

Europa Metals Ltd
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and registered as an external company in
the Republic of South Africa)
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("the Company")

PFS Update: Commencement of Drilling Campaign at the Toral Pb, Zn & Ag Project, Spain

Europa Metals, the European focused lead-zinc and silver developer, is pleased to announce that, further to the mobilisation of a diamond drill rig to site by Sondeos y Perforaciones Industriales de Bierzo SA ("SPI"), drilling has now commenced at 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.

Objectives of the drilling campaign

This latest drilling campaign forms part of the Group's Pre-Feasibility Study ("PFS") workstreams initiated at the Toral Project. The first phase of the drill programme will target areas above the 600m level, concentrating on increasing Europa Metals' understanding of the initial four years of potential future production at Toral and thereby building on the results of the independent preliminary economic study announced in November 2020. Core to be recovered and analysed from the drill campaign is expected to contribute to the following specific workstreams:

- Increasing resource delineation to JORC standards - looking to 'fill-in' gaps from historical drills holes within the upper siliceous zone.
- Performing further metallurgical testwork including additional ore sorting analysis within the upper siliceous zone that has demonstrated potential, before utilisation in the mining schedule.
- Advancing geotechnical studies around areas of potential future mine development.

In addition, further to the Company's announcement of 19 October 2020, the current drill programme forms part of the Innovation Partnership with the University of Salamanca and SPI (the "Partnership"), which helped secure the grant award of €466,801.50 to the Company from the Centre for the Development of Industrial Technology (CDTI).

Data from the drilling campaign will be recovered and processed by the Partnership in order to progress the development of a software package that can correct or reduce deviation within diamond drilling operations. Europa Metals looks forward to updating the market on the results from such work to be conducted by the Partnership as algorithm development progresses.

Drilling operations have commenced to schedule but, in light of the worldwide Coronavirus health emergency and the need to prioritise the health and safety of the

Group's employees and consultants, no specific commitments will be made at this time regarding the duration of ongoing and planned additional fieldwork. Europa Metals will announce material work/progress on the achievement of milestones and findings on a timely basis, as appropriate, and looks forward to updating shareholders on other workstreams during the course of 2021.

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

"Today's drilling campaign will build on the operational work completed over the last two years that has seen significant advances in the potential production rate and overall estimated economics for Toral. This initial phase will concentrate on the upper zone of Toral in order to focus on refining the planned design and economics for the early years of the project, which have become an attractive feature of the recent preliminary economic study as a result of a comparatively low level of capex, early mining and breakeven within four years."

For further information on the Company, please visit www.europametals.com or contact:

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Toral flythrough: <https://youtu.be/qLbiyfltXbY>

Presentation with commentary: <http://www.europametals.com/site/content/>

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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.

Toral flythrough: <https://youtu.be/qLbiyfltXbY>

Toral Pb, Zn & Ag Project, Spain: Comparison of 2020 and 2018 Scoping Study Key Parameters

		2020	2018
Resource	Indicated Tonnes	3.8m	-
	Inferred Tonnes	13m	16m
	Total Tonnes	17m	16m
	Av. ZnEq.%	7.3	7.5
	Av. Zn%	4.2	3.9
	Av. Pb%	3	3.1
	Av. Ag g/t	24	24
Mining	Rate tpa	700,000	450,000
	Grade ZnEq%	7.6%	7.5%
	Method	SLOS	Cut&Fill
	Approach	Contractor	Owner
	Cost	US\$36/t	US\$36/t
	LOM	12 years	15 years
Metallurgy	Process	Sorting+Flotation	Flotation
	Recovery (Average)	85% Zn, 87% Pb, 86% Ag	93% Zn, 89% Pb, 80% Ag
	Cost	US\$22/t	US\$25/t
Capex	Mine	US\$86m	US\$46m
	Plant	US\$30m	US\$33m
	Infrastructure	US\$4m	US\$5m
	Other	US\$11m	-
	LOM Capex	US\$131m (Y1-12)	US\$159m (Y1-15)
	Upfront (to production)	US\$79m	US\$94m
Financials	NPV	US\$156m	US\$110m
	IRR	31.3%	24.4%
	Payback Year	4	6