

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



Toral JV Update: Initial US\$1.8m budget agreed with Denarius

Europa Metals, the European focused lead, zinc and silver developer, is pleased to announce that an initial budget for planned expenditure on the Company's wholly-owned Toral Zn-Pb-Ag Project (the "Toral Project" or "Toral"), in the León Province, north-west Spain, of approximately US\$1.8m for a 12 month period has recently been agreed between the Company and its joint-venture ("JV") partner, Denarius Metals Corp. (TSXV:DSL; OTCQB: DNSRF) ("Denarius"). The budget will principally be applied to a combination of confirmatory and infill drilling within the indicated resource block outlined to date at Toral utilising up to two rigs which is scheduled to commence at the end of this month.

Further to the receipt of shareholder approval in respect of the definitive agreements in relation to the JV at a general meeting of the Company held on 30 December 2022, a sum of US\$100k was paid to its wholly-owned Spanish subsidiary, Europa Metals Iberia S.L. ("EMI"), which facilitated the advancement of the planned mining licence application ("MLA"). Following a successful capital raising by Denarius earlier this month, a further US\$550k has recently been advanced to EMI by Denarius to enable timely completion of the planned initial work programme in accordance with the timeframe set out under the definitive JV agreements.

Highlights:

- **Initial Budget:** Budget of US\$1.8m for a 12 month period agreed with JV partner in respect of Toral which will be utilised by EMI for:
 - Up to 7,000m of additional drilling to cover:
 - confirmatory drilling
 - infill drilling on the known indicated resource area
 - Desktop review and preparatory application work on potential additional surrounding permits
 - Resource update
 - Ongoing working capital requirements
- **Mining Licence Application:** Work on the MLA commenced in January 2023 and is now at an advanced stage:
 - Mining methods selected
 - Site location for major facilities and plant site defined
 - Heritage and archeological studies underway
 - Final environmental studies underway

Commenting today, Myles Champion, Executive Chairman and acting CEO of Europa Metals said:

“Denarius recently completed a financing round which has triggered the payment of an additional US\$550k to EMI further to the initial US\$100k received following the approval by Europa Metals’ shareholders of the definitive agreements for the JV late last year.

Accordingly, we can now proceed aggressively with an initial 12 month work programme for Toral alongside the MLA, which will be conducted by the Europa Metals’ team and supervised by Denarius’ technical team. The programme will progress this high-quality base metals project which benefits from the ongoing support of regional governments and local communities.

Europa Metals’ management team also continues to actively identify, evaluate and engage with third parties with respect to its search for suitable additional assets and new project opportunities with the potential to deliver value for all shareholders.”

Work Programme and Mining Licence Application

Following a recent financing round completed by Denarius, US\$550k has been received by EMI in accordance with the terms of the definitive option agreement, further to the initial US\$100k payment received from Denarius following approval of the JV by Europa Metals’ shareholders in late 2022.

The Company and Denarius have now approved an initial US\$1.8m budget and work programme for Toral covering a 12 month period which will incorporate a comprehensive drilling programme and completion and submission of a MLA to the Junta of Castilla y León.

A drill campaign of approximately 7,000m is scheduled to commence by the end of this month with an initial single rig to be augmented with a second rig in April 2023. The programme will focus firstly on confirmatory drilling followed by a series of infill holes designed to corroborate the existing indicated resource estimate. The results will then be applied to commission an updated independent mineral resource estimate later in the year.

A desktop review and preparatory application work for securing potential additional permits close to Toral is underway and will run for the next three to six months to identify and formulate suitable exploration permit applications to be submitted to the Junta of Castilla y León.

Running concurrently, the MLA involves preparation of an in-depth study which commenced in January 2023 following the initial payment from Denarius of US\$100k. The work carried out by Europa Metals over the last 12 to 18 months with regards to resources, hydrogeology, geotechnical measurements, environmental and social studies on Toral has facilitated the rapid advancement of this requisite study.

The location for all future major facilities and associated infrastructure has now been defined which in turn allows for the finalisation of detailed environmental, heritage and archaeological surveys on the specified project area. Finalisation of capital requirements and ongoing cost profiles is underway and will run in conjunction with formulation of a development schedule following the trade-off study completed with regard to potential mining methods. This work is ongoing and is on track to meet internal timelines for submission of the MLA by the Junta’s deadline of 31 July 2023.

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

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JSE Sponsor to Europa Metals



Questco Corporate Advisory Proprietary Limited

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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 as it forms part of United Kingdom domestic law by virtue of the European Union (Withdrawal) Act 2018, as amended by virtue of the Market Abuse (Amendment) (EU Exit) Regulations 2019.