



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

**Half-Year Financial Report**  
for the period  
**1 July 2018 – 31 December 2018**

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## **Europa Metals Ltd**

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Directors' Report

Your directors present their report on Europa Metals Ltd ("Europa Metals", the "Company" or, together with its controlled entities, the "Group") for the half-year from 1 July 2018 to 31 December 2018.

### **Directors**

The names of the Company's directors in office during the half-year and until the date of this report are set out below. Directors were in office for the entire period unless otherwise stated.

Evan Kirby  
Laurence Read  
Myles Campion  
Colin Bird  
Daniel Smith

### **Review and results of operations**

#### **Operating Results**

During the half-year from 1 July 2018 to 31 December 2018, the Group recorded a net loss after tax of AUD 1,534,312 (1 July 2017 to 31 December 2017: net loss of AUD 712,548).

#### **Toral Lead-Zinc-Silver Project, Spain**

The Company announced on 16 July 2018 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 and has been overseen by the Company's on-site exploration team. The Combination rig is one of only a few of its type in Spain and has been deployed on a series of recent, successful drilling programmes.

The Combination rig was successfully mobilised to site in late August 2018 to commence a Phase 1 drilling campaign. Drilling was undertaken 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 historical drill core from Toral stored at the National Litoteca in Andalucía, Spain.

On 20 September 2018, the Company announced that the 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 to the estimation of the resource. Ore tonnages are 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, further to its announcement of 28 August 2018, 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 diamond drilling programme subsequently commenced targeting key areas situated within the existing resource area.

The objective of the Phase II diamond infill drilling programme was to increase and enhance 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 20 December 2018, the Company announced the results of the Phase II diamond drilling programme conducted at Toral. The diamond drilling provided the following information for Europa Metals' geological team:

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- 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.

In 2019, subject to funding, the Company plans to complete an infill drilling campaign to target the high-grade core of the Toral deposit, with the aim of increasing confidence in the resource estimate to the JORC (2012) Indicated category, which will be the subject of further investigation as part of the planned pre-feasibility and feasibility studies in due course.

On 31 October 2018, the Company 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 lead-zinc, both the size and location of the Lago permit areas did not justify and support incurring further maintenance and exploration expenditure.

### 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.

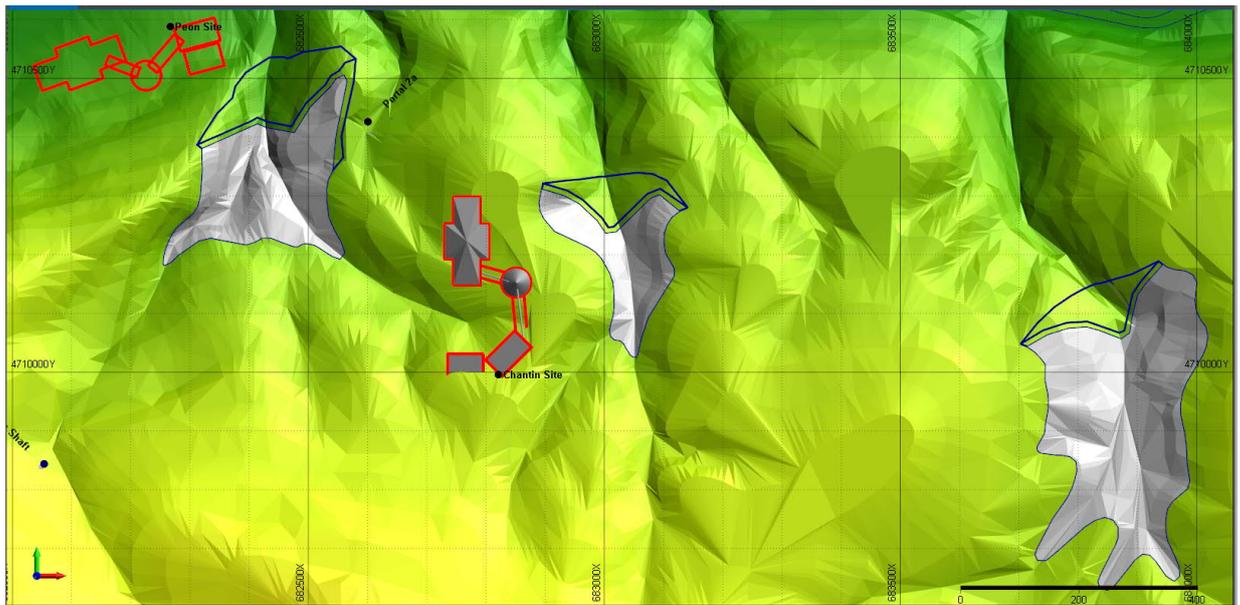


Figure 1: Conceptual Plant Layout for Chantín and Peon Sites, and conceptual tailings sites

### **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 ("ASX") ("Official List") on 8 March 2019, the Company announced the economics of the Scoping Study on 11 March 2019.

### **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.

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

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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 <sup>3</sup>	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

### Competent person's statement

The information above that relates to Exploration Results is based on information compiled 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. Mr Hogg has reviewed and verified the technical information that forms the basis of, and has been used in the preparation of, the significant intercepts in this announcement, including all analytical data, diamond drill hole logs, QA/QC data, density measurements, and sampling, diamond drilling and analytical techniques. Mr Hogg consents to the inclusion 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 Competent person under the AIM Rules for Companies.

### Corporate

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.

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 broker, Turner Pope Investments (TPI) Limited ("Turner Pope"), of 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 existing placement capacity under ASX Listing Rule 7.1.

The net proceeds from the Placing were utilised towards funding the Phase II work programme at the Toral Project, as well as providing additional general working capital for the Group.

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.

On 31 October 2018, the Company announced that Turner Pope had assumed the role of sole broker to the Company with immediate effect.

### Events subsequent to the reporting date

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.

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On 11 March 2019, the Company announced the economics of the Scoping Study.

No other matters or circumstances have occurred subsequent to the reporting date that would have a material impact on the consolidated financial statements.

### **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 8.

Dated in Perth this 15<sup>th</sup> day of March 2019

Signed in accordance with a resolution of the Directors.

A handwritten signature in black ink, appearing to read "Laurence Read". The signature is written in a cursive, flowing style.

Laurence Read  
Director

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

As lead auditor for the review of Europa Metals Ltd for the half-year ended 31 December 2018, 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 review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

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



Phillip Murdoch

Director

BDO Audit (WA) Pty Ltd  
Perth, 15 March 2019

**Europa Metals Ltd**

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**Consolidated Statement of Profit or Loss and Other Comprehensive Income**

	Note	6 months to 31 December 2018 AUD	6 months to 31 December 2017 AUD
<b>Revenue from continuing operations</b>			
Revenue	3(a)	32	8
Other Income	3(b)	7,187	71,294
		<b>7,219</b>	<b>71,302</b>
Exploration expenditure		(958,396)	(180,019)
Foreign exchange gain		4,369	25,787
Other expenses	3(c)	(587,504)	(629,618)
<b>Loss before income tax</b>		<b>(1,534,312)</b>	<b>(712,548)</b>
Income tax (expense)/benefit		-	-
<b>Net loss after income tax</b>		<b>(1,534,312)</b>	<b>(712,548)</b>
<b>Other comprehensive income</b>			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Net exchange gain / (loss) on translation of foreign operation		58,707	71,813
<b>Other comprehensive (loss) for the period, net of tax</b>		<b>58,707</b>	<b>71,813</b>
<b>Total comprehensive (loss) for the period</b>		<b>(1,475,605)</b>	<b>(640,735)</b>
Net (loss) for the period attributable to shareholders of the Company:		(1,534,312)	(712,548)
		<b>(1,534,312)</b>	<b>(712,548)</b>
Total comprehensive (loss) for the period attributable to shareholders of the Company:		(1,475,605)	(640,735)
		<b>(1,475,605)</b>	<b>(640,735)</b>
<b>(Loss) per share attributable to the ordinary equity holders of the Company</b>			
<b>Loss per share</b>		<b>Cents per share</b>	<b>Cents per share</b>
- basic (loss) per share		(0.028)	(0.026)
- diluted (loss) per share		(0.028)	(0.026)

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

**Europa Metals Ltd**  
A.C.N. 097 532 137  
**Consolidated Statement of Financial Position**

**As at 31 December 2018**

	Note	31 December 2018 AUD	30 June 2018 AUD
<b>Current Assets</b>			
Cash and cash equivalents		361,615	1,272,327
Trade and other receivables		198,536	77,510
<b>Total Current Assets</b>		<b>560,151</b>	<b>1,349,837</b>
<b>Non-current Assets</b>			
Plant and equipment		67,347	20,192
Capitalised exploration	4	1,395,398	1,344,013
<b>Total Non-current Assets</b>		<b>1,462,745</b>	<b>1,364,205</b>
<b>Total Assets</b>		<b>2,022,896</b>	<b>2,714,042</b>
<b>Current Liabilities</b>			
Trade and other payables		85,944	229,671
<b>Total Current Liabilities</b>		<b>85,944</b>	<b>229,671</b>
<b>Total Liabilities</b>		<b>85,944</b>	<b>229,671</b>
<b>NET ASSETS</b>		<b>1,936,952</b>	<b>2,484,371</b>
<b>Equity</b>			
Contributed equity	5	39,007,685	38,079,499
Reserves		2,830,689	2,771,982
Accumulated losses		(39,901,422)	(38,367,110)
<b>TOTAL EQUITY</b>		<b>1,936,952</b>	<b>2,484,371</b>

*The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes*

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**Consolidated Statement of Changes in Equity**

For the half-year from 1 July 2018 to 31 December 2018

	<b>Contributed Equity AUD</b>	<b>Accumulated Losses AUD</b>	<b>Employee Share Incentive Reserve AUD</b>	<b>Option Reserve AUD</b>	<b>Foreign Exchange Reserve AUD</b>	<b>Total Equity AUD</b>
<b>At 1 July 2017</b>	35,931,732	(36,483,664)	491,577	1,609,070	21,678	1,570,393
(Loss) for the period	-	(712,548)	-	-	-	(712,548)
Other comprehensive income (net of tax)	-	-	-	-	71,813	71,813
<b>Total comprehensive loss (net of tax)</b>	-	<b>(712,548)</b>	-	-	<b>71,813</b>	<b>(640,735)</b>
<b>Transaction with owners in their capacity as owners</b>						
Shares issued net of transaction costs	596,104	-	-	-	-	596,104
<b>At 31 December 2017</b>	<b>36,527,836</b>	<b>(37,196,212)</b>	<b>491,577</b>	<b>1,609,070</b>	<b>93,491</b>	<b>1,525,762</b>
<b>At 1 July 2018</b>	38,079,499	(38,367,110)	491,577	2,028,253	252,152	2,484,371
(Loss) for the period	-	(1,534,312)	-	-	-	(1,534,312)
Other comprehensive income (net of tax)	-	-	-	-	58,707	58,707
<b>Total comprehensive loss (net of tax)</b>	-	<b>(1,534,312)</b>	-	-	<b>58,707</b>	<b>(1,475,605)</b>
<b>Transaction with owners in their capacity as owners</b>						
Shares issued net of transaction costs	928,186	-	-	-	-	928,186
<b>At 31 December 2018</b>	<b>39,007,685</b>	<b>(39,901,422)</b>	<b>491,577</b>	<b>2,028,253</b>	<b>310,859</b>	<b>1,936,952</b>

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

**Europa Metals Ltd**  
A.C.N. 097 532 137  
**Consolidated Statement of Cash Flows**

For the period 1 July 2018 to 31 December 2018

	6 months to 31 December 2018	6 months to 31 December 2017
	AUD	AUD
<b>Cash flows from operating activities</b>		
Interest received	286	8
Payments to suppliers and employees	(814,514)	(598,894)
Payment for exploration and evaluation costs	(1,034,671)	(122,484)
<b>Net cash flows used in operating activities</b>	<b>(1,848,899)</b>	<b>(721,370)</b>
<b>Cash flows from investing activities</b>		
Payments for plant and equipment	-	(22,186)
<b>Net cash flows from / (used in) investing activities</b>	<b>-</b>	<b>(22,186)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares	987,491	638,777
Costs of capital raising	(59,305)	(42,672)
<b>Net cash flows from financing activities</b>	<b>928,186</b>	<b>596,105</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(920,713)</b>	<b>(147,452)</b>
Cash and cash equivalents at beginning of period	1,272,327	503,891
Effect of foreign exchange on cash and cash equivalents	10,001	7,965
<b>Cash and cash equivalents at end of period</b>	<b>361,615</b>	<b>364,404</b>

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

## **Notes to the Consolidated Financial Statements**

### **NOTE 1: GENERAL INFORMATION AND BASIS OF PREPARATION AND ACCOUNTING POLICIES**

#### **Corporate information**

The financial report of Europa Metals for the half-year ended 31 December 2018 was authorised for issue in accordance with a resolution of the directors on 15 March 2019. Europa Metals is a company incorporated in Australia and limited by shares, which are publicly traded on the AIM market of the London Stock Exchange and the AltX of the Johannesburg Stock Exchange.

The nature of operations and principal activities of the Group are as described in the Directors' Report.

#### **Basis of preparation**

The half-year financial report is a general purpose condensed financial report prepared in accordance with the requirements of the Corporations Act 2001 and AASB 134: Interim Financial Reporting. Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'.

This half-year financial report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Company as in a full annual financial report.

It is recommended that this half-year financial report be read in conjunction with the annual financial report for the year ended 30 June 2018 and any public announcements made by Europa Metals during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001, the AIM Rules for Companies and the ASX Listing Rules.

The half-year report has been prepared on a historical cost basis. The Company is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted.

#### **Adoption of new and revised Accounting Standards**

##### **Early adoption of accounting standards**

The Group has not elected to apply any pronouncements before their operative date in the annual reporting year beginning 1 July 2018.

##### **New and amended standards adopted by the Company**

A number of new or amended standards became applicable for the current reporting period which the Company has adopted:

- AASB 15 Revenue from Contracts with Customers; and
- AASB 9 Financial Instruments.

The new accounting policies are disclosed below. There is no impact on the Company for the period ended 31 December 2018.

##### **AASB 15 Revenue from Contracts with Customers**

AASB 15 Revenue from contracts with Customers replaces AASB 118 Revenue. AASB 15 was adopted by the Group on 1 July 2018. AASB 15 provides a single, principles-based five-step model to be applied to all contracts with customers. Europa Metals has considered AASB 15 and determined that there is no impact on the Group's financial statements as Europa Metals is not generating sales revenue at this stage.

The Group's new revenue accounting policy is detailed below:

Revenue is recognised when or as the Group transfers control of goods or services to a customer at the amount to which the Group expects to be entitled. If the consideration promised includes a variable component, the Group estimates the expected consideration for the estimated impact of the variable component at the point of recognition which is then re-estimated at every reporting period.

## **Notes to the Consolidated Financial Statements**

### **NOTE 1: GENERAL INFORMATION AND BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)**

#### **AASB 9 Financial Instruments**

AASB 9 Financial Instruments replaces the provisions of AASB 139 Financial Instruments: Recognition and Measurement that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

The adoption of AASB 9 Financial Instruments from 1 July 2018 did not give rise to any transitional adjustments. The new accounting policies (applicable from 1 July 2018) are set out below.

#### *Classification and measurement*

Except for certain trade receivables the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

#### *Impairment*

From 1 July 2018, the Group will assess, on a forward looking basis, any expected credit losses (ECLs) associated with any debt instruments carried at amortised cost and FVOCI. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate.

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or group of financial assets is impaired. For trade and other receivables, the Group applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience.

#### **New and amended standards not yet adopted by the Company**

Certain new accounting standards and interpretations have been published that are not mandatory for the 31 December 2018 reporting period. The Group's assessment of the impact of these new standards and interpretations that may have an impact on the Group is set out below:

#### **AASB 16 Leases**

AASB 16 requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months. Europa Metals has assessed the Group's current position, and is of the opinion that it does not have any lease liabilities and right-of-use assets that will materially impact its statement of financial position. This standard is not applicable until the financial year commencing 1 July 2019.

#### **Going Concern**

As at 31 December 2018, the Group had working capital of \$474,206 (current assets less current liabilities) with cash on hand of \$361,615 and a net loss of \$1,534,312. The Group also has exploration expenditure commitments. The operating commitments of the Group will require further funding in the next twelve months.

The ability of the Group to continue as a going concern is principally dependent upon its ability to raise further funds as required from the issue of equity. These conditions indicate a material uncertainty that may cast significant doubt about the ability of the Group to continue as a going concern and, therefore, it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The consolidated financial statements have been prepared on the basis that the Group will continue to meet its commitments and can therefore continue normal business activities and realise its assets and settle liabilities in the normal course of business.

In arriving at this position, the Directors are confident of the ability of the Group to raise capital and are reviewing other funding alternatives including:

- managing the Company's working capital requirements; and
- raising additional funds via debt if required.

**Notes to the Consolidated Financial Statements**

**NOTE 1: GENERAL INFORMATION AND BASIS OF PREPARATION AND ACCOUNTING POLICIES  
(continued)**

**Going Concern (continued)**

The Directors have reasonable grounds to believe that they will be able to complete any required future capital raising and/or achieve any of the above funding alternatives.

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

**NOTE 2: SEGMENT INFORMATION**

The Group currently has one main operating segment, which involves mining exploration for lead-zinc-silver in Spain. The Group's previous mining exploration for iron ore in South Africa had been divested as at 30 June 2018. All of the Group's activities are interrelated, and discrete financial information is reported to the Board (Chief Operating Decision Makers). Accordingly, all significant operating decisions are based upon analysis of the Group as a whole. The financial results from this segment are therefore equivalent to the financial statements of the Group as a whole.

Geographic Information	Spain		Unallocated		Consolidation	
	Dec 2018 \$	Jun 2018 \$	Dec 2018 \$	Jun 2018 \$	Dec 2018 \$	Jun 2018 \$
Revenue from external customers	-	-	-	-	-	-
	<b>Dec 2018</b>	<b>Jun 2018</b>	<b>Dec 2018</b>	<b>Jun 2018</b>	<b>Dec 2018</b>	<b>Jun 2018</b>
Current assets	271,976	47,003	288,175	1,302,834	560,151	1,349,837
Non - current assets	1,425,366	181,446	37,379	1,182,759	1,462,745	1,364,205
Current liabilities	(19,541)	(7,803)	(66,404)	(221,868)	(85,944)	(229,671)
Net assets / (liabilities)	1,677,802	220,646	259,150	2,263,725	1,936,952	2,484,371

Notes to the Consolidated Financial Statements

NOTE 3: REVENUE AND EXPENSES

The loss for the half-year includes the following items:

	31 Dec 2018	31 Dec 2017
	AUD	AUD
<b>(a) Revenue</b>		
Interest received	32	8
<b>Total Revenue</b>	<b>32</b>	<b>8</b>
<b>(b) Other Income</b>		
Other Income	7,187	71,294
	<b>7,187</b>	<b>71,294</b>
<b>(c) Other expenses</b>		
Other expenses include the following:		
- Depreciation	-	7,609
- Consulting services	17,775	56,846
- Employment related services	10,235	35,998
- Other	559,494	529,165
	<b>587,504</b>	<b>629,618</b>

NOTE 4: CAPITALISED EXPLORATION AND EVALUATION EXPENDITURE

	31 Dec 2018	30 Jun 2018
	AUD	AUD
Opening Balance	1,344,013	1,180,488
Foreign exchange movement	51,385	163,525
Closing balance	<b>1,395,398</b>	<b>1,344,013</b>

NOTE 5: CONTRIBUTED EQUITY

	31 Dec 2018	30 June 2018	31 Dec 2018	30 June 2018
	No. of Shares	No. of Shares	AUD	AUD
<b>(a) Share Capital summary</b>				
<b>Ordinary Shares</b>				
Ordinary Shares fully paid	5,576,876,317	4,849,757,667	39,272,987	38,344,801
Less: Employee share plan shares	(2,300,000)	(2,300,000)	(265,302)	(265,302)
	<b>5,574,576,317</b>	<b>4,847,457,667</b>	<b>39,007,685</b>	<b>38,079,499</b>
<b>(b) Movements in employee share plan shares issued with limited recourse loans.</b>			<b>Number of Shares</b>	<b>AUD</b>
Opening Balance at 1 July 2018			2,300,000	265,302
Movement in employee share plan shares			-	-
31 December 2018			<b>2,300,000</b>	<b>265,302</b>

Notes to the Consolidated Financial Statements

NOTE 5: CONTRIBUTED EQUITY (continued)

Half-Year  
31 December 2018

(c) Movements in ordinary share capital

		Number	AUD
<b>01 Jul 17</b>		<b>2,469,999,055</b>	<b>36,197,034</b>
14 Sep 17	Placing shares	214,782,526	321,590
08 Nov 17	Placing shares	370,499,858	317,187
	Cost associated with share issues		(42,672)
31 Dec 17	<b>Closing Balance</b>	<b>3,055,281,439</b>	<b>36,793,138</b>
Less:	Employee share plan shares on issue	(2,300,000)	(265,302)
<b>31 Dec 17</b>		<b>3,052,981,439</b>	<b>36,527,836</b>
<b>01 Jul 18</b>		<b>4,849,757,667</b>	<b>38,344,801</b>
10 Aug 18	Placing shares	727,118,650	987,491
	Cost associated with share issues		(59,305)
31 Dec 18	<b>Closing Balance</b>	<b>5,576,876,317</b>	<b>39,272,987</b>
Less:	Employee share plan shares on issue	(2,300,000)	(265,302)
<b>31 Dec 18</b>		<b>5,574,576,317</b>	<b>39,007,685</b>

NOTE 6: CONTINGENCIES AND COMMITMENTS

The Group has had no material change in relation to any contingencies and commitments since 30 June 2018.

NOTE 7: RELATED PARTY TRANSACTIONS

Other than those transactions disclosed elsewhere in the financial report there have been no new related party transactions with Directors, key management personnel or related parties in the current reporting period.

NOTE 8: EVENTS OCCURRING SUBSEQUENT TO THE REPORTING DATE

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 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 AIM with a secondary listing on AltX.

On 11 March 2019, the Company announced the economics of the Scoping Study.

No other matters or circumstances have occurred subsequent to the reporting date that would have a material impact on the consolidated financial statements.

**Directors' Declaration**

In accordance with a resolution of the directors of Europa Metals Ltd, I state that:

In the opinion of the directors:

- (a) the financial statements and notes of the Company are in accordance with the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the financial position as at 31 December 2018 and the performance for the period 1 July 2018 to 31 December 2018; and
  - (ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; other mandatory professional reporting requirements; and
- (b) subject to the disclosure in Note 1 "Going Concern", there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the board



Laurence Read  
Director  
Perth  
15 March 2019

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Europa Metals Ltd

### Report on the Half-Year Financial Report

#### Conclusion

We have reviewed the half-year financial report of Europa Metals Ltd (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2018, 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 half-year then ended, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group is not in accordance with the Corporations Act 2001 including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2018 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

#### Emphasis of matter - Material uncertainty relating to going concern

We draw attention to Note 1 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 conclusion is not modified in respect of this matter.

#### Directors' responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year 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 half-year financial report that is free from material misstatement, whether due to fraud or error.

#### Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the Group's financial position as at 31 December 2018 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.



A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

#### Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Group, would be in the same terms if given to the directors as at the time of this auditor's review report.

BDO Audit (WA) Pty Ltd

BDO  


Phillip Murdoch

Director

Perth, 15 March 2019