

30 December 2019

## EUR7.5 MILLION (A\$12M) @ 5% per annum DEBT FUNDING AGREED

### AUSTRIAN MINING AUTHORITY EXTENDS 11 MINING AND 54 EXPLORATION LICENSES FOR THE WOLFSBERG PROJECT

#### SUMMARY OF KEY UPDATES

- Debt facility secured to raise funds of EUR7,500,000 (Approximately A\$12m)
- 11 Mining licenses extended to December 2021
- 54 Exploration licenses extended to December 2021

The Board of European Lithium Limited (ASX: **EUR**, FRA: **PF8**, VSE: **ELI**, NEX: **EUR**) (the **Company**) is pleased to announce that it has agreed a long-term debt facility of EUR7,500,000 with a Swiss based sophisticated investor (**Debt Facility**) introduced by Helvetican International AG (**Helvetican**).

The Debt Facility will allow the Company to complete the DFS at the Wolfsberg Lithium Project in Austria and repay the residual amount owing under the existing convertible note facility. The Company's Chairman has met with Helvetican and the lender on two different occasions in Zurich over the last 6 weeks as part of its due diligence on the Debt Facility.

The Debt Facility will replace the Company's existing A\$10m convertible note facility with Winance Investment LLC (**Winance**) (refer ASX announcement 31 July 2019). In relation to this facility, there is a total of 940 convertible notes which remain outstanding from the 2,000 notes issued at the initial draw down of A\$2.0m by the Company in September 2019. The outstanding Winance notes will be redeemed in full upon drawdown of the Debt Facility.

The key terms of the Debt Facility are set out in Annexure A to this announcement.

Tony Sage, Chairman, commented "This is a significant milestone in the development of the Wolfsberg project as it allows us to finalise the DFS without further dilution to existing shareholders. We believe the repayment and extinguishment of the existing convertible facility will greatly benefit all shareholders by eliminating the issue of new shares and subsequent selling into the market. EUR looks forward to a mutually beneficial and long-term relationship with Helvetican International AG."

The Austrian Mining Authority has extended the 11 mining licenses and 54 exploration licenses the Company has over the Wolfsberg Lithium Project. The decision is based on the huge effort the Company has demonstrated to the Austrian Mining Authority in developing the Wolfsberg Lithium Project, especially in the unique field of metallurgy to battery grade lithium hydroxide. Tony Sage, Chairman, commented "This is yet another significant milestone for the Company in development of the Project".

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

**Tony Sage**  
**Non-Executive Chairman**

**Annexure A**

- The Debt Facility is for EUR7,500,000, with drawdown to occur as required
- The Lenders name is H120 AG, a Switzerland incorporated entity
- The Debt Facility is repayable in full on maturity being 2 years from drawdown
- Interest of 5.0% per annum is payable on a quarterly basis in arrears
- Helvetican to appoint a Board member to the Company on 1<sup>st</sup> February 2020
- The Debt Facility is secured against the Company's Wolfsberg Lithium Project in Austria
- The Company has agreed to issue Helvetican (or Nominee) 40,000,000 unlisted options with an exercise price of \$0.10c each that can be exercised on or before 30<sup>th</sup> June 2020 and 30,000,000 unlisted options with an exercise price of \$0.15c each which can be exercised within 12 months of signing the binding terms sheet.

**About Helvetican**

Helvetican International AG is a Swiss based corporate and financial advisory firm. Further details can be found at [www.helvetican.com](http://www.helvetican.com).