ASX Announcement

10 February 2015

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(10 February 2015)
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50M Contributing Partly Paid Shares
12M Unlisted Options

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COBRE'S METALLURGICAL TESTS CONTRIBUTE TO 285% RESOURCE UPGRADE OF THE CINOVEC LITHIUM-TIN-TUNGSTEN PROJECT

HIGHLIGHTS

- **Cobre's metallurgical testing contributes to major resource upgrade on Cinovec lithium-tin-tungsten project in Czech Republic**
- **New resource estimate defines Cinovec as globally significant and in the world's Top 5 hard-rock lithium deposits**
- **New potential mineral inventory of 8Mt lithium carbonate equivalent**
- **Cinovec scoping study progressing towards completion**

Cobre's processing approach a major contributor to Cinovec's resource upgrade

New test processing methods employed by Cobre Montana NL (ASX:CXB) on the combined tin-lithium project in the Czech Republic have contributed to a major upgrade of the project's resource inventory, particularly its lithium potential.

The significant Cinovec resource upgrade is the latest success for Perth-based Cobre in building a business model around extracting lithium from micas on a global basis, including Cinovec, and its projects across Western Australia.

The revised resource estimate has delivered a 285% tonnage boost to Cinovec's Inferred lithium resource. The large increase was in part prompted by the success of new test work by Cobre on Cinovec's tailings. These tests achieved outstanding float recoveries of 98% and leach extraction of 99.5% lithium. In addition, the Company's ability to recover lithium from the leach solutions, as battery-grade lithium carbonate, will further enhance project viability.

Memorandum of Understanding with European Metals

Cobre is in the process of evaluating the recovery of lithium from Cinovec under the terms of a MoU with EMH (ASX announcement 15 December 2014) which provides for Cobre to complete the evaluation and present EMH with a commercial development proposal. The studies undertaken by Cobre will be included in a scoping study being undertaken by EMH for the recovery of tin, tungsten, and lithium, from Cinovec.

Lithium resource inventory in Top 5

Cinovec's 100% owner, Australian tin developer, European Metals Holdings Limited (ASX: EMH) used the new Cobre results to redefine the economics of the resource, delivering:

- *An Inferred Li Resource of 5.5Mt LCE*, 514.8Mt @ 0.43%* Li_2O *(0.1% Li cutoff); a 285% increase in tonnage and a 175% increase in contained lithium*
- *Additional Exploration Target of 3.4-5.3Mt LCE, 350-450Mt @ 0.39-0.47%* Li_2O

  *LCE = lithium carbonate equivalent, a common measure for reporting lithium production and demand. LCE = Li_2O% X 2.473.

Cobre Montana Managing Director, Mr Adrian Griffin, said today the higher Inferred lithium resource estimate at Cinovec was a pleasing outcome, reinforcing the Company's metallurgical approach to optimising the project's potential.

It built on the Company's recent breakthrough in extracting lithium from micas from one of its Western Australian projects, allowing the new Czech results to be incorporated into the current Cinovec scoping study, due for completion by mid-year.

The initial Western Australian success saw Cobre, using process technology developed by Perth-based Strategic Metallurgy P/L and subject to patent applications, extract lithium from micas deposits at Lepidolite Hill, near Coolgardie in a joint initiative with Focus Minerals Limited (ASX:FML).

Mr Griffin said the high lithium yields from the lepidolite micas at Lepidolite Hill and the zinnwaldite micas from Cinovec (ASX announcements 27 October 2014, and 5 February 2015 respectively) demonstrated their suitability for processing with Strategic Metallurgy's proprietary leach technology, now licensed to Cobre (ASX announcement 11 November 2014).

ABOUT COBRE MONTANA

Cobre Montana 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, a technical alliance with Strategic Metallurgy P/L to optimise lithium extraction technology on the type of mineralisation under investigation. The extraction technology being used by Cobre Montana is subject to patent applications lodged by Strategic Metallurgy.

Cobre Montana also has a strategic alliance with European Metals Holdings Limited to investigate lithium mineralisation at Cinovec in the Czech Republic and a technical alliance with SciAps (USA) to refine LASER based assay technology for real-time, in-field analysis of light metals as indicators for concealed pegmatite deposits.

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The revised resource statement for the Cinovec Project as released to the ASX on 9 February 2015 by European Metals Holdings Limited, follows.

9 February 2015

ASX ANNOUNCEMENT

SUBSTANTIAL INCREASE IN RESOURCES

HIGHLIGHTS

European Metals Holdings Limited ("**European Metals**" or "**The Company**") (**ASX: EMH**) is pleased to announce revised Mineral Resource estimates for the Cinovec Tin-Tungsten-Lithium Project in the Czech Republic.

Key Points:

- **Inferred Li Resource of 5.5Mt LCE*, 514.8Mt @ 0.43% Li_2O (0.1% Li cutoff); 285% increase in tonnage and 175% increase in contained lithium**
- **Additional Exploration Target of 3.4-5.3Mt LCE, 350-450Mt @ 0.39-0.47% Li_2O**
- **Inferred Sn-W Resource of 111.4Kt tin, 30.1Mt @ 0.37% Sn, 0.04% W, 0.47% Li_2O (0.2% Sn cutoff); 7% increase in tonnage, contained tin and tungsten**
- **Cinovec is a globally significant lithium and tin deposit**

European Metals CEO Mr Keith Coughlan said "I am extremely pleased to report the updated mineral resources for Cinovec. Such significant increases in overall tonnage and contained tonnes for every metal are very positive for the project's outlook. In conjunction with the exceptional metallurgical testwork results for tin and lithium reported recently, these revised resource figures underscore just how much potential the Cinovec deposit has. Encouragingly, the Exploration Target for lithium is also very large and, when added to the lithium resource, results in a potential mineral inventory of over 8Mt of LCE*. This makes Cinovec a globally significant lithium deposit, sitting comfortably amongst the top 5 largest hard rock deposits in the world on the basis of contained lithium.

I am looking forward to the conclusion of the Scoping Study where we will see a clear picture of Cinovec's potential, including significant contributions from tin, lithium, potash and tungsten making the deposit a true multi-commodity project. As always, I look forward to providing updates on programs currently underway as results come to hand."

*LCE = lithium carbonate equivalent, a common measure for reporting lithium production and demand. LCE = Li_2O% X 2.473.

Mineral Resource update

Lynn Widenbar of Widenbar and Associates compiled the initial resource estimates for Cinovec South in February 2012. The tin-tungsten resource model was updated by Mr Widenbar to include data from three core holes drilled in 2014 (*refer to ASX announcement 4 November 2014*) and the lithium resource was updated using revised estimation parameters based on a new interpretation of lithium distribution and accounting for Strategic Metallurgy's process for extraction of lithium, which affects the modifying factors used to define the economics of the resource.

The database used for the 2012 resource estimate incorporated 769 holes and 41,560 assay intervals, including some underground sampling. Assay data for three new holes was included, adding 342 new samples. Assay data were composited to 1m intervals prior to analysis and estimation.

The Sn-W-Li mineralisation is hosted in a granite dome. Geological data were compiled during the 2012 resource estimate to generate a surface representing the top of the granite. Tin-tungsten-lithium mineralisation has been constrained to within the granite-greisen domain.

Statistical and variographic assessment highlighted that tin-tungsten behaves very differently to lithium mineralisation, with different controls and constraints. As a result, two distinct models were generated for tin-tungsten and for lithium.

For tin-tungsten, the model used a 75m x 75m x 7.5m search with a variable search ellipse orientation which essentially followed a combination of the geological framework as understood from historical interpretations and the top-of-granite surface. For lithium, the primary search ellipse was 150m (north-south) by 150m (east-west) by 7.5m vertically with estimation carried out in "unfolded" space. A second pass for lithium with a search ellipse of 300m x 300m x 12.5 was used to fully inform the model.

An inverse distance cubed interpolation methodology was used for all models, using Micromine 2014 SP3 V15 software. Section and plan views of the models were reviewed to ensure interpolation had proceeded correctly.

As in the previous model, densities applied for resource tonnage calculations are based on historical bulk density measurements of 2.57 for granite and 2.70 for greisen.

After reviewing the lithium data distribution and variography, blocks which had an average distance to samples used of less than 100m were assigned to the Inferred category in accordance with the 2012 Australasian Code for Reporting of Mineral Resources and Ore Reserves (JORC Code). Estimated material in the Lithium block model not included in the Inferred category is considered part of an Exploration Target.

Summaries of the tin and lithium resources at a series of cutoffs are shown in Table 1 and 2, respectively.

Based on the uncategorised material in the lithium resource block model, and using a nominal 0.1% lithium cutoff, an additional Exploration Target for lithium of 350 to 450Mt @ 0.18 to 0.22% Li was defined.

Table 1 Tin Inferred Resource summary by Sn cutoff

CINOVEC JANUARY 2015 TIN INFERRED RESOURCE				
Sn Cutoff	Tonnes	Sn	W	Li
%	(Millions)	%	%	%
0.40	7.6	0.66	0.06	0.23
0.30	14.0	0.52	0.05	0.22
0.20	30.1	0.37	0.04	0.22
0.10	79.7	0.23	0.03	0.21

Table 2 Lithium Inferred Resource summary by Li cutoff

CINOVEC JANUARY 2015 LITHIUM INFERRED RESOURCE				
Li Cutoff	Tonnes	Li	W	Sn
%	(Millions)	%	%	%
0.40	9.4	0.46	0.02	0.06
0.30	44.8	0.37	0.02	0.05
0.20	219.4	0.26	0.01	0.04
0.10	514.8	0.20	0.01	0.03

Project update

Metallurgical testing using Cobre Montana's licence for extraction of lithium from zinnwaldite (*refer to ASX announcement 4 February 2015 and ASX announcement 5 February 2015*) is ongoing. A second composite sample of drill core from the 2014 program has been collected and is in transit to Perth, Australia, to expedite this program.

All other aspects of the Scoping Study are progressing well, with the study to be finalized early in Q2, CY2015.

PROJECT OVERVIEW

Cinovec Tin Project

Cinovec is an historic tin mine incorporating a significant undeveloped tin resource with by-product potential including tungsten, lithium, rubidium, scandium, niobium and tantalum. Cinovec is one of the largest undeveloped tin deposits in the world, with a total inferred resource 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 resource of 514.8Mt @ 0.43% Li_2O. The 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. The deposit appears amenable to bulk mining techniques and has had over 400,000 tonnes trial mined as a sub-level open stope. Historical metallurgical testwork, including the processing of the trial mine ore through the previous on-site processing plant, indicates the ore can be treated using simple gravity methods with good recovery rates for tin and tungsten of approximately 75%. Recent metallurgical testwork on tin indicated the potential for upwards of 80% recovery; initial results of testwork on lithium extraction using proprietary technology has been highly encouraging. 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, a member of the American Institute of Petroleum 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.

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 2004 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. There can be no assurance that ongoing exploration will identify mineralisation that will prove to be economic, that anticipated metallurgical recoveries will be achieved, that future evaluation work will confirm the viability of deposits that may be identified or that required regulatory approvals will be obtained.

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Julia Beckett
COMPANY SECRETARY

Table 1

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• In 2014, the Company conducted a core drilling program and collected samples from core splits in line with JORC Code guidelines. Sample intervals honoured geological or visible mineralization boundaries. • Between 1952 and 1989, the Cinovec deposit was sampled in two ways: in drill core and underground channel samples. • Channel samples, from drift ribs and faces, were collected during detailed exploration between 1952 and 1989 by Geoindustria n.p. and Rudne Doly n.p., both Czechoslovak State companies. Sample length was 1 m, channel 10x5cm, sample mass about 15kg. Up to 1966, samples were collected using hammer and chisel; from 1966 a small drill (Holman Hammer) was used. 14179 samples were collected and transported to a crushing facility. • Core and channel samples were crushed in two steps: to -5mm, then to -0.5mm. 100g splits were obtained and pulverized to -0.045mm for analysis.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• In 2014, three core holes were drilled for a total of 940m. • The core size was HQ3 (60mm diameter) in upper parts of holes; in deeper sections the core size was reduced to NQ3 (44mm diameter). Core recovery was high (average 98%). • Historically only core drilling was employed, either from surface or from underground. • Surface drilling: 80 holes, total 30,340 meters; vertical and inclined, maximum depth 1596m (structural hole). Core diameters from 220mm near surface to 110 mm at depth. Average core recovery 89.3%. • Underground drilling: 766 holes for 53,126m; horizontal and inclined. Core diameter 46mm; drilled by Craelius XC42 or DIAMEC drills.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.*	• Core recovery for historical surface drill holes was recorded on drill logs and entered into the database. • No correlation between grade and core

Criteria	JORC Code explanation	Commentary
	- *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	recovery was established.
Logging	- *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* - *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* - *The total length and percentage of the relevant intersections logged.*	- In 2014, core descriptions were recorded into paper logging forms by hand and later entered into an Excel database. - Core was logged in detail historically in a facility 6 km from the mine site. The following features were logged and recorded in paper logs: lithology, alteration (including intensity divided into weak, medium and strong/pervasive), and occurrence of ore minerals expressed in %, macroscopic description of congruous intervals and structures and core recovery.
Sub-sampling techniques and sample preparation	- *If core, whether cut or sawn and whether quarter, half or all core taken.* - *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* - *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* - *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* - *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* - *Whether sample sizes are appropriate to the grain size of the material being sampled.*	- In 2014, core was washed, geologically logged, sample intervals determined and marked then the core was cut in half. One half was delivered to ALS Global for assaying after duplicates, blanks and standards were inserted in the sample stream. The remaining drill core is stored on site for reference. - Sample preparation was carried out by ALS Global in Romania, using industry standard techniques appropriate for the style of mineralisation represented at Cinovec. - Historically, core was either split or consumed entirely for analyses. - Samples are considered to be representative. - Sample size and grains size are deemed appropriate for the analytical techniques used.
Quality of assay data and laboratory tests	- *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* - *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* - *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	- In 2014, core samples were assayed by ALS Global. The most appropriate analytical methods were determined by results of tests for various analytical techniques. - The following analytical methods were chosen: ME-MS81 (lithium borate fusion or 4 acid digest, ICP-MS finish) for a suite of elements including Sn and W and ME-4ACD81 (4 acid digest, ICP-AES finish) additional elements including lithium. Samples with over 1% tin were analysed by XRF. - Standards, blanks and duplicates were inserted into the sample stream. Initial tin standard results indicated possible downgrading bias; the laboratory repeated

Criteria	JORC Code explanation	Commentary
		the analysis with satisfactory results. • Historically, tin content was measured by XRF and using wet chemical methods. W and Li were analysed by spectral methods. • Analytical QA was internal and external. The former subjected 5% of the sample to repeat analysis in the same facility. 10% of samples were analysed in another laboratory, also located in Czechoslovakia. The QA/QC procedures were set to the State norms and are considered adequate. It is unknown whether external standards or sample duplicates were used. • Overall accuracy of sampling and assaying was proved later by test mining and reconciliation of mined and analysed grades.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• During the 2014 drill campaign the Company indirectly verified grades of tin and lithium by comparing the length and grade of mineral intercepts with the current block model.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• In 2014, drill collar locations were surveyed by a registered surveyor. • Down hole surveys were recorded by a contractor. • Historically, drill hole collars were surveyed with a great degree of precision by the mine survey crew. • Hole locations are recorded in the local S-JTSK Krovak grid. • Topographic control is excellent.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Historical data density is very high. • Spacing is sufficient to establish an inferred resource that was initially estimated using MICROMINE software in Perth, 2012. • Areas with lower coverage of Li% assays have been identified as exploration targets. • Sample compositing has not been applied.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be*	• In 2014, drill hole azimuth and dip was planned to intercept the mineralized zones at near-true thickness. As the mineralized zones dip shallowly to the south, drill holes were vertical or near vertical and directed to the north. • The Company has not directly collected any samples underground because the workings

Criteria	JORC Code explanation	Commentary
	assessed and reported if material.	are inaccessible at this time. - Based on historic reports, level plan maps, sections and core logs, the samples were collected in an unbiased fashion, systematically on two underground levels from drift ribs and faces, as well as from underground holes drilled perpendicular to the drift directions. The sample density is adequate for the style of deposit. - Multiple samples were taken and analysed by the Company from the historic tailing repository. Only lithium was analysed (Sn and W too low). The results matched the historic grades.
Sample security	- *The measures taken to ensure sample security.*	- In the 2014 program, only the Company's employees and contractors handled drill core and conducted sampling. The core was collected from the drill rig each day and transported in a company vehicle to the secure Company premises where it was logged and cut. Company geologists supervised the process and logged/sampled the core. The samples were transported by Company personnel in a Company vehicle to the ALS Global laboratory pick-up station. The remaining core is stored under lock and key. - Historically, sample security was ensured by State norms applied to exploration. The State norms were similar to currently accepted best practice and JORC guidelines for sample security.
Audits or reviews	- *The results of any audits or reviews of sampling techniques and data.*	- Review of sampling techniques possible from written records. No flaws found.

Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	- *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* - *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	- Cinovec exploration rights held under two licenses Cinovec and Cinovec 2. Former expires 30/7/2019, the latter 31/12/15. - 100% owned, no royalties, native interests or environmental concerns. - There are no known impediments to obtaining an Exploitation Permit for the defined resource.
Exploration done by other	- *Acknowledgment and appraisal of*	- There has been no acknowledgment or

Criteria	JORC Code explanation	Commentary
parties	*exploration by other parties.*	appraisal of exploration by other parties.
Geology	- *Deposit type, geological setting and style of mineralisation.*	- Cinovec is a granite-hosted tin-tungsten-lithium deposit. - Late Variscan age, alkalic rift-related granite. - Tin and tungsten occur in oxide minerals (cassiterite and wolframite). Lithium occurs in zinwaldite, a Li-rich muscovite - Mineralization in a small granite cupola. Vein and greisen type. Alteration is greisenisation, silicification.
Drill hole Information	- *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* o *easting and northing of the drill hole collar* o *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* o *dip and azimuth of the hole* o *down hole length and interception depth* o *hole length.* - *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	- Reported previously.
Data aggregation methods	- *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* - *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* - *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	- Reporting of exploration results has not and will not include aggregate intercepts. - Metal equivalent not used in reporting. - No grade truncations applied.

Criteria	JORC Code explanation	Commentary
Relationship between mineralisation widths and intercept lengths	- *These relationships are particularly important in the reporting of Exploration Results.* - *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* - *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	- Intercept widths are approximate true widths. - The mineralization is mostly of disseminated nature and relatively homogeneous; the orientation of samples is of limited impact. - For higher grade veins care was taken to drill at angles ensuring closeness of intercept length and true widths - The block model accounts for variations between apparent and true dip.
Diagrams	- *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	- Appropriate maps and sections have been generated by the Company, and independent consultants. Available in customary vector and raster outputs, and partially in consultant's reports.
Balanced reporting	- *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	- Balanced reporting in historic reports guaranteed by norms and standards, verified in 1997, and 2012 by independent consultants. - The historic reporting was completed by several State institutions and cross validated.
Other substantive exploration data	- *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	- Data available: bulk density for all representative rock and ore types; petrographic and mineralogical studies, hydrological information, hardness, moisture content, fragmentation etc.
Further work	- *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* - *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	- Completion of Scoping Study. - Grade verification sampling from underground or drilling from surface. Historically-reported grades require modern validation in order to improve the resource classification. - The number and location of sampling sites will be determined from a 3D wireframe model and geostatistical considerations reflecting grade continuity. - The geologic model will be used to determine if any infill drilling is required.

Criteria	JORC Code explanation	Commentary
		• The deposit is open down-dip on the southern extension, and locally poorly constrained at its western and eastern extensions, where limited additional drilling might be required. • No large scale drilling campaigns are required.

Section 3 Estimation and Reporting of Mineral Resources

Criteria	JORC Code explanation	Commentary
Database integrity	• *Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.* • *Data validation procedures used.*	• Assay and geologic data were compiled by the Company staff from primary historic records (see Appendix 1), such as copies of drill logs and large scale sample location maps. • Sample data were entered in to Excel spreadsheets by Company staff in Prague. • The database entry process was supervised by a Professional Geologist who works for the Company. • The database was checked by independent competent persons (Lynn Widenbar or Widenbar & Associates, Phil Newell of Wardell Armstrong International).
Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* • *If no site visits have been undertaken indicate why this is the case.*	• The site was visited by Mr Pavel Reichl who has identified the previous shaft sites, tails dams and observed the mineralisation underground through an adjacent mine working.
Geological interpretation	• *Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.* • *Nature of the data used and of any assumptions made.* • *The effect, if any, of alternative interpretations on Mineral Resource estimation.* • *The use of geology in guiding and controlling Mineral Resource estimation.* • *The factors affecting continuity both of grade and geology.*	• The overall geology of the deposit is relatively simple and well understood due to excellent data control from surface and underground. • Nature of data: underground mapping, structural measurements, detailed core logging, 3D data synthesis on plans and maps. • Geological continuity is good. The grade is highest and shows most variability in quartz veins. • Grade correlates with degree of silicification and greisenisation of the host granite. • The primary control is the granite-country rock contact. All mineralization is in the uppermost 200m of the granite and is truncated by the contact.
Dimensions	• *The extent and variability of the Mineral Resource expressed as length (along*	• The Cinovec South deposit strikes north-south, is elongated, and dips gently south

Criteria	JORC Code explanation	Commentary
	strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.	parallel to the upper granite contact. The surface projection of mineralization is about 1 km long and 900 m wide. • Mineralization extends from about 200m to 500m below surface.
Estimation and modelling techniques	• *The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.* • *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.* • *The assumptions made regarding recovery of by-products.* • *Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).* • *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.* • *Any assumptions behind modelling of selective mining units.* • *Any assumptions about correlation between variables.* • *Description of how the geological interpretation was used to control the resource estimates.* • *Discussion of basis for using or not using grade cutting or capping.* • *The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.*	• Block estimation was carried out in Micromine using Inverse Distance Cubed (ID3) interpolation. • The upper granite contact was interpolated as a surface from drill hole data. • A geological domain model was then generated using an Indicator Methodology which divided the data into greisen and granite domains beneath the granite contact. This was used to assign density to the model (2.57 for granite, 2.70 for greisen and 2.60 for all other material). • Analysis of sample lengths indicated that compositing to 1m was necessary. • Search ellipse sizes and orientations for the estimation were based on drill hole spacing and the known orientations of mineralisation. • An “unfolding” search strategy was used which allowed the search ellipse orientation to vary with the locally changing dip and strike. • ID3 Indicator modelling at 0.1% Sn threshold was used to generate a solid model of Sn mineralisation. • ID3 Indicator modelling at 0.08% Li threshold was used to generate a solid model of Li mineralisation. • After statistical analysis, a top cut of 5% was applied to both Sn% and Li%. • Sn% and Li% were then estimated by ID3 but only within the mineralisation solids generated by the indicator modelling. • The search ellipse for Sn% modelling was 75m along strike, 75m down dip and 7.5m across the mineralisation. A minimum of 2 composites and a maximum of 16 composites were required. • A larger search ellipse was used for Li% modelling as this mineralisation is unrelated to Sn% and more pervasive in nature. • Primary search (based on variography) was 150m along strike, 150m down dip and 7.5m across the mineralisation. A minimum of 2 composites and a maximum of 16 composites were required. The

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		search was double to inform blocks to be used as the basis for an exploration target. • Block size was 5m (E-W) by 5m (N-S) by 2.5m • Validation of the final resource has been carried out in a number of ways including section comparison of data versus model, and production reconciliation.
Moisture	• *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	• Tonnages are estimated on a dry basis using the average bulk density.
Cut-off parameters	• *The basis of the adopted cut-off grade(s) or quality parameters applied.*	• A series of alterative cutoffs was used to estimate tonnage and grades: Sn 0.1%, 0.2%, 0.3% and 0.4%. Lithium 0.1%, 0.2%, 0.3% and 0.4%.
Mining factors or assumptions	• *Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.*	• Mining is assumed to be by underground method. A Scoping Study (in progress) will determine the optimal mining method. • Limited internal waste will need to be mined at grades marginally below cutoffs. Mine dilution and waste are expected at minimal levels and the vast majority of the Mineral Resource is expected to convert to an Ore Reserve. • Based on the geometry of the deposit, it is envisaged that a combination of drift and fill mining and longhole open stoping will be used
Metallurgical factors or assumptions	• *The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.*	• Recent testwork on 2014 drill core indicates a tin recovery of 80% can be expected. • Testwork on lithium is in progress. Conventional froth flotation has generated a concentrate of zinnwaldite and lepidolite with >98% of Li recovered; leaching of the concentrate is underway. • Extensive testwork was conducted on Cinovec South ore in the past. Testing culminated with a pilot plant trial in 1970, where three batches of Cinovec South ore were processed, each under slightly different conditions. The best result, with a tin recovery of 76.36%, was obtained from a batch of 97.13t grading 0.32% Sn. A more elaborate flowsheet was also investigated and with flotation produced final Sn and W recoveries of better than 96% and 84%, respectively.

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		- Historical laboratory testwork demonstrated that lithium can be extracted from the ore (lithium carbonate was produced from 1958-1966 at Cinovec).
Environmental factors or assumptions	- *Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.*	- Cinovec is in an area of historic mining activity spanning the past 600 years. Extensive State exploration was conducted until 1990. - The property is located in a sparsely populated area, most of the land belongs to the State. Few problems are anticipated with regards to the acquisition of surface rights for any potential underground mining operation. - The envisaged mining method will see much of the waste and tailings used as underground fill.
Bulk density	- *Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.* - *The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit.* - *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.*	- Historical bulk density measurements were made in a laboratory.
Classification	- *The basis for the classification of the Mineral Resources into varying confidence categories.* - *Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).* - *Whether the result appropriately reflects the Competent Person's view of the deposit.*	- Following a review of a small amount of available QAQC data, and comparison of production data versus estimated tonnage/grade from the resource model, and given the close spacing of underground drilling and development, the Sn% resource was classified in the Inferred category as defined by the 2012 edition of the JORC code. - The Li% mineralisation has been assigned to the Inferred category where the average distance to composites used in estimation is less than 100m. Material outside this range is unclassified but has

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		been used as the basis for an Exploration Target. - The Competent Person (Lynn Widenbar) endorses the final results and classification.
Audits or reviews	- *The results of any audits or reviews of Mineral Resource estimates.*	- Wardell Armstrong International, in their review of Lynn Widenbar's initial resource estimate stated "the Widenbar model appears to have been prepared in a diligent manner and given the data available provides a reasonable estimate of the drillhole assay data at the Cinovec deposit".
Discussion of relative accuracy/ confidence	- *Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.* - *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* - *These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	- In 2012, WAI carried out model validation exercises on the initial Widenbar model, which included visual comparison of drilling sample grades and the estimated block model grades, and SWATH plots to assess spatial local grade variability. - A visual comparison of Block model grades vs Drillhole grades was carried out on a sectional basis for both Sn and Li mineralisation. Visually, grades in the block model correlated well with drillhole grade for both Sn and Li. - Swath plots were generated from the model by averaging composites and blocks in all 3 dimensions using 10m panels. Swath plots were generated for the Sn and Li estimated grades in the block model, these should exhibit a close relationship to the composite data upon which the estimation is based. As the original drillhole composites were not available to WAI. 1m composite samples based on 0.1% cut-offs for both Sn and Li assays were - Overall Swath plots illustrate a good correlation between the composites and the block grades. As is visible in the SWATH plots, there has been a large amount of smoothing of the block model grades when compared to the composite grades, this is typical of the estimation method.