



EUROPEAN METALS

EUROPEAN METALS HOLDINGS LIMITED

A company registered in the British Virgin Islands

Registration Number 1655704

ENTITLEMENT ISSUE PROSPECTUS

For a non-renounceable entitlement issue of four (4) CDIs for every seven (7) CDIs held by those Shareholders registered at the Record Date at an issue price of \$0.05 per CDI to raise up to \$1,097,143 (based on the number of CDIs on issue as at the date of this Prospectus) (together with one (1) free attaching New Option for every one (1) CDI subscribed for and issued) (**Offer**).

The Offer is fully underwritten by 708 Capital Pty Ltd (**Underwriter**). Refer to Section 8.4(a) for details regarding the terms of the Underwriting Agreement.

Important Information

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the Securities being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

THE SECURITIES OFFERED BY THIS PROSPECTUS SHOULD BE CONSIDERED AS SPECULATIVE.

CONTENTS

1.	Corporate Directory	1
2.	Timetable	2
3.	Important Notes	3
3.1	Risk factors	3
3.2	Forward Looking Statements	3
3.3	CHESS and CDIs	4
3.4	Foreign registered Company	4
4.	Details of the Offer	5
4.1	The Offer	5
4.2	Acceptance of Offer	5
4.3	Minimum subscription	6
4.4	Payment by cheque/bank draft	6
4.5	Payment by BPAY®	6
4.6	Underwriting and sub-underwriting	6
4.7	Effect of Offer on control of the Company and potential dilution to Shareholders	7
4.8	Potential dilution	8
4.9	Shortfall	9
4.10	ASX listing	9
4.11	Issue of Securities	9
4.12	Overseas shareholders	9
4.13	Enquiries	11
5.	Purpose and Effect of the offer	12
5.1	Purpose of the Offer	12
5.2	Effect of the Offer	12
5.3	Pro-forma balance sheet	12
5.4	Effect on capital structure	14
5.5	Details of substantial holders	15
6.	Rights and Liabilities attaching to Securities	16
6.1	CDIs	16
6.2	Rights and Liabilities to the New Options	17
7.	Risk Factors	19
7.1	Introduction	19
7.2	Company specific	19
7.3	Industry specific	21
7.4	General risks	23
7.5	Speculative investment	24
8.	Additional Information	25
8.1	Litigation	25
8.2	Continuous disclosure obligations	25
8.3	Market price of shares	26
8.4	Material contracts	27
8.5	Interests of Directors	29
8.6	Interests of experts and advisers	31
8.7	Consents	31
8.8	Expenses of the offer	32
8.9	Electronic prospectus	32
8.10	Financial forecasts	32
8.11	Clearing House Electronic Sub-Register System (CHESS) and Issuer Sponsorship	32
8.12	Privacy Act	32
9.	Directors' Authorisation	34
10.	Glossary	35

1. Corporate Directory

DIRECTORS

Mr Robert Timmins	<i>Non-Executive Chairman</i>
Mr Keith Coughlan	<i>Managing Director / Chief Executive Officer</i>
Dr Pavel Reichl	<i>Executive Director</i>
Mr Colin Ikin	<i>Non-Executive Chairman</i>
Mr David Porter	<i>Non-Executive Director</i>
Mr David Reeves	<i>Non-Executive Director</i>

COMPANY SECRETARY

Ms Julia Beckett

REGISTERED OFFICE IN AUSTRALIA

Street: Level 4, 66 Kings Park Road
WEST PERTH WA 6005
Postal: PO Box 52
WEST PERTH WA 6872
Telephone: +61 (0)8 6141 3500
Facsimile: +61 (0)8 6141 3599
Website: www.europeanmet.com
Email: info@europeanmet.com.au

SECURITIES EXCHANGE

Australian Securities Exchange
ASX Code - EMH

LAWYERS

Steinepreis Paganin - Lawyers and Consultants
Level 4, The Read Buildings
16 Milligan Street
PERTH WA 6000

UNDERWRITER

708 Capital Pty Ltd
Level 24, 25 Bligh Street
SYDNEY NSW 2000
Telephone: +61 (0)2 9112 2599
Facsimile: +61 (0)2 9112 2551

REGISTERED OFFICE AND PLACE OF INCORPORATION

Rawlinson & Hunter
Palm Grove House, 49 Main Street
Road Town, Tortola VG1 110
BRITISH VIRGIN ISLANDS

AUDITOR*

Stantons International Audit and Consulting Pty Ltd
Level 2, 1 Walker Avenue
WEST PERTH WA 6005

SHARE REGISTRY*

Computershare Investor Services Pty Limited
Level 2,
45 St Georges Terrace
PERTH WA 6000
Telephone: 1300 850 505
Facsimile: +61 (0)3 9415 4000

* This entity is included for information purposes only. It has not been involved in the preparation of this Prospectus and has not consented to being named in this Prospectus.

2. Timetable

EVENT	DATE
Lodgement of Prospectus with the ASIC	8 October 2014
Lodgement of Prospectus & Appendix 3B with ASX	8 October 2014
Notice sent to Shareholders	10 October 2014
Ex-date	13 October 2014
Record Date for determining Entitlements	5:00pm (WST) on 15 October 2014
Prospectus sent out to Shareholders & Company announces this has been completed	20 October 2014
Last day to extend the Closing Date	24 October 2014
Closing Date*	5:00 pm (WST) on 29 October 2014
CDIs and New Options quoted on a deferred settlement basis	30 October 2014
ASX notified of under subscriptions	3 November 2014
Issue date/CDIs and New Options entered into Shareholders' security holdings	6 November 2014
Quotation of CDIs and New Options issued under the Offer*	7 November 2014

* The Directors may extend the Closing Date by giving at least three (3) Business Days' notice to ASX prior to the Closing Date. As such the date the CDIs and New Options are expected to commence trading on ASX may vary.

3. Important Notes

This Prospectus is dated 8 October 2014 and was lodged with the ASIC on that date. The ASIC and its officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Securities may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

It is important that investors read this Prospectus in its entirety and seek professional advice where necessary. The Securities the subject of this Prospectus should be considered highly speculative.

Applications for Securities offered pursuant to this Prospectus can only be submitted on an original Entitlement and Acceptance Form.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

3.1 Risk factors

Potential investors should be aware that subscribing for Securities in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in Section 7. These risks together with other general risks applicable to all investments in listed Securities not specifically referred to, may affect the value of the Securities in the future. Accordingly, an investment in the Company should be considered highly speculative. Investors should consider consulting their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

3.2 Forward Looking Statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of our Company, the Directors and our management.

The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

These forward looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in section 7.

3.3 CHESS and CDIs

Investors should note that as the Company is registered in the British Virgin Islands, they will be issued with CDIs under this Prospectus.

The Company will apply to participate in the Clearing House Electronic Subregister System (**CHESS**), which is the ASX electronic transfer and settlement system in Australia. Settlement of trading of quoted securities on the ASX market takes place on CHESS. CHESS allows for and requires the settlement of transactions in securities quoted on ASX to be effected electronically. No share or security certificates are issued in respect of shareholdings or security holdings that are quoted on ASX and settled on CHESS, nor is it a requirement for transfer forms to be executed in relation to transfers that occur on CHESS.

CDIs are electronic depository receipts issued and are units of beneficial ownership in securities registered in the name of CHESS Depository Nominees Pty Ltd (**CDN**). CDN is a wholly-owned subsidiary of ASX. The main difference between holding CDIs and Shares is that the holder of CDIs has beneficial ownership of the underlying Shares instead of legal title. Legal title to the underlying Shares is held by CDN. The Shares underlying the CDIs issued pursuant to this Prospectus will be registered in the name of CDN for the benefit of CDI Holders.

CDI Holders have the same economic benefits of holding the underlying Shares. CDI Holders are able to transfer and settle transactions electronically on ASX.

With the exception of voting rights, the CDI Holders are entitled to equivalent rights and entitlements as if they were legal owners of Shares. The CDI Holders will receive notices of general meetings of Shareholders. As CDI Holders are not the legal owners of the underlying Shares, CDN, which holds legal title to the Shares underlying the CDIs, is entitled to vote at shareholder meetings of the Company on the instruction of the CDI Holders on a poll, not on a show of hands. Alternatively, if a CDI Holder wishes to attend and vote at shareholder meetings, the holder may instruct CDN to appoint the holder (or a person nominated by the holder) as CDN's proxy in respect of the underlying Shares beneficially owned by such holder for the purposes of attending and voting at a shareholder meetings of the Company. Holders of CDIs are entitled to one vote for every underlying Share held by CDN.

3.4 Foreign registered Company

The Company is registered as a foreign company in Australia pursuant to the provisions of the Corporations Act. The Company's ARBN is 154 618 989. Ms Julia Beckett is appointed to act as the Company's local agent.

Investors should also note that as the Company is incorporated in the British Virgin Islands, the provisions of the Corporations Act dealing with the notification of substantial holdings and takeovers do not apply to the Company.

4. Details of the Offer

4.1 The Offer

The Offer is being made as a non-renounceable entitlement issue of four (4) CDIs for every seven (7) CDIs held by Shareholders registered at the Record Date at an issue price of \$0.05 per CDI together with one (1) free attaching New Option for every one (1) CDI subscribed for and issued. Fractional entitlements will be rounded up to the nearest whole number.

Based on the capital structure of the Company as at the date of this Prospectus and assuming all Entitlements are accepted, a maximum of 21,942,860 CDIs and 21,942,860 New Options will be issued pursuant to this Offer to raise up to \$1,097,143 (before costs). No funds will be raised from the issue of the New Options.

As at the date of this Prospectus the Company has:

- (a) 10,000,000 Performance Shares on issue (comprising 5,000,000 Class A Performance Shares and 5,000,000 Class B Performance Shares); and
- (b) 1,200,000 Options on issue (exercisable at \$0.30 each on or before 19 July 2015).

Refer to Section 5.4 for further details of the effect of the Offer on the capital structure of the Company.

All of the CDIs offered under this Prospectus will rank equally with the CDIs on issue at the date of this Prospectus. Please refer to Section 6.1 for further information regarding the rights and liabilities attaching to the CDIs. The terms and conditions of the New Options offered under this Prospectus are set out in Section 6.2. The Company will be applying for quotation of the New Options.

The purpose of the Offer and the intended use of funds raised are set out in Section 5.1.

4.2 Acceptance of Offer

Your acceptance of the Offer must be made on the Entitlement and Acceptance Form accompanying this Prospectus. Your acceptance must not exceed your Entitlement as shown on that form. If it does, your acceptance will be deemed to be for the maximum Entitlement.

You may participate in the Offer as follows:

- (a) if you wish to accept your full Entitlement:
 - (i) complete the Entitlement and Acceptance Form; and
 - (ii) attach your cheque, drawn on an Australian bank or bank draft made payable in Australian currency, for the amount indicated on the Entitlement and Acceptance Form; or
- (b) if you only wish to accept part of your Entitlement:
 - (i) fill in the number of Securities you wish to accept in the space provided on the Entitlement and Acceptance Form; and
 - (ii) attach your cheque, drawn on an Australian bank or bank draft made payable in Australian currency, for the appropriate application monies (at \$0.05 per CDI); or
 - (iii) if you do not wish to accept all or part of your Entitlement, you are not obliged to do anything.

Returning a completed Entitlement and Acceptance Form or paying any Application Monies by BPAY® will be taken to constitute a representation by you that:

- (a) you have received a copy of this Prospectus and the accompanying Entitlement and Acceptance Form, and read them both in their entirety; and
- (b) you acknowledge that once the Entitlement and Acceptance Form is returned, or a BPAY® payment instruction is given in relation to any Application Monies, the application may not be varied or withdrawn except as required by law.

The Offer is non-renounceable. Accordingly, a Shareholder may not sell or transfer all or part of their Entitlement.

4.3 Minimum subscription

There is no minimum subscription under the Offer.

4.4 Payment by cheque/bank draft

If you wish to pay by cheque, please complete the Entitlement and Acceptance Form by filling in the details in the spaces provided and attach a cheque or bank draft for the Application Monies indicated on the Entitlement and Acceptance Form. All cheques must be drawn on an Australian bank or bank draft made payable in Australian currency to “**European Metals Holdings Limited – Subscription Account**” and crossed “**Not Negotiable**”.

Your completed Entitlement and Acceptance Form and cheque must reach the Company’s Share Registry no later than **5:00 pm** WST on the Closing Date.

4.5 Payment by BPAY®

For payment by BPAY®, please follow the instructions on the Entitlement and Acceptance Form. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. Please note that should you choose to pay by BPAY®:

- (a) you do not need to submit the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form; and
- (b) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of CDIs which is covered in full by your Application Monies.

Please make sure that you use the specific Biller Code and unique Customer Reference Number (**CRN**) on your personalised Entitlement and Acceptance Form. You do not need to return a completed Entitlement and Acceptance Form but are taken to have made the declarations in the Entitlement and Acceptance Form and the representations outlined above in Section 4.2. If you have more than one shareholding of CDIs and consequently receive more than one Entitlement and Acceptance Form, when taking up your Entitlement in respect of one of those Shareholdings only use the CRN specific to that shareholding as set out in the applicable Entitlement and Acceptance Form. Do not use the same CRN for more than one of your Shareholdings. This can result in your Application Monies being applied to your Entitlement in respect of only one of your Shareholdings (with the result that any application in respect of your remaining Shareholdings will not be valid).

It is your responsibility to ensure that your BPAY® payment is received by the Share Registry by no later than 3:00PM (WST) on the Closing Date. You should be aware that your financial institution may implement either cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment. Any Application Monies received for more than your final allocation of CDIs (only where the amount is \$1.00 or greater) will be refunded. No interest will be paid on any Application Monies received or refunded.

The Company shall not be responsible for any postal or delivery delays or delay in the receipt of the BPAY® payment.

4.6 Underwriting and sub-underwriting

The Offer is fully underwritten by the Underwriter. Refer to Section 8.4(a) for details of the terms of the underwriting.

The Underwriter has entered into a number of sub-underwriting agreements in respect of the Underwritten Securities, including sub-underwriting agreements with the following persons (each of which is either controlled by or related to a Director)¹:

DIRECTOR RELATED SUB-UNDERWRITER	MAXIMUM SUB-UNDERWRITTEN CDIS ²	MAXIMUM FREE-ATTACHING OPTIONS	SUB-UNDERWRITTEN VALUE	CURRENT VOTING POWER	VOTING POWER POST OFFER ²
Ackerman Group Holdings Limited ³	4,000,000	4,000,000	\$200,000	-	6.63%
Eleanor Jean Reeves <Elanwi A/C> ⁴	798,720	798,720	\$39,936	3.55%	4.88%
Inswinger Holdings Pty Ltd ⁵	7,144,140	7,144,140	\$357,207	1.30%	12.66%
Total	11,942,860	11,942,860	\$597,143	4.85%	24.17%

Notes:

- Each of these parties has entered into a sub-underwriting agreement with the Underwriter on the terms set out in Section 8.4(b). Pursuant to the terms of the sub-underwriting, the Underwriter shall pay each sub-underwriter a fee of 2% of the total value of each sub-underwriter's respective sub-underwritten securities. Each Director related sub-underwriter has represented and warranted to the Underwriter that it is duly empowered to enter into the sub-underwriting agreement and perform each and every obligation in that sub-underwriting agreement.
- This figure is based on a total of 60,342,866 CDIs on issue upon the close of the Offer and assumes that the relevant sub-underwriter is obliged to subscribe for all of its respective sub-underwritten CDIs pursuant to its sub-underwriting agreement. However, the obligation to subscribe for sub-underwritten CDIs will reduce to the extent that Shareholders take up their Entitlements under the Offer.
- This entity is controlled by Mr Colin Ikin, a Director. Mr Ikin currently holds 225,000 CDIs directly and has an interest in 3,868,580 CDIs indirectly through Woolstores Developments Pty Ltd (an entity whose sole director and shareholder is Mr Ikin's wife). Mr Ikin will have an interest in 10,432,768 CDIs on the close of the Offer (assuming the maximum number of CDIs sub-underwritten by Ackerman Group Holdings Limited is subscribed for and the parties associated with Mr Ikin take up all of their Entitlement under the Offer).
- The spouse of Mr Reeves (a Director) and a trust in which Mr Reeves has an interest. Eleanor Jean Reeves <Elanwi A/C> currently holds 1,364,124 CDIs, which will increase to 2,942,343 CDIs on the close of the Offer (assuming the maximum number of CDIs sub-underwritten and the maximum Entitlement under the Offer is subscribed for).
- This entity is controlled by Mr Keith Coughlan, a Director. Inswinger Holdings Pty Ltd currently holds 500,000 CDIs, which will increase to 7,929,854 CDIs on the close of the Offer (assuming the maximum number of CDIs sub-underwritten and the maximum Entitlement under the Offer is subscribed for).

4.7 Effect of Offer on control of the Company and potential dilution to Shareholders

The Underwriter presently holds no Securities in the Company, and it has indicated that it has no intention of acquiring any Securities prior to the Record Date. However, the extent to which Securities are issued pursuant to the underwriting may increase the Underwriter's voting power in the Company on completion of the Offer. The Underwriter is not a related party of the Company for the purpose of the Corporations Act. The Underwriter's present relevant interest and changes under several scenarios are set out in the table below and are based on the assumption that the Underwriter takes up its full entitlement of CDIs under each scenario.

EVENT	CDIS HELD BY UNDERWRITER	VOTING POWER OF UNDERWRITER
Date of Prospectus	-	-
Completion of Entitlement Issue:		
Fully subscribed	-	-
75% subscribed	5,485,715	9.09%

50% subscribed	10,971,430	18.18%
25% subscribed	16,457,145	27.27%
0% subscribed	21,942,860	36.36%

The number of CDIs held by the Underwriter and its voting power in the table above show the potential effect of the underwriting of the Offer. However, it is unlikely that no Shareholders will take up Entitlements under the Offer. The underwriting obligation and therefore voting power of the Underwriter will reduce by a corresponding amount for the amount of Entitlements taken up by Shareholders.

Further, the Underwriter has advised the Company that it has entered into a number of sub-underwriting agreements with certain parties (including Director related parties) to take up the Shortfall.

Sub-underwriting agreements have been entered into with Director related sub-underwriters (as set out in Section 4.6 above) in relation to \$597,143 of the \$1,097,143 being raised under the Offer (being a total of 11,942,860 of the 21,942,860 CDIs being offered under this Prospectus). The Underwriter has also entered into agreements with unrelated sub-underwriters for the remaining 10,000,000 CDIs offered under this Prospectus to be sub-underwritten by those unrelated parties. Accordingly, it is highly unlikely that the Underwriter will be obliged to subscribe for all (if any) of the Shortfall, as these obligations are likely to be passed on to the sub-underwriters (the majority of whom are associated with Directors).

The following sub-underwriters in the table below may potentially hold voting power of 5% or more in the Company as a result of their respective sub-underwriting agreements. The voting power post Offer is calculated on the basis that each sub-underwriter takes up all of the sub-underwritten Securities pursuant to that party's sub-underwriting agreement. However, the voting power of each sub-underwriter will reduce by a corresponding amount for the amount of Entitlements taken up by Shareholders.

SUB-UNDERWRITER	CURRENT HOLDING	CURRENT VOTING POWER	ENTITLEMENTS UNDER THE OFFER	SUB-UNDERWRITTEN CDIS	HOLDING POST OFFER	VOTING POWER POST OFFER
Ackerman Group Holdings Limited ¹	-	-	-	4,000,000	4,000,000	6.63%
Inswinger Holdings Pty Ltd ²	500,000	1.30%	285,714	7,144,140	7,644,140	12.66%
Total	500,000	1.30%	285,714	11,144,140	11,144,140	19.29%

Notes:

1. Ackerman Group Holdings Limited is an entity controlled by Mr Colin Ikin, a Director. Mr Ikin currently holds 225,000 CDIs directly and holds 3,868,580 CDIs indirectly through Woolstores Developments Pty Ltd (an entity whose sole director and shareholder is Mr Ikin's wife). Mr Ikin will have an interest in 10,432,768 CDIs on the close of the Offer (assuming the maximum number of CDIs sub-underwritten by Ackerman Group Holdings Limited is subscribed for and the parties associated with Mr Ikin take up all of their Entitlement under the Offer), amounting to a total voting power of 17.28%.
2. Inswinger Holdings Pty Ltd is an entity controlled by Mr Keith Coughlan, a Director. Inswinger Holdings Pty Ltd currently holds 500,000 CDIs, which will increase to 7,929,854 CDIs on the close of the Offer (assuming the maximum number of CDIs sub-underwritten and the maximum Entitlement under the Offer is subscribed for by Inswinger Holdings Pty Ltd).

4.8 Potential dilution

Shareholders should note that if they do not participate in the Offer, their holdings are likely to be diluted by approximately 36.36% (as compared to their holdings and number of CDIs on issue as at the date of the Prospectus). An example of how the dilution may impact Shareholders is set out in the table below.

SHAREHOLDER	HOLDING AS AT RECORD DATE	% AT RECORD DATE	ENTITLEMENTS UNDER THE OFFER	HOLDINGS IF OFFER NOT TAKEN UP	% POST OFFER
Shareholder 1	1,000,000	2.6%	517,428	1,000,000	1.65%
Shareholder 2	2,000,000	5.2%	1,142,857	2,000,000	3.31%
Shareholder 3	3,000,000	7.81%	1,714,285	3,000,000	4.97%

Notes:

1. The dilutionary effect shown in the above table is the maximum percentage on the assumption that those Entitlements not accepted by Eligible Shareholders are placed to the Underwriter and/or sub-underwriters. In the event all Entitlements are not accepted and some or the entire resulting Shortfall was not subsequently placed, the dilution effect for each Shareholder not accepting their Entitlement would be a lesser percentage.

4.9 Shortfall

There is no Shortfall offer being made under the Offer.

4.10 ASX listing

Application for Official Quotation of the Securities offered pursuant to this Prospectus will be made in accordance with the timetable set out at the commencement of this Prospectus, which will occur within 7 days of the date of this Prospectus. If ASX does not grant Official Quotation of the Securities offered pursuant to this Prospectus before the expiration of 3 months after the date of issue of the Prospectus, (or such period as varied by the ASIC), the Company will not issue any Securities and will repay all Application Monies for the Securities within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation to the Securities is not to be taken in any way as an indication of the merits of the Company or the Securities now offered for subscription.

4.11 Issue of Securities

Securities issued pursuant to the Offer will be issued in accordance with the ASX Listing Rules and timetable set out at the commencement of this Prospectus.

Where the number of Securities issued is less than the number applied for, or where no issue is made, surplus Application Monies will be refunded without any interest to the Applicant as soon as practicable after the Closing Date.

Pending the issue of the Securities or payment of refunds pursuant to this Prospectus, all Application Monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

Holding statements for Securities issued under the Offer will be mailed in accordance with the ASX Listing Rules and timetable set out at the commencement of this Prospectus as soon as practicable after their issue.

4.12 Overseas shareholders

This Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of CDIs these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Offer is not being extended and CDIs will not be issued to Shareholders with a registered address which is outside of any country specified below.

Shareholders resident in the countries specified below holding CDIs on behalf of persons who are resident overseas are responsible for ensuring that taking up an Entitlement under the Offer does not breach

regulations in the relevant overseas jurisdiction. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

New Zealand

The Offer is being made in New Zealand pursuant to the Securities Act (Overseas Companies) Exemption Notice 2013.

Hong Kong

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice

United Kingdom

Neither the information in this document nor any other document relating to the offer has been delivered for approval to the Financial Services Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended (**FSMA**)) has been published or is intended to be published in respect of the Securities. This document is issued on a confidential basis to fewer than 150 persons (other than "qualified investors" (within the meaning of section 86(7) of FSMA)) in the United Kingdom, and the Shares may not be offered or sold in the United Kingdom by means of this document, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) FSMA. This document should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 FSMA) received in connection with the issue or sale of the Securities has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) FSMA does not apply to the Company.

Guernsey

Neither the Guernsey Financial Services Commission nor the States of Guernsey Policy Council take any responsibility for the financial soundness of the Company or for the correctness of any of the statements made or opinions expressed with regard to it.

The Prospectus Rules 2008, made by the Guernsey Financial Services Commission in exercise of the powers conferred on it by section 12, 14, 16 and 18 of the Protection of Investors (Bailiwick of Guernsey) Law, 1987 (as amended) do not apply to any offer of shares that are listed or traded on any stock exchange, in respect of a company in which the local regulatory body is an ordinary member, associate member or affiliate member of the International Organisation of Securities Commissions (**IOSCO**) or listed on an exchange that is supervised by a member of IOSCO.

The Company's shares are traded on the ASX and ASIC is an ordinary member of IOSCO.

Indonesia

A registration statement with respect to the New Shares has not been, and will not be, filed with the Capital Market and Financial Institutions Supervisory Agency (Bapepam-LK) of the Republic of Indonesia. Therefore, the New Shares may not be offered or sold or be the subject of an invitation for subscription or purchase. Neither this document nor any other document relating to the offer or sale, or invitation for subscription or purchase, of the New Shares may be circulated or distributed, whether directly or indirectly, in the Republic of Indonesia or to Indonesian citizens, corporations or residents, except in a manner that will not be considered as a "public offer" under the law and regulations in the Republic of Indonesia.

Singapore

This Prospectus and any other materials relating to the Securities have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this Prospectus and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of Securities may not be issued, circulated or distributed, nor may these securities be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (**SFA**), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This Prospectus has been given to you on the basis that you are an existing holder of CDIs. In the event that you are not such a Shareholder, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the Securities being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire Securities. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

Switzerland

The Securities may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange (**SIX**) or on any other stock exchange or regulated trading facility in Switzerland. This document has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the Securities may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this document nor any other offering or marketing material relating to the Securities have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of CDIs will not be supervised by, the Swiss Financial Market Supervisory Authority (**FINMA**).

This document is personal to the recipient only and not for general circulation in Switzerland.

4.13 Enquiries

Any questions concerning the Offer should be directed to Julia Beckett, Company Secretary, on +61 (0) 8 6141 3500.

5. Purpose and Effect of the offer

5.1 Purpose of the Offer

The purpose of the Offer is to raise up to \$1,097,143.

The funds raised from the Offer are planned to be used in accordance with the table set out below:

PROCEEDS OF THE OFFER	FULL SUBSCRIPTION (\$)	%
Exploration of Company Projects (in particular to complete the current scoping study on the Company's flag-ship Cinovec Tin, Tungsten and Lithium Project in the Czech Republic)	\$650,000 ¹	59.24%
Expenses of the Offer ²	\$76,227	4.94%
Working capital ³	\$370,916	35.80%
Total	\$1,097,143	100%

Notes:

1. Based on cash flow forecast.
2. Refer to Section 8.8 for further details relating to the estimated expenses of the Offer.
3. Comprising administration costs including salaries, rents, regulatory fees and other various costs.

It is anticipated that the proceeds from the Offer will be used over the next 12-18 months.

The above table is a statement of current intentions as of the date of this Prospectus. As with any budget, intervening events (including exploration success or failure) and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

On completion of the Offer the Board believes the Company will have sufficient working capital to achieve these objectives.

5.2 Effect of the Offer

The principal effect of the Offer, assuming all Entitlements are accepted, will be to:

- (a) increase the cash reserves by \$1,097,143 (after deducting the estimated expenses of the Offer) immediately after completion of the Offer;
- (b) increase the number of CDIs on issue from 38,400,006 as at the date of this Prospectus to 60,342,866 CDIs; and
- (c) increase the number of Options on issue from 1,200,000 Options as at the date of this Prospectus to 23,142,860 Options (which figure includes 21,942,860 free-attaching New Options to be issued to the Underwriter if it subscribes for the full amount of Underwritten Securities pursuant to the Underwriting Agreement).

5.3 Pro-forma balance sheet

The audited balance sheet as at 30 June 2014 and the unaudited pro-forma balance sheet as at 30 June 2014 shown below have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position.

The pro-forma balance sheet has been prepared by the management of the Company for illustrative purposes only to show the effect of the Offer on the Company's financial position. The pro-forma balance sheet has not been audited or reviewed by an auditor and is not represented as being indicative of the Company's view of the future financial position of the Company and will not necessarily reflect the actual position and balances as at the date on which Shares are issued under the Offer.

The pro-forma balance sheet has been prepared to provide investors with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company as noted below. The historical and pro-forma financial information has been prepared in accordance with the measurement and recognition principles under the Australian equivalents to International Financial Reporting Standard (**AIFRS**) (unless otherwise noted) although it is presented in an abbreviated form, insofar as it does not include all of the disclosures required by AIFRS applicable to annual financial reports prepared in accordance with the Corporations Act.

The basis on which the unaudited pro-forma balance sheet has been compiled is set out below:

- (a) The pro-forma balance sheet is presented below to illustrate the scenario where it is assumed that Shareholders and the Underwriter or sub-underwriters will subscribe for all CDIs offered under this Prospectus, up to an amount of \$1,097,143 (before costs).
- (b) The pro-forma balance sheet is not intended to be indicative of the financial position that would actually have occurred, or the financial position expected in future periods, had events reflected herein occurred on the dates indicated. The Company is required to account for the Offer based on values at the time the Offer is completed. Therefore actual amounts recorded by the Company upon completion of the transaction will differ from those recorded in the pro-forma balance sheet.
- (c) The pro-forma balance sheet should be read in conjunction with the Company's 2014 Annual Report, released to the ASX on 30 September 2014.

The following assumptions have been made by the Company in the preparation of the pro-forma balance sheet:

- (a) The Company will undertake and complete the Offer, being a non-renounceable entitlement issue of four (4) CDIs for every seven (7) CDIs held by those Shareholders registered at the Record Date at an issue price of \$0.05 per CDI to raise up to \$1,097,143 (before costs).
- (b) Total costs expected to be incurred in relation to the Offer of \$76,227 are recognised directly against equity.
- (c) The pro-forma balance sheet set out below has been prepared on the basis and assumption that there will be no material movements in the assets and liabilities of the Company between 30 June 2014 and the date of this Prospectus.

	AUDITED 30 June 2014 \$	Adjustments	PRO FORMA 30 June 2014 \$
CURRENT ASSETS			
Cash and cash equivalents	378,615	1,020,916	1,399,531
Other receivables	26,707		26,707
Other assets	11,516		11,516
Financial assets	-		-
TOTAL CURRENT ASSETS	416,838	1,020,916	1,437,754
NON-CURRENT ASSETS			
Property, plant and equipment	1,953		1,953
Exploration and evaluation expenditure	2,814,798		2,814,798
Intangible assets	4,229		4,229
TOTAL NON-CURRENT ASSETS	2,820,980		2,820,980
CURRENT LIABILITIES			
Trade and other payables	186,495		186,495
Other liabilities	23,258		23,258
TOTAL CURRENT LIABILITIES	209,753		209,753
NET ASSETS	3,028,065	1,020,916	4,048,981
EQUITY			
Issued capital	5,002,296	1,020,916	6,023,212
Reserves	225,019		225,019
Accumulated losses	(2,199,250)		(2,199,250)
TOTAL EQUITY	3,028,065	1,020,916	4,048,981

5.4 Effect on capital structure

The effect of the Offer on the capital structure of the Company, assuming all Entitlements are accepted, is set out below.

(a) CDIs

CDIS	NUMBER
CDIs currently on issue	38,400,006
CDIs offered pursuant to the Offer	21,942,860
Total CDIs on issue after completion of the Offer	60,342,866

(b) Options

OPTIONS	NUMBER
Options currently on issue	1,200,000
Free-attaching Options offered pursuant to the Offer (Exercisable at 1.5 cents on or before 30 April 2019)	21,942,860
Total Options on issue after completion of the Offer	23,142,860

(c) **Performance Shares**

PERFORMANCE SHARES ¹	NUMBER
Class A Performance Shares currently on issue	5,000,000
Class B Performance Shares currently on issue	5,000,000
Performance Shares to be issued under the Offer	Nil
Total Performance Shares on issue after completion of the Offer	10,000,000

Notes:

1. The terms and conditions of the Performance Shares on issue are outlined in Schedule 2 to the Company's notice of general meeting dated 24 January 2014 (which can be found on the Company's website or on the ASX announcements webpage for the Company (ASX:EMH)).

The capital structure on a fully diluted basis as at the date of this Prospectus is 49,600,006 CDIs and on completion of the Offer (assuming all Entitlements are accepted) would be 93,485,726 CDIs.

No CDIs, Options or Performance Shares on issue are or will be subject to escrow restrictions, either voluntary or ASX imposed.

5.5 Details of substantial holders

As at the date of this Prospectus, those persons which (together with their associates) have a relevant interest in 5% or more of the CDIs on issue are set out below:

SHAREHOLDER	SHARES	% HOLDING
NS Hong Investment (BVI) Ltd	4,700,000	12.24%
R & H Trust Co (Guernsey) Limited <Resource Investment A/C>	4,067,263	10.59%
Woolstores Developments Pty Ltd ¹	3,868,580	10.07%
Pavel Reichl	1,984,766	5.17%
Hana Vanova	1,984,766	5.17%
Total	16,605,375	43.24%

Notes:

1. An entity whose sole director and shareholder is the spouse of Mr Colin Ikin, a Director.
2. The provisions of the Corporations Act dealing with notification of substantial holdings and takeovers do not apply to the Company as it is incorporated in the British Virgin Islands.

In the event all Entitlements are accepted, there will be no change to the substantial holders on completion of the Offer. Please refer to Section 4.7 for details of sub-underwriters who may hold a relevant interest in 5% or more of the CDIs on issue following completion of the Offer.

6. Rights and Liabilities attaching to Securities

6.1 CDIs

The following is a summary of the more significant rights and liabilities attaching to CDIs being offered pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to CDIs are set out in the Memorandum of Association, a copy of which is available for inspection at the Company's registered office during normal business hours.

(a) Application of Listing Rules

To the extent of any inconsistency between the Articles and the ASX Listing Rules, the ASX Listing Rules prevail and the Directors are required to take any steps necessary under the laws of the British Virgin Islands to give effect to the above provision.

(b) General meetings

The Board may, whenever it thinks fit, and in accordance with the BVI Business Companies Act convene a general meeting. Notice of every general meeting shall be given to every member of the Company who is, under the Articles, entitled to receive such notices from the Company.

Shareholders can request a general meeting provided Shareholders entitled to exercise 30 per cent or more of the voting rights in respect of the matter for which the meeting is requested, make such request in writing.

(c) Voting rights

Each Share in the Company confers upon the Shareholder the right to one vote at a meeting of the Shareholders of the Company or on any resolution of Shareholders.

A Shareholder may be represented at a meeting of Shareholders by a proxy who may speak and vote on behalf of the Shareholder.

(d) Dividends

Each Share in the Company confers on the Shareholder the right to an equal share in any dividend paid by the Company.

The Directors of the Company may by resolution of Directors authorise a dividend at a time and of an amount they think fit if they are satisfied, on reasonable grounds, that immediately after the distribution, the value of the Company's assets will exceed its liabilities and the Company will be able to pay its debts as they fall due.

Dividends may be paid in money, shares or other property.

Notice of any dividend that may have been declared shall be given to each Shareholder as specified in the Articles and all dividends unclaimed for 3 years after having been declared may be forfeited by resolution of Directors for the benefit of the Company.

(e) Winding up

The Company presently has only issued one class of Shares, which all rank equally in the event of winding up.

The Company may by resolution of Shareholders or by a resolution of Directors appoint a voluntary liquidator.

(f) Purchase of own Shares

The Company may redeem, purchase or otherwise acquire all or any Shares in the Company with the consent of the Shareholders whose Shares are to be redeemed, purchased or acquired.

The Company may only offer to acquire Shares if at the relevant time, the Directors determine by resolution of Directors that immediately after the acquisition the value of the Company's assets will exceed its liabilities and the Company will be able to pay its debts as they fall due.

(g) **Transfer of Shares**

In order for a Shareholder to transfer his Shares in the Company, he must deliver to the Company's registered agent an executed instrument of transfer which contains the name and address of the transferee.

The transfer of a Share is effective when the name of the transferee is entered on the Register of Members of the Company.

(h) **Variation of Rights**

The rights attaching to Shares may only, whether or not the Company is being wound up, be varied with the consent in writing of or by a resolution passed by the holders of more than 50 percent of the issued Shares of that class.

(i) **Amendment of Articles**

Subject to the above paragraph (Variation of Rights), the Company may amend its Articles by a resolution of Shareholders or a resolution of Directors, save that no amendment may be made by a resolution of Directors:

- (i) to restrict the rights or powers of the Shareholders to amend the Articles;
- (ii) to change the percentage of Shareholders required to pass a resolution of Shareholders to amend the Articles;
- (iii) in circumstances where the Articles cannot be amended by the Shareholders; or
- (iv) to clauses 7 (Designations, Powers, Preferences, Etc of Shares), 8 (Variation of Rights), 9 (Rights Not Varied By The Issue Of Shares Pari Passu) or clause 12 (Amendment of Memorandum and Articles) of the Articles.

6.2 Rights and Liabilities to the New Options

The New Options to be issued pursuant to this Prospectus and the Underwriting Agreement entitle the holder to subscribe for CDIs on the following terms and conditions:

- (a) Each New Option gives the Option-holder the right to subscribe for one CDI upon exercise of the New Option.
- (b) Each New Option will expire at 5:00pm (WST) on 31 December 2016 (**Expiry Date**). A New Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (c) Subject to paragraph (k) below, the amount payable upon exercise of each New Option will be \$0.10 (**Exercise Price**).
- (d) The New Options held by each Option-holder may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion.
- (e) An Option-holder may exercise their New Options by lodging with the Company, before the Expiry Date:
 - (i) a written notice of exercise of New Options specifying the number of New Options being exercised; and
 - (ii) a cheque or electronic funds transfer for the Exercise Price in Australian currency for the number of New Options being exercised,(**Exercise Notice**).
- (f) An Exercise Notice is only effective on and from the later of the date of receipt of the Exercise Notice and the date of receipt of the payment of the Exercise Price for each New Option being exercised in cleared funds (**Exercise Date**).
- (g) Within ten (10) Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will allot the number of CDIs required under these terms and conditions in respect of the number of New Options specified in the Exercise Notice.
- (h) The Company will apply for Official Quotation of the New Options on ASX and all New Options are freely transferable.

- (i) All CDIs issued upon the exercise of New Options will rank pari passu in all respects with the then issued CDIs of the Company.
- (j) If admitted to the official list of ASX at the time, the Company will apply for quotation of the CDIs issued upon exercise of the New Options.
- (k) If at any time the issued capital of the Company is reorganised or reconstructed, all rights of an Option-holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reorganisation or reconstruction.
- (l) There are no participation rights or entitlements inherent in the New Options and Option-holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the New Options without exercising the New Options.
- (m) A New Option does not confer the right to a change in Exercise Price or a change in the number of underlying Securities over which the New Option can be exercised.

7. Risk Factors

7.1 Introduction

The CDIs offered under this Prospectus are considered highly speculative. An investment in the Company is not risk free and the Directors strongly recommend potential investors to consider the risk factors described below, together with information contained elsewhere in this Prospectus and to consult their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

There are specific risks which relate directly to the Company's business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this Section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the Securities.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

7.2 Company specific

(a) Potential for significant dilution

Upon implementation of the Offer, assuming all Entitlements are accepted, the number of CDIs in the Company will increase from 38,400,006 CDIs currently on issue to 60,342,866 CDIs (or 93,485,726 CDIs on a fully diluted basis). This means that each Share will represent a significantly lower proportion of the ownership of the Company.

It is not possible to predict what the value of the Company or a Share will be following the completion of the Offer being implemented and the Directors do not make any representation as to such matters.

The last trading price of CDIs on ASX prior to the Prospectus being lodged of \$0.015 is not a reliable indicator as to the potential trading price of CDIs on completion of the Offer.

(b) No Takeover Protection under Corporations Act

As the Company is incorporated in the British Virgin Islands (BVI), the rights of Shareholders are governed by BVI law. The rights of Shareholders under British Virgin Islands laws differ in some respects from the rights of shareholders incorporated in Australia.

As the Company is incorporated in the BVI, the takeover provisions in the Corporations Act do not apply to the Company. There are no takeover provisions under the laws of the BVI.

(c) Inability to enforce judgments in British Virgin Islands jurisdiction

As a Company incorporated under the BVI Business Companies Act, the rights of Shareholders will be governed by BVI law and the Company's Memorandum and Articles of Association.

The rights of Shareholders under BVI law may differ from the rights of Shareholders of companies incorporated in other jurisdictions. All of the Company's assets are located outside of Australia. As a result, it may be difficult for investors to effect service of process on those persons in Australia or to enforce in Australia, judgments obtained in Australian courts against the Company or those persons who may be liable under Australian law.

Uncertainty exists as to whether courts outside Australia would enforce judgments obtained in other jurisdictions, including Australia, against the Company or the Directors or officers under the securities laws of those jurisdictions or entertain actions in BVI or the Czech Republic against the Company or the Directors or officers under the securities laws of other jurisdictions.

(d) Future funding risk

The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company may require further financing in addition to amounts raised under the Offer. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programmes as the case may be. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.

Failure to obtain sufficient financing for the Company's activities and future projects may result in delay and indefinite postponement of exploration, development or production on the Company's properties or even loss of a property interest. There can be no assurance that additional finance will be available when needed or, if available, the terms of the financing might not be favourable to the Company and might involve substantial dilution to Shareholders.

Loan agreements and other financing rearrangements such as debt facilities, convertible note issue and finance leases (and any related guarantee and security) that may be entered into by the Company may contain covenants, undertakings and other provisions which, if breached, may entitle lenders to accelerate repayment of loans and there is no assurance that the Company would be able to repay such loans in the event of an acceleration. Enforcement of any security granted by the Company or default under a finance lease could also result in the loss of assets.

(e) Joint venture and contractual risk

The Company may make strategic investments in complementary businesses, or enter into strategic partnerships or alliances with third parties in order to enhance its business. Any default by any third party under any corresponding agreement to which the Company is a party may adversely affect the operations and performance of the Company.

At the date of this Prospectus, the Company is not aware of the occurrence or likely occurrence of any such risks which would have a material adverse effect on the Company or its subsidiaries.

(f) Resource estimates

The Company's Cinovec project currently contains Inferred Resources (as those terms are defined by the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves). These resources, and any resource that may be delineated in the future, are estimates only and no assurance can be given that any particular recovery level of tin will in fact be realised. An estimate is an expression of judgement based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available.

In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may result in alterations to development and mining plans which may, in turn, adversely affect the Company's operations.

(g) Tenure and Access

Mining and exploration tenements are subject to periodic renewal. There is no guarantee that current or future tenements or future applications for production tenements will be approved. Renewal and transfer conditions may include increased expenditure and work commitments or compulsory relinquishment of areas of the exploration licences comprising the Company's projects.

The Company's interests in the Czech Republic tenements are governed by the relevant domestic legislation and are evidenced by the granting of licences or leases over those tenements. The Company's tenements are subject to numerous country-specific legislation conditions. The renewal of the term of a granted tenement is also subject to the discretion of the relevant Minister. Renewal conditions may include increased expenditure and work commitments or compulsory relinquishment of areas of the tenements comprising the Company's projects. Consequently, the Company could lose title to, or its interest in, the Czech Republic tenements if licence conditions are not met or if insufficient funds are available to meet expenditure commitments.

The imposition of new conditions or the inability to meet those conditions may adversely affect the operations, financial position and/or performance of the Company.

(h) **No geographical diversification**

The Company's Cinovec project is located in the Czech Republic. Any circumstance or event which negatively impacts the ownership or development of these areas or which negatively affects the Czech Republic could materially affect the financial performance of the Company and more significantly than if it had a diversified asset base.

(i) **Operating Costs**

Operating costs are estimated based on the interpretation of geological data, feasibility studies, anticipated climatic conditions and other factors. Any of the following events, among the other events and uncertainties described in this Prospectus, could affect the ultimate accuracy of such estimates and result in an increase in actual operating costs incurred:

- (i) unanticipated changes in grade and tonnage of ore to be mined and processed;
- (ii) incorrect data on which engineering assumptions are made;
- (iii) equipment delays;
- (iv) labour negotiations;
- (v) changes in government regulation (including regulations regarding prices, costs of consumables, royalties, duties, taxes, permitting and restrictions on production quotas on exploration of minerals); and
- (vi) title claims.

The Company's projects are high cost operations and any material increase in the operating cost of the operation may adversely impact the cash flows of the Company.

7.3 Industry specific

(a) **Exploration risk**

The mineral tenements of the Company are at various stages of exploration, and potential investors should understand that mineral exploration is a high risk activity that requires large amounts of expenditure over extended periods of time. There can be no guarantee that planned exploration and evaluation programs will lead to positive exploration and evaluation results and the delineation of a commercial deposit or further, a commercial mining operation.

The future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, changing government regulations and many other factors beyond the control of the Company.

The success of the Company will also depend upon the Company having access to sufficient development capital, being able to maintain title to its mining tenements, and obtaining all required approvals for its activities. In the event that exploration programs prove to be unsuccessful this could lead to a diminution in the value of its mining tenements, a reduction in the potential size of the deposits of the Company and possible relinquishment of its mining tenements.

The exploration costs of the Company are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.

(b) **Development risk**

Possible future development of a mining operation at any of the Company's projects is dependent on a number of factors including, but not limited to, the acquisition and/or delineation of economically recoverable mineralisation, favourable geological conditions, receiving the necessary approvals from all relevant authorities and parties, seasonal weather patterns, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, shortages or increases in the price of consumables, spare parts and plant and equipment, cost

overruns, access to the required level of funding and contracting risk from third parties providing essential services.

If the Company commences production, its operations may be disrupted by a variety of risks and hazards which are beyond its control, including environmental hazards, industrial accidents, technical failures, labour disputes, unusual or unexpected rock formations, flooding and extended interruptions due to inclement of hazardous weather conditions and fires, explosions or accidents. No assurance can be given that the Company will achieve commercial viability through the development or mining of its projects and treatment of ore.

(c) Operating risks

The current and future operations of the Company, including exploration, appraisal and possible production activities may be affected by a range of factors, including:

- (i) adverse geological conditions;
- (ii) limitations on activities due to seasonal weather patterns;
- (iii) unanticipated operational and technical difficulties encountered in geophysical surveys, drilling and production activities;
- (iv) mechanical failure of operating plant and equipment;
- (v) industrial and environmental accidents, industrial disputes and other force majeure events;
- (vi) unavailability of aircraft or drilling equipment to undertake airborne electromagnetic and other geological and geophysical investigations;
- (vii) unexpected shortages or increases in the costs of labour, consumables, spare parts, plant and equipment; and
- (viii) inability to obtain necessary consents or approvals.

No assurances can be given that the Company will achieve commercial viability through the successful exploration and/or mining of its tenement interests. Until the Company is able to realise value from its projects, it is likely to incur ongoing operating losses.

(d) Environmental risks

The Company's projects are subject to Government regulations regarding environmental matters. The Governments and other authorities that administer and enforce environmental laws determine these requirements. As with all exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly through its mining operations. The Company intends to conduct its activities in an environmentally responsible manner and in accordance with applicable laws.

Environmental regulations are likely to evolve in a manner that will require stricter standards and enforcement, increased fines and penalties for non-compliance, and more stringent environmental assessments of proposed projects. Environmental regulations could impact upon the viability of the Company's projects. The cost and complexity of complying with the applicable environmental laws and regulations may prevent the Company from being able to develop potentially economically viable mineral deposits.

Although the Company believes that it is in compliance in all material respects with all applicable environmental laws and regulations, there are certain risks inherent to its activities, such as accidental spills, leakages or other unforeseen circumstances, which could subject the Company to extensive liability against which it has not insured or cannot insure, including those in respect of past mining or other activities for which it was not responsible.

Further, the Company may require approval from the relevant authorities before it can undertake activities that are likely to impact the environment. Failure to obtain such approvals will prevent the Company from undertaking its desired activities and could lead to forfeiture of its tenements. The Company is unable to predict the effect of additional environmental laws and regulations, which may be adopted in the future, including whether any such laws or regulations would materially increase the Company's cost of doing business or affect its operations in any area.

There can be no assurances that new environmental laws, regulations or stricter enforcement policies, once implemented, will not oblige the Company to incur significant expenses and undertake significant investments in such respect which could have a material adverse effect on the Company's business, financial condition and results of operations.

(e) **Insurance risk**

The Company currently maintains insurance coverage as determined appropriate by the Board and management, but no assurance can be given that the Company will continue to be able to obtain such insurance coverage at reasonable rates (or at all), or that any coverage it obtains will be adequate and available to cover all claims.

(f) **Litigation Risk**

The Company is exposed to possible litigation risks including tenure disputes, environmental claims, occupational health and safety claims and contractual claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position.

7.4 General risks

(a) **Economic**

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

(b) **Market conditions**

Share market conditions may affect the value of the Company's quoted Securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- general economic outlook;
- introduction of tax reform or other new legislation;
- interest rates and inflation rates;
- changes in investor sentiment toward particular market sectors;
- the demand for, and supply of, capital; and
- terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(c) **Foreign exchange**

In the future a proportion of the Company's revenues, cash inflows, other expenses, capital expenditure and commitments may be denominated in foreign currencies including Euros and United States Dollars.

To comply with Australian reporting requirements the income, expenditure and cash flows of the Company will need to be accounted for in Australian dollars. This will result in the income, expenditure and cash flows of the Company being exposed to the fluctuations and volatility of the rate of exchange between other currencies and the Australian dollar, as determined in international markets.

(d) **Dividends**

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

(e) Taxation

The acquisition and disposal of CDIs and New Options will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring CDIs and New Options from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for CDIs and New Options under this Prospectus.

(f) Reliance on key personnel

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.

7.5 Speculative investment

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Securities offered under this Prospectus.

Therefore, the Securities to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Securities.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

8. Additional Information

8.1 Litigation

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

8.2 Continuous disclosure obligations

The Company is a “disclosing entity” (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company’s Securities.

This Prospectus is a “transaction specific prospectus”. In general terms a “transaction specific prospectus” is only required to contain information in relation to the effect of the issue of securities on a company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 3 months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act, states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - (i) the annual financial report most recently lodged by the Company with the ASIC;
 - (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and
 - (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

Details of documents lodged by the Company with ASX since the date of lodgement of the Company’s latest annual financial report and before the lodgement of this Prospectus with the ASIC are set out in the table below.

DATE	HEADLINE
3 October 2014	Rights Issue, European Grant and General Update
1 October 2014	Trading Halt
30 September 2014	Annual Report to Shareholders
5 September 2014	Resignation of Joint Company Secretary
14 August 2014	Extension of License
31 July 2014	Quarterly Activities Report and Quarterly Cashflow Report
22 July 2014	Appendix 3B
9 July 2014	Appointment of Scoping Study Consultants and Project Update
26 June 2014	Appendix 3B - Amended
10 June 2014	Drilling Commences at Cinovec Project
14 May 2014	Investor Presentation
13 May 2014	Appointment of Drilling Contractor to Cinovec Project
30 April 2014	Quarterly Activities and Cashflow Report
11 April 2014	Change of Company Name and ASX Code
14 March 2014	Half Year Accounts
12 March 2014	Appendix 3B / Change of Director's Interest Notice
12 March 2014	Director Appointments / Initial Directors Interest Notice x 2
5 March 2014	Additional Geological Information regarding Cinovec Project
20 February 2014	Results of Meeting
31 January 2014	Quarterly Activities Report and Quarterly Cashflow Report
30 January 2014	Notice of General Meeting
18 December 2013	Acquisition of European Tin, Tungsten & Lithium Assets
16 December 2013	Trading Halt
31 October 2013	Quarterly Activities Report and Quarterly Cashflow Report
15 October 2013	Board Restructure

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

The announcements are also available through the Company's website www.europeanmet.com.

8.3 Market price of shares

The Company is a disclosing entity for the purposes of the Corporations Act and its CDIs are enhanced disclosure securities quoted on ASX.

The highest, lowest and last market sale prices of the CDIs on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the respective dates of those sales were:

- Highest: \$0.25 cent on 20 to 24 December 2013, 27 to 31 December 2013 and 2 January 2014
- Lowest: \$0.125 cents on 2 to 28 October 2013

- Last: \$0.15 cents on 8 October 2014

8.4 Material contracts

The following are summaries of the significant terms of the material agreements which relate to Offer.

(a) Underwriting Agreement

By an agreement between the Underwriter and the Company (**Underwriting Agreement**), the Underwriter agreed to fully underwrite the Offer for 21,942,860 CDIs (**Underwritten Securities**).

The Company has agreed to pay the Underwriter an underwriting fee of 4% of the Underwritten Amount (being \$1,097,143) (exclusive of GST). The Underwriting Agreement is unconditional.

The obligation of the Underwriter to underwrite the Offer is subject to certain events of termination. The Underwriter may terminate its obligations under the Underwriting Agreement if:

- (i) **ASX listing:** ASX does not give approval for the CDIs to be listed for official quotation, or if approval is granted, the approval is subsequently withdrawn, qualified or withheld;
- (ii) **Non-compliance with requirements:** it transpires that this Prospectus does not contain all the information required by the Corporations Act;
- (iii) **Indictable offence:** a director of the Company or any Relevant Company is charged with an indictable offence;
- (iv) **Alteration of capital structure or Memorandum of Association:** except as described in this Prospectus, the Company alters its capital structure or its Memorandum of Association without the prior written consent of the Underwriter;
- (v) **Default:** the Company is in material default of any of the terms and conditions of the Underwriting Agreement or breaches any warranty or covenant given or made by it under the Underwriting Agreement (in any material respect);
- (vi) **Prescribed Occurrence:** a Prescribed Occurrence occurs, other than as disclosed in the Prospectus;
- (vii) **Suspension of debt payments:** the Company suspends payment of its debts generally;
- (viii) **Event of Insolvency:** an Event of Insolvency occurs in respect of a Relevant Company;
- (ix) **Litigation:** material litigation, arbitration, administrative or industrial proceedings are after the date of the Underwriting Agreement commenced against any Relevant Company;
- (x) **Breach of material contracts:** any of the material contracts to which the Company is a party is terminated or substantially modified;
- (xi) **Adverse change:** any adverse change occurs which materially impacts or is likely to impact the assets, operational or financial position of the Company or a Relevant Company (including but not limited to an administrator, receiver, receiver and manager, trustee or similar official being appointed over any assets or undertaking of the Company or a Relevant Company);
- (xii) **Judgment against a Relevant Company:** a judgment in an amount exceeding \$100,000 is obtained against the Company or a Relevant Company and is not set aside or satisfied within 7 days;
- (xiii) **Indices fall:** The S&P ASX 200 Index is at any time after the date of the Underwriting Agreement 10% or more below its respective level as at the close of business on the business day prior to the date of the Underwriting Agreement;

- (xiv) **Market Conditions:** a suspension or material limitation in trading generally on ASX occurs or any material adverse change or disruption occurs in the existing financial markets, political or economic conditions of Australia, Japan, the United Kingdom, the United States of America or other international financial markets; or
- (xv) **Misleading Information:** any information supplied at any time by the Company or any person on its behalf to the Underwriter in respect of any aspect of the Offer or the affairs of a Relevant Company is or becomes misleading or deceptive or likely to mislead or deceive.

The Underwriting Agreement also contains a number of mutual representations and warranties from both the Company and the Underwriter that are considered customary for an agreement of this type.

The potential control effect of the Underwriting Agreement on the Company is disclosed in Section 4.7.

For the purposes of this section the following terms have the following meanings:

Insolvency Event means:

- (a) a receiver, manager, receiver and manager, trustee, administrator, controller or similar officer is appointed in respect of a person or any asset of a person;
- (b) a liquidator or provisional liquidator is appointed in respect of a corporation;
- (c) any application (not being an application withdrawn or dismissed within 7 days) is made to a court for an order, or an order is made, or a meeting is convened, or a resolution is passed, for the purpose of:
 - (i) appointing a person referred to in paragraphs (a) or (b);
 - (ii) winding up a corporation; or
 - (iii) proposing or implementing a scheme of arrangement;
- (d) any event or conduct occurs which would enable a court to grant a petition, or an order is made, for the bankruptcy of an individual or his estate under any insolvency provision;
- (e) a moratorium of any debts of a person, or an official assignment, or a composition, or an arrangement (formal or informal) with a person's creditors, or any similar proceeding or arrangement by which the assets of a person are subjected conditionally or unconditionally to the control of that person's creditors or a trustee, is ordered, declared, or agreed to, or is applied for and the application is not withdrawn or dismissed within 7 days;
- (f) a person becomes, or admits in writing that it is, is declared to be, or is deemed under any applicable Act to be, insolvent or unable to pay its debts; or
- (g) any writ of execution, garnishee order, mareva injunction or similar order, attachment, distress or other process is made, levied or issued against or in relation to any asset of a person.

Prescribed Occurrence means:

- (h) the Company or a Relevant Company converting all or any of its CDIs into a larger or smaller number of CDIs;
- (i) the Company or a Relevant Company resolving to reduce its share capital in any way;
- (j) the Company or a Relevant Company disposing, or agreeing to dispose, of the whole, or a substantial part, of its business or property;
- (k) the Company or a Relevant Company charging, agreeing to charge, the whole, or a substantial part, of its business or property;

- (l) the Company or a Relevant Company resolving that it be wound up;
- (m) the appointment of a liquidator or provisional liquidator to the Company or a Relevant Company;
- (n) the making of an order by a court for the winding up of the Company or a Relevant Company;
- (o) an administrator of the Company or a Relevant Company, being appointed under section 436A, 436B or 436C of the Corporations Act;
- (p) the Company or a Relevant Company executing a deed of company arrangement; or
- (q) the appointment of a receiver, or a receiver and manager, in relation to the whole, or a substantial part, of the property of the Company or a Relevant Company.

Relevant Company means the Company and each Subsidiary.

Subsidiary means each company which is now, or before the issue of all the CDIs under the Offer becomes, a subsidiary of the Company as that term is defined in the Corporations Act.

(b) **Sub-underwriting agreements**

The Underwriter has entered into a number of sub-underwriting agreements pursuant to which it has appointed a number of sub-underwriters to sub-underwrite the Underwritten Securities on the following material terms:

- (i) Each sub-underwriter has agreed to sub-underwrite up to a specified percentage of the Shortfall and will be paid a fee of 2% (excluding GST) of the amount of CDIs subscribed for;
- (ii) The obligations of each sub-underwriter will cease in the event that the Underwriting Agreement is terminated;
- (iii) Each sub-underwriting agreement contains representations and warranties that are considered customary for an agreement of this type.

8.5 Interests of Directors

Other than as set out in this Prospectus, no Director holds, or has held within the two (2) years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or
 - (iii) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director:

- (c) as an inducement to become, or to qualify as, a Director; or
- (d) for services provided in connection with:
 - (i) the formation or promotion of the Company; or
 - (ii) the Offer.

(a) **Security holdings**

The relevant interest of each of the Directors in the Securities of the Company as at the date of this Prospectus, together with their respective Entitlement, is set out in the table below.

DIRECTOR	CDIS No.	OPTIONS ¹ No.	PERFORMANCE SHARES No.	ENTITLEMENT No.	VALUE \$
Robert Timmins	Nil	500,000 (held directly)	Nil	Nil	Nil

Keith Coughlan	500,000 ²	Nil	Nil	285,714	\$14,286
Pavel Reichl	1,984,766 (held directly)	Nil	1,587,812 ³	1,134,152	\$56,708
Colin Ikin	4,093,580 ⁴	Nil	Nil	2,339,189	\$116,959
David Porter	110,000 ⁵	500,000 (held directly)	Nil	62,857	\$3,143
David Reeves	1,364,124 ³	Nil	1,085,302 ³	779,499	\$38,975

Notes:

- Options 30 cents, expiring on or before 19 July 2015.
- In respect of which Shareholder approval was sought at the general meeting of the Company held on 20 February 2014. These CDIs are held by Inswinger Holdings Pty Ltd, a sub-underwriter of the Offer (details of which are set out in Section 4.6 above) and an entity related to Mr Coughlan, a Director.
- Comprising 793,906 Class A Performance Shares and 793,906 Class B Performance Shares.
- Of which 225,000 CDIs are held directly and 3,868,580 CDIs are held by Woolstores Developments Pty Ltd, an entity in which Mr Ikin has an interest by virtue of his spouse being the sole director and shareholder.
- 100,000 of which CDIs are held by DP Prospecting Services Pty Ltd <Porter Super Fund A/C> and 100,000 of which CDIs are held by Metallica Investments Pty Ltd (either an entity or superannuation fund in which Mr Porter has an interest).
- All of which CDIs and Performance Shares (comprising 542,651 Class A Performance Shares and 542,651 Class B Performance Shares) are held by Eleanor Jean Reeves <Elanwi A/C> (the spouse of Mr Reeves and a superannuation fund in which Mr Reeves has an interest).

The Board recommends all Shareholders take up their Entitlement.

(b) Remuneration

The total maximum remuneration of non-executive Directors is initially set by the Articles and subsequent variation is by resolution of Shareholders in general meeting in accordance with the Articles, the BVI Business Companies Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$300,000 per annum.

A Director may be paid fees or other amounts (i.e. non-cash performance incentives such as Options, subject to any necessary Shareholder approval) as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. In addition, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The following table shows the total annual remuneration paid to both executive and non-executive Directors.

Director	FY 2013 Total Remuneration \$	FY 2014 Total Remuneration \$	FY 2015 Proposed Remuneration \$
Robert Timmins	\$37,153	\$16,667	Nil ⁴
Keith Coughlan	Nil ¹	\$209,250	\$200,000
Pavel Reichl	Nil ²	\$39,945	\$120,000
Colin Ikin	\$273,028	Nil	Nil ⁴
David Porter	\$43,261	\$14,583	Nil ⁴
David Reeves	Nil ³	Nil	Nil ⁴

Notes:

1. Mr Coughlan was appointed to the Board on 6 September 2013.
2. Mr Reichl was appointed to the Board on 12 March 2014.
3. Mr Reeves was appointed to the Board on 12 March 2014.
4. The Non-Executive Directors recognize the need to preserve capital in this difficult market and are prepared to forgo Non-Executive Director fees until such time as the macro environment improves.

8.6 Interests of experts and advisers

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the two (2) years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (d) the formation or promotion of the Company;
- (e) any property acquired to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or
 - (iii) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (f) the formation or promotion of the Company; or
- (g) the Offer.

708 Capital Pty Ltd will be paid an underwriting fee of approximately \$21,942.86 in respect of this Offer. During the 24 months preceding lodgement of this Prospectus with the ASIC, 708 Capital Pty Ltd has been paid no fees by the Company.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offer. The Company estimates it will pay Steinepreis Paganin \$15,000 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has been paid fees totalling \$49,442.50 (excluding GST and disbursements) for legal services provided to the Company.

8.7 Consents

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section;
- (b) to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section.

708 Capital Pty Ltd has given, and at the time of lodgement of this Prospectus, has not withdrawn its consent to be named in this Prospectus as the Underwriter to the Offer, in the form and context in which it is named.

Steinepreis Paganin has given its written consent to being named as the solicitors to the Company in this Prospectus. Steinepreis Paganin has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

8.8 Expenses of the offer

In the event that all Entitlements are accepted, the total cash expenses of the Offer are estimated to be approximately \$76,227 (excluding GST) and are expected to be applied towards the items set out in the table below:

Estimated Costs	Amount \$
ASIC lodgement fee	2,290
ASX listing fees	5,051
Legal	\$15,000
Postage and Printing	\$10,000
Underwriting fee	\$43,884
TOTAL ESTIMATED COSTS OF ENTITLEMENT ISSUE	\$76,227

8.9 Electronic prospectus

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Entitlement and Acceptance Forms. If you have not, please phone the Company on +61 (0) 8 6141 3500 and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both. Alternatively, you may obtain a copy of this Prospectus from the Company's website at www.europeanmet.com.

The Company reserves the right not to accept an Entitlement and Acceptance Form from a person if it has reason to believe that when that person was given access to the electronic Entitlement and Acceptance Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

8.10 Financial forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

8.11 Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company will not be issuing option certificates. The Company is a participant in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of Securities issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

8.12 Privacy Act

If you complete an application for Securities, you will be providing personal information to the Company (directly or by the Company's Share Registry). The Company collects, holds and will use that information to assess your application, service your needs as a holder of equity Securities in the Company, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your Securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's Share Registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or its Share Registry if you wish to do so at the relevant contact numbers set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for CDIs, the Company may not be able to accept or process your application.

9. Directors' Authorisation

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.

Dated this 8 day of October 2014.

Signed for and on behalf of the Company

KEITH COUGHLAN
Managing Director

10. Glossary

In this Prospectus the following terms and abbreviations have the following meanings, unless otherwise stated or unless the context otherwise requires:

\$ means the lawful currency of the Commonwealth of Australia.

Applicant means a person who applies for CDIs pursuant to the Offer.

Application means an application to subscribe for CDIs under this Prospectus.

Application Monies means money submitted by Applicants in respect of Applications.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

ASX Listing Rules means the listing rules of the ASX.

ASX Settlement Operating Rules means the settlement rules of the securities clearing house which operates CHES.

Board means the board of Directors unless the context indicates otherwise.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day.

BVI means British Virgin Islands.

BVI Business Companies Act means the BVI Business Companies Act 2004.

CDIs means the CHES depository interests in the Company held by CDN.

CDN means CHES Depository Nominees Pty Ltd.

CHES means Clearing House Electronic Subregister System.

Closing Date means the date specified in the timetable set out at the commencement of this Prospectus (unless extended).

Company means European Metals Holdings Limited (ARBN 154 618 989).

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the directors of the Company as at the date of this Prospectus.

Eligible Shareholder means a Shareholder of the Company as at the Record Date other than an Ineligible Shareholder.

Entitlement means the entitlement of a Shareholder who is eligible to participate in the Offer.

Entitlement and Acceptance Form means the entitlement and acceptance form (or, in the case of the Underwriter or sub-underwriters, the application form, either attached to or accompanying this Prospectus.

Ineligible Shareholder means a Shareholder as at the Record Date whose registered address is not situated in a country specified in Section 4.12.

Memorandum of Association or Articles means the memorandum and articles of association of the Company as at the date of this Prospectus.

New Option means an Option having the terms set out in Section 6.2.

Offer means the non-renounceable entitlement issue the subject of this Prospectus.

Official Quotation means official quotation on ASX.

Option means an option to acquire a CDI.

Option-holder means a holder of an Option.

Underwriter means 708 Capital Pty Ltd (ACN 142 319 202).

Performance Share means either a class A or class B performance share in the capital of the Company.

Prospectus means this prospectus.

Record Date means the record date specified in the timetable set out at the commencement of this Prospectus.

Section means a section of this Prospectus.

Securities means Shares, CDIs and/or Options (including New Options), as the context requires.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a CDI.

Share Registry means Computershare Investor Services Pty Limited.

Shortfall means the CDIs not applied for under the Offer by Shareholders (if any), which will form part of the amount to be underwritten by the Underwriter or the sub-underwriters.

Underwriter means 708 Capital Pty Ltd.

Underwriting Agreement means the underwriting agreement between the Underwriter and the Company, as described in Section 8.4(a).

WST means Western Standard Time as observed in Perth, Western Australia.