

European Lithium Ltd

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European Lithium confirms economic lithium project

European Lithium (ASX:EUR) has confirmed the technical and economic viability through an initial mine design study at its advanced Wolfsberg Lithium Project in Austria.

The study results show that the pegmatite veins can be mined economically with an estimated preliminary pre-tax net present value (NPV) of US\$94.8 million.

The current JORC resource supports a mine life of 13 years with potential to increase mine life and production rate as additional resources are developed.

Furthermore, independent consulting engineers have confirmed the ability to produce battery grade lithium carbonate from Wolfsberg concentrate.

Steve Kesler, CEO, commented: "Following completion of the current exploration program and pre-feasibility study we plan to undertake further drilling as part of the definitive feasibility study to upgrade the deeper resources to indicated category."

Mine design study results

The study shows that the pegmatite veins can be mined economically using long hole open stoping.

An essential component is the use of ore sorting to reject waste dilution

The project becomes more attractive economically as it is expanded beyond that supported by the current JORC resource.

A preliminary evaluation of the project economics includes:

- Capex cost of US\$178.8 million;
- 13 years life of mine (LoM);
- LoM revenue of US\$972 million or US\$74.8 annually
- LoM EBITDA of US\$509 million or US\$39.2 annually; and
- Pre-tax NPV of US\$94.8 million.

Wolfsberg Lithium Project

The Wolfsberg project recently had a 75% increase of JORC resource tonnages to 6.3 million tonnes at 1.17% lithium oxide completed in November 2016.

The project is comprised of 22 original and 32 overlapping exploration licences and a mining licence over 11 mining areas has been issued by the Austrian Mining Authority.

Price: 0.08

Market Cap: \$48.08 m

1 Year Share Price Graph



Share Information

Code: EUR

Listing: ASX

52 week High Low
0.18 0.074

Sector: Battery Metals

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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Wolfsberg was discovered by Minerex in the 1980s, a period when the lithium demand and price did not support project development.

European Lithium undertook a successful program to verify the Minerex historical data, which has been used to in associate with recent drill results to compile this JORC resource.

The project has had 17,000 metres of drilling and 1,400 metres of declines, drives and crosscuts completed and installed by previous owners, and this work will allow the company to examine routes to fast track the development phase.

Analysis

The study results are positive for European Lithium for a number of reasons, firstly they confirm the Wolfsberg project to be technically and economically viable with a preliminary valuation of US\$94.8 million.

Secondly, the project has proven to be able to produce 99.9% battery grade lithium carbonate from the project's concentrate.

Thirdly, the study has outlined the upside potential for the project's valuation that exists should the JORC resource be increased.

This is significant given the resource has been declared by previous owners as considerably greater than the current JORC compliant resource.

A deep drilling program is currently in progress and the first two holes have confirmed that the pegmatite veins do extend to depth.

This program will complete by end April and an updated resource is expected by end May.

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