

European Lithium Ltd

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European Lithium raises A\$2.1 million for Wolfsberg project as EU kick-starts plan to build battery supply chain

European Lithium Limited (ASX:EUR) (FRA:PF8) (NEX:EUR) (VSE:ELI) has completed a A\$2.1 million share placement to progress its Wolfsberg Lithium Project in Austria.

The placement was strongly supported by a number of existing shareholders and new sophisticated and professional investors and investment funds.

Funds raised will be applied to metallurgical test-work of bulk samples from Wolfsberg to qualify product specifications for offtake partners and end-use applications in support of EUR's definitive feasibility study (DFS).

Action plan on critical raw materials

EUR's strategy to serve Europe's pursuit of a cleaner and greener energy future has been enhanced by a strategic engagement with Talaxis Limited and subsequent appointment of Kimon Gkomoziyas as executive director to lead its development strategy in Europe.

This will assist EUR tap into the European Battery Alliance network, which is estimated to be worth EU250 billion from 2025 onwards.

Gkomoziyas said: "The European Union (EU) has commenced an ambitious plan to build and reshape its battery supply chain.

"The European Commission's recently announced Action Plan on Critical Raw Materials, is looking at the current and future challenges and actions to reduce Europe's dependency on third world countries, diversifying supply from both primary and secondary sources and improving resource efficiency while promoting responsible sourcing worldwide.

"It contains 30 critical raw materials. Lithium, which is essential for a shift to e-mobility, has been added to the list for the first time.

"EUR is well-timed and well-positioned to benefit from Europe's unprecedented need for lithium, contributing to the European integration of the lithium supply chain and capitalizing on the resulting growth of the regional lithium ecosystem."

Placement details and notes redemption

EUR's A\$2.1 million share placement at 4.5 cents per share includes a 1 for 4 free attaching unlisted option exercisable at 5 cents on or before July 31, 2022.

In conjunction with the placement, EUR has redeemed 500 convertible notes issued to Winance using A\$636,364 from the placement proceeds.

Price: 0.046

Market Cap: \$33.42 m

1 Year Share Price Graph



Share Information

Code: EUR

Listing: ASX

52 week High Low
0.125 0.035

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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These notes were part of 2,000 convertible notes issued to Winance in March 2020, each with a face value of A\$1,000.

More lithium needed by 2030

European Commission vice president (Interinstitutional Relations and Foresight) Maroš Šef?ovi? has said that a secure and sustainable supply of raw materials is a prerequisite for a resilient economy.

He added: "For e-car batteries and energy storage alone, Europe will for instance need up to 18 times more lithium by 2030 and up to 60 times more by 2050.

"As our foresight shows, we cannot allow to replace current reliance on fossil fuels with dependency on critical raw materials.

"This has been magnified by the coronavirus disruptions in our strategic value chains.

"We will therefore build a strong alliance to collectively shift from high dependency to diversified, sustainable and socially-responsible sourcing, circularity and innovation."

Net present value of US\$339.4 million

The Wolfsberg Lithium Project hosts a measured, indicated and inferred resource of 10.98 million tonnes at 1.0% lithium oxide.

EUR successfully completed a pre-feasibility study (PFS) in the second quarter of 2018 that suggests a production rate of 10,129 tonnes per annum of lithium hydroxide with a mine life of more than 10 years on an accelerated case.

The PFS confirmed Wolfsberg is a technically and economically robust project delivering a pre-tax net present value of US\$339.4 million.

More EVs sold in Europe than China

Gkomoziias added "Despite the impact of COVID-19 on car sales being most severe in Europe, in 2020 more EVs were sold in Europe than in China for the first time with Europe's share in global BEV/PHEV sales increasing from 23% to 42% within a year (ref: www.ev-volumes.com).

"Despite Europe's position as the fastest-growing EV manufacturing industry, it has zero domestic production of battery-grade lithium hydroxide product with close to 80% of its current supply coming from China."

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