

5 July 2018

PAYNES FIND GOLD PROJECT SALE COMPLETION

As announced 21 December 2017, European Lithium Limited (ASX:EUR, FRA:PF8, VSE:ELI) (the **Company**) confirmed that the sale of its Paynes Find Gold Project to Cervantes Gold Pty Ltd (ASX:CVS) (**CVS**) (the **Transaction**) had settled.

The total consideration in relation to the Transaction comprises \$500,000 cash (of which \$420,000 has been received to date) and \$500,000 in share consideration (received).

The parties have agreed to settle the remaining cash consideration payable of \$80,000 through the issue of 7,000,000 shares in CVS at a deemed issue price of 1.14c each. The Company will also be issued one free attaching unquoted option for every two shares issued which are exercisable at 1.5 cents each on or before 30 June 2020.

Non-Executive Chairman, Tony Sage, said "we are very pleased that this transaction has now completed and we wish CVS all the best in the development of the Paynes Find project and more recently the very high grade results from Albury Heath." He added "to achieve further returns we decided to take more scrip instead of cash because of the potential upside in the latest results which in turn will further add value to European Lithium."

Tony Sage
Non-Executive Chairman
European Lithium Limited

END