

Börse Social Network Interview, 05.05.2018: appointment of Dietrich Wanke to European Lithium CEO, focus on Europe and update on progress of the project with Stefan Müller and Dietrich Wanke

The background for this interview: The news that European Lithium has appointed Dietrich Wanke as new CEO, were announced Friday around lunch time. I met Dietrich last year in Vienna; we have followed the company's activities in Austria closely since the beginning from a journalists perspective. Friday afternoon the round table for the "Börse Social Network Club" took place for the first time with Heiko Thieme, Ulrich Brockmann (Fielmann), Manuel Taverne (FACC) and Katharina Löckinger. Katharina is responsible for IR for European Lithium, which is why we organized a spontaneous phone interview Friday afternoon with Dietrich Wanke, who is currently in Australia and Non-Executive Director Stefan Müller in Berlin.

Dietrich, first of all – congratulations on your new role, the company seems to progress well with shifting the focus to Europe, especially to Austria. First question, however, to Stefan: What were the reasons for the board of directors to appoint Dietrich as the new CEO?

Stefan Müller: We have followed a clear and linear process of progress since the commencement of the „internal“ PFS in spring last year, with the aim to produce lithium in the near future – and we have taken a big step in the right direction by completing the PFS, where the former CEO Steve Kesler played an instrumental role. European Lithium is no longer an exploration company with the achieved and expected drilling results. By appointing Dietrich as CEO, we are taking into account the significantly changed requirements for the company. We now need Dietrich's many years of experience in setting up and commissioning mine projects. Furthermore, we are converting the Austrian GmbH, whose managing director Dietrich has already been for two years, into an AG, so it was consistent to make him CEO of the parent company. He has also built up the entire team in Wolfsberg and knows the mine better than anyone else.

Dietrich, what are the next steps towards production?

Dietrich Wanke: The last "formal" act is the completion of the DFS (Definitive Feasibility Study). We are currently getting corresponding offers and expect the order to be placed at the beginning of the third quarter. In parallel, we are drilling the Zone 1 required for the JORC code and completing the drill programme in Zone 2. As already announced, we expect to be able to determine a resource size of over 20 million tons and we anticipate the start of production in 2020. As you already reported and we mentioned at the road shows, due to the exploration work in the 80's we already have an intact mining structure, on which we can easily build and which gives us a clear picture of the geological conditions in the mountain.

The production launch will cost money. What numbers do you expect? And will this be possible without a capital raise or will you turn again to investors?

Müller: We currently expect a further capital requirement for the DFS of max. € 15m but do not plan to obtain these funds through another capital raising. The costs of the drilling programmes are mostly paid for or the corresponding funds available. Since the positive completion of the PFS at the latest, we have been on the radar of many potential lithium buyers in Europe and are already engaged in concrete discussions about potential partnerships. A pre-financing of the DFS could be a possible component of such a partnership among other models. Although we understand the current impatience of shareholders, we

will now take time to make these very important strategic decisions. European Lithium is receiving great interest from industry and also in the setting of the European Battery Alliance, for example, where we are present in high-level meetings as one of the very few European potential producers. The costs of getting the mine ready for production will not be financed through capital raising but as it is common in the industry, through partnerships, financings, subsidies, grants or, in the case of a takeover, entirely by third parties.

Katharina Löckinger mentioned on Friday that on May 29th and 30th, you are inviting interested investors to visit the mine in Wolfsberg – what can the participants expect and despite being “fully booked”, do you have 2 spare seats for our Börse Social Network Club?

Wanke: Exactly, on the 29th, about 20 European mostly institutional investors will be guests and on the 30th, we will welcome a larger group of private investors - the event was booked out shortly after the announcement. We will give our guests a comprehensive insight into the project and the entire team on-site will be available for questions and discussions. In addition, we will visit our drilling core repository. For our investors, it will certainly be impressive to see their project - the two people from Börse Social Network Club are of course very welcome.

Müller: Let me add that we would be very pleased to convince our particularly critical shareholders and followers of the project’s potential and the corresponding derivation of the project value.

In the past few days, all three directors have bought European Lithium and Cape Lambert shares respectively, there is quite a positive news flow and the outlook seems good - why is the stock currently not moving?

Müller: On the one hand, commodity and, above all, lithium stocks have been under pressure worldwide in recent weeks, on the other hand, our shareholders still expect news in the shortest possible intervals. These will no longer exist from now on, as the drilling is largely completed or will no longer provide any real news. The task of the management team is to make the best possible decisions for the shareholders, and since this depends on some of the largest companies in the industry, the process takes time. Some investors draw wrong conclusions and sell. The next weeks and months will be very exciting for our company and we are sure that the European Lithium share price development will be more than pleasant for shareholders in the future. Already now, based on an official resource size, which is probably only about a third of what is expected from the latest drilling results, both PFS and research report of Frist Berlin show results significantly higher than current prices. If hard facts in the form of partnerships are added, the stock market should reward this.

Thanks for the phone call and for the lithium samples from the mine, which Katharina gave me at the round table.