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**EUROPEAN METALS HOLDINGS LIMITED**  
**ARBN 154 618 989**

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**ADDENDUM TO NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given to Shareholders of European Metals Holdings Limited that, in relation to the notice of annual general meeting dated 18 October 2021 (**Notice of Meeting**) in respect of an annual general meeting of Shareholders to be held at The Celtic Club, 48 Ord Street, West Perth, Western Australia on Wednesday, 24 November 2021 at 4:00pm (AWST) (8.00am GMT), the Directors have determined to issue this addendum to the Notice of Meeting (**Addendum to Notice**) for the purposes set out below.

Capitalised terms and abbreviations used in the Addendum to Notice have the same meaning as set out in the Notice of Meeting, unless otherwise defined in Schedule 1.

This Addendum to Notice is supplemental to the Notice of Meeting and should be read in conjunction with the Notice of Meeting. Save for the changes set out below, all other Resolutions proposed and information in the Notice of Meeting, including the Explanatory Memorandum, remain unchanged.

**(a) □ Additional Resolution**

By this Addendum to Notice, an additional Resolution, Resolution 8, as detailed below, is added to the Notice of Meeting.

**(b) □ Explanatory Memorandum – Supplementary Information**

By this Addendum to Notice, an additional section entitled 'Resolution 8 - Approval of Issue of Performance Rights to Everest Corporate Pty Ltd' is added to the Explanatory Memorandum to the Notice of Meeting as set out in the Explanatory Memorandum to this Addendum to Notice.

**(c) □ Replacement Proxy Form and Voting Instruction Forms**

Annexed to this Addendum of Notice of Meeting is a replacement Proxy Form, CDI Voting Instruction Form or DI Voting Instruction Form.

If Shareholders wish to have their votes counted by proxy in respect of Resolution 8, Shareholders **MUST** use the replacement Proxy Form or Voting Instruction Form (as appropriate) to vote on all the Resolutions. If a party provides a replacement Proxy Form or Voting Instruction Form, any instruction form dispatched with the original Notice of Meeting which has been completed by that party will be disregarded.

The Company reserves the right to accept a Proxy Form or Voting Instruction Form (as appropriate) dispatched with the original Notice of Meeting if a new replacement voting instruction form is not provided by the relevant Shareholder.

**ENQUIRIES**

Shareholders are requested to contact the Company Secretary on (+61 8) 9389 2111 if they have any queries in respect of the matters set out in these documents.

## AGENDA

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### 1. ☐ Resolution 8 - Approval of Issue of Performance Rights to Everest Corporate Pty Ltd

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

*“That, for the purposes of Chapter 2E of the Corporations Act, Listing Rule 10.11 and for all other purposes, Shareholders approve the grant of 100,000 Performance Rights to Everest Corporate Pty Ltd or nominee, on the terms and conditions contained in the Explanatory Memorandum to this Addendum to Notice.”*

#### **Voting Prohibition:**

In accordance with section 224 of the Corporations Act, a vote on Resolution 8 must not be cast (in any capacity) by or on behalf of a related party of the Company, or an associate of a related party, to approve a financial benefit to be given to the related party, or an associate of such a related party.

However, the Company will not disregard a vote if the vote is cast:

- (i) as a directed proxy for a non-related party or associate; or
- (ii) ASIC have declared that s224(1) of the Corporations Act does not apply.

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote on the basis of that appointment, on Resolution 8 if, (a) the proxy is either a member of the Key Management Personnel or a Closely Related Party of such a member; and (b) the appointment does not specify the way the proxy is to vote on this Resolution.

#### **Voting Exclusion:**

The Company will disregard any votes cast in favour of Resolution 8 by or on behalf of Everest Corporate Pty Ltd (or its nominee), Mr Keith Coughlan (or his nominee) or any person who will obtain a material benefit as a result of the issue of securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of those persons.

The Voting Exclusion Statement does not apply to a vote cast in favour of Resolution 8 by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way;
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with the direction given to the Chair to vote on the resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met.
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
  - (ii) the holder votes on the resolution in accordance with direction given by the beneficiary to the holder to vote in that way.

A resolution to approve the giving of a related party benefit will not be effective if it would not have been passed but for votes cast by excluded persons as per s225(1) of the Corporations Act.

Dated: 1 November 2021

By Order of the Board



Dennis Wilkins  
**COMPANY SECRETARY**

## EUROPEAN METALS HOLDINGS LIMITED

ARBN 154 618 989

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### EXPLANATORY MEMORANDUM

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#### 2. Introduction

The Explanatory Memorandum outlined in the Notice of Meeting is supplemented by including the section entitled '**Resolution 8 – Approval of Issue of Performance Rights to Everest Corporate Pty Ltd**' of the Explanatory Memorandum of this Addendum to Notice as set out below.

The purpose of this Explanatory Memorandum is to provide Shareholders with all the information known to the Company which is material to a decision on how to vote on the Resolutions in the accompanying Addendum to Notice.

Capitalised terms and abbreviations used in this Explanatory Memorandum have the same meaning as set out in the Notice of Meeting, unless otherwise defined in Schedule 1.

The Directors recommend that Shareholders read this Explanatory Memorandum in full before making any decision in relation to the Resolution.

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#### 3. Action to be taken by Shareholders

Shareholders should read the Addendum to Notice, including the Explanatory Memorandum, carefully before deciding how to vote on the Resolutions.

##### 3.1 Shareholder attendance, Voting and Proxy Appointment

The Directors have determined pursuant to Article 7.5 of the Articles of Association that the persons eligible to vote at the Meeting are those who are registered as Shareholders on 20 November 2021 at 2:00am (AWST) (6:00pm GMT on 19 November 2021).

If you are a Shareholder, to vote in person, attend the Annual General Meeting at the time, date and place set out above.

If you are a Shareholder, to vote by proxy, please complete and sign the enclosed Proxy Form and return by one of the methods and by 4:00pm WST (8:00am GMT) on 22 November 2021.

Proxy Forms received later than the specified time will be invalid.

##### 3.2 CDI Holders Attendance, Voting and Proxy Appointment

CDIs, representing beneficial interests in the Shares, have been issued to allow trading on the electronic transfer and settlement system operated by the ASX as the laws of the British Virgin Islands, the place of incorporation of the Company, do not recognise electronic transfer of legal title to Shares.

A CDI holder is not a Shareholder and, under the laws of the British Virgin Islands, is not entitled to attend the Annual General Meeting unless as a proxy.

Each CDI holder has the right to:

- (a) direct CHESS Depositary Nominees Pty Ltd (**CDN**), the legal holder of the Shares to which the CDIs relate, how to vote the underlying Shares in respect of their CDIs in respect of the business of the Annual General Meeting; or
- (b) instruct CDN to appoint the CDI holder or a person nominated by the CDI holder the CDI holder's proxy for the purposes of attending and voting at the Annual General Meeting.

If you are a CDI holder and you wish to direct or instruct CDN in the manner contemplated above, please read, complete, and sign the enclosed CDI Voting Instruction Form and return by one of the methods and by the deadline set out on the CDI Voting Instruction Form.

CDI Voting Instruction Forms received later than the specified time will be invalid.

### **3.3 DI Holders Attendance, Voting and Proxy Appointment**

DIs, representing beneficial interests in the Shares, have been issued as the laws of the British Virgin Islands, the place of incorporation of the Company, do not recognise electronic transfer of legal title to Shares and securities of foreign issuers cannot be directly registered, transferred, or settled through CREST (which is the electronic settlement system in the UK). DI Holders are invited to attend the Annual General Meeting but are not entitled to vote at the Annual General Meeting.

In order to have votes cast at the Annual General Meeting on their behalf, DI holders must complete, sign, and return the DI Voting Instruction Form forwarded to them along with the Notice to the Company's agent, Computershare UK, by 19 November 2021 at 4:00pm AWST (8:00am GMT). DI Voting Instruction Forms received later than the specified time will be invalid.

DI Holders in CREST may transmit voting instructions by utilising the CREST voting service in accordance with the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider, should refer to their CREST sponsor or voting service provider, who will be able to take appropriate action on their behalf.

In order for instructions made using the CREST voting service to be valid, a CREST Voting Instruction must be properly authenticated in accordance with Euroclear's specifications and must contain the information required for such instructions, as described in the CREST Manual (available via [www.euroclear.com/CREST](http://www.euroclear.com/CREST)).

To be effective, the CREST Voting Instruction must be transmitted so as to be received by the Company's agent (3RA50) no later than 19 November 2021 at 4:00pm WST (8:00am GMT). For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the CREST Voting Instruction by the CREST applications host) from which the Company's agent is able to retrieve the CREST Voting Instruction by enquiry to CREST in the manner prescribed by CREST. DI Holders in CREST and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings

and limitations will therefore apply in relation to the transmission of CREST Voting Instructions. It is the responsibility of the DI Holder concerned to take (or, if the DI Holder is a CREST personal member or sponsored member or has appointed a voting service provider, to procure that the CREST sponsor or voting service provider takes) such action as shall be necessary to ensure that a CREST Voting Instruction is transmitted by means of the CREST voting service by any particular time.

In this connection, DI Holders and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

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## 4. ☐ **Resolution 8 – Approval of Issue of Performance Rights to Everest Corporate Pty Ltd**

### 4.1 ☐ **General**

Resolution 8 seeks shareholder approval for the issue of Performance Rights to Everest Corporate Pty Ltd (**Everest**).

The Performance Rights are to be issued to a related party of Mr Keith Coughlan, Chairman, being Mr Coughlan's spouse, Ms Jessamyn Lyons (**Ms Lyons**). Ms Lyons is a current Director and Shareholder of Everest and is defined as a "related party" under ASX Listing Rule 19.12 and Part 2E.2, s228 of the Corporations Act.

The Performance Rights are to be issued to form a performance linked incentive to align the interests of the Everest Team with those of Shareholders and to motive and reward the performance of Everest, while providing a cost effective way for the Company to remunerate Everest. A summary of the key terms and conditions of the Performance Rights are set out in Schedule 2.

Resolution 8 is an ordinary resolution, requiring it to be passed by a simple majority of votes cast by the Shareholders entitled to vote on it.

The Chair intends to vote all available undirected proxies in favour of Resolution 8.

### 4.2 ☐ **Chapter 2E**

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party of the company unless either:

- (a) the giving of the financial benefit falls within one of the exceptions to the provision;  
or
- (b) prior shareholder approval is obtained to the giving of the financial benefit.

Related party is widely defined under the Corporations Act and includes the spouse of a Director of the Company. Financial benefit is defined broadly and includes benefits from the public company's subsidiaries. It is necessary to look at the economic and commercial substance and the effect of the transaction in determining the financial benefit. The Corporations Act requires that any consideration that is given is disregarded, even if the consideration is adequate.

The grant of the Performance Rights constitutes giving a financial benefit.

***Identity of Related Party***

Everest is a proprietary company limited by shares that provides corporate services to publicly listed companies. Everest provides a range of financial services including in-house bookkeeping, daily accounting management and the preparation of various reports.

Ms Lyons is a current Director and Shareholder of Everest, and is the spouse of Mr Keith Coughlan, Chairman, and is defined as a “related party” under ASX Listing Rule 19.12 and Part 2E.2, s228 of the Corporations Act, as she controls the entity.

***Nature of Financial Benefit***

The Company seeks shareholder approval to grant Everest 100,000 Performance Rights, that are to be vested in two tranches subject to the Milestones listed below and in Schedule 2. Ms Wendy Lim, a current employee of Everest, is currently contracted to the Company as the Chief Financial Officer (CFO).

The Board considers that by using the corporate service the cash remuneration payable to Everest for the CFO’s services are substantially lower than the market rates to employ an individual as the CFO. The current cost incurred by the Company for the CFO is a little over AUD \$100,000. The Company seeks to provide an incentive to the CFO and her employer by the issue of the Performance Rights in addition to cash remuneration for the consultant fees.

The number of Performance Rights is fixed, and the value will change as the underlying Share price changes. The indicative value of the Performance Rights based upon the closing Share price on 25 October 2021 of \$1.34 is set out in the table below.

***Details of Performance Rights***

Name	Relationship	Number of Performance Rights	Vesting	Value
Everest Corporate Pty Ltd	Related Party to Director	100,000	On satisfaction of vesting conditions – refer Section 3.3	\$134,000

***Valuation of financial benefit***

The Company has not received an independent valuation in relation to the Performance Rights the subject of Resolution 8. The fair value of the Performance Rights proposed to be issued under to Resolution 8 will be determined in accordance with Australian Accounting Standards and is dependent on the date on which Everest is deemed to have received the offer to participate in the incentive.

The value of any future benefit cannot be ascertained at the present time. The benefits will be the market value of CDI’s issued or transferred to Everest on vesting (and exercise, where

relevant) of such benefits. Apart from the future Share price being unknown, the following are matters which will or are likely to affect the value of the benefits:

- the performance criteria determined to apply to the Performance Rights;
- consultant and Company performance factors used to determine vesting of Performance Rights; and
- the exercise of the Directors' discretion at the relevant time.

#### ***Directors' interests and recommendations***

All Directors, except Mr Coughlan, recommend Shareholder's vote in favour of Resolution 8 as they believe it is in the best interests of the Company.

Mr Coughlan does not wish to make a recommendation about the proposed Resolution 8. Mr Coughlan has a material personal interest in the proposal and did not vote on the Board decision to proceed with the proposal of the grant of the Performance Rights for Shareholder approval.

### **4.3 Listing Rule 10.11**

ASX Listing Rule 10.11 requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies. It is the view of the Directors that such exceptions do not apply in the current circumstances.

The issue of Performance Rights to Everest falls within Listing rule 10.11.1, as a Related Party, and therefore requires the approval of Shareholders under Listing Rule 10.11.

Resolution 8 seeks Shareholder approval to issue the Performance Rights to Everest based on the satisfaction of Milestones as outlined below:

Tranche	Vesting Conditions	Amount
1	<ol style="list-style-type: none"> <li>1. Upon an announcement by the Company to the ASX stating that the Company has executed an offtake agreement for at least 25% of the product planned to be produced from the Cinovec Project (<b>Class A</b>).</li> <li>2. Upon an announcement by the Company to the ASX stating that the Company has made a Decision to mine in respect of the Cinovec Project (<b>Class B</b>).</li> <li>3. Upon the Attainment of Project Finance for the Cinovec Projects (<b>Class C</b>).</li> </ol>	50,000
2	CFO and Consultancy Performance up to 30 June 2022	50,000
	<b>TOTAL</b>	<b>100,000</b>

The Performance Rights will expire 3 years from the date of issue, after which the Performance Rights lapse and may no longer be exercised or converted.

If Resolution 8 is passed, the Company will be able to proceed with the issue of Performance Rights to Everest within 1 month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules). As approval pursuant to Listing Rule 7.1 is not required for the issue of the Performance Rights (because approval is

being obtained under Listing Rule 10.11), the issue of the Performance Rights will not use up any of the Company's 15% annual placement capacity.

If Resolution 8 is not passed, the Company will not be able to proceed with the issue of the Performance Rights to Everest under the Employee Incentive Plan and the Company will negotiate with Everest an appropriate alternative payment, seeking further Shareholder approval if required.

#### 4.4 ■ Information required by Listing Rule 10.13

In accordance with Listing Rule 10.13, the Company provides the following information.

- (a) The Performance Rights will be granted to:
  - (i) Everest Corporate Pty Ltd (ACN 620 202 057) (the **Related Party**), a company that Mr Keith Coughlan's spouse is a Shareholder and Director of.
- (b) The issue of Performance Rights under Resolutions 8 falls under Listing Rule 10.11.1 as Mr Keith Coughlan's spouse is a Director and Shareholder in the Related Party.
- (c) The maximum number of Performance Rights to be issued to the Related Party (being the nature of the financial benefit proposed to be given) is 100,000 comprising:
  - (i) 100,000 Performance Rights to Everest Corporate Pty Ltd (or nominee) pursuant to Resolution 8.
- (d) A summary of the material terms and conditions of the Performance Rights is set out in Schedule 2.
- (e) If Resolution 8 is approved, the Performance Rights will be issued to the Related Party as soon as practicable and, in any event, no later than 1 month after the date of the meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules).
- (f) The Company has not received an independent valuation in relation to the Performance Rights the subject of Resolution 8. The fair value of the Performance Rights proposed to be issued will be determined in accordance with Australian Accounting Standards and is dependent on the date on which the Related Party is deemed to have received their offer to participate in the Plan.
- (g) The number of Performance Rights is fixed, and the value will change as the underlying Share price changes. The Board, in conjunction with the Company's advisers, have provided an indicative value of the Performance Rights as at the date of this Addendum to Notice, based upon the closing Share price on 25 October 2021 (being A\$1.34), is set out in the table under section 3.2.
- (h) If Resolution 8 is approved, the Performance Rights will be issued to the Related Party as soon as practicable and, in any event, no later than 1 month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules).
- (i) The Company has chosen to issue performance rights to the Related Party for the following reasons:
  - (i) to motivate and reward the performance of Ms Wendy Lim, a current employee of the Related Party, who is currently contracted to the Company as the CFO;
  - (ii) a performance linked incentive to the Related Party to align the interests of the Related Party with those of Shareholders; and



- (iii) to provide a cost effective way for the Company to remunerate the CFO, through her employer, the Related Party, which will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to the Related Party.

There will be no funds raised by the issue of the Performance Rights.

- (j) The issue of Performance Rights is not intended to remunerate or incentivise Mr Keith Coughlan.
- (k) A summary of the material terms of the incentive is set out in Schedule 2 of the Addendum to Notice of Meeting.
- (l) A voting exclusion statement for Resolution 8 is included in this Addendum to Notice.

#### 4.5 **Potential dilution**

If the Performance Rights are granted subject to the conditions being met, and CDIs allocated on vesting and exercise (if applicable) of any such Performance Rights, this will have a diluting effect on the percentage interest of existing Shareholders' holdings. If the Performance Rights granted, vest and are exercised (if applicable) and the prevailing Share price is higher than the exercise price (if any), the value of CDI's may also be impacted.

As at the date of this Notice, the issued capital of the Company comprised 175,357,485 CDI's. On the assumptions that:

- (a) the Performance Rights which are the subject of Resolution 8 are issued;
- (b) the Performance Rights which are the subject of Resolution 8 are issued and all convert to CDI's; and
- (c) no other CDI issues proceed,

the effect would be to dilute the Shareholding of existing Shareholders as per the table below:

	NUMBER OF SECURITIES
<b>CDI'S AS AT 26 OCTOBER 2021</b>	175,357,485
<b>PERFORMANCE RIGHTS TO BE ISSUED (RESOLUTION 8)</b>	100,000
<b>NEW TOTAL</b>	175,457,485
<b>DILUTIONARY EFFECT</b>	0.057%

#### 4.6 **Directors Recommendation**

The Directors (other than Mr Coughlan) unanimously recommend that Shareholders vote in favour of Resolution 8 as they believe, based on the information available, including the information contained in this Explanatory Memorandum, the granting of these Performance Rights will align the interests of Everest with the long-term creation of value for Shareholders.

As Mr Coughlan has an interest in the outcome of Resolution 8, he makes no recommendation to Shareholders as to how to vote on this Resolution.

## Schedule 1- Definitions

In the Addendum to Notice, words importing the singular include the plural and vice versa.

**Addendum to Notice** means this addendum to the Notice of Meeting dated 1 November 2021.

**ASX** stands for Australian Securities Exchange.

**CDI** means CHESS Depository Interest.

**CDI Voting Instruction Form** means the CDI voting instruction form for use in connection with the Annual General Meeting which accompanies this Addendum to Notice.

**Cinovec Project** means the lithium / tin project located in the Czech Republic owned by Geomet s.r.o, which entity is owned 49% by the Company and 51% by CEZ a.s..

**CHESS** means Clearing House Electronic Subregister System.

**Commercial Production** means achievement of steady state production, with plant throughput, recoveries, and production equivalent to or better than base case feasibility study forecasts.

**Company** means European Metals Holdings Limited (ARBN 154 618 989).

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

**Decision to Mine** means the decision approved by the majority of the Board to incur the required costs in connection with the construction of a mining and processing operation required to commence Commercial Production at the Cinovec Project in circumstances where:

- (a) as part of that decision the Board has approved a target date for the commencement of commercial production that must be no later than 18 months after the date the decision is made; and
- (b) either at the time of the decision or thereafter, the Company has:
  - (i) received all authorisations necessary or desirable in relation to the financing, construction, and commencement of mining;
  - (ii) financing facilities in place and available for drawdown which, either in isolation or in conjunction with other resources actually or projected to be available to the Company, are sufficient to fund all the anticipated costs required to take the project through to full capacity production; and
  - (iii) negotiated, finalised, and prepared for execution all material contracts necessary or desirable for the construction and commencement of mining and the production of lithium from the project,

provided that any such authorisation, funding agreement (including drawdown under any financing facility) or material contract (or execution of it) which is conditional on the completion of due diligence by the counterparty to that arrangement or the completion of equity funding will only satisfy the conditions in (b)(i) and (ii) when the conditions to said authorisation, funding agreement or material contract are satisfied or waived.

**DI Voting Instruction Form** means the depository interest voting instruction form for use in connection with the Annual General Meeting which accompanies this Addendum to Notice.

**Explanatory Memorandum** means the explanatory memorandum which forms part of the Addendum to Notice.

**Key Management Personnel** has the same meaning as in the accounting standards issued by the Australia Accounting Standards Board and means those persons having authority and responsibility

for planning, directing, and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

**Notice of Meeting** means the Company's notice of annual general meeting dated 18 October 2021.

**Performance Rights** means rights to acquire CDIs in the Company, subject to the terms and conditions set out in Schedule 2.

**Project Finance** means the raising and drawdown of funds either debt, equity, non-conventional facilities, or a combination thereof, to the value of the capital cost of construction, as estimated by the feasibility study, to finance the acquisition and construction of the plant, equipment and infrastructure required to establish the Company's production operation at the Cinovec Project. In relation to debt and non-conventional facilities, the raising and drawdown of funds is when a legally binding commitment to provide funding has been agreed and the first drawdown of funds has occurred.

**Proxy Form** means the proxy form for use in connection with the Annual General Meeting which accompanies this Addendum to Notice.

**Related Party** in relation to a body corporate, directors of the body corporate or of an entity that controls the body corporate; and/or the spouse or de facto spouse of Mr Keith Coughlan.

**Resolution** means a resolution referred to in the Addendum to Notice or the Notice of Meeting.

**Schedule** means a schedule to the Addendum to Notice.

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

**Voting Instruction Form** means the CDI Voting Instruction Form and/or the DI Voting Instruction Form as applicable.

## Schedule 2 – Terms and Conditions of Performance Rights

The Performance Rights will be issued in accordance with the terms and conditions set out below:

**Decision to Mine** means the decision approved by the majority of the Board to incur the required costs in connection with the construction of a mining and processing operation required to commence Commercial Production at the Cinovec Project in circumstances where:

- (i) as part of that decision the Board has approved a target date for the commencement of commercial production that must be no later than 18 months after the date the decision is made; and
- (ii) either at the time of the decision or thereafter, the Company has:
  - A. received all authorisations necessary or desirable in relation to the financing, construction, and commencement of mining;
  - B. financing facilities in place and available for drawdown which, either in isolation or in conjunction with other resources actually or projected to be available to the Company, are sufficient to fund all the anticipated costs required to take the project through to full capacity production; and
  - C. negotiated, finalised, and prepared for execution all material contracts necessary or desirable for the construction and commencement of mining and the production of lithium from the project,

provided that any such authorisation, funding agreement (including drawdown under any financing facility) or material contract (or execution of it) which is conditional on the completion of due diligence by the counterparty to that arrangement or the completion of equity funding will only satisfy the conditions in (i) and (ii)(A)(B)(C) when the conditions to said authorisation, funding agreement or material contract are satisfied or waived.

**Project Finance** means the raising and drawdown of funds either debt, equity, non-conventional facilities, or a combination thereof, to the value of the capital cost of construction, as estimated by the feasibility study, to finance the acquisition and construction of the plant, equipment and infrastructure required to establish the Company's production operation at the Cinovec Project. In relation to debt and non-conventional facilities, the raising and drawdown of funds is when a legally binding commitment to provide funding has been agreed and the first drawdown of funds has occurred.

**Commercial Production** means achievement of steady state production, with plant throughput, recoveries, and production equivalent to or better than base case feasibility study forecasts.

(a) **Milestones**

The Performance Rights will have the following milestones attached to them:

- (i) Class A Performance Rights: shall vest upon an announcement by the Company to the ASX stating that the Company has executed an offtake agreement for at least 25% of the product planned to be produced from the Cinovec Project;
- (ii) Class B Performance Rights: shall vest upon an announcement by the Company to the ASX stating that the Company has made a Decision to Mine in respect of the Cinovec Project; and
- (iii) Class C Performance Rights: shall vest upon the drawdown of the funding of Project Finance for the Cinovec Project; and

(Each a **Milestone**).

(b) **Vesting**

The Performance Rights are deemed to have vested if and when the Milestone applicable to a holder's Performance Rights have been satisfied, waived by the Board, or are deemed to have been satisfied, and where the Company has issued a vesting notification to the holder informing them that some or all of its Performance Rights have vested and will convert into CDI's upon being exercised by the holder.

(c) **Method of Exercise of Performance Rights**

Following the issuing of a vesting notification to a holder, a vested Performance Right may be exercised by the participant at any time prior to the expiry date and by delivery of a signed exercise notice to the registered office of the Company or such other address as determined by the Board. In the event that the holder does not exercise a vested Performance Right prior to the expiry date, the relevant Performance Right will automatically lapse.

(d) **Actions on exercise of Performance Rights**

On completion of the exercise of Performance Rights:

- (i) the Performance Rights will automatically lapse;
- (ii) the Company will, within 10 business days of the vesting date, issue the number of CDIs for which the holder is entitled to subscribe for or acquire through the conversion of the Performance Rights;
- (iii) the Company will deliver to the holder a holding statement for the CDI's; and
- (iv) the Company will issue a substitute certificate for any remaining Performance Rights.

(e) **Expiry date**

The Performance Rights will expire 3 years from the date of issue, after which the Performance Rights lapse and may no longer be exercised or converted.

(f) **Share ranking**

All CDIs issued upon the vesting of Performance Rights will upon issue rank pari passu in all respects with other CDI's.

(g) **Application to ASX**

The Performance Rights will not be quoted on ASX. The Company must apply for the official quotation of a CDI issued on conversion of a Performance Right on ASX within the time period required by the ASX Listing Rules.

(h) **Transfer of Performance Rights**

The Performance Rights are not transferable, unless granted Board Approval.

(i) **Lapse of a Performance Right**

The Performance Rights will lapse:

- (i) if the relevant Milestone is not achieved prior to the expiry date;
- (ii) on their expiry date;
- (iii) upon exercise of a Performance Right; or
- (iv) otherwise in accordance with the terms of the Plan.

(j) **Participation in new issues**

A Performance Right does not entitle a holder (in their capacity as a holder of a Performance Right) to participate in new issues of capital offered to holders of CDIs such as bonus issues and entitlement issues.

(k) **Reorganisation of capital**

If at any time the issued capital of the Company is reconstructed, all rights of a holder will be changed in a manner consistent with the Articles of Association and the applicable law, including the Listing Rules, at the time of reorganisation.

(l) **Dividend and Voting Rights**

The Performance Rights do not confer on the holder an entitlement to vote (except as otherwise required by law) or receive dividends.

(m) **Deferral of conversion if resulting in a prohibited acquisition of Shares**

If the conversion of a Performance Right would result in any person being in contravention of the applicable law at the time of the conversion, including section 606(1) of the *Corporations Act 2001 (Cth)* (**General Prohibition**), then the conversion of that Performance Right shall be deferred until such later time or times that the conversion would not result in a contravention of the General Prohibition. In assessing whether a conversion of a Performance Right would result in a contravention of the General Prohibition:

- (i) holders may give written notification to the Company if they consider that the conversion of a Performance Right may result in the contravention of the General Prohibition. The absence of such written notification from the holder will entitle the Company to assume the conversion of a Performance Right will not result in any person being in contravention of the General Prohibition;
- (ii) the Company may (but is not obliged to) by written notice to a holder request a holder to provide the written notice referred to in paragraph (m)(i) within seven days if the Company considers that the conversion of a Performance Right may result in a contravention of the General Prohibition. The absence of such written notification from the holder will entitle the Company to assume the conversion of a Performance Right will not result in any person being in contravention of the General Prohibition.

(n) **No rights to return of capital**

A Performance Right does not entitle the holder to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.

(o) **Rights on winding up**

A Performance Right does not entitle the holder to participate in the surplus profits or assets of the Company upon winding up.

(p) **No other rights**

A Performance Right gives the holder no rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.

(q) **Subdivision 83AC-C**

Subdivision 83A-C of the *Income Tax Assessment Act 1997 (Cth)* applies to the Performance Rights.

# European Metals Holdings Limited

ARBN 154618989

## Need assistance?



### Phone:

1300 850 505 (within Australia)  
+61 3 9415 4000 (outside Australia)



### Online:

[www.investorcentre.com/contact](http://www.investorcentre.com/contact)



## YOUR VOTE IS IMPORTANT

For your vote to be effective it must be received by **4:00pm (AWST) Friday, 19 November 2021**.

# CDI Voting Instruction Form

## How to Vote on Items of Business

Each CHESS Depositary Interest (CDI) is equivalent to one share of Company Common Stock, so that every 1 (one) CDI registered in your name at 19 November 2021 entitles you to one vote.

You can vote by completing, signing and returning your CDI Voting Instruction Form. This form gives your voting instructions to CHESS Depositary Nominees Pty Ltd, which will vote the underlying shares on your behalf. You need to return the form no later than the time and date shown above to give CHESS Depositary Nominees Pty Ltd enough time to tabulate all CHESS Depositary Interest votes and to vote on the underlying shares.

## SIGNING INSTRUCTIONS FOR POSTAL FORMS

**Individual:** Where the holding is in one name, the securityholder must sign.

**Joint Holding:** Where the holding is in more than one name, all of the securityholders should sign.

**Power of Attorney:** If you have not already lodged the Power of Attorney with the Australian registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** Only duly authorised officer/s can sign on behalf of a company. Please sign in the boxes provided, which state the office held by the signatory, ie Sole Director, Sole Company Secretary or Director and Company Secretary. Delete titles as applicable.

## Lodge your Form:

XX

### Online:

Lodge your vote online at [www.investorvote.com.au](http://www.investorvote.com.au) using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



**Control Number: 186126**

For Intermediary Online subscribers (custodians) go to [www.intermediaryonline.com](http://www.intermediaryonline.com)

### By Mail:

Computershare Investor Services Pty Limited  
GPO Box 242  
Melbourne VIC 3001  
Australia

### By Fax:

1800 783 447 within Australia or  
+61 3 9473 2555 outside Australia



**PLEASE NOTE:** For security reasons it is important that you keep your SRN/HIN confidential.

☐ **Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.

# CDI Voting Instruction Form

Please mark ☒ to indicate your directions

## Step 1 CHES Depositary Nominees Pty Ltd will vote as directed

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### Voting Instructions to CHES Depositary Nominees Pty Ltd

Please mark box A OR B

A ☐ vote on my/our behalf with respect to the Resolutions below in the manner instructed in Step 2 below.

OR

B ☐ appoint the Chair of the Meeting OR

to attend, speak and vote the shares underlying my/our holding at the Annual Meeting of European Metals Holdings Limited to be held at The Celtic Club, 48 Ord Street, West Perth, Western Australia on Wednesday, 24 November 2021 at 4:00pm (AWST) and at any adjournment or postponement of that meeting.

## Step 2 Items of Business

**PLEASE NOTE:** If you mark the **Abstain** box for an item, you are directing CHES Depositary Nominees Pty Ltd or their appointed proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

### Ordinary Resolutions

	For	Against	Abstain
1 Re-election of Director – Mr Kiran Morzaria	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Election of Director – Ambassador Lincoln Bloomfield	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Ratification of prior issue of Funding Facility CDIs – 6466 Investments Pty Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Ratification of prior issue of Placement CDIs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Ratification of prior issue of Digital Marketing Services CDIs - S3 Consortium Pty Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 Ratification of prior issue of Warrants to RK Equity Advisors LLC	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

### Special Resolution

7 Approval of 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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### Ordinary Resolution

8 Approval of Issue of Performance Rights to Everest Corporate Pty Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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## Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director & Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

/ /

Date

**Update your communication details** (Optional)

Mobile Number

Email Address

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

EMH

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Computershare

