

21 December 2017

PAYNES FIND GOLD PROJECT SALE SETTLEMENT

European Lithium Limited (ASX:EUR, FRA:PF8, VSE:ELI) (the **Company**) is pleased to confirm that the sale of its Paynes Find Gold Project to Cervantes Gold Pty Ltd (ASX:CVS) (**CVS**) (the **Transaction**) settled today.

The total consideration payable in relation to the Transaction comprises \$500,000 cash and \$500,000 in share consideration through the issue of 25,000,000 shares in CVS, at a deemed issue price of 2 cents each. The Company will be issued its 25,000,000 consideration shares in CVS on or before 29 December 2017.

In addition, the parties have agreed to amend the payment terms of the cash consideration payable in relation to the Transaction. The total cash consideration remains unchanged at \$500,000 (of which \$220,000 has been received to date) with the remaining deferred cash payments set out below:

- \$25,000 on or before 15 January 2018.
- \$25,000 on or before 28 February 2018.
- \$230,000 on or before 31 March 2018.

EUR's Chairman, Tony Sage, commented "we are very pleased to settle the sale of the Paynes Find gold project with CVS." He added, "the Company's focus remains on finalising the PFS at the Company's flagship Wolfsberg Lithium project as well as better understanding the size and value of the deposit in Zone 2."

Tony Sage
Non-Executive Chairman
European Lithium Limited

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