

For immediate release

30 April 2020

EUROPEAN METALS HOLDINGS LIMITED

**Issue of equity and options
Director / PDMR Shareholdings**

The Board of European Metals Holdings Limited (“**European Metals**” or “**the Company**”) (**ASX & AIM: EMH**) announces that it has today issued new CDIs on conversion of A Class and B Class performance shares following prior achievement of relevant milestones (as set out in full in the Company’s annual reports). Under the applicable terms and conditions, the performance shares convert into new CDIs in accordance with the following milestones:

1. 20% of the 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 register;
2. 20% of the performance shares convert into Shares and an equivalent number of CDIs upon the issuance of the preliminary mining licenses relating to the Cinovec Project; and
3. The balance of the performance shares convert into Shares and an equivalent number of CDIs upon the completing of a definitive feasibility study (DFS).

As announced previously, the Cinovec South Resource was formally added to the Czech State resource register on 3 February 2017 and, following completion of the investment by CEZ in Geomet s.r.o., the Board has now proceeded with the outstanding conversion of the first tranche of 1,000,000 A Class Performance Shares into 1,000,000 new CDIs. The addition of the Cinovec South Resource to the Czech State resource register also triggered conversion of 1,000,000 of the then outstanding B Class Performance Shares and accordingly, 1,000,000 B Class Performance Shares have also now been converted into 1,000,000 new CDIs.

In aggregate, 2,000,000 new CDIs have been issued on conversion of the performance shares, of which 217,060 new CDIs have been issued to Eleanor Jean Reeves (the wife of David Reeves who is Non-executive Chairman of the Company) on conversion of 108,530 A Class performance shares and 108,530 B Class performance shares.

Following conversion there are 4,000,000 A Class Performance Shares are outstanding. The balance of the unconverted B Class Performance Shares expired in November 2019. As announced on 30 April 2020, the Czech Ministry of the Environment has now granted Geomet the Preliminary Mining Permit (PMP) relating to the Northwestern part of the Cinovec deposit, which together with the existing PMP for the Southern part, now encompasses the entire Cinovec ore reserve. The granting of the of the PMP therefore triggers the conversion a further 1,000,000 A Class Performance Shares and a further announcement will be made in due course.

Application will be made for the admission to trading on AIM and ASX of the new CDIs ("Admission"). Admission is expected to occur on or around 7 May 2020. The new CDIs Shares will rank *pari passu* in all respects with the existing ordinary shares in European Metals.

European Metals also advises that the Company has awarded today to a third party advisor options to subscribe for 15,000,000 new shares in EMH at a subscription price of AUD 0.25 per new Share on or

before 31 December 2022 as consideration for advisory services provided to EMH over the past 2 years, particularly in relation to the subscription by CEZ for 51% of Geomet as announced on 27 March 2020.

Total voting rights

Following Admission, the Company will have 153,703,973 Ordinary Shares in issue. There are no shares held in treasury. The total voting rights in the Company are therefore 153,703,973 and shareholders may use this figure as the denominator by which they are required to notify their interest in, or change to their interest in, the Company under the Disclosure Guidance and Transparency Rules.

BACKGROUND INFORMATION ON CINOVEC

PROJECT OVERVIEW

Cinovec Lithium/Tin Project

Geomet s.r.o. controls the mineral exploration licenses awarded by the Czech State over the Cinovec Lithium/Tin Project. Geomet s.r.o. is owned 49% by European Metals and 51% by CEZ a.s. through its wholly owned subsidiary, SDAS. Cinovec hosts a globally significant hard rock lithium deposit with a total Indicated Mineral Resource of 372.4Mt at 0.45% Li₂O and 0.04% Sn and an Inferred Mineral Resource of 323.5Mt at 0.39% Li₂O and 0.04% Sn containing a combined 7.22 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 at 0.65% Li₂O 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 hard rock 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.

In June 2019 EMH completed an updated Preliminary Feasibility Study, conducted by specialist independent consultants, which indicated a return post tax NPV of USD1.108B and an IRR of 28.8% and confirmed that the Cinovec Project is a potential low operating cost, producer of battery grade lithium hydroxide or battery grade lithium carbonate as markets demand. It confirmed the deposit is amenable to bulk underground mining. Metallurgical test-work has produced both battery grade lithium hydroxide and battery grade lithium carbonate in addition to 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.

BACKGROUND INFORMATION ON CEZ

Headquartered in the Czech Republic, CEZ a.s. is an established, integrated energy group with operations in a number of Central and Southeastern European countries and Turkey. CEZ's core business is the generation, distribution, trade in, and sales of electricity and heat, trade in and sales of natural gas, and coal extraction. CEZ Group has 33,000 employees and annual revenue of approximately EUR 7.24 billion.

The largest shareholder of its parent company, CEZ a.s., is the Czech Republic with a stake of approximately 70%. The shares of CEZ a.s. are traded on the Prague and Warsaw stock exchanges and included in the PX and WIG-CEE exchange indices. CEZ's market capitalization is approximately EUR 10.08 billion.

As one of the leading Central European power companies, CEZ intends to develop several projects in areas of energy storage and battery manufacturing in the Czech Republic and in Central Europe.

CEZ is also a market leader for E-mobility in the region and has installed and operates a network of EV charging stations throughout Czech Republic. The automotive industry in Czech is a significant contributor to GDP and the number of EV's in the country is expected to grow significantly in coming years.

CONTACT

For further information on this update or the Company generally, please visit our website at www.europeanmet.com or see full contact details at the end of this release.

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 ₂ O	0.464	1.000	2.473
Lithium Carbonate	Li ₂ CO ₃	0.188	0.404	1.000
Lithium Hydroxide	LiOH.H ₂ O	0.165	0.356	0.880

WEBSITE

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

ENQUIRIES:

European Metals Holdings Limited

Keith Coughlan, Managing Director

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

Tel: +44 (0) 20 7628 3396

Email: corpfin@b-cornish.co.uk

Roland Cornish

Shard Capital (Joint Broker)

Damon Health

Tel: +44 (0) 20 7186 9950

Erik Woolgar

Blytheweigh (Financial PR)

Tim Blythe

Tel: +44 (0) 20 7138 3222

Megan Ray

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

NOTIFICATION OF TRANSACTIONS OF DIRECTORS, PERSONS DISCHARGING MANAGERIAL RESPONSIBILITY OR PERSONS CLOSELY ASSOCIATED WITH THEM

1	Details of the person discharging managerial responsibilities/person closely associated	
a)	Name:	David Reeves
2	Reason for the notification	
a)	Position/status:	Non-Executive Chairman

b)	Initial notification/Amendment:	Initial Notification						
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 Depositary interests) of no par value in European Metals Holdings Limited VGG3191T1021						
b)	Nature of the transaction:	Issue of 217,060 ordinary shares to Eleanor Jean Reeves (the wife of David Reeves) pursuant to the conversion of 108,530 A Class performance shares and 108,530 B Class performance shares, at an issue price of nil per ordinary share						
c)	Price(s) and volume(s):	<table border="1"> <thead> <tr> <th>Price(s)</th> <th>Volume(s)</th> </tr> </thead> <tbody> <tr> <td>Nil</td> <td>108,350</td> </tr> <tr> <td>Nil</td> <td>108,350</td> </tr> </tbody> </table>	Price(s)	Volume(s)	Nil	108,350	Nil	108,350
Price(s)	Volume(s)							
Nil	108,350							
Nil	108,350							
d)	Aggregated information: <ul style="list-style-type: none"> Aggregated volume: Price: 	217,060 Nil						
e)	Date of the transaction:	30 April 2020						
f)	Place of the transaction:	Off market						