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ASX Announcement

February 2015

COMPANY DETAILS

ABN: 29 126 129 413

PRINCIPAL AND REGISTERED OFFICE
Cobre Montana NL
Suite 3
23 Belgravia Street
Belmont WA 6104

POSTAL ADDRESS
PO Box 588
Belmont WA 6984

W www.cobremontana.com.au
E info@cobremontana.com.au

P +61 8 6145 0288
F +61 8 9475 0847

ASX CODE: CXB

CORPORATE INFORMATION
(5 February 2015)
113M 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)

For further information contact:
Cobre Montana NL
Adrian Griffin (MD)

Tel: +61 (08) 6145 0288
info@cobremontana.com.au
Web: www.cobremontana.com.au

MAIDEN LITHIUM LEACH TESTS ACHIEVE 99.5% EXTRACTION FOR AUSTRALIA'S COBRE MONTANA FROM CZECH PROJECT

HIGHLIGHTS

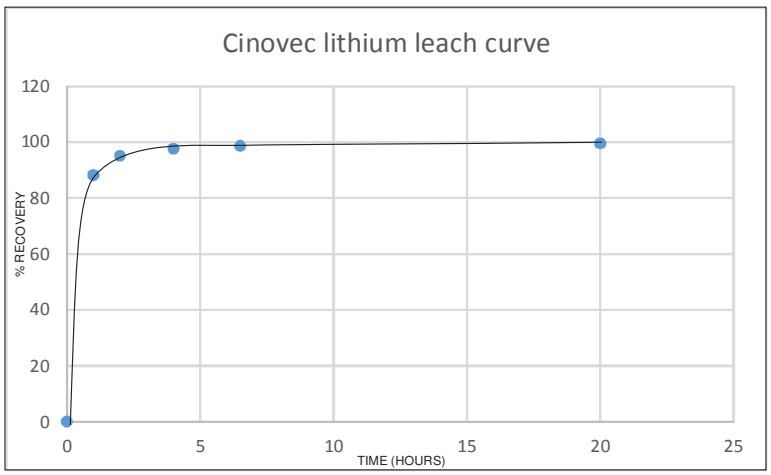
- **Cobre completes first leach test on high-grade lithium concentrates from tailings at Cinovec tin project in Czech Republic**
- **Exceptional lithium extraction of 99.5% achieved**
- **Requires only very short leaching period**
- **Follows Cobre's maiden international expansion into Europe in December**

EXCEPTIONAL LEACH RESULTS FROM LITHIUM MICAS

Exceptional lithium extractions of up to 99.5% have been achieved by Australian lithium developer, Cobre Montana (Cobre, ASX:CXB) in the Company's first leach tests on high grade concentrates derived from testwork on tailings from a tin mine in the Czech Republic.

The testwork by Perth's Cobre delivered leach extractions of 97.6% after only 4 hours, rising to 99.5% in 20 hours of leaching (see leach curve below). Combined with the positive flotation results (ASX announcement 4 February 2015) this outstanding performance suggests up to 97.5% of lithium can be recovered from the ore, in preparation for lithium carbonate production. This is achieved by a combination of flotation and leaching to produce a lithium solution.

The test sample originated from drill core from which tin and tungsten had been recovered by gravity (ASX announcement 30 January 2015) and also followed the successful production by Cobre of lithium float concentrates from the same tailings, announced yesterday.



The exceptionally high lithium recoveries have been demonstrated less than two months after Cobre commenced its evaluation of lithium mineralization at the Cinovec mine in the northwest of the Czech Republic. Cinovec is one of Europe's oldest continuous mined areas for tin.

The move is the Company's first international expansion and was executed under a Memorandum of Understanding (MOU) with another Australian company and Cinovec's owner, ASX-listed European Metals Holdings (ASX: EMH) which is looking to exploit the historic mine's remaining tin and tungsten inventory.

Cobre's focus under the MOU (ASX announcement 15 December) is to undertake the required testwork to evaluate the recovery of lithium from tin/tungsten tailings, and if successful, put a commercial case to European Metals for Cobre to exploit the lithium resource there.

The Czech move was made possible following Cobre's securing of exclusive rights late last year (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 and who is currently patenting its technology.

RESOURCE IMPLICATIONS FOR CINOVEC TESTWORK

EMH made the following comments on Cobre's testwork in an ASX announcement lodged on 5 February, 2015.

> *These successful testwork results have a substantial positive impact on the lithium resource defined at Cinovec. As a direct result of this work, the current JORC Code compliant Inferred Resource of 36.8Mt @ 0.8% Li_2O is being updated by EMH's resource consultant Lynn Widenbar. The revised lithium resource will see a marked increase in both tonnage and contained metal because this simple, cost-effective process route positively impacts the modifying factors used to define the economics of the lithium model. Revised resources will be reported in the near future.*

SCOPING STUDY

The work undertaken by Cobre will be included in a scoping study, currently being produced by European Metals and due for release in Q2 calendar 2015.

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COBRE MONTANA AND EUROPEAN METALS

The initial tin recovery tests were undertaken by European Metals with Cobre's subsequent treatment of the tailings resulting in a high-grade, lithium flotation concentrate. Float tests resulted in a yield of >98% of the contained lithium, into a clean concentrate of zinnwaldite (a lithium mica). It is anticipated that Cobre's test program at Cinovec will culminate with Cobre presenting a commercial development proposal to European Metals.

Cobre has for some time been investigating processing technology that is capable of providing advantages over conventional lithium extraction technology, leading to a technology sharing agreement with Strategic Metallurgy (ASX announcement 26 September 2014) to work in co-operation to optimise Strategic's proprietary technology for use on Cobre's projects.

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, 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.

MEDIA CONTACT:

Adrian Griffin	**Cobre Montana**	**08 6145 0288 | 0418 927 658**
Kevin Skinner	**Field Public Relations**	**08 8234 9555 | 0414 822 631**

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