

22 December 2021

EUROPEAN LITHIUM AND TRAXYS SIGN MOA FOR WOLFSBERG COOPERATION AND OFFTAKE PARTNERSHIP

Highlights

- **EUR agrees to pursue a cooperation and offtake partnership with Traxys to develop the Wolfsberg Lithium Project;**
- **Traxys to retain exclusivity until end of first quarter 2022 to finalise offtake agreement with the Company;**
- **Traxys will aim to leverage its banking relationships to support EUR to structure appropriate project financing and provide working capital to the project; and**
- **Traxys to consider a direct investment in the Company.**

European Lithium Limited (ASX: **EUR**, FRA: **PF8**, OTC: **EULIF**) (**EUR** or the **Company**) is pleased to announce it has signed a multi-tiered non-binding Memorandum of Agreement (**MOA**) with Traxys Europe S.A. (**Traxys**) to support the development and commercialisation of the Wolfsberg Lithium Project in Austria (**Wolfsberg Project**).

Under the MOA, EUR will work with Traxys to negotiate suitable commercial terms for a product offtake and/or marketing agreement for EUR's Lithium Hydroxide (**LiOH**) and, if applicable, any by-products from the Wolfsberg Project (**Offtake Agreement**) and has granted Traxys exclusivity until the end of the first quarter of 2022 to finalise the agreement.

The cooperation will also include Traxys' support to the Company to secure working capital and other project financing facilities for the development of the Wolfsberg Project. Traxys has already introduced the Company to financial institutions in relation to project finance that have opened direct communications with potential lenders.

Traxys and the Company shall pursue expanding their cooperation to include Traxys financing of project product flows end-to-end along with logistical and risk management solutions for the project and products. The Company and Traxys will also discuss the potential for a direct investment by Traxys and for further aligning their interests for the successful commercialisation of the Wolfsberg Project.

Traxys is part of the Traxys Group which is an international client-focused commodities merchant with global presence that provides effective market access and solves complex supply chain, distribution and financing challenges for a wide range of clients on a cooperative and transparent basis across a diverse array of metals and minerals. Traxys operates from a network of offices and facilities in over 20 locations worldwide, has approximately 450 employees, serves over 2,000 customers and 800 suppliers, and has comprehensive global coverage encompassing all key markets: Europe, Asia, North America, South America, Africa, and Australasia. Further details on Traxys can be located at www.traxys.com.

EUR Chairman, Tony Sage, commented: "finalising an offtake agreement is another key milestone for the Company and will add to recent developments at the Wolfsberg Project. In the current high lithium price environment, partnering with Traxys and leveraging their expertise will achieve the best result for shareholders while the Company retains flexibility".

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

Tony Sage
Non-Executive Chairman
European Lithium Limited

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