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7 July 2015

COMPANY DETAILS

COBRA MONTANA NL
ABN: 29 126 129 413
ASX CODE: CXB

PRINCIPAL AND REGISTERED OFFICE

Cobre Montana NL
Suite 3
23 Belgravia Street
Belmont WA 6104

P +61 8 6145 0288
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POSTAL ADDRESS

PO Box 588
Belmont WA 6984

CORPORATE INFORMATION

(7 July 2015)
130M Ordinary Shares
50M Contributing Partly Paid Shares
12M Unlisted Options

BOARD OF DIRECTORS

Eduardo Valenzuela
(Non-Executive Chairman)
George Bauk
(Chairman elect)
Adrian Griffin
(Managing Director)
Bryan Dixon
(Non-Executive Director)

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COBRE MOVES 15 MONTHS EARLY TO LOCK IN EXCLUSIVE LITHIUM TECHNOLOGY

HIGHLIGHTS

- **Cobre Montana exercises 15 months early, its exclusive lithium technology option with Perth's Strategic Metallurgy Pty Ltd**
- **Locks in conditional 25 year agreement over the only practical processing technology globally to recover lithium from mica group minerals (sheet silicates)**
- **Potential major boost for WA as an existing world leader in lithium supply**
- **Exclusive rights cover lithium processing technology in Western Australia and two other additional projects in Australia or overseas (of which one is the Cinovec Project)**

SUMMARY

Australia's Cobre Montana NL (ASX:CXB) is pleased to announce that it has exercised 15 months ahead of requirements, an option for new processing license agreements which have the potential to cement Western Australia's position as a long-term major supplier of lithium into expanding global markets.

The agreements will combine Cobre's mica-based lithium occurrences near Coolgardie, Ravensthorpe and Southern Cross in WA and the Cinovec Project in the Czech Republic, with the only known practical processing technology able to extract lithium from sheet like micas – a proprietary technology developed and owned by Perth-based technology provider, Strategic Metallurgy Pty Ltd.

The option was initiated in November 2014 and was free for the first six months, with Cobre Montana currently having the right to then two further option periods, each of six months.

The agreements now exercised by Cobre Montana cover the conditional use by the Company of Strategic Metallurgy's technology for the next 25 years.



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The terms of the agreements are exclusive to Cobre in WA – a State which already supplies around a third of total annual global lithium production – as well as two other Cobre lithium project areas of the Company’s choosing in either Australia or overseas

Mica is best known historically as an electrical and thermal insulator. More recently, it has rapidly carved a fresh commercial reputation as a key potential source of lithium for new-age heavy duty lithium and lithium-ion batteries for transport - including aviation purposes - and applications such as heat-resistant glass and ceramics, and high strength-to-weight alloys.

Cobre Montana Managing Director, Mr Adrian Griffin, said today the early exercise of the option reflected the Company’s strong confidence in its stated strategy to deliver micas that could be processed economically and at commercial rates in the future, through its alliance with Strategic Metallurgy.

“The now entrenched licensing deal follows our recent success in delivering proof-of-concept lithium carbonate production from micas, using the Strategic Metallurgy technology,” Mr Griffin said.

“We were able during this proof-of-concept phase to produce battery-grade lithium carbonate suitable as a feed stock for these emergent high-tech batteries, from our lithium mica (lepidolite) deposits in WA.

“Lepidolite until now, has had very limited application in the production of lithium chemicals but we have achieved that breakthrough and have now backed it up with a long-term licenses to process, which will position Cobre Montana as a potential future lithium supplier into these expanding and global high technology markets,” Mr Griffin said.

Cobre Montana used bulk samples from dumps at its Lepidolite Hill project near Coolgardie to test a unique hydrometallurgical flowsheet providing the first practical means of extracting lithium from mica. The process is undertaken at atmospheric pressure, is largely energy self-sufficient and has proved to operate on a steady-state basis in a small plant operated by Strategic Metallurgy.

“This is the ‘green means’ of producing lithium from hard rock with energy efficiency likely to make the process competitive with the low-cost brine-based lithium producers,” Mr Griffin said.

“We are also testing a new geochemical technique designed for easier identification in the field of potential lithium deposits. We advised the market recently of this particular breakthrough. This new technique as developed to date will be applied to our other deposits – in particular Lepidolite Hill, near Coolgardie in Western Australia, where CXB operates the Coolgardie Rare Metals Joint Venture.

Western Australian mining and exploration companies are well known for innovation and we are excited with the opportunities that we are developing in regard to improved exploration, development and production of lithium.”



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Terms of Agreement

As previously announced, the licenses will provide Cobre conditional exclusivity within Western Australia for up to 25 years and exclusivity at two other locations anywhere in the world.

“Given the nature of the licenses provided, Cobre has first mover advantage over competitors” Mr Griffin said. Under the terms of the licenses issued to Cobre Montana, it will be subject to:

- A requirement to continue testing with Strategic Metallurgy
- Gross product royalty of 2%
- License exclusivity for all of Western Australia for 5 years from exercise
- Exclusivity extended another 20 years if Cobre commits to build a plant anywhere in the world during the initial 5 year exclusivity period
- Two further license options available anywhere in the world, with Cobre having the right to change nominations by agreement with Strategic. One of these licenses has been assigned to the Cinovec project in the Czech Republic where Cobre Montana plans to operate in Joint Venture with European Metals Holdings Limited.

“We have been exceptionally pleased with the test results using this technology and the license agreements provide us with the ability to lock in our position, with no additional outlay as further testing progresses,” Mr Griffin said.

“Furthermore, the arrangement effectively gives Cobre Montana exclusive first rights to utilise the technology anywhere in the world and potentially have front running in WA for over 25 years.”

MEDIA CONTACT:

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ABOUT COBRE MONTANA

Cobre has a technical alliance with Strategic Metallurgy Pty Ltd to commercialise disruptive lithium extraction technology based on the recovery of lithium from micas; minerals not generally used as a source of lithium chemicals.

Cobre has a non-binding Heads of Agreement with European Metals Holdings Limited to process lithium mineralisation at Cinovec in the Czech Republic on a 50/50 JV basis. Cinovec contains abundant lithium micas and is one of the world’s largest hard-rock lithium occurrences.

In addition, Cobre has strategic alliances with Pilbara Minerals Limited, Focus Minerals Limited and Tungsten Mining NL, to investigate lithium and rare metals in prospective locations of Western Australia close to well-developed infrastructure. Cobre also has lithium exploration assets near Greenbushes and Ravensthorpe in Western Australia.