

# Appendix 5B

## Mining exploration entity and oil and gas exploration entity quarterly report

ntroduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

EUROPEAN METALS HOLDINGS LIMITED (ASX: EMH)

ABN

55 154 618 989

Quarter ended (Current quarter)

30 September 2017

### Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (3 Months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for:	-	-
(a) exploration and evaluation	(501)	(501)
(b) development	-	-
(c) production	-	-
(d) staff costs and board remuneration	(111)	(111)
(e) administration and corporate costs	(199)	(199)
(f) UK Listing	-	-
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	1
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	175	175
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(635)</b>	<b>(635)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:	-	-
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-
2.2 Proceeds from disposal of:	-	-
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
<b>2.6 Net cash from / (used in) investing activities</b>	<b>-</b>	<b>-</b>

<sup>(1)</sup> Excludes amounts incurred and accrued in respect to exploration activities as at 30 September 2017, paid in October 2017, refer also 9.1.

+ See chapter 19 for defined terms

<sup>(2)</sup> 1 September 2016

## Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (3 Months) \$A'000
<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of shares	750	750
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	-	-
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
<b>3.10 Net cash from / (used in) financing activities</b>	<b>750</b>	<b>750</b>
<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of quarter/year to date	446	446
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(635)	(635)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4 Net cash from / (used in) financing activities (item 3.10 above)	750	750
4.5 Effect of movement in exchange rates on cash held	-	-
<b>4.6 Cash and cash equivalents at end of quarter</b>	<b>561</b>	<b>561</b>
<b>5. Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1 Bank balances	561	446
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
<b>5.5 Cash and cash equivalents at end of quarter</b> (should equal item 4.6 above)	<b>561</b>	<b>446</b>
<b>6. Payments to directors of the entity and their associates</b>	<b>Current quarter \$A'000</b>	
6.1 Aggregate amount of payments to these parties included in item 1.2	106	
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-	
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2		
Amounts paid to directors and their associates as director remuneration.		
<b>7. Payments to related entities of the entity and their associates</b>	<b>Current quarter \$A'000</b>	
7.1 Aggregate amount of payments to these parties included in item 1.2	23	
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-	
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2		
Amounts paid to Wilgus Investments Pty Ltd a related entity of David Reeves for Rent and Consulting Fees.		
<b>8. Financing facilities available</b> Add notes as necessary for an understanding of the position	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
8.1 Loan facilities	1,000	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-

- 8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

The interim funding facility at 8.1 is between European Metals Holdings Limited and 6466 Investments Pty Ltd. The facility limit is for an amount of \$2 million for a period of 12 months from the date of execution.

The fees associated with the Facility are as follows:

- (a) Establishment Fee: 2% of the facility limit payable at the subscription date from the proceeds of the first advance; and
- (b) Standby Fee: 3% of each advance payable at the subscription date from the proceeds of that advance

The company has received four advances of \$250,000 as at 30 September 2017. During the quarter the company issued shares in the company to 6466 Investments Pty Ltd to the value of the \$750,000 (three advances) plus any fees. The remaining facility balance as at 30 September 2017 is \$1.00 million.

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation <sup>(3)</sup>	1,217
9.2 Development	-
9.3 Production	-
9.4 Staff costs and director remuneration	136
9.5 Administration and corporate costs	140
9.6 Other (provide details if material)	-
<b>9.7 Total estimated cash outflows</b>	<b>1,493</b>

<sup>(3)</sup> This includes amounts incurred and accrued in respect to exploration activities as at 30 September 2017, paid in October 2017.

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter %	Interest at end of quarter %
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	Nil			
10.2 Interests in mining tenements and petroleum tenements acquired or increased	Nil			

## Compliance statement

- This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- This statement gives a true and fair view of the matters disclosed.

*Julia Beckett*

Signed:

Dated: Tuesday, 31 October 2017

Company Secretary

Print name: Julia Beckett

## Notes

- 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 that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.

2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.