

European Lithium Limited

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EANS-News: European Lithium Limited / Secures Strategic Engagement Agreement with Talaxis - ATTACHMENT

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Company Information

West Leederville - European Lithium Limited (ASX: EUR, FRA: PF8, NEX: EUR, VSE: ELI) ("EUR" or the "Company") is pleased to announce that it has entered into a strategic engagement agreement with Talaxis Limited ("Talaxis") which includes the appointment of Talaxis and Noble Group Holdings Limited ("Noble Holdings") executive Daniel Mamadou-Blanco as a strategic advisor to EUR. Talaxis, a wholly-owned subsidiary of Noble Holdings, is a global leader in EV technology metals project development. Talaxis invests and develops projects that are related to nickel, cobalt, lithium, rare earths and other metals and materials that are key to the energy transition.

Tony Sage EUR Non-Executive Chairman commented: "Given the unprecedented times we live in, it is a huge coup for EUR to have secured the engagement with Talaxis and above all the vast knowledge and experience of Daniel. The appointment will expedite the DFS for the Company's Wolfsburg's lithium project as the world starts to move out of the pandemic and into an EV future, especially in Europe. "

Daniel Mamadou-Blanco Managing Director and the Global Head of Technology Metals and Materials at Noble Holdings commented: "We are pleased to have secured a long term strategic engagement with European Lithium. Having followed the Wolfsburg Lithium Project for a number of years, we believe the asset is uniquely placed to drive growth in the European battery industry given its strategic location, metallurgically friendly lithium ore and expected production timeline. Despite a challenging macro-economic environment in light of COVID-19, we believe the industry's long-term fundamentals remain resilient as the transition towards electric vehicles and renewable energy continues to accelerate. We are proud to be partnering with European Lithium to support the energy transition and drive long-term growth. "

Key Terms of Strategic Engagement

Key terms of the strategic engagement are as follows:

a) Talaxis will assist EUR in managing and establishing commercial relationships and contract negotiations including:

- i. Establishing, liaising and maintaining relationships with strategic partners, such as debt and equity financiers, government / EU grant providers / financing programs, offtake partners, logistics partners, and EPCM partners; and
- ii. Management assistance with contract negotiations on key transactions and continued support post transaction / relevant agreement.

b) Talaxis will provide strategic market research and insight to EUR covering the lithium industry, including (but not limited to) beneficiation, processing and refining methods, product grades and specifications, pricing metrics and methodology, competition landscape, market supply and demand, environmental protection, purchasing and storage activities and industry trends;

c) Talaxis' services will be provided by Noble Holdings executive, Mr Daniel Mamadou-Blanco as a Strategic Advisor. Mr Daniel Mamadou-Blanco is currently the Managing Director and the Global Head of Technology Metals and Materials at Noble Holdings, one of the world's largest EV technology commodities groups, who has over 20 years of expertise in the financial services and resource sectors in Asia;

d) Remuneration Terms:

i. Capital Introduction fees of 5% is payable on successful debt or equity raising.

ii. Subject to ASX approval in accordance with LR 6.1 and shareholder approval, the Company has agreed to grant Talaxis (or its nominee) 36,000,000 performance rights in several tranches, which may convert into fully paid ordinary shares of the Company based on the vesting and conversion conditions set out below occurring within 5 years:

- * 6,000,000 - on completion of full Definitive Feasibility funding for the Wolfsberg Lithium Project;
- * 6,000,000 - On completion of project development funding for the Wolfsberg Lithium Project;
- * 6,000,000 - On completion of commercial production at the Wolfsberg Lithium Project;
- * 6,000,000 - If the volume-weighted average share price ("VWAP") of the Company's shares traded on the ASX or FRA equals or exceeds A \$ 0.10 / share for 20 business days;
- * 6,000,000 - If the VWAP of the Company's shares traded on the ASX or FRA equals or exceeds A \$ 0.20 / share for 20 business days; and
- * 6,000,000 - If the VWAP of the Company's shares traded on the ASX or FRA equals or exceeds A \$ 0.30 / share for 20 business days.

e) Both parties agree to a one year minimum engagement period on a non-exclusive basis. Talaxis must act in the best interests of EUR in providing services.

f) The agreement will continue until terminated. At the end of the initial one year period, either party may terminate the agreement by providing 30 days written notice to the other party. In addition, either party may terminate the agreement in the event of a material breach of the agreement.

g) The engagement letter is subject to EUR board approval. This board approval was received on 25 May 2020.

The strategic engagement agreement was introduced and managed by corporate advisory firm, Empire Capital Partners (Empire Capital). The company has executed a mandate with Empire Capital for the provision of services (mandates). Under the terms of the Mandate, the Company has agreed to issue Empire Capital 2 million fully paid ordinary shares (Mandate Shares) and 2 million unlisted options with an exercise price of 5c expiring on July 31, 2022 (Mandate Options). The Mandate Shares and Mandate Options are issued under the Company's LR 7.1 capacity and without shareholder approval.

EUR is developing its Wolfsberg Lithium Project in Austria (100% interest) where it aims to be the first local supplier of lithium into an integrated European battery supply chain. In April 2018, the Company completed its PFS

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

Tony Sage
Non-Executive Chairman
European Lithium Limited
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Further inquiry note:
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Attachments with Announcement:

http://resources.euroadhoc.com/documents/10207074/5/10482251/1/200527_EUR_Secures_Strategic_Engagement_Agreement_with_Talaxis.pdf

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