

**European Metals
Holdings Limited**

ARBN 154 618 989

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Directors

David Reeves
Non-Executive Chairman

Keith Coughlan
Managing Director

Dr Pavel Reichl
Executive Director

Company Secretary

Ms Julia Beckett

Corporate Information

ASX Code: EMH

CDIs on Issue: 65.8M

Market Cap: \$7.2M



28 MAY 2015

ASX ANNOUNCEMENT

CONVERSION OF PERFORMANCE CDI'S

As announced on 18 December 2013, the terms of the acquisition of European Metals (UK) Limited included the issue of 5,000,000 A Class Performance CDI's.

The Performance CDI's convert into 5,000,000 CDI's in the Company "upon the net present value of the Permits as determined in the first scoping study commissioned by the board of the Company in respect of the Permits and prepared by a reputable independent third party engaged by the board of the Company being not less than US\$140,000,000".

The Board has determined that the 5,000,000 A Class Performance CDI's have now been converted into CDI's in accordance with these terms. An Appendix 3B is attached.

The CDI's will be issued pro rata to the vendors of the Cinovec project.

ABOUT THE PROJECT

Cinovec is a globally significant lithium and tin deposit with the potential to be a very low cost producer of lithium carbonate.

Key Points

- Inferred Resource 5.5Mt LCE; Exploration Target 3.4-5.3Mt LCE
514.8Mt @ 0.43% Li₂O; 350-450 Mt @ 0.39-0.47% Li₂O
- Indicated and Inferred Resources 111.4Kt tin
Indicated 7.0Mt @ 0.23%Sn, 0.03%W, 0.45%Li₂O
Inferred 72.7Mt @ 0.23% Sn, 0.03% W, 0.45%Li₂O
- 100% Inferred to Indicated Resource conversion rate

For full details please refer EMH releases to ASX of 1 May 2015 and 6 May 2015 which can be found on our website: www.europeanmet.com.

PROJECT OVERVIEW

Cinovec Tin Project

Cinovec is an historic mine incorporating a significant undeveloped lithium/tin resource with by-product potential including tungsten, rubidium, scandium, niobium and tantalum. Cinovec is one of the largest undeveloped lithium and tin deposits in the world, with a total Inferred and Indicated Mineral Resources of 30.1Mt grading 0.37% Sn for 111,370 tonnes of contained tin. Cinovec also hosts a partly-overlapping hard rock lithium deposit with a total Inferred Mineral Resource of 514.8Mt @ 0.43% Li₂O. The Mineral Resource estimates are based primarily on exploration completed by the Czechoslovakian Government in the 1970s and 1980s, including 83,000m of drilling and 21.5km of underground exploration drifting. A recently completed Scoping Study shows the deposit is amenable to bulk underground mining and has had over 400,000 tonnes trial mined as a sub-level open stope. Metallurgical testwork on tin indicates the potential for upwards of 80% recovery; initial results of testwork on lithium extraction using proprietary technology has produced battery grade lithium carbonate with the Scoping Study showing production costs of less than \$2,000/t for the production of this product. Cinovec is very well serviced by infrastructure, with a sealed road adjacent to the deposit, rail lines located 5km north and 8km south of the deposit and an active 22kV transmission line running to the mine. As the deposit lies in an active mining region, it has strong community support.

COMPETENT PERSON

Information in this release that relates to exploration results is based on information compiled by European Metals Director 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, Minerals Resources and Ore Reserves. 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 shares in European Metals.

The information in this report that relates to Mineral Resources has been compiled by Mr Lynn Widenbar. Mr Widenbar, who is a Member of the Australasian Institute of Mining and Metallurgy, is a full time employee of Widenbar and Associates and produced the estimate based on data and geological information supplied by European Metals. Mr Widenbar has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 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.

For further information please contact:

Keith Coughlan
k.coughlan@europeanmet.com

Julia Beckett
COMPANY SECRETARY

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, and 04/03/13

Name of entity

EUROPEAN METALS HOLDINGS LIMITED

ARBN

55 154 618 989

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

1	+Class of +securities issued or to be issued	CHESS Depository Interests (CDI)
2	Number of +securities issued or to be issued (if known) or maximum number which may be issued	5,000,000
3	Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)	CDI's
4	Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities? If the additional +securities do not rank equally, please state: <ul style="list-style-type: none">the date from which they dothe extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest paymentthe extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	Yes
5	Issue price or consideration	Nil

+ See chapter 19 for defined terms.

APPENDIX 3B
New issue announcement

6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	Conversion of A Class Performance Shares	
6a	Is the entity an ⁺ eligible entity that has obtained security holder approval under rule 7.1A? If Yes, complete sections 6b – 6h <i>in relation to the ⁺securities the subject of this Appendix 3B</i> , and comply with section 6i	No	
6b	The date the security holder resolution under rule 7.1A was passed	N/A	
6c	Number of ⁺ securities issued without security holder approval under rule 7.1	Nil	
6d	Number of ⁺ securities issued with security holder approval under rule 7.1A	Nil	
6e	Number of ⁺ securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	Nil	
6f	Number of ⁺ securities issued under an exception in rule 7.2	Nil	
6g	If ⁺ securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the ⁺ issue date and both values. Include the source of the VWAP calculation.	Nil	
6h	If ⁺ securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	Nil	
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	7.1	9,339,430
		7.1A	N/A
7	⁺ Issue dates Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A. Cross reference: item 33 of Appendix 3B.	27 May 2015	
8	Number and ⁺ class of all ⁺ securities quoted on ASX (<i>including</i> the ⁺ securities in section 2 if applicable)	Number	⁺ Class
		65,805,029 21,943,023	CDIs Options - \$0.10 exercise price expiring at 5.00pm (WST) on 30 June 2016

+ See chapter 19 for defined terms.

	Number	+Class
9	Number and +class of all +securities not quoted on ASX (including the securities in section 2 if applicable)	1,200,000 Options – \$0.30 exercise price expiring on 19 July 2015 5,000,000 Class B Performance Shares
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	The Company does not currently have a dividend policy.

Part 2 - Pro rata issue

11	Is security holder approval required?	N/A
12	Is the issue renounceable or non-renounceable?	N/A
13	Ratio in which the +securities will be offered	N/A
14	+Class of +securities to which the offer relates	N/A
15	+Record date to determine entitlements	N/A
16	Will holdings on different registers (or sub-registers) be aggregated for calculating entitlements?	N/A
17	Policy for deciding entitlements in relation to fractions	N/A
18	Names of countries in which the entity has security holders who will not be sent new offer documents <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small>	N/A
19	Closing date for receipt of acceptances or renunciations	N/A
20	Names of any underwriters	N/A
21	Amount of any underwriting fee or commission	N/A
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	N/A

+ See chapter 19 for defined terms.

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25	If the issue is contingent on security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	N/A
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A
30	How do security holders sell their entitlements <i>in full</i> through a broker?	N/A
31	How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/A
32	How do security holders dispose of their entitlements (except by sale through a broker)?	N/A
33	*Issue date	N/A

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of *securities
(tick one)

(a) ☒ *Securities described in Part 1

(b) ☐ All other *securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 ☐ If the *securities are *equity securities, the names of the 20 largest holders of the additional *securities, and the number and percentage of additional *securities held by those holders

36 ☐ If the *securities are *equity securities, a distribution schedule of the additional *securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 ☐ A copy of any trust deed for the additional *securities

+ See chapter 19 for defined terms.

Entities that have ticked box 34(b)

38	Number of *securities for which *quotation is sought	N/A					
39	*Class of *securities for which quotation is sought	N/A					
40	<p>Do the *securities rank equally in all respects from the *issue date with an existing *class of quoted *securities?</p> <p>If the additional *securities do not rank equally, please state:</p> <ul style="list-style-type: none"> the date from which they do the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	N/A					
41	<p>Reason for request for quotation now</p> <p><small>Example: In the case of restricted securities, end of restriction period</small></p> <p>(if issued upon conversion of another *security, clearly identify that other *security)</p>	N/A					
42	Number and *class of all *securities quoted on ASX (<i>including</i> the *securities in clause 38)	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="text-align: left;">Number</th> </tr> <tr> <td style="text-align: center;">N/A</td> </tr> </table>	Number	N/A	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="text-align: left;">*Class</th> </tr> <tr> <td style="text-align: center;">N/A</td> </tr> </table>	*Class	N/A
Number							
N/A							
*Class							
N/A							

+ See chapter 19 for defined terms.

Quotation agreement

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
- 2 We warrant the following to ASX.
 - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
 - There is no reason why those +securities should not be granted +quotation.
 - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.
Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
 - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
 - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:



Date: 28 May 2015

Print name:

JULIA BECKETT
Company Secretary

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Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
STEP 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of <u>fully paid ordinary securities</u> on issue 12 months before date of issue or agreement to issue	27,980,002
Add the following: <ul style="list-style-type: none"> Number of fully paid ordinary securities issued in that 12 month period under an exception in rule 7.2 Number of fully paid ordinary securities issued in that 12 month period with shareholder approval Number of partly paid ordinary securities that became fully paid in that 12 month period 	21,942,860 15,420,004
Note: <ul style="list-style-type: none"> Include only ordinary securities here – other classes of equity securities cannot be added Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed It may be useful to set out issues of securities on different dates as separate line items 	
Subtract the number of fully paid ordinary securities cancelled during that 12 month period	
“A”	65,342,866
STEP 2: Calculate 15% of “A”	
“B”	0.15
	<i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	9,801,430
STEP 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
Insert number of <u>equity</u> securities issued or agreed to be issued in that 12 month period <u>not</u> counting those issued: <ul style="list-style-type: none"> Under an exception in rule 7.2 Under rule 7.1A With security holder approval under rule 7.1 or rule 7.4 	462,000
Note: <ul style="list-style-type: none"> This applies to equity securities, unless specifically excluded – not just ordinary securities Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed It may be useful to set out issues of securities on different dates as separate line items 	
“C”	462,000
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
“A” x 0.15	9,801,430
<i>Note: number must be same as shown in Step 2</i>	

+ See chapter 19 for defined terms.

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Subtract “C” <i>Note: number must be same as shown in Step 3</i>	462,000
Total [“A” x 0.15] – “C”	9,339,430 <i>[Note: this is the remaining placement capacity under rule 7.1]</i>

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	N/A
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.10	N/A
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of equity securities issued or agreed to be issued in that 12 month period under rule 7.1A <i>Notes:</i> <ul style="list-style-type: none"> • This applies to equity securities – not just ordinary securities • Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed • Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained • It may be useful to set out issues of securities on different dates as separate line items 	N/A
“E”	nil
Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	N/A
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	nil
Total [“A” x 0.10] – “E”	nil <i>[Note: this is the remaining placement capacity under rule 7.1A]</i>