



ASX Announcement

20 April 2015

COMPANY DETAILS

ABN: 29 126 129 413

PRINCIPAL AND REGISTERED OFFICE

Cobre Montana NL
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ASX CODE: CXB

CORPORATE INFORMATION

(16 April 2015)
116M Ordinary Shares
50M Contributing Partly Paid Shares
12M Unlisted Options

BOARD OF DIRECTORS

Eduardo Valenzuela
(Non-Executive Chairman)

Adrian Griffin
(Managing Director)

Bryan Dixon
(Non-Executive Director)

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Cobre Montana's (ASX:CXB) positive test results lead to Heads of Agreement with European Metals (ASX:EMH)

HIGHLIGHTS

- Cobre duplicates outstanding lithium carbonate results from Cinovec
- Estimated operating cost for tailings treatment less than US\$2000 per tonne of lithium carbonate produced (after sulphate of potash credit)
- On a project basis, and after tin and tungsten credits, operating cost estimates for the production of lithium carbonate will be further reduced
- The Cinovec project is considered to be an outstanding opportunity and EMH has accepted CXB's commercial development proposal as a 50/50 JV

Cobre Montana NL has successfully completed a second lithium carbonate test on material from European Metals' Cinovec lithium deposit in the Czech Republic. The results have demonstrate the ability to produce a consistently high-grade lithium carbonate product.

Cobre has, as previously announced, determined the approximate cost to produce lithium carbonate from the ore supplied by European for the tests. This has been done as part of Cobre's assessment of the technology being used under license from Perth based Strategic Metallurgy.

On advancing the disruptive lithium extraction technology, Managing Director, Mr Adrian Griffin made the following comment:

"We have succeeded in producing battery-grade lithium carbonate from mica sourced from both Lepidolite Hill and Cinovec. We have repeated the result at Cinovec and had a look at the production implications of processing such materials. The fundamentals are outstanding, and the HoA crystallizes our commercial position at Cinovec; a position we see as being very strategic in our quest to capitalize on lithium micas by the application of disruptive processing technology."

Second success at Cinovec

The table below shows the specifications of the two batches of lithium carbonate produced from Cinovec. The first had a purity of 99.56% and the second 99.66%. Significantly transition metals and arsenic are very low.

Cinovec Lithium Carbonate purity >99.6%												
Li ₂ O	K ₂ O	CaO	Al ₂ O ₃	SiO ₂	FeO	MgO	S	P	As	Co	Rb	Cs
%	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm
40.3	176	57	ND	87	ND	67	1581	162	ND	ND	24	ND
40.3	128	75	ND	54	23	ND	1042	94	ND	ND	8	ND

HEADS OF AGREEMENT

Cobre and European have executed a non-binding Heads of Agreement (HoA) to record the intentions of the parties prior to drafting a formal Joint Venture (JV) Agreement. The terms recorded in the HoA include:

- 50/50 JV to process Cinovec tin tailings and produce lithium carbonate and associated by-products
- Cobre will manage the JV with a technical committee comprising equal representation directing the JV
- Cobre will utilize the licence rights granted by Strategic Metallurgy P/L, to Cobre, for the JV
- Cobre will procure the technical support of Strategic Metallurgy
- The JV will also cover opportunities in countries sharing common borders with the Czech Republic
- European to supply the lithium bearing tin tailings to the JV, following extraction of tin and tungsten
- The JV will compensate European on the basis of:
 - Tonnes of concentrate fed to the leach circuit
 - Concentrate to be priced to provide equivalent IRR to both the tin operation and the lithium operation.

OPERATIONAL SCOPE

Cinovec is an historic tin/tungsten mine which hosts one of the world's most significant hard-rock lithium inventories ([ASX release 10 February 2015](#)) including:

- *Inferred Li Resource of 5.5Mt LCE*, 514.8Mt @ 0.43% Li₂O (0.1% Li cut-off); and*
- *Additional Exploration Target of 3.4-5.3Mt LCE, 350-450Mt @ 0.39-0.47% Li₂O*

*LCE = lithium carbonate equivalent, a common measure for reporting lithium production and demand. LCE = Li₂O% x 2.473.

The outstanding results achieved to date suggest there is a strong possibility that mining operations, in the longer term, will extend beyond the areas of tin mineralization and into the more pervasive lithium greissens that characterize Cinovec. Lithium greissens of this type are also being evaluated by Cobre elsewhere in Europe (outside the area of influence of the JV).

RESOURCE OPPORTUNITIES

Cobre Montana will continue its global evaluation of lithium mica occurrences and utilize its exclusive licensing arrangements ([ASX announcement 11 November 2014](#)) to gain the best leverage by applying this disruptive technology to deposits previously neglected as feed for the production of lithium chemicals

ABOUT COBRE MONTANA

Cobre has technical alliance with Strategic Metallurgy P/L to commercialize disruptive lithium extraction technology based on the recovery of lithium from micas; minerals not generally used as a source of lithium.

Cobre Montana is consummating a 50/50 JV with European Metals Holdings Limited to process lithium mineralisation at Cinovec in the Czech Republic, where abundant lithium micas constitute one of the largest hard-rock lithium occurrences.

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.

MEDIA CONTACT:

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