5 November 2014

ASX ANNOUNCEMENT

FINAL ASSAY RESULTS RECEIVED FOR METALLURGICAL DRILL HOLES

HIGHLIGHTS

European Metals Holdings Limited ("**European Metals**" or "**The Company**") (**ASX: EMH**) is pleased to announce that drilling to provide samples for metallurgical testwork at the Cinovec Tin Project in the Czech Republic is complete and final assay results have been received for all analytical samples collected and submitted from the holes.

Key Points:

- **Three diamond holes drilled, for 940.1m**
- **Wide zones of Sn-W-Li mineralisation intersected in altered granite (greisen); geology as anticipated from the resource model**
- **In addition to Sn-W-Li intercepts, holes intersected encouraging base metal sulphide (with associated Ag) mineralization**
- **Individual samples (typically 1-1.5m wide) returned up to 1.76% Sn, 0.77% W, 1,26% Li_2O, 62.7 g/t Ag, 0.43% Cu, 0.07% Mo, 0.43% Pb, 2.38% Zn**
- **Better intercepts include:**
  - **CIS-1**
    - **4m @ 0.25% Sn, 0.075% W, 0.655 Li_2O, 8.15g/t Ag, 0.28% Pb, 0.26% Zn from 190m**
    - **8m @ 0.19% Sn , 0.006% W, 0.462 Li_2O, 2.35 g/t Ag, 0.04% Pb, 0.52% Zn from 204m**
    - *7.9m @ 0.66 Zn, 0.16% Sn, 0.05% , 0.500 Li_2O, 2.82g/t Ag from 201m***
  - **CIS-2**
    - **4m @ 0.32% Sn, 0.125% W, 0.728 Li_2O from 244m**
    - **3m @ 0.26% Sn, 0.053% W, 0.551 Li_2O from 253m**
  - **CIS-3**
    - **1m @ 0.58 % Sn, 0.252% Li_2O, 62.7 g/t Ag, 0.17% Zn from 173m**
    - **3m @ 0.47% Sn, 0.086% W, 0.627 Li_2O from 176m**
    - **2m @ 0.96% Sn, 0.413% W, 0.794 Li_2O from 194m**

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- **36m @ 0.31%, 0.049% W, 0.654 Li_2O from 205m***
  incl. 2m @ 1.24% Sn, 0.027% W, 0.675 Li_2O
  12m @ 0.44% Sn, 0.037% W, 0.641 Li_2O
  3m @ 0.56% Sn, 0.095% W, 0.838 Li_2O

- *39.5m @ 0.67 Li_2O, 0.22% Sn, 0.063% W from 214m****

* Computed allowing for up to 4 m interval with below cutoff Sn grade.

** Computed at zinc cutoff 0.3% Zn.

*** Computed at lithium cutoff 0.2% Li.

- **Scoping Study progressing well, on track for completion Q1 CY2015**

European Metals CEO Mr Keith Coughlan said "We are very pleased with the results of our limited drill campaign, which confirmed and in places exceeded our expectations for grade and thickness of tin-tungsten-lithium mineralisation at Cinovec South. In addition, intervals with elevated levels of copper, lead, zinc, molybdenum and silver are a pleasant surprise and could conceivably add to the economic credentials of the deposit. Drilling has confirmed the quality of mineralisation, with results supporting our belief that Cinovec South is a robust deposit capable of supporting a bulk underground mining operation.

Metallurgical testwork on a bulk sample composited from drill core will commence shortly. Other elements of the Scoping Study are progressing well and we are on track for completion by Q1 2015.

I look forward to providing updates on metallurgical testwork and other aspects of the Study as results come to hand."

Drill program

Three diamond core holes were drilled, for total of 940.1m, primarily to provide material for metallurgical testing. Two of the holes (CIS-2 and CIS-3) were collared from one site, with the third hole (CIS-1) was collared from a site located about 200m away. The target was mineralised, altered granite (greisen) beneath barren rhyolite porphyry at the blind Cinovec South deposit.

Geo-drilling company out of Czech Republic was contracted for the program, and successfully completed the holes to target depth. The core size was 60 mm diameter for in the upper portions of the drillhole reduced to 44mm in the lower parts. Core recovery was consistently high, at 98% on average for the program. Hole details are tabulated below.

Table 1 – Hole details.

Hole ID	Date Start-end	North	East	Elevation (m)	Depth (m)	Azimuth	Dip	Comments
CIS-1	5.6.2014 24.6.2014	-966705	-779105	783.65	280.6	-1.4	-69.1	
CIS-2	26.6.2014 27.7.2014	-966731	-778905	819.78	374.6	N/A	-90	
CIS-3	28.7.2014 8.31.2014	-966731	-778905	819.78	284.9	1.6	-69.7	Hit a mine stope 196 to 199

As required under the 2012 JORC Code, details about the drill program are appended (Table 2).

Mineralisation, sampling and assay results

As expected based on evaluation of historic underground drilling and drifting, each of the three holes intersected Sn-W-Li mineralization located in altered granite just below the contact with overlying barren porphyry. Altered and mineralized zones are between 50m and 100m thick, comprised of variably altered granite containing wide intervals of sharply defined grey to black quartz-topaz-zinnwaldite greisen. This dark colored greisen returned the highest grades of tin, tungsten and lithium.

Tin-bearing greisen is overprinted by late vein and retrograde sulphide mineralisation with appreciable levels of Cu, Zn, Pb, Mo and Ag within particular intervals in all 3 holes, typically near the upper contact with porphyry. Additional work to determine the economic significance of these base and precious metal bearing intervals is warranted and will be planned.

Drill core was cut in half and half core samples selected (honouring geological boundaries) and submitted to ALS (location) for assay. A total of 342 primary samples were submitted, plus 29 QA/QC samples (23 analytical standards, 3 blanks, 3 field duplicates). Samples were prepared and analyzed by ICP and XRF analytical techniques following industry standard practice for tin deposits.

Drill intercepts are tabulated in Table 1; intercepts listed are approximate true width as holes were oriented roughly perpendicular to mineralised greisens. Additional information on the calculation of intercepts is provided in the Notes section below.

Project update

Drill core is currently being composited to create a bulk sample that will be sent to GRES Engineering in Perth and subjected to a comprehensive suite of relevant metallurgical tests.

PROJECT OVERVIEW

Cinovec Tin Project

Cinovec is an historic tin mine, incorporating a significant undeveloped tin resource with by-product potential including tungsten, lithium, rubidium, scandium, niobium and tantalum. Cinovec is one of the largest undeveloped tin deposits in the world, with a total inferred resource of 28.1Mt grading 0.37% Sn for 103,970 tonnes of contained tin. Cinovec also hosts a partly-overlapping hard rock lithium deposit with a total inferred resource estimate of 36.8Mt @ 0.8% Li_2O. The resource estimates were based on exploration completed by the Czechoslovakian Government in the 1970s and 1980s, including 83,000m of drilling and 21.5km of underground exploration drifting. The deposit appears amenable to bulk mining techniques and has had over 400,000 tonnes trial mined as a sub-level open stope. Historical metallurgical test work, including the processing of the trial mine ore through the previous on-site processing plant, indicates the ore can be treated using simple gravity methods with good recovery rates for tin and tungsten in oxide minerals of approximately 75%. Cinovec is very well serviced by infrastructure, with a sealed road adjacent to the deposit, rail lines located 5km north and 8km south of the deposit and an active 22kV transmission line running to the mine. As the deposit lies in an active mining region, it has strong community support.

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COMPETENT PERSON

Information in this release that relates to exploration results is based on information compiled by European Metals Director Mr Pavel Reichl. Mr Reichl is a Certified Professional Geologist, a member of the American Institute of Petroleum Geologists, a Fellow Member of the Society of Economic Geologists and is a Competent Person as defined in the 2012 edition of the Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves. Mr Reichl consents to the inclusion in the release of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Mineral Resources has been compiled by Mr Lynn Widenbar. Mr Widenbar, who is a Member of the Australasian Institute of Mining and Metallurgy, is a full time employee of Widenbar and Associates and produced the estimate based on data and geological information supplied by European Metals. Mr Widenbar has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2004 edition of the Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves. Mr Widenbar consents to the inclusion in this report of the matters based on his information in the form and context that the information appears.

CAUTION REGARDING FORWARD LOOKING STATEMENTS

Information included in this release constitutes forward-looking statements. There can be no assurance that ongoing exploration will identify mineralisation that will prove to be economic, that anticipated metallurgical recoveries will be achieved, that future evaluation work will confirm the viability of deposits that may be identified or that required regulatory approvals will be obtained.

Table 2 – Best drill intercepts

Hole	From	To	Interval (m)	Lithology	Sn %	W %	Li_2O %	Zn %	Ag gpt	Pb %
CIS-1	190	194	4	Greisen	0.249	0.075	0.656	0.26	8.15	0.28
CIS-1	204	212	8	Greisen, Granite	0.191	0.056	0.462	0.52	2.35	0.04
CIS-1	216.4	218	1.6	Greisen	0.305	0.041	0.777			
CIS-1	222.5	232	9.5	Greisenized Granite, Greisen	0.137	0.027	0.453			
CIS-2	191	193	2	Greisen	0.551	0.063	0.727			
CIS-2	196	198	2	Greisen	0.181	0.062	1.080			
CIS-2	238	239.5	1.5	Greisen	0.304	0.017	0.475			
CIS-2	244	248	4	Greisen, Greisenized Granite	0.320	0.125	0.728			
CIS-2	253	256	3	Greisenized Granite	0.256	0.053	0.551			
CIS-3	173	174	1	Pegmatite	0.577	0.004	0.252	0.17	62.70	0.06
CIS-3	176	179	3	Greisen	0.472	0.086	0.627	0.69	2.73	0.05
CIS-3	194	196	2	Greisen	0.961	0.413	0.794			
CIS-3	205	207	2	Greisenized Granite	1.239	0.027	0.675			
CIS-3	214	215	1	Greisen	0.370	0.034	0.783			
CIS-3	219	231	12	Greisenized Granite, Greisen	0.437	0.037	0.641			
CIS-3	234	236	2	Greisenized Granite	0.238	0.065	0.828			
CIS-3	238	241	3	Greisen, Greisenized Granite	0.561	0.095	0.838			
CIS-3	253.5	255	1.5	Greisen, Greisenized Granite	0.439	0.009	0.292			

NOTES

1. Intercepts calculated using Sn >0.1%; internal waste </=1m.
2. Pb, Zn listed if >0.3%; Ag listed if >5 gpt
3. Intercepts are approximate true width as drill holes were oriented roughly perpendicular to mineralised lenses.

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JORC Code, 2012 Edition – Table 2

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.*	• Diamond drilling was conducted to recover core samples for geological logging and to provide material for collection of samples for analysis by a commercial laboratory. • After logging, mineralised intervals were selected and core cut in half using a core saw. Cuts were made roughly perpendicular to mineralised structures or features to ensure samples would be as representative as possible. • Samples of half core were collected within specific geological domains; i.e. samples did not cross lithological contacts or alteration fronts. • Half core samples were shipped to a commercial international laboratory for crushing, splitting, pulverizing and analytical work.
Drilling techniques	• *Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).*	• Drill type was diamond core, conventional. Three drillholes, maximum depth 374m • Core diameter 60mm in the upper parts of the drill hole, reduced to 44mm in the lower portions.

Criteria	JORC Code explanation	Commentary
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• Core recovery was routinely measured, with core lengths compared against drillers' core blocks. • Recovery was nearly 100% in most cases, with the exception of narrow fault zones, with lowest values of 50% recovery over 1.3 m. • There is no known grade bias related to recovery rates.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.* • *The total length and percentage of the relevant intersections logged.*	• Drill core was geologically logged in detail. Rock Quality Data (RQD) was also recorded. Several samples were subsequently tested for uniaxial compressive strength (UCS). • Core was photographed prior to sawing. • 100% of drill core was geologically logged.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for*	• Core was cut in half and half core samples submitted for analysis. • Geology was taken in to account when cutting the core to ensure analytical samples are as representative as possible. • Sample collection and preparation is appropriate for the mineralisation style and the grain size of the sampled material. • The nature of mineralization is relatively homogenous; nevertheless, several sampling duplicates were collected and sent for analyses in order to demonstrate representivity of sampling.

Criteria	JORC Code explanation	Commentary
	field duplicate/second-half sampling. • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.*	• The sample preparation procedures and analytical technique employed are industry standard for the mineralisation style and commodities. • Sample digestion is considered to be total. • Standards, blanks and duplicates were inserted in random fashion to batches of samples. One analytical series showed tin grades below SRM recommended values. The analytical laboratory identified the cause and repeated analyses - the SRM values agreed with recommended values.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Significant intersections have been verified by independent and alternative company personnel. The procedures were designed and supervised by a NR-43-101 certified person. • Documentation and data entry was carried out by the Company's qualified personnel and are stored in the Company's electronic storage facility. • Assay results have not been adjusted.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.*	• The collars were surveyed in by a consulting professional surveyor using theodolite. • A downhole survey was completed for each drillhole. • Coordinate system S-JTSK NE Krovak

Criteria	JORC Code explanation	Commentary
	• *Quality and adequacy of topographic control.*	
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Drilling was designed to collect metallurgical sample. Results may be applied to subsequent geologic modelling as infill to historic drill data • Sample compositing has not been applied.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Samples were oriented to limit bias as much as possible. • The drilling orientation is not considered to have introduced a sampling bias.
Sample security	• *The measures taken to ensure sample security.*	• Samples were handled only be the Company's qualified personnel and kept under lock in Company's storage if unattended
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• Sample techniques and results were reviewed internally and by independent personnel.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint*	• Mineral Exploration License issued by the government. No underlying third party issues or royalties, except to the

Criteria	JORC Code explanation	Commentary
and land tenure status	*ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	Government as stipulated by law. • No security of tenure issues known.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Not applicable.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• Greisen style tin-tungsten deposit.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* o *easting and northing of the drill hole collar* o *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* o *dip and azimuth of the hole* o *down hole length and interception depth* o *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	• See Table 1 in the NR.
Data aggregation	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g.*	• All intercepts are reported as weighted averages. No upper cut

Criteria	JORC Code explanation	Commentary
methods	*cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	was applied, lower cut of 0.1% • Assumptions for reporting metal equivalent values are listed in the document.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').*	• Historical work (test mining, drilling) has shown that mineralisation is flat-lying, confirmed in recent drilling; as such, intercepts in these vertical drill holes are assumed to be approximate true width.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Appropriate maps and cross sections are included in the press release.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• Not sure if all assays will be included??
Other substantive exploration	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test*	• • A sample of about 12 to 15 kg will be composited from quarter of core for selected intervals and submitted for metallurgical

Criteria	JORC Code explanation	Commentary
data	*results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	testing.
Further work	• *The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Cary out metallurgical testing • Incorporate metallurgical testing results into a PEA study