

19 January 2021

\$7 million Raised to fund Lithium Exploration

European Lithium Limited (ASX:EUR, FRA:PF8, VSE:ELI) (**EUR** or the **Company**) is pleased to announce that it has received commitments to raise A\$7 million through a placement to sophisticated investors at \$0.05 per share. Investors will also be issued one option (exercise price \$0.075, expiring 3 years from issue) for every 2 shares issued.

Funds raised will supplement the Company's SPP (to close on 22 January 2021) and will be used to continue exploration and development on its Wolfsberg Lithium Project and WA tenement considered prospective for conglomerate gold, and working capital.

Placement shares will be issued without shareholder approval relying on the Company's capacity under Listing Rule 7.1 and 7.1A. The attaching options are subject to shareholder approval, which will be sought as soon as practicable. The Company will seek to have the options quoted.

EUR Chairman Tony Sage commented, "We are excited by the huge support in the Placement shown by institutional and high net worth investors in Australia, Asia and Europe. We believe this reflects the positive market sentiment for battery metals. After a very challenging year we now see demand for lithium chemicals to support a very strong EV market which led to the recent lithium price rally. The funds will also be used to explore our recently acquired gold project in the hottest region in Australia with De Gray, Azure, Artemis and Novo all finding success".

The placement is lead managed by Evolution Capital Advisors and Empire Capital Partners. The Lead Managers will be paid 6% of the amount raised and, subject to shareholder approval, be issued 1 share for every \$2.50 raised and 20 million options on the same terms as the attaching options.

This announcement has been authorised for release to the ASX by the Board of the Company.

Tony Sage
Non-Executive Chairman
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.

For further information please contact:

European Lithium Ltd

+61 861 819 792

ir@europeanlithium.com