

4 October 2018

## **Europa Metals Ltd**

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

### **Infill Drilling Programme Commenced and Scoping Study Update - Toral Project, Spain**

Europa Metals, the European lead-zinc explorer, is pleased to announce that, further to the Company's announcement of 28 August 2018 regarding, *inter alia*, the successful mobilisation to site of the combination drill rig, all of the planned Phase I Reverse Circulation ("RC") drilling on its wholly owned Toral project, northern Spain, has now been completed with samples currently being sent to external laboratories for independent assay. The RC extension drilling was designed to identify new areas of mineralisation stepping out from the existing defined JORC (2012) resource area at the project. A diamond drilling programme will now commence which will target key areas situated within the existing resource area.

The objective of the Phase II diamond infill drill programme is 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. Infill drilling will ultimately seek to upgrade the existing Inferred resources to Indicated and will form a key component of a planned future full feasibility study.

#### ***Update regarding Scoping Study Progress***

Following sustained work on an initial scoping study for the Toral project, being undertaken by Addison Mining Services Limited ("AMS"), the following elements have been identified and established as development options for a potential future mining operation at the Toral site:

- adoption of a cut and fill method of mining in order to reduce waste and footwall dilution;
- decline entry followed by a raised bore production shaft (reduced shaft cost and expenditure on raised bore commenced only at a time nearer to future production);
- standard two-stage flotation process - depressing the zinc and floating the lead;
- fully mechanised utilising an appropriate level of technology for a project of Toral's size; and
- requisite permitting and environmental pathways determined and/or underway.

The Company is now working closely with AMS to incorporate the new data from its recent JORC (2012) resource update and other workflows in order to complete the scoping study and a further update will be provided in due course.

#### **Laurence Read, Executive Director of Europa Metals, commented:**

*"The planned RC drilling has now been completed and we have commenced the next phase of our drill programme at the Toral project comprising infill diamond drilling. The majority of the key elements of the proposed mine design have been assessed and completed for a potential future mining operation at Toral and new data sets are currently being inputted to enable AMS to complete its scoping study."*

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

*“Progress on the scoping study to date is narrowing our focus at Toral and is providing us the incentive to proceed, ahead of schedule, with our planned Phase II work programme. Accordingly, we have decided to initiate the diamond infill drilling work and activities which will provide the first geotechnical information at Toral.”*

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

**Peterhouse Corporate Finance Limited** (Joint Broker)

Lucy Williams/Duncan Vasey/Heena Karani

T: +44 (0)20 7469 0930

**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.*

**Toral Lead-zinc-silver project located in the region of Castilla y León, northern Spain**

Summary of updated JORC (2012) Inferred Mineral resource estimate announced on 20 September 2018:

- **19Mt @ 6.9% Zn Equivalent (including Pb credits) and 24g/t Ag**
- **720,000 tonnes of Zinc, 570,000 tonnes of Lead and 14 million ounces of Silver**

Zn Price Used: US\$2,500/t      US\$/lb1.13  
Pb Price Used: US\$2,100/t      US\$/lb0.95  
Ag Price Used:                      US\$17/oz

The resource update identified potentially economic mineralisation ranging from surface to approximately 1,100m below surface. The new block model currently extends for a strike length of 3,300m and is still open to the east along strike and also at depth where it has not yet been closed off.

| 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>Total</b>                       |                   |            |             |               |            |            |           |                            |                            |                       |
| 6.0                                | 10                | 2.8        | 8.7         | 9.3           | 4.8        | 4          | 30        | 490                        | 420                        | 10                    |
| 5.0                                | 14                | 2.8        | 7.7         | 8.3           | 4.4        | 3.5        | 26        | 620                        | 490                        | 12                    |
| <b>4.0</b>                         | <b>19</b>         | <b>2.8</b> | <b>6.9</b>  | <b>7.4</b>    | <b>3.9</b> | <b>3.1</b> | <b>24</b> | <b>720</b>                 | <b>570</b>                 | <b>14</b>             |
| 3.0                                | 23                | 2.8        | 6.2         | 6.7           | 3.5        | 2.8        | 22        | 800                        | 630                        | 16                    |
| <b>Transitional Oxide Material</b> |                   |            |             |               |            |            |           |                            |                            |                       |
| 4                                  | 1.8               | 2.4        | 5           | 5.5           | 2.6        | 2.5        | 25        | 45                         | 44                         | 1.4                   |
| <b>Unweathered Fresh Rock</b>      |                   |            |             |               |            |            |           |                            |                            |                       |
| 4                                  | 17                | 2.8        | 7           | 7.6           | 4          | 3.1        | 23        | 680                        | 530                        | 13                    |

**Competent Person's statement**

*The updated Toral inferred 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 a qualified person under the AIM guidance note for mining and oil & gas companies. The updated inferred 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 updated mineral resource estimate and 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 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.*