

Zinnwald Lithium plc / EPIC: ZNWD.L / Market: AIM / Sector: Mining

28 June 2021

**Zinnwald Lithium plc ("Zinnwald Lithium" or the "Company")
AGM Statement**

Zinnwald Lithium plc, the German focused lithium development company, will hold its Annual General Meeting ('AGM') today. At the AGM, Non-Executive Chairman, Jeremy Martin, will make a statement which will include an update on activities across its portfolio including the advanced Zinnwald Lithium Project in Germany (the "Project").

Highlights

- Delivered key strategic goal of achieving 100% ownership interest in Deutsche Lithium GmbH
- Completion of the initial phase of the lithium hydroxide ('LiOH') testwork at the Project with highly encouraging initial test results
- Expanded licence footprint in Germany following the grant of the Sadisdorf licence in Saxony
- Ongoing rationalisation of the Company's portfolio enabling management and cash resources to be focussed on the Project

Chairman's statement

Zinnwald Lithium Project

"In line with our previously stated corporate strategy, we are extremely pleased to have successfully completed the acquisition of a further 50% of Deutsche Lithium GmbH ("Deutsche Lithium") giving us 100% ownership and full operational control of our flagship asset, the Zinnwald Lithium Project. The acquisition cost was €8.8 million, with the majority of the purchase consideration structured as an issue of new ordinary shares in the Company, which allowed us to conserve cash resources. New ordinary shares equivalent to 19.6% of our enlarged share capital were issued as part of the transaction and were distributed to a number of parties; we welcome them as new shareholders of the Company.

"As we continue to advance the Project, its permitting and financing, we believe the 100% ownership structure has significant benefits, including providing our shareholders with greater exposure to the Project's long-term value.

"At the Project level during the year to date, we have been busy advancing various workstreams and have completed the initial phase of the lithium hydroxide ("LiOH") testwork. The initial results were highly encouraging and showed the potential to produce a high purity, battery grade product that is low in contaminants. We have also generated samples, which we will be sharing with potential off-takers to help them evaluate the product. The ability to produce a high quality, battery-grade LiOH, alongside the Project's already demonstrated ability to produce battery grade lithium fluoride and lithium carbonate, further demonstrates the flexible nature of the Project and its ability to produce high value products to meet demand from battery makers.

"Additionally, we recently announced that Deutsche Lithium had been granted a five-year Exploration Licence (the "Sadisdorf Licence") covering approximately 225 hectares ("ha") in the Erzgebirge or Ore Mountains region of Saxony, Germany. This complements two other exploration licences already held by Deutsche Lithium: the Falkenhain licence, covering 295.7 ha and with a term to 31 December 2022; and the Altenberg licence, covering 4,225.3 ha and with a term to 15 February 2024. The Sadisdorf License is circa 12km NNE of Zinnwald's key lithium deposit and forms part of the same geological unit that hosts the historic Li-Sn-W deposits at Zinnwald, Falkenhain and Altenberg.

"The grant of this licence represents exciting expansion potential for Zinnwald and, based on the historical resource delineated by previous licence holders, effectively increases our overall resource to greater than 1 million tons contained lithium carbonate equivalent ("LCE"), an increase of over 50%. We will be undertaking further work on all our exploration licence areas to further evaluate their potential and how they can enhance the Project.

Other assets

"As previously announced, the Company placed its Irish and Swedish assets under care and maintenance while seeking either a partner or purchaser for the assets. In Sweden, the Company has now decided to relinquish its Brännberg licences as non-core. The value of these licences in the Company's accounts had previously been fully written off. With regard to the brownfield Abbeytown Zinc Project in Ireland, given improving zinc market dynamics where prices have increased by nearly 60% in the past year, the Company will undertake a short drill campaign in the second half of this year to test new zones of potential mineralisation. However, in order to minimise ongoing holding costs, the Company will rationalise its other licence holdings in Ireland, retaining just those related to the Abbeytown area.

Conclusion

"As governments and organisations worldwide drive the rapid deployment of new clean energy technologies, the role of critical materials, including metals such as lithium, is becoming more apparent. The EU estimates 18 times more lithium is required by 2030 to support its climate-neutrality scenarios, while at least 24 new lithium battery Gigafactories are planned in Europe with four expected to come online in 2021, bringing Europe's production capacity from its current 30 GWh to 700 GWh by 2028. To keep up with this demand, the EU is focused on encouraging local supply. We are positioned to be an important supplier of value-added downstream battery grade lithium products and look forward to updating the market on our progress as we achieve further milestones advancing the Project."

ENDS

For further information go to www.zinnwaldlithium.com or contact:

Anton du Plessis	Zinnwald Lithium plc	info@zinnwaldlithium.com
David Hart/Liz Kirchner	Allenby Capital (Nominated Adviser)	+44 (0) 20 3328 5656
James Pope/Andy Thacker	Turner Pope Investments (TPI) Ltd (Broker)	+44 (0) 20 3657 0050
Isabel de Salis/Selina Lovell	St Brides Partners (Financial PR)	info@stbridespartners.co.uk

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact rns@lseg.com or visit www.rns.com.

RNS may use your IP address to confirm compliance with the terms and conditions, to analyse how you engage with the information contained in this communication, and to share such analysis on an anonymised basis with others as part of our commercial services. For further information about how RNS and the London Stock Exchange use the personal data you provide us, please see our [Privacy Policy](#).

END

AGMSEUFLIEFSELM