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EUROPEAN LITHIUM PARTNERS WITH BMW AG TO SUPPLY BATTERY GRADE LITHIUM HYDROXIDE

Highlights

- **EUR to provide exclusive rights to supply battery grade lithium hydroxide;**
- **MoU establishes understanding to negotiate final commercial terms, including US\$15m prepayment**

European Lithium Limited (ASX: **EUR**, FRA: **PF8**, OTC: **EULIF**) (**EUR** or the **Company**) is pleased to announce it has signed a non-binding memorandum of understanding (**MoU**) with European auto manufacturer BMW AG (**BMW**) to secure EUR's first offtake of battery grade Lithium Hydroxide (**LiOH**)

EUR Chairman, Tony Sage, commented: "Securing our first offtake with BMW AG is another key milestone for the Company. Partnering with BMW AG is an ideal fit for EUR".

Under the MoU, EUR and BMW AG will work together to negotiate suitable commercial terms for BMW AG to purchase the LiOH produced by EUR. EUR grants BMW AG the first right to purchase 100% of the LiOH produced from the identified resources.

In the event both parties agree to a binding contract, BMW AG will make an upfront payment of US\$15 million, which will be repaid through equal set offs against LiOH delivered to BMW AG. Proceeds from the prepayment will be used for the development of the Wolfsberg Project including supporting the commencement of the construction phase and further progress towards the successful implementation of the Wolfsberg Project.

Securing its first offtake is a key milestone allowing the Company to focus on the final steps of development and implementation of the Wolfsberg Project while it looks to the future and builds a portfolio of prospective battery metals projects located in Europe.

The parties are currently negotiating binding agreements, and no assurance is given that the any binding agreements will be entered into.

About the BMW Group

With its four brands BMW, MINI, Rolls-Royce and BMW Motorrad, the BMW Group is the world's leading premium manufacturer of automobiles and motorcycles and also provides premium financial and mobility services. The BMW Group production network comprises over 30 production sites worldwide; the company has a global sales network in more than 140 countries.

In 2021, the BMW Group sold over 2.5 million passenger vehicles and more than 194,000 motorcycles worldwide. The profit before tax in the financial year 2021 was € 16.1 billion on revenues amounting to € 111.2 billion. As of 31 December 2021, the BMW Group had a workforce of 118,909 employees.

The success of the BMW Group has always been based on long-term thinking and responsible action. The company set the course for the future at an early stage and consistently makes sustainability and efficient resource management central to its strategic direction, from the supply chain through production to the end of the use phase of all products.

This announcement has been authorised for release to the ASX by the Board of the Company.

Tony Sage
Executive Chairman
European Lithium Limited

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