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Europa Metals Ltd

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

Land Use Process Initiated for Potential Future Mine Development - Toral Project, Spain

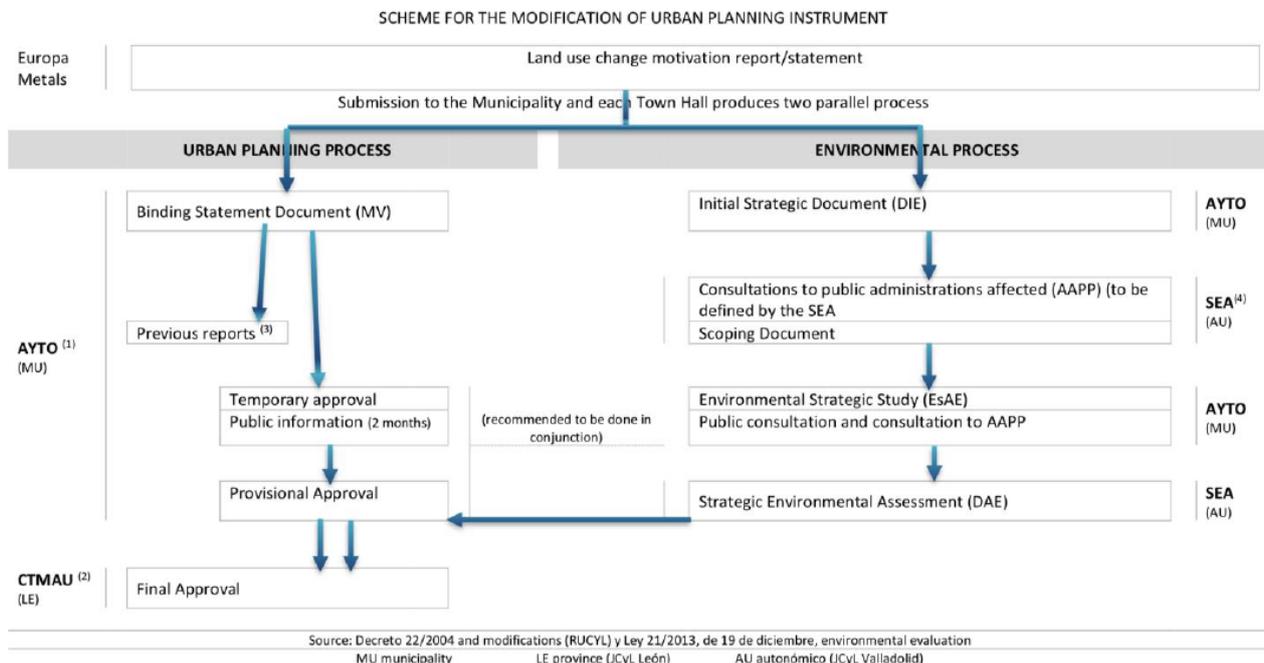
Europa Metals, the European lead-zinc explorer, is pleased to announce that the Board has taken the decision to initiate the Change of Land Use processes needed for the potential future full mine development at its wholly owned Toral lead-zinc-silver project located in the region of Castilla y León, northern Spain (the “Toral Project”).

Currently, Europa Metals is operating within the first year of its 3 year Investigation Permit and is in the process of concluding an initial Scoping Study on the Toral Project. Additionally, the Company is undertaking a series of exploration and data analysis workstreams in order to further progress its understanding of the asset. Whilst the Toral Project is currently at the exploration stage, the Company believes that there is sufficient understanding of the asset to justify initiating the requisite applications to convert the existing land use designation to enable the potential future development of a mine. The Company has consulted with the Junta de Castilla y León who concurred that this course of action is appropriate despite the Toral Project being at a pre-feasibility stage.

Process Outline

Europa Metals has engaged a specialist consultancy, MAGMA Soluciones Ambientales SL (“MAGMA”) (the “Consultancy”) to initiate and progress the requisite land use applications across three distinct municipalities overlapping the Toral Project’s licence area. This Consultancy has a 15 year track record of successfully processing and modifying municipal planning instruments for natural resources projects. MAGMA collaborates with regional government administrations to enable the management of natural and cultural resources.

Successful outcomes delivered by MAGMA have included land use rights conversions undertaken with the Municipal Urban Regulations of Valverde de la Casa, Villavieja de Yeltes, Garcibuey, Aldehuela de la Bóveda, El Cerro, Fuentes de Oñoro, Villarino de los Aires and Chagarcia-Medianero. To date, MAGMA has concluded environmental impact studies for the change/review of land use with 12 municipalities within the province of Castilla y León. The Managing Director of MAGMA and Toral Project lead, Juan Piñeiro, is also the geological representative to the Chamber of Resources of Castilla y León.



A detailed schematic of the application and reporting process to be initiated across the three municipalities.

In summary, the municipal process requires an initial review of the current land use and then a submission to the Town Hall (Ayuntamiento) of each municipality concerned within the Toral Project’s licence area. Upon acceptance of such submissions, a series of studies and proposals/reports will be presented at municipal, provincial and federal level. The process is currently estimated to take approximately 18 months.

Alternatively, the municipal process could be superseded by way of a submission to the regional parliament, whereby the regional government of Castilla y León would vote on the change of land use, but Europa Metals believes that progressing the transfer of land use at a municipal level is the optimum way to progress the Toral Project into potential future production.

Ponferrada has been a mining district since before the 19th Century, when some of the first generation coal power stations and coal powered railways in Spain were supplied from the area. Located in an area with many operating quarries and an historic Roman mine attraction, the Company will seek to work closely with local stakeholders to deliver a new, environmentally and socially sustainable lead, zinc and silver mine into future development.

Laurence Read, Executive Director, commented:

“Whilst the Toral lead-zinc-silver project is only within the first year of its renewed investigation licence, we believe that there is sufficient confidence in the asset to begin the change of land use process in order to facilitate potential future full mine development at the appropriate time. Adhering to all the relevant permissions and safeguards is an important and essential part of delivering new mining operations within Europe and now is the right time to begin this process. Working with MAGMA, an independent consultancy with a track record of ensuring resource companies are compliant with the municipal and regional land use processes, we shall work closely with all key stakeholders to determine Toral’s ability to ultimately become a safe and beneficial mining operation for the local area.”

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

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

Sharon Owens
T (direct): +27118097762

Peterhouse Corporate Finance Limited (Joint Broker)

Lucy Williams/Duncan Vasey/Heena Karani
T: +44 (0)20 7469 0930

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