

European Lithium Limited

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EANS-News: European Lithium Limited / Response to ASX Aware Query - ATTACHMENT

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Company Information

West Leederville - Query letter dated May 27, 2020

I refer to your query letter dated 27 May 2020. Capitalized terms have the meaning given in your letter.

Below are ASX's queries and EUR's responses:

| 1. Does EUR consider the Talaxis Agreement to be information that a reasonable person would expect to have a material effect on the price or value of its securities? |

No.

| 2. If the answer to question 1 is "no", please advise the basis for that view. |

EUR is of the view that a reasonable person would not expect the Talaxis Agreement to, at the time EUR became aware of the Talaxis Agreement, have a material effect on the price or value of its securities.

Talaxis has been engaged by the Company on a non-exclusive and best endeavours basis to "assist EUR in managing and establishing commercial relationships and contract negotiations including 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 management assistance with contract negotiations on key transactions and continued support post transaction / relevant agreement".

As outlined in the Announcement, Talaxis will be remunerated in the form of a capital introduction fee on successful debt or equity raising as well as performance shares based on significant milestones relating to capital raising initiatives and market capitalization hurdles that need to be achieved. At the time of releasing the announcement, Talaxis has not successfully completed a debt or capital raising on behalf of EUR. For this reason, EUR did not consider the Talaxis Agreement to be information that a reasonable person would expect to have a material effect on the price or value of EUR's securities.

| 3. When did EUR first become aware of the Talaxis Agreement? In answering this question, please specifically address: |

| 3.1 When did EUR, Talaxis and their respective representatives commence negotiating the terms of the Talaxis Agreement? |

Talaxis was introduced, and negotiation managed, by corporate advisory firm Empire Capital Partners (Empire).

Empire has a long-term relationship and association with both the Noble group and Talaxis. By way of background, EUR was first in contact with Talaxis in October 2018. In addition, EUR's Non-Executive Chairman, Mr Sage, met with Talaxis in Singapore in 2019 during a business trip.

Mr Sage, approached Empire to arrange a funding partner for EUR. On 5 May 2020, EUR entered into a mandate with Empire in response to this request. Empire then approached Talaxis and introduced the idea of

Further inquiry note:

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end of announcement

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Attachments with Announcement:

http://resources.euroadhoc.com/documents/10207074/5/10482517/1/200527_Response_to_ASX_Aware_Query_EUR.pdf

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