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SIGNIFICANT LITHIUM GRADES AND WIDTHS INTERSECTED

European Metals Holdings Limited ("**European Metals**" or "**the Company**") is pleased to announce the successful completion of its six core-hole infill drilling program at the Cinovec Project. A total of 2,697.1m was completed on time and without loss time accidents. Analytical results for three drillholes in the eastern sector and for two drillholes on the western sector of the of the Cinovec South deposit are reported. Results for hole CIS-4 have previously been reported.

Key Points:

- All six planned infill core drillholes completed for a total of 2,697.1m drilled.
- Analytical results confirmed the expected lithium, tin and tungsten contents and mineralization widths.
- The results for the two infill drillholes in the western part of the Cinovec South deposit exceed expectations.
- Drillhole CIS-9 returned one of the best results of the Company's drilling program to date: 204.6m averaging 0.44% Li2O, (and within it 70m@0.58%Li2O; 13m@0.19%Sn, 6m@0.58%Sn, 3m@1.02%Sn and 0.179%W).
- Drillhole CIS-8 returned a continuous relatively high-grade lithium mineralization interval that includes multiple zones of tin and tungsten mineralization: 152.5m averaging 0.41% Li2O, (and within it 3m@0.52%Sn, 6m@0.12%Sn and 0.077%W, 7m@0.14%Sn).
- In the eastern part, the best results are from CIS-7, with 45.5m averaging 0.37% Li2O, and 102m averaging 0.31%Li2O, with strong tin and tungsten credits (11m@0.24%Sn and second interval includes 12m@0.17%Sn and 13m@0.16%W).

European Metals CEO Keith Coughlan said "We are very pleased that not only have we competed the planned drilling program on time and within budget, but that the results are excellent, in particular with respect to the two infill drillholes on the western part of the Cinovec South deposit. These drillholes intersected strong lithium mineralization with significant tin and tungsten contents. The results from this drilling will allow the Company to convert additional resources to the Indicated status and further optimize the Cinovec South mine plan. The geological and resource model upgrade is now underway."

Drill Program

The completed six hole drill program at Cinovec South was planned to focus on infill drilling in two areas where data density is low and 'gaps' in the resource model occur. Other goals are expectation of adding high grade resource at Cinovec South in critical areas where mining will start, the addition of resources in unclassified areas, the conversion of resources from Inferred to Indicated category, and delivery of material for metallurgical testing. All six planned diamond core holes have been completed. The fifth hole CIS-8 had to be terminated at 426.2m due to technical causes.

The drill hole information is listed in Table 1 below, and their locations are shown on Figure 1 below:

Table 1 – Completed drillholes, Cinovec South

Hole ID	North	East	Elevation (m)	Depth (m)	Azimuth	Dip	Comments
CIS-4	-966605.9[1)]	-778582.9[1)]	863	448	16.6	-84.6	Infill, completed
CIS-5	-966607.8[1)]	-778585.1[1)]	862.8	458.8	271.8	-81.28	Infill, completed
CIS-6	-966516.0[1)]	-778544.1[1)]	866.2	456	28.8	-86.97	Infill, completed
CIS-7	-966454.0[1)]	-778655.3[1)]	864.4	450.3	223.9	-89.76	Infill, completed
CIS-8	-966570.0[2)]	-779163.0[2)]	805	426.2	347.6	-69.69	Infill, completed
CIS-9	-966570.0[2)]	-779163.0[2)]	805	457.8	37.20	-61.18	Infill, completed

Hole locations are recorded in the local S-JTSK Krovak grid, [1)] Coordinates surveyed [2)]

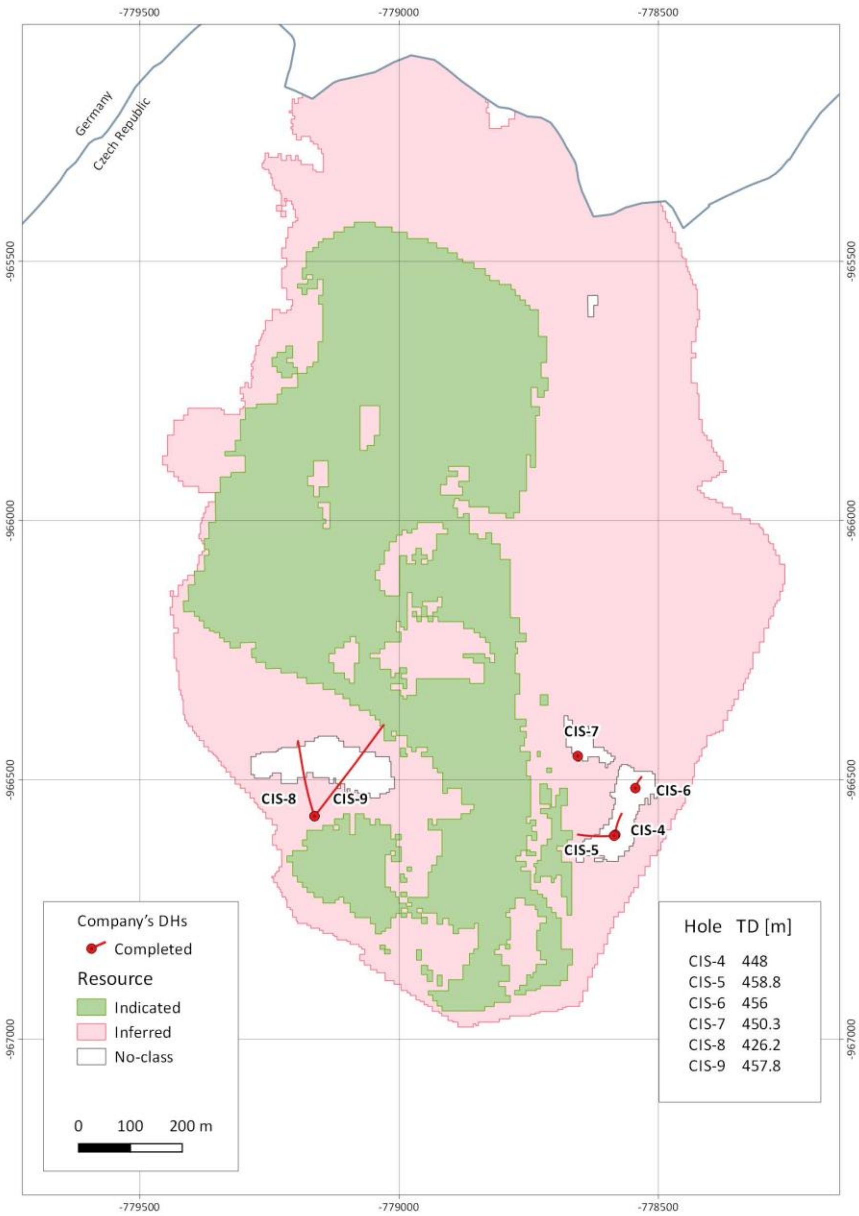

Figure 1 – Plan view with projected resource blocks, EMH completed drill holes

After geological logging, drill core is cut in half with a diamond saw. Quarter core samples are selected (honouring geological boundaries) and dispatched to ALS (Romania) for preparation and assay; the 3/4 of the core is returned to the core box and stored securely on site. Samples are being prepared and analysed by ALS using ICP and XRF techniques following standard industry practice for lithium and tin deposits. Strict QAQC protocols are observed, including the insertion of a Li standard in random fashion for every 10 core samples.

Mineralized Intercepts and Lithology

The three reported drillholes in the eastern part are collared in the overlying rhyolite of the Cinovec South deposit. The Li-mineralized greisen and greisenised granite start immediately bellow the rhyolite/granite contact at a depth of 256.7m (CIS-5), 295m (CIS-6) and 228.7m (CIS-7).

Based on observations from core and analytical results, the lithium mineralization in the eastern part of Cinovec South is broadly correlated with greisenisation of granite, forming two zones. In drillholes CIS-5 and CIS-6, the upper zone is about 130m wide, and the lower about 45m wide, while in drillhole CIS-7 the relationship is opposite, with the lower zone wide about 102m. The greisenisation interval in this drillhole can be also interpreted as a single one, with the two zones merging at the eastern edge of the deposit. The mineralization in the eastern part of Cinovec South is characteristic by relatively strong enrichment in Sn and W, starting immediately at the rhyolite-granite contact and sharply terminating at about 51 to 111m below the contact. If no Sn cutoff is applied, the anomalous interval grades are: 107.3m@0.06% Sn (CIS-5), 51m@0.05% Sn (CIS-6) and 111.3m@0.07% Sn (CIS-7). This interval includes economic grades in relatively long intervals (see Tables below), and while the best grades are generally related to greisen alteration, they can be also related to albite granite.

The bottom of the lithium mineralization is marked by a sharp decrease of zinnwaldite and the presence of the so-called low-mica granite.

The greisens are more abundant in the upper part of the lithium enriched zones. The major mineralized intercepts are 130.3m@0.3% Li_2O (CIS-5), 83m@0.28% Li_2O (CIS-6) and 102m@0.31% Li_2O (CIS-7). The intervals were calculated at a 0.2% Li_2O cutoff, with maximum internal waste (marginally below the cutoff grade) of 4m.

The Tables below provide summary of the results. According to the geological and block model the greisen bodies (and the mineralized zones) dip shallowly to the south, although this fact could not be fully confirmed by core angles observations in the core. The three drillholes were drilled with dip -81.28 (CIS-5), -86.97 (CIS-6) and -89.76 (CIS-7), so the reported intercepts appear close to true thicknesses.

Table 2 Mineralised intercepts in CIS-5

CIS-5						
From	To	Interval (m)	Li_2O (%)	Sn (%)	W (%)	Note
265.7	396	130.3	0.30	0.05	0.005	incl. 3.0m@0.45%Li_2O (341-344m) and 0.6m@1.2%Li_2O (371.5-372.1m)
274	279	5	0.35	0.11	0.001	
284	285	1	0.25	0.11	0.007	
299	314	15	0.28	0.13	0.015	incl. 2.0m@0.27%Sn (305-306m) and 1.0m@0.07%W (306-307m)
329	331	2	0.28	0.10	0.002	
340	341	1	0.32	0.11	0.001	
368	369.5	1.5	0.32	0.14	0.001	
405.5	446	40.5	0.30	0.00	0.001	incl. 15.0m@0.41%Li_2O (415-430m)

Table 3 Mineralised intercepts in CIS-6

CIS-6						
From	**To**	**Interval (m)**	**Li_2O (%)**	**Sn (%)**	**W (%)**	**Note**
295	378	83	0.28	0.03	0.010	incl. 11.4m@0.42%Li_2O (299-310.4m) and 7.0m@0.37%Li_2O (359-366m)
299	304	5	0.45	0.13	0.058	
299.8	302.8	3	0.58	0.10	0.095	
320	321	1	0.29	0.18	0.041	
383	418	35	0.30	0.00	0.001	

Table 4 Mineralised intercepts in CIS-7

CIS-7						
From	**To**	**Interval (m)**	**Li_2O (%)**	**Sn (%)**	**W (%)**	**Note**
245	252	7	0.25	0.03	0.001	
266	311.5	45.5	0.37	0.11	0.019	incl. 15m@0.54%Li_2O (271-286m) and 4m@0.78%Li_2O (281-285m)
271	282	11	0.50	0.24	0.003	incl. 3m@0.58%Sn (271-274m)
272	273	1	0.64	0.89	0.054	
281	282	1	0.94	0.25	0.101	
289	294	5	0.36	0.17	0.002	
301	302	1	0.26	0.14	0.001	
310.5	311.5	1	0.66	0.01	0.483	
319	421	102	0.31	0.03	0.013	incl. 4m@0.42%Li_2O (370-374m), 6m@0.49%Li_2O (387-393m) and 4m@0.41%Li2O (407-411m)
324	337	13	0.28	0.16	0.085	incl. 4m@0.16%W (325-329m)

In the western part of the Cinovec South deposit, the drillholes CIS-8 and CIS-9 were collared in the overlying rhyolite at the western segment of the Cinovec South deposit. In CIS-8 the contact between the rhyolite and granite, marked by a 30cm wide pegmatite, was intersected at 154.2m depth of the drill string. From 154.2m to 230.85 m, mostly albite granite, with zones of hematite and greisenized granite, was intercepted. From 230.85m, the greisen style alteration increases and the interval 154.2m to 398m is formed by greisenized granite, locally including zones of greisen. This lithologic interval is broadly coincident with the strongest lithium, tin and tungsten mineralization, with the latter two spatially correlated to strongest greisen-style alteration. A mixed zone of albite granite and greisenised granite comprises the bottom of the drillhole, from 398m to EOH at 426.2m. The lithologies in CIS-9 are similar: rhyolite contact at 136m depth of drill string, albite granite, locally hematised, from 136 to 234, at 234 m onset of greisen-style mineralization to a depth of 437.6m (greisenised granite, locally greisen zone). Albite granite is prevalent in the bottom of the drillhole, from 438 to T.D. at 457.8m.

The mineralized intercept in CIS-8 of 197.2m@0.37 Li_2O can be subdivided into two segments. The upper one, 152.5m@0.41% Li_2O and tin/tungsten enrichment, is broadly coincident with higher degree of greisen-style alteration, whereas the lower part, with abundant albite granite, is of lower lithium grade and no appreciable tin ad tungsten (39.7m@0.25%Li_2O).

In CIS-9 the lithium mineralised interval 204.6m@0.44%Li_2O is also spatially related to greisen-style alteration of the host granite. The interval contains two higher lithium grade segments and several tin and tungsten discrete zones that are not always directly correlated with the degree of greisenisation, as is the case with lithium.

Table 5 Mineralised intercepts in CIS-8

CIS-8						
From	**To**	**Interval (m)**	**Li_2O (%)**	**Sn (%)**	**W (%)**	**Note**
229	426.2	197.2	0.37	0.04	0.008	incl. 152.5m@0.41%Li2O, 0.05%Sn, 0.01%W (234-286.6m); 3.7m@0.74%Li_2O (246-249.7m), 24m@0.52%Li_2O (299-323m), 2m@0.66%Li_2O (361-363m) and 2m@1.37Li_2O (384.5-386.5m)
234	237	3	0.51	0.52	0.045	incl. 1m@1.35%Sn (236-237m)
236	237	1	0.74	1.35	0.119	
246	252	6	0.62	0.12	0.077	
249	256	7	0.47	0.14	0.048	
267	269	2	0.45	0.33	0.043	
268	269	1	0.38	0.10	0.074	
279	284	5	0.40	0.60	0.085	incl. 1m@1.03%Sn (279-280m)
*Cut-off: 0.2%Li_2*O, 0.1%Sn, 0.05%W						

Table 6 Mineralised intercepts in CIS-9

CIS-9						
From	**To**	**Interval (m)**	**Li_2O (%)**	**Sn (%)**	**W (%)**	**Note**
233	437.6	204.6	0.44	0.04	0.009	incl. 15m@0.64%Li_2O (235-250m) and 70m@0.58%Li_2O (270-340m)
241	254	13	0.62	0.19	0.025	
266	272	6	0.43	0.58	0.107	incl. 3m@1.02%Sn (268-271m)
268	271	3	0.46	1.02	0.179	
279	284	5	0.62	0.11	0.008	
285	287	2	0.62	0.03	0.077	
*Cut-off: 0.2%Li_2*O, 0.1%Sn, 0.05%W						

As required under the 2012 JORC Code, details of the current drill program are appended (Table 1).

CZECH ELECTION RESULTS

The Company notes the results of the recent elections held in the Czech Republic and the debate regarding development of lithium assets within the country leading into the elections. As the sole holder of exploration permits and preliminary mining permits with the preferential right of mining over the Cinovec Project, the Company looks forward to continuing the previous positive engagements with the new Government, once formed, and to rapidly advance development of the project to the mutual benefit of all stakeholders.

BACKGROUND INFORMATION ON CINOVEC

PROJECT OVERVIEW

Cinovec Lithium/Tin Project

European Metals, through its wholly owned Subsidiary, Geomet s.r.o., controls the mineral exploration licenses awarded by the Czech State over the Cinovec Lithium/Tin Project. Cinovec hosts a globally significant hard rock lithium deposit with a total Indicated Mineral Resource of 348Mt @ 0.45% Li_2O and 0.04% Sn and an Inferred Mineral Resource of 309Mt @ 0.39% Li_2O and 0.04% Sn containing a combined 7.0 million tonnes Lithium Carbonate Equivalent and 263kt of tin. An initial Probable Ore Reserve of 34.5Mt @ 0.65% Li2O and 0.09% Sn has been declared to cover the first 20 years mining at an output of 20,800tpa of lithium carbonate.

This makes Cinovec the largest lithium deposit in Europe, the fourth largest non-brine deposit in the world and a globally significant tin resource.

The deposit has previously had over 400,000 tonnes of ore mined as a trial sub-level open stope underground mining operation.

EMH has completed a Preliminary Feasibility Study, conducted by specialist independent consultants, which indicated a return post tax NPV of USD540m and an IRR of 21%. It confirmed the deposit is be amenable to bulk underground mining. Metallurgical test work has produced both battery grade lithium carbonate and high-grade tin concentrate at excellent recoveries. Cinovec is centrally located for European end-users and is well serviced by infrastructure, with a sealed road adjacent to the deposit, rail lines located 5 km north and 8 km south of the deposit and an active 22 kV transmission line running to the historic mine. As the deposit lies in an active mining region, it has strong community support.

The economic viability of Cinovec has been enhanced by the recent strong increase in demand for lithium globally, and within Europe specifically.

CONTACT

For further information on this update or the Company generally, please visit our website at www. http://europeanmet.com or contact:

Mr. Keith Coughlan
Managing Director

COMPETENT PERSON

Information in this release that relates to exploration results is based on information compiled by Dr Pavel Reichl. Dr Reichl is a Certified Professional Geologist (certified by the American Institute of Professional Geologists), a member of the American Institute of Professional Geologists, a Fellow 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, Mineral Resources and Ore Reserves and a Qualified Person for the purposes of the AIM Guidance Note on Mining and Oil & Gas Companies dated June 2009. Dr Reichl consents to the inclusion in the release of the matters based on his information in the form and context in which it appears. Dr Reichl holds CDIs in European Metals.

The information in this release that relates to Mineral Resources and Exploration Targets 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 JORC Code 2012 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. Often, but not always, forward looking statements can generally be identified by the use of forward looking words such as "may", "will", "expect", "intend", "plan", "estimate", "anticipate", "continue", and "guidance", or other similar words and may include, without limitation, statements regarding plans, strategies and objectives of management, anticipated production or construction commencement dates and expected costs or production outputs.

Forward looking statements inherently involve known and unknown risks, uncertainties and other factors that may cause the company's actual results, performance and achievements to differ materially from any future results, performance or achievements. Relevant factors may include, but are not limited to, changes in commodity prices, foreign exchange fluctuations and general economic conditions, increased costs and demand for production inputs, the speculative nature of exploration and project development, including the risks of obtaining necessary licences and permits and diminishing quantities or grades of reserves, political and social risks, changes to the regulatory framework within which the company operates or may in the future operate, environmental conditions including extreme weather conditions, recruitment and retention of personnel, industrial relations issues and litigation.

Forward looking statements are based on the company and its management's good faith assumptions relating to the financial, market, regulatory and other relevant environments that will exist and affect the company's business and operations in the future. The company does not give any assurance that the assumptions on which forward looking statements are based will prove to be correct, or that the company's business or operations will not be affected in any material manner by these or other factors not foreseen or foreseeable by the company or management or beyond the company's control.

Although the company attempts and has attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in forward looking statements, there may be other factors that could cause actual results, performance, achievements or events not to be as anticipated, estimated or intended, and many events are beyond the reasonable control of the company. Accordingly, readers are cautioned not to place undue reliance on forward looking statements. Forward looking statements in these materials speak only at the date of issue. Subject to any continuing obligations under applicable law or any relevant stock exchange listing rules, in providing this information the company does not undertake any obligation to publicly update or revise any of the forward looking statements or to advise of any change in events, conditions or circumstances on which any such statement is based.

LITHIUM CLASSIFICATION AND CONVERSION FACTORS

Lithium grades are normally presented in percentages or parts per million (ppm). Grades of deposits are also expressed as lithium compounds in percentages, for example as a percent lithium oxide (Li_2O) content or percent lithium carbonate (Li_2CO_3) content.

Lithium carbonate equivalent ("**LCE**") is the industry standard terminology for, and is equivalent to, Li_2CO_3. Use of LCE is to provide data comparable with industry reports and is the total equivalent amount of lithium carbonate, assuming the lithium content in the deposit is converted to lithium carbonate, using the conversion rates in the table included below to get an equivalent Li_2CO_3 value in percent. Use of LCE assumes 100% recovery and no process losses in the extraction of Li_2CO_3 from the deposit.

Lithium resources and reserves are usually presented in tonnes of LCE or Li.

The standard conversion factors are set out in the table below:

Table: Conversion Factors for Lithium Compounds and Minerals

Convert from		Convert to Li	Convert to Li_2O	Convert to Li_2CO_3
Lithium	Li	**1.000**	2.153	5.324
Lithium Oxide	Li_2O	0.464	**1.000**	2.473
Lithium Carbonate	Li_2CO3	0.188	0.404	**1.000**

WEBSITE

A copy of this announcement is available from the Company's website at www.europeanmet.com.

TECHNICAL GLOSSARY

The following is a summary of technical terms:

"ball and rod indices"	Indicies that provide an assessment of the energy required to grind one tonne of material in a ball or rod mill
"carbonate"	refers to a carbonate mineral such as calcite, $CaCO_3$
"comminution"	The crushing and/or grinding of material to a smaller scale
"cut-off grade"	lowest grade of mineralised material considered economic, used in the calculation of Mineral Resources
"deposit"	coherent geological body such as a mineralised body
"exploration"	method by which ore deposits are evaluated
"flotation"	selectively separating hydrophobic materials from hydrophilic materials to upgrade the concentration of valuable minerals
"g/t"	gram per metric tonne
"grade"	relative quantity or the percentage of ore mineral or metal content in an ore body
"heavy liquid separation"	is based on the fact that different minerals have different densities. Thus, if a mixture of minerals with different densities can be placed in a liquid with an intermediate density, the grains with densities less than that of the liquid will float and grains with densities greater than the liquid will sink
"Indicated" or "Indicated Mineral Resource"	as defined in the JORC and SAMREC Codes, is that part of a Mineral Resource which has been sampled by drill holes, underground openings or other sampling procedures at locations that are too widely spaced to ensure continuity but close enough to give a reasonable indication of continuity and where geoscientific data are known with a reasonable degree of reliability. An Indicated Mineral Resource will be based on more data and therefore will be more reliable than an Inferred Mineral Resource estimate
"Inferred" or "Inferred Mineral Resource"	as defined in the JORC and SAMREC Codes, is that part of a Mineral Resource for which the tonnage and grade and mineral content can be estimated with a low level of confidence. It is inferred from the geological evidence and has assumed but not verified geological and/or grade continuity. It is based on information gathered through the appropriate techniques from locations such as outcrops, trenches, pits, working and drill holes which may be limited or of uncertain quality and reliability
"JORC Code"	Joint Ore Reserve Committee Code; the Committee is convened under the auspices of the Australasian Institute of Mining and Metallurgy
"kt"	thousand tonnes
"LCE"	the total equivalent amount of lithium carbonate (see explanation above entitled Explanation of Lithium Classification and Conversion Factors)

"lithium"	a soft, silvery-white metallic element of the alkali group, the lightest of all metals
"lithium carbonate"	the lithium salt of carbonate with the formula Li_2CO_3
"magnetic separation"	is a process in which magnetically susceptible material is extracted from a mixture using a magnetic force
"metallurgical"	describing the science concerned with the production, purification and properties of metals and their applications
"Mineral Resource"	a concentration or occurrence of material of intrinsic economic interest in or on the Earth's crust in such a form that there are reasonable prospects for the eventual economic extraction; the location, quantity, grade geological characteristics and continuity of a mineral resource are known, estimated or interpreted from specific geological evidence and knowledge; mineral resources are sub-divided into Inferred, Indicated and Measured categories
"mineralisation"	process of formation and concentration of elements and their chemical compounds within a mass or body of rock
"Mt"	million tonnes
"optical microscopy"	the determination of minerals by observation through an optical microscope
"ppm"	parts per million
"recovery"	proportion of valuable material obtained in the processing of an ore, stated as a percentage of the material recovered compared with the total material present
"resources"	Measured: a mineral resource intersected and tested by drill holes, underground openings or other sampling procedures at locations which are spaced closely enough to confirm continuity and where geoscientific data are reliably known; a measured mineral resource estimate will be based on a substantial amount of reliable data, interpretation and evaluation which allows a clear determination to be made of shapes, sizes, densities and grades. Indicated: a mineral resource sampled by drill holes, underground openings or other sampling procedures at locations too widely spaced to ensure continuity but close enough to give a reasonable indication of continuity and where geoscientific data are known with a reasonable degree of reliability; an indicated resource will be based on more data, and therefore will be more reliable than an inferred resource estimate. Inferred: a mineral resource inferred from geoscientific evidence, underground openings or other sampling procedures where the lack of data is such that continuity cannot be predicted with confidence and where geoscientific data may not be known with a reasonable level of reliability
"SAGability"	testing material to investigate its performance in a semi-autonomous grinding mill
"spiral concentration"	a process that utilises the differential density of materials to concentrate valuable minerals
"stope"	underground excavation within the orebody where the main production takes place
"t"	a metric tonne
"tin"	A tetragonal mineral, rare; soft; malleable: bluish white, found chiefly in cassiterite, SnO_2
"treatment"	Physical or chemical treatment to extract the valuable metals/minerals
"tungsten"	hard, brittle, white or grey metallic element. Chemical symbol, W; also known as wolfram
"W"	chemical symbol for tungsten

ADDITIONAL GEOLOGICAL TERMS

"apical"	relating to, or denoting an apex
"cassiterite"	A mineral, tin dioxide, SnO2. Ore of tin with specific gravity 7
"cupola"	A dome-shaped projection at the top of an igneous intrusion
"dip"	the true dip of a plane is the angle it makes with the horizontal plane
"granite"	coarse-grained intrusive igneous rock dominated by light-coloured minerals, consisting of about 50% orthoclase, 25% quartz and balance of plagioclase feldspars and ferromagnesian silicates
"greisen"	A pneumatolitically altered granitic rock composed largely of quartz, mica, and topaz. The mica is usually muscovite or lepidolite. Tourmaline, fluorite, rutile, cassiterite, and wolframite are common accessory minerals
"igneous"	said of a rock or mineral that solidified from molten or partly molten material, i.e., from a magma
"muscovite"	also known as potash mica; formula: $KAl_2(AlSi_3O_{10})(F,OH)_2$.
"quartz"	a mineral composed of silicon dioxide, SiO2
"rhyolite"	An igneous, volcanic rock of felsic (silica rich) composition. Typically >69% SiO_2
"vein"	a tabular deposit of minerals occupying a fracture, in which particles may grow away from the walls towards the middle
"wolframite"	A mineral, $(Fe,Mn)WO_4$; within the huebnerite-ferberite series
"zinnwaldite"	A mineral, $KLiFeAl(AlSi_3)O_{10}(F,OH)_2$; mica group; basal cleavage; pale violet, yellowish or greyish brown; in granites, pegmatites, and greisens

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The information contained within this announcement is considered to be inside information, for the purposes of Article 7 of EU Regulation 596/2014, prior to its release.

JORC Code, 2012 Edition - Table 1

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg 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 (eg '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 (eg submarine nodules) may warrant disclosure of detailed information.*	• In 2014, the Company commenced a core drilling program and collected samples from core splits in line with JORC Code guidelines. • Sample intervals honour geological or visible mineralization boundaries and vary between 50cm and 2 m. Majority of samples is 1 m in length • The samples are half or quarter of core; the latter applied for large diameter core. • Between 1952 and 1989, the Cinovec deposit was sampled in two ways: in drill core and underground channel samples. • Channel samples, from drift ribs and faces, were collected during detailed exploration between 1952 and 1989 by Geoindustria n.p. and Rudne Doly n.p., both Czechoslovak State companies. Sample length was 1 m, channel 10x5cm, sample mass about 15kg. Up to 1966, samples were collected using hammer and chisel; from 1966 a small drill (Holman Hammer) was used. 14179 samples were collected and transported to a crushing facility. • Core and channel samples were crushed in two steps: to -5mm, then to -0.5mm. 100g splits were obtained and pulverized to -0.045mm for analysis.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg 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).*	• In 2014, three core holes were drilled for a total of 940.1m. In 2015, six core holes were drilled for a total of 2,455.0m. In 2016, eight core holes were drilled for a total of 2,795.6m. • In 2014 and 2015, the core size was HQ3 (60mm diameter) in upper parts of holes; in deeper sections the core size was reduced to NQ3 (44mm diameter). Core recovery was high (average 98%). In 2016 up to four drill rigs were used, and select holes employed PQ sized core for upper parts of the drillholes. • Historically only core drilling was employed, either from surface or from underground. • Surface drilling: 80 holes, total 30,340 meters; vertical and inclined, maximum depth 1596m (structural hole). Core diameters from 220mm near surface to 110 mm at depth. Average core recovery 89.3%. • Underground drilling: 766 holes for 53,126m; horizontal and inclined. Core

Criteria	JORC Code explanation	Commentary
		diameter 46mm; drilled by Craelius XC42 or DIAMEC drills.
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 for historical surface drill holes was recorded on drill logs and entered into the database. • No correlation between grade and core recovery was established.
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.*	• In 2014-2016, core descriptions were recorded into paper logging forms by hand and later entered into an Excel database. • Core was logged in detail historically in a facility 6 km from the mine site. The following features were logged and recorded in paper logs: lithology, alteration (including intensity divided into weak, medium and strong/pervasive), and occurrence of ore minerals expressed in %, macroscopic description of congruous intervals and structures and core recovery.
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 field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• In 2014-16, core was washed, geologically logged, sample intervals determined and marked then the core was cut in half. In 2016 larger core was cut in half and one half was cut again to obtain a quarter core sample. One half or one quarter samples was delivered to ALS Global for assaying after duplicates, blanks and standards were inserted in the sample stream. The remaining drill core is stored on site for reference. • Sample preparation was carried out by ALS Global in Romania, using industry standard techniques appropriate for the style of mineralisation represented at Cinovec. • Historically, core was either split or consumed entirely for analyses. • Samples are considered to be representative. • Sample size and grains size are deemed appropriate for the analytical techniques used.
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*	• In 2014-16, core samples were assayed by ALS Global. The most appropriate analytical methods were determined by results of tests for various analytical techniques. • The following analytical methods were

Criteria	JORC Code explanation	Commentary
	analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	chosen: ME-MS81 (lithium borate fusion or 4 acid digest, ICP-MS finish) for a suite of elements including Sn and W and ME-4ACD81 (4 acid digest, ICP-AES finish) additional elements including lithium. • About 40% of samples were analysed by ME-MS81d (ME-MS81 plus whole rock package). Samples with over 1% tin are analysed by XRF. Samples over 1% lithium were analysed by Li-OG63 (four acid and ICP finish). • • Standards, blanks and duplicates were inserted into the sample stream. Initial tin standard results indicated possible downgrading bias; the laboratory repeated the analysis with satisfactory results. • Historically, tin content was measured by XRF and using wet chemical methods. W and Li were analysed by spectral methods. • Analytical QA was internal and external. The former subjected 5% of the sample to repeat analysis in the same facility. 10% of samples were analysed in another laboratory, also located in Czechoslovakia. The QA/QC procedures were set to the State norms and are considered adequate. It is unknown whether external standards or sample duplicates were used. • Overall accuracy of sampling and assaying was proved later by test mining and reconciliation of mined and analysed grades.
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.*	• During the 2014-16 drill campaigns the Company indirectly verified grades of tin and lithium by comparing the length and grade of mineral intercepts with the current block model.
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.* • *Quality and adequacy of topographic control.*	• In 2014-16, drill collar locations were surveyed by a registered surveyor. • Down hole surveys were recorded by a contractor. • Historically, drill hole collars were surveyed with a great degree of precision by the mine survey crew. • Hole locations are recorded in the local S-JTSK Krovak grid. • Topographic control is excellent.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of*	• Historical data density is very high. • Spacing is sufficient to establish an inferred resource that was initially

Criteria	JORC Code explanation	Commentary
	geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. • *Whether sample compositing has been applied.*	estimated using MICROMINE software in Perth, 2012. • Areas with lower coverage of Li% assays have been identified as exploration targets. • Sample compositing to 1m intervals has been applied mathematically prior to estimation but not physically.
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.*	• In 2014-16, drill hole azimuth and dip was planned to intercept the mineralized zones at near-true thickness. As the mineralized zones dip shallowly to the south, drill holes were vertical or near vertical and directed to the north. Due to land access restrictions, certain holes could not be positioned in sites with ideal drill angle. • The Company has not directly collected any samples underground because the workings are inaccessible at this time. • Based on historic reports, level plan maps, sections and core logs, the samples were collected in an unbiased fashion, systematically on two underground levels from drift ribs and faces, as well as from underground holes drilled perpendicular to the drift directions. The sample density is adequate for the style of deposit. • Multiple samples were taken and analysed by the Company from the historic tailing repository. Only lithium was analysed (Sn and W too low). The results matched the historic grades.
Sample security	• *The measures taken to ensure sample security.*	• In the 2014-16 programs, only the Company's employees and contractors handled drill core and conducted sampling. The core was collected from the drill rig each day and transported in a company vehicle to the secure Company premises where it was logged and cut. Company geologists supervised the process and logged/sampled the core. The samples were transported by Company personnel in a Company vehicle to the ALS Global laboratory pick-up station. The remaining core is stored under lock and key. • Historically, sample security was ensured by State norms applied to exploration. The State norms were similar to currently accepted best practice and JORC guidelines for sample security.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• Review of sampling techniques possible from written records. No flaws found.

Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint 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.*	• Cinovec exploration rights held under three licenses Cinovec (expires 30/07/2019), Cinovec 2 (expires 31/12/2020) and Cinovec 3 (expires 31/10/2021).100% owned, no native interests or environmental concerns. A State royalty applies metals production and is set as a fee in Czech crowns per unit of metal produced. • There are no known impediments to obtaining an Exploitation Permit for the defined resource.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• There has been no acknowledgment or appraisal of exploration by other parties.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• Cinovec is a granite-hosted tin-tungsten-lithium deposit. • Late Variscan age, post-orogenic granite intrusionTin and tungsten occur in oxide minerals (cassiterite and wolframite). Lithium occurs in zinwaldite, a Li-rich muscovite • Mineralization in a small granite cupola. Vein and greisen type. Alteration is greisenisation, silicification.
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.*	• Reported previously.
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg 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*	• Reporting of exploration results has not and will not include aggregate intercepts. • Metal equivalent not used in reporting. • No grade truncations applied.

Criteria	JORC Code explanation	Commentary
	aggregations should be shown in detail. • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	
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 (eg 'down hole length, true width not known').*	• Intercept widths are approximate true widths. • The mineralization is mostly of disseminated nature and relatively homogeneous; the orientation of samples is of limited impact. • For higher grade veins care was taken to drill at angles ensuring closeness of intercept length and true widths • The block model accounts for variations between apparent and true dip.
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 sections have been generated by the Company, and independent consultants. Available in customary vector and raster outputs, and partially in consultant's reports.
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.*	• Balanced reporting in historic reports guaranteed by norms and standards, verified in 1997, and 2012 by independent consultants. • The historic reporting was completed by several State institutions and cross validated.
Other substantive exploration data	• *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 results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• Data available: bulk density for all representative rock and ore types; (historic data + 92 measurements in 2016 from current core holes); petrographic and mineralogical studies, hydrological information, hardness, moisture content, fragmentation etc.
Further work	• *The nature and scale of planned further work (eg 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.*	• Grade verification sampling from underground or drilling from surface. Historically-reported grades require modern validation in order to improve the resource classification. • The number and location of sampling sites will be determined from a 3D wireframe model and geostatistical considerations reflecting grade continuity. • The geologic model will be used to determine if any infill drilling is required. • The deposit is open down-dip on the southern extension, and locally poorly constrained at its western and eastern extensions, where limited additional drilling might be required.

Criteria	JORC Code explanation	Commentary
		• No large scale drilling campaigns are required.

Section 3 Estimation and Reporting of Mineral Resources

Criteria	JORC Code explanation	Commentary
Database integrity	• *Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.* • *Data validation procedures used.*	• Assay and geologic data were compiled by the Company staff from primary historic records, such as copies of drill logs and large scale sample location maps. • Sample data were entered in to Excel spreadsheets by Company staff in Prague. • The database entry process was supervised by a Professional Geologist who works for the Company. • The database was checked by independent competent persons (Lynn Widenbar of Widenbar & Associates, Phil Newell of Wardell Armstrong International).
Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* • *If no site visits have been undertaken indicate why this is the case.*	• The site was visited by Mr Pavel Reichl who has identified the previous shaft sites, tails dams and observed the mineralisation underground through an adjacent mine working. • The site was visited in June 2016 by Mr Lynn Widenbar, the Competent Person for Mineral Resource Estimation. Diamond drill rigs were viewed, as was core; a visit was carried out to the adjacent underground mine in Germany which is a continuation of the Cinovec Deposit.
Geological interpretation	• *Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.* • *Nature of the data used and of any assumptions made.* • *The effect, if any, of alternative interpretations on Mineral Resource estimation.* • *The use of geology in guiding and controlling Mineral Resource estimation.* • *The factors affecting continuity both of grade and geology.*	• The overall geology of the deposit is relatively simple and well understood due to excellent data control from surface and underground. • Nature of data: underground mapping, structural measurements, detailed core logging, 3D data synthesis on plans and maps. • Geological continuity is good. The grade is highest and shows most variability in quartz veins. • Grade correlates with degree of silicification and greisenisation of the host granite. • The primary control is the granite-country rock contact. All mineralization is in the uppermost 200m of the granite and is truncated by the contact.
Dimensions	• *The extent and variability of the Mineral Resource expressed as length (along strike*	• The Cinovec South deposit strikes north-south, is elongated, and dips gently

Criteria	JORC Code explanation	Commentary
	or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.	south parallel to the upper granite contact. The surface projection of mineralization is about 1 km long and 900 m wide. • Mineralization extends from about 200m to 500m below surface.
Estimation and modelling techniques	• *The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.* • *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.* • *The assumptions made regarding recovery of by-products.* • *Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).* • *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.* • *Any assumptions behind modelling of selective mining units.* • *Any assumptions about correlation between variables.* • *Description of how the geological interpretation was used to control the resource estimates.* • *Discussion of basis for using or not using grade cutting or capping.* • *The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.*	• Block estimation was carried out in Micromine using Ordinary Kriging interpolation. • A geological domain model was constructed using Leapfrog software with solid wireframes representing greisen, granite, greisenised granite and the overlying barren rhyolite. This was used to both control interpolation and to assign density to the model (2.57 for granite, 2.70 for greisen and 2.60 for all other material). • Analysis of sample lengths indicated that compositing to 1m was necessary. • Search ellipse sizes and orientations for the estimation were based on drill hole spacing, the known orientations of mineralisation and variography. • An "unfolding" search strategy was used which allowed the search ellipse orientation to vary with the locally changing dip and strike. • After statistical analysis, a top cut of 5% was applied to Sn% and W%; no top cut is applied to Li%. • Sn% and Li% were then estimated by Ordinary Kriging within the mineralisation solids. • The primary search ellipse was 150m along strike, 150m down dip and 7.5m across the mineralisation. A minimum of 4 composites and a maximum of 8 composites were required. • A second interpolation with search ellipse of 300m x 300m x 12.5m was carried out to inform blocks to be used as the basis for an exploration target. • Block size was 5m (E-W) by 10m (N-S) by 5m • Validation of the final resource has been carried out in a number of ways including section comparison of data versus model, swathe plots and production reconciliation.
Moisture	• *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	• Tonnages are estimated on a dry basis using the average bulk density for each geological domain.
Cut-off parameters	• *The basis of the adopted cut-off grade(s) or quality parameters applied.*	• A series of alternative cutoffs was used to report tonnage and grade: Sn 0.1%, 0.2%, 0.3% and 0.4%. Lithium 0.1%,

Criteria	JORC Code explanation	Commentary
		0.2%, 0.3% and 0.4%.
Mining factors or assumptions	• *Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.*	• Mining is assumed to be by underground methods. A Scoping Study has determined the optimal mining method. • Limited internal waste will need to be mined at grades marginally below cutoffs. Mine dilution and waste are expected at minimal levels and the vast majority of the Mineral Resource is expected to convert to an Ore Reserve. • Based on the geometry of the deposit, it is envisaged that a combination of drift and fill mining and longhole open stoping will be used.
Metallurgical factors or assumptions	• *The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.*	• Recent testwork on 2014 drill core indicates a tin recovery of 80% can be expected. • Testwork on lithium is complete, with 70% recovery of lithium to lithium carbonate product via flotation concentrate and atmospheric leach. • Extensive testwork was conducted on Cinovec South ore in the past. Testing culminated with a pilot plant trial in 1970, where three batches of Cinovec South ore were processed, each under slightly different conditions. The best result, with a tin recovery of 76.36%, was obtained from a batch of 97.13t grading 0.32% Sn. A more elaborate flowsheet was also investigated and with flotation produced final Sn and W recoveries of better than 96% and 84%, respectively. • Historical laboratory testwork demonstrated that lithium can be extracted from the ore (lithium carbonate was produced from 1958-1966 at Cinovec).
Environmental factors or assumptions	• *Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental*	• Cinovec is in an area of historic mining activity spanning the past 600 years. Extensive State exploration was conducted until 1990. • The property is located in a sparsely populated area, most of the land belongs to the State. Few problems are anticipated with regards to the acquisition of surface rights for any potential underground mining operation. • The envisaged mining method will see much of the waste and tailings used as underground fill.

Criteria	JORC Code explanation	Commentary
	assumptions made.	

Bulk density	• *Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.*
	• *The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit.*
	• *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.*
		• Historical bulk density measurements were made in a laboratory.
		• The following densities were applied:
		  o 2.57 for granite
		  o 2.70 for greisen
		  o 2.60 for all other material

Classification	• *The basis for the classification of the Mineral Resources into varying confidence categories.* • *Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).* • *Whether the result appropriately reflects the Competent Person's view of the deposit.*	• Following a review of a small amount of available QAQC data, and comparison of production data versus estimated tonnage/grade from the resource model, and given the close spacing of underground drilling and development, the majority of the Tin resource was originally classified in the Inferred category as defined by the 2012 edition of the JORC code. • The new 2014 and 2016 drilling has confirmed the Tin mineralisation model and a part of this area has been upgraded to the Indicated category. • The Li% mineralisation has been assigned to the Inferred category where the average distance to composites used in estimation is less than 100m. Material outside this range is unclassified but has been used as the basis for an Exploration Target. • The new 2014 and 2016 drilling has confirmed the Lithium mineralisation model and a part of this area has been upgraded to the Indicated category. • The Competent Person (Lynn Widenbar) endorses the final results and classification.
Audits or reviews	• *The results of any audits or reviews of Mineral Resource estimates.*	• Wardell Armstrong International, in their review of Lynn Widenbar's initial resource estimate stated "the Widenbar model appears to have been prepared in a diligent manner and given the data available provides a reasonable estimate of the drillhole assay data at the Cinovec deposit".
Discussion of relative accuracy/ confidence	• *Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For*	• In 2012, WAI carried out model validation exercises on the initial Widenbar model, which included visual comparison of drilling sample grades and the estimated block model grades,

Criteria	JORC Code explanation	Commentary
	example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate. • *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* • *These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	and Swath plots to assess spatial local grade variability. • A visual comparison of Block model grades vs drillhole grades was carried out on a sectional basis for both Sn and Li mineralisation. Visually, grades in the block model correlated well with drillhole grade for both Sn and Li. • Swathe plots were generated from the model by averaging composites and blocks in all 3 dimensions using 10m panels. Swath plots were generated for the Sn and Li estimated grades in the block model, these should exhibit a close relationship to the composite data upon which the estimation is based. As the original drillhole composites were not available to WAI. 1m composite samples based on 0.1% cut-offs for both Sn and Li assays were • Overall Swathe plots illustrate a good correlation between the composites and the block grades. As is visible in the Swathe plots, there has been a large amount of smoothing of the block model grades when compared to the composite grades, this is typical of the estimation method.

ORE as at 1ST JUNE 2017

Section 4 Estimation and Reporting of Ore Reserves

(Criteria listed in section 1, and where relevant in section 2 and 3, also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral Resource estimate for conversion to Ore reserves	• *Description of the Mineral Resource estimate used as a basis for the conversion to an Ore Reserve.* • *Clear statement as to whether the Mineral Resources are reported additional to, or inclusive of, the Ore Reserves.*	A JORC 2012 Mineral Resource Estimate (MRE) was issued by Widenbar and Associates. The electronic resource models were provided to Bara for the purposes of mine design. The table below summarises the mineral resource provided.

CINOVEC 2017 RESOURCE						
	Cutoff	Tonnes	Li	Li_2O	Sn	W
	%	(Millions)	%	%	%	%
INDICATED	0.1%	347.7	0.21	0.52	0.04	0.015
INFERRED	0.1%	308.8	0.18	0.44	0.04	0.014
TOTAL	0.1%	656.5	0.20	0.40	0.04	0.014

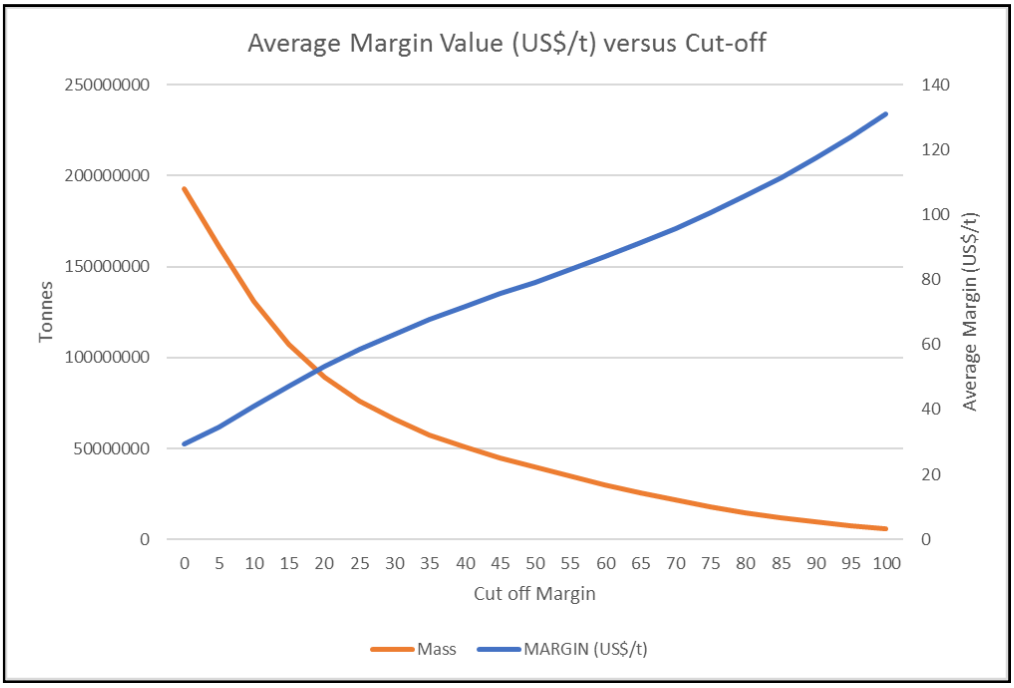
The Mineral Resources are declared inclusive of Ore Reserves.

Criteria	JORC Code explanation	Commentary
Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* • *If no site visits have been undertaken indicate why this is the case.*	The CP visited the site on 7th and 8th of September 2016, inspections were made of: ○ Exploration drill cores. ○ Underground visits were undertaken to old underground mine workings close to and situated in the same deposits as the Cinovec project area. ○ The project surface site was visited including visits to: ▪ Possible surface infrastructure sites. ▪ The sites of existing vertical shafts into the old Cinovec mine workings ▪ Access road and rail infrastructure.
Study Status	• *The type and level of study undertaken to enable Mineral Resources to be converted to Ore Reserves.* • *The Code requires that a study to at least Pre-Feasibility Study level has been undertaken to convert Mineral Resources to Ore Reserves. Such studies will have been carried out and will have determined a mine plan that is technically achievable and economically viable, and that material Modifying Factors have been considered.*	A pre-feasibility study (PFS) has been undertaken for the Cinovec Project. All material issues relevant to the project have been considered in this study to ensure estimates to levels of accuracy generally accepted for a PFS.
Cut-off parameters	• *The basis of the cut-off grade(s) or quality parameters applied.*	Revenue will be generated from the sales of Lithium (Li), Tin (Sn) and Tungsten (W). Each metal has different in-situ grades, plant recoveries, operating costs and metal prices. To determine the revenue generated from a block of material in the block model there factors need to be taken into account. To do this the total revenue and operating costs were calculated using a script in the block model. The cost was deducted from the revenue to produce a “Margin” value for each block. Where Margin is greater than zero, the block is flagged as ore. The metal prices, recoveries and formulae used to calculate the operating costs for purposes of the margin calculation are tabled below.

Criteria	JORC Code explanation	Commentary

Factors used in margin calculation			
Item	**Unit**	**Value**	**Comment**
Metal prices (after NSR)			
Field	US$/t	8000	
Sn	US$/t	22000	Price Received
W	US$/t	20000	Price Received
Metal recoveries			
Li (Rom to Mica Concentrate)	%	$-1.123*Li^2+ 1.112*Li + 0.6657$	
Li (Lithium Carbonate Plant)	%	85	
Sn	%	80	
W	%	80	
Mass Recovery			
ROM to Mica Concentrate		%=-1.7179*Li2+1.6434Li-0.1061	
Operating costs			
Mining	US$/t Rom	27	
Milling	US$/t Rom	11.24	
Admin	US$/t Rom	2	
Co (Sum)	US$/t Rom	40.24	
TRANS	US$/t Rom	TRAN = ((Sn%+w%)*0.8/0.75))*150	
Lithium Carbonate	US$/t Rom	LiCost=Li%*6788+5.85	
Li Variable Processing Cost	US$/t Mica	107	Apply using formula for mass pull
Li Admin Cost	US$/t Mica	0.5	Apply using formula for mass pull

Using the factors tabled above the "Margin" value was calculated for each block in the block model. The breakeven grade is where Margin =0. All blocks with Margin greater than zero could be considered ore. Applying this criteria to the block model allowed a grade versus tonnage curve to be generated based on using the "Margin" field as the grade field. The resultant curve is shown in the Figure below.



In order to optimise the value of the project a strategic decision was made by the client to mine at a higher grade than the average and to optimise

Criteria	JORC Code explanation	Commentary
		the mined grade by reducing the tonnes and increasing the grade to the point where mine life becomes the constraint, or the mining becomes prohibitively selective. The production rate of the processing plant was set by EMH at 360,000 tpa of mica concentrate. This equates to approximately 1.7 million tpa of RoM ore. For a mine life of over 20 years, which was the requirement stated by EM, the mining inventory needs to be at least 34 million tonnes. Using the grade versus tonnage curve a cut-off of US$35/tonne Margin was selected. This resulted in the appropriate mine life while still allowing the use of bulk mining methods such as LHOS.
Mining factors or assumptions	• *The method and assumptions used as reported in the Pre-Feasibility or Feasibility Study to convert the Mineral Resource to an Ore Reserve (i.e. either by application of appropriate factors by optimisation or by preliminary or detailed design).* • *The choice, nature and appropriateness of the selected mining method(s) and other mining parameters including associated design issues such as pre-strip, access, etc.* • *The assumptions made regarding geotechnical parameters (eg pit slopes, stope sizes, etc), grade control and pre-production drilling.* • *The major assumptions made and Mineral Resource model used for pit and stope optimisation (if appropriate).* • *The mining dilution factors used.* • *The mining recovery factors used.* • *Any minimum mining widths used.* • *The manner in which Inferred Mineral Resources are utilised in mining studies and the sensitivity of the outcome to their inclusion.* • *The infrastructure requirements of the selected mining methods.*	<u>Geotechnical input</u> A geotechnical study was completed as part of the pre-feasibility study. The geotechnical study prescribed geotechnical design criteria which should be applied in the mine design. The design criteria are detailed in the table below.

Criteria	JORC Code explanation	Commentary

CINOVEC MINE DESIGN CRITERIA			
Aspect	**Description**	**Value**	
Spans	Maximum stope spans	13.0m	
Potvin's Stability number	Crown (Rhyolite)	19.70	
	Hanging wall (Greisen + Granite orebody)	39.40	
	Footwall (Albite Granite)	52.70	
	Endwalls (Greisen + Granite orebody)	39.40	
Hydraulic radius	*Stability graph*	*Matthews-Potvin,1992*	*Extended Matthews,2002*
	Crown (Rhyolite)	7.20	9.2
	Hanging wall (Greisen + Granite orebody)	9.30	15
	Endwalls (Greisen + Granite orebody)	9.30	15
Critical strike span	Stope height (m)	(m)	
	25.0	80	
	20.0	90	
	15.0	90	
	10.0	90	
Rib pillar widths [m]	Stope height (m)	(m)	
	25.0	7.0	
	20.0	6.0	
	15.0	5.0	
	10.0	4.0	
Sill pillar widths [m]	Stope height (m)	(m)	
	>25.0	6.0	
	<25.0	No sill pillars for stope height less than 25.0m	
Crown pillar dimension	Crown pillar width	40	

Block model

The block model file used for this study was provided to Bara by EM in February 2017 and is entitled Cinovec_Resource_Model_17_02_2017.dm. The model is in Datamine format. The table below shows the fields in the block model that were used in the mine planning process.

Block model fields used in mine plan	
Field	**Comment**
LITH	Lithology, used to report tonnage and grade by lithology
Li%	Li grade, used in mine plan
Sn%	Sn grade, used in mine plan
W%	W grade, used in mine plan
DENSITY	Density of block, used in tonnage calculations
RESCAT	Resource category, used to report material by category. Only measured and indicted resources used in mine plan

Mining method

An evaluation was completed to establish the achievable extraction ratios with and without backfill, based on the geotechnical design criteria including pillar sizes and stope spans (see above). The preferred option was to mine with pillars

Criteria	JORC Code explanation	Commentary
		support only, negating the requirement for a backfill plant. The selected mining method is long hole open stoping with pillar support. The payable ore will be split into blocks approximately 90 m long in the strike direction and 25 m high. The bottom of each block will be accessed in the central position by an access crosscut and the block will be mined out from the centre to the strike limit by drifting. The stope will be mined on retreat from the block extent, retreating to the access cross cut position. The stopes will be a maximum of 13 m wide with rib pillars between stopes of 4 to 7 m wide depending on stope height. Access to the stopes will be by footwall drives developed in the footwall at 25 m vertical intervals. All stope access crosscuts will be developed out of the footwall drives. The mine will be accessed by a twin decline system. A conveyor will be installed from the underground primary crusher on 590m Elevation to surface in the conveyor decline. The second decline will be used as a service decline for men, material and as an intake airway. <u>Mining modifying factors</u> Stope shapes were determined by use of stope optimisation software after application of minimum stope size and stope geometry. The design criteria specified included: • Cut-off – Margin >US$35 per tonne. This means that the average margin of the resultant stope shape must be greater than US$35/tonne. • Stope width – 17 m (includes rib pillar, which was deducted as a tonnage loss later in the schedule) • Maximum stope height – Unlimited. Stope shapes greater than 25m high were later split by level and sill pillar losses accounted for. • Minimum stope height – 5m (height of ore drive). • Stope length – Minimum 10 m, maximum unlimited. Stopes were later split into stope blocks with maximum length of 180 m (two stopes of 90 m each) • Minimum footwall slope angle - 50°. After definition of the stope shapes mining modifying factors as described below were applied: *Mining Exclusions*

Criteria	JORC Code explanation	Commentary
		1. The Northern most portion of the orebody is located below the village. In this area it was agreed to leave an unmined crown pillar of at least 150 m between surface and the uppermost mining level. In other parts of the orebody the crown pillar was 70 m. 2. DSO created stope shapes according to the criteria specified above, but with no consideration of the development required to access these blocks. The design was edited to remove any blocks that were not practical to access, being either excessively far from planned development and too small to justify the access development, or small volumes on an elevation that is difficult to access being between mining levels. *Pillar loss* Total pillar loss is estimated to be 35%. *Unplanned dilution* In order to account for these mining inefficiencies unplanned dilution was added to all stope tonnage. Due to the large size of the stopes the dilution percentage is low at 3%. This allows for approximately 0.25 m of over break around the entire stope. Since the stopes are defined by a grade cut-off and the mineralisation is disseminated, there is not expected to be a sharp drop-off of grade outside the stope envelope. The dilution will therefore contain metal grade. The average grade of the resource below the margin cut-off of US$35/t has been applied to the dilution material in the mine plan. The grade of the dilution is: Li% - 0.22 Sn% - 0.04 W% - 0.01 *Ore loss* Ore loss does occur in mining operations due to mining inefficiencies. This can be due to factors such as: • Ore not loaded out of stopes • Grade control errors • Haulage errors • Underbreak in the blasting operation • Stope hang ups To account for these inefficiencies an ore loss factor of 3% has been included in the mining

Criteria	JORC Code explanation	Commentary
		schedule. This is a tonnage loss at the average grade of the block. <u>Inferred Resources</u> No inferred resources were included as ore in the pre-feasibility mine plan. Inferred resources were treated as waste. <u>Infrastructure</u> *Surface Infrastructure* The surface infrastructure has been designed to support the mining plan with consideration of the labour and mechanised equipment requirements of the operation in addition to the movement of rock, men and materials. The infrastructure is divided into two distinct areas, with the area at the portal servicing the initial development requirements and the second servicing the production phase. Allowance has been made for; • Security fencing. • Site access control and parking. • Development offices • Development change house and laundry. • Lamp house and crush. • Medical station. • Trackless workshop and wash bay. • Compressor station • Diesel farm. • Oil and grease storage, • Main store and material yard. • Capital laydown area • Service water storage and settling. • Downcast air heating. • Brake testing ramp • Main offices • Main change houses • Main laundry. • Training centre. • Parking and bus drop off zone • Fire systems • Potable water infrastructure including municipal Interface. • Sewage Infrastructure including municipal Interface. • Gas supply Infrastructure including municipal Interface. • MV electrical infrastructure including municipal Interface. • Explosives accessories magazine. *Underground Infrastructure* Underground infrastructure designs take into consideration the life of mine plan and aims to support the underground mining production and

Criteria	JORC Code explanation	Commentary
		development activities. Underground infrastructure comprises: • Mine service water systems • Mine dewatering systems, including clear and dirty water pump stations. • Mine electrical reticulation • Control systems and instrumentation • Trackless workshops • Refuelling bays • Underground crushers, tips, and conveyors. The mine service water system is a based on a re-circulation design, with settled water from the mining activities used as service water. This reduces the mine pumping requirement in turn reducing power costs. In terms of electrical reticulation, the Cinovec mining operation will require a bulk power supply of 3.5 MVA. Power will be provided by a local supply authority and it is anticipated it will be at 6kV. *Underground Ore Handling* The underground ore handling system is designed for 500 t/h and will comprise the following: • A primary tip, equipped with a static grizzly and a hydraulic rock breaker to break oversize lumps; • An ore-pass; • A primary crushing station, equipped with a vibrating grizzly feeder and jaw crusher; • A sacrificial conveyor (CV001), 18 m long, to protect the main decline conveyor; • A decline conveyor (CV002), 1,146 m long.
Metallurgical factors or assumptions	• *The metallurgical process proposed and the appropriateness of that process to the style of mineralisation.* • *Whether the metallurgical process is well-tested technology or novel in nature.* • *The nature, amount and representativeness of metallurgical test work undertaken, the nature of the metallurgical domaining applied and the corresponding metallurgical recovery factors applied.* • *Any assumptions or allowances made for deleterious elements.* • *The existence of any bulk sample or pilot scale test work and the degree to which such samples are considered representative of the orebody as a whole.* • *For minerals that are defined by a specification, has the ore reserve estimation been based on the appropriate mineralogy to meet the specifications?*	The beneficiation plant process route consists of crushing, SAG milling, classification, thickening and wet high intensity magnetic separation (WHIMS). The magnetic fraction passes to the Lithium Carbonate Plant (LCP). The non-magnetic fraction is processed by classification, spiral concentration and regrinding of the spiral middlings. The spirals product is a tin / tungsten product. The LCP process route consists of roasting, leaching filtration, impurity removal by ion exchange and crystallization. The testwork program has indicated that the process route selected is appropriate for the style of mineralization of the orebody. The process route selected utilizes standard, industry proven technology. The process route selected was based on the testwork carried out, and on the respective engineering companies' experience on other, similar projects.

Criteria	JORC Code explanation	Commentary
		The samples used for the beneficiation plant testwork were quarter core composites from the drilling campaigns. For the comminution tests, composites were made up of the various ore types to provide an indication of variability. As composites of drill cores were used for the testwork, the samples are considered to be representative of the deposit. The variability in the deposit may be an issue in the plant operation, but additional testwork will be carried out during the feasibility study to inform on this issue. The mass of sample received for the testwork was 150kg, which enabled appropriate sized samples (taking into consideration that the study being carried out is pre-feasibility) to be used for the various tests. The product recoveries were determined from the testwork, factors were not applied. Testwork has produced a saleable lithium carbonate product (>99.5% lithium carbonate) although the levels of fluoride (500 ppm) and silicon (300 ppm) were high. These elements are not generally considered to be deleterious elements in product specifications. Further testwork will be carried out to reduce these levels. No bulk samples were available for the testwork but were not required as the level of study was pre-feasibility. Pilot scale testwork will carried out during the feasibility study. The composite samples used for the testwork are considered to be representative of the ore-body and suitable for the testwork performed. The specification for the lithium carbonate product is a minimum of 99.5% lithium carbonate. This was achieved in the testwork. Testwork will be carried out during the next phase of the project to further improve on the quality of the product to be produced.
Environmental	• *The status of studies of potential environmental impacts of the mining and processing operation. Details of waste rock characterisation and the consideration of potential sites, status of design options considered and, where applicable, the status of approvals for process residue storage and waste dumps should be reported.*	The Company has commenced the Environmental Impact Assessment EIA process with a baseline study, prepared by GET s.r.o an independent Czech based environmental consultancy. This identified the environmental areas to be assessed and determined preliminary outcomes. The underground mine and surface portal is located on the border adjacent to an environmentally sensitive area – Natural park Eastern Krusne hory. The Project area is mostly covered by forests and treeless plateau with bushy growth. The area of Dubí township is covered by farm land (15%) and non-agricultural land (85%), out of that 80% are forests. Intensive biological investigation executed in 2016 identified 20 natural biotops, out of them 4 peat bogs, springheads, waterlogged spruce growths and mountain meadows) are protected within the Natura 2000. Screening process also

Criteria	JORC Code explanation	Commentary
		identified 67 animal species – 2 amphibians, 2 snakes, 51 birds and 11 mammals living in the area. Of them, 14 species are protected. Through the area also runs the regional natural bio corridor K2. The Cinovec Sn/W Lithium Project is governed by Act No.100/2001 Coll., on Environment Impact Assessment (hereinafter referred to as the "EIA Act"). The competent authority is the Ministry of the Environment (Environment Impact Assessment Department). An integrated permit is issued upon completion of the EIA process. In consideration of the exploitation mining licence to be granted and the expected production of the Li-W-Sn ore exceeding 1 Mt a year during the implementation of the Project, the EIA documentation must be prepared and assessed (full-scope EIA Report). The Cinovec Sn/W Lithium Project development documentation shall be structured as follows: • details concerning the Notifier, • details concerning the development project, • details concerning the status of the environment in the region concerned, • comprehensive characteristics and assessment of the Project impacts on public health and the environment, • a comparison of project versions (if any), • a conclusion, and • a commonly understood summary and annexes (opinion of the Building Authority, opinion of the Nature Protection Authority, expert studies and assessments). The following expert studies and assessments must be compiled during the EIA Documentation preparation stage: • noise impact study, • air quality impact study, • biological survey, • human health impact study, • transport impact study, • landscape impact study, and • water quality and hydrology impact study. In this case, with respect to the location of the Project at the border with Germany, the so-called "international assessment" provision applies (Section 13, Act No. 100). This process is more time-demanding – in an international assessment, the Ministry of the Environment may extend the deadlines to present views by up to 30 days; other deadlines (Sec. 12, Act.100) are extended adequately in such a case.

Criteria	JORC Code explanation	Commentary
		EMH commenced the EIA process with the baseline study, prepared by GET, which identified the environmental areas to be assessed and determined preliminary outcomes. The project, mainly the underground mine and surface portal is located in environmentally sensitive area. From that perspective, the EIA will focus particularly on project impacts on European protected areas Natura 2000 (protected birds) and mine water discharge into surface streams due to the content of Berylium and radioactive components. Considering the long-term mining history in region the Project will not significantly change the situation towards to environment and from that perspective all identified potential problems should be resolvable and EMH do not envision any fatal flaws will be encountered. The Cinovec EIA will focus particularly on Project impacts on European protected areas Natura 2000 (protected birds) and mine water discharge into surface streams. The Company has re-positioned key infrastructure to minimise impacts to both the environment and the community and has placed crushing facilities and fans underground to minimise noise as well as enclosing the mill to further reduce noise and visual impacts. Considering the long-term mining history in region and at the deposit itself, the Project will not significantly impact the environment. Waste Rock Acid-Base accounting (ABA): Acid-Base accounting (ABA) is a screening procedure whereby the acid-neutralising potential (assets) and acid-generating potential (liabilities) of rock samples are determined, and the difference, net neutralising potential (equity), is calculated. Samples were devoid of sulphides and have no potential to generate acid-mine drainage as confirmed through both the ABA and NAG test. However, the Neutralisation Potential of the samples were also very low and samples also had a very low total C content. However, the potential to leach at least As and F which should be further investigated through the column leach testing as these two parameters will also be present in neutral drainage from samples. The addition of acid to samples (ABCC method: 3 g sample in 100 ml water as per AMIRA, 2002) resulted in quick acidification confirming that the samples had almost no Neutralisation Potential. The pH curve is only slightly higher than for the Blank (distilled water). Net Acid Generation (NAG): The single addition NAG test was used to classify the acid generating

Criteria	JORC Code explanation	Commentary
		potential of all 42 samples. The NAG test involves the reaction of a sample with hydrogen peroxide to rapidly oxidise any sulphide minerals contained within a sample. The end result represents a direct measurement of the net amount of acid generated by the sample. This value is commonly referred to as the NAG capacity and is expressed in the is kg $H2SO4$/tonne. All of the samples tested were classified as non-acid forming. The ICP analysis of the NAG elution did not yield any significant results. This test is more appropriate where the sample have sulphides that can be oxidised with peroxide and ICP analyses indicate metals released. Tailings Tailings produced by the gravity circuit of the FECAB's beneficiation plant and the Residue Filtration Stream produce by the LCP require permanent impoundment in a suitable Tailings Storage Facility (TSF). For the PFS a conservative approach was taken by designing a dry stack tailings facility. Any water from the dry stacked tails is captured and recycled to the LCP process water feed. This approach, although higher in Capex, offers the most environmentally sustainable method of tailings impoundment. Tailings produced by the gravity circuit are filtered in two pressure filters to produce a filter cake with a moisture content of 18%. This moisture content is based of filtration test work performed on a representative tailings sample by Diemme® with the results interpreted by Ausenco and incorporated into the FECAB design. The FECAB filter cakes falls into a bunker below the pressure filters, from where it is collected by a wheel loader and loaded into an articulated truck for transfer to the dry stacks tails tip point. The articulate truck dumps the tailings filter cake where it is spread and compacted by a bulldozer. The estimated cost of the FECAB tailings disposal is $1.00/ wet tonne. The LCP tailings consist of leach residue filter cake produced by a pressure filter. As with the FECAB, the pressure filter drops the filter cake into a bunker for loading via a wheel loader. The estimated cost for LCP residue disposal is $1.50/ wet tonne. The loading, trucking and spreading of the tailings will be performed by a local contract earth moving company. Data used as input criteria to the TSF design concept are listed in the table, which is considered

Criteria	JORC Code explanation	Commentary
		adequate for PFS and has been derived from PFS level engineering.

Criteria	Value	
	LCP	FECAB
Tailings P_{80}	53 µm	53 µm
Tailings production rate (dry tpa)	506,998	1,636,260
Tailings dry density (t/m^3)	1.64	1.69
Tailings % solids at deposition (% wt)	75	85
Design life of starter TSF (yr)	2	2
Design life of TSF (yr)	10	10

Criteria	JORC Code explanation	Commentary
		All permits for the tailings dam, waste rock dump and operations will be applied for when appropriate and as governed by Czech law. To date, permits for mine de-watering and preliminary mining permits have been received.
Infrastructure	• *The existence of appropriate infrastructure: availability of land for plant development, power, water, transportation (particularly for bulk commodities), labour, accommodation; or the ease with which the infrastructure can be provided, or accessed.*	Currently, no infrastructure exists at the mine site and therefore allowance has been made for all support facilities required by the planned mining operation. Surface infrastructure has been designed to support the mining plan with consideration of the labour and mechanised equipment requirements of the operation in addition to the movement of rock, men and materials. The infrastructure is divided into two distinct areas, with the area at the portal servicing the initial development requirements and the second servicing the production phase. The surface infrastructure design includes all facilities and services (such as offices, changehouses, workshops) as well as utilities and reticulation (such as power, water and gas utilities) to support the underground mining activities for the life of mine. Underground infrastructure designs take into consideration the life of mine plan and aims to support the underground mining production and development activities. The underground infrastructure primarily comprises the underground conveyor and crushing system, dewatering facilities, and underground workshops
Costs	• *The derivation of, or assumptions made, regarding projected capital costs in the study.* • *The methodology used to estimate operating costs.* • *Allowances made for the content of deleterious elements.* • *The source of exchange rates used in the study.* • *Derivation of transportation charges.* • *The basis for forecasting or source of treatment and refining charges, penalties*	The capital and operating cost estimate has been determined through the application of budget quotations, database costs and estimated costs. These costs were applied to material take offs, bill of quantities and estimated quantities derived from the engineering design process. The once the overall capital cost was calculated, the costs are scheduled according to an implementation plan in order to determine the spend over the life of the project.

Criteria	JORC Code explanation	Commentary
	for failure to meet specification, etc. • *The allowances made for royalties payable, both Government and private.*	Capital Cost are summarised as follows:

	TOTAL US$ M
Underground Mining Development	
Mining Directs	67.3
Mining In directs	3.0
Total Mining Cost	70.3
Front End Comminution & Beneficiation Plant (FECAB)	
Comminution - Direct	25.2
Beneficiation - Direct	40.5
Infrastructure -Direct	20.8
FECAB In directs	18.4
Total FECAB	104.9
Lithium Carbonate Plant (LCP)	
LCP Directs	141.9
LCP In directs	38.0
Total LCP Capital	179.9
Total Tailings	2.6
Overall Project Contingency @10%	35.8
TOTAL CAPITAL COST	**393.4**

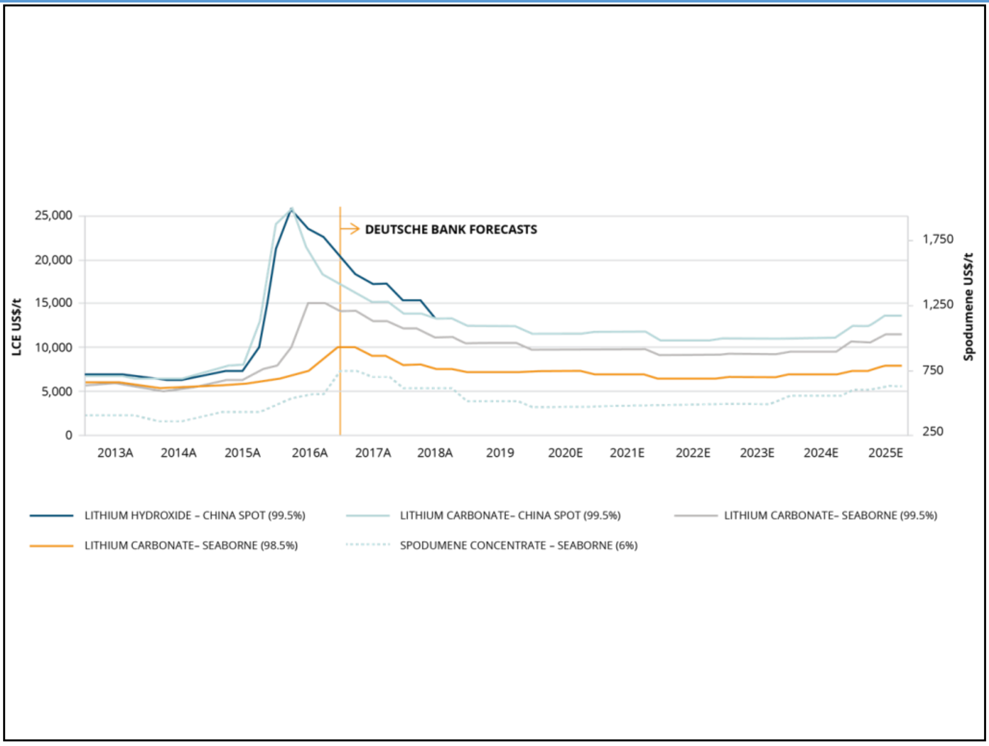
Operating costs are summarised as follows:

Area	Total [USD/t]
Mining Opex	24.26
FECAB Opex	11.66
LCP Opex	28.17
Contingency Opex	-
Overall Project Admin	0.53
Total operating costs	**64.62**

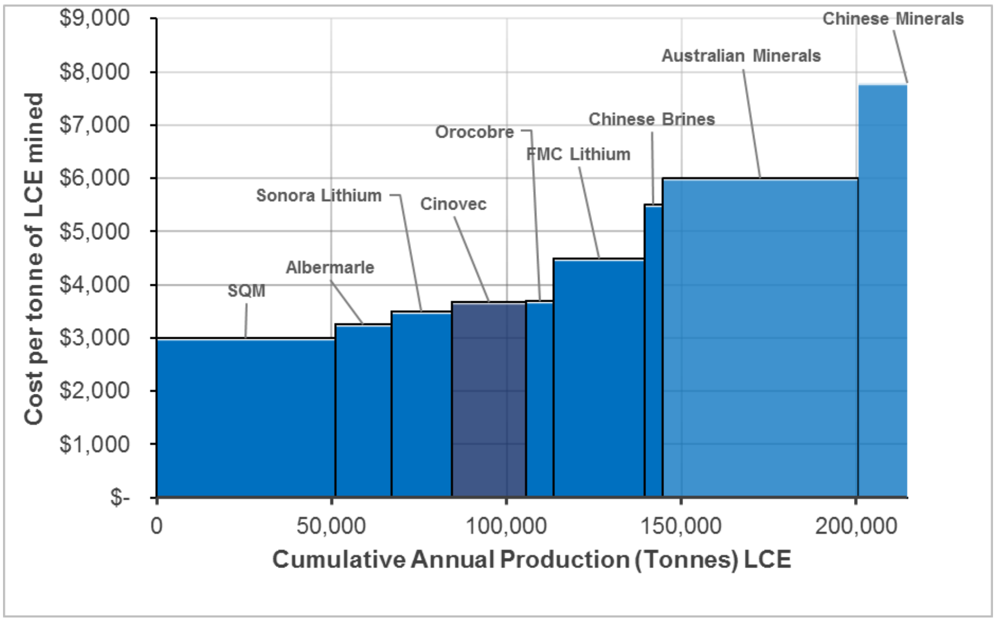
Criteria	JORC Code explanation	Commentary
Revenue factors	• *The derivation of, or assumptions made regarding revenue factors including head grade, metal or commodity price(s) exchange rates, transportation and treatment charges, penalties, net smelter returns, etc.* • *The derivation of assumptions made of metal or commodity price(s), for the principal metals, minerals and co-products.*	Metal Prices Used

Tin (US$/t metal)	22 500
Tungsten (US$/MTU)	330
Lithium Carbonate (US$/t)	10 000

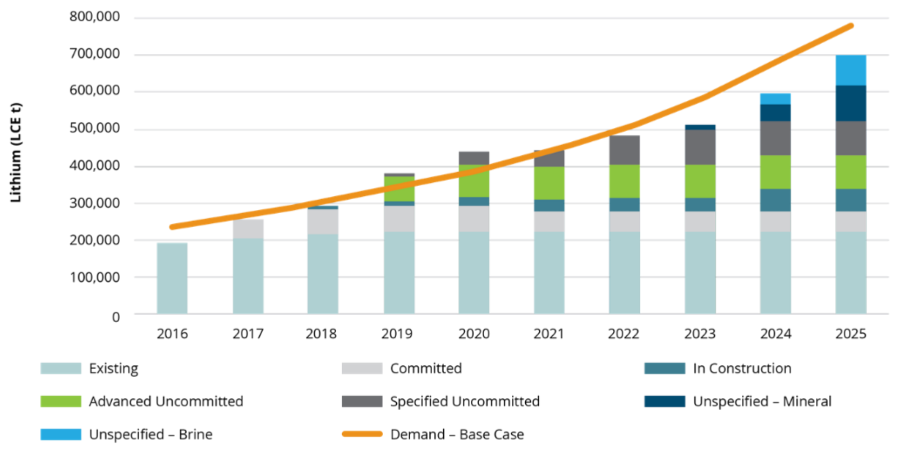
Criteria	JORC Code explanation	Commentary
		Potassium Sulphate (Potash) (US$/t) — 480 Exchange Rates Used **USD** 1.0000 **EUR** 0.9276 **CZK** 25.0500 **CAD** 1.3082 **AUD** 1.3212 **GBP** 0.7965
Market assessment	• *The demand, supply and stock situation for the particular commodity, consumption trends and factors likely to affect supply and demand into the future.* • *A customer and competitor analysis along with the identification of likely market windows for the product.* • *Price and volume forecasts and the basis for these forecasts.* • *For industrial minerals the customer specification, testing and acceptance requirements prior to a supply contract.*	Lithium is the key driver of the Project. According to Deutsche Bank, global lithium demand increased 15% year on year to 212 kt LCE in 2016, slightly ahead of estimates. Deutsche Bank forecast lithium pricing to remain elevated relative to historical averages, but retrace 15% over 2016 pricing levels. Further, the medium-term outlook is improving and Deutsche Bank has recently lifted their 2019 demand forecast to 380 kt. The ramp up of new EV model sales from major auto companies is generally considered to be the key driver of lithium demand in the short to medium term. Other factors include the increased production from battery manufacturing facilities and the continued inventory build within the supply chain. The Cinovec Project is located centrally and within close proximity to a number of major European car manufacturers. Benchmark expects the average forecasted price range for lithium carbonate 99.95% to be $ 9,500 to $ 13,000/tonne (USD) between 2017 and 2020. European Metals has considered this forecast in light of other independent forecasts such as Deutsche Bank, and on generally available lithium market commentary. For the purposes of the PFS with regards to financial modelling, a long-term average price of $ 10,000/t lithium carbonate FOB has been used. The graph below shows the Deutsche Bank lithium price forecasts to 2025.

Criteria	JORC Code explanation	Commentary
		

A cost comparison shows the project will be in the lowest half of the global cost curve.



The graph below shows the anticipated supply and demand for lithium.

Criteria	JORC Code explanation	Commentary
		 There are industry standard specifications for lithium carbonate. The table below shows that the results achieved to-date in testing meets these standards.

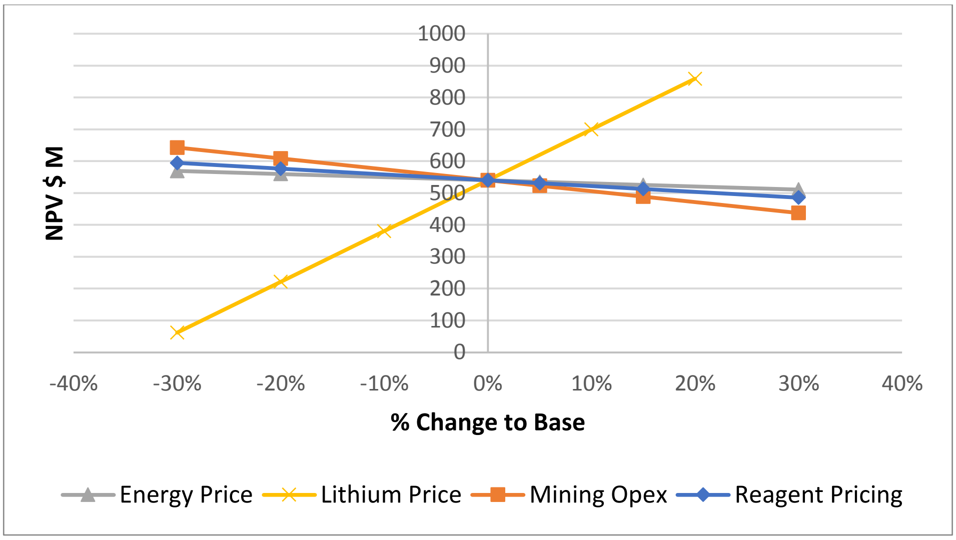
Element	Precipitation (ppm)	Bicarbonation (ppm)	FMC/ Chinese Specification Values (ppm)
Iron	160 – 320	20	(5, 2)
Aluminium	60	< 10	(10, 2
Calcium	10 – 20	< 5	(400, 25)
Sodium	200 – 300	< 50	(500, 20)
Potassium	200 – 300	< 5	(N/A, 10)
Sulphate	1200 – 1900	< 150	(1000, 30)
Fluoride	450 – 500	500	(N/A, N/A)
Silicon	300 – 600	300	(N/A, 40)

Criteria	JORC Code explanation	Commentary
Economic	• *The inputs to the economic analysis to produce the net present value (NPV) in the study, the source and confidence of these economic inputs including estimated inflation, discount rate, etc.* • *NPV ranges and sensitivity to variations in the significant assumptions and input.*	The results of the techno-economic evaluation demonstrate that the project is economically viable based on the designs established and the assumptions used in this study. The table below shows that the financial result is positive when considering the time value of money. At a discount rate of 8 per cent, the NPV is 540 million USD and the post-tax IRR is 20.9 per cent.

Criteria	JORC Code explanation	Commentary

Metric	Value	Metric	Value
NPV @8% Discount	$540 M	Project Breakeven (IRR=0%) $/t Li_2CO_3	$5,200 /t
NPV @ 10% Discount	$392 M	Avg Li_2CO_3 Production (yr. 3-20)	20,800 tpa
IRR (Pre-tax)	21.6 %	Avg Potash Production (yr. 3-20)	12,954 tpa
IRR (Post Tax)	20.9 %	Avg Production Cost (without credits)	$ 5,211 /t
Capital Expenditure	$393 M	Avg Production Cost (with credits)	$3,483/t
Total Mined Ore	34.4 Mt	Life of Mine	21 Years
Peak Mill Feed	1.8 Mtpa	Avg Mill Rate (yr. 3-20)	1.68 Mtpa

Sensitivity analysis shows that the project is most sensitive to changes in the price of lithium, as presented in the figure below.



Criteria	JORC Code explanation	Commentary
Social	• *The status of agreements with key stakeholders and matters leading to social licence to operate.*	The Cinovec project has been included in the Czech Government programme for the restructuring of the region Usti in the context of Government support of the regions damaged by the former coal mining. The projects included in this Government programme will have the full support of the Central Government, regional Governments and all the social partners within the region. The Ministry of industry, in collaboration with the Ministry of Foreign Affairs also prepare a Memorandum of cooperation between the Czech Republic and Australia in which the Government of the Czech Republic declares full support for the Cinovec project.
Other	• *To the extent relevant, the impact of the following on the project and/or on the estimation and classification of the Ore Reserves:* • *Any identified material naturally occurring risks.* • *The status of material legal agreements and marketing arrangements.* • *The status of governmental agreements and approvals critical to the viability of the project, such as mineral tenement status, and government and statutory approvals. There must be reasonable grounds to*	There is a clear process for the award of Mining Permits in the Czech Republic. These include placing the reserves on "State Balance" which has largely been completed. Subsequently a Preliminary Mining permit is issued. This has been received for a portion of the deposit and work is on-going to gain a permit for the remaining area. Subsequent to this, a Mining Permit can be issued once all other requirements are met, i.e. an approved EIA, land zoning change for certain works etc.

Criteria	JORC Code explanation	Commentary
	expect that all necessary Government approvals will be received within the timeframes anticipated in the Pre-Feasibility or Feasibility study. Highlight and discuss the materiality of any unresolved matter that is dependent on a third party on which extraction of the reserve is contingent.	The lands needed for the construction of the mine, the transport pipeline and the processing plant are mostly owned by the state and a private owner Forests North, who are all supportive of the project. Marketing agreements need to be entered into by the Company. The Company has commenced discussions with offtakers and with the forecast supply/demand curve is confident that any battery grade lithium will be readily sold into the market.
Classification	• *The basis for the classification of the Ore Reserves into varying confidence categories.* • *Whether the result appropriately reflects the Competent Person's view of the deposit.* • *The proportion of Probable Ore Reserves that have been derived from Measured Mineral Resources (if any).*	The classification of the Ore Reserves is shown below:

CINOVEC ORE RESERVES SUMMARY

Category	Tonnes (Millions)	Li %	Sn %	W %
Proven Ore Reserves	0	0	0	0
Probable Ore Reserves	34.5	0.30	0.09	0.03
Total Ore Reserves	**34.5**	**0.30**	**0.09**	**0.03**

Criteria	JORC Code explanation	Commentary
		This reflects the Competent Persons view of the deposit. All Ore Reserves declared are Probable Ore Reserves and are derived from Indicated Mineral Resources. The classification is based on two factor being: • Engineering study work has only progressed to preliminary feasibility levels of accuracy thus confidence levels in the engineering and costing are only appropriate for Probable Ore Reserves. • The Mineral Resources converted to Ore Reserves are all at the Indicated level of confidence which will only support conversion to Probable Ore Reserve.
Audits or reviews	• *The results of any audits or reviews of Ore Reserve estimates.*	No external audits of the ore reserve have been undertaken to date
Discussion of relative accuracy/ confidence	• *Where appropriate a statement of the relative accuracy and confidence level in the Ore Reserve estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the reserve within*	The accuracy and confidence level of the selected modifying factors are considered to be commensurate with a preliminary feasibility study. The accuracy and confidence in the cost estimation, which is based primarily on the work

Criteria	JORC Code explanation	Commentary
	stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors which could affect the relative accuracy and confidence of the estimate. • *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* • *Accuracy and confidence discussions should extend to specific discussions of any applied Modifying Factors that may have a material impact on Ore Reserve viability, or for which there are remaining areas of uncertainty at the current study stage.* • *It is recognised that this may not be possible or appropriate in all circumstances. These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	completed by the various consulting groups are considered to be at pre-feasibility study levels of accuracy, typically to ± 25% accuracy.