

16 July 2018

Europa Metals Ltd

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

Combination Drill Rig Contracted for Exploration Programme - Toral Project, Spain

Europa Metals, the European lead-zinc explorer, announces that it has secured a combined Reverse Circulation ("RC") and Diamond drilling rig (the "Combination rig") for mobilisation to its Toral lead-zinc-silver project located in the Province of León, northern Spain, during August 2018. The Combination rig and associated operating crew is being supplied by Sondeos y Perforaciones Industriales de Bierzo SA ("SPI") and will be 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. Such rigs, used extensively on Australian drilling programmes, offer the following advantages for implementation of the Company's planned exploration programme at Toral:

- Initial extension drilling to the East of the main ore body, to a targeted depth range of 150-200 metres below surface, can be undertaken using more cost effective RC drilling;
- The ability to switch the rig to Diamond drilling (as per all other drilling at Toral performed to date) affords the exploration team flexibility, depending on the initial results achieved, in terms of depth and the greater deviation control provided by Diamond drilling; and
- Following the completion of extension drilling, the same rig can be utilised for the phase 2 infill drill programme, within the existing inferred ore body, seeking to increase the existing maiden JORC 2012 compliant resource estimate and complete geotech holes for a final, full, feasibility study in due course.¹

The contract with SPI has been standardised to global norms incorporating payment terms based on efficient core recovery. All work will be overseen by Mr Luiz Perez, Europa Metal's new Exploration Manager, who was previously in charge of the exploration drill programmes for Berkeley Energia Limited's Spanish assets.

Myles Campion, Executive/Technical Director, commenting today, said:

"Earlier this year, we commenced a search in Spain for a provider of combination rigs as they represent a highly cost effective and flexible exploration tool for assets such as Toral. To date, all drilling at Toral has comprised Diamond drilling, but we believe that RC drilling down to a depth of 150/200 metres will be just as effective and serve to reduce costs."

Laurence Read, Executive Director, further commented:

"Cost efficiencies and having access to the right tools deployed by the right team is what Europa Metals is all about. I look forward to our team commencing safe and efficient drilling operations in August as we also seek to progress our work re-logging the historic core, undertaking metallurgical testing and releasing the findings of an initial independent Scoping Study by Q4 2018. As previously stated, the first phase of our drill programme will involve drilling to the East of the main ore body along strike to determine the potential presence of further mineralisation."

¹ Refer ASX Announcements 30 January 2018 and 6 February 2018 for full details on the Maiden Lead-Zinc-Silver JORC Mineral Resource Estimate for the Toral Project, Spain

Competent Person's Statement

The Total maiden inferred resource estimate was prepared by Mr J.N. Hogg, MSc, MAIG Principal Geologist for Addison Mining Services Limited ("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 maiden 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 current mineral resource estimate, 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.

For further information on the Company, please visit 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.