
EUROPEAN METALS HOLDINGS LIMITED

ARBN 154 618 989

NOTICE OF ANNUAL GENERAL MEETING

DATE: 18 November 2016

TIME: 11:00am WST

PLACE: 1st Floor, 11 Ventnor Avenue
WEST PERTH WA 6005

This Notice of Annual General Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Annual General Meeting please do not hesitate to contact the Company Secretary on +61 8 6141 3500.

CONTENTS PAGE

Business of the Meeting	4
Explanatory Statement	6
Schedule 1	15
Schedule 2	17
Schedule 3	18
Schedule 4	20
Glossary	21
CDI Voting Instruction Form	22

IMPORTANT INFORMATION

TIME AND PLACE OF MEETING

Notice is given that the Annual General Meeting of the Shareholders, to which this Notice of Annual General Meeting relates, will be held at 11:00am WST on 18 November 2016 at 1st Floor, 11 Ventnor Avenue, West Perth WA 6005.

SHAREHOLDER ATTENDANCE, VOTING AND PROXY APPOINTMENT

The Directors have determined pursuant to Regulation 7.4 of the Articles of Association that the persons eligible to vote at the Meeting are those who are registered Shareholders at 4:00pm WST on 16 November 2016.

If you are a Shareholder, to vote in person, attend the Meeting at the time, date and place set out above.

If you are a Shareholder, to vote by proxy, please complete and sign the enclosed Proxy Form and return by one of the methods and by the deadline set out on the Proxy Form.

Proxy Forms received later than the specified time will be invalid.

CDI HOLDERS ATTENDANCE, VOTING AND PROXY APPOINTMENT

CDIs, representing beneficial interests in the Shares, have been issued to allow trading on the electronic transfer and settlement system operated by the ASX as the laws of the British Virgin Islands, the place of incorporation of the Company, do not recognise electronic transfer of legal title to Shares.

A CDI holder is not a Shareholder and, under the laws of the British Virgin Islands, is not entitled to attend the Meeting unless as a proxy.

Each CDI holder registered at 4:00pm WST on 16 November 2016 has the right to:

- (a) direct CHESS Depository Nominees Pty Ltd (**CDN**), the legal holder of the Shares to which the CDIs relate, how to vote the underlying Shares in respect of their CDIs in respect of the business of the Meeting; or
- (b) instruct CDN to appoint the CDI holder or a person nominated by the CDI holder the CDI holder's proxy for the purposes of attending and voting at the Meeting.

If you are a CDI holder and you wish to direct or instruct CDN in the manner contemplated above, please read, complete and sign the enclosed CDI Voting Instruction Form and return by one of the methods and by the deadline set out on the CDI Voting Instruction Form.

CDI Voting Instruction Forms received later than the specified time will be invalid.

DI HOLDERS ATTENDANCE, VOTING AND PROXY APPOINTMENT

DIs, representing beneficial interests in the Shares, have been issued as the laws of the British Virgin Islands, the place of incorporation of the Company, do not recognise electronic transfer of legal title to Shares and securities of foreign issuers cannot be directly registered, transferred or settled through CREST (which is the electronic

settlement system in the UK). DI Holders are invited to attend the Meeting but are not entitled to vote at the Meeting.

FORM OF INSTRUCTION

In order to have votes cast at the Meeting on their behalf, DI holders must complete, sign and return the Forms of Instruction forwarded to them along with the Notice to the Company's agent, Computershare UK, 15 November 2016 at 4.30pm (GMT).

CREST MEMBERS

DI Holders in CREST may transmit voting instructions by utilising the CREST voting service in accordance with the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider, should refer to their CREST sponsor or voting service provider, who will be able to take appropriate action on their behalf.

In order for instructions made using the CREST voting service to be valid, the appropriate CREST message (a "CREST Voting Instruction") must be properly authenticated in accordance with Euroclear's specifications and must contain the information required for such instructions, as described in the CREST Manual (available via www.euroclear.com/CREST).

To be effective, the CREST Voting Instruction must be transmitted so as to be received by the Company's agent (3RA50) no later than 15 November 2016 at 4.30pm (GMT). For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the CREST Voting Instruction by the CREST applications host) from which the Company's agent is able to retrieve the CREST Voting Instruction by enquiry to CREST in the manner prescribed by CREST. DI Holders in CREST and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the transmission of CREST Voting Instructions. It is the responsibility of the DI Holder concerned to take (or, if the DI Holder is a CREST personal member or sponsored member or has appointed a voting service provider, to procure that the CREST sponsor or voting service provider takes) such action as shall be necessary to ensure that a CREST Voting Instruction is transmitted by means of the CREST voting service by any particular time.

In this connection, DI Holders and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

ASX

A final copy of this Notice of Annual General Meeting and Explanatory Statement has been lodged with the ASX. ASX, nor any of their respective officers, takes any responsibility for the contents of this document.

BUSINESS OF THE MEETING

AGENDA

1. RESOLUTION 1 – ELECTION OF DIRECTOR – MR KIRAN MORZARIA

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of Article 8.1 of the Company’s Memorandum and Articles of Association, ASX Listing Rule 14.4 and for all other purposes, Mr Kiran Morzaria, who was appointed as a Director during the course of the year, retires, and being eligible, is elected as a Director.”

2. RESOLUTION 2 – RE-ELECTION OF MR DAVID REEVES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of Article 8.5 of the Company’s Memorandum and Articles of Association and for all other purposes, Mr David Reeves retires, and being eligible, is re-elected as a Director on the terms and conditions set out in the Explanatory Statement.”

3. RESOLUTION 3 – ISSUE OF 5,000,000 CDIS TO RELATED PARTY – RARE EARTH MINERALS PLC

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 5,000,000 CDIs to Rare Earth Minerals Plc (or its nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion:

The Company will disregard any votes cast on the Resolution Rare Earth Minerals Plc and any of its associates. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

4. RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE OF 13,000,000 CDIS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 13,000,000 CDIs at an issue price of \$0.135 per CDI, on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion:

The Company will disregard any votes cast on the Resolution by a person who participated in the issue and any of their associates. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

5. RESOLUTION 5 – RATIFICATION ISSUE PRIOR ISSUE OF 1,000,000 WARRANTS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 1,000,000 Warrants on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion:

The Company will disregard any votes cast on the Resolution by a person who participated in the issue and any of their associates. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is

cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

6. RESOLUTION 6 – APPROVAL OF 10% PLACEMENT CAPACITY

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **special resolution**:

“That, for the purpose of ASX Listing Rule 7.1A and for all other purposes, approval is given for the issue of Equity Securities totalling up to 10% of the issued capital of the Company (at the time of the issue), calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion:

The Company will disregard any votes cast on this Resolution by any person who may participate in the issue of Equity Securities under this Resolution and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

7. RESOLUTION 7 – ISSUE OF B CLASS PERFORMANCE SHARES TO RELATED PARTIES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 1,336,557 B Class Performance Shares on the terms and conditions set out in the Explanatory Statement”

Voting Exclusion:

The Company will disregard any votes cast on the Resolution to Vendors (or their respective nominee) or their Related Parties and any of their associates. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

8. RESOLUTION 8 – ISSUE OF B CLASS PERFORMANCE SHARES TO NON-RELATED PARTIES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 3,663,443 B Class Performance Shares on the terms and conditions set out in the Explanatory Statement”

Voting Exclusion:

The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Dated: 2 November 2016

By Order of the Board

Julia Beckett
COMPANY SECRETARY

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolution which are the subject of the business of the Meeting.

1. RESOLUTION 1 – ELECTION OF DIRECTOR – MR KIRAN MORZARIA

Pursuant to Article 8.1 of the Company's Memorandum and Articles of Association a director shall be elected by ordinary resolution or by resolution of Directors.

Pursuant to ASX Listing Rule 14.4, any Director appointed to fill a casual vacancy or as an addition to the existing Directors, holds office only until the next following annual general meeting and is then eligible for election by Shareholders but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Accordingly, Mr Morzaria, who was appointed as an additional Non-Executive Director on 10 December 2015, retires, and being eligible, seeks election by ordinary resolution at this meeting.

Qualifications and other material directorships

Mr Morzaria is currently Chief Executive Officer and Director of the Company's largest shareholder, Rare Earth Minerals Plc. He is also a Non-Executive Director of Bacanora Minerals Limited.

Mr Morzaria holds a Bachelor of Engineering (Industrial Geology) from the Camborne School of Mines and a Masters of Business Administration (**MBA**) (Finance) from CASS Business School. He has extensive experience in the mineral resource industry working in both operation and management roles. Mr Morzaria spent the first four years of his career in exploration, mining and civil engineering before obtaining his MBA. He has served as a director of a number of public companies in both an executive and non-executive capacity.

At the time of this Annual General Meeting, Mr Morzaria's term of office will be approximately 10 months.

The Board considers Mr Morzaria to be an independent director and unanimously supports his re-election.

2. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR DAVID REEVES

Pursuant to Clause 8.5 of the Company's Memorandum and Articles of Association. Mr David Reeves was re-elected as a Director on 31 July 2015 and is seeking re-election at this meeting.

Qualifications and other material directorships

Mr Reeves is a qualified mining engineer with 25 years' experience in Africa and Australia and is a highly experienced underground mining specialist. Mr Reeves holds a First Class Honours Degree in Mining Engineering from the University of New South Wales, a Graduate Diploma in Applied Finance and Investment from the Securities Institute of Australia and a First Class Mine Managers Certificate of Competency. He is currently Managing Director of Ferrex Plc (AIM).

At the time of this Annual General Meeting, Mr Reeves term of office will be approximately 15 months.

The Board considers Mr Reeves to be an independent director and unanimously supports his re-election.

3. RESOLUTION 3 – ISSUE OF CDIS TO RELATED PARTY - RARE EARTH MINERALS PLC

3.1 Background

On 3 October 2016, the Company announced that it had entered into an agreement with Rare Earth Minerals Plc (**REM**) to raise \$2,600,000 via a Placement of 5,000,000 CDIs at an issue price of \$0.52 per CDI (**Related Party CDIs**).

REM is the Company's largest shareholder and a substantial shareholder with a 17.64% holding in the Company. Mr Kiran Morzaria is REM's Chief Executive Officer and is one of four directors on the board of REM. He is also a Non-Executive Director of the Company. Accordingly, REM is a related party of the Company.

Mr Morzaria does not control REM's decision making in relation to its investments in the Company.

Resolution 3 seeks Shareholder approval pursuant to ASX Listing Rule 10.11 for the issue of the Related Party CDIs to REM.

3.2 Summary of ASX Listing Rule 10.11

ASX Listing Rule 10.11 requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

As the grant of the Related Party CDIs involves the issue of securities to a related party of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

3.3 Technical Information Required By ASX Listing Rule 10.13

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to this Resolution 3:

- (a) the CDIs will be issued to REM;
- (b) the total number of Related Party CDIs to be issued is 5,000,000;
- (c) the Related Party CDIs will be issued at a price of \$0.52 per Related Party CDI;
- (d) the Related Party CDIs will be granted no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Related Party CDIs will occur on the same date;
- (e) the Related Party CDIs will rank equally with the Company's current issued CDIs; and
- (f) the funds raised from the issue of the CDIs will be utilised to further develop the Cinovec Lithium Project (**Cinovec Project**), complete the Company's Preliminary Feasibility Study, and for working capital.

Approval pursuant to ASX Listing Rule 7.1 is not required for the issue of CDIs as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of CDIs to REM (or its nominee) will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

4. RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE OF 13,000,000 CDIS

4.1 Background

On 4 March 2016, the Company announced that it had entered into a Placement with sophisticated investors to issue 13,000,000 CDIs at an issue price of \$0.135 per CDI in order to raise \$1,755,000.

Resolution 4 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the 13,000,000 CDIs.

4.2 Summary of ASX Listing Rule 7.1

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue during any 12 month period any equity securities, or other securities with rights to conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in General Meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

4.3 Technical Information Required By ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to this Resolution 4:

- (a) the total number of CDIs issued was 13,000,000 using the Company's capacity under ASX Listing Rule 7.1 and accordingly shareholder approval under ASX Listing Rule 7.4 is sought;
- (b) the CDIs were issued on 18 March 2016;
- (c) the CDIs were issued at a price of \$0.135 per CDI;
- (d) the CDIs rank equally with the Company's current issued CDIs;
- (e) the CDIs were issued to sophisticated investors who are not a related parties of the Company; and
- (f) the funds raised from the issue of the CDIs are being used to fund the Cinovec Lithium and Tin Project in the Czech Republic, and for working capital.

5. RESOLUTION 5 – RATIFICATION OF PRIOR ISSUE OF 1,000,000 WARRANTS

5.1 Background

On the 18 March 2016, the Company issued 1,000,000 Warrants to Beaumont Cornish Limited (**BCL**) as consideration for BCL acting as nominated advisor to the Company on the Terms and Conditions of the Warrants set out in Schedule 1 (**BCL Warrants**).

Resolution 5 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of 1,000,000 BCL Warrants exercisable at \$0.14 on or before 11 November 2018.

A summary of ASX Listing Rules 7.1 and 7.4 is set out in Sections 4.2 and 4.3 above.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

5.2 Technical Information Required By ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to this Resolution 5:

- (a) the total number of BCL Warrants issued was 1,000,000;
- (b) the BCL Warrants were agreed to be issued on 11 November 2015;
- (c) the BCL Warrants were issued in consideration for BCL acting as nominated adviser to the Company;
- (d) the terms of the BCL Warrants are found in Schedule 1;
- (e) the Warrants were issued to BCL who is not a related party; and
- (f) no funds were raised from the issue of the BCL Warrants.

6. RESOLUTION 6 – APPROVAL OF 10% PLACEMENT CAPACITY

6.1 General

ASX Listing Rule 7.1A provides that an Eligible Entity may seek Shareholder approval at its annual general meeting to allow it to issue Equity Securities up to 10% of its issued capital (**10% Placement Capacity**).

If Shareholders approve Resolution 6, the number of Equity Securities the Eligible Entity may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (as set out in Section 6.2 below).

The effect of Resolution 6 will be to allow the Company to issue Equity Securities up to 10% of the Company's fully paid ordinary securities on issue under the 10% Placement Capacity during the period up to 12 months after the Meeting, without subsequent Shareholder approval and without using the Company's 15% annual placement capacity granted under Listing Rule 7.1.

Resolution 6 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 6 for it to be passed.

6.2 ASX Listing Rule 7.1A

ASX Listing Rule 7.1A came into effect on 1 August 2012 and enables an Eligible Entity to seek shareholder approval at its annual general meeting to issue Equity Securities in addition to those under the Eligible Entity's 15% annual placement capacity.

An Eligible Entity is one that, as at the date of the relevant annual general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

The Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index.

Any Equity Securities issued must be in the same class as an existing class of quoted Equity Securities. The Company currently has only one class of quoted Equity Securities on issue, being the CDI's (ASX Code: EMH).

The exact number of Equity Securities that the Company may issue under an approval under Listing Rule 7.1A will be calculated according to the following formula:

$$(A \times D) - E$$

Where:

- A** is the number of Shares on issue 12 months before the date of issue or agreement:
- (a) plus the number of Shares issued in the previous 12 months under an exception in ASX Listing Rule 7.2;
 - (b) plus the number of partly paid shares that became fully paid in the previous 12 months;
 - (c) plus the number of Shares issued in the previous 12 months with approval of holders of Shares under Listing Rules 7.1 and 7.4. This does not include an issue of fully paid shares under the entity's 15% placement capacity without shareholder approval; and
 - (d) less the number of Shares cancelled in the previous 12 months.
- D** is 10%.
- E** is the number of Equity Securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the approval of holders of Ordinary Securities under ASX Listing Rule 7.1 or 7.4.

6.3 Technical information required by ASX Listing Rule 7.1A

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to this Resolution 6:

- (a) **Minimum Price**
- The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:
- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
 - (ii) if the Equity Securities are not issued within 5 ASX trading days of the date in paragraph 6.3(a)(i), the date on which the Equity Securities are issued.
- (b) **Date of Issue**
- The Equity Securities may be issued under the 10% Placement Capacity commencing on the date of the Meeting and expiring on the first to occur of the following:
- (i) 12 months after the date of this Meeting; and
 - (ii) the date of approval by Shareholders of any transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of the Company's activities) or

11.2 (disposal of the Company's main undertaking) (after which date, an approval under Listing Rule 7.1A ceases to be valid),

(10% Placement Capacity Period).

(c) Risk of voting dilution

Any issue of Equity Securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 6 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below, subject to the assumptions listed below the table.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A(2), on the basis of the current market price of Shares and the current number of Equity Securities on issue as at the date of this Notice.

The table also shows:

- (i) two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company will have on issue at the date of the Meeting. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- (ii) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 50% as against the current market price. The voting dilution impact where the number of CDIs on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.

Number of CDIs on Issue ("Variable A")	Dilution			
	Issue Price (per CDI)	\$0.30 (50% decrease in current issue price)	\$0.60 (Current issue price)	\$0.90 (50% increase in current issue price)
123,917,126 (Current Variable A)	10% Voting Dilution	12,391,713 Shares	12,391,713 Shares	12,391,713 Shares
	Funds Raised	\$3,717,514	\$7,435,028	\$11,152,541
185,875,689 (50% increase in Variable A)*	10% Voting Dilution	18,587,569 Shares	18,587,569 Shares	18,587,569 Shares
	Funds Raised	\$5,576,271	\$11,152,541	\$16,728,812
247,834,252 (100% increase in Variable A)*	10% Voting Dilution	24,783,425 Shares	24,783,425 Shares	24,783,425 Shares
	Funds Raised	\$7,435,028	\$14,870,055	\$22,305,083

*The number of Shares on issue (variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

The table above uses the following assumptions:

1. There are currently 123,917,126 Shares on issue.
2. The issue price set out above is the closing price of the Shares on the ASX on 25 October 2016.
3. The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
4. The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1 and Rule 7.1A, or subsequently ratified under Listing Rule 7.4 at this Meeting.
5. The issue of Equity Securities under the 10% Placement Capacity consists only of CDIs. It is assumed that no Options or Warrants are exercised into CDIs before the date of issue of the Equity Securities.
6. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
7. This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.
8. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
9. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Capacity, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Equity Securities may be significantly lower on the issue date than on the date of the Meeting; and
- (ii) the Equity Securities may be issued at a price that is at a discount to the market price for those Equity Securities on the date of issue or the Equity Securities are issued as part of the consideration for the acquisition of a new asset,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

(d) Purpose of Issue under 10% Placement Capacity

The Company may issue Equity Securities under the 10% Placement Capacity for the following purposes:

- (i) as cash consideration in which case the Company intends to use funds raised for the acquisition of new resources, assets and investments (including expenses associated with such an acquisition), continued exploration expenditure on the Company's Cinovec Project and for general working capital; or
- (ii) as non-cash consideration for the acquisition of new resources assets and investments, in such circumstances the Company will provide a valuation of the non-cash consideration as required by listing Rule 7.1A.3.

(e) Allocation under the 10% Placement Capacity

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Capacity. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;

- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

The allottees of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined but may include current Shareholders or new investors (or both), none of whom will be related parties of the Company. Further, if the Company is successful in acquiring new assets or investments, it is likely that the allottees under the 10% Placement Capacity will be vendors of the new assets or investments.

The Company will comply with the disclosure obligations under Listing Rules 7.1A.4 and 3.10.5A upon issue of any Equity Securities.

(f) **Previous Approval under ASX Listing Rule 7.1A**

The Company has not previously obtained approval under ASX Listing Rule 7.1A.

(g) **Compliance with ASX Listing Rules 7.1A.4 and 3.10.5A**

When the Company issues Equity Securities pursuant to the 10% Placement Capacity, it will give to ASX:

- (i) a list of the allottees of the Equity Securities and the number of Equity Securities allotted to each (not for release to the market), in accordance with Listing Rule 7.1A.4; and
- (ii) the information required by Listing Rule 3.10.5A for release to the market.

6.4 Voting Exclusion

A voting exclusion statement is included in this Notice. As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 6.

7. RESOLUTION 7 – ISSUE OF B CLASS PERFORMANCE SHARES TO RELATED PARTIES

7.1 Background

On 18 December 2013, the Company (when it was previously Equamineral Holdings Limited) announced it had entered into a conditional agreement (**Agreement**) to acquire 100% of the issued capital of European Metals (UK) Limited (a transaction which has since completed) (**Previous Acquisition**), which, through a wholly owned subsidiary incorporated in the Czech Republic, had a beneficial interest in three granted exploration permits prospective for tin located in the Czech Republic (**Assets**).

Pursuant to the Agreement, 5,000,000 B class performance shares were issued to vendors (**Vendors**) as consideration for the Previous Acquisition. The milestones tied to the abovementioned B class performance shares have lapsed (**Previous Milestones**). The Previous Milestones were not able to be achieved due to the Previous Milestones being tied to the completion of a definitive feasibility study (**DFS**). Pursuant to the Previous Milestones, the DFS was to be completed within two years commencing from the date of issue of the now expired B class performance shares. The Board believes that the non-completion of the Previous Milestones was of no fault of the Vendors of the Assets, rather, non-completion was due to the Cinovec Project having improved significantly, thereby increasing the complexity of the Cinovec Project and the process to achieve the DFS.

As the Company's main business currently consists of dealings in relation to the Assets, the Company deems it appropriate to issue 5,000,000 B class performance shares (**B Class Performance Shares**) to the parties listed at Schedule 2 on the terms and conditions as set out at Schedule 3, subject to obtaining Shareholder approval and to ASX approving the terms and conditions of the B Class Performance Shares. The Company notes that the B Class Performance Shares are on the same terms and conditions as the expired B class performance shares, other than in respect of the new milestones which now have different price/conversion hurdles.

7.2 General

The Company has agreed, subject to obtaining Shareholder approval and to ASX approving the terms and conditions of the B Class Performance Shares, to issue up to 1,336,557 B Class Performance Shares (**Related Party B Class Performance Shares**) to the related parties set out at Schedule 2 (or their respective nominee) (**B Class Related Parties**) on the terms and conditions set out below.

This Resolution seeks Shareholder approval for the grant of the Related Party B Class Performance Shares to the B Class Related Parties (or their respective nominee).

7.3 ASX Listing Rule 10.11

A summary of ASX Listing Rule 10.11 is set out at section 3.2 above.

7.4 Technical information required by ASX Listing Rule 10.13

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to this Resolution:

- (a) the Related Party B Class Performance Shares will be granted to the B Class Related Parties (or their respective nominee);
- (b) the total number of Related Party B Class Performance Shares to be issued is 1,336,557. The Related Party B Class Performance Shares shall convert into the number of Shares and equivalent number of CDIs calculated in accordance with paragraph (l) of Schedule 3 (which will be, at most, on a 1:1 basis);
- (c) subject to ASX approving the terms and conditions of the Related Party B Class Performance Shares, the Related Party B Class Performance Shares will be granted no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Related Party B Class Performance Shares will occur on the same date;
- (d) the Related Party B Class Performance Shares will be issued for nil cash consideration as it is considered that this issue is tied to consideration in respect of the Previous Acquisition. Accordingly no funds will be raised; and
- (e) the terms and conditions of the Related Party B Class Performance Shares are set out in Schedule 3.

Approval pursuant to ASX Listing Rule 7.1 is not required for the grant of the Related Party B Class Performance Shares as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the grant of Related Party B Class Performance Shares to the B Class Related Parties (or their respective nominee) will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

8. RESOLUTION 8 – ISSUE OF B CLASS PERFORMANCE SHARES TO NON-RELATED PARTIES.

8.1 General

This Resolution seeks Shareholder approval for the issue of up to 3,663,443 B Class Performance Shares to the non-related parties set out at Schedule 2 in consideration for the Previous Acquisition (details of which are set out at Section 7.1 of the Explanatory Statement) (**Placement**).

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

The effect of this Resolution will be to allow the Company, subject to ASX approving the terms and conditions of the B Class Performance Shares, to issue the B Class Performance Shares pursuant to the Placement during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

8.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Placement:

- (a) the maximum number of B Class Performance Shares to be issued is 3,663,443. The B Class Performance Shares shall convert into the number of Shares and equivalent number of CDIs calculated in accordance with paragraph (l) of Schedule 3, (which will be, at most, on a 1:1 basis);
 - (b) subject to ASX approving the terms and conditions of the B Class Performance Shares, the B Class Performance Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the B Class Performance Shares will occur on the same date;
 - (c) the B Class Performance Shares will be issued for nil cash consideration in relation to the Previous Acquisition;
 - (d) the B Class Performance Shares will be issued to the non-related parties as set out at Schedule 2;
 - (e) the B Class Performance Shares will be issued on the terms set out at Schedule 3; and
 - (f) no funds will be raised from the Placement as the B Class Performance Shares are being issued in consideration for the Previous Acquisition.
-

8. ENQUIRIES

Shareholders are invited to contact the Company Secretary, Ms Julia Beckett, on + 61 8 6141 3500 if they have any queries in respect of the matters set out in these documents.

SCHEDULE 1 – TERMS AND CONDITIONS OF BCL WARRANTS

1. GRANT OF WARRANT(S)

- 1.1 The Grantor granted 1,000,000 Warrants for a right to subscribe for 1,000,000 Shares in the Grantor (the **‘Warrant’**). The Warrant shall be exercisable on the terms and subject to the conditions contained in the Deed of Warrant Grant dated 11 November 2015 (**‘Deed’**).
- 1.2 Subject to any adjustment pursuant to point 3.1, the price at which the Warrant shall be exercisable shall be AU\$0.14 (**‘Exercise Price’**).
- 1.3 Subject to point 1.4, the Warrant shall be exercisable in whole or in part in accordance with Point 2 on or before 5.00pm (WST) on 11 November 2018 (**‘Expiry Period’**). To the extent that the Warrant has not been exercised by such date, or has not been exercised pursuant to and in accordance with Point 2.1, it shall lapse.
- 1.4 No application will be made for the Warrant to be listed or dealt on any recognised investment exchange (as that term is defined in the Financial Services and Markets Act 2000 (**“FSMA”**)).
- 1.5 The Warrant is issued subject to the Memorandum and Articles of Association of European Metals Holdings Limited and otherwise on the terms of the Deed which are binding upon the Grantor and the Warrant Holder and all persons claiming through or under them.

2. EXERCISE OF WARRANT(S)

- 2.1 The Warrant shall be exercisable in whole or in part at any time and from time to time during the Exercise Period, and shall be exercised by giving to the Grantor a written notice exercising the Warrant signed on behalf of the Warrant Holder specifying the number of Shares in respect of which the Warrant is to be exercised and accompanied by an electronic transfer of cleared funds to the bank account of the Grantor specified for this purpose, for the aggregate Exercise Price of the Shares in respect of which the Warrant is being exercised.
- 2.2 Upon such exercise, but subject to the subscription money for the relevant Shares being received in full in cleared funds by the Grantor, the Grantor shall issue to the Warrant Holder, or as the Warrant Holder shall direct, the Shares in respect of which the Warrant has been exercised fully paid and free from all encumbrances within five Business Days of receipt by the Grantor of the requisite remittance of the subscription money and the notice of exercise. Such Shares shall on issue rank pari passu in all respects (including in respect of receipt of dividends or any other distribution) with the Grantor’s existing issued Shares save as regards any rights attaching by reference to a record date prior to the date of receipt of the requisite remittance of the subscription money and the relevant notice of exercise.
- 2.3 The Warrant may only be exercised in respect of a whole number of Shares and no fraction of a Share will be issued on any exercise of the Warrant.
- 2.4 Within 15 Business Days of delivery to the Grantor of a valid notice of exercise in respect of less than the aggregate number of Shares the subject of the Warrant from time to time, the Grantor will issue the Warrant Holder (free of charge) with a new certificate (**‘Certificate’**) for the balancing number of Shares not subscribed for under the Warrant.
- 2.5 The Grantor shall not be liable in respect of anything done or suffered by it in reliance on a Certificate, notice of exercise or other document reasonable believed by it to be both genuine and signed by the proper party or parties. The Grantor shall be protected and shall incur no liability for or in respect of any action taken, omitted or suffered in reliance upon any instruction, request or order from the Warrant Holder, except such as may result from its own gross negligence, wilful misconduct, fraud or material breach of the Deed or that of its officers, employees or agents.
- 2.6 If, at the date of any exercise of Warrant, any of the Shares of the Grantor are traded on AIM or any other recognised investment exchange as defined in section 285 of the FSMA, the Grantor shall make applicable for permission for dealings to take place in the Shares issued upon any exercise of the Warrant on AIM or such recognised investment exchange, and shall use all reasonable endeavours to procure such permission as soon as possible following allotment.

3. ALTERATIONS IN THE SHARE CAPITAL OF THE GRANTOR

- 3.1 If at any time the issued capital of the Company is reconstructed, all rights of a Holder will be changed to the extent necessary to comply with the applicable ASX Listing Rules at the time of reorganisation.

4. PARTICIPATION IN NEW ISSUES

- 4.1 There are no participation rights or entitlements inherent in the Warrants, and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Warrants without exercising the Warrants.

5. CHANGE IN EXERCISE PRICE

- 5.1 A Warrant does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Warrant can be exercised.

SCHEDULE 2 – RECIPIENTS OF SECURITIES UNDER RESOLUTIONS 7 AND 8

RELATED PARTY (Resolution 7)	
Name	B Class Performance Shares
Pavel Reichl (Non-Executive Director of the Company)	793,906
Eleanor Jean Reeves <Elanwi A/C> (wife of David Reeves (Non-Executive Chairman and Director of the Company))	542,651
Total (Related party)	1,336,557
NON-RELATED PARTY (Resolution 8)	
Name	B Class Performance Shares
Olga Bubnikova	616,587
Otto Janout	616,587
Jamie John Carter & Kristen Carter <The Brojesca A/C>	457,079
Sonia Barbara Moritz	35,982
Brian Michael Moritz	320,301
Hana Vanova	793,906
Lon Taranaki	69,085
Jamie John Carter & Kristen Carter <Carter Super Fund A/C>	57,571
Gary Padmore	57,571
St Annes Trustee Ltd <Tacodoze Trust>	57,571
Rodinia Geological Services Pty Ltd	457,079
Andrew William Jameson	30,225
Dennis Leslie Thomas	30,225
Oak Trust (Guernsey) Limited <The Warm Water Trust A/C>	40,300
Scott Gregory Colquhoun	15,314
Claire Parry	8,060
Total (Non-related party)	3,663,443
Total (Related party and non-related party)	5,000,000

SCHEDULE 3 – B CLASS PERFORMANCE SHARE TERMS

Definitions

Cinovec Main means the area defined in Schedule 4.

Cinovec South means the area defined in Schedule 4.

Mineral Resource means the declared JORC 2012 resource at the time of submission to the Czech authorities converted into a compliant Czech resource.

Permits means the granted Cinovec I or Cinovec II permits that the Company currently holds.

State Balance means the registration of a “Reserved Deposit” under MZP Act 44/1998.

Rights attaching to the B Class Performance Shares

- (a) **(B Class Performance Shares)** Each B Class Performance Share is a share in the capital of European Metals Holdings Limited (ARBN 154 618 989) (**Company**).
- (b) **(General meetings)** The B Class Performance Shares shall confer on the holder (**Holder**) the right to receive notices of general meetings and financial reports and accounts of the Company that are circulated to holders of fully paid ordinary shares in the capital of the Company (**Shareholders**) and holders of Clearing House Electronic Sub register System (**CHES**) depository interests issued in respect of fully paid ordinary shares in the capital of the Company (**CDI Holders**).
- (c) **(No voting rights)** The B Class Performance Shares do not entitle the Holder to vote on any resolutions proposed at a general meeting of Shareholders.
- (d) **(No dividend rights)** The B Class Performance Shares do not entitle the Holder to any dividends.
- (e) **(No rights to return of capital)** A B Class Performance Share does not entitle the Holder to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.
- (f) **(Rights on winding up)** A B Class Performance Share does not entitle the Holder to participate in the surplus profits or assets of the Company upon winding up.
- (g) **(Not transferable)** The B Class Performance Shares are not transferable.
- (h) **(Reorganisation of capital)** If at any time the issued capital of the Company is reconstructed, all rights of a Holder will be changed to the extent necessary to comply with the applicable ASX Listing Rules at the time of reorganisation.
- (i) **(Application to ASX)** The B Class Performance Shares will not be quoted on ASX or AIM. However, upon conversion of the B Class Performance Shares into fully paid ordinary shares in the capital of the Company (**Shares**) pursuant to which the Company will procure the issue of CHES depository interests issued in respect of the Shares (**CDIs**) on the basis of one CDI for every one Share issued, the Company must within 10 ASX trading days after the conversion, apply for the official quotation of the CDIs arising from the conversion on ASX.
- (j) **(Participation in entitlements and bonus issues)** Holders of B Class Performance Shares will not be entitled to participate in new issues of capital offered to Shareholders or CDI Holders such as bonus issues and entitlement issues.
- (k) **(No other rights)** The B Class Performance Shares give the Holders no rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.

Conversion of the B Class Performance Shares

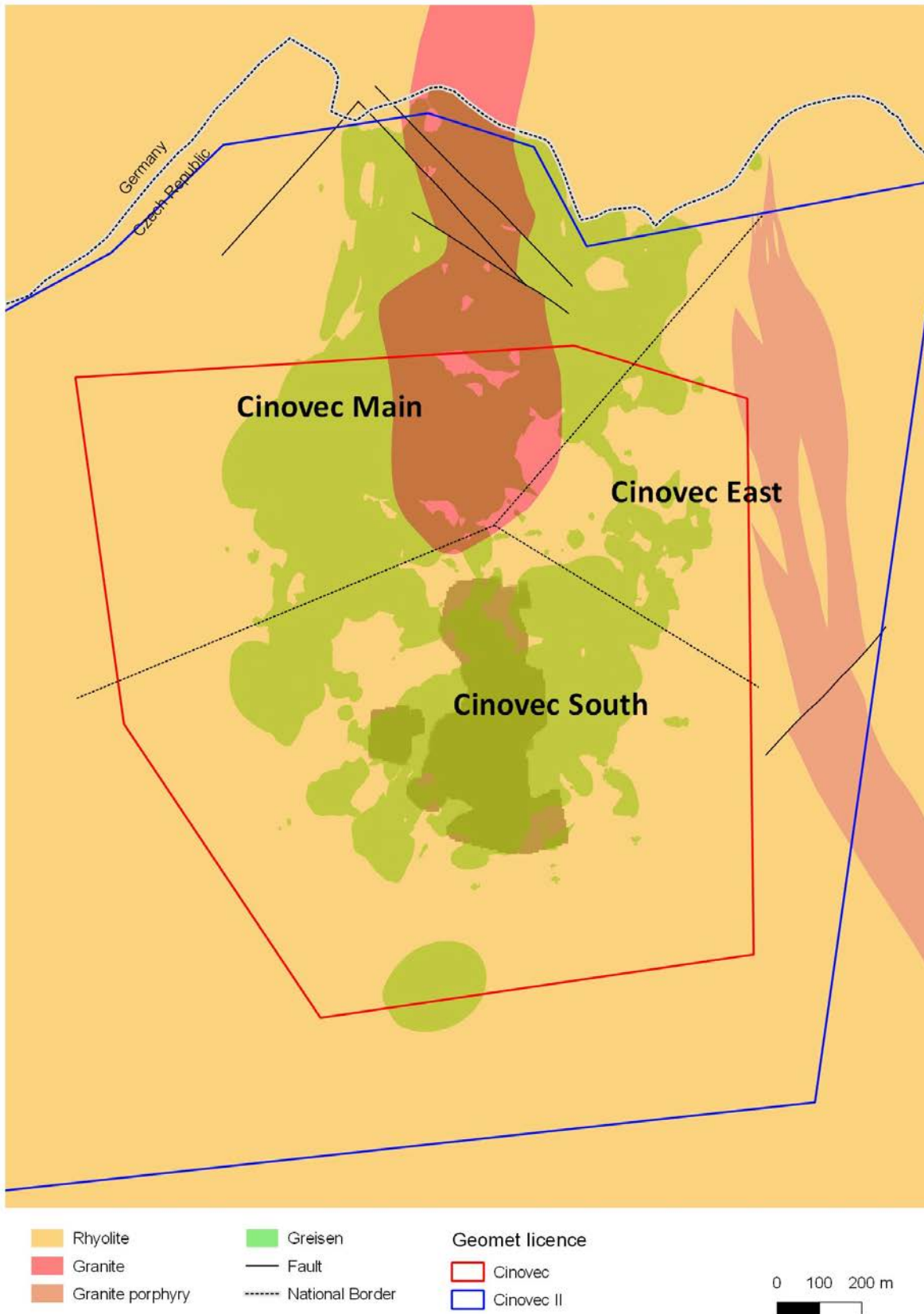
- (l) **(Conversion on achievement of milestone)** Subject to paragraph (n), the B Class Performance Share will convert in accordance with the below:
 - (i) 1,000,000 B Class Performance Shares will convert into Shares and an equivalent number of CDIs upon the Company’s Mineral Resource at Cinovec South and Cinovec Main being entered in the State Balance. The B Class Performance Shares shall convert into the number of Shares and equivalent number of CDIs equal to 1,000,000 multiplied by 0.5 and divided by

the greater of: (A) \$0.50 per CDI; and (B) the volume weighted average price of CDIs (expressed as a decimal of \$1.00) as calculated over the 5 ASX trading days prior to the date the Mineral Resource is entered. (**Explanatory Note:** *Under Czech law a mineral resource must be registered and henceforth treated as a resource by the Czech Government before mining licenses can be granted. A mineral resource has to be calculated according to the Czech regulations, and defended in front of a committee of state certified experts*);

- (ii) 1,000,000 B Class Performance Shares will convert into Shares and an equivalent number of CDIs upon the issuance of the preliminary mining licenses relating to the Cinovec Project. The B Class Performance Shares shall convert into the number of Shares and equivalent number of CDIs equal to 1,000,000 multiplied by 0.5 and divided by the greater of: (A) \$0.50 per CDI; and (B) the volume weighted average price of CDIs (expressed as a decimal of \$1.00) as calculated over the 5 ASX trading days prior to the date the final preliminary mining license is issued; and
 - (iii) 3,000,000 B Class Performance Shares will convert into Shares and an equivalent number of CDIs upon the completing of a definitive feasibility study (**DFS**). For clarity, the DFS must be: (i) of a standard suitable to be submitted to a financial institution as the basis for lending of funds for the development and operation of mining activities contemplated in the study; (ii) capable of supporting a decision to mine on the Permits; and (iii) completed to an accuracy of +/- 15% with respect to operating and capital costs and display a pre-tax net present value of not less than US\$250,000,000. The B Class Performance Shares shall convert into the number of Shares and equivalent number of CDIs equal to 3,000,000 multiplied by 0.5 and divided by the greater of: (A) \$0.50 per CDI; and (B) the volume weighted average price of CDIs (expressed as a decimal of \$1.00) as calculated over the 5 ASX trading days prior to date of receipt of the completed DFS,

(together the **Milestones** and each a **Milestone**). For the avoidance of doubt, the number of Shares and equivalent number of CDIs which will be issued on conversion of the B Class Performance Shares will not exceed a ratio of 1 for 1.
- (m) (**Conversion on change of control event**) Subject to no prior conversion pursuant to (l), the B Class Performance Shares will, in aggregate and subject to rounding required by paragraph (o), upon any person's voting power in the Company, as determined in accordance with the Corporations Act 2001 (Cth), becoming more than 50%, or, a scheme of arrangement under Part 5.1 of the Corporations Act becoming binding on Shareholders on or before that date which is 2 years after the date of issue of the B Class Performance Shares (**Change of Control Event**), that number of B Class Performance Shares that is equal to 10% of the CDIs on issue immediately following conversion under this paragraph will convert into an equivalent number of Shares and an equivalent number of CDIs. The conversion will be completed on a pro rata basis across each class of Performance Shares then on issue as well as on a pro rata basis for each Holder. B Class Performance Shares that are not converted into Shares and CDIs under this paragraph will continue to be held by the Holders on the same terms and conditions.
 - (n) (**Redemption if milestone not achieved**) If the Milestone is not achieved or the Change of Control Event does not occur by the required date, then each B Class Performance Share held by a Holder will be automatically redeemed by the Company for the sum of \$0.000001 within 10 ASX trading days of non-satisfaction of the Milestone.
 - (o) (**Conversion procedure**) The CDIs issued upon conversion of the B Class Performance Shares will be issued to the Holders in proportion to their respective holdings of the aggregate number of B Class Performance Shares on issue with fractional entitlements of each Holder being rounded down to the nearest whole CDI. The Company will procure the issue to the Holder of a new holding statement for the CDIs within 10 ASX trading days following conversion of the B Class Performance Shares. An equivalent number of Shares will be issued to the depositary engaged by the Company to hold legal title to the Shares to which the CDIs relate.
 - (p) (**Lapse of B Class Performance Share**): each B Class Performance Share shall expire on the date that is three (3) years from the date of issue (**Expiry Date**) if the relevant Milestone attached to that B Class Performance Share has not been achieved, at which time the Company will redeem the relevant B Class Performance Shares in accordance with paragraph (n) above.
 - (q) (**Ranking upon conversion**) Respectively, the Shares and CDIs issued on conversion of the B Class Performance Shares will rank *pari passu* in all respects with existing Shares and CDIs.

SCHEDULE 4 – LOCATION OF CINOVEC RESOURCE FOR PERFORMANCE B SHARES



GLOSSARY

\$ means Australian dollars.

Admission means the admission to trading of the Shares on AIM.

AIM means AIM, a market operated by London Stock Exchange plc.

AIM Rules means the AIM Rules for Companies, the AIM Note and the AIM Rules for Nominated Advisers, each published by the London Stock Exchange plc, as amended from time to time.

Annual General Meeting or **Meeting** means the meeting convened by the Notice.

Articles or **Articles of Association** means the articles of association of the Company as adopted from time to time.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

ASX Listing Rules means the Listing Rules of ASX.

B Class Performance Share means a performance share issued on the terms and conditions as set out at Schedule 3.

Board means the current board of directors of European Metals Holdings.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

BVI Companies Act means the BVI Business Companies Act 2004, as amended from time to time.

CDI means a CHESS Depository Interest representing beneficial ownership in a Share.

CDI Voting Instruction Form means the form accompanying the Notice with that title.

Chair means the chair of the Meeting.

Company means European Metals Holdings Limited (ARBN 154 618 989).

Directors means the current directors of European Metals Holdings.

Eligible Entity means an entity that, at the date of the relevant general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

Equity Securities includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

Explanatory Statement means the explanatory statement accompanying the Notice.

Memorandum or **Memorandum of Association** means the memorandum of association of the Company as adopted from time to time.

Notice or **Notice of General Meeting** means this meeting including the Explanatory Statement, the CDI Voting Instruction Form and the Proxy Form.

Ordinary Securities has the meaning set out in the ASX Listing Rules.

Proxy Form means the proxy form accompanying the Notice.

Resolutions means the resolutions set out in the Notice of General Meeting, or any one of them, as the context requires.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

Warrant means a warrant with the terms and conditions as set out at Schedule 1.

WST means Western Standard Time as observed in Perth, Western Australia.

10% Placement Capacity has the meaning given in Section 6.1.

CDI VOTING INSTRUCTION FORM

Please mark to indicate your directions.

Please send CDI Voting Instruction Form no later than 11:00am WST on 16 November 2016 to:

PO Box 52
WEST PERTH WA 6872

Or via fax +61 8 6141 3599 or email to julia@europeanmet.com

STEP 1 Complete Shareholding Details

Name: _____
Address: _____
Holder ID: _____

STEP 2 CHESSE Depository Nominees will vote as directed

Voting Instructions to CHESSE Depository Nominees Pty Ltd

PLEASE MARK BOX A OR B

I/We being a holder of CHESSE Depository Interests of European Metals Holdings Limited hereby

A Instruct CHESSE Depository Nominees Pty Ltd to vote the shares underlying my/our holding at the General Meeting of European Metals Holdings Limited to be held at 1st Floor, 11 Ventnor Avenue, West Perth, Western Australia on 18 November 2016 at 11:00am WST and at any adjournment or postponement of that meeting in the manner instructed in Step 3. By execution of this CDI Voting Instruction Form and selection of Box A the undersigned hereby authorises CHESSE Depository Nominees Pty Ltd to appoint such proxies or their substitutes to vote as instructed and otherwise in their discretion on such business as duly properly come before the meeting.

B Instruct CHESSE Depository Nominees Pty Ltd to appoint the following person as my/our proxy in respect of the shares underlying my/our holding at the General Meeting of European Metals Holdings Limited to be held at 1st Floor, 11 Ventnor Avenue, West Perth, Western Australia on 18 November 2016 at 11:00am WST and at any adjournment or postponement of that meeting.

STEP 3 Items of Business

** PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing CHESSE Depository Nominees Pty Ltd or their appointed proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.*

		FOR	AGAINST	ABSTAIN
Resolution 1	Election of Director – Mr Kiran Morzaria	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Director – Mr David Reeves	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Issue of 5,000,000 CDIs to Related Party – Rare Earth Minerals	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Ratification of Prior Issue of 13,000,000 CDIs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Ratification of Prior Issue of 1,000,000 Warrants	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Approval of 10% Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Issue of B Class Performance Shares to Related Parties	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Issue of B Class Performance Shares to Non-Related Parties	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

SIGN Signature of Securityholder(s) This section must be completed

Individual or Shareholder 1

Sole Director/Company Secretary

Shareholder 2

Director

Shareholder 3

Director/Company Secretary

Date: _____

Contact name: _____

Contact ph (daytime): _____