

6 December 2017

CAPITAL RAISING AT 40% PREMIUM TO 15 DAY VWAP

European Lithium Limited (ASX:EUR, FRA:PF8, VSE:ELI)(the **Company**) is pleased to announce that it will be undertaking a placement, at an issue price of \$0.225 per share to raise proceeds of up to \$4.0million (before expenses) with the option to raise additional funds of up to \$1million (before expenses) to facilitate oversubscriptions (**Placement**). The Company will also be issuing one free attaching unquoted option for every four shares applied for under the Placement as well as issuing 14,400,000 options to facilitators of the Placement which are exercisable at \$0.25 (25 cents) on or before 31 May 2019. The issue price represents a 40% premium to volume weighted average price (VWAP) of EUR's shares as traded on the ASX for the last 15 trading days to 4 December 2017.

The funds raised will be used towards expediting the DFS drilling programme at the Company's Wolfsberg Lithium Project located in Austria allowing the Company to better understand the size and value of the deposit in zone 2 which drilling earlier this year showed a very prospective area. Please refer to the Company's presentation released on 23 November 2017 for additional information on the potential extension of the resource.

EUR's Chairman, Tony Sage, said "this is a very exciting period for the Company with strong support coming from UK and European investors who have bought in excess of 120m of the Company's shares in the past 2 months."

As announced on 29 November 2017, the Company issued a cleansing prospectus (**Prospectus**) pursuant to Section 708A(11) of the Corporations Act 2001. The Company subsequently resolved to extend the closing date under the Prospectus. The Company confirms it that as a result of the proposed Placement it will be lodging a supplementary prospectus with ASIC and ASX today.

The Placement is not underwritten however DGWA, Somers and Partners Pty Ltd and Wimmer Financial are acting as corporate financial advisors to the Placement.

The Company confirms it resolved to raise the capital by way of a placement to sophisticated and professional investors as this was considered to be the most expedient mechanism for raising funds in a timely manner. Shares pursuant to the Placement will be issued in accordance with the Company's capacity under Listing Rules 7.1 once all the funds have been received.

Tony Sage
Non-Executive Chairman
European Lithium Limited

DGWA acted as corporate finance advisor and placement agent for the equity placing in Europe:



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