AIM, Altx: (EUZ)

EUROPA METALS

**Searching for new strategic assets with near term value potential**

DENARIUS

**US$6m Farm-In/JV with Denarius Metals Corp.**

"we will lead the development of this high-grade polymetallic project"

**Denarius Chairman and CEO, Serafino Iacono**

Annual General Meeting 2023

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# Annual General Meeting 2023

- Europa confirmed the signing of a definitive agreement, a US$6m farm-in arrangement with Denarius Metals Corp in late 2022
  - The First Option over 3 years conditional upon: expenditure of US$4m, completion of a preliminary economic assessment (“NI43-101 PEA") and the completion and submission of a mining licence application.
  - The Second Option one year from the date of closing of the First Option conditional upon: exercise of the First Option, completion of a NI 43-101 compliant pre-feasibility study (the "PFS") and payment of US$2,000,000 cash to Europa Metals.
- The 2022 drill campaign was successful with the highest grade intersection being drilled on the project, TOD-042 intersecting 5.25m@23.24% ZnEq(Pb+Ag), including 2.5m@44.55% ZnEq(Pb+Ag)
- A new resource was published towards the end of 2022, giving a 19% increase to the indicated resource of boosting it to 7Mt@8.1% ZnEq (including Pb credits) within a total resource of approximately that grew by 14% to 20Mt@6.8% ZnEq (including Pb credits).
- The campaign also completed our R&D collaboration project with the University of Salamanca supported by Spain’s Centre for the Development of Industrial Technology (CDTI), with the final payment being received during 2023.

# Denarius Farm-In Joint Venture

- Option Agreement entered into with Denarius (TSXV: DSLV)
  - "**First Option**" to subscribe for 51% of Europa subsidiary EMI, which holds the Toral Project, by spending US$4m
  - and a "**Second Option**" to potentially acquire an additional 29% for US$2m cash to Europa
- Transaction offers
  - substantial value into the ground at Toral,
  - non dilutive to Europa Metals shareholder with retained value and future upside

# First Option

- US$4m by way of a loan (the "**Loan**") to EMI (the "**First Option Expenditure**") Denarius entitled to capitalise the Loan for the issue to it of 51%.
- If First Option is not exercised, Denarius shall be required to assign the loan to Europa Metals for US$1
- 3 Year period, which Denarius can extend this period by 90 days
- Year 1 expenditure of a minimum US$1m, to cover a Mining Licence Application
- Year 2 expenditure of a minimum US$1m (total US$2m)
- Year 3 fulfil US$4m expenditure in total
- Completion of National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101") Preliminary Economic Assessment on the Toral Project

# Second Option

The Second Option may be exercised by Denarius within a period of one year from the date of closing of the First Option conditional upon:

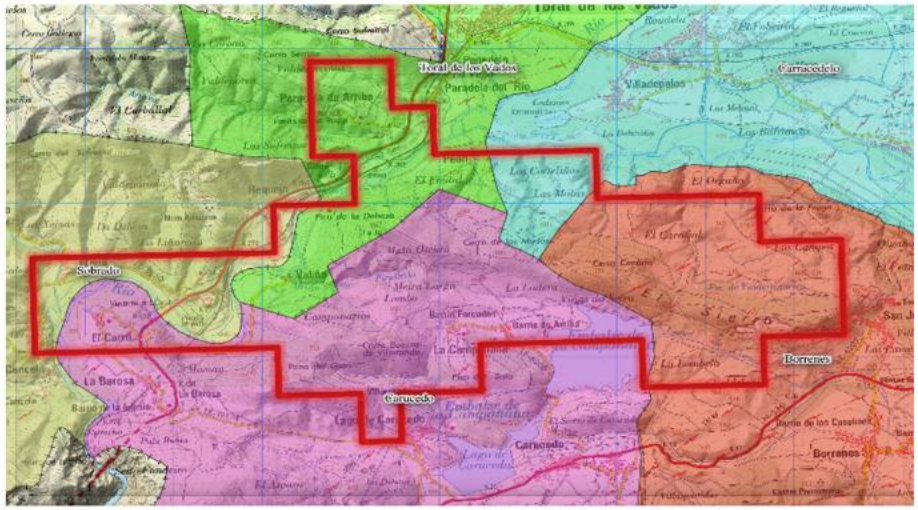
- exercise of the First Option;
- completion of a NI 43-101 compliant pre-feasibility study (the "PFS") on the Toral Project at Denarius's own cost; and
- payment of US$2,000,000 cash to Europa Metals.

In the event that only the First Option is exercised, Denarius upon request by Europa Metals to transfer 2% of the share capital in EMI back to Europa Metals

# Toral

- Province of León - established mining region
- Close cooperation with Junta of Castilla y León has allowed delivery of multiple work programmes
- Pro mining jurisdiction
- >190 Active Investigation permits
- 30+ Mining Licences granted in last 6 years
- Industrialised area – regional mining expertise
- Infrastructure corridor – road, rail & power
- EU/Regional grants

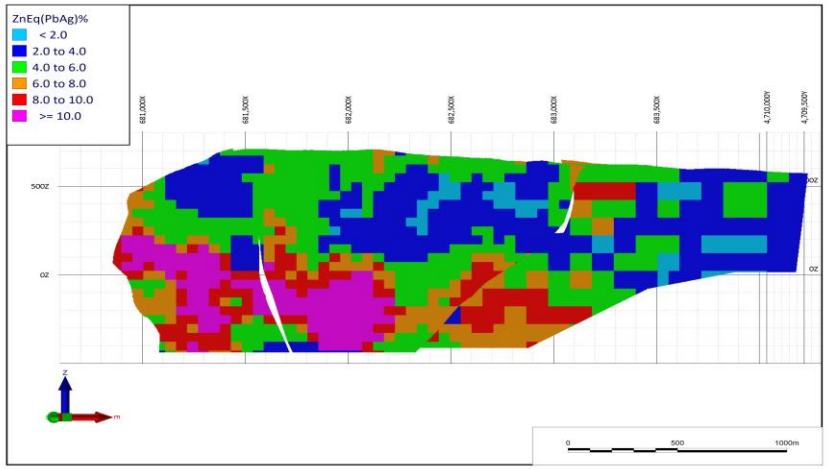
Licence boundary overlapping local municipal areas



# Resource as of December 2022

- Indicated resource estimate of approximately 7Mt @ 8.1% Zn Equivalent* (including Pb credits) and 29g/t Ag, representing an approximate:
  - 19% increase in Indicated resource tonnes;
  - 39% increase in Indicated contained tonnes of zinc to approximately 349,000 tonnes;
  - 33% increase in Indicated contained tonnes of lead to approximately 260,000 tonnes; and
  - 27% increase in Indicated contained ounces of silver to approximately 6.6 million ounces.
- A total resource of approximately 20Mt @ 6.8% Zn Equivalent (including Pb credits), 4.4% Zn, 2.8% Pb and 23 g/t Ag, including:
  - 890,000 tonnes of zinc, 560,000 tonnes of lead and 15 million ounces of silver.

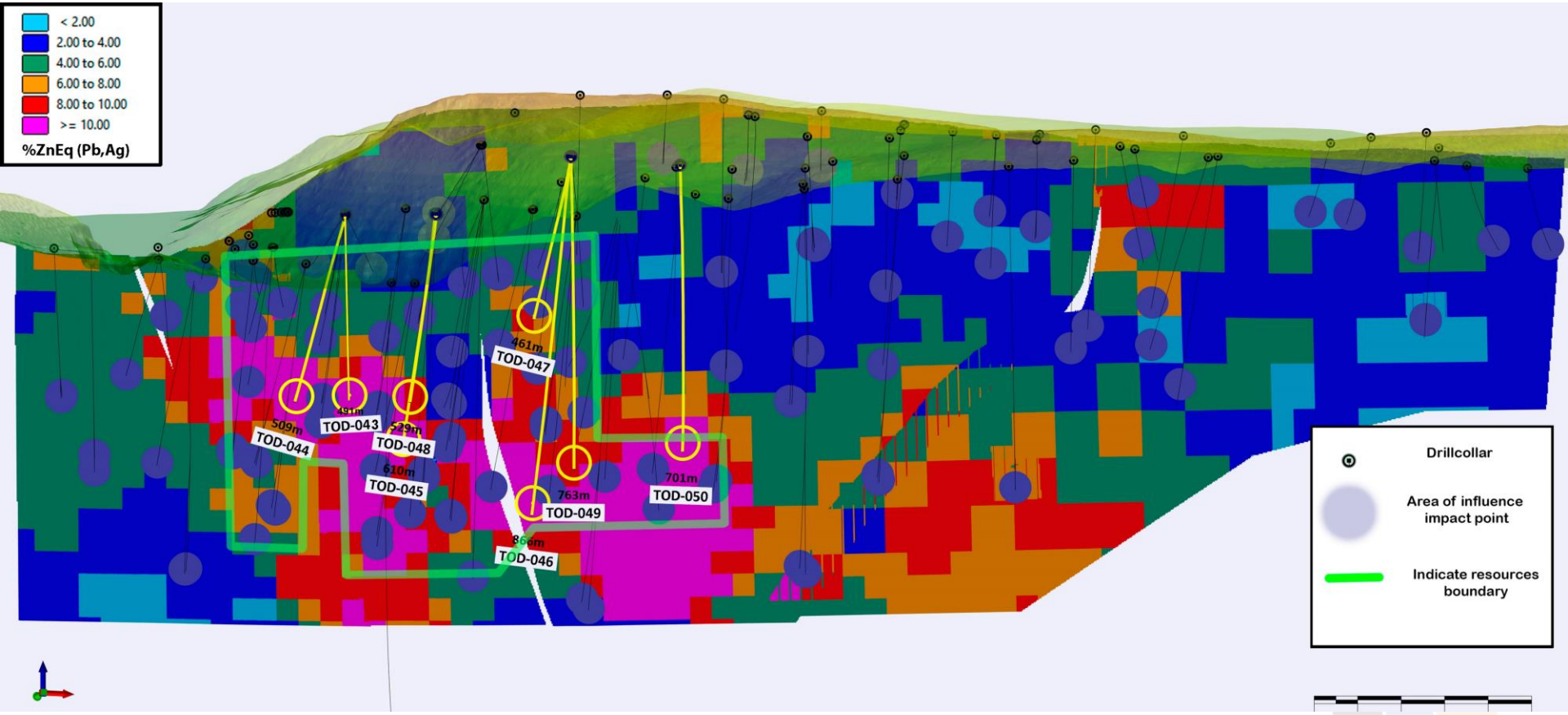
West-East long section of Toral Resource (AMS Consulting)




2022 Indicated resource increase (AMS Consulting)

**Zn price of US$2,865/t, Pb price of US$2,053/t and Ag price of US$22.17/oz*
*** RNS Announcement 30.11.22, (AMS Consulting)*

# Resource drilling 2023



# Drilling Results 2023

| Hole ID | From | To | Interval (m) | Zn_% | Pb_% | Ag_ppm | Cu_% | ZnEq(PbAg)%* |
|---|---|---|---|---|---|---|---|---|
| TOD-044 | 490.85 | 498.80 | 7.95 | 2.56 | 1.73 | 14.65 | 0.04 | 4.46 |
| TOD-044 (including) | 490.85 | 495.1 | 4.25 | 3.93 | 2.06 | 16.79 | 0.04 | 6.17 |
| TOD-044 (including) | 492.65 | 494.2 | 1.55 | 8.35 | 2.76 | 24.31 | 0.05 | 11.40 |
| TOD-045 | 592.00 | 596.95 | 4.95 | 7.31 | 12.77 | 160.52 | 0.10 | 22.71 |
| TOD-046 | 845.50 | 847.00 | 1.50 | 8.30 | 3.45 | 12.80 | 0.04 | 11.64 |
| TOD-046 (including) | 845.50 | 846.5 | 1.00 | 11.08 | 4.91 | 18.75 | 0.06 | 15.84 |
| TOD-047 | 442.00 | 442.60 | 0.60 | 15.20 | 3.30 | 10.50 | 0.17 | 18.34 |
| TOD-047 | 453.10 | 455.50 | 2.40 | 1.61 | 1.57 | 27.69 | 0.20 | 3.72 |
| TOD-048 | 505.25 | 509.95 | 4.70 | 3.53 | 2.81 | 26.34 | 0.31 | 6.68 |
| TOD-048 (including) | 508.30 | 509.95 | 1.65 | 7.94 | 5.78 | 53.95 | 0.51 | 14.41 |
| TOD-048 | 513.05 | 519.70 | 6.65 | 4.01 | 2.75 | 63.60 | 0.31 | 8.12 |
| TOD-048 (including) | 515.90 | 519.7 | 3.80 | 6.35 | 4.14 | 97.92 | 0.44 | 12.58 |
| TOD-049 | 745.00 | 750.00 | 5.00 | 1.17 | 6.14 | 15.63 | 0.07 | 6.91 |
| TOD-049 (including) | 745.85 | 747.1 | 1.25 | 2.01 | 20.45 | 43.96 | 0.23 | 20.93 |
| TOD-050 | 675.00 | 678.90 | 3.90 | 2.24 | 8.05 | 40.24 | 0.03 | 10.30 |
| TOD-050 (including) | 677.45 | 678.9 | 1.45 | 5.76 | 14.39 | 91.04 | 0.07 | 20.69 |
| TOD-050 | 680.10 | 682.50 | 2.40 | 1.71 | 2.67 | 35.44 | 0.01 | 4.98 |

# Mining Licence Application (MLA) October 2023

The MLA is applied for under a Mine Exploitation Project and Rehabilitation Plan and accompanied by an Environmental Impact Assessment and covers all aspects of mining, environmental and rehabilitation and includes:

- A detailed description of the area where the project will be developed, including a hydrogeological and geotechnical description
- The mine design and mine schedule with a demonstration of the geotechnical stability of the areas mined with plans outlining the necessary mine services and infrastructure. Current 18 year mine life envisaged
- Process design covering metallurgy, process flowsheet, concentrate specifications and facilities required demonstrating stringent environmental controls
- Equipment, power requirements and workforce detailed per annum, will create over 360 direct opportunities and approximately 1,400 indirect jobs in the region
- Water and material balance with detailed waste management system and operations of facilities including the effluents and reagents used per year and its characteristics for the EIA
- Backfill design and stope stability management incorporating both environmental and geotechnical data
- Health and Safety documents with potential risks and prevention plans
- CAPEX and OPEX with a level of detail close to a PFS

Submission included pre-production and closure plans

- This submission has been based on the deposit whose technical, economic and environmental feasibility is in accordance with the laws and regulations of the region of Castilla y Leon.
- Such project assessment will be formally reported on in the expected preliminary economic assessment in accordance with the Canadian Institute of Mining Metallurgy and Petroleum ("CIM") Definition Standards incorporated by reference in National Instrument 43-101 expected to be prepared in 2024.

# MLA Exploitation Plan

Underground mining is considered to be the most technically, economically, and environmentally viable development option. The application considered three main areas

1. Construction phase, in which the construction of the main facilities such as road access, treatment plant and offices will be carried out, in addition to starting with the development of the access ramp for mine exploitation. This stage will have a duration of one and a half years;

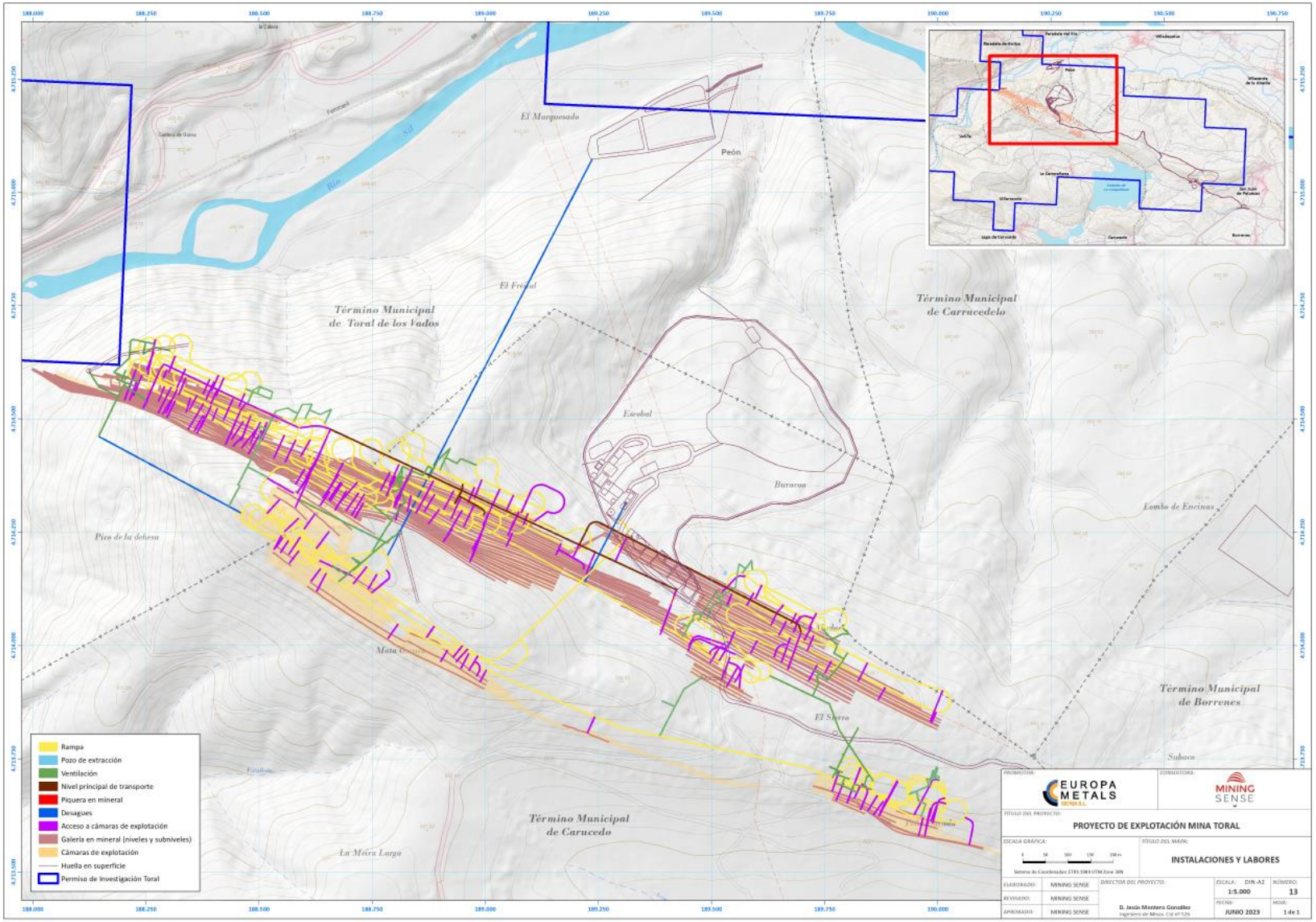
2. Exploitation phase, once the construction of the main facilities has been completed and the first production level has been reached, the exploitation of the ore will begin. This stage will last 15 years until the exhaustion of the current delineated mineralisation; and

3. Restoration phase, once the exploitation is completed, the area comprising the facilities will be restored with the dismantling of the buildings, as well as the mine tailings dump.

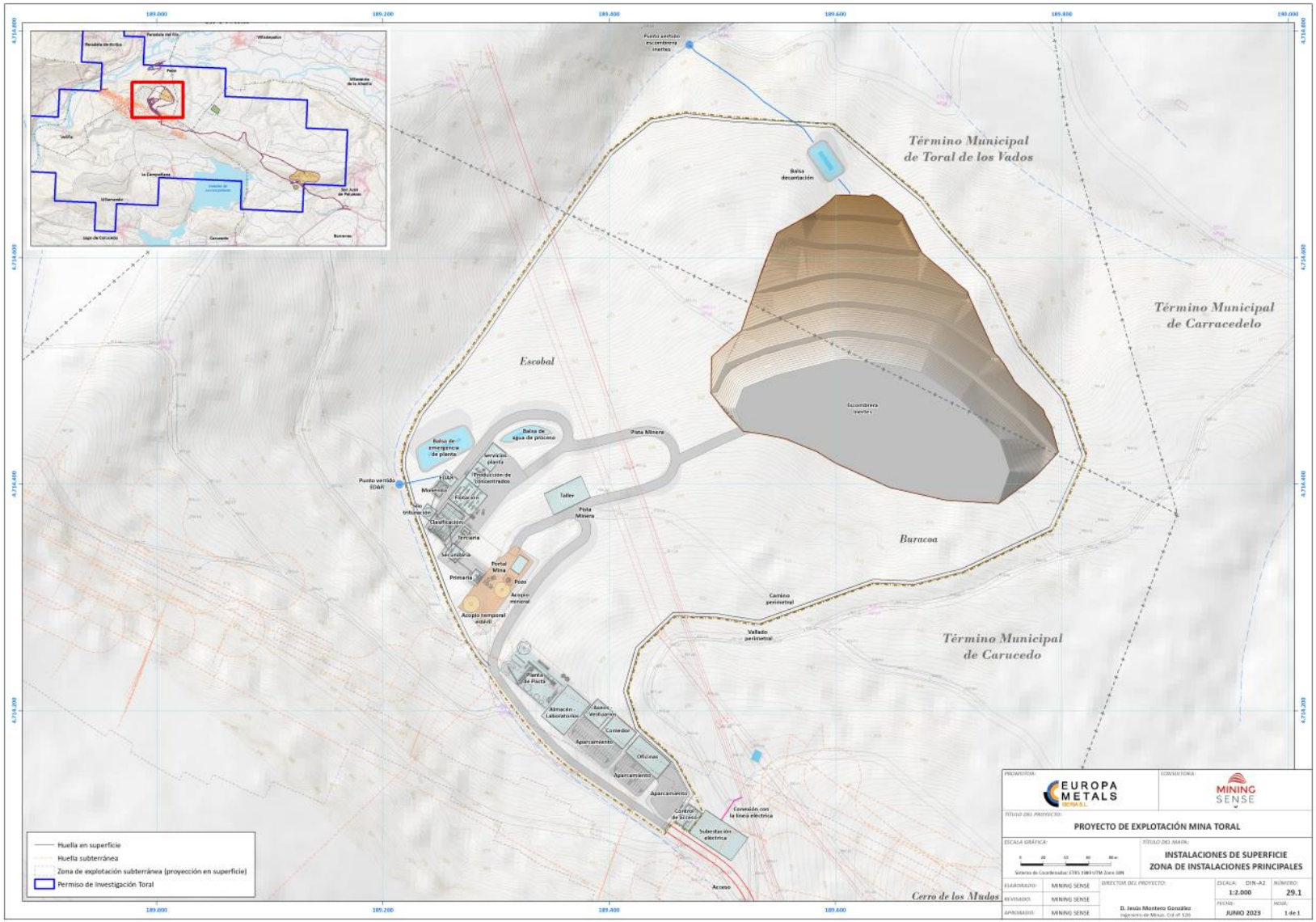
The mining method selected is a combination of mechanised cut and fill (MCAF), in the upper narrower zone, with sublevel mining method with backfill in the deeper and wider zone. The backfilling of the void created by the mining of the ore will use part of the tailings obtained in the mine and the process tailings combined to form a paste fill. This will have a very positive effect from an environmental point of view by reducing the amount of waste to be deposited outside.

The ore will be treated by a first stage of ore sorting following by conventional flotation of lead and zinc, producing the corresponding concentrates that carry other elements with economic value such as silver in the lead concentrate. The ore treatment plant recirculates almost all its process water.

# Mine workings, plant and footprint



# Plant and waste dump



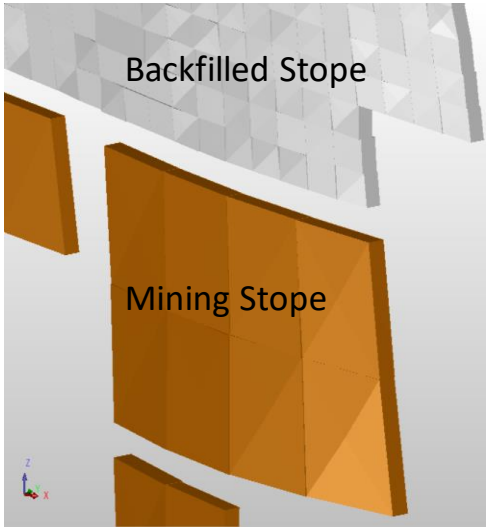
# Circular Waste Management and Rehabilitation

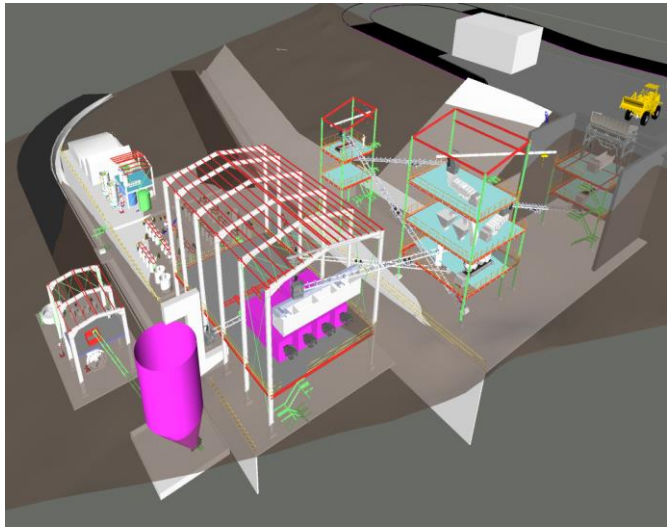
- The total area occupied by the project facilities is approximately 33 hectares, of which about 7 hectares are currently the disused limestone quarry, La Estrella, which as part of Toral's restoration plan is to be rehabilitated by back filling with waste rock from the mine.

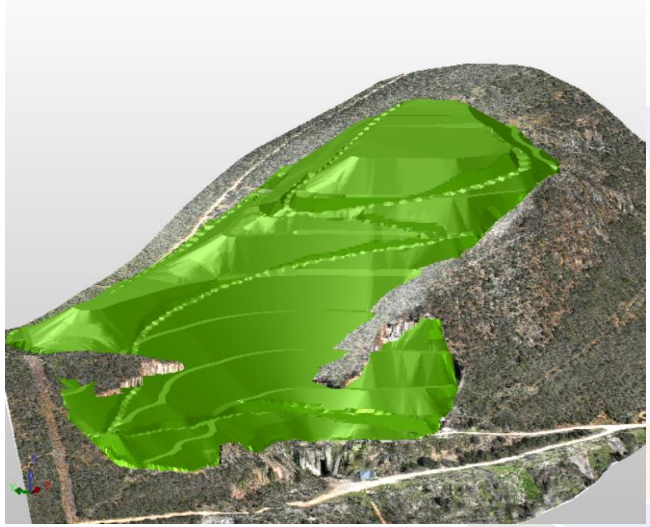
Circular use of waste by backfilling of stopes as part of the mining method.

Paste backfill plant and waste from ore sorting for rehabilitation

Utilisation of waste from plant to reclaim quarry and create new landscape





# Environmental

- The EIS includes a detailed characterisation of the area where the project will be developed. Specific studies have been carried out, including:
  - Perceptual physical media: Atmospheric dispersion study, pre-operational acoustic study, landscape integration study and a hydrological-hydrogeological study
  - Natural media: Vegetation and community interest habitats study & survey, aquatic animal species study & survey, reptiles and amphibian study & survey, birds study & survey, mammals study & survey and a specific study and survey on local bat population
  - Social and economical study: Traffic on public roads study, and an Inventory of territory, spatial and urban planning and the cultural environment
- The EIS includes the summary of the project, the alternatives considered before selecting the final project, a detailed flora and fauna characterisation of the project, the envisaged impacts on the project and measures put in place for protection, surveillance and monitoring the ongoing environmental program.

# Looking forward into 2024

A meeting was held in Madrid between Denarius and Europa to discuss results and remaining work schedules and next steps

Remaining work for 2023:

- Hydrogeological boreholes were drilled and cased in mid September with follow-on pump testwork completed in late October
- Data and interpretation taking place with report due in the New Year
- Antonina licence process ongoing with a decision from Junta by end of year/early 2024

Plans for 2024

- On successful granting of Antonina an exploration plan has been designed for 2024 and into 2025
- A further 7,000m of drilling earmarked for the combined Antonina and Toral.
- Work to commence on a PEA over Toral

Lead, Zinc, Silver

AIM, Altx: (EUZ)

LinkedIn proactive