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Finance News Network Interview with Dr Steve Kesler, CEO

Dr Steve Kesler, CEO of European Lithium Ltd (ASX: **EUR**) (the **Company**) has been interviewed by Finance News Network (**FNN**) and discusses the Company's Advanced Lithium project.

Watch the interview on EUR's website: <http://europeanlithium.com/media-centre/>

Transcription of FNN Interview with European Lithium Ltd CEO, Dr Steve Kesler:

Carolyn Herbert: Hello I'm Carolyn Herbert from the Finance News Network and joining me from lithium explorer, European Lithium Limited (ASX:EUR) is CEO, Dr Steve Kesler. Steve, welcome to FNN.

Dr Steve Kesler: It's a pleasure to be here Carolyn.

Carolyn Herbert: Can you start by giving us an introduction to the company and your key project?

Dr Steve Kesler: We re-listed on the ASX last week and raised funds to continue the development of our advanced lithium project, in Austria. The project is not a Greenfields project, it was originally discovered by an Austrian State company Minerex, back in the 1980s. They did a tremendous amount of work, including opening up a mine, declaring a resource, establishing a process design. But in those days, there wasn't the demand for lithium, or the pricing to support the development of a mine. Today we intend to develop a mine there.

Carolyn Herbert: Now to the project in more detail. Where is it located and what does it contain?

Dr Steve Kesler: The project is in Wolfsberg, in Austria and compared to most other lithium greenfield projects, it's in an area which is developed. We have complete infrastructure there, power, water, rail and more importantly, high visible people in Austria. The project is a hard rock lithium of high grade.

Carolyn Herbert: What's been taking place?

Dr Steve Kesler: One of the issues that we had, is most of the work that was done by Minerex was in the 1980s, including they declared a resource. But it's not compliant to today's JORC reporting standards. During the last month, we've completed an exercise to undertake twin hole drilling, repeat channel sampling, to verify all the Minerex data. And then we intend to declare a JORC compliant measured and indicating a third resource, by the end of this month.

Carolyn Herbert: What's the next step in proving the resource?

Dr Steve Kesler: The resource we know, it's much bigger. So we have a program of surface drilling, which we're starting this month, both to demonstrate that the deposit extends down to depth. And there's also another pegmatite deposit that's been identified close by, which we intend to start doing the first exploration on. So we'll demonstrate this is going to be a much larger resource, to support a fairly large project.

Carolyn Herbert: Now to the economics of the project, what's the value of the resource?

Dr Steve Kesler: The economics are going to come out when we complete the prefeasibility study, which we expect to do by the middle of next year. But one of the things, which was discovered by the Austrian company in the 1980s was that from this project, not only do we get a spodumene concentrate, lithium spodumene concentrate, but also by-products of feldspar, quartz and mica, which is of value to the glass ceramic industry locally. So the by-product value is important, because that means that we can get a net operating cost equivalent to the brines.

Carolyn Herbert: Turning to financials now. What's your cash position and funding requirements over the next 12 months?

Dr Steve Kesler: During the listing process on the ASX, we raised just over AUD\$6 million and that will take us to the prefeasibility study. We will then go on to the definitive feasibility study and then into construction, so clearly we'll need more funds there. But during the course of the next six/nine months, whilst we're doing the PFS, we'll introduce our products to potential offtakers and to other industry participants. And clearly, we'll be looking to get partners into the project at some stage.

Carolyn Herbert: Where will funding most likely come from?

Dr Steve Kesler: We've got some very interesting dynamics in Europe. All the batteries in Europe have been imported from Asia in the past. In the last few weeks, there's been a slew of announcements of battery projects being constructed in Hungary, in Germany, in Britain, they need a supply of lithium. And here we have the potential to be part of an integrated supply chain from our mine, through conversion plant, to the battery plants. Clearly we'll be talking to the battery manufacturers, who'll want to get stability in supply and they can be potential partners, to the project.

Carolyn Herbert: There are a lot of junior developers expected to come into production, over the next few years. So what's your view on pricing and what's your advantage?

Dr Steve Kesler: Clearly, the next big thing is lithium. And in Europe in particular, there's tremendous political support to go carbon neutral, to reduce emissions, to develop the electric vehicles, particularly in cities. But also a link with renewables, when you fix energy storage link to wind and solar. So here we have the advantage of being centrally located in Europe, as the potential first supplier of lithium to the battery plants in Europe.

Not only that, we've got a second string to our bow, is that the glass and ceramic manufacturers in Europe currently get their lithium concentrates, from Australia. Most of that is heading to China and they're very keen to work with us to develop a supply, a fast-track supply of lithium concentrate for the glass ceramic producers of Europe.

So we're looking at getting into production within two years, to the glass and ceramic producers, and four years to the battery manufacturers.

Carolyn Herbert: Finally Steve. Where would you like to see European Lithium 12 months from now?

Dr Steve Kesler: 12 months from now, we'll have an expanded resource; we'll have completed a PFS that shows robust economics. We'll be in the middle of a DFS, we'll be right in the middle of our fast-track development of concentrate for the glass ceramic producers. We will have obtained partners for the project going forward, either industry partners or offtake partners.

Carolyn Herbert: Steve Kesler, thanks for the introduction to European Lithium.

Dr Steve Kesler: That's a pleasure Carolyn, thank you.

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