Europa Metals Ltd

A.C.N. 097 532 137

Annual Report

For the year ended

30 June 2019

Contents

Chairman's Letter

Dear Shareholders,

The first half of 2019 saw Europa Metals adapt to challenging equity market conditions and lay the foundations for what has been a successful exploration programme, and at the time of writing the Company has recently completed, and announced assay results in respect of its latest drill campaign into the high-grade area of its Toral lead, zinc and silver project located in the province of Castilla y León, north west Spain (the "Toral Project" or "Toral"). The Company is targeting its first independent Indicated JORC (2012) resource estimate and awaiting metallurgical testwork results in order to make an initial determination of potential future concentrate products to enable preliminary marketing discussions to occur with third party concentrate buyers such as smelters and trading houses.
At the start of 2019, the Board took the decision to delist the Company from the ASX and move to AltX from the Main Board of the Johannesburg Stock Exchange ("JSE"), a process that was concluded in March 2019, with Europa Metals' primary listing now being on AIM, with a secondary listing on the junior, AltX, exchange in South Africa. While Europa Metals remains an Australian incorporated and registered company, the vast majority of its shareholders were, and still are, registered in the UK with approximately 83 per cent. of its listed securities being traded on AIM at the time of the delisting process, which along with the Company's focus on European project opportunities and limited operations and institutional or retail investor interest in Australia, led to the decision to remove unnecessary administrative costs and regulatory processes for a junior resources company.

Subsequently, the Company announced the full economics from its independent scoping study for Toral showing an economically robust project with deliverable capex focused on a high grade zone within a 400-1,000 metre horizon below surface. As an experienced mining engineer, I look forward to progressing our team's understanding of Toral as I believe there are a number of areas where efficiencies and cost savings can be identified, thereby improving the overall project economics.

As noted above, the initial part of the year was not without its challenges, with some of the worst equity market conditions for mining companies that I have encountered in my career, reflecting a combination of factors including uncertainty within the UK investor community over the domestic political situation and wider, industry issues, such as the US-China trade discussions continuing to drag on without resolution. This regrettably culminated in Europa Metals raising funds at a sizeable discount to the prevailing market share price towards the end of March 2019, albeit introducing a new strategic investor into the Company.

The additional funds raised enabled the Company to, *inter alia*, prosecute a highly efficient diamond drilling campaign into the centre of the Toral Project. Whilst the first drill hole deviated significantly, subsequent drilling has returned a pattern of promising assay results which we believe should deliver the project's first Indicated resource in early Q4 2019, thereby increasing confidence in the initial scoping study economics. More importantly, a 58kg core sample was retrieved for metallurgical testwork, as per our stated campaign objectives, which is currently being undertaken by Wardell Armstrong LLP in the UK.

Why are such impending project milestones important though? In essence, there is no point in drilling for the sake of it and each hole we complete in Toral is carefully considered. Generating what will hopefully be a good initial Indicated resource serves to demonstrate to stakeholders that the project's resource and grade stacks up, particularly for potential funders, as we look to progress Toral towards a development decision, and we firmly believe that Toral looks like a project that can potentially be developed in a comparatively short time frame and on a manageable amount of capital expenditure. The forthcoming metallurgical results will provide us with: (i) a better defined production flow sheet, and assist the team in optimisation work and the identification of efficiencies versus the initial scoping study findings; and (ii) an initial indication of the kind of future saleable products that can be produced. In all likelihood, potential future products will comprise a zinc concentrate and a lead-silver concentrate, and by determining the separation characteristics and make-up of the products available from Toral the Company can assess the most likely sales channels in a market that is currently seeing strong performances in zinc, lead and silver pricing.

Over a longer time horizon, I am also interested to see copper again being identified from drilling activity, but this time at depth. With a resource open at around 1,000-1,200 metres depth, future exploration outside of the existing resource area would potentially seek to understand if thickening of mineralisation occurs and whether there is a significant copper presence in the deposit from a separate thermal event.

Chairman's Letter

The period under review also saw beneficial changes to the local mining law dividing the development permisions for projects into two groups; energy related (coal and uranium) and all other mining activity (which covers lead, zinc and silver, being Toral's focus). Our expectation is that mining activities involving well known lead, zinc and silver commodities will have fewer legislative issues surrounding them than project's within the energy grouping. The results of our exploration activities will be communicated to all stakeholders within our local area, in addition to the wider community and offtake groups, and our next phase of work for Toral will see us progress our formal stakeholder engagement process and move towards a potential mining licence application and development decision.

I would like to take this opportunity to thank all of our shareholders, advisers and other stakeholders for their support and interest in our activities and look to reporting further progress in due course.

Yours faithfully,

Colin Bird
Non-Executive Chairman

Europa Metals Ltd
A.C.N. 097 532 137

Corporate Information

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Evan Kirby
Laurence Read
Myles Campion
Colin Bird
Daniel Smith

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Stock Exchange Listings:
Europa Metals Ltd’s ordinary shares are quoted on the AIM market of the London Stock Exchange plc (AIM:EUZ) and also listed on AltX (AltX:EUZ).

Directors' Report

The Directors of Europa Metals Ltd ("Europa" or "the Company") (the "Directors") present their report for the financial year ended 30 June 2019.

Directors

The names and details of the Directors in office during the financial year and at the date of this report are set out below:

Each Director was in office for the entire reporting period unless otherwise stated.

Dr Evan Kirby (Age 68), BSc (Hons) Metallurgy, PhD Metallurgy, Non-Executive Director		
Experience and expertise	Dr Kirby is a metallurgist with over 31 years of international experience in the mining sector. He has held senior management positions with Impala Platinum, Rand Mines and Rustenburg Platinum Mines and worked as a director and technical consultant for a number of mining companies.	
Other current directorships	Director of Bezant Resources plc (AIM: BZT)	
Former directorships over the past 3 years	Director of New Energy Minerals (ASX: NXE) Director of Nyota Minerals Limited (ASX & AIM: NYO)	
Special responsibilities	Non-Executive Director Chairman of the Remuneration Committee Chairman of the Nominations Committee Member of the Audit and Risk Management Committees	
Interests in shares and options	Ordinary Shares in Europa Metals Ltd	12,929,158
	Options held in Europa Metals Ltd	22,500,000

Mr Laurence Read (Age 42), BA (Hons), Executive Director		
Experience and expertise	Mr Read is a UK resident, and has sixteen years experience working with public and private companies in particular within the natural resources sector.	
Other current directorships	Chief Executive Officer of Bezant Resources plc (AIM: BZT)	
Former directorships over the past 3 years	None	
Special responsibilities	Executive Director Member of the Audit Committee	
Interests in shares and options	Ordinary Shares in Europa Metals Ltd	23,913,043
	Options held in Europa Metals Ltd	112,500,000

Directors' Report

Myles Campion (Age 50), BSc Geology (Hons), MSc Mineral Exploration, Technical Director		
Experience and expertise	Mr Campion served as a Fund Manager of Oceanic Asset Management Pty Ltd, Australian Natural Resources OEIC and Global Connections Funds plc - Junior Resources Fund. Mr Campion has 24 years' experience in the natural resources sector, including as a Resource analyst, Fund Manager, equities research and project and debt financing. He has over 10 years experience as a field geologist that includes success at the Emily Ann Nickel Sulphide Mine. He was based in London for five years working at Barclays Capital in their natural resources team and as a Senior Resource Analyst at WH Ireland. He also served as Fund Manager of CF Global Resources Fund. He held the role of Project Geologist at LionOre responsible for the exploration, discovery and BFS completion of the Emily Ann Nickel Sulphide Mine. Mr Campion's financial experience ranges from Australian and UK equities research through to project and debt financing in London, covering the entire spectrum of mining companies with an extensive knowledge of the global resources market covering the three main bourses, the Toronto Stock Exchange, AIM and the ASX. He holds a Graduate Diploma of Business (Finance) and is an Associate of the Royal School of Mines. Mr Campion earned an M.Sc. in Minerals Exploration from the Royal School of Mines in London and B.Sc. Honours in Geology from University of Wales College Cardiff.	
Other current directorships	Director of Katoro Gold Plc (AIM: KAT)	
Former directorships over the past 3 years	Director of Taruga Minerals Limited (ASX: TAR)	
Special responsibilities	Technical director Member of the Nomination Committee Chairman of the Technical Committee	
Interests in shares and options	Ordinary Shares in Europa Metals Ltd	85,181,159*
	Options held in Europa Metals Ltd	145,833,334

* - Mr Campion also has an indirect interest in a further 333,333,333 ordinary shares and 166,666,666 options via his directorship/shareholding of Energy Minerals.

Colin Bird (Age 75), Higher National Diploma in Mining Engineering (Trent Polytechnical College, United Kingdom), Non-Executive Chairman		
Experience and expertise	Mr Bird is a Fellow of the Institute of Materials, Minerals and Mining and a UK Chartered Engineer. He also holds a UK and South African Mine Managers Certificate for coal mines. The formative part of his career was spent in the UK coal mining industry and thereafter he moved to the Zambian copper belt and then to South Africa to work in a management position with Anglo Coal and BP Coal. On his return to the UK he was Technical and Operations Director of Costain Mining Ltd, which involved responsibility for Costain's interests in the UK, Latin-America and Spain. Mr Bird has senior technical and operational experience in a number of commodities including coal, nickel, gold, copper and industrial minerals. After his extensive operational and technical career, he became involved in corporate finance and has been the prime mover in a number of public listings, mainly on the UK's AIM market.	
Other current directorships	Director of Bezant Resources plc (AIM: BZT) Director of Jubilee Metals Group Plc (AIM: JLP) Director of African Pioneer Plc (ISDX: APPP) Chairman of Galileo Resources Plc (AIM: GLR) Executive Chairman of Xtract Resources Plc (AIM: XST) Director of BMR Group Plc (LSE: BMR)	
Former directorships over the past 3 years	Director of Orogen Gold Plc (AIM: ORE)	
Special responsibilities	Non-executive Chairman Member of the Audit, Remuneration, Nomination, and Technical Committees	
Interests in shares and options	Ordinary Shares in Europa Metals Ltd	183,333,333**
	Options held in Europa Metals Ltd	171,666,666

*** - Mr Bird also has an indirect interest in a further 130,499,858 ordinary shares via his directorship of African Pioneer Plc.*

Directors' Report

Daniel Smith (Age 35), BA (International Relations), GIA (Cert), Non-Executive Director, Company Secretary		
Experience and expertise	Mr Smith is a member of the Australian Institute of Company Directors and the Governance Institute of Australia and has over 10 years' primary and secondary capital markets expertise. As a director of Minerva Corporate, he has advised on, and been involved in, a significant number of IPOs, RTOs and capital raisings on both the ASX and NSX. His key focus is on corporate governance and compliance, commercial due diligence and transaction structuring, as well as ongoing investor and stakeholder engagement. Mr Smith is currently a director and company secretary of ASX-listed Lachlan Star Limited and Hipo Resources Limited, non-executive chairman of White Cliff Minerals Limited and Alien Metals Ltd, and is Company Secretary for Taruga Minerals Limited and Vonex Limited. He holds a BA in International Relations from Curtin University, Western Australia.	
Other current directorships	Director of Lachlan Star Limited (ASX:LSA) Director of Hipo Resources Limited (ASX:HIP) Director of Artemis Resources Limited (ASX:ARV) Director of White Cliff Minerals Limited (ASX:WCN) Director of Alien Metals Ltd (AIM:UFO)	
Former directorships over the past 3 years	Director of Taruga Minerals Limited (ASX:TAR) Director of PLC Financial Solutions Limited (ASX:PLC) Director of CoAssets Limited (ASX:CA8)	
Special responsibilities	Company Secretary Member of Remuneration Committee Chairman of Audit Committee	
Interests in shares and options	Ordinary Shares in Europa Metals Ltd	-
	Options held in Europa Metals Ltd	10,000,000

Corporate

On 25 January 2019, the Company announced that it had submitted a formal application to the ASX requesting the removal of the Company from the Official List pursuant to ASX Listing Rule 17.11, which became effective on 8 March 2019. In addition, the Company successfully applied to move from the Main Board of the Johannesburg Stock Exchange ("JSE") to the AltX. The Company's securities commenced trading on the AltX with effect from 1 March 2019. Accordingly, Europa Metals' primary listing became the AIM market operated by London Stock Exchange plc ("AIM") with a secondary listing on the AltX.

Directors' Report

Capital Raisings

On 10 August 2018, the Company announced that it had completed a fundraising of £563,516 (approximately A$0.98m) before expenses through a placing arranged by the Company's joint broker, Turner Pope Investments (TPI) Limited ("Turner Pope"), of, in aggregate, 727,118,650 new ordinary shares of no par value each in the capital of the Company (the "Placing Shares") at a price of 0.0775 pence per new ordinary share (the "Placing"). The Placing Shares were issued to certain new and existing investors utilising the remainder of the Company's then existing placement capacity under ASX Listing Rule 7.1.

On 29 March 2019, the Company announced that it had raised, in aggregate, £960,000 (before expenses), through a placing of, and subscription for, in aggregate, 6,400,000,000 new ordinary shares of no par value each in the capital of the Company ("Ordinary Shares") at an issue price of 0.015 pence per share (the "Issue Price") (the "Fundraising"). The Fundraising comprised a placing of 6,200,000,000 new Ordinary Shares via the Company's joint broker, Turner Pope, as agent of the Company, and a subscription for a further 200,000,000 new Ordinary Shares at the Issue Price, with certain existing and new investors, including Brandon Hill Capital Limited ("Brandon Hill Capital"), which invested in a principal capacity. Colin Bird and Myles Campion, Non-Executive Chairman and Techical Director of the Company respectively, also participated in the Fundraising on the same terms as the other investors.

In addition, one warrant exercisable for a period of 3 years from the date of admission of the new Ordinary Shares to trading on AIM ("Admission") at a subscription price of 0.025p per Ordinary Share were issued to all participants in the Fundraising for every two new Ordinary Shares subscribed (the "Warrants"). Accordingly, 3,200,000,000 Warrants were issued pursuant to the Fundraising. Both Turner Pope and Brandon Hill Capital were also issued with 300,000,000 and 50,000,000 warrants respectively to subscribe for new Ordinary Shares at the Issue Price, exercisable for a period of three years from Admission.

Options/Warrants

On 30 July 2018, the Company announced that 205,949,134 unlisted options exercisable at £0.003 per share on or before 29 July 2018, had lapsed unexercised.

Shareholder Meetings

At the Annual General Meeting of the Company held on 5 November 2018, shareholders approved, *inter alia,* the re-election of Messrs Kirby, Bird and Smith as directors, and ratified the Company's abovementioned capital raising of approximately A$0.98 million completed on 10 August 2018.

Joint Broker

On 29 March 2019, the Company announced the appointment of Brandon Hill Capital as the Company's joint broker on AIM with immediate effect.

Registered Office

On 24 September 2018, the Company announced a change to its registered office and principal place of business to c/o Minerva Corporate, Level 8, 99 St Georges Terrace, Perth WA, 6000.

Dividends

No dividend has been paid or declared since the start of the financial year and the Directors do not recommend the payment of a dividend in respect of the financial year (2018: Nil).

Directors' Report

Principal activities

The principal activity of the entities within the consolidated entity during the financial year was that of exploration for minerals.

Review of operations and activities

Lead-Zinc-Silver Exploration Projects, Spain

On 16 July 2018, the Company announced that it had secured a combined Reverse Circulation ("RC") and Diamond drilling rig (the "Combination rig") for mobilisation to its wholly owned Toral lead-zinc-silver project located in the Province of León, northern Spain ("Toral" or the "Toral Project"), during August 2018. The Combination rig and associated operating crew was supplied by Sondeos y Perforaciones Industriales de Bierzo SA overseen by the Company's on-site exploration team. The Combination rig is one of only a few of its type in Spain and had been deployed on a series of successful drilling programmes for other parties.

The Combination rig was successfully mobilised to site in late August 2018 to commence a Phase I drilling campaign to initially ascertain the potential continuation of the mineralised structure outside of the current defined JORC (2012) resource area at Toral. With a significant inferred resource estimate already established for the main Toral project area, the extension drilling to the East sought to identify the presence of further mineralisation/hosting structures. On 28 August 2018, the Company also announced that it had successfully completed the relogging of certain priority intersections from the historical drill core from Toral stored at the National Litoteca in Andalucía, Spain.

On 13 September 2018, the Company announced that the Board had decided to initiate the Change of Land Use processes needed for the potential full future development of a mine at Toral and had engaged a specialist consultancy, MAGMA Soluciones Ambientales SL, to progress the requisite applications across the three distinct municipalities overlapping the project's licence area. The process was estimated to take approximately 18 months.

On 20 September 2018, the Company announced that the abovementioned re-logging of the historical drill core held at the National Litoteca had resulted in significantly higher bulk density measurements than those used for the maiden JORC (2012) resource estimate completed by Addison Mining Services Limited ("AMS") between November 2017 and January 2018, as announced by the Company on 6 February 2018. The increase in bulk density values applied to samples and their spatial distribution resulted in a material change in the updated estimation of the inferred resource estimate for the project. Ore tonnages were calculated by volume estimated from solid models developed from mapping and drilling information multiplied by rock density.

On 4 October 2018, the Company announced that, following the successful mobilisation to site of the Combination rig, all of the planned Phase I RC drilling at the Toral Project had been completed with samples being sent to external laboratories for independent assay. As noted above, the RC extension drilling was designed to identify new areas of mineralisation stepping out from the existing defined JORC (2012) resource area. A Phase II diamond infill drilling programme subsequently commenced targeting key areas situated within the existing resource area with the objective of increasing and enhancing the Company's understanding and confidence in the existing resource in areas that currently contain Inferred mineralisation as defined under the JORC (2012) code.

On 31 October 2018, the Company announced the results of its Phase I RC extension drilling campaign which had intersected lead, zinc and silver mineralisation in each of the four holes drilled to the east of the existing resource. Accordingly, structural continuity was confirmed to the east of the existing deferred resource area, with each RC drill hole encountering limestone/slate contact containing mineralisation, and drill hole TOR-14, in particular, assayed unexpectedly high-grade results near to surface. The cost effective RC drilling campaign had targeted areas all within 300 metres of surface.

On 31 October 2018, the Company also announced that it had relinquished all rights to the permits the Group previously held in respect of its Lago lead-zinc exploration project (Lago II 6.056 and Lago III 6.058) in the province of Galicia, Spain. Whilst the Company continues to believe that the area is highly prospective for

Directors' Report

lead-zinc, both the size and location of the Lago permit areas did not justify and support incurring further maintenance and exploration expenditure.

On 20 December 2018, the Company announced the results of the first stage of the abovementioned Phase II diamond drilling programme conducted at Toral. The diamond drilling provided the following information for Europa Metals' geological team:

- confirmation of block model grade and thickness;
- progress with regard to drilling strategy to remove 'gaps' within the known resource (all within 300m of topographic surface); and
- further information on geotechnical characteristics and structural controls.

Significant results from the diamond drilling included:

- Drill hole TOD-018 which returned 3.8m @ 5.87% Zn Equivalent (Zn, Pb); and
- reportable copper mineralisation intercepted within 280 metres of surface (drill hole TOD-020) - further investigation ongoing following 0.68% Cu @ 3m, including 1m @ 1.34% Cu.

Scoping Study

On 10 December 2018, the Company announced the results of an independent scoping study completed by AMS in accordance with JORC (2012) for the Toral Project (the "Scoping Study" or "Study"). The findings of the Study were positive with a recommendation that the Toral Project should be progressed towards a feasibility study to determine full economics, technical and environmental parameters for an underground mining operation focused on near-term recovery of the higher-grade mineralised zones.

The Scoping Study considered three conceptual underground mining development and production scenarios. The conceptual scenario selected (being Conceptual Scenario 2a) progresses decline access ramp with a high grade focus; a proposed Mechanised Cut and Fill (MCAF) mining method; entry to the mine via a principal decline reaching various levels; and a series of internal mining inclined ramps constructed to access levels.

Further key elements of the Scoping Study include:

- 4x4 metre mine standard development size
- Mining method and production schedule over estimated mine life
- Efficient mining block sequence identified
- Identification of optimum plant locations (see Figure 1)
- **Key Recommendations:** Infill drilling campaign to convert resources to the Indicated category (JORC 2012), metallurgical and geotechnical test work and progression to a full feasibility study.

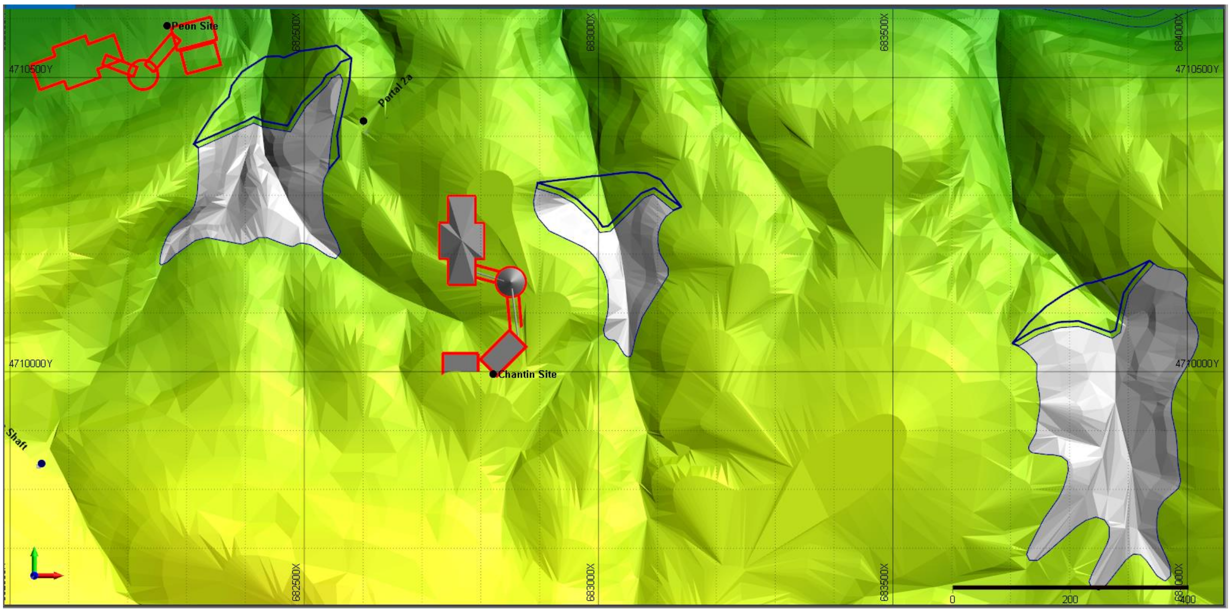

Figure 1: Conceptual Plant Layout for Chantin and Peon Sites, and conceptual tailings sites

Economic Analysis

Europa Metals commissioned AMS to undertake a financial modelling exercise for the Toral Project, based on a number of different processing scenarios and mining methods. The results of this exercise, as well as the overall positive outcomes of the Scoping Study, support the commencement of a full feasibility study. However, since 100% of the Mineral Resources at Toral are currently in the Inferred resource category, in accordance with Section 8.5 of ASX Guidance Note 31, the Company was not able to publish a production target or forecast financial information in December 2018.

Following the Company's removal from the official list of the ASX Limited on 8 March 2019, the Company subsequently announced the economics of the Scoping Study on 11 March 2019.

Estimated economic forecasts for the Toral Project, based on the current level of work (+/-30%), for the Conceptual Scenario 2a comprised:

- US$110 million net present value (NPV) using a discount rate of 8%;
- 24.4% internal rate of return (IRR);
- Estimated US$33 million CAPEX for a proposed 450ktpa design capacity plant, including associated auxiliary costs, with infrastructure being situated near portal entrance on the north side of the deposit.
- Estimated total CAPEX of US$110 million.
- US$25 per tonne indicative OPEX processing cost at steady state conditions.
- US$36 per tonne indicative OPEX mining cost utilising mechanised cut and fill.
- 15-year production plan, with significant potential for extension.

Updated Mineral Resource

As part of the Scoping Study's licence tenure and permitting investigative work and verification checks, an identified permit location shift prompted the requirement to revise the previously reported mineral resource estimate for the Toral Project within Europa Metals' licence 15.199 and update the input mineral resource block model used for the purposes of the Scoping Study.

The issue arose due to a legacy discrepancy between the historical and current coordinate systems used in the mining and permitting industry in Spain. The Mineral Resource estimate was consequently updated due to a coordinate discrepancy and, as such, the block model was also updated to reflect this change. The reduction in the reported resource through the tenement shift in no way affected the Scoping Study and economic potential of the project.

Directors' Report

The portion of the deposit affected by the boundary issue, containing approximately 3 million tonnes of mineralisation, is in the north-western extension of the deposit, a very narrow area not currently considered to be of interest in terms of future mining. The adjustment to the input block model in no way affects the technical and economic findings of the Scoping Study at this stage.

Under Spanish mining law the area concerned can be secured by Europa Metals at the point the Company converts its exploration licence to a mining licence, as it cannot be claimed by third parties, except for the very far western extension, due to the presence of a limestone quarry that operates at surface. It is envisaged that the quarry will attract little interest due to the elements on surface including a national road and a river; accordingly, the quarry area can only be mined by underground methods for high value minerals, if determined economically viable.

Apart from the area under the limestone quarry, which will require direct negotiation with its owner, the other areas are subject to a defined procedure set out under Spanish mining law and it is currently anticipated that such areas will be incorporated into Europa Metals' Toral property upon the future grant of a mining licence. The Board believes that there are no competitors in relation to securing this further acreage.

The above mentioned reduction in the licence area led to a temporary loss of approximately 3 million tonnes of resource as set out in Table 1 below.

Table 1: Comparison Between the September 2018 and December 2018 Reduced Licence Area

4% Zn Eq (PbAg)%	Tonnes (Millions)	Density g/cm^3	Zn Eq (Pb)%	Zn Eq (PbAg)%	Zn %	Pb %	Ag g/t	Contained Zn Tonnes (000s)	Contained Pb Tonnes (000s)	Ag Troy Oz (Millions)
September 2018 Resource	19	2.8	6.9	7.4	3.9	3.1	24	720	570	14
December 2018 Resource	16	2.8	7	7.5	3.9	3.1	24	640	510	13

On 13 May 2019, the Company announced that a diamond drilling rig had been mobilised to site at Toral. The core objectives of the drilling campaign were as follows:

1. Drill into the high grade core of the Toral Project, as defined within the existing inferred JORC (2012) resource;

2. Target high grade areas within the defined resource to further the Company's understanding of the Toral Project, with the aim of increasing confidence in the resource estimate and attain the indicated resource category; and

3. Obtain a significant sample for metallurgical testwork by independent consultants to determine the potential Zn, Pb and Ag concentrate composition from Toral which will provide additional data to assist process plant design and discussions with potential offtake parties.

On 15 May 2019, the second stage of the Phase II diamond drilling programme commenced at Toral, with the Company subsequently announcing on 13 June 2019 that the first diamond hole, TOD-021, had been terminated at a depth of 652.90 metres, as a result of a substantial deviation in the trajectory of the hole during drilling operations away from its designated target, being the high-grade zone of the existing defined resource. The deviation took the hole above its planned high-grade zone target such that it was not suitable to be used to secure a metallurgical sample.

Directors' Report

Financial Position

In carrying out its operations during the reporting period, the Group has incurred a loss after income tax for the period from 1 July 2018 to 30 June 2019 of $2,392,170 (2018: loss of $1,883,446). The Group had net assets of $2,707,503 (2018: $2,484,371) as set out in the Statement of Financial Position.

Significant changes in the Group's state of affairs

There have been no significant changes in the state of affairs of the consolidated entity to the date of this report that have not otherwise been disclosed elsewhere in the Annual Report.

Significant events after the reporting date

There are subsequent events to report, as follows:

- On 11 July 2019, the Company provided a drilling update in respect of the three-hole programme that had commenced on 15 May 2019. The second hole, TOD-022, had been completed having reached a depth of 761.3m, with core processed and sent to ALS Laboratories for independent analysis.

- On 9 August 2019, the Company announced that it had submitted an initial document (the "ID") for formal review by all key administration stakeholders, including the department of the environment, Castilla y León region, Northwest Spain, and private stakeholders consulted by such administration, in connection with the process for obtaining an exploitation license for Toral.

- On 15 August 2019, the Company announced the completion of the third hole, TOD-023, having reached a depth of 713m. Commenced on 8 July 2019, TOD-023 had encountered a single significant intersection of 12 metres (down hole width) of visible mineralisation and two additional sub-ordinate hanging wall zones of mineralisation.

- On 2 September 2019, the Company announced that it had completed a 'daughter hole' (TOD-023D) with core samples collected and sent to Wardell Armstrong LLP ("WA") to commence its independent metallurgical testwork.

- On 4 September 2019, the Company announced that it had received notices of exercise in respect of certain pre-existing warrants to subscribe for 212,000,000 new ordinary shares at a price of 0.015p per share and 133,333,334 new ordinary shares at a price of 0.025p per share. In aggregate, the exercise of these warrants amounted to a cash subscription of approximately £65,133.

- On 13 September 2019, the Company announced that it had received notices of exercise in respect of certain pre-existing warrants to subscribe for 166,666,667 new ordinary shares at a price of 0.025p per share. The exercise of these warrants amounted to a cash subscription of approximately £41,666.

- On 25 September 2019, the Company announced assay results for the second stage of its Phase II diamond drilling programme at Toral. Additional mineralisation had been identified in the hanging wall zone (TOD-023D; distinct to the main metallurgical sample zone), with its potential influence on the resource estimate being assessed by Europa Metal's technical team. Copper traces identified within mineralisation at 640m downhole and is also being assessed. All of the assay results have been submitted to the Company's independent consultants, AMS, to enable them to update the mineral resource models and provide a JORC (2012) technical report which is expected to be received in early Q4 2019. Metallurgical testing is also underway by WA with completion targeted for Q4 2019.

- On 30 September 2019, the Company had raised, in aggregate, £1,000,000 (before expenses), through a placing of, and subscription for, in aggregate, 4,000,000,000 new ordinary shares of no par value each in the capital of the Company ("Ordinary Shares") at an issue price of 0.025 pence per share (the "Issue Price") (the "Fundraising"). The Fundraising comprised a placing of 3,400,000,000 new Ordinary Shares via the Company's joint broker, Turner Pope, as agent of the Company, and a subscription for a further 600,000,000 new Ordinary Shares at the Issue Price, with certain existing and new investors, including Brandon Hill Capital Limited ("Brandon Hill Capital"), which invested in a principal capacity.

- In addition, one warrant exercisable for a period of 2 years from Admission at a subscription price of 0.0375 pence per Ordinary Share will be issued to all participants in the Placing for every two new Ordinary Shares subscribed (the "Placing Warrants"). Accordingly, 2,000,000,000 Placing Warrants will be issued pursuant to the Placing. Further, Turner Pope and Brandon Hill have been issued with 204,000,000 warrants and 36,000,000 warrants respectively to subscribe for new Ordinary Shares at the Issue Price, exercisable for a period of three years from Admission.

No other matters or circumstances have arisen since the end of the year, other than as noted above, that may significantly affect the operations of the Company, the results of these operations, or the state of affairs in future financial years.

Likely developments and expected results

The Group will continue to carry out its business plans, by:

- Obtaining an updated independent JORC (2012) resource estimate, targetting resources in the Indicated category, and a new geological model for the Toral Project which will inform the next phase of work, in combination with the forthcoming metallurgical results, in order to move the project towards a potential mining licence application and the development phase;

- Progressing its stakeholder programme and other core work around mine development.

- Seeking and evaluating further strategic acquisition opportunities within the exploration and mining industry to potentially enter into additional advanced projects that will add value to the Group; and

- Continuing to meet its statutory commitments relating to its exploration tenement and carrying out work programmes in accordance with its stated strategy, whilst carefully conserving the Group's cash reserves in order to be able to take advantage of any potential value adding opportunities.

There can be no guarantee either that further exploration of the Group's existing project will result in exploration or development success or that any potential additional strategic acquisitions considered by the Directors to be likely to add value to the Group will become available to the Group.

Environmental regulation and performance

The Group's activities are subject to Spanish legislation relating to the protection of the environment. The Group is subject to significant environmental legal regulations in respect to its exploration and evaluation activities. The Group is in compliance with the NGER Act 2007.

There have been no known breaches of these regulations and principles.

Competent Person's Statement

The Scoping Study and JORC (2012) resource estimate for Toral therein was prepared by Mr J.N. Hogg, MSc. MAIG Principal Geologist for Addison Mining Services Limited ("AMS"), Mr J. Bennett BSc (Hons). ARSM, FIMMM CEng Associate Principal Mining Engineer for AMS, Dr N. Holloway, CEng, FIMMM Associate Processing Engineer for AMS, and Dr S. Struthers CEnv, FIMMM, Associate Environmental Consultant for AMS together being independent Competent Persons within the meaning of the JORC (2012) code and qualified persons under the AIM Note for Mining and Oil & Gas Companies. The Scoping Study was aided by Mr R. J. Siddle, MSc, MAIG Senior Resource Geologist for AMS, under the guidance of the competent persons. Mr Hogg, Mr Bennett, Mr Holloway and Ms Struthers have reviewed and verified the technical information that forms the basis of, and has been used in the preparation of, the Scoping Study and these accounts, including all analytical data, assumed and acquired technical and economic inputs, diamond drill hole logs, QA/QC data, density measurements, and sampling, diamond drilling and analytical techniques, and consent to the inclusion in these accounts of the matters based on the information, in the form and context in which it appears. Mr Hogg, Mr Bennett, Mr Holloway and Ms Struthers have also reviewed and approved the technical information in their capacities as qualified persons under the AIM Rules for Companies.

Directors' Report

Indemnification and Insurance of Directors and officers

The Group has entered into deeds of access and indemnity with the officers of the Group, indemnifying them against liability incurred, including costs and expenses in defending any legal proceedings. The indemnity applies to a liability for costs and expenses incurred by the Director or officer acting in their capacity as a director or officer.

Except in the case of a liability for legal costs and expenses, it does not extend to a liability that is:

(a) owed to the Group or a related body corporate of the Group;

(b) for a pecuniary penalty order under section 1317G or a compensation order under section 1317H or section 1317HA of the Corporations Act 2001; or

(c) owed to someone other than the Group or a related body corporate of the Company where the liability did not arise out of conduct in good faith.

Similarly, the indemnity does not extend to liability for legal costs and expenses:

(d) in defending proceedings in which the officer is found to have a liability described in paragraph (a), (b) or (c) above;

(e) in proceedings successfully brought by the Australian Securities and Investments Commission or a liquidator; or

(f) in connection with proceedings for relief under the Corporations Act 2001 in which the court denies the relief.

During or since the financial year end, the Company has paid premiums in respect of a contract insuring all the Directors and officers. The terms of the contract prohibit the disclosure of the details of the insurance contract and premiums paid.

Indemnification of auditors

To the extent permitted by law, the Company has agreed to indemnify its auditors, BDO Audit (WA) Pty Ltd, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify BDO Audit (WA) Pty Ltd during or since the financial year end.

Non-audit services

The Group may decide to employ the auditor on assignments additional to its statutory audit duties where the auditor's expertise and experience with the Group are important.

Details of the amounts paid or payable to the Group's auditors, BDO International for non-audit services provided during the financial year are set out below.

	2019 $	2018 $
Remuneration of the auditor, BDO International for Group and subsidiary statutory reporting:		
- other assurance related services	-	1,750
	-	1,750

Directors' Report

Directors' meetings

Meetings of directors held and their attendance during the financial year were as follows:

	Board Meetings		Remuneration Committee	
Director	**Eligible**	**Attended**	**Eligible**	**Attended**
Evan Kirby	6	6	1	1
Laurence Read	6	6	-	-
Myles Campion	6	6	-	-
Colin Bird	6	6	1	1
Daniel Smith	6	6	1	1

Remuneration Report (audited)

This Remuneration Report outlines the Director and executive remuneration arrangements of the Company and the consolidated entity in accordance with the requirements of the *Corporations Act 2001* and its Regulations. For the purpose of this report, Key Management Personnel (KMP) of the consolidated entity are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and the Group, directly or indirectly, and includes Directors of the Company.

The information provided in this remuneration report has been audited as required by section 308(3C) of the *Corporations Act 2001*.

The Remuneration Report is presented under the following sections:

1. Individual KMP disclosures
2. Remuneration at a glance
3. Board of Directors (the "Board") oversight of remuneration
4. Non-executive director remuneration arrangements
5. Executive remuneration arrangements
6. Directors and KMP contractual arrangements
7. Equity instruments disclosures
8. Loans to KMP and their related parties
9. Transactions with KMP and their related parties

1. Individual key management personnel disclosures

(i) Directors:

Name	Role	Appointed
Evan Kirby	Non-Executive Director	31 March 2016
Laurence Read	Non-Executive Director Executive Director	30 January 2017 26 September 2017
Myles Campion	Executive Technical Director	17 October 2017
Colin Bird	Non-Executive Chairman	11 January 2018
Daniel Smith	Non-Executive Director Company Secretary	16 January 2018 16 January 2018

(ii) Executives:

Name	Role	Appointed
Laurence Read	Executive Director	26 September 2017
Myles Campion	Technical Director	17 October 2017

Directors' Report

Remuneration Report (audited) continued

2. Remuneration at a glance

The performance of the Group depends upon the quality of its directors and executives. To prosper, the Group must attract, motivate and retain highly skilled directors and executives.

To this end, the Company embodies the following principles in its remuneration framework:

- Provide competitive rewards to attract high calibre executives;
- Link executive rewards to shareholder value; and
- Provide significant portions of executive remuneration “at risk” through participation in incentive plans

Shares and options issued under incentive plans provide an incentive to stay with the Group. At this stage, shares and options issued do not have performance criteria attached. This policy is considered to be appropriate for the Group, having regard to the current state of its development.

The Company has established a directors’ and executives’ salary sacrifice plan, pursuant to which individuals may elect for a nominated fixed period to sacrifice all or an agreed percentage of their salary or fees to be applied in the subscription for on-market purchase of shares in the Company. As such shares may not be purchased or subscribed for during periods that are close periods or when individuals are in possession of inside information, the entitlement to subscribe for shares is determined by calculating the number of shares using the market price for the month concerned. The plan was established to allow for the subsequent settlement of salary or fees from 1 April 2012. Directors and executives have previously elected to participate in the plan with effect from that date. During the period to 30 June 2019 no Directors or executives participated (2018: Nil) in the salary sacrifice plan. Shares listed under the plan are not subject to performance conditions. Shareholder approval for the plan and for the issue of shares under the plan was obtained on 8 August 2012.

The Company also recognised that, at this stage in its development, it is most economical to have only a few employees and to draw, as appropriate, upon a pool of consultants selected by the Directors on the basis of their known management, geoscientific, engineering and other professional and technical expertise and experience. The Company will nevertheless seek to apply the principles described above to its Directors and executives, whether they are employees of or consultants to the Company.

3. Board oversight of remuneration

<u>Remuneration Committee Responsibilities</u>

A Remuneration Committee was established on 14 January 2010 and reconstituted on 15 October 2010 and again on 9 March 2015.

The Committee assesses the appropriateness of the nature and amount of remuneration of Directors and senior executives on a periodic basis by reference to relevant employment market conditions, with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality Board and executive team.

<u>Remuneration Structure</u>

In accordance with best practice corporate governance, the structure of non-executive and executive director remuneration is separate and distinct.

Directors' Report

Remuneration Report (audited) continued

4. Non-Executive Director remuneration arrangements

Objective

The Board seeks to set aggregate remuneration at a level which provides the Company with the ability to attract and retain directors of the highest calibre, whilst incurring a cost which is acceptable to shareholders.

Structure

The Company's constitution specifies that the aggregate remuneration of Non-Executive Directors must be determined from time to time by shareholders of the Company in a general meeting. An amount not exceeding the amount determined is then divided between the Non-Executive Directors as agreed. The current aggregate limit of remuneration for non-executive directors is $250,000 as approved at the 2010 Annual General Meeting of Shareholders.

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst Non-Executive Directors is reviewed annually. The Board may consider advice from external consultants, as well as the fees paid to Non-Executive Directors of comparable companies, when undertaking the annual review process. No remuneration or external consultants were used during the financial year.

Each Non-Executive Director receives a fee for being a Director of the Company. No additional fee is paid for participating in Board Committees.

Non-Executive Directors may participate in the Company's share and option plans as described in this report.

Mr Evan Kirby is on a contract dated 31 March 2016, which provides for a fixed fee of $2,500 per month. Mr Colin Bird is on a contract dated 11 January 2018, which provides for a fixed fee of £3,000 per month. Mr Daniel Smith (through Minerva Corporate Pty Ltd) is on a contract dated 15 January 2018 which provides for a fixed fee of $2,000 per month.

5. Executive remuneration arrangements

Objective

The Group aims to reward executives with a level and mix of remuneration commensurate with their position and responsibilities within the Group and so as to:

- reward executives for Group, business team and individual performance;
- align the interests of executives with those of shareholders; and
- ensure total remuneration is competitive by market standards.

Structure

- At this time, the cash component of remuneration paid to executive Directors, the Company Secretary and other senior managers is not dependent upon the satisfaction of performance conditions.
- It is current policy that some executives be engaged by way of consultancy agreements with the Company, under which they receive a contract rate based upon the number of hours of service supplied to the Company. There is provision for yearly review and adjustment based on consumer price indices. Such remuneration is hence not dependent upon the achievement of specific performance conditions. This policy is considered to be appropriate for the Company, having regard to the current state of its development.
- The Executive Directors may also participate in the Company's share and option plans as described in this report, including the salary sacrifice share plan. Refer to page 23 for details of options previously granted.

Directors' Report

Performance table

The following table details the net profit / (loss) of the Company from continuing operations after income tax, together with the basic earnings / (loss) per share since the incorporation of the parent:

	2019 $	2018 $	2017 $	2016 $
Net (loss) from continuing operations after income tax	**(2,392,170)**	**(1,883,446)**	**(11,286,803)**	(1,573,533)
Basic (loss) per share in cents	**(0.03)**	**(0.06)**	**(0.91)**	(0.22)
Share Price in Cents	**0.21**	**0.20**	**0.10**	0.40

5. Executive contractual arrangements

Laurence Read – Executive Director
Salary £75,000 per annum
Term Ongoing
Termination 6 months notice period by either party

Myles Campion – Technical Director
Salary £100,000 per annum
Term Ongoing
Termination 6 months notice period by either party

Directors' Report

Remuneration report (audited) continued

Remuneration of key management personnel of the Company and the Consolidated Entity

Table 1: Remuneration for the years ended 30 June 2018 and 30 June 2019

		Short-term benefits		Post-employment	Long-term benefits		Share-based payments		Total	Performance related	Options
		Salary & fees	Cash bonus	Superannuation	Cash Incentives	Long Service Leave	Options	Shares			
		$	$	$	$	$	$	$	$	%	%
Non-executive directors											
Evan Kirby	2019	30,000	-	-	-	-	-	-	30,000	-	-
	2018	15,000	-	-	-	-	21,931	15,648	52,579	-	42%
Colin Bird	2019	64,891	-	-	-	-	-	-	64,891	-	-
	2018	15,276	-	-	-	-	77,977	-	93,253	-	84%
Daniel Smith	2019	24,000	-	-	-	-	-	-	24,000	-	-
	2018	11,000	-	-	-	-	9,747	-	20,747	-	47%
Grant Button	2019	-	-	-	-	-	-	-	-	-	-
	2018	31,964	-	3,037	-	-	9,747	-	44,748	-	22%
Executive directors											
Laurence Read	2019	135,549	-	-	-	-	-	-	135,549	-	-
	2018	73,249	-	-	-	-	109,655	28,966	211,870	-	52%
Myles Campion	2019	180,484	-	-	-	-	-	-	180,484	-	-
	2018	52,782	-	-	-	-	109,655	22,427	184,864	-	59%
Justin Tooth	2019	-	-	-	-	-	-	-	-	-	-
	2018	119,522	-	-	-	-	-	-	119,522	-	-
Subtotal	**2019**	**434,924**	**-**	-	-	-	-	-	**434,924**	-	-
Subtotal	**2018**	**318,793**	**-**	**3,037**	**-**	**-**	**338,712**	**67,041**	**727,583**	-	-
Total KMP	**2019**	**434,924**	**-**	-	-	-	-	-	**434,924**	-	-
Total KMP	**2018**	**318,793**	**-**	**3,037**	**-**		**338,712**	**67,041**	**727,583**	-	-

Refer to Page 17 for all appointment dates.

Directors' Report

Remuneration report (audited) continued

Table 2: Share holdings

2019	Shares				
	Balance 1-July-18	**Rights Exercised**	**On Exercise of Options**	**Net Change Other (i)**	**Balance 30-Jun-19**
Directors					
Evan Kirby	12,929,158	-	-	-	12,929,158
Laurence Read	23,913,043	-	-	-	23,913,043
Myles Campion	18,514,492	-	-	66,666,667	85,181,159
Colin Bird	180,499,858	-	-	133,333,333	313,833,191*
Daniel Smith	-	-	-	-	-
	235,856,551	**-**	**-**	**200,000,000**	**435,856,551**

* - includes 130,499,858 shares in which he has an indirect interest via his directorship of African Pioneer plc.

2018	Shares				
	Balance 1-July-17	**Rights Exercised**	**On Exercise of Options**	**Net Change Other (i)**	**Balance 30-Jun-18**
Directors					
Evan Kirby	10,900	-	-	12,918,258	12,929,158
Laurence Read	-	-	-	23,913,043	23,913,043
Myles Campion (1)	-	-	-	18,514,492	18,514,492
Colin Bird (2)	-	-	-	180,499,858	180,499,858*
Daniel Smith (3)	-	-	-	-	-
Justin Tooth(4)	326,650	-	-	(326,650)	-
Grant Button (5)	5,356,300	-	-	(5,356,300)	-
	5,693,850	**-**	**-**	**230,162,701**	**235,856,551**

(i) Net change other includes:
- acquisitions and disposals on market
- issued in settlement of fees
- subscribed in share issue
- subscription for options
- sales / transfers
- appointment / resignation as director
- exchange of options for shares
- salary sacrifice share scheme shares issued

(1) Appointed 17 October 2017
(2) Appointed 11 January 2018
(3) Appointed 16 January 2018
(4) Resigned 26 September 2017
(5) Resigned 31 January 2018

Directors' Report

Table 4: Option holdings

2019	Options							
	Balance 1-July-2018	Granted	Received as Remuneration	Options Expired	Net Change Other (ii)	Balance 30-Jun-19	Vested & Exercisable 30-Jun-19	Vested & Not Exercisable 30-Jun-19
Directors								
Evan Kirby	22,500,000	-	-	-	-	22,500,000	22,500,000	-
Laurence Read	112,500,000	-	-	-	-	112,500,000	112,500,000	-
Myles Campion	112,500,000	-	-	-	33,333,334	145,833,334	145,833,334	-
Colin Bird	105,000,000	-	-	-	66,666,666	171,666,666	171,666,666	-
Daniel Smith	10,000,000	-	-	-	-	10,000,000	10,000,000	-
	362,500,000	-	-	-	100,000,000	462,500,000	462,500,000	-

2018	Options							
	Balance 1-July-2017	Granted	Received as Remuneration	Options Expired	Net Change Other (i)	Balance 30-Jun-18	Vested & Exercisable 30-Jun-18	Vested & Not Exercisable 30-Jun-18
Directors								
Evan Kirby	-	-	22,500,000	-	-	22,500,000	22,500,000	-
Laurence Read	-	-	112,500,000	-	-	112,500,000	112,500,000	-
Myles Campion	-	-	112,500,000	-	-	112,500,000	112,500,000	-
Colin Bird	-	-	80,000,000	-	25,000,000	105,000,000	105,000,000	-
Daniel Smith	-	-	10,000,000	-	-	10,000,000	10,000,000	-
Justin Tooth	-	-	-	-	-	-	-	-
Grant Button	-	-	-	-	-	-	-	-
	-	-	$337,500,000	-	25,000,000	362,500,000	362,500,000	-

(i) options issued relate to a November 2017 placement.
(ii) Options issued relate to participations in the March 2019 fundraising.

Refer to Page 17 for all appointment dates.

Executive Share Incentive Plan (ESIP)

Under the plan, eligible employees are offered shares in the Company at prices determined by the Board. The Board has the ultimate discretion to impose special conditions on the shares issued under the ESIP and can grant a loan to a participant for the purposes of subscribing for plan shares. Shares issued under loan facilities are held on trust for the benefit of the participant and will only be transferred into the participant's name once the loan has been fully repaid. ESIP participants receive all the rights associated with the ordinary shares.

Loans granted to participants are limited recourse and interest free unless otherwise determined by the Board. The loans are to be repaid via the application of any dividends received from the shares and/or the sale of the plan shares. Where the loan is repaid by the sale of shares, any remaining surplus on sale is remitted to the participant while any shortfall is borne by the Group.

During the 2018 and 2019 reporting period no new shares were issued under the ESIP.

If, at any time during the exercise period an employee ceases to be an employee, all options held by that employee vest immediately and will lapse one month after their employment end date. As such, there is not considered to be any service conditions attaching to the grant of shares under the ESIP, and the full expense is recognised at the grant date.

Remuneration report (audited) continued

Fair value of award granted

Shares granted under the ESIP are accounted for as "in-substance" options due to the limited recourse nature of the loan between the employees and the Company to finance the purchase of ordinary shares. The fair value at grant date for the various tranches of rights issued under the ESIP is determined using a binomial model.

(ii) Loans to Key Management Personnel and their Related Parties

There were no loans to Directors or other key management personnel at any time during the year ended 30 June 2019 (2018: Nil).

(iii) Transactions with Key Management Personnel and their Related Parties

The following transactions were undertaken between the Company, executive officers and director-related entities during 2019 and 2018.

	2019	2018
	$	$
Rental fees were paid to Lion Mining Finance, a company of which Colin Bird is a director. Fees were paid at arms length and on commercial terms.	**24,551**	**-**
Company secretarial and accounting fees were paid to Minerva Corporate Pty Ltd, a company of which Daniel Smith is a director. Fees were paid at arms length and on commercial terms.	**89,000**	**-**
	113,551	**-**

(iv) Voting of Shareholders at last year's annual general meeting (AGM)

Europa Metals Ltd received 100% votes in favour of its remuneration report for its 2018 financial year. The Company did not receive any specific feedback at the AGM through the year on its remuneration practices.

End of audited Remuneration Report

Directors' Report

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 60 and forms part of this report.

This report is made in accordance with a resolution of the Directors.

Daniel Smith
Non-Executive Director
Perth
30 September 2019

Corporate Governance Statement

Introduction

This corporate governance statement is dated 30 September 2019 and has been approved by the Board.

The Board recognises the importance of maintaining appropriately high standards of corporate governance and has made it a priority to adopt systems of control and accountability as the basis for the administration of corporate governance and put in place governance structures that would be expected in light of the Group's size, stage of development and resources. Some of these policies and procedures are summarised in this statement. In accordance with the AIM Rules for Companies (the "AIM Rules"), the Board has reviewed which recognised corporate governance code to apply to the Company on a comply or explain basis, as required by AIM Rule 26. Accordingly, the Board has decided to continue to adhere to the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, third edition (the "**Principles & Recommendations**" or the "Code"), and has followed each recommendation to the extent considered appropriate for the Company's corporate governance practices. Where the Company's corporate governance practices follow a recommendation, the Board has made appropriate statements reporting on the adoption of the recommendation. Where, after due consideration, the Company's corporate governance practices depart from a recommendation, the Board has made full disclosure and reasoning for the adoption of its own practice, in compliance with the ASX "if not, why not" regime and the comply or explain basis required by AIM Rule 26.

DISCLOSURE OF CORPORATE GOVERNANCE PRACTICES

Summary statement

	ASX P & R[1]	If not, why not[2]		ASX P & R[1]	If not, why not[2]
Recommendation 1.1	✓		Recommendation 4.2	✓	
Recommendation 1.2	✓		Recommendation 4.3	✓	
Recommendation 1.3	✓		Recommendation 5.1	✓	
Recommendation 1.4	✓		Recommendation 6.1	✓	
Recommendation 1.5		✓	Recommendation 6.2	✓	
Recommendation 1.6	✓		Recommendation 6.3	✓	
Recommendation 1.7		✓	Recommendation 6.4	✓	
Recommendation 2.1	✓		Recommendation 7.1	✓	
Recommendation 2.2	✓		Recommendation 7.2	✓	
Recommendation 2.3	✓		Recommendation 7.3	✓	
Recommendation 2.4	✓		Recommendation 7.4	✓	
Recommendation 2.5	✓		Recommendation 8.1	✓	
Recommendation 2.6	✓		Recommendation 8.2	✓	
Recommendation 3.1	✓		Recommendation 8.3	✓	
Recommendation 4.1	✓				

1 Indicates where the Company has followed the Principles & Recommendations.
2 Indicates where the Company has provided "if not, why not"/comply or explain disclosure.

Website disclosures

In accordance with AIM Rule 26, the Company is required to maintain on its website details of the Code, how the Company complies with the Code and an explanation of any deviations from such Code. This information is required to be reviewed annually and going forward it is intended that it will be reviewed at the same time as the Company's Annual Report is prepared.

Further information about the Company's charters, policies and procedures may be found at the Company's website at www.europametals.com, under the section titled Corporate Governance.

Disclosure – Principles & Recommendations

The Company reports below on how it has followed (or otherwise departed from) each of the Principles & Recommendations during the year ending 30 June 2019 (the "**reporting period**").

Principle 1 – Lay solid foundations for management and oversight

Recommendation 1.1:

Companies should disclose the respective roles and responsibilities of the board and management and those matters expressly reserved to the board and those delegated to management.

Disclosure:

The Company has established the functions reserved to the Board and has set out these functions in its Board Charter. The Board is collectively responsible for promoting the success of the Company through its key functions of overseeing the management of the Company, providing overall corporate governance of the Company, monitoring the financial performance of the Company, engaging appropriate management commensurate with the Company's structure and objectives, involvement in the development of corporate strategy and performance objectives and reviewing, ratifying and monitoring systems of risk management and internal control, codes of conduct and legal compliance.

The Company has established the functions delegated to management and has set out these functions in its Board Charter. Senior executives are responsible for supporting the executive officers and assisting the executive officers in implementing the running of the general operations and financial business of the Company, in accordance with the delegated authority of the Board.

Senior executives are responsible for reporting all matters which fall within the Company's materiality thresholds at first instance to the executive officers or, if the matter concerns the executive officers, then directly to the Chairman or the lead independent director, as appropriate.

Recommendation 1.2:

Companies should undertake appropriate checks before appointing a person, or putting a person forward for election to shareholders, as a director.

Disclosure:

The Company does undertake appropriate checks in accordance with this recommendation.

Recommendation 1.3:

Companies should have written agreements with each director and senior executive setting out the terms of their appointment.

Disclosure:

The Company does have written agreements with each director and senior executive in accordance with this recommendation.

Recommendation 1.4:

The company secretary should be accountable directly to the board, through the chairman, on all matters to do with the proper functioning of the board.

Disclosure:

The company secretary is accountable directly to the board, through the chairman, on all matters to do with the proper functioning of the board.

Recommendation 1.5:

The Company should:

(a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the Company's progress in achieving them;

(b) disclose that policy or a summary of it; and

(c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the Company's diversity policy and its progress towards achieving them, and the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the Company has defined "senior executive" for these purposes).

Disclosure:

The Company has established a Diversity Policy a copy of which is published on the Company's website. The Company has not yet established measurable objectives for achieving gender diversity. The Company operates with a very small team of professionals, whose services are provided on the basis of their experience and professional qualifications. Establishing such measurable objectives will be addressed by the Board when the Company's operations require the expansion of its personnel numbers

The respective proportions of men and women on the board and in senior executive positions (that term meaning a position having senior management responsibilities as set out in the Company's delegated authorities manual) are set out in the following table:

Gender	Total	Senior Management	Board
Female	0	0	0
Male	5	2	5
% Female	0%	0%	0%

Recommendation 1.6:

The Company should:

(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and

(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.

Disclosure:

The Company periodically evaluates the performance of the board, its committees and individual directors. A performance evaluation was undertaken during the reporting period.

Recommendation 1.7:

The Company should:

(a) have and disclose a process for periodically evaluating the performance of senior executives; and

(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.

Disclosure:

The Company periodically evaluates the performance of senior executives. A performance evaluation was not undertaken during the reporting period.

Principle 2 – Structure the Board to add value

Recommendation 2.1:

The Board should establish a Nomination Committee.

Disclosure:

The Company has established a separate Nomination Committee. The Committee comprises Dr Evan Kirby (chairman of the committee), Mr Myles Campion and Mr Colin Bird.

Recommendation 2.2:

The Company should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.

Disclosure:

The Company has a skills matrix setting out the skills and diversity of the board. Its members have a mixture of experience and corporate, technical, financial and management skills that are considered appropriate for the Company's present situation.

Recommendation 2.3:

The Company should disclose:

(a) the names of the directors considered by the board to be independent directors;

(b) if directors have a prescribed interest, position, association or relationship with the Company, why they are regarded as independent directors; and

(c) the length of service of each director.

Disclosure:

The independent directors of the Company are Mr Daniel Smith, Dr Evan Kirby and Mr Colin Bird. The length of service of each director is as follows: Mr Smith – 1 year and 8 Months; Dr Kirby – 3 years; Mr Bird – 1year and 8 months.

Recommendation 2.4:

A majority of the board of the Company should be independent directors.

Disclosure:

There are five directors, three of whom are independent.

Recommendation 2.5:

The chairman of the board of the Company should be an independent director and, in particular, should not be the same person as the CEO of the Company.

Disclosure:

Mr Colin Bird was appointed as the independent Chairman on 11 January 2018.

Recommendation 2.6:

The Company should have a programme for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.

Disclosure:

The Company will induct new directors at an appropriate time when suitable individuals are identified and available and as the Company's business requires adjusted skills sets on the board. Directors will be provided appropriate professional development opportunities to develop and maintain the skills and knowledge needed to perform their role as directors effectively as and when required.

Principle 3 – Act ethically and responsibly

Recommendation 3.1:

The Company should:

(a) have a code of conduct for its directors, senior executives and employees; and

(b) disclose that code or a summary of it.

Disclosure:

The Company has established a Code of Conduct applying to directors, senior executives and employees as to the practices necessary to maintain confidence in the Company's integrity, practices necessary to take into account their legal obligations and the expectations of their stakeholders and responsibility and accountability of individuals for reporting and investigating reports of unethical practices. The Code of Conduct is available for scrutiny on the Company's website.

Principle 4 – Safeguard integrity in financial reporting

Recommendation 4.1:

The board should:

(a) have an audit committee that has at least three members, all of whom are non-executive directors and a majority of whom are independent, and be chaired by an independent director who is not chairman of the board; and

(b) disclose the committee's charter, its members and the relevant qualifications and experience of the committee members and the number of times it met during the reporting period.

Disclosure:

The Company has established an Audit Committee with a formal charter. The committee comprises three directors, being Mr Daniel Smith (chairman of the committee), Mr Colin Bird and Mr Laurence Read. It meets the stipulations set out in recommendation 4.1, and the relevant qualifications and experience of its members are set out in the Directors' Report. All of the Audit Committee members consider themselves to be financially literate and have industry knowledge.

Recommendation 4.2:

The board should, before it approves the Company's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the Company have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the Company and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

Disclosure:

The board meets the stipulations set out in recommendation 4.2.

Recommendation 4.3:

The Company should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.

Disclosure:

The Company meets the stipulations set out in recommendation 4.3.

Principle 5 – Make timely and balanced disclosure

Recommendation 5.1:

The Company should have a written policy designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies.

Disclosure:

[The Company has established a written policy designed to ensure compliance with listing rule disclosure requirements and accountability at a senior executive level for that compliance. The policy is available for scrutiny on the Company's website.

Principle 6 – Respect the rights of security holders

Recommendation 6.1:

The Company should provide information about itself and its governance to investors via its website.

Disclosure:

The Company complies with recommendation 6.1.

Recommendation 6.2:

The Company should design and implement an investor relations programme to facilitate effective two-way communication with investors.

Disclosure:

The Company has designed a communications policy for promoting effective communication with shareholders.

Recommendation 6.3:

The Company should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.

Disclosure:

The Company gives adequate notice to security holders of meetings of security holders and encourages attendance at such meetings.

Recommendation 6.4:

The Company should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.

Disclosure:

The Company meets the requirements of recommendation 6.4.

Principle 7 – Recognise and manage risk

Recommendation 7.1:

The board should:

(a) have a risk management committee that has at least three members, a majority of whom should be independent, and be chaired by an independent director; and

(b) disclose the committee's charter, its members and the relevant qualifications and experience of the committee members and the number of times it met during the reporting period.

Disclosure:

The Company does not currently have a risk management committee. The Board has required management to design, implement and maintain risk management and internal control systems to manage the Company's material business risks. The Board also requires management to report to it confirming that those risks are being managed effectively. Further, the Board has received a report from management as to the effectiveness of the Company's management of its material business risks.

Recommendation 7.2:

The board or a committee of the board should:

(a) review the Company's risk management framework at least annually to satisfy itself that it continues to be sound; and

(b) disclose, in relation to each reporting period, whether such a review has taken place.

Disclosure:

The Board has required management to design, implement and maintain risk management and internal control systems to manage the Company's material business risks. The Board also requires management to report to it confirming that those risks are being managed effectively. Further, the Board has received a report from management as to the effectiveness of the Company's management of its material business risks.

During the reporting period the Company had an informal risk management system in place, including the policies and systems referred to in the disclosure in relation to recommendation 7.2. Although the system was not fully documented, management acting through the Executive Directors was able to form the view that management of its material business risks during the reporting period was effective.

Recommendation 7.3:

The Company should disclose:

(a) if it has an internal audit function, how the function is structured and what role it performs; or

(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.

Disclosure:

The Company does not have an internal audit function. The Board has required management to design, implement and maintain risk management and internal control systems to manage the Company's material business risks. The Board also requires management to report to it confirming that those risks are being managed effectively. Further, the Board has received a report from management as to the effectiveness of the Company's management of its material business risks.

Recommendation 7.4:

The Company should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.

Disclosure:

The Company does not have any material exposure to economic, environmental or social sustainability risks, other than the risks that are common to all minerals explorers in relation to commodity prices and the availability of venture capital.

Principle 8 – Remunerate fairly and responsibly

Recommendation 8.1:

The board should:

(a) have a remuneration committee that has at least three members, a majority of whom should be independent, and be chaired by an independent director; and

(b) disclose the committee's charter, its members and the relevant qualifications and experience of the committee members and the number of times it met during the reporting period.

Disclosure:

The Company throughout the financial year had a separate remuneration committee that meets the requirements of recommendation 8.1. The committee comprised Dr Evan Kirby (chairman of the committee), Mr Colin Bird and Mr Daniel Smith. The relevant qualifications and experience of its members are set out in the Directors' Report. The committee met once during the reporting period.

Recommendation 8.2:

The Company should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.

Disclosure:

Non-executive directors are remunerated at market rates for time, commitment and responsibilities. Remuneration for non-executive directors is not linked to individual performance. Given the Company's stage of development and the financial restrictions placed on it, the Company may consider it appropriate to issue unquoted options to non-executive directors, subject to obtaining the relevant approvals. This policy is subject to annual review. All of the directors' option holdings are fully disclosed.

Pay and rewards for executive directors and senior executives consist of a base pay and benefits (such as superannuation) as well as long term incentives through participation in employee share and option plans. Executives are offered a competitive level of base pay at market rates and which is reviewed annually to ensure market competitiveness.

Recommendation 8.3:

If the Company has an equity-based remuneration scheme, it should:

(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and

(b) disclose that policy or a summary of it.

Disclosure:

Though the Company has a Share Plan and an Option Plan in place in order to provide incentives and directors and employees have from time to time participated in such plans, any participation in such plans is not regarded as equity-based remuneration, and in any event the Plan rules themselves would prevent the entry into transactions that limit the economic risk of such participation.

Europa Metals Ltd
A.C.N. 097 532 137

Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2019

	Note	2019 $	2018 $
Revenue from continuing operations			
Revenue	3(a)	**42**	9
Other income	3(b)	**7,212**	71,310
Administration expenses	3(c)	**(974,577)**	(1,296,518)
Occupancy expenses		**(32,489)**	(27,655)
Exploration expenditure		**(1,390,379)**	(413,393)
Foreign exchange (loss)/ gain		**(1,979)**	121,513
Share based payments	16	**-**	(338,713)
Loss before taxation		**(2,392,170)**	(1,883,446)
Income tax benefit / (expense)	5	**-**	-
Loss after income tax for the year from continuing operations		**(2,392,170)**	(1,883,446)
Net loss for the year		**(2,392,170)**	(1,883,446)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Net exchange gain on translation of foreign operation		**62,293**	230,474
Other comprehensive income for the year, net of tax		**62,293**	230,474
Total comprehensive loss for the year		**(2,329,877)**	(1,652,972)
Net loss for the year attributable to:			
Equity holders of the Parent		**(2,329,877)**	(1,652,972)
		(2,329,877)	(1,652,972)
Total comprehensive loss for the year attributable to:			
Equity holders of the Parent		**(2,329,877)**	(1,652,972)
		(2,329,877)	(1,652,972)
Loss per share		**Cents per share**	Cents per share
Basic loss for the year attributable to ordinary equity holders of the Parent	7	**(0.03)**	(0.06)
Diluted loss for the year attributable to ordinary equity holders of the Parent	7	**(0.03)**	(0.06)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes

Consolidated Statement of Financial Position
As at 30 June 2019

	Note	2019 $	2018 $
Assets			
Current assets			
Cash and short term deposits	8	**1,052,411**	1,272,327
Trade and other receivables	9	**291,201**	77,510
Total current assets		**1,343,612**	1,349,837
Non-current assets			
Plant and equipment		**31,657**	20,192
Capitalised exploration expenditure	10	**1,423,943**	1,344,013
Total non-current assets		**1,455,600**	1,364,205
Total assets		**2,799,212**	2,714,042
Liabilities and equity			
Current liabilities			
Trade and other payables	11	**91,709**	229,671
Total current liabilities		**91,709**	229,671
Total liabilities		**91,709**	229,671
Net assets		**2,707,503**	2,484,371
Equity			
Contributed equity	12	**40,572,924**	38,079,499
Accumulated losses	15	**(40,759,280)**	(38,367,110)
Reserves	14	**2,893,859**	2,771,982
Total equity		**2,707,503**	2,484,371

This Consolidated Statement of Financial Position is to be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows
For the year ended 30 June 2019

	Note	2019 $	2018 $
Cash flows used in operating activities			
Interest received		**1,709**	9
Exploration and evaluation expenditure		**(1,387,317)**	(404,017)
Payments to suppliers and employees		**(1,339,040)**	(1,031,775)
Net cash flows used in operating activities	19	**(2,724,648)**	(1,435,783)
Cash flows used in investing activities			
Payments for plant and equipment		**-**	(22,008)
Net cash flows used in investing activities		**-**	(22,008)
Cash flows from financing activities			
Proceeds from issue of shares		**2,684,170**	2,294,676
Transaction costs on issue of shares		**(184,832)**	(135,819)
Net cash flows from financing activities		**2,499,338**	2,158,857
Net (decrease)/ increase in cash and cash equivalents held		**(225,310)**	701,066
Net foreign exchange difference		**5,394**	67,370
Cash and cash equivalents at 1 July		**1,272,327**	503,891
Cash and cash equivalents at 30 June	8	**1,052,411**	1,272,327

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

Europa Metals Ltd
A.C.N. 097 532 137

Consolidated Statement of Changes in Equity
For the year ended 30 June 2019

	Attributable to the equity holders of the Parent					
	Issued capital $	**Accumulated losses $**	**Employee share incentive reserve $**	**Option reserve $**	**Foreign exchange reserve $**	**Total equity $**
At 1 July 2017	**35,931,732**	**(36,483,664)**	**491,577**	**1,609,070**	**21,678**	**1,570,393**
Loss for the year	-	(1,883,446)	-	-	-	(1,883,446)
Other Comprehensive Income (net of tax)	-	-	-	-	230,474	230,474
Total comprehensive loss (net of tax)	-	(1,883,446)	-	-	230,474	(1,652,972)
Transactions with owners in their capacity as owners:						
Shares issued during the year net of transaction costs	2,147,767	-	-	-	-	2,147,767
Options issued to Brokers	-	-	-	80,470	-	80,470
Options issued under Employee Option Plan	-	-	-	338,713	-	338,713
	38,079,499	**(38,367,110)**	**491,577**	**2,028,253**	**252,152**	**2,484,371**
At 1 July 2018	**38,079,499**	**(38,367,110)**	**491,577**	**2,028,253**	**252,152**	**2,484,371**
Loss for the year	-	(2,392,170)	-	-	-	(2,392,170)
Other Comprehensive Income (net of tax)	-	-	-	-	62,293	62,293
Total comprehensive loss (net of tax)	-	(2,392,170)	-	-	62,293	(2,329,877)
Transactions with owners in their capacity as owners:						
Shares issued during the year net of transaction costs	2,493,425	-	-	-	-	2,493,425
Options issued to Brokers	-	-	-	59,584	-	59,584
At 30 June 2019	**40,572,924**	**(40,759,280)**	**491,577**	**2,087,837**	**314,445**	**2,707,503**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Note 1: Corporate information

The consolidated financial statements of Europa Metals Ltd and its subsidiaries (collectively, the "Group") for the year ended 30 June 2019 were authorised for issue in accordance with a resolution of the directors on 27 September 2019.

Europa Metals Ltd, the parent, is a for profit company limited by shares incorporated in Australia whose shares are publicly traded on the AltX of the Johannesberg Stock Exchange and the London Stock Exchange (AIM).

Domicile:
Australia

Registered Office:
c/o Minerva Corporate Pty. Ltd, Level 8, 99 St Georges Terrace, Perth, WA, 6000.

Note 2: Summary of significant accounting policies

(a) Basis of preparation

The Financial Report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and Interpretations and complies with other requirements of Australian law.

The accounting policies detailed below have been consistently applied to all of the years presented unless otherwise stated. The financial statements are for the consolidated entity consisting of Europa Metals Ltd and its subsidiaries.

The Financial Report has also been prepared on a historical cost basis.

All amounts are presented in Australian dollars, unless otherwise stated.

(b) Statement of compliance

The Financial Report complies with Australian Accounting Standards, as issued by the Australian Accounting Standards Board, and complies with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board.

(c) Going concern

The Annual Report has been prepared on a going concern basis and this basis is predicated on a number of initiatives being undertaken by the Group with respect to ongoing cost reductions and funding as set out below.

The Group incurred an operating loss after income tax of $2,392,170 for the year ended 30 June 2019 (2018: $1,883,446). In addition, the Group had net current assets of $1,251,903 (2018: $1,120,166), and shareholders' equity of $2,707,503 (2018: $2,484,371) as at 30 June 2019.

The Group's forecast cash flow requirements for the 15 months ending 30 September 2020 reflect cash outflows from operating and investing activities, which take into account a combination of committed and uncommitted but currently planned expenditure. The ability of the Group to continue as a going concern is dependent on raising additional funds to meet the Group's ongoing working capital requirements when required.

These conditions indicate a material uncertainty which may cast significant doubt as to whether the Group will be able to meet its debts as and when they fall due and thus continue as a going concern.

This Annual report has been compiled on a going concern basis. In arriving at this position the Directors are satisfied that the Group will have access to sufficient cash as and when required to enable it to fund administrative and other committed expenditure. The Directors are satisfied that they will be able to raise additional funds either through implementation of strategic joint ventures or via a form of debt and/or equity raising. In addition, the Directors have embarked on a strategy to reduce costs.

Note 2: Summary of significant accounting policies (continued)

Should the Group not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business and at amounts that differ from those stated in the financial statements.

The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts, nor to the amounts or classification of liabilities that might be necessary should the Group not be able to continue as a going concern.

(d) Adoption of new and revised standards

Europa Metals Limited and its subsidiaries ('the Group') has adopted all new and amended Australian Standards and Interpretations mandatory for reporting periods beginning on or after 1 July 2018, including:

- AASB 9 - Financial Instruments
- AASB 15 - Revenue from Contracts with Customers

The adoption of these standards and interpretations did not have any material effect on the financial position or performance of the Group.

(e) Accounting standards issued but not yet effective

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective and have not been adopted by the Group for the year ended 30 June 2019. Relevant Standards and Interpretations are outlined in the table below. Management have assessed the impact of each standard and considered there to be no material impact to the group.

Reference	Title	Summary	Application date of standard*	Application date for Group
AASB16	Leases	This Standard sets out the principles for the recognition, measurement,, presentation and disclosure of leases, The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions, This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of the entity.	1 January 2019	1 July 2019

(f) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 30 June 2019. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights.

Note 2: Summary of significant accounting policies (continued)

(f) Basis of consolidation (continued)

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of profit or loss and other comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- De-recognises the assets (including goodwill) and liabilities of the subsidiary;
- De-recognises the carrying amount of any non-controlling interests;
- De-recognises the cumulative translation differences recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in profit or loss; and
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.
- Exchange differences arising on translation of foreign operations are transferred directly to the group's foreign currency translation reserve in the statement of financial position. These differences are recognised in the profit or loss in the period in which the operation is disposed.

(g) Critical accounting estimates and judgements

The application of accounting policies requires the use of judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions are recognised in the period in which the estimate is revised if it affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Share-based payment transactions
The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an external valuer using the Black Scholes model, using the assumptions detailed in Note 16.

Business combination vs assets acquisition
The Company has determined that the acquisition of GoldQuest Iberica, S.L. in 2016 has taken the form of an asset acquisition and not a business combination. In making this decision, the Company determined that the nature of the exploration and evaluation activities by GoldQuest did not constitute an integrated set of activities and assets that are capable of being conducted and managed for the purpose of providing a return in the form of dividends, lower costs or other economic benefits directly to investors or other owners, members or participants.

Note 2: Summary of significant accounting policies (continued)

(g) Critical accounting estimates and judgements (continued)

When an asset acquisition does not constitute a business combination, the assets and liabilities are assigned a carrying amount based on their relative fair values in an asset purchase transaction and no deferred tax will arise in relation to the acquired assets and assumed liabilities as the initial recognition exemption for deferred tax under AASB 112 applies. No goodwill will arise on the acquisition and transaction costs of the acquisition will be included in the capitalised cost of the asset.

(h) Foreign currency translation

Both the functional and presentation currency of the Company and its Australian controlled entity is Australian dollars (A$). Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

The functional currency of the foreign operations is Euro (EUR), and United States dollars (USD).

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date.

All exchange differences in the parent Company's financial statements are taken to profit or loss unless they relate to the translation of subsidiary related loans and borrowings which are considered part of the net investment value taken directly to equity until the disposal of the net investment, at which time they are recognised in profit or loss.

As at the reporting date the assets and liabilities of foreign subsidiaries are translated into the presentation currency of the Company at the rate of exchange ruling at the reporting date and their statements of profit or loss and other comprehensive income are translated at the weighted average exchange rate for the year.

The exchange differences arising on the translation are taken directly to a separate component of equity.

On disposal of a foreign entity, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in profit or loss.

(i) Exploration and evaluation expenditure

Exploration and evaluation costs
Exploration and evaluation costs are written off in the year they are incurred apart from acquisition costs which are carried forward where right of tenure of the area of interest is current. The future recoverability of exploration and evaluation expenditure is dependent on a number of factors, including whether the Group decides to exploit the related lease itself, or, if not, whether it successfully recovers the related exploration and evaluation assets through sale.

Factors that could impact the future recoverability include the level of reserves and resources, future technological changes, which could impact the cost of mining, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

To the extent that capitalised exploration and evaluation expenditure is determined not to be recoverable in the future, profits and net assets will be reduced in the period in which this determination is made.

(j) Income tax

Current tax assets and liabilities for the current period and prior periods are measured at amounts expected to be recovered from or paid to the taxation authorities based on the current period's taxable income. The tax rates and tax laws used for computations are enacted or substantively enacted by the reporting date.

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Note 2: Summary of significant accounting policies (continued)

(j) Income tax (continued)

Current tax assets and liabilities for the current period and prior periods are measured at amounts expected to be recovered from or paid to the taxation authorities based on the current period's taxable income. The tax rates and tax laws used for computations are enacted or substantively enacted by the reporting date.

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- where the deferred income tax liability arises from the initial recognition of goodwill of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- where the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised except:

- where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- where the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date

Income taxes relating to items recognised directly in equity are recognised in equity and not in the statement of profit or loss and other comprehensive income.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

(k) Goods & Services Tax/Value Added Tax

Revenues, expenses and assets are recognised net of the applicable amount of GST/VAT except:

- where the GST/VAT incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST/VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

Note 2: Summary of significant accounting policies (continued)

(k) Goods & Services Tax/Value Added Tax (continued)

- receivables and payables are stated with the amount of GST/VAT included.

The net amount of GST/VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST/VAT component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST/VAT recoverable from, or payable to, the taxation authority.

(l) Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank and on hand and short-term deposits with an original maturity of three months or less.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(m) Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The consolidated entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

(n) Revenue recognition

Interest Income
Interest income is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

(o) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

The Company's own shares, which are re-acquired for later use in the employee share based payment arrangements, are deducted from equity.

(p) Trade and other payables

Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

Note 2: Summary of significant accounting policies (continued)

(q) Loss per share

Basic loss per share is calculated as net loss attributable to members of the Company adjusted to exclude any costs of servicing equity (other than dividends) divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted loss per share is calculated as net loss attributable to members of the Company adjusted for:
- costs of servicing equity (other than dividends);
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(r) Other Financial Assets

Other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset.

(s) Share-based payment transactions

The Company provides benefits to its employees and consultants (including key management personnel ("KMP") in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions).

Equity settled transactions
The cost of equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using the Black Scholes model, further details of which are given in Note 16.

In valuing equity-settled transactions, no account is taken of any vesting conditions, other than conditions linked to the price of the shares of the Company if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity on the date the equity right is granted. The statement of profit or loss and other comprehensive income charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

If the terms of an equity-settled transactions are modified, as a minimum an expense is recognised as if the terms had not been modified. An additional expense is recognised for any modification that increases the total fair value of the share based arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of diluted loss per share (see note 7).

(t) Comparatives figures

When required by Accounting Standards, comparative figures have been restated to conform to changes in presentation for the current financial year.

Notes to the consolidated financial statements
For the year ended 30 June 2019

Note 3: Revenue and expenses

Revenue and expenses from continuing operations

	2019 $	2018 $
(a) Revenue		
Interest received	**42**	9
	42	9
(b) Other Income		
Other Income	**7,212**	71,310
	7,212	71,310

	2019 $	2018 $
(c) Profit or loss		
Other expenses include the following:		
Depreciation	**12,252**	7,952
Consulting services	**153,237**	426,227
Employment related		
- Directors fees	**434,924**	341,322
- Wages	**-**	55,498
- Superannuation	**-**	8,309
Corporate	**237,009**	240,476
Travel	**46,500**	34,314
Other	**90,655**	182,420
	974,577	1,296,518

Note 4: Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors.

Europa Metals Limited operates in the mineral exploration industry in Spain.

Given the nature of the Group, its size and current operations, management does not treat any part of the Group as a separate operating segment. Internal financial information used by the Group's decision makers is presented on a "whole of entity" manner without dissemination to any separately identifiable segments.

The Group's management operate the business as a whole without any special responsibilities for any separately identifiable segments of the business.

Accordingly the financial information reported elsewhere in this financial report is representative of the nature and financial effects of the business activities in which it engages and the economic environments in which it operates.

Note 5: Income tax expense

	2019 $	2018 $
Reconciliation of income tax expense to the pre-tax net loss		
Loss before income tax	**(2,392,170)**	(1,883,446)
Income tax calculated at 30% (2018: 27.5%) on loss before income tax	**(717,651)**	(517,948)
Add tax effect of: non-deductible expenses	**230,897**	332,014
Difference in tax rate of subsidiaries operating in other jurisdictions	**(69,250)**	(8,622)
Unused tax losses and temporary differences not brought to account	**556,004**	194,556
Income tax (profit) / expense	**-**	-

Analysis of deferred tax balances	2019	2018
Deferred tax liabilities	$	$
Assessable temporary differences		
Prepayments	**(4,745)**	(4,578)
Deferred tax liabilities offset by deferred tax assets	**4,745**	4,578
Net deferred tax liabilities	**-**	-
Deferred tax assets		
Share issue expenses	**-**	109,140
Payables and provisions	**11,175**	12,531
Other	**4,600**	-
Unused tax losses	**5,313,714**	4,439,954
	5,329,489	4,561,625
Total unrecognised deferred tax assets	**(5,324,744)**	(4,557,047)
Deferred tax assets	**4,745**	4,578
Deferred tax assets offset by deferred tax liabilities	**(4,745)**	(4,578)
Net deferred tax assets	**-**	-

Unused tax losses set out above have not been recognised due to the uncertainty of future taxable profit streams.

Note 6: Auditors' remuneration

	2019 $	2018 $
Remuneration of the auditor of the Company for:		
-auditing or reviewing the financial statements		
BDO Audit (WA) Pty Ltd	**28,025**	40,313
	28,025	40,313
-other assurance related services		
BDO Corporate Finance (WA) Pty Ltd	**-**	1,750
	28,025	42,063

Notes to the consolidated financial statements
For the year ended 30 June 2019

Note 7: Loss per share

	2019	2018
	$	$
Basic loss per share (cents per share)	**(0.03)**	(0.06)
Diluted loss per share (cents per share)	**(0.03)**	(0.06)
Loss used in calculating basic loss per share	**(2,392,170)**	(1,883,446)
Adjustments to basic loss used to calculate dilutive loss per share	**-**	-
Loss used in calculating dilutive loss per share	**(2,392,170)**	(1,883,446)
	Number	Number
Weighted average number of ordinary shares used in the calculation of basic loss per share	**7,125,884,907**	3,075,844,119
Weighted average number of ordinary shares used in the calculation of diluted loss per share	**7,125,884,907**	3,075,844,119

4,199,416,595 share options outstanding at 30 June 2019 (30 June 2018: 855,365,729) have not been included in the calculation of dilutive loss per share as these are anti-dilutive.

Note 8: Cash and cash equivalents

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

	2019	2018
	$	$
Cash at bank	**1,052,411**	1,272,327

See note 20 for the risk exposure analysis for cash and cash equivalents.

Note 9: Trade and other receivables

	2019	2018
	$	$
Current		
Sundry debtors	**77,541**	23,825
GST / VAT	**196,492**	37,037
Prepayments	**17,168**	16,648
	291,201	77,510

Non-trade debtors are non-interest bearing and are generally on 30-90 days credit terms. The carrying amounts of these receivables represent fair value and are not considered to be impaired.

Note 10: Capitalised exploration expenditure

	2019	2018
	$	$
At 1 July	**1,344,013**	1,180,488
Capitalised exploration expenditure	**-**	-
Foreign exchange movement	**79,930**	163,525
At 30 June	**1,423,943**	1,344,013

Note 11: Trade and other payables

	2019	2018
	$	$
Current		
Trade payables and other payables	**91,709**	229,671
	91,709	229,671

Trade and other payables are non-interest bearing and are normally settled on 30-day terms.

Note 12: Contributed Equity

		2019 No. of shares	2018 No. of shares	2019 $	2018 $
(a)	**Share Capital**				
	Ordinary Shares				
	Ordinary shares fully paid	**11,976,876,317**	4,849,757,667	**40,838,226**	38,344,801
	Employee share incentive plan shares	**(2,300,000)**	(2,300,000)	**(265,302)**	(265,302)
		11,974,576,317	4,847,457,667	**40,572,924**	38,079,499

Capital management

When managing capital (which is defined as the Company's total equity), management's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management also aims to maintain a capital structure that ensures the lowest cost of capital available to the entity. As the equity market is constantly changing management may issue new shares to provide for future exploration and development activity. The Company is not subject to any externally imposed capital requirements.

During the year ended 30 June 2019, nil (2018: nil) shares were issued back to the market from the Employee Incentive Share Plan.

(b) Movements in ordinary share capital

Date	Details	Number of shares	$
30 June 2017	**Closing Balance**	**2,469,999,055**	**36,197,034**
14 September 2017	Placing shares – Peterhouse Corporate	214,782,526	321,590
8 November 2017	Placing shares – Beaufort Securities	370,499,858	317,187
22 May 2018	Shares issued in lieu of directors fees	55,345,793	69,381
22 May 2018	Placing shares	1,739,130,435	1,655,898
	Costs associated with share issues		(216,289)
30 June 2018	**Closing Balance**	**4,849,757,667**	**38,344,801**
10 August 2018	Placing shares	727,118,650	987,490
29 March 2019	Placing shares	6,400,000,000	1,750,351
	Costs associated with share issues		(244,416)
		11,976,876,317	40,838,226
Employee share plan shares on issue		(2,300,000)	(265,302)
30 June 2019		**11,974,576,317**	**40,572,924**

If, at any time during the exercise period, an employee ceases to be an employee, all share options held by that employee will lapse one month after their employment end date. Therefore, employee shares above are only recognised in issued capital when issued to the employees concerned.

Note 12: Contributed Equity (continued)

(c) Movements in employee share plan shares issued with limited recourse employee loans

Date	Details	Number of shares	$
	Opening balance	2,300,000	(265,302)
	Cancelled during 2018	-	-
	Issued during 2018	-	-
30 June 2018	**Closing balance**	**2,300,000**	**(265,302)**
	Opening balance	2,300,000	(265,302)
	Cancelled during 2019	-	-
	Issued during 2019	-	-
30 June 2019	**Closing balance**	**2,300,000**	**(265,302)**

No employee share plan shares were issued in 2019 (2018: Nil).

This account is used to record the value of shares issued under the Executive Share Incentive Plan (ESIP). The ESIP is accounted for as an "in-substance" option plan due to the limited recourse nature of the loan between employees and the Company to finance the purchase of ordinary shares. The total fair value of the "in substance" options issued under the plan is recognised as a share-based payment expense over the vesting period, with a corresponding increase in equity.

Note 13: Options

	2019 No. of Options	2018 No. of Options
Options		
At year end the following options were on issue:		
- 29 July 2018 options exercisable at GBP0.003 per share	**-**	**205,949,134**
- 22 May 2020 options exercisable at GBP0.00075 per share	**66,666,666**	**66,666,666**
- 22 November 2020 options exercisable at GBP0.00075 per share	**185,249,929**	**185,249,929**
- 22 November 2020 options exercisable at GBP0.00075 per share	**50,000,000**	**50,000,000**
- 22 May 2021 options exercisable at GBP0.00075 per share	**10,000,000**	**10,000,000**
- 22 May 2023 options exercisable at GBP0.000575 per share	**337,500,000**	**337,500,000**
- 30 April 2022 options exercisable at GBP0.00025 per share	**3,200,000,000**	**-**
- 30 April 2022 options exercisable at GBP0.00015 per share	**350,000,000**	**-**
	4,199,416,595	**855,365,729**

The table in note 16 summarises the model inputs (post consolidation) for options granted during the year ended 30 June 2019.

Notes to the consolidated financial statements
For the year ended 30 June 2019

Note 14: Reserves

	Employee share incentive reserve	Options reserve	Foreign exchange reserve	Total
	$	$	$	$
At 30 June 2017	**491,577**	**1,609,070**	**21,678**	**2,122,325**
Options issued to Brokers(1)	-	80,470	-	80,470
Options issued under Employee Option plan		338,713	-	338,713
Currency translation differences	-	-	230,474	230,474
At 30 June 2018	**491,577**	**2,028,253**	**252,152**	**2,771,982**
Options issued to Brokers(1)	**-**	**59,584**	**-**	**59,584**
Currency translation differences	**-**	**-**	**62,293**	**62,293**
At 30 June 2019	**491,577**	**2,087,837**	**314,445**	**2,893,859**

(1) The value of the service could not be reliably determined and therefore, the options were valued using the Black Scholes Model.

Nature and purpose of reserves

Employee share incentive reserve
This reserve is used to record the value of equity benefits provided to employees, consultants and directors as part of their remuneration under the Executive Share Incentive Plan.

Options reserve
This reserve is used to record the value of options issued, other than share-based payments to directors, employees and consultants as part of their remuneration.

Foreign currency translation reserve
The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

Equity reserve
The Equity reserve is used to record the acquisition of the non-controlling interest by the Group and to record differences between the carrying value of non-controlling interests and the consideration paid / received, where there has been a transaction involving non-controlling interests that do not result in a loss of control.
The reserve is attributable to the equity of the parent.

Note 15: Accumulated losses

	2019	2018
	$	$
Accumulated losses at the beginning of the financial year	**(38,367,110)**	(36,483,664)
Net loss for the year	**(2,392,170)**	(1,883,446)
Accumulated losses at the end of the financial year	**(40,759,280)**	(38,367,110)

Notes to the consolidated financial statements
For the year ended 30 June 2019

Note 16: Share based payments

Expenses arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised during the year were as follows:

	2019 $	2018 $
Options issued under Employee Option Plan (Included in Expenses)	-	338,713
Options issued to Brokers (included in Equity)	59,584	80,470
	59,584	419,183

Fair value of options granted

The value of the above services was unable to be reliably measured so the fair value of the options issued was used.

The fair value at the grant date of options issued is determined using the Black Scholes model that takes into account the exercise price, the term of the option, the impact of dilution, the non-tradable nature of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

1. The tables below summarise the model inputs (post consolidation) for options granted prior to the year ended 30 June 2019:

Options granted for no consideration	350,000,000
Exercise price (GBP)	0.00015
Issue date	22 May 2018
Expiry date	22 May 2023
Underlying security spot price at grant date (GBP)	0.00015
Expected price volatility of the Company's shares	100%
Expected dividend yield	0%
Expected life	2
Risk-free interest rate	2.0%
Black Scholes model valuation per option (AUD cents per share)	0.000170
Total fair value	$59,584 Equity

Movements

The following table illustrates the movements in share options during the year:

	2019 Number	2018 Number
Outstanding at 1 July	855,365,729	413,360,261
Issued during the year	3,550,000,000	649,416,595
Cancelled during the year	(205,949,134)	(207,411,127)
Outstanding at 30 June	4,199,416,595	855,365,729
Exercisable at 30 June	4,199,416,595	855,365,729

Notes to the consolidated financial statements
For the year ended 30 June 2019

Note 17: Commitments and contingencies

(i) At this stage the Company has no minimum obligations with respect to tenement expenditure requirements.
(ii) Operating lease commitment to rental payments on office premises in Spain is as follows:

	2019 $	2018 $
Within 1 year	**26,252**	25,545
2 to 5 years	**-**	-
Total	**26,252**	25,545

There are no material contingent liabilities or assets of the Group at the reporting date.

Note 18: Related party transactions

Compensation of Key Management Personnel

	2019 **$**	2018 $
Short-term employee benefits	**434,924**	318,793
Post-employment benefits	**-**	3,037
Share based payments	**-**	405,753
Termination benefits	**-**	-
	434,924	727,583

Transactions between related parties are on normal commercial terms and conditions and no more favourable than those available to other parties unless otherwise stated.

Subsidiaries

The consolidated financial statements include the financial statements of Europa Metals Limited and the subsidiaries listed in the following table.

		% Beneficial Equity Interest	
Name	**Country of Incorporation**	**2019**	**2018**
Ferrum Metals Pty Ltd	Australia	**100**	100
Europa Metals Iberica S.L. (Formally GoldQuest Iberica S.L.)	Spain	**100**	100

Europa Metals Limited is the ultimate Australian parent entity and the ultimate parent of the Group. Transactions between Europa Metals Limited and its controlled entities during the year consisted of loan advances by Europa Metals Limited. All intergroup transactions and balances are eliminated on consolidation.

Trade payable

		Income from Related Parties	Expenditure to Related Parties	Amounts Owed by Related Parties at year end	Amounts Owed to Related Parties at year end
		$	$	$	$
Minerva Corporate Pty Ltd (i)	**2019**	**-**	**89,000**	**-**	**9,000**
	2018	-	**38,500**	**-**	**9,000**
Mowbrai Ltd (ii)	**2019**	**-**	**135,549**	**-**	**8,534**
	2018	-	**-**	**-**	**-**

Note 18: Related party transactions (continued)

(i) Mr D Smith, a non-executive director and company secretary for the Company, is also a director of Minerva Corporate Pty Ltd. During the year, Minerva Corporate Pty Ltd received the above fees for company secretarial and accounting services. These fees are based on normal commercial terms and conditions. Mr D Smith was appointed on 16 January 2018.
(ii) Mr L Read, an executive director of the Company, is also a director of Mowbrai Ltd. During the year, Mowbrai Ltd received the above fees for consulting services. These fees are based on normal commercial terms and conditions.

The following transactions were undertaken between the Company, executive officers and director-related entities during 2019 and 2018.

	2019	2018
	$	$
Rental fees were paid to Lion Mining Finance, a company of which Colin Bird is a director	**24,551**	-
Company secretarial and accounting fees were paid to Minerva Corporate Pty Ltd, a company of which Daniel Smith is a director	**89,000**	-
	113,551	-

Note 19: Cash flow information

	2019	2018
	$	$
Reconciliation of cash flow from operations with loss from ordinary activities after income tax		
Loss from ordinary activities after income tax	**(2,392,170)**	(1,883,446)
Depreciation	**12,252**	7,952
Share based payment compensation	**-**	338,713
Net foreign exchange differences	**(1,750)**	(67,370)
Changes in assets and liabilities		
(Increase) / decrease in receivables	**(213,691)**	43,719
(Decrease) / increase in payables and provisions	**(129,289)**	124,649
Cash flows used in operations	**(2,724,648)**	(1,435,783)

Note 20: Financial risk management objectives and policies

The Group's principal financial instruments comprise cash and short term deposits.

The main purpose of the financial instruments is to finance the Group's operations. The Company also has other financial instruments such as receivables and payables which arise directly from its operations.

The main risks arising from the Group's financial instruments are interest rate risk, liquidity risk, foreign currency risk and credit risk. The board reviews and agrees policies for managing each of these risks and they are summarised below:

(a) Interest Rate Risk

The Group's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates, and the effective weighted average interest rate for each class of financial assets and financial liabilities, is set out in the following table. The effect on profit and equity after tax if interest rates at that date had been 10% higher or lower with all other variables held constant would result in an immaterial difference.

The Group has not entered into any hedging activities to manage interest rate risk. In regard to its interest rate risk, the Group continuously analyses its exposure. Within this analysis, consideration is given to potential renewals of existing positions, alternative investments and the mix of fixed and variable interest rates.

Notes to the consolidated financial statements
For the year ended 30 June 2019

Note 20: Financial risk management objectives and policies (continued)

	Weighted Average Effective Interest Rate %	Floating Interest Rate $	Fixed Interest Rate $	Non Interest Bearing $	Total $
2019					
Financial Assets					
Cash	0.05%	**736**	**-**	**1,051,675**	**1,052,411**
Total Financial Assets		**736**	**-**	**1,051,675**	**1,052,411**
Financial Liabilities					
Trade and other payables		**-**	**-**	**91,709**	**91,709**
Total Financial Liabilities		**-**	**-**	**91,709**	**91,709**
2018					
Financial Assets					
Cash	0.05%	728	-	1,271,599	1,272,327
Total Financial Assets		728	-	1,271,599	1,272,327
Financial Liabilities					
Trade and other payables		-	-	229,669	229,669
Total Financial Liabilities		-	-	229,669	229,669

(b) Liquidity Risk

The Group manages liquidity risk by maintaining sufficient cash reserves and marketable securities required to meet the current exploration and administration commitments, through the continuous monitoring of actual cash flows.

Ultimate responsibility for liquidity risk management rests with the board of directors, who have built an appropriate liquidity risk management framework for the management of the Group's short, medium and long term funding and liquidity management requirements.

	Less than 1 month %	1 – 3 months $	3 months – 1 year $	1 – 5 years $	5+ years $	Total contractual cash flow $	Total $
2019							
Financial assets:							
Cash	**1,052,411**	**-**	**-**	**-**	**-**	**1,052,411**	**1,052,411**
Receivables	**-**	**291,201**	**-**	**-**	**-**	**291,201**	**291,201**
	1,052,411	**291,201**	**-**	**-**	**-**	**1,343,612**	**1,343,612**
Financial liabilities:	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Non-interest bearing	**-**	**(91,709)**	**-**	**-**	**-**	**(91,709)**	**(91,709)**
	-	**(91,709)**	**-**	**-**	**-**	**(91,709)**	**(91,709)**
Net cash inflow / (outflow)	**1,052,411**	**199,492**	**-**	**-**	**-**	**1,251,903**	**1,251,903**
2018							
Financial assets:							
Cash	1,272,327	-	-	-	-	1,272,327	1,272,327
Receivables	-	60,863	-	-	-	60,863	60,863
	1,272,327	60,863	-	-	-	1,333,190	1,333,190
Financial liabilities:	-	-	-	-	-	-	-
Non-interest bearing	-	(229,669)	-	-	-	(229,669)	(229,669)
	-	(229,669)	-	-	-	(229,669)	(229,669)
Net cash inflow / (outflow)	1,272,327	(168,806)	-	-	-	1,103,521	1,103,521

Notes to the consolidated financial statements
For the year ended 30 June 2019

Note 20: Financial risk management objectives and policies (continued)

(c) Credit Risk

Credit risk arises in the event that a counterparty will not meet its obligations under a financial instrument leading to financial losses. The Company is exposed to credit risk from its operating activities and, financing activities including deposits with banks and investments with insurance companies. The credit risk control procedures adopted by the Company is to assess the credit quality of the institution with whom funds are deposited or invested, taking into account its financial position and past experiences.

The maximum exposure to credit risk on financial assets of the Company which have been recognised in the statement of financial position is generally limited to the carrying amount.

Cash is maintained with Westpac, Banco Popular and Unicaja Banco of Spain and the Standard Bank of South Africa, with ratings from Standard & Poors of AA or above (long term).

(d) Foreign Exchange Risk

The Group undertakes certain transactions denominated in foreign currencies, hence exposures to exchange rate fluctuations arise. The carrying amount of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date is as follows,

	Liabilities		**Assets**	
	2019	**2018**	**2019**	2018
	$	**$**	**$**	$
Great British Pounds (GBP)	**-**	(110,886)	**908,511**	1,240,078
South African Rand (ZAR)	**(1,767)**	(2,539)	**3,099**	3,036
Euro (EUR)	**(41,447)**	(15,774)	**135,418**	9,297

Foreign currency sensitivity analysis

The Group is exposed to Great British Pound (GBP), and Euro (EUR) currency fluctuations.

The following table details the Group's sensitivity to a 10% increase and decrease in the Australian Dollar (AUD) against the relevant currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates.

The sensitivity analysis includes cash balances held in GBP and EUR which give rise to a foreign currency gain or loss on revaluation. A positive number indicates an increase in profit and other equity where the AUD strengthens against the EUR. In relation to cash balances held in GBP a positive number indicates an increase in profit and other equity where the Australian Dollar strengthens against the respective currency. For a weakening Australian Dollar against the respective currency there would be an equal and opposite impact on the profit and other equity and the balances below would be negative.

(d) Foreign Exchange Risk

		2019		2018	
		Profit / (loss)	**Equity increase / (decrease)**	Profit / (loss)	Equity increase / (decrease)
		$	**$**	$	$
AUD strengthens	- ZAR	**133**	**(133)**	558	(558)
10%	- GBP	**90,851**	**(90,851)**	135,096	(135,096)
	- EUR	**9,397**	**(9,397)**	2,507	(2,507)
AUD weakens	- ZAR	**(133)**	**133**	(558)	558
10%	- GBP	**(90,851)**	**90,851**	(135,096)	135,096
	- EUR	**(9,397)**	**9,397**	(2,507)	2,507

Note 20: Financial risk management objectives and policies (continued)

(e) Fair value

The fair values of cash, trade and other receivables and trade and other payables approximate their carrying values, as a result of their short maturity or because they carry floating rates.

Note 21: Parent Entity Information

	2019 **$**	2018 $
Current assets	**1,575,573**	1,302,088
Total assets	**2,757,765**	2,706,239
Current liabilities	**50,262**	221,868
Total liabilities	**50,262**	221,868
Issued capital	**44,885,847**	42,789,056
Accumulated Losses	**(45,196,901)**	(42,867,023)
Reserves	**3,018,556**	2,562,338
Total shareholders' equity	**2,707,502**	2,484,371
Loss of the parent entity	**(2,717,672)**	(1,538,302)

There have been no guarantees entered into by the parent entity in relation to any debts of its subsidiaries.

The parent entity has no contingent liabilities as at 30 June 2019 (2018: Nil).

Note 22: Significant events after the reporting date

There are subsequent events to report, as follows:

- On 11 July 2019, the Company provided a drilling update in respect of the three-hole programme that had commenced on 15 May 2019. The second hole, TOD-022, had been completed having reached a depth of 761.3m, with core processed and sent to ALS Laboratories for independent analysis.

- On 9 August 2019, the Company announced that it had submitted an initial document (the "ID") for formal review by all key administration stakeholders, including the department of the environment, Castilla y León region, Northwest Spain, and private stakeholders consulted by such administration, in connection with the process for obtaining an exploitation license for Toral.

- On 15 August 2019, the Company announced the completion of the third hole, TOD-023, having reached a depth of 713m. Commenced on 8 July 2019, TOD-023 had encountered a single significant intersection of 12 metres (down hole width) of visible mineralisation and two additional sub-ordinate hanging wall zones of mineralisation.

- On 2 September 2019, the Company announced that it had completed a 'daughter hole' (TOD-023D) with core samples collected and sent to Wardell Armstrong LLP ("WA") to commence its independent metallurgical testwork.

- On 4 September 2019, the Company announced that it had received notices of exercise in respect of certain pre-existing warrants to subscribe for 212,000,000 new ordinary shares at a price of 0.015p per share and 133,333,334 new ordinary shares at a price of 0.025p per share. In aggregate, the exercise of these warrants amounted to a cash subscription of approximately £65,133.

Notes to the consolidated financial statements
For the year ended 30 June 2019

Note 22: Significant events after the reporting date (contineud)

- On 13 September 2019, the Company announced that it had received notices of exercise in respect of certain pre-existing warrants to subscribe for 166,666,667 new ordinary shares at a price of 0.025p per share. The exercise of these warrants amounted to a cash subscription of approximately £41,666.

- On 25 September 2019, the Company announced assay results for the second stage of its Phase II diamond drilling programme at Toral. Additional mineralisation had been identified in the hanging wall zone (TOD-023D; distinct to the main metallurgical sample zone), with its potential influence on the resource estimate being assessed by Europa Metal's technical team. Copper traces identified within mineralisation at 640m downhole and is also being assessed. All of the assay results have been submitted to the Company's independent consultants, AMS, to enable them to update the mineral resource models and provide a JORC (2012) technical report which is expected to be received in early Q4 2019. Metallurgical testing is also underway by WA with completion targeted for Q4 2019.

- On 30 September 2019, the Company had raised, in aggregate, £1,000,000 (before expenses), through a placing of, and subscription for, in aggregate, 4,000,000,000 new ordinary shares of no par value each in the capital of the Company ("Ordinary Shares") at an issue price of 0.025 pence per share (the "Issue Price") (the "Fundraising"). The Fundraising comprised a placing of 3,400,000,000 new Ordinary Shares via the Company's joint broker, Turner Pope, as agent of the Company, and a subscription for a further 600,000,000 new Ordinary Shares at the Issue Price, with certain existing and new investors, including Brandon Hill Capital Limited ("Brandon Hill Capital"), which invested in a principal capacity.

- In addition, one warrant exercisable for a period of 2 years from Admission at a subscription price of 0.0375 pence per Ordinary Share will be issued to all participants in the Placing for every two new Ordinary Shares subscribed (the "Placing Warrants"). Accordingly, 2,000,000,000 Placing Warrants will be issued pursuant to the Placing. Further, Turner Pope and Brandon Hill have been issued with 204,000,000 warrants and 36,000,000 warrants respectively to subscribe for new Ordinary Shares at the Issue Price, exercisable for a period of three years from Admission.

Europa Metals Ltd

A.C.N. 097 532 137

Directors' Declaration

In the opinion of the directors of Europa Metals Limited:

(a) the financial statements and notes set out on pages 34 to 57 are in accordance with the Corporations Act 2001, including:

 (i) giving a true and fair view of the financial position of the Group as at 30 June 2019 and of its performance, as represented by the results of its operations and its cash flows, for the year ended on that date; and

 (ii) complying with Accounting Standards in Australia and the Corporations Regulations 2001, professional requirements and other mandatory requirements;

(b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 2 (b); and

(c) subject to the matters discussed in Note 2(c), there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

This declaration has been made after receiving the declarations required to be made to the directors in accordance with section 295A of the Corporations Act 2001 for the year ending 30 June 2019.

This declaration is made in accordance with a resolution of the directors.

D Smith
Non-Executive Director
Perth
30 September 2019

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INDEPENDENT AUDITOR'S AUDIT REPORT

To the members of Europa Metals Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Europa Metals Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2019, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the Corporations Act 2001, including:

(i) Giving a true and fair view of the Group's financial position as at 30 June 2019 and of its financial performance for the year ended on that date; and

(ii) Complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the Financial Report section of our report. We are independent of the Group in accordance with the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 2(c) in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the group's ability to continue as a going concern and therefore the group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material uncertainty related to going concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Recoverability of Capitalised Exploration Expenditure

Key audit matter	How the matter was addressed in our audit
As disclosed in Note 10 to the financial report, the carrying value of capitalised exploration and evaluation expenditure represents a significant asset of the Group. In accordance with relevant accounting standards, the recoverability of exploration and evaluation expenditure required significant judgement by management in determining whether there are any facts or circumstances that exist to suggest the carrying amount of this asset may exceed its recoverable amount. As a result, this is considered a key audit matter.	Our procedures included, but were not limited to: • Obtaining a schedule of the areas of interest held by the Group and assessing whether the rights to tenure of those areas of interest remained current at balance date; • Considering the status of the ongoing exploration programmes in the respective areas of interest by holding discussions with management, and reviewing the Group's exploration budgets, AIM announcements and directors' minutes; • Considering whether any such areas of interest had reached a stage where a reasonable assessment of economically recoverable reserves existed; and • Assessing the adequacy of the related disclosure in Note 10 to the financial report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2019, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 17 to 24 of the directors' report for the year ended 30 June 2019.

In our opinion, the Remuneration Report of Europa Metals Limited, for the year ended 30 June 2019, complies with section 300A of the Corporations Act 2001.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit (WA) Pty Ltd

BDO

Phillip Murdoch

Director

Perth, 30 September 2019

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DECLARATION OF INDEPENDENCE BY PHILLIP MURDOCH TO THE DIRECTORS OF EUROPA METALS LIMITED

As lead auditor of Europa Metals Limited for the year ended 30 June 2019, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Europa Metals Limited and the entities it controlled during the period.

Phillip Murdoch

Director

BDO Audit (WA) Pty Ltd

Perth, 30 September 2019

JSE Limited Requirements

Headline earnings reconciliation	2019 $	2018 $
Loss attributable to ordinary equity holders of the parent entity	(2,392,170)	(1,883,446)
Add back IAS 16 loss on the disposal of plant and equipment	-	-
Less profit on sale of available for sale investments	-	-
Total tax effects of adjustments	-	-
Headline loss	**(2,392,170)**	**(1,883,446)**
Basic loss per share	(2,392,170)	(1,883,446)
Weighted average shares in issue	7,125,884,907	3,075,844,119
Basic loss per share (cents)	**(0.03)**	**(0.06)**
Headline loss	(2,392,170)	(1,883,446)
Weighted average shares in issue	7,125,884,907	3,075,844,119
Headline loss per share (cents)	**(0.03)**	**(0.06)**