

20 November 2018

## APPLICATION FOR ADMISSION TO THE NEX EXCHANGE GROWTH MARKET

European Lithium Limited (ASX:**EUR**) (FRA: PF8) (VSE: ELI) (NEX: EUR) (the **Company**) is pleased to advise that the Company has applied for admission of its entire issued share capital to trading on the London based NEX Exchange Growth Market (**NEX**). NEX Admission is expected to commence on 26 November 2018 (**Admission**). Trading on NEX is also expected to commence on 26 November 2018 and will be under the ticker symbol EUR.

Admission to the NEX provides the Company with increased exposure and access to European investors including those in the established UK markets and will offer greater liquidity for the Company's shares.

EUR's Chairman, Tony Sage, said "the listing provides the Company with many benefits, providing European investors with greater access to invest and trade is key." He added, "we believe this move creates an important opportunity for European investors, giving them greater access to the lithium sector amidst the global transition to electric vehicles."

### About NEX Exchange

NEX Exchange is a London based, recognised Investment Exchange that operates three markets; NEX Exchange Main Board, the NEX Exchange Growth Market, and NEX Trading. NEX Exchange provides UK and international companies of all sizes and at all stages of development with access to European capital and liquidity.

NEX Exchange is a member of the NEX Group.

Both the NEX Exchange Main Board and the NEX Exchange Growth Market are Recognised Stock Exchanges under S1005 (1)(b) Income Tax Act 2007.

A copy of the *draft* Application for Admission to the NEX Exchange Growth Market is attached to this announcement.

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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## European Lithium Ltd

(“European Lithium”, “EUR” or “the Company”)

### Application for Admission to the NEX Exchange Growth Market

The directors of European Lithium (“the Directors”) (ASX: EUR)(FRA: PF8)(VSE: ELI)(NEX:EUR) are pleased to announce that the Company has today applied for admission of its entire issued share capital of 546,325,198 ordinary shares (“Ordinary Shares”) to trading on the NEX Exchange Growth Market (“NEX”). Admission to trading on NEX is expected to take place on 26 November 2018 (“Admission”). The Directors, having taken all reasonable care to ensure that such is the case, warrant that the information contained in this announcement is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import. Likewise, they also confirm that the information not contained within this announcement, but required by the NEX Rules, is available in the public domain and accessible by visiting the Company or the Australian Securities Exchange’s (“ASX”) website per the below.

*Company Website:*

<https://europeanlithium.com/>

*Australian Securities Exchange Website:*

<https://www.asx.com.au/index.htm>

Admission to the NEX provides the Company with increased exposure and access to European investors including those in the established UK markets and will offer greater liquidity for the Company’s shares. Tony Sage, Non-Executive Chairman commented “the listing provides many benefits to the Company a key is that it provides European investors with greater access to invest and trade.”

#### Company Information

European Lithium (ACN 141 450 624) is a mining exploration and development company which wholly owns the Wolfsburg Lithium Project located in Carinthia, 270 km south of Vienna, Austria. The Company’s primary listing is on the Australia Securities Exchange (ASX: EUR) and it is also listed in Frankfurt (FRA: PF8) and Vienna (VSE: ELI). The Wolfsburg Lithium Project is well located in Central Europe with access to established road and rail infrastructure to distribute lithium products to the major lithium consuming countries of Europe. In September 2016, in a reverse takeover, Paynes Find Gold acquired the assets of European Lithium in a reverse takeover. This was renamed and readmitted to trading on the ASX under the code EUR.

European Lithium is not subject to the UK City Code on Takeovers and Mergers but is subject to the Australian Corporations Act 2001. As the Company is not incorporated in the UK, the rights of shareholders may be different from the rights of shareholders in a UK incorporated company. Shareholders should refer to the Company’s Constitution for further details.

#### Sector

Metals & Mining

#### Registered Address

European Lithium Limited  
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WA, 6007  
Australia

#### **Phone Number**

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#### **Email**

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#### **Details of Directors**

##### ***Antony Sage, Non-Executive Chairman***

Mr Sage has more than 30 years' experience in corporate advisory services, funds management and capital raising predominantly within the resource sector. Mr Sage is based in Western Australia and has been involved in the management and financing of listed mining companies for the last 18 years. Mr Sage currently holds the position of Executive Chairman of ASX listed Cape Lambert Resources Limited (ASX Code: CFE) and Non-Executive Chairman of ASX listed Fe Limited (ASX Code: FEL) and Cauldron Energy Limited (ASX Code: CXU). He is also the Non-Executive Director of International Petroleum Limited.

##### ***Stefan Müller, Non-Executive Director***

Mr. Müller has extensive financial markets and investment banking knowledge and experience built over his 25-year career. Mr. Müller is CEO and founder of DGWA Deutsche Gesellschaft für Wertpapieranalyse GmbH, a boutique European investment and financial markets consulting firm for national and international SMEs based in Frankfurt, Germany.

Mr. Müller graduated a banker and began his career at Dresdner Bank AG as senior vice president of global equity trading. He held senior positions with Equinet AG, Bankhaus Sal Oppenheim (largest European private bank at that time) as Head of global proprietary trading and managing partner at Proprietary Partners AG, a Swiss based hedge fund advisory company.

Mr. Müller holds a supervisory board position with Agrarius AG an agriculture based business listed on the Frankfurt Stock Exchange and also consults for various companies, institutions and federal organisations regarding their investment strategy.

##### ***Malcolm Day, Non-Executive Director***

Mr Day holds a Bachelor of Applied Science in Surveying and Mapping. Mr Day was the founder and inaugural Managing Director of Adultshop.com which listed on ASX in June 1999. In October 2010 Adultshop.com was privatised. Prior to founding Adultshop.com in 1996, Mr Day worked in the civil construction industry for ten years, 6 of which were spent in senior management as a Licensed Surveyor and then later as a Civil Engineer. Whilst working as a Surveyor, Mr Day spent 3 years

conducting mining and exploration surveys in remote Western Australia. Mr Day is a Member of the Australian Institute of Company Directors. Mr Day is the Managing Director of ASX listed entity Delecta Limited (ASX Code: DLC).

### **Admission to Other Markets**

The Company is also listed on The Australian Securities Exchange (ASX: EUR) The Frankfurt Stock Exchange (FRA: PF8) and the Vienna Stock Exchange (VSE: ELI). For the avoidance of doubt, the Company will retain its listing on other exchanges and its Ordinary Shares will carry the same ISIN as fungible on those exchanges (AU000000EUR7). These Ordinary Shares will be fully fungible through a Depositary Interest ("DI").

### **Securities to be Admitted**

The securities being admitted to trading on NEX hold the same rights and has the same laws attached as those tradeable on the markets on which EUR is currently also tradeable. For more information on such rights and laws attached, please visit the relevant section of the Company's website at <https://europeanlithium.com/>

Under the Company's constitution, the Company's directors have the power to issue securities (including ordinary shares). Whilst admitted to the ASX, the Company is subject to the Listing Rules, which limit the number of equity securities an entity can issue in any 12 month period without prior shareholder approval to:

1. 15% of the entity's issued share capital; and
2. in the event the entity's shareholders have approved the limit at the entity's annual general meeting, and subject to complying with certain restrictions (primarily as to market capitalisation and price) and conditions (primarily as to disclosure of the recipients of the issue and consideration), a further 10% of the entity's issued share capital.

The above limitations are subject to various exceptions, including the following:

1. a pro-rata issue to all shareholders (including, subject to conditions underwritten and shortfall amounts);
2. an offer under a share purchase plan in accordance with ASIC relief;
3. an offer under an employee share plan that has been approved by shareholders
4. issues under a dividend reinvestment plan; and

an issue on conversion of securities where the underlying security was issued in accordance with the Listing Rules.

### **Financial disclosures**

Full financial disclosures and audited accounts for the last three years are available on the Company's website at <https://europeanlithium.com/> . In the opinion of the Directors, having made due and careful enquiry, the working capital available to the issuer and its group will be sufficient for the period of at least twelve months following Admission.

### **Specialist Reports**

Specialist reports commissioned by the Company as well as competent persons' reports and feasibility studies etc. are accessible on the Company's website at <https://europeanlithium.com/>

## **United Kingdom Tax**

### ***Taxation of dividends***

Under current UK tax law, no tax is withheld from dividends paid by the Company.

### ***UK resident individual shareholders***

Pursuant to Finance Act 2016, as of 6 April 2016 the notional dividend tax credit system was abolished. Instead, UK individuals are given an effective tax-free allowance of £2,000 on dividend income per year received after 6 April 2018. Dividend income in excess of £2,000 will be taxed at the following rates:

- a) 7.5 per cent. (basic rate taxpayers);
- b) 32.5 per cent. (high rate taxpayers); and
- c) 38.1 per cent. (additional rate taxpayers).

Dividend income that is within the dividend allowances counts towards an individual's basic or higher rate limits – and will therefore affect the level of savings allowance to which they are entitled, and the rate of tax that is due on any dividend income in excess of this allowance. In calculating into which tax band any dividend income over the £2,000 allowance falls, savings and dividend income are treated as the highest part of an individual's income. Where an individual has both savings and dividend income, the dividend income is treated as the top slice.

- UK resident corporate shareholders
- Shareholders within the charge to UK corporation tax which are “small companies” (for the purposes of UK taxation of dividends) will not generally expect to be subject to UK tax on dividends from the Company (because the Company is resident in a “qualifying territory” for the purposes of the legislation contained in the Corporation Tax Act 2009).
- Dividends paid on the Common Shares to other shareholders within the charge to UK corporation tax will generally (subject to anti-avoidance rules) fall within one or more of the classes of dividend qualifying for exemption from corporation tax. In general, dividends paid on shares that are “ordinary share capital” for UK tax purposes and are not redeemable, and dividends paid to a person holding less than 10 per cent. of the issued share capital of the payer (or any class of that share capital) are examples of dividends that fall within an exempt class. In the event that the dividends do not qualify for such exemption, shareholders within the charge to UK corporation tax will be subject to corporation tax on them. Shareholders within the charge to corporation tax are advised to consult their independent professional tax advisers in relation to the implications of the legislation.

### ***Non-UK resident corporate shareholders***

Shareholders who are not resident in the UK will not generally be subject to UK corporation tax on dividends unless they are carrying on a trade, profession or vocation in the UK through a branch or

agency (or, in the case of a corporate shareholder, a permanent establishment) in connection with which the Common Shares are used, held or acquired. A shareholder resident outside the UK may be subject to non-UK taxation on dividend income under local law. Shareholders who are not resident for tax purposes in the UK should obtain their own tax advice concerning tax liabilities on dividends received from the Company.

### **Risk factors**

Risks associated with the Company and its operations are contained within the prospectuses on the Company's website. Since publication of such, the Company has completed the Pre-Feasibility Study ("PFS") at its Wolfsberg Lithium Project and therefore would also like to include the following risk factors to those already disclosed in previous prospectuses.

#### ***Feasibility and Development Risks***

Given the stage of the Company's projects, there will be a complex, multidisciplinary process to be undertaken to complete a definitive feasibility study ("DFS") to support any development proposal. There is a risk that the DFS and associated technical works will not achieve the results expected. There is also a risk that even if a positive DFS is produced, the relevant project may not be successfully developed for commercial or financial reasons.

#### ***Resource and reserve estimates***

Resource and reserve estimates are inherently prone to variability. They involve expressions of judgement with regard to the presence and quality of mineralisation and the ability to extract and process the mineralisation economically. These judgments are based on a variety of matters such as drilling results, past experience, knowledge and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. This may result in alterations to development and mining plans which may, in turn, adversely affect the Company's operations and reduce the estimated amount of mineral resources and ore reserves available for production and expansion plans.

#### ***Future approvals risk***

The Company has all relevant approvals to conduct its current operations. Prior to commencement of any future operations (including mine development and operation) for which the Company requires higher tenure, the Company will need to obtain the relevant approvals for such higher tenure. There is no assurance that such approvals will be received or that the conditions within the approvals will not be overly onerous. The potential incidence and impact of those factors cannot be accurately predicted and conditions imposed on approvals may impede the operation or development of a project and even render it uneconomic.

#### ***Ability to exploit successful discoveries***

It may not always be possible for the Company to exploit successful discoveries which may be made in areas in which the Company has an interest. Such exploitation will involve obtaining the necessary licences or clearances from relevant authorities that may require conditions to be satisfied and/or the exercise of discretions by such authorities. It may or may not be possible for such conditions to

be satisfied. Further, the decision to proceed to further exploitation may require participation of other companies whose interests and objectives may not be the same as the Company's.

### ***Operating risk***

The operations of the Company may be affected by various factors, including operational and technical difficulties encountered in mining, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown or unanticipated metallurgical problems, which may affect extraction costs; adverse weather conditions (e.g. significant rainfall), delays in construction of tailings dam wall lifts, industrial and environmental accidents, industrial disputes or unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment may have an adverse effect on the operations and production ability of the Company by increasing costs or delaying activities.

The Company's operations will depend on an uninterrupted flow of materials, supplies, equipment, services and finished projects. Due to the geographic location of the Company's projects, it will depend on third parties for the provision of road, port, marine, shipping and other transportation services. Contractual disputes, demurrage charges, classification of commodity inputs and finished products, road and port capacity issues, availability of trucks and vessels, weather conditions, labour disruptions or other factors may have an adverse impact on the Company's ability to transport materials according to schedules and contractual commitments. If these circumstances arise, they may adversely affect the Company's business, results of operations, financial performance and the value of its Shares.

### ***Geotechnical risk***

Geotechnical risks arise from the movement of the ground during and following mining activity. This may result in temporary or permanent access to a mine being cut off. The loss of access may have a significant impact on the economics of the ore body. Additionally, significant additional costs may result from designing and constructing alternative access drives which will also impact the economics of the mining operation, potentially making the mine uneconomic.

Assessment of the extent and magnitude of ground movements that could take place or that have taken place within the mine and surrounding area will be evaluated by the Company.

### ***Occupational health & safety***

The exploration and mining industry has become subject to increasing occupational health and safety responsibility and liability. The Company may become liable for past and current conduct which violates such laws and regulations, which may be amended by the relevant authorities. Penalties for breaching health and safety laws can be significant and include criminal penalties. Victims of workplace accidents may also commence civil proceedings against the Company. These events might not be insured by the Company or may be uninsurable. In addition, any changes in health and safety laws and regulations may increase compliance costs for the Company. Such an event would negatively impact the financial results of the Company.

### ***Commodity Risk***



As an explorer for lithium, any earnings of the Company are expected to be closely related to the price of lithium and other commodities.

Commodities prices fluctuate and are affected by numerous factors beyond the control of the Company. These factors include worldwide and regional supply and demand for lithium and other commodities, general world economic conditions and the outlook for interest rates, inflation and other economic factors on both a regional and global basis. These factors may have a positive or negative effect on the price for the Company's securities.

### ***Unforeseen Expenditure Risk***

Expenditure may need to be incurred that has not been considered in this PFS. Although the Company is not aware of any such additional Expenditure requirements, if such expenditure is subsequently incurred this may adversely affect the expenditure proposals and activities of the Company, as the Company may be required to reduce the scope of its operations and scale back its exploration programmes. This could have a material adverse effect on the Company's activities and the value of its Shares.

The above list of risk factors should not to be taken as exhaustive of the risks faced by the Company or by Shareholders. Shareholders should consider that investment in the Company is highly speculative and should consult their professional advisers before deciding whether to take up their Entitlement.

### **Substantial Shareholders**

<b><i>Shareholder</i></b>	<b><i>Shares</i></b>	<b><i>% Holding</i></b>
J P Morgan Nominees Australia Limited	241,729,467	44.25
Dempsey Resources Pty Ltd	65,483,920	11.99
Exchange Minerals Limited	41,138,140	7.53

At the date of admission to NEX, there is a total of [546,325,198] Ordinary Shares in issue.

The percentage of securities in public hands (as defined by the NEX Exchange Growth Market Rules for Issuers) is 95.88 per cent. The percentage of securities not in public hands is 4.12 per cent.

The Ordinary Shares are eligible for CREST settlement. There are no restrictions on the transfer of Ordinary Shares. The NEX Exchange Growth Market, which is operated by NEX Exchange Limited (NEX Exchange), a Recognised Investment Exchange, is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. It is not classified as a Regulated Market under EU financial services law and NEX Exchange Growth Market securities are not admitted to the Official List of the United Kingdom Listing Authority. Investment in an unlisted company is speculative and involves a higher degree of risk than an investment in a listed company. The value of investments can go down as well as up and investors may not get back the full amount originally invested. An investment should therefore only

be considered by those persons who are prepared to sustain a loss on their investment. A prospective investor should be aware of the risks of investing in NEX Exchange Growth Market securities and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser authorised under the Financial Services and Markets Act 2000 who specialises in advising on the acquisition of shares and other securities. European Lithium Ltd is required by NEX Exchange Limited to appoint a NEX Exchange Corporate Adviser to apply on its behalf for admission to the NEX Exchange. NEX Exchange Limited is a Recognised Investment Exchange in the UK and a member of the NEX plc group. NEX Exchange Limited is registered in England and Wales (Co. No. 04309969) with its registered office at 2 Broadgate, London EC2M 7UR. (version 1.1) 40 Growth Market and must retain an NEX Exchange Corporate Adviser at all times. The requirements for an NEX Exchange Corporate Adviser are set out in the Corporate Adviser Handbook and the NEX Exchange Corporate Adviser is required to make a declaration to NEX Exchange in the form prescribed by Appendix B. WH Ireland Limited has been appointed as European Lithium's NEX Exchange Corporate Adviser [and broker] with immediate effect. This announcement has not been examined or approved by NEX Exchange or the Financial Conduct Authority.

– Ends –

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