

European Metals  
Holdings Limited

ARBN 154 618 989

Suite 12, Level 1  
11 Ventnor Avenue  
West Perth WA 6005  
PO Box 52  
West Perth WA 6872  
Phone + 61 8 6141 3500  
Fax + 61 6141 3599  
Website:  
[www.europeanmet.com](http://www.europeanmet.com)

Directors

David Reeves  
Non-Executive Chairman

Keith Coughlan  
Managing Director

Mr Richard Pavlik  
Executive Director

Kiran Morzaria  
Non-Executive Director

Company Secretary

Ms Julia Beckett

Corporate Information

ASX: EMH

AIM: EMH

Frankfurt: E861.F

CDIs on Issue: 138.3M



EUROPEAN METALS

19 December 2017

**FURTHER PROGRESS TOWARDS MINING LICENCE;  
ROAST OPTIMISATION**

In February 2017 European Metals Holdings Limited (“**European Metals**” or “**the Company**”) announced that the Cinovec South Resource had been added to the Czech State resource register, the first step in the process for the granting of a mining permit.

The Company is now pleased to announce that the Cinovec NorthWest Resource has also been added to the Czech State resource register.

Additionally, recent optimisation test work has demonstrated the ability to reduce roast temperatures and duration which can result in significant cost savings both in CAPEX and OPEX.

**Key Points:**

- **NorthWest Resource added to Czech State resource register – majority of Cinovec Resource now officially recognised by Czech mining authorities**
- **Optimisation test work indicates potential significant savings in both OPEX and CAPEX**

**European Metals CEO Keith Coughlan said:** “Subsequent to a submission we made to the State Authority, the Cinovec NorthWest resource estimate was approved by a Ministerial Experts Committee for Final reports and projects and placed on the State Register of mineral deposits. We are very pleased with this development and see it as confirmation that the Company is moving forward within the regulatory framework of the Czech Republic and in full consultation with the relevant Czech Ministries. This approval is a pre-requisite for receiving a mining permit in this area.

The placing of the NorthWest resource on the State Register, in addition to those portions of the deposit previously added, finalises the first stage of the permitting process. The Company will now apply for a preliminary mining permit over this area to join the previously awarded preliminary mining permits over the southern and eastern portion of the deposit.

The Company continues to progress the development of its industry proven, sulphate roast-based flow-sheet of mica-concentrate from the Cinovec Project. It is very pleasing to see the recent optimisation testwork produce strong indications of potential cost savings in both OPEX and CAPEX. Our Preliminary Feasibility Study has highlighted the potential for Cinovec to be a low cost producer of battery grade lithium carbonate. Any further savings will only enhance the already strong economics. In addition, our current lock cycle testwork program has again shown we are able to produce battery grade product with >99.5% pure lithium carbonate.”

## Further Information

The process for the award of a mining permit commences with the placing of a mineral resource on the State Resource Registry and receiving a certificate of an 'exclusive mineral deposit'. This is achieved by defending a resource calculation and a preliminary technical and economic analysis proving the studied resource has a quality consistent with a potentially mined deposit. The addition to the State Resource Register means that civic development on top of the area is restricted and it allows the Company to apply for setting a preliminary mining space, which is a step toward obtaining the final mining permit.

## BACKGROUND INFORMATION ON CINOVEC

### PROJECT OVERVIEW

#### Cinovec Lithium/Tin Project

European Metals, through its wholly owned Subsidiary, Geomet s.r.o., controls the mineral exploration licenses awarded by the Czech State over the Cinovec Lithium/Tin Project. Cinovec hosts a globally significant hard rock lithium deposit with a total Indicated Mineral Resource of 372Mt @ 0.44% Li<sub>2</sub>O and 0.04% Sn and an Inferred Mineral Resource of 324Mt @ 0.39% Li<sub>2</sub>O and 0.04% Sn containing a combined 7.22 million tonnes Lithium Carbonate Equivalent and 278kt of tin. An initial Probable Ore Reserve of 34.5Mt @ 0.65% Li<sub>2</sub>O and 0.09% Sn has been declared to cover the first 20 years mining at an output of 20,800tpa of lithium carbonate.

This makes Cinovec the largest lithium deposit in Europe, the fourth largest non-brine deposit in the world and a globally significant tin resource.

The deposit has previously had over 400,000 tonnes of ore mined as a trial sub-level open stope underground mining operation.

EMH has completed a Preliminary Feasibility Study, conducted by specialist independent consultants, which indicated a return post tax NPV of USD540m and an IRR of 21%. It confirmed the deposit is be amenable to bulk underground mining. Metallurgical test work has produced both battery grade lithium carbonate and high-grade tin concentrate at excellent recoveries. Cinovec is centrally located for European end-users and is well serviced by infrastructure, with a sealed road adjacent to the deposit, rail lines located 5 km north and 8 km south of the deposit and an active 22 kV transmission line running to the historic mine. As the deposit lies in an active mining region, it has strong community support.

The economic viability of Cinovec has been enhanced by the recent strong increase in demand for lithium globally, and within Europe specifically.

### CONTACT

For further information on this update or the Company generally, please visit our website at [www.europeanmet.com](http://www.europeanmet.com) or contact:

**Mr. Keith Coughlan**  
**Managing Director**

For personal use only

## COMPETENT PERSON

Information in this release that relates to exploration results is based on information compiled by 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, Mineral Resources and Ore Reserves and a Qualified Person for the purposes of the AIM Guidance Note on Mining and Oil & Gas Companies dated June 2009. 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.

### LITHIUM CLASSIFICATION AND CONVERSION FACTORS

Lithium grades are normally presented in percentages or parts per million (ppm). Grades of deposits are also expressed as lithium compounds in percentages, for example as a percent lithium oxide (Li<sub>2</sub>O) content or percent lithium carbonate (Li<sub>2</sub>CO<sub>3</sub>) content.

Lithium carbonate equivalent (“LCE”) is the industry standard terminology for, and is equivalent to, Li<sub>2</sub>CO<sub>3</sub>. Use of LCE is to provide data comparable with industry reports and is the total equivalent amount of lithium carbonate, assuming the lithium content in the deposit is converted to lithium carbonate, using the conversion rates in the table included below to get an equivalent Li<sub>2</sub>CO<sub>3</sub> value in percent. Use of LCE assumes 100% recovery and no process losses in the extraction of Li<sub>2</sub>CO<sub>3</sub> from the deposit.

Lithium resources and reserves are usually presented in tonnes of LCE or Li.

The standard conversion factors are set out in the table below:

**Table: Conversion Factors for Lithium Compounds and Minerals**

| Convert from      |                                 | Convert to Li | Convert to Li <sub>2</sub> O | Convert to Li <sub>2</sub> CO <sub>3</sub> |
|-------------------|---------------------------------|---------------|------------------------------|--|
| Lithium           | Li                              | <b>1.000</b>  | 2.153                        | 5.324                                      |
| Lithium Oxide     | Li <sub>2</sub> O               | 0.464         | <b>1.000</b>                 | 2.473                                      |
| Lithium Carbonate | Li <sub>2</sub> CO <sub>3</sub> | 0.188         | 0.404                        | <b>1.000</b>                               |

### WEBSITE:

A copy of this announcement is available from the Company’s website at [www.europeanmet.com](http://www.europeanmet.com).

### ENQUIRIES:

**European Metals Holdings Limited**

Keith Coughlan, Chief Executive Officer

Tel: +61 (0) 419 996 333

Email: keith@europeanmet.com

Kiran Morzaria, Non-Executive Director

Tel: +44 (0) 20 7440 0647

Julia Beckett, Company Secretary

Tel: +61 (0) 8 6141 3500

Email: julia@europeanmet.com

**Beaumont Cornish (Nomad & Broker)**

Michael Cornish

Tel: +44 (0) 20 7628 3396

Roland Cornish

Email: corpfin@b-cornish.co.uk

**Joint Broker**

Tel: +44 (0) 20 7186 9950

Damon Health

Erik Woolgar

**Shard Capital**

The information contained within this announcement is considered to be inside information, for the purposes of Article 7 of EU Regulation 596/2014, prior to its release.

For personal use only