



EURO LITHIUM⁺ BORATES⁺

SUSTAINABILITY REPORT
FISCAL YEAR 2022

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Sustainable Development of Critical Raw Materials in Serbia

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CHAPTER 1

ABOUT

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 - 1.2 The Valjevo Project
 - 1.3 Our Vision for Valjevo
 - 1.4 Borate and Lithium Market Outlook
 - 1.5 Our Operating Principles

LETTER FROM OUR CEO



PETR PALKOVSKY

Thank you for taking the time to review our inaugural sustainability report – it is our pleasure to introduce you to our company philosophy on sustainable resource development and share with you how we are matching our values with action. As we advance the Valjevo Project, these reports will serve as a benchmark to hold ourselves accountable and will be our forum to share our progress towards maximizing the Project's benefit for the Valjevo community, the citizens of Serbia, our stakeholders in Europe as well as Planet Earth.

As an organization made up of climate action and environmental protection advocates, parents of young children and active members of our communities, our mantra is to ReThink our relationship with our planet, ReStore Earth's balanced ecosystems, and ReCharge our economies and societies. We strongly believe that these are not mutually exclusive and are altogether possible through sustainable resource development.

Our organization's focus is on borates and lithium, two of Europe's critical raw materials which span a wide range of applications related to the digital and energy transitions. These non-substitutable materials are essential to applications in e-mobility, renewable energy, energy efficiency, smart devices, sustainable agriculture, and much more across a modern and decarbonized world.

In Europe, which has little to no production of lithium or borates of its own, we are also focused on employing Serbians, innovating with European laboratories, and partnering with world-renowned manufacturers to establish downstream supply chain opportunities within Serbia and the region.

If borate demand growth tracks economic growth (ie. GDP), and the global market continues to primarily be supplied by a single supplier, we anticipate a very tight borate market starting in 2023 and possible supply shortfalls by 2024. Currently, Valjevo is the only known project whose mineral chemistry can produce borax pentahydrate – the most widely used borate product globally. We, together with the Valjevo community, therefore have an incredible opportunity to help Serbia and the world go green and reduce the associated costs and risks of doing so.

There are many areas where the mining industry can - and must - do things differently. From underground mining to eco-smart processing technology powered by renewable energy without waste pollution and greenhouse gas emissions, we are working hard to be leaders in the industry's disruption. We believe that we must also be leaders in the Valjevo community, working with our local stakeholders to solve existing environmental challenges and engaging early and often about the Project's development. Transparency is crucial to trust-building, and so we invite all stakeholders to visit us at our info center in the City of Valjevo, our field office at the project site, or online at eurolithium.rs.

As the Valjevo Project advances, we will continue to share our strides towards achieving our environmental, social, and economic objectives. For now, we're excited to present our progress so far and our stern commitment to sustainable resource development in Serbia.

THE VALJEVO PROJECT

Euro Lithium+Borates (EULiBOR) is developing a world-class lithium-borate deposit in Valjevo, Serbia.

Following the European Union's (EU) call for building a sustainable and secure supply of locally sourced raw materials, EULiBOR's mission is to develop Europe's largest known lithium-borate deposit. Uniquely, the Valjevo Deposit ("Valjevo") has the potential to become the only alternative supplier of sodium borates in Europe, and the only sustainable supplier globally.

Valjevo is the only major European discovery of sodium borates in history – making it the only borate deposit that can produce borax pentahydrate on the continent. Deposits of sodium borates, which are water-soluble, require exceptionally stable geological environments over millions of years to form. Prior to Valjevo's discovery, only four major sodium borate deposits were known to exist on Earth: in Argentina, the United States, and Turkey. Sodium borates are non-substitutable inputs for Europe's green and digital twin transition; among other related applications, borax pentahydrate is especially central in the EU's planned Renovation Wave and Farm-to-Fork Strategy due to its irreplaceable role in insulation fiberglass and micronutrient fertilizers.

EUROPE'S RELIANCE ON IMPORTS

Concerningly, all of Europe's sodium borates are imported and over 95% of these imports come from Eti Maden, a Turkish state-owned company which applies open-pit mining methods and strictly uses domestic coal to power its operations. These factors make EULiBOR's mission especially relevant. Valjevo will be a modern, underground mining operation and will leverage eco-smart processing technology to produce borax pentahydrate, boric acid, and lithium carbonate.

From a lithium perspective, Valjevo represents the fifth largest known lithium deposit globally. While EULiBOR appreciates lithium's central role in the energy transition and the increasingly insufficient supply globally, the Company sternly believes that the production of lithium must be sustainable and not come at the cost of other negative externalities for the local environment or local community. As such, EULiBOR is heavily focused on flowsheet development research and innovation so Valjevo's lithium may be processed sustainably, and as a result, will be a leading supplier for Europe's burgeoning electric vehicle (EV) and energy storage market.

OUR VISION FOR VALJEVO

What we choose today will be our collective tomorrow. EULiBOR is advancing the Valjevo Project to become Europe's premier supplier of sustainably produced borates and lithium. We aim to redefine sustainable resource development by minimizing land use intensity, recycling any and all waste material, leveraging local and regional renewable energy resources, rectifying legacy open pit coal mines and quarries, employing highly-skilled and motivated Serbians, and maximizing economic benefit by supporting the development of downstream manufacturing in Serbia and in Europe. With a mineral resource that could last for generations, it is EULiBOR's vision to develop it with the next century in mind.



BORATE AND LITHIUM MARKET OUTLOOK

EULiBOR is developing the Valjevo Project to provide a secure and sustainable source of critical raw materials for the maximum benefit to Valjevo, Serbia, and Europe.

Lithium salts encompass a variety of speciality chemical products, such as lithium carbonate or lithium hydroxide. End uses for lithium span ceramics, greases, batteries, and other products. Since no commercially viable substitute at scale exists for lithium, it is the most critical raw material for electric vehicle (EV) batteries. With the share of EV sales in the market quadrupling since 2019 to 9% of global market share in 2021, and proposed EU legislation banning fossil fuel-based passenger vehicles by 2035, increased demand for EVs will drive battery and therefore lithium demand.

LITHIUM SUPPLY SHORTFALL

High projected demand will require unconventional deposits to fill global and regional gaps.

According to McKinsey & Company, a consulting firm, production capacity of current and announced lithium projects are estimated to only sufficiently meet 2.7 million tonnes of Lithium Carbonate Equivalent (LCE) by 2030. Considering a conservative base case demand estimate of 3.3 million tonnes of LCE in 2030, the supply shortfall of approximately 600kt LCE must be compensated by unannounced supply from companies such as EULiBOR.

3.3
Mt

Estimated demand for LCE by 2030

600
kt

Projected supply gap of LCE by 2030

4.1
%

Global CAGR for borax pentahydrate in '22-'30

2.1
Mt

Market size for borax pentahydrate, 2021

NEAR-TERM BORAX MARKET TIGHTNESS

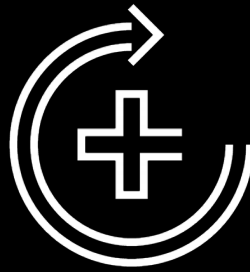
Borates, and specifically borax pentahydrate, are central to energy efficiency as lithium is to energy storage. Borax pentahydrate, EULiBOR's core product by targeted production volume, is an irreplaceable ingredient to insulation fiberglass necessary for energy efficient homes and buildings. Since over 40% of energy produced in the EU is consumed by residential and commercial buildings, and considering the current energy crisis in Europe, energy efficiency has been deemed the most cost-effective and immediate measure to reduce energy-related emissions and costs. As a result, a Renovation Wave is now underway and is modernizing buildings for energy efficiency in Europe and globally. The German government, for example, has announced that it intends to spend 177 billion euros from the federal budget between 2023 and 2026 on climate action and is allocating 56 billion euros towards climate-friendly building renovation. Insulation fiberglass is expected to play an essential role in energy efficiency upgrades due to its low cost and ability to retain heat more effectively than any other insulation product. Over its lifetime, insulation fiberglass conserves 12x more energy than it takes to manufacture.

Global trade data indicate the global borax pentahydrate market was 2.1 million tonnes in 2021, representing a year-over-year growth rate of 37% from 2020 pandemic lows, and a 4.9% compounded annual growth rate (CAGR) over the 2017 and 2021 period. Internal modelling estimates indicate a global and European CAGR of 4.1 and 2.6% until 2030, respectively. As Rio Tinto's Boron operation in California nears the end of its mine life, EULiBOR's internal forecast indicates material market tightening starting 2023 and significant undersupply by 2024.

OUR OPERATING PRINCIPLES



ReTHINK



ReSTORE



ReCHARGE

EULIBOR's core belief is that sustainable resource development requires using (or developing) innovative mining, processing, and waste minimization and management technologies in order to unlock unconventional deposits, maximize social and economic benefits and maintain a net-positive environment and social impact.

CHAPTER 2

RETHINK: MINING OF BORATES AND LITHIUM



- 2.1 Underground Mining
- 2.2 Eco-Smart Borate Processing
- 2.3 Lithium Processing and Tailings Recycling Research
- 2.4 Emissions Inventory
- 2.5 Clean Energy and Carbon Neutrality



The first pillar of EULiBOR's purpose is to ReThink society's relationship with the planet by evolving the mining industry's status quo for mine development and mineral extraction. From the outset, EULiBOR can minimize the Valjevo Project's environmental footprint by developing an underground mining operation with modern, electrified equipment and innovative processing technology powered by clean energy.

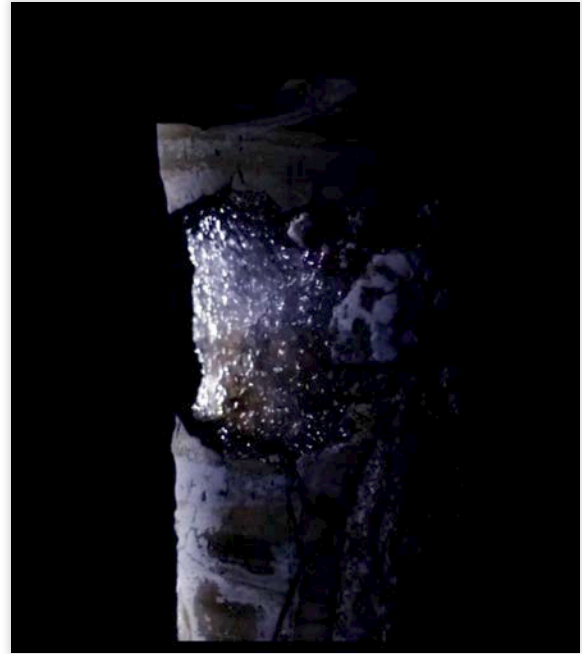
UNDERGROUND MINING

| An underground mining method has been prioritized over both open pit and hydraulic borehole mining concepts to align with EULiBOR's core value of minimizing CO₂ emissions, fresh water consumption, preserving land and biodiversity.

MINING METHOD DECISION PROCESS

Initial economic scoping studies indicated that an open pit mine, similar in size to the existing borate producers, would be highly economic; however, EULiBOR quickly recognized the energy and land use intensity of such a large-scale mine would result in significant material negative externalities for the local community and local environment. Conversely, an underground mine will not require the removal of overburden, thereby conserving significant financial and environmental capital to reach Valjevo's ore body approximately 250 meters below surface. Additionally, the detrimental environmental aspects and associated legacy of the Kolubara open pit coal mine, located approximately 30 kilometers away from Valjevo, contributed to the Company's decision to focus on underground mining.

Hydraulic borehole mining, a technology that has been under development since the 1970s, though not yet commercialized, was also investigated and considered. It was ultimately discarded as a possible mining technology by EULiBOR due to complex logistics requirements, undemonstrated scalability, intensive water requirements, and possible adverse impacts on agricultural lands at surface.



Sodium borate crystal discovered in the Valjevo Deposit.



Mining machinery at an operational open pit coal mine in the Kolubara District.

ECO-SMART BORATE PROCESSING TECHNOLOGY

EULiBOR's objective has been to establish an innovative, eco-smart borate processing flowsheet to produce borax pentahydrate, and this is exactly what the Company has managed to do since initiating its partnership with Kemetco Laboratories in Spring 2021.

Metallurgical testwork for Valjevo's Pre-Feasibility Study (PFS) is being completed in collaboration with one of Canada's leading chemical research and innovation organizations, Kemetco Laboratories.

Technology Readiness Level (TRL)

| | B Circuit | Li Circuit | Description |
|------------------------|-----------|------------|---|
| Current Categorization | 1 | 1 | Basic principles observed |
| | 2 | 2 | Technology concept formulated |
| | 3 | 3 | Experimental proof of concept |
| | 4 | 4 | Technology validated in lab |
| PFS Piloting | 5 | 5 | Technology validated in relevant environment |
| LiBRE Project | 6 | 6 | Technology demonstrated in relevant environment |
| | 7 | 7 | System prototype demonstration in operational environment |
| | 8 | 8 | System complete and qualified |
| | 9 | 9 | Actual system proven in operational environment |
| | | | |

Visual of Technical Readiness Levels. Filled arrows represent completed levels, outlines represent levels in progress.

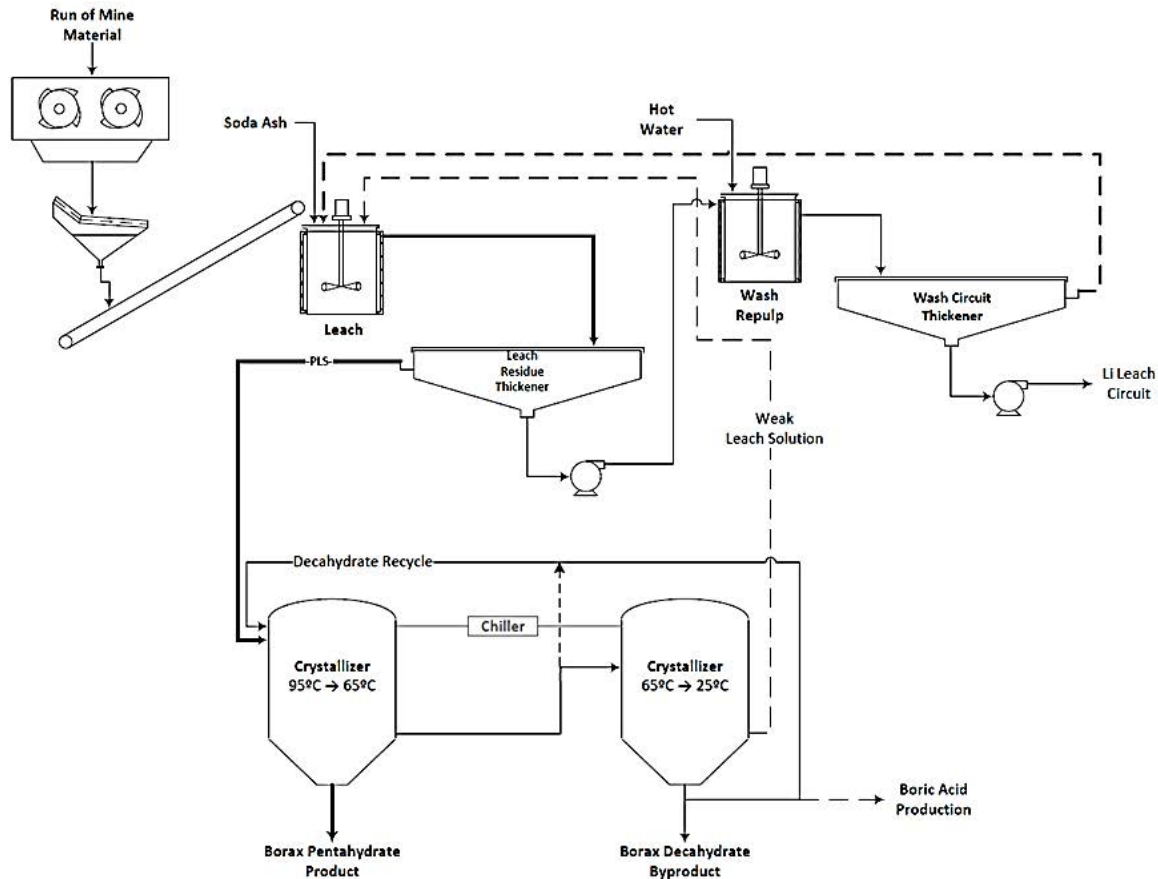
UNIQUE MINERALOGY AT VALJEVO

Valjevo's unique mix of borate minerals, mainly of tincal and probertite, enables the opportunity to leverage EULiBOR's eco-smart processing technology which is free of potentially hazardous or toxic reagents. Comparably, other lithium-borate deposits currently under development contain more complex silicate mineralogies, which require highly acidic solutions to solubilize the boron element and are therefore only capable of producing boric acid. A unique feature of the Valjevo Deposit is that boron and lithium are not structurally bound in the same mineral, unlike other lithium-borate deposits, which allows for safer, more selective and flexible ore processing operations. EULiBOR's sodium borate flowsheet is currently categorized as Technical Readiness Level 4 (TRL-4) indicating the technology has been validated in a lab. A small-scale pilot plant was successfully completed with Kemetco to validate EULiBOR's eco-smart sodium borate processing flowsheet in a relevant environment to achieve TRL-5 and provide potential customers with first product samples.

EULiBOR recently received grant funding from EIT RawMaterials, an innovation community co-funded by the European Union, to advance Valjevo's technical development with a consortium of European partners. The LiBRE Project aims to pilot sustainable processing technologies for Valjevo's borate ore on a semi-industrial scale. The National Technical University of Athens will pilot EULiBOR's sodium borate flowsheet to achieve TRL-6 to support technology prototype demonstration in a relevant environment.

BORATE PROCESSING FLOWSHEET

CONCEPTUAL ECO-SMART SODIUM BORATE FLOWSHEET



EULiBOR's conceptual sodium borate flowsheet presents a simple hot water and soda ash leaching circuit to produce refined sodium borate products such as borax pentahydrate or borax decahydrate from tincal and probertite minerals. With continued research and optimization, this processing route will frame the next semi-industrial scale flowsheet to achieve TRL-6.

LITHIUM PROCESSING AND TAILINGS RECYCLING RESEARCH

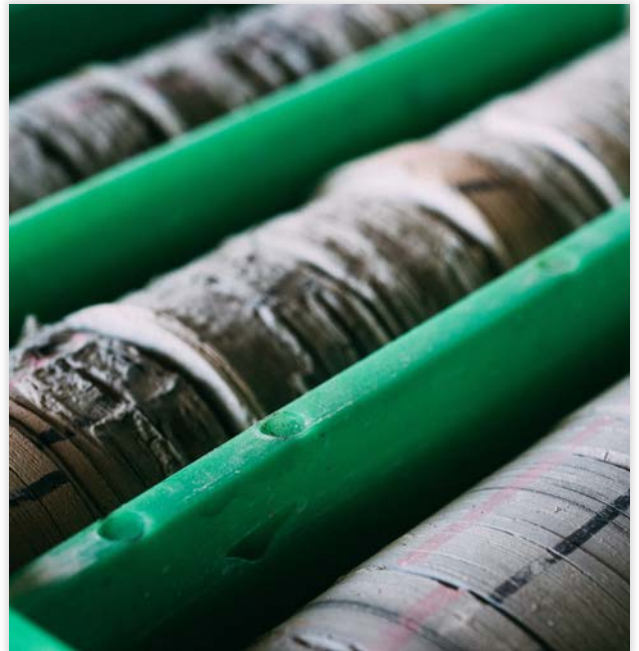
LITHIUM PROCESSING RESEARCH

In Valjevo, lithium is contained within the deposit's montmorillonite clays and generally surrounds the zones containing borate minerals. The occurrence of lithium in this kind of sedimentary setting makes Valjevo an unconventional source of lithium as no clay resources are in commercial operation today.

Currently, Valjevo's lithium processing circuit sits at TRL-2, which suggests the technology concept has been formulated and further research is required. EULiBOR aims to maximize Valjevo's resource efficiency by producing lithium from tailings produced in the sodium borate processing circuit. With the lithium flowsheet early in the technology development cycle, EULiBOR has the second-mover advantage and flexibility to design a processing flowsheet that fits within Valjevo's and Serbia's environmental boundaries. To achieve this, the Company plans to extensively research safe and innovative alternative flowsheets such as Direct Lithium Extraction (DLE), which is currently proposed for new lithium brine projects currently under development. DLE may be applied to selectively extract lithium from clays once residual material from the borate circuit is dissolved in solution. Additionally, EULiBOR plans to explore the possibility of processing Valjevo's lithium clays through a carbonic acid leach, which would sequester atmospheric CO₂ to solubilize the lithium. This could potentially lead to the production of carbon-negative lithium from Valjevo, which would represent a first in the mining industry's history.

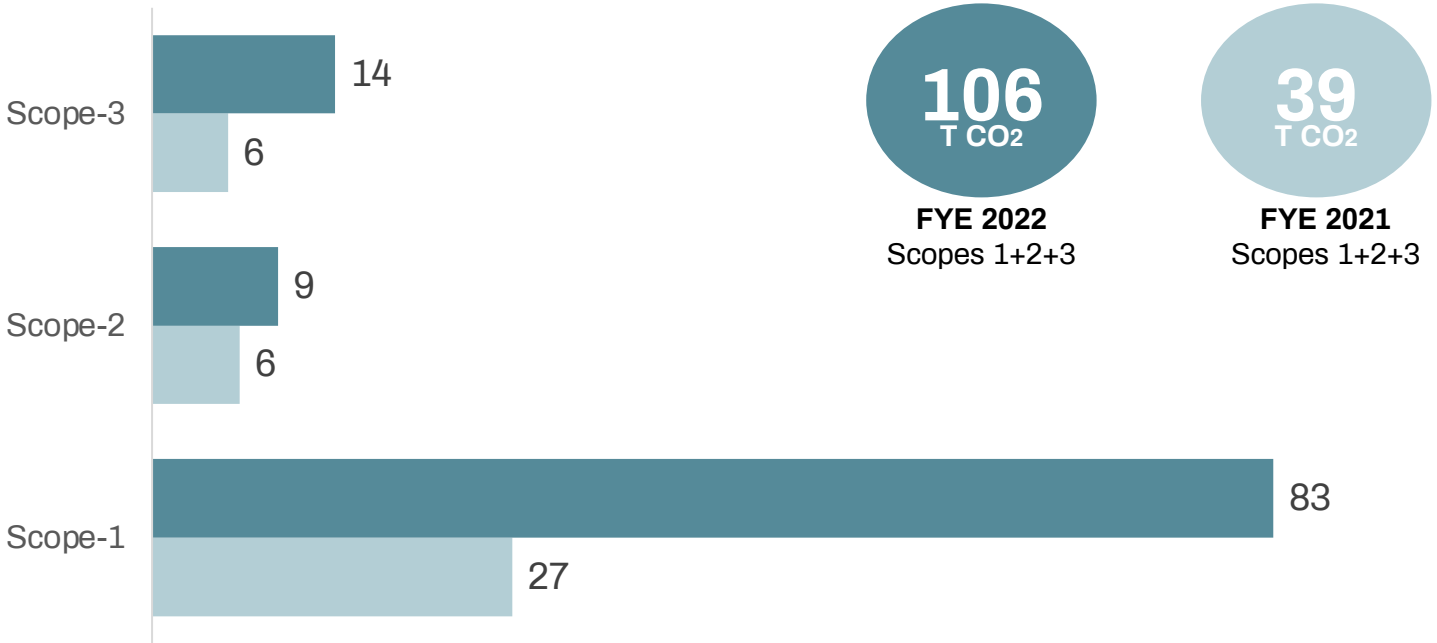
TAILINGS RECYCLING RESEARCH

In alignment with the Company's goal of maximizing resource efficiency, EULiBOR is researching potential pathways to reduce processing waste by reusing tailings for applications in construction such as roads, dams, and infrastructure. With support from EIT RawMaterials and the LiBRE Project, together with the Slovenian National Building and Civil Engineering Institute (ZAG), EULiBOR plans to develop a process whereby ore processing tailings could be transformed into geotechnical composites. The Company thus has the objective to re-purpose all tailings to have a zero-waste mining operation.



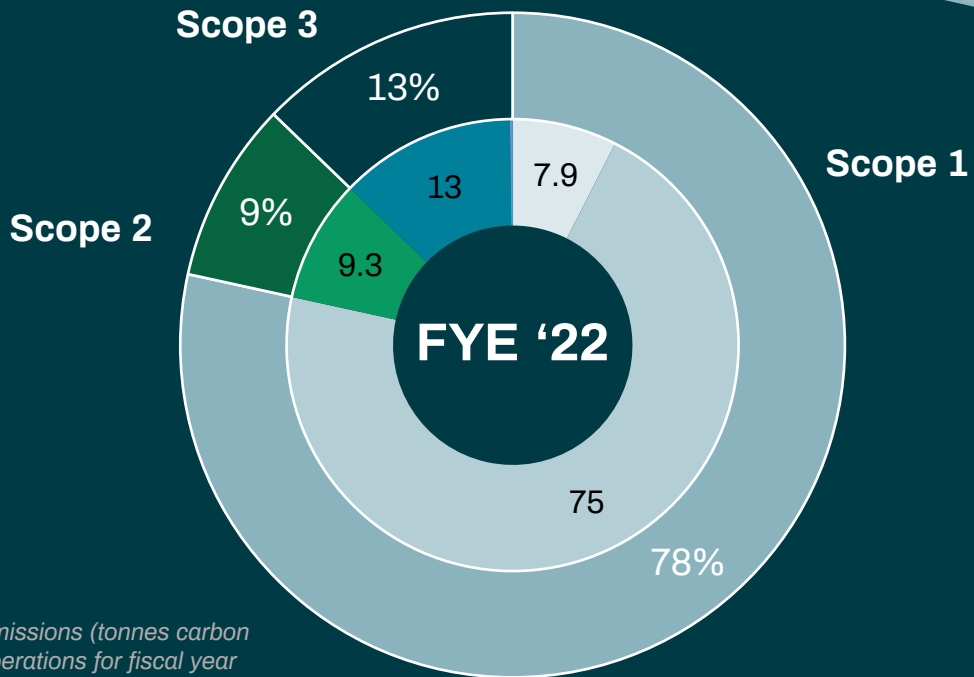
Valjevo core stored in core boxes.

EMISSIONS INVENTORY



Direct and indirect emissions in tonnes of carbon dioxide for fiscal years ending in 2021 and 2022.

■ FYE '22 ■ FYE '21



Major sources of GHG emissions (tonnes carbon dioxide) in EULiBOR's operations for fiscal year ending 2022.

■ Vehicle Fleet ■ Drilling ■ Electricity ■ Commuting ■ Electricity (Upstream)

CLEAN ENERGY AND CARBON NEUTRALITY

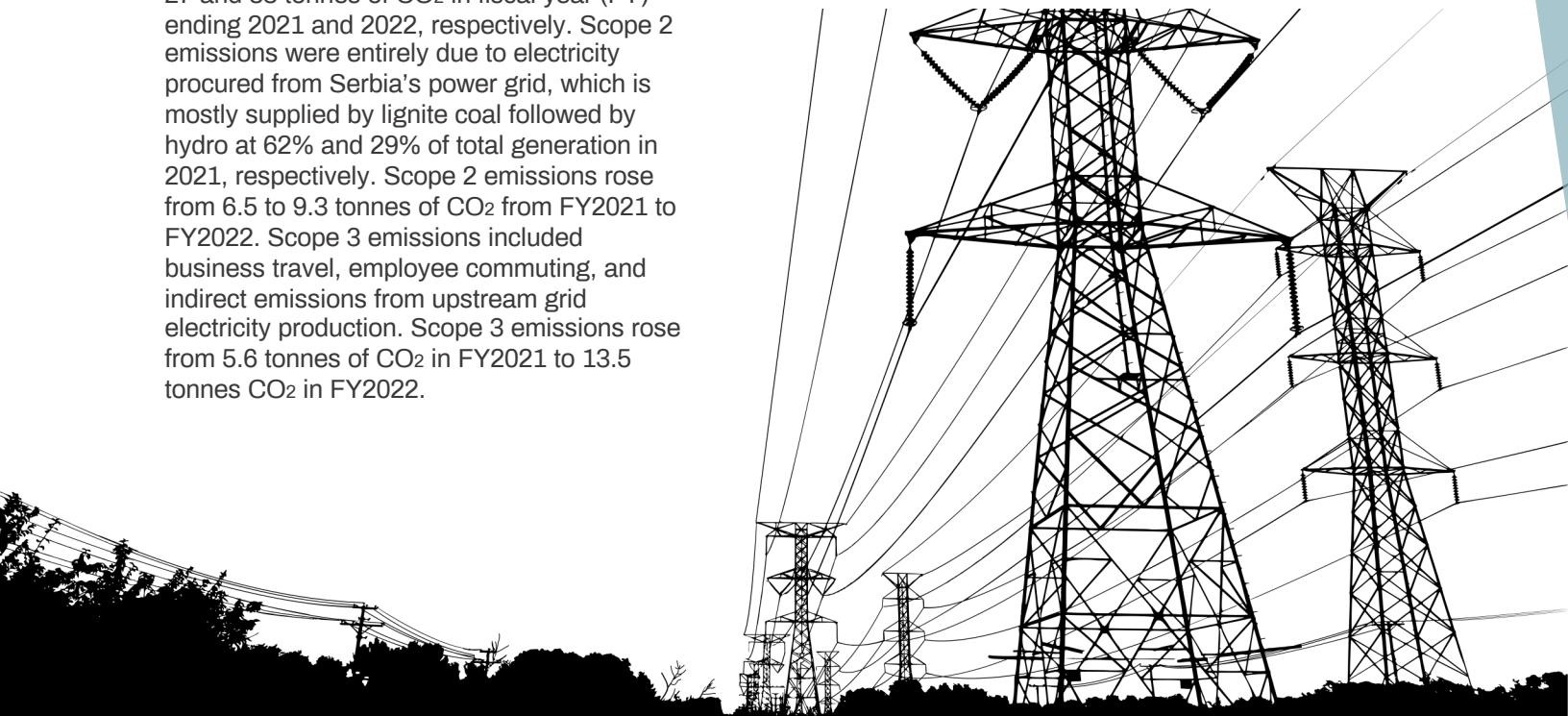
EMISSIONS REPORTING

As an early-stage resource developer without existing mining operations, EULiBOR does not have significant GHG emissions to report. Nonetheless, EULiBOR aims to measure and report material emissions following the GHG Protocol Corporate Standard and the Global Reporting Initiative 305 disclosure requirements (see Section B of report) to continuously assess and rectify the Company's contribution to climate change. By quantifying GHG emissions and purchasing certified carbon offsets from SouthPole, a third-party offset project developer and vendor, EULiBOR has been net-carbon neutral since September, 2020.

Direct emissions from fossil fuel combustion for electricity or transportation of owned resources are considered scope 1 under GRI 305-1 and GHG Protocol guidelines. Since Valjevo is not a mining operation today, EULiBOR's most significant energy requirements were from exploration drilling and the Company's vehicle fleet in Serbia. Total scope 1 emissions were approximately 27 and 83 tonnes of CO₂ in fiscal year (FY) ending 2021 and 2022, respectively. Scope 2 emissions were entirely due to electricity procured from Serbia's power grid, which is mostly supplied by lignite coal followed by hydro at 62% and 29% of total generation in 2021, respectively. Scope 2 emissions rose from 6.5 to 9.3 tonnes of CO₂ from FY2021 to FY2022. Scope 3 emissions included business travel, employee commuting, and indirect emissions from upstream grid electricity production. Scope 3 emissions rose from 5.6 tonnes of CO₂ in FY2021 to 13.5 tonnes CO₂ in FY2022.

ENERGY PROCUREMENT

Recognizing that most purchased electricity in Serbia comes with a high carbon footprint from traditional thermal power plants, EULiBOR plans to minimize Valjevo's CO₂ footprint and contribute to the modernization of Serbia's power grid by using a market-based approach to procure renewable wind energy. In spring 2021, EULiBOR signed a memorandum of understanding (MOU) with CWP Renewables, a leading US-based independent power producer, to obtain 100% clean, domestic electricity for Valjevo's operation from CWP's existing and planned wind projects in Serbia, Čibuk 1 and Vetrozelena. Čibuk 1 is already in operation with an installed capacity of 158 megawatts (MW), sufficient to power over 100,000 Serbian homes. Vetrozelena is in its planning phase and would add 300 MW of wind power to Serbia's grid. Both wind farm projects are located within 200 kilometers of Valjevo, and the MOU proposes a mutually beneficial Power Purchase Agreement (PPA) to support EULiBOR's mining operation in Valjevo once first commercial operation has been achieved.



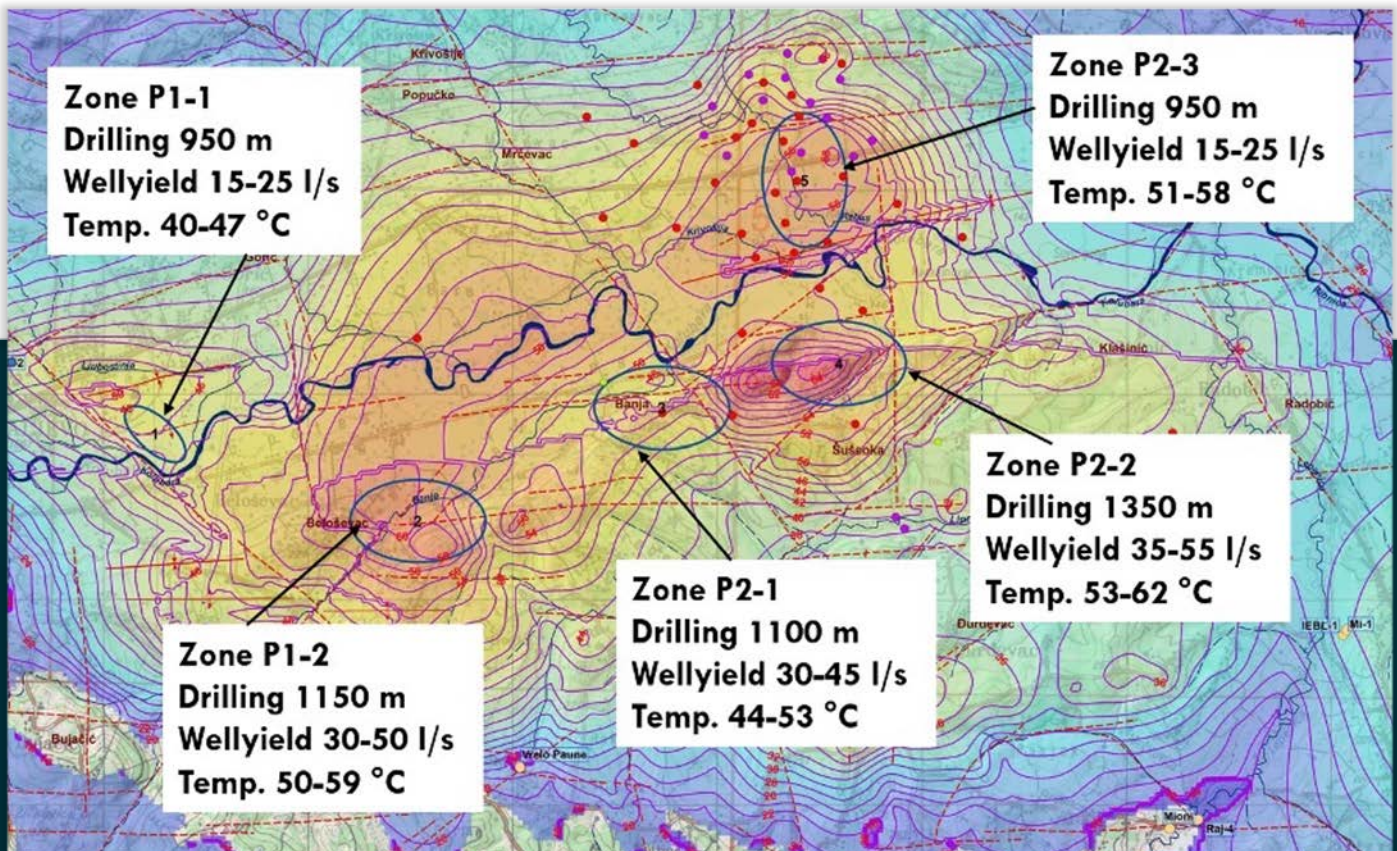
CLEAN ENERGY AND CARBON NEUTRALITY

UNTAPPED GEOTHERMAL RESOURCES

In addition to securing clean power for EULiBOR's expected energy needs, EULiBOR is researching Valjevo's geothermal resource potential. By displacing carbon intensive district heating/power systems with clean geothermal baseload, EULiBOR can become a carbon neutral supplier of specialty chemicals.

In 2022, EULiBOR engaged a specialist research team at the University of Belgrade to assess possible untapped geothermal resources in Valjevo for potential use in residential and/or commercial heating and/or power. In 2022, the University research team identified five prospective geothermal zones in the wider Valjevo area with an average thickness of 300 meters, an average aquifer temperature of 50°C, and a maximum zonal temperature of 60°C. Low expected heat loss due to existing heat transport infrastructure is an encouraging technical indicator and suggests the opportunity is economic. Thus, EULiBOR will progress its research project with the University of Belgrade to further understand how Valjevo's fossil-fuel based district heating system may be supplemented or supplanted by clean baseload geothermal heat/power via Valjevo's potential geothermal resources. Currently, it is estimated that in total, the 200 km² reservoir could produce up to 120 GWh of thermal energy, which is more than enough to cover the estimated heating needs of the City of Valjevo and therefore significantly reduce air pollution.

Given the promising preliminary geothermal indicators (ie. structural, density, geothermometry), EULiBOR intends to apply for geothermal exploration licenses to obtain primary geothermic data within target zones and confirm the potential of this renewable energy resource to help drive material improvements to the local community's existing air quality challenges and minimize future mine emissions.



Results of the geothermal reservoir study, indicating five zones for consideration.

CHAPTER 3

RESTORE: CONFIDENCE IN MINING



-
- 3.1 Valjevo's Industrial History
 - 3.2 Water Monitoring and Preservation
 - 3.3 Water Accessibility and Restoration
 - 3.4 Tackling Local Air Pollution
 - 3.5 Biodiversity and Cultural Heritage Management
 - 3.6 Community Engagement



The second pillar of EULiBOR's purpose is to ReStore confidence in Serbia's mining sector by addressing and helping solve existing environmental challenges such as air pollution, waste management, and abandoned open pit mines and quarries in the area surrounding Valjevo. Recognizing a long-standing history of industrialization and mining in the region, EULiBOR aims to leverage the Valjevo Project to regenerate environmental wealth in the region and in greater Serbia, and showcase that mining can indeed be a source of societal wealth in modern society.

VALJEVO'S INDUSTRIAL HISTORY

Situated 80 kilometers away from Belgrade, Valjevo is a mid-sized Serbian city in the Kolubara district.

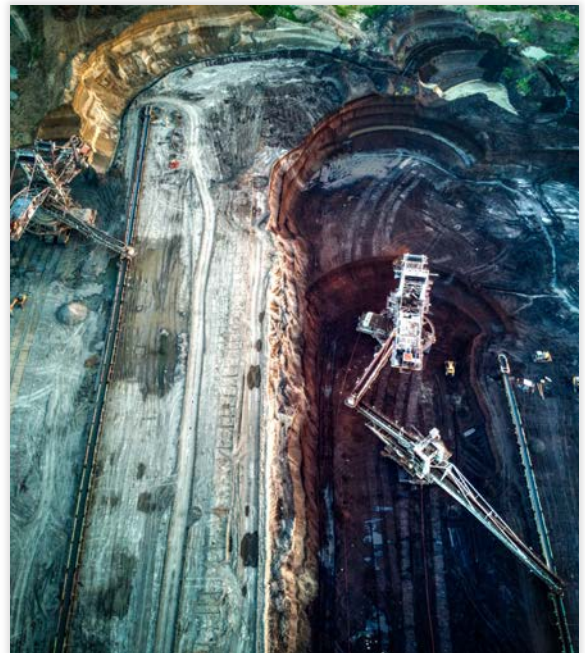
The City of Valjevo, the administrative capital of the Kolubara District, has approximately 85,316 residents as of the 2019 census, which is 5.5% less than the 2011 census and representing the 18th largest city of 24 in Serbia. The Valjevo Project site is situated approximately 10 km outside the City of Valjevo in a predominantly agricultural area.

The Kolubara District is well-known for its industrial and mining activity, which employed 22% of its active working population in 2011, a 29% increase in labor market share since 1971. During a period of rising population growth and economic expansion in 1975, over 70% of the industrial labour was involved in metals processing. As a result of its history as an industrialized manufacturing hub, the Kolubara District has existing infrastructure (roads, highways, poles and high-voltage wires), as well as several large industrial zones that span over 340 hectares in the region.

The City of Valjevo and Kolubara District's existing infrastructure and industrial know-how is an important consideration in the development of the Valjevo Project, since their availability can determine cost competitiveness and overall sustainability of a mining operation. However, EULiBOR recognizes the lasting impacts to water, air, and soil quality that these previous industrial activities have caused. EULiBOR views its role as a prospective industrial leader in the region to help restore environmental wealth through the development of the Valjevo Project, which will drive investment, employment and energy to help solve these existing environmental challenges.



Local coal-based thermal power plant.



Existing open pit coal mining operation in the Kolubara District.

WATER MONITORING & PRESERVATION

Urbanization and industrial activities in the Kolubara District have adversely impacted the environment in several sites, leaving the City of Valjevo's industrial area to be considered one of the most polluted sites in the region. Often, non-stationary landfills and untreated industrial wastewater have contaminated the Kolubara and Gradac rivers; as a result, river water qualities can vary widely. For example, upstream water in the source mountain range have zero to moderate usage limitations (FAO Class I and I/II), while the downstream Kolubara river has serious usage limitations (FAO Class III) with various concentrations of iron, magnesium, and zinc.

Outside the industrialized areas of the City of Valjevo, where EULiBOR's mineral exploration activities take place, farming and agricultural activities are most common. Where municipal water infrastructure is not available, near-surface artesian aquifers are often used by farmers and village households. As individuals and as a company, EULiBOR respects the vital role that these local sources of water often play to subsidence and quality of life, and thus the Company pays acute attention to water during company exploration activities. Furthermore, any water-related grievance filed by any stakeholder, related to EULiBOR's exploration activities or not, immediately assumes the highest priority until the grievance has been resolved or the Company has done all within its capacity to resolve.

HYDROGEOLOGICAL RESEARCH

In close collaboration with the University of Belgrade – Faculty of Mining & Geology, Department of Hydrogeology, EULiBOR's full-time hydrogeological team in Serbia are dedicated to the study of water within the known deposit footprint and the surrounding area. Together, a short- and medium-term plan has been developed to enhance EULiBOR's understanding of groundwater conditions and preserve high quality water resources.

Currently, EULiBOR is building a hydrogeological database of shallow and deep wells, rivers, and springs around the exploration area. Information about in-situ measurements of groundwater level, temperature, pH, and conductivity are important parameters for research and setting baseline conditions. In the near-term – throughout the planned PFS, EULiBOR will build a hydrogeological conceptual site model based on pressure, permeability, storage, and flow rate data for each hydrogeological research well planned. Detailed models and groundwater flow simulations are expected to help EULiBOR closely monitor the quality and quantity of water resources while maintaining safe operating conditions within the planned underground mine. As well, the planned hydrogeological monitoring program and environmental baseline study will support further quantification and qualification of existing water sources and will also help EULiBOR identify existing contaminants and help trace their sources.

WATER ACCESSIBILITY AND RESTORATION

SUPPORTING WATER ACCESSIBILITY

EULiBOR has a zero-tolerance policy to causing any negative impact to local water resources and considers any related filed grievances to be of highest priority. Furthermore, when there is an opportunity to improve water resources and access to clean water, EULiBOR is keen to show initiative and play an active leadership role. One recent example of such action was in Lukavac village, which sits within EULiBOR's geological research area, where one household lost access to municipal water and had been forced to purchase bottled water for every day use (unrelated to EULiBOR research activities). In July of 2022, EULiBOR donated the required funds to build a large water storage facility on the household's property, dedicated staff time and equipment to its installation, and pay for a water delivery contract with local municipality. Given that this is only a temporary solution, EULiBOR is also working with the City of Valjevo to complete a permanent, long-term water infrastructure solution for the household and the village neighbourhood.



EULiBOR technicians helping build a water-access project in Lukavac Village.

OPEN PIT COAL MINES

The Kolubara District has a long history of open pit mining for lignite coal, which has left an environmental legacy requiring restoration.

Historically, and still today, these activities have been effective in securing a nearby source of fuel for energy self-sufficiency and domestic security, particularly during the Yugoslav era. However, un-reclaimed open pits and the incremental expansions along the Kolubara coal basin, some 16 km from the Valjevo Project area have negatively influenced public perception of mining by impacting quality of water and air resources in the region.

As a new entrant with a mission to ReThink and ReStore Serbia's mining sector, EULiBOR is actively reviewing various opportunities associated with reclaiming legacy open pit mines by backfilling them with neutralized tailings and waste rock from Valjevo's future mining activities. These reclaimed open pits could then be used for various recreational activities or habitat restoration purposes



Existing open pit coal mining operation in the Kolubara District.

TACKLING LOCAL AIR POLLUTION

DISPLACING COAL-BASED HEATING

A lack of cost-effective, low-emissions district heating in the City of Valjevo and surrounding area has created a household reliance on coal furnaces, with only 23% of residents connected to the local district heating system.

The local district heating system is fossil-fuel driven and high energy prices are considered a significant economic burden on the Municipality of Valjevo's administration and households. In terms of pollution, such a carbon-intensive heating system has put Valjevo on par with Serbian cities containing large smelting hubs and ranks Valjevo in the top four cities with the poorest air quality in Serbia. Significant coal-based heating has especially adverse health effects in the City of Valjevo's winter where concentrations of small inhalable particles (size PM10) are five times higher than in summer months. Air quality in Valjevo is considered one of the most harmful in Europe during the winter months and is therefore one of the most pressing environmental challenges currently facing the City of Valjevo.

To begin addressing air quality concerns and minimize adverse health affects from household and district heating, EULiBOR commissioned the University of Belgrade to complete a study to explore the geothermal reservoirs believed to be underneath the mineral deposit as a potential source of renewable heat and/or electricity. Five promising zones around the deposit were identified with calculated well yields, temperatures, and depths that meet initial technical requirements to produce a combined 120.7 GWh of thermal energy. To continue evaluating Valjevo's geothermal potential, EULiBOR intends to apply to the Serbian Ministry of Mining & Energy for geothermal resource exploration licenses to initiate a confirmatory research drilling program.

Overall, the chance to help tackle air pollution in Valjevo through the development of local renewable energy sources presents an exciting opportunity for EULiBOR to generate community wealth through research and investment in environmental solutions and stewardship.



BIODIVERSITY & CULTURAL HERITAGE MANAGEMENT

In early 2022, a desktop study was completed by Envico Environmental Consulting, an independent third-party with head offices in Belgrade and affiliation with ERM. The study performed a review of available Biodiversity, Cultural Heritage and Community Secondary Baseline Data in accordance with Serbian National Framework, EU Directives, and International Finance Corporation's (IFC) Performance Standards across an 8,320-ha exploration area. A significantly larger-than-required area was decided to be studied to help broaden EULiBOR's understanding of potential environmental and social impacts from Valjevo's development.

The desktop study confirmed that no part of the investigated exploration area has been declared an environmentally protected area according to national Serbian legislation. The desktop study also identified and indicated the conservation status for local species of amphibians, reptiles, birds, mammals, and flora. In terms of biodiversity, 10 native amphibian species, nine reptile species, 97 bird species, 40 mammal species and 180 flora species were reported to be possibly present in the exploration area. Most of these species are categorised as least concern. In line with the official Serbian Conservation status, five species have been designated as vulnerable, three species are designated as near threatened, and two species designated as endangered. In line with the IUCN Global and European Conservation Status, five species were designated as near threatened and two species as vulnerable, though zero species were designated as endangered. In terms of flora, there is a possibility that up to 17 protected species may be present in the exploration area.

Regarding Cultural Heritage (CH), there are six registered cultural heritage sites within the potential project area footprint. As for the potential CH sites, there are more than 30 identified locations within impact and buffer zones and additional 30 within the exploration area (8,320 ha).

As part of the Environmental Baseline Study (EBS), which is included in EULiBOR's workstream in the planned PFS work program, these secondary data findings will be succeeded by the onsite biodiversity and cultural heritage surveys which will aim at ground truthing these findings and potentially reveal new ones. The EBS will also establish unaltered conditions of surface water, groundwater, soil sediments, air quality, biodiversity, and cultural heritage over at least 24 months (two full seasonal cycles). A thorough EBS will improve EULiBOR's confidence in the outcomes of the environmental and social impact study to be completed before any mine construction commences. As the Valjevo Project moves towards construction, first production and operational ramp up to capacity, environmental and social indicators will be continuously monitored to proactively identify any unexpected alterations and assure that they are rectified immediately to the highest possible standard.

COMMUNITY ENGAGEMENT

EULiBOR has taken several proactive steps to engage with members of the local community through industry-related and non-industry related activities.

The best way to reduce communication gaps with stakeholders, in EULiBOR's view, is to have a proactive, consistent engagement strategy that is both formal and informal with all stakeholders.

COMMUNITY YOUTH ATHLETICS INITIATIVE

EULiBOR recently launched an athletics initiative to support youth sports teams across the Valjevo region, organize community sport tournaments and develop important life skills such as teamwork, work ethic, sportsmanship and inclusiveness. Currently, EULiBOR's partnerships support roughly 500 athletes under the age of 18 in water polo, wrestling, football, basketball, volleyball, and handball.

In July and August 2022, several large sport tournaments were organized with EULiBOR's support and attended by company team members. While wearing EULiBOR apparel and sharing printed company and project information, EULiBOR team members had the opportunity to engage with local stakeholders. In such informal setting, company representatives, nearly half of whom are from the region, had the opportunity to engage with hundreds of parents per event. Various topics were discussed, though most often were EULiBOR's policy of zero-tolerance to any negative environmental impact during our exploration activities, and our strict focus on developing an underground mine and the opportunity to use eco-smart processing technology.



Students visiting EULiBOR's core storage facility in the field office to study samples of the Valjevo Deposit.



Group photo of football club at FK Radnički Stadium sponsored by EULiBOR.



FK Radnički team members wearing EULiBOR-sponsored jerseys at a local football tournament.

COMMUNITY ENGAGEMENT

INFO CENTER IN THE CITY OF VALJEVO

EULiBOR's view is that project information and planned company research activities need to be widely available to the community in order to build trust and minimize misinformation through the Valjevo Project's development. For this reason, in August 2022, the Company opened an information center in the City of Valjevo in a high-traffic walking area. Between 10:00am to 6:00pm Monday to Saturday, all stakeholders are able to visit EULiBOR's local company storefront in the city center of Valjevo to chat with company geologists, technicians and/or members of management. Visitors have access to printed information packages about the Valjevo Project, the Company as well as lithium and borates, and are also provided a detailed presentation if guests have available time.



Company info center in the City of Valjevo.



For visitors willing to participate, company representatives also use the engagement opportunity to further understand public opinion regarding EULiBOR's exploration work with a standardized questionnaire. The team considers the information center as a key point of contact with community stakeholders and expects visitor volumes to increase as it becomes publicly known to those who would like to personally ask questions or deliver feedback about the project and/or company research activities. Within the first month of its opening, EULiBOR's info center has received over 50 unique visitors

Furthermore, as part of the Company's 'open-door policy', all interested stakeholders are also welcome to visit EULiBOR's field office on the project site, approximately 10 km from the city center.



Jelena (Project Geologist), Ana (Head Geologist), and Milenko (Technician) staffing EULiBOR's info center.



CHAPTER 4

RECHARGE:

ECONOMIES WITH SUSTAINABLE RESOURCE DEVELOPMENT & GREEN REINDUSTRIALIZATION



-
- 4.1 Current and Projected Employment in Valjevo
 - 4.2 Partnering with Regional Universities
 - 4.3 Serbian Royalties and Capital Investment
 - 4.4 Supporting Downstream Manufacturing



The third pillar of EULiBOR's purpose is to ReCharge Valjevo's local and Serbia's national economies through sustainable resource development and reindustrialization via green industry (renewable energy deployment, manufacturing of green products such as batteries and electric vehicles, the development of green technologies and solutions, etc.). Serbia and its citizens are capable and dedicated Europeans driving positive change for future generations, both from an economic and environmental perspective. EULiBOR wholeheartedly shares this aspiration and seeks to help through the development of the Valjevo Project.

4.1

EMPLOYMENT IN VALJEVO

A critical challenge EULiBOR wishes to rise to is tackling unemployment and economic performance within the City of Valjevo and the greater Kolubara District. In the last 60 years, the population has decreased by over 20% and it is estimated that by 2041, the population in the City of Valjevo will experience further decline by approximately 17%. This anticipated population decline is higher than the projected country average of 15%, but lower when compared to the Kolubara District average of 19%. In the City of Valjevo, the unemployment rate is around 15%, with the highest rates of unemployment for those aged 30 and 54 (56%), followed by 55 and over (23%) and between ages of 15 and 29 (21%). In terms of the share of population at the risk of poverty, the share of 24.5% is slightly higher than the country average of 23.2%, reflecting a difference in the level of development, higher unemployment rate, unfavourable demographic trends.

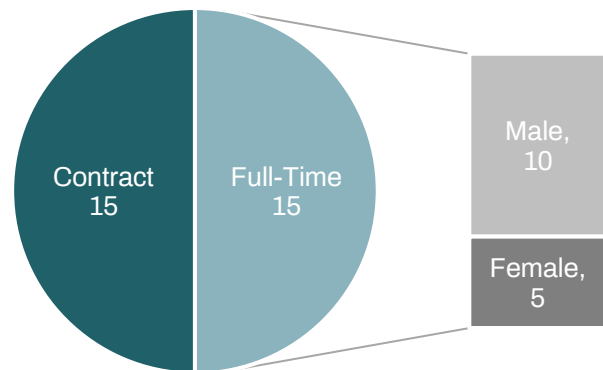
The Valjevo Project has the potential to be one of the largest drivers of employment in the region during the deposit's development, construction, and operation.

EULiBOR's responsibility to employees and contractors is an important focus of management; as much as possible, the Company hires from the region and actively seeks to provide as many opportunities for leadership, management and skills development as possible.

Currently, EULiBOR employs 15 full-time staff in Valjevo and 15 part-time staff, consultants and advisors across Serbia (30 total). Of the 15 full-time staff, over half are from Valjevo and one third are women, including the Company's in-country Deputy Director and Head Geologist. It is a core focus of EULiBOR to provide well-paying and engaging work opportunities for Serbians that are either from the region or are willing to relocate to the City of Valjevo and indirectly support the local economy.

As the Company continues with its geological, hydrogeological, and other necessary research to develop the Valjevo Project, and new expertise is required, EULiBOR expects a 10-fold increase to 300 full and part-time staff. Over this growth period, EULiBOR will continue prioritizing skilled and educated Serbians from the local talent pool in Valjevo and the Kolubara District, and when, or if necessary, provide the necessary re- and up-skill training.

In-Country Employee Profile



With an estimated construction period of approximately two years, if the Valjevo Project is to be built, EULiBOR envisions creating approximately 500 to 1,000 construction jobs. Once in production, the Valjevo Project is estimated to generate an est. 1,500 to 3,000 indirect jobs within the region to support the mining operation and potential downstream manufacturing.



Left to right: Marija (Project Geologist), Branislav (Senior Geologist), Jelena (Project Geologist), Ranko (Project Geologist).

PARTNERING WITH UNIVERSITIES

EULiBOR has built strong working relationships with regional and international universities through various research initiatives and internships. Specifically, the Company has engaged the University of Belgrade (Serbia) to complete various hydrogeological and other related studies (ie. renewable energy potential in Valjevo). Given the tremendous intellectual capacity and know-how that the University has exhibited, EULiBOR intends to continue prioritizing the University to collaborate on various research initiatives and maximize opportunities for capacity building.

EULiBOR is building and expanding its relationships with regional universities through the LiBRe Project, where sustainable processing technologies and zero-waste applications will be further developed for the Valjevo Project together with the University of Zagreb (Croatia), National Technology University of Athens (Greece) and Slovenian National Building and Civil Engineering Institute (Slovenia).



SERBIAN ROYALTIES AND CAPITAL INVESTMENT

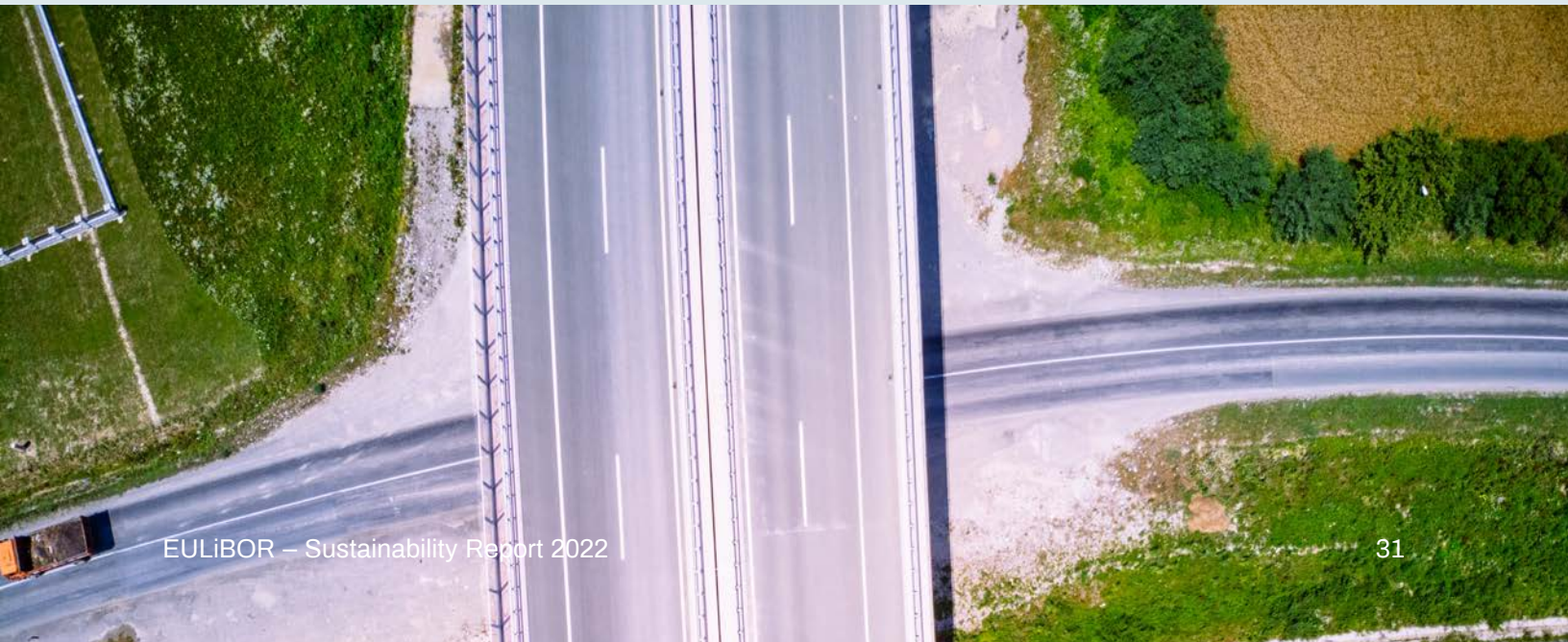
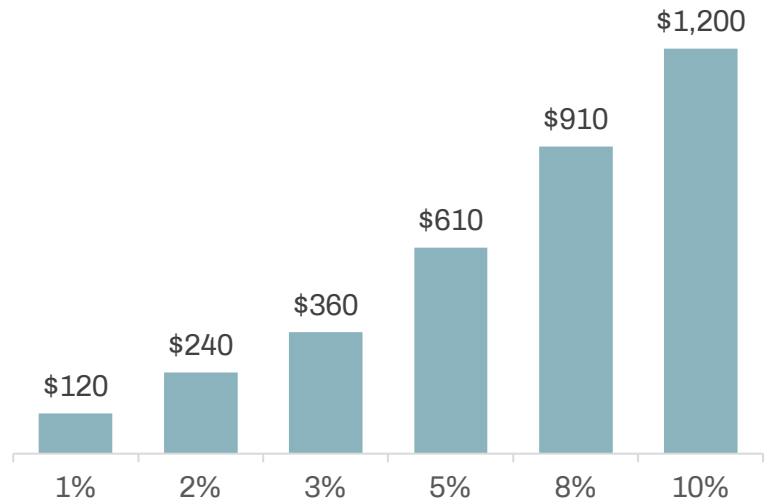
Over the possible mine life, as per Serbia’s existing mining laws, EULiBOR expects to contribute over 600 million euros in federal government royalty payments and nearly two billion euros of capital investment.

In the first two years of construction, initial capital expenditures of between 160 to 320 million euros have been estimated to build a state-of-the-art underground mine and processing facilities. Expansion capital expenditures, to increase mine production rates after first commercial production have been achieved, could total an estimated 750 million euros or more.

As well, on-going capital expenditures needed for updates, repairs, and continuous improvements could also amount to 30 million euros annually over the mine’s possible lifetime. Altogether, if developed, the Valjevo Project could deliver nearly two billion euros of capital investment into the region over the lifetime of the mine.

Where possible, all contracting activities for project construction and operation would be procured from the local Serbian or regional talent pool. A mixture of foreign investment, domestic employment, and the creation of downstream manufacturing facilities would represent the single largest source of economic stimulus in the Kolubara District since the Balkan Wars of the 1990s.

Government Royalty Payment at Various Rates (US \$M)





4.4

SUPPORTING DOWNSTREAM MANUFACTURING

Serbia is uniquely positioned to end Europe's complete import reliance on lithium and borates. Valjevo is particularly well-situated near a promising pipeline of downstream e-mobility projects. One prospective battery manufacturer, ElevenEs, is building its brownfield cell manufacturing facility approximately three hours away from Valjevo by road. ElevenEs's batteries plan to use Lithium-Iron-Phosphate (LFP) technology to create a lower environmental impact and circumvent nickel and cobalt metal requirements, and therefore be completely self-sufficient for the critical raw materials (lithium, iron, phosphate) through in-country resources. EULiBOR and ElevenEs signed a memorandum of understanding (MOU) in 2021 to work together in creating a local Serbian e-mobility value chain that could help maximize the economic impact of sustainable resource extraction. The main focuses of the MOU are to work towards a raw material use optimization strategy, promote green industry initiatives in Serbia, and establish a mutually beneficial offtake agreement whereby EULiBOR, if the Valjevo Project is to achieve commercial production and produce sustainable lithium, would supply ElevenEs so it could manufacture batteries with sustainable raw materials sourced 100% in Serbia.

InoBat is a Slovakian battery technology and manufacturing company that is advancing its gigafactory and battery recycling projects in Serbia. The company has fully developed and proven its first Nickel-rich Nickel Manganese Cobalt (NMC 622) battery and intends to flexibly work with different auto manufacturers to research and develop battery prototypes for commercialization. InoBat Recycling, a unit of InoBat, has plans to establish a cradle-to-cradle electric vehicle battery value chain in Serbia by upcycling end-of-life batteries.

In addition to the proposed battery manufacturing factories (gigafactories), Serbia is experiencing an exciting wave of downstream investment from electric vehicle manufacturers. In April 2022, Nidec announced its plan to invest 1.8 billion dollars in an automotive motors and inverters factory in northern Serbia. The project's factory and research center are expected to create 1,200 new jobs, representing one of Nidec's largest manufacturing hubs in Europe.

Stellantis and the Serbian government signed a 200-million-dollar deal in April 2022 to replace its existing production of Fiat minivans with a new undisclosed electric vehicle model by 2024. The advancing fleet of electric vehicle manufacturing facilities in Serbia will help secure a complete in-country value chain, allowing Serbia the opportunity to maximize the benefits of domestic natural resources and skilled labor pool. Also capitalizing on Serbia's highly skilled workforce, Rivian Automotive is expanding into Europe with a new research and development center in Serbia's capital, Belgrade. The facility is expected to employ up to 200 people with recent calls for autonomous driving and technology engineers. Rivian's foray into Serbia was announced on the heels of its recently disclosed joint venture with Mercedes, whereby both companies signed a memorandum of understanding to produce electric vans at a shared factory located in central or eastern Europe within the next few years.

SECTION B1

GLOBAL REPORTING INITIATIVE:

GENERAL DISCLOSURES

B1.1 Organizational Profile

B1.2 Strategy

B1.3 Ethics and Integrity

B1.4 Governance

B1.5 Stakeholder Engagement

B1.6 Reporting Practice

Section B of this sustainability report has been prepared in accordance with the GRI Standards: Core Option.

B1.1 Organizational Profile

102-1: Name of the Organization

Euro Lithium Inc. (doing business as Euro Lithium + Borates or EULiBOR)

102-2: Activities Brands, Products, and Services

Euro Lithium + Borates (EULiBOR) is developing the Valjevo Project to sustainably produce refined lithium and borate products. The Company is in late-stage exploration where drilling and geological research are the primary activities conducted to advance the development of the mineral resource. If mining operation is achieved, the Project will then consist of a mine site, processing facilities, and all related infrastructure.

102-3: Location of Headquarters

The Company headquarters are located at 6911 Isleview Road, West Vancouver, BC, Canada, V7W 2L1.

102-4: Location of Operations

The Valjevo Project is in the Kolubara District of Serbia approximately 10 km outside the City of Valjevo. EULiBOR operates one field office and an information center in the region.

102-5: Ownership and Legal Form

Euro Lithium Balkan d.o.o is a wholly owned subsidiary of Euro Lithium Inc, a privately held Canadian company.

102-6: Markets Served

The Company does not currently serve products to any sectors since the Valjevo Project is in the exploration and development stage. Once in operation, EULiBOR would be a source of critical raw materials to a wide range of industrial and manufacturing customers in European and global markets.

102-7: Scale of the Organization

EULiBOR employs 15 full-time staff for its single operation in Valjevo, Serbia. The Company does not have any reportable revenues since it is not yet in commercial operation and thus has zero saleable product volumes. Because EULiBOR is privately held, its market capitalization is regularly assessed through publicly listed peers in comparable stages of development.

102-8: Information on Employees and Other Workers

Currently, EULiBOR employs 15 full-time staff in Valjevo and 15 part-time staff, consultants and advisors across Serbia (30 total). Of the 15 full-time staff, over half are from Valjevo and five are women.

102-9: Supply Chain

EULiBOR does not have a supply chain as the Company is not in the production phase.

102-10: Significant Changes to the Organization and its Supply Chain

EULiBOR does not have significant changes to the location of its operations, share capital structure, or suppliers to report. However, the organization is expanding and will report further changes in the planned 2023 Sustainability report.

102-11: Precautionary Principal Approach

EULiBOR strictly follows local and international laws governing all actions that may affect the social, environmental, and economic well-being of its local and global community. EULiBOR's team in Serbia has selectively been staffed with strong technical expertise to avoid adverse impacts from current company drilling activities. All members of the executive and project management team work to identify threats and assess whether existing information is sufficient to be actionable. Because sustainable development is the organization's primary goal, any proactive or corrective decision to prevent environmental degradation is considered an asset.

102-12: External Initiatives

EULiBOR is not currently engaged in any external initiatives.

102-13: Membership of Associations

Euro Lithium Balkan d.o.o is a partner of EIT RawMaterials, a body co-funded by the European Union, and the European Raw Materials Alliance (ERMA) network.

B1.2 Strategy

102-14: Statement from Senior Decision-Maker

Please refer to the letter from CEO at the beginning of this report

B1.3 Ethics and Integrity

102-16: Values, principles, standards, and norms of behavior

EULiBOR's core values are to ReThink mineral extraction, ReStore confidence in the mining industry, and ReCharge local economies. Underlying these values of creating positive environmental, social, and economic impacts in Serbia, EULiBOR has established a principled approach to sustainable resource development. The Valjevo Project has a long potential life of mine and thus EULiBOR intends to extract materials using an underground method that is compatible with its surrounding community and environment.

EULiBOR follows both Serbian and Canadian Occupational Health and Safety guidelines to uphold a culture of employee safety and wellbeing. The Company also maintains a standard of strict compliance with laws and regulations set out by Serbia's Ministry of Mining and Energy. All staff and contractors are informed of workplace norms as well as appropriate code of conduct during offsite activities such as field sampling, drilling, and community engagement.

B1.4 Governance

102-18: Governance Structure

The executive management team reports to its Board of Directors, which has direct oversight on all company activities. Strategic planning, metallurgical processing, mine design, and commercial development are overseen by both the board and executive management. The Project team in Serbia contributes to long-term planning and leads deposit advancement and geological research in Valjevo.

A *Community Engagement Committee* was implemented in May 2022 to build relationships with, provide educational resources to, and receive feedback from members of the Valjevo Community. The committee is led by EULiBOR's in-country team with support from executive management.

While most material topics are currently overseen by all members of the management and project teams, EULiBOR intends to formalize an *Environment and Climate Change Committee* and will form a *Labor Relations Committee* to ensure voices of staff are accounted for as the organization expects to grow in the coming years. The *Environment and Climate Change Committee* is intended to identify climate risks and propose opportunities or mitigation plans to reassess company strategy. One such example may be the change in demand for a particular end use of borates or lithium products, suggesting a re-evaluation of commercial or production strategy.

B1.5 Stakeholder Engagement

102-40: List of Stakeholder Groups

EULiBOR's environmental and social desktop study completed in 2022 identified a comprehensive list of stakeholders, provided in the table below:

| | Stakeholder | Position | Name | Family name |
|--|--|--------------------|-------------------|------------------|
| National | | | | |
| Government | | | | |
| 1. | Government of Serbia | Prime Minister | Ana | Brnabic |
| 2. | Ministry of Mining and Energy | Minister | Zorana | Mihajlović |
| 3. | Sector for Geology and Mining | Assistant Minister | Dejan | Milijanović |
| 4. | Department for Geological Exploration and Mining | Head of Department | Velizar | Nikolic |
| 5. | Section for Geological Exploration | Head of Section | Jelena | Milenkovic |
| 6. | Department for Geological and Mining Inspection | Head of Department | Zoran | Pavlović |
| 7. | Ministry of Environmental Protection | Minister | Irena | Vujović |
| 8. | Mistry of Interior | Minister | Aleksandar | Vulin |
| 9. | Ministry of Labour, Employment, Veteran and Social Affairs | Minister | Darija | Kisić Tepavčević |
| 10. | Ministry of Agriculture, Forestry and Water Management | Minister | Branislav | Nedimovic |
| 11. | Directorate for Forestry Management | Acting Director | Igor | Braunović |
| 12. | Republic Directorate for Waters | Acting Director | Natasa | Milic |
| Institutions and public enterprises | | | | |
| 13. | Environmental Protection Agency | Director | Filip | Radovic |
| 14. | Institute for Protection of Nature of Serbia | Director | Marina | Šibalić |
| 15. | Republic Institute for Protection of Cultural Heritage | Director | Prof. Dr Dubravka | Đukanović |
| 16. | Public Enterprise for Forestry "Srbijašume" | Acting Director | Igor | Braunovic |
| 17. | Public Enterprise for Water Management "Srbijavode" | Director | Goran | Puzovic |
| 18. | Ecological society Gradac | President | Milica | Sredojevic |
| 19. | Republic Hydrometeorological Service of Serbia | Director | Jugoslav | Nikolic |
| 20. | State Cadastre Office | Acting Director | Borko | Draskovic |
| 21. | Development Agency of Serbia | Acting Director | Radoš | Gazdic |
| Industry | | | | |
| 22. | Chamber of Commerce and Industry of Serbia | President | Marko | Cadez |
| Academia | | | | |

| | Stakeholder | Position | Name | Family name |
|--|--|--------------------|------------|---------------|
| 23. | University of Belgrade - Faculty of Mining and Geology | Dean | Zoran | Gligoric |
| Media | | | | |
| 24. | Radio-Television of Serbia | Director | Dragan | Bujosevic |
| Non-governmental organisations | | | | |
| 25. | “Centre for ecology and sustainable development” – CEKOR | President | Natasa | Djereg |
| 26. | Association of Young Researchers Bor | President | Dragan | Randelović |
| 27. | Renewable and Environmental Regulatory Institute | President | Jovan | Rajic |
| Foreign and multilateral institutions | | | | |
| 28. | Embassy of Canada to Serbia | Ambassador | Giles | Norman |
| 29. | Canadian Serbian Business Association (CANSEE) | Managing director | Mirjana | Doncic-Beaton |
| Regional | | | | |
| Government | | | | |
| 30. | Kolubara District authority | Head | Goran | Milivojević |
| Institutions and public enterprises | | | | |
| 31. | Institute for the Protection of Cultural Heritage Valjevo | Director | Dr Ksenija | Stevanović |
| Community based organisations | | | | |
| Industry | | | | |
| 32. | Regional Chamber of Commerce and Industry for Kolubara district | Director | Stanko | Marković |
| Local | | | | |
| Government | | | | |
| 33. | City of Valjevo | Mayor | Lazar | Gojković |
| 34. | Department for urbanism, communal services and environment | Head of department | Aleksandar | Purić |
| 35. | Department for construction land and infrastructure | Head of department | Branko | Vukovic |
| 36. | Department for local development, commerce, and communal affairs | Head of department | Tijana | Todorovic |
| 37. | Gornja Bukovica local community office | President | Marko | Bogutović |
| 38. | Donja Bukovica local community office | President | Duško | Nikolić |
| 39. | Lelić local community office | President | Miodrag | Radosavljević |

| | Stakeholder | Position | Name | Family name |
|--|---|-----------------------------|-----------------------|-----------------|
| 40. | Rađevo local community office | President | Jovan | Dragojlović |
| 41. | Divčibare local community office | President | Nikola | Ilić |
| 42. | Jablanica local community office | President | Luka | Lazarević |
| 43. | Divci local community office | President | Miloš | Pavlović |
| 44. | Mrčić local community office | President | Milan | Simić |
| 45. | Klanica local community office | President | Marko | Glišić |
| 46. | Prijezdici local community office | President | Dejan | Isidorović |
| 47. | Miličinica local community office | President | Dule | Damnjanović |
| 48. | Bačevci local community office | President | Tijosav | Ninović |
| 49. | Lukavac local community office | President | Vladan | Matić |
| Institutions and public enterprises | | | | |
| 50. | Public Enterprise “Srbijašume” – ŠG Boranja Loznica | Head of Unit | Milan | Stojanović |
| 51. | Valjevo Cadastre Office | Head of Unit | Miroslav | Mijanović |
| 52. | Municipal Organization for Tourism Valjevo | Director | Ana | Marković |
| 53. | Public Utility Company “Vidrak” Valjevo | Director | Ksenija | Badem Nenadović |
| 54. | PUC “Valjevo” ad Valjevo | Director | Milan | Mitrović |
| 55. | PUC “Lazarevac” | Acting Director | Aleksandar | Rakic |
| Industry | | | | |
| 56. | Regional Chamber of Commerce and Industry Kolubara district | Organisational Unit Manager | / | / |
| 57. | Mining Basin Kolubara | Director Corporate Affairs | Mile | Jeremic |
| Trade Unions | | | | |
| 58. | Association of Independent Trade Unions of Serbia - Valjevo | Assembly Member | Milomir | Bošković |
| Community based organisations | | | | |
| 59. | Hunting Association of Western Serbia | President | Aleksandra Stanojević | Veljović |
| 60. | Fishing Association “Kolubara” Valjevo | President | Zlatko | Grujičić |
| Health care | | | | |
| 61. | Valjevo General Hospital | Director | Dr Branka | Antić |
| 62. | Health Care Centre Valjevo | Director | Dr Bojana | Janković |
| Media | | | | |

| | Stakeholder | Position | Name | Family name |
|---------------------------------------|---------------------------------|-------------|--------|-------------|
| 63. | Television Valjevo Plus | Director | Branka | Jevtić |
| Non-governmental organisations | | | | |
| 64. | Roma Integration Center Valjevo | Coordinator | Nikola | Josipović |

102-41: Collective Bargaining Agreements

EULiBOR does not have any collective bargaining agreements in place.

102-42: Identifying and Selecting Stakeholders

Community stakeholders are determined by mapping planned activities and either identifying groups whose consent is required or groups most at risk to be impacted by the current or planned activities of the company. In addition to desktop mapping, the Community Engagement Committee includes groups represented by one or more individuals who have raised comments or concerns regarding company activities. External direct stakeholders are parties that have been identified through similar means but are typically not in-country stakeholders.

102-43: Approach to Stakeholder Engagement

EULiBOR strongly believes in grassroots, proactive approach to engage its local community stakeholders. The in-country *Community Engagement Committee* is responsible for ideating, planning, and overseeing opportunities for the team to interact with members of City of Valjevo and Kolubara District communities. For example, through the Company's newly established Info Center in the City of Valjevo, the committee can gather public opinion and inform inquirers of upcoming or planned company activities and goals.

EULiBOR's *Youth Sporting Initiative* is also an excellent way for the Company to support its community and promote youth development through athletic activities such as team soccer, football, water polo, basketball, wrestling, and others.

General engagement approaches to internal stakeholders, such as employees or existing investors, involves formal daily management updates, working in-country for three to six months of the year for certain members of the executive management team, and more informal communication via company open-door and check-in policies.

102-44: Key Topics and Concerns Raised

Environmental

- Mining method
- Water consumption and waste
- Land use
- Employment

Social

- Employment opportunities
- Wages
- Considerations for small businesses

B1.6 Reporting Practice

102-45: Entities Included in the Consolidated Financial Statements

Euro Lithium Inc. and its wholly owned subsidiary Euro Lithium Balkan d.o.o.

102-46: Defining Report Content and Topic Boundaries

Please refer to the table of contents at the beginning of the report as well as the material topics section for the process on defining report content. An explanation of topic boundaries is provided for each disclosure.

102-47: List of Material Topics

Please refer to the material topics section under topic-specific disclosures for the list of material topics.

102-48: Restatements of Information

Not applicable as this is the Company's first report.

102-49: Changes in Reporting

Not applicable as this is the Company's first report.

102-50: Reporting Period

The reporting period is from August 31st, 2021, to September 1st 2022.

102-51: Date of Most Recent Report

Not applicable as this is the Company's first report.

102-52: Reporting Cycle

The Company intends to report on an annual basis, guided by project key milestones (ie. Pre-Feasibility Study, Feasibility Study stages).

102-53: Contact Point for Questions Regarding the Report

For further information, please contact a.buijs@eurolithium.com or alexander@eurolithium.com

102-54: Claims of Reporting in Accordance with GRI Standards

This report has been prepared in accordance with the GRI Standards: Core option.

102-55: GRI Content Index

Please see the Table of Contents (page 3) at the beginning of this report.

102-56: External Assurance

The Company did not seek external assurance for this sustainability report. As more resources become available at later project stages, EULiBOR will consider verifying its reporting with external auditors.

SECTION B2

**GLOBAL REPORTING INITIATIVE:
TOPIC SPECIFIC
DISCLOSURES**

B2.1 Material Topics

B2.2 Local Communities and Engagement

B2.3 Climate Change and Greenhouse Gas Emissions

B2.4 Employment and Economic Impact

B2.5 Water, and Effluents

B2.6 Waste

B2.7 Biodiversity

B2.8 Proper Labor Practices and Employee Wellbeing

B2.9 Safe and Secure Working Conditions

B2.1 Material Topics

Euro Lithium + Borates (EULiBOR) is a late-stage mineral exploration company with the objective of sustainably producing critical raw materials for energy efficient and carbon-offsetting technologies. From the outset, eight material topics have been identified with relevance to the economic, environmental, and social impacts resulting from current and planned operations. The material topics list will grow in scope and coverage as the Valjevo Lithium-Borate Project advances into later stages of development and benefits from new stakeholders.

EULiBOR is actively exploring within the Company's exploration license area in Valjevo to improve resource definition and size. If it achieves the required environmental, technical, and social licenses to operate, EULiBOR intends to build an underground mine. However, while in the exploration stage, the most relevant activities are centered around exploration drilling and the transportation of mineral core and equipment within Valjevo to the Company's field office on the project site.

EULiBOR's formal business partners range from engineering contractors to academic institutions and research laboratories. EULiBOR values its business partners because their expertise contributes to both developing the project's technology and shaping the Organization's view on defining the project's current and future material topics. For example, partners at the University of Belgrade were commissioned to complete a geothermal research study and presented research that informed the approach to *GRI 302: Energy*.

Currently, EULiBOR's actual impacts are relatively small. The Company believes its local employment and business partnerships have positive economic and social impacts for the Valjevo and greater Serbian community. Once in operation, capital expenditures, staffing requirements, royalties, and government taxes could have a profoundly positive influence on the Serbian economy and citizens. The Company is working to minimize its potential environmental footprint and create alternative benefits by displacing existing sources of pollution – such as replacing residential coal furnaces with district heating that uses local renewable heat sources. Thus, most 300-level topics, pertaining to climate change, emissions, biodiversity, water, and waste, were deemed highly significant by EULiBOR and its stakeholders. Additionally, the critical need for social operating licenses has been exemplified given recent political decisions in response to community-based actions.

Material topics were selected by considering the following steps:

All members of the management team workshopped a broad list of material topics relevant to their functional expertise, prior experience, and project observations. Topic disclosures were then reviewed and assigned to all material topics. Material topics with strongly overlapping topic disclosures were thematically consolidated and compared against peer lithium and/or borates project disclosures, TCFD guidelines and supplemental guidance for the materials group, UN Sustainable Development Goals, and market events.

Table 1. Material Topics List and Definitions

| Material Topic | GRI Topic Standards | Definition |
|---|---|---|
| Local Communities and Engagement | <u>GRI 413: Local Communities 2016</u> | Supporting the community and proactively creating opportunities for Valjevo to realize the full economic and social benefit of the project. Requires two-way dialogue to receive feedback from community stakeholders |
| Climate Change and Greenhouse Gas Emissions | <u>GRI 302: Energy 2016</u> <u>GRI 305: Emissions 2016</u> | Environmental footprint from energy generated on-site (scope 1) and purchased electricity (scope 2). Includes orienting product streams to align with low-carbon end-products (scope 3). Climate change considers EULiBOR's contributions and opportunities to the global climate crisis. Emissions are associated with the combustion of fossil fuels and air pollutants |
| Economic Impact | <u>GRI 201: Economic Performance</u> <u>GRI 203: Indirect Economic Impacts</u> | Supporting the development of in-country downstream manufacturing to preserve raw material value. Utilizing natural resources to provide long-term employment and skill-development within the community |
| Water and effluents | <u>GRI 303: Water and Effluents 2018</u> | Water quality of surficial water resources (ie streams, rivers, lakes) and underground aquifers. Also includes mitigating and resolving water-related issues |

| | | |
|--|--|---|
| Waste Management and Recycling | <u>GRI 306: Waste 2020</u> | The solid and liquid waste produced throughout the extraction and processing of mined materials. This may include tailings, waste rock, residuals, and wastewater |
| Biodiversity | GRI 304: Biodiversity 2016 | Health of local wildlife and quality of agricultural lands |
| Ethical Labor Practices and Employee Wellbeing | <u>GRI 405: Diversity and Equal Opportunities 2016</u> <u>GRI 406: Non-discrimination</u> <u>GRI 407: Freedom of Association and Collective Bargaining 2016</u> <u>GRI 409: Forced or Compulsory Labor</u> <u>GRI 408: Child Labor</u> | Providing equal opportunities for all staff. Support strong relationships between employees and management while creating a governance structure that is conducive to generating and implementing new ideas |
| Safe Working Conditions | <u>GRI 403: Occupational Health and Safety 2018</u> | Ensure a safe working environment at all stages of the project for employees and contractors. Provide frequent training and continuously update procedures |

B2.2 Local Communities and Engagement

B2.1 GRI 413: Local Communities

B2.1.1 Management Approach (103-1, -2, -3)

Topic Boundary: Vicinity surrounding potential mine site, communities in neighbouring regions, greater Serbia

Garnering the social license to operate is considered one of the Company's most valuable intangible assets. Without support from the Valjevo community, the Valjevo Project would not be able to deliver its desired social and economic benefits. EULiBOR's philosophy is to manage the operation as a community-lead project by employing, gathering feedback from, and sharing economic and environmental gains with Valjevo and Serbian citizens. Currently, the Company's due diligence is conducted through personal discussions with neutral or concerned individuals as well as maintaining contact with government ministries. EULiBOR regularly invites guests into the field office and info center to explain its work programs and share insights from its core shed on Serbia's geology. In more advanced stages, EULiBOR plans to implement social lifecycle assessments to formally establish an evidence-based inventory of perspectives and addressable community concerns.

The topic of community engagement is currently headed by an on-site team in Serbia with support from executive management. The Company's responsibility is to initiate dialogue and create opportunities for community members to learn more about project activities. So far, informal grassroots engagement has been carried out by placing information booths at a popular soccer stadium, posting staff in local cafes and restaurants, as well as making online/print media accessible for Serbian-speaking audiences. Formally, a company Info Center has been established in the City of Valjevo in a high walking-traffic area.

For now, the Company's local community strategy relies on qualitative assessments through informal discussions and organized activities. Eventually, EULiBOR's aim is to catalogue regional sentiment using replicable methodological surveys and interviews. Given this comprehensive information, EULiBOR will establish effective community development programs and continuously improve its stakeholder engagement strategies.

B2.3 Climate Change and Greenhouse Gas Emissions

B2.3.1 GRI 302: Energy

B2.3.1.1 Management Approach (103-1, -2, -3)

Topic Boundary: Vicinity surrounding mine site, neighbouring cities, worldwide economies

Climate change represents a significant risk to the health of global populations and international economies. The resulting demand for energy efficient technologies and low-carbon products presents an opportunity for EULiBOR since borates and lithium are necessary raw materials for the green and digital transitions. Because EULiBOR's goal is to promote sustainably sourced raw materials, the Company recognizes that properly managing the project's energy requirements can drastically reduce its contribution to the climate crisis and provide opportunities to supplement grid-distributed fossil fuels with clean wind and geothermal energy.

Since EULiBOR is not yet in operation, energy requirements are rather low and likely share similar fuel consumption profiles with typical commercial buildings. Currently, EULiBOR does not separate its total fuel consumption into

renewable and non-renewable resources; however, electricity for the office is procured from the Serbia national power grid which consists of 69% lignite coal and 29% hydroelectric generation.

Once in production, EULiBOR is committed to managing its energy by using environmentally friendly processing and waste management technologies, applying a market-based approach to procure clean electricity from the power grid, and continuing to purchase offset credits with reputable product portfolios to ensure a zero-carbon emission, zero-waste mining operation. In spring 2021, EULiBOR signed a memorandum of understanding (MOU) with CWP Renewables to purchase renewable Serbian electricity from their existing and planned wind projects, Čibuk 1 and Vetrozelena. EULiBOR's goal is to help support the energy transition through clean energy projects in Serbia and frequently reassess strategies to minimize on-site energy consumption. Additionally, EULiBOR will monitor the energy intensity of its operations by calculating metrics such as fuel-to-ore or fuel-to-product ratios.

B2.3.2 GRI 305: Emissions

B2.3.2.1 Management Approach (103-1, -2, -3)

Topic Boundary: Vicinity surrounding mine site, neighbouring regions, globe

Greenhouse gas emissions and air pollutants are often by-products of fossil fuel-fired energy production, which negatively contributes to climate change. To align with the green applications of lithium and borates, it is a key priority for EULiBOR to minimize the carbon intensity of its end products. To achieve this, EULiBOR intends to follow GHG Protocol and GRI 305 guidance to measure and account for its historical emissions, in addition to national requirements. Already, EULiBOR has established its first GHG inventory which currently accounts for important direct and indirect emissions. As the project advances with greater energy requirements, EULiBOR will adapt its inventory to include new sources.

EULiBOR's responsibility is to minimize its emissions and mitigate against the effects of climate change. To do this, the Company will continue to track, offset, and optimize GHG emissions from operations. At this stage, annual assessments of emissions will highlight shortcomings and opportunities for improvement. Eventually, the Company will consider tracking and reporting emissions on a quarterly basis.

B2.3.2.2 Topic Disclosure 305-1

Direct (scope 1) GHG emissions for EULiBOR's fiscal years ending in 2021 and 2022 were 26.63 and 82.94 tonnes of carbon dioxide, respectively. Management identified that significant sources of scope 1 emissions were from the Company's vehicle fleet and drilling activities. Other types of greenhouse gases were not included in the calculation. The base year for the Company's current stage in its exploration lifecycle is September 1st, 2021, to August 31st, 2022 to align with its fiscal year. EULiBOR will revise its base year once in the operation phase of its lifecycle since Company objectives and activities will be considerably different. An emissions factor of 2.67 kg CO₂/L was applied to the diesel-powered fleet and drilling rigs.

B2.3.2.3 Topic Disclosure 305-2

Indirect (scope 2) GHG emissions for EULiBOR's fiscal years ending in 2021 and 2022 were 6.47 and 9.30 tonnes of carbon dioxide equivalent, respectively. Management identified the only significant source of indirect emissions were from purchased electricity to provide power across the Company's offices in Serbia. These indirect emissions only include ongoing combustion from grid-connected resources, primarily coal. Transmission losses were not included since data was not readily available.

Emission factors were calculated with guidance from the GHG Protocol *Scope 2 Guidance*. A location-based emission factor was calculated for each reporting year by taking the generation weighted average from resource types in the Serbian power grid. Resource-specific emission factors were obtained from a mix of resources; most importantly, NREL's 2021 dataset on *Life Cycle Emissions Factors for Electricity Generation Technologies*. The GWP₁₀₀ emission factors for Serbia's power grid in 2020 and 2021 were found to be 711 and 632 gCO₂e/kWh, respectively. EULiBOR does not yet have any power purchase contracts in place or available residual mix data to report a unique market-based emissions factor. If mining operations are achieved, EULiBOR intends to establish clean power contracts and support the development of additional clean energy infrastructure. This shift of approach will likely require the Company to report both location- and market-based scope 2 emissions.

B2.3.2.4 Topic Disclosure 305-3

Indirect (scope 3) GHG emissions for EULiBOR's fiscal years ending in 2021 and 2022 were 5.60 and 13.51 tonnes of carbon dioxide, respectively. Management identified the most significant sources of scope 3 were from employee travel, through neither leased nor owned assets, and upstream sources of emissions for purchased electricity, such as fuel transportation and power infrastructure.

GRI Topic Disclosures 305-4 to 305-7 are either not applicable or require unavailable information. EULiBOR does not have the information to report ozone-depleting substances (305-6) or other significant air emissions (305-7) at this

stage. Once in operation, these emissions will be carefully monitored and reported using the updated guidelines from the GRI, GHG Protocol, and other relevant voluntary and required standards. A GHG emissions intensity ratio (305-4) is not applicable given the current stage of operations, as commercial products have yet to be produced. An emissions intensity ratio may be developed for material produced at the first commercial piloting plant during the pre-feasibility stage. Early and continuous reporting of tCO₂e-to-product ratios would serve as excellent benchmarks to minimize emissions throughout the project lifecycle. Finally, reduction initiatives (305-5) have not yet taken place considering EULiBOR has very few operations to curtail. If project construction and operation phases are achieved, EULiBOR will consider installing an energy storage system to provide power from periods where the supply mix had a greater share of renewable generation. Other initiatives may include load shedding during peak periods and energy efficient upgrades.

B2.4 Employment and Economic Impact

B2.4.1 GRI 201-1: Economic Performance

B2.4.1.1 Management Approach (103-1, -2, -3)

Topic Boundary: vicinity surrounding mine site, Serbian cities, and global investors

The construction and operation of the Valjevo Project will provide direct benefits to the district and national economy through new employment, investment, royalties and tax streams. Over its mine life, EULiBOR intends to hire locally where possible and cover training costs to expand a skilled labor force within Serbia, the Kolubara District, and the City of Valjevo. EULiBOR already compensates its employees with salaries well above the Serbian national average wage and will continue to provide benefits such as English-language and other up-skill training. Capital expenditures throughout the project's lifecycle are estimated at nearly 2 billion euros with Serbian government royalties and tax payments of US\$600 and US\$900 million, respectively.

The Company follows international accounting standards and completed a financial audit for fiscal years ending in 2020 and 2021, and will again do so for the 2022 fiscal year.

B2.4.2 GRI 201-3: Indirect Economic Impacts Performance

B2.4.2.1 Management Approach (103-1, -2, -3)

Topic Boundary: vicinity surrounding mine site, Serbian cities, and European countries

EULiBOR will indirectly contribute to the district and national economy by creating employment roles supporting the operation and participating in a cost-competitive domestic value chain.

To maximize the deposit's economic contribution within Serbia, EULiBOR is actively supporting the development of downstream manufacturers in neighbouring cities who require a local supply of refined lithium and borate products. EULiBOR has already signed a memorandum of understanding with ElevenEs, a prospective Serbian battery cell manufacturer, to supply sustainable lithium from the Valjevo project if commercial production is achieved.

The Company's indirect economic impacts will be continuously assessed through economic indicators such as distribution of investment sectors over time, average income, and population growth rates across Valjevo and neighbouring cities.

B2.5 Water, and Effluents

B2.5.1 GRI 303-3: Water and Effluents

B2.5.1.1 Management Approach (103-1, -2, -3)

Topic boundary: Surface or underground water near the mine site that can be directly impacted by ELI's operations

Valjevo is home to several freshwater resources that support wildlife and agriculture. EULiBOR's deposit is near the Kolubara river and is believed to overly a hot-water aquifer. To safeguard water resources and avoid negative environmental and health-related impacts, EULiBOR will first conduct an environmental baseline study as part of its Pre-Feasibility Study and EIT RawMaterials LiBRe Project workstreams. The baseline study will ground-truth unaltered conditions of surface water, groundwater, soil and air quality, biodiversity, and cultural heritage. EULiBOR will simultaneously optimize its flowsheet to produce refined sodium borate products (borax pentahydrate, borax decahydrate) via an eco-smart process to eliminate the need for any hazardous reagents as considered in other borate projects globally. Finally, geotechnical and hydrogeologic work during the PFS will expand the Company's understanding of fluid movement within the deposit; combined with geochemical analysis, EULiBOR may model the flow and risk of contaminants surrounding the deposit.

At this stage, EULiBOR is still refining its water usage plan which will determine how the Company interacts with, consumes, neutralizes, and re-injects water. EULiBOR's target is to both maintain existing clean water resources by carefully processing wastewater and improve water quality in sites with pre-existing low FAO classifications. EULiBOR will do this by financially supporting water treatment facilities, frequently assessing local water quality, and engaging in community- or corporate-lead water cleanup operations.

B2.6 Waste

B2.6.1 GRI 303-6: Waste

B2.6.1.1 Management Approach (103-1, -2, -3)

Topic Boundary: mine site and local Valjevo community

Proper treatment of waste will avoid negative impacts to community health and safety as well as environmental damage to water resources and land. EULiBOR has identified pathways to reduce waste by reusing it for applications in construction such as roads, dams, and infrastructure. With funding from EIT RawMaterials, the Company is developing a process whereby solid waste can be transformed into geotechnical composites. The Company thus intends to recycle where possible and neutralize its waste before disposal in discrete protected sites.

In its operating stages, EULiBOR can follow GRI 306-3 guidelines to measure waste by mass and categorize it by chemical composition. If the recycling route proves successful, the Company can quantify the waste diverted from disposal (306-4) in addition to waste directed to landfills or stockpiles (306-5). Because downstream manufacturers also produce waste with respect to their operations, EULiBOR will consider prioritizing customers with transparent and effective waste management strategies.

B2.7 Biodiversity

B2.7.1 GRI 304: Biodiversity

B2.7.1.1 Management Approach (103-1, -2, -3)

Topic Boundary: mining/processing operations, surrounding community

Biodiversity comprises interdependent species of plants and animals forming local ecosystems. Protecting Valjevo's biodiversity is necessary for environmental health, community wellbeing, and agricultural prosperity.

EULiBOR has planned to undertake a baseline environmental assessment of Valjevo's biodiversity as well as surface water, groundwater, soil sediments, and air quality. The baseline study will evaluate risks to biodiversity such as habitat loss, degradation, hydrological impacts, and other relevant threats through field-based approaches. A full environmental impact assessment will build on the baseline study and is planned to begin during the planned PFS. The probability of significant risks will be assessed and mitigation strategies to avoid altering Valjevo's biodiversity will be identified by experts.

Where possible, EULiBOR aims to strengthen its partnerships with local universities by providing ecological data and work activities. Contracted research projects will be cross-functional, requiring collaborative effort between university faculties and departments.

A desktop study completed in January 2022 reviewed data and existing literature on Valjevo's biodiversity, concluding that most species within the Project Area are of least concern. Additionally, the site is not categorized as a protected area under Serbian national legislation. However, EULiBOR operates in a farming environment sensitive to soil and water quality which may require targeted mitigation strategies. Thus far, EULiBOR has passed all agricultural and mining inspections by state authorities. The Company will continue to collaborate with regulatory authorities and will undertake all initiatives possible to exceed auditor expectations.

B2.8 Proper Labor Practices and Employee Wellbeing

B2.8.1 GRI 405: Diversity and Equal Opportunities

B2.8.1.1 Management Approach (103-1, -2, -3)

Topic boundary: board, executive management, employees, contractors, suppliers

Employee diversity is essential for well-functioning teams as EULiBOR believes it minimizes groupthink, encourages new perspectives, and fosters innovative ideas. All staff are hired based on merit and their alignment to the organization's strategic goals and team fit. All staff are provided equal access to opportunities and are encouraged to raise concerns with management through informal open-door and check-in policies. As the Company expands to

adopt new skillsets, EULiBOR will formalize a diversity and inclusion reporting process whereby grievances can be addressed through a designated human resources staff member rather than members of the management team.

B2.8.2 GRI 406: Non-Discrimination

B2.8.2.1 Management Approach (103-1, -2, -3)

Topic boundary: board, executive management, employees, contractors, suppliers

Discriminatory practices counter employee wellbeing. To retain its strong workforce and uphold an ethical labor environment, discriminatory practices are not tolerated anywhere in the workplace. Staff are encouraged to report instances of discrimination to executive management through open-door and frequent check-in policies. To date, no instances of discrimination can be reported according to GRI 406 guidelines; however, as the staff headcount grows in size and complexity, EULiBOR will formalize a reporting and disciplinary process compatible with its workforce.

B2.8.3 GRI 407: Freedom of Association and Collective Bargaining

B2.8.3.1 Management Approach (103-1, -2, -3)

Topic boundary: board, executive management, employees

Employees have the right to freedom of association and collective bargaining. EULiBOR will not act against its employees for organizing themselves in a manner that empowers them. EULiBOR does not have formal measures in place to support rights to exercise freedom of association and collective bargaining other than its communication to employees. The Company may consider implementing a formal written policy that supports the right to elect workers' representatives and will not discriminate against workers who participate in collective bargaining.

EULiBOR internally assesses its supplier's workers rights policies and actions to avoid procuring goods or services with opaque or poor performances. As EULiBOR's pool of suppliers expands and diversifies into new geographies, the Company will install more formal supplier assessment practices.

B2.8.4 GRI 409: Forced or Compulsory Labor

B2.8.4.1 Management Approach (103-1, -2, -3)

Topic Boundary: internal operations (board, executive management, employees), upstream suppliers, downstream customers

In accordance with its commitment to supporting human rights, EULiBOR will never request employees to perform labor involuntarily. Management is familiar with the International Labor Organization's definition of forced labor and will continuously identify and prevent it in all its forms. Formal supplier and customer due diligence will be performed to ensure employees are not being forced or coerced into working.

EULiBOR will follow international best practices and national laws regarding the employment of minors. Throughout the hiring process, the Company screens all candidates and requests proof of certifications and eligibility where necessary. Contractors and suppliers are also screened and questioned regarding their employment philosophies to ensure children are not being exploited. In its construction and operating stage, tasks will be assessed for children under the age of 18 for an appropriate amount of risk and will never involve hazardous work.

B2.9 Safe and Secure Working Conditions

B2.9.1 GRI 403: Occupational Health and Safety

B2.9.1.1 Management Approach (103-1, -2, -3)

Topic Boundary: mine site, upstream and downstream customers, local community

EULiBOR integrates preventative health and safety measures at all levels of the organization from mine design to employee training. EULiBOR will select mine design plans that are well-aligned with the deposit's geotechnical properties and will rigorously assess the track record of all selected contractors. Currently, all members of the management and project team are responsible for overseeing health and safety. Relevant employees will be required to obtain general first aid certifications as well as task-specific education at the Company's sole expense.

EULiBOR already follows EU Occupational Health and Safety (OHS) protocols as well as Serbian laws pertaining to health and safety. Given that lithium and borate products are controlled under evolving EU chemical classification schemes, the Company will follow all future prescribed handling, packaging, and compositional disclosure requirements. During the Feasibility Study stage, the Company will assemble a dossier qualifying material chemistry and distribution strategies for submission to EU authorities.