

23 September 2020

Vanessa Nevjestic
Advisor, Listings Compliance (Perth)
ASX Limited

Dear Vanessa,

European Lithium Limited (EUR or the Company) - Response to ASX Price and Volume Query

We refer to your letter dated 18 September 2020 with respect to the ASX price and volume query, and respond as follows (using your numbering):

1. No.
2. Not applicable.
3. The Company previously applied to the Department of Mines (**DMP**) and was part of the ballot awarding Exploration Licences 47/4136 to 47/4149 (**Exploration Licenses**). There was a public hearing in the Warden's Court on 18 September 2020 to allocate the Exploration Licenses. The hearing lasted several hours. The Company was not, until during the course of the ballot, aware that it was occurring and did not have anyone in attendance. The Company was advised post market close on 18 September 2020 that it may have won ballots for a number of the Exploration Licenses.

Initially the Company did not believe that the areas the subject of the ballot won was of material value. It was only early on 21 September 2020 that the Company became aware that the area the subject of the winning ballot may be prospective for gold and that winning the ballot may be material for the Company. Upon becoming aware of that information the Company immediately requested a trading halt pending an announcement on the ballot. The request was subsequently granted.

On 22 September 2020 and whilst the Company's securities were in trading halt, the Company received formal confirmation from the DMP that the Company had won the ballot for E47/4144. Prior to market open on 23 September 2020 the Company announced that it had won the ballot for E47/4144.

4. The Company confirms that it is in compliance with the listing rules, and in particular, listing rule 3.1.
5. The Company confirms that the responses above have been approved by the board.

Regards,



For and on behalf of the EUR Board,
Tony Sage
Non-Executive Chairman



18 September 2020

Reference: ODIN24569

Ms Melissa Chapman
Company Secretary
European Lithium Limited
32 Harrogate Street
WEST LEEDERVILLE WA 6007

By email: melissac@europeanlithium.com

Dear Ms Chapman

European Lithium Limited ('EUR'): Price - Query

ASX refers to the following:

- A. The change in the price of EUR's securities from an intraday low of \$0.045 to an intraday high of \$0.062 today.
- B. The significant increase in the volume of EUR's securities traded today.

Request for information

In light of this, ASX asks EUR to respond separately to each of the following questions and requests for information:

1. Is EUR aware of any information concerning it that has not been announced to the market which, if known by some in the market, could explain the recent trading in its securities?
2. If the answer to question 1 is "yes".
 - (a) Is EUR relying on Listing Rule 3.1A not to announce that information under Listing Rule 3.1? Please note that the recent trading in EUR's securities would suggest to ASX that such information may have ceased to be confidential and therefore EUR may no longer be able to rely on Listing Rule 3.1A. Accordingly, if the answer to this question is "yes", you need to contact us immediately to discuss the situation.
 - (b) Can an announcement be made immediately? Please note, if the answer to this question is "no", you need to contact us immediately to discuss requesting a trading halt (see below).
 - (c) If an announcement cannot be made immediately, why not and when is it expected that an announcement will be made?
3. If the answer to question 1 is "no", is there any other explanation that EUR may have for the recent trading in its securities?
4. Please confirm that EUR is complying with the Listing Rules and, in particular, Listing Rule 3.1.
5. Please confirm that EUR's responses to the questions above have been authorised and approved under its published continuous disclosure policy or otherwise by its board or an officer of EUR with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **5:00 PM AWST Friday, 18 September 2020**. You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, EUR's obligation is to disclose the information 'immediately'. This may require the information to be disclosed before the deadline set out in the previous paragraph and may require EUR to request a trading halt immediately.

Your response should be sent to me by e-mail at **ListingsCompliancePerth@asx.com.au**. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Trading halt

If you are unable to respond to this letter by the time specified above, or if the answer to question 1 is "yes" and an announcement cannot be made immediately, you should discuss with us whether it is appropriate to request a trading halt in EUR's securities under Listing Rule 17.1. If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

Suspension

If you are unable to respond to this letter by the time specified above, ASX will likely suspend trading in EUR's securities under Listing Rule 17.3.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to EUR's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure*: Listing Rules 3.1 – 3.1B. It should be noted that EUR's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Release of correspondence between ASX and entity

We reserve the right to release a copy of this letter, your reply and any other related correspondence between us to the market under Listing Rule 18.7A.

Questions

If you have any questions in relation to the above, please do not hesitate to contact me.

Yours sincerely

Vanessa Nevjestic
Adviser, Listings Compliance (Perth)