

6 October 2020

## Update on SPP and Empire Mandate

As announced on 23 September 2020, European Lithium Limited (ASX:EUR, FRA:PF8, NEX:EUR, VSE:ELI) (**EUR** or the **Company**) is conducting a share purchase plan (**SPP**) which offers all existing eligible shareholders the opportunity to subscribe for new shares at \$0.0475 per Share up to a maximum of 666,667 shares (maximum of \$30,000). Funds raised under the SPP will be used primarily towards exploration on E47/4144.

### Timetable

The Company is in the process of finalising the offer booklet for the SPP. The Company estimates that the offer booklet will be dispatched to eligible shareholders on 8 October 2020 and that the SPP offer will open on the same day. A revised indicative timetable for the SPP is set out in Annexure.

### Participation

To apply for Shares under the SPP, shareholders should read the offer booklet and follow the instructions on the personalised application form accompanying the offer booklet.

Beneficial holders whose shares are held through a custodian and who wish to participate in the SPP should contact their custodian.

### Shortfall

EUR reserves its right to place any shortfall under the SPP at a price not less than the Issue Price in accordance with its share issue capacity under the Listing Rules. For details on the shortfall, please contact Empire Capital on +61 8 9388 9230 or p.dsylva@empireequity.co.uk between 8.30am and 5.30pm (WST).

### Corporate Advisor Mandate with Empire Capital

The Company is pleased to advise that it has executed a mandate with Empire Capital Pty Ltd (**Empire**), a boutique corporate advisory and investment firm focused on investments in the Australian resources and oil and gas sectors, to provide corporate advisor services to EUR (**Mandate**).

The Mandate services comprise two major components:

- a) Corporate advisor and lead manager services to advise and lead an acquisition transaction involving a merger or exchange offer, acquisition of assets or equity interests, or similar transaction involving all or a majority of the Company's business, assets, or equity interests (**M&A Transaction**); and
- b) lead and manage a financing transaction by way of an equity raise, debt facility and offtake agreement and/or other debt, or structured finance for parties through whom.

Empire obtains funding proposals in connection with the M&A Transaction for a minimum of A\$10M and a maximum of A\$20M (**Financing Transaction**).

Empire's services to the Company include but are not limited to:

- a) identifying and qualifying potential M&A targets;
- b) preparing information package or confidential information memorandum;
- c) advising the Company as to the transaction strategy etc;
- d) introducing and participating in confidential transaction discussions with potential counterparties introduced by Empire;
- e) assisting and participating in any due diligence exercise;
- f) advising the Company as to the structure and form of the transaction; and
- g) assisting, as necessary, in the preparation of contracts, documents, approvals and related matters necessary to close the transaction.

The Company confirms that as of today, no target has been identified for a M&A Transaction and no proposal has been initiated for a Financing Transaction. Announcements will be made in accordance with ASX Listing Rules as and when they are required for such transactions.

Under the terms of the Mandate:

- a) The Mandate commences on 1 October 2020 and will continue for 12 months unless terminated earlier in accordance with its terms (the Company may terminate this Agreement at any time, with or without cause, on written notice to Empire);
- b) EUR will issue Empire 1 million fully paid ordinary shares upon the execution of the Mandate. These shares will be issued without shareholder approval and using the Company's existing capacity under Listing Rule 7.1;
- c) EUR will pay Empire a monthly fee of \$5,000 (exclusive of GST) to be paid, subject to the Listing Rules, in equity at an issue price equal to a 15% discount to the 10-day VWAP, payable upon the Company completing a \$2 million placement and \$2 million share purchase plan (refer to the ASX announcement on 23 September 2020);
- d) Subject to the Listing Rules, Empire will be issued 2.5 million fully paid ordinary shares upon the execution of a binding heads of agreement (**HoA Shares**) for a M&A Transaction and Financing Transaction; and
- e) Upon entering into definitive transaction documents and subject to the Listing Rules, Empire will be issued Shares to the value of 3% of the total value of the M&A Transaction and 6% of the Financing Transaction; with an issue price at a 15% discount to the 10-day VWAP less the 2.5 million HoA Shares under paragraph d) above.

An Appendix 3B for the proposed issue of 1 million shares accompanies this announcement.

This announcement has been authorised for release to the ASX by the Board of the Company.

Tony Sage  
Non-Executive Chairman  
European Lithium Limited

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Visit the Company's website to find out more about the advanced Wolfsberg Lithium Project located in Austria.

For further information please contact:

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## **Annexure "A"**

### **Share Purchase Plan Timetable**

<b>Event</b>	<b>Date</b>
Record date for eligibility to participate in the SPP	5.00pm (AWST), 22 September 2020
Dispatch of SPP offer Documents and SPP offer open	8 October 2020
SPP closing Date	3 November 2020
Announcement of SPP Participation Results	6 November 2020
Issue of new shares under the SPP	12 November 2020

The timetable is indicative only and remains subject to change at EUR's discretion, subject to compliance with applicable laws and the ASX Listing Rules.