

ASX ANNOUNCEMENT

28 April 2023



EUROPEAN LITHIUM AND OBEIKAN UPDATE

HIGHLIGHTS

- **EUR finalising JV plans to build and operate the hydroxide plant in Saudi Arabia;**
- **Obeikan Investment Group complete due diligence; and**
- **The Company aims to finalise the JV agreement before 31 May 2023.**

European Lithium Limited (ASX: **EUR**, FRA: PF8, OTC: EULIF) (**European Lithium** or the **Company**) is pleased to provide an update on the progress of plans to build and operate a hydroxide plant in Saudi Arabia.

The Company and Obeikan Investments Group (**Obeikan**) signed a non-binding Memorandum of Understanding (**MoU**) (see EUR announcement dated 13 January 2023) and were advised that Obeikan's team has completed their due diligence processes with a global strategic management consulting firm.

Under the MoU, EUR and Obeikan agreed to negotiate suitable commercial terms to enter a 50:50 joint venture (**JV**) partnership for the co-development and co-operation of a hydroxide plant in Saudi Arabia for the 100% owned Wolfsberg Lithium Project (**Wolfsberg Project**) in Austria.

With due diligence completed, the parties expect to execute a binding JV agreement before 31 May 2023.

Executive Chairman, Tony Sage, commented: "Building and operating the hydroxide plant in Saudi Arabia will reduce energy costs by over 80%, provide access to a much lower corporate tax rate (20%) and provide much more attractive financing options. This will create enormous savings in operating costs and lower Capex for the Wolfsberg Project, which will greatly impact the just completed DFS's NPV and IRR calculations".

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

Yours faithfully
European Lithium Limited

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