European Metals

13 October 2021

# RESOURCE UPGRADE AT CINOVEC LITHIUM PROJECT TO 708MT INCLUDING 53.3 MT OF NEW MEASURED RESOURCE

European Metals Holdings Limited (EMH, Company) (**ASX & AIM: EMH, Nasdaq ADS: EMHXY**) is pleased to announce final drill results and an upgraded mineral resource estimate for the lithium and tin resources in the Cinovec Lithium-Tin deposit in the Czech Republic.

The Company has recently completed a drilling campaign at Cinovec South, comprising 22 diamond drill core holes for 6,622 metres, with the goal of increasing resource certainty in the existing resource model in and around the initial planned mining areas and upgrading part of the resource from the Indicated category to the higher confidence Measured category.

## Highlights

- **Re-classification of 53.3 million tonnes (MT) into Measured resource category grading 0.47% $Li_2O$ and 0.08% Sn.**
- **28.5 MT of Inferred resource upgraded to Indicated resource category**
- **The Measured and Indicated resource has increased from 372.4 to 413.4 MT @ 0.47% $Li_2O$ and 0.05%Sn.**
- **The total Measured, Indicated and Inferred resources have increased by 12.3MT to 708.2MT @ 0.43% $Li_2O$ and 0.05% Sn (0.1% Li (0.2153% $Li_2O$) Cut-off).**
- **Increase in overall resource to 7.39 MT LCE**
- **Analysis received for final 10 diamond core holes in the Geomet s.r.o. drilling program including:**
    - **Hole CIS-16 returned 101.7m averaging 0.59% $Li_2O$, incl. 11.35m @ 0.85% $Li_2O$**
    - **Hole CIS-32 returned 61m averaging 0.66% $Li_2O$ and 0.17% Sn, incl. 30.5m @ 0.30% Sn**
    - **Hole CIS-33 returned 113.3m averaging 0.54% $Li_2O$, incl. 14.7m @ 0.60% $Li_2O$**
    - **Hole CIS-34 returned 111.4m averaging 0.54% $Li_2O$ and 0.13% Sn, incl. 21.15m @ 0.71% $Li_2O$ and 0.57% Sn**

**European Metals Executive Chairman Keith Coughlan said**, "The primary stated aim of this drilling program was to convert a larger portion of the resource to the measured category to provide greater certainty of the financial model and security to financiers. The results clearly indicate that the program has been successful and the robustness and consistency of the Cinovec resource further demonstrated. As we move closer to ultimate financing and offtake discussions, this higher degree of certainty provides more funding options for the project. Results from the final drill holes of the program have been in line with or better than expected.

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“As we have reported previously, because zinnwaldite is paramagnetic, wet magnetic separation, the first stage of the ore processing has the effect of greatly increasing the grade of lithium oxide in the concentrate to approximately 2.85%. The zinnwaldite concentrate produced from Cinovec requires only roasting, compared to the calcination and roasting required of processing spodumene. This not only improves the economics, it will also have the effect of considerably reducing greenhouse gas emissions of the Project when compared to spodumene projects.”

## MINERAL RESOURCE UPGRADE

Independent expert Lynn Widenbar of Widenbar and Associates updated the Mineral Resource Estimate, which has been prepared and reported in accordance with the 2012 Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code (2012)). Mr Widenbar has compiled all mineral resource estimates at Cinovec to date.

The resource was last updated based on data available in November 2017, using almost 800 historic underground and surface drill holes, historic underground channel sampling plus data from an additional 32 new diamond drill holes drilled by EMH (refer to the Company’s ASX release dated 28 November 2017).

An additional five holes have been drilled and assayed subsequently in 2018 (ASX releases dated 29 January 2019 and 28 February 2019) and have been incorporated in this new resource update together with the recently completed program of 22 diamond core holes (refer to the Company’s ASX releases dated 22 February 2021 and 6 May 2021for previously reported results and to this announcement for further details on holes CIS-15 to17, CIS-27 and CIS-31 to 36 .

The resource classification has also been revised on the basis of the new data, interpretations and methodologies.

The Cinovec Project remains a potential low operating cost, hard rock lithium hydroxide producer, due to a number of key advantages:

- By-product credits from the recovery of tin, tungsten, potash and sodium sulphate;
- The ore is amenable to single-stage crushing and single-stage coarse SAG milling, reducing capital and operating costs and complexity;
- Paramagnetic properties of zinnwaldite allow the use of low cost wet magnetic processing to produce a lithium concentrate for further processing at relatively high recoveries;
- Relatively low temperature roasting at atmospheric pressure utilizing conventional technologies, reagent recycling and the use of waste gypsum; and
- Low cost access to extensive existing infrastructure and grid power.

A summary of the updated Lithium Resource Estimate is presented in Table 1 below. The November 2017 estimate is presented in Table 2 for comparison. The increased drilling density in the southern area has allowed re-classification of 53.3 MTs of Indicated material to the Measured category. In addition, there has been an overall increase of 14.3 MT, almost all contained within Cinovec South. Inferred resources have decreased by 28.5Mt due to being reclassified to the higher confidence Indicated category as a result of tighter infill drill spacing.

**Table 1: Cinovec Project Mineral Resource September 2021 (0.1% Li (0.2153% $Li_2O$) Cut-off)**

| CINOVEC SEPTEMBER 2021 RESOURCE SUMMARY | | | | | | | |
|---|---|---|---|---|---|---|---|
| | Cut-off | Tonnes | Li | $Li_2O$ | Sn | W | LCE |
| | % | (Millions) | % | % | % | % | MT |
| MEASURED | 0.1 % Li (0.22% $Li_2O$) | 53.3 | 0.22 | 0.48 | 0.08 | 0.02 | 0.64 |
| INDICATED | 0.1 % Li (0.22% $Li_2O$) | 360.2 | 0.20 | 0.44 | 0.05 | 0.02 | 3.88 |
| MEASURED+INDICATED | 0.1 % Li (0.22% $Li_2O$) | 413.4 | 0.21 | 0.44 | 0.05 | 0.02 | 4.51 |
| INFERRED (approx.) | 0.1 % Li (0.22% $Li_2O$) | 294.7 | 0.18 | 0.39 | 0.05 | 0.02 | 2.87 |
| TOTAL | 0.1 % Li (0.22% $Li_2O$) | 708.2 | 0.20 | 0.42 | 0.05 | 0.02 | 7.39 |

**Notes:**

1. Mineral Resources are not Reserves until they have demonstrated economic viability based on a feasibility study or prefeasibility study.
2. Mineral Resources are reported inclusive of any reserves and are prepared by Widenbar in accordance with the guidelines of the JORC Code (2012).
3. The effective date of the Mineral Resource is September 20, 2021.
4. All figures are rounded to reflect the relative accuracy of the estimate.
5. The operator of the project is Geomet s.r.o., 49% owned by EMH and 51% owned by CEZ a.s. Gross and Net resources attributable to EMH. are the same.
6. Any apparent inconsistencies are due to rounding errors.
7. MT is million tonnes.
8. LCE is Lithium Carbonate Equivalent and is equivalent to $Li_2CO_3$.

**Table 2: Cinovec Project Mineral Resource November 2017 (0.1% Li (0.2153% $Li_2O$) Cut-off)**

| CINOVEC NOVEMBER 2017 RESOURCE | | | | | | | |
|---|---|---|---|---|---|---|---|
| | Cut-off | Tonnes | Li | $Li_2O$ | Sn | W | LCE |
| | % | (Millions) | % | % | % | % | MT |
| MEASURED | N/a | N/a | N/a | N/a | N/a | N/a | N/a |
| INDICATED | 0.1 % Li (0.22% $Li_2O$) | 372.4 | 0.21 | 0.44 | 0.04 | 0.02 | 4.08 |
| MEASURED+INDICATED | 0.1 % Li (0.22% $Li_2O$) | 372.4 | 0.21 | 0.44 | 0.04 | 0.02 | 4.08 |
| INFERRED (approx.) | 0.1 % Li (0.22% $Li_2O$) | 323.5 | 0.18 | 0.39 | 0.04 | 0.01 | 3.16 |
| TOTAL | 0.1 % Li (0.22% $Li_2O$) | 695.9 | 0.20 | 0.42 | 0.04 | 0.01 | 7.23 |

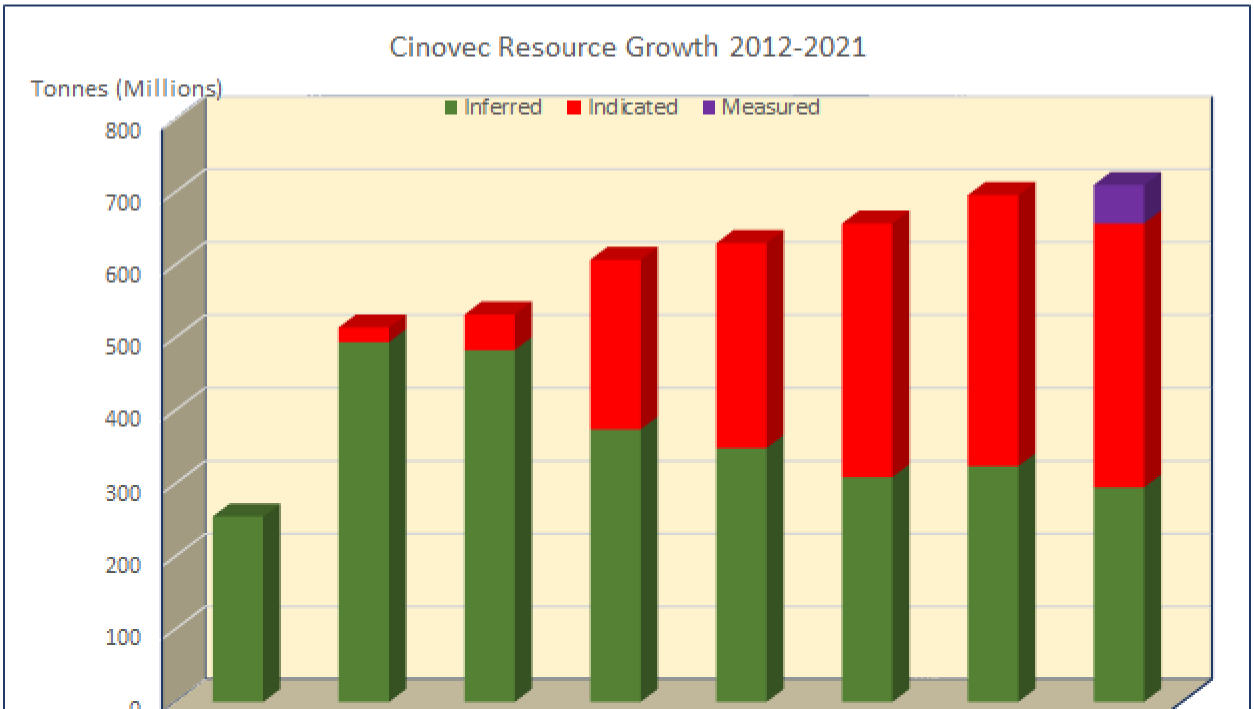
**Notes:**

1. The previous Mineral Resource estimate is provided for comparison purposes only – the Mineral Resource estimate has been updated to the estimate provided in Table 1.

2. Refer to the Company's ASX release dated 28 November 2017 for more information.
3. Mineral Resources are not Reserves until they have demonstrated economic viability based on a feasibility study or prefeasibility study.
4. Mineral Resources are reported inclusive of any reserves and are prepared by Widenbar in accordance with the guidelines of the JORC Code (2012).
5. All figures are rounded to reflect the relative accuracy of the estimate.
6. Any apparent inconsistencies are due to rounding errors.
7. MT is million tonnes.
8. LCE is Lithium Carbonate Equivalent and is equivalent to $Li_2CO_3$.

## Resource Comparison over time

In the period since the first preliminary resource estimates were prepared for Cinovec, there has been a continuous increase in the overall resource and an increase in the confidence in the resource estimate as the understanding of the geology and mineralisation has improved, and as additional drilling has become available with the various EMH drilling campaigns.




| | Jan 2012 | Apr 2015 | Apr 2016 | Nov 2016 | Feb 2017 | May 2017 | Nov 2017 | Sep 2021 |
|---|---|---|---|---|---|---|---|---|
| Measured | | | | | | | | 53 |
| Indicated | | 20 | 49 | 233 | 281 | 348 | 372 | 362 |
| Inferred | 255 | 494 | 483 | 374 | 349 | 309 | 324 | 295 |

**Figure 1 Resource Tonnage vs Time**

## Drilling

Between 1952 and 1989, the Cinovec deposit was sampled in two ways: in drill core and underground channel samples. Only core drilling was employed, either from surface or from underground.

Surface drilling comprised 80 holes, totalling 30,340 meters; holes were vertical or inclined, with a typical maximum depth of 400m, though one structural hole was drilled to 1,596m. Core diameters from 220mm near surface to 110 mm at depth. Average core recovery was 89.3%.

Underground drilling used Craelius XC42 or DIAMEC drills, with 766 holes for 53,126m; both horizontal and inclined holes were drilled. Core diameter was 46mm.

Channel samples, from drift ribs and faces, were collected during detailed exploration between 1952 and 1989 by Geoindustria n.p. and Rudne Doly n.p., both Czechoslovak State companies. Drill sample length was 1 m, channel samples were 10cm x 5cm with a sample mass of about 15kg. Up to 1966, samples were collected using hammer and chisel; from 1966 a small drill (Holman Hammer) was used. 14,179 samples were collected and transported to a crushing facility.

EMH carried out diamond drilling between 2014 and 2021 which is summarised below

| EMH Drilling | | |
|---|---|---|
| Year | Holes | Metres |
| 2014 | 3 | 940.1 |
| 2015 | 5 | 2,077.3 |
| 2016 | 18 | 6,459.6 |
| 2017 | 6 | 2,697.1 |
| 2018 | 5 | 1,640.3 |
| 2020-2021 | 22 | 6,621.7 |
| TOTAL | 59 | 20,436.1 |

**Table 3 EMH Drilling Programs**

### Collar Location and Survey

Historically, drill hole collars were surveyed with a great degree of precision by the mine survey crew. Hole locations are recorded in the local S-JTSK Krovak grid.

In 2014-21, drill collar locations were surveyed by a registered surveyor and downhole surveys were recorded by a contractor.

Topographic control in the area is excellent.

### Drill Hole and Channel Sampling

Historically, core and channel samples were crushed in two steps: to -5mm, then to -0.5mm. 100g splits were obtained and pulverised to -0.045mm for analysis.

During EMH's 2014 to 2021 drilling campaigns, sample intervals vary between 50cm and 2m and honour geological or visible mineralisation boundaries. The majority of samples were 1m in length. Samples are half or quarter of core, with the latter applied for large diameter core.

### Sample Preparation and Assaying

Historically, core was either split or consumed entirely for analyses.

In 2014-15, core was washed, geologically logged, sample intervals determined and marked then the core was cut in half. In 2016-21, larger core was cut in half and one-half was cut again to obtain a quarter core sample. One-half or one-quarter samples were delivered to ALS Global in Romania for assaying after duplicates, blanks and standards were inserted into the sample stream. The remaining drill core is stored on site for reference.

Sample preparation was carried out by ALS Global in Romania, using industry standard techniques appropriate for the style of mineralisation represented at Cinovec.

Historic analytical methods included XRF and wet chemical techniques; samples collected from the new holes were analysed by fusion or 4 acid digest with ICP finish.

The following analytical methods were chosen: ME-MS81 (lithium borate fusion or 4 acid digest, ICP-MS finish) for a suite of elements including Sn and W and ME-4ACD81 (4 acid digest, ICP-AES finish) additional elements including lithium.

About 40% of samples were analysed by ME-MS81d (ME-MS81 plus whole rock package). Samples with over 1% tin are analysed by XRF. Samples over 1% lithium were analysed by Li-OG63 (four acid and ICP finish).

## QAQC Summary

Historically, tin content was measured by XRF and using wet chemical methods. W and Li were analysed by spectral methods.

Analytical QA was internal and external.  The former subjected 5% of the sample to repeat analysis in the same facility.  10% of samples were analysed in another laboratory, also located in Czechoslovakia. The QA/QC procedures were set to the State norms and are considered adequate. It is unknown whether external standards or sample duplicates were used.

Overall accuracy of sampling and assaying was proved later by test mining and reconciliation of mined and analysed grades.

A comprehensive report on QAQC carried out during the Geomet drilling programs has been prepared by Dr V Sesulka et al ("*QUALITY ASSURANCE AND QUALITY CONTROL PROGRAM FOR EXPLORATION DRILLING CAMPAIGNS 2014-2021 AT THE CINOVEC LI-SN-W DEPOSIT*", September 2021).

During six drilling campaigns between 2014 and 2021, a total of 12,790 samples from 59 drill holes have been sampled and sent to the ALS Laboratory, Romania for multi-element and/or whole rock analyses. 2,093 of them were submitted as standards, blanks or duplicates for check the lab procedures, with an average insertion frequency of 16.4%.

A summary breakdown of QAQC samples is shown below:

| SAMPLE TYPE | NO. OF SAMPLES | % OF SAMPLES |
|---|---|---|
| Original | 10,697 | 83.6 |
| Standard | 1,132 | 8.9 |
| Blank | 492 | 3.8 |
| Duplicate | 469 | 3.7 |

**Table 4 QAQC Sample Breakdown**

The updated database incorporates a number of updates to drill collar locations, downhole survey and assay data. There is a total of 1,250 holes (including 59 surface diamond holes drilled to date by Geomet) and 78,086 assay intervals. This includes underground sampling (from adits, development drives and stopes from the former tin mine) which are entered as pseudo-drill holes in the database. Raw assay data has been composited to 1m intervals prior to analysis and estimation.

All data has been imported into Micromine 2021.5 software for further analysis and estimation, including:

- Checks for duplicate collars;
- Checks for missing samples;
- Checks for down hole from-to interval consistency;
- Checks for overlapping samples;
- Checks for samples beyond hole depth;
- Checks for missing assays;
- Checks for down-hole information beyond hole depth;
- Checks for missing down-hole information;
- Checks for missing or erroneous collar survey.

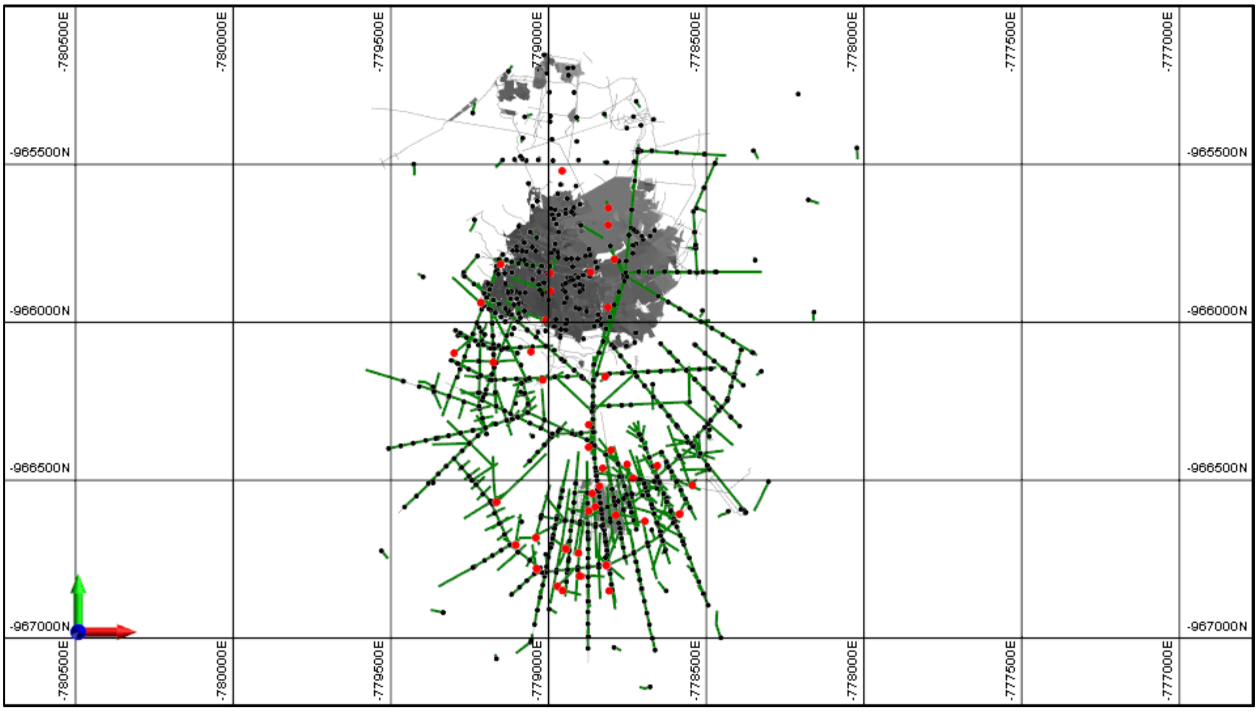



**Figure 2: Geomet's (in red) and Historic Hole Locations**

## Regional and Local Geology

The Cinovec Deposit is located in the Krusne Hory/Erzgebirge metallogenic province at the northern border of the Bohemian Massif, in the Saxothuringian Zone of European Variscides (Štemprok 1989). Krusne Hory/Erzgebirge is one of the major metamorphic crystalline complexes of the European Variscan Belt, and is formed by partially concealed Late Palaeozoic multiphase granitic batholiths intruding amphibolite facies Neoproterozoic to Carboniferous age metamorphic complex (Seltmann and Štemprok 1995).

The Krusne Hory/Erzgebirge NE–SW trending anticlinorium extends over 120km in length and 45km in width, and plunges slightly to the south-west. The Erzgebirge crystalline complex exposes a seemingly coherent sequence of migmatite, para-and orthogneiss, mica schist containing intercalations of metabasalt, metarhyolite and marble, and by phyllite (Klominsky et al. 2010), and magmatic rocks.

Neoproterozoic basement rocks are represented by migmatitic gneiss and mica schist with abundant intercalated metamorphosed marl, dolomite, calc-silicate rock, quartzite, ultramafic and granulitic rocks which were migmatised and granitised during the Variscan orogeny. The overlying Lower Paleozoic sequence comprises marine clastic (mainly pelitic) and granitic rocks, which are transgressively overlain by Lower Devonian clastic rocks. Middle Devonian clastic rocks and carbonate with interbedded submarine spilite¬keratophyre volcanics are followed by the Carboniferous Culm facies (Seltmann and Štemprok 1995)

The Sn-W-Li mineralisation is hosted in an alkalic granite cupola of late Variscan age. Tin and tungsten occur mainly in oxide minerals (cassiterite and wolframite). Lithium occurs mainly in zinnwaldite, a Li-rich muscovite. Quartz veining and greisenisation are associated with the mineralisation. Typically, highest grade lithium mineralisation is associated with the greisen but large portions of the lithium resource are also hosted in the greisenised granite or other types of altered granite.

## Geological Logging

Core was logged in detail historically in a facility 6 km from the mine site. The following features were logged and recorded in paper logs: lithology, alteration (including intensity divided into weak, medium and strong/pervasive), and occurrence of ore minerals expressed in %, and a macroscopic description of congruous intervals and structures and core recovery.

In 2014-2021, core descriptions were recorded into paper logging forms by hand and later entered into an Excel database.

## Geological Interpretation and Modelling

The detailed geological logging was simplified into codes to represent greisen, granite, greisenised granite, quartz veins, the overlying barren rhyolite and overburden zones and the basal low-mica granite domain.

A geological domain model was constructed using Leapfrog software with solid wireframes representing greisen, granite, greisenised granite and the overlying barren rhyolite. In addition, a thin overburden layer is modelled near surface and a low-mica granite is modelled to form the lower limit of the mineralisation. This was used to both control interpolation and to assign density to the model.

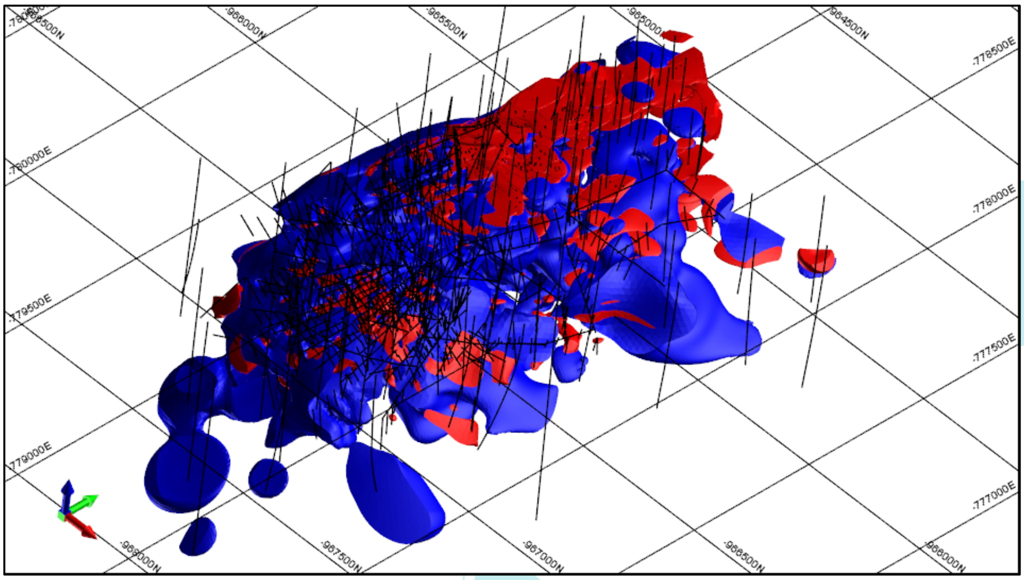


**Figure 1: Greisen (red) and Greisenised Granite (blue) looking North West.**

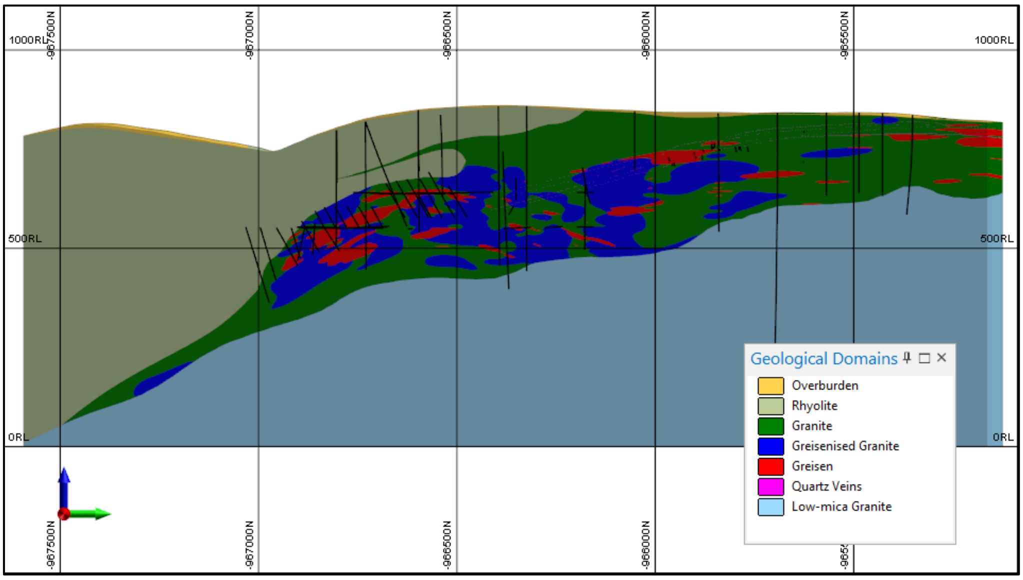



**Figure 2: Easting Long Section at -778890E showing geological model.**



## Statistics and Variography

Analysis of sample lengths indicated that compositing to 1m was necessary. Statistics and variography have been carried out on the 1m composited drill hole data, which has been coded according to the geological wireframes. Note that variography has been carried out using unfolded coordinates to follow the variable strike and dip orientation of the mineralised domains.

Distribution analysis of Li%, Sn% and W% by geological domain showed that there were sufficient differences to justify separate interpolation of each unit.

Although the full suite of minor elements were included in the modelling process, a group of seven variables was selected (in addition to Li%, Sn% and W%) to be included in the final model to reduce its size. These were reviewed by geological domain, and log probability plots are shown below. These additional variables are:

Cs_ppm, Ga_ppm, Nb_ppm, Rb_ppm, Ta_ppm, Sc_ppm and Zn_ppm.

Correlation analyses between Li%, Sn% and W% were reviewed for each geological domain. There appears to be no significant correlation between any of these variables, supporting the use of differing variograms for each variable and rock type.

Li%, Sn% and W% variograms showed some isotropy for some of the geological units in the plane of the mineralisation, and variogram model parameters were generate for each variable and domain. Nugget effects for Li% were 30 to 35%, with ranges up to 179m in granite, 228m in greisen and 154m in greisenised granite.

## Resource Estimation

Initially, a block model representing the geology domains is generated using the geological domain wireframes. Block sizes were 10m (E-W) by 10m (N-S) by 5m (Vertical). Block sizes were chosen as between ¼ and ½ the typical drill spacing in reasonably well-drilled areas of the deposit. Subcells down to a minimum 1m x 1m x 0.5m were used to honour geological boundaries.

In addition, underground development, including drives, crosscuts and stopes (both open and filled) were generated as blocks and sub-blocks within the rock model.

Kriging Neighbourhood Analysis (KNA) has been carried out to establish optimum search and minimum/maximum composite parameters. Goodness-of-fit statistics were generated to assess the efficiency of the various parameters. The primary statistics used were kriging variance, kriging efficiency and the slope of regression.

Densities applied for Mineral Resource tonnage calculations are based on historical bulk density measurements which were reviewed by EMH staff in Czech; a dry bulk density of 2.57 $t/m^3$ was assigned for granite and greisenised granite, and 2.70 $t/m^3$ for greisen. Rhyolite and other materials were assigned a density of 2.60 $t/m^3$.

Resource estimation was carried out separately for each geological domain, using only the data within each domain.

Ordinary Kriging was used as the estimation methodology, using variogram parameters derived from the variogram modelling and search parameters derived from the Kriging Neighbourhood Analysis, variogram modelling and drill hole spacing considerations. An "unfolding" search strategy was used which allowed the search ellipse orientation to vary with the locally changing dip and strike.

The primary search ellipse was 150m along strike, 150m down dip and 7.5m across the mineralisation. A minimum of 4 composites and a maximum of 8 composites were required. A second interpolation with search ellipse of 300m x 300m x 12.5m was carried out to inform blocks to be used as the basis for an Exploration Target. Block size was 10m (E-W) by 10m (N-S) by 5m.

Validation of the final resource model has been carried out in a number of ways including section comparison of data versus model, average grade comparison by domain, swathe plots and production reconciliation.

All methods of validation have produced acceptable results.

### Mining and Metallurgical Assumptions

Previous mining studies and the updated Preliminary Feasibility Study established that it was feasible and economic to use large-scale, long-hole open stop mining (refer to the Company's ASX release dated 17 June 2019 for more information on the updated Preliminary Feasibility Study).

Successful locked-cycle tests ("LCT") results carried out in 2021 further support the Cinovec project's credentials to initially produce battery-grade lithium carbonate (refer to the Company's ASX release dated 19 May 2021). European Metals has demonstrated that Cinovec battery grade lithium carbonate can be easily converted into lithium hydroxide monohydrate with a commonly utilised liming plant process.

A calculation of breakeven cut-off grade for overall use in resource reporting used a total processing cost of $40/t, a recovery of 75% for $Li_2CO_3$ and $Li_2CO_3$ price of $10,000 gives a cut-off of 0.0987% Li. A value of 0.1% Li has been used for reporting; at this stage no credit has been allowed for SN, W or other minor by-products.

The Cinovec Project remains a potential low operating cost, hard rock lithium hydroxide producer, due to a number of key advantages:

• By-product credits from the recovery of tin, tungsten, potash and sodium sulphate;

• The ore is amenable to single-stage crushing and single-stage coarse SAG milling, reducing capital and operating costs and complexity;

• Paramagnetic properties of zinnwaldite allow the use of low cost wet magnetic processing to produce a lithium concentrate for further processing at relatively high recoveries;

• Relatively low temperature roasting at atmospheric pressure utilizing conventional technologies, reagent recycling and the use of waste gypsum; and

• Low cost access to extensive existing infrastructure and grid power.

### Resource Classification

The Mineral Resource has been classified in the Measured, Indicated and Inferred categories, in accordance with the JORC Code (2012). A range of criteria was considered for determining the resource classification such as:

- Geological continuity;
- Data quality;
- Drill hole spacing;
- Modelling technique;
- Estimation properties including search strategy, number of informing data and average distance of data from blocks plus output from the kriging process.

The resource classification methodology incorporated a number of parameters derived from the kriging algorithms in combination with drill hole spacing and continuity and size of mineralised domains.

### Geological Continuity

Geological continuity in the main geological units is generally well-understood, particularly in areas of dense underground drilling and sampling. The classification has been designed to reflect these levels of confidence.

### Data Quality

Resource classification is based on information and data provided from the EMH database. Descriptions of drilling techniques, survey, sampling/sample preparation and analytical techniques used to generate the historical Czech database have been reviewed and generally comply with the quite rigorous standards employed by the Government agencies of the time. This historical data has been confirmed by recent drilling undertaken by EMH, which is of industry standard quality. Widenbar considers that both the historical and EMH databases represent reasonable records of the drilling undertaken at the project.

### Drilling Spacing

Drill hole location plots have been used to ensure that local drill spacing conforms to the minimum expected for the resource classification. Measured material is generally confined to areas where resource definition drilling has been carried out by EMH to 50m x 50m or closer and confirms historical data. Indicated material is generally confined to areas where resource definition drilling has been carried out by EMH up to 100m x 100m and also contains significant historical data. Inferred material outside these areas is confined to having an average distance to data used in interpolation of less than 100m. Spacing in these areas is often closer than 50m x 50m (with underground drilling and sampling), but has generally been sampled only for Sn and W, with small numbers of Li samples.

### Modelling Technique

The resource model was generated using an Ordinary Kriging interpolation method, with a two-pass search approach and using geological control and an unfolding methodology.

The search pass used, the number of samples used, the kriging variance and the average distance of samples from each block, were all stored in the block model.

In general the kriging variance, search pass and average distance are all broadly correlated with a combination of drill hole spacing and domain thickness.

## Final Classification

The above parameters were used as a guide in combination with drill spacing and confirmation by EMH drilling to arrive at a final resource classification. The methodology used was to digitise area strings to define the Measured, Indicated and Inferred categories by referring to underlying displays of drill hole data, kriging variance, number of samples used etc.

The impact of the new EMH drill holes on the geological model and the block model have been reviewed. Globally the geology and resource model are similar to the previous models produced between 2016 and 2017, with only relatively minor local changes to grade distributions. The increase in confidence resulting from the new drill data has allowed additional areas of the block model to be upgraded in classification from Indicated to Measured, and from Inferred to Indicated.

Sample spacing used for lithium Mineral Resource estimation is wider, as development samples were not assayed for lithium; sample spacing typically ranges from 25m to 200m. Measured material is located in the area of infill drilling to approximately 50m x 50m spacing or closer covered by the recent of the EMH drilling. Estimated blocks outside the areas defined as Measured, Indicated or Inferred are considered to form part of an Exploration Target.

Sample spacing used in Mineral Resource estimation for tin ranges from continuous channel sampling up to approximately 100m. The range reflects the density of historical work with samples very closely spaced in areas of underground development and trial mining, less so in areas sampled only by surface or underground drill holes.

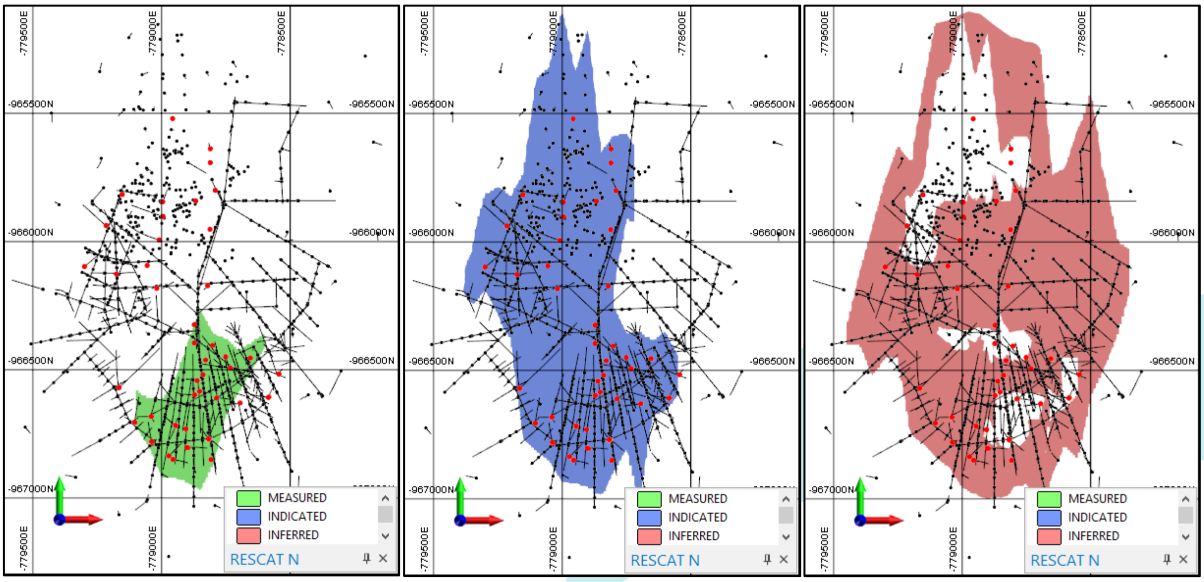



**Figure 3: Updated Measured, Indicated and Inferred in the Resource Model.**

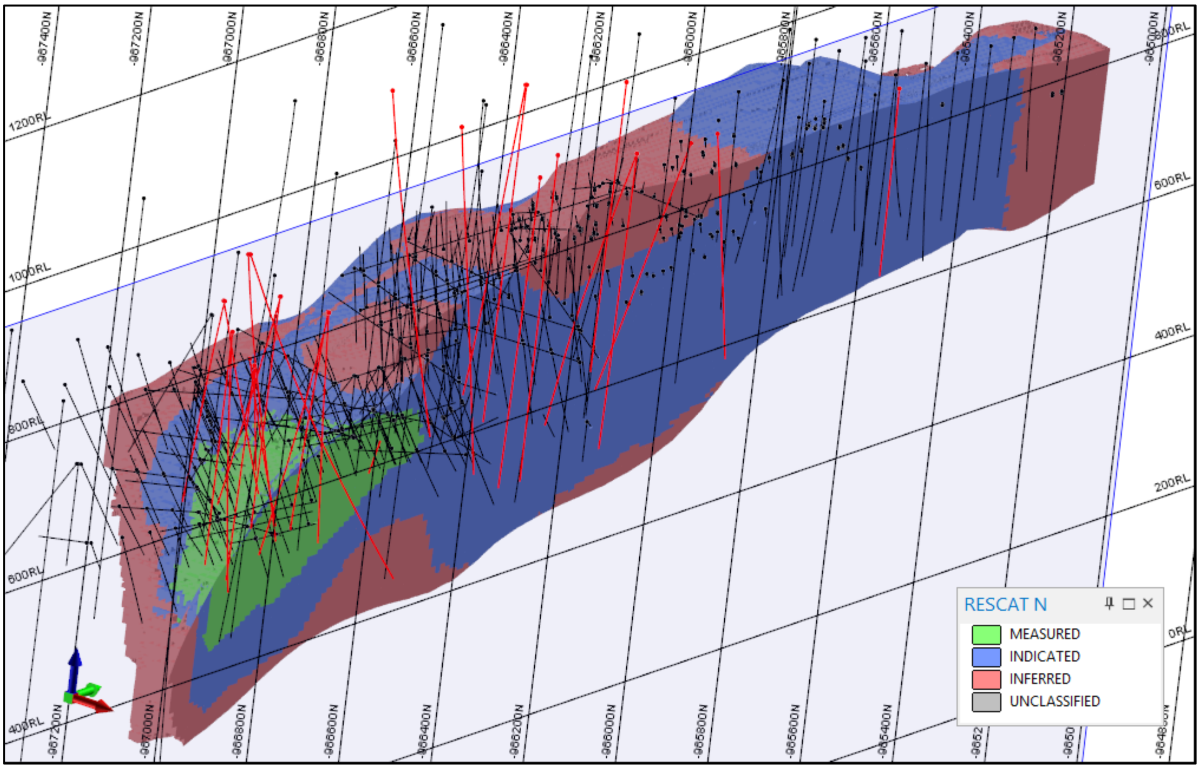



**Figure 4: 3D Easting Section Slice, Resource Classification.**

## DRILLING RESULTS

The Company has recently completed a drilling campaign at Cinovec South, comprising 22 diamond drill core holes for 6,622 metres. The analysis has been received from the final 10 holes, which is summarised below. The drill hole results have been prepared and reported by Dr Vojtech Sesulka in accordance with the JORC Code (2012).

- **Hole CIS-15 returned 14.4m averaging 0.83% $Li_2O$ and 5.3m averaging 1.06% $Li_2O$**
- **Hole CIS-16 returned 101.7m averaging 0.59% $Li_2O$, incl. 11.35m @ 0.85% $Li_2O$**
- **Hole CIS-17 returned 66.3m averaging 0.46% $Li_2O$, incl. 12.15m @ 1.00% $Li_2O$, 0.26% Sn and 4.25m @ 1.55% $Li_2O$ and 0.48% Sn**
- **Hole CIS-27 returned 147m averaging 0.46% $Li_2O$**
- **Hole CIS-31 returned 129.5m averaging 0.44% $Li_2O$, incl. 16m @ 0.17% Sn and 7.05m @ 0.26% Sn**
- **Hole CIS-32 returned 61m averaging 0.66% $Li_2O$ and 0.17% Sn, incl. 30.5m @ 0.30% Sn**
- **Hole CIS-33 returned 113.3m averaging 0.54% $Li_2O$, incl. 14.7m @ 0.60% $Li_2O$**
- **Hole CIS-34 returned 111.4m averaging 0.54% $Li_2O$ and 0.13% Sn, incl. 21.15m @ 0.71% $Li_2O$ and 0.57% Sn**
- **Hole CIS-35 returned 124.75m averaging 0.49% $Li_2O$ and 0.11% Sn, incl. 46.95m @ 0.60% $Li_2O$ and 0.25% Sn**
- **Hole CIS-36 returned 112.45m averaging 0.46% $Li_2O$**

## Mineralized Intercepts and Lithology

Rhyolite/granite contact in hole CIS-15 was hit in a depth of 166.0m. Minor Li interval of 17.3m averaging 0.23% $Li_2O$ is followed by a barren zone of microgranite, hematite granite and albite granite. The major Li-Sn mineralization is hosted in greisen zone below a depth of 206.6m. Regrettably, the hole hit a stope (219.4-

223.0m), and failed shortly after in a dept of 228.3m. The Li intervals in this zone are 14.4m averaging 0.83% $Li_2O$ and 0.38% Sn in a hanging wall and 5.3m averaging 1.06% $Li_2O$ and 0.67% Sn in a foot wall of the stope.

In hole CIS-16, the rhyolite/granite contact was intersected in 185.9m depth. The minor Li intercept of 12.1m at 0.53% $Li_2O$ and 0.27% Sn hosts Sn high grade interval of 5m @ 0.59% Sn, incl. 2m @ 1.10% Sn. The major Li interval of 101.7m averaging 0.59% $Li_2O$ comprises several Li high grade zones of 11.35m @ 0.85% $Li_2O$, 2.2m @ 1.13% $Li_2O$ and 2.7m @ 0.93% $Li_2O$.

In hole CIS-17, the Li mineralization starts immediately below the rhyolite/granite contact in a depth of 84.1m. The whole portion of granite is Li mineralized, however several gaps of various thickness and Li grades slightly below the cut-off grade break up the ore zone into several discrete intervals, such as 29m at 0.24% $Li_2O$, 16m at 0.21% $Li_2O$ and 35.5m at 0.38% $Li_2O$, incl. 3.75m @ 1.25% $Li_2O$ in the upper section. In the deeper part of the hole, major interval of 66.3m averaging 0.46% $Li_2O$ and 0.09% Sn hosts several Li high grade zones of 12.15m @ 1.00% $Li_2O$ and 0.26% Sn, 4.25m @ 1.55% $Li_2O$, 1.7m @ 1.29% $Li_2O$ and 1.77m @ 1.00% $Li_2O$, and notable 16m thick Sn intersect grading 0.22% Sn and 0.80% $Li_2O$.

Rhyolite/Granite contact in hole CIS-27 was reached in a depth of 177.0m. The Li mineralization begins straight below the contact with a minor interval of 30.5m averaging 0.30% $Li_2O$. The major Li intercept of 147.0m averaging 0.46% $Li_2O$ runs from the dept of 213m till the bottom of the hole, and includes several Li high grade zones of 4.9m @ 0.86% $Li_2O$, 2.4m @ 0.89% $Li_2O$, 6.9m @ 0.84% $Li_2O$, 1m @ 1.56% $Li_2O$ or 2.1m @ 1.20% $Li_2O$.

Hole CIS-31 intersected the rhyolite/granite contact in a depth of 215.5m. The Li intercept of 129.5m averaging 0.44% $Li_2O$ is hosted in greisenized granite and greisen, with high grade Li intercepts of 6m @ 0.83% $Li_2O$, 3m @ 0.91% $Li_2O$ and 3m @ 0.86% $Li_2O$. Additionally, several Sn zones were hit in the hole: 16m @ 0.17% Sn, 7.05m @ 0.26% Sn and 5.5m @ 0.13% Sn.

In hole CIS-32, the rhyolite/granite contact was intersected in a depth of 187.6m. The Li mineralization start immediately beneath the contact with grades slightly below the Li cut-of. The major Li interval of 61.0m averaging 0.66% $Li_2O$ and 0.17% Sn starts in a depts of 209m, with two Li high grade zones of 6.4m @ 1.01% $Li_2O$ and 5.0m @ 1.11% $Li_2O$ in a lower section of the drill hole. The hole CIS-32 is mineralized in Sn, with 30.5m interval averaging 0.30% Sn, containing high grade intervals 1m @ 2.21% Sn and 6.0m @ 0.69% Sn and 0.189% W. The hole was terminated in a depth of 274.0 in a fault zone with no recovery in the last 4 meters.

In hole CIS-33, the granite contact was intersected in a depth of 180.95m. The major Li interval of 113.3m averaging 0.54% $Li_2O$ begins some 14 m below the contact, with several Li high grade zones: 4m @ 0.86% $Li_2O$, 3.25m @ 0.87% $Li_2O$ and 2m @ 1.39% $Li_2O$. Upper portion of the interval is mineralized in Sn with 14.7m @ 0.26% Sn.

Hole CIS-34, granite started in a depth of 167.4m, with intensive greisenization from 192m. The whole Li intercept of 111.4m averaging 0.54% $Li_2O$ is mineralized in Sn grading 0.13% Sn. The highest Sn content is in the upper portion of the mineralized body: 21.15m averaging 0.57% Sn, incl. 2.15m @ 1.77% Sn, 1m @ 4.1% Sn and 1m @ 1.04% Sn.

In hole CIS-35, the whole granite section immediately below the contact with rhyolite in a depth of 195.25m is mineralized with 124.75m averaging 0.49% $Li_2O$ and 0.11% Sn. Two larger Sn intervals of 12m @ 0.1% Sn and 46.95m @ 0.25% Sn take place in the upper part of the granite.

The rhyolite/granite contact in hole CIS-36 was intersected in a depth of 191.5m. Two Li intervals returned: minor interval 5.15m averaging 0.44% $Li_2O$, incl. 0.9m @ 1.11% $Li_2O$, and major interval of 112.45m averaging 0.46% $Li_2O$, incl. 2m @ 1.29% $Li_2O$, 1m @ 1.24% $Li_2O$ and 2m @ 1.44% $Li_2O$. The upper portion of the ore body is mineralized in Sn with 55.85m @ 0.13% Sn (considering no Sn cut-off).

All the drill holes have been terminated in ore and not in the underlaying low-mica granite, which is considered to be the footwall of the Li-granite.

**Table 5: Completed drill hole data.**

| Hole ID | Easting | Northing | Elevation (m) | Azimuth (°) | Dip (°) | Target Depth (m) | Status |
|---|---|---|---|---|---|---|---|
| CIS-15[1] | -778861.53 | -966541.96 | 854.75 | 269.23 | -78.82 | 228.3 | completed |
| CIS-16[1] | -778838.67 | -966518.93 | 857.67 | 284.53 | -89.64 | 320.2 | completed |
| CIS-17[1] | -778801.94 | -966404.89 | 862.68 | 213.13 | -89.68 | 310.3 | completed |
| CIS-18[2] | -779103.76 | -966705.24 | 783.60 | 289.13 | -80.60 | 275 | completed |
| CIS-19[2] | -779040.43 | -966682.54 | 802.78 | 143.33 | -85.16 | 288.8 | completed |
| CIS-20[2] | -779040.09 | -966681.82 | 802.97 | 260.33 | -79.09 | 285.8 | completed |
| CIS-21[2] | -778947.87 | -966715.23 | 817.00 | 302.23 | -80.11 | 300.3 | completed |
| CIS-22[2] | -778944.77 | -966718.48 | 816.98 | 1.13 | -84.50 | 299 | completed |
| CIS-23[2] | -778945.31 | -966717.11 | 817.03 | 195.03 | -79.03 | 310 | completed |
| CIS-24[3] | -778972.02 | -966835.93 | 775.78 | 35.73 | -75.02 | 285.5 | completed |
| CIS-25[3] | -778896.75 | -966804.04 | 798.2 | 244.93 | -89.76 | 296 | completed |
| CIS-26[3] | -778901.84 | -966803.06 | 798.18 | 83.33 | -74.14 | 292.6 | completed |
| CIS-27[1] | -779036.41 | -966783.62 | 778.66 | 341.13 | -76.92 | 360.7 | completed |
| CIS-28[3] | -779038.63 | -966779.32 | 778.98 | 319.03 | -89.15 | 298.8 | completed |
| CIS-29[3] | -778956.01 | -966848.92 | 774.51 | 229.13 | -89.28 | 274 | completed |
| CIS-30[3] | -778955.51 | -966849.42 | 774.63 | 95.13 | -78.27 | 299.2 | completed |
| CIS-31[1] | -778814.86 | -966771.84 | 819.29 | 117.83 | -79.29 | 370.5 | completed |
| CIS-32[1] | -778872.86 | -966597.58 | 848.58 | 268.13 | -74.40 | 274 | completed |
| CIS-33[1] | -778871.76 | -966597.46 | 848.58 | 320.33 | -89.49 | 307.8 | completed |
| CIS-34[1] | -778852.20 | -966584.13 | 851.45 | 354.43 | -89.14 | 304.9 | completed |
| CIS-35[1] | -778816.61 | -966769.95 | 819.48 | 26.26 | -81.00 | 320 | completed |
| CIS-36[1] | -778817.69 | -966769.31 | 819.51 | 1.33 | -70.47 | 320 | completed |

Notes:

1. Reported for the first time in this announcement
2. Refer to the Company's ASX release dated 2 February 2021
3. Refer to the Company's ASX release dated 6 May 2021

**Table 6: Mineralized intercepts in hole CIS-15.**

| CIS-15 | | | | | | | |
|---|---|---|---|---|---|---|---|
| From | To | Interval (m) | Determining element | $Li_2O$ (%) | Sn (%) | W (%) | Note |
| 166 | 183.3 | 17.3 | $Li_2O$ | 0.23 | 0.01 | 0.002 | |
| 205 | 219.4 | 14.4 | $Li_2O$ | 0.83 | 0.38 | 0.027 | |
| 223 | 228.3 | 5.3 | $Li_2O$ | 1.06 | 0.67 | 0.029 | incl. 1m@1.82% Sn (225-226m) |
| 208 | 219.4 | 11.4 | Sn | 0.90 | 0.48 | 0.030 | incl. 2.4m@1.98% Sn (217-219.4m), 1m@3.48% Sn (217-218m) |

*Cut-off: 0.2% $Li_2O$, 0.1% Sn, 0.05% W*

**Table 7: Mineralized intercepts in hole CIS-16.**

| CIS-16 | | | | | | | |
|---|---|---|---|---|---|---|---|
| From | To | Interval (m) | Determining element | Li2O (%) | Sn (%) | W (%) | Note |
| 198.95 | 211 | 12.05 | $Li_2O$ | 0.53 | 0.27 | 0.026 | incl. 2m@0.90% $Li_2O$, 0.62% Sn (203-205m) |
| 218.5 | 320.2 | 101.7 | $Li_2O$ | 0.59 | 0.04 | 0.006 | incl. 11.35m@0.85% $Li_2O$ (246-257.35m),<br>2.2m@1.13% $Li_2O$ (286-288.2m),<br>2.7m@0.93% $Li_2O$ (301.1-303.8m) |
| 198.95 | 199.95 | 1 | Sn | 0.68 | 0.14 | 0.008 | |
| 202.55 | 203 | 0.45 | W | 0.59 | 0.02 | 0.103 | |
| 203 | 208 | 5 | Sn | 0.76 | 0.59 | 0.020 | incl. 2m@1.10% Sn (204-206m) |
| 209 | 209.85 | 0.85 | W | 0.61 | 0.02 | 0.155 | |
| 218.5 | 224.9 | 6.4 | Sn | 0.46 | 0.13 | 0.011 | |
| 229.55 | 229.9 | 0.35 | Sn | 0.84 | 0.39 | 0.061 | |
| 234.3 | 234.9 | 0.6 | Sn | 0.94 | 0.93 | 0.095 | |
| 251 | 252.1 | 1.1 | Sn | 0.89 | 0.14 | 0.124 | |
| 262 | 263 | 1 | Sn | 0.54 | 0.27 | 0.035 | |

*Cut-off: 0.2% Li2O, 0.1% Sn, 0.05% W*

**Table 8: Mineralized intercepts in hole CIS-17.**

| CIS-17 | | | | | | | |
|---|---|---|---|---|---|---|---|
| From | To | Interval (m) | Determining element | $Li_2O$ (%) | Sn (%) | W (%) | Note |
| 95 | 124 | 29 | $Li_2O$ | 0.24 | 0.01 | 0.002 | |
| 130 | 136 | 6 | $Li_2O$ | 0.21 | 0.01 | 0.001 | |
| 154 | 170 | 16 | $Li_2O$ | 0.21 | 0.01 | 0.001 | |
| 203.5 | 239 | 35.5 | $Li_2O$ | 0.38 | 0.03 | 0.025 | incl. 3.75m@1.25% $Li_2O$, 0.14% Sn (230-233.75m) |
| 244 | 310.3 | 66.3 | $Li_2O$ | 0.46 | 0.09 | 0.005 | incl. 12.15m@1.00% $Li_2O$, 0.26% Sn (262.95-275.1m),<br>4.25m@1.55% $Li_2O$, 0.48% Sn (262.95-267.2m),<br>1.7m@1.29% $Li_2O$ (273.4-275.1m),<br>1.7m@1.00% $Li_2O$, 0.16% Sn (294.5-296.2m) |
| 225.15 | 230 | 4.85 | W | 0.64 | 0.06 | 0.154 | |
| 231 | 233.75 | 2.75 | Sn | 1.00 | 0.17 | 0.026 | |
| 264 | 280 | 16 | Sn | 0.80 | 0.22 | 0.006 | incl. 2m@0.99% Sn (264-266m) |
| 293.5 | 294.5 | 1 | W | 0.76 | 0.03 | 0.140 | |
| 300 | 301 | 1 | Sn | 0.29 | 0.11 | 0.001 | |
| 309 | 310.3 | 1.3 | Sn | 0.39 | 0.14 | 0.015 | |

*Cut-off: 0.2% $Li_2O$, 0.1% Sn, 0.05% W*

**Table 9:Mineralized intercepts in hole CIS-27.**

| CIS-27 | | | | | | | |
|---|---|---|---|---|---|---|---|
| From | To | Interval (m) | Determining element | $Li_2O$ (%) | Sn (%) | W (%) | Note |
| 177 | 207.5 | 30.5 | $Li_2O$ | 0.30 | 0.06 | 0.003 | |
| 213 | 360 | 147 | $Li_2O$ | 0.46 | 0.04 | 0.017 | incl. 4.9m@0.86% $Li_2O$, 0.16% Sn (214.1-219m), 2.4m@0.89% $Li_2O$, 0.31% W (266.9-269.3m), 6.85m@0.84% $Li_2O$ (271.5-278.35m), 0.95m@1.56% $Li_2O$ (312.65-313.6m), 2.1m@1.20% $Li_2O$ (329-331.1m) |
| 191.2 | 194 | 2.8 | Sn | 0.39 | 0.29 | 0.003 | |
| 203.3 | 204.1 | 0.8 | Sn | 0.87 | 0.11 | 0.002 | |
| 206 | 206.5 | 0.5 | Sn | 0.77 | 0.27 | 0.005 | |
| 215 | 216 | 1 | Sn | 0.95 | 0.61 | 0.014 | |
| 231 | 233 | 2 | Sn | 0.57 | 0.37 | 0.009 | |
| 239 | 241.2 | 2.2 | Sn | 0.74 | 0.64 | 0.473 | incl. 1.2m @ 0.97% Sn (240-241.2m) |
| 249.4 | 252 | 2.6 | Sn | 0.56 | 0.18 | 0.079 | |
| 268 | 269.3 | 1.3 | W | 1.03 | 0.05 | 0.571 | |
| 274 | 275.15 | 1.15 | Sn | 0.90 | 0.11 | 0.009 | |
| 348.3 | 349 | 0.7 | Sn | 0.31 | 0.50 | 0.003 | |

*Cut-off: 0.2% $Li_2O$, 0.1% Sn, 0.05% W*

**Table 10: Mineralized intercepts in hole CIS-31.**

| CIS-31 | | | | | | | |
|---|---|---|---|---|---|---|---|
| From | To | Interval (m) | Determining element | $Li_2O$ (%) | Sn (%) | W (%) | Note |
| 241 | 370.5 | 129.5 | $Li_2O$ | 0.44 | 0.07 | 0.021 | incl. 6m@0.83% $Li_2O$, 0.15% Sn, 0.103% W (257-263m), 3m@0.91% $Li_2O$, 0.11% Sn (266-269m), 3m@0.86% $Li_2O$ (285-288m) |
| 246 | 262 | 16 | Sn | 0.58 | 0.17 | 0.052 | incl. 1m@0.86% $Li_2O$, 0.20% Sn, 0.469% W (259-260m) |
| 267 | 274.1 | 7.05 | Sn | 0.75 | 0.26 | 0.036 | |
| 278.5 | 284 | 5.5 | Sn | 0.36 | 0.13 | 0.005 | |
| 292 | 298 | 6 | W | 0.40 | 0.17 | 0.051 | incl. 1m@0.73% Sn, 0.056% W (297-298m) |

*Cut-off: 0.2% $Li_2O$, 0.1% Sn, 0.05% W*

**Table 11: Mineralized intercepts in hole CIS-32.**

| CIS-32 | | | | | | | |
|---|---|---|---|---|---|---|---|
| **From** | **To** | **Interval (m)** | **Determining element** | **$Li_2O$ (%)** | **Sn (%)** | **W (%)** | **Note** |
| 209 | 270 | 61 | $Li_2O$ | 0.66 | 0.17 | 0.034 | incl. 6.4m@1.01% $Li_2O$, 0.14% Sn (248-254.4m), 5m@1.11% $Li_2O$ (263-268m) |
| 213.5 | 244 | 30.5 | Sn | 0.58 | 0.30 | 0.047 | |
| 238 | 244 | 6 | W | 0.74 | 0.69 | 0.186 | incl. 1m@2.21% Sn (238-239m) |
| 251 | 254 | 3 | Sn | 1.13 | 0.28 | 0.053 | |
| 257 | 263 | 6 | W | 0.59 | 0.02 | 0.062 | |

*Cut-off: 0.2% $Li_2O$, 0.1% Sn, 0.05% W*

**Table 12: Mineralized intercepts in hole CIS-33.**

| CIS-33 | | | | | | | |
|---|---|---|---|---|---|---|---|
| **From** | **To** | **Interval (m)** | **Determining element** | **$Li_2O$ (%)** | **Sn (%)** | **W (%)** | **Note** |
| 195 | 308 | 113 | $Li_2O$ | 0.54 | 0.06 | 0.007 | incl. 4m@0.86% $Li_2O$, 0.10% Sn (217-221m), 3.25m@0.87% $Li_2O$ (244.75-248m), 2m@1.39% $Li_2O$ (296-298m) |
| 197 | 212 | 14.7 | Sn | 0.60 | 0.26 | 0.019 | incl. 1m@1.24% Sn (211-212m) |
| 219 | 221 | 2 | W | 0.86 | 0.19 | 0.075 | |
| 240 | 241 | 1 | Sn | 0.76 | 0.73 | 0.046 | |

*Cut-off: 0.2% $Li_2O$, 0.1% Sn, 0.05% W*

**Table 13: Mineralized intercepts in hole CIS-34.**

| CIS-34 | | | | | | | |
|---|---|---|---|---|---|---|---|
| **From** | **To** | **Interval (m)** | **Determining element** | **$Li_2O$ (%)** | **Sn (%)** | **W (%)** | **Note** |
| 193 | 304.9 | 111.4 | $Li_2O$ | 0.54 | 0.13 | 0.026 | incl. 6.1m@0.87% $Li_2O$, 0.98% Sn, 0.099% W (203.5-209.6m), 1m@1.25% $Li_2O$ (283.35-284.35m), 0.7m@1.42% $Li_2O$ (290.25-290.95m), 0.7m@1.83% $Li_2O$ (300.5-301.2m) |
| 199.35 | 221 | 21.15 | Sn | 0.71 | 0.57 | 0.056 | incl. 2.15m@1.77% Sn (199.35-201.5m), 1m@4.10% Sn, 0.390% W (206.5-207.5m), 1m@1.04% Sn, 0.158% W (219-220m) |
| 217 | 221 | 4 | W | 0.55 | 0.31 | 0.094 | |
| 238 | 239 | 1 | Sn | 0.41 | 1.08 | 0.753 | |
| 249 | 250 | 1 | W | 0.56 | 0.05 | 0.068 | |
| 251 | 252 | 1 | Sn | 0.40 | 0.62 | 0.232 | |
| 260 | 261 | 1 | W | 0.57 | 0.01 | 0.154 | |
| 266.45 | 267.45 | 1 | W | 0.69 | 0.01 | 0.068 | |

*Cut-off: 0.2% $Li_2O$, 0.1% Sn, 0.05% W*

**Table 14: Mineralized intercepts in hole CIS-35.**

| CIS-35 | | | | | | | |
|---|---|---|---|---|---|---|---|
| From | To | Interval (m) | Determining element | $Li_2O$ (%) | Sn (%) | W (%) | Note |
| 195.3 | 320 | 124.8 | $Li_2O$ | 0.49 | 0.11 | 0.017 | incl. 3.6m@0.91% $Li_2O$ (199.4-203m), 2.15m@1.05% $Li_2O$, 0.62% Sn, 0.092% W (235.3-237.45m), 1.1m@1.55% $Li_2O$ (246.5-247.6m), 1.4m@0.91% $Li_2O$ (265.3-266.7m) |
| 202 | 214 | 12 | Sn | 0.49 | 0.10 | 0.054 | incl. 2m@0.280% W (203-205m) |
| 219.8 | 266.7 | 46.95 | Sn | 0.60 | 0.25 | 0.027 | incl. 1.15m@0.89% $Li_2O$, 1.08% Sn, 0.166% W (236.3-237.45m), 1.35m@0.73% $Li_2O$, 0.34% Sn, 0.144% W (243-244.35m), 3m@0.52% $Li_2O$, 0.54% Sn, 0.072% W (254-257m) |

*Cut-off: 0.2% $Li_2O$, 0.1% Sn, 0.05% W*

**Table 15: Mineralized intercepts in hole CIS-36.**

| CIS-36 | | | | | | | |
|---|---|---|---|---|---|---|---|
| From | To | Interval (m) | Determining element | $Li_2O$ (%) | Sn (%) | W (%) | Note |
| 192.5 | 197.7 | 5.15 | $Li_2O$ | 0.44 | 0.09 | 0.013 | incl. 0.9m@1.11% $Li_2O$ (193.8-194.7m) |
| 207.6 | 320 | 112.5 | $Li_2O$ | 0.46 | 0.07 | 0.011 | incl. 2m@1.29% $Li_2O$, 0.12% Sn (229.2-231.2m), 1m@1.24% $Li_2O$, 0.30% Sn (235.2-236.2m), 2m@1.44% $Li_2O$ (261.4-263.4m) |
| 197 | 197.7 | 0.7 | Sn | 0.64 | 0.34 | 0.004 | |
| 207.6 | 209.5 | 1.95 | Sn | 0.73 | 0.16 | 0.005 | |
| 214.5 | 225.5 | 11 | Sn | 0.36 | 0.14 | 0.018 | |
| 230.2 | 237.2 | 6.95 | Sn | 0.86 | 0.28 | 0.022 | incl. 0.95m@1.08% Sn (236.2-237.15m) |
| 243 | 256.2 | 13.2 | Sn | 0.43 | 0.18 | 0.023 | |
| 262.4 | 263.4 | 1 | Sn | 1.84 | 0.11 | 0.096 | |

*Cut-off: 0.2% $Li_2O$, 0.1% Sn, 0.05% W*

**Figure 7 Drill hole locations vs Resource Type**

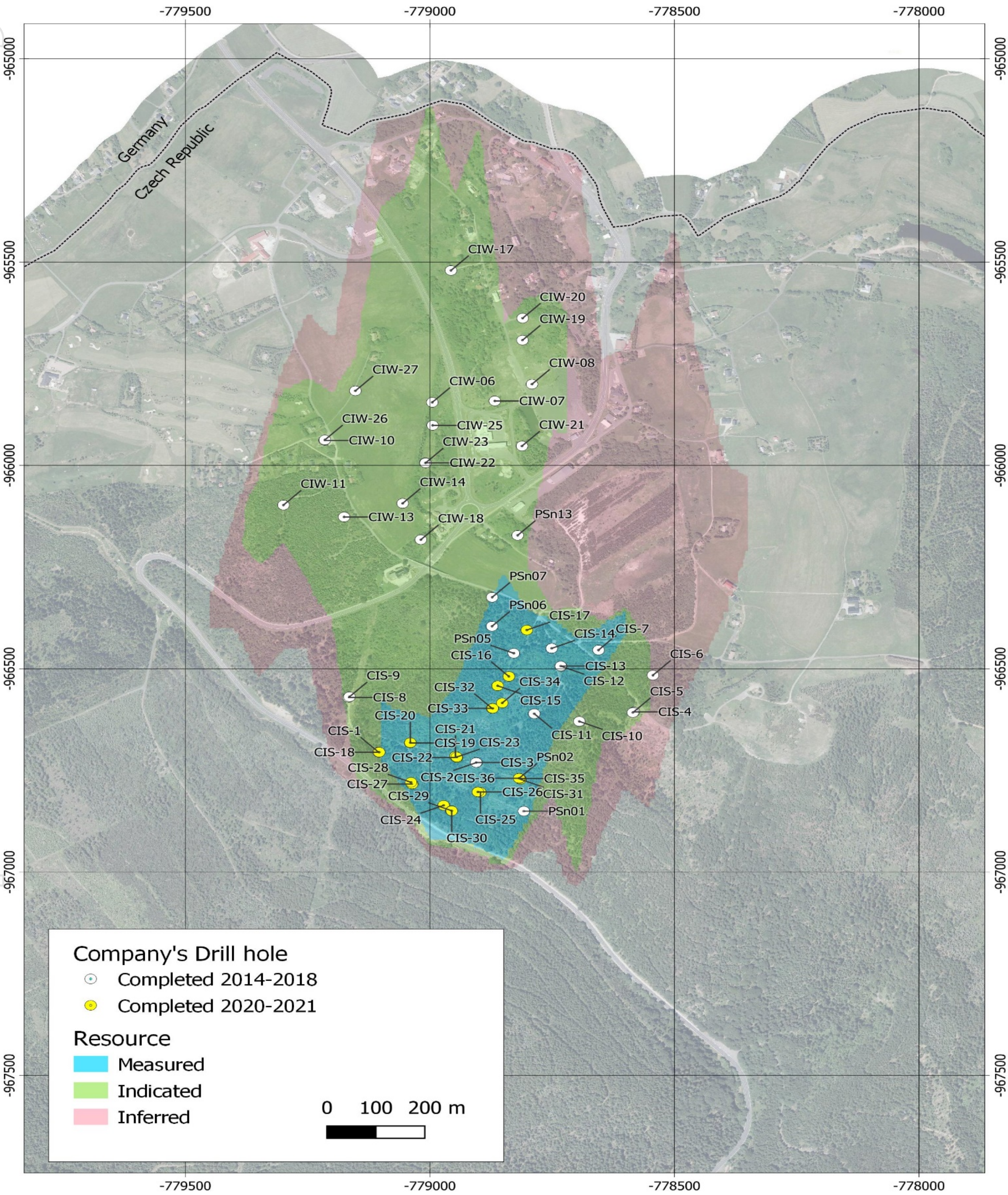


**Figure 8 Drill hole locations vs Geology**

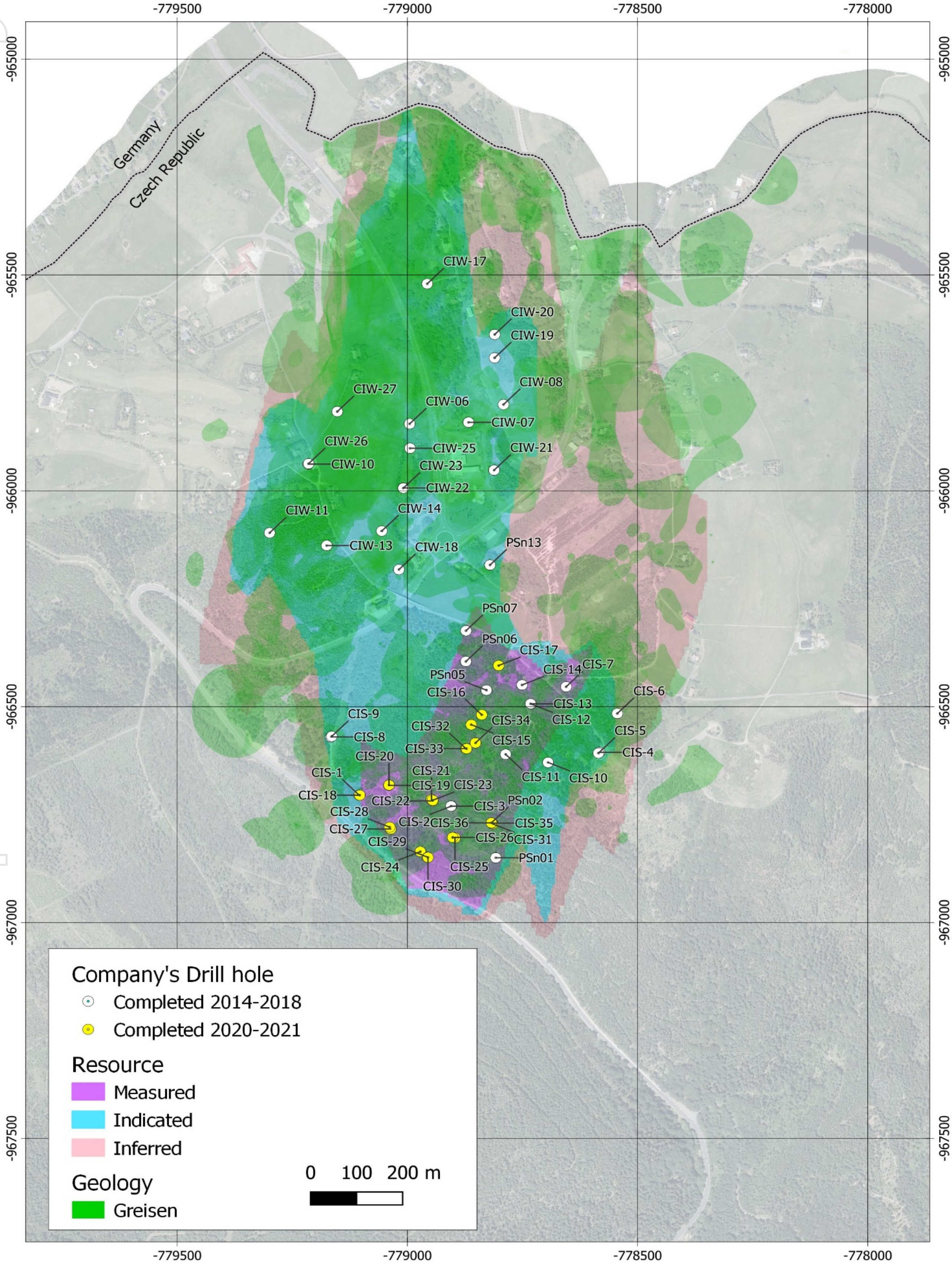
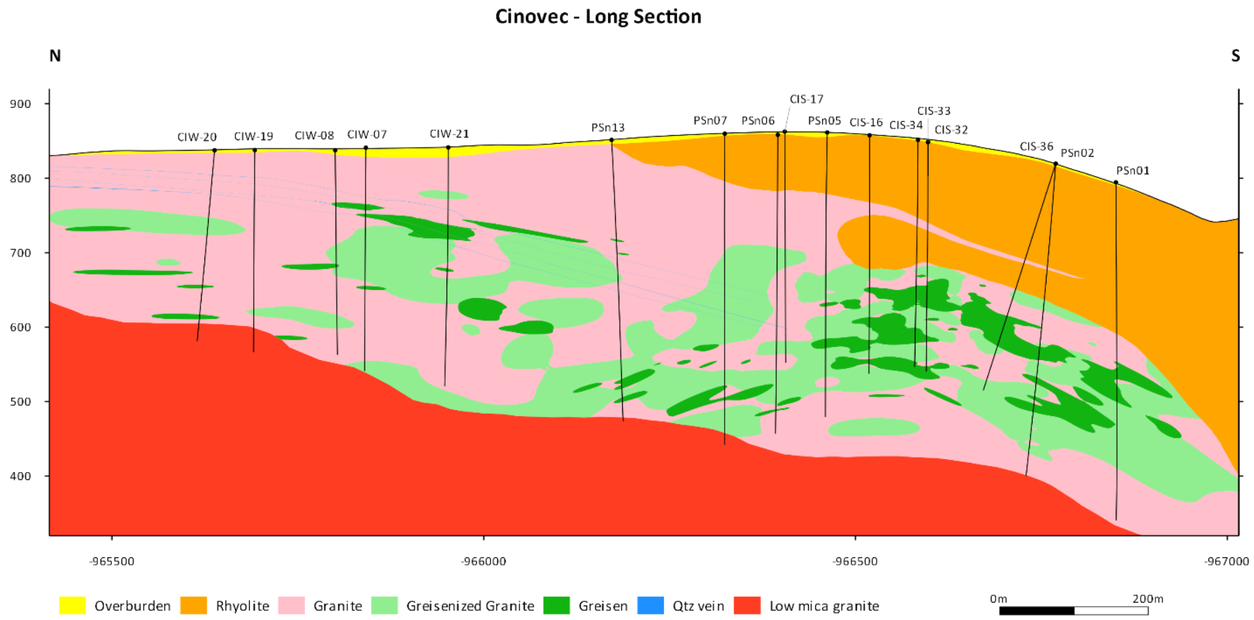


**Figure 9 Drill hole locations – Long Section**




## 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 has been granted a preliminary mining permit by the Ministry of Environment and the Ministry of Industry. The company is owned 49% by European Metals and 51% by CEZ a.s. through its wholly owned subsidiary, SDAS..

An initial Probable Ore Reserve of 34.5MT at 0.65% $Li_2O$ and 0.09% Sn reported 4 July 2017(**Cinovec Maiden Ore Reserve – Further Information**) has been declared based on stope optimizing model 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 for the extraction of tin.

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 (refer Company's ASX release dated 17 June 2019). 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.

## 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.

## WEBSITE

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

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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.

## CAUTION REGARDING FORWARD LOOKING STATEMENTS

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

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

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

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

## LITHIUM CLASSIFICATION AND CONVERSION FACTORS

Lithium grades are normally presented in percentages or parts per million (ppm). Grades of deposits are also expressed as lithium compounds in percentages, for example as a percent lithium oxide ($Li_2O$) content or percent lithium carbonate ($Li_2CO_3$) content.

Lithium carbonate equivalent ("LCE") is the industry standard terminology for, and is equivalent to, $Li_2CO_3$. Use of LCE is to provide data comparable with industry reports and is the total equivalent amount of lithium carbonate, assuming the lithium content in the deposit is converted to lithium carbonate, using the conversion rates in the table included below to get an equivalent $Li_2CO_3$ value in percent. Use of LCE assumes 100% recovery and no process losses in the extraction of $Li_2CO_3$ from the deposit.

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

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

### Table: Conversion Factors for Lithium Compounds and Minerals

| Convert from | | Convert to Li | Convert to $Li_2O$ | Convert to $Li_2CO_3$ | Convert to $LiOH.H_2O$ |
|---|---|---|---|---|---|
| Lithium | Li | 1.000 | 2.153 | 5.325 | 6.048 |
| Lithium Oxide | $Li_2O$ | 0.464 | 1.000 | 2.473 | 2.809 |
| Lithium Carbonate | $Li_2CO_3$ | 0.188 | 0.404 | 1.000 | 1.136 |
| Lithium Hydroxide | $LiOH.H_2O$ | 0.165 | 0.356 | 0.880 | 1.000 |
| Lithium Fluoride | LiF | 0.268 | 0.576 | 1.424 | 1.618 |

## COMPETENT PERSON'S STATEMENT

Information in this report that relates to exploration results for CIS-15 to17, CIS-27 and CIS-31 to 36 is based on, and fairly reflects, information and supporting documentation prepared by European Metals Competent Person Dr Vojtech Sesulka. Dr Sesulka is a Certified Professional Geologist (certified by the European Federation of Geologists), a member of the Czech Association of Economic Geologist, and a Competent Person as defined in the JORC Code 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Dr Sesulka has provided his prior written consent to the inclusion in this report of the matters based on his information in the form and context in which it appears. Dr Sesulka is an independent consultant with more than 10 years working for the EMH or Geomet companies. Dr Sesulka does not own any shares in the Company and is not a participant in any short or long term incentive plans of the Company.

The information in this release that relates to Mineral Resources and Exploration Targets is based on, and fairly reflects, information and supporting documentation prepared by Mr Lynn Widenbar. Mr Widenbar, who is a Member of the Australasian Institute of Mining and Metallurgy and a Member of the Australasian Institute of Geoscientists, is a full-time employee of Widenbar and Associates and produced the estimate based on data and geological information supplied by European Metals. Mr Widenbar has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the JORC Code 2012 Edition of the Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves. Mr Widenbar has provided his prior written consent to the inclusion in this report of the matters based on his information in the form and context that the information appears. Mr Widenbar does not own any shares in the Company and is not a participant in any short or long term incentive plans of the Company.

## PREVIOUSLY REPORTED INFORMATION

The information in this report relating to Exploration Results, Ore Reserves, production targets and forecast financial information derived from a production target (other than information being reported for the first time in this report) is extracted from the Company's ASX releases referred to in the body of the report and are available to view on the Company's ASX announcements platform (ASX: EMH). The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

The information in this report relating to the Mineral Resources reported in November 2017 is extracted from the Company's ASX release dated 28 November 2017. The information has been provided for comparison only, as the mineral resource estimate has been updated by this report.

European Metals Ltd – Cinovec Deposit – September 2021

JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| *Sampling techniques* | • *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.*<br>• *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.*<br>• *Aspects of the determination of mineralisation that are Material to the Public Report.*<br>• *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.* | • Between 2014 and 2021, the Company commenced a core drilling program and collected samples from core splits in line with JORC Code guidelines.<br>• Sample intervals honour geological or visible mineraliisation boundaries and vary between 50cm and 2 m. The majority of samples are 1 m in length<br>• The samples are half or quarter or eighth of core; the latter applied for large diameter core.<br>• Between 1952 and 1989, the Cinovec deposit was sampled in two ways: in drill core and underground channel samples.<br>• Channel samples, from drift ribs and faces, were collected during detailed exploration between 1952 and 1989 by Geoindustria n.p. and Rudne Doly n.p., both Czechoslovak State companies. Sample length was 1 m, channel 10x5cm, sample mass about 15kg. Up to 1966, samples were collected using hammer and chisel; from 1966 a small drill (Holman Hammer) was used. 14179 samples were collected and transported to a crushing facility.<br>• Core and channel samples were crushed in two steps: to -5mm, then to -0.5mm. 100g splits were obtained and pulverized to -0.045mm for analysis. |
| *Drilling techniques* | • *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).* | • In 2014, three core holes were drilled for a total of 940.1m. In 2015, six core holes were drilled for a total of 2,455.0m. In 2016, eighteen core holes were drilled for a total of 6,459.6m. In 2017, six core holes were drilled for a total of 2697.1m. In 2018, 5 core holes were drilled for a total of 1,640.3 and in 2020, 22 core holes were drilled for a total of 6,621.7m.<br>• In 2014 and 2015, the core size was HQ3 (60mm diameter) in upper parts of holes; in deeper sections the core size was reduced to NQ3 (44mm diameter). Core recovery was high (average 98%). Between 2016 and 2021 up to four drill rigs were used, the core size was PQ or HQ. |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | | • Historically only core drilling was employed, either from surface or from underground.<br>• Surface drilling: 80 holes, total 30,340 meters; vertical and inclined, maximum depth 1596m (structural hole). Core diameters from 220mm near surface to 110 mm at depth. Average core recovery 89.3%.<br>• Underground drilling: 766 holes for 53,126m; horizontal and inclined. Core diameter 46mm; drilled by Craelius XC42 or DIAMEC drills. |
| *Drill sample recovery* | • *Method of recording and assessing core and chip sample recoveries and results assessed.*<br>• *Measures taken to maximise sample recovery and ensure representative nature of the samples.*<br>• *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.* | • Core recovery for historical surface drill holes was recorded on drill logs and entered into the database.<br>• No correlation between grade and core recovery was established. |
| *Logging* | • *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.*<br>• *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.*<br>• *The total length and percentage of the relevant intersections logged.* | • In 2014-2021, core descriptions were recorded into paper logging forms by hand and later entered into an Excel database.<br>• Core was logged in detail historically in a facility 6 km from the mine site. The following features were logged and recorded in paper logs: lithology, alteration (including intensity divided into weak, medium and strong/pervasive), and occurrence of ore minerals expressed in %, macroscopic description of congruous intervals and structures and core recovery. |
| *Sub-sampling techniques and sample preparation* | • *If core, whether cut or sawn and whether quarter, half or all core taken.*<br>• *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.*<br>• *For all sample types, the nature, quality and appropriateness of the sample preparation technique.*<br>• *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.*<br>• *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance* | • In 2014-21, core was washed, geologically logged, sample intervals determined and marked then the core was cut in half. Larger core was cut in half and one half was cut again to obtain a quarter or eighth core sample. One half or one quarter or one eighth samples was delivered to ALS Global for assaying after duplicates, blanks and standards were inserted in the sample stream. The remaining drill core is stored on site for reference.<br>• Sample preparation was carried out by ALS Global in Romania, using industry standard techniques appropriate for the style of mineralisation represented at Cinovec. |

| Criteria | JORC Code explanation | Commentary |
| --- | --- | --- |
| | *results for field duplicate/second-half sampling.*<br>• *Whether sample sizes are appropriate to the grain size of the material being sampled.* | • Historically, core was either split or consumed entirely for analyses.<br>• Samples are considered to be representative.<br>• Sample size and grains size are deemed appropriate for the analytical techniques used. |
| *Quality of assay data and laboratory tests* | • *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*<br>• *For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.*<br>• *Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.* | • In 2014-21, core samples were assayed by ALS Global. The most appropriate analytical methods were determined by results of tests for various analytical techniques.<br>• The following analytical methods were chosen: ME-MS81 (lithium borate fusion or 4 acid digest, ICP-MS finish) for a suite of elements including Sn and W and ME-4ACD81 (4 acid digest, ICP-AES finish) additional elements including lithium. In 2020-2021 analytical method ME-MS89L (Super Trace DL $Na_2O_2$ by ICP-MS) was used.<br>• About 40% of samples were analysed by ME-MS81d (ME-MS81 plus whole rock package). Samples with over 1% tin are analysed by XRF. Samples over 1% lithium were analysed by Li-OG63 (four acid and ICP finish).<br>• Standards, blanks and duplicates were inserted into the sample stream. Initial tin standard results indicated possible downgrading bias; the laboratory repeated the analysis with satisfactory results.<br>• Historically, tin content was measured by XRF and using wet chemical methods. W and Li were analysed by spectral methods.<br>• Analytical QA was internal and external. The former subjected 5% of the sample to repeat analysis in the same facility. 10% of samples were analysed in another laboratory, also located in Czechoslovakia. The QA/QC procedures were set to the State norms and are considered adequate. It is unknown whether external standards or sample duplicates were used.<br>• Overall accuracy of sampling and assaying was proved later by test mining and reconciliation of mined and analysed grades. |
| *Verification of sampling and assaying* | • *The verification of significant intersections by either independent or alternative company personnel.*<br>• *The use of twinned holes.* | • During the 2014-21 drill campaigns the Company indirectly verified grades of tin and lithium by comparing the length and grade of mineral intercepts with the current block model. |

| Criteria | JORC Code explanation | Commentary |
| --- | --- | --- |
| | • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.*<br>• *Discuss any adjustment to assay data.* | |
| *Location of data points* | • *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.*<br>• *Specification of the grid system used.*<br>• *Quality and adequacy of topographic control.* | • In 2014-21, drill collar locations were surveyed by a registered surveyor.<br>• Down hole surveys were recorded by a contractor.<br>• Historically, drill hole collars were surveyed with a great degree of precision by the mine survey crew.<br>• Hole locations are recorded in the local S-JTSK Krovak grid.<br>• Topographic control is excellent. |
| *Data spacing and distribution* | • *Data spacing for reporting of Exploration Results.*<br>• *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.*<br>• *Whether sample compositing has been applied.* | • Historical data density is very high.<br>• Spacing is sufficient to establish Measured, Indicated and Inferred Mineral Resource Estimates.<br>• Areas with lower coverage of Li% assays have been identified as Exploration Targets.<br>• Sample compositing to 1m intervals has been applied mathematically prior to estimation but not physically. |
| *Orientation of data in relation to geological structure* | • *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*<br>• *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.* | • In 2014-21, drill hole azimuth and dip was planned to intercept the mineralized zones at near-true thickness. As the mineralized zones dip shallowly to the south, drill holes were vertical or near vertical and directed to the north. Due to land access restrictions, certain holes could not be positioned in sites with ideal drill angle.<br>• The Company has not directly collected any samples underground because the workings are inaccessible at this time.<br>• Based on historic reports, level plan maps, sections and core logs, the samples were collected in an unbiased fashion, systematically on two underground levels from drift ribs and faces, as well as from underground holes drilled perpendicular to the drift directions. The sample density is adequate for the style of deposit.<br>• Multiple samples were taken and analysed by the Company from the historic tailing repository. Only lithium was analysed (Sn and W too low). The results matched the historic grades. |
| *Sample security* | • *The measures taken to ensure sample* | • In the 2014-21 programs, only the Company's employees and contractors |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | *security.* | handled drill core and conducted sampling. The core was collected from the drill rig each day and transported in a company vehicle to the secure Company premises where it was logged and cut. Company geologists supervised the process and logged/sampled the core. The samples were transported by Company personnel in a Company vehicle to the ALS Global laboratory pick-up station. The remaining core is stored under lock and key. <br>• Historically, sample security was ensured by State norms applied to exploration. The State norms were similar to currently accepted best practice and JORC guidelines for sample security. |
| *Audits or reviews* | • *The results of any audits or reviews of sampling techniques and data.* | • Review of sampling techniques was carried out from written records. No flaws found. |

## Section 2 Reporting of Exploration Results

(Criteria listed in section 1 also apply to this section.)

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| *Mineral tenement and land tenure status* | • *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* <br>• *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.* | • In June 2020, the Czech Ministry of the Environment has granted Geomet three Preliminary Mining Permits which cover the whole of the Cinovec deposit. The permits are valid until 2028. <br>• Geomet plans to amalgamate these into a single Final Mining Permit |
| *Exploration done by other parties* | • *Acknowledgment and appraisal of exploration by other parties.* | • There has been no acknowledgment or appraisal of exploration by other parties. |
| *Geology* | • *Deposit type, geological setting and style of mineralisation.* | • Cinovec is a granite-hosted tin-tungsten-lithium deposit. <br>• Late Variscan age, post-orogenic granite intrusionTin and tungsten occur in oxide minerals (cassiterite and wolframite). Lithium occurs in zinwaldite, a Li-rich muscovite <br>• Mineralization in a small granite cupola. Vein and greisen type. |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | | Alteration is greisenisation, silicification. |
| *Drill hole Information* | • *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:*<br>○ *easting and northing of the drill hole collar*<br>○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*<br>○ *dip and azimuth of the hole*<br>○ *down hole length and interception depth*<br>○ *hole length.*<br>• *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.* | • Reported previously. |
| *Data aggregation methods* | • *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.*<br>• *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.*<br>• *The assumptions used for any reporting of metal equivalent values should be clearly stated.* | • Reporting of exploration results has not and will not include aggregate intercepts.<br>• Metal equivalent not used in reporting.<br>• No grade truncations applied. |
| *Relationship between mineralisation widths and intercept lengths* | • *These relationships are particularly important in the reporting of Exploration* | • Intercept widths are approximate true widths.<br>• The mineralization is mostly of |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | *Results.*<br>• *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.*<br>• *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').* | disseminated nature and relatively homogeneous; the orientation of samples is of limited impact.<br>• For higher grade veins care was taken to drill at angles ensuring closeness of intercept length and true widths<br>• The block model accounts for variations between apparent and true dip. |
| *Diagrams* | • *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.* | • Appropriate maps and sections have been generated by the Company, and independent consultants. Available in customary vector and raster outputs, and partially in consultant's reports. |
| *Balanced reporting* | • *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.* | • Balanced reporting in historic reports guaranteed by norms and standards, verified in 1997, and 2012 by independent consultants.<br>• The historic reporting was completed by several State institutions and cross validated. |
| *Other substantive exploration data* | • *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.* | • Data available: bulk density for all representative rock and ore types; (historic data + 92 measurements in 2016-21 from current core holes); petrographic and mineralogical studies, hydrological information, hardness, moisture content, fragmentation etc. |
| *Further work* | • *The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-* | • Grade verification sampling from underground or drilling from surface. Historically-reported grades require modern validation in order to improve the resource classification. |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | *out drilling).*<br>• *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.* | • The number and location of sampling sites will be determined from a 3D wireframe model and geostatistical considerations reflecting grade continuity.<br>• The geologic model will be used to determine if any infill drilling is required.<br>• The deposit is open down-dip on the southern extension, and locally poorly constrained at its western and eastern extensions, where limited additional drilling might be required.<br>• No large scale drilling campaigns are required. |

## Section 3 Estimation and Reporting of Mineral Resources

(Criteria listed in section 1, and where relevant in section 2, also apply to this section.)

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| *Database integrity* | • *Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.*<br>• *Data validation procedures used.* | • Assay and geologic data were compiled by the Company staff from primary historic records, such as copies of drill logs and large scale sample location maps.<br>• Sample data were entered in to Excel spreadsheets by Company staff in Prague.<br>• The database entry process was supervised by a Professional Geologist who works for the Company.<br>• The database was checked by independent competent persons (Lynn Widenbar of Widenbar & Associates). |
| *Site visits* | • *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.*<br>• *If no site visits have been undertaken indicate why this is the case.* | • The site was visited by Dr Pavel Reichl who has identified the previous shaft sites, tails dams and observed the mineralisation underground through an adjacent mine working and was previously the Competent Person for exploration results.<br>• The current Competent Person for exploration results, Dr Vojtech Sesulka, has visited the site on multiple occasions and has been involved in 2014 to 2021 drilling campaigns.<br>• The site was visited in June 2016 by Mr Lynn Widenbar, the Competent Person for Mineral Resource Estimation. Diamond drill rigs were |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | | viewed, as was core; a visit was carried out to the adjacent underground mine in Germany which is a continuation of the Cinovec Deposit. |
| *Geological interpretation* | • *Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.*<br>• *Nature of the data used and of any assumptions made.*<br>• *The effect, if any, of alternative interpretations on Mineral Resource estimation.*<br>• *The use of geology in guiding and controlling Mineral Resource estimation.*<br>• *The factors affecting continuity both of grade and geology.* | • The overall geology of the deposit is relatively simple and well understood due to excellent data control from surface and underground.<br>• Nature of data: underground mapping, structural measurements, detailed core logging, 3D data synthesis on plans and maps.<br>• Geological continuity is good. The grade is highest and shows most variability in quartz veins.<br>• Grade correlates with degree of silicification and greisenisation of the host granite.<br>• The primary control is the granite-country rock contact. All mineralization is in the uppermost 200m of the granite and is truncated by the contact. |
| *Dimensions* | • *The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.* | • The Cinovec Deposit strikes north-south, is elongated, and dips gently south parallel to the upper granite contact. The surface projection of mineralization is about 1 km long and 900 m wide.<br>• Mineralization extends from about 200m to 500m below surface. |
| *Estimation and modelling techniques* | • *The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.*<br>• *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.*<br>• *The assumptions made regarding recovery of by-products.*<br>• *Estimation of deleterious elements or other non-grade variables of* | • Block estimation was carried out in Micromine 2021.5 using Ordinary Kriging interpolation.<br>• A geological domain model was constructed using Leapfrog software with solid wireframes representing greisen, granite, greisenised granite and the overlying barren rhyolite. This was used to both control interpolation and to assign density to the model (2.57 for granite, 2.70 for greisen and 2.60 for all other material).<br>• Analysis of sample lengths indicated that compositing to 1m was necessary.<br>• Search ellipse sizes and orientations for the estimation were based on drill hole spacing, the known orientations of mineralisation and variography.<br>• An "unfolding" search strategy was used which allowed the search ellipse orientation to vary with the locally changing dip and strike.<br>• After statistical analysis, a top cut of |

| Criteria | JORC Code explanation | Commentary |
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| | *economic significance (e.g. sulphur for acid mine drainage characterisation).*<br>• *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.*<br>• *Any assumptions behind modelling of selective mining units.*<br>• *Any assumptions about correlation between variables.*<br>• *Description of how the geological interpretation was used to control the resource estimates.*<br>• *Discussion of basis for using or not using grade cutting or capping.*<br>• *The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.* | 5% was applied to Sn% and W%; a 1.2% top cut is applied to Li%.<br>• Sn% and Li% were then estimated by Ordinary Kriging within the mineralisation solids.<br>• The primary search ellipse was 150m along strike, 150m down dip and 7.5m across the mineralisation. A minimum of 4 composites and a maximum of 8 composites were required.<br>• A second interpolation with search ellipse of 300m x 300m x 12.5m was carried out to inform blocks to be used as the basis for an Exploration Target.<br>• Block size was 10m (E-W) by 10m (N-S) by 5m<br>• Validation of the final resource has been carried out in a number of ways including section comparison of data versus model, swathe plots and production reconciliation. All methods produced satisfactory results. |
| *Moisture* | • *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.* | • Tonnages are estimated on a dry basis using the average bulk density for each geological domain. |
| *Cut-off parameters* | • *The basis of the adopted cut-off grade(s) or quality parameters applied.* | • A series of alternative cutoffs was used to report tonnage and grade: Lithium 0.1%, 0.2%, 0.3% and 0.4%.<br>• The final reporting cutoff of 0.1% Li was chosen based on underground mining studies carried out By Bara Consulting in 2017 while developing an initial Probable Ore reserve Estimate. |
| *Mining factors or assumptions* | • *Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case,* | • Mining is assumed to be by underground methods.<br>• An updated Preliminary Feasibility Study prepared in 2019 established that it was feasible and economic to use large-scale, long-hole open stop mining.<br>• Using a total processing cost of \$40/t, a recovery of 75% and $Li_2CO_3$ price of \$10,000 gives a break-even cutoff of 0.0987% Li. |

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| | *this should be reported with an explanation of the basis of the mining assumptions made.* | |
| *Metallurgical factors or assumptions* | • *The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.* | • Successful locked-cycle tests ("LCT") results carried out in 2021 further support the Cinovec project's credentials to initially produce battery-grade lithium carbonate.<br>• European Metals has demonstrated that Cinovec battery grade lithium carbonate can be easily converted into lithium hydroxide monohydrate with a commonly utilised liming plant process.<br>• Six LCTs were planned but testwork was stopped after four cycles as the main process stream compositions had successfully stabilised.<br>• Battery grade lithium carbonate was produced in every LCT with lithium recoveries of up to 92.0% achieved in the four LCTs performed.<br>• The LCTs tested zinnwaldite concentrate from the southern part of Cinovec, representative of the first five years of mining.<br>• Improved fluoride removal process step further enhances project's economic outcomes as a result of the regeneration and reuse of the ion exchange resins.<br>• Further optimisation work in hydrometallurgy processing steps expected to improve lithium recoveries from concentrate to >92.0%.<br>• Extensive testwork was conducted on Cinovec ore in the past. Testing culminated with a pilot plant trial in 1970, where three batches of Cinovec ore were processed, each under slightly different conditions. The best result, with a tin recovery of 76.36%, was obtained from a batch of 97.13t grading 0.32% Sn. A more elaborate flowsheet was also investigated and with flotation produced final Sn and W recoveries of better than 96% and 84%, respectively.<br>• Historical laboratory testwork also demonstrated that lithium can be extracted from the ore (lithium carbonate was produced from 1958-1966 at Cinovec). |

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| *Environmental factors or assumptions* | • *Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.* | • Cinovec is in an area of historic mining activity spanning the past 600 years. Extensive State exploration was conducted until 1990.<br>• The property is located in a sparsely populated area, most of the land belongs to the State. Few problems are anticipated with regards to the acquisition of surface rights for any potential underground mining operation.<br>• The envisaged mining method will see much of the waste and tailings used as underground fill. |
| *Bulk density* | • *Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.*<br>• *The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc.), moisture and differences between rock and alteration zones within the deposit.*<br>• *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.* | • Historical bulk density measurements were made in a laboratory.<br>• The following densities were applied:<br>• 2.57 for granite<br>• 2.70 for greisen<br>• 2.60 for all other material |
| *Classification* | • *The basis for the classification of the Mineral Resources into varying confidence categories.*<br>• *Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations,* | • The new 2014 to 2020 drilling has confirmed the Lithium mineralisation model and allowed the Mineral Resource to be classified in the Measured, Indicated and Inferred categories.<br>• The detailed classification is based on a combination of drill hole spacing and the output from the kriging |

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| | *reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).*<br>• *Whether the result appropriately reflects the Competent Person's view of the deposit.* | interpolation.<br>• Measured material is located in the south of the deposit in the area of new infill drilling carried out between 2014 and 2020.<br>• Material outside the classified area has been used as the basis for an Exploration Target.<br>• The Competent Person (Lynn Widenbar) endorses the final results and classification. |
| *Audits or reviews* | • *The results of any audits or reviews of Mineral Resource estimates.* | • Wardell Armstrong International, in their review of Lynn Widenbar's initial resource estimate stated "the Widenbar model appears to have been prepared in a diligent manner and given the data available provides a reasonable estimate of the drillhole assay data at the Cinovec deposit". |
| *Discussion of relative accuracy/ confidence* | • *Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.*<br>• *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.*<br>• *These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.* | • In 2012, WAI carried out model validation exercises on the initial Widenbar model, which included visual comparison of drilling sample grades and the estimated block model grades, and Swath plots to assess spatial local grade variability.<br>• A visual comparison of Block model grades vs drillhole grades was carried out on a sectional basis for both Sn and Li mineralisation. Visually, grades in the block model correlated well with drillhole grade for both Sn and Li.<br>• Swathe plots were generated from the model by averaging composites and blocks in all 3 dimensions using 10m panels. Swath plots were generated for the Sn and Li estimated grades in the block model, these should exhibit a close relationship to the composite data upon which the estimation is based. As the original drillhole composites were not available to WAI. 1m composite samples based on 0.1% cut-offs for both Sn and Li assays were<br>• Overall Swathe plots illustrate a good correlation between the composites and the block grades. As is visible in the Swathe plots, there has been a large amount of smoothing of the block model grades when compared to the composite grades, this is typical of the estimation method. |