

Prospectus

European Lithium Limited

ACN 141 450 624

This prospectus makes an offer of 173,076,972 attaching Placement Options to Placement Participants at no issue price under the Placement announced to ASX on 6 April 2022.

The Placement Options have no issue price.

Participants under the Placement should complete and return the enclosed application by no later than 28 June 2022 to be issued Placement Options.

ASX Code: EUR

This Prospectus provides important information about the Company. You should read the entire Prospectus including your Entitlement and Acceptance Form. If you have any questions about the Placement Options being offered under this Prospectus, or any other matter relating to an investment in the Company, you should consult your professional adviser. An investment in the Placement Options offered under this Prospectus is highly speculative.

This Prospectus is not for publication or distribution, directly or indirectly, in or into the United States of America (including its territories and possessions, any state of the US and the District of Columbia). This Prospectus is not an offer of securities for sale into the United States or to, or for the account or benefit of, US Persons. The securities referred to herein have not been and will not be registered under the US Securities Act of 1933, as amended, and may not be offered or sold in the United States or to, or for the account or benefit of, US Persons. No public offering of securities is being made in the United States.

Important Notice

This Prospectus is dated 23 June 2022 and was lodged with ASIC on that date. Application has been made to ASX for quotation of the Placement Options offered under this Prospectus.

Neither ASIC, ASX nor any of their respective officers take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates. No securities will be allotted or issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

Nature of this Prospectus

The Placement Options which will be issued pursuant to this Prospectus are options to be issued Shares that have been quoted on the official list of the ASX during the 12 months prior to the issue of this Prospectus.

This Prospectus is a 'transaction specific prospectus' to which the special content rules under section 713 of the Corporations Act apply. That provision allows the issue of a more concise prospectus in relation to an offer of securities in a class which has been continuously quoted by ASX in the 3 months prior to the date of the prospectus, or options to acquire such securities. In general terms 'transaction specific prospectuses' are only required to contain information in relation to the effect of the issue of Placement Options on the Company and the rights attaching to the Placement Options. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus contains information only to the extent to which it is reasonable for investors and their professional advisers to expect to find the information in it. It does not include all of the information that would be included in a prospectus for an initial public offer.

Prospectus availability

Placement Participants can obtain a copy of this Prospectus during the Offer period on the Company's website at www.europeanlithium.com or by contacting the Company. If you access an electronic copy of this Prospectus, you should ensure that you download and read the entire Prospectus.

The electronic copy of this Prospectus available from the Company's website will not include an Acceptance Form. Placement Participants will only be able to accept the Offer by completing the Acceptance Form which accompanies this Prospectus.

Foreign jurisdictions

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus

should seek advice on and observe any of these restrictions. Failure to comply with these restrictions may violate securities laws. Applicants who are residents in countries other than Australia should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed. This Prospectus does not constitute an offer in any place in which, or to any person to whom, it should not be lawful to make such an offer.

Disclaimer of representations

No person is authorised to provide any information or make any representation in connection with the Offer which is not contained in this Prospectus.

Forward looking statements

This Prospectus contains forward looking statements that, despite being based on the Company's current expectations about future events, are subject to known and unknown risks, uncertainties and assumptions, many of which are outside the control of the Company and the Directors. These known and unknown risks, uncertainties and assumptions, could cause actual results, performance or achievements to materially differ from future results, performance or achievements expressed or implied by forward-looking statements in this Prospectus.

Privacy

Please read the privacy information located in section 4.10 of this Prospectus. By submitting an Acceptance Form, you consent to the matters outlined in that section.

Definitions

Certain terms and abbreviations used in this Prospectus have defined meanings which are explained in the Glossary.

Enquiries

If you have any questions please call the Company Secretary on + 61 8 6181 9792 at any time between 8.00am and 5.00pm (WST) Monday to Friday until the Closing Date. Alternatively, consult your broker, accountant or other professional adviser.

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Corporate Directory

Directors

| | |
|---------------------|------------------------|
| Mr Antony Sage | Executive Chairman |
| Mr Malcolm Day | Non-executive Director |
| Mr Michael Carter | Non-executive Director |
| Mr Mykhailo Zhernov | Non-executive Director |

Registered Office

32 Harrogate Street
Leederville WA 6007
Tel: +61 8 6181 9792
Email: IR@europeanlithium.com

Lead Manager to the Placement

Evolution Capital Pty Limited

Chief Executive Officer

Dietrich Wanke

Company Secretary

Melissa Chapman

Share Registry*

Computershare Investor Services Pty Limited
Tel: 1300 850 505
Fax: +61 (8) 9473 2500
Website: www.computershare.com.au

Website

www.europeanlithium.com

*This party is named for informational purposes only and was not involved in the preparation of this Prospectus.

Timetable to the Offer

| | |
|--|--------------|
| Offer opens | 23 June 2022 |
| Shareholder approval to approve the issue of Placement Options | 24 June 2022 |
| Issue Placement Options | 29 June 2022 |
| Dispatch of shareholding statements | 1 July 2022 |
| Normal trading of Placement Options expected to commence | |

Note: The timetable is indicative and may change, subject to the Corporations Act and Listing Rules.

1 INVESTMENT OVERVIEW AND KEY RISKS

This information is a selective overview only. Prospective investors should read the Prospectus in full before deciding to invest in Placement Options.

| Question | Response | Where to find more information |
|------------------------------|--|--------------------------------|
| What is the Offer? | <p>On 6 April 2022 the Company announced that it had received commitments to raise \$30 million through a placement (Placement) to sophisticated investors introduced by the Placement's lead manager, Evolution Capital, at \$0.13 per Share (Placement Shares). Placement Participants would also, subject to Shareholder approval, be issued one Option (exercise price \$0.18, expiring 31 March 2025 and otherwise on the terms set out in section 5.2) for every 2 Shares issued (Placement Options).</p> <p>Under this Prospectus the Company offers persons who subscribed for Placement Shares under the Placement (Placement Participants) 1 Placement Option for every 2 Shares subscribed for under the Placement. The Placement Options are free attaching Options, and no further payment is required. The offer of Placement Options is only made to Placement Participants.</p> | Section 4 |
| Why is the Offer being made? | The Placement was offered to sophisticated investors, and therefore did not require disclosure. However, to quote the Placement Options on ASX, the Placement Options must be offered under a Prospectus. | Section 2 |
| What do I have to do? | Sign the application form that accompanies this Prospectus and return it to the Company. | Section 3 |
| Will I have to pay anything? | No, the Placement Options are free attaching Options under the Placement, and no payment is required. | Section 4 |
| Is the Offer conditional? | <p>Yes, the Offer is conditional upon Shareholder approval.</p> <p>In the event Shareholders do not approve the issue of Placement Options, Placement Participants will be paid the monetary</p> | Section 4 |

| | | | | | | | | | | | | | | | | |
|---|--|---------------------------|---------------|----------------------------|-------------|---|------------|---|-------------|--|-------------|---|------------|--|-------------|--|
| | equivalent of the Placement Options based on a Black Scholes Model based on the following assumptions (i) 80% volatility, (ii) Risk free rate of 2.00% (iii) no dividends (iv) issue date equal to the date of issue of the Placement Shares (vi) exercise at any time for three years (American Style). | | | | | | | | | | | | | | | |
| What is the Company's capital structure | <p>The Company's capital structure following the Offer and other proposed security issues is as follows:</p> <table border="1"> <tr> <td>Shares currently on issue</td> <td>1,382,913,636</td> </tr> <tr> <td>Options currently on issue</td> <td>216,157,262</td> </tr> <tr> <td>Other convertible securities currently on issue</td> <td>80,000,000</td> </tr> <tr> <td>New Placement Options, being 1 New Option for 2 Shares issued under the Placement</td> <td>115,384,648</td> </tr> <tr> <td>Broker Options and Director and Consultant Options offered under this Prospectus</td> <td>107,692,324</td> </tr> <tr> <td>Options to be issued to Odeon (subject to Shareholder approval to be sought at the Shareholder Meeting)</td> <td>20,000,000</td> </tr> <tr> <td>Total New Options on issue following the Offer</td> <td>459,234,234</td> </tr> </table> | Shares currently on issue | 1,382,913,636 | Options currently on issue | 216,157,262 | Other convertible securities currently on issue | 80,000,000 | New Placement Options, being 1 New Option for 2 Shares issued under the Placement | 115,384,648 | Broker Options and Director and Consultant Options offered under this Prospectus | 107,692,324 | Options to be issued to Odeon (subject to Shareholder approval to be sought at the Shareholder Meeting) | 20,000,000 | Total New Options on issue following the Offer | 459,234,234 | |
| Shares currently on issue | 1,382,913,636 | | | | | | | | | | | | | | | |
| Options currently on issue | 216,157,262 | | | | | | | | | | | | | | | |
| Other convertible securities currently on issue | 80,000,000 | | | | | | | | | | | | | | | |
| New Placement Options, being 1 New Option for 2 Shares issued under the Placement | 115,384,648 | | | | | | | | | | | | | | | |
| Broker Options and Director and Consultant Options offered under this Prospectus | 107,692,324 | | | | | | | | | | | | | | | |
| Options to be issued to Odeon (subject to Shareholder approval to be sought at the Shareholder Meeting) | 20,000,000 | | | | | | | | | | | | | | | |
| Total New Options on issue following the Offer | 459,234,234 | | | | | | | | | | | | | | | |
| How can I obtain further information? | Contact the Company Secretary on +61 8 6181 9792 at any time between 8.00am and 5.00pm (Perth time) Monday to Friday until the Closing Date. Alternatively, consult your broker, accountant or other professional adviser. | | | | | | | | | | | | | | | |
| Target Market Determination | In accordance with the design and distribution obligations under the Corporations Act, the Company has determined the target market for the offer of New Options issued under this | | | | | | | | | | | | | | | |

| | | |
|--|--|--|
| | Prospectus. The Company and the Lead Manager will only distribute this Prospectus to those investors who fall within the target market determination (TMD) as set out on the Company's website (www.europeanlithium.com). | |
|--|--|--|

2 PURPOSE AND EFFECT OF THE OFFER

2.1 Purpose of the Offer

On 6 April 2022 the Company announced that it had received commitments to raise \$30 million through a placement of fully paid ordinary shares to sophisticated investors introduced by the Placement's lead manager, Evolution Capital, at \$0.13 per Share (Placement). Placement Participants would also, subject to Shareholder approval, be issued one Option (exercise price \$0.18, expiring 31 March 2025 and otherwise on the terms set out in section 5.2) for every 2 Shares issued (**Placement Options**).

The Placement was lead managed by Evolution Capital, who were paid 6% of the amount raised and, subject to Shareholder approval, be issued 1 Placement Option for every 2 Placement Options issued under the Placement (Placement Broker Options).

Funds raised under the Placement will be used for strategic land acquisition, a resource extension drill program of Zone 2 at the Company's Wolfsberg Lithium Project (Wolfsberg Project or Wolfsberg), stage 1 of project development metallurgical test work for by-products from Wolfsberg, SRK consulting for JORC compliance, for general exploration purposes, and working capital.

The Company also seeks, subject to Shareholder approval, to issue 50 million Options, on the same terms as the Placement Options, to the Company's Directors and others, for their efforts in completing the Placement.

2.2 Effect of the Offer on the Company's securities

Assuming that no further Shares are issued prior to the Record Date, at the close of the Offer, the capital structure of the Company will be:

There is no change on the number of Shares on issue or the Company's financial position as a result of the Offer.

Assuming that no further Options are issued, following the Offer, the number of Options on issue will be:

| | Number | % |
|---|-------------|-------|
| Existing Options | 216,157,262 | 47.07 |
| Placement Options | 115,384,648 | 25.13 |
| Broker Options offered to Evolution Capital | 57,692,324 | 12.56 |
| Options offered to Directors and consultants | 50,000,000 | 10.89 |
| Options to be issued to Odeon (subject to Shareholder approval to be sought at the Shareholder Meeting) | 20,000,000 | 4.36 |
| Total Options | 459,234,234 | 100 |

2.3 Dilution

The Placement Options represent approximately 6% of the Company's issued share capital on a fully diluted basis.

3 ACTIONS REQUIRED BY ELIGIBLE SHAREHOLDERS

3.1 What you may do

To receive Placement Options, Placement Participants must sign and return the enclosed application form.

The Acceptance Form must be received by the Company at the following address by no later than 5.00pm (AEST) on the Closing Date:

| |
|---------------------|
| By Email to: |
| operations@eveq.com |

3.2 Acceptance Form is binding

Receipt of a completed and lodged Acceptance Form constitutes a binding offer to acquire Placement Options on the terms and conditions set out in this Prospectus.

By completing and returning your Acceptance Form you will be deemed to have represented that you are a Placement Participant. In addition, you will also be deemed to have represented and warranted on behalf of yourself or each person on whose account you are acting that the law in your place of residence and/or where you have been given the Prospectus, does not prohibit you from being given the Prospectus and that you:

- (a) agree to be bound by the terms of the Offer;
- (b) declare that all details and statements in the Acceptance Form are complete and accurate;
- (c) declare that you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Acceptance Form;
- (d) authorise the Company and its respective officers or agents, to do anything on your behalf necessary for the Placement Options to be issued to you, including to act on instructions of the Company's share registry upon using the contact details set out in the Acceptance Form;
- (e) declare that you are a Placement Participant and are an resident in Australia, and you are not in the United States or a US Person, or acting for the account or benefit of a US Person;
- (f) acknowledge that the information contained in, or accompanying, the Prospectus is not investment or financial product advice or a recommendation that Placement Options are suitable for you given your investment objectives, financial situation or particular needs; and
- (g) acknowledge that the Placement Options have not, and will not be, registered under the securities laws in any other jurisdictions outside Australia and accordingly, the

Placement Options may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of applicable securities laws in particular the US Securities Act.

If the Acceptance Form is not completed correctly, it may still be treated as a valid application for Placement Options. The Directors' decision whether to treat an acceptance as valid and how to construe, amend or complete the Acceptance Form is final.

4 DETAILS OF THE OFFER

4.1 Placement Options offered for subscription

By this Prospectus the Company offers 1 Placement Option for every 2 Shares subscribed for under the Placement.

The Offer is only open to Placement Participants and is subject to approval by the Company's Shareholders. The Company reserves the right to reject any application that it believes comes from a person who is not a Placement Participant.

Details of how to apply for Placement Options are set out at section 3.

The rights and liabilities of the Placement Options offered under this Prospectus are summarised in section 5.2. The rights and Liabilities of Shares issued on exercise of Placement Options are summarised in section 5.1.

4.2 Minimum subscription

The minimum subscription is sufficient holders of Placement Options so that the Options can be quoted on ASX (50 holders).

4.3 Acceptances

This Offer may be accepted prior to the Closing Date subject to the rights of the Company to extend the Offer period.

Instructions for accepting your Entitlement are set out in section 3 and on the Acceptance Form which accompanies this Prospectus.

4.4 Entitlement to Offer

The Offer is made to Placement Participants, who are persons who participated in the Placement announced to ASX on 6 April 2022.

4.5 Allotment

Placement Options will be issued only after ASX has granted permission for the Placement Options to be quoted. It is expected that Placement Options will be issued on 29 June 2022 and normal trading of the Placement Options on ASX is expected to commence on 1 July 2022.

4.6 Quotation

The Company has applied to ASX for quotation of the Placement Options offered by this Prospectus on ASX. If ASX does not grant permission for the quotation of the Placement

Options offered under this Prospectus within 3 months after the date of this Prospectus, or such longer period as modified by ASIC, none of the Placement Options offered by this Prospectus will be allotted or issued.

A decision by ASX to grant official quotation of the Placement Options is not to be taken in any way as an indication of ASX's view as to the merits of the Company or of the Placement Options.

Quotation, if granted, of the Placement Options offered by this Prospectus will commence as soon as practicable after statements of holdings of the Placement Options are dispatched.

4.7 Market prices of Existing Shares on ASX

The highest and lowest market sale price of the Existing Shares, which are on the same terms and conditions as the Shares that will be issued upon exercise of the Placement Options being offered under this Prospectus, during the 3 months immediately preceding the lodgement of this Prospectus with the ASIC, and the last market sale price on the date before the lodgement date of this Prospectus, are set out below.

| | 3 month high | 3 month low | Last market sale price |
|------------|--------------------|---------------------|------------------------|
| Price (\$) | \$0.16 | \$0.054 | \$0.054 |
| Date | 4 and 5 April 2022 | 20 and 22 June 2022 | 22 June 2022 |

4.8 CHESS

The Company participates in the Clearing House Electronic Subregister System (CHES). CHES is operated by ASX Settlement Pty Ltd (ASPL), a wholly owned subsidiary of ASX.

Under CHES, the Company does not issue certificates to investors. Instead, security holders will receive a statement of their holdings in the Company, including Placement Options issued under this Prospectus. If an investor is broker sponsored, ASPL will send a CHES statement.

The CHES statement will set out the number of Placement Options issued under this Prospectus, provide details of your holder identification number and give the participation identification number of the sponsor.

If you are registered on the issuer sponsored sub register, your statement will be dispatched by the Company's share registrar and will contain the number of Placement Options issued to you under this Prospectus and your security holder reference number.

A CHES statement or issuer sponsored statement will routinely be sent to Optionholders at the end of any calendar month during which the balance of their shareholding changes. Optionholders may request a statement at any other time, however, a charge may be made for additional statements.

4.9 Taxation and duty implications

The Directors do not consider that it is appropriate to give Placement Participants advice regarding the taxation consequences of the Company conducting the Offer or Placement Participants applying for Placement Options under this Prospectus, as it is not possible to provide a comprehensive summary of the possible taxation positions of Placement

Participants. The Company, its advisers and officers, do not accept any responsibility or liability for any taxation consequences to Placement Participants in the Offer. Placement Participants should, therefore, consult their own professional tax adviser in connection with the taxation implications of the Offer.

No brokerage or stamp duty is payable by Applicants in respect of Applications for Placement Options under this Prospectus.

4.10 Privacy

The Company collects information about each Applicant provided on an Acceptance Form for the purposes of processing the Application and, if the Application is successful, to administer the Applicant's security holding in the Company.

By submitting an Acceptance Form, each Applicant agrees that the Company may use the information provided by an Applicant on the Acceptance Form for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the Share Registry, the Company's related body corporates, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory authorities.

The Corporations Act requires the Company to include information about the Shareholder (including name, address and details of the Shares held) in its public register. The information contained in the Company's public register must remain there even if that person ceases to be a Shareholder. Information contained in the Company's register is also used to facilitate distribution payments and corporate communications (including the Company's financial results, annual reports and other information that the Company may wish to communicate to its security holders) and compliance by the Company with legal and regulatory requirements.

If you do not provide the information required on the Acceptance Form, the Company may not be able to accept or process your Application. An Applicant has the right to gain access to the information that the Company holds about that person subject to certain exceptions under law. A fee may be charged for access. Such requests must be made in writing to the Company's registered office.

4.11 Enquiries

Any queries regarding the Offer or Acceptance Form should be directed to the Company Secretary on +61 8 6181 9792.

You can also contact your stockbroker or professional adviser with any queries in relation to the Offer.

5 RIGHTS AND LIABILITIES ATTACHING TO SECURITIES

5.1 Rights and liability attaching to the Shares

Full details of the rights and liabilities attaching to the Company's Shares are:

- detailed in the Constitution, a copy of which can be inspected, free of charge, at the registered office of the Company during normal business hours; and

- in certain circumstances, regulated by the Corporations Act, the Listing Rules and the general law.

The following is a summary of the more significant rights and liabilities attaching to Shares. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

(a) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at a general meeting of members every member has one vote on a show of hands and one vote per Share on a poll. Voting may be in person or by proxy, attorney or representative.

(b) Dividends

Except as otherwise required by the Corporations Act and to the terms on which shares are on issue and the rights and restrictions attaching to shares, the Directors may from time to time:

- declare dividends (whether final or interim) to be paid to members on such terms, including the amount and the time for and the method of payment, as the Directors think fit; or
- determine that a dividend is payable, fix the amount and time for payment.

(c) Future issues of securities

Subject to the Corporations Act and the Listing Rules, the Directors may issue, grant options over, or otherwise dispose of unissued shares in the Company at the times and on the terms that the Directors think proper and a share may be issued with preferential or special rights.

(d) Transfer of Shares

A Shareholder may transfer Shares by a market transfer in accordance with any computerised or electronic system established or recognised by ASX for the purpose of facilitating transfers in Shares or by an instrument in writing in a form approved by ASX or the Board.

(e) Meetings and notices

Each Shareholder is entitled to receive notice of, and to attend, general meetings for the Company and to receive all notices, accounts and other documents required to be sent to shareholders under the Constitution, the Corporations Act or the Listing Rules.

Shareholders may requisition meetings in accordance with the Corporations Act.

(f) Liquidation rights

The Company has one class of share on issue, ordinary shares. Each ordinary Share ranks equally in the event of liquidation.

(g) Variation of rights

Subject to the Corporations Act and Listing Rules, the rights attached to the Shares may be varied in accordance with the Corporations Act

(h) Election of directors

At every annual general meeting one third of the Directors (rounded up to the nearest whole number) must retire from office. Any Director who would have held office for more than 3 years if that Director remains in office until the next general meeting must retire. These retirement rules do not apply to certain appointments including the managing director.

(i) Indemnities

To the extent permitted by law the Company must indemnify each past and present Director and secretary against any liability incurred by that person as an officer of the Company and any legal costs incurred in defending an action in respect of such liability.

(j) Winding up

Subject to the Corporations Act, the ASX Listing Rules and any rights or restrictions attached to a class of shares, on a winding up of the Company any surplus must be divided among the shareholders of the Company.

(k) Shareholder liability

As the Shares offered under the Prospectus are fully paid Shares, they are not subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(l) Alteration to the Constitution

The Constitution can only be amended by a special resolution passed by at least three quarters of shareholders present and voting at the general meeting. At least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

5.2 Rights and liability attaching to the Placement Options

(a) Entitlement

Each Placement Option entitles the holder to be issued one Share upon exercise of the Placement Option.

(b) Exercise Price

The amount payable upon exercise of each Placement Option will be \$0.18 (Exercise Price).

(c) Expiry Date

Each Placement Option will expire on 31 March 2025 (Expiry Date). An Placement Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) Exercise Period

The Placement Options are exercisable at any time on or prior to the Expiry Date (Exercise Period).

- (e) Notice of Exercise
- The Placement Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (Notice of Exercise) and payment of the Exercise Price for each Placement Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.
- (f) Exercise Date
- A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Placement Option being exercised in cleared funds (Exercise Date).
- (g) Timing of issue of Shares on exercise
- Within 15 Business Days after the Exercise Date, the Company will:
- (i) Allot and issue the number of Shares required under these terms and conditions in respect of the number of Placement Options specified in the Notice of Exercise and for which cleared funds have been received by the Company; and
 - (ii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Placement Options.
- (h) Shares issued on exercise
- Shares issued on exercise of the Placement Options rank equally with the then issued shares of the Company.
- (i) Quotation of Shares issued on exercise
- If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Placement Options
- (j) Reconstruction of capital
- If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
- (k) Participation in new issues
- There are no participation rights or entitlements inherent in the Placement Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Placement Options without exercising the Placement Options.
- (l) Change in exercise price
- A Placement Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Placement Option can be exercised.
- (m) Transferability
- The Placement Options are freely transferable.

(n) Listing Rules

The Company has been admitted to trading on the Official List of ASX. Accordingly, despite anything in the Constitution, if the Listing Rules prohibit an act being done, the act must not be done. Nothing in the Constitution prevents an act being done that the Listing Rules require to be done. If the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be). If the Listing Rules require the Constitution to contain a provision and it does not contain such a provision, the Constitution is deemed to contain that provision. If the Listing Rules require the Constitution not to contain a provision and it contains such a provision, the Constitution is deemed not to contain that provision. If a provision of the Constitution is or becomes inconsistent with the Listing Rules, the Constitution is deemed not to contain that provision to the extent of the inconsistency.

6 ADDITIONAL INFORMATION

6.1 Continuous disclosure obligations

The Company is a 'disclosing entity' (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company's securities. The Placement Options offered under this Prospectus are options to acquire Shares, which are in same class of Shares that have been quoted on the Official List during the 12 months prior to the issue of this Prospectus.

This Prospectus is a "transaction specific prospectus" to which the special content rules under section 713 of the Corporations Act apply. That provision allows the issue of a more concise prospectus in relation to an offer of securities in a class which has been continuously quoted by ASX in the three months prior to the date of the prospectus, or options to acquire continuously quoted securities. In general terms "transaction specific prospectuses" are only required to contain information in relation to the effect of the issue of the quoted securities, or options to be issued quoted securities, on the Company and the rights attaching to those securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the period from lodgement of the Company's annual financial statements of the Company for the financial year ended 30 June 2021 to the issue of this Prospectus which required the Company to notify ASX of information about specified

events or matters as they arise for the purpose of ASX making that information available to the securities exchange conducted by ASX.

The Company confirms that, to the extent to which it is reasonable for investors and their professional advisers to expect to find the information in this Prospectus, there is no information

- (a) that has been excluded from a continuous disclosure notice in accordance with ASX Listing Rules; and
- (b) is information that investors and their professional advisers would reasonably require for the purpose of making an informed assessment of:
- (c) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; and
- (d) the rights and liabilities attaching to Placement Options.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
- (d) the annual financial statements of the Company for the financial year ended 30 June 2021 being the last financial statements for a financial year, of the Company lodged with the ASIC before the issue of this Prospectus;
- (e) the half-year financial report lodged with ASIC by the Company for the half year ending 31 December 2021; and
- (f) any continuous disclosure notices given by the Company after the lodgement of the financial statements referred to in paragraph (i) and before the lodgement of this Prospectus with ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be obtained free of charge from the Company's registered office during normal office hours or from asx.com.au.

The Company has lodged the following announcements with ASX since its 2021 annual report was lodged with ASX on 16 September 2021:

| Date | Announcement |
|-------------|--|
| 17 Jun 2022 | Exploration of Austrian Lithium Satellite Projects |
| 14 Jun 2022 | Market Update to the Avebury Nickel Project Tasmania |

| | |
|-------------|--|
| 20 May 2022 | Notice of General Meeting |
| 20 May 2022 | Clarification Announcement |
| 20 May 2022 | Matters before the courts relating to Avebury Nickel Project |
| 10 May 2022 | Proposed issue of securities - EUR |
| 28 Apr 2022 | Quarterly Activities Report and Appendix 5B |
| 19 Apr 2022 | Positive Interim NPV of A\$862 million opens |
| 14 Apr 2022 | Ceasing to be a substantial holder from CLE |
| 12 Apr 2022 | Application for quotation of securities - EUR |
| 12 Apr 2022 | Application for quotation of securities - EUR |
| 12 Apr 2022 | Issue of Securities S708A Notice |
| 6 Apr 2022 | Proposed issue of securities - EUR |
| 6 Apr 2022 | Proposed issue of securities - EUR |
| 6 Apr 2022 | \$30 million placement to rapidly advance Wolfsberg Lithium |
| 5 Apr 2022 | Trading Halt |
| 1 Apr 2022 | DFS Update |
| 1 Apr 2022 | Austrian Lithium Exploration and Evaluation Strategy |
| 1 Apr 2022 | Partner outlines lithium exploration and evaluation strategy |
| 28 Feb 2022 | European Lithium to present at Metals & Mining Day |
| 22 Feb 2022 | Notification regarding unquoted securities - EUR |
| 22 Feb 2022 | Application for quotation of securities - EUR |
| 22 Feb 2022 | Issue of Securities S708A Notice |
| 16 Feb 2022 | 31 December 2021 Half Year Report |
| 31 Jan 2022 | 31 December 2021 Quarterly Report |
| 28 Jan 2022 | Appendix 3Y - Michael Carter |
| 28 Jan 2022 | Appendix 3Y - Tony Sage |

| | |
|-------------|--|
| 28 Jan 2022 | Appendix 3Y - Malcolm Day |
| 28 Jan 2022 | Appendix 3Y - Mykhailo Zhernov |
| 28 Jan 2022 | Appendix 3G |
| 28 Jan 2022 | Application for quotation of securities - EUR |
| 28 Jan 2022 | Application for quotation of securities - EUR |
| 28 Jan 2022 | Application for quotation of securities - EUR |
| 28 Jan 2022 | Application for quotation of securities - EUR |
| 28 Jan 2022 | Application for quotation of securities - EUR |
| 28 Jan 2022 | Application for quotation of securities - EUR |
| 28 Jan 2022 | Application for quotation of securities - EUR |
| 28 Jan 2022 | Issue of Securities S708A Notice |
| 21 Jan 2022 | Appendix 3Y - Malcolm Day |
| 21 Jan 2022 | AGM Results - Ukraine Transaction Approved |
| 24 Dec 2021 | Appendix 3X - Mykhailo Zhernov |
| 22 Dec 2021 | Application for quotation of securities - EUR |
| 22 Dec 2021 | Completion of First Tranche of Subscription Agreement |
| 22 Dec 2021 | Proposed issue of securities - EUR |
| 22 Dec 2021 | Proposed issue of securities - EUR |
| 22 Dec 2021 | EUR and Traxys sign MOA for Wolfsberg Cooperation & Offtake |
| 21 Dec 2021 | Notice of Annual General Meeting |
| 13 Dec 2021 | Notification of cessation of securities - EUR |
| 2 Dec 2021 | JDR:Jadar Executes MOU with Yahua to Acquire & Develop Project |
| 1 Dec 2021 | 11% increase total Measured, Indicated and Inferred Resource |
| 25 Nov 2021 | Application for quotation of securities - EUR |
| 25 Nov 2021 | Issue of Shares S708A Notice |
| 23 Nov 2021 | EUR commences trading on the OTCQB market in the USA |

| | |
|-------------|---|
| 16 Nov 2021 | Technical Committee Established to Grow Lithium Project |
| 12 Nov 2021 | Application for quotation of securities - EUR |
| 12 Nov 2021 | Issue of Shares S708A Notice |
| 9 Nov 2021 | Application for quotation of securities - EUR |
| 9 Nov 2021 | Issue of Shares S708A Notice |
| 9 Nov 2021 | Proposed issue of securities - EUR |
| 9 Nov 2021 | EUR increases Measured and Indicated Resource by 54% |
| 8 Nov 2021 | Trading Halt |
| 8 Nov 2021 | Pause in Trading |
| 4 Nov 2021 | Proposed issue of securities - EUR |
| 4 Nov 2021 | Proposed issue of securities - EUR |
| 4 Nov 2021 | Proposed issue of securities - EUR |
| 4 Nov 2021 | Proposed issue of securities - EUR |
| 4 Nov 2021 | Proposed issue of securities - EUR |
| 4 Nov 2021 | Proposed issue of securities - EUR |
| 4 Nov 2021 | Proposed issue of securities - EUR |
| 4 Nov 2021 | Reinstatement to Official Quotation |
| 4 Nov 2021 | Response to ASX Price and Volume Query |
| 4 Nov 2021 | Conditional Acquisition of Petro Consulting and \$20m Placement |
| 29 Oct 2021 | 30 September 2021 Quarterly Report |
| 28 Oct 2021 | Suspension from Official Quotation |
| 25 Oct 2021 | Trading Halt |
| 20 Oct 2021 | Application for quotation of securities - EUR |
| 20 Oct 2021 | DFS Progress Update |
| 6 Oct 2021 | Application for quotation of securities - EUR |
| 6 Oct 2021 | Issue of Shares S708A Notice |

| | |
|-------------|---|
| 30 Sep 2021 | Application for quotation of securities - EUR |
| 30 Sep 2021 | Issue of Shares S708A Notice |
| 30 Sep 2021 | Wolfsberg Lithium Project Update |
| 24 Sep 2021 | EUR to present at Metals & Mining Day |
| 17 Sep 2021 | Application for quotation of securities - EUR |
| 17 Sep 2021 | Issue of Shares S708A Notice |
| 16 Sep 2021 | Appendix 4G |

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours or from www.asx.com.au.

6.2 Directors' interests

As at the date of this Prospectus the Directors have a relevant interest in securities of the Company and remuneration as set out below.

| | Annual Remuneration | Shares | Options ² | Performance Rights |
|-------------------------------|---------------------|------------|----------------------|--------------------|
| Antony Sage | \$360,000 | 12,763,733 | 10,977,776 | 40,000,000 |
| Malcolm Day | \$72,000 | 5,248,997 | 10,488,890 | 30,000,000 |
| Michael Carter | \$60,000 | 0 | 1,750,000 | 10,000,000 |
| Mykhailo Zhernov ¹ | \$60,000 | 52,631,580 | 0 | 0 |

Notes:

1 Appointed 28 January 2022

In addition, Shareholder approval is being sought at the Shareholder Meeting to issue the Directors the following Director Options (on the same terms as the Placement Options):

| | Director Options |
|------------------|------------------|
| Tony Sage | 15,000,000 |
| Malcolm Day | 10,000,000 |
| Michael Carter | 10,000,000 |
| Mykhailo Zhernov | 10,000,000 |

See the Notice of Meeting for further information.

Further details of the Directors' remuneration is set out in the Company's 2021 annual report.

The Constitution provides that the Directors may be paid for their services as Directors. Non-executive directors may only be paid a sum not exceeding such fixed sum per annum as may be determined by the Company in general meeting, to be divided among the non-executive directors and in default of agreement then in equal shares.

The Company also pays premiums to insure all of the Directors against liabilities for costs and expenses incurred by them in defending legal proceedings arising from their conduct whilst acting in the capacity as a Director of the Company.

Other than as set out above or elsewhere in this Prospectus, no Director or proposed Director holds at the date of this Prospectus, or held at any time during the last 2 years before the date of lodgement of this Prospectus with ASIC, any interest in:

- (a) the formation or promotion of the Company; or
- (b) any property acquired or proposed to be acquired by the Company in connection with its formation or promotion of the Company or the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given:

- (d) to a Director or proposed Director or to any firm which any such Director is a partner, to induce him or her to become, or to qualify as, a Director; or
- (e) for services provided by a Director or proposed Director or to any firm which any such Director is a partner, in connection with the formation or promotion of the Company or the Offer.

6.3 Interests of promoters and named persons

Except as disclosed in this Prospectus, no expert, promoter or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of the Prospectus, nor any firm in which any of those persons is or was a partner nor any company in which any of those persons is or was associated with, has now, or has had, in the 2 year period ending on the date of this Prospectus, any interest in:

- (a) the formation or promotion of the Company; or
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or
- (c) the Offer.

6.4 Litigation

As at the date of this Prospectus, the Company is not involved in any other legal proceedings of a material nature and the Directors are not aware of any other legal proceedings pending or threatened against the Company.

6.5 Offer of Broker Options

By this Prospectus and subject to Shareholder approval (to be sought at the Shareholder Meeting), the Company offers Evolution Capital 57,692,324 Broker Options. The offer may be accepted by returning the acceptance form that accompanies this Prospectus.

6.6 Offer of Director and Consultant Options

By this Prospectus and subject to Shareholder approval (to be sought at the Shareholder Meeting), the Company offers the Directors and certain consultants to the Company 50,000,000 Director and Consultant Options. The offer may be accepted by returning the acceptance form that accompanies this Prospectus.

7 DIRECTORS' RESPONSIBILITY AND CONSENT

Each Director has consented to the lodgement of this Prospectus with the ASIC and has not withdrawn that consent.

Dated: 23 June 2022



Signed for and on behalf of European Lithium Limited
By Antony Sage
Executive Chairman
European Lithium Limited

8 GLOSSARY

Where the following terms are used in this Prospectus they have the following meanings:

| | |
|---------------------------------------|---|
| \$, A\$ or Dollars | Australian dollars unless otherwise stated. |
| Acceptance Form | the Acceptance Form attached to this Prospectus. |
| AEST | Australian Eastern Standard Time |
| Applicant | a person who submits a valid Acceptance Form pursuant to this Prospectus. |
| Application | a valid application made on an Acceptance Form to subscribe for Placement Options pursuant to this Prospectus. |
| ASIC | the Australian Securities & Investments Commission. |
| ASX | ASX Limited (ACN 008 624 691) and where the context permits the Australian Securities Exchange operated by ASX Limited. |
| Board | the board of Directors. |
| Broker Option | means an Option on the terms set out in section 5.2 and offered under this Prospectus. |
| Business Day | Monday to Friday inclusive, except any day that ASX declares is not a business day. |
| Closing Date | the date set out in the Timetable. |
| Company or EUR | European Lithium Limited (ACN 141 450 624). |
| Constitution | the constitution of the Company. |
| Corporations Act | the Corporations Act 2001 (Cth). |
| Director | a director of the Company. |
| Director and Consultant Option | means an Option on the terms set out in section 9.2 and offered under this Prospectus. |
| Entitlement Right | or a Shareholder's entitlement to subscribe for Placement Options offered by this Prospectus. |
| Evolution Capital | Evolution Capital Pty Ltd (ACN 652 397 263) |
| Listing Rules | the listing rules of the ASX. |
| Notice of Meeting | means the notice of meeting convening the Shareholder Meeting. |

| | |
|------------------------------|--|
| Offer | an offer made under this Prospectus to subscribe for Placement Options. |
| Official List | the official list of the ASX. |
| Opening Date | the date set out in the Timetable. |
| Option | an option to be issued a Share. |
| Placement | has the meaning given in section 2.1. |
| Placement Option | means an Option on the terms set out in section 9.2 and offered under this Prospectus. |
| Placement Participant | means a person issued Shares under the Placement. |
| Prospectus | this Prospectus and includes the electronic prospectus. |
| Share | a fully paid ordinary share in the Company. |
| Share Registry | Computershare Investor Services Pty Limited. |
| Shareholder | the registered holder of Shares in the Company. |
| Shareholder Meeting | means the meeting of the Company's Shareholders to be held on 24 June 2022. |
| Timetable | means the timetable on page 3 of this Prospectus |
| US person | has the meaning given to that term in Regulation S under the US Securities Act. |
| US Securities Act | the United States Securities Act of 1933, as amended. |

SCHEDULE 1 APPLICATION FORM



Placement Options Offer - Acceptance Form

 **If you wish to subscribe to your entitlement to the Placement Options, your form must be received by 5.00pm (AEST) on 28 June 2022.**

This is an important document that requires your immediate attention. It can only be used in relation to the securityholding represented by the details printed overleaf. If you are in doubt about how to deal with this form, please contact your financial or other professional adviser.

Use this form if you wish to subscribe for your entitlement to Placement Options in European Lithium Limited being offered to you on the basis of one (1) Option for every two (2) European Lithium Limited Ordinary Shares issued and allotted to you pursuant to the placement.

You do not have to make any payment for the Placement Options.

Signing Instructions

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders must sign.

Power of Attorney: Where signing under Power of Attorney (POA), you must attach an original certified copy of the POA to this form.

Companies: Where the holding is in the name of a Company, this form must be signed in accordance with the Corporations Act, either by:

- a Sole Director and Sole Company Secretary **OR** a Sole Director (if no Company Secretary exists), **OR**
- two Directors, **OR**
- a Director and Secretary.

Overseas Companies: Where the holding is in the name of an overseas company (companies incorporated outside Australia) the form must be signed as above, or documentation must be provided showing that the company can sign in an alternate manner.

Deceased Estate: All executors must sign and a certified copy of the Death Certificate and Will must accompany this form.

Contact Details: Entering contact details is not compulsory, but will assist us if we need to contact you.

Turn over to complete the form →

European Lithium Limited

Option Offer - Acceptance Form

Tick this box to accept your entitlement to the Placement Options:

Return the completed form to operations@eveq.com by 5:00pm (AEST) on the Closing Date by email as specified on the front of this form. If you do not return your form prior to the Closing Date of 5:00pm (AEST) on 28 June 2022, you will not receive your entitlement to the Placement Options.

Signature of Shareholder(s) *This section must be completed.*

By signing and returning this form, in accordance with the requirements set out in 'Signing Instructions' overleaf, I/we confirm that I/we understand that I/we are deemed to have represented that I/we are a Placement Participant.

Individual or Shareholder 1

Sole Director and Sole Company Secretary/
Sole Director (cross out titles as applicable)

Shareholder 2

Director

Shareholder 3

Director/Company Secretary
(cross out titles as applicable)

Contact Details

Contact Name _____ Contact Daytime Telephone _____ Date ____ / ____ / ____

Email Address _____

Privacy Notice

The personal information you provide on this form is collected by Computershare Investor Services Pty Limited (CIS), as registrar for the securities issuers (the issuer), for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. In addition, the issuer may authorise us on their behalf to send you marketing material or include such material in a corporate communication. You may elect not to receive marketing material by contacting CIS using the details provided above or emailing privacy@computershare.com.au. We may be required to collect your personal information under the Corporations Act 2001 (Cth) and ASX Settlement Operating Rules. We may disclose your personal information to our related bodies corporate and to other individuals or companies who assist us in supplying our services or who perform functions on our behalf, to the issuer for whom we maintain securities registers or to third parties upon direction by the issuer where related to the issuer's administration of your securityholding, or as otherwise required or authorised by law. Some of these recipients may be located outside Australia, including in the following countries: Canada, India, New Zealand, the Philippines, the United Kingdom and the United States of America. For further details, including how to access and correct your personal information, and information on our privacy complaints handling procedure, please contact our Privacy Officer at privacy@computershare.com.au or see our Privacy Policy at <http://www.computershare.com/au>.