

8 November 2021

Europa Metals Ltd

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

€158,628.60 Tranche 2 of Spanish Government's Innovation Grant Drawn Down Toral Pb, Zn & Ag Project, Spain

Europa Metals, the European focused lead-zinc and silver developer, is pleased to announce that all the requisite work documentation submitted to the Spanish Government Centre for the Development of Industrial Technology ("CDTI") in relation to the Stage 1 milestone of its €466,801.50 innovation grant (the "Grant"), has been approved and the Company has now drawn down and received the second tranche of the Grant being €158,628.60. Further details of the Grant were set out in the Company's announcement of 19 October 2020.

Following receipt of the initial tranche of €163,380.53, Europa Metals worked closely with its innovation partners, the University of Salamanca (Air Institute), the drilling contractors, Sondeos y Perforaciones Industriales de Bierzo SA ("SPI") and Soluciones Generales de Ingenieria S.L ("SGI") in recording and analysing the data generated from the 2021 Pre-Feasibility Study drilling campaign at the Company's wholly owned Toral Project. Using new down-hole monitoring technologies, developed by SPI and SGI, the University of Salamanca has now compiled a sufficient data set from over 2,800m of diamond drilling at Toral, to create an initial, correctional algorithm to be further researched to move towards potential commerciality. Stage 2 work will see Toral continue to be used as a live testing environment by the partnership as the University of Salamanca continues its analysis and any future commercial benefit from an eventual product will be shared by the partners. On completion of the Stage 2 work, currently estimated to occur during 2022, a third, and final, tranche of €144,792.37 will then be available for draw down subject to a review by the CDTI confirming that the requisite criteria of the innovation programme have been met.

Commenting today, Laurence Read, CEO of Europa Metals, said:

"The Spanish Government agency tasked with promoting commercial innovation in Spain, the CDTI, has now approved our partnership's Stage 1 work with respect to developing a corrective drilling algorithm and, consequently, we have now drawn down a further €158,628.60 to progress the live study testing. The innovation partnership we have created integrates the pursuit of real R&D into our existing work programmes at the Toral Project.

"It is an exciting time in the Spanish mining industry with significant new cross border investments being made into this region of the EU and we believe partnering to develop potential new processes and technologies with government, a leading university and suppliers is extremely beneficial as the sector opens up. Further updates will be provided as and when appropriate."

About CDTI

The CDTI ("Centro para el Desarrollo Tecnológico Industrial"; <https://www.cdti.es/>) 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 made to Europa Metals is categorised as a partly refundable loan (with a nil per cent. interest rate) with the funds received at each stage 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 the abovementioned ongoing work by Europa Metals and the AIR Institute, linked to the University of Salamanca, in conjunction with SPI.

Grant terms

As announced previously, the Grant monies can be drawn down by Europa Metals in up to three tranches subject to certain, pre-defined, operational milestones being met. The core objectives are to retrieve and process data from the 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 being set by the prevailing Euribor rate at inception of nil per cent.

Europa Metals anticipates that the Grant will enable the Company to apply for reductions in taxes payable, relating mainly to labour costs, and is satisfied that the terms of the Grant do not prevent the Company from participating in other grant application processes save where there is a specific technological overlap.

Once the funds received 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.

For further information on the Company, please visit:

www.europametals.com

Linkedin: Europa Metals Ltd
Twitter: @Itdeuropa
Vox: Europametals

or contact:

Europa Metals Ltd

Dan Smith, Non-Executive Director and Company Secretary (Australia)
T: +61 417 978 955

Laurence Read, CEO (UK)
info@europametals.com

Strand Hanson Limited (Nominated Adviser)

Rory Murphy/Matthew Chandler
T: +44 (0)20 7409 3494

WH Ireland Limited (Joint Broker)

Harry Ansell/Dan Bristowe/Katy Mitchell/Sarah Mather
T: +44 (0)20 7220 166

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

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