

15 August 2019

Europa Metals Ltd

("Europa Metals", the "Company" or the "Group") (AIM, AltX: EUZ)

Drilling Update: Hole TOD-023 Completed, Significant Intersection of Visible Mineralisation, Toral Zn, Pb & Ag Project, Spain

Summary

- Drill hole 3 (TOD-023) which commenced on 8 July 2019 has now been completed:
 - 12m intersection of visible mineralisation identified (approximate true thickness of 8m) in contact zone of the main mineralised horizon at Toral which supports the Company's theory of a high-grade plunging shoot in the core of the deposit
 - Two further occurrences of visible mineralisation identified in the hanging wall, approximately 20m and 80m respectively up hole from the main contact zone
 - Hole successfully completed at a depth of 713 metres
 - Given the significance of the intersection and mineralised occurrences, a 'daughter' hole (wedge) will now be drilled off the parent hole, TOD-023, commencing immediately. This will enable the Company to secure an enlarged sample for metallurgical test work
 - TOD-023 material is being processed and will shortly be sent to an independent laboratory for assay. The assay results from the current drilling campaign will form part of a planned updated mineral resource estimate and technical report aimed at increasing confidence in the Toral Project's resource estimate to the Indicated category
 - Mineralised samples from both the parent and the daughter holes will be collated and then sent to Wardell Armstrong LLP to determine separation characteristics and the likely potential future concentrate products obtainable from Toral
 - Following the receipt in due course of all assays from holes TOD-21, TOD-22 and TOD-23, results will be reported in accordance with best practice and the JORC Code (2012)

Europa Metals, the European focused lead, zinc and silver developer, is pleased to announce that the third hole (TOD-023) in the ongoing drill campaign at its 100% owned Toral lead-zinc-silver project ("Toral" or the "Toral Project") has successfully been completed, reaching a total depth of 713 metres, and has intersected significant widths of visible mineralisation.

Toral is located in the Province of León, northern Spain, and hosts an existing JORC (2012) resource estimate comprising 16 million tonnes in the Inferred category @ 7.5% Zn equivalent (Pb, Ag), 3.9% zinc, 3.1% lead and 24g/t silver (equating to 640,000 tonnes of zinc, 510,000 tonnes of lead and 13 million ounces of silver contained).

Hole TOD-023

Hole TOD-023 is part of a drilling campaign designed to target the high-grade zone of the Toral Project as defined by the existing JORC (2012) Inferred resource. Commenced on 8 July 2019, TOD-023 has subsequently encountered a single significant intersection of 12 metres (down hole width) of visible mineralisation and two additional sub-ordinate hanging wall zones of mineralisation. Images of the core obtained from hole TOD-023 can be viewed at the following link: ***see image pack***.

The Company will now process the core for independent assay by ALS Laboratories Seville and the results of the entire drilling campaign in due course will be utilised for a planned updated mineral resource estimate to be reported in accordance with JORC (2012). Europa Metal's objective is to define sufficient Indicated resources at Toral, in accordance with the JORC (2012) reporting code, to assist with potential future full mine development. The Company will also obtain a mineralised sample for metallurgical testwork by Wardell Armstrong LLP, to progress understanding of a likely future production process and identification of potential saleable concentrate products from Toral.

TOD-023 'Daughter' hole commenced

The Company has now commenced drilling of a 'daughter hole' (TOD-023D) by utilising a wedge from the parent hole; this will potentially increase the amount of mineralised samples to be utilised in the planned metallurgical test work programme.

As previously announced, hole TOD-023 aims to replicate the results encountered in an historic Peñarroya-Adaro ("Peñarroya") drill hole, SJ22, which is proximate to the location of a series of five other historic drill holes which were assayed and reported by Peñarroya as follows:

Hole ID	Easting	Northing	RL (m)	Hole Depth (m)	Depth From (m)	Depth To (m)	Interval (m)	Pb (%)	Zn (%)	Ag (g/t)	Zn Eq (%)
SJ3D	681522	4710021	580	689.2	673	685	12	5.26	10.12	38.14	15.38
SJ10	681412	4710212	412	627.3	619.05	622.15	3.1	4.82	24.68	66.21	29.50
SJ16D	681515	4710017	580	820.6	806.35	815.55	9.2	2.46	7.3	21.71	9.76
SJ12	681412	4710212	412	744.0	733	735.5	2.5	5.18	4.97	27	10.15
SJ12D	681412	4710212	412	765.0	756	758.4	2.4	3.24	12.75	32	15.99

*Source: (Peñarroya 1984) Selected significant historic intercepts (> 5% Zn Eq, including intervals of internal waste up to 2m in thickness) from drilling completed by Peñarroya. Drill holes are diamond core holes, ½ core sampled at average 1.0m intervals. Drill collars were surveyed using differential GPS, co-ordinate system ETRS89, projection UTM zone 29N. Zn equivalent calculations were based on 3 year trailing average price statistics obtained from the London Metal Exchange and London Bullion Market Association giving an average Zn price of US\$2,500/t, Pb price of US\$2,100/t and Ag price of US\$17/tOz. Recovery and selling factors were incorporated into the calculation of Zn Eq values. It is the Company's opinion that all the elements included in the metal equivalents calculation (Zinc, Lead and Silver) have a reasonable potential to be recovered and sold. Zn Eq is the calculated Zn equivalent using lead credits and does not include silver credits (Zn Eq = Zn + Pb*0.96).*

Commenting today, Myles Campion, Technical Director of Europa Metals, said:

"This is a great drilling result, currently only visual, but a 12m mineralised intersection supports the theory that the orebody displays a plunging high-grade core, which is currently open at depth. With the daughter hole now underway we will obtain sufficient samples to engage Wardell Armstrong in the first metallurgical testwork on Toral.

"Our technical team will now combine all data to improve our geological model, including the two additional mineralised zones located above the main mineralised contact zone. Once all of the assays are received we plan to obtain an updated independent mineral resource estimate in accordance with JORC (2012)."

Commenting today, Laurence Read, Executive Director of Europa Metals, said:

"We must clearly wait to see the assay results in due course, but at present we are most pleased to have encountered this significant intersection containing highly visible amounts of zinc and lead-silver mineralisation. The new layers of mineralisation were a welcome surprise and we are working hard to develop our understating of the wider potential of Toral above that currently represented by the existing JORC resource. In light of the 12 metre intersection, we are now drilling a daughter hole

and look forward to providing a JORC (2012) resource update in due course that ties in the results of these new drill holes with the wider Toral model. Results of this kind from our first drilling campaign into the high-grade core of Toral are extremely important. The anticipated initial Indicated resource estimate and metallurgical testwork are the cornerstones of a viable mine development alongside stakeholder engagement and consultation within the Castilla y León region.”

Competent Person’s Statement

The exploration results and activity reported in this announcement have been reviewed by Mr James Hogg MSc, BSc (Hons), MAIG who is a Member of the Australian Institute of Geoscientists. Mr Hogg has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to be deemed a qualified person under the AIM Note for Mining and Oil & Gas Companies dated June 2009. Mr Hogg consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.

For further information on the Company, please visit www.europametals.com or contact:

Europa Metals Ltd

Dan Smith, Non-Executive Director and Company Secretary (Australia)
T: +61 417 978 955

Laurence Read, Executive Director (UK)
T: +44 (0)20 3289 9923

Strand Hanson Limited (Nominated Adviser)

Rory Murphy/Matthew Chandler
T: +44 (0)20 7409 3494

Turner Pope Investments (TPI) Limited (Joint Broker)

Andy Thacker
T: +44 (0)20 3621 4120

Brandon Hill Capital (Joint Broker)

Jonathan Evans/Oliver Stansfield
T: +44 (0)20 3463 5000

Sasfin Capital Proprietary Limited (a member of the Sasfin group)

Sharon Owens
T (direct): +27 11 809 7762

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulation (EU) No. 596/2014.

Notes to Editors:

The core objectives of the current drilling campaign (initiated in May 2019) are as follows:

1. Drill into the higher-grade core of the Toral Project, as defined within the existing Inferred JORC (2012) resource estimate;
2. Target high grade areas within the defined resource to further the Company’s understanding of the project, with the aim of increasing confidence in the resource estimate to delineate a portion of the deposit into 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. This will provide additional data to assist process plant design and discussions with potential offtake parties.

Rig mobilisation

The drill rig and associated operating crew is being supplied by Sondeos y Perforaciones Industriales de Bierzo SA and is being overseen by the Company's on-site exploration team. The campaign is being conducted using a single drilling rig with assays sent for independent analysis on a rolling basis.

Addison Mining Services Limited ("AMS") has been retained to carry out a revised independent resource estimate update in accordance with JORC (2012) once the campaign has been concluded.

Wardell Armstrong LLP has been engaged to conduct the metallurgical testwork from a representative sample taken from the drilling.

Economic highlights from the Company's selected development scenario

Estimated economic forecasts for Toral based on the current level of work (+/-30%) from the Scoping Study (December 2018) comprise:

- 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; and
- 15-year production plan, with significant potential for extension.

Basis for announcing economics

The factors that lead the Company to believe that it has a reasonable basis for announcing a production target and forecast financial information are detailed in the Scoping Study and can be summarised as follows:

Three conceptual underground mining development and production scenarios were considered and developed throughout the Scoping Study, resulting in the identification of a preferred scenario, highlights from which are set out below:

- decline ramp access to the north of the deposit, targeting mine production within the higher-grade core towards the centre of the planned mining blocks;
- entry to mine via a principal decline reaching various levels;
- series of internal mining inclined ramps constructed to access levels;
- mechanised cut and fill (MCAF) mining method proposed;
- 4x4 metre mine standard development size;
- a ventilation raise would be drilled (raise-bored) to provide both adequate ambient conditions underground and a second, emergency means of access/egress into the mine;
- ore transported to a flotation process plant by conveyor or haul truck from the mine and crushed to a suitable product for milling;
- milled ore floated by standard flotation technology to provide lead and zinc concentrate, with silver probably reporting to the lead concentrate for sale as a combined product; and
- 4% Zn Eq cut-off used with potential for mine life extension.

JORC (2012) resource estimate

The Scoping Study was based on a previously announced JORC (2012) resource estimate comprising 16 million tonnes in the Inferred category @ 7.5% Zn equivalent (Pb, Ag), 3.9% zinc, 3.1% lead and 24g/t silver equating to 640,000 tonnes of zinc, 510,000 tonnes of lead and 13 million ounces of silver*.

Cut-Off 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)
December 2018 Resource	16	2.8	7	7.5	3.9	3.1	24	640	510	13

*Zn Eq (PbAg)% is the calculated Zn equivalent incorporating silver credits as well as lead; (Zn Eq (PbAg)% = Zn + Pb*0.96 + Ag*0.022). Zn equivalent calculations were based on 3-year trailing average price statistics obtained from the London Metal Exchange and London Bullion Market Association giving an average Zn price of US\$2,500/t, Pb price of US\$2,100/t and Ag price of US\$17/oz. Announced on 10 December 2018.