For immediate release

30 April 2019

EUROPEAN METALS HOLDINGS LIMITED

QUARTERLY ACTIVITIES REPORT – MARCH 2019

European Metals Holdings Limited ("**European Metals**" or "**the Company**") is pleased to report on its activities and continued progress in the development of the globally significant Cinovec Lithium / Tin Project (**"the project"** or **"Cinovec"**) in Czech Republic during the three-month period ending March 2019.

DRILL PROGRAMME UPDATE

During the quarter the Company released two updates regarding the current eight core-hole resource drilling programme at the Cinovec Project. Drilling of five of the eight holes was reported as completed. Analytical results for the five drill holes from the Cinovec South deposit were also reported.

Key points:

- Resource drill holes CIS-10, CIS-11, CIS-12, CIS-13 and CIS-14 were completed including analytical reports.
    - Hole CIS-11 returned 129.3m averaging 0.51% Li_2O, incl. 2m @ 0.93% Li_2O, 2m @0.93% Li_2O; 5m @ 0.56% Sn and 0.11% W, 5m @ 0.21% Sn, and 7m @ 0.11% Sn.
    - Hole CIS-13 returned 108m averaging 0.45% Li_2O and 0.11% Sn, incl. 4m @ 0.99% Li_2O; 6m @ 0.29% Sn, 5m @ 0.34% Sn, 3m @ 0.77% Sn and 0.12% W, and 2m @ 1.03% Sn, incl. 1m @ 1.92% Sn.
    - Hole CIS-10 returned 89m averaging 0.47% Li_2O, incl. 6m @ 1.02% Li_2O and 6m @ 0.91% Li_2O; 5m @ 0.26% Sn, 5m @ 0.14% Sn, and 7m @ 0.077% W.
    - Hole CIS-12 returned 93m averaging 0.48% Li2O, incl. 2m @ 1.32% Li2O, 2.4m @ 1.17% Li2O and 3m @ 1.08% Li2O; 8m @ 0.83% Li2O and 0.18% Sn, 4m @ 0.13% Sn, and 5m @ 0.16% W.
    - Hole CIS-14 returned 67m averaging 0.43% Li_2O (incl. 3m @ 0.99% Li_2O and 0.18% Sn); 8m @ 0.67% Li_2O and 0.20% Sn (incl. 4.15m @ 1.00% Li_2O and 0.35% Sn); 8m @ 0.21% Sn, 4m @ 0.39% Sn; and 3m @ 0.20% Sn

BATTERY GRADE LITHIUM HYDROXIDE SAMPLE PRODUCED

Post the quarter, the Company provided a project update highlighting the outcomes from a recently completed engineering assessment of the flowsheet and subsequent testwork aimed at demonstrating the ability to produce lithium hydroxide from Cinovec ore. The move by the Company to develop a process for the production of lithium hydroxide from the Cinovec project has been in response to market forces that continue to move Czech and European manufacturers towards the production of advanced technology batteries.

The highlights were:

- A flowsheet was successfully developed and tested for the production of lithium hydroxide from Cinovec ore.

- A potential production rate in excess of 25,000 tpa lithium hydroxide was demonstrated to be possible utilising a robust process route proven in the lithium production sector.
- A formal update of the project PFS reflecting the production of lithium hydroxide is underway and will be completed soon.

CORPORATE

HALF YEAR ACCOUNTS

The Company released the Half Year Accounts.

PERFORMANCE SHARES

As at 31 March 2019 the issued performance shares including the terms and conditions were as follows:

Number	Description	Summary Terms & Conversion Hurdles
1,000,000 1,000,000	A Class Performance Shares B Class Performance Shares	Convert into Shares and an equivalent number of CDIs upon the Company's Mineral Resource at Cinovec South and Cinovec Main being entered in the State Balance. The A Class Performance Shares and B Class Performance Shares shall convert into the number of Shares and equivalent number of CDIs equal to 1,000,000 multiplied by 0.5 and divided by the greater of: (A) $0.50 per CDI; and (B) the volume weighted average price of CDIs (expressed as a decimal of $1.00) as calculated over the 5 ASX trading days prior to the date the Mineral Resource is entered.
1,000,000 1,000,000	A Class Performance Shares B Class Performance Shares	Convert into Shares and an equivalent number of CDIs upon the issuance of the preliminary mining licenses relating to the Cinovec Project. The A Class Performance Shares and B Class Performance Shares shall convert into the number of Shares and equivalent number of CDIs equal to 1,000,000 multiplied by 0.5 and divided by the greater of: (A) $0.50 per CDI; and (B) the volume weighted average price of CDIs (expressed as a decimal of $1.00) as calculated over the 5 ASX trading days prior to the date the final preliminary mining license is issued.
3,000,000 3,000,000	A Class Performance Shares B Class Performance Shares	Convert into Shares and an equivalent number of CDIs upon the completion of a definitive feasibility study (**DFS**). For clarity, the DFS must be: (i) of a standard suitable to be submitted to a financial institution as the basis for lending of funds for the development and operation of mining activities contemplated in the study; (ii) capable of supporting a decision to mine on the Permits; and (iii) completed to an accuracy of +/- 15% with respect to operating and capital costs and display a pre-tax net present value of not less than US$250,000,000. The A Class Performance Shares and B Class Performance Shares shall convert into the number of Shares and equivalent number of CDIs equal to 3,000,000 multiplied by 0.5 and divided by the greater of: (A) $0.50 per CDI; and (B) the volume weighted average price of CDIs (expressed as a decimal of $1.00) as calculated over the 5 ASX trading days prior to date of receipt of the completed DFS.

(Together the **Milestones** and each a **Milestone**). For the avoidance of doubt, the number of Shares and equivalent number of CDIs which will be issued on conversion of the A Class Performance Shares and B Class Performance Shares will not exceed a ratio of 1 for 1.)

If the Milestone is not achieved or the Change of Control Event does not occur by the required date, then each A Class Performance Share and B Class Performance Share held by a Holder will be automatically redeemed by the Company for the sum of $0.000001 within 10 ASX trading days of non-satisfaction of the Milestone.

TENEMENT SCHEDULE

Permit	Code	Deposit	Interest at beginning of Quarter	Acquired / Disposed	Interest at end of Quarter
Exploration Area	Cinovec	N/A	100%	N/A	100%
	Cinovec II		100%	N/A	100%
	Cinovec III		100%	N/A	100%
	Cinovec IV		100%	N/A	100%
Preliminary Mining Permit	Cinovec I	Cinovec East	100%	N/A	100%
	Cinovec II	Cinovec South	100%	N/A	100%

BACKGROUND INFORMATION ON CINOVEC

PROJECT OVERVIEW

Cinovec Lithium/Tin Project

European Metals, through its wholly owned subsidiary, Geomet s.r.o., controls the mineral exploration licenses awarded by the Czech State over the Cinovec Lithium/Tin Project. Cinovec hosts a globally significant hard rock lithium deposit with a total Indicated Mineral Resource of 372.4Mt @ 0.45% Li_2O and 0.04% Sn and an Inferred Mineral Resource of 323.5Mt @ 0.39% Li_2O and 0.04% Sn containing a combined 7.18 million tonnes Lithium Carbonate Equivalent and 263kt of tin reported 28 November 2017 (**Further Increase in Indicated Resource at Cinovec South**). An initial Probable Ore Reserve of 34.5Mt @ 0.65% Li_2O and 0.09% Sn reported 4 July 2017 (**Cinovec Maiden Ore Reserve – Further Information**) has been declared to cover the first 20 years mining at an output of 22,500tpa of lithium carbonate reported 11 July 2018 (**Cinovec Production Modelled to Increase to 22,500tpa of Lithium Carbonate**).

This makes Cinovec the largest lithium deposit in Europe, the fourth largest non-brine deposit in the world and a globally significant tin resource.

The deposit has previously had over 400,000 tonnes of ore mined as a trial sub-level open stope underground mining operation.

EMH has completed a Preliminary Feasibility Study, conducted by specialist independent consultants, which indicated a return post tax NPV of USD540m and an IRR of 21% reported 19 April 2017 (**PFS Confirms Potential Low Cost Lithium Carbonate Producer**). It confirmed the deposit is amenable to bulk underground mining. Metallurgical test work has produced both battery grade lithium carbonate and high-grade tin concentrate at excellent recoveries. Cinovec is centrally located for European end-users and is well serviced by infrastructure, with a sealed road adjacent to the deposit, rail lines located 5 km north and 8 km south of the deposit and an active 22 kV transmission line running to the historic mine. As the deposit lies in an active mining region, it has strong community support.

The economic viability of Cinovec has been enhanced by the recent strong increase in demand for lithium globally, and within Europe specifically.

There are no other material changes to the original information and all the material assumptions continue to apply to the forecasts.

CONTACT

For further information on this update or the Company generally, please visit our website at www. http://europeanmet.com or contact:

Mr. Keith Coughlan
Managing Director

COMPETENT PERSON

Information in this release that relates to exploration results is based on information compiled by Dr Pavel Reichl. Dr Reichl is a Certified Professional Geologist (certified by the American Institute of Professional Geologists), a member of the American Institute of Professional Geologists, a Fellow 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, Mineral Resources and Ore Reserves and a Qualified Person for the purposes of the AIM Guidance Note on Mining and Oil & Gas Companies dated June 2009. Dr Reichl consents to the inclusion in the release of the matters based on his information in the form and context in which it appears. Dr Reichl holds CDIs in European Metals.

The information in this release that relates to Mineral Resources and Exploration Targets 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 JORC Code 2012 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. Often, but not always, forward looking statements can generally be identified by the use of forward looking words such as “may”, “will”, “expect”, “intend”, “plan”, “estimate”, “anticipate”, “continue”, and “guidance”, or other similar words and may include, without limitation, statements regarding plans, strategies and objectives of management, anticipated production or construction commencement dates and expected costs or production outputs.

Forward looking statements inherently involve known and unknown risks, uncertainties and other factors that may cause the company’s actual results, performance and achievements to differ materially from any future results, performance or achievements. Relevant factors may include, but are not limited to, changes in commodity prices, foreign exchange fluctuations and general economic conditions, increased costs and demand for production inputs, the speculative nature of exploration and project development, including the risks of obtaining necessary licences and permits and diminishing quantities or grades of reserves, political and social risks, changes to the regulatory framework within which the company operates or may in the future operate, environmental conditions including extreme weather conditions, recruitment and retention of personnel, industrial relations issues and litigation.

Forward looking statements are based on the company and its management's good faith assumptions relating to the financial, market, regulatory and other relevant environments that will exist and affect the company's business and operations in the future. The company does not give any assurance that the assumptions on which forward looking statements are based will prove to be correct, or that the company's business or operations will not be affected in any material manner by these or other factors not foreseen or foreseeable by the company or management or beyond the company's control.

Although the company attempts and has attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in forward looking statements, there may be other factors that could cause actual results, performance, achievements or events not to be as anticipated, estimated or intended, and many events are beyond the reasonable control of the company. Accordingly, readers are cautioned not to place undue reliance on forward looking statements. Forward looking statements in these materials speak only at the date of issue. Subject to any continuing obligations under applicable law or any relevant stock exchange listing rules, in providing this information the company does not undertake any obligation to publicly update or revise any of the forward looking statements or to advise of any change in events, conditions or circumstances on which any such statement is based.

LITHIUM CLASSIFICATION AND CONVERSION FACTORS

Lithium grades are normally presented in percentages or parts per million (ppm). Grades of deposits are also expressed as lithium compounds in percentages, for example as a percent lithium oxide (Li_2O) content or percent lithium carbonate (Li_2CO_3) content.

Lithium carbonate equivalent ("**LCE**") is the industry standard terminology for, and is equivalent to, Li_2CO_3. Use of LCE is to provide data comparable with industry reports and is the total equivalent amount of lithium carbonate, assuming the lithium content in the deposit is converted to lithium carbonate, using the conversion rates in the table included below to get an equivalent Li_2CO_3 value in percent. Use of LCE assumes 100% recovery and no process losses in the extraction of Li_2CO_3 from the deposit.

Lithium resources and reserves are usually presented in tonnes of LCE or Li.

The standard conversion factors are set out in the table below:

Table: Conversion Factors for Lithium Compounds and Minerals

Convert from		**Convert to Li**	**Convert to Li_2O**	**Convert to Li_2CO_3**
Lithium	Li	**1.000**	2.153	5.324
Lithium Oxide	Li_2O	0.464	**1.000**	2.473
Lithium Carbonate	Li_2CO3	0.188	0.404	**1.000**

WEBSITE

A copy of this announcement is available from the Company's website at www.europeanmet.com.

ENQUIRIES:

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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 person who arranged for the release of this announcement on behalf of the Company was Keith Coughlan, Managing Director.