

13 October 2017

ISSUE OF PLACEMENT SHARES

European Lithium Limited (ASX:EUR, FRA:PF8, VSE:ELI) (the **Company**) announces that it has completed the first tranche of its placement originally announced on 10 October 2017 (**October Placement**) and issued 28,750,000 fully paid ordinary shares at an issue price of \$0.05 per share to raise cash proceeds of \$1,437,500 (before expenses) and has issued 2,830,000 fully paid ordinary shares at a deemed issue price of \$0.05 per share to settle amounts due of \$141,500 (**Placement Shares**).

The Company confirms that it is still receiving funds pursuant to the October Placement and will advise the market once the remaining shares are issued.

The Placement Shares were issued under the Company's capacity under Listing Rule 7.1 and Listing Rule 7.1A without shareholder approval.

In the Appendix 3B released to the ASX today, the Company issued 5,883,246 of the 31,580,000 Placement Shares under Listing Rule 7.1A. The Company confirms, that all Placement Shares issued to settle amounts due were issued under the Company's 7.1 capacity.

The Company provides the following information required under Listing Rule 3.10.5A.

Dilution to existing shareholders as a result of Placement Shares issued under Listing Rule 7.1A (5,883,246)	1.29%
Dilution to existing shareholders as a result of Placement Shares issued under Listing Rule 7.1 (25,696,754)	5.62%
Total dilution as a result of issue of the Placement Shares	6.90%

Details of the approximate percentage of the issued capital following completion of the issue of Placement Shares under Listing Rule 7.1A (5,883,246) by pre-Placement shareholders and new shareholders are set out below.

Pre-Placement shareholders who did not participate in the Placement	100%
Pre-Placement shareholders who did participate in the Placement	0%
Participants in the Placement who were not previously shareholders	100%

The Company confirms it undertook the October Placement to sophisticated and professional investors as this was considered to be the most expedient mechanism for raising funds in a timely manner.

The October Placement has not been underwritten however Somers and Partners Pty Ltd, Winner Financial and Frankfurt Capital Markets Consulting are acting as corporate financial advisers to the October Placement. They will each receive a fixed % success fee based on funds raised.

Tony Sage
Non-Executive Chairman
European Lithium Limited