

31 October 2018

Europa Metals Ltd

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

Quarterly Activities and Cashflow Report For the period ended 30 September 2018

Highlights:

- Increase in JORC (2012) inferred resource estimate for the Company's wholly owned Toral lead-zinc-silver project (the "Toral Project") from 16 million tonnes ("Mt") at 6.9% Zn Equivalent (including Pb credits) and 25 g/t Ag to **19Mt at 6.9% Zn Equivalent (including Pb credits) and 24 g/t Ag**, representing a **19%** increase in the overall tonnage.
- Successful mobilisation of a Reverse Circulation ("RC") and Diamond drilling rig (the "Combination rig") to the Toral Project site.
- Re-logging of historical core from the Toral Project, stored at the National Litoteca in Andalucia, Spain, conducted by the Company's geological team. The re-logging exercise and associated specific gravity testing generated valuable additional data, including:
 - weathering profiles;
 - detailed lithology;
 - structural controls; and
 - a refined understanding of specific gravity within the mineralised envelope.
- The Company's initial scoping study on the Toral Project, being prepared under the guidance of UK based Addison Mining Services Limited ("AMS"), is ongoing and remains on schedule.
- Fundraising of £563,516 (approximately A\$0.98m) (before expenses), through the issue of 727,118,650 new ordinary shares of no par value each in the capital of the Company at an issue price of 0.0775 pence per share.

Operational - Toral Project, Spain

On 16 July 2018, the Company announced that it had secured a Combination rig for mobilisation to its Toral Project site located in the Province of León, northern Spain, during August 2018. The Combination rig and associated operating crew was to be supplied by Sondeos y Perforaciones Industriales de Bierzo SA ("SPI") and overseen by the Company's on-site exploration team. The rig is one of only a few of its type in Spain and such rigs are used extensively on Australian drilling programmes.

On 28 August 2018, the Company announced that the abovementioned Combination rig had been successfully mobilised to site with drilling to initially ascertain the potential continuation of the mineralised structure outside of the project's current defined JORC (2012) resource area. With a significant inferred resource estimate already established for the main Toral Project area, the extension drilling to the east will seek to identify the presence of further mineralisation/hosting structures. Subsequent to completion of the extension drilling, the Company was to concentrate on drilling within the upper zone of the identified JORC (2012) resource area, before moving on to a Phase II programme, targeting key areas within the high

grade zone of the inferred resource in order to increase resource confidence levels. In addition, the Company announced that, further to an intensive 6 week process, its new geological team had successfully re-logged all priority intersections from the historical drill core from the Toral Project stored at the National Litoteca, located in Andalucia, Spain.

On 13 September 2018, the Company announced that the Board had decided to initiate the Change of Land Use processes needed for the potential full future development of a mine at its Toral Project and had engaged a specialist consultancy, MAGMA Soluciones Ambientales SL, to initiate and progress the requisite applications across the three distinct municipalities overlapping the project's licence area. The process was estimated to take approximately 18 months.

On 20 September 2018, the Company announced an updated JORC (2012) mineral resource estimate for its Toral Project. The abovementioned re-logging of historic drill core held at the National Litoteca from the Toral Project had resulted in significantly higher bulk density measurements than those used for the Maiden resource estimate completed by AMS between November 2017 and January 2018, as announced by the Company on 6 February 2018. Accordingly, the updated mineral resource estimate for the Toral lead-zinc-silver deposit comprised:

- 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

Corporate

On 30 July 2018, the Company announced the expiry of 205,949,134 unlisted options exercisable at £0.003 per share on or before 29 July 2018.

On 10 August 2018, and further to its previous announcement of 27 July 2018, the Company announced that it had raised approximately £563,516 (approximately A\$0.98m) (before expenses), through the placement of 727,118,650 new ordinary shares of no par value each in the capital of the Company at an issue price of 0.0775 pence per share. The new ordinary shares were issued under the Company's existing placement capacity under ASX Listing Rule 7.1. The net proceeds from the fundraising are to be utilised towards funding the Phase II work programme at the Toral Project, as well as providing additional general working capital for the Group.

Post Period end

On 4 October 2018, the Company announced, that following the successful mobilisation to site of the Combination rig, all of the planned Phase I RC drilling on its Toral Project had been completed with samples 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. In addition, a diamond drilling programme has commenced targeting 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.

The Company also provided an update on the initial scoping study being undertaken by AMS. Following sustained work on the scoping study, the following elements had 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.

The Company today announces that Turner Pope Investments (TPI) Limited has assumed the role of sole broker to the Company with immediate effect.

In addition, Europa Metals today announces that the Company has relinquished all rights to the Lago lead-zinc licences located in the province of Galicia, Spain. The Company continues to believe that the area is highly prospective for lead-zinc but both the size and location of the Lago licence areas does not justify and support incurring maintenance and exploration expenditure at this time. The Company has received confirmation of this relinquishment and remains in dialogue with the Junta de Galicia to determine opportunities for future exploration to define potential underground mines in the region. Accordingly, all of the Company's active operational expenditure will continue to be focused on its Toral Project.

The Company further announced today that its abovementioned RC extension drilling campaign had intersected lead, zinc and silver mineralisation in each of the four holes drilled to the east of the existing resource.

Accordingly, structural continuity has been confirmed to the east of the existing defined resource area, with each RC drill hole encountering limestone/slate contact containing mineralisation, and drill hole TOR-14, in particular, assayed unexpectedly high-grade results near to surface. The cost effective RC drilling programme targeted areas all within 300 metres of surface. The current Phase II Diamond Drilling programme is being conducted within the pre-existing defined resource area, with the first holes of infill drilling completed on budget and to schedule .

Additional Information

Corporate Changes

On 24 September 2018, the Company announced a change in its registered office address to c/- Minerva Corporate Pty Limited, Level 8, 99 St Georges Terrace, Perth WA 6000.

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

“The third quarter of 2018 and subsequent period to date, has seen the Company achieve an increase in the Toral Project’s inferred resource estimate, completion of the Phase I RC drilling programme and commencement of a Phase II diamond infill drill programme, a successful re-logging exercise of historic core to provide valuable additional data and sustained progress on the preparation of the initial scoping study. I commend the exploration team for its hard work and we remain committed to proving-up the potential of the Company’s promising Toral asset.”

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 30 September 2018:

Project	Location	Right Number	Right Status	Holder	Percentage Interest
Toral	León Province, Spain	15.199	Investigation Permit	GoldQuest Iberica, S.L.	100%
Lago	Galicia Province, Spain	Lago II 6.056	Exploration Permit in progress	GoldQuest Iberica, S.L.	100%*
		Lago III 6.058	Investigation Permit in progress		

Note:

* - The two Lago permits were relinquished post the quarter end.

Competent Person’s statement

The updated Toral 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 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, 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:

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.