

QUARTERLY REPORT

Quarter ended 30 June 2023

ASX: EUR



ASX Announcement – 31 July 2023

The Board of European Lithium Limited (ASX: **EUR**, FRA: **PF8**, OTC: **EULIF**) (the **Company**) is pleased to present its activities report and Appendix 5B for the three months ending 30 June 2023.

SUMMARY OF KEY UPDATES

- The Company entered into a binding term sheet with Obeikan Investment Group to build and operate a hydroxide plant in Saudi Arabia for the Wolfsberg Lithium Project (**Wolfsberg Project**).
- Complex work was conducted covering an environmental impact assessment (**EIA**) determination procedure that forms a fast-track-eligibility approval process covering the application of the final mining decree. We anticipate the application for pre-assessment will be lodged at the beginning of the 3rd quarter 2023. This marks an important milestone towards operational readiness to build the mine and concentrator at the anticipated location.
- Public Hearing to issue nine additional mining licenses was conducted by the Mining Authority.
- Further internal studies have been conducted to assess the technical and commercial impacts of relocating the hydroxide plant to Saudi Arabia, based on the Definitive Feasibility Study (**DFS**) results for the Wolfsberg Project presented in December 2022 by lead consultant DRA Global (**DRA**).
- Studies that form the DFS demonstrate that the Wolfsberg Project is well positioned to become a leading producer of battery-grade lithium hydroxide in Europe, and set to deliver high returns, leveraging low operating costs, and benefiting from a lithium market which is anticipated to be in structural undersupply during most of the life of mine.
- Dorfner Anzaplan (**Dorfner**) continued to work on optimizing the concentrator flow to increase spodumene concentrate levels with the aim to reduce energy consumption.
- A public hearing was conducted by the Mining Authority as part of the process to approve the Zone 2 drilling program.
- EUR continues collaborating with a research group from the University of Graz to develop local lithium hydroxide production from recycled Lithium-Ion batteries.
- GREENPEG (EU-funded) supported infield and underground work continues.
- E47/4144 located in the northwest of Australia continues to progress through the WA Mining Act regulatory application process.
- Initial desktop evaluation work was conducted on granted tenement E45/4532 at Munni Munni South.
- EUR advances towards completion of business combination with Sizzle Acquisition Corp. that at conclusion will own the Wolfsberg Project via a newly-formed company, "Critical Metals Corp." which is expected to be listed on NASDAQ.



For personal use only

- Commencement of on-market buyback of EUR shares (subsequently completed in July 2023).
- EUR completes the acquisition of 100% of the Bretstein-Lachtal Project, Klementkogel Project and the Wildbachgraben Project (together, **Austrian Lithium Projects**) located in the Styria mining district of Austria.

CORPORATE MATTERS

NASDAQ Merger

On 26 October 2022, the Company announced that it has entered into a business combination agreement with Sizzle Acquisition Corp., a US special purpose acquisition company listed on NASDAQ (NASDAQ:SZZL) (**Sizzle**), pursuant to which EUR will combine its wholly owned Wolfsberg Lithium Project (**Wolfsberg Project**) with Sizzle via a newly-formed, lithium exploration and development company named “Critical Metals Corp.” (**CRML**) which is expected to be listed on NASDAQ (**Transaction**).

On 23 December 2022, the Company advised that the Form F-4 Registration Statement had been filed with the U.S. Securities and Exchange Commission (**SEC**) in connection with the Transaction.

On 3 February 2022, the Company announced that Sizzle received approval at a special meeting of its shareholders to extend the date by which it must consummate the Transaction by no later than the 8 August 2023. Following this meeting, Sizzle filed the Form 8-K with the SEC confirming stockholders holding 11,076,703 shares had exercised their right to redeem their shares resulting in approximately US\$114.3 million (approximately US \$10.32 per public share) will be removed from the Sizzle trust account to pay such holders and approximately US\$45.6 million will remain in the Sizzle trust account following the redemptions.

On 14 February 2023, CRML lodged with the SEC Form F-4 Amendment No. 1 addressing the comments received from the SEC in respect to the F-4 Registration Statement. On 29 March 2023, CRML lodged with the SEC Form F-4 Amendment No. 2 addressing the second round of comments received from the SEC in respect to the F-4 Registration Statement. On 5 May 2023, CRML lodged with the SEC Form F-4 Amendment No. 3 addressing the third round of comments received from the SEC in respect to the F-4 Registration Statement. The Company is currently working through comments received from the SEC and aiming to lodge F-4 Amendment NO 4 in the near future.

The Transaction was approved by EUR shareholders on 20 January 2023. Closing of the Transaction is subject to a number of conditions precedents including approval of Sizzle shareholders, the declaration in the future of the F-4 as effective under the U.S. securities laws, and other customary requirements. Upon the closing of the Transaction, EUR will be issued US\$750 million worth of ordinary shares in CRML.

Obeikan

On 2 June 2023, the Company announced the execution of a binding term sheet with Obeikan Investment Group (**Obeikan**) to build and operate a hydroxide plant in Saudi Arabia (**JV Term Sheet**).

The 50/50 Joint Venture (**JV**) will be geared towards developing, constructing and commissioning a lithium hydroxide processing plant, and operating the plant for the conversion of lithium spodumene concentrate from the Company’s Wolfsberg Project in stages.

For personal use only

Under the JV Term Sheet, the proposed JV will seek to have an exclusive right to purchase spodumene mined from the current resource at the Wolfsberg Project (Zone 1), and the facility is expected to be developed to meet the minimum initial capacity and product specifications based on the Company's binding Long Term Supply Agreement with BMW (refer ASX announcement dated 21 December 2022).

Under the terms of the JV Term Sheet, and subject to the successful commissioning of the plant, EUR will sell the lithium spodumene concentrate to the JV company at a reduced rate with a floor price of US\$3,000/t and a ceiling price of US\$7,000/t over the life of the current resource of the Wolfsberg mine.

Other key material terms of the JV are disclosed in the ASX announcement released 2 June 2023.

On-Market Buyback

On 4 April 2023, the Company announced and commenced its on-market buyback. During the quarter, a total of 86,966,132 shares were bought back by EUR for a total consideration of \$8,696,352 (inclusive of broker fees and GST). Subsequent to the quarter end, the buy-back was completed and share capital reduced by the total number for shares bought back, on or about 13 July 2023.

Loan Conversion

The Company previously entered into loan agreements with Cyclone Metals Limited (ASX: CLE) and advanced funds to CLE totalling \$2,250,000 (**CLE Loans**). On 2 June 2023, the Company was issued 1,175,256,849 shares in CLE (representing an 11.4% equity holding in CLE) for the conversion of CLE Loans plus accrued interest into equity based on a share conversion price of AUD\$0.002.

Capital Movements

On 26 June 2023, the Company issued 2,000,000 fully paid ordinary shares 2,000,000 unlisted options (\$0.12 each expiring 26 June 2026) as consideration for acquisition of the Austrian Lithium Projects). On the same date, the Company issued 2,000,000 fully paid ordinary shares 2,000,000 unlisted options (\$0.12 each expiring 26 June 2026) to the broker who facilitated the acquisition of the Austrian Lithium Projects. On the same date, the Company issued 1,000,000 fully paid ordinary shares for the rendering of marketing services.

On 30 June 2023, a total of 40,000,000 performance shares expired unvested.

Appendix 5B Quarterly Report and Statement of Cash Flows

The ASX Appendix 5B quarterly report is attached to and lodged with this report. The Company's Appendix 5B Quarterly Report covers the 3-month period from 1 April 2023 to 30 June 2023.

Exploration and evaluation expenditure during the quarter was \$1,260k, associated with the advancement of the Wolfsberg Project. Administration and corporate expenditure during the quarter was \$749k which comprised Director fees (\$129k), administration and corporate costs (\$467k), promotion and marketing expenses (\$108k) and overseas listing expenses (\$45k). Investing activities during the quarter was the acquisition of the Austrian Lithium Projects (\$250k) and expenses in relation to the merger Transaction (\$238k). In accordance with the terms in the business combination agreement pursuant to the Transaction, the Company will be reimbursed for expenses incurred upon the successful completion of the Transaction. Financing expenditure

For personal use only



during the quarter was \$8,696k for the on-market buyback of shares.

Payments to Related Parties and their Associates

In accordance with ASX Listing Rule 5.3.5, payments to related parties of the Company and their associates during the quarter totalled \$212k. This amount comprises Director fees (\$129k), payments to Director-related parties for office occupancy costs (\$8k) and other payments to director related entities (\$75k).

EXPLORATION AND DEVELOPMENT ACTIVITIES

Austria

WOLFSBERG LITHIUM PROJECT

Application for a Simplified EIA Procedure to obtain the final Mining Decree

In Q2/2023 the company conducted a complex work program to prepare a comprehensive application for pre-assessment of the EIA Determination Procedure. The decree issued after the pre-assessment forms the basis for a fast-track-eligibility approval process (simplified procedure) covering the application of the final mining decree to be lodged in a timely manner thereafter.

The application to be lodged at the state government is based on the detailed environment study results from the PFS and DFS covering several years of observations and documentation and the final technical layouts for the mine and concentrator.

It is expected that the application for this pre-assessment will be lodged at the beginning of Q3/2023 and a decision to be notified by the government within six weeks of lodgment in accordance with the EIA – Determination Procedure policy.

This marks an important milestone towards operational readiness to build the mine and concentrator at the anticipated location at the Wolfsberg Project in Austria.

Additional Mining Licenses

The DFS mine planning and design incorporated the significantly extended resource, and it was established that future mining could be undertaken in mining fields that exceeded the existing licenses held by the Company.

Consequently, the Company has applied for a new mining field adjacent to the existing field called “Andreas” that contains 11 licenses.

This new field will provide the Company with 7 licenses and 2 extensions of the existing Andreas field. At grant, the Company will have in total 20 licenses, nearly doubling the footprint for the underground mining operations.

Definitive Feasibility Study (DFS) and Post DFS Studies

The Company has continued optimisation studies to assess the technical and commercial impact of the relocation of the hydroxide plant to Saudi Arabia based on the DFS results for the Wolfsberg

For personal use only

Project as announced on 8 March 2023. These studies are undertaken by lead consultant DRA.

The studies confirm the average (steady state) mine production rate of 780 kt/a, peaking at 840 kt/a over the Life of Mine (**LOM**) which is based on an Ore Reserve of 11.5 Mt, mined over approximately 15 years. The Project will comprise two integrated operations, a mining and processing operation to produce a lithium concentrate (spodumene), and a hydrometallurgical plant (hydroxide plant) to convert the spodumene into battery grade Lithium Hydroxide Monohydrate (**LHM**). The hydroxide plant is planned to produce approximately 8.8 kt/a LHM with a total production of approximately 129 kt of LHM over the LOM.

During the quarter, the Company's independent metallurgic consultants, Dorfner, continued work on optimizing the concentrator flow to increase the spodumene concentrate levels with the aim to reduce energy consumption for all further processing.

The financial results of the DFS published in Q2/2023:

| Description | Unit | Results |
|---|---------------------|---------|
| Net Present Value (post tax, 6% WACC ¹) | US\$ million | 1,504 |
| Capital Cost Estimate (nominal) | US\$ million | 873 |
| Internal Rate of Return (IRR) | % | 33.30 |
| LHM Production | t/a | 8,800 |
| LHM OPEX | US\$/t LHM | 19,409 |
| LHM OPEX after by-product credits | US\$ /t LHM | 17,016 |
| Life of Mine Plan (LOMP) period | years | 14.6 |
| LHM sales price ² in 2025 | US\$/t LHM | 48,600 |
| Ore Reserve Estimate ^{3&4} | Million tonnes | 11.48 |
| | % Li ₂ O | 0.64% |

The Company also reported its JORC Code, 2012 compliant ore reserves as following:

| Classification | Cut-Off Grade (CoG) (% Li ₂ O) | Ore Tonnes (kt) | Grade (% Li ₂ O) | Content (t Li ₂ O) |
|-------------------------------|---|-----------------|-----------------------------|-------------------------------|
| Proved | | | | |
| Amphibolite Hosted Pegmatites | 0.30 | 2,913 | 0.67 | 19,577 |
| Mica schist Hosted Pegmatites | 0.32 to 0.45 | 800 | 0.82 | 6,525 |
| Sub-total Proved | | 3,713 | 0.70 | 26,103 |
| Probable | | | | |
| Amphibolite Hosted Pegmatites | 0.30 | 3,285 | 0.54 | 17,688 |
| Mica schist Hosted Pegmatites | 0.32 to 0.45 | 4,485 | 0.65 | 29,146 |
| Sub-total Probable | | 7,770 | 0.60 | 46,834 |
| Proved + Probable | | | | |
| Amphibolite Hosted Pegmatite | 0.30 | 6,198 | 0.60 | 37,265 |
| Mica schist Hosted Pegmatites | 0.32 to 0.45 | 5,285 | 0.67 | 35,671 |
| Total Ore Reserve | | 11,483 | 0.64 | 72,937 |

For full details of the DFS, please refer to EUR announcement dated 8 March 2023, "Wolfsberg Lithium

¹ WACC : Weighted Average Cost of Capital. This is determined by the split of debt and equity related to the BMW offtake agreement.

² The projected LHM sales price is USD 48600/t in 2025 which represents a 39% discount to the latest LHM spot prices DDP Antwerp reported by Fastmarkets in February 2023 (USD 79500 /t). Price then increases with CPI (~2%) over LOMP.

³ Reported in accordance with the 2012 JORC code guidelines, statement by SRK Consulting (UK) Ltd, Effective Date July 01, 2022

⁴ Includes 32.3% Proved Ore Reserves and 67.7% Probable Ore Reserves classified in accordance with the JORC Code guidelines

Project Definitive Feasibility Study Results". The Mineral Resources underpinning the Ore Reserve have been prepared by a competent person in accordance with the requirements of the JORC Code (2012). The Competent Person's Statement(s) are found in the section of this ASX release titled "Competent Person's Statement(s)". European Lithium confirms that it is not aware of any new information or data that materially affects the information included in that release. All material assumptions and technical parameters underpinning the estimates in that ASX release continue to apply and have not materially changed.

Drilling

No additional drilling took place during Q2/2023.

In an effort to increase the Wolfsberg Project's resource base, in Q4/2022 the Company completed planning for the Zone 2 exploration drilling program.

An application for approval of the program was lodged at the mining authority and a public hearing was held on 24 May 2023, where the entire drilling program was confirmed by all stakeholders. The decree is expected to be issued in Q3/2023.

Drilling is anticipated to commence in a timely manner upon approvals being received.

Hydrogeology

The Company continued its hydrogeology monitoring program during Q2/2023, collecting the data and interpretations. All hydrogeological data continues to be stored and secured within the Company's database.

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

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

Environmental

During Q2/2023, the Company continued work with Hasslinger & Nagele in Vienna (**Hasslinger**) on the application process which is to be lodged with the relevant authorities.

The Company has decided to lodge a pre-assessment application for the EIA Determination Procedure (as outlined above) to obtain a decree for the simplified EIA process and ensure the fast-track-eligibility approval process (simplified procedure) covering the application of the final mining decree.

The Company is committed to ensuring it meets the highest level of environmental standards required in Austria at every stage of project operations.

Hasslinger's engagement includes the facilitation of numerous discussions with municipal, state and federal authorities to introduce the project rollout and the integration of the DFS findings into the environmental approvals process.

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

Product Marketing

The strategy for the Company remains unchanged and focuses on the supply of lithium hydroxide to the nascent lithium battery supply chain in Europe. The Company have a binding LTA with top tier European auto manufacturer BMW AG (**BMW**) for the offtake of battery grade lithium hydroxide.

Horizon 2020

In Q2/2023, the Company's 100% owned subsidiary, ECM Lithium AT GmbH (**ECM**), continued work on the infield and underground geophysical survey program for which reporting is required in respect to ECM's participation in the European Union funded Horizon 2020 - GREENPEG project.

The Company continued proactively working in the approved and funded Horizon 2020 LithRef program.

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

Other Business

The Company continues to develop technical solutions to incorporate recycled lithium-ion battery materials into the flowsheets for final lithium carbonate and LiOH production. Pursuant to a letter of intent, this project is technically supervised by a research group from the University of Graz.

The Company continues to assess its options for the Wolfsberg Project's eligibility to achieve Carbon Neutrality.

EV RESOURCES

On 11 May 2021, the Company announced that it had entered into a Collaboration Agreement with EV Resources Limited (formerly Jadar Resources Limited) (ASX: EVR) (**EVR**) and an agreement to acquire a 20% interest in the Weinebene Lithium Project (the **Weinebene Project**) and the Eastern Alps Lithium Project (the **Eastern Alps Project**) both of which are located in southern Austria.

The Weinebene Project area directly encloses the Wolfsberg Project. The Eastern Alps Project comprises the project areas of Glanzalm-Ratzell-Poling, Millstätter Seerücken, Hohenwart, Falkenberg, Pallbauernalm-Mittereck-Zinkenschlucht, Mitterberg and St. Radegund (refer Figure 1).

The Weinebene Project and Eastern Alps Project are considered complimentary to the Wolfsberg Project given their geographical proximity and are expected to provide European Lithium with optionality in terms of future development and production scenarios.

For personal use only



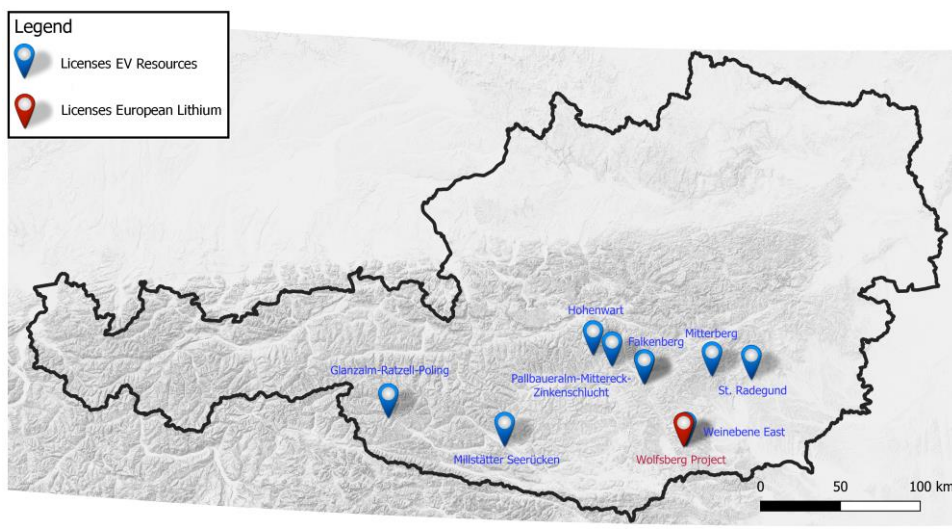


Figure 1 – Weinebene Lithium Project Location

There were no advancements during the quarter however the Technical Advisory Committee established pursuant to the EVR Acquisition, continues to identify the best options to advance the assets and operations.

AUSTRIAN LITHIUM PROJECTS

On 21 June 2023, the Company announced the completion of the acquisition of 100% of the rights, title and interest in the Bretstein-Lachtal Project, Klementkogel Project and the Wildbachgraben Project (together **Austrian Lithium Projects**) from 2743718 Ontario Inc. (Ontario), a subsidiary of Richmond Minerals Inc. (TSX-V: RMD) (**Richmond**).

The Austrian Lithium Projects consist of 245 exploration licenses covering a total area of 114.6 km² and are located approximately 80km from the Wolfsberg Lithium Project (refer Figure 2). The licenses cover ground that is considered prospective for lithium occurrences in the Styria mining district of Austria, approximately 70km north of the Company's Wolfsberg Project.



Figure 2 – Austrian Lithium Projects location.

For personal use only

The Company will shortly commence the initial work program primarily on Bretstein-Lachtal Project Area (refer Figure 3) that will include:

- Stakeholder engagement;
- Detailed geological and structural mapping of prospective areas to determine potential extent of pegmatite veins and lenses;
- Additional trenching and sampling;
- Geophysical investigations; and
- Definition of potential drill target.

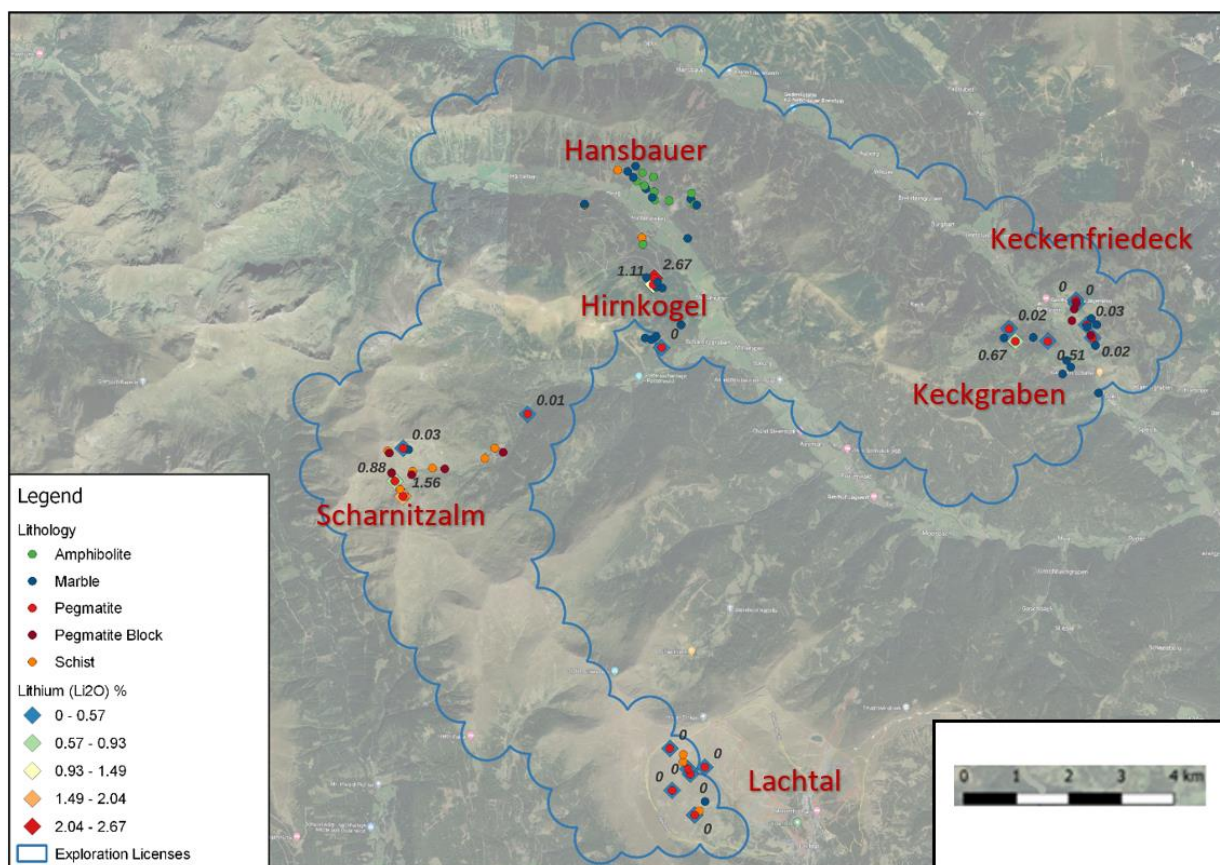


Figure 3 - Exploration license outline and sample locations at Bretstein-Lachtal Project showing Li₂O grades (%). The results plotted are those results provided by Richmond Minerals Inc. to be verified by EUR's Due Diligence

Australia

E47/4144

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

E47/4532

Initial desktop evaluation work has commenced on granted tenement E45/4532 at Munni Munni South to define target areas with diamond and base metal potential.

Ukraine

DOBRA AND SHEVCHENKIVSKE PROJECTS

On 28 February 2023, the Company announced that it had renegotiated the terms under which EUR will acquire European Lithium Ukraine LLC (formerly Petro Consulting LLC) (**European Lithium Ukraine**), a Ukraine incorporated company that is applying (through either court proceedings, public auction and/or production sharing agreement with the Ukraine Government) for 20-year special permits for the extraction and production of lithium at the Shevchenkivske project and Dobra Project in Ukraine (refer figure 4), from Millstone and Company Global DW LLC (**Millstone**)(**Millstone Transaction**).



Figure 4 - Location of the deposit Shevchenkivske and Dobra in Ukraine

During the quarter, the Company did not conduct desktop or fieldwork on the assets associated with the Millstone Transaction. The Company continues to monitor closely the conflict in Ukraine and will continue to assess when it will become safe to commence in-country exploration activities, especially with the larger Dobra asset in the West of the country.

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

Yours faithfully
European Lithium Limited

-END-

For personal use only

COMPETENT PERSON'S STATEMENT

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

For personal use only



Tenement Status

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

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

For personal use only



| | | | | |
|-------------------------------|----------------------------|---|---|------|
| 387/11(628/11) | Wolfsberg Project, Austria | - | - | 100% |
| 388/11(629/11) | Wolfsberg Project, Austria | - | - | 100% |
| 389/11(630/11) | Wolfsberg Project, Austria | - | - | 100% |
| 390/11(631/11) | Wolfsberg Project, Austria | - | - | 100% |
| 391/11(632/11) | Wolfsberg Project, Austria | - | - | 100% |
| 392/11(633/11) | Wolfsberg Project, Austria | - | - | 100% |
| 394/11(636/11) | Wolfsberg Project, Austria | - | - | 100% |
| 395/11(637/11) | Wolfsberg Project, Austria | - | - | 100% |
| 396/11(638/11) | Wolfsberg Project, Austria | - | - | 100% |
| 397/11(639/11) | Wolfsberg Project, Austria | - | - | 100% |
| 398/11(640/11) | Wolfsberg Project, Austria | - | - | 100% |
| 400/11(645/11) | Wolfsberg Project, Austria | - | - | 100% |
| 401/11(646/11) | Wolfsberg Project, Austria | - | - | 100% |
| 402/11(647/11) | Wolfsberg Project, Austria | - | - | 100% |
| 403/11(648/11) | Wolfsberg Project, Austria | - | - | 100% |
| 408/11(648/11) | Wolfsberg Project, Austria | - | - | 100% |
| 409/11(641/11) | Wolfsberg Project, Austria | - | - | 100% |
| 412/11(649/11) | Wolfsberg Project, Austria | - | - | 100% |
| Andreas 1 | Wolfsberg Project, Austria | - | - | 100% |
| Andreas 2 | Wolfsberg Project, Austria | - | - | 100% |
| Andreas 3 | Wolfsberg Project, Austria | - | - | 100% |
| Andreas 4 | Wolfsberg Project, Austria | - | - | 100% |
| Andreas 5 | Wolfsberg Project, Austria | - | - | 100% |
| Andreas 6 | Wolfsberg Project, Austria | - | - | 100% |
| Andreas 7 | Wolfsberg Project, Austria | - | - | 100% |
| Andreas 8 | Wolfsberg Project, Austria | - | - | 100% |
| Andreas 9 | Wolfsberg Project, Austria | - | - | 100% |
| Andreas 10 | Wolfsberg Project, Austria | - | - | 100% |
| Andreas 11 | Wolfsberg Project, Austria | - | - | 100% |
| Andreas I (ext) ¹ | Wolfsberg Project, Austria | - | - | - |
| Andreas II (ext) ¹ | Wolfsberg Project, Austria | - | - | - |
| Barbara 1 ¹ | Wolfsberg Project, Austria | - | - | - |
| Barbara 2 ¹ | Wolfsberg Project, Austria | - | - | - |
| Barbara 3 ¹ | Wolfsberg Project, Austria | - | - | - |
| Barbara 4 ¹ | Wolfsberg Project, Austria | - | - | - |
| Barbara 5 ¹ | Wolfsberg Project, Austria | - | - | - |
| Barbara 6 ¹ | Wolfsberg Project, Austria | - | - | - |
| Barbara I (ext) ¹ | Wolfsberg Project, Austria | - | - | - |
| E47/4144 ¹ | Western Australia | - | - | - |
| E47/4532 ² | Western Australia | - | - | 50% |
| E47/4534 ² | Western Australia | - | - | 50% |
| E47/4544 ^{1,2} | Western Australia | - | - | - |
| E47/4845 ^{1,2} | Western Australia | - | - | - |
| E47/4860 ^{1,2} | Western Australia | - | - | - |

1. Application pending
2. Applied for by John Wally Resources Pty Ltd, a partially owned (50%) subsidiary of EUR

For personal use only



Appendix 5B

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

Name of entity

European Lithium Limited

ABN

45 141 450 624

Quarter ended ("current quarter")

30 June 2023

| Consolidated statement of cash flows | Current quarter \$A'000 | Year to date (12 months) \$A'000 |
|--|------------------------------------|---|
| 1. Cash flows from operating activities | | |
| 1.1 Receipts from customers | - | - |
| 1.2 Payments for | | |
| (a) exploration & evaluation | (1,260) | (4,577) |
| (b) development | - | - |
| (c) production | - | - |
| (d) staff costs | - | - |
| (e) administration and corporate costs | (596) | (2,246) |
| 1.3 Dividends received (see note 3) | - | - |
| 1.4 Interest received | 113 | 492 |
| 1.5 Interest and other costs of finance paid | - | - |
| 1.6 Income taxes paid | - | - |
| 1.7 Government grants and tax incentives | - | - |
| 1.8 Other (promotion and marketing expenses) | (108) | (412) |
| Other (overseas listing fees) | (45) | (241) |
| Other (movement of cash from non-restricted to restricted) | (50) | (50) |
| 1.9 Net cash from / (used in) operating activities | (1,946) | (7,034) |
| 2. Cash flows from investing activities | | |
| 2.1 Payments to acquire or for: | | |
| (a) entities | - | - |
| (b) tenements | (250) | (261) |
| (c) property, plant and equipment | (5) | (20) |
| (d) exploration & evaluation | - | - |
| (e) investments | - | (3,587) |

For personal use only

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

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (12 months) \$A'000 |
|--------------------------------------|---|----------------------------|--|
| | (f) other non-current assets | - | - |
| 2.2 | Proceeds from the disposal of: | | |
| | (a) entities | - | - |
| | (b) tenements | - | - |
| | (c) property, plant and equipment | - | - |
| | (d) investments | - | - |
| | (e) other non-current assets | - | - |
| 2.3 | Cash flows from loans to other entities | - | - |
| 2.4 | Dividends received (see note 3) | - | - |
| 2.5 | Other (merger transaction fees) | (238) | (3,067) |
| | Other (Avebury Nickel) | - | (16) |
| | Other (acquisition of tenement costs) | (6) | (6) |
| 2.6 | Net cash from / (used in) investing activities | (499) | (6,957) |
| 3. | Cash flows from financing activities | | |
| 3.1 | Proceeds from issues of equity securities (excluding convertible debt securities) | - | - |
| 3.2 | Proceeds from issue of convertible debt securities | - | - |
| 3.3 | Proceeds from exercise of options | - | 4,091 |
| 3.4 | Transaction costs related to issues of equity securities or convertible debt securities | - | - |
| 3.5 | Proceeds from borrowings | - | (1,250) |
| 3.6 | Repayment of borrowings | - | - |
| 3.7 | Transaction costs related to loans and borrowings | - | - |
| 3.8 | Dividends paid | - | - |
| 3.9 | Other (buyback) | (8,696) | (8,696) |
| 3.10 | Net cash from / (used in) financing activities | (8,696) | (5,855) |
| 4. | Net increase / (decrease) in cash and cash equivalents for the period | | |
| 4.1 | Cash and cash equivalents at beginning of period | 24,286 | 33,001 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | (1,946) | (7,034) |

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

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (12 months) \$A'000 |
|---|--|------------------------------------|---|
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | (499) | (6,957) |
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | (8,696) | (5,855) |
| 4.5 | Effect of movement in exchange rates on cash held | - | (10) |
| 4.6 | Cash and cash equivalents at end of period | 13,145 | 13,145 |

| 5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | Current quarter \$A'000 | Previous quarter \$A'000 |
|--|------------------------------------|-------------------------------------|
| 5.1 Bank balances | 13,145 | 24,286 |
| 5.2 Call deposits | - | - |
| 5.3 Bank overdrafts | - | - |
| 5.4 Other (provide details) | - | - |
| 5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above) | 13,145 | 24,286 |

| 6. Payments to related parties of the entity and their associates | Current quarter \$A'000 |
|---|------------------------------------|
| 6.1 Aggregate amount of payments to related parties and their associates included in item 1 | 212 |
| 6.2 Aggregate amount of payments to related parties and their associates included in item 2 | - |

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

Payments included in item 6.1 relates to payment of director fees (\$129k), office occupancy payments to Director related entity (\$8k) and other payments to director related entities (\$75k).

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

| 7. Financing facilities | Total facility amount at quarter end \$A'000 | Amount drawn at quarter end \$A'000 |
|---|---|--|
| <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> | | |
| <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i> | | |
| 7.1 Loan facilities | - | - |
| 7.2 Credit standby arrangements | - | - |
| 7.3 Other (convertible note facility) | - | - |
| 7.4 Total financing facilities | - | - |
| 7.5 Unused financing facilities available at quarter end | | - |
| 7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well. | | |

| 8. Estimated cash available for future operating activities | \$A'000 |
|---|----------------|
| 8.1 Net cash from / (used in) operating activities (item 1.9) | (1,946) |
| 8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d)) | - |
| 8.3 Total relevant outgoings (item 8.1 + item 8.2) | (1,946) |
| 8.4 Cash and cash equivalents at quarter end (item 4.6) | 13,145 |
| 8.5 Unused finance facilities available at quarter end (item 7.5) | - |
| 8.6 Total available funding (item 8.4 + item 8.5) | 13,145 |
| 8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3) | 6.76 |
| <i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i> | |
| 8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions: | |
| 8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not? | |
| 8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful? | |
| 8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis? | |
| <i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i> | |

Compliance statement

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

Date: 31 July 2023.....

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

Notes

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