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**EUROPEAN LITHIUM LIMITED**

**ACN 141 450 624**

**NOTICE OF ANNUAL GENERAL MEETING**

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Notice is given that the Meeting will be held at:

**TIME:** 9:00am (WST)  
**DATE:** 29 November 2017  
**PLACE:** 32 Harrogate Street  
West Leederville WA 6007  
Australia

***The business of the Meeting affects your shareholding and your vote is important.***

***This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.***

***The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 4:00pm (WST) on 27 November 2017.***

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## TIME AND PLACE OF MEETING AND HOW TO VOTE

### VENUE

The Annual General Meeting of the Shareholders to which this Notice of Meeting relates will be held at 9:00am (WST) on 29 November 2017 at 32 Harrogate Street, West Leederville Western Australia 6007.

### YOUR VOTE IS IMPORTANT

The business of the Annual General Meeting affects your shareholding and your vote is important.

### VOTING IN PERSON

To vote in person, attend the Annual General Meeting on the date and at the place set out above.

### VOTING BY PROXY

To vote by proxy please:

- (a) vote on line at [www.advancedshare.com.au](http://www.advancedshare.com.au) by following the procedures as set out in the attached Proxy Form; or
- (b) complete and sign the enclosed Proxy Form and return it:
  - (i) by post to Advanced Share Registry Limited to PO Box 1156, Nedlands, WA 6909;
  - (ii) by facsimile to Advanced Share Registry Limited on facsimile number +61 8 9262 3723;
  - (iii) by Email to [admin@advancedshare.com.au](mailto:admin@advancedshare.com.au),

so that it is received not later than 48 hours prior to commencement of Meeting.

**Proxy Forms received later than this time will be invalid.**

### **Changes to Proxy Voting**

Shareholders and their proxies should be aware that pursuant to sections 250BB and 250BC of the Corporations Act:

- (a) if the proxy votes, they must cast all directed proxies as directed; and

- (b) any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these changes is set out below.

**Proxy vote if appointment specifies way to vote**

Section 250BB (1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does:**

- (a) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- (b) if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and
- (c) if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- (d) if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

**Transfer of non-chair proxy to chair in certain circumstances**

Section 250BC of the Corporations Act provides that, if:

- (a) an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- (b) the appointed proxy is not the chair of the meeting; and
- (c) at the meeting, a poll is duly demanded on the resolution; and
- (d) either of the following applies:
  - (i) the proxy is not recorded as attending the meeting; or
  - (ii) the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

**NOTICE OF ANNUAL GENERAL MEETING**

Notice is given that the Annual General Meeting of Shareholders will be held at 9:00am (WST) on 29 November 2017 at 32 Harrogate Street, West Leederville, WA 6007.

The Explanatory Statement provides additional information on matters to be considered at the Annual General Meeting. The Explanatory Statement and the Proxy Form are part of this Notice of Meeting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders at 4:00pm (WST) on 27 November 2017.

Terms and abbreviations used in this Notice of Meeting are defined in the Glossary.

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## BUSINESS OF THE MEETING

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### AGENDA

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#### 1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2017 together with the declaration of the directors, the director's report, the Remuneration Report and the auditor's report.

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#### 2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

*"That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2017."*

**Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.**

**Voting Prohibition Statement:**

A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person (the **voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy:
  - (i) does not specify the way the proxy is to vote on this Resolution; and
  - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

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#### 3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – TONY SAGE

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, for the purpose of clause 10.3 of the Constitution, ASX Listing Rule 14.5 and for all other purposes, Tony Sage, a Director, retires by rotation, and being eligible, is re-elected as a Director."*

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#### 4. RESOLUTION 3 – RATIFICATION OF PRIOR ISSUE OF DECEMBER PLACEMENT SHARES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 1,587,614 December Placement Shares on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by any person who participated in the issue and any of their associates. However, the

Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions of the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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**5. RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE OF JUNE PLACEMENT SECURITIES**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 23,630,146 June Placement Shares and 11,815,073 June Placement Options on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by any person who participated in the issue and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions of the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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**6. RESOLUTION 5 – RATIFICATION OF PRIOR ISSUE OF OPTIONS TO DYAMOND DEVELOPMENTS PTY LTD**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 2,000,000 Dyamond Options on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by any person who participated in the issue and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions of the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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**7. RESOLUTION 6 – RATIFICATION OF PRIOR ISSUE OF OPTIONS TO VICTORIA GARDINER**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 100,000 Victoria Gardiner on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by any person who participated in the issue and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions of the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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**8. RESOLUTION 7 – RATIFICATION OF PRIOR ISSUE OF OCTOBER PLACEMENT SHARES – LR 7.1**

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To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 25,696,754 October Placement Shares on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by any person who participated in the issue and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions of the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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**9. RESOLUTION 8 – RATIFICATION OF PRIOR ISSUE OF OCTOBER PLACEMENT SHARES – LR7.1A**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 20,283,246 October Placement Shares on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by any person who participated in the issue and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions of the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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**10. RESOLUTION 9 – APPROVAL TO ISSUE SHARES AND OPTIONS IN LIEU OF DIRECTOR'S FEES – TONY SAGE**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, for the purposes of section 195(4) of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 733,333 Director Shares and 366,667 Director Options to Mr Sage (or his nominee) on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by Mr Sage (or his nominee) and any associate of Mr Sage. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions of the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

**Voting Prohibition Statement:**

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
  - (i) a member of the Key Management Personnel; or
  - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and

- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

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**11. RESOLUTION 10 – APPROVAL TO ISSUE SHARES AND OPTIONS IN LIEU OF DIRECTOR’S FEES – MALCOLM DAY**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of section 195(4) of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 488,889 Director Shares and 244,444 Director Options to Mr Day (or his nominee) on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by Mr Day (or his nominee) and any associate of Mr Day. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions of the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

**Voting Prohibition Statement:**

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
- (i) a member of the Key Management Personnel; or
  - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

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**12. RESOLUTION 11 – APPROVAL TO ISSUE SHARES AND OPTIONS IN LIEU OF DIRECTOR’S FEES – PAUL LLOYD**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of section 195(4) of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 488,889 Director Shares and 244,444 Director Options to Mr Lloyd (or his nominee) on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by Mr Lloyd (or his nominee) and any associate of Mr Lloyd. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions of the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

**Voting Prohibition Statement:**

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
- (i) a member of the Key Management Personnel; or
  - (ii) a Closely Related Party of such a member; and

- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and  
(b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

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**13. RESOLUTION 12 – APPROVAL OF 10% PLACEMENT CAPACITY**

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

*“That, for the purposes of ASX Listing Rule 7.1A and for all other purposes, approval is given for the Company to issue up to that number of Equity Securities equal to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and otherwise on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by any person who may participate in the issue of Equity Securities under this Resolution and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company will not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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**14. RESOLUTION 13 – ELECTION OF DIRECTOR – MR STEFAN MULLER**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purpose of clause 10.8 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Stefan Muller, a Director who was appointed casually on 20 October 2017, retires, and being eligible, is elected as a Director.”*

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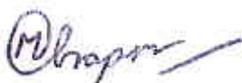
**15. RESOLUTION 14 – REPLACEMENT OF CONSTITUTION**

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

*“That, for the purposes of section 136(2) of the Corporations Act and for all other purposes, approval is given for the Company to repeal its existing Constitution and adopt a new constitution in its place in the form as signed by the chairman of the Meeting for identification purposes.”*

**Dated: 19 October 2017**

**By order of the Board**



**Melissa Chapman  
Company Secretary**

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## EXPLANATORY STATEMENT

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This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

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### 1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2017 together with the declaration of the directors, the directors' report, the Remuneration Report and the auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at [www.europeanlithium.com](http://www.europeanlithium.com).

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### 2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

#### 2.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the directors of the company.

The remuneration report sets out the company's remuneration arrangements for the directors and senior management of the company. The remuneration report is part of the directors' report contained in the annual financial report of the company for a financial year.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

#### 2.2 Voting consequences

A company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

### **2.3 Previous voting results**

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

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## **3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – TONY SAGE**

### **3.1 General**

Clause 10.3 of the Constitution requires that at the Company's annual general meeting in every year, one-third of the Directors for the time being, or, if their number is not a multiple of 3, then the number nearest one-third (rounded upwards in case of doubt), shall retire from office, provided always that no Director (except a Managing Director) shall hold office for a period in excess of 3 years, or until the third annual general meeting following his or her appointment, whichever is the longer, without submitting himself or herself for re-election.

The Directors to retire at an annual general meeting are those who have been longest in office since their last election, but, as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by drawing lots.

A Director who retires by rotation under clause 10.3 of the Constitution is eligible for re-election.

The Company currently has 3 Directors and accordingly, 1 must retire, in addition to any Director required to retire under clause 10.5 of the Constitution.

Accordingly, Mr Tony Sage, who was last elected by Shareholders on 25 July 2016, retires by rotation and seeks re-election.

### **3.2 Qualifications and other material directorships**

A summary of Mr Sage's background and experience is set out in the 2017 Annual Report.

### **3.3 Independence**

If elected the board does not consider Mr Sage will be an independent director.

### **3.4 Board recommendation**

The Board supports the re-election of Mr Sage and recommends that Shareholders vote in favour of Resolution 2.

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## **4. RESOLUTION 3 – RATIFICATION OF PRIOR ISSUE OF SHARES**

### **4.1 General**

On 30 December 2016, the Company issued 1,587,614 Shares (**December Placement Shares**) at a deemed issue price of \$0.06 per Shares to settle amounts

due of \$95,000 (**December Placement**) owing to certain creditors of the Company.

The December Placement Shares were issued under the Company's Listing Rule 7.1 capacity. Resolution 3 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the 1,587,614 December Placement Shares (**December Placement Ratification**).

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

#### **4.2 Technical information required by ASX Listing Rule 7.4**

Pursuant to and in accordance with ASX Listing Rule 7.5, the information below is provided in relation to the December Placement Ratification:

- (a) 1,587,614 December Placement Shares were issued;
- (b) the December Placement Shares were issued for \$0.06 per December Placement Share;
- (c) the December Placement Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the December Placement Shares were issued to certain creditors of the Company. None of these subscribers were related parties of the Company; and
- (e) no funds were raised from the December Placement rather the December Placement Shares were issued to settle debts of approximately \$95,000 arising from fees for the provision of legal, corporate advisory, public relations, communications and mining services.

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## **5. RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE OF SHARES AND OPTIONS**

### **5.1 Background**

As announced on 8 June 2017, the Company undertook a placement of Shares at an issue price of \$0.045 per Share, together with one (1) free-attaching option exercisable at \$0.05 on or before 31 March 2020 (**Options**) for every two (2) Shares issued (**June Placement**).

Pursuant to the June Placement the Company issued the following securities on the following dates:

| Date           | Shares            | Options                | Amount Raised      |
|----------------|-------------------|------------------------|--------------------|
| 8 June 2017    | 13,326,666        | 6,763,333 <sup>1</sup> | \$599,700          |
| 15 June 2017   | 6,859,036         | 3,429,518              | \$308,657          |
| 30 June 2017   | 3,444,444         | Nil                    | \$155,000          |
| 11 August 2017 | Nil               | 3,722,222 <sup>2</sup> | Nil                |
| <b>Total</b>   | <b>23,630,146</b> | <b>13,915,073</b>      | <b>\$1,063,357</b> |

**Notes:**

1. Comprising of:
  - a. 6,663,333 Options issued on a 1 for 2 free-attaching basis pursuant to the June Placement; and
  - b. 100,000 Options issued to Victoria Gardiner in lieu of corporate advisory fees in relation to the June Placement.
2. Comprising of:
  - a. 1,722,222 Options issued on a 1 for 2 free-attaching basis in relation to the 3,444,444 Shares issued on 30 June 2017; and
  - b. 2,000,000 Options issued to Dyamond Developments Pty Ltd in lieu of corporate advisory fees in relation to the June Placement.

## 5.2 General

As set out above, the Company issued a total of 23,630,146 Shares (**June Placement Shares**) and 11,815,073 free-attaching Options (**June Placement Options**) (together, the **June Placement Securities**) pursuant to the June Placement.

The June Placement Securities were issued under the Company's Listing Rule 7.1 capacity. Resolution 4 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the June Placement Securities (**June Placement Ratification**).

For the avoidance of doubt the ratifications of the:

- (a) 2,000,000 Options that were issued to Dyamond Developments Pty Ltd; and
- (b) 100,000 Option that were issued to Victoria Gardiner,

in consideration for corporate advisory services provided in relation to the June Placement are the subject of Resolutions 5 and 6 below.

A summary of ASX Listing Rules 7.1 and 7.4 is contained in Section 4.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

## 5.3 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the information below is provided in relation to the June Placement Ratification:

- (a) a total of 23,630,146 June Placement Shares and 11,815,073 June Placement Options were issued;
- (b) the issue price was \$0.045 per June Placement Share and the June Placement Options were issues for nil cash consideration on a 1 for 2 free-attaching basis pursuant to the June Placement;
- (c) the June Placement Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the June Placement Options were issued on the terms and conditions set out in Schedule 1;
- (e) the June Placement Securities were issued to sophisticated and institutional investors. None of these subscribers were related parties of the Company; and
- (f) the funds raised from the June Placement were applied towards further advance of the Company's lithium project in Austria, for general working capital purposes and to repay amounts owing.

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## **6. RESOLUTION 5 – RATIFICATION OF PRIOR ISSUE OF OPTIONS TO DYAMOND DEVELOPMENTS PTY LTD**

### **6.1 General**

As set out above in Section 5.1, 11 August 2017 the Company issued a total of 2,000,000 Options (**Dyamond Options**) to Dyamond Developments Pty Ltd in consideration for corporate advisory services provided in relation to the June Placement.

Resolution 5 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Dyamond Options (**Dyamond Ratification**).

A summary of ASX Listing Rules 7.1 and 7.4 is contained in Section 4.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

### **6.2 Technical information required by ASX Listing Rule 7.4**

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Dyamond Ratification:

- (a) 2,000,000 Dyamond Options were issued;
- (b) the Dyamond Options were issued for nil cash consideration in satisfaction of corporate advisory services provided by Dyamond Developments Pty Ltd in relation to the June Placement;
- (c) the Dyamond Options were issued on the terms and conditions set out in Schedule 1;
- (d) the Dyamond were issued to Dyamond Developments Pty Ltd, who is not a related party of the Company; and

- (e) no funds were raised from this issue as the Dyamond Options were issued in consideration for corporate advisory services provided in relation to the June Placement.

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## **7. RESOLUTION 6 – RATIFICATION OF PRIOR ISSUE OF OPTIONS TO VICTORIA GARDINER**

### **7.1 General**

As set out above in Section 5.1, on 8 June 2017 the Company issued a total of 100,000 Options (**Gardiner Options**) to Victoria Gardiner in consideration for corporate advisory services provided in relation to the June Placement.

Resolution 6 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Gardiner Options (**Gardiner Ratification**).

A summary of ASX Listing Rules 7.1 and 7.4 is contained in Section 4.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

### **7.2 Technical information required by ASX Listing Rule 7.4**

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Gardiner Ratification:

- (a) 100,000 Gardiner Options were issued;
- (b) the Gardiner Options were issued for nil cash consideration in satisfaction of corporate advisory services provided by Victoria Gardiner in relation to the June Placement;
- (c) the Gardiner Options were issued on the terms and conditions set out in Schedule 1;
- (d) the Gardiner Options were issued to Victoria Gardiner, who is not a related party of the Company; and
- (e) no funds were raised from this issue as the Gardiner Options were issued in consideration for corporate advisory services provided in relation to the June Placement.

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## **8. RESOLUTIONS 7 AND 8 – RATIFICATION OF PRIOR ISSUE OF OCTOBER PLACEMENT SHARES**

### **8.1 Background**

As announced on 10 October 2017, the Company proposed to undertake a placement to professional and sophisticated investors at an issue price of \$0.05 per Share to raise up to \$2,000,000 (before expenses) (**October Placement**).

Further, as announced on 13 October 2017, the Company issued a total of 31,580,000 Shares, as follows:

- (a) 28,750,000 Shares pursuant to tranche 1 of the October Placement to raise a total of \$1,437,500; and

- (b) 2,830,000 Shares at a deemed issue price of \$0.05 to settle amounts due of \$141,500 to certain creditors of the Company.

The Company issued a further 14,400,000 Shares on 17 October 2017, as follows:

- (a) 13,900,000 Shares pursuant to tranche 2 of the October Placement to raise an additional \$695,000; and
- (b) 500,000 Shares at a deemed issue price of \$0.05 to settle amounts due of \$25,000 to certain creditors of the Company.

## 8.2 General

As set out above, the Company issued 31,580,000 Shares on 13 October 2017 and 14,400,000 Shares on 17 October 2017 (together, the **October Placement Shares**) at an issue price of \$0.05 per Share to raise cash proceeds of \$2,132,500 and settle amounts due of \$166,500 pursuant to the October Placement.

The October Placement Shares were issued under the Company's Listing Rule 7.1 and 7.1A capacity as follows:

- (a) 25,696,754 October Placement Shares were issued under Listing Rule 7.1; and
- (b) 20,283,246 October Placement Shares were issued under Listing Rule 7.1A.

Resolution 67 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the 25,696,754 October Placement Shares were issued under Listing Rule 7.1 and Resolution 8 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of 20,283,246 October Placement Shares were issued under Listing Rule 7.1A (**October Placement Ratification**).

## 8.3 Resolution 7 – ASX Listing Rule 7.1

A summary of ASX Listing Rules 7.1 and 7.4 is contained in Section 4.1.

By ratifying this issue of October Placement Shares pursuant to Resolution 7, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

## 8.4 Resolution 8 – ASX Listing Rule 7.1A

ASX Listing Rule 7.1A provides that in addition to issues permitted without prior shareholder approval under ASX Listing Rule 7.1, an entity that is eligible and obtains shareholder approval under ASX Listing Rule 7.1A may issue or agree to issue during the period for which the approval is valid a number of quoted equity securities which represents 10% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period as adjusted in accordance with the formula in ASX Listing Rule 7.1.

Where an eligible entity obtains shareholder approval to increase its placement capacity under ASX Listing Rule 7.1A then any ordinary securities issued under that additional placement capacity:

- (a) will not be counted in variable "A" in the formula in ASX Listing Rule 7.1A; and

- (b) are counted in variable "E",

until their issue has been ratified under ASX Listing Rule 7.4 (and provided that the previous issue did not breach ASX Listing Rule 7.1A) or 12 months has passed since their issue.

By ratifying the issue the subject of Resolution 8, the base figure (ie variable "A") in which the Company's 15% and 10% annual placement capacities are calculated will be a higher number which in turn will allow a proportionately higher number of securities to be issued without prior Shareholder approval. Although, it is noted that the Company's use of the 10% annual placement capacity following this Meeting remains conditional on Resolution 8 being passed by the requisite majority.

## **8.5 Technical information required by ASX Listing Rule 7.4**

Pursuant to and in accordance with ASX Listing Rule 7.5, the information below is provided in relation to the October Placement Ratification:

- (a) 45,980,000 October Placement Shares were issued on the following basis:
- (i) 25,696,754 October Placement Shares issued pursuant to ASX Listing Rule 7.1; and
  - (i) 20,283,246 October Placement Shares issued pursuant to ASX Listing Rule 7.1A;
- (b) the issue price was \$0.05 per October Placement Share;
- (c) the October Placement Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the October Placement Shares were issued to sophisticated and institutional investors and certain creditors of the Company. None of these subscribers were related parties of the Company; and
- (e) the funds raised from this issue were applied towards further advance of the Company's lithium project in Austria, for general working capital purposes and to repay amounts owing of \$166,500.

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## **9. RESOLUTIONS 9, 10 AND 11 – APPROVAL TO ISSUE SHARES AND OPTIONS IN LIEU OF DIRECTOR'S FEES**

### **9.1 General**

The Directors have elected to accrue a portion of their fees for services to the Company to allow the Company to apply those funds which would have been applied to Director's remuneration to its exploration programs.

These fees have been treated as accrued expenses in the records of the Company and reported in the audited accounts of the Company. The Company is proposing that accrued director fees are converted into Shares and options in the Company.

The Shares (**Director Shares**) and options exercisable at \$0.05 on or before 31 March 2020 (**Director Options**) to be issued to the Directors have been

determined based on the same terms and conditions of the June Placement referred to in Resolution 4.

Resolutions 9, 10 and 11 seek Shareholder approval pursuant to ASX Listing Rule 10.11 for the issue of the 1,711,111 Director Shares and 855,555 Director Options (together, the **Director Securities**) to Messrs Tony Sage, Paul Lloyd and Malcolm Day in lieu of accrued fees as follows:

- (a) 733,333 Director Shares and 366,667 Director Options to Mr Tony Sage (or his nominee) pursuant to Resolution 9;
- (b) 488,889 Director Shares and 244,444 Director Options to Mr Malcolm Day (or his nominee) pursuant to Resolution 10; and
- (c) 488,889 Director Shares and 244,444 Director Options to Mr Paul Lloyd (or his nominee) pursuant to Resolution 11,

## **9.2 Chapter 2E of the Corporations Act**

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The grant of Director Securities constitutes giving a financial benefit and Messrs Sage, Lloyd and Day are related parties of the Company by being Directors.

The Board has considered the application of Chapter 2E of the Corporations Act (Related party provisions) and has resolved that the arm's length and reasonable remuneration exceptions provided by section 210 and 211 of the Corporations Act are relevant in the circumstances and accordingly, the Company will not seek approval for the issue of the Director Securities, pursuant to Section 208 of the Corporations Act.

## **9.3 ASX Listing Rule 10.11**

ASX Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

As the grant of the Director Securities involves the issue of securities to a related party of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

## **9.4 Technical information required by ASX Listing Rule 10.11**

Pursuant to and in accordance with ASX Listing Rule 10.13, the information below is provided in relation to the issue of the Director Securities:

- (a) the Director Securities will be granted to Messrs Sage, Lloyd and Day (or their nominees);
- (b) the number of Director Securities to be issued is 1,711,111 Director Shares and 855,555 Director Options as follows:
  - (i) 733,333 Director Shares and 366,667 Director Options to Mr Tony Sage (or his nominee) in satisfaction of director fees owing from May 2017 through to July 2017;
  - (ii) 488,889 Director Shares and 244,444 Director Options to Mr Malcolm Day (or his nominee) in satisfaction of director fees owing from May 2017 through to September 2017; and
  - (iii) 488,889 Director Shares and 244,444 Director Options to Mr Paul Lloyd (or his nominee) in satisfaction of director fees owing from May 2017 through to September 2017,
- (c) the Director Securities will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules). It is intended that allotment will occur on the same date and as soon as practicable following the Meeting;
- (d) the Director Securities will be issued for no cash consideration rather the Director Securities are being issued in lieu of the following fees owing to the Directors:
  - (i) Tony Sage: \$33,000;
  - (ii) Paul Lloyd \$22,000; and
  - (iii) Malcolm Day: \$22,000;
- (e) the Director Options will be issued on the terms and conditions set out in Schedule 1;
- (f) the Director Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (g) no funds will be raised as the Director Securities are being issued in consideration for director serviced provided to the Company.

Approval pursuant to Listing Rule 7.1 is not required to issue the Shares as approval is being obtained under ASX Listing Rule 10.11. The issue of the Shares will not be included in the 15% calculation for the purposes of ASX Listing Rule 7.1.

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## **10. RESOLUTION 12 – APPROVAL OF 10% PLACEMENT CAPACITY**

### **10.1 General**

ASX Listing Rule 7.1A provides that an Eligible Entity (as defined below) may seek shareholder approval by special resolution passed at an annual general

meeting to have the capacity to issue up to that number of Equity Securities (as defined below) equal to 10% of its issued capital (**10% Placement Capacity**) without using that company's existing 15% annual placement capacity granted under ASX Listing Rule 7.1.

An Eligible Entity is one that, as at the date of the relevant annual general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

As at the date of this Notice, the Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of \$21,275,058 (based on the number of Shares on issue and the closing price of Shares on the ASX on 17 October 2017).

An Equity Security is a share, a unit in a trust, a right to a share or unit in a trust or option, an option over an issued or unissued security, a convertible security, or, any security that ASX decides to classify as an equity security.

Any Equity Securities issued under the 10% Placement Capacity must be in the same class as an existing class of quoted Equity Securities.

As at the date of this Notice, the Company currently has 1 class of quoted Equity Securities on issue, being the Shares (ASX Code: EUR).

If Shareholders approve Resolution 12, the number of Equity Securities the Company may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2.

Resolution 12 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 12 for it to be passed.

## **10.2 Technical information required by ASX Listing Rule 7.1A**

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to this Resolution 12:

### **(a) Minimum Price**

The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 ASX trading days of the date in section 8.2(a)(i), the date on which the Equity Securities are issued.

### **(b) Date of Issue**

The Equity Securities may be issued under the 10% Placement Capacity commencing on the date of the Meeting and expiring on the first to occur of the following:

- (i) 12 months after the date of this Meeting; and
- (ii) the date of approval by Shareholders of any transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking) (after which date, an approval under ASX Listing Rule 7.1A ceases to be valid),

**(10% Placement Capacity Period).**

**(c) Risk of voting dilution**

Any issue of Equity Securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 12 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A(2), based on the market price of Shares and the number of Equity Securities on issue as at 17 October 2017.

The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.

| Number of Shares on Issue (Variable 'A' in ASX Listing Rule 7.1A2) | Dilution                            |   |                        |   |
|--|-------------------------------------|---|------------------------|---|
|  | Issue Price (per Share)             | \$0.0265<br>50% decrease in Issue Price | \$0.053<br>Issue Price | \$0.0795<br>50% increase in Issue Price |
| 505,106,121<br>(Current Variable A)                                | Shares issued - 10% voting dilution | 50,510,612 Shares                       | 50,510,612 Shares      | 50,510,612 Shares                       |
|  | Funds raised                        | \$1,338,531                             | \$2,677,062            | \$4,015,594                             |
| 757,659,182<br>(50% increase in Variable A)                        | Shares issued - 10% voting dilution | 75,765,918 Shares                       | 75,765,918 Shares      | 75,765,918 Shares                       |
|  | Funds raised                        | \$2,007,797                             | \$4,015,594            | \$6,023,390                             |

| Number of Shares on Issue (Variable 'A' in ASX Listing Rule 7.1A2) | Dilution                            |   |                        |   |
|--|-------------------------------------|---|------------------------|---|
|  | Issue Price (per Share)             | \$0.0265<br>50% decrease in Issue Price | \$0.053<br>Issue Price | \$0.0795<br>50% increase in Issue Price |
| 1,010,212,242<br>(100% increase in Variable A)                     | Shares issued - 10% voting dilution | 101,021,224 Shares                      | 101,021,224 Shares     | 101,021,224 Shares                      |
|  | Funds raised                        | \$2,677,062                             | \$5,354,125            | \$8,031,187                             |

\*The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

**The table above uses the following assumptions:**

1. There are currently 505,106,121 Shares on issue comprising:
  - (a) 503,395,010 existing Shares as at the date of this Notice of Meeting;
  - (b) 1,711,111 Shares which will be issued if Resolutions 9, 10 and 11 are passed at this Meeting; and
2. The issue price set out above is the closing price of the Shares on the ASX on 17 October 2017.
2. The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
3. The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1.
4. The issue of Equity Securities under the 10% Placement Capacity consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities.
5. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
6. This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.
7. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
8. The table does not show an example of dilution that may be caused to a particular Shareholder due to placements under the 10% Placement Capacity, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and
- (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

(d) **Purpose of Issue under 10% Placement Capacity**

The Company may issue Equity Securities under the 10% Placement Capacity for the following purposes:

- (i) as cash consideration in which case the Company intends to use funds raised for the acquisition of new resources, assets and investments (including expenses associated with such an acquisition), continued exploration and development expenditure on the Company's projects and general working capital; or
- (ii) as non-cash consideration for the acquisition of new resources, assets and investments, in such circumstances the Company will provide a valuation of the non-cash consideration as required by ASX Listing Rule 7.1A.3.

The Company will comply with the disclosure obligations under ASX Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.

(e) **Allocation policy under the 10% Placement Capacity**

The recipients of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

Further, if the Company is successful in acquiring new resources, assets or investments, it is likely that the recipients under the 10% Placement Capacity will be vendors of the new resources, assets or investments.

(f) **Previous approval under ASX Listing Rule 7.1A**

The Company previously obtained approval from its Shareholders pursuant to ASX Listing Rule 7.1A at its annual general meeting held on 24 November 2016 (**Previous Approval**).

The Company has issued 20,283,246 Shares pursuant to the Previous Approval.

During the 12-month period preceding the date of the Meeting, being on and from 29 November 2016, the Company also issued a further 141,530,260 Shares and 13,915,073 Options which represents approximately 27.28% of the total diluted number of Equity Securities on issue in the Company on 29 November 2016, which was 569,884,750.

Further details of the issues of Equity Securities by the Company during the 12-month period preceding the date of the Meeting are set out in Schedule 2.

**(g) Compliance with ASX Listing Rules 7.1A.4 and 3.10.5A**

When the Company issues Equity Securities pursuant to the 10% Placement Capacity, it must give to ASX:

- (i) a list of the recipients of the Equity Securities and the number of Equity Securities issued to each (not for release to the market), in accordance with ASX Listing Rule 7.1A.4; and
- (ii) the information required by Listing Rule 3.10.5A for release to the market.

### **10.3 Voting Exclusion**

A voting exclusion statement is included in this Notice. As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 12.

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## **11. RESOLUTION 13 – ELECTION OF DIRECTOR – STEFAN MULLER**

### **11.1 General**

The Constitution allows the Directors to appoint at any time a person to be a Director either to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Pursuant to the Constitution and ASX Listing Rule 14.4, any Director so appointed holds office only until the next following annual general meeting and is then eligible for election by Shareholders but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Stefan Muller, having been appointed by other Directors on 20 October 2017 in accordance with the Constitution, will retire in accordance with the Constitution and ASX Listing Rule 14.4 and being eligible, seeks election from Shareholders.

### **11.2 Qualifications and other material directorships**

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

Mr. Müller graduated a banker and began his career at Dresdner Bank AG as senior vice president of global equity trading. He held senior positions with Equinet AG, Bankhaus Sal Oppenheim (largest European private bank at that

time) as head of global proprietary trading and managing partner at Proprietary Partners AG, a Swiss based hedge fund advisory company.

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

### 11.3 Independence

On 20 March 2017, the Company and Deutsche Gesellschaft Für Wertpapieranalyse GMBH (**DGWA**), an entity controlled by Mr Muller, entered into a consultancy agreement pursuant to which the Consultant has agreed, on a non-exclusive basis, to provide certain business development, investor relations and media services to the Company in Germany (**Consultancy Agreement**).

The Consultancy Agreement is for an initial term of 6 months (**Initial Term**) with an automatic renewal of a further 6 months if neither party notifies the other of its intention to terminate the Consultancy Agreement at least 6 weeks prior to the expiration of the Initial Term (**Further Term**). Either party may terminate the Consultancy Agreement at the end of each 3-month period by providing the other party with written notice of its intention to do so.

The Company has agreed to pay DGWA €6,000 per month for the duration of the Initial Term and the Further Term together with a one-time payment of €7,500.

Mr Muller has no other interests, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect his capacity to bring an independent judgement to bear on issues before the board and to act in the best interest of the entity and its security holders generally.

As such, due to Mr Muller's association with DGWA, if elected the board does not consider Mr Muller will be an independent director.

### 11.4 Board recommendation

The Board supports the re-election of Mr Muller and recommends that Shareholders vote in favour of this Resolution.

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## 12. RESOLUTION 14 – REPLACEMENT OF CONSTITUTION

### 12.1 General

A company may modify or repeal its constitution or a provision of its constitution by special resolution of Shareholders.

This Resolution is a special resolution which will enable the Company to repeal its existing Constitution and adopt a new constitution (**Proposed Constitution**) which is of the type required for a listed public company limited by shares updated to ensure it reflects the current provisions of the Corporations Act and ASX Listing Rules.

This will incorporate amendments to the Corporations Act and ASX Listing Rules since the current Constitution was adopted in 2010.

The Directors believe that it is preferable in the circumstances to replace the existing Constitution with the Proposed Constitution rather than to amend a multitude of specific provisions.

The Proposed Constitution is broadly consistent with the provisions of the existing Constitution. Many of the proposed changes are administrative or minor in nature including but not limited to:

- updating the name of the Company;
- updating references to bodies or legislation which have been renamed (e.g. references to the Australian Settlement and Transfer Corporation Pty Ltd, ASTC Settlement Rules and ASTC Transfer); and
- expressly providing for statutory rights by mirroring these rights in provisions of the Proposed Constitution].

The Directors believe these amendments are not material nor will they have any significant impact on Shareholders. It is not practicable to list all of the changes to the Constitution in detail in this Explanatory Statement, however, a summary of the proposed material changes is set out below.

A copy of the Proposed Constitution is available for review by Shareholders at the Company's website and at the office of the Company. A copy of the Proposed Constitution can also be sent to Shareholders upon request to the Company Secretary (+61 8 6181 9792). Shareholders are invited to contact the Company if they have any queries or concerns.

## **12.2 Summary of material proposed changes**

### **Minimum Shareholding (clause 3)**

Clause 3 of the Constitution outlines how the Company can manage shareholdings which represent an "unmarketable parcel" of shares, being a shareholding that is less than \$500 based on the closing price of the Company's Shares on ASX as at the relevant time.

The Proposed Constitution is in line with the requirements for dealing with "unmarketable parcels" outlined in the Corporations Act such that where the Company elects to undertake a sale of unmarketable parcels, the Company is only required to give one notice to holders of an unmarketable parcel to elect to retain their shareholding before the unmarketable parcel can be dealt with by the Company, saving time and administrative costs incurred by otherwise having to send out additional notices.

Clause 3 of the Proposed Constitution continues to outline in detail the process that the Company must follow for dealing with unmarketable parcels.

### **Fee for registration of off market transfers (clause 8.4(c))**

On 24 January 2011, ASX amended ASX Listing Rule 8.14 with the effect that the Company may now charge a "reasonable fee" for registering paper-based transfers, sometimes referred to "off-market transfers".

Clause 8.4 of the Proposed Constitution is being made to enable the Company to charge a reasonable fee when it is required to register off-market transfers from Shareholders. The fee is intended to represent the cost incurred by the

Company in upgrading its fraud detection practices specific to off-market transfers.

Before charging any fee, the Company is required to notify ASX of the fee to be charged and provide sufficient information to enable ASX to assess the reasonableness of the proposed amount.

### **Dividends (clause 22)**

Section 254T of the Corporations Act was amended effective 28 June 2010.

There is now a three-tiered test that a company will need to satisfy before paying a dividend replacing the previous test that dividends may only be paid out of profits.

The amended requirements provide that a company must not pay a dividend unless:

- (b) the company's assets exceed its liabilities immediately before the dividend is declared and the excess is sufficient for the payment of the dividend;
- (c) the payment of the dividend is fair and reasonable to the company's shareholders as a whole; and
- (d) the payment of the dividend does not materially prejudice the company's ability to pay its creditors.

The existing Constitution reflects the former profits test and restricts the dividends to be paid only out of the profits of the Company. The Proposed Constitution is updated to reflect the new requirements of the Corporations Act. The Directors consider it appropriate to update the Constitution for this amendment to allow more flexibility in the payment of dividends in the future should the Company be in a position to pay dividends.

### **Partial (proportional) takeover provisions (new clause 36)**

A proportional takeover bid is a takeover bid where the offer made to each shareholder is only for a proportion of that shareholder's shares.

Pursuant to section 648G of the Corporations Act, the Company has included in the Proposed Constitution a provision whereby a proportional takeover bid for Shares may only proceed after the bid has been approved by a meeting of Shareholders held in accordance with the terms set out in the Corporations Act.

This clause of the Proposed Constitution will cease to have effect on the third anniversary of the date of the adoption of last renewal of the clause.

#### Information required by section 648G of the Corporations Act

##### *Effect of proposed proportional takeover provisions*

Where offers have been made under a proportional off-market bid in respect of a class of securities in a company, the registration of a transfer giving effect to a contract resulting from the acceptance of an offer made under such a proportional off-market bid is prohibited unless and until a resolution to approve the proportional off-market bid is passed.

### *Reasons for proportional takeover provisions*

A proportional takeover bid may result in control of the Company changing without Shareholders having the opportunity to dispose of all their Shares. By making a partial bid, a bidder can obtain practical control of the Company by acquiring less than a majority interest. Shareholders are exposed to the risk of being left as a minority in the Company and the risk of the bidder being able to acquire control of the Company without payment of an adequate control premium. These amended provisions allow Shareholders to decide whether a proportional takeover bid is acceptable in principle, and assist in ensuring that any partial bid is appropriately priced.

### *Knowledge of any acquisition proposals*

As at the date of this Notice of Meeting, no Director is aware of any proposal by any person to acquire, or to increase the extent of, a substantial interest in the Company.

### *Potential advantages and disadvantages of proportional takeover provisions*

The Directors consider that the proportional takeover provisions have no potential advantages or disadvantages for them and that they remain free to make a recommendation on whether an offer under a proportional takeover bid should be accepted.

The potential advantages of the proportional takeover provisions for Shareholders include:

- (a) the right to decide by majority vote whether an offer under a proportional takeover bid should proceed;
- (b) assisting in preventing Shareholders from being locked in as a minority;
- (c) increasing the bargaining power of Shareholders which may assist in ensuring that any proportional takeover bid is adequately priced; and
- (d) each individual Shareholder may better assess the likely outcome of the proportional takeover bid by knowing the view of the majority of Shareholders which may assist in deciding whether to accept or reject an offer under the takeover bid.

The potential disadvantages of the proportional takeover provisions for Shareholders include:

- (a) proportional takeover bids may be discouraged;
- (b) lost opportunity to sell a portion of their Shares at a premium; and
- (c) the likelihood of a proportional takeover bid succeeding may be reduced.

### Recommendation of the Board

The Directors do not believe the potential disadvantages outweigh the potential advantages of adopting the proportional takeover provisions and as a result consider that the proportional takeover provision in the Proposed Constitution is in the interest of Shareholders and unanimously recommend that Shareholders vote in favour of this Resolution.

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## GLOSSARY

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**\$** means Australian dollars.

**10% Placement Capacity** has the meaning given in Section 10.1.

**Annual General Meeting** or **Meeting** means the meeting convened by the Notice.

**ASIC** means the Australian Securities & Investments Commission.

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

**ASX Listing Rules** means the Listing Rules of ASX.

**Board** means the current board of directors of the Company.

**Business Day** means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

**Chair** means the chair of the Meeting.

**Closely Related Party** of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

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

**Constitution** means the Company's constitution.

**Corporate Advisory Options** means an option to acquire a share issued on the terms and conditions as set out in Schedule 1.

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

**Directors** means the current directors of the Company.

**Director Option** means an option to acquire a share issued on the terms and conditions as set out in Schedule 1.

**Eligible Entity** means an entity that, at the date of the relevant general meeting:

- (a) is not included in the S&P/ASX 300 Index; and

(b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

**Equity Securities** includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

**Explanatory Statement** means the explanatory statement accompanying the Notice.

**June Placement Option** means an option to acquire a share issued on the terms and conditions as set out in Schedule 1.

**Key Management Personnel** has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

**Notice** or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

**Options** means an option to acquire a share.

**Proxy Form** means the proxy form accompanying the Notice.

**Remuneration Report** means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2017.

**Resolutions** means the resolutions set out in the Notice, or any one of them, as the context requires.

**Section** means a section of the Explanatory Statement.

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

**Shareholder** means a registered holder of a Share.

**Variable A** means "A" as set out in the formula in ASX Listing Rule 7.1A(2).

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

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## SCHEDULE 1 – TERMS AND CONDITIONS OF OPTIONS

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The terms and conditions of the June Placement Options, Corporate Advisor Options and Director Options are as follows:

(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each Option will be \$0.05 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on 31 March 2020 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

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

(e) **Notice of Exercise**

The 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 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 Option being exercised in cleared funds (**Exercise Date**).

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

Within 15 Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares (i) required under these terms and conditions in respect of the number of 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 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 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 an Optionholder 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 Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(k) **Change in exercise price**

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

(l) **Transferability**

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

**SCHEDULE 2 – ISSUES OF EQUITY SECURITIES SINCE 29 NOVEMBER 2016**

| Date   | Quantity   | Class                         | Recipients   | Issue price and discount to Market Price (if applicable) <sup>1</sup>        | Form of consideration   |
|--|------------|-------------------------------|--|--|---|
| Issue – 23 December 2016<br><br>Appendix 3B – 28 December 2016 | 62,500,000 | Shares <sup>2</sup>           | Issued to European Lithium Limited (BVI Company number 1629378) Shareholders                               | No Issue Price (non-cash consideration)                                      | Non- Cash Consideration: Performance based remuneration for services provided to the Company.<br><br>Current value <sup>4</sup> : \$3,312,500                         |
|  | 7,812,500  | Shares <sup>2</sup>           | Issued to Everblu Capital Pty Ltd (or their nominees)  | No Issue Price (non-cash consideration)                                      | Non- Cash Consideration: Performance based remuneration for services provided to the Company.<br><br>Current value <sup>4</sup> : \$414,063                           |
| Issue – 30 December 2016<br><br>Appendix 3B – 3 January 2017   | 1,587,614  | Shares <sup>2</sup>           | Issued to certain creditors of the Company in order settle approximately \$95,000 of amounts due           | No Issue Price (non-cash consideration)                                      | Non- Cash Consideration: issued to certain creditors to settle amounts due.<br><br>Current value <sup>4</sup> : \$84,144  |
| Issue – 8 June 2017<br><br>Appendix 3B – 8 June 2017           | 11,499,999 | Shares <sup>2</sup>           | Issued to sophisticated investors pursuant to a placement, refer to ASX Announcement dated 8 June 2017     | Issue Price of \$0.045 per Share (representing a 7% premium to Market Price) | Cash Consideration<br>Amount raised = \$517,500<br>Amount spent = \$517,500<br>Use of funds:<br>Advancing the Company's Wolfsberg Lithium Project located in Austria. |
|  | 1,826,667  | Shares <sup>2</sup>           | Issued to certain creditors of the Company to settle amounts owed  | No Issue Price (non-cash consideration)                                      | Non-Cash Consideration: issued to settle amounts due to certain creditors of the Company<br><br>Current value <sup>4</sup> : \$96,813                                 |
|  | 6,663,333  | Unquoted Options <sup>3</sup> | Issued to investors and creditors pursuant to a placement, refer to ASX Announcement dated 8 June 2017     | No Issue Price (non-cash consideration)                                      | Non-Cash Consideration: free-attaching Options pursuant to the June Placement<br><br>Current value <sup>4</sup> = \$Nil   |
|  | 100,000    | Unquoted Options <sup>3</sup> | Issued to Victoria Gardiner in consideration for corporate advisory fees in relation to the June Placement | No Issue Price (non-cash consideration)                                      | Non-Cash Consideration: Issued in lieu of fees in relation to the June Placement<br><br>Current value <sup>4</sup> = \$Nil  |

|  |           |                               |   |   |   |
|--|-----------|-------------------------------|---|---|---|
| Issue – 15 June 2017<br>Appendix 3B – 16 June 2017     | 5,933,110 | Shares <sup>2</sup>           | Issued to sophisticated investors pursuant to a placement, refer to ASX Announcement dated 8 June 2017                | Issue Price of \$0.045 per Share  | Cash Consideration<br>Amount raised = \$266,990<br>Amount spent = \$266,990<br>Use of funds:<br>Advancing the Company's Wolfsberg Lithium Project located in Austria. |
|  | 925,926   | Shares <sup>2</sup>           | Issued to certain creditors of the Company to settle amounts owed   | No Issue Price (non-cash consideration)                                       | Non-Cash Consideration: issued to settle amounts due to certain creditors of the Company<br>Current value <sup>4</sup> : \$49,074                                     |
|  | 3,429,518 | Unquoted Options <sup>3</sup> | Issued to investors and a creditor pursuant to a placement, refer to ASX Announcement dated 8 June 2017               | No Issue Price (non-cash consideration)                                       | Non-Cash Consideration: free-attaching Options pursuant to the June Placement<br>Current value <sup>4</sup> = \$Nil   |
| Issue – 30 June 2017<br>Appendix 3B – 30 June 2017     | 3,444,444 | Shares <sup>2</sup>           | Issued to sophisticated investors pursuant to a placement, refer to ASX Announcement dated 8 June 2017                | Issue Price of \$0.045 per Share (representing a 9% premium to Market Price). | Cash Consideration<br>Amount raised = \$155,000<br>Amount spent = \$113,000<br>Use of funds:<br>Advancing the Company's Wolfsberg Lithium Project located in Austria. |
| Issue – 10 July 2017<br>Appendix 3B – 11 July 2017     | 20,000    | Shares <sup>2</sup>           | Issued pursuant to the Cleansing Prospectus dated 10 July 2017  | Issue Price of \$0.05 per Share (representing a 6% premium to Market Price).  | Cash Consideration<br>Amount raised = \$1,000<br>Amount spent = \$Nil<br>Use of funds:<br>General working capital   |
| Issue – 11 August 2017<br>Appendix 3B – 11 August 2017 | 1,722,222 | Unquoted Options <sup>3</sup> | Issued to investors and creditors, pursuant to the placement as per ASX Announcement 8 June 2017                      | No Issue Price (non-cash consideration)                                       | Non-Cash Consideration: free-attaching Options pursuant to the June Placement<br>Current value <sup>4</sup> = \$Nil   |
|  | 2,000,000 | Unquoted Options <sup>3</sup> | Issued to Dyamond Developments Pty Ltd in consideration for corporate advisory fees in relation to the June Placement | No Issue Price (non-cash consideration)                                       | Non-Cash Consideration: Issued in lieu of fees in relation to the June Placement<br>Current value <sup>4</sup> = \$Nil  |

|  |            |                     |   |   |  |
|--|------------|---------------------|---|---|--|
| Issue – 13 October 2017<br>Appendix 3B – 13 October 2017 | 28,750,000 | Shares <sup>2</sup> | To sophisticated and professional investors                       | Issue Price of \$0.05 per Share (representing a 7% discount to Market Price). | Cash Consideration<br>Amount raised = \$1,437,500<br>Amount spent = \$Nil<br>Proposed use of remaining funds:<br>Advancing the Company's Wolfsberg Lithium Project located in Austria. |
|  | 2,830,000  | Shares <sup>2</sup> | Issued to certain creditors of the Company to settle amounts owed | No Issue Price (non-cash consideration)                                       | Non-Cash Consideration: To settle amounts due to certain creditors of the Company.<br>Current value <sup>4</sup> : \$149,990   |
| Issue – 17 October 2017<br>Appendix 3B – 17 October 2017 | 13,900,000 | Shares <sup>2</sup> | To sophisticated and professional investors                       | Issue Price of \$0.05 per Share (representing a 6% discount to Market Price). | Cash Consideration<br>Amount raised = \$695,000<br>Amount spent = \$Nil<br>Proposed use of remaining funds:<br>To provide additional working capital.                                  |
|  | 500,000    | Shares <sup>2</sup> | Issued to certain creditors of the Company to settle amounts owed | No Issue Price (non-cash consideration)                                       | Non-Cash Consideration: To settle amounts due to certain creditors of the Company.<br>Current value <sup>4</sup> : \$26,500  |

**Notes:**

1. Market Price means the closing price on ASX (excluding special crossings, overnight sales and exchange traded option exercises). For the purposes of this table the discount is calculated on the Market Price on the last trading day on which a sale was recorded prior to the date of issue of the relevant Equity Securities.
2. Fully paid ordinary shares in the capital of the Company, ASX Code: EUR (terms are set out in the Constitution).
3. Unquoted Options, exercisable at \$0.05 each, on or before 31 March 2020. The full terms and conditions are disclosed in Schedule 1 of this Notice.
4. The value of Options is measured using the Black & Scholes option pricing model. Measurement inputs include the Share Price on the measurement date, the exercise price, the term of the Option, the expected volatility of the underlying Share (based on weighted average historic volatility adjusted for changes expected due to publicly available information), the expected dividend yield and the risk free interest rate for the term of the Option. The valuation of the Options is set out below:

|   |               |
|---|---------------|
| <b>Assumptions:</b>                               |               |
| Valuation date                                    | 8 June 2017   |
| Market price of Shares                            | \$0.042       |
| Exercise price                                    | \$0.05        |
| Expiry date (length of time from issue)           | 31 March 2020 |
| Risk free interest rate                           | 1.50%         |
| Expected volatility                               | 65.92%        |
| <b>Indicative value per Option (undiscounted)</b> | \$0.0167      |
| <b>Total Value of Options (undiscounted)</b>      | \$232,333     |
| Discount  | 100%          |
| <b>Indicative value per Option (discounted)</b>   | Nil           |
| <b>Total Value of Options (discounted)</b>        | Nil           |



**VOTING/PROXY FORM**

I/We being a Shareholder/s of European Lithium and entitled to attend and vote hereby appoint:

**APPOINT A PROXY**

The Chairman of the Meeting (mark with an 'X' in box to the left) **OR**  Write here the name of the person you are appointing if this person is **someone other than** the Chairman of the Meeting.

or failing the person named, or if no person is named, the Chairman of the Meeting, as my/our proxy to attend and act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the Chairman sees fit) at the **Annual General Meeting of European Lithium to be held in Perth on Wednesday 29 November 2017 at 32 Harrogate Street West Leederville WA 6007, commencing at 9.00am (WST)** and at any adjournment of that Annual General Meeting.

**Chairman authorised to exercise proxies on remuneration related matters (Resolutions 1)** If I/we have appointed the Chairman of the Meeting as my/our proxy or the Chairman of the Meeting becomes my/our proxy by default, by signing and submitting this form I/we expressly authorise the Chairman of the Meeting to exercise my/our proxy in respect of Resolutions 1 (except where I/we have indicated a different voting intention below) even though Resolutions 1 is connected directly or indirectly with the remuneration of a member of Key Management Personnel for European Lithium, which includes the Chairman.

**The Chairman of the Meeting intends to vote undirected proxies in favour of all Resolutions** If you have appointed the Chairman of the Meeting as your proxy (or the Chairman of the Meeting becomes your proxy by default), and you wish to give the Chairman specific voting directions on an item, you should mark the appropriate box opposite those items below (directing the Chairman to vote for, against, or to abstain from voting).

**Appointment of a second proxy** (see instructions on next page)

If you wish to appoint a second proxy, state the % of your voting rights applicable to the proxy appointed by this form

**VOTING DIRECTIONS**

Voting directions to your proxy – please mark  to indicate your directions

| Ordinary Business   | For                      | Against                  | Abstain*                 |  | For                      | Against                  | Abstain*                 |
|---|--------------------------|--------------------------|--------------------------|--|--------------------------|--------------------------|--------------------------|
| 1 ADOPTION OF REMUNERATION REPORT   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 2 RE-ELECTION OF DIRECTOR – TONY SAGE  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3 RATIFICATION OF PRIOR ISSUE OF DECEMBER PLACEMENT SHARES                      | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 4 RATIFICATION OF PRIOR ISSUE OF JUNE PLACEMENT SECURITIES                       | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 5 RATIFICATION OF PRIOR ISSUE OF OPTIONS TO DYAMOND DEVELOPMENTS PTY LTD        | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 6 RATIFICATION OF PRIOR ISSUE OF OPTIONS TO VICTORIA GARDINER                    | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 7 RATIFICATION OF PRIOR ISSUE OF OCTOBER PLACEMENT SHARES – LR 7.1              | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 8 RATIFICATION OF PRIOR ISSUE OF OCTOBER PLACEMENT SHARES – LR7.1A               | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 9 APPROVAL TO ISSUE SHARES AND OPTIONS IN LIEU OF DIRECTOR'S FEES – TONY SAGE   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 10 APPROVAL TO ISSUE SHARES AND OPTIONS IN LIEU OF DIRECTOR'S FEES – MALCOLM DAY | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 11 APPROVAL TO ISSUE SHARES AND OPTIONS IN LIEU OF DIRECTOR'S FEES – PAUL LLOYD | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 12 APPROVAL OF 10% PLACEMENT CAPACITY  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

**i** \*If you mark the Abstain box for a Resolution, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

**SIGNATURE OF SHAREHOLDERS** – This section **MUST** be signed in accordance with the instructions overleaf to enable your directions to be implemented

Individual or Shareholder 1  Shareholder 2  Shareholder 3   
 Sole Director and Sole Company Secretary Director/Company Secretary (Delete one) Director

Email Address

Please tick here to agree to receive communications sent by the company via email. This may include meeting notifications, dividend remittance, and selected announcements.

## HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE MEETING, PLEASE BRING THIS FORM WITH YOU.  
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**

### CHANGE OF ADDRESS

Please print your name and address as it appears on your holding statement and the Company's share register. If Shares are jointly held, please ensure the name and address of each joint Shareholder is indicated. Shareholders should advise the Company of any changes. Shareholders sponsored by a broker should advise their broker of any changes. Please note you cannot change ownership of your securities using this form.

### APPOINTMENT OF A PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a Shareholder of the Company.

### VOTES ON RESOLUTIONS

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each Resolution. All your Shareholding will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any Resolution by inserting the percentage or number of Shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given Resolution, your proxy may vote as he or she chooses. If you mark more than one box on a Resolution your vote on that Resolution will be invalid.

If you direct your proxy how to vote validly in accordance with these instructions and your proxy fails to either attend the Meeting or vote on any directed Resolution, the Chairman of the Meeting is taken to have been appointed as the proxy for the purposes of voting on that Resolution at the Meeting and must vote in accordance with your proxy.

### VOTING ENTITLEMENTS

In accordance with the Corporations Act, the Company has determined that the Shareholding of each person for the purpose of determining entitlements to attend and vote at the Meeting will be the entitlement of that person set out in the Company's share register **as at 9.00am (WST) on Monday 27 November 2017**. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

### VOTING IN PERSON

A Shareholder that is an individual may attend and vote in person at the Meeting. If you wish to attend the Meeting, please bring the attached Proxy Form to the Meeting to assist in registering your attendance and number of votes. Please arrive 15 minutes prior to the start of the Meeting to facilitate this registration process.

A Shareholder that is a corporation may appoint an individual to act as its representative to vote at the Meeting in accordance with Section 250D of the Corporations Act. The appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the Certificate is enclosed with this Notice of Meeting.

### APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company Secretary on +61 8 9481 3434 or you may photocopy this form.

To appoint a second proxy you must on each Proxy Form state (in the appropriate box) the percentage of your voting rights which are the subject of the relevant proxy. If both Proxy Forms do not specify that percentage, each proxy may exercise half your votes. Fractions of votes will be disregarded.

### SIGNING INSTRUCTIONS ON THE PROXY FORM

#### Individual:

Where the holding is in one name, the shareholder must sign.

#### Joint Holding:

Where the holding is in more than one name, all of the shareholders should sign.

#### Power of Attorney:

If you have not already lodged the Power of Attorney with Advanced Share Registry, please attach the original or a certified photocopy of the Power of Attorney to this form when you return it.

#### Companies:

Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held.

### LODGE YOUR VOTE

This Proxy Form (and any Power of Attorney under which it is signed) must be received at the address given below not later than 48 hours before the commencement of the Meeting being **no later than 9.00am (WST) on Monday, 27 November 2017**. Any Proxy Form received after that time will not be valid for the scheduled Meeting.



#### ONLINE VOTE

[www.advancedshare.com.au/investor-login](http://www.advancedshare.com.au/investor-login)



#### BY MAIL

Advanced Share Registry Limited  
110 Stirling Hwy, Nedlands WA 6009; or  
PO Box 1156, Nedlands WA 6909



#### BY EMAIL

[admin@advancedshare.com.au](mailto:admin@advancedshare.com.au)



#### BY FAX

+61 8 9262 3723



#### IN PERSON

Advanced Share Registry Limited  
110 Stirling Hwy, Nedlands WA 6009; or



#### ALL ENQUIRIES TO

Telephone: +61 8 9389 8033