



QUARTERLY ACTIVITIES REPORT

March 2014

HIGHLIGHTS

- European Metals completed the acquisition of a tin focused advanced exploration and development company in the Czech Republic – one of the largest undeveloped hard rock tin projects worldwide.
- Cinovec Tin Project has a JORC 2012 compliant Inferred Resource of 28.1 Mt @ 0.37%Sn and 0.04%W and 36.8 Mt @ 0.38%Li
- Name changed to European Metals Holdings Limited
- ASX code changed to EMH
- Appointment of Pavel Reichl and David Reeves to the board
- Drilling due to commence next quarter on Cinovec
- Consultants to be appointed to coordinate scoping study in the next quarter

RECENT ACQUISITION

European Metals has completed the acquisition of the issued capital in European Metals (UK) Limited, holder of the Cinovec Tin Project and the Zlaty Kopec polymetallic tin-zinc-indium project in Czech Republic. The projects are 100% owned by the local subsidiary of European Metals (UK).

Project Location





EUROPEAN METALS

Czech Republic is ideally located at the centre of the European Union. It shares one of its borders with Germany which alone represents one third of its exports. The tax and mining environment is investor friendly. The mining code is well established and the excellent infrastructure, electricity and communication networks create a sound environment for mining activities. Politically stable and with a high income economy, the Czech Republic is also a Member of the European Union.

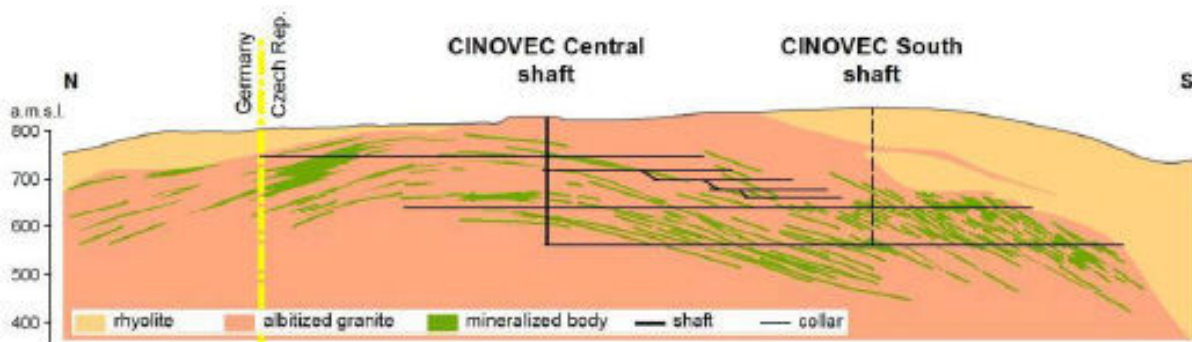
Cinovec Tin Project

Cinovec license covers 603.5 Ha in the north of Czech Republic, at the border with Germany.

Cinovec has a JORC 2012 code compliant Inferred resource of 28.1Mt @ 0.37%Sn and 0.04%W and 36.8Mt @ 0.38%Li. This constitutes one of the largest undeveloped hardrock tin deposits in the world.

It has been mined and processed intermittently in the past with a history dating to the 17th century. More than 21,500 meters of development tunnels have been drilled in the 1970s and 1980s and over the last few years, 846 diamond drill holes have been completed which represent in excess of 83,000m of drilling.

In terms of metallurgy, good recoveries have been achieved through relatively coarse grinding and simple gravity concentration.



Future work

The coming quarter will see works commence on the Scoping Study for Cinovec. This will include drilling three metallurgical holes to enable confirmatory metallurgical testwork to be undertaken. In addition, consultants will be appointed to manage the mining and processing portions of the study. The company intends to complete the scoping study late in 2014.



OYABI PROJECT (REPUBLIC of CONGO)

An exclusive prospecting licence, (**Oyabi Licence**) was granted to Equamineral's 100% owned Republic of Congo (ROC) subsidiary, Equamineral SA (20 July 2011) for a period of three years. The Licence may be renewed for a further two periods of two years. On each renewal up to 50% of the Licence area must be relinquished. The ROC is a politically stable country and provides an investment friendly environment



Geological summary

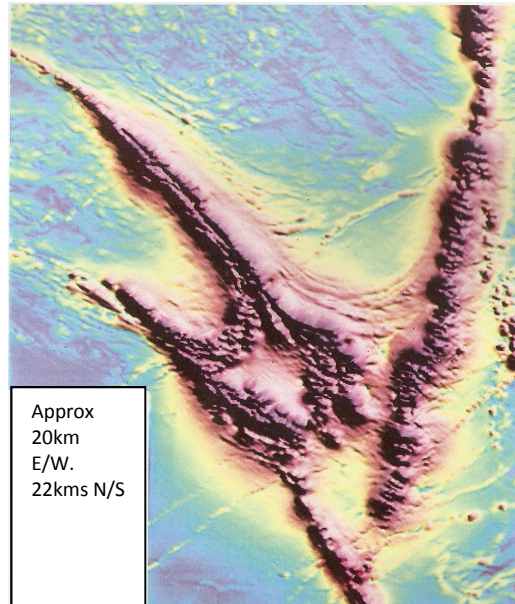
The area is covered by the Ivindo Basement which constitutes an Archean granitic complex formed between >3,000 and 2,700 Ma covering large part of the Cuvette-Ouest and the Sangha provinces of Congo, the North-East of Gabon and the South of Cameroon. Metamorphic enclaves constituted of BIF complex made of greenstone belt and ferruginous belt are found within the granitic complex. These rocks are supracrustal and constitute evidences of Archean sedimentation and volcanism. Per analogy with the Belinga Group observed in Gabon, their age can be estimated approximately at 2,900 – 2,700Ma.

Historical exploration

The exploration program began in 2012. An airborne magnetic/radiometric geophysical survey, has been flown over a part of the Oyabi permit. Also, an airborne LIDAR (Laser Imaging, Detection and Ranging) and high resolution ortho-rectified aerial photography have been flown over the same



area. Landsat satellite imagery has been acquired. All data have been incorporated in to a GIS compilation based around the digital terrain model (DTM) acquired in the LIDAR survey.



Analytic Signal of the Aeromagnetic Data

Two sampling programs (previously reported) have been conducted over the Oyabi area. The first program involved reconnaissance sampling and the second program involved trench sampling.

Trench locations were defined using the structural interpretation of Perth based Southern Geoscience Consultants.

The sampling program over five main areas confirmed the results of the aeromagnetic data. A total of 85 samples were collected and have returned grades up to 46.58% Fe (OMB-G004, lab report LR12101976). The presence of hematite mineralisation was also demonstrated with collection of samples with grades greater than 60% Fe (sample OYB-BL39, 67.85%; sample T13AFX-81.56, 61.17% Fe, lab report LR13030804).

The trench sampling gave mixed results as bedrock was not reached in the majority of the trenches. Grab samples taken from two trenches revealed grades up to 47.86% Fe (*Gasse and Sicot, 2012*).

Modifications of exploration techniques are being assessed to better optimize results.

The detailed interpretation of the airborne data is being updated as additional exploration data are acquired. The presence of high grade iron ore has been demonstrated. Further work is required to assess the extension of the supergene haematite enrichment.



COMPETENT PERSON

Information in this release that relates to exploration results is based on information compiled by Mr Mark Styles, who is a technical consultant to European Metals. Mr Styles is a qualified geologist, a member of the Australian Institute of Geoscientists and is a Competent Person as defined in the Australasian Code for Reporting of Exploration Results. Mr Styles 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.

Appendix 5B

Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

EUROPEAN METALS LIMITED (EMH) formerly *European Metals Holdings Limited (EQH)*

ABRN

154 618 989

Quarter ended ("current quarter")

31 March 2014

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (9 Months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for:		
(a) exploration & evaluation	(59)	(59)
(b) development	-	-
(c) production	-	-
(d) administration	(86)	(239)
(e) project development costs	-	-
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	-	-
1.5 Interest and other costs of finance paid	2	8
1.6 Income taxes paid	-	-
1.7 Other	-	-
Net Operating Cash Flows	(143)	(290)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	473	473
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other: Costs associated with the acquisition of a subsidiary	(149)	(149)
Net Investing Cash Flows	324	324
1.13 Total operating and investing cash flows (carried forward)	181	34

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	181	34
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc. net of costs	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	(13)
	Net financing cash flows	-	(13)
	Net increase (decrease) in cash held	181	21
1.20	Cash at beginning of quarter/year to date	416	576
1.21	Exchange rate adjustments to item 1.20	(12)	(12)
1.22	Cash at end of quarter	585	585

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	73
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Directors Salary, Fees, Superannuation, and Back-Pay of Salary; Corporate Management Fees paid to associated Company

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

As consideration for the acquisition of 100% of the issued capital in European Metals (UK) Ltd, the Company issued of 12,500,000 Chess Depository Instruments (CDIs) and 10,000,000 performance shares convertible into CDIs subject to reaching significant project milestone.

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	115
4.2 Development	-
4.3 Production	-
4.4 Administration	60
Total	175

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	243	416
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other: Company funds held in trust account (GBP equiv.)	342	-
Total: cash at end of quarter (item 1.22)	585	416

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	Nil			
6.2 Interests in mining tenements acquired or increased	Nil			

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference *securities <i>(description)</i>	-	-		
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	-	-		
7.3 *Ordinary securities	38,400,006	15,480,002		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	13,000,000	500,000	\$0.125	\$0.125
7.5 *Convertible debt securities <i>(description)</i>	-	-		
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	-	-		
7.7 Options <i>(description and conversion factor)</i>	1,200,000	-	<u>Exercise price</u> \$ \$0.30	<u>Expiry date</u> 01.12.2014
7.8 Issued during quarter	Nil			
7.9 Exercised during quarter	-	-		
7.10 Expired during quarter	-	-		
7.11 Debentures <i>(totals only)</i>	-	-		
7.12 Unsecured notes <i>(totals only)</i>	-	-		
7.13 Performance securities	10,000,000	-		
7.14 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	10,000,000 <i>(with a deemed issue price of \$0.30 per share)</i>	-		

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.



Signed:

Dated: 30 April 2014

Company Secretary

Print name: Julia Beckett





Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 Issued and quoted securities. The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report.
- 5 Accounting Standards ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

== == == == ==

Interests in Mining Tenements

Disclosure in accordance with ASX Listing Rule 5.3.3

Project/Tenements	Location	Held at end of quarter	Acquired during the quarter	Disposed during the quarter
 Oyabi Project Oyabi EL	Republic of Congo	100%	0%	0%
 Cinovec Tin-Tungsten-Lithium Project	Czech Republic	100%	100%	0%
 Zlaty Kopec polymetallic Tin-Zin-Indium Project	Czech Republic	100%	100%	0%
 Prebuz Exploration Permit	Czech Republic	100%	100%	0%

Farm-in Agreements / Tenements	Location	Held at end of quarter	Acquired during the quarter	Disposed during the quarter
Nil				

Farm-out Agreements / Tenements	Location	Held at end of quarter	Acquired during the quarter	Disposed during the quarter
Nil				