

29 October 2021

Europa Metals Ltd

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

Final Results for the Year Ended 30 June 2021

Europa Metals, the European focused lead-zinc and silver developer, is pleased to announce its final results for the year ended 30 June 2021.

A pdf copy of the full Annual Report and Accounts is available at the following link: http://www.ms-pdf.londonstockexchange.com/ms/7799Q_1-2021-10-29.pdf and is being posted to shareholders who have requested hardcopies.

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, CEO (UK)

T: +44 (0)20 3289 9923

Linkedin: Europa Metals Ltd

Twitter: @ltdeuropa

Vox: Europametals

Strand Hanson Limited (Nominated Adviser)

Rory Murphy/Matthew Chandler

T: +44 (0)20 7409 3494

WH Ireland Limited (Joint Broker)

Harry Ansell/Katy Mitchell/Sarah Mather

T: +44 (0)20 7 220 1666

Turner Pope Investments (TPI) Limited (Joint Broker)

Andy Thacker/James Pope

T: +44 (0)20 3657 0050

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 as it forms part of United Kingdom domestic law by virtue of the European Union (Withdrawal) Act 2018.

Key Extracts from the Company's audited Report and Accounts are set out below:

Chairman's Statement

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 case of COVID-19 infection was reported within the Group during the period whilst a series of significant operational and corporate milestones were delivered. We have continued to advance our understanding of our wholly owned Toral lead, zinc and silver project (the "Toral Project" or "Toral") 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 Addison Mining Services Limited ("AMS") and published on schedule in

November 2020, encompassed an indicated resource estimate for the first time, the results of a series of metallurgical test work programmes including an initial ore sorting analysis, and both geotechnical and hydrogeological studies. The report's findings were significant with a substantial increase in run-of-mine ("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 study 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 affording the possibility for a longer term and larger mining operation than originally envisaged and outlined.

For the last four years, Europa Metals has progressed Toral, situated in the province of Castilla y León, north west Spain, as a realisable project, with potential for robust margins in a safe jurisdiction. The above mentioned updated economic study, enables us to seek to progress our corporate objectives to secure a pathway forward for the Company that delivers equity value through project development, including partnerships or a potential 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, *inter alia*, 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 align the directors' incentivisation with equity value growth. Subsequently, Europa Metals secured £2m (before expenses) via a market fundraising at a premium to the six month pre-consolidation volume weighted average shareprice ("VWAP").

At the time of writing, Europa Metals has recently successfully concluded its upper zone drilling campaign and announced a significant resource upgrade.

Corporately, we continue to progress and are actively involved in a number of initiatives that we believe could ultimately lead to a potential major value event for all Europa Metals' shareholders in due course. Further updates will be made as and when appropriate.

Myles Campion
Executive Chairman

29 October 2021

Chief Executive Officer's Operational and Financial Review

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 pleased to confirm no incidents of COVID-19 amongst our workforce during the reporting period and to date. The diligence of 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. In light of our prioritisation of worker and stakeholder safety, we continue to be mindful of not providing any guidance to the market on workflow timing as we wish to avoid setting any metrics that could lead to inappropriate decisions being made at any level within the Company. What is very evident though is the significant amount of operational and development work achieved during the financial year and to date.

Following the appropriate governance and share capital related changes being approved by Europa Metals' shareholders in July 2020, the Company signed a product marketing agreement with Conrad Partners ("Conrad"), a leading Hong Kong based concentrate agent within the industrial metals space. Conrad's review of the Toral Project's dataroom contributed to the marketing section of the updated independent preliminary economic study undertaken by Bara Consulting and AMS, the key findings of which were announced on schedule in November 2020, and the Group has begun actively marketing the project to potential future customers.

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, further to work 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 an uplift in the 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 (Air Institute), SPI drilling and Soluciones Generales de Ingenieria S.L. ("SGI"), with the funds drawn down to be allocated towards the development of R&D technologies relating to the recording and correction of drillhole deviation at the Toral Project. The Grant comprises up to three tranches, drawable 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 being achieved. 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 with, 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 activity, the processes to be undertaken and 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 robust regulatory structure within Castilla y León stands us in good stead against a changing investment and commodity markets' backdrop.

At the time of writing, our latest 2021 drill campaign has been successfully concluded with eight new parent exploration drill holes, TOD-028 to TOD-035, and six successful new daughter drill holes completed. The results were significantly in advance of our initial expectations with the drilling focused in the upper zone area of Toral typically characterised as having lower grade ore. Following this campaign, a new independent JORC (2012) resource estimate was commissioned showing a 55% increase in the indicated category to 5.9Mt @ 7.1% Zn Equivalent (including Pb credits) and 27g/t Ag. This represents a meaningful increase in metal within the indicated resource with a 55% increase in the indicated tonnes, 39% increase in contained zinc, 30% increase in contained lead and a 40% increase in contained silver ounces. The overall resource has now reached approximately 20Mt @ 6.3% Zn Equivalent (including Pb credits), 3.9% Zn, 2.7% Pb and 22g/t Ag, giving a metals content of 790,000 tonnes of zinc, 550,000 tonnes of lead and 14 million ounces of silver.

Copper was also repeatedly reported within the assays but is not currently at a significant enough level to be brought into the resource. Our operational focus will therefore remain on derisking the lead, zinc and silver mining profile within the established resource as the current area looks to be highly economic with a ten year plus mine life. The Company is assessing various avenues, including potential technical partnerships, to look further at the copper content and for expansion possibilities. With the last 12 months of the mining schedule (Year 12) set out by Bara Consulting showing the highest grade of zinc recovery, we believe that Toral has significant potential to be expanded at depth and to the East.

The grade level of intersections encountered during the 2021 drill campaign enabled us to commence a series of metallurgical daughter holes which have provided us with a high level of material for use in processing and production testwork. Following the recent completion of the resource update, we are now commencing a new stage of metallurgical testwork with Wardell Armstrong International, to look at increasing efficiencies and earlier payback options within the upper zone of Toral. Such work will include further ore sorting analysis for the upper zones as well as waste processing testing for a dry stack/backfill storage process that utilises low levels of water.

A hydrogeological testing campaign was also undertaken during the financial year and we await the independent report from the borehole and tracer programme in order to assess both potential water conditions within the planned future mining area and to benchmark the local area.

Group Highlights

Corporate

- The Company has diligently followed all instructions and best practice guidance issued by the relevant authorities with regards to maintaining the safety of its work force in Spain, the UK and Australia with a series of operational procedures and monitoring initiatives being implemented. Europa Metals puts the safety of its workforce ahead of all other considerations and continues to operate strictly within the parameters of social distancing and adhere to guidelines.
- Following receipt of shareholder approval at last year's AGM, a series of measures to strengthen shareholder rights and align Europa Metals with AIM best practice were implemented. A 500 to 1 share consolidation was also effected thereby significantly reducing the number of ordinary shares in issue.
- Myles Champion appointed as Executive Chairman and Laurence Read as CEO following the resignation of Colin Bird as Chairman in August 2020.
- £2,000,000 (gross) fundraising completed via the issue of, in aggregate, 15,686,274 new ordinary shares of no par value at an issue price of 12.75 pence per share in order to undertake the key components of a pre-feasibility study ("PFS") for the Toral Project including resource/geotechnical and metallurgical drilling and testing work, a hydrogeological campaign and metallurgical/waste assessment work.
- Adam Habib appointed as corporate adviser to the Board in January 2021. The appointment has subsequently been terminated with effect from 1 November 2021.

Operational - Toral Pb, Zn & Ag Project, Spain

- Environmental studies continued throughout the reporting period; Company undertaking long term baseline studies and monitoring to requisite PFS and Mining Licence application levels.
- Resource update in August 2020; 40% increase in the project's indicted resource at an average grade of 8.3% zinc equivalent (including Pb credits) and 30g/t Ag; a significant average grade above cut-off.
- Metallurgical and ore sorting results from work undertaken by Wardell Armstrong International - 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.
- Toral's Investigation Permit renewed by the Junta of Castilla y León until November 2023 in November 2020.

- Non-exclusive concentrate marketing agreement signed with Conrad in August 2020.
- In October 2020, €466,801.50 innovation grant awarded by the CDTI towards exploration work assessing a correctional algorithm for drilling deviation at Toral with its partners. 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.
- In November 2020, updated independent preliminary economic study for Toral demonstrated a US\$156m NPV and 31.3% IRR with a 49% operating margin.
- Drilling campaign commenced in January 2021:
 - o Focused on assessing upper material zone that would potentially host the early years of future production.
 - o Targeted gaps within the project's JORC (2012) resource model in order to enhance understanding of the block model, retrieve geotechnical information for mine design and identify opportunities to gather further metallurgical samples from within the substantive intersections encountered.
 - o Collating of data to inform development plans for the early years of Toral's future production and refine the economic model within a 4-year payback period.
- Drilling data provided to the abovementioned innovation partnership with the University of Salamanca (Air Institute), SPI and SGI. Milestone I work successfully completed and submitted to CDTI post the reporting period end.
- Hydrogeological bore holes and testing commenced in order to test water levels/conditions within the proposed future mining area and piezometer work to monitor local water conditions. Operations concluded, post the reporting period end, and independent results/report awaited.
- In June 2021, Wardell Armstrong International appointed as PFS Manager.

Post period end

- 2021 upper zone drilling campaign successfully concluded; high grade Zn, Pb & Ag intersections consistently intersected. Copper assays also returned.
 - o 8 new parent exploration drill holes, TOD-028 to TOD-035, and six successful new daughter drill holes (for metallurgical/geotechnical data).
 - o Intersections/assays considerably ahead of management's expectations.
 - o Development of fault models.
 - o Development of new lithological facies domain models.
- Further independent updated Mineral Resource Estimate commissioned and findings reported in October 2021:
 - Indicated resource estimate of approximately 5.9Mt @ 7.1% Zn Equivalent (including Pb credits) and 27g/t Ag, representing an approximate:
 - o 55% increase in Indicated resource tonnes;
 - o 39% increase in Indicated contained tonnes of zinc to approximately 251,000 tonnes;
 - o 30% increase in Indicated contained tonnes of lead to approximately 196,000 tonnes; and
 - o 40% increase in Indicated contained ounces of silver to approximately 5.2 million ounces.
 - A total resource of approximately 20Mt @ 6.3% Zn Equivalent (including Pb credits), 3.9% Zn, 2.7% Pb and 22 g/t Ag, including:
 - o 790,000 tonnes of zinc, 550,000 tonnes of lead and 14 million ounces of silver.
 - Outlook: Company seeking to make further operational progress with additional metallurgical and waste analysis to de-risk the project's future production and processing design, especially within the early years of mining. Continuing to pursue and assess a number of initiatives and opportunities with discussions aimed at delivering a potential value accretive event.

Toral Project Summary

As of 30 June 2021

- US\$156m NPV at an 8% discount rate
- 31.3% IRR
- 17Mt @ 6.7% ZnEq (including Pb credits) resource (JORC 2012) including indicated resource of 3.8Mt @ 8.1% ZnEq (including Pb and Ag credits) - 4% cut off grade
- Sub-Level Longhole Stopping ("SLOS") mining method selected
- 700k tonnes per annum operation with a 7.6% ZnEq mined grade:
 - o SLOS with ramp/raise-bore shaft access;
 - o 10% dilution;
 - o 3.5m average mined mineralised widths.

- Processing comprises an ore sorting front-end using X-ray Transmission ("XRT") followed by grinding and flotation
- Grade/recovery: 3.3% Pb/87%; 4.2% Zn/86%; 26.7g/t Ag/85%
- US\$79m upfront Capex
- 3-year trailing average metals prices of US\$2,668/t for zinc, US\$2,099/t for lead and US\$16.5/oz for silver
- US\$963m Revenue over Life of Mine ("LOM")
- US\$477m Opex over LOM
- US\$471m EBITDA over LOM
- 49% Operating Margin (US\$63.56/t all-in cost)
- 12-year LOM scenario
- Conceptual LOM production schedule incorporates 100% of the Indicated resource in the early years, ending with elevated zinc grades in the deep Inferred zones
- Deposit open to the east and at depth for potential production expansion during the mine's life
- Project's 3-year Investigation Permit renewed until 15 November 2023

Post the period end, the mineral resource estimate was updated to, at the time of writing:

- Indicated resource estimate of approximately 5.9Mt @ 7.1% Zn Equivalent* (including Pb credits) and 27g/t Ag, representing an approximate:
 - o 55% increase in Indicated resource tonnes;
 - o 39% increase in Indicated contained tonnes of zinc to approximately 251,000 tonnes;
 - o 30% increase in Indicated contained tonnes of lead to approximately 196,000 tonnes; and
 - o 40% increase in Indicated contained ounces of silver to approximately 5.2 million ounces.
- A total resource of approximately 20Mt @ 6.3% Zn Equivalent (including Pb credits), 3.9% Zn, 2.7% Pb and 22 g/t Ag, including:
 - o 790,000 tonnes of zinc, 550,000 tonnes of lead and 14 million ounces of silver.

* Zn price of US\$2,516/t, Pb price of US\$1,961/t and Ag price of US\$19.4/Oz

** RNS Announcement 1.10.21, AMS Consulting

Laurence Read

CEO

29 October 2021

**Consolidated Statement of Profit and Loss and Other Comprehensive Income
For the year ended 30 June 2021**

	2021	2020
	\$	\$
Revenue	-	3
Other income	147,537	-
Administration expenses	(1,357,427)	(1,000,227)
Occupancy expenses	-	(2,824)
Exploration expenditure	(2,044,095)	(1,375,442)
Foreign exchange gain/(loss)	(4,679)	15,830
Loss before taxation	(3,258,664)	(2,362,660)
Income tax benefit / (expense)	-	-
Loss after income tax for the year from continuing operations	(3,258,664)	(2,362,660)
Net loss for the year	(3,258,664)	(2,362,660)

Other comprehensive income

Items that may be reclassified subsequently to profit or loss

Net exchange (loss)/gain on translation of foreign operation	(383,469)	171,072
Other comprehensive income for the year, net of tax	(383,469)	171,072
Total comprehensive loss for the year	(3,642,133)	(2,191,588)
Net loss for the year attributable to:		
Equity holders of the Parent	(3,642,133)	(2,191,588)
	(3,642,133)	(2,191,588)
Total comprehensive loss for the year attributable to:		
Equity holders of the Parent	(3,642,133)	(2,191,588)
	(3,642,133)	(2,191,588)
Loss per share	Cents per share	Cents per share
Basic loss for the year attributable to ordinary equity holders of the Parent	(7.03)	(7.67)
Diluted loss for the year attributable to ordinary equity holders of the Parent	(7.03)	(7.67)

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

Consolidated Statement of Financial Position As at 30 June 2021

	2021	2020
	\$	\$
Assets		
Current assets		
Cash and short term deposits	1,180,768	700,642
Trade and other receivables	84,720	210,866
Total current assets	1,265,488	911,508
Non-current assets		
Plant and equipment	66,718	24,073
Other receivables	190,523	193,096
Right of use assets	29,277	39,035
Capitalised exploration expenditure	1,276,964	1,577,953
Total non-current assets	1,563,482	1,834,157
Total assets	2,828,970	2,745,665
Liabilities and equity		
Current liabilities		
Trade and other payables	261,886	207,462
Lease liability	16,505	22,328

Total current liabilities	278,391	229,790
Non-current liabilities		
Lease liability	-	16,505
Borrowings	121,727	-
Total non-current liabilities	121,727	16,505
Total liabilities	400,118	246,295
Net assets	2,428,852	2,499,370
Equity		
Contributed equity	45,695,303	42,489,962
Accumulated losses	(46,380,604)	(43,121,940)
Reserves	3,114,153	3,131,348
Total equity	2,428,852	2,499,370

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes in the full Annual Report and Accounts.

Consolidated Statement of Cash Flows For the year ended 30 June 2021

	2021	2020
	\$	\$
Cash flows used in operating activities		
Interest received	-	3
Exploration and evaluation expenditure	(1,959,132)	(1,507,897)
Payments to suppliers and employees	(1,135,162)	(828,272)
Net cash flows used in operating activities	(3,094,294)	(2,336,166)
Cash flows used in investing activities		
Payments for plant and equipment	(28,056)	(5,953)
Net cash flows used in investing activities	(28,056)	(5,953)
Cash flows from financing activities		
Lease principal repayments	(25,879)	(49,096)
Proceeds from issue of shares	3,633,082	2,212,254
Transaction costs on issue of shares	(253,101)	(183,506)
Proceeds of borrowings	258,513	-
Net cash flows from financing activities	3,612,615	1,979,652
Net (decrease)/increase in cash and cash equivalents held	490,265	(362,468)
Net foreign exchange difference	(10,139)	10,699
Cash and cash equivalents at 1 July	700,642	1,052,411

Cash and cash equivalents at 30 June

1,180,768

700,642

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes in the full Annual Report and Accounts which can be accessed via the following link:

<http://www.europametals.com/site/news-announcements/annual-reports-archive>

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact rns@lseg.com or visit www.rns.com.

RNS may use your IP address to confirm compliance with the terms and conditions, to analyse how you engage with the information contained in this communication, and to share such analysis on an anonymised basis with others as part of our commercial services. For further information about how RNS and the London Stock Exchange use the personal data you provide us, please see our [Privacy Policy](#).

END

FR FEWFLUEFSESS