

20 September 2016

COMPLETION OF DRILLING AT WOLFSBERG LITHIUM PROJECT

RESULTS PENDING

European Lithium Limited (formerly Paynes Find Gold Limited) (ASX:EUR) (the **Company**) is pleased to announce that the drilling program at the Austrian Wolfsberg Lithium Project (the Project) was completed during September 2016. The objective of the drilling program was to verify 17,000m of surface and underground drilling performed by the original discoverer of the Project (primary data), and then use the verified data to support a JORC Code (2012) compliant measured, indicated and inferred resource (the verification programme).

Seven twin holes were drilled totalling 828m intersecting numerous pegmatite veins and down hole surveys were taken. Channel samples were taken along two tunnels following AHP (Amphibolite Hosted Pegmatites) veins and one following MHP (Micaschist Hosted Pegmatites). Vein distance sampled was 190m in total with 95 samples taken.

An exploration project office has been established in Wolfsberg, Austria. This includes facilities for drill core and sample storage, photographic recording, SG determination and core cutting. Detailed logging of the drill core is currently in progress and then half core samples of pegmatite intersections in 1m lengths will be sent for analysis. ALS (Ireland) has been engaged as the primary analytical laboratory and additional analysis performed at the laboratory of Dorfner Anzaplan ('Anzaplan') (Germany). The channel samples and drill core samples have been sent to ALS during this month.

The Company expects the analysis of the drilling samples to be completed by mid-October and will then be able to complete the verification programme report as we progress towards an upgraded JORC Code (2012) compliant measured, indicated and inferred resource by the end of October/early November 2016.

Tony Sage

Chairman