

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

## Appendix 3B

### New issue announcement, application for quotation of additional securities and agreement

*Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.*

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

EUROPEAN LITHIUM LIMITED

ABN

45 141 450 624

We (the entity) give ASX the following information.

#### Part 1 - All issues

*You must complete the relevant sections (attach sheets if there is not enough space).*

- |   |   |   |
|---|---|---|
| 1 | *Class of *securities issued or to be issued  | Unlisted Options ( <b>Options</b> )                                   |
| 2 | Number of *securities issued or to be issued (if known) or maximum number which may be issued   | 500,000 Options   |
| 3 | Principal terms of the *securities (e.g. if options, exercise price and expiry date; if partly paid *securities, the amount outstanding and due dates for payment; if *convertible securities, the conversion price and dates for conversion) | Unlisted Options exercisable at \$0.10 each on or before 30 June 2020 |

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4	<p>Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul>	<p>No, upon exercise of the Options into fully ordinary shares, the allotted shares will rank equally in all respects with existing ordinary fully paid shares</p>
5	Issue price or consideration	<p>Nil</p>
6	<p>Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>Issue of Options to Winance as compensation for not issuing an event of default notice to the Company in respect to the Convertible Note Facility</p>
6a	<p>Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p>	<p>Yes</p>
6b	The date the security holder resolution under rule 7.1A was passed	<p>28 November 2019</p>
6c	Number of +securities issued without security holder approval under rule 7.1	<p>500,000 Options</p>
6d	Number of +securities issued with security holder approval under rule 7.1A	<p>Not applicable</p>

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6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	Not applicable	
6f	Number of +securities issued under an exception in rule 7.2	Not applicable	
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	Not applicable	
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	Not applicable	
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	7.1 - 17,883,644  7.1A – 62,255,763	
7	+Issue dates  Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A.  Cross reference: item 33 of Appendix 3B.	24 January 2020	
8	Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)	Number  627,557,626	+Class  Fully paid ordinary shares

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	Number	+Class
9 Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)	265,440,000	Options exercisable at \$0.10 each on or before 30 June 2020 (includes 2,000,000 proposed options which are yet to be issued)
	2,000,000	Options exercisable at \$0.125 each on or before 27 February 2020.
	2,394,444	Options exercisable at \$0.05 each on or before 31 March 2020
	2,500,000	Options exercisable at \$0.20 each on or before 11 December 2021
	30,000,000	Options exercisable at \$0.15 each on or before 30 December 2020 (proposed options which are yet to be issued)
	440	Convertible notes (in accordance with terms of the convertible note announced 31 July 2019).

10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	The Directors do not anticipate declaring a dividend in the foreseeable future.
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## Part 2 - Pro rata issue

11 Is security holder approval required?	Not applicable
12 Is the issue renounceable or non-renounceable?	Not applicable
13 Ratio in which the +securities will be offered	Not applicable
14 +Class of +securities to which the offer relates	Not applicable

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15	+Record date to determine entitlements	Not applicable
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	Not applicable
17	Policy for deciding entitlements in relation to fractions	Not applicable
18	Names of countries in which the entity has security holders who will not be sent new offer documents  <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small>	Not applicable
19	Closing date for receipt of acceptances or renunciations	Not applicable
20	Names of any underwriters	Not applicable
21	Amount of any underwriting fee or commission	Not applicable
22	Names of any brokers to the issue	Not applicable
23	Fee or commission payable to the broker to the issue	Not applicable
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	Not applicable
25	If the issue is contingent on security holders' approval, the date of the meeting	Not applicable
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	Not applicable
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	Not applicable

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28	Date rights trading will begin (if applicable)	Not applicable
29	Date rights trading will end (if applicable)	Not applicable
30	How do security holders sell their entitlements <i>in full</i> through a broker?	Not applicable
31	How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	Not applicable
32	How do security holders dispose of their entitlements (except by sale through a broker)?	Not applicable
33	<sup>+</sup> Issue date	Not applicable

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<sup>+</sup> See chapter 19 for defined terms.

### Part 3 - Quotation of securities

*You need only complete this section if you are applying for quotation of securities*

34 Type of <sup>+</sup>securities  
(tick one)

(a) ☒ <sup>+</sup>Securities described in Part 1

(b) ☐ All other <sup>+</sup>securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

#### Entities that have ticked box 34(a)

#### Additional securities forming a new class of securities

*Tick to indicate you are providing the information or documents*

35 ☐ If the <sup>+</sup>securities are <sup>+</sup>equity securities, the names of the 20 largest holders of the additional <sup>+</sup>securities, and the number and percentage of additional <sup>+</sup>securities held by those holders

36 ☐ If the <sup>+</sup>securities are <sup>+</sup>equity securities, a distribution schedule of the additional <sup>+</sup>securities setting out the number of holders in the categories  
1 - 1,000  
1,001 - 5,000  
5,001 - 10,000  
10,001 - 100,000  
100,001 and over

37 ☐ A copy of any trust deed for the additional <sup>+</sup>securities

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#### Entities that have ticked box 34(b)

38	Number of +securities for which +quotation is sought	Not applicable	
39	+Class of +securities for which quotation is sought	Not applicable	
40	<p>Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"><li>• the date from which they do</li><li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li><li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li></ul>	Not applicable	
41	<p>Reason for request for quotation now</p> <p>Example: In the case of restricted securities, end of restriction period</p> <p>(if issued upon conversion of another +security, clearly identify that other +security)</p>	Not applicable	
42	Number and +class of all +securities quoted on ASX (including the +securities in clause 38)	Number	+Class
		Not applicable	Not applicable

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+ See chapter 19 for defined terms.



**Quotation agreement**

- 1      +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
- 2      We warrant the following to ASX.
  - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
  - There is no reason why those +securities should not be granted +quotation.
  - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
  - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
  - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
- 3      We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4      We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Melissa Chapman  
Company Secretary  
29 January 2020

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## Appendix 3B – Annexure 1

### Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

#### Part 1

Rule 7.1 – Issues exceeding 15% of capital	
<b>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</b>	
<b>Insert</b> number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	549,921,537
<b>Add</b> the following: <ul style="list-style-type: none"> <li>Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2</li> <li>Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval</li> <li>Number of partly paid +ordinary securities that became fully paid in that 12 month period</li> </ul> <b>Note:</b> <ul style="list-style-type: none"> <li>Include only ordinary securities here – other classes of equity securities cannot be added</li> <li>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</li> <li>It may be useful to set out issues of securities on different dates as separate line items</li> </ul>	1,938,531 Shares – Issued 6 March 2019 (issued on conversion of Magna notes approved by shareholders on 28 November 2018)  2,000,000 Shares – Issued 13 March 2019 (issued on conversion of Magna notes approved by shareholders on 28 November 2018)  4,854,540 Shares – Issued 20 March 2019 (issued on conversion of Magna notes approved by shareholders on 28 November 2018)  3,872,694 Shares – Issued 29 March 2019 (issued on conversion of Magna notes approved by shareholders on 28 November 2018)  1,000,000 Shares – Issued 29 March 2019 (issued on conversion of options approved by shareholders on 25 July 2016)  3,378,545 Shares – Issued 23 April 2019 (issued on conversion of Magna notes approved by shareholders on 28 November 2018)  3,500,000 Shares – Issued 10 May 2019 (approved by shareholders on 28 November 2019)  2,500,000 Shares – Issued 16 May 2019 (approved by shareholders on 28 November 2019)

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	<p>2019)</p> <p>2,000,000 Shares – Issued 22 May 2019 (approved by shareholders on 28 November 2019)</p> <p>2,000,000 Shares – Issued 30 May 2019 (approved by shareholders on 28 November 2019)</p> <p>992,064 Shares – Issued 4 June 2019 (issued on conversion of Magna notes approved by shareholders on 28 November 2018)</p> <p>4,500,000 Shares – Issued 4 June 2019 (approved by shareholders on 28 November 2019)</p> <p>1,200,000 Shares – Issued 11 June 2019 (approved by shareholders on 28 November 2019)</p> <p>1,005,117 Shares - Issued 21 June 2019 (issued on conversion of Magna notes approved by shareholders on 28 November 2018)</p> <p>2,500,000 Shares – Issued 25 June 2019 (approved by shareholders on 28 November 2019)</p> <p>983,548 Shares - Issued 11 July 2019 (issued on conversion of Magna notes approved by shareholders on 28 November 2018)</p> <p>2,000,000 Shares – Issued 11 July 2019 (approved by shareholders on 28 November 2019)</p> <p>995,223 Shares - Issued 31 July 2019 (issued on conversion of Magna notes approved by shareholders on 28 November 2018)</p> <p>1,016,411 Shares – Issued 16 August 2019 (issued on conversion of Magna notes approved by shareholders on 28 November 2018)</p> <p>1,000,000 Shares – Issued 13 September 2019 (approved by shareholders on 28 November 2019)</p> <p>285,714 Shares – Issued 25 September 2019 (issued on conversion of Winance notes approved by shareholders on 28 November</p>
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	<p>2019)</p> <p>1,428,571 Shares – Issued 30 September 2019 (issued on conversion of Winance notes approved by shareholders on 28 November 2019)</p> <p>571,428 Shares – Issued 30 September 2019 (issued on conversion of Winance notes approved by shareholders on 28 November 2019)</p> <p>3,300,000 Shares – Issued 30 September 2019 (approved by shareholders on 28 November 2019)</p> <p>819,917 Shares - Issued 7 October 2019 (issued on conversion of Magna notes approved by shareholders on 28 November 2018)</p> <p>1,428,571 Shares – Issued 11 October 2019 (issued on conversion of Winance notes approved by shareholders on 28 November 2019)</p> <p>1,428,570 Shares – Issued 23 October 2019 (issued on conversion of Winance notes approved by shareholders on 28 November 2019)</p> <p>2,857,142 Shares – Issued 30 October 2019 (issued on conversion of Winance notes approved by shareholders on 28 November 2019)</p> <p>1,428,571 Shares – Issued 12 November 2019 (issued on conversion of Winance notes approved by shareholders on 28 November 2019)</p> <p>1,428,571 Shares – Issued 19 November 2019 (issued on conversion of Winance notes approved by shareholders on 28 November 2019)</p> <p>1,428,571 Shares – Issued 26 November 2019 (issued on conversion of Winance notes approved by shareholders on 28 November 2019)</p> <p>853,289 Shares – Issued 5 December 2019 (issued on conversion of magna notes approved by shareholders on 28 November 2018)</p> <p>1,428,571 Shares – Issued 10 December 2019 (issued on conversion of Winance notes</p>
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	<p>approved by shareholders on 28 November 2019)</p> <p>950,026 Shares – Issued 13 December 2019 (issued on conversion of magna notes approved by shareholders on 28 November 2018)</p> <p>1,428,571 Shares – Issued 17 December 2019 (issued on conversion of Winance notes approved by shareholders on 28 November 2019)</p> <p>8,333,333 Shares – Issued 24 January 2020 (issued on conversion of Winance notes approved by shareholders on 28 November 2019)</p>
<b>Subtract</b> the number of fully paid +ordinary securities cancelled during that 12 month period	None
<b>“A”</b>	622,557,626
<b>Step 2: Calculate 15% of “A”</b>	
<b>“B”</b>	<p>0.15</p> <p><i>[Note: this value cannot be changed]</i></p>
<b>Multiply</b> “A” by 0.15	93,383,644
<b>Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used</b>	
<p><b>Insert</b> number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> <li>• Under an exception in rule 7.2</li> <li>• Under rule 7.1A</li> <li>• With security holder approval under rule 7.1 or rule 7.4</li> </ul> <p><b>Note:</b></p> <ul style="list-style-type: none"> <li>• <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i></li> <li>• <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul>	<p>5,000,000 Shares – Issued 5 November 2019</p> <p>40,000,000 Options (Refer Appendix 3B 30 December 2019)</p> <p>30,000,000 Options (Refer Appendix 3B 30 December 2019)</p> <p>500,000 Options (issued, subject of this Appendix 3B)</p>

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<b>“C”</b>	75,500,000
<b>Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1</b>	
<b>“A” x 0.15</b>  <i>Note: number must be same as shown in Step 2</i>	93,383,644
<b>Subtract “C”</b>  <i>Note: number must be same as shown in Step 3</i>	75,500,000
<b>Total</b> [“A” x 0.15] – “C”	17,883,644  <i>[Note: this is the remaining placement capacity under rule 7.1]</i>

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Part 2

<b>Rule 7.1A – Additional placement capacity for eligible entities</b>	
<b>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</b>	
<b>“A”</b>  <i>Note: number must be same as shown in Step 1 of Part 1</i>	622,557,626
<b>Step 2: Calculate 10% of “A”</b>	
<b>“D”</b>	0.10  <i>Note: this value cannot be changed</i>
<b>Multiply “A” by 0.10</b>	62,255,763
<b>Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used</b>	
<b>Insert</b> number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A  <i>Notes:</i> <ul style="list-style-type: none"> <li><i>This applies to equity securities – not just ordinary securities</i></li> <li><i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li><i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i></li> <li><i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul>	
<b>“E”</b>	Nil

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<b>Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A</b>	
<b>“A” x 0.10</b>  <i>Note: number must be same as shown in Step 2</i>	62,255,763
<b>Subtract “E”</b>  <i>Note: number must be same as shown in Step 3</i>	Nil
<b>Total</b> [“A” x 0.10] – “E”	62,255,763  <i>Note: this is the remaining placement capacity under rule 7.1A</i>

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+ See chapter 19 for defined terms.