

EUROPEAN LITHIUM LIMITED

ACN 141 450 624

PROSPECTUS

For the offers of:

- (a) up to 10,000 Shares at an issue price of \$0.0425 per Share to raise up to \$425 (before expenses) (**Cleansing Offer**); and
 - (b) 10,000,000 New Options to Evolution Capital (or its nominee/s) (**Options Offer**),
- (together, the **Offers**).

This Prospectus has been prepared primarily for the purpose of section 708A(11) of the Corporations Act to remove any trading restrictions on the sale of Shares and Options issued by the Company prior to the Closing Date.

IMPORTANT NOTICE

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the Securities being offered under this Prospectus or any other matter, then you should consult your professional advisers without delay.

The Securities offered by this Prospectus should be considered as highly speculative.

IMPORTANT NOTICE

This Prospectus is dated 9 December 2024 and was lodged with the ASIC on that date. The ASIC, ASX and their respective officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Securities may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

It is important that investors read this Prospectus in its entirety and seek professional advice where necessary. The Securities offered by this Prospectus should be considered as highly speculative.

Applications for Securities offered pursuant to this Prospectus can only be submitted on an original Application Form.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with Section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus and is only required to contain information in relation to the effect of the issue of securities on a company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

Representations contained in this Prospectus are made taking into account that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters are publicly available information or may reasonably be expected to be known to investors and professional advisers whom prospective investors may consult.

No Investment Advice

The information contained in this Prospectus is not financial product advice or investment advice and does not take into account your financial or investment objectives, financial situation or particular needs (including financial or taxation issues). You should seek professional advice from your accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding to subscribe for Securities under this Prospectus to determine whether it meets your objectives, financial situation and needs.

Forward-looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the

Company, the Directors and the Company's management.

The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

These forward-looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 5.

Applicants outside Australia

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. This Prospectus does not constitute an offer of Securities in any jurisdiction where, or to any person to whom, it would be unlawful to issue in this Prospectus.

Refer to Section 2.10 for further information with respect to overseas investors.

Continuous disclosure obligations

The Company is a "disclosing entity" (as defined in Section 111AC of the Corporations Act) for the purposes of Section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Securities.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the three months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Please refer to Section 6.2 for further details.

Electronic Prospectus

A copy of this Prospectus can be downloaded from the website of the Company at www.EuropeanLithium.com. If you are accessing the electronic version of this

Prospectus for the purpose of making an investment in the Company, you must be an Australian resident and must only access this Prospectus from within Australia.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. You may obtain a hard copy of this Prospectus free of charge by contacting the Company by phone on +61 (8) 6181 9792 during office hours or by emailing the Company at info@europeanlithium.com.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

Company Website

No documents or other information available on the Company's website is incorporated into this Prospectus by reference.

Financial forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company will apply to participate in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company.

Electronic sub-registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with statements (similar to a bank account statement) that set out the number of Securities issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Electronic sub-registers also mean ownership of securities can be transferred without having to rely upon paper documentation. Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

Definitions and Time

Unless the contrary intention appears or the context otherwise requires, words and phrases contained in this Prospectus have the same meaning and interpretation as given in the Corporations Act and capitalised terms have the meaning given in the Glossary in Section 8.

All references to time in this Prospectus are references to Australian Western Standard Time.

Privacy statement

If you complete an Application Form, you will be providing personal information to the Company. The Company collects, holds and will use that information to assess your Application, service your needs as a Shareholder and to facilitate distribution payments and corporate communications to you as a Shareholder.

The information may also be used from time to time and disclosed to persons inspecting the register, including bidders for your securities in the context of takeovers, regulatory bodies including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the share registry.

You can access, correct and update the personal information that we hold about you. If you wish to do so, please contact the share registry at the relevant contact number set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the Application for Securities, the Company may not be able to accept or process your Application.

Enquiries

If you are in any doubt as to how to deal with any of the matters raised in this Prospectus, you should consult with your broker or legal, financial or other professional adviser without delay. Should you have any questions about the Offers or how to accept the Offers please call the Company Secretary on +61 (8) 6181 9792.

CORPORATE DIRECTORY

Directors

Mr Antony Sage
Executive Chairman

Mr Malcolm Day
Non-Executive Director

Mr Mykhailo Zhernov
Non-Executive Director

Mr Michael Carter
Non-Executive Director

Joint Company Secretary

Ms Melissa Chapman

Mrs Catherine Grant-Edwards

Registered Office

32 Harrogate Street
WEST LEEDERVILLE WA 6007

Telephone: + 61 8 6181 9792

Email: info@europeanlithium.com

Website: www.europeanlithium.com

Share Registry*

Computershare Investor Services Pty Limited
Level 17
221 St Georges Terrace
PERTH WA 6000

Telephone: +61 3 9415 4000

Legal Advisers

Steinepreis Paganin
Level 14, QV1 Building
250 St Georges Terrace
PERTH WA 6000

Auditor*

HLB Mann Judd
Level 4
130 Stirling Street
PERTH WA 6000

*This entity is included for information purposes only. It has not been involved in the preparation of this Prospectus and has not consented to being named in this Prospectus.

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1. IMPORTANT INFORMATION

1.1 Indicative Timetable

ACTION	DATE
Lodgement of Prospectus with the ASIC and ASX	9 December 2024
Opening Date of Offers	9 December 2024
Expected date for quotation of Securities issued under the Offers on ASX*	12 December 2024
Closing Date of Offers*	5:00pm WST on 23 December 2024

* These dates are indicative only and may change without notice. The Directors reserve the right to extend the Closing Date at any time after the Opening Date without notice.

1.2 Background

As announced to ASX on 9 December 2024, the Company has received funds of \$2,000,000 (before costs) pursuant to a placement of 47,058,824 Shares to an institutional and sophisticated investor at an issue price of \$0.0425 per Share (**Placement**). The Placement Shares will be issued pursuant to the Company's existing placement capacity under Listing Rule 7.1A.

The funds raised from the Placement will be used for advancing the Company's recently acquired Leinster Project including sampling and drilling and for working capital purposes.

The Company engaged Evolution Capital Pty Ltd (ACN 652 397 263) (AFSL 551 094) (**Evolution Capital**) to act as lead manager to the Placement.

The material terms and conditions of the Evolution Capital lead manager mandate (**Mandate**) are summarised below:

SCOPE OF WORK / SERVICES	Evolution Capital has been engaged by the Company to act as exclusive lead manager and book runner for the Placement to approach sophisticated and professional investors and assisting with the coordination of the Placement.
FEES	The Company agreed to pay Evolution Capital: (a) a management fee of 2.0% (plus GST); (b) a selling fee of 4.0% (plus GST); and (c) 10,000,000 Options to be issued pursuant to the Options Offer.
TERM	Services provided in connection with Placement only (14 days from date of entry into the mandate).
TERMINATION	The mandate may be terminated by either party by giving 7 days' notice in writing to the other party. The mandate may be terminated by either party without notice if either party commits a breach of the mandate and fails to rectify that breach within 7 days of receiving written notice from the other party, or suffers an insolvency event.

The Mandate otherwise contains provisions considered standard for an agreement of its nature.

2. DETAILS OF THE OFFERS

2.1 The Cleansing Offer

Pursuant to the Cleansing Offer, the Company invites investors identified by the Directors to apply for up to 10,000 Shares at an issue price of A\$0.0425 per Share to raise up to A\$425 (before expenses).

The Cleansing Offer will only be extended, and Application Forms will only be provided to specific parties on invitation from the Directors.

All of the Shares offered under the Cleansing Offer will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 4.1 for further information regarding the rights and liabilities attaching to the Shares.

2.2 Objective of Cleansing Offer

The primary purpose of the Cleansing Offer is to remove any trading restrictions that may have attached to Shares issued by the Company without disclosure under Chapter 6D of the Corporations Act prior to the Closing Date (including prior to the date of this Prospectus). Accordingly, the Company is seeking to raise only a nominal amount of \$425 under the Cleansing Offer as the purpose of the Cleansing Offer is not to raise capital.

Relevantly, Section 708A(11) of the Corporations Act provides that a sale offer does not need disclosure to investors if:

- (a) the relevant securities are in a class of securities that are quoted securities of the body; and
- (b) either:
 - (i) a prospectus is lodged with the ASIC on or after the day on which the relevant securities were issued but before the day on which the sale offer is made; or
 - (ii) a prospectus is lodged with ASIC before the day on which the relevant securities are issued and offers of securities that have been made under the prospectus are still open for acceptance on the day on which the relevant securities were issued; and
- (c) the prospectus is for an offer of securities issued by the body that are in the same class of securities as the relevant securities.

2.3 Application under Cleansing Offer

Applications for Shares under the Cleansing Offer must be made by investors at the direction of the Company. Application Forms for the Cleansing Offer will only be provided to specific parties on invitation from the Directors.

Payment for the Shares must be made in full at the issue price of A\$0.0425 per Share.

Completed Application Forms must be mailed or delivered to the address set out on the Application Form by no later than **5:00pm (WST) on the Closing Date**.

2.4 Options Offer

This Prospectus includes an offer of up to 10,000,000 New Options under the Options Offer.

As set out in Section 1.2, the New Options will be offered to Evolution Capital pursuant to the Mandate. Accordingly, no funds will be raised from the issue of the Options Offer.

Only Evolution Capital may accept the Options Offer. A personalised application form in relation to the Options Offer will be issued to Evolution Capital (or its nominee), together with a copy of this Prospectus.

The New Options offered under the Options Offer will be issued on the terms and conditions set out in Section 4.2, being the same terms and conditions as the Options in the EURO class.

All of the Shares issued upon the future exercise of the New Options will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 4.1 for further information regarding the rights and liabilities attaching to the Shares.

The Company will apply for Official Quotation of the New Options issued pursuant to the Options Offer.

2.5 Minimum subscription

There is no minimum subscription to the Offers.

2.6 Oversubscriptions

No oversubscriptions will be accepted by the Company.

2.7 Underwriting

The Offers are not underwritten.

2.8 Issue of Securities under Offers

As noted above, the primary purpose of the Offers is to remove any trading restrictions that may have attached to Securities issued by the Company without disclosure under Chapter 6D of the Corporations Act prior to the Closing Date (including prior to the date of this Prospectus).

If the Directors decide to issue Securities under this Prospectus, the issue of Securities under the Offers will be issued in accordance with the ASX Listing Rules and will take place as soon as practicable after the Closing Date.

Pending the issue of the Securities or payment of refunds pursuant to this Prospectus, all Application monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

Holding statements for Securities issued under the Offers will be mailed as soon as practicable after the issue of Securities occur.

2.9 ASX listing

Application for Official Quotation of the Shares offered pursuant to this Prospectus will be made within 7 days after the date of this Prospectus. If ASX does not grant Official Quotation of the Shares offered pursuant to this Prospectus before the expiration of three months after the date of issue of the Prospectus, (or such period as varied by the ASIC), the Company will not issue any Shares and will repay all Application monies for the Shares within the time prescribed under the Corporations Act, without interest.

Application for Official Quotation of the New Options offered pursuant to this Prospectus will also be made within 7 days after the date of this Prospectus. If ASX does not grant Official Quotation of the New Options offered pursuant to this Prospectus before the expiration of three months after the date of issue of the Prospectus, (or such period as varied by the ASIC), the Company will not issue any New Options.

The fact that ASX may grant Official Quotation to the Securities is not to be taken in any way as an indication of the merits of the Company or the Securities now offered for subscription.

2.10 Applicants outside Australia

The Offers do not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

The distribution of this Prospectus outside Australia may be restricted by law and therefore persons into whose possession this document comes should seek advice on and observe any such restrictions. In particular, this Prospectus may not be distributed in the United States or elsewhere outside Australia, except to institutional and professional investors in transactions exempt from local prospectus or registration requirements or investors who can participate in compliance with applicable securities laws. Any failure to comply with these restrictions constitutes a violation of those laws.

Residents of countries outside Australia should consult their professional advisers as to whether any government or other consents are required, or whether any formalities need to be observed should they wish to make an application to take up Securities on the basis of this Prospectus. The return of a duly completed Application Form will be taken to constitute a representation and warranty that there has been no breach of such laws and that all approvals and consents have been obtained.

3. PURPOSE AND EFFECT OF THE OFFERS

3.1 Purpose of the Offers

Cleansing Offer

The purpose of the Cleansing Offer is to remove any trading restrictions that may have attached to Securities issued by the Company without disclosure under Chapter 6D of the Corporations Act prior to the Closing Date (including prior to the date of this Prospectus).

Under the Cleansing Offer a nominal amount of approximately \$425 may be raised (before expenses). The funds raised from the Cleansing Offer (if any) will be applied towards the expenses of the Offers. Refer to Section 6.9 of this Prospectus for further details relating to the estimated expenses of the Offers.

Options Offer

The Options Offer is being made such that the relief provided under ASIC Corporations (Sale Offers That Do Not Need Disclosure) Instrument 2016/80 with respect to the on-sale provisions of Section 707 of the Corporations Act is available.

Specifically, if the New Options are issued with disclosure under this Prospectus, then the Shares issued upon the exercise of any of the New Options can be on-sold within 12 months of their issue, without a disclosure document for the on-sale offer.

No funds will be raised under the Options Offer (other than funds raised if the New Options are subsequently exercised).

3.2 Effect on capital structure

The effect of the Offers on the capital structure of the Company is set out below.

Shares¹

	NUMBER
Shares currently on issue	1,398,122,640
Shares to be issued prior to the closing date of the Cleansing Offer ²	47,058,824
Shares offered pursuant to the Options Offer	Nil
Shares offered pursuant to the Cleansing Offer	10,000
Total Shares on issue after completion of the Offers	1,445,191,464

Notes:

1. The rights and liabilities attaching to the Shares are summarised in Section 4.1 of this Prospectus.
2. Prior to the closing date of the Cleansing Offer, it is proposed that the Company will issue up to 47,058,824 Shares pursuant to the Placement.

Options

	NUMBER
Options currently on issue	420,798,935
Options offered pursuant to the Options Offer ²	10,000,000
Options offered pursuant to the Cleansing Offer	Nil
Total Options on issue after completion of the Offers	430,798,935

Notes:

1. Comprising:
 - (a) 223,076,970 EUROB listed Options exercisable at \$0.18 on or before 31 March 2025;
 - (b) 166,721,965 EURO listed Options exercisable at \$0.08 on or before 14 November 2025;
 - (c) 7,000,000 EURAAC unlisted Options exercisable at \$0.10 on or before 27 January 2025;
 - (d) 5,000,000 EURAAF unlisted Options exercisable at \$0.12 on or before 1 May 2025;

- (e) 5,000,000 EURAAG unlisted Options exercisable at \$0.14 on or before 1 May 2025;
 - (f) 5,000,000 EURAAH unlisted Options exercisable at \$0.16 on or before 1 May 2025;
 - (g) 5,000,000 EURAAI unlisted Options exercisable at \$0.18 on or before 1 May 2025; and
 - (h) 4,000,000 EURAAK unlisted Options exercisable at \$0.12 on or before 26 June 2026.
2. To be issued pursuant to the Mandate. Refer to Section 4.2 for the terms of the New Options.

Performance Shares

	NUMBER
Performance Shares currently on issue	45,000,000
Performance Shares offered pursuant to the Offers	Nil
Total Options on issue after completion of the Offers	45,000,000

Performance Rights

	NUMBER
Performance Rights currently on issue	45,000,000
Performance Rights offered pursuant to the Offers	Nil
Total Performance Rights on issue after completion of the Offers	45,000,000

Incentive Shares

	NUMBER
Incentive Shares currently on issue	7,500,000 ¹
Incentive Shares offered pursuant to the Offers	Nil
Total Incentive Shares on issue after completion of the Offers	7,500,000

3.3 Financial effects of the Offers

After expenses of the Offers of approximately \$18,461, there will be no proceeds from the Offers. The expenses of the Offers (exceeding \$425) will be met from the Company's existing cash reserves.

As such, the Offers will have an effect on the Company's financial position, being receipt of funds of \$425 less costs of preparing the Prospectus of approximately \$18,461.

¹ Refer to Appendix 3G dated 5 December 2024.

4. RIGHTS AND LIABILITIES ATTACHING TO SECURITIES

The following is a summary of the more significant rights and liabilities attaching to Securities being offered pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

4.1 Rights and liabilities attaching to Shares

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

(a) General meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company. The Company's Constitution permits the use of technology at general meetings of shareholders (including wholly virtual meetings) to the extent permitted under the Co7rporations Act, Listing Rules and applicable law.

Shareholders may requisition meetings in accordance with Section 249D of the Corporations Act and the Constitution of the Company.

(b) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

(c) Dividend rights

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

(d) **Winding-up**

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any shares or other securities in respect of which there is any liability.

(e) **Shareholder liability**

As the Shares issued will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(f) **Transfer of shares**

Generally, shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the ASX Listing Rules.

(g) **Future increase in capital**

The issue of any new Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of Shares contained in the ASX Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

(h) **Variation of rights**

Under Section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(i) **Alteration of Constitution**

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

4.2 **Terms of New Options**

(a) **Entitlement**

Each New Option entitles the holder to subscribe for one (1) Share upon exercise of the New Option.

(b) **Exercise Price**

Subject to paragraph (i) the amount payable upon exercise of each New Option will be \$0.08 (**Exercise Price**).

(c) **Expiry Date**

Each New Option will expire at 5:00 pm (WST) on 14 November 2025 (**Expiry Date**). A New Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The New Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The New Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the option certificate (**Notice of Exercise**) and payment of the Exercise Price for each New Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each New Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within 5 business days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of New Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with Section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy Section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the New Options.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 business days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy Section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

Shares issued on exercise of the New Options rank equally with the then issued shares of the Company.

(i) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of a New Option holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) **Participation in new issues**

There are no participation rights or entitlements inherent in the New Options and holders will not be entitled to participate in new issues of capital offered to

Shareholders during the currency of the New Options without exercising the New Options.

(k) **Change in exercise price**

A New Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the New Option can be exercised.

(l) **Transferability**

The New Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

5. RISK FACTORS

5.1 Introduction

The Shares offered under this Prospectus should be considered as highly speculative and an investment in the Company is not risk free.

The Directors strongly recommend that prospective investors consider the risk factors set out in this Section 5, together with information contained in this Prospectus.

The future performance of the Company and the value of the Shares may be influenced by a range of factors, many of which are largely beyond the control of the Company and the Directors. The key risks associated with the Company's business, the industry in which it operates and general risks applicable to all investments in listed securities and financial markets generally are described below.

The risks factors set out in this Section 5, or other risk factors not specifically referred to, may have a materially adverse impact on the performance of the Company and the value of the Shares. This Section 5 is not intended to provide an exhaustive list of the risk factors to which the Company is exposed.

If you do not understand any matters contained in this Prospectus or have any queries about whether to invest in the Company, you should consult your accountant, financial adviser, stockbroker, lawyer or other professional adviser.

5.2 Company specific

RISK CATEGORY	RISK
Potential for dilution	<p>No immediate dilution will occur as a result of the issue of Options under this Prospectus. However subsequent exercise of any or all of the Options will result in dilution. Assuming all New Options pursuant to this Prospectus are issued and exercised into Shares, Shareholders who do not participate in the Offers, are likely to be diluted by an aggregate of approximately 0.69% (as compared to their holdings and number of Shares on issue as at the date of the Prospectus).</p> <p>It is not possible to predict what the value of the Company, a Share or an Option will be following the completion of the Offers being implemented and the Directors do not make any representation as to such matters.</p> <p>The last trading price of Shares on ASX prior to the Prospectus being lodged of \$0.050 is not a reliable indicator as to the potential trading price of Shares after implementation of the Offer.</p>
Additional requirements for capital	<p>The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company may require further financing in addition to amounts raised under the Offer.</p> <p>Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programmes as the case may be. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.</p>
Regulatory risk	<p>The Company's subsidiaries are subject to laws in various jurisdictions, including the British Virgin Islands (where the Company's subsidiary European Lithium AT (Investments) Limited (ELA) is registered) and Austria (where ELA's wholly owned subsidiary ECM Lithium AT GmbH and holder of the Project is</p>

RISK CATEGORY	RISK
	<p>located). Existing and future legislation, regulation and actions could cause additional expense, capital expenditure and restrictions and delays in the activities of the Company, the extent of which cannot be predicted. No assurance can be given that new laws, rules and regulations will not be enacted or existing laws, rules and regulations will not be applied in a manner which could limit or curtail certain activities or services of the Company's.</p>
<p>Critical Metals Corp.</p>	<p>The Company holds an 83.03% shareholding in Critical Metals Corp (Critical Metals), an entity that commenced trading on the Nasdaq on 28 February 2024. Critical Metals operates independently of the Company, with its own board, management, assets and liabilities. As a result, in the ordinary course of activities, the Company does not have access to funds held by Critical Metals for the Company's operations.</p> <p>On 26 March 2024, the Company provided a letter of support to Critical Metals, agreeing to fund certain expenses of Critical Metals (including up to US\$2,077,000 in Directors' and Insurance Policy payments) in the event that Critical Metals is unable to meet them. Critical Metals is listed on the Nasdaq and may have ongoing funding requirements. Critical Metals may be subject to additional regulatory constraints beyond those applicable to an ASX listed entity, which may include constraints on capital raising and acquisitions and disposals of interests in assets.</p> <p>Critical Metals filed a Form F-1 with the United States Securities and Exchange Commission on 29 March 2024 which stated the following (references to <i>The Company</i> below are to Critical Metals):</p> <p><i>The Company's ability to continue as a going concern and to continue to fund its planned expanded activities is dependent on raising further capital, continued support from creditors and related parties and reducing operational costs.</i></p> <p><i>These conditions indicate a material uncertainty that may cast a significant doubt about the Company's ability to continue as a going concern and, therefore, that it may be unable to realize its assets and discharge its liabilities in the normal course of business.</i></p> <p><i>The Company believes that it is reasonably foreseeable that the Company will continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report after consideration of the following factors:</i></p> <ul style="list-style-type: none"> • <i>The Company continues to seek funding options required to undertake its next phase of exploration activities; and</i> • <i>Continued support from European Lithium in the form of short term funding.</i> <p><i>Should the Company not be able to continue as a going concern, it may be required to realize its assets and discharge its liabilities other than in the ordinary course of business. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the Company not continue as a going concern.</i></p>

RISK CATEGORY	RISK
Acquisition risk	<p>As announced by the Company on 22 April 2024, the Company entered into an acquisition agreement in respect of the Leinster Lithium project in Ireland.</p> <p>Completion of the acquisition is subject to various conditions. If the conditions for Completion cannot be fulfilled, there is a risk that the acquisition may not eventuate. If either party fails to comply with its obligations under the acquisition agreement, it may be necessary for the relevant party to approach a court to seek a legal remedy. Legal action can be costly and there can be no guarantee that a legal remedy will be ultimately granted on the appropriate terms.</p> <p>On 2 January 2024, the Company announced the acquisition of European Lithium Ukraine LLC, Ukraine incorporated company that is applying through either court proceedings, public auction, and/or production sharing agreements with the Ukraine Government for 20 years, special permits for extraction and production of lithium at the Dobra and Shevchenkivske Projects in Ukraine. The consideration for the Dobra and Shevchenkivske Projects would be issued upon, amongst other things, shareholder approval and grant of a licence for Dobra and Shevchenkivske, there is a risk that these licenses are not granted.</p>

5.3 Industry specific

RISK CATEGORY	RISK
Exploration and development risk	<p>There can be no assurance that exploration of the Company's projects (Projects) or any other tenements that may be acquired in the future, will result in the discovery of an economic deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.</p> <p>Mineral exploration and development is a speculative and high-risk undertaking that may be impeded by circumstances and factors beyond the control of the Company. Success in this process involves, among other things:</p> <ul style="list-style-type: none"> (a) discovery and proving-up, or acquiring, an economically recoverable resource or reserve; (b) access to adequate capital throughout the acquisition/discovery and project development phases; (c) securing and maintaining title to mineral exploration projects; (d) obtaining required development consents and approvals necessary for the acquisition, mineral exploration, development and production phases; and (e) accessing the necessary experienced operational staff, the appropriate financial management and recruiting skilled contractors, consultants and employees. <p>There can be no assurance that exploration on the Projects, or any other exploration properties that may be acquired in the future, will result in the discovery of an economic mineral resource. Even if an apparently viable mineral resource is identified, there is no guarantee that it can be economically exploited.</p>

RISK CATEGORY	RISK
Operational risk	The Company's operational assets are subject to risks that may result in the assets failing to perform in line with expectations. For example, there is a risk that the Company's assets may be damaged or destroyed by hail, wind, flood, cyclone, hurricane, earthquake, fire, war, explosion, terrorism or some other natural or man-made disaster. These risks may impact generation, lead to failure or deterioration of equipment, adversely impact performance and business stability of the Company's suppliers and contractors, and lead to transmission system congestion, curtailment or failure of the plant, labour issues and strikes, and other operational issues.
Occupational health and safety risk	There is a risk that an incident could lead to a fatality or serious harm to an employee, a contractor, a joint venture/third party employee or a member of the public. Employees may be exposed to hazards and risks when working on operating assets. If such an incident were to occur, this may affect the Company's reputation. The Company is committed to providing a healthy and safe environment for its personnel, contractors and visitors.
Environmental risk	The operations and proposed activities of the Company are subject to laws and regulations concerning the environment. The Company's activities are expected to have an impact on the environment. It is the intention of the Company to adhere to its environmental obligations, including compliance with environmental laws. Further, events such as unpredictable rainfall or bushfires may impact on the Company's ongoing compliance with environmental legislation, regulations and licences. Significant liabilities could be imposed on the Company for damages, clean-up costs or penalties in the event of certain discharges to the environment, or non-compliance with environmental laws or regulations.
Resource estimates	<p>Whilst the Company intends to undertake exploration activities with the aim of defining a resource on other Projects, no assurance can be given that the exploration will result in the determination of new or additional resources on any Project. Even if a resource is identified, no assurance can be provided that this can be economically extracted.</p> <p>Reserve and resource estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates which were valid when initially calculated may alter significantly when new information or techniques become available. In addition, by their very nature resource and reserve estimates are imprecise and depend to some extent on interpretations which may prove to be inaccurate.</p>
Results of studies	<p>Subject to the results of exploration and testing programs to be undertaken, the Company may progressively undertake a number of studies in relation to its Projects. These studies may include scoping, pre-feasibility, definitive feasibility and bankable feasibility studies.</p> <p>These studies will be completed within parameters designed to determine the economic feasibility of the subject Projects within certain limits. There can be no guarantee that any of these studies will confirm the economic viability of the subject Projects or the results of other studies undertaken by the Company (e.g. the results of a feasibility study may materially differ from the results of a scoping study).</p> <p>Even if a study confirms the economic viability of a Project, there can be no guarantee that the Project will be successfully</p>

RISK CATEGORY	RISK
	brought into production as assumed or within the estimated parameters in the feasibility study (e.g. operational costs and commodity prices) once production commences. Further, the ability of the Company to complete a study may be dependent on the Company's ability to raise further funds to complete the study if required.
Rehabilitation of Tenements	In relation to the Company's proposed operations, issues could arise from time to time with respect to abandonment costs, consequential clean-up costs, environmental concerns and other liabilities. In these instances, the Company may become subject to liability if, for example, there is environmental pollution or damage from the Company's exploration activities and there are consequential clean-up costs at a later point in time.
Tenement conditions	The Company's projects will be subject to various tenement conditions (including, without limitation, minimum work requirements). Failure to comply with such conditions may lead to forfeiture. The tenements will also be subject to renewal. If any of the tenements are not renewed for any reason the Company could suffer damage through loss of opportunity to explore and develop those tenements. The Directors are not aware of any reason why renewal of the tenements will not occur.
Title and tenure	<p>The Company's Projects only currently permit exploration activities. If the Company successfully delineates an economic resource on any of these exploration permits or implements a technology aimed at extraction of resources, it will need to apply for a mining permit to undertake development and mining. There is no guarantee that the Company will be granted a mining permit if one is applied for, as such grants are discretionary.</p> <p>Exploration permits are subject to annual review and periodic renewal. The renewal of the term of a granted exploration permit is also subject to the discretion of the relevant Minister. Renewal conditions may include increased expenditure and work commitments or compulsory relinquishment of areas of the permits comprising the Company's Projects. While it is the Company's intention to satisfy the conditions that apply to the tenements, there can be no guarantees that, in the future, the tenements that are subject to renewal will be renewed or that minimum expenditure and other conditions that apply to the tenements will be satisfied. Renewal conditions may include increased expenditure and work commitments or compulsory relinquishment of areas of the tenements comprising the Projects that adversely impact the Company.</p> <p>If a tenement holder fails to comply with the terms and conditions of a tenement, the Minister may impose a fine or order that the tenement be forfeited. In most cases, an order for forfeiture can only be made where the breach is of sufficient gravity to justify forfeiture of the tenement.</p>
Native title and Aboriginal heritage	In relation to the Company's Western Australian tenement, where Native Title does or may exist over any of the Company's tenement, the ability of the Company to convert the tenement or part thereof into a valid mining lease (for example in the event of the Company making a discovery) will be subject to the Company reaching a commercial agreement with the holders of or applicants for Native Title or on the Company obtaining a determination from the National Native Title Tribunal that the mining lease be granted in the absence of such an agreement. The negotiation of such a commercial agreement or proceedings in the courts could materially delay the grant of

RISK CATEGORY	RISK
	<p>such a mining lease and substantially add to the Company's costs; failure to reach such an agreement could result in the Company being unable to obtain a mining lease.</p> <p>Irrespective of whether Native Title exists in the relevant areas, in order to conduct exploration activities on the tenement, the Company will usually need to undertake clearance activities in conjunction with the appropriate Aboriginal parties, anthropologists and archaeologists to ascertain whether any sites of significance to Aboriginal parties exist in the relevant areas. Undertaking and completing such site clearance procedures can cause delays to the implementation of exploration activities. Delays in completing such clearance activities can impede or prevent the Company from satisfying the minimum expenditure conditions on the relevant tenements, with the result that the Company may in some instances need to seek whole or partial exemptions from expenditure under the relevant mining legislation in order to keep the tenement in good standing. There is no certainty that such exemptions will be granted in all instances.</p> <p>Where such significant sites do exist, the Company's ability to conduct exploration on those areas may be subject to obtaining relevant consents under the Aboriginal heritage laws.</p>
Failure to satisfy expenditure commitments	<p>Each exploration permit carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, the Company could lose title to or its interest in a Tenement if the permit conditions are not met or if insufficient funds are available to meet expenditure commitments.</p> <p>Currently, each of the granted tenements is in good standing.</p>
Land access and compensation	<p>There is a substantial level of regulation and restriction on the ability of exploration and mining companies to gain access to land in Australia. Negotiations with both Native Title parties and land-owners/occupiers are generally required before the Company can access land for exploration or mining activities. The Company will experience delays and cost overruns if it is unable to access the land required for its operations. This may be as a result of weather, environmental restraints, harvesting, government legislation, landholder or community activities or other factors.</p> <p>Access to land often depends on the Company being successful in negotiating with landholders or other stakeholders. There is no assurance that the Company will obtain all the permissions required as and when required or that new conditions will not be imposed in connection therewith. To the extent such permissions are not obtained, the Company's current and future exploration and development activities may be curtailed or their continuation prohibited.</p>
Force majeure	<p>Events may occur within or outside the markets in which the Company operates that could impact upon the global and Australian economies, the operations of the Company and the market price of its Shares. These events include acts of terrorism, outbreaks of international hostilities, fires, pandemics, floods, earthquakes, labour strikes, civil wars, natural disasters, outbreaks of disease, and other man-made or natural events or occurrences that can have an adverse effect on the demand for the Company's services and its ability to conduct business. Given the Company has only a limited ability to insure against</p>

RISK CATEGORY	RISK
	some of these risks, its business, financial performance and operations may be materially and adversely affected if any of the events described above occur.
Approvals risk	The Company's projects may require further approvals from third parties before they can be developed. These are likely to include construction, environmental and Aboriginal heritage approvals. There can be no assurance that these approvals will be obtained. Obtaining the necessary permits and approvals can be a time consuming process and there is a risk that the Company will not be able to obtain these permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could materially delay or restrict the Company from proceeding with the development or operation of a project. Any failure to comply with applicable laws and licences, could result in fines, penalties or other liabilities.

5.4 General risks

RISK CATEGORY	RISK
Economic	General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.
Market conditions	<p>Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:</p> <ul style="list-style-type: none"> (a) general economic outlook; (b) introduction of tax reform or other new legislation; (c) interest rates and inflation rates; (d) changes in investor sentiment toward particular market sectors; (e) the demand for, and supply of, capital; and (f) terrorism or other hostilities. <p>The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.</p>
Commodity price volatility and exchange rate risks	<p>The value of the Company's assets and potential earnings may be affected by fluctuations in commodity prices and exchange rates.</p> <p>These prices can significantly fluctuate and are exposed to numerous factors beyond the control of the Company, such as world demand for energy, forward selling by producers and production cost levels in major coal and gas producing regions. Other factors include expectations regarding inflation, the financial impact of movements in interest rates, global economic trends and domestic and international fiscal, monetary and regulatory policy settings.</p>

RISK CATEGORY	RISK
	<p>At this time, the Company has not put any hedging arrangements in place but may do so in future when the Directors consider it appropriate.</p>
<p>Insurance</p>	<p>Insured or uninsured catastrophic events such as acts of God, fires, floods, earthquakes, widespread health emergencies, pandemics, epidemics, wars and strikes, could affect the value or the availability of the company's assets and the ability of the Company to sustain operations, provide essential products and services or recover operating costs. Should damage be sustained as a result of these risks, the Company's business and financial performance may be adversely affected. The Company intends to insure its operations in accordance with industry practice. However, it is not always possible to obtain insurance against all such risks and, where it is available, the cost may be high. The Company will have insurance in place considered appropriate for the Company's needs. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company.</p> <p>In addition, there is a risk that an insurer defaults in the payment of a legitimate claim by the Company</p>
<p>Information systems and cyber risk</p>	<p>The Company is reliant on information technology systems. Despite the Company's security measures, it is possible that these systems may be breached. Unauthorised third party access to the Company's information technology systems and the resulting potential theft, loss or misuse of the Company's information could adversely impact the operations and performance of the Company and the price of its securities.</p>
<p>Intellectual property risk</p>	<p>Should the Company acquire technology for use in the development of its Projects, there may be circumstances where the Company's intellectual property cannot be protected or is subject to unauthorised disclosure, infringement or challenge by a third party. The Company may incur significant costs in asserting its rights in such circumstances. Even a registered patent can be invalidated in certain circumstances.</p> <p>There can be no assurance that any technology the Company may acquire will afford the Company a competitive advantage, commercially significant protection of the intellectual property, or that the intellectual property will have successful commercial application.</p> <p>There is always a risk of third parties claiming involvement in technological discoveries. Further, competition in retaining and sustaining protection of intellectual property and the complex nature of intellectual property can lead to expensive and lengthy patents disputes, for which there can be no guaranteed outcome. Some parties may be able to utilise their greater financial resources to better sustain the costs of litigation or proceedings.</p>
<p>Litigation risks</p>	<p>The Company is exposed to possible litigation risks including intellectual property claims, contractual disputes, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position. The Company is not currently engaged in any litigation.</p>

RISK CATEGORY	RISK
Dividends	Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.
Taxation	<p>The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All prospective investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.</p> <p>To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for New Options under this Prospectus.</p>
Reliance on key personnel	The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.
Economic conditions and other global or national issues	<p>General economic conditions, laws relating to taxation, new legislation, trade barriers, movements in interest and inflation rates, currency exchange controls and rates, national and international political circumstances (including outbreaks in international hostilities, wars, terrorist acts, sabotage, subversive activities, security operations, labour unrest, civil disorder, and states of emergency), natural disasters (including fires, earthquakes and floods), and quarantine restrictions, epidemics and pandemics, may have an adverse effect on the Company's operations and financial performance, including the Company's exploration, development and production activities, as well as on its ability to fund those activities.</p> <p>General economic conditions may also affect the value of the Company and its market valuation regardless of its actual performance.</p>
Climate Risk	<p>There are a number of climate-related factors that may affect the operations and proposed activities of the Company. The climate change risks particularly attributable to the Company include:</p> <p>(a) the emergence of new or expanded regulations associated with the transitioning to a lower-carbon economy and market changes related to climate change mitigation. The Company may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. These examples sit amongst an array of possible restraints on industry that may further impact the Company and its profitability. While the Company will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Company will not be impacted by these occurrences; and</p>

RISK CATEGORY	RISK
	(b) climate change may cause certain physical and environmental risks that cannot be predicted by the Company, including events such as increased severity of weather patterns and incidence of extreme weather events and longer-term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which the Company operates.
Ukraine	<p>The current conflict between Ukraine and Russia (Ukraine Conflict) is impacting global economies and financial markets. The nature and extent of the effect the Ukraine Conflict may have on the Company's operations and granting of the licenses in respect to the Dobra and Shevchenkivske Projects remains uncertain at this time.</p> <p>The Directors are monitoring the potential secondary and tertiary macroeconomic impacts of the Ukraine Conflict, including the fluctuations in commodity and energy prices and the potential risk of cyber activity impacting governments and businesses. Further, any governmental or industry measures taken in response to the Ukraine Conflict, including limitations on travel and changes to import/export restrictions and arrangements involving Russia, may adversely impact the Company's operations and are likely to be beyond the control of the Company. The Company is monitoring the situation closely and considers the impact of the Ukraine Conflict on the Company's business and financial performance to, at this stage, be limited. However, the situation is continually evolving, and the consequences are therefore inevitably uncertain.</p>

5.5 Speculative investment

The risk factors described above, and other risk factors not specifically referred to, may have a materially adverse impact on the performance of the Company and the value of the Securities.

Prospective investors should consider that an investment in the Company is highly speculative.

There is no guarantee that the Securities offered under this Prospectus will provide any return on capital, payment of dividends or increases in the market value of those Securities.

Before deciding whether to subscribe for Securities under this Prospectus you should read this Prospectus in its entirety and consider all factors, taking into account your objectives, financial situation and needs.

6. ADDITIONAL INFORMATION

6.1 Litigation

As at the date of this Prospectus, the Company and its subsidiaries are not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company or any of its subsidiaries.

6.2 Material contracts

Please refer to Section 1.2 for a summary of the Evolution Capital Mandate.

6.3 Continuous disclosure obligations

As set out in the Important Notes Section of this Prospectus, the Company is a disclosing entity for the purposes of Section 713 of the Corporations Act. Accordingly, information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in Section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - (i) the annual financial report most recently lodged by the Company with the ASIC;
 - (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and
 - (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in Section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

Details of documents lodged by the Company with ASX since the date of lodgement of the Company's latest annual financial report and before the lodgement of this Prospectus with the ASIC are set out in the table below.

DATE	DESCRIPTION OF ANNOUNCEMENT
6 Dec 2024	Proposed issue of securities
6 Dec 2024	Placement
5 Dec 2024	Appendix 3Y - Tony Sage
5 Dec 2024	Appendix 3Y - Mykhailo Zhernov
5 Dec 2024	Appendix 3Y - Michael Carter
5 Dec 2024	Appendix 3Y - Malcolm Day
5 Dec 2024	Notification regarding unquoted securities - EUR
5 Dec 2024	Trading Halt
3 Dec 2024	Response to ASX Price and Volume Query

DATE	DESCRIPTION OF ANNOUNCEMENT
2 Dec 2024	Environmental Milestone Reached on the Wolfsberg Project
29 Nov 2024	Results of Annual General Meeting
25 Nov 2024	EUR Completes Acquisition Leinster Lithium Project Ireland
15 Nov 2024	Announcement by Cyclone Metals Ltd
7 Nov 2024	Change in substantial holding for CLE
7 Nov 2024	Becoming a substantial holder for CLE
31 Oct 2024	Proposed issue of securities - EUR
31 Oct 2024	Notice of Annual General Meeting
30 Oct 2024	Reinstatement to Quotation
30 Oct 2024	Quarterly Activities Report and Appendix 5B
30 Oct 2024	Appendix 4G and Corporate Governance Statement
30 Oct 2024	Annual Report

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

The announcements are also available through the Company's website, www.europeanlithium.com/asx-announcements/.

6.4 Market price of Shares and New Options

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares and New Options are enhanced disclosure securities quoted on ASX.

The highest, lowest and last closing market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the most recent dates of those sales were:

	(A\$)	DATE
Highest	\$0.062	4 - 6 December 2024
Lowest	\$0.023	8 November 2024; and 13 - 14 November 2024
Last	\$0.049	9 December 2024

The highest, lowest and last closing market sale prices of the New Options on ASX (class: EURO) during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the respective dates of those sales were:

	(A\$)	DATE
Highest	\$0.011	3 December 2024
Lowest	\$0.004	22 November 2024; and 25 - 27 November 2024
Last	\$0.010	9 December 2024

6.5 Details of substantial Shareholders

Those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue are set out below:

SHAREHOLDER	SHARES	%
BNP Paribas Nominees Pty Ltd	543,573,434	38.88
HSBC Custody Nominees (Australia) Limited	108,561,182	7.76
Citicorp Nominees Pty Limited	84,721,837	6.06

There will be no change to the substantial holders on completion of the Offers.

6.6 Directors' interests

Other than as set out in this Prospectus, no Director or proposed Director holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offers; or
- (c) the Offers,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed Director:

- (d) as an inducement to become, or to qualify as, a Director; or
- (e) for services provided in connection with:
 - (i) the formation or promotion of the Company; or
 - (ii) the Offers.

Security holdings

At the date of this Prospectus

The relevant interest of each of the Directors in the Securities of the Company as at the date of this Prospectus is set out in the table below.

DIRECTOR	SHARES	OPTIONS	PERFORMANCE SHARES	PERFORMANCE RIGHTS	INCENTIVE SHARES
Antony Sage	28,341,509	30,185,299	20,000,000	20,000,000	7,500,000
Malcolm Day	20,737,887	25,585,299	15,000,000	15,000,000	Nil
Michael Carter	5,000,000	12,335,298	5,000,000	5,000,000	Nil
Mykhailo Zhernov	52,631,580	15,585,298	5,000,000	5,000,000	Nil

Remuneration

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The

determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$400,000 per annum.

A Director may be paid fees or other amounts (i.e. non-cash performance incentives such as Options, subject to any necessary Shareholder approval) as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. In addition, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The following table shows the total annual remuneration paid to both executive and non-executive Directors disclosed in the Company's Annual Reports for the financial year ended 30 June 2024 and the proposed annual remuneration for the financial year ending 30 June 2025.

DIRECTORS	CURRENT FINANCIAL YEAR ENDING 30 JUNE 2025	PREVIOUS FINANCIAL YEAR ENDED 30 JUNE 2024
Antony Sage	\$368,400	\$393,417 ¹
Malcolm Day	\$89,750	\$89,750 ²
Michael Carter	\$65,917	\$65,917 ³
Mykhailo Zhernov	\$65,917	\$65,917 ³

Notes:

1. Comprising short term benefits (salary & fees) of \$360,000 and share-based payment expense of \$33,417.
2. Comprising short term benefits (salary & fees) of \$72,000 and share-based payment expense of \$17,750.
3. Comprising short term benefits (salary & fees) of \$60,000 and share-based payment expense of \$5,917.

6.7 Interests of experts and advisers

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue, holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:
 - (i) the formation or promotion of the Company;
 - (ii) any property acquired or proposed to be acquired by the Company in connection with:
 - (iii) its formation or promotion; or
 - (iv) the Offers;

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

 - (v) the formation or promotion of the Company; or
 - (vi) the Offers.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offers. The Company estimates it will pay Steinepreis Paganin \$10,000 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this

Prospectus with the ASIC, Steinepreis Paganin has been paid fees totalling \$84,030 (excluding GST and disbursements) for legal services provided to the Company.

Evolution Capital has acted as lead manager to the Company in respect of exercise of the Placement. The Company has agreed to pay Evolution Capital the fees set out in Section 1.2 in connection with services provided. During the 24 months preceding lodgement of this Prospectus with the ASIC, Evolution Capital has not received any fees from the Company.

6.8 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the Shares), the Directors, the persons named in the Prospectus with their consent as proposed directors, any underwriters, persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section;
- (b) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section; and
- (c) has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Steinepreis Paganin has given its written consent to being named as the solicitors to the Company in this Prospectus.

Evolution Capital has given its written consent to being named as the lead manager to the Company in respect of the Placement in this Prospectus.

6.9 Expenses of the Offers

The total expenses of the Offers are estimated to be approximately \$18,461 (excluding GST) and are expected to be applied towards the items set out in the table below:

EXPENSE	(\$)
ASIC fees	3,206
ASX fees	5,255
Legal fees	10,000
TOTAL	18,461

7. DIRECTORS' AUTHORISATION

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with Section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.

8. GLOSSARY

\$ means the lawful currency of the Commonwealth of Australia.

Applicant means an investor who applies for Securities pursuant to the Offers.

Application Form means an application form either attached to or accompanying this Prospectus.

Application means an application for Securities made on an Application Form.

ASIC means the Australian Securities and Investments Commission.

ASX Listing Rules means the listing rules of the ASX.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

ASX Settlement Operating Rules means the settlement rules of the securities clearing house which operates CHES.

Board means the board of Directors unless the context indicates otherwise.

Cleansing Offer has the meaning given on the cover page of this Prospectus.

Closing Date means the date specified in the timetable set out in Section 1 of this Prospectus (unless varied).

Company means European Lithium Limited (ACN 141 450 624).

Constitution means the constitution of the Company as at the date of this Prospectus.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the directors of the Company as at the date of this Prospectus.

Evolution Capital means Evolution Capital Pty Ltd (ACN 652 397 263) (AFSL 551 094).

Group means the Company and its subsidiaries.

New Option means an Option in the EURO class, exercisable at \$0.08 and expiring on 14 November 2025.

Offers mean the Cleansing Offer and/or the Options Offer referred to in Section 2 of this Prospectus (as applicable).

Official Quotation means official quotation on ASX.

Opening Date means the date specified in the timetable set out in Section 1 of this Prospectus (unless varied).

Option means an option to acquire a Share.

Options Offer has the meaning given on the cover page of this Prospectus.

Prospectus means this prospectus.

Section means a Section of this Prospectus.

Securities means Shares and/or Options as the context requires.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

WST means Western Standard Time as observed in Perth, Western Australia.