

**European Metals
Holdings Limited**

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Keith Coughlan

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Ms Julia Beckett

Corporate Information

ASX Code: EMH

CDIs on Issue: 65.8M

Market Cap: \$7.9M



EUROPEAN METALS

26 JUNE 2015

ASX ANNOUNCEMENT

**EUROPEAN METALS COLLECTS SAMPLE FOR FURTHER PILOT
PLANT TESTING**

European Metals Holdings Limited ('EMH' or the 'Company') is pleased to announce that the Company has collected a bulk sample from the Cinovec Project which will be used for lithium mini plant testing.

Four hundred kilograms of zinnwaldite concentrate will be produced by flotation prior to being processed through Strategic Metallurgy's mini plant setup in Perth. This work is being conducted with Cobre Montana (ASX:CXB), which holds a licence to use the lithium extraction technology and with which the Company is close to finalising a Joint Venture over the processing of tin-tungsten tails from Cinovec. The mini plant run is targeted to be completed in the September quarter.

This work will be conducted in parallel with a drill program at Cinovec that is currently being permitted and will commence in the second half of the year. The drill program will target the area outlined to be mined in the Scoping Study. The program is aimed at converting the lithium and tin Inferred Resource to the Indicated category, this will then form the basis for the proposed feasibility study.

With the outlined work program, the recently oversubscribed \$1,500,000 raising and the inclusion of Rare Earth Minerals (LON:REM) on the register of the Company, EMH believes it is well positioned to potentially fill a looming supply gap in the exciting and expanding lithium market.

ABOUT THE PROJECT

Cinovec is a globally significant lithium and tin deposit with the potential to be a very low cost producer of lithium carbonate.

Key Points

- Positive Scoping Study completed
- Inferred Resource 5.5Mt LCE; Exploration Target 3.4-5.3Mt LCE
514.8Mt @ 0.43% Li₂O; 350-450Mt @ 0.39-0.47% Li₂O
- Indicated and Inferred Resources 167kt tin
Indicated 7.0Mt @ 0.23% Sn, 0.03% W, 0.45% Li₂O
Inferred 72.7Mt @ 0.23% Sn, 0.03% W, 0.45% Li₂O
- 100% Inferred to Indicated Resource conversion rate

For full details please refer EMH releases to ASX of 1 May 2015 and 6 May 2015 which can be found on our website: www.europeanmet.com.

CAUTIONARY STATEMENT

The potential quantity and grade of the Exploration Target is conceptual in nature, there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

PROJECT OVERVIEW

Cinovec Lithium/Tin Project

European Metals owns 100% of the Exploration Rights to the Cinovec lithium/tin deposit in the Czech Republic. Cinovec is an historic mine incorporating a significant undeveloped lithium/tin resource with by-product potential including tungsten, rubidium, scandium, niobium and tantalum. Cinovec hosts a globally significant hard rock lithium deposit with a total Inferred Mineral Resource of 514.8Mt @ 0.43% Li₂O. Within this resource lies one of the largest undeveloped tin deposits in the world, with a total Inferred and Indicated Mineral Resources of 79.7Mt grading 0.23% Sn for 167kt of contained tin. The Mineral Resource estimates are based primarily on over 83,000m of drilling and 21.5km of underground exploration drifting. The deposit has previously had over 400,000 tonnes trial mined as a sub-level open stope underground mining operation. A recently completed Scoping Study, conducted by specialist independent consultants, suggests the deposit could be amenable to bulk underground mining. Metallurgical testwork has produced both battery grade lithium carbonate and high grade tin concentrate at high recoveries with the Scoping Study revealing a potential production cost of less than \$2,000 per tonne of lithium carbonate. This cost would decrease with tin and tungsten credits included. 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 historic 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 (certified by the American Institute of Professional Geologists), a member of the American Institute of Professional 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. Dr Reichl holds CDIs in European Metals.

The information in this release that relates to Mineral Resources and Exploration Targets 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 JORC Code 2012 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. Often, but not always, forward looking statements can generally be identified by the use of forward looking words such as “may”, “will”, “expect”, “intend”, “plan”, “estimate”, “anticipate”, “continue”, and “guidance”, or other similar words and may include, without limitation, statements regarding plans, strategies and objectives of management, anticipated production or construction commencement dates and expected costs or production outputs.

Forward looking statements inherently involve known and unknown risks, uncertainties and other factors that may cause the company’s actual results, performance and achievements to differ materially from any future results, performance or achievements. Relevant factors may include, but are not limited to, changes in commodity prices, foreign exchange fluctuations and general economic conditions, increased costs and demand for production inputs, the speculative nature of exploration and project development, including the risks of obtaining necessary licences and permits and diminishing quantities or grades of reserves, political and social risks, changes to the regulatory framework within which the company operates or may in the future operate, environmental conditions including extreme weather conditions, recruitment and retention of personnel, industrial relations issues and litigation.

Forward looking statements are based on the company and its management’s good faith assumptions relating to the financial, market, regulatory and other relevant environments that will exist and affect the company’s business and operations in the future. The company does not give any assurance that the assumptions on which forward looking statements are based will prove to be correct, or that the company’s business or operations will not be affected in any material manner by these or other factors not foreseen or foreseeable by the company or management or beyond the company’s control.

Although the company attempts and has attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in forward looking statements, there may be other factors that could cause actual results, performance, achievements or events not to be as anticipated, estimated or intended, and many events are beyond the reasonable control of the company. Accordingly, readers are cautioned not to place undue reliance on forward looking statements. Forward looking statements in these materials speak only at the date of issue. Subject to any continuing obligations under applicable law or any relevant stock exchange listing rules, in providing this information the company does not undertake any obligation to publicly update or revise any of the forward looking statements or to advise of any change in events, conditions or circumstances on which any such statement is based.

For further information please contact:

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Julia Beckett
COMPANY SECRETARY

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