



13 MAY 2014

ASX ANNOUNCEMENT

APPOINTMENT OF DRILLING CONTRACTOR TO CINOVEC PROJECT

HIGHLIGHTS

- European Metals Holdings Limited is pleased to announce the appointment of Geo-Drilling to conduct a drill program on its Cinovec Project in Czech Republic.
- The program will comprise three core holes to a maximum depth of 380m, targeting the main Cinovec South ore zone to allow recovery of core for metallurgical testing.
- The program is expected to begin in late May.
- Recovered core will then be used to confirm the previously recorded excellent metals recoveries and high concentrate grades that have been documented by the previous operations.
- The Cinovec Project hosts an Inferred Resource of 28.1 Mt grading 0.37% Sn and 0.04% W for total contained tin of 103,970 tonnes based on 83,000m of drilling and 21.5 km of underground drives. The resource is JORC 2012 compliant. Additionally there is an Inferred Resource for lithium of 36.8 Mt grading 0.8% Li₂O.
- Parts of the Cinovec deposit were mined historically; however, it remains one of the largest undeveloped hard rock tin projects in the world. The project is located close to major markets and with excellent infrastructure in place.

European Metals Managing Director Mr Keith Coughlan said, *"We are very pleased to commence work on the Cinovec Project. The project is significantly de-risked due to the extraordinary amount of previous exploration, bulk sampling and processing undertaken. This allows for the potential for rapid development of the project utilising the existing shafts and underground workings. The ability to rapidly advance the project ties in well with the forecast deficit in tin over the next few years. We believe that the project could be a low cost producer based on the comparatively low labour costs and bulk mining methods the project is envisaged to employ. This drilling program will provide samples for metallurgical testing which will form the background of a scoping study to be completed in 2014."*

PROJECT OVERVIEW

Cinovec Tin Project

Cinovec is a historic tin mine that incorporates a significant undeveloped tin resource with potential by-product tungsten, lithium, rubidium, scandium, niobium and tantalum. The inferred resource for Cinovec totals 28.1Mt grading 0.37% Sn for 103,970 tonnes of contained tin, which makes it one of the largest undeveloped tin deposits in the world. Cinovec also hosts a partly-overlapping hard rock lithium deposit with a total inferred resource estimate of 36.8Mt @ 0.8% Li₂O. The resource estimates were based on exploration completed by the Czechoslovakian Government in the 1970s and 1980s, including 83,000m of drilling and 21.5km of underground exploration drifting. The deposit appears amenable to bulk mining techniques and has had over 400,000 tonnes trial mined as a sub-level open stope. Historical metallurgical test work, including the processing of the trial mine ore through the previous on-site processing plant, indicates the ore can be treated using simple gravity methods with good recovery rates for tin and tungsten in oxide minerals of approximately 75%. Cinovec is extremely 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 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 Mr Pavel Reichl. Mr Reichl is a Certified Professional Geologist, a member of the American Institute of Petroleum Geologists, a Fellow Member 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. Mr Reichl 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.

For further information please contact:

Keith Coughlan
k.coughlan@equamineral.com
+61 41 999 6333

Julia Beckett

JOINT COMPANY SECRETARY