

3 November 2021

Conditional Acquisition of Petro Consulting and \$20m Placement

- European Lithium has agreed to purchase Petro Consulting, a Ukraine company that is applying for special permits to extract and process lithium for two Ukraine lithium projects
- The two Ukrainian projects are Shevchenkivske and Dobra, which are considered underexplored by modern exploration methods
- Acquisition conditional upon Petro Consulting being issued the relevant special permits for the extraction and production of lithium (through court proceedings, public auction process, or production sharing agreement), EUR shareholder approval (so that Millstone can acquire more than 20% of EUR) and certain other conditions, with an end date for completion 12 months from signing
- Shevchenkivske and Dobra Lithium Projects contain significant Exploration Targets based on historical data
- Total purchase price \$20m in shares plus \$50m in performance shares that convert at EUR's then prevailing share price up to ≈ 526 m shares¹
- Following completion of the acquisition, EUR intends to undertake a maiden JORC compliant mineral resource estimate based on verification works (twin-hole drilling)
- In conjunction and given the mutual synergies through combining the Ukraine projects with EUR's advanced Wolfsberg lithium project, confidence that Millstone has in Petro Consulting being issued special permits and to fund further exploration and pre-feasibility and feasibility studies on the Ukraine projects, Millstone has agreed to invest \$20m in EUR, with \$2.5m immediately, \$2.5m subject to shareholder approval (to be sought at the forthcoming AGM) and \$15m conditional upon completion of the acquisition of Petro Consulting by EUR
- Mykhailo Zhernov, a representative of Millstone, will be appointed to EUR's board upon completing the first tranche of the placement, with a further director to be appointed following acquiring Petro Consulting
- Pending completion of the Petro Consulting acquisition, the Company's first priority remains finalising the Wolfsberg Lithium Project DFS

European Lithium Limited (ASX:EUR, FRA:PF8, OTC:EULIF) (**European Lithium** or the **Company**) is pleased to announce that it has entered into binding agreements under which: EUR will acquire Petro Consulting LLC, a Ukraine incorporated company that is applying (through either court proceedings, public auction and/or production sharing agreement with the Ukraine Government) for 20 year special permits for the extraction and production of lithium at two projects in Ukraine, from Millstone and Company Global DW LLC (**Millstone**); and Millstone will subscribe for \$20m in shares, with \$2.5m invested immediately, \$2.5m subject to shareholder approval (to be sought at the forthcoming AGM) and the balance of \$15m following completion of the acquisition of Petro Consulting.

Shevchenkivske – Exploration Target

The Shevchenkivske project has an Exploration Target ranging from 11.0 to 14.0 million tonnes @ 1.2 to 1.3 % Li₂O. The potential quantity and grade of this target is conceptual in nature and

¹ This assumes that the relevant performance hurdle is achieved at the floor price. See page 2 for a detailed description for the total number of shares that may be issued upon satisfaction of performance hurdles

there has been insufficient exploration to estimate a mineral resource. It is uncertain if further exploration will result in the estimation of a mineral resource.

Since the discovery of the Shevchenkivske mineralised body and today a huge amount of data had been collected, however much of this data is unavailable to EUR for verification. A foreign estimate of mineralisation does exist but EUR have chosen to report the estimate as an Exploration Target only due to the lack of supporting information.

The Exploration Target has been derived from historical foreign estimation works conducted involving computer based 3D interpretation of drill hole data resulting in the generation of wireframe models of the mineralized pegmatite. These models were interpolated with drill hole grade data using an inverse distance method. Details on exploration work conducted supporting the Exploration Target are presented from page 9 of this announcement.

Dobra -Exploration Target

The Dobra Project has an Exploration Target ranging from 80 to 105 Mt @ 1.1% to 1.4% Li₂O.

The potential quantity and grade of this target is conceptual in nature and there has been insufficient exploration to estimate a mineral resource. It is uncertain if further exploration will result in the estimation of a mineral resource.

Reports of historical works show a significant amount of drilling was conducted in the Dobra project resulting in the quotation of a historical foreign estimate. Unfortunately, the majority of the data is not available to EUR for verification and as such, EUR have chosen to report an Exploration Target only based on the historical estimate.

Geological interpretation was based on historical cross sections using a cutoff grade of 0.5% Li₂O. Due to the overburden, no surface mapping was available. Data was presented as sections from which sectional interpretation was conducted.

The mineralized pegmatite dykes are hosted within an amphibole host rock up to 5.7km long and 700m wide. Basement depth of mineralization is unknown and there is overburden of up to 70m in surface cover.

The Exploration Target was derived manually using a polygonal method of estimation. This method projects a sectional interpretation half way between each section forwards and backwards and applies a length weighted average grade of the section to the interval. Potentially mineralised tonnes were derived from an ore bearing ratio calculated for each interval. The Exploration Target is reported as a sum of the tonnes from each interval and an average of the grades from all of the intervals. Details on exploration work conducted supporting the Exploration Target are presented from page 15 of this announcement.

Works planned to test these Exploration Targets will involve a program of twinned drilling over the project areas for comparison against historical data and collection of core for structural, geotechnical and metallurgical analysis. Providing the original data is deemed acceptable, it will be used in conjunction with new data to create maiden JORC compliant resource estimates for each area. This work is expected to be funded with money raised as part of the transaction and is anticipated to begin during quarter 4, 2022. Drilling, assaying, interpretation and estimation is expected to take up to a year for completion.

The transaction is subject to certain conditions, including that Petro Consulting is issued or re-issued special permits via public auction, court proceedings or production sharing agreement on certain terms (as set out below) and EUR's shareholders approving the transaction for the purposes of item 7 of section 611 of the Corporations Act (which allows a person to acquire more than 20% of a public company with prior approval by the company's shareholders). The Announcement - Millstone transaction (KPC00179346-068)[2].docx

parties have 12 months to satisfy the conditions, failing which the acquisition and the \$15m balance of the placement will not proceed.

There is a risk that Petro Consulting may not be successful in court proceedings, public auction and/or production sharing agreements, or that the process is delayed or changed. Petro Consulting and Millstone have 12 months to be issued/re-issued special permits over both projects, failing which the acquisition and outstanding portions of the placement may be cancelled. Investors buying and selling EUR's securities are cautioned to have regard to the risk and uncertainties in making investment decisions regarding EUR's securities.

Tony Sage, EUR Non-Executive Chairman commented: "I'm very excited about the opportunity to potentially purchase these Ukrainian lithium assets to add to our advanced Wolfsberg Lithium Project. If the acquisition completes, we aim to become the first and largest local producer of lithium hydroxide in Europe."

Petro Consulting LLC, an entity incorporated in Ukraine and is a part of Millstone&Co Group (<https://millstone-co.eu/>). Millstone is a private investment company established in 2016 with primary focus on Central and Eastern Europe and offices in Poland, Ukraine and UAE. It provides traditional investment related services such as capital raising, M&A advisory and asset management and has completed over 39 projects in capital raising, M&A and advisory. It has deep expertise in mineral resources, green energy and financial sector.

Mykhailo Zhernov, the founder of Millstone commented "We see many natural synergies between the lithium projects; the major one is spodumene (the mineral explored both in Wolfsberg and the Ukrainian projects). We have the same basic material which is one of the most common and technologically developed for battery grade lithium production in the world. EUR have the relevant expertise in turning spodumene ore into lithium hydroxide and the Ukrainian spodumene deposits can provide necessary resource base extension. Moreover an opportunity exists to share any future Wolfsberg processing plant for the spodumene concentrate produced in Ukraine, minimising CAPEX and improving economic feasibility, subject to successful completion of the PFS and DFS stages. Our belief in European Lithium to develop the joint largest spodumene lithium projects in Europe is supported by our investment for completing the DFS for the Wolfsberg Lithium Project, as well as bringing the Ukrainian lithium deposits through JORC compliant resource confirmation and completion of a DFS.'

Petro Consulting was established in 2010 to hold or apply for special permits to extract and produce lithium in Ukraine. It has previously held a special permit over an area known Shevchenkivske and had applied for a special permit over an area known as Dobra. Currently there are no actual permits over these areas, and Petro Consulting is taking steps through court proceedings to resume the previously held special permit for Shevchenkivske and apply for a special permit for Dobra. In the event this is not successful, Petro Consulting will apply, under a public auction process conducted by the Ukraine Government and/or production sharing agreement, to be granted special permits in these areas. This process is expected to take up to 12 months. See below for details of the terms of the special permits.

Acquiring Petro Consulting is conditional on Petro Consulting being successful in court proceedings, public auction or production sharing agreement for the issue or re-issue of special permits for the Shevchenkivske and Dobra areas, and the acquisition will not proceed if Petro Consulting is not granted permits for both projects. See below for more information, including details of the history of Petro Consulting's interest in the projects and the process in Ukraine to be issued special permits.

Transaction Agreements

EUR and Millstone have entered into a share sale and purchase agreement for the sale and purchase of all of the issued shares in Petro Consulting (the "**SPA**"). The material terms of the purchase are as follows:

1. EUR will issue Millstone:

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

EUR is under an obligation to procure that its independent directors cause EUR to obtain the relevant reports on whether a performance hurdle is met within the relevant period (as set out in the attached schedule). Subject to certain force majeure events that may extend these periods, failing to do so gives Millstone the right to purchase Petro Consulting for nil consideration (meaning that EUR will not recover any costs incurred in undertaking exploration and studies). See annexure 1 for details.

The number of Shares that would have been issued in the event milestones are achieved but EUR subsequently fails to obtain a report to satisfy the following milestones – in which case its interest in Petro Consulting is transferred back to Millstone for nil consideration - are as follows:

Milestone achieved	Shares issued prior to transferring Petro Consulting to Millstone
None	Consideration Shares (210,526,316)
A	Consideration Shares and Class A (105,263,158)
B	Consideration Shares and Class B (105,263,158)
C	Consideration Shares, Classes A and B, and Class C (52,631,579)
D	Consideration Shares, Classes A and B, and Class D (52,631,579)
E	Consideration Shares, Classes A to D and Class E (105,263,158)
F	Consideration Shares, Classes A to D and Class F (105,263,158)

This assumes the performance shares convert to ordinary shares at the floor price of \$0.095 per Share.

2. Completion is subject to certain conditions being satisfied within one year following signing of the SPA, including the following:
 - a. Millstone subscribing for tranches 1 and 2 under the subscription agreement (see below).
 - b. Petro Consulting being the registered holder of special permits for the extraction of lithium ore at projects known as Shevchenkivske and Dobra (see below for details of Petro Consulting's previous interest in the projects and an outline of the public auction process to be undertaken for the issue of special permits for these projects).
 - c. EUR shareholders approving the issue of securities to Millstone, the acquisition by Millstone of shares for the purposes of the Listing Rules and Corporations Act and buy back of Petro Consulting by Millstone for nil consideration if EUR's obligations in relation to determining achievement of the performance hurdles are not met. See annexure 1 for more details of the circumstances in which EUR may be required to transfer Petro Consulting back to Millstone.
 - d. The Anti-Monopoly Committee of Ukraine (AMC) having approved the transactions contemplated by the SPA and the subscription agreement referred to below (to the Announcement - Millstone transaction (KPC00179346-068)[2].docx

extent required by applicable laws of Ukraine). If it is determined that approval is required, an application is prepared and submitted to the AMC. Obtaining approval (if required) takes 45 calendar days once submitted to the AMC.

- e. No material adverse changes to either EUR (including a change of control) or Petro Consulting.
- f. Except as disclosed by Millstone, there are no existing court claims, and/or registered encumbrance affecting the shares of Petro Consulting and its assets and/or any Millstone's ownership of shares of Petro Consulting or entitlement to dispose of any of such shares.
- g. The indebtedness of Petro Consulting equals zero (0).

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

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

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

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

Appointment of Millstone directors

Under the terms of the subscription agreement Millstone may appoint a director to EUR upon the first tranche being completed, and a further director to EUR following completing the acquisition of Petro Consulting and Millstone's subscription for the fourth tranche of shares.

Millstone has elected to appoint Mykhailo Zhernov as its nominee Director.

Mr Zhernov has a track record of twenty years in the financial sector of Ukraine, CIS, Central and Eastern Europe. Currently, Mr. Zhernov serves as the managing partner at Millstone & Co Investment Company, a private investment company specializing on investment, asset and capital management in Central and Eastern Europe.

He was the founder and head of ALTERA FINANCE (altera-finance.com), the member of the supervisory boards of the insurance companies VUSO (vuso.ua), INNEX Stock Exchange, the head of the private banking in PJSC DIAMANTBANK.

Proposed capital structure

EUR's capital structure following the transaction will be as follows:

	Shares	Following acquisition of Petro Consulting ¹		Following performance share hurdles being achieved ²	
			%		%
Existing shares on issue	1,061,185,604	1,061,185,604	71.59	1,061,185,604	52.83
Tranche 1 of subscription shares		26,315,790	1.78	26,315,790	1.31
Tranche 2 of subscription shares		26,315,790	1.78	26,315,790	1.31
Tranches 3 and 4 of subscription shares ²		157,894,737	10.65	157,894,737	7.86
Consideration shares ²		210,526,316	14.20	210,526,316	10.48
Performance shares ³				526,315,789	26.20
Total	1,061,185,604	1,482,238,237	100	2,008,554,026	100

1 This assumes the shares are issued at the floor price of \$0.095.

2 This assumes the performance shares convert to ordinary shares at the floor price of \$0.095.

Timetable

The proposed timetable for the transaction is as follows:

Transaction agreements signed and announced	3 November 2021
First Portion Shares issued	
Shareholder meeting to approve Second Portion shares	Early December 2021
Shareholder meeting to approve the acquisition of Petro Consulting and issue of Shares under Third and Fourth Portions	October 2022
Completion of the acquisition	
Issue of Shares under the Third and Fourth Portions	November 2022

The above timetable is indicative only and may change.

Status of the licenses (special permits) for extraction and production on Shevchenkivske and Dobra Projects)

License (special permits) for extraction and production on Shevchenkivske Project

On 21 February 2018 Petro Consulting obtained special permit No. 6255 for extraction and production on the Shevchenkivske Project, which allows the respective extraction and Announcement - Millstone transaction (KPC00179346-068)[2].docx

production of lithium ores on the Shevchenkivske Project. License No. 6255 was subsequently invalidated based on the Supreme Court (of Ukraine) decision in the case No. 826/7696/18 dated 16 April 2020. This was on the basis that during the relevant periods there was no specific regulation governing the extraction of lithium ore, and as a result the Court referred to regulations applicable to other metals without regard to the different nature of lithium and other metals, and did not consider that Petro Consulting provided sufficient evidence confirming that it had duly performed the geological study of the lithium subsoil area and calculation of mineral reserves at their own expense in order to obtain a permit without auction (as an exception). To date, the Supreme Court decision remains in force and effective.

License (special permits) for extraction and production on Dobra Project

On 15 August 2018, Petro Consulting applied for the special permit for extraction and production on Dobra Project to the State Geology and Subsoil Service of Ukraine. On 3 April 2020, the State Geology and Subsoil Service of Ukraine refused issuing the special permit for extraction and production on Dobra Project. The refusal was based on the fact that after Petro Consulting had submitted all documents and undergone all applicable procedures, but before the issue of the special permit in question, the relevant legislation had changed and the Court held that Petro Consulting did not provide sufficient evidence confirming that it had duly performed the geological study of the lithium subsoil area and calculation of mineral reserves at their own expense in order to obtain a permit without auction (as an exception). In July 2020 Petro Consulting filed a claim against the respective decision of the State Geology and Subsoil Service of Ukraine and asked the court to cancel the named decision and oblige the State Geology and Subsoil Service of Ukraine to issue the special permit for extraction and production on Dobra Project.

The dispute regarding the special permit for extraction and production on Dobra Project is yet to be heard and there is no final court decision rendered in this case. As at the date of this announcement the next hearing date is yet to be determined.

The process of obtaining a license for the extraction and production of lithium

As a rule, licenses (special permits) for the extraction and production of lithium for a period not exceeding twenty years are issued to winners of auctions or, in the exceptional cases provided for by the legislation of Ukraine, without holding auctions. For instance, a person may obtain the license without auction (1) in case such person carried out the geological study of the subsoil area and calculation of mineral reserves at his own expense or (2) based on the production sharing agreement with the Ukraine Government for the extraction and production of lithium (executed under the particular legislative procedure, and which requires the approval of the Ukraine Government, a complex and lengthy process).

Below is the procedure for obtaining a license via an auction:

- License auctions are held by the State Geology and Subsoil Service of Ukraine via an electronic trade system.
- Private entrepreneurs, Ukrainian and foreign companies may participate in an auction.
- A winner is the one who proposes the best price for the license.
- As a result of the action, the winner applies to the State Geology and Subsoil Service of Ukraine with a proposal to execute the Sales and Purchase Agreement of licenses for the extraction and production of lithium.

Before the license is issued, the expertise and assessment of explored mineral reserves must be completed by the State Commission of Mineral Reserves of Ukraine. To conduct the extraction

and production of lithium, the auction winner (together with obtaining the license) must also execute an Agreement on the Terms of Use of the Site with the State Geology and Subsoil Service of Ukraine. The agreement must contain provisions on the process of lithium extraction and special conditions of subsoil use.

On 16 July 2021 the President of Ukraine issued the Decree of No. 306/2021 envisaging the lithium subsoil areas (deposits) become of strategic importance for sustainable development of the economy and defense capability of Ukraine. With this regard, the lithium subsoil areas (deposits) of strategic importance shall be granted to subsoil users only based on an auction or production sharing agreement. The list of lithium subsoil areas to be granted on the basis of the auction and the list of lithium subsoil areas to be granted on the basis of the production sharing agreement shall be developed by the Cabinet of Ministers of Ukraine. As of the date of this announcement, these lists have not been adopted.

Terms of a special permit for the extraction and production of lithium

Shevchenkivske

Registered holder	PETRO-CONSULTING LTD. (37063270)
Coordinates	Velykonovosilkivskyi district of Donetsk region, on the Eastern outskirts of Shevchenko Village.
Area	39.84 hectares
Term	20 years
The type of subsoil use	For the extraction of minerals.
The type of mineral	Lithium ores
The purpose of subsoil use	The extraction of lithium ores

Dobra

Registered holder	PETRO-CONSULTING LTD.(37063270)
Coordinates	Novoukraynskiy district of Kirovograd region
Area	88.14 hectares
Term	Initially claimed term was 20 years
The type of subsoil use	For the extraction of minerals.
The type of mineral	Lithium ores
The purpose of subsoil use	The extraction of lithium ores

Risks

The transaction is subject to certain risks, which are outside EUR's control:

1. Whilst Petro Consulting previously held a special permit over the project known as Shevchenkivske and had applied for a special permit over the project known as Dobra, it currently has no permits over these projects, and is seeking to be issued or re-issued special permits through either court proceedings, public auction and/or production sharing agreements. The acquisition and portions 3 and 4 of the \$20m placement are conditional upon Petro Consulting having the special permits within the next 12 months, and the transactions will not proceed if this condition is not satisfied. There is a risk that the condition may not be satisfied.
2. The transaction is subject to certain other conditions, including by EUR shareholders and potentially the AMC. There is a risk that these conditions may not be satisfied.
3. Shevchenkivske and Dobra contain foreign resource estimates. These estimates have not been prepared by EUR and are not to the standard set out in the JORC Code, and as a result there are significant risks as to the reliability of the estimate.
4. The acquisition imposes obligations on EUR to complete certain exploration programs and feasibility studies for the Shevchenkivske and Dobra projects with specified periods, failing which Petro Consulting will be transferred back to Millstone for nil consideration. Whilst EUR believes that the funds raised under the placement will be sufficient, there is a risk that it may not or for some other reason EUR cannot complete the program or studies within the required timeframe and is required to transfer Petro Consulting back to Millstone for nil consideration.

Shevchenkivske and Dobra Projects

The following sections contain a summary of available historical data for the two projects followed by the definition of exploration targets based on this historical information.

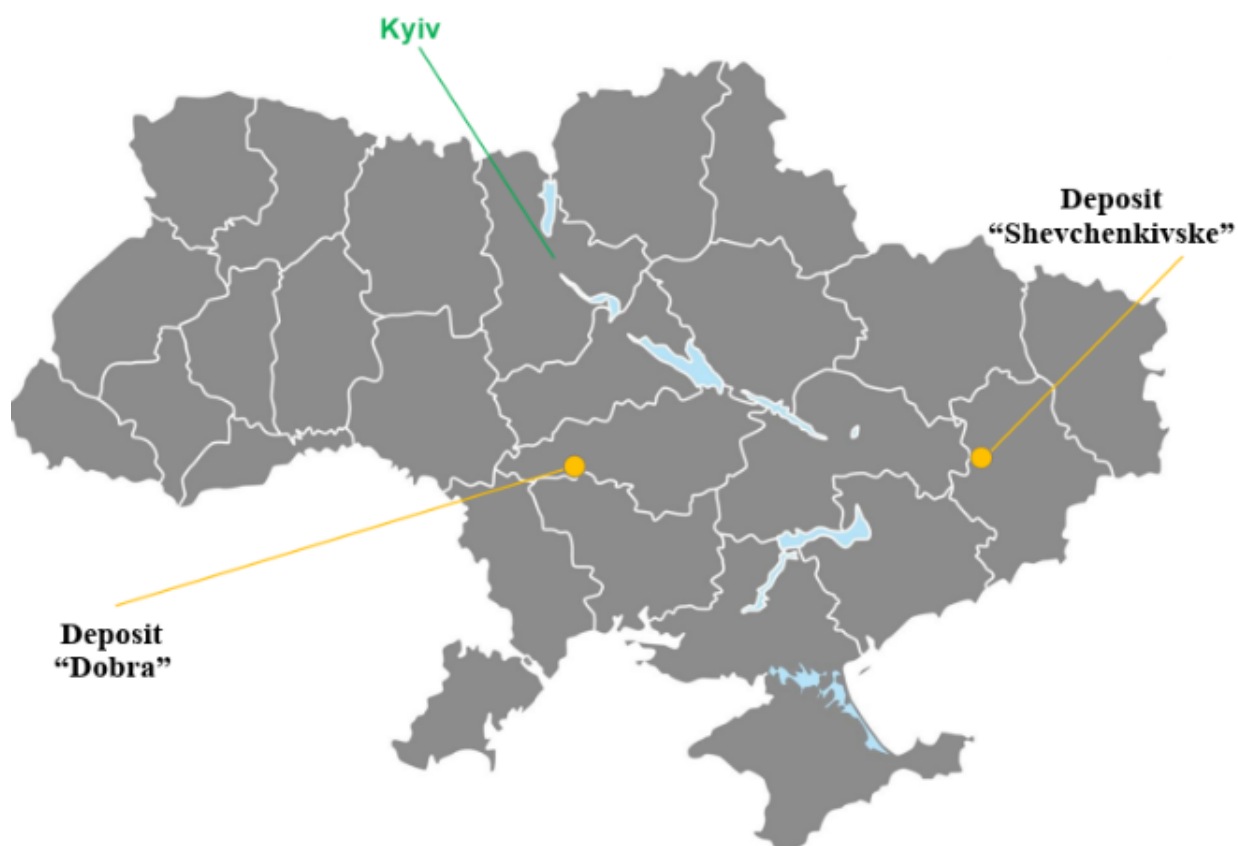
Shevchenkivske – Historical Data

References

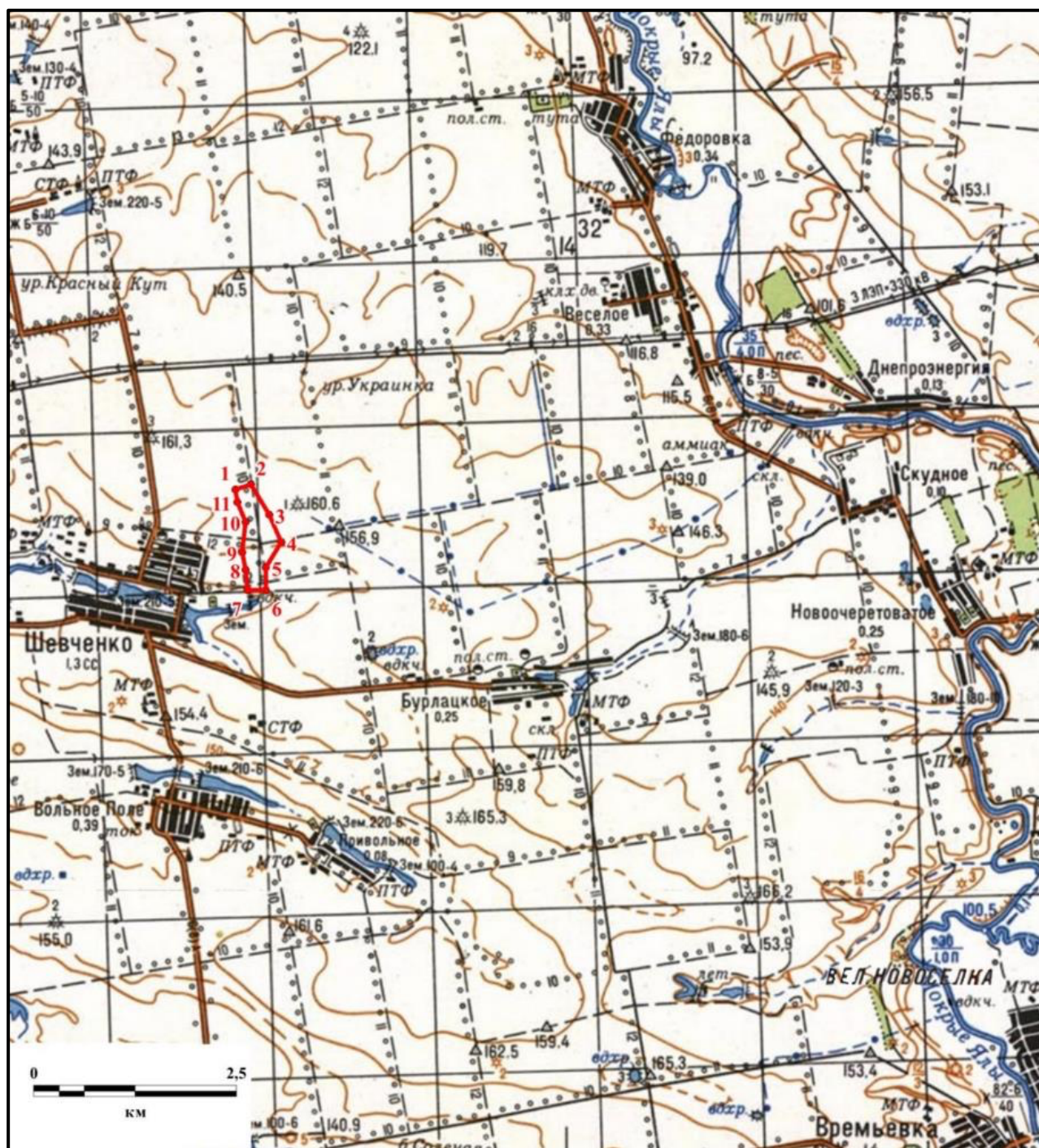
1. Vovkotrub N., Kozar M., Danilov O. et al. Report on the geological study of the subsoil "Geological and economic re-assessment of reserves and resources of the Shevchenkivske lithium deposit". 3 books – Dnipro: SE «Pivdenukrheologiya», 2017.
2. Isakov L.V., Dyukov A.V., Gaeva N.M. et al. Preliminary exploration of Shevchenkivske deposit (Central part). Report in 6 books. – Novomoskovsk: Novomoskovsk geological exploration expedition SE "Yuzhukrgeologiya", 1988.
3. Bariatska N.V., Safronova N.G. Report on modelling and resource estimation of Shevchenkivske lithium deposit. – Geological Service Group Ltd. – Kiev, 2018.

The Shevchenkivske lithium mineralisation was discovered in 1982 during the Soviet era. Exploration work was performed from 1983 till 1988. The width of the pegmatite field is 260 to 300 m and a length of up to 1 000 m. The depth of the pegmatite veins is reported till 600m. A total of 127 bore holes were drilled.

The deposit is located in the Velikonovoselkovsky district, Donetsk region, on the Eastern outskirts of Shevchenkivske Village (Picture S1). The lithium mineralization is hosted within pegmatite veins. The pegmatite veins show a complex mineralogy with spodumene and petalite as the main Li-bearing minerals. Petalite occurs in minor proportions. Beside the Li-mineralization niobium, tantalum and beryllium bearing minerals as well as quartz, feldspar and mica occur.

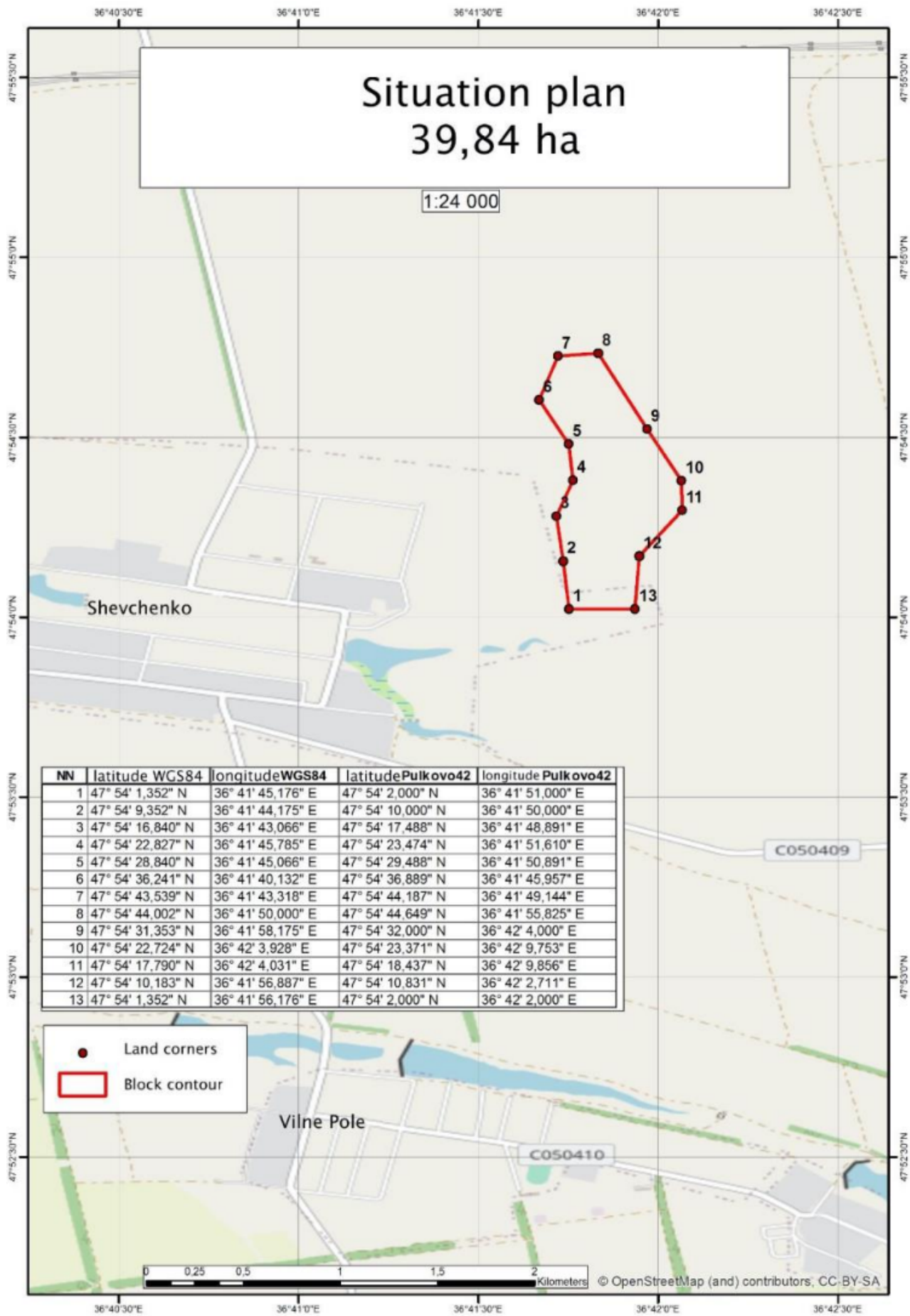


Picture S1 shows the location of the deposit Shevchenkivske in Ukraine



Picture S2 gives an overview of the topographic situation incl. license area (red)

The exploration of the Shevchenkivske deposit was carried out in two stages. Drill holes of both stages form a common exploration grid, which is orthogonal. The drill hole database of Shevchenkivske deposit contains UTM coordinates (WGS UTM zone 37N; EPSG: 32637) along with the original coordinates. Picture S3 shows the coordinates of the license area in WGS 84 (degrees, minutes, seconds) and Pulkovo 42 (original system). All further constructions (geological interpretation, wireframe and block modeling) were performed in the UTM system.



Picture S3: license area 1:24000 with coordinates given in WGS 84 and Pulkovo 42

Drilling

Diamond drilling with a main diameter of 76 mm was used. All drilling parameters and characteristics can be found in the relevant section of the Report on preliminary exploration of Shevchenkivske deposit and the associated database (Bariatska & Safronova, 2018). In addition, information on drilling diameters for each drill hole is contained in the geological logbook.

Information on drill hole collar is presented in the drill hole database of Shevchenkivske deposit and can be viewed with Micromine Effects viewer in 3D. The start and end date of drilling is contained in the archive of primary geological information. The collar elevation matches the topographic plan of the surface. Survey information is presented in the drill hole database and in the archive of primary geological information, together with the assay file including assay data and linear core recovery. Drill holes were cemented throughout the depth, but on the sites drill holes are not preserved.

The drill logs compare well with the general geological setting of the deposit. The lithologic boundaries of the geological logging have been corrected according to geophysical logging. The geological data for the 3D model is stored in the database. No special studies of geological contacts have been carried out. No drill core has been preserved for further assays.

Assays

Samples have been taken from drill cores and the sampling technique can be found in the report on preliminary exploration. These samples are representative of parameters like location, orientation, and size in relation to mineralization. Samples have been sampled along their entire length considering geological contacts (sharp or gradational) and mineralization boundaries.

Documents like security protocols and chain of command are not available for historical data. Certified or in-house standards haven't been used. Therefore, the available historical datasets don't include standards or duplicates. During analytical studies internal and external laboratory control was performed – reanalysis of samples by the same and different labs. Internal and external controls were performed at 14-16 % and 10-14 %, respectively. The results of statistical processing of internal and external laboratory control are given in the corresponding section within the available reports on historical exploration. The systematic errors for lithium and rubidium are practically absent; for tantalum and niobium, considering low grades, the systematic discrepancies are insignificant.

The assay database contains drill-hole ID, from, to, length, grade, and sample type, except for missing intervals. Missing intervals are also not included in the analytical database.

Original assay certificates compare well with those in the assay database. No statistical studies have been conducted, but all the necessary data is available.

Geological Interpretation

Thickness of overburden sediments on site reaches up to 70 m, therefore surface mapping was not used in the geological modelling of crystalline rocks. Historical sections show the interpretation between drill holes including rock units, structure, limits of mineralization and grades. Historical plan maps show the limits of pegmatite bodies and mineralization delineated using cut-off grade.

EUR is prevented under Ukrainian law from presenting these plans and sections in this announcement.

The current geological model is a wireframe model of pegmatite bodies, which includes lithium mineralization. The historical geological model is presented by sections and level plans with complex geological information.

Historical geological interpretation is presented in the geological sections and maps.

Lithium mineralization is hosted by pegmatites. Therefore, the wireframe model was used for preliminary delineation and statistical analysis. No evaluation about sufficient density of drilling in high grade zones has been performed. Drill holes at the margins of the deposit don't have a disproportionate areal influence. The wireframes of the geological model do not overlap. The host rocks of the pegmatites were not modelled.

Density/Tonnage Factor

During the preliminary exploration of the Shevchenkivske deposit determination of rock density was carried out by volume weighing of samples from 19 drill holes. A total of 596 density determinations were made for all types of rocks, including pegmatites (n=138). The results of statistical processing of density are given in the relevant section of the report. The number and location of the samples is not representative of the interpolation of density values, so an average value of 2.63 g/cm³ was used in the resource estimate. According to historical data, there is a direct correlation between the density of pegmatites and their spodumene grade.

Compositing

For interpretation of the wireframe modelling, grade-based compositing was used by natural cut-off grade. Fixed-length composites were used to interpolate grades in the block model. No evaluation about change of core diameter or sample size within composite assays was performed. The average grade and dispersion decreased slightly in the composites compared to the individual assays. Considering relatively uniform lithology of host mineralization rocks, composites in this respect is quite homogeneous. With a set composite length of 2 m, all composites over 0.5 m are counted, less than 0.5 m are excluded. Internal dilution and linear grade (grade x thickness) was applied (Bariatska & Safranov, 2018).

Grade Interpolation

The drill hole grid is about 50 × 50 m in the central part of the deposit and about 100 × 100 m on its flanks. The spatial continuity of the ore has not been determined, also the axes of anisotropy and statistically viable distance of correlation is not determined. The structural and lithological control was considered by preliminary creation of a wireframe model of pegmatite bodies. The main search neighbourhoods were 50 × 50 × 5 m and 100 × 100 × 10 m. IDW (Inverse Distance Weights) technique was used for interpolation. The data are most likely continuous variables.

The number of samples was not limited. Evaluations according to nearby sample redundancy (quadrant vs octant searches) was not performed. Usually, nearby samples used in interpolation are from the same population and rock types. All composites, including short ones, were interpolated by the weighted method (normalized to length). The nugget effect has been determined but is not of high significance. Ore classes were not distinguished. The dispersion decreased in the blocks compared to the individual assays and composites. The average grade decreased slightly. The wireframe model has 0.15% more volume than the block model (Bariatska & Safranov, 2018).

Tonnes Estimation

The mineralization zone is steeply dipping, sub-meridionally elongated and of variable thickness. The last delineating drill holes don't contain mineralization, so the mineralization model ends between the penultimate and last profiles (has no projected extension). External dilution was not taken into account at this stage (Bariatska & Safranov, 2018).

Block model

A block model was used and the mineralization wireframes are located within the pegmatite wireframes. Block size was determined by the exploration grid and expected mining equipment criteria. Parent blocks have a fixed height. The blocks fit well into the wireframe surface due to the use of sub-blocking (Bariatska & Safranov, 2018).

Mining

At the stage of preliminary exploration of the Shevchenkivske deposit, hydro-geological and geotechnical conditions were studied, and the options of stripping and mining were selected. The deposit was planned to be mined using two methods: by horizontal layers with solid stowing for bodies from 2 to 15 m and by the level-chamber method with stowing of chambers for bodies of 15 m and more. The mining schedule has not been prepared at this stage.

Preliminary Metallurgical Testwork

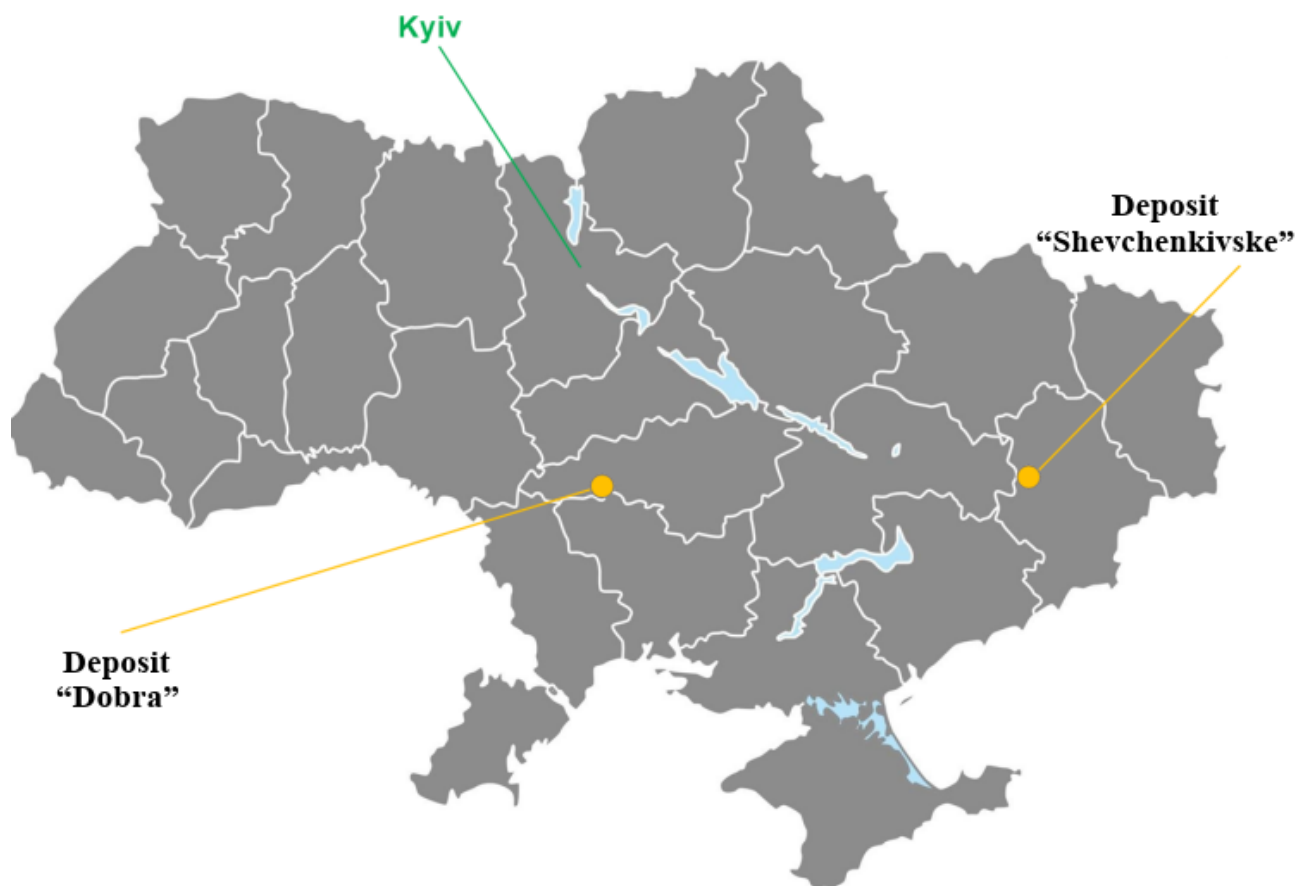
Preliminary metallurgic test included the study of processing properties of ores and enrichment using flotation. Rubidium, caesium, tantalum, niobium, beryllium, and feldspars (as raw materials for the ceramic industry) were considered as potential by-products. Metallurgic tests were carried out using sulfuric acid leaching showing that Fe_2O_3 is the main limiting factor for processing.

Dobra – Historical Data

References

- 1 Lysenko V.V. Report of prospecting works for lithium and gold deposits on a scale of 1 :25 000 1 :10 000 in the Lipnyazhka granite dome frame – 1991-2001.
- 2 Falkovich O.L. Preliminary geological and economic assessment of Dobra lithium ore occurrence in Kirovograd region – 2018.

The exploration work at the Dobra deposit was carried out directly after the break down of the USSR 1991 and ended 1999. The deposit is located in the Novoukrainsky district, Kirovograd region (see Picture D1) in the western Ukraine. The lithium mineralization is hosted within steep dipping pegmatite veins. The amphibolitic host rock has a length of 5 -5,7 km and a width of 0,7 – 0,8 km. The main Li-bearing minerals are petalite (60%) and spodumene (40%). Beside the Li-mineralization niobium, tantalum, rubidium, tin, cesium and beryllium bearing minerals as well as quartz, feldspar and mica occur.



Picture D1 shows the location of the deposit "Dobra"

Generally, a modern data trail does not exist as primary geological information has not been preserved. However, several geological maps and sections are available (Table 1).

Application Number	Graphic Source	Scale	Number of Sheets	Access Restriction Stamp
1	Geological Map of the Dobra Site	1:10 000	1	-
2	Map of geological interpretation of geophysical survey for the Dobra area	1:25 000	1	-
3	Calculation Plan for resources by a method of sections	1:5000	1	Restricted
4	Geological section on profile 48+90	1:1 000	1	-
5	Geological section on profile 46+90	1:1 000	1	-
6	Geological section on profile 45	1:1 000	1	-
7	Geological section on profile 43+20	1:1 000	1	-
8	Geological section on profile 39+70	1:1 000	1	-
9	Geological section on profile 33+20	1:1 000	1	-
10	Geological section on profile 18+60	1:1 000	1	-
11	Geological section on profile 11+90	1:1 000	1	-
12	Geological section on profile 8 + 10	1:1 000	1	-
13	Projection of ore zones I, II, III	1:5 000	1	-

Table 1 shows an inventory of available geological maps and sections. "Геологічний розріз по Announcement - Millstone transaction (KPC00179346-068)[2].docx

профілю" = "Geological research by profile"

Topography and Hydrology

The topographic survey of the site was not conducted. The topography of the area of interest is flat and the surface is used as farmland (see Picture D2).

The Dobra section is located in the central part of the Ukrainian Shield, which stands out as a separate hydrogeological area. Groundwater within the works area is confined to the complex of Precambrian crystalline rocks (fractured waters) and to loose rocks of Cenozoic sediments (formation waters), mantle-like lying on the weathering crust, and where it is blurred – directly on the crystalline rocks. There are several aquifers in the sedimentary rocks (1-10 m), which are often interconnected due to the lack of reliable water bodies. The shallow groundwater level (1-2 m) is closely related to rainfall and water level in the river.



Picture D2 gives an overview of the topographic situation; the right picture is 1:100 000

Exploration Grids

The Exploration grid is orthogonal (Table 2). Collar coordinates correspond to the coordinate system Pulkovo 42 (zone 6) (EPSG Code 28406). A recalculation to Universal Transverse Mercator (eg.WGS84 UTM Zone 36N, EPSG Code 32636) is possible.

Dilyanka Dobra is surrounded by geographic coordinates

	North	East		North	East
1	48° 21' 25"	31° 2' 58"	9	48° 19' 24"	31° 3' 28"
2	48° 21' 27"	31° 3' 15"	10	48° 19' 24"	31° 3' 23"
3	48° 21' 15"	31° 3' 27"	11	48° 19' 12"	31° 3' 24"
4	48° 20' 31"	31° 3' 32"	12	48° 19' 11"	31° 3' 15"

5	48° 20' 29"	31° 3' 22"	13	48° 19' 23"	31° 3' 14"
6	48° 21' 9"	31° 3' 13"	14	48° 19' 24"	31° 3' 20"
7	48° 20' 2"	31° 3' 14"	15	48° 19' 40"	31° 3' 19"
8	48° 20' 4"	31° 3' 27"	16	48° 19' 40"	31° 3' 15"

Table 2: Licence border coordinates

Drilling

Information about the drilling operation is quite rare. No detailed information according to the drilling program is available, like type and diameter of drilling, start and end date of drilling, cement jobs or percentage of recovery of drill cores. Also, no drill logs are preserved.

There is no topographic plan of the surface. This information can be taken from graphic applications. The data of drill hole inclinometry have not been preserved, but the drill holes are shown on the sections and the map.

No special studies of geological contacts have been carried out, no drill core or core photos are available, nor half or quarter core has been preserved.

Assays

Core from drill holes was used to acquire samples. The exact sampling technique can be found in the relevant section of the Ukrainian report. Assay are results listed in Appendix of this report (Falkovich 2017). The samples were collected taking into account geological contacts and ore boundaries. The drill holes have been sampled along their entire length, but the information on low-grade material was not preserved. The sample security protocols are not available for these historical data. No modern style QA/QC was not used in exploration work. Therefore, the available historical analytical results do not include standards or duplicates. During analytical studies internal and external laboratory control was performed – reanalysis of samples by the same and different lab. Internal and external controls were performed at 9.5% and 1%, respectively. The results of statistical processing of internal and external laboratory control are given in the corresponding section of the report. The systematic errors for lithium, rubidium and cesium are within acceptable limits. The assay database contains drill hole ID, from, to, length, grade, missing core interval, and sample type only for mineralization intervals, which are presented in the form of tables in the Ukrainian report. So missing intervals or intervals below detection limit are not included in the tables. Extreme values have not been cut and reverse cut-offs for contaminants or heavy metals are not mentioned in the historical data. Historical assay certificates have not been preserved.

Geological Interpretation

No surface mapping was performed, since the sediment within the site reaches a thickness of up to 70 m. Historical sections show the interpretation between drill holes including rock units, structure, limits of mineralization and grades.

Historical geological maps (scale 1:2,000) show the limits of pegmatite bodies and mineralization delineated using cutoff grade. The historical geological model is presented by sections with complex geological information. Which include lithium mineralization.

EUR is prevented under Ukrainian law from presenting these plans and sections in this announcement.

The mineralisation from the Dobra lithium occurrence have not been subdivided into metallurgically classes like oxide, sulfide, mixed.

An alternative geological model wasn't created. A visit to the site by a competent (qualified) person was not carried out, also no computer model was created.

Drill holes at the margins of the deposit don't have a disproportionate area influence.

Density/Tonnage Factor

During the preliminary exploration of the Dobra lithium occurrence determination of density of rocks was carried out by hydrostatic weighing of samples from 67 drill holes. A total of 894 density determinations were made for all types of rocks, including ore pegmatites – 120 samples. The results of statistical processing of density are given in the relevant section of the Ukrainian report. The number and location of the samples is not representative of the interpolation of density values, so an average value of 2.62 g/cm³ was used in the resource estimate.

Tonnes Estimation

The mineralization zone is steeply dipping, submeridionally elongated and of variable thickness. The ore bodies are located within pegmatites. The last delineating drill holes don't contain mineralization, so the mineralization model ends between the penultimate and last profiles (has no projected extension). External dilution was not taken into account at this stage. Further no model for a tonnes estimation was created.

Mining

At the stage of preliminary exploration of the Dobra lithium mineralisation, hydro-geological and geotechnical conditions were studied, and the options of stripping and mining were selected.

Stripping of the Dobra site is similar to the Shevchenkivske deposit because the occurrence, morphology, mining, and geological conditions are very similar. No mining schedule has been prepared at this stage.

Preliminary Metallurgical Testwork

Three technological samples of lithium ores selected and analyzed in the Simferopol department of the Institute of Mineral Resources of the Ministry of Geology of the Ukrainian SSR, and in the Leading Research Institute of Chemical Technology in Moscow. According to research data, the most effective method of lithium extraction from ore is the chloride-subliming method. The lithium ores of the Dobra site are similar to lithium ores of the Shevchenkivske deposit. More information is provided in the report. Rubidium, caesium, tantalum, niobium were considered as potential by-products.

Competent Person's Statement

The information in this release that relates to Exploration Results and the Exploration Target is based on information prepared by Dr Thomas Unterweissacher, EurGeol, MAusIMM. Dr Unterweissacher is a licensed Professional Geoscientist registered with European Federation of Geologists and based in Hochfilzen, Austria. The European Federation of Geologists and The Australasian Institute of Mining and Metallurgy are a Joint Ore Reserves Committee (JORC) Code 'Recognized Professional Organization' (RPO). An RPO is an accredited organization to which the Competent Person (CP) under JORC Code Reporting Standards must belong in order to report Exploration Results, Mineral Resources, or Ore Reserves through the ASX. Dr Unterweissacher has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a CP as defined in the 2012 Edition of the JORC Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Dr Unterweissacher consents to the inclusion in the

release of the matters based on their information in the form and context in which it appears.
Dr Unterweissacher is a consultant to the Company and holds shares in EUR.

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

Tony Sage
Non-Executive Chairman
European Lithium Limited

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

Annexure 1 – Conditions of acquisition and performance share terms

Conditions to completion of the acquisition of Petro Consulting (Completion)

1. The First Portion Shares and the Second Portion Shares (as defined in the Subscription Agreement) having been duly issued to Millstone in accordance with the terms of that agreement.
2. Petro Consulting being the registered holder of the Licenses.
3. The parties obtaining all necessary third party approvals to complete the transactions contemplated by the SPA, namely:
 - a. Anti-Monopoly Committee of Ukraine's approval for acquisition by EUR of the Petro Consulting Shares from Millstone under the SPA (to the extent required by applicable laws of Ukraine);
 - b. Anti-Monopoly Committee of Ukraine's approval for the subscription by Millstone for fully paid ordinary shares in EUR according to the Subscription Agreement (to the extent required by applicable laws of Ukraine).

EUR does not anticipate any difficulties in obtaining these approvals within the 12 month period to satisfy the conditions to completion;

4. EUR's Shareholders approving by the requisite majority in each case, in substance:
 - a. the issue to Millstone of:
 - i. the Third Portion Shares and the Fourth Portion Shares in accordance with the terms of the Subscription Agreement;
 - ii. the Consideration Shares in accordance with the terms of the SPA; and
 - iii. the Consideration Performance Shares and their conversion to EUR Shares in accordance with the terms of the SPA,

for the purposes of Listing Rule 7.1 and, in the case of sub-paragraph (iii), section 246B of the Corporations Act; and
 - b. Millstone acquiring a Relevant Interest in:
 - i. the Third Portion Shares;
 - ii. the Fourth Portion Shares;
 - iii. the Consideration Shares; and
 - iv. all EUR Shares in which Millstone would acquire a Relevant Interest upon the conversion of all of the Performance Shares pursuant to the SPA,

for the purposes of section 611 item 7 of the Corporations Act; and
 - c. any transfer of the Petro Consulting Shares or the Licenses to Millstone for nil consideration if EUR's obligations in relation to determining achievement of the performance hurdles are not met, for the purposes of Listing Rule 10.1.

(the Shareholder Approvals)

5. There has been no material adverse change in the business, financial position assets and/or liabilities of Petro Consulting, it being understood that for the purposes of clause 2.1(e) "material" means exceeding AUD 500,000.
6. There being no material adverse change in the business, financial or trading position, or assets, liabilities or profitability or prospects of EUR, or any event reasonably likely to result in such a material adverse change, it being understood that for the purposes of clause 2.1(g) "material" means exceeding AUD 500,000.
7. There is no existing court Claims, and/or registered Encumbrance, except as Disclosed by Millstone, affecting the Petro Consulting Shares, Petro Consulting and its assets, Licenses and/or any Seller's ownership of any of the Petro Consulting Shares or entitlement to dispose of any of the Petro Consulting Shares.
8. The indebtedness of Petro Consulting equals zero (0).

Performance Share hurdles

The performance shares (which each have a face value of \$1) will convert as follows:

1. AUD10,000,000 of performance shares shall convert to ordinary shares at a conversion price the greater of \$0.095 and the 20 day VWAP immediately prior to achievement of the performance hurdle, upon the Shevchenkivske Deposit achieving a JORC compliant resource of no less than 9,428,320 t and Li₂O content of no less than 1.12% within 2 years of completion of the acquisition of Petro Consulting (Milestone A/Class A).
2. AUD10,000,000 of performance shares shall convert to ordinary shares at a conversion price the greater of \$0.095 and the 20 day VWAP immediately prior to achievement of the performance hurdle, upon the Dobra Deposit achieving a JORC compliant resource of no less than 9,879,240 t and Li₂O content of no less than 1.21% within 2 years of completion of the acquisition of Petro Consulting (Milestone B/Class B).
3. AUD5,000,000 of performance shares shall convert to ordinary shares at a conversion price the greater of \$0.095 and the 20 day VWAP immediately prior to achievement of the performance hurdle, upon the Shevchenkivske Deposit achieving a positive pre-feasibility study (as defined in the JORC Code 2012) with a pre-tax net present value of no less than USD 240,000,000 within 5 years of completion of the acquisition of Petro Consulting (Milestone C/Class C).
4. AUD5,000,000 of performance shares shall convert to ordinary shares at a conversion price the greater of \$0.095 and the 20 day VWAP immediately prior to achievement of the performance hurdle, upon the Dobra Deposit achieving a positive pre-feasibility study (as defined in the JORC Code 2012) with a pre-tax net present value being no less than USD 240,000,000 within 5 years of completion of the acquisition of Petro Consulting (Milestone D/Class D).
5. AUD10,000,000 of performance shares shall convert to ordinary shares at a conversion price the greater of \$0.095 and the 20 day VWAP immediately prior to achievement of the performance hurdle, upon the Shevchenkivske Deposit achieving a positive feasibility study (as defined in the JORC Code 2012) with a pre-tax internal rate of return of no less than 25% within 5 years of completion of the acquisition of Petro Consulting (Milestone E/Class E).
6. AUD10,000,000 of performance shares shall convert to ordinary shares at a conversion price the greater of \$0.095 and the 20 day VWAP immediately prior to achievement of the performance hurdle, upon the Dobra Deposit achieving a positive feasibility study (as defined in the JORC Code 2012) with a pre-tax internal rate of return of no less than 25%. within 5 years of completion of the acquisition of Petro Consulting (Milestone F/Class F).

The Company is under an obligation to procure that its independent directors cause the Company to obtain the relevant reports on whether a performance hurdle is met within the Announcement - Millstone transaction (KPC00179346-068)[2].docx

relevant period. Subject to certain force majeure events, failing to do so gives Millstone the right to purchase Petro Consulting for nil consideration.

Obligation to transfer Petro Consulting to Millstone

1. For the purposes of determining whether a specific performance hurdle is achieved and subject to paragraph 2, EUR shall procure that EUR's Directors who do not have any personal interest in the determination (the **Independent Directors**) will cause EUR to obtain relevant reports and/or opinion (as may be applicable) from an Expert on whether a specific performance hurdle has been achieved, namely:
 - a. in respect of achieving Class A performance hurdle, the Independent Directors shall procure (i) commencement of the procedure for preparation of a report (JORC Report) as to the tonnage and Li₂O content contained in the Shevchenkivske Deposit within six (6) months after Completion and (ii) issuance of the JORC Report by no later than the second anniversary of Completion;
 - b. in respect of achieving Class B performance hurdle, the Independent Directors shall procure (i) commencement of the procedure for preparation of the JORC Report in respect of the Dobra Deposit within six (6) months after Completion and (ii) issuance of the JORC Report by no later than the second anniversary of Completion;
 - c. in respect of achieving Class C performance hurdle, the Independent Directors shall procure (i) commencement of the pre-feasibility study (as defined in the JORC Code 2012) in respect of the Shevchenkivske Deposit by no later than within six (6) months after the issuance of the JORC Report in respect of the Shevchenkivske Deposit and (ii) finalizing the pre-feasibility study and issuing the relevant report in respect of the pre-feasibility study by no later than the fifth anniversary of Completion;
 - d. in respect of achieving Class D performance hurdle, the Independent Directors shall procure (i) commencement of the pre-feasibility study (as defined in the JORC Code 2012) in respect of the Dobra Deposit by no later than within six (6) months after the issuance of the JORC Report in respect of the Dobra Deposit and finalizing the pre-feasibility study and (ii) issuing the relevant report in respect of the pre-feasibility study by no later than the fifth anniversary of Completion;
 - e. in respect of achieving Class E performance hurdle, the Independent Directors shall procure (i) commencement of the feasibility study (as defined in the JORC Code 2012) in respect of the Shevchenkivske Deposit by no later than within six (6) months after the issuance of the relevant report on pre-feasibility study in respect of the Shevchenkivske Deposit and (ii) finalizing the feasibility study and issuing the relevant report in respect of feasibility study by no later than the fifth anniversary of Completion;
 - f. in respect of achieving Class F performance hurdle, the Independent Directors shall procure commencement of the feasibility study (as defined in the JORC Code 2012) in respect of the Dobra Deposit by no later than within six (6) months after the issuance of the relevant report on pre-feasibility study in respect of the Dobra Deposit and finalizing the feasibility study and issuing the relevant report by no later than the fifth anniversary of Completion,

it being understood that in case of failure to comply with any of the terms specified in paragraphs (a) to (f) above but always subject to paragraph 2 below, Millstone shall for no consideration be entitled to, and EUR shall be obliged to transfer or procure the transfer to Millstone of, all of the issued shares in Petro Consulting (**Shares**) or the special permits (at the election of Millstone) within ten Business Days following the receipt of the notice to that effect from Millstone, which shall include filing of any and all documents required by Ukrainian law to reflect Millstone as the only participant of the Company with the Ukrainian Corporate Register or as the holder of the Licenses (as the case may be). For the avoidance of doubt, in case

Millstone has elected that EUR shall transfer the Shares to Millstone pursuant to the preceding sentence of this paragraph, the Buyer shall procure that the Company holds both special permits on the date of such transfer.

2. The fulfilment of obligations specified in paragraph 1 above by Independent Directors may be postponed if Force Majeure prevents the Company from achieving the relevant performance hurdle.
3. Force Majeure means any cause which is not reasonably within the control of the Buyer, namely:
 - a. an act of God, earthquake, lightning, fire, flood, storm, cyclone, explosion or epidemic;
 - b. strike, lockout, stoppage, ban or other types of labour difficulty whether at a License, railway or port or otherwise;
 - c. war (whether declared or undeclared), blockade, act of the public enemy, act of terrorism, revolution, insurrection, riot, or civil commotion, sabotage, malicious damage, radioactive contamination, toxic or dangerous chemical contamination;
 - d. action, inaction, embargo or restraint by an Authority (including heritage related restraints and, refusal or failure to grant any authorisation despite timely reasonable endeavours to obtain the same),except where:
 - e. the cause is the inability to obtain, use or pay, moneys for any reason; or
 - f. the consequences of the cause could have been prevented, overcome or remedied by the exercise by the party affected of care and diligence normally exercised by duly qualified persons in the performance of comparable work.

Change of Control

In the event a change of control event occurs the Company will remain under an obligation to achieve the performance hurdles. In the event a hurdle is achieved and the Company's controller (**Controller**) is listed on either ASX or another recognised exchange, Millstone will be entitled to receive quoted Controller shares upon the satisfaction of a milestone. Otherwise, the Company is required to pay, or procure the payment of, to Millstone a cash amount equal to value of the performance shares for which the milestone has been satisfied.

The following tables are provided to ensure the compliance with the JORC Code (2012 edition) requirements for the reporting of the Exploration Results at the **Shevchenkivske Project**.

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> <i>Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</i> <i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i> <i>Aspects of the determination of mineralisation that are Material to the Public Report.</i> <i>In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</i> 	Historical <ul style="list-style-type: none"> Samples have been taken from diamond drill cores These samples are representative of parameters like location, orientation, and size in relation to mineralization. Samples have been sampled along their entire length considering geological contacts (sharp or gradational) and mineralization boundaries.
Drilling techniques	<ul style="list-style-type: none"> <i>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</i> 	Historical <ul style="list-style-type: none"> Diamond drilling with a main diameter of 76 mm was used In addition, information on drilling diameters for each drill hole is contained in the geological logbook
Drill sample recovery	<ul style="list-style-type: none"> <i>Method of recording and assessing core and chip sample recoveries and results assessed.</i> <i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i> <i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i> 	Historical <ul style="list-style-type: none"> Assay data includes linear core recovery
Logging	<ul style="list-style-type: none"> <i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource</i> 	Historical <ul style="list-style-type: none"> Historical lithological paper logs are available

Criteria	JORC Code explanation	Commentary
	<p>estimation, mining studies and metallurgical studies.</p> <ul style="list-style-type: none"> Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. The total length and percentage of the relevant intersections logged. 	<ul style="list-style-type: none"> Geophysical logs (not reviewed) in paper form are also available
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> If core, whether cut or sawn and whether quarter, half or all core taken. If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. For all sample types, the nature, quality and appropriateness of the sample preparation technique. Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. Whether sample sizes are appropriate to the grain size of the material being sampled. 	<p>Historical</p> <ul style="list-style-type: none"> No information available
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established. 	<ul style="list-style-type: none"> Modern QA/QC was not used in exploration work. Therefore, the available historical datasets don't include standards or duplicates. <p>Historical</p> <ul style="list-style-type: none"> During analytical studies internal and external laboratory control was performed – reanalysis of samples by the same and different lab. Internal and external controls were performed at 14-16 % and 10-14 %, respectively
Verification of sampling and assaying	<ul style="list-style-type: none"> The verification of significant intersections by either independent or alternative company personnel. The use of twinned holes. Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. Discuss any adjustment to assay data. 	<p>Historical</p> <ul style="list-style-type: none"> Primary data has been transferred to excel sheet and imported into a Micromine database Databases exist for collar, geology, inclination, and assay data
Location of data points	<ul style="list-style-type: none"> Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. Specification of the grid system used. Quality and adequacy of topographic control. 	<p>Historical</p> <ul style="list-style-type: none"> The topographic survey of the project site was carried out in 1988 (scale 1:1 000), therefore the actual topographic situation may differ very slightly Topographic data is based on SRTM data. A grid based on the 1998 topographic survey can be created using an available topographic plan.

Criteria	JORC Code explanation	Commentary
		<ul style="list-style-type: none"> Conversion of Pulkovo 42 to WGS 84 coordinates
Data spacing and distribution	<ul style="list-style-type: none"> <i>Data spacing for reporting of Exploration Results.</i> <i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i> <i>Whether sample compositing has been applied.</i> 	Historical <ul style="list-style-type: none"> The drill hole grid is about 50 × 50 m in the central part of the deposit and about 100 × 100 m on its flanks. The spatial continuity of the ore has not been determined The structural and lithological control was considered by preliminary creation of a wireframe model of pegmatite bodies. The main search neighbourhoods were 50 × 50 × 5 m and 100 × 100 × 10 m. IDW (Inverse Distance Weights) technique was used for interpolation. The data are most likely continuous variables.
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i> <i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i> 	<ul style="list-style-type: none"> No data available
Sample security	<ul style="list-style-type: none"> <i>The measures taken to ensure sample security.</i> 	<ul style="list-style-type: none"> Documents like security protocols and chain of command are not available for historical data.
Audits or reviews	<ul style="list-style-type: none"> <i>The results of any audits or reviews of sampling techniques and data.</i> 	<ul style="list-style-type: none"> No audits have taken place

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement	<ul style="list-style-type: none"> <i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships,</i> 	Petro Consulting currently has no interest in the licences. Obtaining ownership requires success in a public auction process.

Criteria	JORC Code explanation	Commentary
<i>and land tenure status</i>	<p><i>overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i></p> <ul style="list-style-type: none"> <i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</i> 	
<i>Exploration done by other parties</i>	<ul style="list-style-type: none"> <i>Acknowledgment and appraisal of exploration by other parties.</i> 	<ul style="list-style-type: none"> Geological works had been done during the 80s by state owned companies of the CCCP Evaluation of data and creation of a 3D model in Micromine for LLC Petro Consulting
<i>Geology</i>	<ul style="list-style-type: none"> <i>Deposit type, geological setting and style of mineralisation.</i> 	<ul style="list-style-type: none"> The Lithium mineralization is hosted within pegmatite veins. The pegmatite veins show a complex mineralogy with spodumene petalite as the main Li-bearing mineral. Petalite occurs in minor proportions. Pegmatite host rocks are carbonate-silicates, crystalline schists, metasomatites with a weathered crust on top of the deposit
<i>Drill hole Information</i>	<ul style="list-style-type: none"> <i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</i> <ul style="list-style-type: none"> <i>easting and northing of the drill hole collar</i> <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i> <i>dip and azimuth of the hole</i> <i>down hole length and interception depth</i> <i>hole length.</i> <i>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</i> 	<ul style="list-style-type: none"> Data is available as hand or machine written hard copy scan and had been transferred to excel sheets for Micromine import
<i>Data aggregation methods</i>	<ul style="list-style-type: none"> <i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</i> <i>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i> <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i> 	<ul style="list-style-type: none"> For interpretation of the wireframe modelling, grade-based compositing was used by natural cut-off grade. Fixed-length composites were used to interpolate grades in the block model. With a set composite length of 2 m, all composites over 0.5 m are counted, less than 0.5 m are excluded. Internal dilution and linear grade (grade x thickness) applied.

Criteria	JORC Code explanation	Commentary
<i>Relationship between mineralisation widths and intercept lengths</i>	<ul style="list-style-type: none"> These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known'). 	<ul style="list-style-type: none"> Relation and true length not known
<i>Diagrams</i>	<ul style="list-style-type: none"> Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views. 	<ul style="list-style-type: none"> See the above announcement for maps. EUR is prevented by Ukraine law from disclosing certain cross sections showing historical drilling
<i>Balanced reporting</i>	<ul style="list-style-type: none"> Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results. 	<ul style="list-style-type: none"> No data available
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"> Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances. 	<ul style="list-style-type: none"> Historical hydrogeological report (not reviewed) is available
<i>Further work</i>	<ul style="list-style-type: none"> The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling). Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive. 	<ul style="list-style-type: none"> Exploration involving twinned holes for verification purposes is being planned to validate existing data and provide necessary information for development of a maiden JORC compliant resource .

The following tables are provided to ensure the compliance with the JORC Code (2012 edition) requirements for the reporting of the Exploration Results at the **Dobra Project**.

Section 1 Sampling Techniques and Data

Announcement - Millstone transaction (KPC00179346-068)[2].docx

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information. 	Historical <ul style="list-style-type: none"> Diamond drilling used for material collection. A description of the sampling technique can be found in the relevant section of Falkovich 2018. Results for the core samples are being reported. The sample security protocols are not available for these historical data. During analytical studies internal and external laboratory control was performed – reanalysis of samples by the same and different lab. Internal and external controls were performed at 9.5% and 1%, respectively. In the USSR, the classic QA/QC was not used in exploration work. Therefore, the available historical analytical results do not include standards or duplicates.
Drilling techniques	<ul style="list-style-type: none"> Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc). 	Historical <ul style="list-style-type: none"> No information on the drilling techniques is available, like type, diameter, start and end date or cement jobs. 118 mapping wells have been drilled with a depth less than 200m
Drill sample recovery	<ul style="list-style-type: none"> Method of recording and assessing core and chip sample recoveries and results assessed. Measures taken to maximise sample recovery and ensure representative nature of the samples. Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material. 	Historical <ul style="list-style-type: none"> Core recovery is only for the sampled sections available, no general and complete "core recovery pager logs" exists. No measures applicable to maximize sample recovery. No relationship applicable between sample recovery and grade.
Logging	<ul style="list-style-type: none"> Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. 	Historical <ul style="list-style-type: none"> No lithology or geotechnical logs are available. The assay database contains drill hole ID, from, to, length, grade, missing core interval, and sample type only for mineralization intervals

Criteria	JORC Code explanation	Commentary
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> The total length and percentage of the relevant intersections logged. If core, whether cut or sawn and whether quarter, half or all core taken. If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. For all sample types, the nature, quality and appropriateness of the sample preparation technique. Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. Whether sample sizes are appropriate to the grain size of the material being sampled. 	<ul style="list-style-type: none"> No information on sub-sampling techniques and sample preparation is available.
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established. 	<ul style="list-style-type: none"> No modern QA/QC was not used in exploration work. Therefore, the available historical analytical results do not include standards or duplicates. <p>Historical</p> <ul style="list-style-type: none"> During analytical studies internal and external laboratory control was performed – reanalysis of samples by the same and different lab. Internal and external controls were performed at 9.5% and 1%, respectively. The results of statistical processing of internal and external laboratory control are given in Falkovich 2018.
Verification of sampling and assaying	<ul style="list-style-type: none"> The verification of significant intersections by either independent or alternative company personnel. The use of twinned holes. Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. Discuss any adjustment to assay data. 	<ul style="list-style-type: none"> An independent CP has not verified the intersections No twinned holes have been used by now. <p>Historical</p> <ul style="list-style-type: none"> Assay data have been reported.
Location of data points	<ul style="list-style-type: none"> Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. Specification of the grid system used. Quality and adequacy of topographic control. 	<p>Historical</p> <ul style="list-style-type: none"> A catalogue of coordinates of deep wells of Dobra and a catalogue of coordinates of mapping wells of the Dobra site exists. No quality and adequacy of topographic control is available.

Criteria	JORC Code explanation	Commentary
Data spacing and distribution	<ul style="list-style-type: none"> Data spacing for reporting of Exploration Results. Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. Whether sample compositing has been applied. 	Historical <ul style="list-style-type: none"> Drill holes at the margins of the deposit don't have a disproportionate area influence.
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material. 	Historical <ul style="list-style-type: none"> The Lithium mineralization is hosted within steeply dipping pegmatite veins.
Sample security	<ul style="list-style-type: none"> The measures taken to ensure sample security. 	<ul style="list-style-type: none"> No information about the measures taken to ensure sample security are available.
Audits or reviews	<ul style="list-style-type: none"> The results of any audits or reviews of sampling techniques and data. 	<ul style="list-style-type: none"> No audits have taken place.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area. 	<ul style="list-style-type: none"> The Ukrainian company 'PETRO CONSULTING LTD' acquired all necessary historical information, digitized it, undertook research and prepared the required scoping and pre-feasibility studies according to the Ukrainian standards and filed all the required reports and information to the State Commission of Ukraine on Natural Resources of the State Service of Geology and Subsoils of Ukraine in 2017. The reports were approved by the appropriate protocols of the

Criteria	JORC Code explanation	Commentary
		aforementioned commission in 2017. DOBRAYA lithium deposit license issuance was pending.
Exploration done by other parties	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> Historically lithium discovered in 80s and 90s by Soviet geologists who did lithium explorations and scoping works with about 120 wells drilled, lab tests and geological and economic reports up to the standard. Later in 2017th, a group of geological experts and state institutions was mobilised to digitalise and bring up-to-date the data from the primary geological explorations, to do the Micro mine modelling etc.
Geology	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. 	<ul style="list-style-type: none"> The Lithium mineralization is hosted within steeply dipping pegmatite veins. The main Li-bearing minerals are petalite and spodumene. Beside the Li-mineralization niobium, tantalum, rubidium, tin, cesium and beryllium bearing minerals as well as quartz, feldspar and mica have economic potential.
Drill hole Information	<ul style="list-style-type: none"> A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <ul style="list-style-type: none"> easting and northing of the drill hole collar elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar dip and azimuth of the hole down hole length and interception depth hole length. If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the 	<ul style="list-style-type: none"> All available drill collar data are listed in tables The information include: <ul style="list-style-type: none"> Collar position (easting, northing, elevation) No downhole survey data Total length, pegmatite intersection, missing core intervals are reported.

Criteria	JORC Code explanation	Commentary
	<i>understanding of the report, the Competent Person should clearly explain why this is the case.</i>	
Data aggregation methods	<ul style="list-style-type: none"> <i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</i> <i>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i> <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i> 	<ul style="list-style-type: none"> Not available
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> <i>These relationships are particularly important in the reporting of Exploration Results.</i> <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i> <i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</i> 	<ul style="list-style-type: none"> Not available
Diagrams	<ul style="list-style-type: none"> <i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i> 	<ul style="list-style-type: none"> See the above announcement for maps EUR is prevented by Ukrainian Law from disclosing certain cross sections showing historical drilling
Balanced reporting	<ul style="list-style-type: none"> <i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i> 	<ul style="list-style-type: none"> Not available

Criteria	JORC Code explanation	Commentary
Other substantive exploration data	<ul style="list-style-type: none"> Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances. 	<ul style="list-style-type: none"> Not available
Further work	<ul style="list-style-type: none"> The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling). Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive. 	<ul style="list-style-type: none"> Exploration involving twinned holes for verification purposes is being planned to validate existing data and provide necessary information for development of a maiden JORC compliant resource .