20 December 2018

Europa Metals Ltd

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

Phase II Drilling Lead, Zinc, Silver and Copper Results, Toral Project, Spain

Highlights:

- 3 infill diamond drill holes conducted at the Toral lead, zinc, silver project, northern Spain ("Toral" or the "Toral Project") - all of which intersected lead, zinc and silver mineralisation
- These drill holes represent the initial infill drilling of the Phase II programme and the results confirm block model grade and thickness
- Drilling strategy to remove 'gaps' within the known resource, all within 300 metres of topographic surface, and to identify geotechnical characteristics of a possible decline/entry route(s) for preliminary years of mining
- **Significant results including**:
    - Drill hole TOD-018: 3.8m @ 5.87% Zn Equivalent (Zn, Pb)
    - Reportable copper mineralisation intercepted within 280 meters of surface (drill hole TOD-020). Further investigation now underway following 0.68% Cu @ 3 meters, including 1m @ 1.34% Cu
- 3 diamond holes total 980.50 metres into the current defined JORC (2012) Mineral Resource estimate area
- Drilling completed on budget and to schedule within the pre-existing defined resource area as previously announced
- Europa now building results into existing data sets and correlating with on-going surface mapping programme to be completed in Q1 2019

Europa Metals, the European lead-zinc explorer, is pleased to announce assay results from the first stage of the Phase II drilling campaign at its wholly owned Toral Project. The diamond drilling programme intersected zinc, lead and silver (Zn, Pb, Ag) mineralisation in all three holes drilled, targeting to a depth within 300 metres of the topographic surface. The Phase II drilling is focused within the existing resource area to fill in gaps within the historic drill patterns. The next step of the Phase II programme is likely to target high grade Inferred Resource areas below approximately 400 metres from surface in order to progress the Toral Project towards a Feasibility Study.

This campaign is the first infill drilling programme conducted by Europa Metals' geological team in Spain within the pre-existing defined JORC (2012) resource area at the Toral Project. As announced on 10 December 2018, Toral hosts a Mineral Resource estimate of 16 million tonnes @ 7.5% Zn equivalent (Pb, Ag), 3.9% zinc, 3.1% lead and 24g/t silver equating to 640,000 tonnes of zinc, 510,000 tonnes of lead and 13 million ounces of silver*. The Company intends to have the resource model updated once a significant amount of new exploration data is obtained throughout 2019.

Copper Intersection

The Europa Metals' geological team is also considering the results and implications of the TOD-020 drill hole that returned 3 metres at 0.68% copper from 297.35 metres. To date, copper traces have historically been encountered in the deposit, but the significance was unknown. This level of copper was not anticipated within the deposit so near to surface and follow up work is required to identify controls and extent of copper mineralisation.

*Zn Eq (Pb, Ag)% is the calculated Zn equivalent incorporating silver credits as well as lead; (Zn Eq (PbAg)% = Zn + Pb*0.96 + Ag*0.022). 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$2,500/t, Pb price of US$2,100/t and Ag price of US$17/oz.

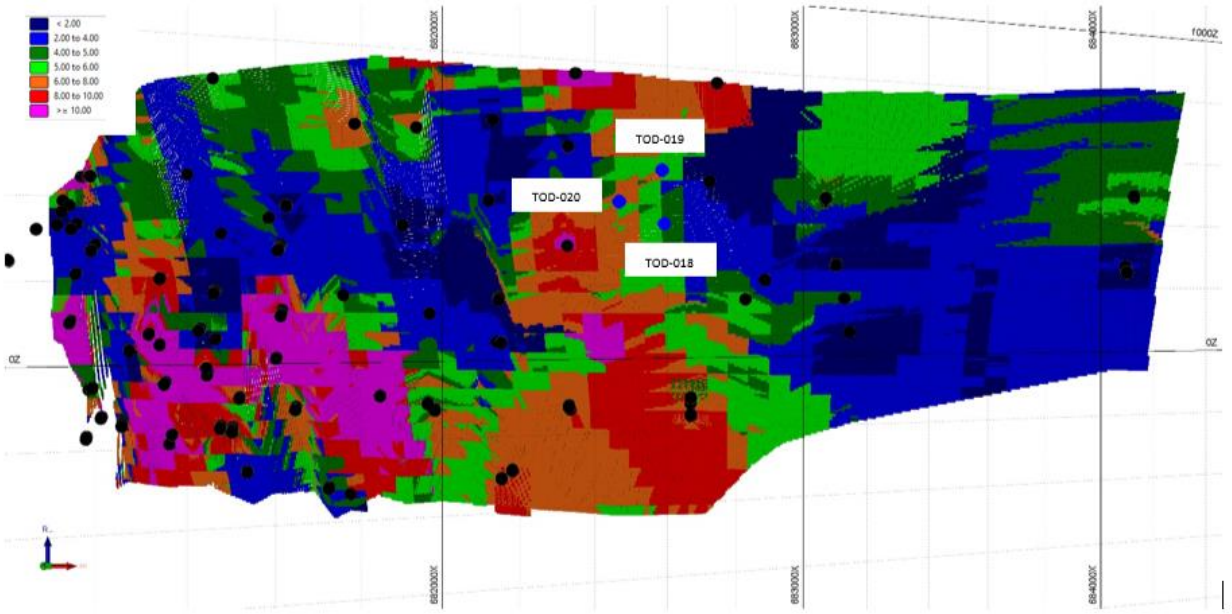
TOD-020 drill core with highly visible chalcopyrite copper sulphide mineralisation

Phase II Diamond Drilling Programme

As announced in October 2018, Europa Metals commenced a limited diamond drilling programme within the central area of the Toral deposit, with two objectives:

1. To inform the block model of the resource with grade and geotechnical characteristics; and
2. To inform the preliminary years of a conceptual mining scenario.

Lead, zinc and silver mineralisation was reported in each drill hole, with significant >5% Zn Eq (Pb Ag) intersections outlined below. TOD-018 results correlate well with the JORC 2018 Inferred Resource estimate in that area and depth. TOD-019, returned anomalous assays however below the >5% Zn Eq grade threshold for reporting of significant intercepts, and in addition to gaining further resource data, is providing the Company with important data on the position and direction of the mineralised structure as well as geotechnical data that will help with the design of the potential decline.



Set out in Table 1 below are the significant intersections returned from drill hole TOD-018:

Hole ID	Northing	Easting	RL (m)	Azimuth	Dip	Depth (m)	From	To	Width (m)*	Pb %	Zn %	Ag (g/t)	Zn Eq (PbAg)%
TOD-018	682554	4709336	665	202	-67	367	348.80	352.60	3.80	2.99	2.58	21.75	5.87

*Table 1: Significant Zn-Pb-Ag intercepts from infill diamond drill campaign. *True thickness is approximately 90% of the drill thickness.*

Notes:

1. Significant Zn Eq intercepts were generated using a 0.4% Zn Eq trigger value, minimum width of 2m, maximum consecutive waste interval of 2m, minimum average Zn Eq grade >5%
2. Significant Cu intercepts were generated using a 0.2% Cu trigger value, minimum width of 2m, maximum consecutive waste of 2m, minimum average grade of 0.6% Cu.
3. 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$2500/t, Pb price of US$2100/t and Ag price of US$17/Oz. Recovery and selling factors were incorporated into the calculation of Zn Eq values. It is the Company's opinion that all the elements included in the metal equivalents calculation (zinc, lead and silver) have a reasonable potential to be recovered and sold.

4. Zn Eq (Pb, Ag)% is the calculated Zn equivalent incorporating silver credits as well as lead and is the parameter used to define the cut-off grade used for reporting resources (Zn Eq (PbAg)% = Zn + Pb*0.96 + Ag*0.022).
5. No top cutting was applied to Zn, Pb, Ag or Cu grades.

Anomalous results for copper were observed in TOD-020 and follow up work is required to better identify the controls and distribution of copper mineralisation.

Hole ID	Northing	Easting	RL (m)	Azimuth	Dip	Depth (m)	From	To	Width (m)*	Cu %	Ag (g/t)
TOD-020	682443	4709313	663	202	-68	314.50	297.35	300.30	3.00	0.68	5.5
Inc.							**298.30**	**299.30**	**1.00**	**1.34**	**8.70**

*Table 2: Significant Cu-Ag intercepts from Infill diamond drill campaign. *True thickness is approximately 90% of the drill thickness.*

2019 Work Programme

Europa Metals will collate all of these results within the existing data package and, in Q1 2019, aims to complete surface mapping across the Toral Project, commence an environmental baseline study, and complete further historical core reinterpretation work.

The new information of high grade, near surface lead, zinc and silver results obtained from the reverse circulation drilling programme conducted earlier in 2018 and the copper intersections are also being interpreted to develop an understanding of the underlying sources of the Toral Mississippi Valley-type (MVT) system.

During 2019, Europa Metals will look to continue its Phase II drilling into the main high grade zones of the project with the intention of converting Inferred Resource to the Indicated category and conduct metallurgical testing.

Myles Campion, Technical Director of Europa Metals, commented:

"Our limited, focused drill programme has given us a promising results, confirming the block model results and geological theory of increasing grade with depth. I look forward to 2019 and expanding the infill drilling into the deeper, high grade core of Toral*."*

Laurence Read, Executive Director of Europa Metals, commented;

"The first phase of the diamond drilling programme was designed to investigate gaps within the existing resource and begin to build a schedule for the first few years of a potential mining project with all the drilling conducted within 300 meters of surface. The copper result is unexpected at this depth and again we see another occurrence of high grade mineralisation appearing nearer to surface. With a metre in excess of 1% we shall now work to determine the source of the copper at Toral. We look forward to putting out results of further work at our Toral Project in early 2019."

Competent Person's statement

The significant intercepts for the Toral Project were 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 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 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 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 Competent 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.

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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.

Glossary of technical terms:

"Ag"	silver;
"Cu"	Copper
"g"	grammes;
"g/t"	grammes per tonne;
"Inferred Resource"	that part of a Mineral Resource for which quantity and grade (or quality) are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade (or quality) continuity. It is based on exploration, sampling and testing information gathered

	through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes;
“JORC”	the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, as published by the Joint Ore Reserves Committee of The Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia;
“JORC (2012)”	the 2012 edition of the JORC code;
“m”	metre;
“Mineral Resource”	a concentration or occurrence of material of economic interest in or on the earth's crust in such form and quantity that there are reasonable and realistic prospects for eventual economic extraction. The location, quantity, grade, continuity, and other geological characteristics of a Mineral Resource are known, estimated from specific geological evidence and knowledge, or interpreted from a well-constrained and portrayed geological model;
“Mt”	million tonnes;
“oz”	troy ounce;
“Pb”	lead;
“QA/QC”	quality assurance/quality control; and
“Zn”	zinc.

APPENDIX: Table 1 Appendix 5A ASX Listing Rules (JORC 2012)

Section 1 Sampling techniques and data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary related to the Toral Project
Sampling techniques	• *Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.*	2018 diamond drilling by Europa Metals. Diamond core was logged and sampled as per Europa Metals' SOPs, which are in line with industry standards. Geological and analytical data is recorded on hardcopy. Selective sampling method was employed around areas of interest. Sampling intervals measure approx. 1m. Samples of 3kg were sent to ALS Seville for preparation and multi-element analysis by ICP. Samples reduced to -400 microns and 100 g sub-sample taken for analysis.
Drilling techniques	• *Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	Three core drill holes total 980.50 metres Holes were a mixture of PQ, HQ and NQ. No orientation has been done on drill core.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.*	Recovery data was recorded as part of the logging.

Criteria	JORC Code explanation	Commentary related to the Toral Project
	• *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	The CP has reviewed the recovery data for the diamond drilling and it is within industry standards. Recovery is regularly over 90%
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	Core was logged on paper logs and transferred to an Access database. DH lithology, alteration and mineralisation were recorded by variable interval based on characteristic similarities and change boundaries. Summary interval information was inputted to the database, comprising codes to describe logged lithology, alteration, mineralisation and major structure for the interval. Core was routinely photographed. Logging is considered satisfactory for the level of study and resource class.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	Core was cut by standard core saw and half core was submitted for analysis. Sample collection, sample size, preparation and analysis are considered appropriate for the mineralogy and deposit type. Samples are considered representative of the in-situ material collected. QA/QC sample insertion procedures were employed at a ratio of 1 in 50, consisting of blanks, duplicates and standards The QA/QC is acceptable
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometres, handheld XRF instruments, etc, the parametres used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.*	Commercial laboratories ALS Seville (ISO9001:2008) were used for sample analysis. Multi-element analysis, including Pb, Zn, Cu, Ag by ICP-MS were completed on all samples. Over limits samples were re-analysed using ore grade methods of determination. Sample analytical techniques are considered in line with industry standard for this style of mineralisation.

Criteria	JORC Code explanation	Commentary related to the Toral Project
	• *Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.*	Europa Metals conducted a QC programme of inserting quarter core field duplicates, coarse blank and standards. No significant issues or fatal flaws were identified from the assessment of QA data. The nature and quantity of QA/QC data, procedures employed, level of accuracy and precision are considered acceptable for the assigned resource classification. The quality of assay data and laboratory tests is acceptable for this deposit. No geophysical tools, spectrometers or handheld XRF instruments were used in the exploration and resource work.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	Paper recorded drill hole logging data is transferred to Excel, imported in to Access and imported to Micromine 3D geological modelling software for validation. DGPS collar and survey excel data, and lab analytical data transferred from lab.csv, to Excel and imported to Micromine 3D geological modelling software. Core logging has not been verified against lab assay certificates by AMS. No adjustment to the analytical data was considered necessary, other than conversion to zinc equivalents for reporting purposes, following industry best practice. Raw analytical data remained unchanged.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	Europa Metals diamond collars were surveyed using a Geomax 35 high-precision DGPS device Accuracy +/-3cm. Downhole survey measurements taken using Reflex Maxibore downhole survey tool. Co-ordinate grid system used is European Terrestrial Reference System 1989 UTM Zone 29. Topographic DTM taken from 5 m resolution Lidar data MDT05-Lidar, from government mapping and survey association Plan Nacional de Ortofotografía Aérea (PNOA).
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	The infill holes are on approximate 130 metre centres The distribution of drillholes is sufficient to establish a degree of geological and grade continuity appropriate for the Mineral Resource. Intervals were not composited at the sampling stage.
Orientation of data in relation to	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures*	Drilling is angled to intercept mineralised structures at high angle, as close to perpendicular to dip and strike as practicable. No sample bias is introduced by drilling orientation.

Criteria	JORC Code explanation	Commentary related to the Toral Project
geological structure	*is considered to have introduced a sampling bias, this should be assessed and reported if material.*	
Sample security	• *The measures taken to ensure sample security.*	Core logged and sampled in secure facility. Samples are bagged in plastic bags and labelled with individual sample numbers, sample name and sample location. Each bag is sealed to avoid loss and contamination. Plastic bags are placed in dry weave bags. Samples are delivered to laboratory by courier in secured boxes.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	A Competent Person has reviewed and discussed diamond core sampling techniques and findings were satisfactory.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	Toral exploration permit number 15.199 (also referred to as Permiso de Investigacion), is located approximately 400 km northwest of Madrid, within the Province of León, Autonomous Community of Castile and León. Licence 15.199 covers an area of 20 km². Exploration licence 15.199 is owned by Goldquest Iberica, S.L., a wholly owned subsidiary of Europa Metals Limited. The licence was renewed on 14 November 2017 for a period of 3 years.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	1972-1984 – Peñarroya-Adaro. 55 drill holes, 36 wedge drill holes. 1992-1995 – Geominera. Data re-evaluation. 2005-2008 – Lundin Mining. 7 drill holes.

Criteria	JORC Code explanation	Commentary
		2009-2011 – Goldquest Mining. Soil and rock geochemistry. Historic gallery mapping. Data evaluation. NI43-101 Mineral Resource Estimate. 2012-2015 – Portex Mining Corporation. Geological mapping. Data re-evaluation. 2015-2016 – Goldquest Iberica S.L. Soil and rock geochemistry. Geological mapping. 2016-2017 – Goldquest Iberica S.L. (Europa Metals Limited). 6 drill holes. Historic gallery mapping and sampling. Data re-evaluation and interpretation.
Geology	• *Deposit type, geological setting and style of mineralisation.*	The Toral Project is located in the Southwestern part of the regional West Asturian Leonese Zone (WALZ), a major tectono-stratigraphic unit of the Hercynian Orogeny. The mineralisation at Toral is considered as structurally controlled carbonate hosted Pb-Zn type. Shear and thrust fault controlled mineralisation within favourable carbonate lithology and favourable contrasting contacts between carbonates and shales. Styles of mineralisation are boudinage drusy quartz vein, replacement breccia, disseminated clots associated with silica, carbonate and chlorite alteration. Main metallic minerals are Sphalerite, Galena, Pyrite, Chalcopyrite and silver.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* ○ *easting and northing of the drill hole collar* ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* ○ *dip and azimuth of the hole* ○ *down hole length and interception depth* ○ *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	Drilling: Number of drillholes used: 3 Collar East: 682554mE – 682443mE Collar North: 4709336mN - 4709313mN Collar RL: 663mRL - 665mRL Azimuth: 025° - 209º Dip: -50° - -68° Length: 299 – 367m DH Interception depth: 160m – 270mRL

Criteria	JORC Code explanation	Commentary
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	No top cuts were applied to the data. 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$2,500/t, Pb price of US$2,100/t and Ag price of US$17/Oz. Recovery and selling factors were incorporated into the calculation of Zn Eq values. It is the Company's opinion that all the elements included in the metal equivalents calculation (Zinc, Lead and Silver) have a reasonable potential to be ultimately recovered and sold in the future.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').*	Mineralisation is interpreted as sub-vertical to steeply dipping to the NE. Angled drilling is sub-perpendicular to +/- 20º oblique to mineralisation. True thickness of mineralisation ranges from approximately 90%-80% downhole interval length.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	All available exploration data for the Toral deposit area has been collected and reported.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or*	No geophysical works have been completed. Geological mapping and solid geology map generation completed. Structural interpretation and 3D modelling completed.

Criteria	JORC Code explanation	Commentary
	contaminating substances.	Soil geochemical surveys demonstrate strong coherent Zn in soil anomalism coincident with interpreted controlling structures. No geotechnical, metallurgical or bulk sample test work completed to date.
Further work	• *The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	Surface drilling and trenching works testing open strike extent to the SE and infill drilling within current resource limits to increase confidence and resource class. Preliminary metallurgical testwork.