

29 March 2017

WOLFSBERG LITHIUM PROJECT PRODUCES 6% Li₂O FLOTATION CONCENTRATE

Highlights

- **The test work by Dorfner Anzaplan shows that a spodumene flotation concentrate exceeding 6% Li₂O can readily be achieved. Work on recovery of marketable by-products is scheduled for completion by end April 2017**
- **The spodumene concentrate was shown to be amenable to the conventional acid-roast process for lithium dissolution**
- **Test work to precipitate battery grade lithium carbonate and lithium hydroxide is in progress and is scheduled for completion by end April 2017**
- **The Dense Media Separation (DMS) concentrate has been analysed by a leading European glass-ceramic producer as suitable to continue to a pilot plant trial**
- **Drilling results will be announced over the next 4 weeks**

European Lithium Limited (ASX:EUR, FRA:PF8)(the **Company**) is pleased to report the progress of metallurgical optimisation at its 100% owned advanced Wolfsberg Lithium Project (**Wolfsberg**), in Austria.

Steve Kesler, CEO, commented "The test work with Dorfner Anzaplan has shown that waste dilution from mining can be rejected by sensor based sorting. This allows a 6% Li₂O concentrate to readily be produced for sale or conversion to lithium carbonate and hydroxide. A DMS concentrate can be fast tracked as potential feed to European glass-ceramic producers. Work continues on recovery of flotation by-products and production of battery grade lithium carbonate and hydroxide. We look forward to completion of this work by end April".

Metallurgical Test Work

1. Flotation

The amphibolite hosted pegmatite and mica schist hosted pegmatite following waste rejection by sensor based sorting were combined on a 50/50 basis to reflect their contribution to the resource. The combined feed initially underwent attrition scubbing and magnetic separation to remove residual waste from the flotation feed (iron bearing micas, hornblende and chlorite).

Mica was floated first followed by spodumene flotation. A rougher concentrate of 5.8% Li₂O was obtained which was upgraded to over 6% Li₂O in a single cleaner

stage. This is the target grade for sale of concentrate or for conversion to lithium carbonate and hydroxide. Work continues to recover marketable feldspar and quartz from the rougher tailings.

2. Dense Media Separation

Earlier test work had demonstrated that a 5.3% Li₂O DMS concentrate could be produced. A sample of this material has been analysed by a leading European glass-ceramic producer who concludes that it should be suitable for use within their glass-ceramic production process. They wish to proceed with a pilot plant trial and discussions on the scheduling of this and commercial arrangements are under way. The ability to produce a DMS concentrate simply potentially allows a fast track start of mining and product sales for early cash flow whilst the conversion plant is being developed.

3. Spodumene Conversion

Testwork has commenced on the conversion of spodumene concentrate to battery grade lithium carbonate and hydroxide. It is intended to use the commercially proven acid-roast process. Roasting and acid dissolution tests have shown the spodumene flotation concentrate to be amenable to the process. Test work is continuing into the purification of the lithium bearing solution and its precipitation as battery grade lithium carbonate and then transformation into lithium hydroxide. This work is scheduled for completion by end April 2017. Lithium carbonate is still the dominant product required by the market but lithium hydroxide use is increasing particularly for EV batteries. The Wolfsberg project will have the flexibility to produce both products.

Dr Steve Kesler
Chief Executive Officer
European Lithium Limited

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Visit the Company's website to find out more about the advanced Wolfsberg Lithium Project located in Austria.

Competent Person's Statement

The information in this announcement pertaining to the Wolfsberg Lithium Project, and to which this statement is attached, relates to Project Development and Metallurgical Studies and is based on and fairly represents information and supporting documentation provided by the Company and its Consultants and summarized by Dr Steve Kesler who is a Qualified Person and is a Fellow of the Institute of Materials, Minerals and Mining and a Chartered Engineer with over 40 years' experience in the mining and resource development industry. Dr Kesler has sufficient experience, as to qualify as a Competent Person as defined in the 2012 edition of the "Australian Code for Reporting of Mineral Resources and Ore reserves". Dr Kesler consents to the inclusion in the report of the matters based on information in the form and context in which it appears. The company is reporting progress on project development and metallurgical results under the 2012 edition of the Australasian Code for the Reporting of Results, Minerals Resources and Ore reserves (JORC code 2012).