

ASX ANNOUNCEMENT

15 January 2024



SAUDI ARABIAN HYDROXIDE PLANT JV UPDATE

HIGHLIGHTS

- Processing plant capital investment will be fully funded through JV and is progressing well;
- The planned capacity for the hydroxide processing plant has been increased from 10,000 to 20,000 tonnes per annum;
- The JV is on track to finalise the incorporation of JV company (JVco) and shareholder agreement (SHA) in Q1, 2024; and
- Zone 2 drilling at Wolfsberg anticipated to commence in quarter 2, 2024

European Lithium Limited (ASX: **EUR**, FRA:PF8, OTC: EULIF) (**European Lithium** or the **Company**) is pleased to provide an update of progress on the joint venture to develop and operate a lithium hydroxide processing plant in Saudi Arabia with Obeikan Group (**Obeikan**) to convert lithium concentrate into lithium hydroxide (**Hydroxide Plant JV**).

Further to the announcement dated 2 June 2023 of the binding Hydroxide Plant JV term sheet, the Company has investigated efficiencies in the planning process that has increased capacity for the hydroxide processing plant to 20,000 tonnes per annum. The source for the additional concentrate hasn't been decided yet. Options are to either source from the Wolfsberg Lithium Project (**Wolfsberg**) Zone 2, where drilling is anticipated to commence in quarter 2, 2024, or the Company's Austrian Lithium Projects acquired from Richmond Minerals Inc (see announcement dated 27 March 2023). Alternatively sources of concentrate will be sourced in the market by JVco.

The Company and Obeikan are progressing with the incorporation of the JVco and completion of the SHA which is anticipated in the first quarter of 2024.

Tony Sage, Chairman of EUR said the new facility, once operational, was expected to significantly reduce energy costs and deliver savings in Opex, in addition to lower Capex, for operations at the Company's Wolfsberg Lithium Project (**Wolfsberg**).

"We are pleased to be in the final stages of reaching this strategic step in partnering with Obeikan that paves the way for significant Opex savings including greatly reduced energy and financing costs. We look forward to progressing our plans to harness the latest technology in developing a facility of the highest quality and efficiency, and in doing so, strengthen the economics of Wolfsberg and our future projects."

Abdallah Obeikan, CEO of the Obeikan Investment Group said: *"We are pleased to have reached this agreement with European Lithium. We are convinced that our partnership will be beneficial for all stakeholders. This partnership will combine EUR expertise with the industrial knowledge of Obeikan and the strength of Saudi Arabia."*

Summary Joint Venture Terms

The 50:50 JV will be geared towards developing, constructing and commissioning a lithium hydroxide processing plant, and operating the plant for the conversion of lithium spodumene concentrate from Wolfsberg.

Under the JV Term Sheet, the proposed JV will seek to have an exclusive right to purchase spodumene mined from the current resource at Wolfsberg (Zone 1), and the facility is expected to be developed to meet the minimum initial capacity and product specifications based on the Company's binding Long Term Supply Agreement with BMW (refer ASX announcement dated 21 December 2022).



Under the terms of the JV Term Sheet, and subject to the successful commissioning of the Plant, EUR will sell the lithium spodumene concentrate to the JV company over the life of the current resources of the Wolfsberg mine at a reduced rate, with a floor and ceiling price subject to final agreement of the Parties.

Other key material terms of the JV Term Sheet

Additional key terms include:

- European Lithium and Obeikan will establish a new joint venture company(s) in Saudi Arabia (**JVCo**) and enter into a shareholders agreement to reflect 50:50 JV ownership.
- In the event the business combination agreement with Sizzle Acquisition Corp completes, the Company agrees to procure the assignment of its rights and obligations under the JV Term Sheet to Critical Metals Corp (**CRML**) or one of its wholly owned subsidiaries, subject to approval by the CRML Board.
- The parties are required to contribute to the equity funding of JVCo in accordance with their respective shareholding in JVCo.
- The parties will establish a Development Committee for the purposes of jointly collaborating on all key decisions in relation to the development of the Plant.

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

Yours faithfully
European Lithium Limited

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