

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")

Commencement of drilling at the Toral Project

Europa Metals, the European lead-zinc explorer, is pleased to announce that it has commenced diamond drilling at the Toral lead-zinc-silver project ("Toral" or "the Project") located in the Province of Castilla y León, northern Spain.

The first drill hole has a target depth of approximately 750 metres, with the aim of intersecting the higher grade core of the Inferred mineralisation, as defined within the existing JORC (2012) resource estimate.

The proposed purpose of the drilling campaign is to further the Company's understanding of the Project within the context of the Scoping Study completed in December 2018. As announced on 13 May 2019, the primary objectives are to deliver first metallurgical testwork results and increase confidence in the resource estimate for the Project to the Indicated category.

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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.

Notes to Editors

The core objectives of the drilling campaign (May 2019) are as follows:

1. Drill into the higher grade core of the Project, as defined within the existing Inferred JORC (2012) resource;
2. Target high grade areas within the defined resource to further the Company's understanding of the Project, with the aim of increasing confidence in the resource estimate to delineate a portion of the deposit into the Indicated resource category; and
3. Obtain a significant sample for metallurgical testwork by independent consultants to determine the potential Zn, Pb and Ag concentrate composition from Toral. It will provide additional data to assist process plant design and discussions with potential offtake parties.

Rig mobilisation

The Rig and associated operating crew is being supplied by Sondeos y Perforaciones Industriales de Bierzo SA and will be overseen by the Company's on-site exploration team. The campaign will be conducted using a single drilling rig with assays sent for independent analysis on a rolling basis.

Addison Mining Services Limited ("AMS") has been retained to carry out a revised independent resource update in accordance with JORC (2012) once the campaign has been concluded.

Wardell Armstrong LLP has been engaged to conduct the metallurgical testwork from a representative sample taken from the drilling.

Economic highlights from selected development scenario

Estimated economic forecasts for Toral based on the current level of work (+/-30%) from the Scoping Study 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
- 4% Zn Eq cut-off used with potential for mine life extension.

JORC (2012) resource estimate

The study is based on a previously announced JORC (2012) resource estimate comprising 16 million tonnes in the Inferred category, @ 7.5% Zn equivalent (Pb, Ag), 3.9% zinc, 3.1% lead and 24g/t silver equating to 640,000 tonnes of zinc, 510,000 tonnes of lead and 13 million ounces of silver*.

4% Zn Eq (PbAg)%	Tonnes (Millions)	Density g/cm ³	Zn Eq (Pb)%	Zn Eq (PbAg)%	Zn %	Pb %	Ag g/t	Contained Zn Tonnes (000s)	Contained Pb Tonnes (000s)	Ag Troy Oz (Millions)
December 2018 Resource	16	2.8	7	7.5	3.9	3.1	24	640	510	13

*Zn Eq (PbAg)% is the calculated Zn equivalent incorporating silver credits as well as lead; $(Zn\ Eq\ (PbAg)\% = Zn + Pb \cdot 0.96 + Ag \cdot 0.022)$. 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\$2,500/t, Pb price of US\$2,100/t and Ag price of US\$17/oz.

United Kingdom
15 May 2019