



Europa Metals Ltd
(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 AIM: EUZ
Share code on the JSE: EUZ
ISIN: AU00000014342
("Europa Metals", "the Company" or the "Group")



Notice of General Meeting

Europa Metals Ltd, ("Europa" or the "Company") the European focused lead, zinc and silver developer, announces that it will hold a General Meeting ("GM") of its Shareholders at 10.00 a.m. (UK time) on Friday, 25 October 2024.

Further to the Company's announcement of 17 September 2024, the resolution to be considered at the GM seeks Shareholder approval for the sale of a 100% interest in the Company's wholly-owned subsidiary, EMI, to Denarius Metals Corp.

The Notice and the accompanying Explanatory Statement are being posted to Shareholders (where required), and the Explanatory Statement is set out in full at the end of this announcement and should be read by Shareholders in its entirety. In addition, the Notice can be viewed and downloaded from the Company's website via the following link: <http://www.europametals.com/site/aim-rule-261/shareholder-communication>

Defined terms used in this announcement have the same meanings as those ascribed to them in the Notice and/or Explanatory Statement unless the context requires otherwise.

In the year to 30 June 2023, EMI reported a loss of A\$ 3,221,565 and had no revenue. The Proposed Transaction will result in the disposal of EMI which is currently accounted for as an investment in an associate (and therefore is not recognised on the Company's balance sheet at 30 June 2023. The investment is carried at NIL as at 30 June 2023 as the EMI accounts (adjusted for EUR group reporting) report a net liability and net loss position.

South African shareholders are advised that the record date to participate and vote at the GM is Wednesday, 23 October 2024 and the last day to trade to participate and vote at the GM is Friday, 18 October 2024. The record date to receive the Notice is Friday, 27 September 2024.

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

Europa Metals Ltd

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United Kingdom
1 October 2024

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.

Nominated Adviser

Beaumont Cornish Limited ("Beaumont Cornish") is the Company's Nominated Adviser and is authorised and regulated by the FCA. Beaumont Cornish's responsibilities as the Company's Nominated Adviser, including a responsibility to advise and guide the Company on its responsibilities under the AIM Rules for Companies and AIM Rules for Nominated Advisers, are owed solely to the London Stock Exchange. Beaumont Cornish is not acting for and will not be responsible to any other persons for providing protections afforded to customers of Beaumont Cornish nor for advising them in relation to the proposed arrangements described in this announcement or any matter referred to in it.

EXPLANATORY STATEMENT TO SHAREHOLDERS

INTRODUCTION

This Explanatory Statement has been prepared for the information of Shareholders in connection with the Resolution to be considered at the General Meeting of the Shareholders of Europa Metals Ltd to be held at 11.00 a.m. (UK time) / 7.00 p.m. (AWST) on Friday, 25 October 2024 at the offices of Reynolds Porter Chamberlain LLP, Tower Bridge House, St Katharine's Way, London E1W 1AA.

This Explanatory Statement should be read in conjunction with the accompanying Notice of Meeting.

The purpose of this Explanatory Statement is to provide information that the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolution set out in the Notice.

1. RESOLUTION 1: APPROVAL OF THE PROPOSED TRANSACTION WITH DENARIUS

1.1 Background

On 23 November 2022, Europa Metals entered into a definitive option agreement (the "Toral Definitive Agreement") with Denarius pursuant to which Europa granted two options to Denarius to acquire collectively up to an 80% ownership interest in Europa Metals Iberia S.L. ("EMI"), a wholly-owned Spanish subsidiary of Europa which holds the Toral Zn-Pb-Ag Project in the Leon Province, Northern Spain. Under the AIM Rules for Companies (the "AIM Rules"), the Toral Definitive Agreement was deemed to constitute a fundamental change of business for the Company that required Shareholder approval, which was obtained on 30 December 2022.

Pursuant to the Toral Definitive Agreement, Denarius was granted an option ("First Option"), exercisable until November 22, 2025 (subject to a 90-day extension in certain circumstances), to subscribe for a 51% equity interest in EMI by:

- (i) spending, as operator, a total of USD\$4,000,000 on the Toral Project over the three-year period,
- (ii) completing a preliminary economic assessment, and
- (iii) completing and submitting a mining license application in respect of the Toral Project to the local mining authority by July 31, 2023 (this has been done).

Under the second option agreement ("Second Option") Denarius had the right to acquire a further 21% ownership interest in EMI (for collectively an 80% ownership interest) by exercising the First Option, completing a NI 43-101 report for the Toral Project and paying the Company US\$2 million.

Upon exercise of the Second Option the Company would hold 20% of EMI and be required to fund its portion of ongoing activities for the Toral Project, failing which it would be diluted based upon the parties' contributions to date and deemed contributions by Denarius of US\$4,000,000 (prior to exercising the Second Option) or US\$6,000,000 (after exercising the Second Option), and by the Company of US\$3,843,137 (prior to the Second Option being exercised) or US\$1,500,000 (after the Second Option being exercised).

Whilst Denarius has been undertaking ongoing work at Toral to satisfy the First Option conditions, as announced on 17 September 2024, Europa has now signed a binding letter of intent ("LOI") with Denarius, who will, subject to shareholder approval, documentation and due diligence to Denarius' satisfaction, acquire 100% of the issued and outstanding shares of EMI (the "Proposed Transaction"). The Board expect that the definitive share purchase agreement will materially reflect the terms of the LOI and that, given Denarius' knowledge of the Toral Project, the due diligence condition should be completed shortly and therefore the Proposed Transaction can complete shortly after the EGM.

1.2 Material terms of the LOI

The Proposed Transaction replaces the Options and involves the sale by Europa of 100% of the issued and outstanding shares of EMI to Denarius in consideration of the issue by Denarius of 7,000,000 common shares at a deemed issue price of CAD\$0.50 per share (CAD\$3,500,000) ("Consideration Shares"). The Consideration Shares will be subject to a 4-month holding lock following issuance and will result in the Company holding approximately 8.6% of Denarius' common shares based on Denarius' current ordinary shares on issue.

The Transaction is subject to:

- (i) each of the Company, Europa and EMI receiving all necessary board, shareholder and regulatory approvals, as applicable;
- (ii) the parties negotiating, executing and delivering a definitive share purchase agreement; and
- (iii) completion of all legal, financial, tax and operational due diligence by and to the satisfaction of Denarius.

The closing of the Transaction ("Closing") is expected to occur no later than 31 October, 2024.

The binding LOI is governed by the laws of the Province of Ontario and the federal Laws of Canada.

1.3 Benefits of the Proposed Transaction

The proposed Transaction will provide certainty that Denarius will acquire EMI and give Europa exposure to Denarius' portfolio of projects within Spain and Columbia via the Consideration Shares. Based upon Denarius's last traded price on 25 September 2024, the Consideration Shares have total value of approximately C\$4,550,000. Furthermore, the Consideration Shares provide Europa with a liquid asset that could, should the need arise, be gradually sold to provide funds for the Company.

Additionally, as announced on 17 September 2024, Europa Metals has entered into a conditional Term Sheet regarding the proposed acquisition of Viridian Metals Ireland Limited, ("Viridian"), and its 100% owned Tynagh brownfield Pb/Zn/Cu/Ag project in the Republic of Ireland.

The Tynagh minesite operated as an oxide open pit and laterly as a small sulphide underground operation between 1973 and 1980, where from the open pit they mined secondary oxidised material containing 16-18% combined zinc and lead. This oxidised material and limited processing technology at the time led to poor recovery of the metals resulting in a high grade tailings product.

Today there is a 6.7Mt surface waste Mineral Resource declared in terms of the Canadian Institute of Mining, Metallurgy and Petroleum Definition Standards ("CIM Definition Standards") and reported in an NI 43-101, at the site, plus a possible 3.0mt of non-compliant resources:

- 4.0mt@6.1% combined Zn+Pb, 1.4 Oz/t Ag (44g/t Ag), 18.95% BaO
- 2.7mt@1.7% combined Zn+Pb, 0.4 Oz/t Ag (13g/t Ag), 9.5% BaO

Viridian understands that the prior operators had realised that much of the original metal content would be in the tailings and that re-treatment may be possible, and carefully stored and segregated the material with this in mind. The metal content in the tailing's facility is an equivalent grade to what is being mined underground elsewhere today. The Proposed Transaction will allow the Company to focus on the Tynagh project and receive the Consideration Shares, rather than (assuming Denarius exercises the Options, which is not certain) receive US\$2m and either fund its interest in ongoing activities at the Toral Zn-Pb-Ag Project or be diluted.

Should the Proposed Transaction be approved by Shareholders and it completes, pursuant to AIM Rule 15, the Company will become an 'AIM Rule 15 cash shell' and, as such, will have six months from completion to make an acquisition or acquisitions which constitute a reverse takeover under AIM Rule 14 after which the Shares would be suspended.

1.4 Consequences if Shareholders do not approve the Proposed Transaction

If Shareholders do not approve the Proposed Transaction, or it does otherwise does not complete, the Company will retain its existing interest in the Toral project, subject to Denarius' rights and obligations under the Options. This may, depending upon whether Denarius exercises the Options, and in any event following the Second Option being exercised, require the Company to contribute to ongoing exploration and development of the Toral Project, failing which the Company's interest in the project will be diluted.

Given the Company's share price whilst it held the Toral Project, the Company may not be able to raise funds to continue exploration or any such raising may be unduly dilutive to Shareholders.

1.5 AIM Rules for Companies

In accordance with AIM Rule 15, the Proposed Transaction is deemed to constitute a fundamental change of business for the Company and therefore requires the approval of shareholders at a duly convened general meeting.

If Resolution 1 is duly approved by the Company's Shareholders, the Proposed Transaction will proceed subject to the satisfaction of any conditions outstanding at that time.

If Resolution 1 is not approved by the Company's Shareholders, the Proposed Transaction will not proceed and the joint venture, via EMI, between Denarius and Europa Metals for the development of Toral will continue.

In the year to 30 June 2023, EMI reported a loss of A\$ 3,221,565 and had no revenue. The Proposed Transaction will result in the disposal of EMI which is currently accounted for as an investment in an associate (and therefore is not recognised on the Company's balance sheet at 30 June 2023). The investment is carried at NIL as at 30 June 2023 as the EMI accounts (adjusted for EUR group reporting) report a net liability and net loss position.

1.6 Directors' recommendation

Given the uncertainty as to whether Denarius will exercise the Options and the risk that the Company may be require further funds for Toral Project along with the proposed acquisition of Viridian as referred to herein, the Directors unanimously recommend that Shareholders vote in favour of Resolution 1. This will satisfy a condition to completion of the Proposed Transaction which, if completed, will result in the Company receiving the Consideration Shares.