



ASX Announcement

15 December 2014

COMPANY DETAILS

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ASX CODE: CXB

CORPORATE INFORMATION

(15 December 2014)
85M Ordinary Shares
50M Contributing Partly Paid Shares
12M Unlisted Options

BOARD OF DIRECTORS

Eduardo Valenzuela
(Non-Executive Chairman)
Adrian Griffin
(Managing Director)
Bryan Dixon
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Australian lithium developer in first move into Europe

Highlights:

- **First lithium-focused international expansion for Cobre Montana**
- **Six month due diligence on known large lithium resource within a historic tin mine in northwest Czech Republic**
- **Historic metallurgical testing of the mine's ore body has achieved industrial scale lithium carbonate production from gravity reject material from tin-tungsten output**

Australian lithium developer, Cobre Montana Limited (ASX: CXB) has announced its first international expansion.

Under a new agreement announced today, Cobre Montana will move into one of Europe's oldest continuous mined areas for tin, the Cinovec mine in the northwest of the Czech Republic, to test the commercial potential of a known lithium resource present at the mine site.

The agreement, a Memorandum of Understanding, will allow Perth-based Cobre Montana to undertake test work over the next six months to assess the calibre of a JORC 2012 compliant 37 million tonne Inferred Resource grading 0.8% Li₂O at Cinovec.

Subject to due diligence outcomes, Cobre Montana says it would expect to present a commercial development proposal at the end of the six months to Cinovec's owner, Australian ASX-listed European Metals Holdings Limited (ASX: EMH).

The European push is the first global move by Cobre Montana since securing exclusive rights just last month ([ASX announcement 11 November, 2014](#)) to the only known processing technology able to extract lithium from micas – a processing route evolved by Perth's Strategic Metallurgy – now an alliance partner with Cobre Montana.

The Cinovec lithium resource is generally contained in zinnwaldite mica styles – a dark mica mineralisation named after its discovery location last century in the area around the Czech tin mine which itself has been worked for more than 600 years just 100 kilometres from the capital, Prague.

Cobre Montana Managing Director, Mr Adrian Griffin, said today that historic metallurgical testing of the Cinovec South ore body had achieved good recoveries of tin and tungsten using gravity and gravity/flotation flow sheets, with lithium concentrating in the gravity reject.

“From this, the lithium micas can be concentrated by magnets – a processing route used and proven in the 1970s to produce lithium carbonate on an industrial scale so we are quite upbeat about the potential outcomes of our new test work there over the opening half of 2015.”

Background

European Metals controls the Cinovec tin project, located in the Czech Republic close to the border with Germany.



The deposits controlled by European Metal are located within the historic Cinovec-Zinnwald mining district. Mineralisation occurs within granite and is ubiquitously associated with lithium micas (principally zinnwaldite).

Cobre Montana’s access to mica-focused processing technology and mineralisation is the key to optimising the value of the lithium contained within the mineralisation at Cinovec.

European Metal’s focus has been tin and tungsten mineralisation at Cinovec. The strong association between tin, rare metals and lithium mineralisation makes a compelling, case for exploiting the lithium in association with other commodities. Cobre Montana’s work next year will examine the means by which this can be accomplished.

Lithium appears to be more widespread than other ore metals throughout the mineralised complex. However, within areas primarily targeted for tin mineralisation, European Metals reports the following Inferred JORC-compliant resource based on 846 diamond drillholes for 83,466m, and 21.5km of underground development ([ASX announcement 5 March 2014](#)).

- 28Mt at 0.4% tin
- 37Mt @ 0.8% Li₂O

Lithium Extraction Technology

Cobre Montana, through its partnership with Perth Based Strategic Metallurgy, has exclusive licensing arrangements with respect to proprietary lithium extraction technology ([ASX announcement 11 November 2014](#)). The technology is the only practical means of commercially extracting lithium from micas.

The process has a small energy footprint and takes advantage of recovering other metals from the mica, in particular potassium, which can be recovered as potassium sulphate, a valuable component of fertilizers. It is also possible to recover rare metals from the mica, a possibility that will be investigated under the terms of the MoU with European Metals.

Terms of MOU

Under the terms of the Memorandum of Understanding announced today, Cobre Montana will have a six month exclusivity to study the lithium mineralisation and present European Metals with a commercial development proposal.

The terms of the agreement will see Cobre Montana include in its report, the ways in which the combined expertise of both companies can be optimised to enable more complete exploitation of the zinnwaldite mineralisation to produce lithium carbonate for the rapidly expanding global lithium battery industry.

Laboratory testing of the Cinovec feed material will commence in January 2015.

The moves caps a busy December quarter for Cobre Montana in rapidly advancing its lithium aspirations. This progress has included:

- Linking up with US technologist, SciAps, to test whether a laser-based and hand-held analyser can be used out in the field to identify buried lithium pegmatites
- Signing the exclusive licence deal with Strategic Metallurgy, and
- Partnering Pilbara Minerals ([ASX announcement 26 November 2014](#)) to test the lithium extraction potential of lepidolite style mica deposits at the Pilgangoora project near Port Hedland in WA's Pilbara region.

ABOUT COBRE MONTANA

Cobre Montana NL (ASX:CXB) 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 Ravensthorpe, Western Australia, and a technical alliance with Strategic Metallurgy P/L to optimize lithium extraction technology on the type of mineralization under investigation.

Cobre has a strategic alliance with European Metals Holdings Limited to investigate lithium mineralization at Cinovec in the Czech Republic.

Cobre also holds a 55% interest in the Piedrecillas copper/silver project 180km SW of Santiago, Chile.

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