

**MEMORANDUM OF UNDERSTANDING
BETWEEN
THE MINISTRY OF INDUSTRY AND TRADE OF THE CZECH REPUBLIC
AND
EUROPEAN METALS HOLDINGS LIMITED**

**IN THE FIELD OF
LITHIUM MINING AND PROCESSING IN THE CZECH REPUBLIC**

The Ministry of Industry and Trade of the Czech Republic and European Metals Holdings Limited, 11 Ventnor Avenue, West Perth, WA 6005 Australia, ABRN 154 618 989 (hereinafter referred to as “Participants”);

Conscious of their mutual willingness to support in the Czech Republic the development of lithium ores geological exploration, exploitation, processing and following metallurgical treatment up to industrial production of final products and investments linked with these activities;

Keeping in mind their desire to enhance communication and cooperation on lithium related matters of common interest and to foster collaboration among relevant bodies and institutions of the Participants;

Having regard to the laws and regulations in force in Czech Republic, rights and obligations of the Czech Republic arising from international agreements to which it is Party, and/or from its membership in international organizations, such as the rights and obligations of the Czech Republic arising from its membership in the European Union;

Noting the Agreement between the Czech Republic and Australia on the Reciprocal Promotion and Protection of Investments, signed in Canberra, September 30, 1993 and the Agreement between the Czech Republic and Australia for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income, signed in Canberra, March 28, 1995;

Have reached the following understanding:

1. The aim of this Memorandum of Understanding (Memorandum) is to promote and facilitate future cooperation in the field of lithium exploration, mining and processing up to final products within the Czech Republic.

Both Participants intend to realize any activities connected with this Memorandum in accordance with the laws, regulations and other requirements of their respective states and international agreements to which their states are party.

2. Both Participants declare their willingness to:
 - Promote exploration of new lithium ores occurrences and to conduct reconnaissance and prospecting on such occurrences;
 - Promote exploitation and processing of lithium ores;

- Promote metallurgical treatment and industrial production of final products;
 - Co-operate with the Czech academic research bases on the most complete processing of the extracted ore,
 - Facilitate investment into all above mentioned processes in the sector of lithium;
 - Discuss and explore possibilities of technical assistance in the relevant fields;
 - Promote closer trade and industrial cooperation and facilitate networking activities between entrepreneurial entities including the willingness to promote establishment of joint ventures and to develop further cooperation in that field;
 - Promote cooperation in other areas of mutual interests in the field of the sector of lithium;
 - Work together to maximize downstream processing options in the Czech Republic;
 - Jointly investigate suitable locations for processing facilities for the Cínovec Project to minimize impacts on the community and environment but maximize positive impacts on the economy and employment of persons of the area surrounding the Cínovec Project;
 - Co-operate to ensure all regulatory requirements are met, using best practices, and work together to ensure all permitting and regulatory issues are addressed in a timely manner;
3. Both Participants declare their intention to discuss and explore possibilities of future bilateral agreements between the Czech authorities and European Metals Holdings Limited concerning the framework of future cooperation in the sector of lithium, including the potential involvement of the Czech Government as an equity participant in European Metals Holdings Limited Cínovec Project;

Signed in Ústí nad Labem, in duplicate, on the 2nd day of October 2017, in English language.



Mr. KEITH COUGHLAN

MANAGING DIRECTOR
EUROPEAN METALS
HOLDINGS LIMITED



H.E. JIŘÍ HAVLÍČEK (Mr.)

MINISTER
OF INDUSTRY AND TRADE
OF THE CZECH REPUBLIC