EVOLUTION CAPITAL

EUR | INITIATION REPORT | RESOURCES

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Trump's Greenland Gambit to EUR's REE Reality

Evolution Capital initiates coverage on European Lithium (ASX:EUR) with a Speculative Buy rating and a 12-month target price of A$0.30 per share (+200% upside), highlighting substantial re-rating potential from current levels. EUR's majority stake in CRML unlocks leveraged exposure to Tanbreez - Greenland's tier-one, Western-aligned HREE project primed for defence and clean-energy demand in the U.S. and EU.

CRML's ~US$600m market cap implies ~US$360m (~A$550m) of value for EUR's ~63million shareholding (~60% ownership, Aug 2025). Yet CRML continues to trade at a discount to global REE peers on NPV and future production potential. With US EXIM/strategic funding milestones and DFS advancement ahead, we expect a step-change re-rating that cements CRML as the go-to Western HREE developer.

Tanbreez (Greenland) - Western HREE Anchor

Strategic Location Importance: Southern Greenland, with year-round direct shipping access, hydro power, and proximity to airport and shoreline. The project is recognised as strategically vital to U.S. and EU supply chains for defence technologies, advanced manufacturing, and EV/clean energy.

MRE has Potentially to grow Multiplies 5 to 10 times: SK-1300 report confirms 4.7 billion tonnes of multi-element resource hosted in kakortokite, including zirconium, niobium, tantalum, hafnium, gallium and a 27% blend of heavy REEs. **Current resource is 45MT at 0.38% TREO with less than 10% of ground tested.**

Fully Permitted and US$120M Funding: Mining license granted to 2050; amendments in 2024 secured extended rights. U.S. EXIM Bank has issued a non-binding LOI for US$120M in non-dilutive funding.

Exceptional Economics: Scoping results outline an NPV of ~US$3B, IRR of 162%, over 19 year mine life. LOW CAPEX of ~US$150M and a payback period <3 years.

Gallium Upside: Recent drilling (2024) confirmed a new high-grade gallium zone (147ppm), positioning as a potential key Western supplier of gallium following Chinese export bans.

EU Lithium Platform - Wolfsberg and Dobra

Wolfsberg (Austria): Targeting the EU's first lithium concentrate; spodumene start 2027–28; 270 km southwest of Vienna.

Commercialisation: BMW binding offtake (first right to 100% LiOH); 50:50 Obeikan JV to build a JV-funded LiOH plant in Saudi Arabia (up to ~20 ktpa).

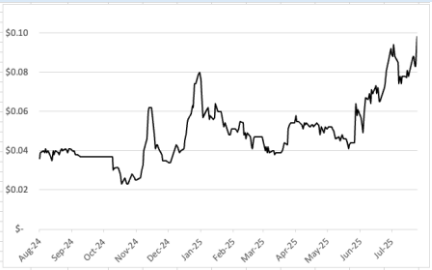
Dobra (Ukraine): provides growth optionality with JORC resource of 90Mt at 1.36% Li_2O adds additional European scale.

Key Near-Term Catalysts	
Publish 2024 Drill Results	Sept CY25
2025 Drill Program Underway	Sept CY25
Defence Protecting Funding Outcome (~US$30M)	Sept CY25
2025 Drill Program Assays	Oct CY25
Tanbreez - Bankable Feasibility Study (NIRAS)	Nov CY25
Unlocking Dobra (Ukraine – Russia War Outcome)	Late CY25

Recommendation	**Spec Buy**
Share Price	**$0.10**
12M Target	**$0.30**
TSR	**200%**

Company Profile	
Market Cap	$145M
Enterprise Value	$125M
Cash	$20m
52-Week Range	$0.022 - $0.100

Price Performance



Company Overview

European Lithium Limited (ASX: EUR) provides ASX investors with leveraged exposure to the Tanbreez Rare Earth Project in Greenland – one of the world's largest, rare-earth deposits, strategically vital to Western supply chains for defence and clean energy.

The company is also exposed to the Wolfsberg Lithium Project in Carinthia, Austria – the first fully permitted lithium mine in Europe – strategically positioned within the European Battery Alliance's supply chain and supported by offtake and downstream partnerships.

Analyst

Eric Samuel es@eveq.com
Resource Analyst

Majority Shareholders	
Cyclone Metals	4.30%
Mykhailo Zhernov	3.64%
Battle Mountain	1.57%
Okewood Pty Ltd	1.55%
Malcolm Day	1.43%

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1. Investment Case

European Lithium Limited is advancing a vertically integrated critical-minerals platform with its flagship asset, the Tanbreez Rare Earth Project in Greenland, exposure via its majority holding in NASDAQ-listed Critical Metals Corp (CRML). Tanbreez is one of the world's largest undeveloped heavy-rare-earth systems, strategically positioned to supply Western (U.S. and EU) defence and clean-energy markets. Complementing Tanbreez, EUR's Wolfsberg Lithium Project in Austria provides an EU-based lithium growth platform, enhancing downstream offtake and financing optionality across allied Western supply chains.

- **Strategic heavy rare earth asset exposure via CRML**: Through ownership of Critical Metals Corp, European Lithium indirectly holds an effective ~50% interest in the Tanbreez Rare Earth Project. These 45 Mt Kakortokite-hosted deposits contain approximately 180 kt of TREO and 48 kt of HREO.
- The PEA delivered a pre-tax **NPV of US$2.4 – 3.0 billion and IRR of 162 %**, highlighting exceptional economics for a fully permitted heavy-rare-earth project
- **Strategically located assets:** Both Wolfsberg and Tanbreez hold 30-year exploitation licences granted in 2020.
- **Premier European lithium resource:** The Wolfsberg project hosts a JORC-compliant 13 Mt resource at 1.00% Li_2O, including 11Mt of Measured and Indicated resources at 1.00 % Li_2O.
- Wolfsberg benefits from established EU road and rail networks and renewable power, while Tanbreez has deep-water fjord access, port facilities and hydroelectric power in Greenland.

Strong financial footing and access to capital: The company reported A$20 million in cash and no debt as of July 2025. The strategic holding in Critical Metals Corp provides flexible funding options given US capital market integration.

Growing market demand and strategic partnerships: European electric-vehicle penetration and renewable-energy storage are driving surging lithium demand, while defence and wind-turbine industries underpin heavy-rare-earth consumption. European Lithium is engaged in offtake discussions with automotive OEMs, battery manufacturers and aerospace/defence firms, and has LOIs with the US Export–Import Bank and the US Department of Defense for financing support.

Tanbreez Rare Earth Project (CRML up to 92.5%)

- **Geology and resource:** Drilling has outlined a JORC-compliant Mineral Resource of 45 Mt at 0.40 % TREO, with 27 % HREO. The resource contains ~180 kt TREO and ~48 kt HREO and remains open laterally and at depth.
- Only ~10 % of the deposit's 5 km × 2.5 km footprint has been drilled to date.
- **Development study:** A March 2025 PEA envisages conventional open-pit mining with a low strip ratio (~0.5:1) and dry magnetic/gravity processing to produce a 20–30% TREO concentrate.
- **Low Initial capex:** Estimated at US$150 million, opex at US$31.61/t concentrate, and the mine life at 19 years extracting 24.25 Mt of ore.
- **Strong NPV economics:** The PEA delivers a pre-tax NPV of US$2.4 – 3.0 billion (8–10% discount rates), after-tax NPV of US$1.8–2.2 billion and IRR of 116%, with payback around three years.

Tanbreez is one of the few Western heavy-rare-earth projects with a granted exploitation licence and minimal radioactive waste. Its product suite (Dy, Tb, Nd, Pr, Y) is critical for permanent magnets used in EVs, wind turbines and defence equipment. Deep-water fjord access enables efficient shipping to Europe and North America, while green hydroelectric power and natural tailings storage minimise environmental impact

Ongoing infill drilling (2,000m program commenced July 2025) aims to convert Inferred resources to Indicated and unlock higher-grade zones. A Bankable Feasibility Study and

Feasibility Study are targeted for late 2025, with construction slated for 2027 and first production in 2029.

Wolfsberg Lithium Project (CRML 100%)

- **Geology and resource**: Located in Carinthia, Austria, Wolfsberg comprises two steeply dipping pegmatite zones (Zones 1 and 2) within metamorphic host rocks. Extensive drilling (>17 km) delineates Measured and Indicated resources of 10.98 Mt at 1.00 % Li_2O and Inferred resources of 2.70 Mt at 0.78 % Li_2O. The resource contains ~136 kt contained Li_2O

- **Development study:** A 2025 PEA outlines underground mining via decline access, with on-site crushing, milling, flotation and magnetic separation to produce >6 % Li_2O concentrate at >85 % recovery. Initial capex is US$165 million, life-of-mine opex ~US$3,800/t concentrate, and the mine life ~15 years. The PEA delivers a pre-tax NPV of US$1.2–1.4 billion and IRR of 48%, with after-tax NPV of US$0.9–1.1 billion and IRR of 36 %, achieving payback in ~2.5 years.

- Wolfsberg is the **first fully licensed lithium mine in the EU**, with a 30-year exploitation licence and completed environmental and social impact assessments. The project is centrally located within Europe's automotive and battery manufacturing hub, with direct road and rail access, proximity to renewable power and established industrial infrastructure. European Lithium's 100 % ownership and offtake discussions with major automakers and battery manufacturers position the company as a key supplier to Europe's EV supply chain.

- A **Bankable Feasibility Study is targeted for late 2025**, followed by project financing and construction starting in H2 2026. Commissioning is anticipated in late 2027, with commercial production ramping up through 2028. Continued exploration aims to extend resources and improve project economics.

- Sum of Parts NPV estimate for all the assets combined yield a valuation of A$0.30/share, a (+200% upside).

Valuation of EUR Interests		
Asset	**Preferred Value, A$M**	**A$/sh**
Tanbreez (60% risked, EUR share)	410	0.28
Wolfsberg	20	0.014
Cyclone Metals Shares (Iron Bear)	7	0.005
Cash	20	0.014
Exploration and Corporate	-24	-0.016
Total	**433**	**0.30**

Corporate Overview

Ownership and listing: European Lithium trades on the ASX (EUR), Frankfurt (PF8) and OTC (EULIF) exchanges. Through the NASDAQ-listed SPAC transaction with Sizzle Acquisition Corp, European Lithium shareholders currently own approximately 60% of Critical Metals Corp.

Future funding requirements include capex for Wolfsburg and Tanbreez, which may be met through debt, strategic investment or government support.

The company is led by Executive Chairman Tony Sage, an experienced resources entrepreneur with more than 40 years of corporate experience. CEO Dietrich Wanke has more than 30 years of underground and open-pit mining expertise.

Risks and Considerations

- **Commodity price volatility:** Lithium and rare-earth prices are cyclical and sensitive to global demand, supply disruptions and technological developments. Project economics remain exposed to market volatility.
- **Funding and execution:** The company must secure substantial capex for Wolfsberg and Tanbreez. Delays in financing, permitting or construction could impact timelines and valuations.
- **Technical risk:** Both projects require successful resource conversion, process optimisation and engineering to deliver PEA-level forecasts. For Tanbreez, heavy reliance on a single rare-earth mineral (eudialyte) adds metallurgical complexity.
- **Regulatory and geopolitical risk:** Greenland and Austria offer stable jurisdictions, but changes in environmental regulations, permitting requirements or geopolitical relationships could affect project development.

Key near-term events include BFS completion Tanbreez (late 2025) and Wolfsberg, finalisation of offtake agreements, project financing, and commencement of construction at Wolfsberg. Infill and extensional drilling at Tanbreez and Wolfsberg could upgrade resources and enhance project valuations.

European Lithium offers investors rare exposure to both lithium and heavy rare earth supply chains within secure Western jurisdictions. Upcoming catalysts include PFS results for Wolfsberg and Tanbreez, resource updates from ongoing drilling, offtake agreements with European and US end-users, and project financing milestones. Successful execution of these catalysts could unlock substantial value, positioning European Lithium as a key player in Europe's clean-energy transition.

2. European Lithium Limited

Introduction

European Lithium Limited (ASX: EUR, FRA: PF8, OTC: EULIF) is a diversified critical minerals developer, uniquely positioned at the heart Europe's clean-energy supply chain. The company through its subsidiaries Critical Metals Corporation and others holds various lithium tenements in Austria, Ireland, Australia and Ukraine, and rare earths project in Greenland.

European Lithium Sale of Assets to Critical Metals Corporation

In Feb 2024 European Lithium Limited (EUR) sold assets in exchange for shares to Sizzle Acquisition Corp., a US-based special purpose acquisition company listed on NASDAQ (NASDAQ:SZZL), leading to the formation of Critical Metals Corporation (CRML). The company currently boasts a market capitalization of ~US$600M since its listing and is included in prominent indices such as the Russell 2000, Russell 3000, and Russell Microcap.

CRML's key assets are the Wolfsberg Lithium Project in Austria, recognized as Europe's first fully permitted lithium mine and supported by established infrastructure and logistical advantages. Wolfsberg has a JORC-compliant resource of 13 Mt at 1.0% Li_2O, underpinned by a definitive feasibility study and binding offtake with BMW AG.

In addition to Wolfsberg, CRML has 42% interest in the globally significant Tanbreez Rare Earth Project, Greenland, and plans to expand ownership to 92.5%. Tanbreez is one of the world's largest heavy-rare-earth deposits with a JORC-compliant resource of 45 Mt at 0.38% TREO (27% HREO), an attractive scoping-study economics and strategically located with direct year-round deep-water shipping access.

3. Tanbreez Rare Earth Project

The Tanbreez Rare Earth Project is one of the world's largest, fully permitted heavy-rare-earth (HREE) deposits, located in South Greenland, ~90 km north of Qaqortoq. The project has infrastructure advantages include year-round, deep-water fjord access for

shipping; a haul road linking the Fjord pit to a proposed processing plant; port facilities accommodating 10–15 metre water depths with floating or fixed wharf options; and reliable power via Greenland's hydroelectric grid.

Acquisition of the Project

Critical Metals acquired the Tanbreez Greenland Rare Earths Mine (Tanbreez Project) from Rimbal Pty Ltd, a company controlled by Gregory Barnes, in June 2024. The acquisition was made in two stages, where in an initial cash payment of US$5M was made to acquire 5.5% equity interest, and then the equity shareholding was increased to 42% later that year. Under the terms of its agreement, the CRML can invest another US 10 million in exploration by the end of 2025 and upon completing this investment, Critical Metals will have the option to acquire an additional 50.5% interest, increasing its total ownership to 92.5%. This option would be exercised through the issuance of ordinary shares valued at USD 116 million to Tanbreez's current majority owner.

Geological Setting and Deposit Characteristics

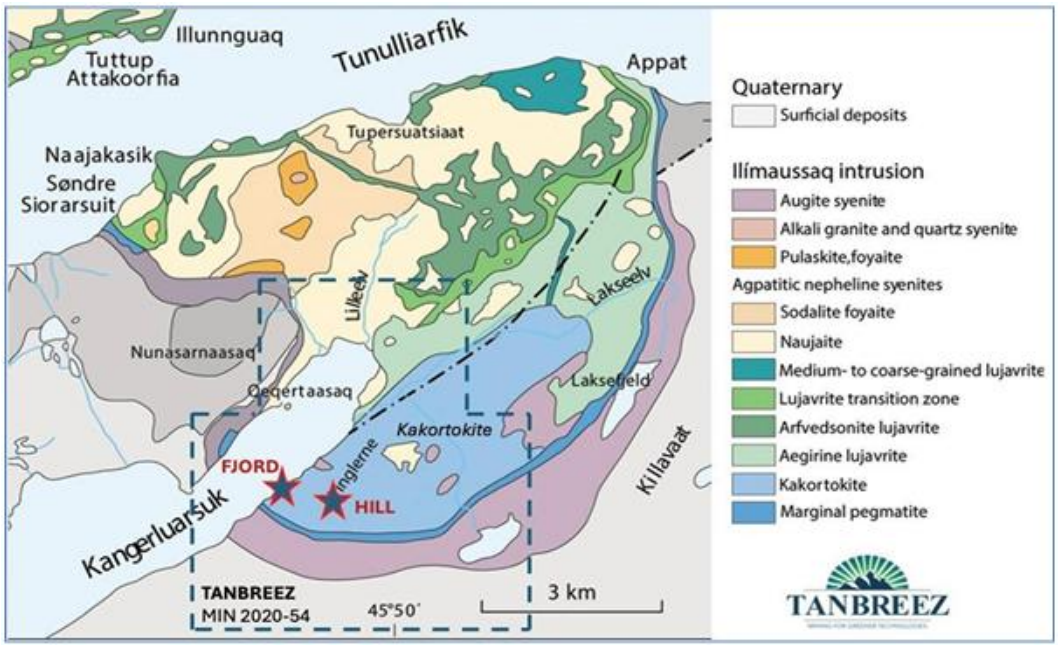
Geological mapping and historical drilling (414 holes between 2007 and 2013) confirm the deposit is hosted in kakortokite, a peralkaline rock comprising black arfvedsonite layers, red eudialyte horizons (the primary rare-earth host), and white feldspar-nepheline caps.

Situated within the peralkaline intrusive complex, the deposit hosts the high-value eudialyte mineral in a ~5 km × 2.5 km kakortokite unit that outcrops at surface and dips shallowly to the north. This kakortokite comprises alternating rhythmic layers—black arfvedsonite bands, red eudialyte horizons that host the rare-earth elements, and white alkali-feldspar–nepheline zones—creating a continuous, near-surface resource.

Kakortokite is the dominant host rock for mineralization at Tanbreez. It is composed of rhythmic layers of feldspar, arfvedsonite, aegirine, and eudialyte. The mineral eudialyte is the primary REE-bearing phase. Lujavrite (Secondary Host) is a darker, REE-enriched nepheline syenite that also contains eudialyte, but in a more complex mineralogical setting. The units are enriched in zirconium, niobium, and tantalum. The primary REE-bearing mineral is Eudialyte, the key carrier of light and heavy REEs, along with zirconium (Zr), niobium (Nb), and tantalum (Ta). Unlike monazite and bastnäsite, eudialyte has low uranium (U) and thorium (Th), making it attractive for mining. Heavy REEs include Dysprosium (Dy), Yttrium (Y), Terbium (Tb). Light REEs include Neodymium (Nd), Praseodymium (Pr), Lanthanum (La). The deposit is especially rich in HREEs, which are critical for high-tech applications.

Additional mineralization includes Zirconium (Zr), and Niobium (Nb) hosted in eudialyte and catapleiite minerals. Zirconium is an important material for nuclear reactors and

ceramics. Niobium is used in superalloys and high-strength steels. Iron and Titanium are present as aegirine (iron silicate) and ilmenite (iron-titanium oxide). Unlike many REE deposits worldwide, Tanbreez has low levels of radioactive elements (U, Th), making processing easier and acceptable to government regulations.



Mineral Resource Estimate (March 2025) & Growth Potential

The earlier 2016 JORC-compliant Mineral Resource, and maiden MRE under EUR estimated at a 0.1% TREO cut-off outlined Indicated resources of 45MT at 0.38% TREO.

Tanbreez and Fjord Project MRE Summary

	Million Tonnes (Mt)	TREO	ZrO2	Nb2O5
Indicated	25.4	0.37%	1.37%	0.13%
Inferred	19.5	0.39%	1.42%	0.15%
Total	**44.9**	**0.38%**	**1.39%**	**0.14%**

Extensive drilling (414 holes, 184 in 2007–2013) confirms near-surface, shallow mineralisation open in all directions and depth:

Some of the recent drill hole results, as published in May 2025, are:

- 64m surface at 0.48% TREO, including averaged HREO of 26%, 1.91% ZiO2 and 0.19% Nb2O5
- 51.5m from surface at 0.43% TREO, including averaged HREO of 26%, 1.7% ZiO2 and 0.17% Nb2O5
- 80m from surface at 0.39% TREO, including averaged HREO of 27%, 1.51% ZiO2 and 0.16% Nb2O5
- 52m from surface at 0.41% TREO, including averaged HREO of 27%, 1.6% ZiO2 and 0.17% Nb2O5
- 52m from surface at 0.38% TREO, including averaged HREO of 27%, 1.53% ZiO2 and 0.38% Nb2O5
- 72m from surface at 0.41% TREO, including averaged HREO of 27%, 1.6% ZiO2 and 0.16% Nb2O5
- 40m from surface at 0.47% TREO, including averaged HREO of 26.96%, 1.82% ZiO2 and 0.185% Nb2O5
- 195m from surface at 0.42% TREO, including averaged HREO of 24%, 0.91% ZiO2 and 0.13% Nb2O5

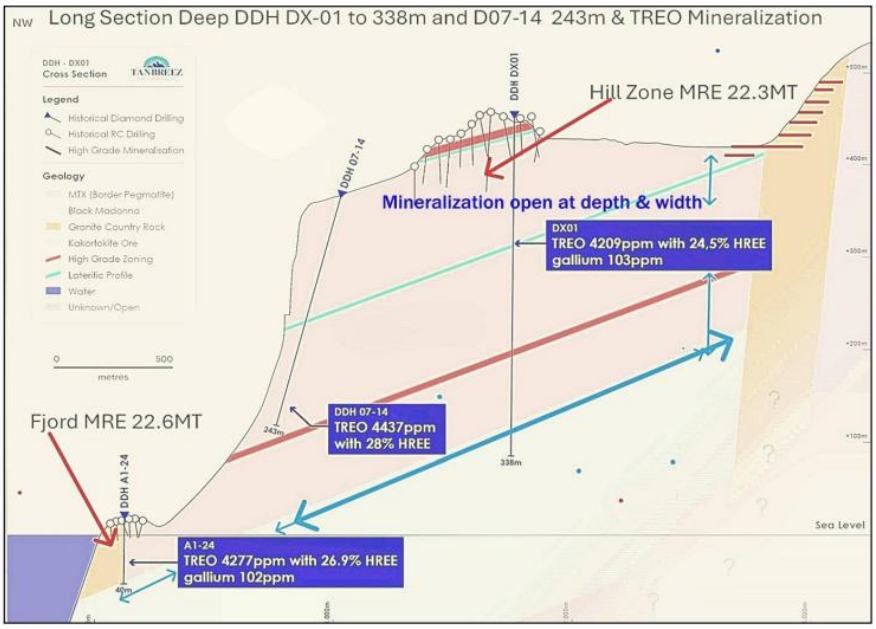
- 328m from surface at 0.45% TREO, including averaged HREO of 27%, 1.7% ZiO2 and 0.24% Nb2O5
- 338m from surface at 0.42% TREO, including averaged HREO of 24.45%, 2.45% ZiO2 and 0.11% Nb2O5
- 243m from surface at 0.44% TREO, including averaged HREO of 28%, 1.78% ZiO2 and 0.14% Nb2O5

Further resources for Feldspar and Arfvedsonite were included as an addendum to the MRE, together 180Mt of Indicated and Inferred resources apart from the TREO mentioned above. The Nov 2024 results also demonstrate presence of gallium, offering additional upside.

2016 Tanbreez and Fjord Project MRE Addendum – Industrial Mineral Components	
	Million Tonnes (Mt)
Feldspar	
Indicated	51
Inferred	39
Arfvedsonite	
Indicated	51
Inferred	39
Total	**180**

The deposits have low levels of radioactive elements, uranium and thorium (20ppm and 53ppm), and no sulphide minerals of concern, thus reducing environmental risks associated with processing rare earths and acid generation potential.

Only 10% of the kakortokite footprint has been drilled. In June 2025, EUR announced that it has signed a 2000m Diamond Drilling Contract with renowned 60 Degree North for its Tanbreez project. The resource drilling will test extensions of the existing Fjord deposit approximately 700m to the North East and 650m to the South West of the kakortokite host rock, at depths between 70-250m. This drilling program is aimed at conversion of Inferred to Indicated Resources around the Fjord deposit. EUR is also reassaying historical pulps stored in Perth and Greenland from some of the existing 2007, 2010, 2013 and 2024 drill, rock chip and bulk sampling for confirmation and to check assay reconciliations. **We estimate the resource to grow more than 250Mt as drilling increases.**



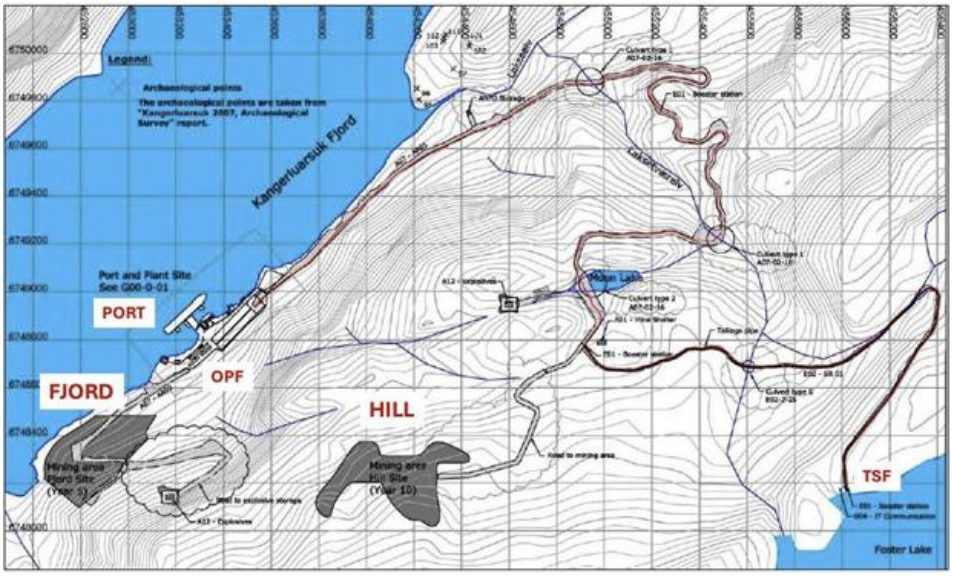
Scoping Study April 2025

The scoping study for the Tanbreez Rare Earth Project (April 2025) reaffirms that Tanbreez is a world class fully permitted heavy-rare-earth (HREE) deposit.

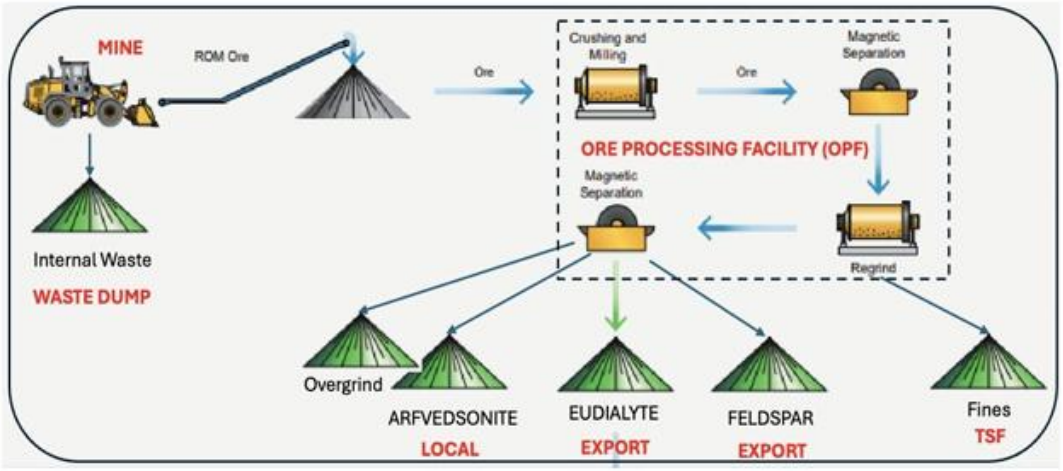
The study envisions a low-strip-ratio open pit mining operation and a simple, dry-beneficiation processing flow sheet, leveraging Greenland's fjord-side logistics and hydro-electric power to deliver industry-leading economics and rapid payback.

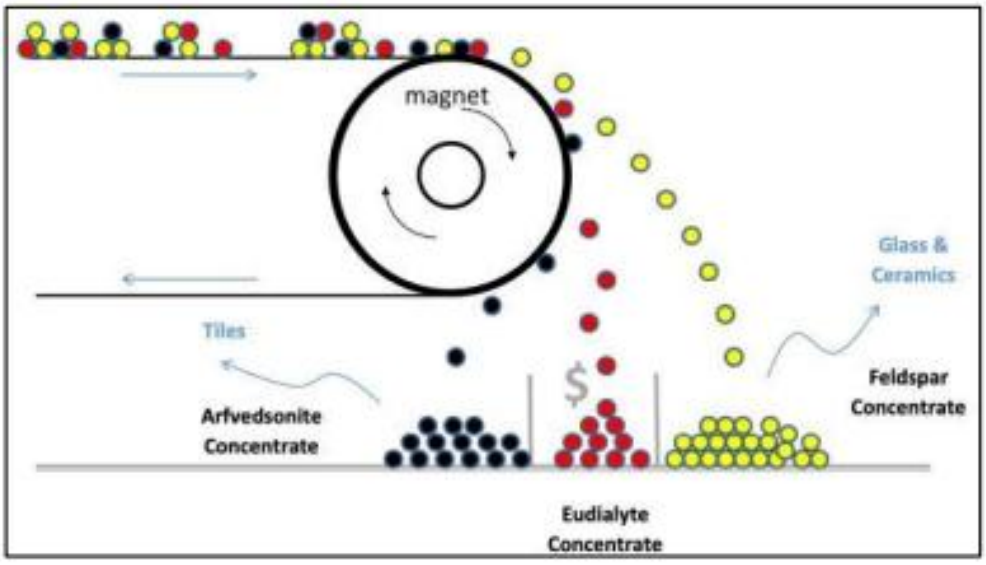
Key Scoping Study assumptions and outcomes include:

- Mineral Resource of 30 Mt Indicated at 0.42% TREO; 15 Mt Inferred at 0.35% TREO.
- The Scoping Study estimates the construction period to be 2027-28 with initial production targeted by 2028.
- A pre-development capex of US$327M spent over 4 years, inclusive of a Pre-and Feasibility Study, Mine Development, Processing Plant, connection to power, port facilities and commissioning.
- The mine will surface as two open pit mines, one at Fjord and the other at Hill, operating with conventional drill-and-blast open pit with minimal overburden (strip ratio ~0.5:1), truck-shovel fleet, no pre-strip in early years, and estimated LOM of 25 years.
- The initial ROM production rate will be 2.5Mtpa (first 5 years) and will increase in 5YR intervals.



- The processing flow envisioned is simple, with no chemicals used, consisting of crushing and dry magnetic separation. On-site crushing, milling and dry magnetic/gravity separation to produce 20–30% TREO eudialyte concentrate with >70% recovery. The mine will use dry magnetic separation in order to reduce the amount of water required, and additional costs of heating water.





- The project will require dedicated port facilities to support the export of mined material and the import of essential supplies, with the envisioned infrastructure to accommodate vessels of Handysize to Panamax.
- The rock is primarily non-acid generating. Waste rock is planned to be segregated based on geochemical characteristics and used for road construction and infrastructure wherever possible.
- The tailings will consist of, mainly, eudialyte rich silicate material left over after rare earth extraction. The acid mine drainage risks have been perceived to be low according to the consultants. Two tailings storage options have been proposed, dry stack or subaqueous tailings disposal.

Major Financial Assumptions for Tanbreez Scoping Study	
	Amount
Capex	US$327M
Mining Cost	US$7.2/t ROM
Processing Cost	US$12.4/t ROM
Labour & G&A	US$3.60/t
Logistics to Port	US$2.56/t
Others and 15% contingency	US$5.85/t
Total	**US$31.61**

Infrastructure and Logistics

The site has access through a year-round deep-water fjord which does not freeze, and has options for a floating pier or fixed wharf with conveyors for barges. The site can be connected to Greenland's hydro grid, and diesel and renewables-based backup. Water is abundant through freshwater from local creeks.

Securing US$120M LOI for Development of Tanbreez

In June 2025, EUR announced that it has received a non-binding and conditional Letter of Intent from EXIM bank United States indicating support for a total non-dilutive funding package of US$120M over a 15-year period, subject to key development milestones such as permitting, feasibility study, environmental assessments and due diligence investigations by EXIM.

Strategic Significance

Strategically, Tanbreez stands out as one of the few Western-aligned HREE deposits with:

- Coastal deep-water export enabling US/EU supply chains.
- Fully permitted mining licence with minimal radioactive waste.
- High-value product mix (Dy, Tb, Nd, Pr, Y) critical for permanent magnets in EV, wind turbines, defence.

The deposit's mix of Dy, Tb, Nd, Pr, Y is critical for permanent-magnet applications in EVs, wind turbines and defence. European Lithium's combined direct and indirect exposure (≈49.5 percent) ensures meaningful participation in Tanbreez's anticipated value creation as it advances through PFS/FS (late 2025), project financing, and construction (H2 2027).

Zirconium maintains its strength at high temperatures and in fact there are some Ti/ Zr alloys which have great potential in the aerospace industry (this offers the chance of that to be fully developed where today the high cost of zirconium prevents it).].

Niobium is dominated by Brazil which produces mostly Fe-Nb for the steel market. The Tanbreez product would be largely targeted at the non-high tech steel making end of the market and not the lower value Fe/Nb products.

The worlds next largest tantalum deposit has 100m tonnes at 212 ppm, of which they recover about half due to small grain size. Tanbreez has 4700m tonnes at 300 ppm. Initially tantalum would be sold as the pentoxide and later developed into a full metal plant. At present much of the world's tantalum comes from Congo, as the mineral coltan, often using child slave labour to produce and this project over comes the need for this type of mine.

Hafnium has remarkably similar properties to zirconium in that it retains its strength at high temperatures. It does however differ in one aspect which results in its main use. Hafnium is perhaps the best absorber of neutrons in a nuclear reactor, while zirconium is the worst. Thus, hafnium is essential in nuclear reactors.

Partnerships: US EXIM LOI for US$120m non-dilutive funding (15-year term), US DoD funding pursuit for US-based separation plant.

Forward-of-ftake discussions with aerospace/defence OEMs (Lockheed Martin, Boeing, RTX) and EU strategic raw material initiatives.

Permit Status

The Tanbreez Rare Earth Project holds all major permits required to progress from exploration into beneficiation and mining under Greenland's regulatory regime. On 13 August 2020, Tanbreez Mining Greenland AS was granted a 30-year Exploitation Licence (MIN 2020-54). This licence confers exclusive rights to extract zirconium, hafnium, tantalum, niobium and 14 rare-earth elements (La, Ce, Pr, Nd, Sm, Eu, Gd, Tb, Dy, Ho, Er, Tm, Yb, Lu, Y) within an 18 km^2 tenement covering the Ilímaussaq intrusive complex.

An Environmental Impact Assessment (EIA) and Social Impact Assessment (SIA) were completed in December 2014 by independent consultant Orbicon AS (Denmark) in accordance with the Bureau of Minerals and Petroleum's 2011 guidelines. The EIA, under Greenland Self-Government regulations, evaluated potential impacts on freshwater systems (Fosters Lake), key fish habitats (Arctic char in Lakseelv), and fjord-marine ecosystems, and proposed mitigation measures for tailings and water management. Public consultation and community engagement were integral components of the permitting process.

Royalty and social obligations under MIN 2020-54 include a 5 percent royalty on rare earths (2.5 percent on other minerals), training of at least two Greenlandic workers to management level, and achieving a Greenlander workforce of 50 percent during

construction and 90 percent in production. The licence expressly excludes uranium and gem-quality minerals but may be amended via addendum to incorporate feldspar and arfvedsonite mining, subject to Exploitation Plan approval (expected end 2025).

With its fully permitted status for Rare Earths, comprehensive EIA/SIA, and clear development deadlines, Tanbreez is among the few heavy-rare-earth projects worldwide positioned to deliver non-China supply chains for critical magnet-grade REEs. Further, the company intends to submit an Exploitation Plan before the end of 2025 that will include an application to mine Feldspar and Arfvedsonite. EUR has mentioned that it has been given verbal assurances that these amendments will be approved by the government.

DCF Valuation

We base our discounted cashflow valuation based on the Scoping Study, but with our internal set of assumptions, evaluating the project under conservative terms.

- **Commodity and Price Considerations:** We consider the Zirconium Oxide, Niobium Oxide and TREO and the industrial minerals Feldspar and Arfvedsonite to generate cashflow for the operations.

  The commodity price considered in our valuations represent our view of the base case prices for these commodities depending on their price performance over the last 5 years. Our base case prices and historical are tabulated below. We assume that EUR's TREO output would be comparable for Bastnaesite 70% TREO benchmark given it is the closest benchmark to the high grade eudialyte product. We assume Zirconium oxide and Niobium oxide output to be at a relevant discount to the Standard Benchmarks for respective commodities. For the Feldspar and arfvedsonite we assumed prices of US$110 and US$50 per tonne.

2016 Tanbreez and Fjord Project MRE Addendum – Industrial Mineral Components

	2020	2021	2022	2023	2024	2025	Base Case
Zirconium Oxide	1,275	1,375	2,000	1,900	1,550	1,575	1,500
Niobium Oxide	34,000	40,000	47,500	51,500	50,500	51,500	50,000
TREO	8,500	9,200	10,100	9,400	8,800	9,200	9,000

- **Resource Growth:** We assume that EUR will be able to increase its resource base from 44.87Mt at 0.38% TREO, 1.39% Zr Oxide and 0.14% Niobium Oxide to 80Mt while maintain little to no grade loss overall. We find this reasonable given the consistency in grades from the deposit, and that only a small portion ~10% has been explored yet. This resource size is sufficient to sustain the operation at our planned rate of 19 yrs.

- The **Capex** assumptions have been significantly escalated and a slower ramp-up than the proposed in the Scoping study and the details are tabulated below. **Sustaining Capital Expenditure** of US$6-9M per year as suggested by the Scoping Study has been taken.

Capex, and Production Profile

	2026-2029	2030-34	2035-37	2038-45
Capex, US$M	200	40	80	200
Steady State Production, Mtpa		4	6	10.3
ROM Production, Mt	1.25	20	18	82

- We take **Mining, Processing and Other Operating Cost** assumptions based on the values suggested in the Scoping Study. Our **Concentration Recovery** assumptions are based on a considerable conservative value for the process at 85%.

Major Financial Assumptions for Tanbreez Scoping Study	
	Amount
Mining Cost	US$7.2/t ROM
Processing Cost	US$12.4/t ROM
Labour & G&A	US$3.60/t
Logistics to Port	US$2.56/t
Others and 15% contingency	US$5.85/t
Total	**US$31.61**

- **Project Finance Assumptions:** We assume EUR will be able to secure project finance for 60% of the initial capex at 10% interest rate. We also assume that the 40% of the initial capex will have to be raised through equity.

- From our internal DCF Valuation, get that the project generates a healthy EBITDA of ~US$150M per year in the initial years, increasing to ~US$500M yr by 2036 with capacity increases. NPV of the Tanbreez project to be A$2B at an IRR of 40%. Given EUR has effectively ~50% share in the project (accounting for dilution) through its CRML majority holding and its 7.5% direct share, the NPV attributable to EUR is A$1,025M. It takes only 5 years, until 2032 for the project to become cumulative cashflow positive.

Tanbreez Mine	Units	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E	2036E	2037E	2038E
Ore Mined	MTPA	-	-	-	0.50	1.00	1.00	2.00	2.00	2.00	5.71	5.71	5.71	9.76
Zr Oxide	Kt	-	-	-	5.91	11.82	11.82	23.63	23.63	23.63	67.51	67.51	67.51	115.34
Niobium Oxide	Kt	-	-	-	0.60	1.19	1.19	2.38	2.38	2.38	6.80	6.80	6.80	11.62
TREO	Kt	-	-	-	1.62	3.23	3.23	6.46	6.46	6.46	18.46	18.46	18.46	31.53
Feldspar	Kt	-	-	-	43.00	86.00	86.00	172.00	172.00	172.00	491.43	491.43	491.43	839.52
Arfvedsonite	Kt	-	-	-	55.00	110.00	110.00	220.00	220.00	220.00	628.57	628.57	628.57	1,073.81
EBITDA	US$M	-	-	-	36	73	73	145	145	145	415	415	415	708
Operating Cashflow	US$M	-	-	-	20	48	51	106	107	109	305	305	306	518
Growth Capex	US$M	-	(200)	-	-	(40)	-	-	-	-	(80)	-	-	(111)
Free Cash Flow	**$M**	**-**	**-**		**-**	**14**	**21**	**47**	**101**	**103**	**104**	**256**	**298**	**299**	**398**

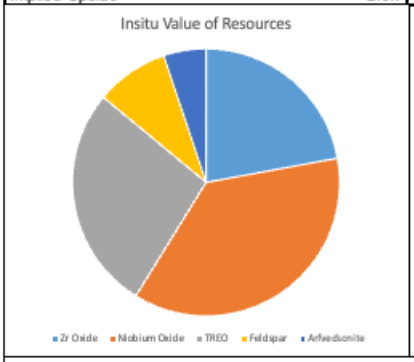
Discount rate	10%
Net Present Value, US$M	1,367
Project IRR	40%
NPV, A$M	2,050
NPV, A$M (EUR Share ~50%)	1,025
Atrributable Implied Share Price, A$	0.28
Implied Upside	2.9x

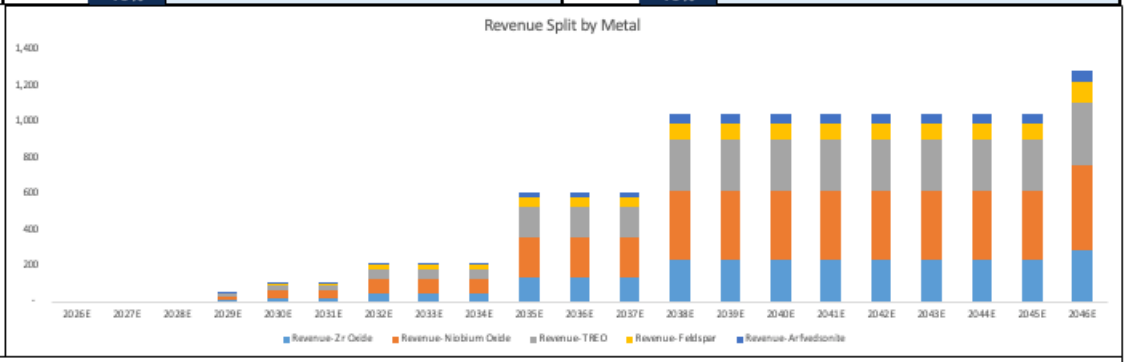
Share Sensitivity

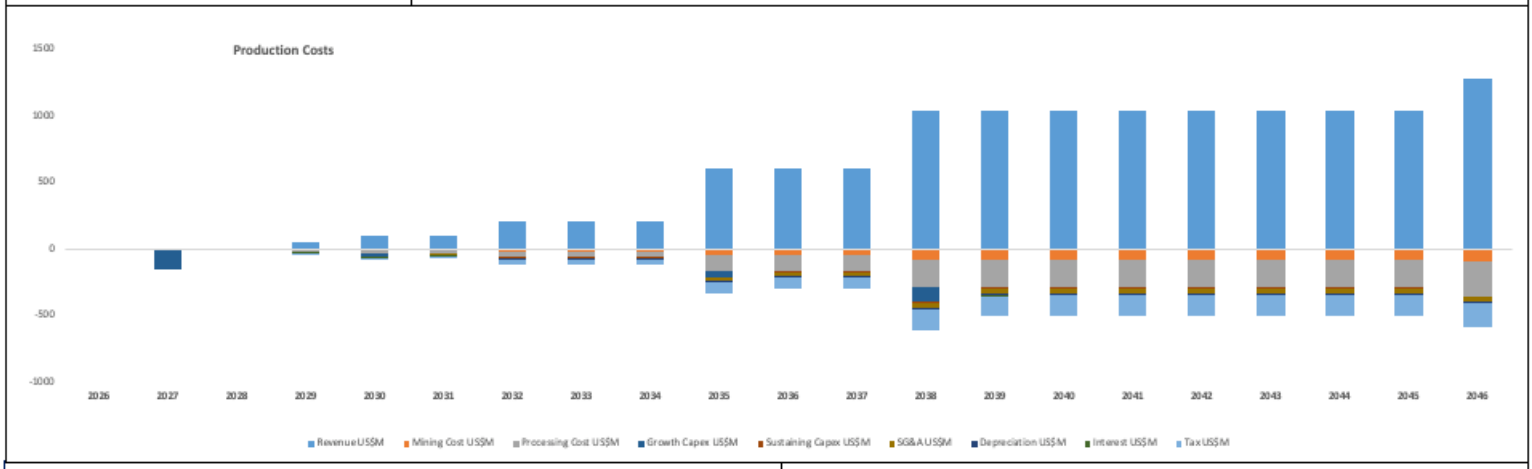
	32,000	40,000	50,000	60,000	72,000
5%	0.50	0.57	0.66	0.74	0.85
8%	0.30	0.34	0.40	0.45	0.52
10%	0.21	0.24	0.28	0.32	0.38
12%	0.15	0.17	0.20	0.23	0.27
15%	0.09	0.10	0.12	0.14	0.17

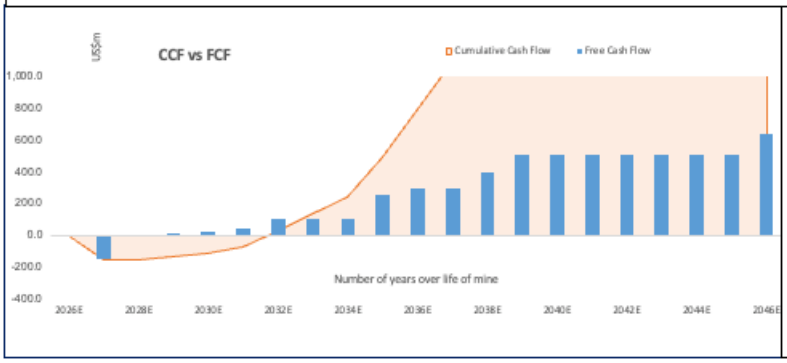
NPV Sensitivity

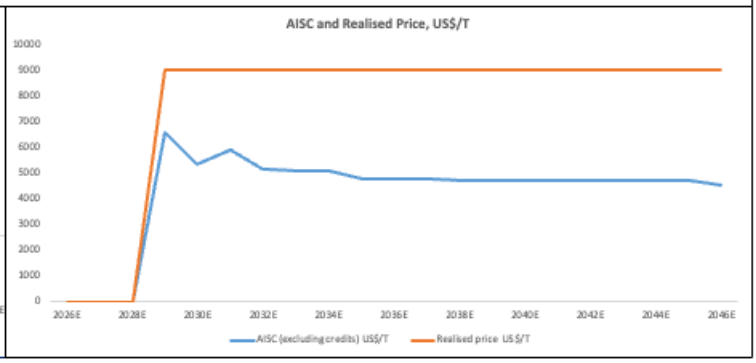
Disc	32,000	40,000	50,000	60,000	72,000
5%	3365	3775	4288	4801	5417
8%	2130	2400	2737	3074	3479
10%	1585	1791	2050	2309	2619
12%	1185	1345	1546	1747	1988
15%	771	883	1023	1163	1331











4. US REE Policy & Investment Update

DoD: Landmark MP Materials Transaction (Jul 2025)

US$400–600m total package; DoD to acquire ~15% via preferred stock (largest shareholder).

Support measures include:

- US$400m preferred equity
- US$150m loan for separation capacity
- 10-year offtake for 100% of magnet output from MP's 10X facility
- NdPr price floor of US$110/kg
- Funding support for a 10,000 tpa US magnet plant (target 2028)
- Significance: First direct federal equity stake in a REE producer; precedent for strategic minerals investing.

MP Materials × Apple (Jul 2025)

- US$500m partnership to produce 100% recycled REE magnets in the US.
- Supply from MP's expanded Fort Worth facility; recycled feedstock processed at Mountain Pass.
- Shipments targeted from 2027, scaling to hundreds of millions of devices; dedicated US recycling line and workforce development.
- Strategic impact: Reduces reliance on China; aligns corporate sustainability with federal supply-chain objectives.

DOE Programs (2023–2025)

- US$540m committed across extraction, processing, and recycling initiatives (CORE-CM and related).

Additional DoD Funding (FY2024–25)

- US$295.9m via Defense Production Act; targeted support for Ucore, REEcycle, and RapidSX demo.

Policy Framework

- Bipartisan Infrastructure Law, Inflation Reduction Act, Defense Production Act underpin US$120bn+ announced private investment across batteries/critical minerals since 2021.

Global Diversification

- US-backed capital/EXIM support for non-Chinese REE projects (Brazil, Australia, Canada) to broaden supply chains.

Implications for Tanbreez

- Policy tailwinds accelerating: Direct US government equity, loans, and offtakes de-risk Western REE supply chains.
- Capex & pricing support emerging: Price floors and long-dated contracts improve bankability.
- Financing optics: Stronger precedent for Western-aligned HREE projects.
- Offtake pathway: Expanding US magnet demand and government-anchored contracts.
- Catalysts: Policy grants/credit support, strategic offtakes, DFS progress.

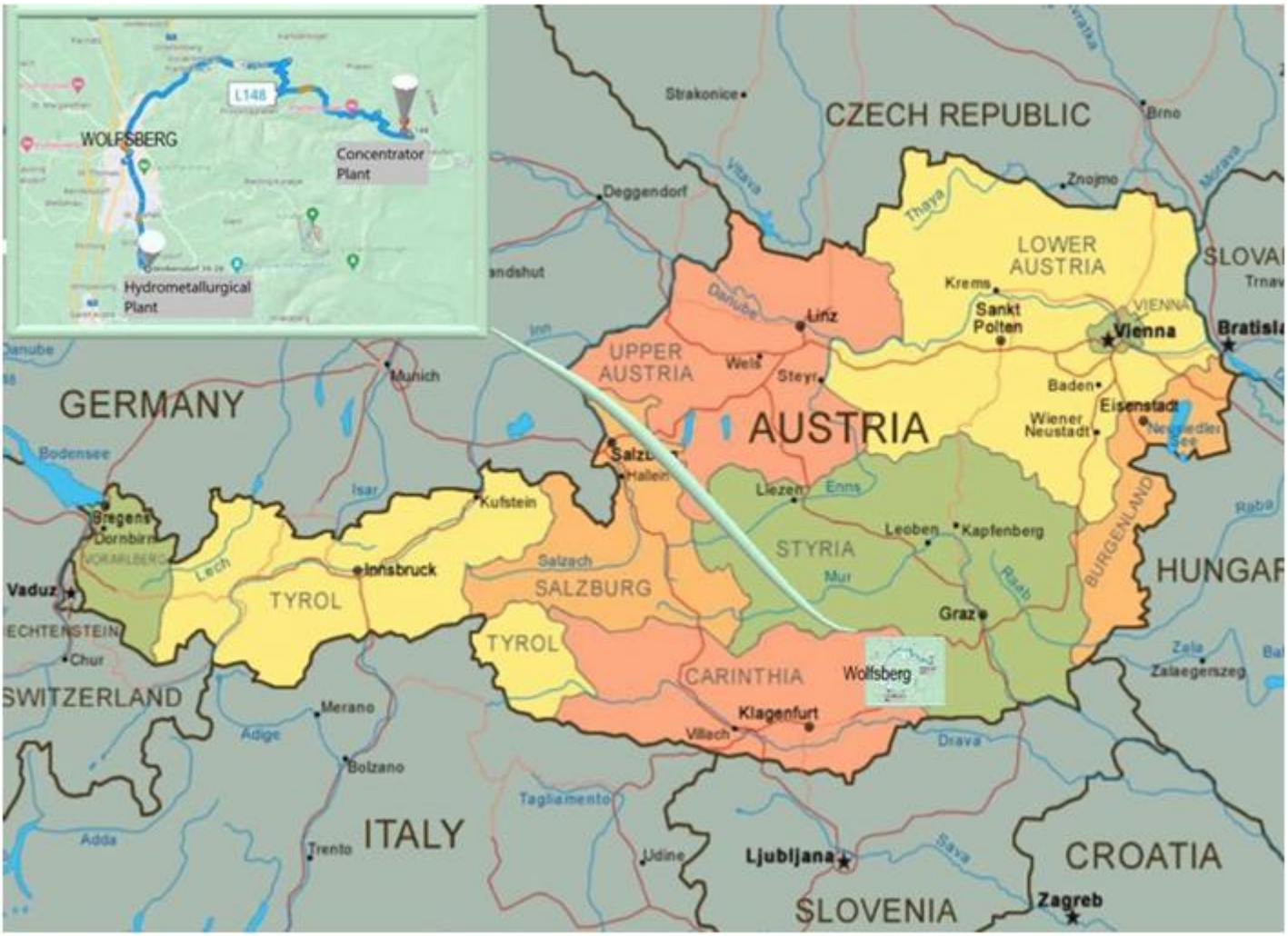
5. Wolfsberg Lithium Project

The Wolfsberg Lithium Project (CRML 100%) is a strategically significant lithium deposit located in Carinthia, southern Austria, approximately 270 km south of Vienna. The project benefits from excellent infrastructure, including established road and rail networks, proximity to industrial areas, and availability of renewable energy sources, positioning it as a key lithium source for the rapidly growing European electric vehicle and battery manufacturing sectors.

Project

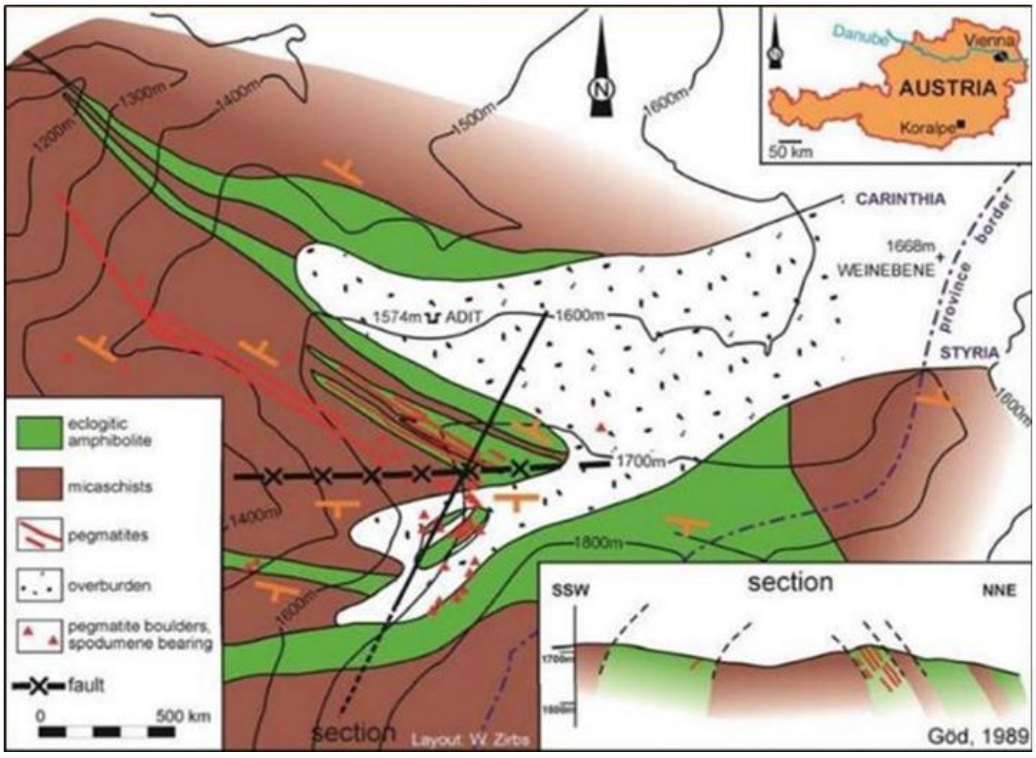
The project is located 20km east of Wolfsberg, Austria, and is accessible by surfaced road. Wolfsberg is a small town with 25K inhabitants, well connected with electricity, natural gas, water, communications and transportation infrastructure to meet the needs of the project.

The project consists of 54 exploration licences and 11 mining licences.



Geological Setting and Deposit Characteristics

The Wolfsberg deposit is hosted within pegmatite veins located in metamorphic host rocks, primarily comprising mica schists and amphibolites. Extensive geological mapping and diamond drilling (totalling over 17,000 metres to date) have delineated significant lithium-bearing spodumene pegmatites.



The deposit consists of two main pegmatite vein systems (Zone 1 and Zone 2), exhibiting consistent mineralisation that is rich in spodumene, the primary lithium-bearing mineral. These pegmatite veins occur within a well-defined structural corridor approximately 1.5 km long and up to 400 metres wide, dipping steeply towards the northwest.

Mineralisation in the Wolfsberg deposit demonstrates high-grade lithium concentrations, predominantly hosted in spodumene, with low levels of impurities, simplifying beneficiation processes. The deposit exhibits average lithium oxide (Li_2O) grades of around 1.0% with selected intervals significantly exceeding this grade.

Mineral Resource Estimate (March 2025)

A JORC Compliant Mineral Resource Estimate was published on 1 Dec 2021, and boasts of a 9.7Mt Measured and Indicated Resource at 1.03% Li2O, and a 12.88Mt of Measured, Indicated and Inferred resource at 1% Li2O. SRK reported a 2012 JORC Compliant Ore Reserve Statement in July 2022.

Wolfsberg Project Ore Reserve (July 2022) – Cut-off Grade of 0.3% Li2O			
Reserve	**Ore Tonnes (Mt)**	**Li2O**	**Li2O tonnage (t Li2O)**
Proved	3.71	0.70	26,103
Probable	7.8	0.60	46,834
Total Ore Reserve	**11.48**	**0.64**	**72,937**
Wolfsberg Project MRE (Dec 2021)			
Resource	**Resource Tonnes (Mt)**	**Li2O**	
Measured	4.31	1.13%	
Indicated	5.43	0.95%	
Total Measured and Indicated	**9.74**	**1.03%**	
Inferred	3.14	0.90%	
Total Measured, Indicated and Inferred	**13**	**1.00%**	

Extensive drilling campaign over two phases, and still ongoing, have confirmed substantial near-surface and underground lithium mineralisation, highlighting significant intercepts:

- 14 m at 1.69% Li_2O from 55 m, including 6 m at 2.25% Li_2O
- 9 m at 2.12% Li_2O from 42 m, including 4 m at 3.05% Li_2O
- 20 m at 1.20% Li_2O from 76 m, including 8 m at 1.85% Li_2O

Current drilling has focused on infill and extension drilling to upgrade resources from Inferred to Indicated categories and further define the potential scale and continuity of the mineralisation.Future exploration and resource expansion drilling programs are planned, targeting depth extensions and lateral continuity of the pegmatite veins to increase the resource base, providing further growth potential for this strategic European lithium asset.

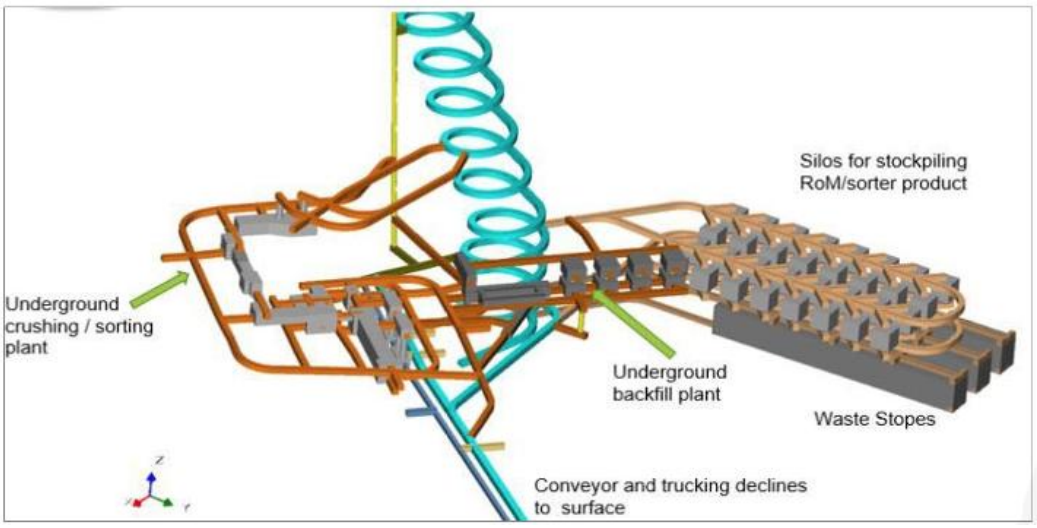
Definitive Feasibility Study

The project would consist of two integrated operations, a mining and processing operation to produce lithium concentrate (spodumene) and a hydrometallurgical plant (hydroxide plant) to convert the spodumene into battery grade Lithium Hydroxide Monohydrate (LHM). The hydroxide plant is planned to produce approximately 8.8ktpa LHM with a total production of approximately 129kt of LHM over the LOM. Any incremental potential capacity increases will be part of the future studies.

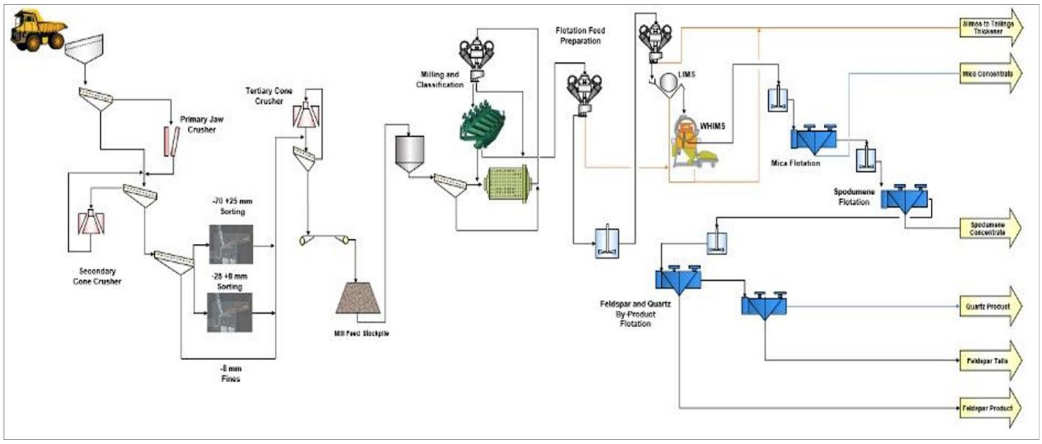
- **Project Setup:** The project will consist of two integrated operations, a mining and processing operation to produce lithium concentrate (spodumene), and a hydrometallurgical plant to convert the spodumene into LHM. Production of 8.8ktpa Lithium Hydroxide Monohydrate over a mine life of 14.6yrs. The Wolfsberg mine and processing plant will produce at 780ktpa (with a peak of 840ktpa) over LOM.

- **Mining:** Wolfsberg mine will be an underground mine with longhole open stoping with paste backfill. The mine will have two declines, with one dedicated to conveyors for ore transportation. Other underground infrastructure planned are caverns to house laser based ore sorter and backfill plants, silos for temporary ROM storage, separate sorter reject material and other material silos, and mobile crusher.

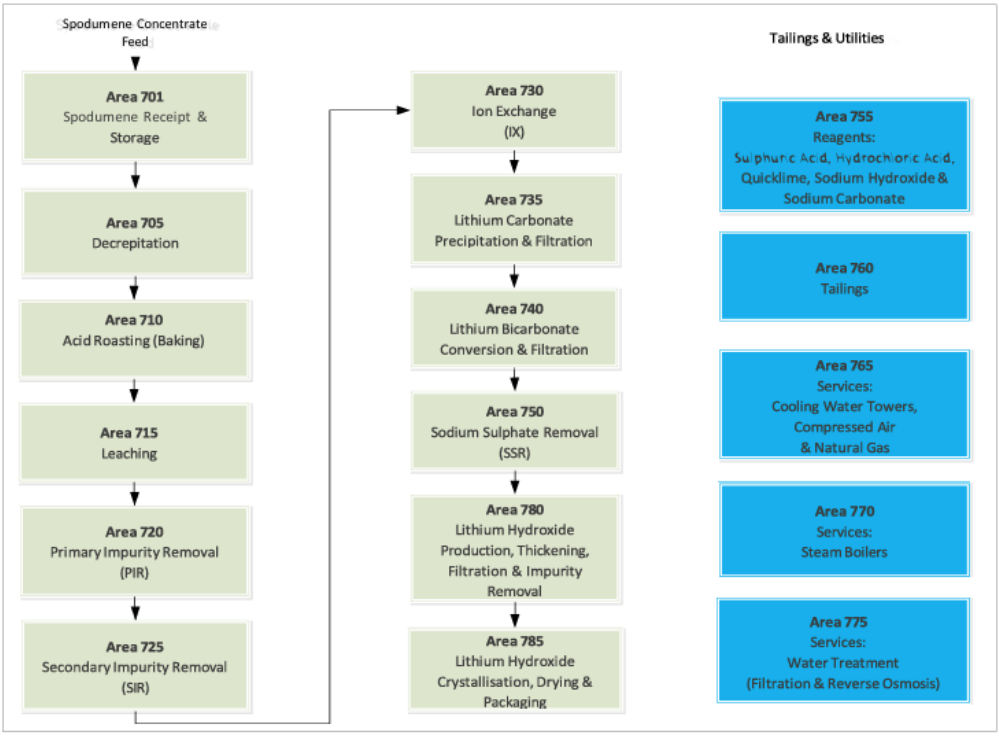
  The planned design captures all the tailings underground, eliminating the requirement for surface tailings storage infrastructure while having the additional benefit of potentially increasing the ore recovery by filling voids and reducing the dilution from the surrounding rock mass.



- **Processing:** The concentrator plant at the surface would consist of milling, classification and magnetic separation followed by flotation.



Further the hydrometallurgical plant will convert the spodumene concentrate to Lithium Hydroxide through the process flow as below:



Definitive Feasibility Study (DFS) published in Mar 2023 estimates Wolfsberg Economic results of US$1.5B NPV at a projected LHM price range of US$54,000/t-48,600/t

- Estimated project capex of US$866M, inclusive of mine, concentrator plant, hydromet plant and associated infrastructure, and contingencies.
- An opex estimate of US$175/t ROM or US$15,510/t LHM in real terms, inclusive of mining, concentration, hydromet processing and transportation.
- Construction period of 3 years envisaged before the start of plant feed.

The company has continued optimisation studies to assess the technical and commercial impact of the relocation of the hydroxide plant to Saudi Arabia based on the DFS results for Wolfsberg Project. In June 2023 EUR announced a binding term sheet with Obeikan Investment Group to build and operate a hydroxide plant in a 50-50 JV.

BMW Offtake

In December 2022 EUR signed a binding offtake agreement with BMW to supply battery grade lithium hydroxide, offering BMW the first right to purchase 100% of the LiOH produced from Wolfsberg, with conditions precedents such as successful start of commercial production, full product qualification and certification. The offtake agreement has been inked for 50kt of LiOH, commencing in 2026 with 5kt, and 9ktpa thereafter, and at a discount to the fast market spot price for LiOH. In June 2024, EUR received US$15M from BMW in relation to the offtake.

Saudi Arabia Downstream Lithium Hydroxide Plant JV

European Lithium Limited (EUR) has signed a non-binding Memorandum of Understanding (MoU) with Obeikan Investment Group (Obeikan) to form a 50:50 joint venture (JV) to build and operate a lithium hydroxide plant in Saudi Arabia. The plant would process spodumene from EUR's wholly-owned Wolfsberg Lithium Project in Austria. The JV company, named Arabian New Energy, has already been incorporated.

The capital investment for the processing plant will be fully funded by Arabian New Energy. This partnership is expected to result in significant operational and capital expenditure savings for the Wolfsberg project, particularly due to reduced energy costs in Saudi Arabia.

Under the agreement, EUR will grant Arabian New Energy the exclusive right to purchase spodumene mined from the Wolfsberg project. A binding lithium offtake agreement will also be assigned to the JV company. Further research is being conducted to explore opportunities to expand production up to 20,000 tonnes per annum (tpa).

Obeikan Investment Group is one of Saudi Arabia's 100 largest companies, with more than 3,000 employees and operations in 16 countries. Obeikan is a global leader of industry across a diverse range of sectors, inclusive of manufacturing, health, technology and education

Strategic Significance

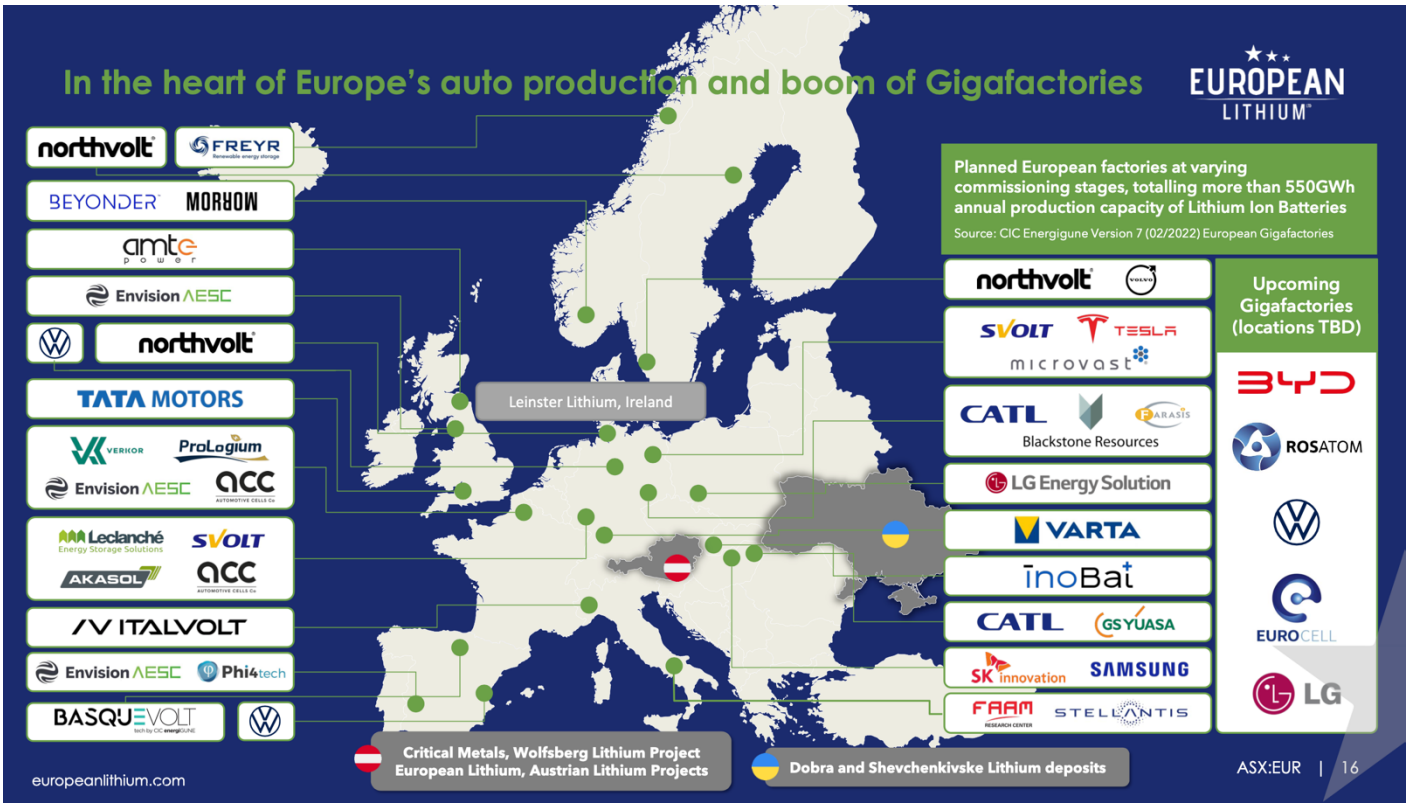
Strategically, Wolfsberg distinguishes itself as a critical lithium deposit aligned with Western supply chains given

- Centrally located within the EU with robust transport infrastructure, facilitating direct access to European battery manufacturing markets.
- Fully permitted mining licence ensuring a streamlined path to production.
- Expected to produce high-purity lithium concentrate, essential for electric vehicle batteries, renewable energy storage, and advanced industrial applications.

European Lithium's 100% ownership ensures significant participation in Wolfsberg's anticipated value creation as the project advances through Feasibility Study (targeted late 2025), project financing, and construction (H2 2026).

The company is already engaged with forward-offtake discussions with major automotive and battery manufacturers, and alignment with EU strategic raw material initiatives. This presents a potential for securing project financing through strategic partnerships and European institutional funding.

Partnerships: Engagement in forward-offtake discussions with major automotive and battery manufacturers, and alignment with EU strategic raw material initiatives. Potential for securing project financing through strategic partnerships and European institutional funding.



Permit Status

The project is located below the protected Alpine region in the Lavanttal Alps. The mine and concentrator sites are one land used for forestry and hunting, near a ski resort and associated ski slopes. There are no designated protected areas and the downstream river system features high quality water.

In Q3 2023 EUR logged a comprehensive application based on detailed environmental study results from the PFS and DFS for pre-assessment of the EIA Determination Procedure. This decree would be the basis for fast-track eligibility approval process

(Simplified Procedure) covering the application of the final mining decree. The Carinthia state government has notified EUR in Dec 2024 that an Environment Impact Assessment is not required for the Wolfsberg Lithium Project.

During Q4 2023, the company continued working with Hasslinger and Nagele in Vienna on the lodged application with the relevant authorities with regards to Environmental Studies. EUR claims to continue to develop technical solutions to incorporate recycled lithium-ion battery material into flowsheets for final lithium carbonate and LiOH production, technically supervised by a research group from the University of Graz. EUR also continues to assess its options for the Wolfsberg Project to become Carbon Neutral.

The DFS Mining planning and design incorporates a significantly extended resource and estimates that future mining could be undertaken in mining fields that are beyond the existing licences held by EUR. In Aug 2023 the company announced that an additional 7 licences in a new mining field and 2 extensions of the existing Andreas field had been granted. EUR now holds a total of 20 mining licences and essentially doubling the footprint for the underground mining operations. EUR also completed planning for the Zone 2 exploration drilling program and subsequently received the decree for the approved drilling program in Q3 2023.

Further, EUR has commenced the preparation of documentation for a formal mining application with the mining authority.

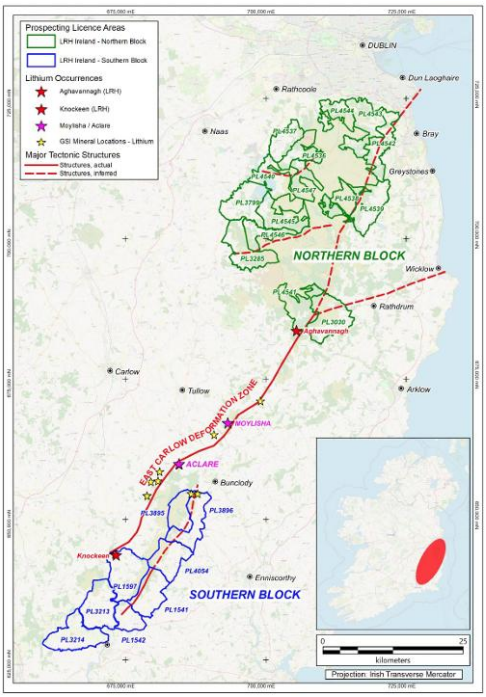
6. Other Projects Interests

Austrian Lithium Projects

EUR's Bretstein-Lachtal Project, Klementkogel Project and the Wildbachgraben Project (together Austrian Lithium Projects) consist of 245 exploration licenses covering a total area of 114.6 km² and are located approximately 80km from the Wolfsberg Project. The licenses cover ground that is considered prospective for lithium occurrences in the Styria mining district of Austria.

The Austrian Lithium Project are currently undergoing geological mapping, stream and soil sampling on identified target areas, alongside stakeholder engagements for final land access agreements and approvals. Due diligence mapping has revealed multiple spodumene bearing pegmatite bodies with lithium oxide contents up to 3.98%.

Irish Lithium



In April 2024, EUR acquired Technology Metals plc (TM1)'s 100% share capital of LRH Resources Limited that holds all the rights, title and interest in the Leinster Lithium Project in Ireland in an all scrip transaction, a consideration valued at US$10M.

The project is at exploration stage, with significant geological exploration surveys and identification of several developing localised prospect areas where spodumene bearing pegmatites have been located at all the prospects in surface float material. Target prospecting at Knockeen & Carriglead has been completed, with 47 of the 66 total surface samples analyzed showing grades above 1% Li2O, as high as 3.75% and 3.63% Li2O. EUR had a number of meeting with the stakeholders, government representatives to establish strong working relationships during technical due diligence for the acquisition of the project, and aims to use this for further development of the project and community development plan. EUR has appointed a George Karageorge, a highly regarded geologist and international mining expert to lead the project as the Executive General Manager Exploration.

Australian Tenements

EUR owns a number of tenements in Australia under very early exploration stages, such as

- E47/4144, North Western Australia – obtained under a ballot under WA Mining Act, and is progressing through the WA Mining regulatory application process. EUR is discussing with a stakeholder and remaining objector to negotiate access to areas of existing or intended infrastructure.

- E47/4532 and E47/4534, Munni Munni South – Under desktop evaluation to identify target areas with diamond, iron ore and based metal potential for further exploration.

- E47/4544 – owned by John Wally Resources Pty Ltd, a 50% subsidiary of EUR, with a total package covering 669km2.

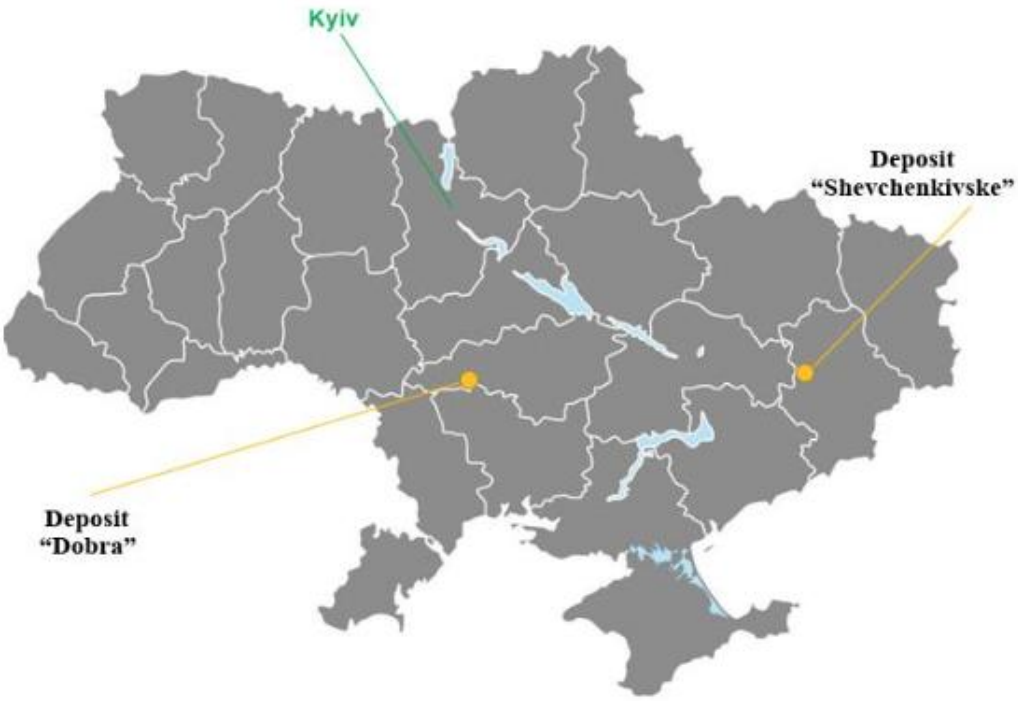
Ukraine

In Jan 2024 EUR renegotiated the terms of acquisition of Lithium Ukraine LLC, a Ukraine incorporated company that is applying through court proceedings, public auction and/or production sharing agreement with the Ukraine Government for 20-year special permits for the extraction and production of lithium at the Shevchenkivske project and the 90Mt at 1.36% JORC Dobra Project in Ukraine, from Millstone and Company Global DW LLC.

Under the renegotiated agreement,

- Completion occurred on 29 December 2023 at which time EUR became the registered holder of all of the issued shares in European Lithium Ukraine.
- The consideration for Dobra (previously announced on 28 February 2023) would be issued upon grant and exploration commencing at Dobra. Of the consideration the issue of 7m EUR shares would not be subject to shareholder

approval; and the balance of up to ~182M EUR shares and the performance rights would be subject to approval by EUR shareholders.
- The consideration for Shevchenkivske would be issued upon shareholder approval and grant of a licence for Shevchenkivske.
- Consequential amendments would reflect completion occurring immediately with consideration only payable upon the grant of licences and, in the case of Dobra, exploration commencing.
- Consequential amendments to subscription agreement so that the third tranche (A$5M) is conditional upon grant of the Dobra licence.



This renegotiation secures comfort for EUR given the Russia Ukraine war. EUR mentions that it continues to monitor closely the conflict in Ukraine and will continue to assess when it will become safe to commence in-country exploration activities, especially with the larger Dobra asset in the West of the country.

Iron Bear

Iron Bear is a 100% owned Iron ore mineral resource of 16.6Bt at 29.3% Fe (Inferred 14.51Bt and Indicated 2.15Bt JORC Compliant) located close to Schefferville, Canada. In Nov 2024, Cyclone Metals Ltd (ASX: CLE) a subsidiary of EUR entered a non-binding MoU with Vale to develop the project through a two phased investment pathway for Vale to earn a controlling interest in Iron Bear.

European Lithium holds the following 107,151,543 CLE shares (representing a 9.73% interest) in Cyclone Metals Ltd (ASX: CLE) which are worth approximately A$7million based on the closing share price on 19 August 2025.

On 11th August 2025 Cyclone Metals Limited has released a Scoping Study for its flagship Iron Bear Project, a magnetite iron ore deposit located in the Labrador Trough, Canada.

Project Overview

Location: The Iron Bear project is situated in the Labrador Trough, approximately 25 km northwest of Schefferville, Canada. The project area consists of ten licenses covering 7,275 ha.

Mineral Resource: The project has a Mineral Resource of 16.66 billion tonnes (Bt) at 29.3% Fe. Of this, 12.9% is classified as an Indicated Resource and 87.1% as an Inferred Resource.

Production Targets: The study evaluated three potential production targets:

Low Case: 12.5 Mt per annum (Mt p.a.) with a 31-year mine life.

Base Case: 25 Mt p.a. with an 18-year mine life. This is the primary scenario highlighted in the study.

High Case: 50 Mt p.a. with a 13-year mine life.

Products: The Base Case targets a production mix of 16 Mt p.a. of Blast Furnace (BF) magnetite concentrate and 9 Mt p.a. of Direct Reduction (DR) pellets. The study found that metallurgical test work supports the production of high-grade iron ore products: BF concentrates grading 69.8% Fe and 3.4% SiO2, and DR magnetite concentrates grading 71.0% Fe and 1.1% SiO2.

Financial Highlights (Base Case Scenario)

The Scoping Study demonstrates an economically robust project based on a long-term IODEX62 iron ore price of USD 90/t in 2035, adjusted for grade and quality.

Pre-production Capital Expenditure (CAPEX): USD 4.64 billion. The estimated accuracy of the capital cost is a range of -25% to +50%.

Operating Costs (OPEX):

- BF Concentrate: USD 46.1/t Free On Board (FOB) at Pointe Noire Port.
- DR Pellets: USD 67.8/t FOB at Pointe Noire Port.

Financial Metrics:

- Post-tax NPV (8%): US$ 9.79 billion.
- Internal Rate of Return (IRR): 18.6%.
- Payback Period: 6 years and 9 months.

Funding and Development

Project Funding: The project is estimated to require a pre-production capital investment of approximately USD 4.426 billion. The company has a binding commercial agreement with Vale S.A. for the joint development of the project. Vale will fund up to US$138 million for the pre-feasibility and bankable feasibility studies. The funding for the large-scale pre-production capital is expected to leverage Vale's financial capacity and expertise, possibly through a combination of debt, equity, and offtake agreements.

Development Plan: The next major milestone is the Pre-Feasibility Study (PFS), which is expected to be completed by Q2 of the next year (2026). The overall strategic plan aims for a "Decision to Mine" in April 2028.

7. Management

The Board of Directors and management team of European Lithium Limited (EUR) comprises seasoned professionals with extensive experience in the mining and finance sectors. The collective depth of expertise within EUR's management ensures a robust approach to project execution, risk management, and strategic growth, positioning the company effectively within the western REE and lithium supply chains.

Tony Sage, **Executive Chairman**
Mr Sage is a successful mining entrepreneur with more than 40 years' experience developing and financing businesses in the mining, energy and resources sectors, including the landmark Cape Lambert Iron Ore transaction. He currently serves as Executive Chairman of Critical Metals Corp and CuFe Ltd, and Non-Executive Chairman of Cyclone Metals Ltd, and was previously Non-Executive Chairman of Cauldron Energy Ltd.

Malcolm Day, Non Executive Director
Mr Day is Managing Director of Moab Minerals Ltd (ASX: MOM) and been on the board since 1999. Prior to that, Mr Day worked in the civil construction industry for 10 years, six of which were spent in senior management as a Licensed Surveyor and then later as a Civil Engineer. Whilst working as a Surveyor, Mr Day spent three years conducting mining and exploration surveys in remote Western Australia. Mr Day is a Member of the Australian Institute of Company Directors. Malcom holds a Bachelor of Applied Science in Surveying and Mapping, and is a Licensed Surveyor.

Michael Carter, Non Executive Director
Mr Carter is experienced in structuring corporate transactions, focusing on junior resource companies, and has also worked in ongoing corporate advisory roles with numerous ASX listed entities over the last 18 years. Carter holds Bachelor of Commerce, majoring in accounting and finance from University of Western Australia. Mr Carter has also completed a graduate diploma in Applied Finance and Investment at Finsia.

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Mykhailo Zhernov, Non Executive Director
Mr Zhernov has a track record of 20 years in the financial sector of Ukraine, CIS, Central and Eastern Europe. Currently, Mr. Zhernov serves as the Managing Partner at Millstone & Co Investment Company, a private investment company specializing on investment, asset and capital management in Central and Eastern Europe. He was the founder and head of Altera Finance (altera-finance.com), the member of the supervisory boards of the insurance companies VUSO (vuso.ua), INNEX Stock Exchange, the head of the private banking in PJSC DIAMANTBANK.

Melissa Chapman, Joint Company Secretary
Melissa Chapman has over 20 years of experience in the accounting profession. She has worked in Australia and the United Kingdom for both listed and private companies. Ms Chapman is a director of Bellatrix Corporate Pty Ltd, a company that provides company secretarial and accounting services to several ASX listed companies.

Catherine Grant-Edwards, Joint Company Secretary
Catherine Grant-Edwards has 15 years of experience in accounting and finance. Ms Grant Edwards is a director of Bellatrix Corporate Pty Ltd, a company that provides company secretarial and accounting services to several ASX listed companies.

Evolution Capital Ratings System

Recommendation Structure	• **Buy:** The stock is expected to generate a total return of >10% over a 12-month horizon. For stocks classified as 'Speculative', a total return of >30% is expected. • **Hold:** The stock is expected to generate a total return between -10% and +10% over a 12-month horizon. • **Sell:** The stock is expected to generate a total return of <-10% over a 12-month horizon.
Risk Qualifier	• **Speculative:** This qualifier is applied to stocks that bear significantly above-average risk. These can be pre-cash flow companies with nil or prospective operations, companies with only forecast cash flows, and/or those with a stressed balance sheet. Investments in these stocks may carry a high level of capital risk and the potential for material loss.
Other Ratings:	• **Under Review (UR):** The rating and price target have been temporarily suppressed due to market events or other short-term reasons to allow the analyst to more fully consider their view. • **Suspended (S):** Coverage of the stock has been suspended due to market events or other reasons that make coverage impracticable. The previous rating and price target should no longer be relied upon. • **Not Covered (NC):** Evolution Capital does not cover this company and provides no investment view.

Expected total return represents the upside or downside differential between the current share price and the price target, plus the expected next 12-month dividend yield for the company. Price targets are based on a 12-month time frame.

Evolution Capital Pty Ltd
Level 8, 143 Macquarie Street Sydney, NSW 2000
Tel: +61283792960
www.eveq.com

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