

31 January 2022

QUARTERLY ACTIVITIES REPORT AND APPENDIX 5B FOR THE QUARTER ENDING 31 DECEMBER 2021

The Board of European Lithium Limited (ASX: **EUR**, FRA: **PF8**, OTC: **EULIF**) (the **Company**) is pleased to present its activities report and Appendix 5B for the three months ending 31 December 2021.

SUMMARY OF KEY UPDATES

- European Lithium has agreed to purchase Petro Consulting, a Ukrainian company that is applying for special permits to extract and process lithium from two lithium projects (Shevchenkivske and Dobra) located in Ukraine (**Millstone Transaction**).
- The Millstone Transaction is conditional upon Petro Consulting being issued the relevant special permits for the extraction and production of lithium, EUR shareholder approval and certain other conditions, with an end date for completion 12 months from signing.
- E47/4144 located in the northwest Australia is progressing through the WA Mining Act regulatory application process.
- COVID-19 pandemic and government enforced rules related to international travel continues to impact operations and force EUR to observe closely any changes in government restrictions in Europe, Austria specifically, and Australia.
- Due to the Company's strict COVID safe rules and other mitigation measures, no COVID-19 incidents or cases were reported by staff and contractors since the start of the pandemic in 2020. The Company has continued its Austrian operations while monitoring changing COVID-19 rules within the European Union, the pandemic is expected to continue to impact the Company with a sharp rise in the number of infections during Q4/2021.
- DRA as the leading consultant to manage the bankable, Definite Feasibility Study (**DFS**) has appointed the complete group of subconsultants.
- Resource upgrade to **12.9Mt grading 1.00% Li₂O** in Zone 1.
- Dorfner/Anzaplan has completed all locked cycle tests and provided a report as part of the DFS process. Furthermore, ISO certificates for the final lithium carbonate and hydroxide, battery grade, products were issued to confirm expectations of a sustainable high level, quality product as part of QA/QC process.
- EUR continues to collaborate with a research group from University of Graz to develop a cluster for lithium hydroxide to be produced from recycled Lithium-Ion-Batteries.
- GREENPEG (EU-funded) supported infield and underground work continues.

CORPORATE MATTERS

Millstone Acquisition and Placement

On 4 November 2021, the Company announced that it has entered into binding agreements under which EUR will acquire Petro Consulting LLC (**Petro Consulting**), a Ukraine incorporated company that is applying (through either court proceedings, public auction and/or production sharing agreement with the Ukraine Government) for 20-year special permits for the extraction and production of lithium at the Shevchenkivske project and Dobra Project in Ukraine (Figure 1), from Millstone and Company Global DW LLC (**Millstone**)(**Millstone Transaction**). In addition, under the terms of the agreement, Millstone will subscribe for \$20m in shares in the Company, with \$2.5m invested immediately, \$2.5m subject to shareholder approval (received at the AGM held on 21 January 2022) and the balance of \$15m following completion of the acquisition of Petro Consulting.

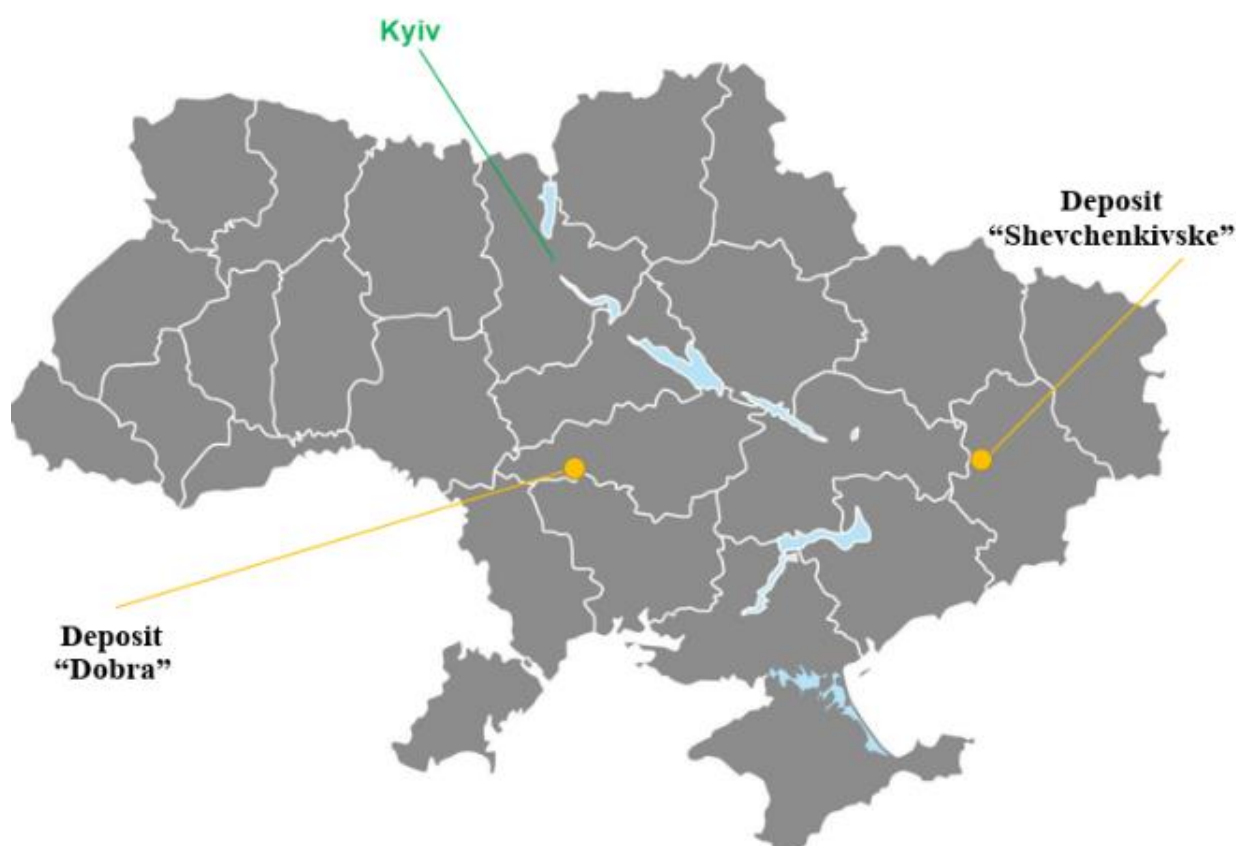


Figure 1 - Location of the deposit Shevchenkivske and Dobra in Ukraine

The material terms of the purchase are as follows:

1. EUR will issue Millstone:
 - a. A \$20m in fully paid ordinary shares, at an issue price of the greater of 80% of the 20 day VWAP immediately prior to completion under the SPA and \$0.095.
 - b. 50m performance shares, each with a face value of \$1. The performance shares convert to ordinary shares at an issue price of the greater of the 20-day VWAP immediately prior to the relevant conversion event and \$0.095 upon certain performance hurdles being met within the specified period.

2. Completion is subject to certain conditions being satisfied within one year following signing of the SPA, including the following:
 - a. Millstone subscribing for tranches 1 and 2 under the subscription agreement (see below).
 - b. Petro Consulting being the registered holder of special permits for the extraction of lithium ore at the Shevchenkivske and Dobra projects.
 - c. EUR shareholders approving the issue of securities to Millstone, the acquisition by Millstone of shares for the purposes of the Listing Rules and Corporations Act and buy back of Petro Consulting by Millstone for nil consideration if EUR's obligations in relation to determining achievement of the performance hurdles are not met.
 - d. The Anti-Monopoly Committee of Ukraine (**AMC**) having approved the transactions contemplated by the SPA and the subscription agreement referred to below (to the extent required by applicable laws of Ukraine). If it is determined that approval is required, an application is prepared and submitted to the AMC. Obtaining approval (if required) takes 45 calendar days once submitted to the AMC.
 - e. No material adverse changes to either EUR (including a change of control) or Petro Consulting.
 - f. Except as disclosed by Millstone, there are no existing court claims, and/or registered encumbrance affecting the shares of Petro Consulting and its assets and/or any Millstone's ownership of shares of Petro Consulting or entitlement to dispose of any of such shares.
 - g. The indebtedness of Petro Consulting equals zero (0).

The period to satisfy the conditions may, at Millstone's election be extended to 31 December 2022 if Petro Consulting has been granted one of the two special permits within the one year period.

3. Both EUR and Millstone provide warranties that are considered customary for this type of transaction.

EUR and Millstone have also entered a subscription agreement under which Millstone will subscribe for EUR shares with a total value of A\$20m. The material terms of the subscription are as follows:

1. The subscription consists of 4 tranches:
 - a. The first tranche of A\$2.5m at an issue price of \$0.095 will be completed immediately without shareholder approval using the Company's remaining capacity under Listing Rule 7.1.
 - b. The second tranche of A\$2.5m at an issue price of \$0.095 is subject to EUR shareholder approval (received at the AGM held on 21 January 2022).
 - c. The third tranche of A\$5m at an issue price of \$0.095 is subject to EUR shareholder approval and completing the acquisition of Petro Consulting, with the issue to occur 20 business days thereafter.
 - d. The fourth tranche of A\$10m, for a number of shares equal to the lesser of (i) 105,263,158 shares and (ii) the number calculated on the basis of an issue price of the greater of 80% of the 20 day VWAP and \$0.095, is subject to EUR shareholder approval and completing the acquisition of Petro Consulting, with the issue to occur 30 days thereafter.
2. EUR will use funds from the first and second tranche on the definitive feasibility study for EUR's Wolfsberg project, and funds from the third and fourth tranche for Petro Consulting's Ukrainian projects.

Both EUR and Millstone provide warranties that are considered customary for this type of transactions.

Refer to the announcement dated 4 November 2021 for full terms and conditions of the Millstone Transaction.

Board Restructure

During the quarter, the Company announced the appointment of Mr Mykhailo Zhernov as Non-Executive Director of the Company with effect from 22 December 2021. Mr Mykhailo Zhernov appointment was in accordance with the terms of the Millstone transaction.

During the quarter, as a result of EUR's transition from explorer to producer, Tony Sage transitioned to Executive Chairman.

OTC Listing

On 23 November 2021, the Company announced that its shares are now quotes on the US OTCQB market under the symbol EULIF.

OTC Markets Group Inc. (OTCQX: OTCM) operates the OTCQX® Best Market, the OTCQB® Venture Market, and the Pink® Open Market for 11,000 U.S. and global securities. The OTC Markets Group provide an SEC regulated Alternative Trading System, OTC Link® ATS, that connects a diverse network of broker-dealers to provide liquidity and execution services for the OTC markets, therefore, enabling investors to easily trade through the broker of their choice and empower companies to improve the quality of information available for investors. OTC Markets Group Market Data is distributed by most major financial data distributors, including Bloomberg, Thomson Reuters, Interactive Data, Factset, Fidessa, NASDAQ and SIX Financial.

Capital Movements

During the quarter, the Company issued the following securities:

- 5 October 2021 – Issue of 3,400,000 shares upon the exercise of unlisted options (\$0.05 each expiring 31 July 2022)
- 20 October 2021 – Issue of 7,500,000 shares upon the exercise of listed options (\$0.075 each expiring 19 April 2024)
- 5 November 2021 – Issue of 4,043,688 shares upon the exercise of unlisted options (\$0.05 each expiring 31 July 2022)
- 12 November 2021 – Issue of 1,713,335 shares upon the exercise of unlisted options (\$0.05 each expiring 31 July 2022) and issue of 8,528,035 shares upon the exercise of listed options (\$0.075 each expiring 19 April 2024)
- 25 November 2021 – Issue of 3,634,426 shares upon the exercise of unlisted options (\$0.05 each expiring 31 July 2022) and issue of 1,370,000 shares upon the exercise of listed options (\$0.075 each expiring 19 April 2024)
- 30 November 2021 – Expiry of 10,000,000 unlisted options (\$0.15 each)
- 11 December 2021 – Expiry of 2,500,000 unlisted options (\$0.20 each)
- 22 December 2021 – Issue of 26,310,749 shares in respect to tranche 1 of the subscription agreement pursuant to the Millstone transaction

Appendix 5B Quarterly Report and Statement of Cash Flows

The ASX Appendix 5B quarterly report is attached to and lodged with this report. The Company's

Appendix 5B Quarterly Report covers the 3-month period from 1 October 2021 to 31 December 2021.

Exploration and evaluation expenditure during the quarter was \$1,772k, associated with the advancement of the Wolfsberg Lithium Project. In addition, administration and corporate expenditure during the quarter was \$496k which comprised Director fees (\$79k), administration and corporate costs (\$210k), promotion and marketing expenses (\$161k) and overseas listing fees (\$46k). The Company also made payment for the purchase or royalty (\$782k) as announced on 9 November 2021. Cash outflows from investing activities comprised the purchase of PPE (\$22k), purchase of shares in listed entity (\$20k) and transaction costs associated with the Millstone Transaction (\$164k). Financing activities inflows during the quarter was \$2,500k pursuant to the first tranche of the Millstone Transaction Placement, \$1,944k received from the exercise of options offset by the advancement of a short-term loan to Cyclone Metals Ltd (ASX: CLE) of \$500k.

Payments to Related Parties and their Associates

In accordance with ASX Listing Rule 5.3.5, payments to related parties of the Company and their associates during the quarter totalled \$87k. This amount comprises Director fees (\$79k) and payments to Director-related parties for office occupancy costs (\$8k).

On 14 December 2021, the Company purchased 5,000,000 shares in Cyclone Metals Ltd (ASX: CLE). On the same day, the Company entered into a loan agreement and advanced funds of \$500,000 to CLE. The loan is repayable on 28 February 2022 and accrues interest of 5% per annum. The loan is secured over 25,000,000 unencumbered shares held by CLE in CUF Limited (ASX: CUF). Mr Antony Sage is a director of CLE.

EXPLORATION AND DEVELOPMENT ACTIVITIES

Austria

Wolfsberg Lithium Project

COVID-19

Various challenges for commodity markets continued in Q4/2021 due to the impact of the COVID-19 pandemic. Although the situation has worsened to some extent with the appearance of the Omicron variant, high uncertainty remains with governments, companies and individuals required to follow recommendations to help in controlling the rate of infection at a global scale. In Europe during the quarter there were sharp rising infection rates with restrictions retightened despite vaccination rates improved. This has affected the Company's operational activities at its Wolfsberg Lithium Project (**Wolfsberg Project**) in Q4/2021, and with infection rates increasing during European winter until middle of Q2/2022, exacerbated by new variants of the virus, it is expected that governments will further extend existing and introduce new restrictions. Australian international border restrictions remain tight, specifically reduced returning traveller numbers and closed borders for arriving international travellers in addition to domestic lockdowns continue to impact the Company directly. The Company is continuously addressing the changing circumstances with suitable measures including COVID-19 safe rules and safe operating procedures and hasn't recorded any COVID-19 incidents or cases since the start of the pandemic in March 2020.

Drilling

Supervising consultants have completed assaying at the Company's external lab in Ireland and the final JORC compliant resource increase as reported on 01 December 2021. All data have been collected into a common database to update the geological block-model to upgrade and increase JORC compliant resource as anticipated. The block model update was completed during Q4/2021 as well.

Total Measured, Indicated and Inferred Mineral Resources now total 12.9 Mt grading 1.00% Li₂O. This includes the previously announced estimate of 9.7Mt grading 1.03% Li₂O in the Measured and Indicated Resource category (see ASX Announcement 8 November 2021) and the updated Inferred Resource estimate of 3.1 Mt grading 0.90% Li₂O.

All cells within the wireframed mineralization have been reported as resource with no cut-off grade for Li₂O used in resource reporting. Assignment of mineralisation versus unmineralized material was done as part of the sectional interpretation using a minimum mineralized thickness of 0.5m for sampling. Intersections less than this were excluded with hard boundary wireframes, therefore all material identified as mineralization has been reported. This was chosen to align with the anticipated mining method of long hole open stoping whereby all material mined is taken as ore.

The upgraded Measured, Indicated and Inferred Resource estimate is detailed in JORC-Table 1 as reported on 01 December 2021.

Category	Tonnage (t)	Grade (% Li ₂ O)
Measured	4,313,000	1.13
Indicated	5,430,000	0.95
Total (M+I)	9,743,000	1.03
Inferred	3,138,000	0.90
Total (M+I+In)	12,881,000	1.00

Notes:

1) resources estimated based on minimum mineralized intersection of 0.5m

2) bulk density of 2.73 t/m³ applied to volumetric estimate

3) Grade is based on length weighted mineralized intersections, assuming minimum intersection width of 2m and incorporates internal dilution.

The Company continued to take preventive measures to avoid potential delays in Q4/2021 due to differing regulations and restrictions during the COVID-19 pandemic, especially for its contractors not based in Austria. The Company is pleased to advise that since the beginning of the pandemic in March 2020, no staff and/or contractors have tested positive for COVID-19 which demonstrates the effectiveness of the Company's preventive health and safety measures. The Company takes this opportunity to express their appreciation for the commitment of all staff and contractors to maintaining the high standards of Occupational Health and Safety.

Definitive Feasibility Study (DFS)

The Company has completed the resource upgrade to **12.9Mt grading 1.00% Li₂O** in Zone 1. That is a significant milestone for the DFS progress. The final results were signed off by the Company's competent person and published (see ASX Announcement, 1December 2021).

The Company has continued to work with their DFS-team, based in Europe, South Africa and Canada covering geology, mining and scheduling, ore concentration and metallurgy with

conversion as well as structural design work, marketing, financial planning and scheduling covering future CAPEX and OPEX for the operations. The final DFS-team with more than 30 specialists covering these areas of expertise.

In Q4/2021 Dorfner/Anzaplan (**Dorfner**) based in Germany, as the Company's independent consultants, have completed the final locked cycle test as part of the QA/QC process for the metallurgical test work to assess and optimise process lines, flowsheets and layouts. In total there were 4 LCTs required to achieve full confidence in the chemical process lines developed. The comprehensive report provided by Dorfner covers the final results as expected.

Dorfner carried out a series of tests using these bulk samples to provide information for use in various feasibility studies including the following:

- Sensor based ore sorting tests to minimise dilution of ore into a process plant.
- Pilot test work to understand the physical processing characteristics of the Wolfsberg ore into a spodumene concentrate product.
- Settling and filtration tests
- Gravity separation techniques for mica removal.
- Hydrometallurgical tests for conversion of spodumene concentrate into a lithium carbonate product.
- Conversion tests for production of lithium hydroxide from lithium carbonate to determine recoveries and end product specifications.

End product quality results have now been received for both lithium carbonate and lithium hydroxide produced from the Wolfsberg ore compared against a series of German Industry Normal Specifications. These specifications were derived from a cross section of Dorfner's experiences with end users in lieu of a definitive industry standard which currently does not exist.

The following results show a high-quality battery grade specification of either lithium carbonate or lithium hydroxide can be produced from the Wolfsberg ore.

The results for the major impurities in the lithium hydroxide product are all well below the comparable product specification. The lithium content is calculated as 100% minus total impurities (including minor impurities not listed).

Lithium Hydroxide Certificate of Analysis

Parameter	*	LIMS-1D	20-21343 20-23026 21-02200	
		Norm	Lithium Hydroxide	Specification Lithium Hydroxide
B	1	DIN EN ISO 11885-E22 2009-09	1,4 mg/kg	10 mg/ kg
Na	1	DIN EN ISO 11885-E22 2009-09	6.9 mg/ kg	50 mg/ kg
Si	1	DIN EN ISO 11885-E22 2009-09	6.8 mg / kg	30 mg/ kg
SO₄	1	DIN EN ISO 10304-1 2009-07	13 mg/ kg	100 mg/ kg
Cl	1	DIN EN ISO 10304-1 2009-07	<10 mg/ kg	20 mg/ kg
K	1	DIN EN ISO 11885-E22 2009-09	1.6 mg/ kg	30 mg/ kg
Ca	1	DIN EN ISO 11885-E22 2009-09	1.9 mg/ kg	10 mg/ kg
Fe	1	DIN EN ISO 11885-E22 2009-09	1.1 mg/ kg	7 mg/ kg
CO₂	4	QMA-293 2021-09	<0.01 wt.-o/c	0.4 wt.-%

Results for lithium carbonate show a grade of 99.6% Li_2CO_3 can be produced from the Wolfsberg ore with all other impurities below specification.

Lithium Carbonate Certificate of Analysis

Parameter	*	LIMS-1D	19-18024	
		Norm	Lithium Carbonate sample EL 10 kg	Specification Lithium Carbonate (Li_2CO_3)
Li₂CO₃	1	DIN EN ISO 11885-E22 2009-09	99.6 wt.-%	>99.5 wt.-%
Na	1	DIN EN ISO 11885-E22 2009-09	22 mg / kg	<250 mg / kg
Mg	1	DIN EN ISO 11885-E22 2009-09	1.5 mg/ kg	<80 mg / kg
Al	1	DIN EN ISO 11885-E22 2009-09	6.4 mg/ kg	<10 mg/ kg
Si	1	DIN EN ISO 11885-E22 2009-09	3.9 mg/ kg	<30 mg/ kg
K	1	DIN EN ISO 11885-E22 2009-09	2.0 mg/ kg	<10 mg/ kg
Ca	1	DIN EN ISO 11885-E22 2009-09	22 mg/ kg	<50 mg/ kg
Fe	1	DIN EN ISO 11885-E22 2009-09	1.1 mg/ kg	<10 mg/ kg
Cu	1	DIN EN ISO 11885-E22 2009-09	<1 mg/ kg	<10 mg/kg
Cl	1	DIN EN ISO 10304-1 2009-07	<30 mg/ kg	<30 mg/ kg
S₀₄	1	DIN EN ISO 11885-E22 2009-09	700 mg/ kg	<800 mg/ kg

To finalise the DFS in a timely manner and as efficiently as possible the Company has put strong measures in place to mitigate the risk of delays caused by the COVID-19 pandemic, however, unexpected delays may still occur that could impact the completion of the DFS in the anticipated timeframe.

Hydrogeology

The Company continued its hydrogeology monitoring program during Q4/2021, collecting the data and interpretations for integration into the DFS.

All hydrogeological data continues to be stored and secured within the Company's database.

The preparation work by SRK, and the geological consultant, GEO Unterweissacher, continues to ensure in-hole hydrogeological test work has been completed appropriately and can continue in the future.

Data from the above activities is fed into a water measuring database from which an annual report is produced.

Environmental

In Q4/2021 the Company completed environmental base line studies at the project area for the purpose of the compulsory and independent second mine access, and the potential location for the hydrometallurgical conversion plant. A comprehensive report has been provided to the Company and will be incorporated in the final DFS document.

Monitoring of water flows and quality from the mine is continuous.

Product Marketing

The strategy for the Company remains unchanged and focuses on the supply of lithium hydroxide to the nascent lithium battery plants of Europe. The Company is in discussion with

several industry players regarding future off-take contracts. Good progress has already been made with potential off-take partners and an MoU was signed with Traxys.

Horizon 2020

In Q4/2021, the Company's 100% owned subsidiary, ECM Lithium AT GmbH (**ECM**), continued work on the infield and underground geophysical survey program for which reporting is required in respect to ECM's participation in the European Union funded Horizon 2020 - GREENPEG project.

The Company continued to work proactively in the already approved and funded Horizon 2020 LithRef program.

Continued participation shows the Company's abilities and eligibility to contribute with EU-level support to the sustainable supply of battery grade lithium, sourced and produced in Europe.

Other Business

The Company's **11 mining licenses** that are held in perpetuity (provided its conditions are maintained) were **renewed** and now expire at the end of Q4/2023. Compulsory operational work has continued on these licenses and will be reported to the mining authority, as required. The 54 exploration licences remain unchanged and expire in Q4/2024.

The Company continues to develop technical solution to incorporate **recycled lithium-ion battery materials** into the flowsheets for final lithium carbonate and hydroxide (**LiOH**) production. This project, defined in a letter of intent, is technically supervised by a research group from University of Graz.

The company is pleased to announce that Tunley Engineering has been appointed to work with the technical advisory team to assess the Wolfsberg Lithium Project to be **Carbon Neutral**.

Jadar Lithium

The Company previously announced that it had entered into a Collaboration Agreement with EV Resources Limited (formerly Jadar Resources Limited) (ASX: EVR) (**EVR**) and an agreement to acquire a 20% interest in EVR's Austrian Lithium assets from their JV partner (**EVR Acquisition**) (refer ASX announcement 11 May 2021).

EVR holds an 80% interest in Subsidiary Jadar Lithium GmbH (**Jadar Lithium**), the holder of the Weinebene and Eastern Alps Projects which lies 20km to the east of the Company's Wolfsberg Project (refer figure 4).



Figure 4 – Weinebene Lithium Project Location

The Collaboration Agreement includes the establishment of a Technical Advisory Committee for the purpose of jointly collaborating in connection with the Weinebene and Eastern Alps Projects and sharing information to identify the best options to advance those assets and operations. This includes making recommendations for exploration programs, budgets and development scenarios in relation to the assets and operations.

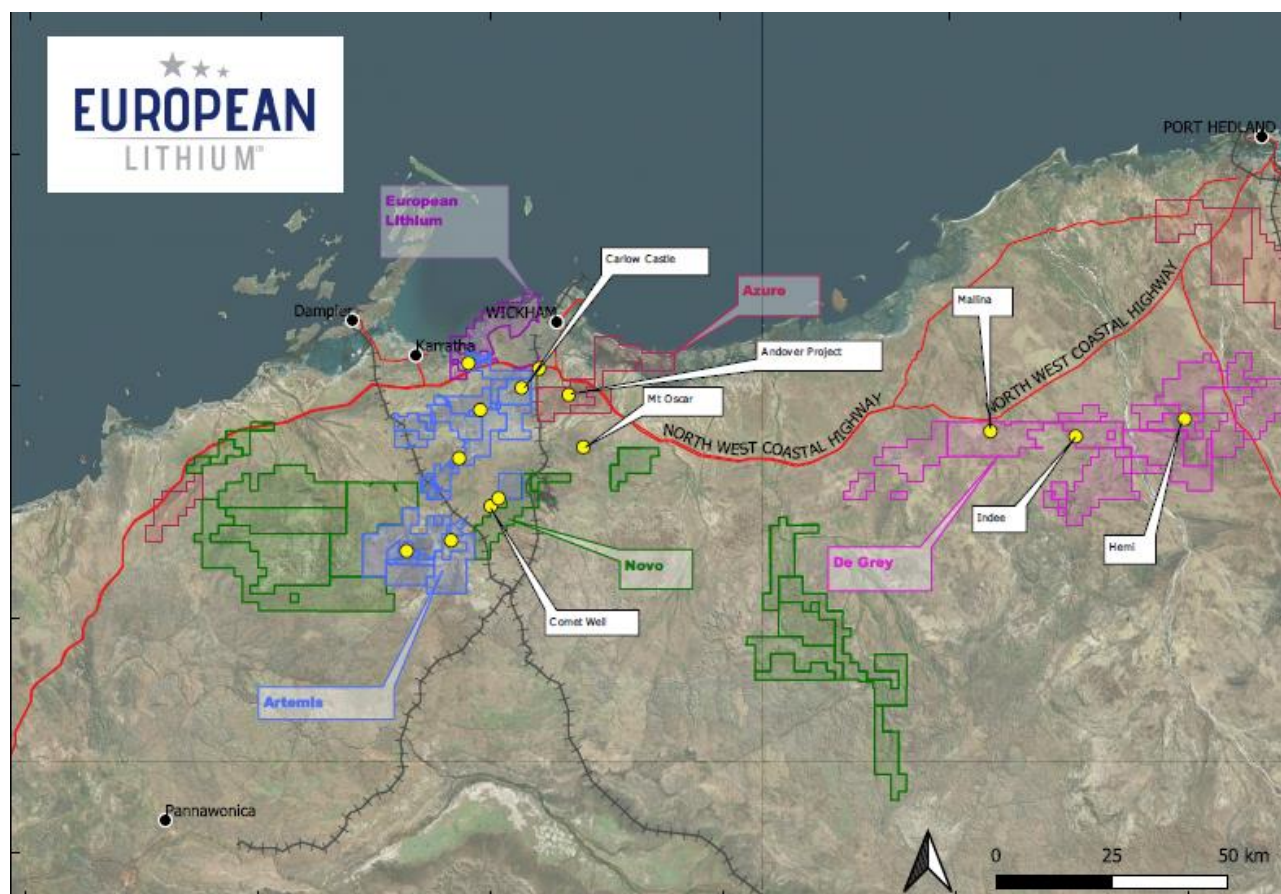
During the quarter, EVR announced the establishment of the Technical Advisory Committee comprising Mr Tony Sage of EUR and Mr Luke Martino of EVR. The Committee has commenced work to expand the Wolfsberg Project and look for potential extensions to the mineralisation that may continue into the Weinebene and Eastern Alps Projects.

Australia

E47/4144

On 23 September 2020, the Company announced that it had secured tenement E47/4144 via ballot under the WA Mining Act.

E47/4144 is progressing through the WA Mining Act regulatory application process and has cleared the Native Title process. The Company is continuing discussions with a stakeholder and remaining objector to negotiate access with respect to areas of existing or intended infrastructure.



After initial desktop analysis of government data and previous open file statutory reports, the Company has identified several areas of prospectivity within E47/4144 that continue from known gold occurrences in the immediate area.

Previous gold discoveries in the district, particularly in the Nickol River and Weerianna areas are both associated with the Regal formation, the Nickol River formation and the Roebourne Group which are comprised of a series of greenstone mafic/ultramafic volcanics intercalated at times with sedimentary units including various cherts, BIF, clastic sediments, conglomerates and carbonates. Some of these units have undergone some degree of contact and regional metamorphism. There has been significant structural deformation associated with the Shall shear zone and the Regal thrust as well as numerous related splays and faults. Epigenetic gold mineralisation is found in association with shearing and faulting often in contacts between units around the Regal thrust and splay shears in quartz veins within strongly sheared chlorite serpentine schists.

These geological settings occur within E47/4144 as extensions to two known mineralised locations in Weerianna and Nickol River. EUR is planning to target exploration along these trends specifically where they intersect structures such as shears in and around the Regal thrust or crests/troughs of folded units for possible reef style formations. In addition, potential for an extension to the Mt Anketell magnetite deposit exists crossing the southeastern corner of the tenure within the Cleaverville Formation (host to Mt Anketell to the north).

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

Tony Sage

Executive Chairman

Competent Person's Statement

The information in this announcement pertaining to the Wolfsberg Lithium Project, and to which this statement is attached, relates to Project Development and Metallurgical Studies and is based on and fairly represents information and supporting documentation provided by the Company and its Consultants and summarized by Dietrich Wanke who is a Qualified Person and is a Member of the Australian Institution of Mining and Metallurgy (AusIMM) since 2006 with about 30 years' experience in the mining and resource development industry. Dietrich Wanke has sufficient experience, as to qualify as a Competent Person as defined in the 2012 edition of the "Australian Code for Reporting of Mineral Resources and Ore reserves". Dietrich Wanke consents to the inclusion in the report of the matters based on information in the form and context in which it appears. The company is reporting progress on project development and metallurgical results under the 2012 edition of the Australasian Code for the Reporting of Results, Minerals Resources and Ore reserves (JORC code 2012).

Tenement Status

The mining tenements held at the end of the quarter, acquired and disposed of during the quarter and their location:

Tenement reference	Location	Acquired interest during the quarter	Disposed interest during the quarter	Interest at the end of the quarter
104/96	Wolfsberg Project, Austria	-	-	100%
105/96	Wolfsberg Project, Austria	-	-	100%
106/96	Wolfsberg Project, Austria	-	-	100%
107/96	Wolfsberg Project, Austria	-	-	100%
108/96	Wolfsberg Project, Austria	-	-	100%
109/96	Wolfsberg Project, Austria	-	-	100%
110/96	Wolfsberg Project, Austria	-	-	100%
111/96	Wolfsberg Project, Austria	-	-	100%
112/96	Wolfsberg Project, Austria	-	-	100%
113/96	Wolfsberg Project, Austria	-	-	100%
114/96	Wolfsberg Project, Austria	-	-	100%
115/96	Wolfsberg Project, Austria	-	-	100%
116/96	Wolfsberg Project, Austria	-	-	100%
117/96	Wolfsberg Project, Austria	-	-	100%
118/96	Wolfsberg Project, Austria	-	-	100%
119/96	Wolfsberg Project, Austria	-	-	100%
120/96	Wolfsberg Project, Austria	-	-	100%
121/96	Wolfsberg Project, Austria	-	-	100%
122/96	Wolfsberg Project, Austria	-	-	100%
123/96	Wolfsberg Project, Austria	-	-	100%
124/96	Wolfsberg Project, Austria	-	-	100%
125/96	Wolfsberg Project, Austria	-	-	100%
370/11(611/11)	Wolfsberg Project, Austria	-	-	100%
371/11(612/11)	Wolfsberg Project, Austria	-	-	100%
372/11(613/11)	Wolfsberg Project, Austria	-	-	100%
373/11(614/11)	Wolfsberg Project, Austria	-	-	100%
374/11(615/11)	Wolfsberg Project, Austria	-	-	100%
375/11(616/11)	Wolfsberg Project, Austria	-	-	100%
378/11(619/11)	Wolfsberg Project, Austria	-	-	100%
379/11(620/11)	Wolfsberg Project, Austria	-	-	100%
380/11(621/11)	Wolfsberg Project, Austria	-	-	100%
381/11(622/11)	Wolfsberg Project, Austria	-	-	100%
382/11(623/11)	Wolfsberg Project, Austria	-	-	100%
383/11(624/11)	Wolfsberg Project, Austria	-	-	100%
384/11(625/11)	Wolfsberg Project, Austria	-	-	100%
386/11(627/11)	Wolfsberg Project, Austria	-	-	100%
387/11(628/11)	Wolfsberg Project, Austria	-	-	100%

388/11(629/11)	Wolfsberg Project, Austria	-	-	100%
389/11(630/11)	Wolfsberg Project, Austria	-	-	100%
390/11(631/11)	Wolfsberg Project, Austria	-	-	100%
391/11(632/11)	Wolfsberg Project, Austria	-	-	100%
392/11(633/11)	Wolfsberg Project, Austria	-	-	100%
394/11(636/11)	Wolfsberg Project, Austria	-	-	100%
395/11(637/11)	Wolfsberg Project, Austria	-	-	100%
396/11(638/11)	Wolfsberg Project, Austria	-	-	100%
397/11(639/11)	Wolfsberg Project, Austria	-	-	100%
398/11(640/11)	Wolfsberg Project, Austria	-	-	100%
400/11(645/11)	Wolfsberg Project, Austria	-	-	100%
401/11(646/11)	Wolfsberg Project, Austria	-	-	100%
402/11(647/11)	Wolfsberg Project, Austria	-	-	100%
403/11(648/11)	Wolfsberg Project, Austria	-	-	100%
408/11(648/11)	Wolfsberg Project, Austria	-	-	100%
409/11(641/11)	Wolfsberg Project, Austria	-	-	100%
412/11(649/11)	Wolfsberg Project, Austria	-	-	100%
Andreas 1	Wolfsberg Project, Austria	-	-	100%
Andreas 2	Wolfsberg Project, Austria	-	-	100%
Andreas 3	Wolfsberg Project, Austria	-	-	100%
Andreas 4	Wolfsberg Project, Austria	-	-	100%
Andreas 5	Wolfsberg Project, Austria	-	-	100%
Andreas 6	Wolfsberg Project, Austria	-	-	100%
Andreas 7	Wolfsberg Project, Austria	-	-	100%
Andreas 8	Wolfsberg Project, Austria	-	-	100%
Andreas 9	Wolfsberg Project, Austria	-	-	100%
E47/4144 ^{1, 2}	Western Australia	-	-	-
E47/4532 ^{1, 3}	Western Australia	-	-	-
E47/4533 ^{1, 3}	Western Australia	-	-	-
E47/4534 ^{1, 3}	Western Australia	-	-	-
E47/4543 ^{1, 3}	Western Australia	-	-	-
E47/4544 ^{1, 3}	Western Australia	-	-	-
E47/4545 ^{1, 3}	Western Australia	-	-	-
E47/4546 ^{1, 3}	Western Australia	-	-	-

¹ Application pending

² 100% owned by EUR and 50% beneficially held by EUR, with the remaining 50% held by Wombat Resources Ltd

³ Applied for by John Wally Resources Pty Ltd, a partially owned (50%) subsidiary of EUR

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

European Lithium Limited

ABN

45 141 450 624

Quarter ended ("current quarter")

31 December 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(1,772)	(3,875)
(b) development	-	-
(c) production	-	-
(d) staff costs	-	-
(e) administration and corporate costs	(289)	(719)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	18	35
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	(65)
1.8 Other (promotion and marketing expenses)	(161)	(281)
Other (overseas listing fees)	(46)	(89)
Other (FMA fine)	-	(280)
Other (royalty purchase)	(782)	(782)
1.9 Net cash from / (used in) operating activities	(3,032)	(6,056)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	(22)	(22)
(d) exploration & evaluation	-	-

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
	(e) investments	(20)	(20)
	(f) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (Ukraine Acquisition fees)	(164)	(164)
2.6	Net cash from / (used in) investing activities	(206)	(206)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	2,500	9,000
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	1,944	2,152
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(472)
3.5	Proceeds from borrowings	(500)	(500)
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	3,944	10,180
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	8,629	5,422
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(3,032)	(6,056)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(206)	(206)

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	3,944	10,180
4.5	Effect of movement in exchange rates on cash held	(10)	(15)
4.6	Cash and cash equivalents at end of period	9,325	9,325

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	9,325	8,629
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	9,325	8,629

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	87
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

Payments included in item 6.1 relates to payment of director fees (\$78,700) and office occupancy payments to Director related entity (\$8,250).

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	10,000,000	4,000,000
7.2	Credit standby arrangements	-	-
7.3	Other (convertible note facility)	-	-
7.4	Total financing facilities	10,000,000	4,000,000
7.5	Unused financing facilities available at quarter end		6,000,000
7.6	<p>Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.</p> <div style="border: 1px solid black; padding: 5px;"> <p>Winance Facility</p> <p>On 31 July 2019, the Company entered into a Convertible Note Agreement with Winance Investment LLC (Winance) of which A\$2.0m (2,000 convertible notes) was drawn down on 20 September 2019 (Tranche 1) and A\$2.0m (2,000 convertible notes) was drawn down on 5 March 2020 (Tranche 2).</p> <p>The face value of each convertible note is AU\$1,000 and are non-interest bearing. The notes are convertible to a variable number of ordinary shares at the option of the holder of the notes any time after issue. If not converted the notes mature and are repayable twenty-four (24) months after the issue date. The conversion price for each convertible note is the lower of an 8% discount from the lowest VWAP over ten (10) days prior to the conversion date, provided that the conversion price shall not in any case be lower than \$0.04 (revised floor price).</p> <p>Refer to ASX announcement dated 31 July 2019 and notice of meeting dated 28 October 2019 for material terms and conditions.</p> <p>Further drawdowns of A\$6m are at the Company's election available in tranches of A\$1m each upon full conversion of the notes from the previous drawdown, subject to a cooling off period calculated based on the value of the tranche and average trading volumes during the preceding 60-day period and prior approval by EUR's shareholders. The financing facility expires on 31 July 2022.</p> <p>At 31 December 2021 there are nil convertible notes remaining from the Tranche 1 and Tranche 2 drawdowns.</p> </div>		

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(3,032)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(3,032)
8.4 Cash and cash equivalents at quarter end (item 4.6)	9,325
8.5 Unused finance facilities available at quarter end (item 7.5)	-*
8.6 Total available funding (item 8.4 + item 8.5)	9,325
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	3.07
<p><i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i></p> <p>* As outlined above in section 7, further drawdown on the Winance facility is subject to full conversion of the notes from the previous drawdown. As at 30 June 2021, there were 300 convertible notes remaining from the Tranche 2 drawdown.</p>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
<p><i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i></p>	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 31 January 2022.....

Authorised by: Board of Directors.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.