

Europa Metals Ltd
(Incorporated and registered in Australia and registered as
an external company in the Republic of South Africa)
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ISIN: AU0000014342
("Europa Metals", "the Company" or the "Group")



Results for the Half-Year Ended 31 December 2022

Europa Metals, the European focused lead, zinc and silver developer, is pleased to announce its unaudited results for the half-year ended 31 December 2022 (the "Half-Year Financial Report").

Please see below extracts from the Half-Year Financial Report, being the:

- Chairman and Interim-CEO's Statement
- Directors' Report
- Consolidated Statement of Profit or Loss and Other Comprehensive Income
- Consolidated Statement of Financial Position
- Consolidated Statement of Changes in Equity
- Consolidated Statement of Cash Flows

A copy of the full Half-Year Financial Report is available on the Company's website at www.europametals.com and at <https://senspdf.jse.co.za/documents/2023/jse/isse/euze/HY2022.pdf>.

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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.

Key Extracts from the Company's unaudited Half-Year Financial Report are set out below:

Chairman and Interim-CEO's Statement

During the reporting period and subsequently, we have continued with our exploration and development activities to advance our understanding of the Company's wholly-owned Toral lead, zinc and silver project in the Castilla y León region, Spain ("Toral" or the "Toral Project") as a potential future low capex, high margin, base metals mine within the EU benefitting from the ongoing support of regional governments and local communities.

The Company's latest metallurgical testwork programme, undertaken by Wardell Armstrong Ltd ("WAI"), achieved excellent results released in August 2022 on material from both the upper siliceous zone and the lower carbonate zone. Both lead and zinc recoveries to respective concentrates were very positive. The grades achieved for both zinc and lead were better than previous results with the siliceous showing that the upper levels can also produce a high-grade concentrate.

In November 2022, we announced assay results from our targeted 2022 diamond drill resource expansion campaign conducted by "Sondeos y Perforaciones Industriales del Bierzo SA" at Toral. Hole TOD-042 intersected the highest grade mineralisation to be reported by Europa Metals to date for Toral and over a significant width. Both holes TOD-041 and TOD-042, taken in conjunction with nearby previous drilling, provided additional support and confidence for our current resource model and continuity of the high grade nature of the deposit at depth.

On the back of the latest drill campaign results, the Company commissioned an updated independent mineral resource estimate in accordance with JORC (2012) from Addison Mining Services Limited, which yielded a 19% increase in the Indicated mineral resource and a 14% increase in grade. This positive result will enable our project team to utilise a substantial tonnage of independently reported Indicated resources in the mine plan for the forthcoming mining licence application ("MLA") scheduled to be submitted by 31 July 2023 to the Junta of Castilla y León.

In late November 2022, we were also delighted to announce the signing of a definitive option agreement with Denarius Metals Corp. (TSXV: DSLV, OTCQB: DNRSF) ("Denarius"). Pursuant to such agreement, which was approved by the Company's shareholders at a general meeting held on 30 December 2022, Denarius has the right to acquire up to 80 per cent. ownership in the Company's wholly owned Spanish subsidiary, Europa Metals Iberia S.L. ("EMI"), which holds the Toral Project, in return for funding and certain expenditure on the project and certain consideration of up to, in aggregate, US\$6,000,000 over a four year period.

Most recently, on 22 March 2023, the Company announced that an initial budget for planned expenditure on Toral of approximately US\$1.8m had been agreed with Denarius for a 12 month period and confirmed that, in aggregate, an initial sum of US\$650k had been received from Denarius to facilitate our planned MLA and enable timely completion of the planned initial work programme.

As well as progressing our flagship project, our team has continued to actively identify, evaluate and engage with third parties with respect to our search for suitable additional assets and new project opportunities with the potential to deliver value for all of our stakeholders.

Myles Campion

Executive Chairman and Interim-CEO

31 March 2023

Directors' Report

Review and results of operations

Europa Metals is a European focused lead, zinc and silver developer.

Operating Results

For the half-year from 1 July 2022 to 31 December 2022, the Group recorded a net loss after tax of A\$1,220,449 (1 July 2021 to 31 December 2021: net loss of A\$1,357,379).

Toral Lead-Zinc-Silver Project, Spain ("Torale" or the "Torale Project")

The Torale Project is situated in northwest Spain in a world class mining jurisdiction which provides the opportunity to create new mines within well established environmental and mining frameworks and with access to first class power and transport infrastructure. Torale represents a limestone hosted, structurally controlled deposit with the Pb, Zn, Ag mineralisation situated within the limestone close to the boundary between footwall slates and hanging wall limestones and dolomites. The mineralisation occurs as semi-massive vein, breccia and carbonate replacement styles of mineralisation.

Currently, the Company is progressing Torale towards potential mine development with a mining licence application due for submission by 31 July 2023.

The Torale deposit currently has a JORC (2012) compliant indicated mineral resource estimate of approximately **7Mt @ 8.1% Zn Equivalent** (including Pb credits), 5% Zn, 3.7% Pb and 29g/t Ag, containing approximately 349,000 tonnes of zinc, 260,000 tonnes of lead and 6.6 million ounces of silver. This is contained within a total mineral resource of **20Mt @ 6.8% Zn Equivalent** (including Pb credits), 4.4% Zn, 2.8% Pb and 23 g/t Ag.

During the reporting period, Europa Metals was pleased to announce the signing of a definitive option agreement with Canadian explorer and mine developer Denarius Metals Corp (TSXV:DSLIV; OTCQB: DNSRF) ("Denarius") whereby Denarius will spend US\$4m to earn a 51% stake in Europa Metals Iberia S.L. ("EMI"), Europa Metals' wholly-owned Spanish subsidiary and owner of the Torale Project.

During the reporting period, Europa Metals' team has completed several important work programmes to enhance our understanding of Torale, namely:

- completion of metallurgical testwork in conjunction with the completed ore-sorting programme;
- a targeted resource drilling campaign with the highest grade drill results to date; and
- publication of an independent updated JORC (2012) mineral resource estimate.

Updated Mineral Resource Estimate

On 30 November 2022, the Company announced an updated independent mineral resource estimate ("MRE"), for Torale. The updated MRE showed a 19% increase in the Indicated Mineral resource tonnes and a 14% increase in grade. In summary, the updated MRE represented an approximate:

- 19% increase in Indicated Mineral 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.

Image 1: 3-D Block Model looking North can be viewed at the following link:

<https://senspdf.jse.co.za/documents/2023/jse/isse/euze/HY2022.pdf>.

Metallurgical work programme

On 4 August 2022, the Company announced further highly encouraging results from its comprehensive metallurgical testwork programme, summarised as follows:

- Metallurgical testwork results received from Wardell Armstrong International Ltd (“WAI”) in respect of locked cycle flotation tests (“LCT”) on products from an ore sorted bulk siliceous sample:
 - Concentrate Grades 56.6% Zinc 69.6% Lead
 - Overall recovery (Sort & Float) 78.6% Zinc 80.7% Lead
- Metallurgical results received for LCT from WAI on a further two carbonate samples from:
 - Hole TOD-025D:
 - Concentrate Grades 57.4% Zinc 75.2% Lead
 - Overall recovery (Sort & Float) 81.4% Zinc 94.4% Lead
 - Hole TOD-028:
 - Concentrate Grades 60.3% Zinc 64.1% Lead
 - Overall recovery (Sort & Float) 84.0% Zinc 87.3% Lead

Ore sorting process

Samples from Ore Sorting undertaken by Tomra GmbH, were submitted to WAI earlier in 2022. The samples tested were a bulk sample of siliceous style mineralisation and two borehole composites of carbonate style mineralisation. The siliceous sample was a composite of intersections from boreholes TOD-029, TOD-029D, TOD-029D2, TOD-029D3, TOD-034 and TOD-034D (a total of 701.09 kg). The carbonate samples were taken from boreholes TOD-025D and TOD-028 (96.36 kg and 50.7 kg respectively).

The ore sorting results announced previously by the Company in March 2022 were as follows:

Siliceous bulk sample

- Recovery of 95.7% Pb and 94.3% Zn metal
- 43.7% mass rejection of waste

Carbonate composite from hole TOD-025D

- Recovery of 98.9% Pb and 94.7% Zn metal
- 46.8% mass rejection of waste

Carbonate composite from hole TOD-028

- Recovery of 96.6% Pb and 96.1% Zn metal
- 47.7% mass rejection of waste

The sorter products were the subject of a recently completed campaign of locked cycle flotation with the metallurgical results received from WAI comprising:

- Siliceous bulk sample
 - Flotation Recoveries 83.4% Zinc 84.3% Lead
 - Flotation Concentrate Grades 56.6% Zinc 69.6% Lead
 - Overall recovery (Sort & Float) 78.6% Zinc 80.7% Lead
- Carbonate sample from hole TOD-025D
 - Flotation Recovery 85.9% Zinc 95.4% Lead
 - Flotation Concentrate Grades 57.4% Zinc 75.2% Lead
 - Overall recovery (Sort & Float) 81.4% Zinc 94.4% Lead
- Carbonate sample from hole TOD-028
 - Flotation Recovery 87.4% Zinc 90.3% Lead
 - Flotation Concentrate Grades 60.3% Zinc 64.1% Lead

- Overall recovery (Sort & Float) 84.0% Zinc 87.3% Lead

Comparison with the 2019 locked cycle flotation tests on carbonate drill core

Locked cycle flotation tests simulate a full-scale plant flowsheet. Each test at WAI’s facilities was conducted in a series of six cycles using the flowsheet shown in Figure 1 below. For the second and subsequent cycles, lead and zinc cleaner tailings products were combined with the feed to the previous stage of flotation. For example, lead second cleaner tails were returned to first cleaner feed. The final concentrates, zinc scavenger tailings and zinc rougher tailings from the final two cycles, were weighed and sent for independent analysis. The results were then used to calculate recovery and concentrate grades.

Figure 1: Locked Cycle Test Flowsheet can be viewed on the following link:
<https://senspdf.jse.co.za/documents/2023/jse/isse/euze/HY2022.pdf>.

Results of the 2019 and 2022 testwork programmes are summarised in Table 1 below. These results indicate that Toral could clearly achieve excellent concentrate grades.

Table 1: Summarised Results of the 2019 and 2022 Testwork
 (Note: recovery and concentration data are from the original feed)

Test	Lead Concentrate			Zinc Concentrate		
	Lead Recovery (%)	CR	Conc (% Pb)	Zinc Recovery (%)	CR	Conc (% Zn)
2019 Carbonate LCT1 Float	84.3	39.4	57.5	70.7	29.8	55.8
2019 Carbonate LCT2 Float	83.7	34.9	60.0	77.0	24.9	59.1
2022 Carbonate 025D Sort + Float	94.4	18.8	75.2	81.4	42.3	57.4
2022 Carbonate 028 Sort + Float	87.3	51.4	64.1	84.0	24.0	60.3
2022 Silicate Sort + Float	80.7	59.7	69.6	78.6	52.9	56.6

Ore sorting and froth flotation are processes that concentrate and recover metal values. The concentration ratio (“CR”) is defined as the weight of feed divided by the weight of concentrate. Performance of an individual test can be judged in terms of recovery and CR. For an operating plant, daily results for recovery and CR continually vary. However, the results generally form a trend when plotted on axes of recovery versus CR. The same type of plot can be useful in comparing locked cycle test results.

Figure 2: Zinc Recovery vs Concentration Ratio Plot of LCT Results can be viewed at the following link: <https://senspdf.jse.co.za/documents/2023/jse/isse/euze/HY2022.pdf>.

Overall results for zinc recovery (for 2022, sort & float and for 2019, just float) are shown in Figure 2. At any given CR, higher recovery indicates improved performance, and figure 2 illustrates that the combined sort plus float procedure has given better performance than flotation alone for the zinc concentrate.

In respect of the 2022 results, the best estimate of zinc recovery is the trendline shown in Figure 2, which is “a least squares fit” for the three different testwork data points. This line intersects the recovery axis at 89.7%.

This intercept incorporates for zinc metal losses during the sorting process of 3.9% and also a recovery loss during the flotation process of a further 6.4% of zinc to lead concentrate.

The equation of the trend line is as follows:

$$\text{Recovery \%} = 89.7 - (0.21 * \text{CR})$$

In practice, when a full-scale plant and concentrator are in operation the aim is to produce a saleable zinc concentrate grade of approximately 55% to 60% Zn. To achieve this target concentrate grade, the required concentration ratio (and achievable recovery) depends mainly on the headgrade from the deposit.

At Toral, the average resource grade (October 2021 Resource Estimate, @ 4% Zn equivalent cut off) is 3.9% zinc, such that a future potential processing plant could operate at a CR of 17 to zinc concentrate, which would achieve a zinc recovery of 86.1% and a concentrate grade of 57.1% zinc.

An approximate estimate of the zinc recovery improvement resulting from sorting can be made from Figure 2. Projecting the two points from the 2019 testwork back to a CR of 17 and then comparing with the best estimate of recovery trendline indicates a recovery improvement of approximately 4 percentage points.

Figure 3: Lead Recovery vs Concentration Ratio Plot of LCT Results can be viewed at the following link: <https://senspdf.jse.co.za/documents/2023/jse/isse/euze/HY2022.pdf>.

Overall results for lead recovery (for 2022, sort & float and for 2019, just float) are shown in Figure 3, with the combined sort plus float procedure again giving better performance than flotation alone.

In respect of the 2022 results, the best estimate of lead recovery is the trendline shown in Figure 3, which is “a least squares fit” for the three testwork data points, intersecting the recovery axis at 97.4%. This intercept allows for the average loss of lead during sorting of 2.6% and the equation of the trend line is as follows:

$$\text{Recovery \%} = 97.4 - (0.24 * \text{CR})$$

In practice, a concentrator would seek to produce a saleable lead concentrate grade of approximately 70% lead. The average resource grade at Toral (October 2021 Resource Estimate) is 2.7% lead, such that a CR of 29 to lead concentrate would be required to achieve a lead recovery of 90.4% and a concentrate grade of 70.8% lead.

An approximate estimate of the lead recovery improvement resulting from sorting can be made from Figure 2. Projecting the two points from the 2019 testwork back to a CR of 29 and then comparing with the best estimate of recovery trendline indicates a recovery improvement of approximately 3 percentage points.

In summary, the Europa Metals’ team believes that ore sorting followed by flotation has significant cost, performance and operational advantages compared with flotation alone.

The Company will now consider how best to utilise ore sorter rejects and flotation tailings. These waste products will be valuable as potential cemented aggregate backfill and paste fill for underground mining operations. Some tailings products could also be used as landfill for reclamation of an existing quarry.

Analysis of Final Concentrates Produced in the 2022 Locked Cycle Testwork

Final zinc and lead concentrates from the 2022 testwork were sent for detailed chemical analyses. The analyses for commonly applied penalty elements are shown in Table 2 below. The concentrates were generally below penalty levels except for mercury. High mercury levels are common for Spanish zinc concentrates and local smelters are able to manage such feeds. As an alternative, a future plant at Toral could incorporate a concentrate treatment process in order to reduce the mercury to below penalty levels.

Table 2: Penalty Element Analyses of Concentrates Produced in the 2022 testwork

Concentrate From Testwork	As (ppm)	Bi (ppm)	Cd (ppm)	Fe (%)	Mg (%)	Mn (ppm)	Hg (ppm)	F (ppm)
Siliceous Lead Conc	513	2.6	87	4.32	0.08	80	234	120
Siliceous Zinc Conc	104	0.2	1,325	2.72	0.06	120	2,970	40
Carbonate 025D Lead Conc	80	2.6	60.8	1.04	0.29	60	96	<20
Carbonate 025D Zinc Conc	33	0.1	1,445	1.83	0.28	70	1,745	30
Carbonate 028 Lead Conc	212	7.9	177.5	5.6	0.17	60	197	30
Carbonate 028 Zinc Conc	16	0.1	1,635	1.75	0.08	50	1,085	20
Penalty Level for Zinc Conc	2,000	200	2,500	8%	0.18 %	5,000	50	200

Drilling Results

In November 2022, the Company announced the completion of its latest diamond drilling programme. The drilling campaign aimed to expand on the pre-existing indicated resource envelope of 5.9Mt @ 7.1% ZnEq (including Pb credits) and 27 g/t Ag at depth. Hole TOD-042 intersected the highest grade mineralisation to be reported by Europa Metals to date at Toral and over a significant width. The two holes (TOD-041 and TOD-042) taken in conjunction with nearby previous drilling provided both support and confidence to our current resource model and the continuity of the high grade nature of the deposit at depth.

The drilling parameters for the assay results reported for hole TOD-042 are presented in the table below:

HOLE_ID	EASTING	NORTHING	ELEVATION	LENGTH	COORD_SYS
TOD-042	681864	4710064	601.473	876.5	ETRS89utm29

Hole TOD-042 was drilled with a PQ-HQ-NQ diameter, with half of the core being sent for independent analysis at ALS Laboratories. The assay results received are set out in the table below:

Hole_ID	From	To	Interval (m)	Zn_%	Pb_%	Ag_ppm	Cu_%	ZnEq(PbAg)%*
TOD-042	866.35	871.6	5.25	17.87	4.46	55.69	0.03	23.24
<i>TOD-042 (included)</i>	<i>868.7</i>	<i>871.2</i>	<i>2.50</i>	<i>36.82</i>	<i>5.77</i>	<i>101.01</i>	<i>0.05</i>	<i>44.55</i>

* - ZnEq (PbAg)% is the calculated Zn equivalent incorporating lead and silver credits; $ZnEq (PbAg)\% = Zn + Pb \cdot 0.926 + Ag \cdot 0.019$. 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\$2,680/t, Pb price of US\$2,100/t and Ag price of US\$16.2/oz.

Significant Zn Eq intercepts were generated using a 1% Zn Eq trigger value, minimum width of 1m, maximum consecutive waste interval of 1m and minimum average Zn Eq grade >2%.

The image can be viewed at the following link: <https://senspdf.jse.co.za/documents/2023/jse/isse/euze/HY2022.pdf>.

The cross section image above illustrates the positioning of hole TOD-042. The high grade nature of the intersection is consistent with our current resource model and provides further support for extending the known estimated indicated resource at that depth.

CDTI Loan Funding

On 19 October 2020, the Company announced that following an extensive submission process, an interest-free loan by way of a grant of €466,801.50 (the "Grant") had been awarded to the Company by the Centre for the Development of Industrial Technology ("CDTI") for use towards research and development ("R&D") at Toral.

The CDTI 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 is categorised as a partly refundable loan (with a nil per cent. interest rate) with the funds received 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 by Europa Metals and the AIR Institute, linked to the Salamanca University, in conjunction with drilling contractors Sondeos y Perforaciones Industriales de Bierzo SA ("SPI").

The Grant monies are drawable in up to three tranches, with the prior agreement of the CDTI, with the initial tranche, comprising an amount of €163,380 (A\$261,872), received by the Company towards the end of 2020. The second tranche of €158,629 (A\$241,554) was received during the previous reporting period. The Company has submitted a request to drawdown the remaining third tranche, and awaits approval. The core objectives of the Innovation Programme were to retrieve and process data from Toral's drilling campaigns in order to develop algorithmic software for use in exploration campaigns to correct drilling deviation. Biannual repayments of €21,822 (A\$33,230) begin in 2024, running for 7 years until 2031, with a fixed interest rate of nil per cent.

Accordingly, on 8 November 2021, the Company announced that the CDTI had approved the requisite work documentation submitted in relation to the Stage 1 milestone and that the Company had therefore drawn down and received the second tranche of the Grant being €158,629 (A\$241,554).

Stage 2 involved Toral continuing to be used as a live testing environment by the partnership as the University of Salamanca continued its analysis and any future commercial benefit from an eventual product will be shared by the partners. The Stage 2 work was completed post the reporting period end such that the third, and final, tranche of €144,792 (A\$220,483) should be made available for draw down following a review by the CDTI and its confirmation that the requisite criteria of the innovation programme have been met.

Once the funds advanced 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.

Corporate

Definitive Agreement with Denarius Metals Corp. (“Denarius”)

On 23 November 2022, the Company announced that, further to its announcement of 5 October 2022, it had entered into a definitive option agreement (the “Option Agreement”) with Denarius.

Pursuant to the Option Agreement, conditional on, *inter alia*, the approval of Europa Metals' shareholders (which was obtained at a general meeting held on 30 December 2022), Denarius has the right to acquire in two stages up to an 80 per cent. ownership interest in the Company's wholly owned Spanish subsidiary, EMI, which holds the Toral Project.

Key Terms of the Definitive Agreement

The agreement involved the formation of a joint venture via EMI between Denarius and Europa Metals for the development of Toral, which covers both the project's existing and any expanded investigation permit area and potentially the adjacent historic Antonina Mine area, the former licence for which is currently terminated by the Junta de Castilla y León (the “Junta”). In return for funding certain expenditure on the project and consideration of up to, in aggregate, US\$6,000,000, Denarius will be afforded the exclusive right to acquire up to an 80 per cent. interest in the Toral Project by way of a two-stage option arrangement.

Subsequent to Europa Metals' shareholders approving the transaction an initial US\$100,000 payment became due to the Company which is included in receivables as at 31 December 2022. This payment was subsequently received in January 2023.

Capital Raising

On 8 August 2022, the Company issued 906,265 shares at a blended issue price of approximately 3.64 pence per share to settle deferred/accrued remuneration for certain of the Company's directors totalling A\$58,420.

On 23 November 2022, the Company announced that it had conditionally raised, in aggregate, gross proceeds of £0.58 million (A\$1.03 million) through the subscription of 12,888,888 new ordinary shares by certain institutional and other investors at a price of 4.5 pence per share (the “Subscription”). The Subscription price represented a 60.7 per cent premium to the then last traded price of the Company's shares on AIM.

Shareholder Meetings

On 30 November 2022, the Company held its Annual General Meeting whereby all resolutions were duly approved by shareholders by way of a poll.

On 30 December 2022, the Company held a General Meeting whereby a resolution in respect of the grant of a two stage option for the disposal of a majority interest in the Toral Project to Denarius was duly approved by shareholders by way of a poll.

Events subsequent to the reporting date

On 24 January 2023, the Company announced, further to its announcement of 26 January 2022, the conversion by certain of its directors of an aggregate amount of £42,880 (A\$62,702) of deferred/accrued remuneration for the six month period ended 31 December 2022 into new ordinary shares of no par value in the capital of the Company (the "Fee Conversions"). Pursuant to the Fee Conversions, the Company issued, in aggregate, 1,245,988 new ordinary shares at a blended issue price of approximately 3.44 pence per share.

On 24 January 2023, the Company also announced that it had issued, in aggregate, 2,000,000 options exercisable in three tranches to two of the Company's Directors, Daniel Smith and Myles Campion (or their nominees). In addition, a total of 3,500,000 performance rights ("Performance Rights") were issued to Myles Campion and Daniel Smith. The Performance Rights are exercisable for nil consideration and are subject to various performance milestone conditions and expiry dates relating to specific share-price hurdles and the continued development of Toral.

On 22 March 2023, the Company announced that an initial budget for planned expenditure on the Toral Project of approximately US\$1.8m for a 12 month period had recently been agreed between the Company and its joint venture ("JV") partner, Denarius. The budget will principally be applied to a combination of confirmatory and infill drilling utilising up to two rigs. In addition, further to the receipt of shareholder approval in respect of the definitive option agreement in relation to the JV at a general meeting of the Company held on 30 December 2022, a sum of US\$100,000 had been paid to EMI, which had facilitated the advancement of the planned mining licence application. Following a successful capital raising by Denarius earlier in March 2023, a further US\$550,000 had 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 agreement.

No other matters or circumstances have arisen since the reporting date that may significantly affect the operations of the Company, the results of those operations, or the Company's state of affairs in future financial years.

Daniel Smith

Director

31 March 2023

**Consolidated Statement of Profit or Loss and Other Comprehensive Income
for the half-year ended 31 December 2022**

	Note	6 months to 31 December 2022 \$	6 months to 31 December 2021 \$
Revenue from continuing operations			
Other Income	2	177,279	-
		177,279	-
Exploration expenditure		(853,355)	(711,643)
Foreign exchange (loss)/gain		(7,553)	22,477
Other expenses	2	(536,820)	(668,213)
Loss before income tax		(1,220,449)	(1,357,379)
Income tax (expense)/benefit		-	-
Net loss after income tax		(1,220,449)	(1,357,379)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Net exchange (loss)/gain on translation of foreign operation		34,859	8,844
Other comprehensive (loss)/profit for the period, net of tax		34,859	8,844
Total comprehensive loss for the period		(1,185,590)	(1,348,535)
Net (loss) for the period attributable to shareholders of the Company:		(1,220,449)	(1,357,379)
		(1,220,449)	(1,357,379)
Total comprehensive (loss) for the period attributable to shareholders of the Company:		(1,185,590)	(1,348,535)
		(1,185,590)	(1,348,535)
(Loss) per share attributable to the ordinary equity holders of the Company			
Loss per share		Cents per share	Cents per share
- basic (loss) per share		(1.48)	(2.31)
- diluted (loss) per share		(1.48)	(2.31)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes in the full Half-Year Financial Report.

Consolidated Statement of Financial Position as at 31 December 2022

	Note	31 December 2022 \$	30 June 2022 \$
Current Assets			
Cash and short-term deposits		1,451,312	1,650,056
Trade and other receivables	3	418,356	85,420
Total Current Assets		1,869,668	1,735,476
Non-current Assets			
Plant and equipment		37,270	46,877
Other receivables		-	63,018
Right of use assets		42,292	42,292
Capitalised exploration	4	1,268,953	1,229,196
Total Non-current Assets		1,348,515	1,381,383
Total Assets		3,218,183	3,116,859
Current Liabilities			
Trade and other payables		348,581	139,119
Lease liabilities		22,796	22,796
Unearned income		-	20,937
Total Current Liabilities		371,377	182,852
Non-current Liabilities			
Lease liability		1,462	12,507
Borrowings	5	205,216	186,925
Total Non-current Liabilities		206,678	199,432
Total Liabilities		578,055	382,284
NET ASSETS		2,640,128	2,734,575
Equity			
Contributed equity	6	49,316,155	48,227,649
Accumulated losses		(50,064,122)	(48,843,673)
Reserves		3,388,095	3,350,599
TOTAL EQUITY		2,640,128	2,734,575

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes in the full Half-Year Financial Report.

Consolidated Statement of Changes in Equity for the half-year ended 31 December 2022

	Issued Capital \$	Accumulated Losses \$	Employee Share Incentive Reserve \$	Option Reserve \$	Foreign Exchange Reserve \$	Total Equity \$
At 1 July 2021	45,695,303	(46,380,604)	491,577	2,520,528	102,048	2,428,852
(Loss) for the period	-	(1,357,379)	-	-	-	(1,357,379)
Other comprehensive income (net of tax)	-	-	-	-	8,844	8,844
Total comprehensive loss (net of tax)	-	(1,357,379)	-	-	8,844	(1,348,535)
Transaction with owners in their capacity as owners						
Shares issued net of transaction costs	2,532,346	-	-	-	-	2,532,346
Options issued to directors and management	-	-	-	28,848	-	28,848
Options issued to brokers and corporate advisers	-	-	-	154,314	-	154,314
At 31 December 2021	48,227,649	(47,737,983)	491,577	2,703,690	110,892	3,795,825
At 1 July 2022	48,227,649	(48,843,673)	567,997	2,720,044	62,558	2,734,575
(Loss) for the period	-	(1,220,449)	-	-	-	(1,220,449)
Other comprehensive income (net of tax)	-	-	-	-	34,859	34,859
Total comprehensive loss (net of tax)	-	(1,220,449)	-	-	34,859	(1,185,590)
Transaction with owners in their capacity as owners						
Shares issued net of transaction costs	1,033,155	-	-	-	-	1,033,155
Shares issued to management	55,351	-	(76,420)	-	-	(21,069)
Shares to be issued	-	-	62,702	-	-	62,702
Options issued to directors and management	-	-	-	16,355	-	16,355
At 31 December 2022	49,316,155	(50,064,122)	554,279	2,736,399	97,417	2,640,128

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes in the full Half-Year Financial Report.

Consolidated Statement of Cash Flows for the half-year ended 31 December 2022

	6 months to 31 December 2022	6 months to 31 December 2021
	\$	\$
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Cash flows from operating activities		
Payments to suppliers and employees	(399,487)	(567,590)
Payment for exploration and evaluation costs	(822,588)	(890,067)
Net cash flows used in operating activities	(1,222,075)	(1,457,657)
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Cash flows from investing activities		
Payments for plant and equipment	-	(616)
Net cash flows used in investing activities	-	(616)
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Cash flows from financing activities		
Lease principal repayments	(16,601)	(12,853)
Proceeds from issue of shares	1,033,155	2,760,272
Costs of capital raising	-	(138,369)
Proceeds from borrowings	-	251,705
Net cash flows from financing activities	1,016,554	2,860,755
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Net increase / (decrease) in cash and cash equivalents	(205,521)	1,402,482
Cash and cash equivalents at beginning of period	1,650,056	1,180,768
Effect of foreign exchange on cash and cash equivalents	6,777	(58,220)
Cash and cash equivalents at end of the period	1,451,312	2,525,030
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The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes in the full Half-Year Financial Report.

Short-form announcement

This short-form announcement is the responsibility of the Directors of the Company and is a summary of the information in the full announcement and does not contain full or complete details. The full announcement may be downloaded from:

<https://senspdf.jse.co.za/documents/2023/jse/isse/euze/HY2022.pdf>

or from the Company's website at www.europametals.com

Any investment decision by investors and/or shareholders should be based on consideration of the full announcement. Copies may be requested from the Company and the Johannesburg office of the Company's JSE Sponsor at no charge during business hours for a period of 30 calendar days following the date of this announcement.

On behalf of the Board

United Kingdom
31 March 2023

JSE Sponsor to Europa Metals
Questco Corporate Advisory Proprietary Limited