

For immediate release

17 October 2016

EUROPEAN METALS HOLDINGS LIMITED

Equity Issue

European Metals Holdings Limited ("European Metals" or "the Company") (**ASX** and **AIM: EMH**), advises that it has issued 2,000,000 new ordinary shares (represented by Chess Depositary interests or "CDI's") in the Company in respect of an exercise of options at AU\$0.20 per CDI. As previously announced on 3 October 2016, Rare Earth Minerals plc ("REM") had notified the Company of its intention to exercise 2,000,000 unlisted options which were otherwise due to expire on 19 October 2016. Following the option conversion, REM is now interested in 17.64% of EMH.

Application is being made for the new ordinary shares to be admitted to trading on AIM with admission to take place on or around 21 October 2016. The new ordinary Shares will rank *pari passu* in all respects with the existing ordinary shares in EMH.

Total Voting Rights

Following the issue of the new Ordinary Shares, the total number of Ordinary Shares in issue with voting rights is 123,917,126. This figure may be used by shareholders in the Company as the denominator for the calculation by which they will determine if they are required to notify their interest in, or a change of interest in, the share capital of the Company under the Financial Conduct Authority's Disclosure and Transparency Rules."

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