31 October 2018

Europa Metals Ltd

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

Zn, Pb & Ag mineralisation intersected in all RC Extension drill holes, Toral Project, Spain

Highlights:

- Resource expansion potential identified at the Company's wholly owned Toral lead-zinc-silver project, northern Spain ("Toral" or the "Toral Project")
- Four hole extension drilling campaign extends the boundaries of the mineralisation 200 metres to the east of the pre-existing defined JORC (2012) mineral resource estimate
- Structural continuity confirmed to the east of the pre-existing resource area, with every Reverse Circulation ("RC") drill hole encountering limestone/slate contact containing Zn, Pb and Ag mineralisation
- Drill hole TOR-14 assayed unexpectedly high-grade results near to surface
- Cost effective RC drilling programme targeted areas all within 300 metres of surface. The current Phase II Diamond Drilling programme is being conducted within the pre-existing defined resource area, with the first holes of infill drilling completed on budget and to schedule

Europa Metals, the European lead-zinc explorer, is pleased to announce assay results from its recently completed Phase 1 drilling campaign at its wholly owned Toral Project. The RC drilling programme intersected Zn, Pb & Ag mineralisation in all 4 holes drilled, targeting to a depth within 300 metres of the topographic surface. This campaign is the first by Europa Metals' geological team in Spain outside of the pre-existing defined JORC (2012) resource area for the Toral Project and extends the presence of known mineralisation 200 metres east of the current block model. As announced on 20 September 2018, the Toral Project has an existing JORC (2012) Inferred mineral resource estimate of 19Mt@6.9% Zn Equivalent (including Pb credits) and 24g/t Ag.

All objectives of the RC drilling programme were met following the identification of the mineralised contact zone along the Toral Licence area. Europa Metal's geological team is also considering the results of the TOR-14 drill hole that returned 2 metres at 11.72% zinc equivalent from 251-253 metres. This level of grade was not anticipated within 300 metres of surface and the Company is analysing how this assay result impacts its understanding of the new Eastern Extension of the mineralised zone. The RC drilling campaign further demonstrates the prospectivity of the project's licence area and of the potential for hosting a future sustainable zinc, lead and silver mining operation.

Phase 1 RC Drilling

As announced on 4 October 2018, Europa Metals completed a limited RC drilling programme at the eastern end of the Toral deposit, with two objectives:

1. To investigate the possibility of an extension of the known contact zone of limestone/slate which hosts the mineralisation at the Toral Project outside of the current block model limits (Holes TOR-14 and TOR-15); and
2. To gain further insight into the positioning of the contact zone within the eastern end of the current block model (Holes TOR-16 and TOR-17).

The Phase I drilling has successfully confirmed both the extension of the deposit and the continuity of the mineralised structure at the eastern margin of the resource.

Set out in Table 1 below are the significant intersections returned from each of the four RC drill holes:

Hole ID	Northing	Easting	RL (m)	Azi	Dip	Depth (m)	From	To	Width (m)*	Pb %	Zn %	Ag (ppm)	Zn Equiv (PbAg)%
TOR-14	4708695	683496	530	29	-45	290	251	253	2	2.39	8.66	34.9	11.72
TOR-15	4708701	683643	532	25	-44	242	220	221	1	1.06	2.95	7.4	4.13
TOR-16	4709127	683390	664	208	-47	310	278	279	1	1.3	0.28	4.3	1.62
TOR-17	4709146	683299	649	209	-45	267	249	250	1	0.39	1.12	9.3	1.69

Table 1: Significant intercepts from Phase I RC drill campaign. For Zn Equivalent calculation, see appendix.
**True thickness is approximately 90% of the drill thickness.*

Notes:

1. Zn equivalent calculations were based on 3-year trailing average price statistics obtained from the London Metal Exchange and London Bullion Market Association resulting in an average Zn price of US$2500/t, Pb price of US$2100/t and Ag price of US$17/Oz. 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 ultimately recovered and sold in the future.
2. Zn Eq (PbAg)% is the calculated Zn equivalent incorporating silver credits as well as lead and is the parameter used to define the cut-off grade to be used for the future reporting of resources (Zn Eq (PbAg)% = Zn + Pb*0.96 + Ag*0.022).

Myles Campion, Executive/Technical Director of Europa Metals, commented:

"*Our RC drilling programme has efficiently and effectively increased the footprint of the Toral Project by an additional 200m to the east and has further delineated the contact zone in an under drilled area. The programme has also been a very useful exercise in bedding down and refining operating procedures and systems as we proceed with our Phase II diamond drilling programme.*

"This new assay data and geological data will add to our growing geological understanding of the deposit, and when combined with our recent re-logging exercise and ongoing mapping, will further direct our focus on maximising value for our promising Toral Project."

Laurence Read, Executive Director of Europa Metals, commented:

"*The first full drill campaign to be undertaken by the Company's new geological team outside of the pre-existing defined resource area has successfully achieved a 100% strike rate for lead, zinc and silver mineralisation at the Toral Project confirming continuity of prospective metal along strike. The drilling conducted outside of the known pre-existing JORC (2012) resource area demonstrates that the future potential for the project is not just in relation to its comparatively high grade (6.9% zinc equivalent), currently defined across the 19Mt inferred resource estimate, but also in respect of the on-going delineation of an underlying ore body present within the licence area*."

Competent Person's statement

The existing Toral Project resource estimate was prepared by Mr J.N. Hogg, MSc. MAIG Principal Geologist for AMS, an independent Competent Person within the meaning of the JORC (2012) code and qualified person under the AIM guidance note for mining and oil & gas companies. The resource estimate was aided by Mr R. J. Siddle, MSc, MAIG Senior Resource Geologist for AMS, under the guidance of the competent person. Mr Hogg has reviewed and verified the technical information that forms the basis of, and has been used in the preparation of, the existing mineral resource estimate and this announcement, including all analytical data, diamond and RC drill hole logs, QA/QC data,

density measurements, and sampling, diamond and RC drilling and analytical techniques. Mr Hogg consents to the inclusion in this announcement of the matters based on the information, in the form and context in which it appears. Mr Hogg has also reviewed and approved the technical information in his capacity as a qualified person under the AIM Rules for Companies.

Additionally, Mr Hogg confirms that the entity is not aware of any new information or data that materially affects the information contained within the Company's previous announcements referred to herein.

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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.

Glossary of technical terms:

"Ag"	silver;
"g"	grammes;
"g/t"	grammes per tonne;
"Inferred Resource"	that part of a Mineral Resource for which quantity and grade (or quality) are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade (or quality) continuity. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes;
"JORC"	the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, as published by the Joint Ore Reserves Committee of The Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia;
"JORC (2012)"	the 2012 edition of the JORC code;
"m"	metre;

“Mineral Resource”	a concentration or occurrence of material of economic interest in or on the earth's crust in such form and quantity that there are reasonable and realistic prospects for eventual economic extraction. The location, quantity, grade, continuity, and other geological characteristics of a Mineral Resource are known, estimated from specific geological evidence and knowledge, or interpreted from a well-constrained and portrayed geological model;
“Mt”	million tonnes;
“oz”	troy ounce;
“Pb”	lead;
“QA/QC”	quality assurance/quality control; and
“Zn”	zinc.

APPENDIX: Table 1 Appendix 5A ASX Listing Rules (JORC 2012)

Section 1 Sampling techniques and data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary related to the Toral Project
Sampling techniques	• *Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.*	2018 RC drilling by Europa Metals. RC drill chips and splitting were used for geological logging and sampling. Geological and analytical data is recorded on hardcopy. Selective sampling method was employed around areas of interest. RC drill samples are collected and split over 1m intervals on site using a three tier riffle splitter to provide an approximate 3-5kg sample. Samples are further split in the core shed using a scoop such that 0.7-1kg and sent to the preparation laboratories of ALS (Seville, Spain) and analytical laboratory of ALS (Loughrea, Ireland). Samples are dried, fine crushed down to 70% below 2mm, split to obtain 250g and pulverised with at least 85% of the sample passing75µm.
Drilling techniques	• *Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	Four drill holes for 1109 metres RC method using a 140 mm diameter hammer. No orientation has been done on drill core.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	Recovery data was recorded for the RC holes by weight. Recovery measurements were recorded, and the recovery data is satisfactory. Limited samples are currently inconclusive and additional recovery data and investigation is required to draw conclusions.

Criteria	JORC Code explanation	Commentary related to the Toral Project
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	RC chips were logged on paper logs and transferred to an Access database. Geological logging of RC chip samples includes recording descriptions of lithology, weathering, alteration and mineralisation. Summary interval information was input to the database, comprising codes to describe logged lithology, alteration, mineralisation and major structure for the interval. RC chips were routinely photographed. Logging is considered satisfactory.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	Sample collection, sample size, preparation and analysis are considered appropriate for the mineralogy and deposit type. Samples are considered representative of the in-situ material collected. Previous field tests have determined that the sample size and method of sampling produce representative RC samples. QA/QC procedures involve the use of standards, duplicates and blanks which are inserted into sample batches at a frequency of approximately 15- 20%. Duplicate splits of RC samples are taken every 10m down hole within the sampled intervals.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometres, handheld XRF instruments, etc, the parametres used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.*	Commercial laboratories ALS Chemex Loughrea and ALS Seville (ISO9001:2008) were used for sample analysis. Multi-element analysis, including Pb, Zn, Cu, Ag by ICP-MS were completed on all samples. Over limits samples were re-analysed using ore grade methods of determination. Sample analytical techniques are considered in line with industry standard for this style of mineralisation. Europa Metals conducted a QC programme of inserting quarter core field duplicates, course blank and pulp blank material, standards, selection of pulp repeats and submission of pulp rejects for umpire lab re-analysis. No significant issues or fatal flaws were identified from the assessment of QA data.

Criteria	JORC Code explanation	Commentary related to the Toral Project
		The nature and quantity of QA/QC data, procedures employed, level of accuracy and precision are considered acceptable for the assigned resource classification. The quality of assay data and laboratory tests is acceptable for this deposit. No geophysical tools, spectrometers or handheld XRF instruments were used in the exploration work.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	Paper recorded drill hole logging data is transferred to Excel, imported into Micromine 3D geological modelling software for validation. DGPS collar and survey excel data, and lab analytical data transferred from lab.csv, to Excel and imported to Micromine 3D geological modelling software. RC chips have not been verified against lab assay certificates by AMS. No adjustment to the analytical data was considered necessary, other than conversion to zinc equivalents for reporting purposes, following industry best practice. Raw analytical data remained unchanged.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	Europa Metals RC collars were surveyed using a Geomax 35 high-precision DGPS device Accuracy +/-3cm. Downhole survey measurements taken using Reflex Gyro downhole survey tool. Co-ordinate grid system used is European Terrestrial Reference System 1989 UTM Zone 29. Topographic DTM taken from 5 m resolution Lidar data MDT05-Lidar, from government mapping and survey association Plan Nacional de Ortofotografía Aérea (PNOA).
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	The exploration RC holes are on approximate grid of 100 metres. The distribution of drillholes is sufficient to establish continuity of the structure for exploration purposes Intervals were not composited at the sampling stage.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	Drilling is angled to intercept mineralised structures at high angle, as close to perpendicular to dip and strike as practicable. No sample bias is introduced by drilling orientation.
Sample security	• *The measures taken to ensure sample security.*	Chips logged and sampled in secure facility.

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		Samples are bagged in plastic bags and labelled with individual sample numbers, sample name and sample location. Each bag is sealed to avoid loss and contamination. Plastic bags are placed in dry weave bags. Samples are delivered to laboratory by courier in secured boxes.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	A Competent Person has reviewed and discussed RC sampling techniques and findings were satisfactory.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	Toral exploration permit number 15.199 (also referred to as Permiso de Investigacion), is located approximately 400 km northwest of Madrid, within the Province of León, Autonomous Community of Castile and León. Licence 15.199 covers an area of 24 km². Exploration licence 15.199 is owned by Goldquest Iberica, S.L., a wholly owned subsidiary of Europa Metals Limited. The licence was renewed on 14 November 2017 for a period of 3 years.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	1972-1984 – Peñarroya-Adaro. 55 drill holes, 36 wedge drill holes. 1992-1995 – Geominera. Data re-evaluation. 2005-2008 – Lundin Mining. 7 drill holes. 2009-2011 – Goldquest Mining. Soil and rock geochemistry. Historic gallery mapping. Data evaluation. NI43-101 Mineral Resource Estimate. 2012-2015 – Portex Mining Corporation. Geological mapping. Data re-evaluation. 2015-2016 – Goldquest Iberica S.L. Soil and rock geochemistry. Geological mapping. 2016-2017 – Goldquest Iberica S.L. (Europa Metals Limited). 6 drill holes. Historic gallery mapping and sampling. Data re-evaluation and interpretation.

Criteria	JORC Code explanation	Commentary
Geology	• *Deposit type, geological setting and style of mineralisation.*	The Toral Project is located in the Southwestern part of the regional West Asturian Leonese Zone (WALZ), a major tectono-stratigraphic unit of the Hercynian Orogeny. The mineralisation at Toral is considered as structurally controlled carbonate hosted Pb-Zn type. Shear and thrust fault controlled mineralisation within favourable carbonate lithology and favourable contrasting contacts between carbonates and shales. Styles of mineralisation are boudinage drusy quartz vein, replacement breccia, disseminated clots associated with silica, carbonate and chlorite alteration. Main metallic minerals are Sphalerite, Galena, Pyrite, Chalcopyrite and silver.

Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:*
	  ○ *easting and northing of the drill hole collar*
	  ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*
	  ○ *dip and azimuth of the hole*
	  ○ *down hole length and interception depth*
	  ○ *hole length.*
	• *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*
		Drilling:
		
		Number of drillholes used: 4
		
		Collar East: 683299mE - 683496mE
		
		Collar North: 4709149mN - 4708695mN
		
		Collar RL: 530mRL - 664mRL
		
		Azimuth: 025° - 209º
		
		Dip: -44° - -47°
		
		Length: 242 – 310m
		
		DH Interception depth: 220m – 278mRL

Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be*	No top cuts were applied to the data. 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. 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 ultimately recovered and sold in the future.

Criteria	JORC Code explanation	Commentary
	clearly stated.	
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').*	Mineralisation is interpreted as sub-vertical to steeply dipping to the NE. Angled drilling is sub-perpendicular to +/- 20º oblique to mineralisation. True thickness of mineralisation ranges from approximately 90%-60% downhole interval length.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	All available exploration data for the Toral deposit area has been collected and reported. Representative data from the RC drillings has been reported.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	No geophysical works have been completed. Geological mapping and solid geology map generation completed.
Further work	• *The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	Surface drilling and trenching works testing open strike extent to the SE and infill drilling within current resource limits to increase confidence and resource class. Preliminary metallurgical testwork.