

10 JULY 2024

12 Month Price Target: (>A\$1.00)

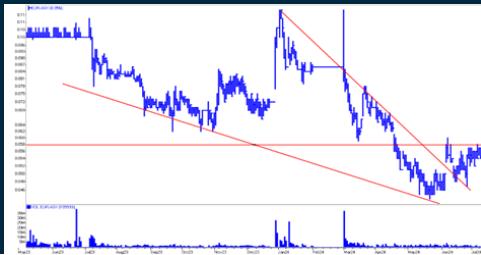
24 Month Price Target: (>A\$2.00)

CAPITAL STRUCTURE

Share Price	\$0.054
12 Month Range	\$0.052- \$0.112
Market Cap (undiluted)	\$78m
Issued Shares	1,398.1m
Options A\$0.08 Nov25	166.7m
Options A\$0.18 Mar 25	223.0m
Full dil capital @ A\$0.30	232.7m
Cash/Liquid Assets (est)	~A\$45m

DIRECTORS

Antony Sage	Exec Chairman
Malcolm Day	Non-Exec Director
Michael Carter	Non-Exec Director
Mykhailo Zhernov	Non-Exec Director
	Non-Exec Director
	Company Secretary



TOP SHAREHOLDERS

Cyclone Metals Ltd	4.5%
Mykhailo Zhernov	3.8%
Okewood Pty Ltd	2.0%
Battle Mountain Pty Ltd	1.6%
Malcolm Day	1.5%
Winance Investment LLC	0.8%
Moab Minerals Ltd	0.8%
Antony Sage	0.4%
Top 20	18.0%

This report has been written by Martin Place Securities Pty Ltd under AFSL 291787

Data has been sourced from available public information and reflects the author's own assessments.

EUROPEAN LITHIUM LTD (EUR.ASX)

Lithium and Rare Earths Portfolio

SUMMARY

CRML executes Shareholder Agreement with Obeikan for JV 50/50 JV to build lithium refinery in Saudi Arabia
Exclusive offtake from Wolfsberg spodumene mine
US\$0.03-0.04 cts/kWh power costs very attractive
BMW offtake agreement assigned to new JV – US\$15m paid in
Lithium price in bottoming process

CRML pass through value still > A\$0.50/ EUR share

KEY POINTS

- **JV execution allows renewed progress at Wolfsberg**
- **Saudi Arabia lithium refinery will have very low energy and other operating costs**
- **Lithium market may recover soon**
 - **Watch Gangfeng share price!**
- **Acquisition of TANBREEZ rare earths will be a game changer for CRML**
- **EUR still ridiculously priced**
- **Re rating must come soon**
- **Market cap A\$78m on 1,398m shares @ A\$0.054**

Critical Metals Corp and the Obeikan Group have executed the Shareholders Agreement to form a joint venture with Critical Metals Corp to construct and commission a large-scale lithium hydroxide processing plant in the Kingdom of Saudi Arabia to process spodumene concentrate produced from the Wolfsberg Lithium Project located in Austria.

- The 50%/50% JV will be geared towards developing, constructing and commissioning a lithium hydroxide processing plant, and operating the plant for the conversion of lithium spodumene concentrate from Wolfsberg.
- Under the Shareholders agreement, the newly established Arabian New Energy Company (Arabian New Energy) will seek to have the exclusive right to purchase spodumene mined from the current resource at Wolfsberg (Zone 1), and the facility is expected to be developed to meet the minimum initial capacity and product specifications based on the Company's binding Long Term Supply Agreement with BMW.
- Under the Shareholders agreement, and subject to the successful commissioning of the Plant, the Wolfsberg Project Zone 1 will sell the lithium spodumene concentrate to the JV company over the life of the current resources of the Wolfsberg mine at a reduced rate, with a floor and ceiling price subject to final agreement of the Parties.
- The parties will establish a Development Committee for the purpose of jointly collaborating on all key decisions in relation to the development of the Plant.
- A Deed of Assignment has been executed by European Lithium Ltd and Obeikan Group to assign all rights under the 31 May 2023 binding agreement to Critical Metals Corp.

An earlier report pointed out the advantages of operating in Saudi Arabia.

Good infrastructure, low energy and other operating costs and encouraging official development policies.

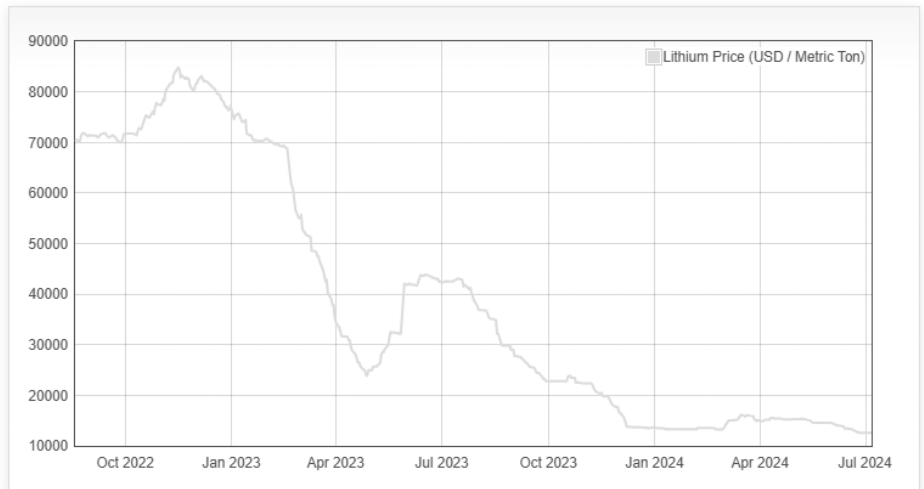
CRML will be funded by Obeikan with very low cost loans repayable from cashflows.

Also be aware that spodumenes might be everywhere but grades might not be high and available spodumene might not be plentiful.

Lithium product prices

Lithium carbonate prices are down by 85% from the Nov 2022 highs and may have finally bottomed out at around US\$12,500/tonne.

Lithium Prices for the Last 2 Years



The low of February 2024 produced a good rally but prices fell to new lows.

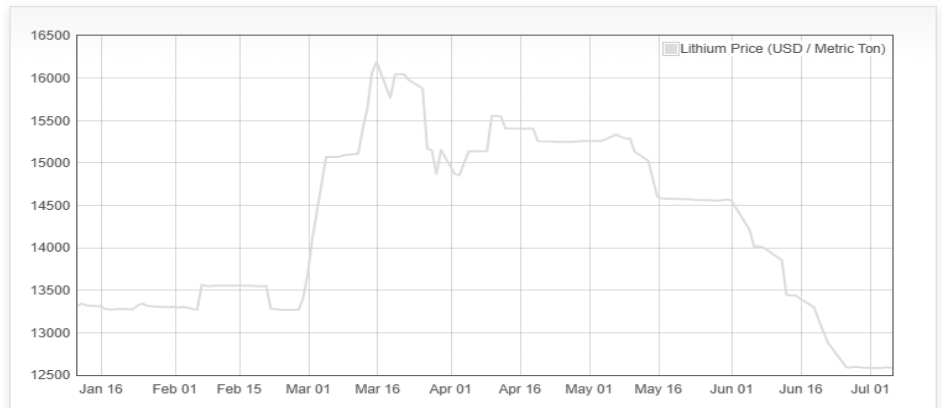
This is well below costs of production for many producers.

Do keep in mind that inventory adjustment throughout the supply chain affects the market price.

Resolution of this may produce a sharp price response.

Or not, of course.

Lithium Prices for the Last 6 Months



The bottom called earlier this year was premature but note this ETF should bottom around here in this quarter.

If this reading is correct and this ETF completed C wave for Wave 2 then new highs will be coming through eventually.



The consensus is that lithium product prices will rise to ~US\$20,000 and stay there forever.

But just note what happened here to GangfengLithium.

- Big volume.
- Flushed out seller.
- Price doubled in big reversal.



Remember back in 2016 when iron ore was US\$30/t and destined to stay there because Australian costs of production were down there.

That was called at that time as a C Wave completing a Wave 2 and that new highs would be seen.

Which is what happened.

CRML

Not much price history but some big volume and some good technicals suggest this just might soon fly.



Impact of CRML on EUR.

CRML US\$/share	Value per EUR Share at CRML @								
	10.00	8.00	9.00	10.00	11.00	12.00	13.00	14.00	15.00
EUR share	83%								
US\$m	750								
Mkt cap US\$m	903	653	734	816	898	979	1061	1142	1224
Shares on issue (m)	82								
EUR's 83% shares (m)	68	81.6							
US\$/A\$	0.674								
A\$ value (A\$m)	1005	804	905	1005	1106	1207	1307	1408	1508
EUR shares on issue (m)	1398								
A\$/EUR share	\$0.72	0.58	0.65	0.72	0.79	0.86	0.93	1.01	1.08
Opts & Perf Shares (m)	465								
Fully Diluted Shares (m)	1863								
A\$/EUR share	0.54	0.43	0.49	0.54	0.59	0.65	0.70	0.76	0.81

EUR - Ready to break out.

Some classic technicals.

- Wedge broken.
- Back tested downtrend
- Quick move coming on break of A\$0.058



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