

15 May 2017

EUROPEAN LITHIUM SIGNS BINDING TERM SHEET WITH CHINESE LITHIUM PRODUCER

Highlights

- **Leading Chinese lithium producer, Shandong RuiFu Lithium Co., Ltd, to become first off-take partner for the supply of 6% spodumene concentrates from the Wolfsberg Lithium Project**
- **Plan to supply up to 50,000tpa spodumene concentrates from Wolfsberg under the proposed Off-take Agreement**
- **Shandong RuiFu is an established supplier of lithium products to the battery industry in China and has secured off-take agreements with ASX listed lithium producers, Galaxy Resources and Pilbara Minerals etc**

European Lithium Limited (ASX:EUR, FRA:PF8) (the **Company**) is pleased to advise it has met a major milestone on the development road map of the advanced Wolfsberg Lithium Project (**Wolfsberg**) in Austria, by entering into an agreement with Shandong RuiFu Lithium Co., Ltd (**Shandong**) for the off-take of spodumene concentrates from Wolfsberg (**Off-take Agreement**) pursuant to a binding term sheet (**Term Sheet**).

In satisfaction of the agreed terms of the binding Term Sheet Shandong will commence testing samples of Wolfsberg ore at their concentrate plant and a formal Off-take Agreement will be entered into within 90 days of signing the Terms Sheet.

Shandong is an established supplier of lithium products and raw materials to the rapidly growing battery industry in China. Shandong has already secured off-take agreements with Australian based, ASX listed lithium producers, Galaxy Resources and Pilbara Minerals to shore up supply.

EUR's Chairman, Tony Sage, said "securing a Chinese off-take partner for concentrate from Wolfsberg is a major milestone for the Company. Early cash-flows generated from concentrate sales will support the Company's strategy to fast track the development of Wolfsberg."

Tony Sage
Non-Executive Chairman
European Lithium Limited

END

ABOUT SHANDONG

Shandong RuiFu Lithium Co., Ltd. engages in the production of lithium carbonate from spodumene and is based in Tai'an City, Shandong Province on the eastern seaboard of China. Shandong commenced lithium carbonate production in October 2013, subsequent expansions and the commissioning of additional plants (the most recent expansion to be completed in August 2017) will allow Shandong to produce 38,000tpa of lithium products requiring around 320,000tpa of spodumene concentrate at full capacity.

Visit the Company's website to find out more about the advanced Wolfsberg Lithium Project located in Austria.

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