

14 June 2017

## PAYNES FIND GOLD PROJECT SALE AGREEMENT SIGNED

Further to the ASX announcement dated 22 December 2016, European Lithium Limited (**ASX:EUR**) (the **Company**) is pleased to advise that it had taken a further step toward finalisation of the sale of its Paynes Find Gold Project to Cervantes Gold Pty Ltd (**ASX:CVS**) (**CVS**) with both companies signing the formal sale agreement (the **Transaction**).

In accordance with the terms of the Transaction, consideration for the Transaction consists of cash and share capital in CVS as follows:

- \$500,000 to be satisfied through the issue of 25,000,000 shares in CVS, at a deemed issue price of 2 cents each, on completion of the Transaction.
- \$500,000 in cash, paid in the following instalments:
  - \$5,000 on signing of the Terms Sheet (received)
  - \$20,000 on completion of the due diligence process by the Purchaser (received)
  - \$25,000 on signing of a formal agreement (funds transferred)
  - \$100,000 on completion of the Transaction
  - \$150,000 on the later of CVS completing a \$1 million capital raising, or completion of the Transaction
  - \$200,000 on the later of 60 days following the Purchaser completing the \$1 million capital raising, or completion of the Transaction.

Tony Sage commented “The finalisation of this transaction not only injects funds into the Company but also allows us to completely focus on the flagship Wolfsberg Lithium project.”

Tony Sage  
Non-Executive Chairman  
European Lithium Limited

END