

EUROPEAN METALS HOLDINGS LIMITED

EQUITY ISSUE

European Metals Holdings Limited ("**European Metals**" or the "**Company**") (**ASX** and **AIM: EMH**), announces that it has today issued to employees 1,500,000 new ordinary shares (represented by Chess Depositary interests or "**CDIs**") in the Company at a price of AU\$0.4848 per CDI under the Employee Securities Incentive Plan ("**Plan**"), representing in aggregate approximately 1.1 per cent. of the issued share capital. As previously announced, the Plan was approved by Shareholders at the Annual General Meeting held on 30 November 2017.

The Company has under the Plan awarded in aggregate 1,000,000 CDIs to Mr Neil Meadows, the Chief Operating Officer, on the conditions ("**Tranche Conditions**") set out below:

Tranche	No of CDIs	Vesting Conditions
1	250,000	Escrowed until February 2019
2	250,000	Company announcing completion of the Definitive Feasibility Study
3	250,000	Company announcing that construction has commenced at the Cinovec Project
4	250,000	Company announcing practical completion of the Cinovec Project

The Company has under the Plan also awarded in aggregate 400,000 CDIs to Mr James Carter, the Chief Finance Officer, on the Tranche Conditions set out below:

Tranche	No of CDIs	Vesting Conditions
1	200,000	Escrowed 26 February 2019
2	200,000	Completion of project finance for the Cinovec Project

The Company has also under the Plan awarded in aggregate a total of 100,000 CDIs, escrowed until 26 February 2019, to other employees of the Company, under the following objectives of the Plan:

- (a) Attract and retain quality employees and directors for the benefit of the Company;
- (b) Align the interests of employees, directors and the Company;
- (c) Provide an incentive and reward for employees and directors for their contribution to the Company; and
- (d) Establish a method by which employees and directors can participate in the future growth and profitability of the Company by providing employees and directors with the opportunity to share in the success of the Company by acquiring an ownership interest therein.

Under the Plan, the Plan CDIs have been issued at an issue price of AU\$0.4848 per new CDI (equivalent to 26p per new CDI), being the volume weighted average price of Shares traded on the ASX over the 5 trading days immediately preceding the agreement to issue the CDIs on 26 February 2018.

The subscription amount due to the Company in respect of the new Plan CDIs will be accounted for by a limited-recourse interest-free loan provided by the Company to the Plan. There is therefore no cash impact on the Company. As and when the Plan CDIs are sold, then the proceeds from any such sale must be applied first to settle the loan (and thereby the equivalent subscription amount). The balance, if any, is retained by each individual. The proceeds from a sale the Plan CDIs, even if less than their respective loans, will settle their loans in full under the Plan.

Under the terms of the Plan, the Plan CDIs will be subject to an ASX holding lock until the loan is repaid in full and cannot be otherwise be transferred until various voluntary escrow periods have expired and the Tranche Conditions are completed as listed above.

Application is being made for the new ordinary shares represented by the Subscription Shares and the Plan CDIs, in aggregate amounting to 1,500,000 ordinary shares, to be admitted to trading on AIM, with admission expected to take place on or around 12 June 2018. 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 141,464,727. 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 Guidance and Transparency Rules.

ENQUIRIES:

European Metals Holdings Limited

Keith Coughlan, Chief Executive Officer

Tel: +61 (0) 419 996 333

Email: keith@europeanmet.com

Kiran Morzaria, Non-Executive Director

Tel: +44 (0) 20 7440 0647

Julia Beckett, Company Secretary

Tel: +61 (0) 8 6245 2050

Email: julia@europeanmet.com

Beaumont Cornish (Nomad & Broker)

Michael Cornish

Roland Cornish

Tel: +44 (0) 20 7628 3396

Email: corpfin@b-cornish.co.uk

Shard Capital Stockbrokers (Joint Broker)

Damon Health

Erik Woolgar

Tel: +44 (0) 20 7186 9950

The information contained within this announcement is considered to be inside information, for the purposes of Article 7 of EU Regulation 596/2014, prior to its release.

The notification below, made in accordance with the requirements of the EU Market Abuse Regulations, provides further detail in respect of the transaction as described above.

1	Details of the person discharging managerial responsibilities / person closely associated	
a)	Name	Neil Meadows
2	Reason for notification	

a)	Position / status	Chief Operating Officer				
b)	Initial notification /Amendment	Initial				
3	Details of the issuer, emission allowance market participant, auction platform, auctioneer or auction monitor					
a)	Name	European Metals Holdings Limited				
b)	LEI	213800NZKFBQAMMLXC39				
4	Details of the transaction(s): section to be repeated for (i) each type of instrument; (ii) each type of transaction; (iii) each date; and (iv) each place where transactions have been conducted					
a)	Description of the financial instrument, type of instrument Identification code	Ordinary shares (represented by Chess Depository interests) of no par value in European Metals Holdings Limited VGG3191T1021				
	Nature of the transaction	Issue of 1,000,000 ordinary shares pursuant to the Company's Employee Share Securities Plan at an issue price of AUD0.4848 per ordinary share				
	Price(s) and volumes(s)	<table border="1"> <thead> <tr> <th>Price(s)</th> <th>Volumes(s)</th> </tr> </thead> <tbody> <tr> <td>(i) AUD0.4848</td> <td>1,000,000</td> </tr> </tbody> </table>	Price(s)	Volumes(s)	(i) AUD0.4848	1,000,000
Price(s)	Volumes(s)					
(i) AUD0.4848	1,000,000					
d)	Aggregated information	n/a				
e)	Date of the transaction	6 June 2018				
f)	Place of the transaction	Off market				

1	Details of the person discharging managerial responsibilities / person closely associated	
a)	Name	James Carter
2	Reason for notification	
a)	Position / status	Chief Financial Officer
b)	Initial notification /Amendment	Initial
3	Details of the issuer, emission allowance market participant, auction platform, auctioneer or auction monitor	

a)	Name	European Metals Holdings Limited					
b)	LEI	213800NZKFBQAMMLXC39					
4	Details of the transaction(s): section to be repeated for (i) each type of instrument; (ii) each type of transaction; (iii) each date; and (iv) each place where transactions have been conducted						
a)	Description of the financial instrument, type of instrument	Ordinary shares (represented by Chess Depository interests) of no par value in European Metals Holdings Limited					
	Identification code	VGG3191T1021					
	Nature of the transaction	Issue of 400,000 ordinary shares pursuant to the Company's Employee Share Securities Plan at an issue price of AUD0.4848 per ordinary share					
	Price(s) and volumes(s)	<table border="1"> <thead> <tr> <th>Price(s)</th> <th>Volumes(s)</th> </tr> </thead> <tbody> <tr> <td>(i) AUD0.4848</td> <td>400,000</td> </tr> </tbody> </table>		Price(s)	Volumes(s)	(i) AUD0.4848	400,000
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d)	Aggregated information	n/a					
e)	Date of the transaction	6 June 2018					
f)	Place of the transaction	Off market					

1	Details of the person discharging managerial responsibilities / person closely associated		
a)	Name	Julia Beckett	
2	Reason for notification		
a)	Position / status	Company Secretary	
b)	Initial notification /Amendment	Initial	
3	Details of the issuer, emission allowance market participant, auction platform, auctioneer or auction monitor		
a)	Name	European Metals Holdings Limited	
b)	LEI	213800NZKFBQAMMLXC39	
4	Details of the transaction(s): section to be repeated for (i) each type of instrument; (ii) each type of transaction; (iii) each date; and (iv) each place where transactions have been conducted		

a)	Description of the financial instrument, type of instrument Identification code	Ordinary shares (represented by Chess Depository interests)of no par value in European Metals Holdings Limited VGG3191T1021				
	Nature of the transaction	Issue of 50,000 ordinary shares pursuant to the Company's Employee Share Securities Plan at an issue price of AUD0.4848 per ordinary share				
	Price(s) and volumes(s)	<table border="1"> <thead> <tr> <th>Price(s)</th> <th>Volumes(s)</th> </tr> </thead> <tbody> <tr> <td>(i) AUD0.4848</td> <td>50,000</td> </tr> </tbody> </table>	Price(s)	Volumes(s)	(i) AUD0.4848	50,000
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