

5 December 2019

Europa Metals Ltd

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

Drilling & Metallurgical Update: Hole TOD-024 Completed, Hole TOD-025 Commenced and Locked Cycle Test Completed, Toral Zn, Pb & Ag Project, Spain

Europa Metals, the European focused lead-zinc and silver developer, is pleased to announce that the first hole (TOD-024) in the current diamond drilling campaign has been successfully completed on target, terminating at 302.40 metres, with no significant deviation, and returning visible sulphide mineralisation for assay. The next drill hole, TOD-025, was commenced immediately following completion of hole TOD-024, made possible by the fact that the same drill pad is being utilised for both holes. It is expected that the sequence of drill holes targeted for this drilling campaign will largely utilise the same drill pad. Assay results for all of the holes drilled are expected to be announced shortly following completion of the ongoing drill programme.

As announced by the Company on 15 November 2019, the ongoing drilling campaign is initially focusing on a target area to the west of the current Indicated resource area within the existing Inferred zone. The overall objective of the drill programme is to increase confidence levels in the resource within the central, proposed future mining area of the Toral project, as set out in the December 2018 Scoping Study.

The drilling of hole TOD-025 will continue to mid-December 2019, when the contractors, Sondeos y Perforaciones Industriales del Bierzo SA, are expected to suspend operations for the Christmas period. The drilling of hole TOD-25 is anticipated to recommence in early January 2020, as planned and in line within the Company's drilling schedule, with the drilling of further holes thereafter.

Metallurgical test work update

Further to the Company's announcement of 15 November 2019, the locked cycle testwork is now complete and the Company looks forward to receiving the independent metallurgical report from Wardell Armstrong LLP before the end of the year. Such a report will provide an initial understanding of the potential saleable zinc, lead and silver concentrates obtainable from the Toral project, in addition to data on potential recoveries from a future mining process and identification of any by-products from future production.

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 (Joint Broker)

Andy Thacker/Zoe Alexander
T: +44 (0)20 3657 0050

Brandon Hill Capital (Joint Broker)

Jonathan Evans/Oliver Stansfield
T: +44 (0)20 3463 5000

Sasfin Capital Proprietary Limited (a member of the Sasfin group)

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.

Notes to Editors:

Economic highlights from the Company's selected development scenario

Estimated economic forecasts for the Toral project based on the current level of work (+/-30%) from the Scoping Study (December 2018) comprise:

- US\$110 million net present value (NPV) using a discount rate of 8%;
- 24.4% internal rate of return (IRR);
- Estimated US\$33 million CAPEX for a proposed 450ktpa design capacity plant, including associated auxiliary costs, with infrastructure being situated near portal entrance on the north side of the deposit;
- Estimated total CAPEX of US\$110 million;
- US\$25 per tonne indicative OPEX processing cost at steady state conditions;
- US\$36 per tonne indicative OPEX mining cost utilising mechanised cut and fill; and
- 15-year production plan, with significant potential for extension.

Basis for announcing economics

The factors that lead the Company to believe that it has a reasonable basis for announcing a production target and forecast financial information are detailed in the Scoping Study and can be summarised as follows:

Three conceptual underground mining development and production scenarios were considered and developed throughout the Scoping Study, resulting in the identification of a preferred scenario, highlights from which are set out below:

- decline ramp access to the north of the deposit, targeting mine production within the higher-grade core towards the centre of the planned mining blocks;
- entry to mine via a principal decline reaching various levels;
- series of internal mining inclined ramps constructed to access levels;
- mechanised cut and fill (MCAF) mining method proposed;
- 4x4 metre mine standard development size;
- a ventilation raise would be drilled (raise-bored) to provide both adequate ambient conditions underground and a second, emergency means of access/egress into the mine;
- ore transported to a flotation process plant by conveyor or haul truck from the mine and crushed to a suitable product for milling;
- milled ore floated by standard flotation technology to provide lead and zinc concentrate, with silver probably reporting to the lead concentrate for sale as a combined product; and
- 4% Zn Eq cut-off used with potential for mine life extension.

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