



REBUILDING UKRAINE

with the private sector

Mining White Oil -Lithium- in EU and Ukraine



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Source of information: European Lithium, Infinity Lithium, U.S. Geological Survey, Benchmarkminerals.

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Investment project description - Austria

European Lithium is a public company listed in Australia (EUR:ASX) aiming to be the first integrated lithium supplier in the EU through development of its Wolfsberg lithium project in Austria.

- 12.9 mt total resources (9.74 mt measured & indicated), 1% Li₂O content
- USD 500mln preliminary CAPEX for mining&crushing, concentrator and hydrometallurgical plant
- 10.5 ktpa annual output of lithium hydroxide with up to 20 years life of mine.
- US\$ 644m preliminary NPV of Wolfsberg under conservative assumptions with IRR 25.6 %
- DFS to be ready in 4Q 2022 with strong upside potential to PFS
- After completion of DFS, construction phase will take 2-3 years
- MoU with BMW signed on offtake of 100% lithium products from the Wolfsberg project

\$500 mln
investments



Investment project description - Ukraine

- In 2021 EUR signed an agreement to acquire Ukrainian lithium deposits Dobra in Kirovograd region and Shevchenkivske in Donetsk region subject to finalisation/obtainment of special permits for extraction and production of lithium.
- Dobra exploration target is expected to range from 80 to 105 mt with Li₂O content from 1.1% to 1.4%
- Shevchenkivske exploration target is expected to range from 11 to 14 mt with Li₂O content from 1.2% to 1.3%
- Synergy is possible between the Austrian Wolfsberg Project and the Ukrainian ones - same raw material - spodumene allows to utilise the chemical plant of the Austrian project (to be constructed earlier) to supply the spodumene concentrate from Ukraine that may allow earlier commercial launch for Ukraine

~ \$500 mln*

*Investment estimate to develop Ukrainian project based on mirroring preliminary CAPEX of Wolfsberg project in Austria. To be confirmed during PFS,DFS



Road map for Lithium Project Development

- 1 Collection, analysis, digitization of initial geological information, preparation of a feasibility study to fulfill license requirements according to Ukrainian standards, translation into English
- 2 Conducting a competition and mobilizing an international engineering company to evaluate reserves and prepare a Pre-Feasibility Study in compliance with JORC, NI 43-101
- 3 Analysis of available information by a foreign company, determination of its reliability, sufficiency, accuracy, preparation of recommendations for additional exploration and drilling
- 4 Drilling of exploration wells, collection of geological material, laboratory analysis of samples
- 5 Resources and Reserves evaluation (JORC, NI 43-101)
- 6 Evaluation and analysis of possible options for the development of the deposit by the final product: concentrate, lithium carbonate, lithium hydroxide
- 7 Pre-feasibility study - 20-30 % accuracy in calculation of CAPEX, OPEX, investment attractiveness (IRR, NPV), demand on investments
- 8 Definite feasibility study - 10-15 % accuracy in calculations of CAPEX, OPEX, investment attractiveness (IRR, NPV), demand on investments
- 9 Capital raising for CAPEX/OPEX
- 10 Construction phase: mine, concentrator, hydrometallurgical plant

~ 10 years for
development

~ 2 years for
construction

a long & risky
road

What drives the demand for lithium in the world

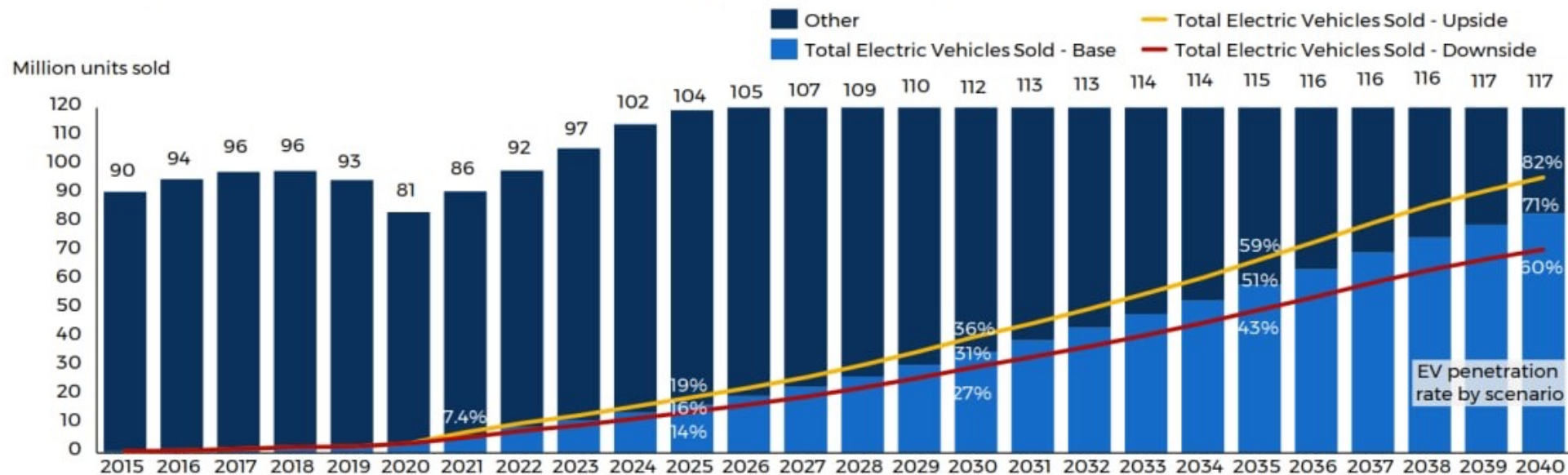


What drives the demand for lithium in the world

EV sales as share of total cars

The rapid rebound in EV sales following the coronavirus slowdown has boosted medium-term market projections, with government responses adding to industry momentum.

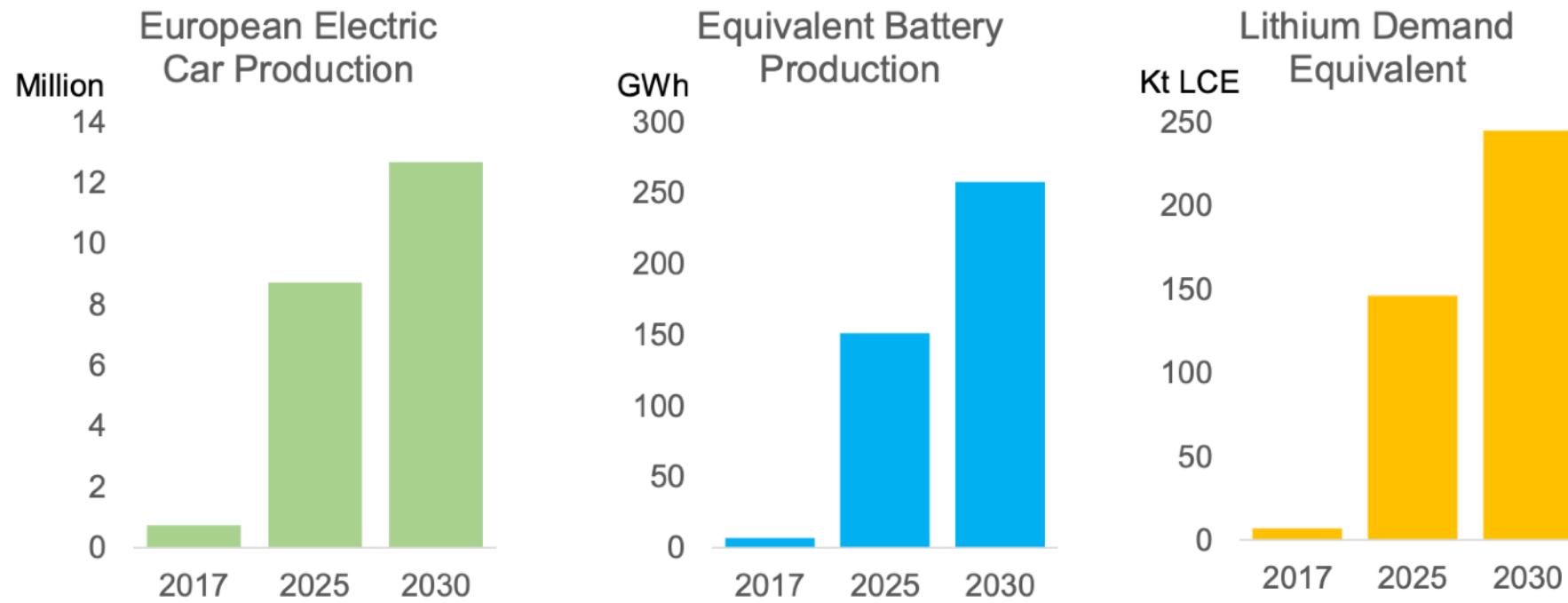
Global EV penetration is set to climb to 7.4%, up from 4.0% in 2020 as global EV Sales continue to accelerate, particularly from Europe and China. This figure is expected to climb to 16.4% by 2025. We examine this in more detail in the accompanying demand model and provide alternate EV penetration scenarios to examine how this will impact on overall battery demand.



Forecast of demand for lithium in Europe by 2030



The EU is pushing to have a fully integrated domestic supply chain, from producing EVs all the way back to producing raw materials. What would it mean for domestic lithium demand?



Source: HSBC



EU policy to ensure independence from critical current 100 % lithium imports



Maros Šefčovič
Vice-President
European
Commission



June 2019 – Speech to the European Investment Bank:

“Without **undertaking its own exploration**, the EU will have no mining projects

This, in turn, means no refineries and, without refining capacity, the EU will continue to be in great part dependent on foreign supplies of high quality materials

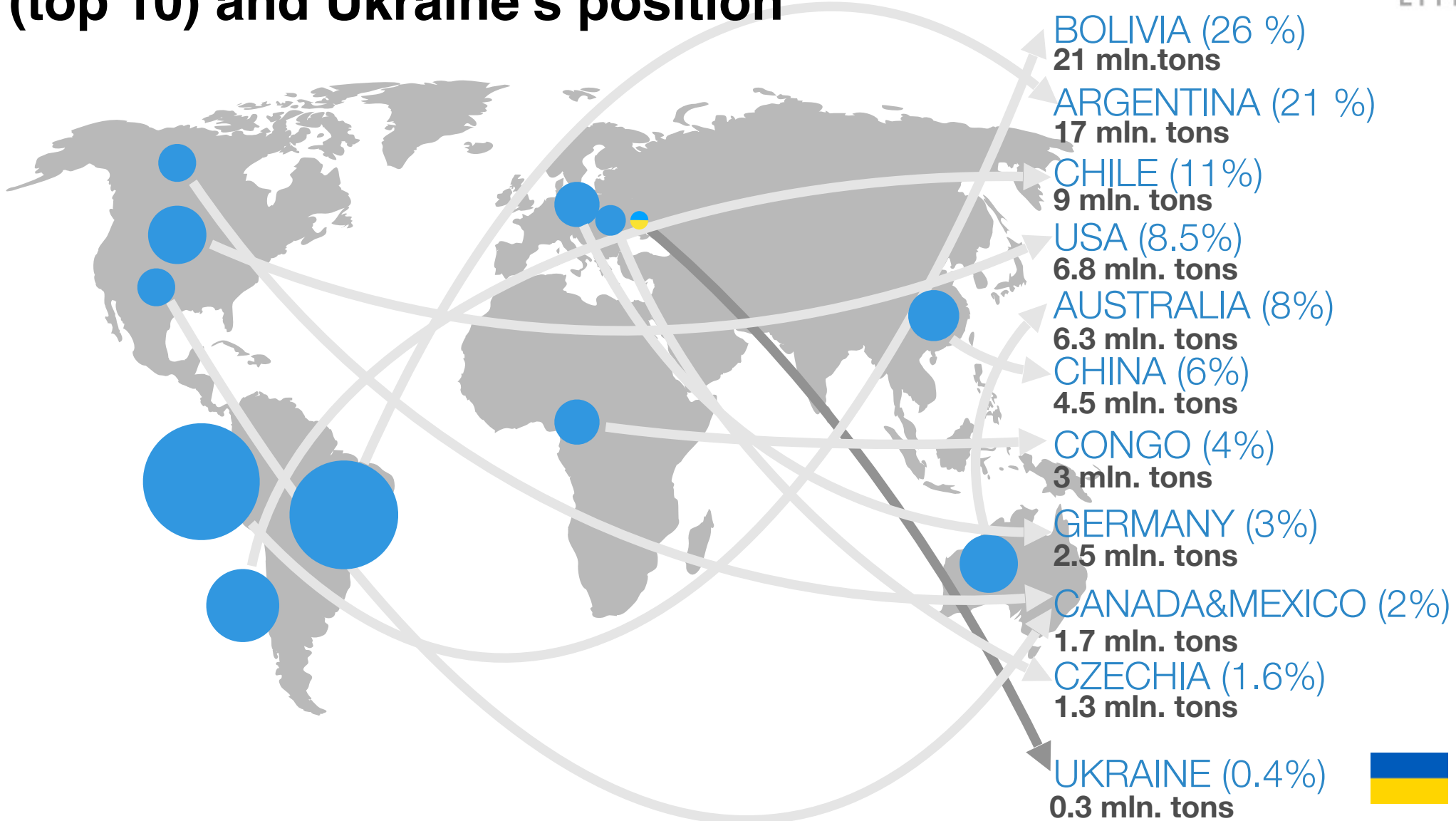
Unless we develop our own capacity

We have identified with the Member States that there are 10 potential mining projects for lithium that, if developed, could allow the EU to move from 1 to 30% of the world production by 2030

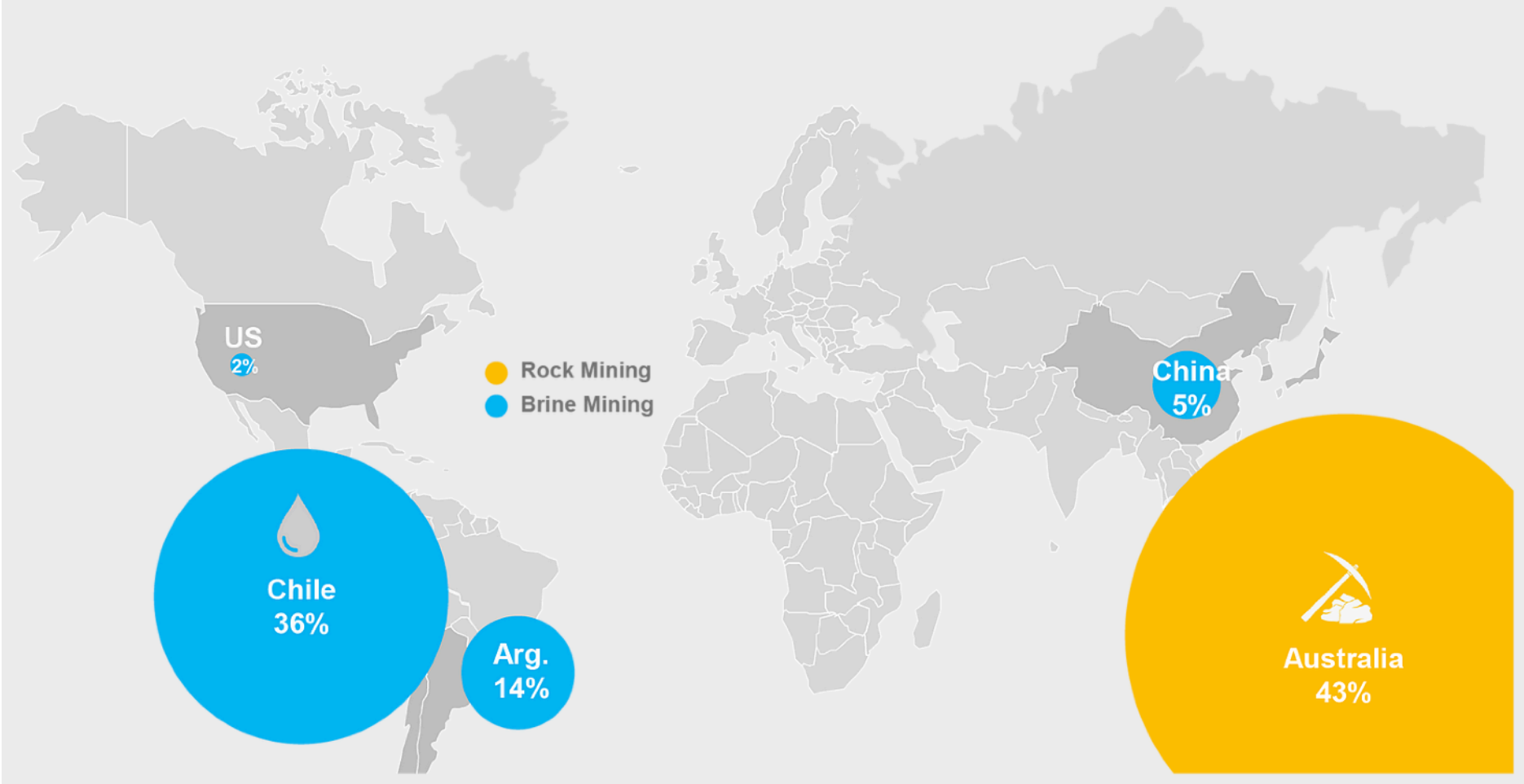
We therefore **need our European Investment Bank to become more fully engaged in raw material projects in exploration, mining and refining**

The European Bank for Reconstruction and Development (EBRD) is preparing a EUR 60 million Exploration Investment Facility.”

Lithium resources in the world by country (top 10) and Ukraine's position



Lithium production in the world by country



In 2022 LCE output will increase by 33% y/y to 635 000 tons.

SWOT analysis of Ukrainian lithium potential

Strengths

- ▶ Up to 10 % lithium reserves in Europe*
- ▶ Spodumene with Li₂O content > 1.2 %

Weaknesses

- ▶ insignificant share of the world market by reserves
- ▶ investment insecurity
- ▶ proximity to the front line
- ▶ we are at least 5 years behind competitors in Europe
- ▶ Mine construction - increased CAPEX compared to open pit
- ▶ extraction and production of lithium is a complex and capital-intensive process

Opportunities

- ▶ The market for mining and production of lithium for EV is just emerging - the opportunity to take your place on it
- ▶ Ukraine has the closest location to Poland, where 3 factories for production of cathodes and batteries are being built by global manufacturers
- ▶ Demand from EV manufacturers in the EU (the 2nd market in the world)
- ▶ Europe has set a course for the independence of the lithium raw material base and there is still no own production in Europe

Threats

- ▶ Countries with large reserves (for example: Bolivia) will enter the market and change market condition
- ▶ Ukraine will not regulate the legal protection of investments in lithium mining
- ▶ Competition from other lithium projects in Europe
- ▶ Lithium prices may fall
- ▶ New technology to come and replace lithium



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