



9 JULY 2014

ASX ANNOUNCEMENT

APPOINTMENT OF SCOPING STUDY CONSULTANTS AND PROJECT UPDATE

HIGHLIGHTS

European Metals Holdings Limited (“European Metals”) (ASX:EMH) is pleased to announce the appointment of key consultants to complete Scoping Studies on the Cinovec Tin Project in the Czech Republic and provide an update on the drilling program at Cinovec.

Key Points:

- **Scoping Study commenced on the Cinovec Tin Project in the Czech Republic**
- **Bara Consulting (“Bara”) appointed for mine design, scheduling and costing**
- **GR Engineering Services (“GRES”) appointed for metallurgical testwork, process design and costings**
- **European Metals to undertake infrastructure and marketing components of the Scoping Study**
- **Scoping Study due for completion Q1 2015**
- **Drilling progress:**
 - **First metallurgical hole completed at 280.6m metres depth**
 - **Hole intersected altered granite and greisen from 159.85m to 273m, as predicted from the resource model**
 - **Second metallurgical hole underway**
 - **Select core intervals being cut and submitted for chemical analyses**

MINING CONSULTANCY

Bara Consulting has been appointed to undertake mine design scheduling and costing for the proposed underground mine at Cinovec. Their charter includes studies that will ascertain how to best utilise the extensive existing exploration and trial mine underground accesses.

Bara will also examine the geotechnical aspects of the proposed bulk mining method and undertake trade off studies on back filling of stopes.

Bara will scrutinize comparative Czech labour costs with regards to mining methods. Labour costs traditionally comprise up to 75% of underground operations total cost.

Bara are a specialized mining engineering consultancy with worldwide experience (including Eastern Europe) in bulk underground mining. They provide design and operational support, mining studies, and Due Diligence.

ENGINEERING WORK

GRES has been appointed to supervise the metallurgical test work, undertake initial process design and provide estimations of capital and operational expenditure for the processing plant and tailings dam. The testwork will focus on replicating the historical performance of the Cinovec ore that exhibited excellent recoveries at high concentrate grades.

GRES is a well credentialed global engineering group with considerable experience in the recovery of tin and related minerals. Their expertise will be of considerable benefit over the course of the Scoping Study. GRES has recently completed the PFS and DFS studies for Wolf Minerals' Hemerdon Ball tungsten and tin project in the UK and are now engaged as the EPC contractor for the project.

PROJECT UPDATE

Drilling of the first metallurgical hole of the 3-hole program is now complete, with altered granite and greisen intersected from 159.85m to 273m depth, as predicted from the resource model. This alteration zone in granite is composed of 17 zones of dark grey greisen (completely replaced granite), separated by altered (greisenized) granite. Past analyses indicate that higher tin content at Cinovec is primarily associated with dark grey greisen. The greisen zones vary in apparent widths from 0.2m to 4.4m with a cumulative total apparent width is 21.4m. The altered granite contains several quartz veins, locally with large crystals of cassiterite visible. The hole has been logged and is in the process of being cut for submission for assay.

Drilling has now moved to the second hole. Drilling is scheduled to conclude before the end of August, with all assays anticipated by the end of September. Metallurgical testing is scheduled to be completed in November 2014. The results of the metallurgical testwork will form the basis for the Scoping Study that is scheduled to be completed in Q1 2015.



Current drilling at Cinovec Tin Project

PROJECT OVERVIEW

Cinovec Tin Project

Cinovec is an historic tin mine incorporating a significant undeveloped tin resource with by-product potential including tungsten, lithium, rubidium, scandium, niobium and tantalum. The JORC compliant Inferred Resource for the Cinovec deposit 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 JORC compliant Inferred Resource 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 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 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.

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