

31 January 2019

Europa Metals Ltd

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

Quarterly Activities and Cashflow Report For the period ended 31 December 2018

Highlights:

- Significant period of activity at the Company's wholly owned Toral lead, zinc and silver project, Northern Spain
- Positive Scoping Study released which considered three conceptual underground mining development and production scenarios
 - The conceptual scenario selected progresses decline access ramp with a high grade focus
 - Mechanised Cut and Fill (MCAF) mining method proposed
 - Entry to mine via a principal decline reaching various levels
 - Series of internal mining inclined ramps constructed to access levels
- Key recommendations from the Scoping Study were for an Infill drilling campaign to convert resources to the Indicated category (JORC 2012), metallurgical and geotechnical test work and progression to a full feasibility study
- Reverse Circulation ("RC") extension drill holes reported in the period intersected Zn, Pb and Ag mineralisation in all 4 holes drilled, including unexpectedly high-grade results near to surface in drill hole TOR-14. Known boundary of the mineralisation extended 200 metres to the east of the pre-existing resource estimate
- First Diamond Drilling campaign completed by Europa Metals' geological team at the Toral project providing:
 - confirmation of block model grade and thickness;
 - progress on 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 @ 3 metres, including 1m @ 1.34% Cu
- Mineral resource estimate revised to 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*

Post Period End

- Applications submitted seeking the Company's removal from the official list of the ASX Limited ("ASX") (the "Official List") and migration from the Main Board of the Johannesburg Stock Exchange ("JSE") to the Alternative Exchange ("AltX") operated by the JSE
 - Part of the Company's plan to reduce administrative costs and streamline listing and compliance costs whilst retaining access to capital from international markets

Note: * - Zn Eq (PbAg)% is the calculated Zn equivalent incorporating silver credits as well as lead; $(\text{Zn Eq (PbAg)\%} = \text{Zn} + \text{Pb} \cdot 0.96 + \text{Ag} \cdot 0.022)$. 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.

Operational - Toral Project, Spain

Scoping Study

On 10 December 2018, the Company announced the results of an independent scoping study completed in accordance with JORC 2012 for its wholly owned Toral Project located in the Castilla y León region, Northwest Spain (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.

Key elements of the Scoping Study included:

- Three conceptual underground mining development and production scenarios considered throughout the Study
- The conceptual scenario selected progresses decline access ramp with a high grade focus
- 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.

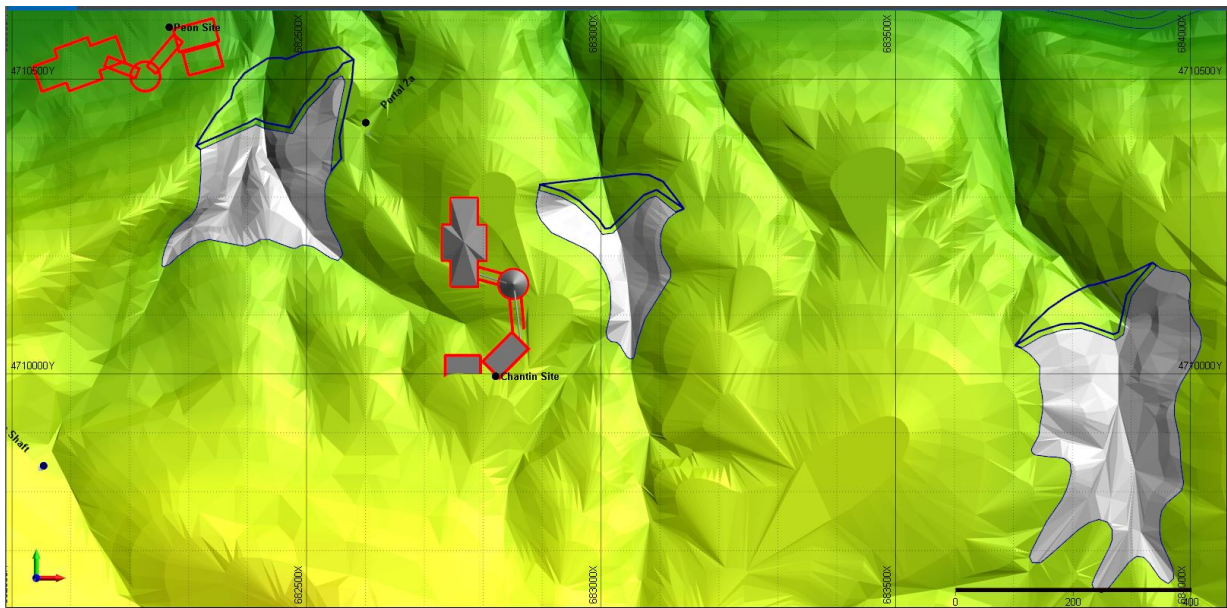


Figure 1: Conceptual Plant Layout for Chantín and Peon Sites, and conceptual tailings sites

Economic Analysis

Europa Metals commissioned Addison Mining Services Limited (“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, supports 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.

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 Toral Mineral Resource Estimate 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 such areas will be incorporated into Europa Metals' Toral property upon the future grant of a mining license. The Board of the Company believes that there are no competitors in relation to securing this further acreage.

The above mentioned reduction in the licence area has 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 ³	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

Infill & Extension Drilling

On 31 October 2018, the Company announced the results of its RC extension drilling programme at the Toral Project. The RC drilling programme intersected Zn, Pb and Ag mineralisation in all 4 holes drilled, targeting to a depth within 300 metres of the topographic surface.

All objectives of the RC drilling programme were met following the identification of the mineralised contact zone along the Toral Licence area. Europa Metals' 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 demonstrated the prospectivity of the project's licence area and of the potential for hosting a future sustainable zinc, lead and silver mining operation.

On 20 December 2018, the Company announced the results from its initial Phase II infill diamond drilling programme. The diamond drilling programme intersected zinc, lead and silver (Zn, Pb, Ag) mineralisation in all three holes drilled, targeting to a depth within 300 metres of the topographic surface. The Phase II drilling is focused within the existing resource area to fill in gaps within the historic drill patterns.

Europa Metals' geological team is also considering the results and implications of the TOD-020 drill hole that returned 3 metres at 0.68% copper from 297.35 metres. Copper traces have historically been encountered in the deposit, but the significance was unknown. This level of copper was not anticipated within the deposit so near to surface and follow up work is required to identify controls and the extent of copper mineralisation.

2019 Outlook

Key objectives for 2019 include:

- commencement of an Environmental Impact Study and all baseline work for the duration of 2019;
- completion of a surface work programme, currently underway, to remap the licence area and incorporate new data into the Toral model;
- conducting an infill diamond drilling programme targeting a distinct high grade area of the resource. Drilling will seek to convert the Inferred resource into the Indicated status; and
- undertaking both the requisite metallurgical and geotechnical test work in order to progress the Toral Project towards a feasibility study.

Corporate

The Company undertook no significant corporate activity during the period with operational and group activities being conducted on or under budget.

Post Period end

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. In addition, the Company announced that it had made an application to move from the Main Board of the JSE to the AltX with Europa Metals' primary listing consequently expected to become the AIM market operated by London Stock Exchange plc on successful completion of the two processes.

Europa Metals securities are currently listed/quoted on three securities exchanges - the Official List, AIM and the JSE.

Following due consideration, and in order to streamline the Company's listing and compliance costs, the Directors of Europa Metals have resolved that the continued listing of the Company's securities on the Official List is no longer in the best interests of the Company and its shareholders.

Laurence Read, Executive Director of Europa Metals, today commented:

"The fourth quarter of 2018 saw us complete our independent Scoping Study on Toral, with very positive results, and announce initial results for our team's first diamond drilling campaign on the project. Lead-zinc results were returned from all of the drill holes including an unexpectedly high grade intersection near to surface. An intriguing copper result was also returned for the TOD-020 hole requiring further assessment.

"Post period end, we announced the commencement of a delisting process from the ASX and a proposed move from the Main Board of the JSE to the AltX. On the ground, work continues at site as we seek to progress towards a full Feasibility Study for Toral that will be centered on a high grade production core."

Exploration Interests

The following listing of permits held by the Company is provided in accordance with ASX Listing Rule 5.3 for the quarter ended 31 December 2018:

Project	Location	Right Number	Right Status	Holder	Percentage Interest
Toral	León Province, Spain	15.199	Investigation Permit	GoldQuest Iberica, S.L.	100%

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 Galacia, 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.

Competent Person's statement

The Scoping Study and JORC (2012) resource estimate for Toral was prepared by Mr J.N. Hogg, MSc, MAIG Principal Geologist for Addison Mining Services Limited ("AMS"), Mr J. Bennett BSc (Hons), ARSM, FIMMM CEng Associate Principal Mining Engineer for AMS, Dr N. Holloway, CEng, FIMMM Associate Processing Engineer for AMS and Dr S. Struthers CEnv, FIMMM, Associate Environmental Consultant for AMS, together being independent Competent Persons within the meaning of the JORC (2012) code and qualified persons under the AIM guidance note for mining and oil & gas companies. The Scoping Study was aided by Mr R.J. Siddle, MSc, MAIG Senior Resource Geologist for AMS, under the guidance of the competent persons. Mr Hogg, Mr Bennett, Mr Holloway and Ms Struthers have reviewed and verified the technical information that forms the basis of, and has been used in the preparation of, the Scoping Study and this announcement, including all analytical data, assumed and acquired technical and economic inputs, diamond drill hole logs, QA/QC data, density measurements, and sampling, diamond drilling and analytical techniques, and consent to the inclusion in this announcement of the matters based on the information, in the form and context in which it appears. Mr Hogg, Mr Bennett, Mr Holloway and Ms Struthers have also reviewed and approved the technical information in their capacities as qualified persons 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.

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 (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): +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.