



**Europa Metals Ltd**  
A.C.N. 097 532 137

**Half-Year Financial Report**  
for the period  
**1 July 2020 - 31 December 2020**

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## Europa Metals Ltd

A.C.N. 097 532 137

Directors' Report

Your Directors present the unaudited report and the results of Europa Metals Ltd ("Europa Metals", the "Company" or, together with its controlled entities, the "Group") for the half-year from 1 July 2020 to 31 December 2020.

### Directors

The names of the Company's Directors in office during the half-year and until the date of this report are set out below. Directors were in office for the entire period unless otherwise stated.

Evan Kirby  
Laurence Read  
Myles Campion  
Colin Bird (Resigned 5 August 2020)  
Daniel Smith

### Chairman's Review for the six months ending 31 December 2020

Having assumed the role of Executive Chairman during this reporting period, serving alongside Laurence Read as CEO, as a Board we felt it appropriate to include comments from the executive management for the first time in these unaudited half-year results.

As a responsible natural resource development company, workforce and stakeholder safety are of principal importance to us as a Board of Directors. During the reporting period full health security measures, based on Spanish, UK and Australian best practice were maintained and monitored as the Coronavirus (COVID-19) pandemic continued.

I think it is a reflection of the Europa Metals team's professionalism and capability that not a single COVID-19 infection was reported during the period within the Company whilst a series of major operational and corporate milestones were delivered. We have continued to advance our understanding of the Toral lead, zinc and silver project as a potential future low capex, high margin lead, zinc and silver mine located within the EU.

During 2020, a clear strategy was pursued to complete all the requisite work for a revised (from the 2018 Scoping Study), independent preliminary economic study to be commissioned and its findings published. Such report, compiled by Bara Consulting and published on schedule in November 2020, encompassed an indicated resource for the first time, the results of a series of metallurgical test work programmes including an initial ore sorting analysis, geotechnical and hydrogeological studies. The report's findings were significant with a substantial increase in ROM tonnes to 700,000 tonnes per annum ("tpa") with an all-in cost of US\$63.56/t, US\$79m upfront capex to production and project payback in year four realising an NPV of US\$156m at an 8% discount rate with a 31.3% IRR. Importantly, the economic report identified that the 12 year mine life "ends" in the highest zinc grades for production consequently highlighting the expansion potential at depth and to the east once Toral achieves future production, thereby creating the possibility for a longer and larger mining operation than currently outlined.

For the last four years, Europa Metals has progressed Toral as a realisable project, with potential for robust margins in a safe jurisdiction. The abovementioned new economic report, enables us to seek to progress our corporate objectives to secure a pathway forward for the Company that delivers equity value through development, including partnerships or a substantial transaction. In support of our corporate objectives, the Company proposed a series of resolutions to shareholders at a general meeting held in July 2020 in order to strengthen Europa Metals' capital structure and governance. All such resolutions were duly passed including a 500:1 share consolidation, the implementation of more UK market standard pre-emption rights and approval of an options package to peg the directors' incentivisation with equity value growth. Subsequently, Europa Metals was able to secure £2m (before expenses) via a market fundraising at a premium to the six month pre-consolidation VWAP.

At the time of writing, further drilling is underway at the Toral project to form the basis of a Pre-Feasibility Study ("PFS") whilst corporately we are actively involved in a number of initiatives that we believe could potentially lead to a major value event for all Europa Metals shareholders. Further updates will be made as and when appropriate.

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### Myles Champion

*Executive Chairman*

#### **CEO's Review for the six months ending 31 December 2020**

First of all, I would like to add to our Chairman's comments regarding Europa Metals operations during the ongoing Coronavirus (COVID-19) pandemic. Safety always sits at the heart of our decision-making process and I am happy to confirm that during the period not a single case of COVID-19 was contracted by any member of our workforce. The diligence by our Spanish team on the ground is to be commended in terms of both implementing and communicating best practice protocols regarding social distancing, hygiene and all other guidance from the relevant authorities during this global health crisis. Due to our prioritisation of worker and stakeholder safety, we are not currently providing any guidance to the market on workflow timing as we do not want any metrics in place that might lead to an inappropriate decision being made at any level of the Company.

What is very evident though is the significant amount of operational and development work achieved during the second half of 2020.

Following the appropriate governance and capital structure changes being approved by Europa Metals' shareholders in July 2020, the Company signed a product marketing agreement with Conrad Partners, a leading Hong Kong based concentrate agent within the industrial metals space. Further to Conrad's review of the Toral lead, zinc and silver project's dataroom, the group has begun actively marketing the project which contributed to the marketing section of the new independent preliminary economic study undertaken by Bara Consulting, the key findings of which were announced on schedule in November 2020.

During August 2020, the Company announced a 40% increase in the project's indicated resource at an average grade of 8.3% zinc equivalent (including Pb credits) and 30g/t Ag; a significant average grade above cut-off.

The Phase III metallurgical and ore sorting results were also announced, undertaken by Wardell Armstrong International, which showed significant grade and recoveries including the following from hole TOD-025H: 83.9% Pb recovery to a 79.2% Pb concentrate; 87.7% Ag recovery to 512ppm Ag within Pb concentrate; and 87.7% Zn recovery to a 60.0% Zn concentrate. The ore sorting results were incorporated into the independent economic study and contributed to the uplift in potential margins and scale outlined within the new financial model.

Europa Metals also secured a €466,801.50 interest free loan by way of a grant (the "Grant") from the Spanish Governmental agency, CDTI. Such interest free loan is an innovation grant further to our established partnership with the University of Salamanca and SPI drilling, with the funds drawn to be allocated towards the development of R&D technologies relating to the recording and correction of drillhole deviation at the Toral Project. The Company will draw the Grant monies down in up to three tranches, with the prior agreement of the CDTI, with the initial tranche, comprising an amount of €163,380, duly received by the Company. The second and third tranches are scheduled to be drawn down over a period of approximately 18 months subject to certain, defined, operational milestones. In addition to being able to secure asset level funding, the importance of partnering with such key regional stakeholders cannot be over emphasised.

Following the CDTI grant, Europa Metals secured a new, three-year Investigation Permit for Toral, until 15 November 2023, from the Junta of Castilla y León. The application was made further to consultation and feedback from the Junta and the Company will continue to work towards fulfilling all the requisite criteria in preparation for a formal mining licence application in due course. One of the benefits of working within the region is that, due to its long history of mining, the processes to be completed towards a mine development decision are clear, well informed and well established. With increasing focus on supply chain transparency, stakeholder engagement and environmental best practice, we believe that the transparent regulatory structure within Castilla y León stands us in good stead against a changing investment and commodity markets' backdrop.

As noted by our Chairman, the completion of the independent economic study by Bara Consulting has revealed a significant up lift in the economic potential for the project. At present, we are engaged with a number of parties who are reviewing the full report and the Toral project's data room, as well as progressing the Toral project's PFS. The current drill campaign will seek to retrieve resource, geotechnical and metallurgical data within the upper levels of the project. Such upper levels represent the early years for potential future production

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from the project and by initially focussing within this zone we will endeavour to enhance our understanding of how the initial payback period might be improved. Implementing ore sorting at the upper levels of the project in the silicious zone will be one of the possibilities analysed and I look forward to announcing updates to the market at the appropriate time.

### Laurence Read

CEO

### Review and results of operations

Europa Metals is a European focused lead-zinc and silver developer.

### Operating Results

During the half-year from 1 July 2020 to 31 December 2020, the Group recorded a net loss after tax of AUD1,647,142 (1 July 2019 to 31 December 2019: net loss of AUD1,399,416).

### **Toral Lead-Zinc-Silver Project, Spain ("Torral" or the "Torral Project")**

Following the completion of the Scoping Study announced by the Company in December 2018, workstreams have focused on additional resource drilling, geotechnical drilling, metallurgical testwork and environmental baseline studies.

On 14 August 2020, the Company announced an updated independent mineral resource estimate ("MRE") at Torral. The updated MRE represented a 40% increase in the indicated resource to 3.8 million tonnes ("Mt") @ 8.3% zinc equivalent ("ZnEq") (including Pb credits) and 30g/t Ag. In summary, the updated MRE revealed a:

- 40% increase in indicated resource tonnes;
- 38% increase in indicated contained tonnes of zinc to approximately 180,000 tonnes;
- 36% increase in indicated contained tonnes of lead to approximately 150,000 tonnes; and
- 32% increase in indicated contained ounces of silver to approximately 3.7 million ounces.

The MRE incorporated data obtained from:

- 113 diamond (including wedges) and 4 reverse circulation (RC) drill holes totalling 60,915.65 metres; and
- 19 underground channels for 18.75 metres.

The MRE, effective as of 12 August 2020, comprises:

- An indicated resource of approximately 3.8Mt @ 8.3% Zn Equivalent (including Pb credits), 4.7% Zn, 3.9% Pb and 30g/t Ag, including:
  - 180,000 tonnes of zinc, 150,000 tonnes of lead and 3.7 million ounces of silver.
- An inferred resource of approximately 14Mt @ 6.5% Zn Equivalent (including Pb credits), 4% Zn, 2.7% Pb and 23 g/t Ag, including:
  - 540,000 tonnes of zinc, 360,000 tonnes of lead and 10 million ounces of silver.
- A total resource of approximately 17Mt @ 6.9% Zn Equivalent (including Pb credits), 4.1% Zn, 2.9% Pb and 24 g/t Ag, including:
  - 720,000 tonnes of zinc, 510,000 tonnes of lead and 14 million ounces of silver.

The Board believes that the results of this update compare favourably with the Company's previously reported MRE, announced on 29 October 2019, comprising the following tonnages and grades:

- An indicated resource of approximately 2.7Mt @ 8.9% Zn Equivalent (including Pb credits), 5% Zn, 4.2% Pb and 32 g/t Ag, including:

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- 130,000 tonnes of zinc, 110,000 tonnes of lead and 2.8 million ounces of silver.
- An inferred resource of approximately 16Mt @ 7.2% Zn Equivalent (including Pb credits), 4.5% Zn, 2.9% Pb and 22 g/t Ag, including:
  - 690,000 tonnes of zinc, 450,000 tonnes of lead and 11 million ounces of silver.
- A total resource of approximately 18Mt @ 7.4% Zn Equivalent (including Pb credits), 4.5% Zn, 3.1% Pb and 24 g/t Ag, including:
  - 830,000 tonnes of zinc, 570,000 tonnes of lead and 14 million ounces of silver.

\*Zn Eq % is the calculated Zn equivalent incorporating lead credits;  $(\text{Zn Eq (Pb)})\% = \text{Zn} + \text{Pb} \times 0.926$ . Zn Eq (PbAg)% is the calculated Zn equivalent incorporating silver credits as well as lead;  $(\text{Zn Eq (PbAg)})\% = \text{Zn} + \text{Pb} \times 0.926 + \text{Ag} \times 0.019$ . 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\$2,680/t, Pb price of US\$2,100/t and Ag price of US\$16.2/oz.

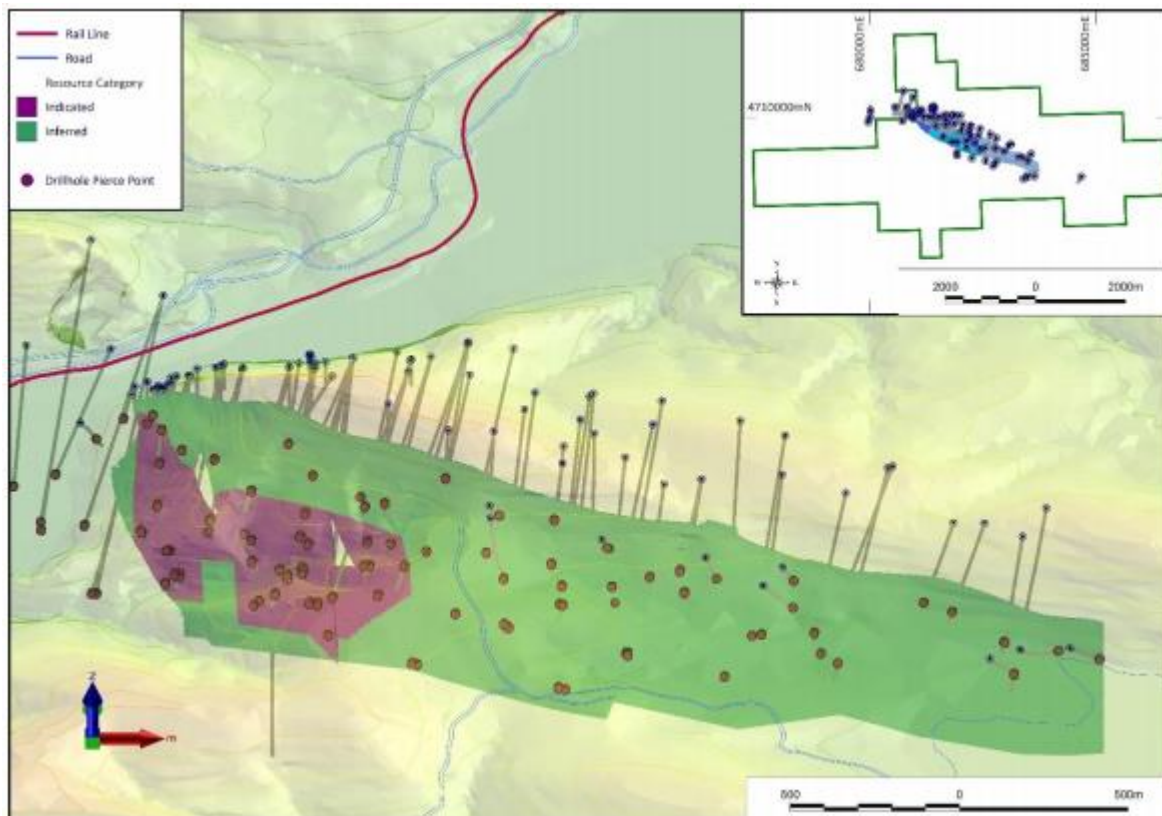


Image 1: showing Addison Mining Services Limited's ("AMS") resource block model for Toral as a 3D view looking north, by resource category

Image 2 below presents a grade contour section of one of the high-grade zones at the Toral Project. Hole TOD-023 sits within a zone of >8% ZnEq (PbAg) and supports the premise that the main corridor of mineralisation is continuous.

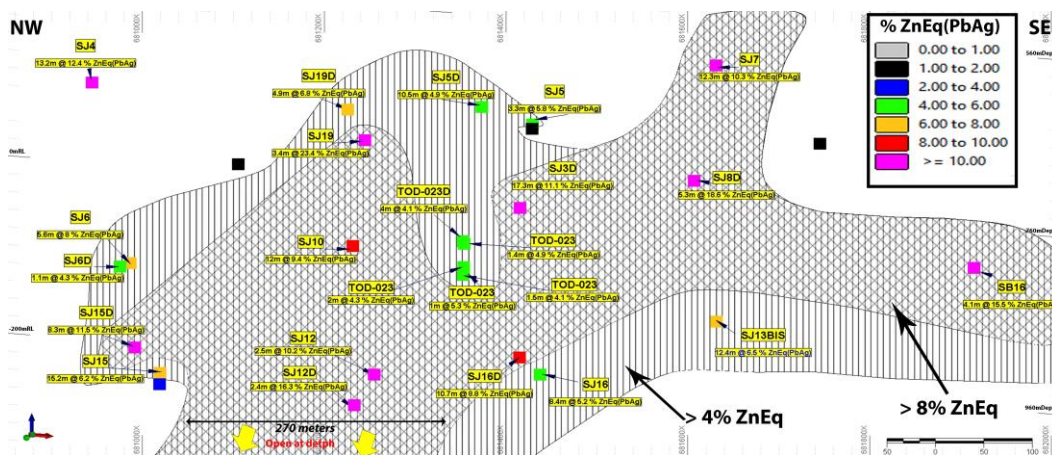


Image 2: Grade contour map of one of the high-grade zones at the Toral Project

Image 3 below illustrates the location of Image 2 within the existing Toral Inferred resource block model (as reported on 10 December 2018).

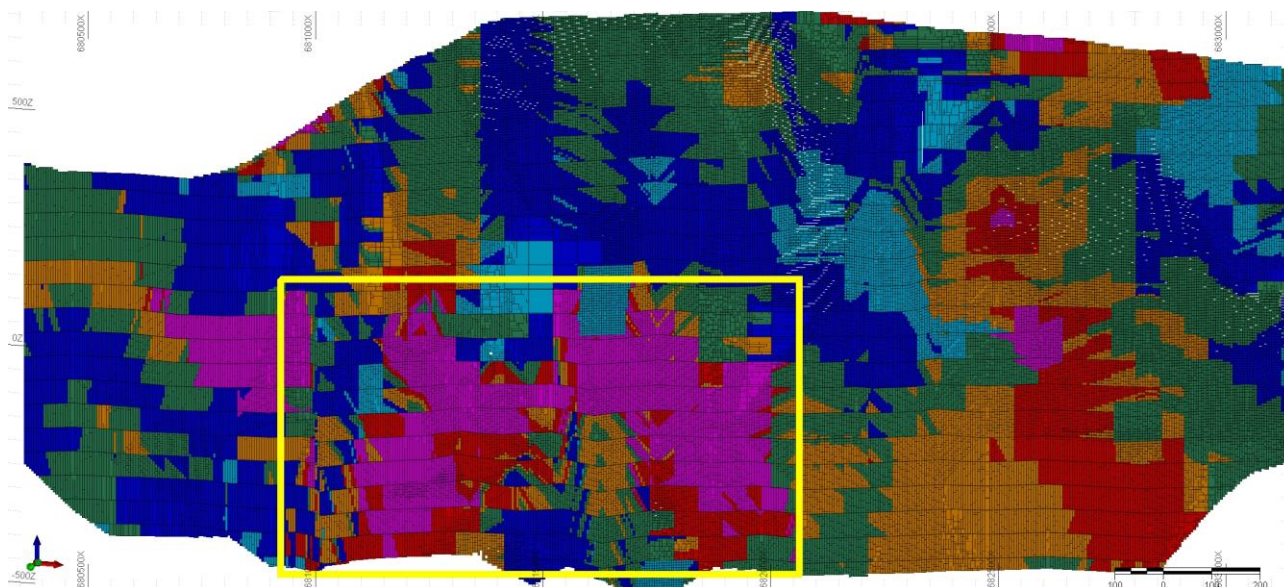


Image 3: Location of high-grade zone within the Toral Project's Inferred resource block model

## Metallurgical work programme

### Objectives of the Phase III metallurgical testwork and ore sorting analysis

During the period under review, the Company reported the results of ongoing metallurgical testwork at Toral. Wardell Armstrong International (WAI) conducted tests on metallurgical samples, representing the expected ore types from Toral, in order to develop a flowsheet for the potential economic feasible beneficiation of Toral ores to produce marketable concentrates, as well as establishing basic processing data for input into engineering studies. Such work builds on the positive results from WAI's two previous metallurgical programmes, with the design based on its previous recommendations. Work has also been undertaken with Bara Consulting regarding an analysis of the potential for ore sorting at the Toral Project, in order to refine a potential future production process for the discrete treatment of different areas of the resource with increased metal recovery.

Three samples were submitted to WAI for testing, representing different ore types likely to be encountered within Toral during potential future production, with all of the ore sorting samples firstly subjected to an ore sorting process followed by flotation testing. The representative samples were as follows:

1. High-grade intersection from drill hole TOD-025 (TOD-025H), which was subjected to flotation tests.
2. Low-grade fresh sample from drill hole TOD-025 (TOD-025L) for determining the use of XRT ore sorting technology.
3. Weathered, low-grade, sample from drill hole TOD-024, also subjected to XRT analysis.

### ***Summary of ore sorting***

Ore sorting has been identified as having the potential to unlock value in the shallower, lower grade zones previously not considered to be economically mineable in the 2018 Scoping Study. Testing was therefore undertaken to investigate the potential of pre-concentrate material from the Toral deposit by means of sensor-based sorting. If successful, pre-concentration of the ore could provide a number of potential benefits for the project including:

- Reducing the size of the requisite process plant (crushing, grinding and dewatering circuits) whilst maintaining the same overall throughput;
- Enabling ore that may otherwise be sub-economic based on grade to be processed; and
- Allowing higher mining rates without necessarily having to increase the size of the processing plant.

Overall, the sorting results for both the TOD-024 and TOD-025L samples were considered to be excellent, with between 45% - 50% of the mass rejected at, for the TOD-024 sample, 98% Pb recovery, 97% Zn recovery and 92% Ag recovery, and at, for the TOD-025L sample, 98% Pb recovery, 94% Zn recovery and 82% Ag recovery.

The increasing head assay was also pleasing with the TOD-024 sample increasing from 1.04% Pb and 1.01% Zn in the feed to 2.34% Pb and 2.15% Zn and an approximate doubling of the grade in the sorter product. In the TOD-025L sample the increase in grade was more pronounced with uplifts in the Pb grade from 1.13% Pb to 4.03% and Zn grade from 0.62% Zn in the feed to 2.06% Zn in the sorter product.

### ***Ore sorting process***

Ore sorting by means of XRT is an established process for sorting Pb/Zn ores by way of rejecting waste dilution from ores at low cost prior to more conventional processing by flotation. Sensor-based sorting was selected for WAI's investigation as it offers a number of benefits over alternative pre-concentration methods, such as Dense Media Separation (DMS), including the ability to change the sorting criteria depending on the feed material and target specific metals/minerals of interest along with the added flexibility of not having to be continuously operated.

### ***Toral ore sorting analysis***

Based on the minerals of interest in the feed (galena/sphalerite) and the predominant host mineralisation (calcite/dolomite), sorting by means of XRT sensing was selected for investigation as part of the study as it allows detection of the minerals of interest both on the surface and within the particle being sorted.

Two low grade samples were taken and submitted for analysis to WAI for sorting testwork alongside TOMRA, a leading provider of ore sorting technology based in Germany and overseen by Bara Consulting. The objective of the work was to identify the potential economic benefits of processing low-grade and weathered material through beneficiation circuits during the future mine life of Toral alongside the central, high-grade core of the project. The samples analysed were TOD-025L and TOD-024.

The results, presented in Table 1 below, showed lead and zinc stage recoveries in excess of 94.5% for the TOD-024 sample and in excess of 89.2% for the TOD-025L sample.

Overall, taking into account the metal contained within the -10.0mm "fines" fraction, the data showed that in excess of 94% of the overall lead and zinc in the feed could be recovered through the ore sorting process whilst rejecting a minimum of 40% of the original mass.



Table 1: Summary of ore sorting results from the TOD-024 and TOD-025L samples:

TOD-024 (Sort+Float) Sorter Test Results									
Size Fraction (mm)	Product	Mass		Assay		Sorter Recovery (%)		Overall Recovery (%)	
		(kg)	(%)	Pb (%)	Zn (%)	Pb	Zn	Pb	Zn
-25.0+10.0	Stage 1 Product	5.21	22.76	2.34	2.15	96.43	94.52	51.08	48.23
	Stage 2 Product	2.16	9.41	0.08	0.07	1.40	1.33	0.74	0.68
	Stage 2 Waste	9.06	39.54	0.03	0.05	2.17	4.15	1.15	2.12
-10.0	Fines	6.48	28.29	1.73	1.75	-	-	47.03	48.98
<b>Feed</b>	-	<b>22.90</b>	<b>100.00</b>	<b>1.04</b>	<b>1.01</b>	-	-	<b>100.00</b>	<b>100.00</b>
TOD-025 (Sort+Float) Sorter Test Results									
Size Fraction (mm)	Product	Mass		Assay		Sorter Recovery (%)		Overall Recovery (%)	
		(kg)	(%)	Pb (%)	Zn (%)	Pb	Zn	Pb	Zn
-25.0+10.0	Stage 1 Product	3.91	14.24	4.03	2.06	96.08	89.22	50.81	46.97
	Stage 2 Product	2.73	9.96	0.13	0.18	2.24	5.52	1.19	2.90
	Stage 2 Waste	8.59	31.31	0.03	0.06	1.68	5.27	0.89	2.77
-10.0	Fines	12.20	44.49	1.20	0.66	-	-	47.11	47.36
<b>Feed</b>	-	<b>27.42</b>	<b>100.00</b>	<b>1.13</b>	<b>0.62</b>	-	-	<b>100.00</b>	<b>100.00</b>

### Investigation Permit Renewal

On 8 June 2020, the Company announced that it had submitted an application to the Junta of Castilla y León for a new three year investigation permit ("Investigation Permit") in respect of the Toral Project.

The Company was granted an initial Investigation Permit for Toral in 2017, which was due to expire in November 2020 following conclusion of the customary three year period. An Investigation Permit provides a company with the right to pursue exploration activities at a project. As such, since 2017, as permitted under the Investigation Permit, the Company has commissioned and conducted a significant amount of work on the Toral Project, including, *inter alia*, a maiden JORC inferred resource and first indicated resource estimate, a detailed scoping study, hydrogeological analysis, geotechnical studies, environmental monitoring, social engagement and initial metallurgical test work.

On 12 November 2020, the Company announced that the Investigation Permit had been renewed, following, *inter alia*, a consultation process conducted by the relevant bodies of the Junta of Castilla y León, for a further three years until 15 November 2023.

During the period to 15 November 2023, Europa Metals will seek to prioritise the completion of all necessary tasks in order to enable application to be made for a Mining Licence in respect of the Toral Project, in pursuit of an appropriate, sustainable, mining development project at Toral.

### Economics Update

On 18 November 2020, the Company announced the results from an independent Preliminary Economic Study (the "Study") in respect of Toral. The Study, *inter alia*, updated the economics from the previous Scoping Study undertaken by Addison Mining Services Limited ("AMS") in late 2018 (the "2018 Scoping Study"), and incorporated the positive findings generated from the workstreams conducted by the Company and its consultants over the previous 12-18 months, including the results from ore-sorting undertaken by Bara Consulting, metallurgical testwork by Wardell Armstrong International, as well as reflecting a change in the selected future mining method and a general improvement in metal prices since 2018.

### CDTI Loan Funding

On 19 October 2020, the Company announced that following an extensive submission process, an interest-free loan by way of a grant of €466,801.50 (the "Grant") had been awarded to the Company by the Centre for the Development of Industrial Technology (CDTI) for use towards research and development ("R&D") at Toral.

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The CDTI is a Public Business Entity in Spain, under the auspices of the Ministry of Science and Innovation, which fosters the technological development and innovation of Spanish companies. The Grant is categorised as a partly refundable loan (with a nil per cent. interest rate) with the funds received to be allocated towards the development of R&D technologies relating to the recording and correction of drillhole deviation at the Toral Project. Application for the Grant was made further to ongoing work by Europa Metals and the AIR Institute, linked to the Salamanca University, and drilling contractors Sondeos y Perforaciones Industriales de Bierzo SA ("SPI").

Europa Metals will draw the Grant monies down in up to three tranches, with the prior agreement of the CDTI, with the initial tranche, comprising an amount of €163,380, received by the Company during the reporting period. The second and third tranches are scheduled to be drawn down over a period of approximately 18 months subject to certain, defined, operational milestones. The core objectives of the Innovation Programme are to retrieve and process data from the current Toral drilling campaign in order to develop algorithmic software for use in exploration campaigns to correct drilling deviation. Biannual repayments of €21,822 begin in 2024, running for 7 years until 2031, with a fixed interest rate of nil per cent.

Once the funds have demonstrably been spent on appropriate R&D exploration activity at the Toral Project by the Company, 70 per cent. of the total Grant will be repayable with the balancing 30 per cent. then not required to be repaid.

### **Coronavirus (COVID-19) impact on operations**

The Board is actively monitoring the impact of COVID-19 on the group's operations on an ongoing basis.

The Company's response to the global coronavirus (COVID-19) health event has been to safeguard all key personnel at all sites and limit all travel, including to work at its sites, following the advice and guidance issued by all relevant health authorities. For the time being, site visits from overseas have been suspended and operations have been amended to primarily reflect the uncertain health security issues, but also to take into account the current status of international equity and commodity markets. With a significant amount of core samples and data having already been retrieved, the Company took steps to conserve its existing capital and continue with a series of key, desktop or laboratory based workstreams.

The Company has carefully followed guidance issued by the Spanish and UK governments and has halted all non-essential travel and instructed the majority of its workforce to remain working remotely at home. Nevertheless, metallurgical and flow sheet optimisation work can continue from the samples already retrieved and the latest drill campaign is ongoing.

There does not currently appear to be any material impact on the Company or any significant uncertainties with respect to events or conditions which may impact the Company unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

### **Competent Person's statement**

The information above that relates to Exploration Results is based on information compiled by Mr J.N. Hogg, MSc. MAIG Principal Geologist for AMS, an independent Competent Person within the meaning of the JORC (2012) code and qualified person under the AIM guidance note for mining and oil & gas companies. Mr Hogg has reviewed and verified the technical information that forms the basis of, and has been used in the preparation of, the significant intercepts referred to in 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 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.

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### **Corporate**

#### *Board changes*

On 5 August 2020, the Company announced that Mr Colin Bird had resigned as a director of the Board. On the same day, Mr Myles Campion was appointed Executive Chairman and Mr Laurence Read was appointed as Chief Executive Officer.

#### *Capital raising*

On 19 August 2020, the Company announced that it had raised £2,000,000 (before expenses) via the issue of, in aggregate, 15,686,274 (post-consolidation) new ordinary shares at an issue price of 12.75 pence per share to certain existing and new investors. The net proceeds from the fundraising are primarily being utilised towards progressing the workstreams required for a Pre-Feasibility Study at the Toral Project and general working capital purposes.

#### *Issue of options*

On 24 July 2020, the Company announced that following approval of resolutions 5 to 9 at the Company's general meeting held on 15 July 2020, the Company had granted, in aggregate, 1,980,000 options to the Company's Executive and Non-Executive Directors (the "Incentive Options"). The Incentive Options are exercisable at varying premiums (25 - 75%) to 6.03 pence, being the 30-day VWAP up to and including 23 July 2020.

On 18 December 2020, the Company announced that following approval of resolutions 2 to 5 at the Company's Annual General Meeting held on 30 November 2020, the Company had granted, in aggregate, a further 1,380,000 options to the Company's Executive and Non-Executive Directors. Such options are exercisable at 8.89 pence per share for the Executive Directors and at 12.89 pence per share for the Non-Executive Directors, being the 10-day VWAP and a 45% premium to the 10-day VWAP, up to and including 17 December 2020, respectively.

#### *Shareholder Meetings*

On 15 July 2020, the Company held a general meeting whereby all resolutions, including those in respect of a 500:1 consolidation of the Company's share capital and the issue of Director incentive options, were approved by shareholders by way of a poll.

On 30 November 2020, the Company held its Annual General Meeting whereby all resolutions were also duly approved by shareholders by way of a poll.

#### *Share Consolidation*

Following the abovementioned shareholder approval, on 16 July 2020 the consolidation of the Company's ordinary shares on a 500:1 basis was effected.

### **Events subsequent to the reporting date**

On 18 January 2021, the Company announced that it had commenced further diamond drilling at the Toral Project, which forms part of the Company's PFS workstreams. The programme also forms part of the Innovation Partnership with the University of Salamanca and Sondeos y Perforaciones Industriales de Bierzo SA, which helped secure the grant award of €466,801.50 to the Company from the Centre for the Development of Industrial Technology.

On 27 January 2021, the Company announced that it had appointed Mr Adam Habib as an adviser to the board on corporate development. Mr Habib is working with the Company to progress its strategy to maximise value for Europa Metals' shareholders and providing corporate development advice and support as the Company seeks to move to the next stage in its development.

No other matters or circumstances have arisen since the reporting date that may significantly affect the operations of the Company, the results of those operations, or the state of affairs in future financial years.

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**Auditor's Independence Declaration**

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 13.

Dated in Perth this 29 day of March 2021

Signed in accordance with a resolution of the Directors.

A handwritten signature in black ink, appearing to read "Laurence Read". The signature is written in a cursive style with a large initial 'L'.

**Laurence Read**

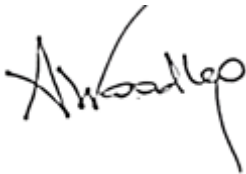
*Director*

**DECLARATION OF INDEPENDENCE BY ASHLEIGH WOODLEY TO THE DIRECTORS OF EUROPA METALS LIMITED**

As lead auditor for the review of Europa Metals Limited for the half-year ended 31 December 2020, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Europa Metals Limited and the entities it controlled during the period.



**Ashleigh Woodley**

Director

**BDO Audit (WA) Pty Ltd**

Perth, 29 March 2021

**Europa Metals Ltd**

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**Consolidated Statement of Profit or Loss and Other Comprehensive Income**

	Note	6 months to 31 December 2020 AUD	6 months to 31 December 2019 AUD
<b>Revenue from continuing operations</b>			
Revenue		-	212
		-	<b>212</b>
Exploration expenditure		(950,854)	(954,762)
Foreign exchange (loss)/gain		(73,865)	38,362
Other expenses	2	(622,423)	(483,228)
<b>Loss before income tax</b>		<b>(1,647,142)</b>	<b>(1,399,416)</b>
Income tax (expense)/benefit		-	-
<b>Net loss after income tax</b>		<b>(1,647,142)</b>	<b>(1,399,416)</b>
<b>Other comprehensive income</b>			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Net exchange (loss)/gain on translation of foreign operation		(285,969)	76,804
<b>Other comprehensive (loss)/profit for the period, net of tax</b>		<b>(285,969)</b>	<b>76,804</b>
<b>Total comprehensive loss for the period</b>		<b>(1,933,111)</b>	<b>(1,322,612)</b>
Net (loss) for the period attributable to shareholders of the Company:		(1,647,142)	(1,399,416)
		<b>(1,647,142)</b>	<b>(1,399,416)</b>
Total comprehensive (loss) for the period attributable to shareholders of the Company:		(1,933,111)	(1,322,612)
		<b>(1,933,111)</b>	<b>(1,322,612)</b>
<b>(Loss) per share attributable to the ordinary equity holders of the Company</b>			
<b>Loss per share</b>		<b>Cents per share</b>	<b>Cents per share</b>
- basic (loss) per share		(3.67)	(4.87)
- diluted (loss) per share		(3.67)	(4.87)

*The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.*

Europa Metals Ltd  
A.C.N. 097 532 137  
Consolidated Statement of Financial Position

As at 31 December 2020

	Note	31 December 2020 AUD	30 June 2020 AUD
<b>Current Assets</b>			
Cash and short term deposits		2,898,384	700,642
Trade and other receivables		227,489	210,866
<b>Total Current Assets</b>		<b>3,125,873</b>	911,508
<b>Non-current Assets</b>			
Plant and equipment		62,452	24,073
Other receivables		188,229	193,096
Right of use assets		29,277	39,035
Capitalised exploration	3	1,287,352	1,577,953
<b>Total Non-current Assets</b>		<b>1,567,310</b>	<b>1,834,157</b>
<b>Total Assets</b>		<b>4,693,183</b>	<b>2,745,665</b>
<b>Current Liabilities</b>			
Trade and other payables		289,481	207,462
Lease liabilities		23,761	22,328
<b>Total Current Liabilities</b>		<b>313,242</b>	<b>229,790</b>
<b>Non-current Liabilities</b>			
Lease liabilities		4,255	16,505
Borrowings	4	121,708	-
Unearned income	4	144,362	-
<b>Total Non-current Liabilities</b>		<b>270,325</b>	<b>16,505</b>
<b>Total Liabilities</b>		<b>583,567</b>	<b>246,295</b>
<b>NET ASSETS</b>		<b>4,109,616</b>	<b>2,499,370</b>
<b>Equity</b>			
Contributed equity	5	45,695,893	42,489,962
Accumulated losses		(44,769,082)	(43,121,940)
Reserves		3,182,805	3,131,348
<b>TOTAL EQUITY</b>		<b>4,109,616</b>	<b>2,499,370</b>

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

**Europa Metals Ltd**

A.C.N. 097 532 137

**Consolidated Statement of Changes in Equity**

For the half-year from 1 July 2020 to 31 December 2020

	Issued Capital AUD	Accumulated Losses AUD	Employee Share Incentive Reserve AUD	Option Reserve AUD	Foreign Exchange Reserve AUD	Total Equity AUD
<b>At 1 July 2019</b>	40,572,924	(40,759,280)	491,577	2,087,837	314,445	2,707,503
(Loss) for the period	-	(1,399,416)	-	-	-	(1,399,416)
Other comprehensive income (net of tax)	-	-	-	-	76,804	76,804
<b>Total comprehensive loss (net of tax)</b>	-	<b>(1,399,416)</b>	-	-	<b>76,804</b>	<b>(1,322,612)</b>
<b>Transaction with owners in their capacity as owners</b>						
Shares issued net of transaction costs	1,983,455	-	-	-	-	1,983,455
Options issued to brokers	(66,417)	-	-	66,417	-	-
<b>At 31 December 2019</b>	<b>42,489,962</b>	<b>(42,158,696)</b>	<b>491,577</b>	<b>2,154,254</b>	<b>391,249</b>	<b>3,368,346</b>
<b>At 1 July 2020</b>	42,489,962	(43,121,940)	491,577	2,154,254	485,517	2,499,370
(Loss) for the period	-	(1,647,142)	-	-	-	(1,647,142)
Other comprehensive income (net of tax)	-	-	-	-	(285,969)	(285,969)
<b>Total comprehensive loss (net of tax)</b>	-	<b>(1,647,142)</b>	-	-	<b>(285,969)</b>	<b>(1,933,111)</b>
<b>Transaction with owners in their capacity as owners</b>						
Shares issued net of transaction costs	3,380,570	-	162,787	-	-	3,543,357
Options issued to brokers	(174,639)	-	-	174,639	-	-
<b>At 31 December 2020</b>	<b>45,695,893</b>	<b>(44,769,082)</b>	<b>654,364</b>	<b>2,328,893</b>	<b>199,548</b>	<b>4,109,616</b>

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.



**Europa Metals Ltd**  
A.C.N. 097 532 137  
**Consolidated Statement of Cash Flows**

For the period 1 July 2020 to 31 December 2020

	6 months to 31 December 2020	6 months to 31 December 2019
	AUD	AUD
<b>Cash flows from operating activities</b>		
Interest received	-	212
Payments to suppliers and employees	(416,600)	(410,400)
Payment for exploration and evaluation costs	(886,241)	(1,067,242)
<b>Net cash flows used in operating activities</b>	<b>(1,302,841)</b>	<b>(1,477,430)</b>
<b>Cash flows from investing activities</b>		
Payments for plant and equipment	(7,698)	-
<b>Net cash flows used in investing activities</b>	<b>(7,698)</b>	-
<b>Cash flows from financing activities</b>		
Lease principal repayments	(13,229)	(28,429)
Proceeds from issue of shares	3,597,214	2,214,032
Costs of capital raising	(253,101)	(183,506)
Proceeds from borrowings	260,617	-
<b>Net cash flows from financing activities</b>	<b>3,591,501</b>	<b>2,002,097</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>2,280,962</b>	<b>524,667</b>
Cash and cash equivalents at beginning of period	700,642	1,052,411
Effect of foreign exchange on cash and cash equivalents	(83,220)	19,422
<b>Cash and cash equivalents at end of the period</b>	<b>2,898,384</b>	<b>1,596,500</b>

*The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.*

## **Notes to the Consolidated Financial Statements**

### **NOTE 1: GENERAL INFORMATION AND BASIS OF PREPARATION AND ACCOUNTING POLICIES**

#### **Corporate information**

The financial report of Europa Metals Ltd for the half-year ended 31 December 2020 was authorised for issue in accordance with a resolution of the directors on 29 March 2021. Europa Metals Ltd is a company incorporated in Australia and limited by shares, which are publicly traded on the AIM market of the London Stock Exchange and the AltX of the Johannesburg Stock Exchange.

The nature of operations and principal activities of the Group are as described in the Directors' Report.

#### **Basis of preparation**

The unaudited half-year financial report is a general purpose condensed financial report prepared in accordance with the requirements of the Corporations Act 2001 and AASB 134: Interim Financial Reporting. Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'.

This half-year financial report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Company as in a full annual financial report.

It is recommended that this half-year financial report be read in conjunction with the annual financial report for the year ended 30 June 2020 and any public announcements made by Europa Metals Ltd during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the AIM Rules for Companies.

The half-year report has been prepared on an historical cost basis. The Company is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise stated.

#### **Borrowings**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest rate method.

#### **Adoption of new and revised Accounting Standards**

For the half-year ended 31 December 2020, the Group has reviewed all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2020. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

#### **Early adoption of accounting standards**

The Group has not elected to apply any pronouncements before their operative date in the annual reporting year beginning 1 July 2020.

**Notes to the Consolidated Financial Statements**

**NOTE 1: GENERAL INFORMATION AND BASIS OF PREPARATION AND ACCOUNTING POLICIES  
(continued)**

**Going Concern**

As at 31 December 2020, the Group had working capital of A\$2,812,631 (current assets less current liabilities) with cash on hand of A\$2,898,384 and a net loss of A\$1,647,142. The Group also has exploration expenditure commitments. The operating commitments of the Group will require further funding in the next twelve months.

The ability of the Group to continue as a going concern is principally dependent upon its ability to raise further funds as required from the issue of equity. These conditions indicate a material uncertainty that may cast significant doubt about the ability of the Group to continue as a going concern and, therefore, it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The consolidated financial statements have been prepared on the basis that the Group will continue to meet its commitments and can therefore continue normal business activities and realise its assets and settle liabilities in the normal course of business.

In arriving at this position, the Directors are confident of the ability of the Group to raise capital and are reviewing other funding alternatives including:

- managing the Company's working capital requirements; and
- raising additional funds via debt if required.

The Directors have reasonable grounds to believe that they will be able to complete any required future capital raising and/or achieve any of the above funding alternatives.

These consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts nor to the amounts or classifications of liabilities that might be necessary should the Group not be able to continue as a going concern.

**NOTE 2: EXPENSES**

The loss for the half-year includes the following items:

	<b>31 Dec 2020</b>	<b>31 Dec 2019</b>
	<b>AUD</b>	<b>AUD</b>
<b>Other expenses</b>		
Other expenses include the following:		
- Depreciation	22,254	34,938
- Consulting services	80,309	139,344
- Employment related services	179,668	133,965
- Share based payments	162,787	-
- Corporate	69,553	66,187
- Travel	-	7,715
- Other	107,852	101,079
	<b>622,423</b>	<b>483,228</b>

**NOTE 3: CAPITALISED EXPLORATION AND EVALUATION EXPENDITURE**

	<b>31 Dec 2020</b>	<b>30 Jun 2020</b>
	<b>AUD</b>	<b>AUD</b>
Opening Balance	1,577,953	1,423,943
Foreign exchange movement	(290,601)	154,010
Closing balance	<b>1,287,352</b>	<b>1,577,953</b>

**Notes to the Consolidated Financial Statements**

**NOTE 4: BORROWINGS**

		<b>31 Dec 2020</b>	<b>30 Jun 2020</b>
		<b>AUD</b>	<b>AUD</b>
Opening Balance		-	-
CDTI Loan Received	(i)	121,708	-
Closing balance		<b>121,708</b>	-

On 19 October 2020, the Company announced that following an extensive submission process, an interest-free loan by way of a grant of €466,801.50 (the "Grant") had been awarded to the Company by the Centre for the Development of Industrial Technology (CDTI) for use towards research and development ("R&D") at the Company's wholly owned Toral lead, zinc and silver project ("Toral" or the "Toral Project") situated in the region of Castilla y León, north-west Spain.

The CDTI is a Public Business Entity in Spain, under the auspices of the Ministry of Science and Innovation, which fosters the technological development and innovation of Spanish companies. The Grant is categorised as a partly refundable loan (with a nil per cent. interest rate) with the funds received to be allocated towards the development of R&D technologies relating to the recording and correction of drillhole deviation at the Toral Project. Application for the Grant was made further to ongoing work by Europa Metals and the AIR Institute, linked to the Salamanca University, and drilling contractors Sondeos y Perforaciones Industriales de Bierzo SA ("SPI").

Europa Metals will draw the Grant monies down in up to three tranches, with the prior agreement of the CDTI, with the initial tranche, comprising an amount of €163,380, received by the Company during the reporting period. The second and third tranches are scheduled to be drawn down over a period of approximately 18 months subject to certain, defined, operational milestones. The core objectives of the Innovation Programme are to retrieve and process data from the latest Toral drilling campaign in order to develop algorithmic software for use in exploration campaigns to correct drilling deviation. Biannual repayments of €21,822 begin in 2024, running for 7 years until 2031, with a fixed interest rate of nil per cent.

Once the funds have demonstrably been spent on appropriate R&D exploration activity at the Toral Project by the Company, 70 per cent. of the total Grant will be repayable with the balancing 30 per cent. then not required to be repaid.

In accordance with AASB 120 *Accounting for Government Grants* the above loan has been fair valued using a discount rate of 12%. The discounted loan balance is recognised as a loan with the remaining amount of A\$144,362 recognised as unearned income.

The loan will accrue interest at a deemed interest rate over the life of the loan and be unwound as the loan repayments are made.

The unearned income will unwind to the Statement of Profit or Loss and other Comprehensive Income over the period that the benefit is incurred.

**NOTE 5: CONTRIBUTED EQUITY**

	<b>31 Dec 2020</b>	<b>30 June 2020</b>	<b>31 Dec 2020</b>	<b>30 June 2020</b>
	<b>No. of Shares</b>	<b>No. of Shares</b>	<b>AUD</b>	<b>AUD</b>
<b>Share Capital summary</b>				
<b>Ordinary Shares</b>				
<b>Ordinary Shares fully paid</b>	49,130,649	16,722,209,651	45,961,195	42,755,264
<b>Less: Employee share plan shares</b>	(4,600) <sup>1</sup>	(2,300,000)	(265,302)	(265,302)
	<b>49,126,049</b>	<b>16,719,909,651</b>	<b>45,695,893</b>	<b>42,489,962</b>

<sup>1</sup> Employee share plan shares consolidated on a 500:1 basis on 15 July 2020.

**Notes to the Consolidated Financial Statements**

**NOTE 5: CONTRIBUTED EQUITY (continued)**

Movements in ordinary share capital		Half-Year	
		31 December 2020	
		Number	AUD
<b>1 Jul 2019</b>		<b>11,976,876,317</b>	<b>40,838,226</b>
27 August 2019	Exercise of warrants	212,000,000	57,737
28 August 2019	Exercise of warrants	133,333,334	60,779
4 September 2019	Exercise of warrants	83,333,334	37,382
6 September 2019	Exercise of warrants	83,333,333	37,453
9 October 2019	Exercise of warrants	66,666,667	30,242
11 October 2019	Placing shares	3,400,000,000	1,582,223
17 October 2019	Exercise of warrants	166,666,666	78,530
5 November 2019	Placing shares	600,000,000	282,615
	Cost associated with share issues		(249,923)
30 June 2020	<b>Closing Balance</b>	<b>16,722,209,651</b>	<b>42,755,264</b>
15 July 2020	Share consolidation 500:1	(16,688,765,276)	-
19 August 2020	Placing shares	15,686,274	3,633,672
	Cost associated with share issues		(427,741)
		<b>49,130,649</b>	<b>45,961,195</b>
Less:	Employee share plan shares on issue	(4,600)	(265,302)
		<b>49,126,049</b>	<b>45,695,893</b>

**Options**

The following table illustrates the movements in share options during the period:

	31 December	30 June 2020
	2020	
	Number	Number
Outstanding at 1 July 2020	5,627,416,568	4,199,416,595
Consolidation 500:1	(5,616,161,747)	-
	11,254,821	
Issued during the period	4,331,765	2,240,000,000
Expired/exercised during the period	(470,499)	(812,000,027)
Outstanding at 31 December 2020	<b>15,116,087</b>	<b>5,627,416,568</b>
Exercisable at 31 December 2020	<b>15,116,087</b>	<b>5,627,416,568</b>

**Notes to the Consolidated Financial Statements**

**NOTE 6: LOSS PER SHARE**

	2020	2019
	\$	\$
Basic loss per share (cents per share)	(3.67)	(4.87)
Diluted loss per share (cents per share)	(3.67)	(4.87)
Loss used in calculating basic loss per share	(1,647,142)	(1,399,416)
Adjustments to basic loss used to calculate dilutive loss per share	-	-
Loss used in calculating dilutive loss per share	(1,647,142)	(1,399,416)
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares used in the calculation of basic loss per share	44,863,575	28,733,231
Weighted average number of ordinary shares used in the calculation of diluted loss per share	44,863,575	28,733,231

15,116,087 share options outstanding as at 31 December 2020 have not been included in the calculation of dilutive loss per share as they are anti-dilutive.

The comparative figures have been amended to reflect the share consolidation of 500:1 effected on 16 July 2020.

**NOTE 7: SHARE BASED PAYMENTS**

**Expenses arising from share-based payment transactions**

Total costs arising from share-based payment transactions recognised during the period were as follows:

	31 December 2020	30 June 2020
	\$	\$
Options issued to Brokers as part of capital raising (included in Equity)	174,640	66,417
Options issued to directors/management - July 2020	157,979	-
Options issued to directors/management - December 2020	4,808	-
	<b>337,427</b>	<b>66,417</b>

**Fair value of options granted**

The value of the above services was unable to be reliably measured so the fair value of the options issued was used.

The fair value at the grant date of options issued is determined using the Black Scholes model that takes into account the exercise price, the term of the option, the impact of dilution, the non-tradable nature of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

**Notes to the Consolidated Financial Statements**

**NOTE 7: SHARE BASED PAYMENTS (continued)**

1. The tables below summarise the model inputs (pre-consolidation) for options granted during the period ended 31 December 2020:

	<b>Directors - July 2020</b>		
	<b>Tranche 1</b>	<b>Tranche 2</b>	<b>Tranche 3</b>
Options granted for no consideration	300,000	1,400,000	300,000
Exercise price (GBP)	0.075	0.090	0.106
Issue date	24/07/20	24/07/20	24/07/20
Expiry date	24/07/23	24/07/23	24/07/23
Underlying security spot price at grant date (GBP)	0.065	0.065	0.065
Expected price volatility of the Company's shares	125%	125%	125%
Expected dividend yield	0%	0%	0%
Expected life (years)	3	3	3
Risk-free interest rate	0.14%	0.14%	0.14%
Black Scholes model valuation per option (AUD cents per share)	0.0821	0.0789	0.0762
Total fair value	\$24,622	\$110,507	\$22,849
Expensed during the period	\$24,622	\$110,507	\$22,849

	<b>Directors - December 2020</b>			
	<b>Executive Directors</b>			<b>Non-executive directors</b>
	<b>Tranche 1</b>	<b>Tranche 2</b>	<b>Tranche 3</b>	<b>Tranche 2</b>
Options granted for no consideration	400,000	400,000	400,000	200,000
Exercise price (GBP)	0.089	0.089	0.089	0.129
Issue date	18/12/20	18/12/20	18/12/20	18/12/20
Expiry date	18/12/23	18/12/23	18/12/23	18/12/23
Underlying security spot price at grant date (GBP)	0.095	0.095	0.095	0.095
Expected price volatility of the Company's shares	125%	125%	125%	125%
Expected dividend yield	0%	0%	0%	0%
Expected life (years)	3	3	3	3
Risk-free interest rate	0.14%	0.14%	0.14%	0.14%
Black Scholes model valuation per option (AUD cents per share)	0.1249	0.1249	0.1249	0.1158
Total fair value	\$49,974	\$49,974	\$49,974	\$23,168
Expensed during the period	\$1,388	\$1,388	\$1,388	\$644

**Vesting Conditions**

Tranche 1: vests on the delineation, by an independent third party, of greater than a 4.5Mt Indicated Resource estimate at the Toral Project, reported in accordance with JORC (2012).

Tranche 2: vests on the delivery of a positive Pre-feasibility Study of the Toral Project with an independent recommendation for the Company to continue advancing the project.

Tranche 3: vests on the submission of an application for a Mining Licence at the Toral Project.

The directors consider that the probability of the above Tranches vesting within the three year expiry term to be 100%. Therefore the fair value of the options is expensed over three years to 18 December 2023.

## Notes to the Consolidated Financial Statements

### NOTE 7: SHARE BASED PAYMENTS (continued)

	<b>Options issued to Brokers</b>
Options granted for no consideration	931,765
Exercise price (GBP)	0.1275
Issue date	19/08/2020
Expiry date	19/08/2023
Underlying security spot price at grant date (GBP)	0.14
Expected price volatility of the Company's shares	125%
Expected dividend yield	0%
Expected life (years)	3
Risk-free interest rate	0.14%
Black Scholes model valuation per option (AUD cents per share)	0.187
Total fair value	\$174,639
Expensed during the period	\$174,639

### NOTE 8: CONTINGENCIES AND COMMITMENTS

The Group has had no material change in relation to any contingencies and commitments since 30 June 2020.

### NOTE 9: RELATED PARTY TRANSACTIONS

Executive directors of the Company Laurence Read and Myles Campion each subscribed for 78,431 shares at the subscription price of 12.75 pence in the Company's fundraising announced on 19 August 2020. The amount was recorded as a receivable at 31 December 2020 and was subsequently received by the Company in March 2021.

There have been no new related party transactions with Directors, key management personnel or related parties in the current reporting period.

### NOTE 10: EVENTS OCCURRING SUBSEQUENT TO THE REPORTING DATE

On 18 January 2021, the Company announced that it had commenced further diamond drilling at the Toral Project, which forms part of the Company's PFS workstreams. The programme also forms part of the Innovation Partnership with the University of Salamanca and Sondeos y Perforaciones Industriales de Bierzo SA, which helped secure the abovementioned grant award of €466,801.50 to the Company from the Centre for the Development of Industrial Technology in Spain.

On 27 January 2021, the Company announced that it had appointed Mr Adam Habib as an adviser to the board on corporate development. Mr Habib is working with the Company to progress its strategy to maximise value for its shareholders and provide corporate development advice and support as the Company seeks to move to the next stage in its development.

No other matters or circumstances have arisen since the reporting date that may significantly affect the operations of the Company, the results of these operations, or the state of affairs in future financial years.



**Directors' Declaration**

In accordance with a resolution of the directors of Europa Metals Ltd, I state that:

In the opinion of the directors:

- (a) the financial statements and notes of the Company are in accordance with the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the financial position as at 31 December 2020 and the performance for the period 1 July 2020 to 31 December 2020; and
  - (ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; other mandatory professional reporting requirements; and
- (b) subject to the disclosure in Note 1 "Going Concern", there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the board



**Laurence Read**

*Director*  
Perth  
29 March 2021

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Europa Metals Limited

### Report on the Half-Year Financial Report

#### Conclusion

We have reviewed the half-year financial report of Europa Metals Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2020, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2020 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

#### Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be the same terms if given to the directors as at the time of this auditor's review report.

#### Material uncertainty relating to going concern

We draw attention to Note 1 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.

### **Responsibility of the directors for the financial report**

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

### **Auditor's responsibility for the review of the financial report**

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2020 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**BDO Audit (WA) Pty Ltd**



**Ashleigh Woodley**

**Director**

Perth, 29 March 2021