

European Lithium Ltd

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European Lithium has near-term DFS catalysts for integrated lithium supply strategy in Europe

European Lithium Ltd (ASX:EUR) (FRA:PF8) (NEX:EUR) has its sights set firmly on a vertically integrated lithium supply strategy in Europe and has a number of near-term definitive feasibility study (DFS) catalysts which will see it move nearer to the prize.

Unlike most other ASX-listed lithium players that are focused on China or Korea, EUR sees Europe as the key to unlocking the value of its lithium strategy.

READ: European Lithium makes steady progress in advancing Wolfsberg Lithium Project

With an advanced lithium project in Austria, a European financing facility, German metallurgical and processing technology, and growing demand from the nascent lithium battery plants of Europe, it is little wonder the company has increased access to European investors.

This has come through the recent listing on the London-based NEX Exchange Growth Market.

READ: European Lithium debuts on NEX Exchange Growth Market in London

These factors also see the company investigating a listing on the Prime Market of the Vienna Stock Exchange (VSE) to complement the NEX listing and its existing Frankfurt and ASX listings.

The primary near-term catalysts include drilling, metallurgical test work and pilot processing.

These are centred on ongoing work on a DFS at the Wolfsberg Lithium Project in Austria.

Price: A\$0.077

Market Cap: A\$42566500M

1 Year Share Price Graph



Share Information

Code: EUR

Listing: ASX

52 week High Low
A\$0.19 A\$0.07

Sector: Mining

Website: www.europeanlithium.com

Company Synopsis:

European Lithium is a listed (ASX: EUR)(FRA: PF8)(VSE: ELI) mining exploration and development company focusing on its wholly owned Wolfsberg Lithium Project in Austria. We aim to be the first local lithium supplier into an integrated European battery supply chain.

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Drill equipment mobilised

Equipment has been mobilised to the Wolfsberg site for a 31-hole drilling program aimed at upgrading the Zone I 10.98 million-tonne JORC-compliant resource into the measured and indicated categories.

Drilling applications have been lodged with relevant authorities and drill collar locations and pads for the program have been surveyed by a licensed surveyor.

Approval from the authorities is expected to be received this quarter following which drilling will begin immediately.

Higher mining rate proposed

Upgrading the Wolfsberg resource will allow the DFS to be undertaken at the envisaged higher annual mining rate of up to 800,000 tonnes.

Definition of the scope of work for the DFS engineering design and integration of third-party studies has been completed by The Mineral Corporation (TMC) together with DRA Global.

This was based on results of the PFS, which was published in April 2018.

The PFS identified geology, hydrogeology, mining, metallurgy, land access and environmental areas to be investigated for the DFS so that design changes during the DFS will be minimised.

SRK Consulting has also prepared the scope of work for the optimised mine design and increased declaration of mineral reserves, based on the PFS and drilling program results when completed.

READ: European Lithium commissions processing tests for lithium from Wolfsberg project

Last month Dorfner Anzaplan was awarded the contract for complex metallurgical test work and pilot processing as part of the DFS and immediately began work.

A 300-tonne sample with 150 tonnes each for Amphibolite Hosted Pegmatite (AHP) and Micaschist Hosted Pegmatite (MHP) has been sent to Dorfner Anzaplan's German testing facilities for the detailed metallurgical process studies through the pilot plant.

This testing is to ensure a high-quality final lithium hydroxide is produced using the most efficient and competitive metallurgical processes from the beginning of the production cycle.

A mineralised sample from the Wolfsberg project.

Marketing work

Product marketing work is also progressing.

A marketing study by Benchmark Minerals Intelligence for the PFS projected that lithium hydroxide prices in Europe would continue to increase to a peak in 2022 and then decline to stabilise.

Taking recent global lithium industry developments into account, the company's integrated European supply strategy remains unchanged.

The company is in discussion regarding future European offtake contracts and good progress has been made in the advanced discussions with potential offtake partners.

READ: European Lithium director invests \$200,000 into company options

European Lithium has a \$10 million finance facility with MEF I, LP (Magna) to fast-track the completion of the DFS.

An initial amount of \$2.5 million was drawn down on September 14, 2018, and a further \$7.5 million is available in tranches upon the company meeting key milestones relating to the DFS process.

PDAC representation

Through its association with German capital markets consulting company DGWA, European Lithium is represented at PDAC, the world's largest mineral exploration & mining convention, in Toronto in early March.

For the fourth time in a row, DGWA is the only German capital markets consulting company on the 'Made in Germany' booth at PDAC.

Made in Germany is the official and federally supported German presence at numerous industry fairs worldwide and positions and represents a cross-

section of German industry in the respective sectors.

DGWA, which has a broad network of German-speaking investors and a unique track record in successful transactions, supports international commodity companies in their activities on the European capital markets.

During PDAC visit Katharina Löckinger and Stefan Müller at the Made in Germany booth in the North Hall.

Horizon 2020 participation

The company's subsidiary ECM Lithium AT GmbH has been invited to participate in the European Union funded Horizon 2020 - GREENPEG program.

This project aims to develop innovative exploration toolsets and proprietary technologies in order to secure the sustainable supply of lithium and other critical raw materials for Europe.

As it seeks to do this by increasing resources and reducing the import dependency of these raw materials, European Lithium's strategy has potential to fit the bill.

This quarter ECM will submit the first of the two-stage submission process outlining suggested and planned works.

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