

Tunnel Kiln Testwork Points to Potential US\$112m Capex Saving

European Metals Holdings Limited (ASX & AIM: EMH) (“**European Metals**” or the “**Company**”) is pleased to announce preliminary results for testwork and design of a tunnel kiln for the Cinovec Project (“**Project**”).

- Potential for change from two gas fired rotary kilns to a single gas / electric tunnel kiln for the Cinovec Project
- Gas-fired tunnel kiln estimated to materially reduce capex by approximately US\$112m and opex by US\$10m per annum (compared to the Definitive Feasibility Study (“**DFS**”) Rotary Kilns¹). The Company notes the effect that this reduction in capex and opex will have on the Project DFS will not be known until the Project DFS is updated
- Tunnel kiln provides flexibility to remove the Project's dependence on gas and enables the project to be run solely on green power supplied by project partner CEZ²
- Switch to Tunnel Kiln not expected to impact Project timeline
- The combination of both the tunnel kiln and the optimisation of the Lithium Chemical Plant (“**LCP**”) Flowsheet³, if adopted, are anticipated to reduce capex by approximately US\$112m and reduce opex by US\$64m (\$10m Tunnel Kiln and \$54m LCP flowsheet optimisation) per annum. The Company notes the effect that this reduction in capex and opex will have on the Project DFS will not be known until the Project DFS is updated

Keith Coughlan, Executive Chairman, commented: “The use of a tunnel kiln is a potentially important change from the DFS of the Cinovec Project. If adopted this change could result in a significant reduction in the capex as a result of the use of off-the-shelf components, modular construction as well as considerable opex reductions relating to the reduction in the roasting temperature of the Zinnwaldite concentrate and the option to use electricity instead of gas to fire the kilns. The use of green electricity to fire the kiln could also drastically reduce the carbon footprint of the Project enabling Cinovec to be a leading low carbon producer of Lithium Carbonate.

We look forward to the upcoming decision by Geomet in relation to the use of the tunnel kiln and the recent optimisation of the LCP flow sheet. These significant changes have the potential to materially increase the NPV8 of the Project.

These revisions further confirm the strategic importance of the Cinovec Project in supporting Europe's lithium supply security and the growth of the region's EV and PHEV sectors.”

¹ The Company confirms that the material assumptions underpinning the DFS Rotary Kiln pricing continue to apply and have not materially changed

² See ASX announcement dated 23 November 2021

³ See ASX announcement dated 24 June 2026

Pyrometallurgy in DFS Processing Plant

The Cinovec Project DFS released in December 2025 (refer to the Company's ASX / AIM release dated 23 December 2025) (**Successful Completion - Cinovec Definitive Feasibility Study**) includes a pyrometallurgy stage in the LCP which is configured with two rotary kilns heating the zinnwaldite concentrate and roasting reagents to 950°C for 1 hour, followed by leaching in water at 60°C.

Extensive testwork has shown the DFS pyrometallurgy produces a 93.2% lithium extraction from zinnwaldite concentrate into the pregnant leach solution, for onwards processing in the LCP.

Potential change from Rotary Kilns to Tunnel Kiln

The Company is considering replacing the two rotary kilns in the DFS plant configuration with a single tunnel kiln.

As of the date of this announcement, a final decision on the use of a tunnel kiln has not been made although a decision in relation to this is expected by Q4 2026. Upon a final decision to change to a tunnel kiln configuration, Geomet will proceed to update the DFS. The use of a tunnel kiln is not expected to impact the Project timeline because design and construction of a tunnel kiln is generally simpler and modularised with short sections manufactured off-site.

Tunnel kilns are the standard kiln technology used in the ceramic and brick industries worldwide with near universal use for continuous applications. Tunnel kilns are very simple to operate with a high availability. They are constructed at ground level (do not require elevation or on an exact gradient) and are generally not a long lead item, resulting in reduced installed capital cost relative to rotary kilns. Tunnel kilns have minimal heat losses, resulting in significantly lower heat requirements relative to rotary kilns.

The expected benefits of the tunnel kiln include:

- The ability to heat the kiln with gas or electricity;
- The ability to heat the kiln electrically reduces natural gas consumption and CO₂ emissions;
- Temperature control ($\pm 10^{\circ}\text{C}$) is excellent everywhere in the kiln resulting in a lower kiln operating temperature, reduced heat consumption and no product vitrification;
- Heat losses through exhaust gasses are minimised;
- Dust is not generated in the kiln and off-gasses are reduced, significantly reducing the kiln flue gas treatment requirements;
- Heat recovery from hot solids is used to dry, pre-heat and calcine reagents, minimising the energy requirements to evaporate moisture from the roast mix in the kiln;
- Simplified construction techniques (modular build and assembled on site) reducing the construction timeline and reducing capital requirements; and
- A reduced pyrometallurgy footprint on the Prunéřov site.

The result of the benefits of using the tunnel kiln is expected to materially reduce the capex and opex of the Cinovec Project processing plant.

A typical rotary kiln operates with a gas temperature over 100°C higher than the solids and has a potential solids temperature overshoot of 30-50°C, inherent in the design of a kiln with a large single burner. The Cinovec rotary kiln temperature in the DFS processing plant is 950°C, with the target solids temperature reaching 925°C and held for one hour to effect the optimal lithium roast/leach yield. Due to the potential for solids temperature over-shoot in a rotary kiln, there are risks of vitrification of roast feed, causing a reduction in lithium recovery with some lithium being

locked up in the resulting glass discharged from the kiln and the requirement for a mill after roasting. Vitrification can also result in a vitrified ring formation in the kiln, hindering solids movement through the kiln and requiring shutdowns to remove the build-up and allow replacement of damaged refractory lining – rotary kiln availability is set at 85% to allow for such shutdowns.

A tunnel kiln is expected to operate with a maximum solids temperature at 850°C and the gas temperature 870 to 880°C. This excellent temperature control is achieved with multiple electrical heating elements and/or gas burners evenly distributed along the length of the kiln and hot air recirculation fans. Temperature control is to within $\pm 10^\circ\text{C}$. This accuracy is critical to the firing of ceramics and ideal for the control of temperature in the process of extraction of lithium from zinnwaldite. As a result of this temperature control, vitrification can be avoided. Sintering of particles may occur and require low energy milling to produce an optimal particle size to accelerate leaching but is not required to liberate the lithium sulphate.

Recent testwork has confirmed the tunnel kiln target solids temperature of 850°C needs to be maintained for 30 minutes to achieve the same or slightly better lithium roast/leach extraction in rotary kilns designed to achieve a roast solids temperature of 925°C for one hour.

Tunnel kiln work performed to date

Geomet has been investigating the use of a tunnel kiln as part of the Cinovec Project since 2022, when a basic scoping-level engineering study was undertaken to assess the viability of a tunnel kiln in the Cinovec Project. The design and testwork management have been undertaken by and with Dr. Jeff Claflin. Dr. Claflin previously successfully undertook design and testing for tunnel kilns at the Sonora Project for Bacanora Lithium PLC. The work resulted in tunnel kilns being included in the Sonora DFS, before Bacanora Lithium PLC was acquired by Ganfeng International Trading (Shanghai) Limited in 2021.

The first phase of tunnel kiln testwork with Cinovec zinnwaldite concentrate took place in 2024. This testwork was designed to confirm there are no fatal flaws in the proposed usage of tunnel kiln technology for the Cinovec Project and established:

- 93.2% lithium recovery in the leach at 850°C for 1 hour (matching the lithium recovery with 950°C for 1 hour in the rotary kiln);
- A single tunnel kiln is feasible for the Cinovec Project;
- If electrical heat is used and powered by renewable energy, then CO₂ emissions would reduce by 50 million Nm³ (approximately 98,000 tonnes) per year; and
- Preliminary estimates of capex and opex savings were made.

The second phase of testwork, to establish engineering design criteria for a tunnel kiln specific to the Cinovec Project and the Prunéřov plant site, has been underway since 3Q 2025. This testwork included pilot-scale briquetting testwork and pilot-scale kiln testwork to demonstrate briquette-ability, industrial scale fluid mechanics and heat transfer. This testwork is now complete.

The second phase of testwork culminated in DFS-level budget quotes from equipment manufacturers and has included:

- Pilot-scale briquetting of 1,500 kg of roast charge with commercially available equipment, including testing green (unroasted) competency of the resulting briquettes for pre-roast handling purposes;
- Extensive bench-scale and pilot-scale roasting to confirm process design criteria such as target solids roast temperature, residence time at target temperature, lithium recoveries

and competency of the roasted briquettes for onwards handling including crushing and leaching;

- Roasting reagent optimisation, reducing reagent quantities required;
- Pre-calcination / drying and residual moisture requirements for zinnwaldite concentrate and the roasting reagents; and
- Estimates of capex and opex savings were made comparing gas-fired rotary kilns with a gas-fired tunnel kiln:
 - capex estimated to be reduced by approximately US\$112m;
 - opex estimated to be reduced by US\$10m per annum; and
 - capex and opex changes to be assessed in rigorous DFS update process.

The Company notes that the effect that this reduction in capex and opex will have on the Project DFS will not be known until the Project DFS is updated.

The second phase of testwork has confirmed or re-confirmed:

- 93.4% roast/leach lithium recovery;
- Target roast temperature of 850°C;
- There is no statistical difference in lithium recovery between a 30-minute and a 60-minute roast residence time at 850°C. Accordingly, Geomet expects residence time may be reduced below 60 minutes;
- Viability of recycling mixed-salt by-product from the downstream lithium phosphate reactor to the kiln charge, boosting lithium recovery and reducing the mass of by-product salt from the process; and
- A significant reduction in energy requirements in the pyrometallurgical area of the Cinovec Plant. The quantum of reduction is to be confirmed in an updated Cinovec DFS in due course.

During the DFS processing plant site design work, confirmation was made that the tunnel kiln footprint (including roast charge mixing / briquetting, pre-heating, cooling and kiln dust and off-gas handling) all fitted inside the footprint of the equivalent rotary kiln process train. Accordingly, a decision to change to the tunnel kiln will not cause extensive Prunéřov site redesign, outside the pyrometallurgy area.

Upon a decision to change to a tunnel kiln configuration, Geomet will proceed to update the DFS.

This announcement has been approved for release by the Board.

ENDS

This announcement has been approved for release by the Board.

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.

ENQUIRIES:

European Metals Holdings Limited

Keith Coughlan, Executive Chairman

Tel: +61 (0) 419 996 333

Email: keith@europeanmet.com

Kiran Morzaria, Non-Executive Director

Tel: +44 (0) 20 7440 0647

Carly Terzanidis, Company Secretary

Tel: +61 8 6245 2050

Email: cosec@europeanmet.com

Zeus Capital Limited (Nomad & Broker)

James Joyce/Darshan Patel/Chris Wardley
(Investment Banking)
Harry Ansell (Broking)

Tel: +44 (0) 203 829 5000

BlytheRay (Financial PR)

Tim Blythe
Megan Ray

Tel: +44 (0) 20 7138 3222

Chapter 1 Advisors (Financial PR - Aus)

David Tasker

Tel: +61 (0) 433 112 936

BACKGROUND INFORMATION ON CINOVEC

PROJECT OVERVIEW

Cinovec Lithium Project

Geomet s.r.o. controls the mineral exploration licenses awarded by the Czech State over the Cinovec Lithium 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 EMH and 51% by CEZ a.s. through its wholly owned subsidiary, SDAS. Cinovec hosts a globally significant hard rock lithium deposit with a total Measured Mineral Resource of 54.4Mt at 0.58% Li₂O, Indicated Mineral Resource of 378.23Mt at 0.41% Li₂O and an Inferred Mineral Resource of 309.49Mt at 0.39% Li₂O containing a combined 747 million tonnes Lithium Carbonate Equivalent (refer to the Company's ASX/ AIM release dated 23 December 2025) (**Cinovec DFS Confirms Long-life Battery Grade Lithium Carbonate Producer Strategically Positioned to supply European EV and Energy-storage Sectors**)⁴.

A Proven and Probable Ore Reserve of 54.4Mt at 0.58% Li₂O has been declared to cover the first 26 years mining at an output of 37,500tpa of lithium carbonate (refer to the Company's ASX/ AIM release dated 23 December 2025) (**Cinovec DFS Confirms Long-life Battery Grade Lithium Carbonate Producer Strategically Positioned to supply European EV and Energy-storage Sectors**)⁵.

The Definitive Feasibility Study ("DFS") confirmed the economic viability of the Cinovec Project with steady-state production of 37,500 tpa of battery-grade lithium carbonate ("Li₂CO₃"), representing ~5.2% of EU demand in 2030 and sufficient for >900,000 50kWh EV batteries annually. Cinovec will have a 28+ year operating life, underpinned by a 748Mt Resource @ 0.19%

⁴ The Company confirms that the material assumptions underpinning the Resource estimates continue to apply and have not materially changed.

⁵ The Company confirms that the material assumptions underpinning the Reserve estimates continue to apply and have not materially changed.

Li₂O and a 55.4Mt Ore Reserve, with expansion optionality (refer to the Company's ASX/ AIM release dated 23 December 2025) (**Cinovec DFS Confirms Long-life Battery Grade Lithium Carbonate Producer Strategically Positioned to supply European EV and Energy-storage Sectors**)⁶.

This makes Cinovec the largest hard rock lithium deposit in Europe and by far the largest hard rock lithium deposit in the European Union.

Cinovec has been designated a Strategic Project by the European Union under the Critical Raw Materials Act (refer to the Company's ASX/ AIM release dated 25/26 March 2025) (**Cinovec declared a Strategic Project under EU Critical Raw Materials Act**) and a Strategic Deposit by the Czech Government (refer to the Company's ASX/ AIM release dated 7 March 2025) (**Cinovec declared Strategic Deposit by Czech Government**).

Cinovec has received recent impetus from the EU and the Czech Government in the form of grants of USD36 million from the EU Just Transition fund (refer to the Company's ASX/ AIM release dated 28 April 2025) (**USD 36 million Just Transition Fund Grant Approved for Cinovec Project**) and up to EUR360 million by the Czech Government (refer to the Company's ASX/ AIM release dated 7 March 2025) (**Approval of up to €360 Million Czech Government Grant**).

The deposit has previously had over 400,000 tonnes of ore mined as a trial sub-level open stope underground mining operation.

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. The deposit lies in an active mining region.

The Cinovec processing plant comprises of a Front-End Comminution and Beneficiation circuit ("FECAB") and Lithium Chemical Plant circuit ("LCP") in combination producing Lithium Carbonate end products and will be located on the Prunéřov 1 Power Station site located approximately 59km by rail from the Cinovec mine site (refer to the Company's ASX/ AIM releases dated 26 April 2024 (**New Lithium Plant Site Expected to Improve Project Permitting and Economics**) and 27 November 2024 (**Cinovec Project Update**)).

BACKGROUND INFORMATION ON CEZ

Headquartered in the Czech Republic, CEZ a.s. is one of the largest companies in the Czech Republic and a leading energy group operating in Western and Central Europe. CEZ's core business is the generation, distribution, trade in, and sales of electricity and heat, trade in and sales of natural gas, and coal extraction. The foundation of power generation at CEZ Group are emission-free sources. The CEZ strategy named Clean Energy for Tomorrow is based on ambitious decarbonisation, development of renewable sources and nuclear energy. CEZ announced that it would move forward its climate neutrality commitment by ten years to 2040.

The largest shareholder of its parent company, CEZ a.s., is the Czech Republic with a stake of approximately 70%. The shares of CEZ a.s. are traded on the Prague and Warsaw stock exchanges and included in the PX and WIG-CEE exchange indices. CEZ's market capitalization is approximately EUR 28.2 billion.

As one of the leading Central European power companies, CEZ intends to develop several projects in areas of energy storage and battery manufacturing in the Czech Republic and in Central Europe.

⁶ The Company confirms that the material assumptions underpinning the Reserve and Resource estimates continue to apply and have not materially changed.

CEZ is also a market leader for E-mobility in the region and has installed and operates a network of EV charging stations throughout Czech Republic. The automotive industry in the Czech Republic is a significant contributor to GDP, and the number of EV's in the country is expected to grow significantly in the coming years.

COMPETENT PERSONS AND QUALIFIED PERSON FOR THE PURPOSES OF THE AIM NOTE FOR MINING AND OIL & GAS COMPANIES

Information in this release that relates to the FECAB metallurgical testwork is based on, and fairly reflects, technical data and supporting documentation compiled or supervised by Mr Walter Mädel, a full-time employee of Geomet s.r.o, an associate of the Company. Mr Mädel is a member of the Australasian Institute of Mining and Metallurgy ("**AUSIMM**") and a mineral processing professional with over 27 years of experience in metallurgical process and project development, process design, project implementation and operations. Of his experience, at least 5 years have been specifically focused on hard rock pegmatite Lithium processing development. Mr Mädel consents to the inclusion in the announcement of the matters based on this information in the form and context in which it appears. Mr Mädel is a participant in the long-term incentive plan of the Company.

Information in this release that relates to exploration results is based on, and fairly reflects, information and supporting documentation compiled by 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 Geologists, 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.

Information in this release that relates to metallurgical test work and the process design criteria and flow sheets in relation to the LCP is based on, and fairly reflects, information and supporting documentation compiled by Dr. Stephen La Brooy. Dr. La Brooy, who holds a PhD in Chemical Metallurgy, 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. Dr La Brooy 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.

The information that relates to production targets for the Cinovec Lithium Project is based on information compiled by Mr Graeme Fulton, a Competent Person who is a Fellow of the

Australasian Institute of Mining & Metallurgy. Mr Fulton is an Employee of Bara Consulting who are a consultant to the Company. Mr Fulton does not own any shares, options / performance rights in the Company and is not a participant in the Company's short or long-term incentive plan. Mr Fulton has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Fulton consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement 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.

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 (“**Li₂O**”) content or percent lithium carbonate (“**Li₂CO₃**”) 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 Li₂O	Convert to Li₂CO₃	Convert to LiOH.H₂O
Lithium	Li	1.000	2.153	5.325	6.048
Lithium Oxide	Li ₂ O	0.464	1.000	2.473	2.809
Lithium Carbonate	Li ₂ CO ₃	0.188	0.404	1.000	1.136
Lithium Hydroxide	LiOH.H ₂ O	0.165	0.356	0.880	1.000
Lithium Fluoride	LiF	0.268	0.576	1.424	1.618