

5 August 2020

Europa Metals Ltd

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

Board Changes and Update regarding Current Work Programmes

Europa Metals, the European focused lead-zinc and silver developer, today announces changes to its board of directors (the "Board").

Mr Colin Bird has resigned as non-executive Chairman of the Company with immediate effect. Accordingly, Mr Myles Campion has been appointed executive Chairman (previously executive and technical director) and Mr Laurence Read has been appointed as CEO, both taking effect immediately. All other Board positions remain unchanged and it is envisaged that a new non-executive director will be sought in due course. The Board wishes to thank Mr Bird for his contribution to Europa Metals during its initial exploration period in Spain. The Company's core team working on the Toral Project remains unchanged, overseen by Europa Iberia COO, Jesus Montero.

The restructuring of the Board comes at a time when Europa Metals moves forward with the next stage of work at its wholly owned Toral lead, zinc and silver project ("Toral" or the "Toral Project") situated in the region of Castilla y León, north-west Spain. Work undertaken by the Group to date, in the Board's view, demonstrates the potential value and robust economics of the project.

The Company is currently focused on increasing its understanding of the Toral Project, with the following workstreams ongoing:

- A new, third phase, metallurgical study, being conducted by Wardell Armstrong International ("WAI").
- An ore sorting analysis programme conducted by Bara Consulting.
- A product marketing and sales initiative.
- EU grant application for project funding.
- Awaiting Investigation Permit decision by the Junta of Castilla y León for a further three years.

Given the progress being made in respect of ongoing workstreams, the Board believes it is an appropriate time to commission an independent JORC (2012) resource update, to be conducted by Addison Mining Services ("AMS"). The updated JORC resource will include the high grade drilling results from the 2019 programme that included the TOD-025 drill hole (which WAI is utilising in its third phase metallurgical work) that intersected **7.70m @ 17.3%** ZnEq(PbAg) from 483.6m to 491.3m, including **4.3m @ 25.6%** ZnEq(PbAg) from 486.3m to 490.6m. A further announcement(s) will be made in due course.

The Company's main objective is to bring together the results of the ongoing workstreams with data generated from previous work, completed by Europa Metals since the 2018 scoping study, in order to establish the preliminary economic parameters of an eventual pre-feasibility study.

Bara Consulting has been engaged to conduct this proposed workstream and will work alongside AMS in this regard once the study commences in due course. The Company believes that a pre-feasibility study will enhance the economics of Toral, leveraging the significant amount of work, and positive results, generated over the last two and a half years. In addition, Europa Metals will undertake to demonstrate the potential for Toral as a high grade, wholly supply chain transparent source of lead/silver and zinc concentrate for sale to the market.

Laurence Read, CEO of Europa Metals, commented:

"I would like to thank Colin for his contribution to the Company during its initial period of operations in Spain. The Toral Project is now emerging out of the exploration phase into the feasibility stage. The Board believes Toral should be a first-rate source of concentrate that, with high grades and recovery, can be developed through the outlay of relatively low capital expenditure. I look forward to announcing updates on our various workstreams in due course."

Myles Campion, Executive Chairman of Europa Metals, further commented:

"The diligent work of the team in Spain has enabled the project to move forward over this last six months despite the restrictions of the current Covid-19 pandemic and strict adherence to best health and safety practices. The studies we have completed over the preceding 12

months can now be integrated into a new economic plan."

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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.

Notes to Editors

Appendix: Further information on the Toral Project

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JORC (2012) Mineral Resource Estimate

The Toral Project is a traditional polymetallic (lead-zinc-silver) deposit, which is hosted over 6km of strike length of the prospective Lower Cambrian Vegadeo Limestone formation, that is regionally mineralised along more than 40km of its extent. The deposit represents a carbonate hosted, structurally controlled deposit type, demonstrating fault-controlled contact, vein, carbonate replacement and breccia styles of mineralisation situated close to and along the boundary between footwall slates and hanging wall limestones and dolomites. Sub-ordinate lead-zinc-silver mineralisation also occurs wholly within the hanging wall limestones and dolomites, approaching the contact with the slates.

Historic drill hole re-logging undertaken by the Company in 2018 provided improved geological, structure, alteration and weathering/oxidation information, which was incorporated into the interpreted geological and mineralised models for the current JORC (2012) mineral resource estimate. Surface mapping and remote data interpretation by Europa Metals has enabled the development of an interpreted fault model, also incorporated into the aforementioned updated geological and mineralised models used in the mineral resource estimate.

The latest mineral resource estimate (as of 25 October 2019) for the Toral deposit comprised, at a 4% cut-off:

- An Indicated resource of approximately 2.7Mt @ 8.9% Zn Equivalent (including Pb credits), 5% Zn, 4.2% Pb and 32g/t Ag
 - o Including 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 22g/t Ag
 - o Including 690,000 tonnes of zinc, 450,000 tonnes of lead and 11 million ounces of silver
- Total Resources of approximately 18Mt @ 7.4% Zn Equivalent (including Pb credits), 4.5% Zn, 3.1% Pb and 24g/t Ag
 - o Including 830,000 tonnes of zinc, 570,000 tonnes of lead and 14 million ounces of silver

--The latest resource update identified potentially economic mineralisation ranging from surface to approximately 1,100m below surface. The block model currently extends for a strike length of 3,600m and is still open to the east and west along strike and also at depth where it has not yet been closed off.

Cut-Off Zn Eq (PbAg)%	Tonnes (Millions)	Density	Zn Eq (Pb)%	Zn Eq (PbAg)%	Zn %	Pb %	Ag g/t	Contained Zn Tonnes (000s)	Contained Pb Tonnes (000s)	Ag Troy Oz (Millions)
Indicated										
6	2.1	3	10	11	6	4.7	35	120	100	2.4
5	2.3	2.9	9.6	10	5	4.5	34	130	100	2.6
4	2.7	2.9	8.9	9.5	5	4.2	32	130	110	2.8
3	3.0	2.9	8.3	8.9	5	3.9	31	140	120	2.9

Inferred										
6	11	2.9	8.4	8.9	5	3.5	26	550	360	8.8
5	12	2.9	7.9	8.4	5	3.2	24	610	400	9.7
4	16	2.9	7.2	7.6	5	2.9	22	690	450	11
3	18	2.9	6.7	7.1	4	2.7	21	740	480	12
Total										
6	13	2.9	8.7	9.2	5	3.7	28	670	460	11
5	15	2.9	8.2	8.6	5	3.4	26	740	510	12
4	18	2.9	7.4	7.9	5	3.1	24	830	570	14
3	21	2.9	6.9	7.3	4	2.9	22	880	600	15
Transitional Oxide Material Total										
4	3	2.9	5.8	6.3	3	3.2	27	87	97	2.6
Unweathered Fresh Rock Total										
4	15	2.9	7.8	8.2	5	3.1	23	740	470	11

Table 4: Summary of mineral resources for the Toral property reported at a 4.0% Zn equivalent cut-off grade (including Pb and Ag credits) and estimated grade and tonnages at the various cut-off grades. Figures are rounded to reflect the accuracy of the estimate and as such totals may not cast.

Notes for table 4:

1. No mineral reserve calculations have been undertaken. Mineral resources that are not mineral reserves do not have demonstrated economic viability.
2. Numbers are rounded to reflect the fact that an Estimate of Resources was reported as stipulated by JORC 2012. Rounding of numbers may result in differences in calculated totals and averages. All tonnes are metric tonnes.
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\$2,780/t, Pb price of US\$2,200/t and Ag price of US\$16.4/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 (PbAg)% 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*0.935 + Ag*0.018).
5. Zn Eq is the calculated Zn equivalent using lead credits and does not include silver credits (Zn Eq = Zn + Pb*0.935).
6. The mineral resource estimate set out above for the zinc, lead and silver mineralisation in the Toral Project area is based on a 3D geologic model and wireframe restricted block model that integrated the exploration work on the Toral Project up to 30 September 2019. The block model used uniform cell size of 50x4x50m to best suit the orientation of the mineralisation and sample spacing. The block model was rotated by 20° in plan view to best match the trend of mineralisation. Sub cells were applied to better fit the wireframe solid models and preserve accurate volume as much as possible. Cells were interpolated at the parent block scale using an ordinary kriging.
7. Top cuts were applied to the composite assay grades for 20% Zn, 17% Pb and 125 g/t Ag, any value above the top cut value was reduced to that grade.
8. The Indicated and Inferred mineral resource category for the Toral lead-zinc-silver project set out in Table 2 (at cut-off grades ≥4% Zn Equivalent) comply with the resource definitions as described in the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves. The JORC Code, 2012 Edition. Prepared by: The Joint Ore Reserves Committee of The Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia (JORC).
9. The tonnes and grades reported at a cut-off grade of 3% Zn equivalent are below the economic cut-off grade of 4% and as such should not be considered mineral resources, they are shown here for comparison purposes only.

Bulk density

The resource database contains 2,373 bulk density measurements, with a total of 177 within the mineralised wireframe.

The mean for the mineralised domain transitional zone is 2.75 g/cm³ and the mean for the mineralised domain fresh material is 2.85 g/cm³. A broad linear relationship between Pb+Zn grade and bulk density was identified from scattergrams and the formula 2.75 + 0.02(Pb+Zn%) used to estimate block density within the block model.

Second Phase metallurgical test results from Wardell Armstrong International ("WAI") (April 2020).

The metallurgical results contained arise from a testing programme that culminated in a second locked cycle test. Such testwork achieved the following recoveries:

- o 83.7% Pb recovery to a 60.0% Pb concentrate;
- o 87.1% Ag recovery to 1,350ppm Ag within Pb concentrate; and
- o 77.0% Zn recovery to a 59.1% Zn concentrate.

These results show that the amount of lead recovered has remained broadly unchanged versus the lead recoveries obtained from the first locked cycle test. However, there has been a 2.5% increase in the Pb concentrate grade and zinc recovery has increased by 6.3% with a 3.3% increase in Zn concentrate grade.

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- excludes subsequent work including resource upgrades, metallurgical analysis, geotechnical studies) 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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