

26 March 2020

Daniel Nicholson
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ASX Compliance Pty Limited
Level 40, Central Park
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By E-Mail: ListingsCompliancePerth@asx.com.au

Dear Daniel,

European Lithium Limited (**EUR** or **the Company**) refer to the letter received from the ASX dated 23 March 2020 in relation to the change of director's interest notice lodged on behalf of Mr Malcolm Day and released to the ASX on 19 March 2020 (**Appendix 3Y**).

In relation to the letter, we note the following queries have been raised by the ASX:

1. Please explain why the Appendix 3Y was lodged late

The Company advises that the failure to lodge the Appendix 3Y within the mandated time was the result of an administrative oversight. The notices were lodged immediately upon the oversight being discovered.

2. What arrangements does EUR have in place under Listing Rule 3.19B with its directors to ensure that it is able to meet its disclosure obligations under listing rule 3.19A?

The Company and its Directors are fully aware of the disclosure obligations under ASX Listing Rule 3.19A. The Company has a Securities Trading Policy and Corporate Governance Manual which sets out the key parameters for directors dealing in the securities of the Company. The policies include prescriptive timing with respect to the notification of share trades to the Company Secretary and also includes further clarification around trading outside of closed periods and the necessary steps involved in ensuring that appropriate approvals are gained prior to trades taking place.

3. If the current arrangements are inadequate or not being enforced, what additional steps does EUR intent to take to ensure compliance with Listing Rule 3.19B?

The Company and its Directors consider that the Company's current arrangements with its Directors to be adequate for the purposes of ASX Listing Rule 3.19B.

However, the Company notes that its trading policy is primarily directed toward trading in securities and does not expressly contemplate notification requirements with respect to expiry of options. As such, the Company has put in place an internal procedure to ensure that any related parties that hold options are identified in advance of those options expiring.

The Company and its Directors understand the importance of timely and accurate disclosure to the market and will ensure that all future disclosures are in accordance with the disclosure period noted in ASX Listing Rule 3.19A.

Yours faithfully

EUROPEAN LITHIUM LIMITED

Melissa Chapman

Company Secretary



23 March 2020

Ms Melissa Chapman
Company Secretary
European Lithium Limited

By email

Dear Ms Chapman

European Lithium Limited ('EUR'): Appendix 3Y – Change of Director's Interest Notice Query

ASX refers to the following:

1. EUR's Appendix 3Y lodged on the ASX Market Announcements Platform ('MAP') on 19 March 2020 for Mr Malcolm Day (the 'Notice');
2. Listing Rule 3.19A which requires an entity to tell ASX the following:

3.19A.1 *'The notifiable interests of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) at the following times.*

- *On the date that the entity is admitted to the official list.*
- *On the date that a director is appointed.*

The entity must complete Appendix 3X and give it to ASX no more than 5 business days after the entity's admission or a director's appointment.

3.19A.2 *A change to a notifiable interest of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) including whether the change occurred during a closed period where prior written clearance was required and, if so, whether prior written clearance was provided. The entity must complete Appendix 3Y and give it to ASX no more than 5 business days after the change occurs.*

3.19A.3 *The notifiable interests of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) at the date that the director ceases to be a director. The entity must complete Appendix 3Z and give it to ASX no more than 5 business days after the director ceases to be a director.'*

3. Listing rule 3.19B which states that:

'An entity must make such arrangements as are necessary with a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) to ensure that the director discloses to the entity all the information required by the entity to give ASX completed Appendices 3X, 3Y and 3Z within the time period allowed by listing rule 3.19.A. The entity must enforce the arrangements with the director.'

The Notice indicates that a change in Mr Day's notifiable interest occurred on 27 February 2020. It appears that the Notice should have been lodged with ASX by 5 March 2020. Consequently, EUR may have breached Listing Rules 3.19A and/or 3.19B. It also appears that Mr Day may have breached section 205G of the *Corporations Act 2001* (Cth).

Please note that ASX is required to record details of breaches of the Listing Rules by listed entities for its reporting requirements.

ASX reminds EUR of its contract with ASX to comply with the Listing Rules. In the circumstances, EUR should make necessary arrangements to ensure it does not continue to breach the Listing Rules.

Request for Information

Under Listing Rule 18.7, we ask that you answer each of the following questions having regard to Listing Rules 3.19A and 3.19B and *Guidance Note 22: Director Disclosure of Interests and Transactions in Securities - Obligations of Listed Entities*.

1. Please explain why the Appendix 3Y was lodged late.
2. What arrangements does EUR have in place under Listing Rule 3.19B with its directors to ensure that it is able to meet its disclosure obligations under Listing Rule 3.19A?
3. If the current arrangements are inadequate or not being enforced, what additional steps does EUR intend to take to ensure compliance with Listing Rule 3.19B?

When and where to send your response

Your response should be sent to me by e-mail at ListingsCompliancePerth@asx.com.au. It should not be sent to the ASX Market Announcements Office.

A response is requested as soon as possible and, in any event, no later than half an hour before the start of trading (i.e. before 10:30 am AWST) on 26 March 2020.

Under Listing Rule 18.7A, a copy of this letter and your response will be released to the market, so your response should be in a form suitable for release and must separately address each of the questions asked.

Enquiries

If you have any queries or concerns about any of the above, please contact me immediately.

Yours faithfully

Daniel Nicholson
Adviser, Listings Compliance (Perth)