

**19 October 2020**

## **Europa Metals Ltd**

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

### **€466,801.50 Grant Awarded by the CDTI Towards Exploration Work at the Toral Pb, Zn & Ag Project, Spain**

Europa Metals, the European focused lead-zinc and silver developer, is pleased to announce that, following an extensive submission process, an interest-free loan by way of a grant of €466,801.50 (the "Grant") has been awarded to the Company by the Centre for the Development of Industrial Technology (CDTI) for use towards research and development ("R&D") at the Company's wholly owned Toral lead, zinc and silver project ("Toral" or the "Toral Project") situated in the region of Castilla y León, north-west Spain.

The CDTI is a Public Business Entity in Spain, under the auspices of the Ministry of Science and Innovation, which fosters the technological development and innovation of Spanish companies. The Grant is categorised as a partly refundable loan (with a nil per cent. interest rate) with the funds received to be allocated towards the development of R&D technologies relating to the recording and correction of drillhole deviation at the Toral Project. Application for the Grant was made further to ongoing work by Europa Metals and the AIR Institute, linked to the Salamanca University, and drilling contractors Sondeos y Perforaciones Industriales de Bierzo SA ("SPI").

Europa Metals will draw the Grant monies down in up to three tranches, with the prior agreement of the CDTI, with the initial tranche, comprising an amount of €163,380, to be received by the Company imminently. The second and third tranches are scheduled to be drawn down over the next 18 months subject to certain, defined, operational milestones. The core objectives of the Innovation Programme are to retrieve and process data from the Toral drilling campaign in order to develop algorithmic software for use in exploration campaigns to correct drilling deviation. Biannual repayments of €21,822 begin in 2024, running for 7 years until 2031, with a fixed interest rate being set by the currently prevailing Euribor rate of nil per cent.

Europa Metals anticipates that the Grant will enable the Company to apply for reductions in taxes payable relating mainly to labour costs and is satisfied that the terms of the Grant will not prevent the Company from participating in other grant application processes save where there is a specific technological overlap.

Once the funds have demonstrably been spent on appropriate R&D exploration activity at the Toral Project by the Company, 70 per cent. of the total Grant will be repayable with the balancing 30 per cent. then not required to be repaid.

### **Toral Project Update**

At Toral, the Company is working towards finalisation of a new, independent, economic report on the project, currently being undertaken by Bara Consulting. Certain elements of a Pre-Feasibility Study for the Toral Project are also underway with the bore hole for hydrogeological testing now complete, which will enable monitoring to commence. The Company looks forward to updating the market, as appropriate, on anticipated further operational progress in due course, including the expected renewal of its three-year Investigation Permit for the Toral Project.

**Laurence Read, CEO of Europa Metals, commented:**

*"Following our recent successful £2 million equity raise, I am pleased to announce the awarding of this €466,801.50 Grant by the Spanish Governmental agency, CDTI. This interest free loan is a huge testament to the operational work performed at the Toral Project and our team's ability to establish innovative partnerships with local contractors and leading higher education establishments. For some time, we have been progressing our work with the University of Salamanca and SPI to assess how the development of Toral could be utilised to assist the Castilla y León and Spain with innovation in the field of exploration. Using Toral as a real time project our partnership with the AIR Institute and SPI shall field-test data collection and processing systems from the exploration drill rigs once Europa Metals begins its Pre-Feasibility Study drilling campaign, following completion of the current ongoing economic study.*

*"Europa Metals is pursuing a number of grant initiatives and I am pleased that the first successful application stems from the Castilla y León itself. The Grant is on attractive terms and allows money to be spent at the project level contributing to the R&D aspects of the Company's Pre-Feasibility Study programme. I would like to take this opportunity to thank the CDTI, for their backing of our partnership, the Junta of Castilla y León for their ongoing support and, of course, our colleagues who have once again delivered on the Group's objectives."*

For further information on the Company, please visit [www.europametals.com](http://www.europametals.com) or contact:

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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.*

**Notes to Editors**

**Appendix: Further information on the Toral Project**

**Mineral Resource Estimate**

The latest Mineral Resource Estimate (August 2020) for the Toral deposit reported in accordance with JORC (2012) at a 4% cut-off was as follows:

- An Indicated resource of approximately 3.8Mt @ 8.3% Zn Equivalent (including Pb credits), 4.7% Zn, 3.9% Pb and 30g/t Ag, including:
  - o 180,000 tonnes of zinc, 150,000 tonnes of lead and 3.7 million ounces of silver.
- An Inferred resource of approximately 14Mt @ 6.5% Zn Equivalent (including Pb credits), 4%

Zn, 2.7% Pb and 23 g/t Ag, including:

- o 540,000 tonnes of zinc, 360,000 tonnes of lead and 10 million ounces of silver.

A total resource of approximately 17Mt @ 6.9% Zn Equivalent (including Pb credits), 4.1% Zn, 2.9% Pb and 24 g/t Ag, including:

- o 720,000 tonnes of zinc, 510,000 tonnes of lead and 14 million ounces of silver.

**Table 1:** Summary of Indicated and Inferred mineral resources for the Toral property reported at a 4.0% Zn equivalent cut-off grade (including Pb and Ag credits) and estimated grade and tonnages at the various cut-off grades. Figures are rounded to reflect the accuracy of the estimate and, as such, totals may not cast.

Cut-Off Zn Eq (PbAg)%	Tonnes (Millions)	Density	Zn Eq (Pb)%	Zn Eq (PbAg)%	Zn %	Pb %	Ag g/t	Contained Zn Tonnes (000s)	Contained Pb Tonnes (000s)	Ag Troy Oz (Millions)
<b>Indicated</b>										
6	2.8	2.9	9.5	10	5.3	4.5	34	150	130	3.1
5	3.3	2.9	8.9	9.5	5	4.2	32	170	140	3.4
<b>4</b>	<b>3.8</b>	<b>2.9</b>	<b>8.3</b>	<b>8.9</b>	<b>4.7</b>	<b>3.9</b>	<b>30</b>	<b>180</b>	<b>150</b>	<b>3.7</b>
3	4.1	2.9	7.9	8.5	4.4	3.7	29	180	150	3.8
<b>Inferred</b>										
6	8	2.9	7.8	8.3	4.7	3.4	28	370	270	7.2
5	10	2.9	7.2	7.7	4.4	3	26	450	310	8.6
<b>4</b>	<b>14</b>	<b>2.9</b>	<b>6.5</b>	<b>6.9</b>	<b>4</b>	<b>2.7</b>	<b>23</b>	<b>540</b>	<b>360</b>	<b>10</b>
3	17	2.9	5.9	6.3	3.7	2.4	20	610	400	11
<b>Total</b>										
6	11	2.9	8.2	8.8	4.8	3.7	30	520	390	10
5	14	2.9	7.6	8.1	4.5	3.3	27	620	450	12
<b>4</b>	<b>17</b>	<b>2.9</b>	<b>6.9</b>	<b>7.3</b>	<b>4.1</b>	<b>2.9</b>	<b>24</b>	<b>720</b>	<b>510</b>	<b>14</b>
3	21	2.9	6.3	6.7	3.8	2.7	22	790	560	15
<b>Transitional Oxide Material</b>										
4	3	2.9	5.2	5.7	2.6	2.9	27	75	83	2.5
<b>Unweathered Fresh Rock</b>										
4	14	2.9	7.2	7.7	4.5	3	24	650	430	11

\*Zn Eq % is the calculated Zn equivalent incorporating lead credits;  $(Zn Eq (Pb)\% = Zn + Pb \times 0.926)$ . Zn Eq (PbAg)% is the calculated Zn equivalent incorporating silver credits as well as lead;  $(Zn Eq (PbAg)\% = Zn + Pb \times 0.926 + Ag \times 0.019)$ . 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\$2,680/t, Pb price of US\$2,100/t and Ag price of US\$16.2/oz.

Notes for Table 1 in this appendix:

- No mineral reserve calculations have been undertaken. Mineral resources that are not mineral reserves do not have demonstrated economic viability.
- Numbers are rounded to reflect the fact that an Estimate of Resources is being reported as stipulated by JORC 2012. Rounding of numbers may result in differences in calculated totals and averages. All tonnes are metric tonnes.
- 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\$2,680/t, Pb price of US\$2,100/t and Ag price of US\$16.2/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 recovered and sold.
- 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 used for reporting resources  $(Zn Eq (PbAg)\% = Zn + Pb \times 0.926 + Ag \times 0.019)$ .
- Zn Eq is the calculated Zn equivalent using lead credits and does not include silver credits  $(Zn Eq = Zn + Pb \times 0.926)$ .
- The Mineral Resource Estimate set out above for the zinc, lead and silver mineralisation in the Toral project area is based on a 3D geologic model and wireframe restricted block model that integrated the exploration work on the Toral project up to 21 January 2020. The block model used uniform cell size of 25x10x25m to best suit the orientation of the mineralisation and sample spacing. The block model was rotated by 20° in plan view to best match the trend of mineralisation. Sub cells were applied to better fit the wireframe solid models and preserve accurate volume as much as possible. Cells were interpolated at the parent block scale using an Ordinary Kriging.
- Following statistical analysis and assessment of the updated assay composite database top cuts of 125g/t Ag were applied to the data. No top cuts were applied for Zn or Pb.
- The Indicated and Inferred mineral resource category for the Toral zinc-lead-silver project set out in Table 1 (at cut-off grades >4% Zn Equivalent) comply with the resource definitions as described in the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. The JORC Code, 2012 Edition. Prepared by: The Joint Ore Reserves Committee of The Australasian Institute of Mining and Metallurgy, Australasian Institute of Geoscientists and Minerals Council of Australia (JORC).
- The tonnes and grades reported at a cut-off grade of 3% Zn equivalent are below the economic cut-off grade of 4% and as such should not be considered mineral resources, they are shown here for comparison purposes only.

## Metallurgical Results

High-grade recovery results from second phase metallurgical testing conducted by Wardell Armstrong International (April 2020):

- o 83.7% Pb recovery to a 60.0% Pb concentrate;
- o 87.1% Ag recovery to 1,350ppm Ag within Pb concentrate; and
- o 77% Zn recovery to a 59.1% Zn concentrate.

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