

**European Metals
Holdings Limited**

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Directors

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Ms Julia Beckett

Corporate Information

ASX Code: EMH

CDIs on Issue: 75.14M

Market Cap: \$9M



28 JULY 2015

ASX ANNOUNCEMENT

**PROCESSING OF BULK SAMPLE FOR LITHIUM MINI-PLANT
TESTING UNDERWAY**

HIGHLIGHTS

European Metals Holdings Limited (“**European Metals**” or “**the Company**”) (**ASX: EMH**) is pleased to announce that processing of a bulk sample collected from the Cinovec Lithium-Tin-Tungsten Project (“**the project**” or “**Cinovec**”) in the Czech Republic has commenced. The sample will be used in lithium mini-plant testing at Strategic Metallurgy’s facility in Perth, Australia.

Key Points:

- **Bulk sample of 1.5 tonnes collected and submitted to process engineering experts UVR-FIA GmbH ('UVR-FIA') in Freiberg, Germany**
- **UVR-FIA to process the sample and float 400kg of zinnwaldite concentrate**
- **Concentrate will be transported to Perth for bench-scale continuous feed mini-plant testing at Strategic Metallurgy's facility to produce lithium carbonate and by-products**
- **Formal approval to drill the planned program expected from local authorities within a month**

European Metals CEO Mr Keith Coughlan said “I am delighted to report that processing of the Cinovec bulk sample for lithium mini-plant testing has commenced. These are exciting times for the Company, as successful mini-plant testing in a continuous feed scenario is a giant leap along the path to validating the concept for lithium carbonate production at Cinovec. I look forward to providing updates on this and on other activities as information comes to hand.”

Bulk Sample Processing

A bulk sample of 1.5t was collected and transported to process engineering experts UVR-FIA in Freiberg, Germany for initial processing. UVR-FIA has been instructed to prepare the sample and float at least 400kg of zinnwaldite concentrate. Work has commenced, with concentrate preparation and transport to Perth, Australia projected to take 6-8 weeks; given this timeline, the concentrate will land in Perth early in Q4 CY2015.

Lithium Mini-Plant Testing

Lithium Australia (ASX:CXB) will manage the mini-plant run after successfully trialling the concept on concentrate from their Lepidolite Hill project (*refer to CXB ASX announcement 9 July 2015*). On receipt of the concentrate sample the mini-plant run will commence and last for approximately 10 days. The mini-plant is designed to produce lithium carbonate and by-products on a continuous basis to further refine the process inputs and produce samples for market evaluation. This is the next step in validation of the lithium processing concept for Cinovec ore.

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

- Positive Scoping Study completed
- Inferred Resource 5.5Mt LCE; Exploration Target 3.4-5.3Mt LCE
514.8Mt @ 0.43% Li₂O; 350-450Mt @ 0.39-0.47% Li₂O
- Indicated and Inferred Resources 167kt 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.

CAUTIONARY STATEMENT

The potential quantity and grade of the Exploration Target is conceptual in nature, there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

PROJECT OVERVIEW

Cinovec Lithium/Tin Project

European Metals owns 100% of the Exploration Rights to the Cinovec lithium-tin deposit in the Czech Republic. Cinovec is an historic mine incorporating a significant undeveloped lithium-tin resource with by-product potential including tungsten, rubidium, scandium, niobium and tantalum. Cinovec hosts a globally significant hard rock lithium deposit with a total Inferred Mineral Resource of 514.8Mt @ 0.43% Li₂O. Within this resource lies one of the largest undeveloped tin deposits in the world, with total Inferred and Indicated Mineral Resources of 79.7Mt grading 0.23% Sn for 167kt of contained tin. The Mineral Resource estimates are based primarily on over 83,000m of historic drilling and 21.5km of historic underground exploration drifting. The deposit has previously had over 400,000 tonnes trial mined as a sub-level open stope underground mining operation. A recently completed Scoping Study, conducted by specialist independent consultants, suggests the deposit could be amenable to bulk underground mining. Metallurgical testwork has produced both battery grade lithium carbonate and high grade tin concentrate at high recoveries with the Scoping Study revealing a potential production cost of less than \$2,000 per tonne of lithium carbonate. This cost would decrease with tin and tungsten credits included. 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 historic 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 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.

For further information please contact:

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Julia Beckett
COMPANY SECRETARY