sn and 0.327% W, and 4.45m @ 0.85% Sn.

The current drill programme has been planned to define blocks of resource for the first 5 years of mining within the Cinovec-South area, with a goal to convert the resource from indicated to measured category. The holes have been terminated in ore consistent with the aim of targeting the first 5 years of resource blocks for the mine.

CORPORATE AND ADMINISTRATION

QUARTERLY CASHFLOW REPORT

In accordance with the ASX Listing Rules, the Company will also today lodge its cashflow report for the quarter ended 30 June 2021. Included in those cashflows are Cinovec associated costs of \$137k in respect of the Company's investment in the Cinovec Lithium Exploration Project in the Czech Republic ("the Project").

PAYMENTS TO RELATED PARTIES

As outlined in the attached Appendix 5B (section 6.1), during the quarter approximately \$87k in payments were made to related parties and their associates for director salaries, consultancy fees, superannuation and other related costs. A portion of these expenses are to be reimbursed directly from Geomet.

CORONAVIRUS

The potential effects of the Cov-19 pandemic continue to be monitored for impact on the Company's operations. While the second wave has had more of an impact than the initial wave (March – May 2020) the Company has continued to use remote meeting tools (Zoom and MS Teams) to maintain project momentum, albeit not as efficiently as physical meetings would have allowed. The Executive Management team closely monitor the ever-evolving Cov-19 circumstances and have determined that, so far, the pandemic has not had a material impact on the Company's operations although timelines may be slightly longer than envisaged. Further updates will be provided in the event circumstances change.

PERFORMANCE SHARES

As at 30 June 2021 the issued performance shares including the terms and conditions were as follows:

Number	Description	Summary Terms & Conversion Hurdles
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3,000,000	A Class Performance Shares	<p>Convert into Shares and an equivalent number of CDIs upon the completion of a definitive feasibility study (DFS). For clarity, the DFS must be: (i) of a standard suitable to be submitted to a financial institution as the basis for lending of funds for the development and operation of mining activities contemplated in the study;</p> <p>ii) capable of supporting a decision to mine on the Permits; and (iii) completed to an accuracy of +/- 15% with respect to operating and capital costs and display a pre-tax net present value of not less than US\$250,000,000. The A Class Performance Shares and B Class Performance Shares shall convert into the number of Shares and equivalent number of CDIs equal to 3,000,000 multiplied by 0.5 and divided by the greater of:</p> <p>A) \$0.50 per CDI; and (B) the volume weighted average price of CDIs (expressed as a decimal of \$1.00) as calculated over the 5 ASX trading days prior to date of receipt of the completed DFS.</p>
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GEOMET TENEMENT SCHEDULE

Permit	Code	Deposit	Interest at beginning of Quarter	Acquired / Disposed	Interest at end of Quarter
Exploration Area	Cinovec	N/A	100%	N/A	100%
	Cinovec II		100%	N/A	100%
	Cinovec III		100%	N/A	100%
	Cinovec IV		100%	N/A	100%
Preliminary Mining Permit	Cinovec II	Cinovec South	100%	N/A	100%
	Cinovec III	Cinovec East	100%	N/A	100%
	Cinovec IV	Cinovec NorthWest	100%	N/A	100%

This announcement has been approved for release by the Board.

BACKGROUND INFORMATION ON CINOVEC

PROJECT OVERVIEW

Cinovec Lithium/Tin Project

Geomet s.r.o. controls the mineral exploration licenses awarded by the Czech State over the Cinovec Lithium/Tin Project. Geomet s.r.o. is owned 49% by European Metals and 51% by CEZ a.s. through its wholly owned subsidiary, SDAS. Cinovec hosts a globally significant hard rock lithium deposit with a total Indicated Mineral Resource of 372.4Mt at 0.45% Li₂O and 0.04% Sn and an Inferred Mineral Resource of 323.5Mt at 0.39% Li₂O and 0.04% Sn containing a combined 7.22 million tonnes Lithium Carbonate Equivalent and 263kt of tin reported 28 November 2017 (**Further Increase in Indicated Resource at Cinovec South**). An initial Probable Ore Reserve of 34.5Mt at 0.65% Li₂O and 0.09% Sn reported 4 July 2017 (**Cinovec Maiden Ore Reserve – Further Information**) has been declared to cover the first 20 years mining at an output of 22,500tpa of lithium carbonate reported 11 July 2018 (**Cinovec Production Modelled to Increase to 22,500tpa of Lithium Carbonate**).

This makes Cinovec the largest hard rock lithium deposit in Europe, the fourth largest non-brine deposit in the world and a globally significant tin resource.

The deposit has previously had over 400,000 tonnes of ore mined as a trial sub-level open stope underground mining operation.

In June 2019 EMH completed an updated Preliminary Feasibility Study, conducted by specialist independent consultants, which indicated a return post tax NPV of USD1.108B and an IRR of 28.8% and confirmed that the Cinovec Project is a potential low operating cost, producer of battery grade lithium hydroxide or battery grade lithium carbonate as markets demand. It confirmed the deposit is amenable to bulk underground mining. Metallurgical test-work has produced both battery grade lithium hydroxide and battery grade lithium carbonate in addition to high-grade tin concentrate at excellent recoveries. Cinovec is centrally located for European end-users and is well serviced by infrastructure, with a sealed road adjacent to the deposit, rail lines located 5 km north and 8 km south of the deposit and an active 22 kV transmission line running to the historic mine. As the deposit lies in an active mining region, it has strong community support.

The economic viability of Cinovec has been enhanced by the recent strong increase in demand for lithium globally, and within Europe specifically.

There are no other material changes to the original information and all the material assumptions continue to apply to the forecasts.

BACKGROUND INFORMATION ON CEZ

Headquartered in the Czech Republic, CEZ a.s. is an established, integrated energy group with operations in a number of Central and Southeastern European countries and Turkey. CEZ's core business is the generation, distribution, trade in, and sales of electricity and heat, trade in and sales of natural gas, and coal extraction. CEZ Group has 33,000 employees and annual revenue of approximately EUR 7.24 billion.

The largest shareholder of its parent company, CEZ a.s., is the Czech Republic with a stake of approximately 70%. The shares of CEZ a.s. are traded on the Prague and Warsaw stock exchanges and included in the PX and WIG-CEE exchange indices. CEZ's market capitalization is approximately EUR 10.08 billion.

As one of the leading Central European power companies, CEZ intends to develop several projects in areas of energy storage and battery manufacturing in the Czech Republic and in Central Europe.

CEZ is also a market leader for E-mobility in the region and has installed and operates a network of EV charging stations throughout Czech Republic. The automotive industry in Czech is a significant contributor to GDP and the number of EV's in the country is expected to grow significantly in coming years.

CONTACT

For further information on this update or the Company generally, please visit our website at www.europeanmet.com or see full contact details at the end of this release.

COMPETENT PERSON

Information in this release that relates to exploration results is based on information compiled by Dr Pavel Reichl. Dr Reichl is a Certified Professional Geologist (certified by the American Institute of Professional Geologists), a member of the American Institute of Professional Geologists, a Fellow of the Society of Economic Geologists and is a Competent Person as defined in the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves and a Qualified Person for the purposes of the AIM Guidance Note on Mining and Oil & Gas Companies dated June 2009. Dr Reichl consents to the inclusion in the release of the matters based on his information in the form and context in which it appears. Dr Reichl holds CDIs in European Metals.

The information in this release that relates to Mineral Resources and Exploration Targets has been compiled by Mr Lynn Widenbar. Mr Widenbar, who is a Member of the Australasian Institute of Mining and Metallurgy, is a full time employee of Widenbar and Associates and produced the estimate based on data and geological information supplied by European Metals. Mr Widenbar has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the JORC Code 2012 Edition of the Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves. Mr Widenbar consents to the inclusion in this report of the matters based on his information in the form and context that the information appears.

CAUTION REGARDING FORWARD LOOKING STATEMENTS

Information included in this release constitutes forward-looking statements. Often, but not always, forward looking statements can generally be identified by the use of forward looking words such as “may”, “will”, “expect”, “intend”, “plan”, “estimate”, “anticipate”, “continue”, and “guidance”, or other similar words and may include, without limitation, statements regarding plans, strategies and objectives of management, anticipated production or construction commencement dates and expected costs or production outputs.

Forward looking statements inherently involve known and unknown risks, uncertainties and other factors that may cause the company’s actual results, performance and achievements to differ materially from any future results, performance or achievements. Relevant factors may include, but are not limited to, changes in commodity prices, foreign exchange fluctuations and general economic conditions, increased costs and demand for production inputs, the speculative nature of exploration and project development, including the risks of obtaining necessary licences and permits and diminishing quantities or grades of reserves, political and social risks, changes to the regulatory framework within which the company operates or may in the future operate, environmental conditions including extreme weather conditions, recruitment and retention of personnel, industrial relations issues and litigation.

Forward looking statements are based on the company and its management’s good faith assumptions relating to the financial, market, regulatory and other relevant environments that will exist and affect the company’s business and operations in the future. The company does not give any assurance that the assumptions on which forward looking statements are based will prove to be correct, or that the company’s business or operations will not be affected in any material manner by these or other factors not foreseen or foreseeable by the company or management or beyond the company’s control.

Although the company attempts and has attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in forward looking statements, there may be other factors that could cause actual results, performance, achievements or events not to be as anticipated, estimated or intended, and many events are beyond the reasonable control of the company. Accordingly, readers are cautioned not to place undue reliance on forward looking statements. Forward looking statements in these materials speak only at the date of issue. Subject to any continuing obligations under applicable law or any relevant stock exchange listing rules, in providing this information the company does not undertake any obligation to publicly update or revise any of the forward looking statements or to advise of any change in events, conditions or circumstances on which any such statement is based.

LITHIUM CLASSIFICATION AND CONVERSION FACTORS

Lithium grades are normally presented in percentages or parts per million (ppm). Grades of deposits are also expressed as lithium compounds in percentages, for example as a percent lithium oxide (Li₂O) content or percent lithium carbonate (Li₂CO₃) content.

Lithium carbonate equivalent (“LCE”) is the industry standard terminology for, and is equivalent to, Li₂CO₃. Use of LCE is to provide data comparable with industry reports and is the total equivalent amount of lithium carbonate, assuming the lithium content in the deposit is converted to lithium carbonate, using the conversion rates in the table included below to get an equivalent Li₂CO₃ value in percent. Use of LCE assumes 100% recovery and no process losses in the extraction of Li₂CO₃ from the deposit.

Lithium resources and reserves are usually presented in tonnes of LCE or Li.

The standard conversion factors are set out in the table below:

Table: Conversion Factors for Lithium Compounds and Minerals

Convert from		Convert to Li	Convert to Li ₂ O	Convert to Li ₂ CO ₃	Convert to LiOH.H ₂ O
Lithium	Li	1.000	2.153	5.325	6.048
Lithium Oxide	Li ₂ O	0.464	1.000	2.473	2.809
Lithium Carbonate	Li ₂ CO ₃	0.188	0.404	1.000	1.136
Lithium Hydroxide	LiOH.H ₂ O	0.165	0.356	0.880	1.000
Lithium Fluoride	LiF	0.268	0.576	1.424	1.618

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WEBSITE

A copy of this announcement is available from the Company's website at www.europeanmet.com.

ENQUIRIES:

European Metals Holdings Limited

Keith Coughlan, Executive Chairman

Tel: +61 (0) 419 996 333

Email: keith@europeanmet.com

Kiran Morzaria, Non-Executive Director

Tel: +44 (0) 20 7440 0647

Dennis Wilkins, Company Secretary

Tel: +61 (0) 417 945 049

Email: dennis@europeanmet.com

WH Ireland Ltd (Nomad & Joint Broker)

James Joyce/James Sinclair-Ford
(Corporate Finance)

Tel: +44 (0) 20 7220 1666

Harry Ansell/Jasper Berry (Broking)

Shard Capital (Joint Broker)

Damon Heath
Erik Woolgar

Tel: +44 (0) 20 7186 9950

Blytheweigh (Financial PR)

Tim Blythe
Megan Ray

Tel: +44 (0) 20 7138 3222

Chapter 1 Advisors (Financial PR – Aus)

David Tasker

Tel: +61 (0) 433 112 936

The information contained within this announcement is considered to be inside information, for the purposes of Article 7 of EU Regulation 596/2014, prior to its release. The person who authorised for the release of this announcement on behalf of the Company was Keith Coughlan, Executive Chairman.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

European Metals Holdings Limited (ASX: EMH)

ABN

55 154 618 989

Quarter ended ("current quarter")

30 June 2021

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from associate	276	1,011
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(267)	(498)
	(e) administration and corporate costs	(473)	(2,081)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	1
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	344
1.8	Other (Cinovec associated costs)	(182)	(1,002)
1.9	Net cash from / (used in) operating activities	(646)	(2,225)

2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation	-	-
	(e) investments	-	-
	(f) other non-current assets	-	-

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	-

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	7,100
3.2	Proceeds from issue of convertible debt securities	-	2,000
3.3	Proceeds from exercise of options	100	959
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(231)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (Loan CDIs received)	-	271
3.10	Net cash from / (used in) financing activities	100	10,099

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	8,459	59
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(646)	(2,225)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	100	10,099

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	15	(5)
4.6	Cash and cash equivalents at end of period	7,928	7,928

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	2,881	3,459
5.2	Call deposits	5,047	5,000
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	7,928	8,459

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	293
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

Amounts paid to directors as director remuneration. A portion of these expenses are to be reimbursed directly from Geomet. Included in 6.1 are also payments to Everest Corporate, a company controlled by the spouse of a director for accounting and bookkeeping services of \$21k.

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(646)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(646)
8.4 Cash and cash equivalents at quarter end (item 4.6)	7,928
8.5 Unused finance facilities available at quarter end (item 7.6)	-
8.6 Total available funding (item 8.4 + item 8.5)	7,928
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	12.27
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A	
8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: N/A	
<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i>	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: July 2021

Authorised by: The Board
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.