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EUROPEAN
LITHIUM^{LTD}

Presentation November 2016



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Investment Highlights

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Central European project

- 100% owned lithium project in Austria
- Mining licence awarded by Austrian authorities
- Substantial exploration work performed by previous owners will allow the Company to examine routes to fast-track development phase
- Central European location will allow the Company to help meet EU and global demand
- Close to largest lithium import markets in EU

Experienced team

- Directors have considerable experience in resource project development
- Management has wide project execution experience

EU Net importer

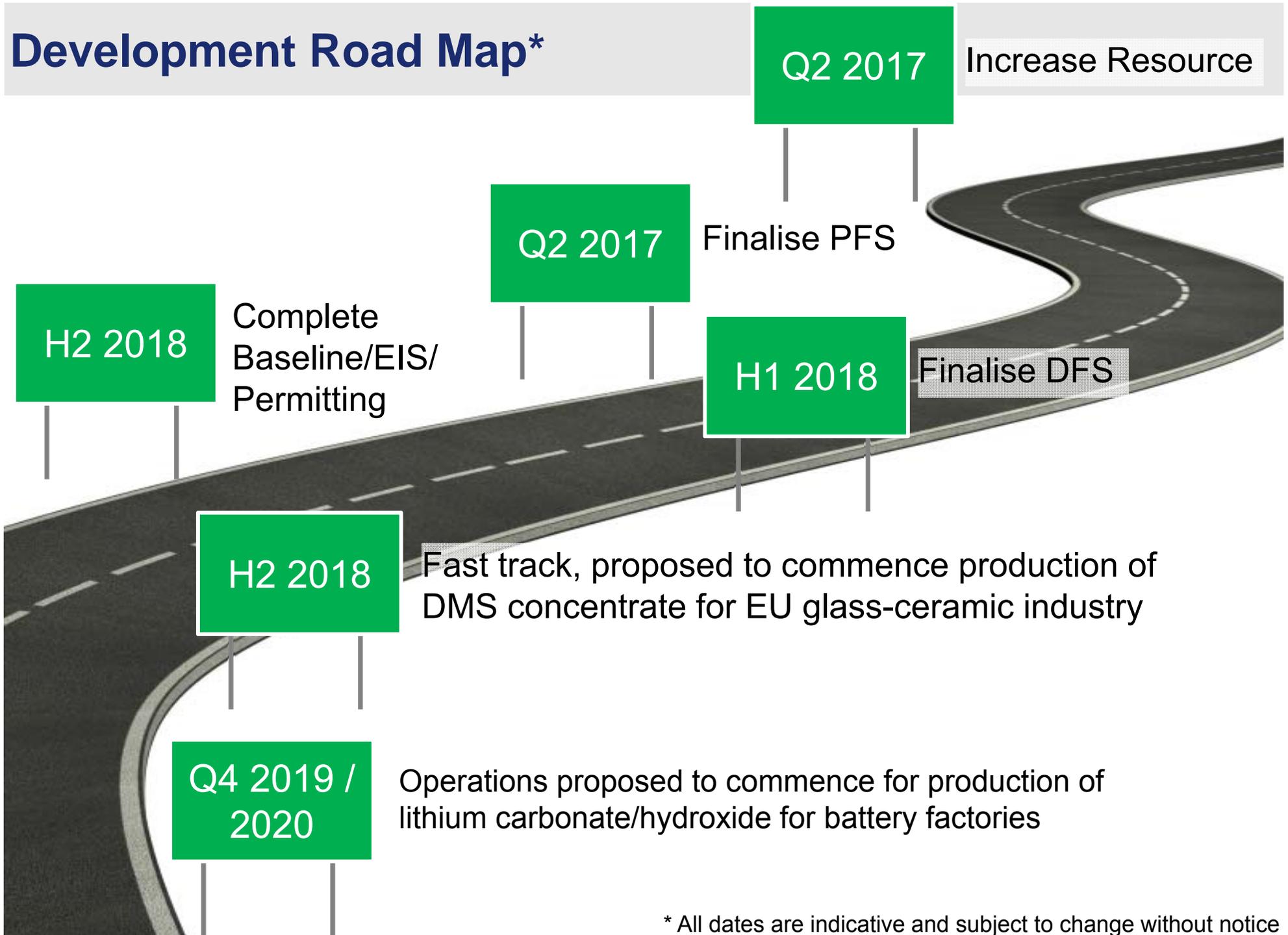
- Apart from small Iberian production for local ceramics/glass use the EU has no internal lithium supply
- EU is a major importer of lithium consuming 24% of global market (second only to China)
- Lithium processing sites from imported material in several EU countries
- Lithium battery plants recently announced to be constructed in Europe

Robust lithium market

- Lithium market has grown from ~71kt LCE in 2002 to ~150kt LCE in 2012 to ~200kt LCE in 2015. Forecast to grow to 300kt LCE in 2020 and 400kt in 2025 (source: Stormcrow)
- Growth due to consumer products adopting lithium ion battery technology
- Electric vehicles have adopted lithium ion battery technologies as standard
- Public transport policy promoting electric vehicles
- Emerging technologies
 - Li-Al alloys for aircraft, heavy duty energy storage combined with renewables
- M&A and strategic investors looking to secure supply

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Development Road Map*



* All dates are indicative and subject to change without notice

Key Data

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Capital Structure

Shares on issue:
361.8 million

Free float¹ = 156 million

Unlisted options² = 208 million

1. Shares under escrow: 129.3m until Sept 2017, 76.5m until Sept 2018
2. Unlisted options under escrow: 200m until Sept 2018

Team

Board of Directors

Tony Sage

Non-Executive Chairman

Paul Lloyd

Non-Executive Director

Malcolm Day

Non-Executive Director

Management

Steve Kesler

CEO

Amy Fink

CFO & Company Secretary

Operational Management

Dietrich Wanke

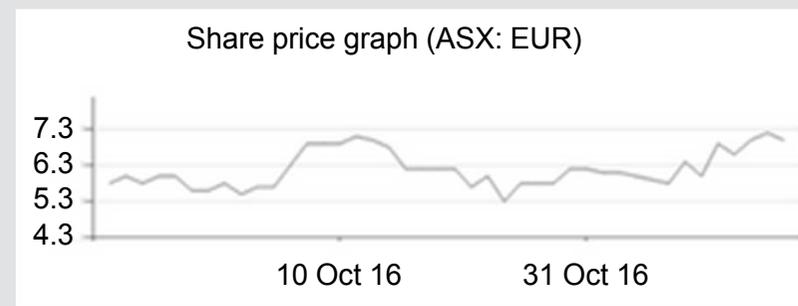
General Manager, Austria

Share Performance*

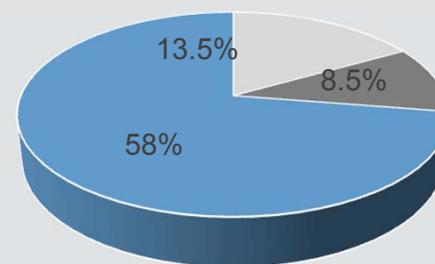
Primary listing ASX: EUR

Also traded on Frankfurt and Berlin (PF8)

Market Cap: AUD\$25.3 million



Major Shareholders*



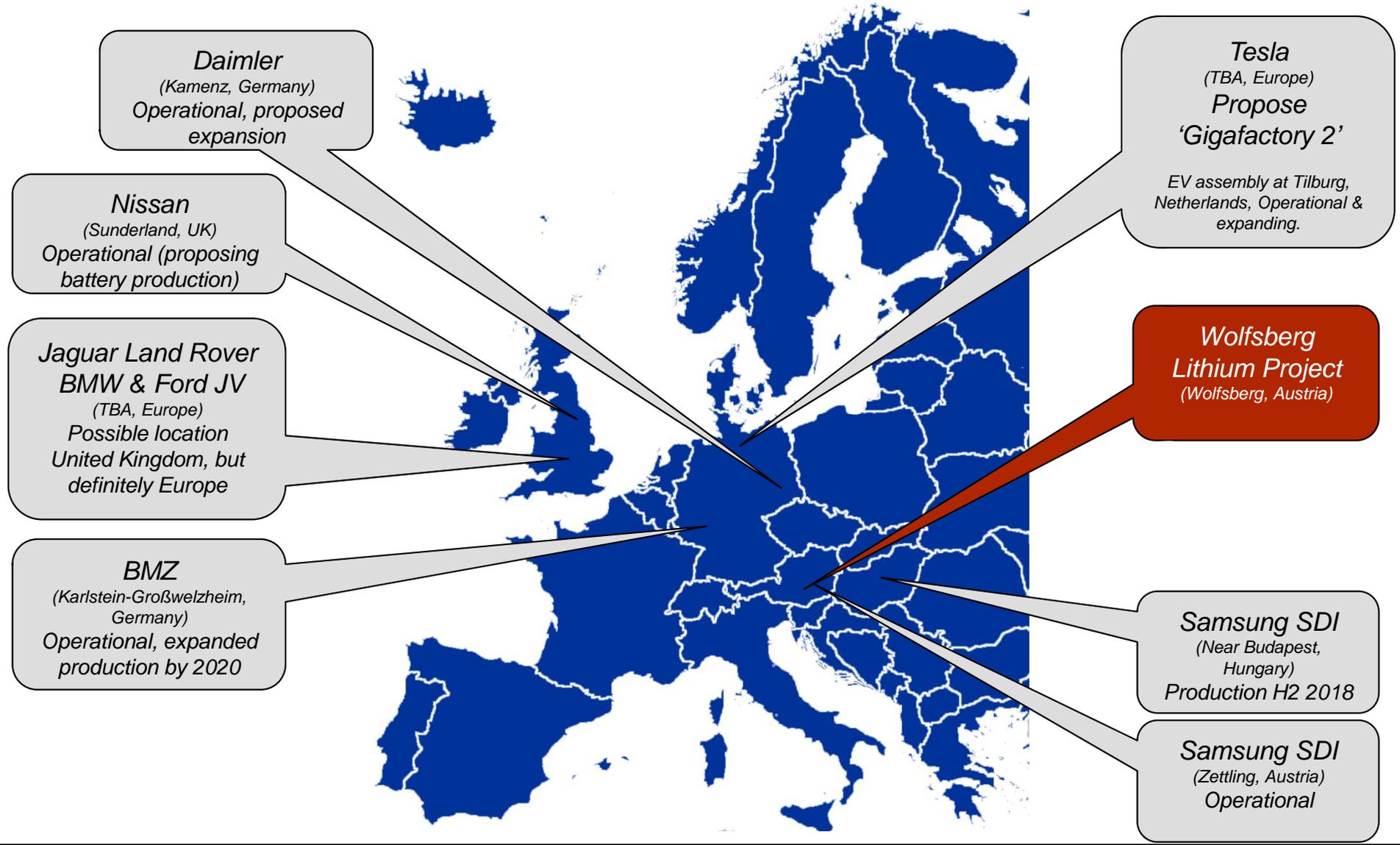
- Cape Lambert Resources Ltd
- Exchange Minerals
- Top 20

*As at 16 November 2016

Lithium Battery Plants in Europe

Battery production for EV's a key driver for Lithium demand

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Wolfsberg Lithium Project

- Located 270km SW of Vienna, Austria
- Good local infrastructure and sources of energy nearby
- 22 original and 32 overlapping exploration licences to form a secure pattern and a mining licence over 11 mining areas issued by the Austrian Mining Authority
- The 5 year term of the original exploration licences was extended by the mining authority to 31 December 2019 and is renewable. The mining licence is held in perpetuity subject to fulfilling the terms of the mining licence



Project History

1981

Discovered by Minerex, an Austrian government company. Following extensive exploration, technical and commercial studies a pre-feasibility study was completed in 1987

1988

Austrian Government decided not to develop the project and Minerex was closed. The Project was transferred to Bleiberg Bergwerksunion (“BBU”), a government owned lead-zinc miner

1991

BBU was closed by the Austrian government and the Project was sold to Kärntner Montanindustrie GmbH (“KMI”), a private mining company. KMI carried out all the necessary work specified by the Austrian mining authorities to maintain the mine and mining license in good order

2011

ASX listed Global Strategic Metals (“GSM”) and Exchange Minerals (through jointly owned subsidiary ECM Lithium AT GmbH), acquired the Project for €9.7m plus 20% VAT. GSM spent a further €1.83m on exploration and development including drilling, a scoping study and the extraction of two 500 tonne bulk samples in October 2013

November 2014

GSM delisted from ASX and demerged the Project under the name European Lithium Limited (a BVI Company)

September 2016

Reverse takeover successfully completed by Paynes Find Gold, acquiring the lithium assets of European Lithium Limited and taking the name, subsequently being readmitted to the ASX under the code EUR.

Geology

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- Substantial exploration and development work by previous owners include:
- 17,000m of drilling / 1,400m of decline, drives and crosscuts
- Deposit is split into two zones:
 - Zone 1: drilled down dip to max depth of 450m. Lithium bearing pegmatite veins up to 5.5m wide intersected and ore body remains open along strike to the northwest and down dip.
 - Zone 2: exploration target, demonstrated to be the southern limb of an anticline of which the northern limb (Zone 1), has been the focus of all exploration to date
- The resource was declared by previous owners to German and Austrian reporting standards
- A JORC Code (2004) compliant measured and indicated resource was declared in 2012. However, because drill core, primary data and QA/QC protocols were not available for the original drilling current reporting to JORC Code (2012) requires the resource categories to be reclassified. Considerable primary data has been located and recovered from the archives of the Mining Authority in Vienna.
- A programme of underground twin hole drilling and channel sampling under a comprehensive QA/QC protocol has verified the original data which is being used to prepare an upgraded resource model compliant to JORC Code (2012)
- A deep hole drilling comprising 4 holes totalling 1,750m is mobilising to verify the extension of the veins with depth and to increase resources
- Additional resources are expected from Zone 2 where boulder mapping and scout drilling have proved the presence of lithium bearing pegmatites. A 9 hole 1,750m programme is mobilising.

Type	Million Tonnes	Grade Li ₂ O (%)
Inferred	3.7	1.5

- JORC Code (2012) inferred resource at a cut-off grade of 0.75% Li₂O

Resources

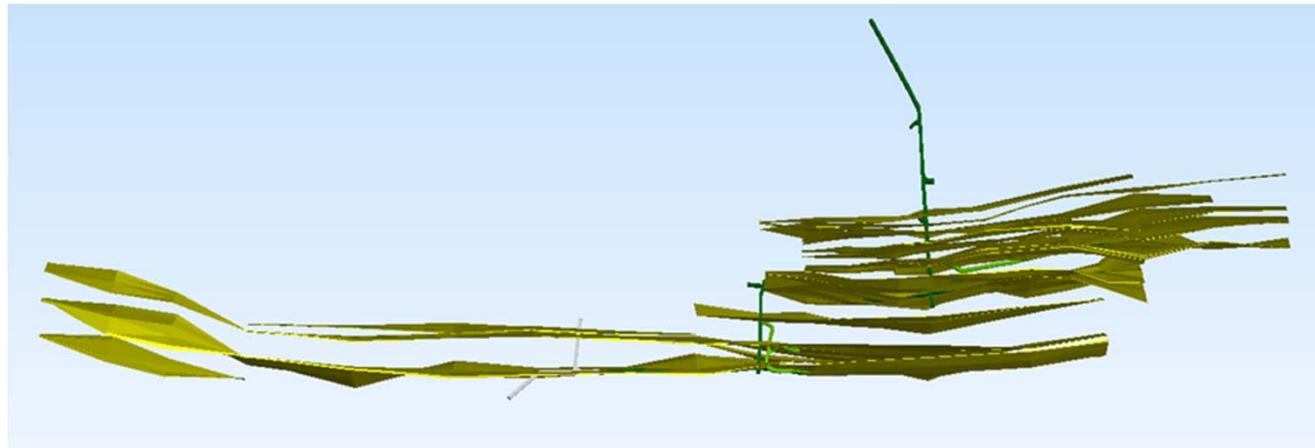
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- Substantial upgrade of previously declared resource completed:

Type	Million Tonnes	Grade Li ₂ O (%)
Measured	2.86	1.28
Indicated	3.44	1.08
Total	6.30	1.17

- JORC Code (2012) resource at a cut-off grade of 0% Li₂O
- Includes internal dilution from interbedding of waste

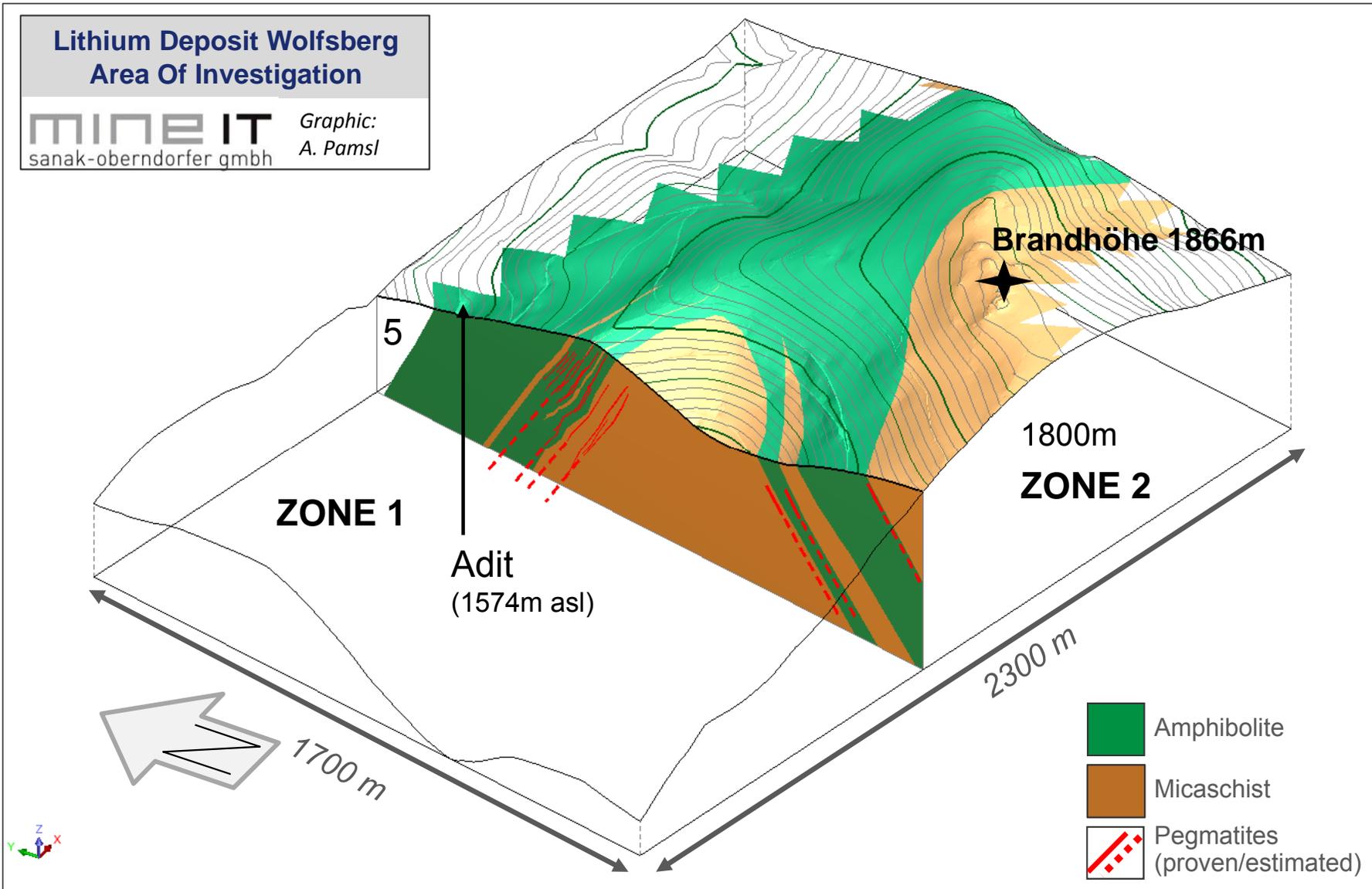
- Increase of 75% in JORC (2012) compliant resource tonnes
- Contained Li₂O at 73,799 tonnes is 33% greater than previous inferred contained tonnes of 55,500



Top view of identified veins in direction of general dip showing the continuity of the formations

Project Topography

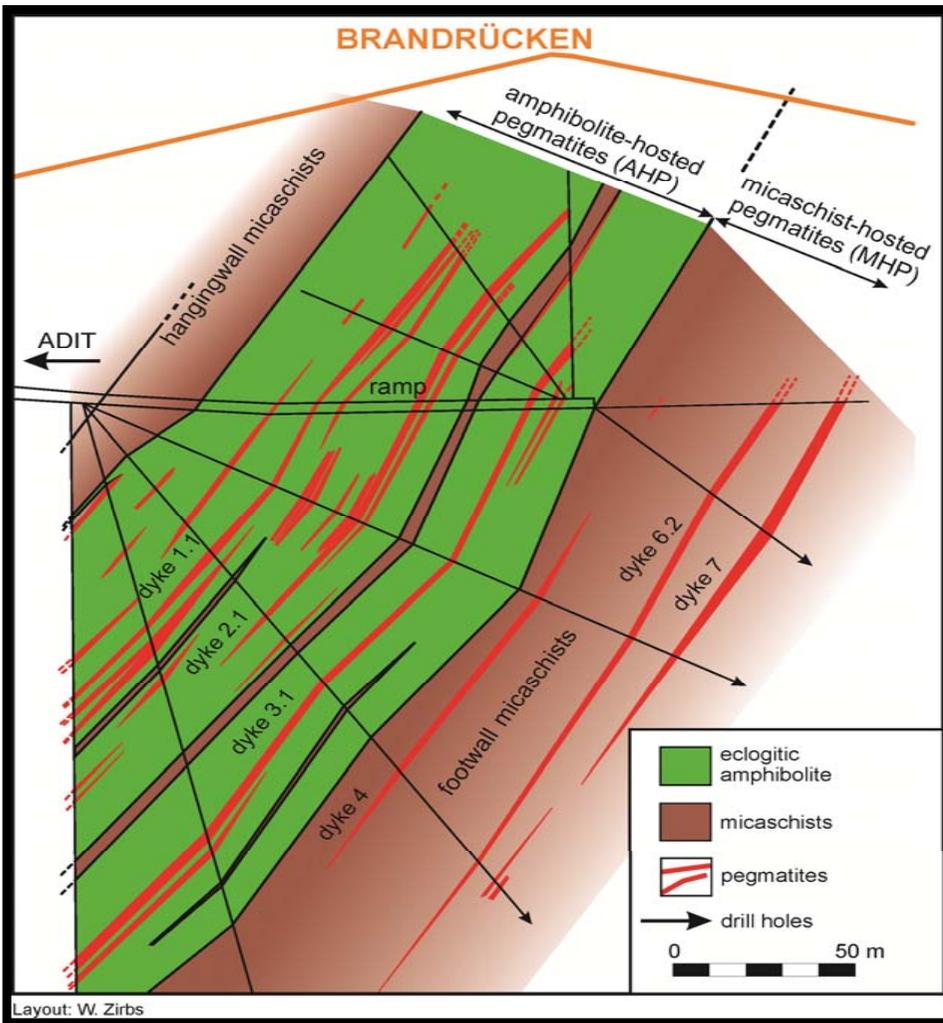
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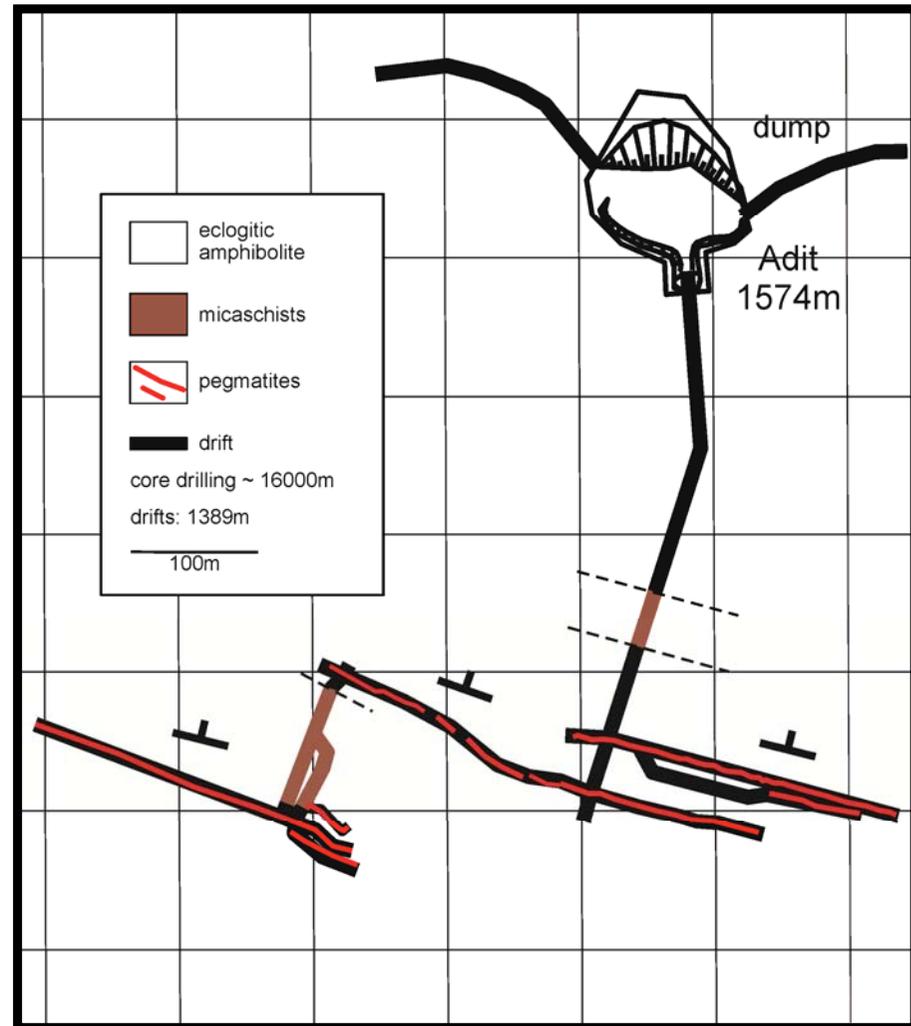
Source: Company, Mine-it representation

Project Geology

Section through deposit



Mineworkings – plan view



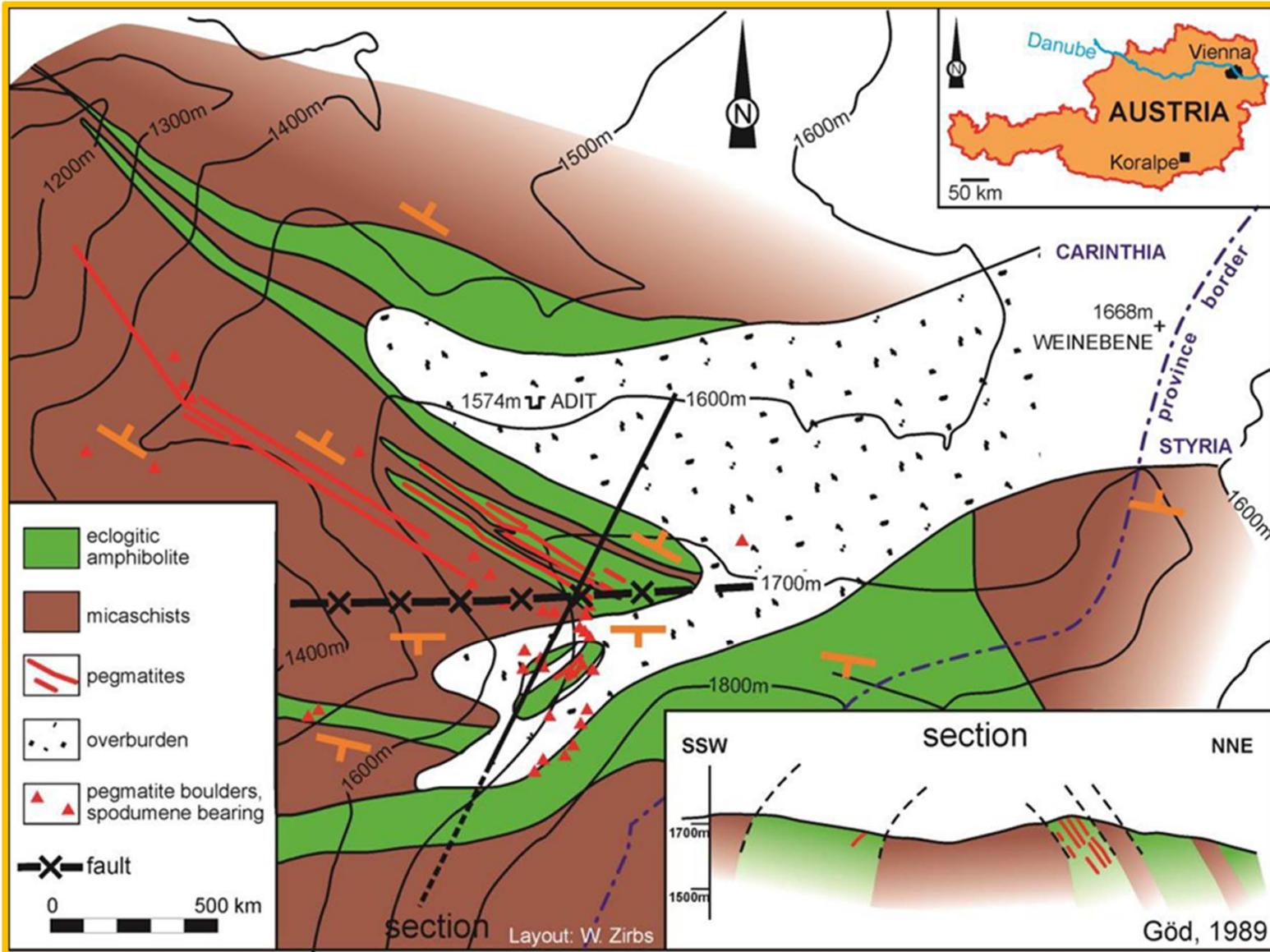
Source: *The spodumene deposit at "Weinebene" Koralpe, Austria* by Dr. Göd, *Mineralium Deposita* 24, 270-278 (1989).

• Source: Company, prepared from Minerex data by Dr. Göd.

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Geology of Wolfsberg - plan

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Source: The spodumene deposit at "Weinebene" Koralpe, Austria by Dr. Göd, Mineralium Deposita 24, 270-278 (1989).

Metallurgy

- Metallurgical test work in 1982-7 at North Carolina State University
- PFS in 1987
- Mining licence awarded in 2011 to then owners KMI
- Scoping study by Global Strategic Metals in 2011
- Two 500 tonne bulk mine samples of each ore type at end 2013
- Spodumene (lithium) contained in pegmatite dykes will be processed into spodumene concentrate
- By-product production of Feldspar, Quartz and Mica could contribute significant value
- Company will investigate feasibility of converting spodumene concentrate to battery grade lithium carbonate and/or hydroxide
- Royalty of €1.5 per tonne minerals sold due to Exchange Minerals
- Access Agreement negotiated with landowner

Development Strategy

- The Minerex data has been verified and an upgraded resource compliant to JORC Code (2012) has been declared
- Increase resource by drilling down dip
- Establish a resource in Zone 2
- Establish the most suitable mining method and maximum production rate and establish the optimum process for recovery of lithium concentrate, marketable by-products and battery grade lithium products
- PFS to evaluate the Project economics and configuration for the optimal route of development.
- Introduce products to potential offtakers
- Determine permitting requirements and conduct environmental base line studies
- Determine scope, budget and schedule for a DFS and EIA

“opportunities for fast track concentrate production”

- Consider opportunities for fast track concentrate production in particular the early production of DMS concentrate for glass-ceramic producers in Europe

Consultants for Work Programme

- Geology Adviser - Dr Richard Göd (ex Chief Geologist Minerex) (Austria)
- Exploration Management – Technisches Büro für Geologie (Austria)
- Drilling contractor (underground) – Swietelsky (Austria)
- Drilling contractor (surface) – VA Erzberg (Austria)
- Competent person for JORC reporting – Don Hains (HainsTech) (Canada)
- Metallurgical testwork – Dorfner Anzaplan (Germany)
- Mine design studies – tba
- Permitting regime – Haslinger Nagele (Austria)
- Environmental studies – Umwelt Büro (Austria)
- Marketing - MiDevCon (Germany)
- PFS Engineering and study integration - tba
- Liaison with Austrian Authorities – KMI (Austria)

Estimated Development Timeline

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Work Programme	Q3 16	Q4 16	Q1 17	Q2 17	H2 17	H1 18	H2 18	2019	2020
Re-listing on ASX	Dark Blue	Light Grey							
PFS	Light Grey	Dark Blue	Dark Blue	Dark Blue	Light Grey				
DFS	Light Grey	Light Grey	Light Grey	Light Grey	Dark Blue	Dark Blue	Light Grey	Light Grey	Light Grey
Baseline/EIS/Permitting	Light Grey	Dark Blue	Light Grey	Light Grey					
Construction	Light Grey	Light Blue	Light Blue	Dark Blue	Dark Blue				
Operations	Light Grey	Light Blue	Light Blue	Dark Blue					

 Fast track DMS

Material Lithium Projects in Europe

1. Keliber

- Finland
- In PFS
- No guidance on first production

2. Avalonia Lithium (Intl. Lithium & Jiangxi Ganfeng)

- Ireland
- Exploration
- No resource declared

3. SMP

- Portugal
- For local glass/ceramics

4. European Lithium

- Austria
- PFS
- Target production by 2019/20 with fast track potential

5. Rio Tinto – Jadar

- Serbia
- In PFS
- Reviewing process route for a new mineral
- Limited update since 2012

6. European Metals – Cinovec Tin

- Czech Republic
- In scoping study



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Recent Industry News

November 2016	<p>Tesla plans to choose Europe of 'Gigafactory 2' Tesla announces acquisition of German engineering group, Grohmann Engineering and discusses plans to locate 'Gigafactory 2' in Europe, highly likely in Germany.</p>
September 2016	<p>European Lithium Limited readmitted to ASX (code: EUR). Capital raising to fund pre-feasibility study successfully completed.</p>
August 2016	<p>Sichaan Tianqui lithium hydroxide plant Tianqui announces plans to build a 24,000tpa lithium hydroxide plant costing A\$300m in Western Australia supplied by spodumene concentrate from its 51% owned Talison mine</p>
August 2016	<p>Albemarle to acquire lithium conversion facilities in China Albemarle is to acquire the 15,000tpa lithium conversion facilities of Jiangxi Jiangli that currently toll treats spodumene concentrate from Talison which is 49% owned by Albemarle</p>
August 2016	<p>Galaxy Resources takes over General Mining Corporation Galaxy Resources acquires General Mining in an all share transaction valuing General Mining as A\$216m to take control of the Mt Caittlin spodumene project in Australia</p>
February 2016	<p>Jiangxi Ganfeng increases ownership in Mt Marion After acquiring 25% ownership of the Mt Marion project from Neometals in September 2015, Jiangxi exercised option to acquire a further 18.1% giving it 43.1%. Total paid for both transactions was A\$47m</p>
September 2015	<p>Western Lithium merger with Lithium Americas Western Lithium acquired Lithium Americas in an all share transaction valuing Lithium Americas at C\$80m. The company was subsequently rebranded as Lithium Americas</p>
July 2014	<p>Albemarle acquires Rockwood Albemarle Corp. pays US\$6.2b in cash and stock for Rockwood Holdings the largest lithium producer</p>
July 2014	<p>Panasonic and Tesla sign agreement for Gigafactory Panasonic and Tesla signed an agreement to develop a 500,000 unit Gigafactory in Nevada</p>

Appendices



Board of Directors and Management

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Steve Kesler *CEO*

- Experienced mining executive with over 38 years in mining sector
- Experience from exploration to running operating mines
- Formerly Executive Director for Billiton plc and CEO for Collahuasi, Greystar Resources and Pacific Nickel

Tony Sage *Non-executive Chairman*

- Executive Chairman of ASX listed Cape Lambert Resources Ltd and director of numerous ASX listed companies
- 30 years' experience of developing businesses predominantly in the resource sector

Paul Lloyd *Non-executive Director*

- Over 25 years of commercial experience in Australia and Asia
- Operates corporate consulting business specialising in the areas of corporate, financial and management advisory services
- Involved in a number of IPO's on the ASX in the mining and oil and gas industries

Malcolm Day *Non-executive Director*

- Experienced Surveyor and Civil Engineer within construction and the mining and exploration industries
- Founder and inaugural Managing Director of Adultshop.com which listed on ASX 1999 (now privatised)
- Managing Director of ASX listed Delecta Ltd

Project Photographs

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Main Sources of Lithium

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	PROCESSING	OPEX	CAPEX	OTHER
Hard rock	Mining, crushing, concentration, roasting, leaching and crystallisation to lithium carbonate	Typical operating costs higher	Typically lower capex/t LCE than brine projects	Less impurity variation than brines which is important for battery manufacturers
Brines	Pumping, evaporation, chemical treatment, precipitation	Typical operating cost lower	Typically higher capex/t LCE than hard rock deposits	

Lithium Applications

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CURRENT APPLICATIONS

CHEMICAL



Batteries



Lubricants



Air Treatment



Aluminium smelting



Pharmaceuticals

TECHNICAL



Glass



Ceramics



Aerospace



Steel and Iron castings

NEW MARKETS



Electric vehicles



Fixed energy storage with renewables



Li-Al alloys for aircraft

LCE in Batteries

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SMART PHONE	LAPTOP	TABLET	TOYOTA PRIUS	TESLA ROADSTER	LONDON BUS
					
2-3g/battery	30-40g/battery	20-30g/battery	3.6kg/battery	40kg/battery	200kg/battery

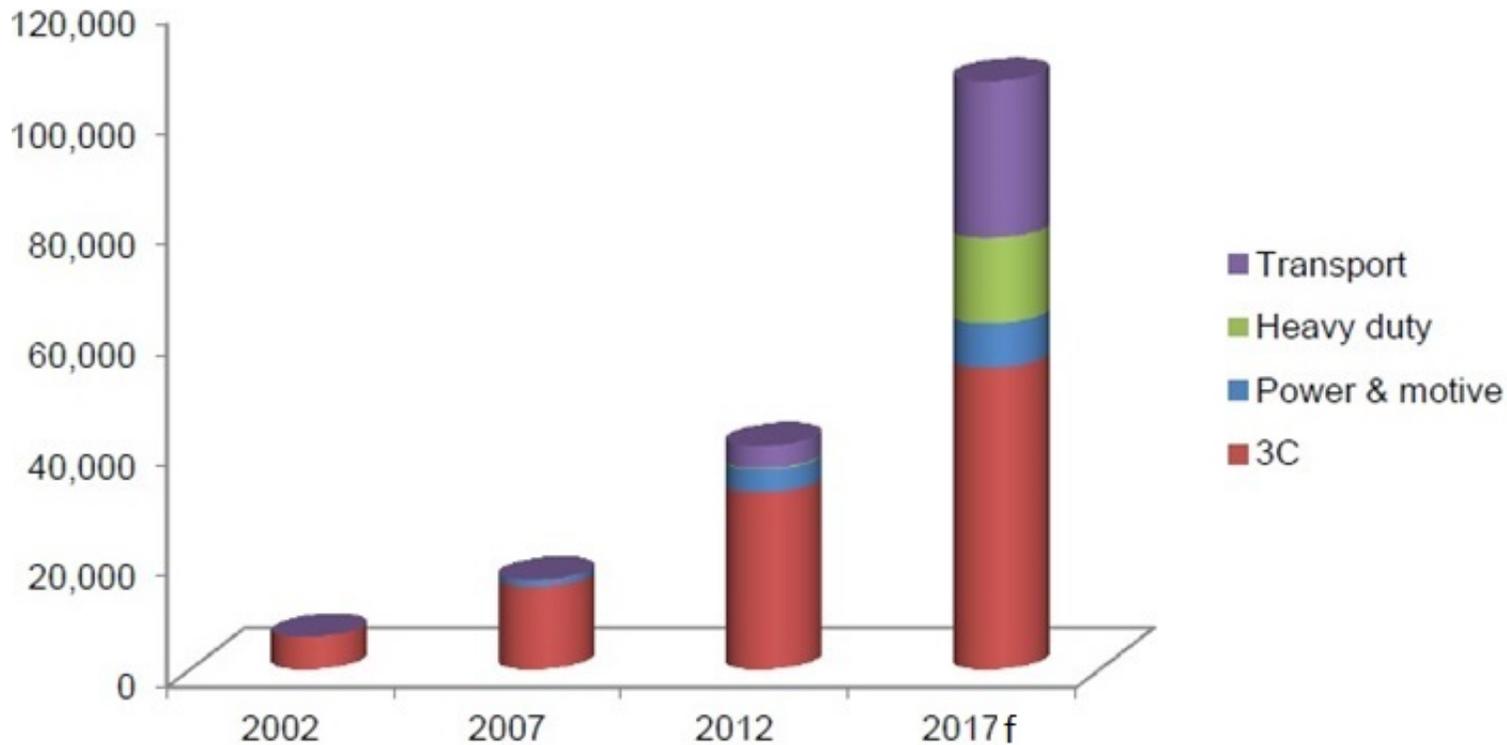
- Lithium ion has captured nearly 100% of consumer electronics market
- Tesla aims to build its lithium ion battery 'gigafactory' in Nevada ready for 2017 which will produce up to 500,000 batteries per annum by 2020. A second gigafactory has been announced to be located in Germany
- Analysts forecast that the Tesla factory will increase demand by 9-25,000 tpa LCE
- Other lithium ion battery plants have been announced in Hungary (Samsung SDI), Germany (Daimler), UK (Nissan) and others are in feasibility
- Nearby all major motor vehicle manufacturers introducing EV's with lithium ion batteries as standard
- Heavy duty storage expected to increase from 80MWh in 2012 to 20GWh in 2017

World Market - rechargeable lithium batteries

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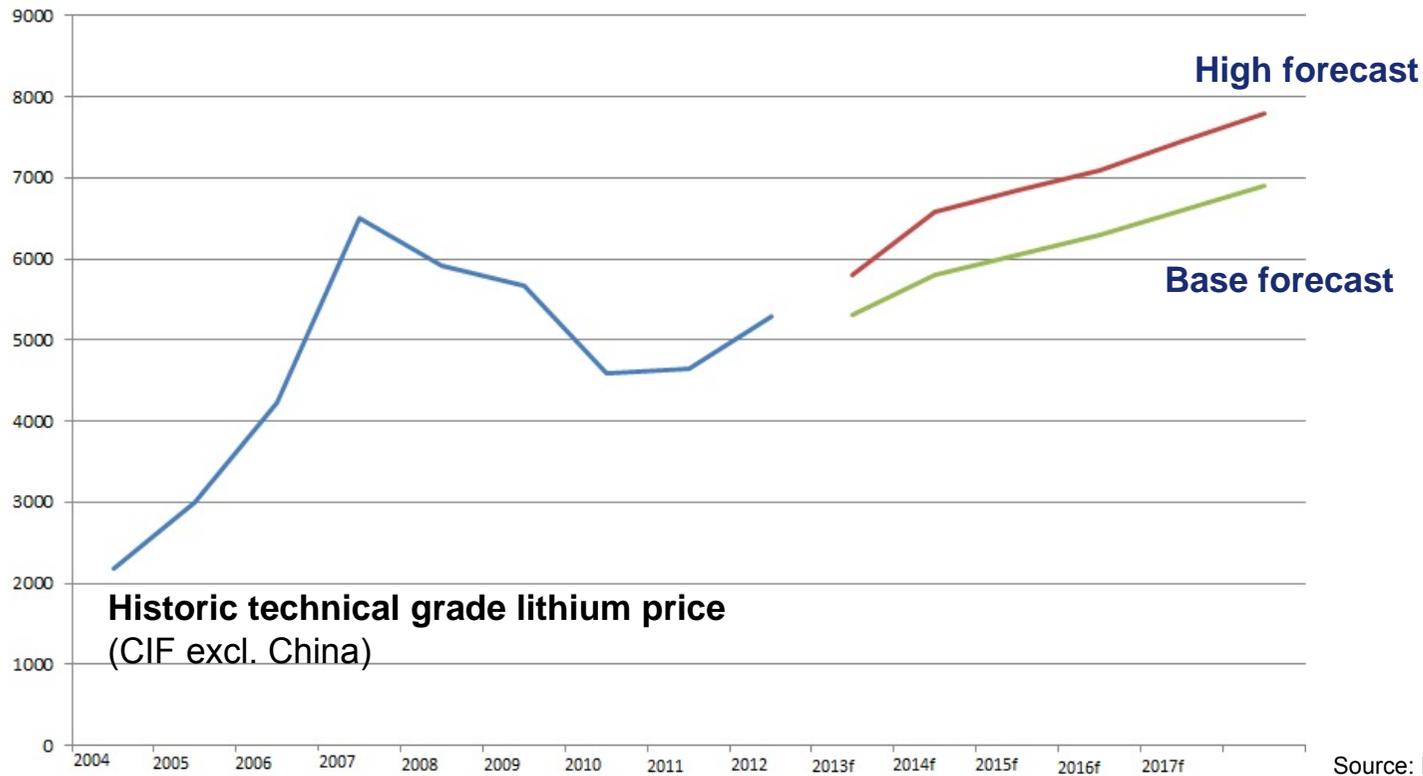
World Market for rechargeable lithium batteries by end-use

2002-2017 (MWh)



Source: Roskill Lithium Market Outlook to 2017 12th Edition 2013 ("Roskill 2013")

Lithium Price



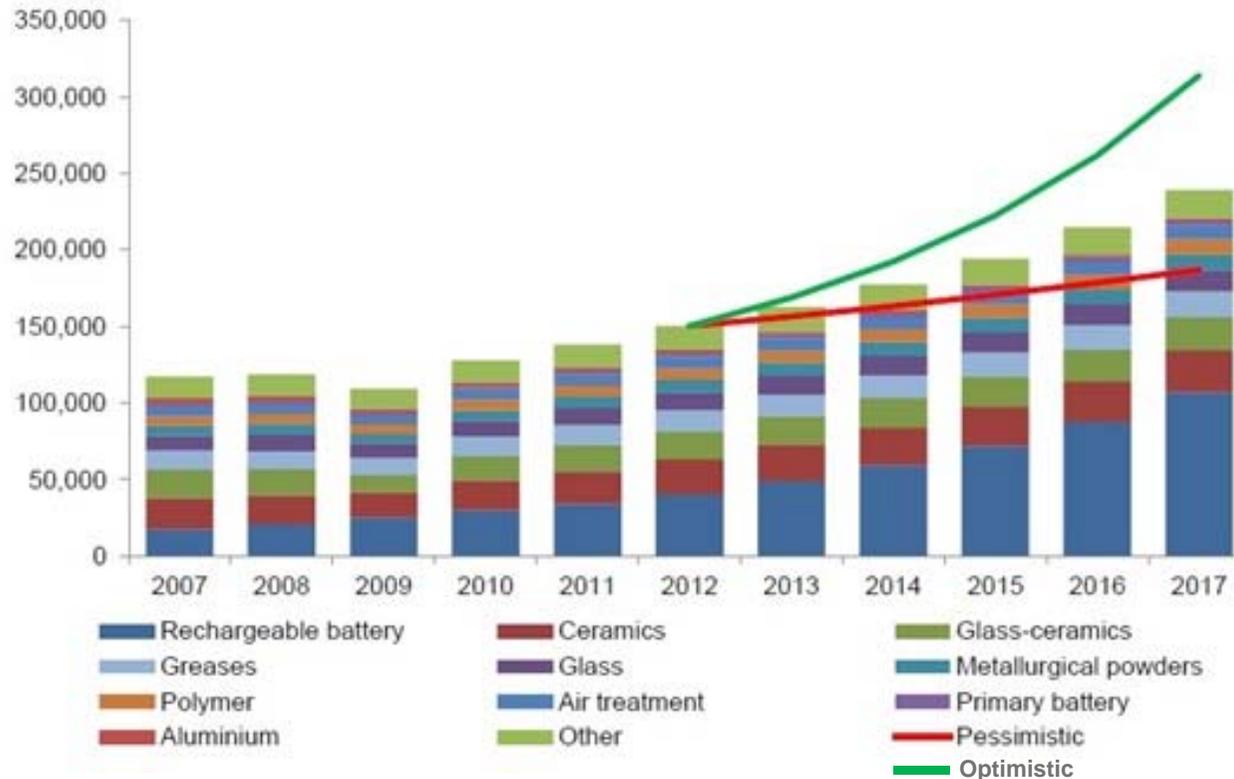
Source: Roskill 2013

- Pricing off-market
- Pricing determined by product and specification for each consumer
- Pricing typically in LCE
- Battery grade lithium is highest purity and most expensive
- Technical grade lithium needs less processing and is cheapest
- The high case scenario forecast is driven by stronger global economic growth and surging demand for lithium batteries in EV's
- Shortage of supply to China in 2015/16 resulted in Chinese spot price spiking to US\$15-20,000/t lithium hydroxide
- Stormcrow forecasts battery grade lithium carbonate price at US\$8,430 in 2020 and US\$9,390 in 2025

Demand

World Historical and Forecast consumption of lithium by end-use

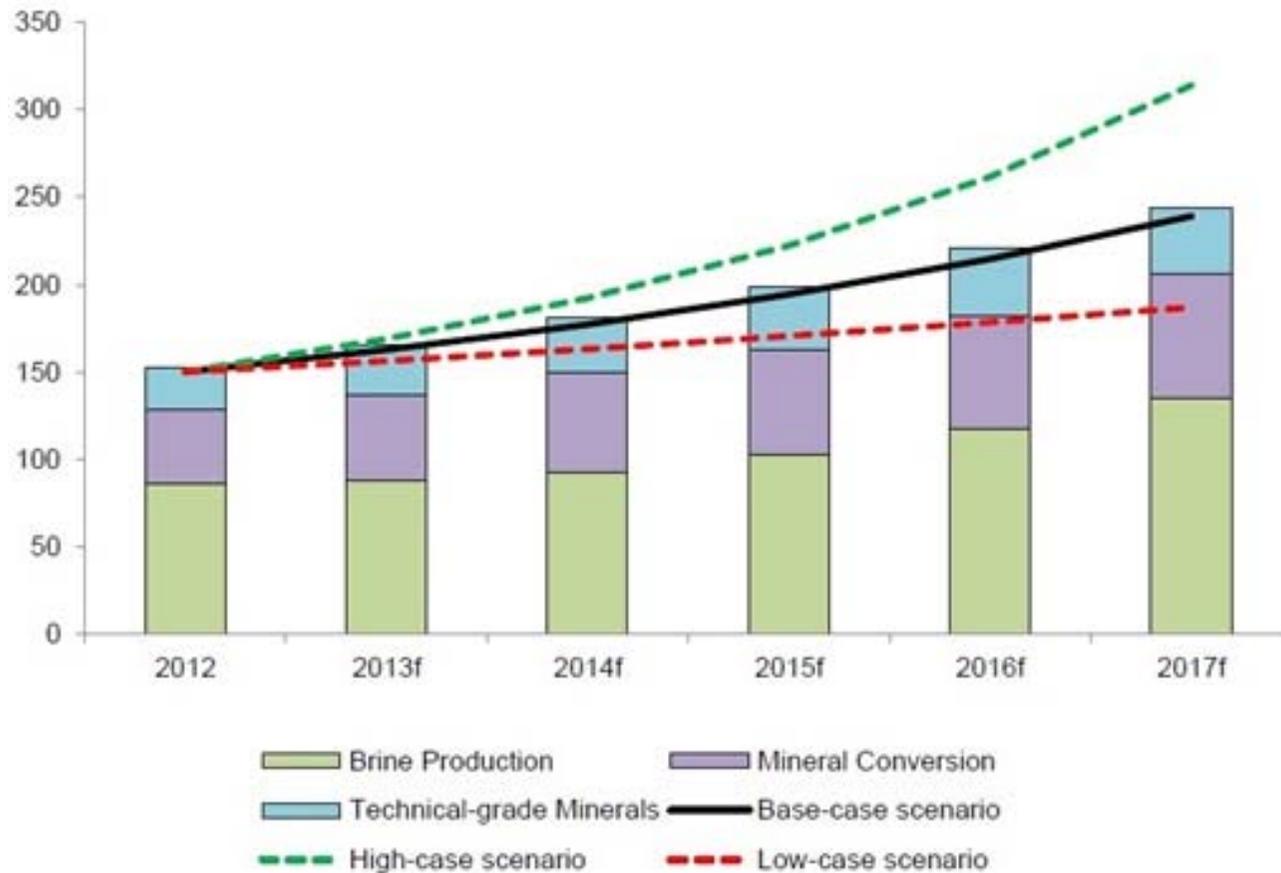
2002-2017 (t LCE)



Source: Roskill 2013

- Majority of lithium continues to be used for lower value industrial applications (glass, ceramics etc.)
- Recent growth largely from rechargeable battery market (e.g. mobile phones, laptops)
- New technologies/applications will drive market (e.g. EV and lithium-ion batteries)
- Stormcrow projects demand to grow to 300kt LCE in 2020 and 400kt LCE in 2025

Demand Outlook



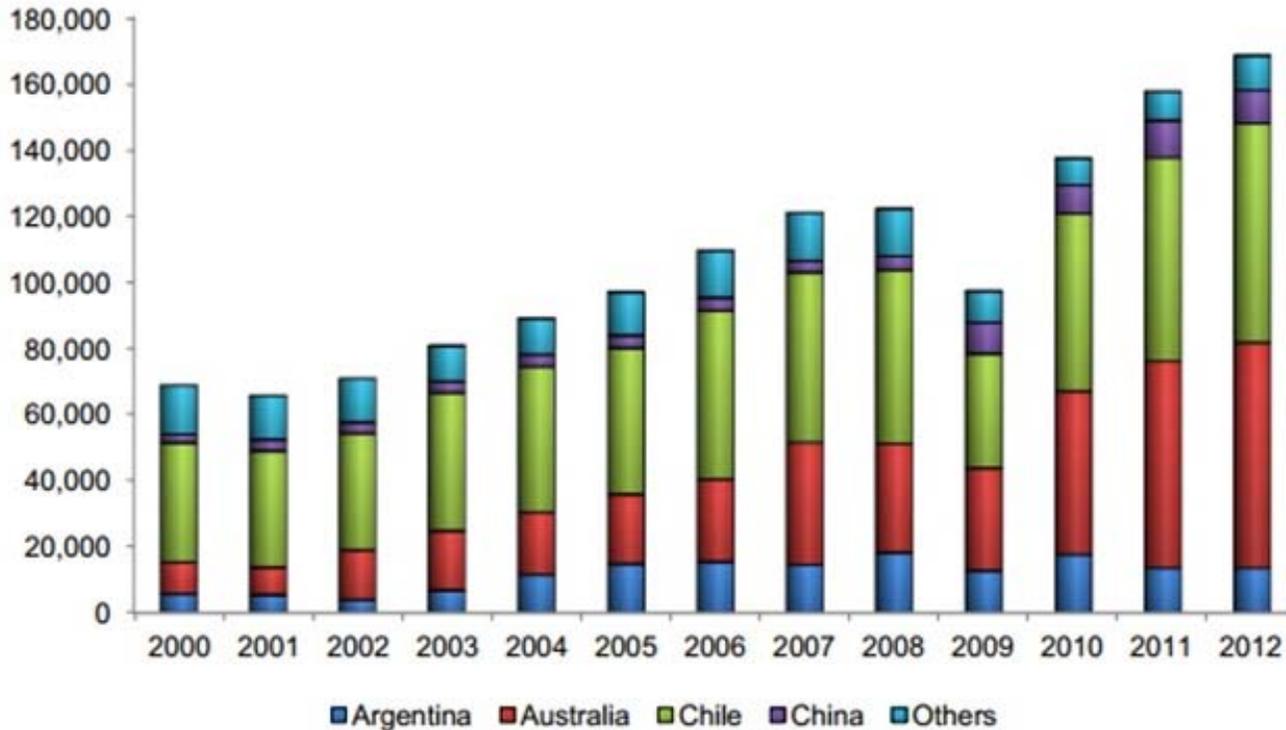
Source: Roskill 2013

- Market has grown from ~60,000 tonnes LCE in 2000 to 150,000 tonnes LCE in 2012 and 200,000 tonnes LCE in 2015
- Growth base rate 9.7% with high of 15.7% if rapid take up of EV's
- Entire new markets are still at embryonic phase (e.g. fixed energy storage with renewables, Li-Al alloys for aircraft)

Lithium Supply

Production of lithium by country

2000-2012 (LCE)



Source: Roskill 2013

- Lithium supply totalled 168,000 LCE in 2012
- Global supply is dominated by the “big four” that supply ~82% (Talisson Lithium, SQM, Albemarle and FMC)
- Talison (now owned by Tianqui and Albermarle) is now largest supplier of Lithium concentrate globally
- Australian concentrate production is increasing through new projects Mt Marion, Mt Caittlin and expected from Pilbara Minerals
- Canadian projects are still at the development stage