

# ASX ANNOUNCEMENT

21 December 2022



## BINDING LITHIUM OFFTAKE AGREEMENT EXECUTED WITH BMW

### HIGHLIGHTS

- **Binding lithium offtake agreement with the premium automotive manufacturer, BMW, to supply battery grade lithium hydroxide.**
- **BMW to make an advance payment of US\$15 million to be repaid through equal set offs against LiOH delivered to BMW.**
- **Conditions precedent includes successful start of commercial production and full product qualification and certification.**

European Lithium Limited (ASX: **EUR**, FRA:PF8, OTC: EULIF) (the **Company**) is pleased to announce that it has signed a binding Long Term Lithium Offtake Agreement (**Offtake Agreement**) via its wholly-owned Austrian subsidiary ECM Lithium AT GmbH (**ECM**) with auto manufacturer Bayerische Motoren Werke Aktiengesellschaft (**BMW**) to secure the Company's first offtake of battery grade lithium hydroxide (**LiOH**) from its Wolfsberg Lithium Project in Austria.

EUR's Executive Chairman, Tony Sage, commented: "With the signing of the binding offtake agreement with BMW, our first offtake is secured, and we look forward to partnering with BMW in the future."

ECM has granted BMW the first right to purchase 100% of the LiOH produced from the identified resources at Wolfsberg.

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

The material terms of the Offtake Agreement include:

- **Prepayment:** BMW to make an advance payment of US\$15 million to ECM to be repaid through equal set offs against LiOH delivered to BMW.
- **Conditions:** Successful start of commercial production and full product qualification and certification.
- **Other terms:** Refer to Annexure A.

Jett Capital Advisors, LLC is acting as Financial Advisor to the Company and Critical Metals Corp.

This announcement has been approved for release on ASX by the Board of Directors.

Yours faithfully  
European Lithium Limited

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## Annexure A

- **Commencement:** supply of lithium hydroxide product expected to begin in 2026 and continue for 6 years until 2031, at which time the Offtake Agreement can be extended for 3 years.
- **Pricing:** will be based on fast market spot prices for lithium hydroxide with a discount applied.
- **Quantity:** approximately 50,000 metric tonnes of battery grade lithium hydroxide, commencing in the first year with 5,000 metric tonnes and 9,000 metric tonnes each year thereafter.

## Forward looking statements

This document contains “forward-looking statements” and “forward-looking information”, including statements and forecasts which include without limitation, expectations regarding future performance, costs, production levels or rates, mineral reserves and resources, the financial position of the Company, industry growth and other trend projections. Often, but not always, forward-looking information can be identified by the use of words such as “plans”, “expects”, “is expected”, “is expecting”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates”, or “believes”, or variations (including negative variations) of such words and phrases, or state that certain actions, events or results “may”, “could”, “would”, “might”, or “will” be taken, occur or be achieved. Such information is based on assumptions and judgements of management regarding future events and results. The purpose of forward-looking information is to provide the audience with information about management’s expectations and plans. Readers are cautioned that forward-looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company and/or its subsidiaries to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information. Such factors include, among others, changes in market conditions, future prices of minerals/commodities, the actual results of current production, development and/or exploration activities, changes in project parameters as plans continue to be refined, variations in grade or recovery rates, plant and/or equipment failure and the possibility of cost overruns.

Forward-looking information and statements are based on the reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date such statements are made, but which may prove to be incorrect. The Company believes that the assumptions and expectations reflected in such forward-looking statements and information are reasonable. Readers are cautioned that the foregoing list is not exhaustive of all factors and assumptions which may have been used. The Company does not undertake to update any forward-looking information or statements, except in accordance with applicable securities laws.