Europa Metals Ltd
(Formerly Ferrum Crescent Limited)
(Incorporated and registered in Australia
and registered as an external company in
the Republic of South Africa)
(Registration number 4459850)
(External company registration number 2011/116305/10)
Share code on the ASX: EUZ
Share code on AIM: EUZ
Share code on the JSE: EUZ
ISIN: AU0000014342
("the Company")

Investigation Permit Renewal Application Submitted for Toral Pb, Zn & Ag Project, Spain

Europa Metals, the European focused lead-zinc and silver developer, announces that it has submitted an application to the Junta of Castilla y León for a new three year investigation permit ("Investigation Permit") in respect of the Company's wholly owned Toral lead, zinc and silver project ("Toral" or the "Toral Project") situated in the region of Castilla y León, north-west Spain.

The Company was granted an initial Investigation Permit for Toral in 2017, which is due to expire in November 2020 following conclusion of the customary three year period. An Investigation Permit provides a company with the right to pursue exploration activities at a project. As such, since 2017, under the existing Investigation Permit, the Company has commissioned and conducted a significant amount of work on the Toral Project, including, *inter alia*, a maiden JORC inferred resource and first indicated resource estimate, a detailed scoping study, hydrogeological analysis, geotechnical studies, environmental monitoring, social engagement and initial metallurgical test work.

Europa Metals continues to be engaged on a number of work streams at Toral, which the Directors expect to add further value to the project. The Company has identified a series of further tasks that it intends to undertake before refining and submitting a final development application.

The Investigation Permit renewal application was prepared in close consultation with the relevant bodies of the Junta of Castilla y León, whose involvement in the submission process served to reinforce the Company's decision to apply. The Company currently anticipates that a decision in respect of the grant of a new Investigation Permit will occur prior to the scheduled expiry of the existing permit.

Current Operations

Operations are progressing well at Toral with current workstreams being undertaken by both the Company's team and Wardell Armstrong International. Results in relation to the latest metallurgical testing and updates on other work items are expected over the course of the summer.

As announced on 23 March 2020, full health protocols have been instituted, following advice from the Spanish Government, within Europa Metals' office in Spain and, to date,

no employee has contracted COVID-19. The health and safety of the Group's work force remains its top priority whilst work progresses at Toral.

Laurence Read, Executive Director of Europa Metals, commented:

"The last three years, since receiving our first Investigation Permit, has seen a significant progression in our understanding of Toral and its potential value. Working closely with key regional stakeholders, Europa Metals has taken the decision to submit an application for a new, three year, Investigation Permit in order to further progress our assessment of the technical and economic potential of this high grade lead, zinc and silver project."

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, Executive Director (UK)
T: +44 (0)20 3289 9923

Strand Hanson Limited (Nominated Adviser)

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

Turner Pope Investments (TPI) Limited (Broker)

Andy Thacker/Zoe Alexander
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.

United Kingdom

8 June 2020

Notes

Appendix: **Further information on the Toral Project**

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
    - 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
    - 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
    - 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 1: 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 1:

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/cm^3 and the mean for the mineralised domain fresh material is 2.85 g/cm^3. 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.

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) 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.