

27 July 2018

## **Europa Metals Ltd**

("Europa Metals", the "Company" or the "Group")(ASX, AIM, JSE: EUZ)

### **Placing of £563,516 (gross) for Phase 2 Work Programme - Toral Project, Spain**

Europa Metals, the European lead-zinc explorer, is pleased to announce that it has conditionally raised, in aggregate, approximately £563,516 (before expenses), through a placement of 727,118,650 new ordinary shares of no par value each in the capital of the Company (the "Placing Shares") at an issue price of 0.0775 pence per share (the "Issue Price") (the "Placing"). The Placing was arranged by the Company's joint broker, Turner Pope Investments (TPI) Limited ("Turner Pope"), as agent of the Company, with certain new and existing investors and utilises the Company's existing share capital authorities.

The Placing is conditional on admission of the Placing Shares to trading on AIM and, following admission, the Placing Shares will represent, in aggregate, approximately 13.04 per cent. of the Company's enlarged issued share capital.

### **The Toral Project**

The Company's flagship Toral lead-zinc-silver project is located in the province of León, northern Spain (the "Toral Project" or "Toral") and in close proximity to existing road, power and rail infrastructure in a traditional mining area with direct road access to established third party smelters. Toral has an existing maiden JORC 2012 compliant Inferred Resource Estimate of 16 million tonnes at 6.9% zinc (Zn) equivalent, including lead (Pb) credits, and 25 g/t silver (Ag). Individual grades were 4.0% Zn and 3.3% Pb, with an estimated metal content of 670,000 tonnes Zn, 540,000 tonnes Pb and 13 million troy ounces Ag at a 4.0% equivalent cut-off grade (please refer to the Company's announcements of 30 January 2018 and 6 February 2018 for full details of such resource estimate as well as the various cut-off grades and estimated grade and tonnages at the various cut-off grades).

The current phase 1 work programme underway at the Toral Project is focused on:

- Completion of an initial scoping study including establishing first economic parameters;
- Extension drilling to the east of the main defined ore resource area seeking to identify further mineralisation along strike, with the combination rig and associated operating crew scheduled to be mobilised to site during August 2018; and
- Metallurgical and mineralogical analysis to progress the Company's understanding of likely saleable concentrates from a full future mining operation.

The Company remains on target and on budget to complete all of these phase 1 workflows.

### **Use of Proceeds**

The net proceeds secured from the Placing will be utilised towards funding a planned phase 2 work programme at Toral (leading to the eventual completion of a proposed feasibility study), as well as providing additional general working capital for the Group.

Following the completion of the phase 1 extension drilling, phase 2 activities at Toral will be centred around a new diamond infill drill programme, focused distinctly within the existing inferred ore body. Such additional exploration drilling will target the higher-grade areas of the Toral Project, with the objective of seeking to increase and enhance the Company's

understanding of its existing maiden JORC 2012 compliant resource estimate and complete certain key components required for a planned full feasibility study in due course.

**Commenting today, Myles Campion, Executive/Technical Director of Europa Metals, said:**

*“During our planned phase 2 work programme, we will look to improve our understanding of the higher-grade component of the Toral Project area by completing a limited number of additional holes to provide further information, which will then serve to enhance our further studies going forward.”*

**Laurence Read, Executive Director of Europa Metals, further commented:**

*“Work on our existing phase 1 work programme, encompassing an initial scoping study, metallurgical analysis and extension drilling at Toral, is progressing on schedule. Re-logging of the stored historical core from the most prospective areas of the Toral resource is also fully in train and the findings will be utilised to update and increase confidence in our geological model.*

*“We have secured these additional funds to facilitate the planned phase 2 drilling directly within the higher-grade resource areas, on a cost-effective basis, as soon as the phase 1 extension drilling has been concluded. The phase 2 activities will ultimately lead to the Company concluding a proposed feasibility study on our promising Toral Project.”*

### **Further Details on the Placing**

The Placing Shares will be fully paid and will rank *pari passu* in all respects with the Company's existing ordinary shares. The Issue Price represents a discount of approximately 15.3 per cent. to yesterday's closing mid-market price on AIM of 0.0915 pence per ordinary share (being the latest practicable business day prior to the date of this announcement).

### **Admission to trading**

Application will be made for quotation of the Placing Shares on the Australian Securities Exchange and the JSE Limited, and to the London Stock Exchange plc for admission to trading on AIM with admission expected to become effective and dealings commence on or around 10 August 2018.

Following admission, the total issued ordinary share capital of the Company will comprise 5,576,876,317 ordinary shares.

### **Competent Person's Statement**

*The Toral maiden inferred resource estimate was prepared by Mr J.N. Hogg, MSc, MAIG Principal Geologist for Addison Mining Services Limited (“AMS”), an independent Competent Person within the meaning of the JORC (2012) code and a qualified person under the AIM guidance note for mining and oil & gas companies. The maiden inferred resource estimate was aided by Mr R. J. Siddle, MSc, MAIG Senior Resource Geologist for AMS, under the guidance of the competent person. Mr Hogg has reviewed and verified the technical information that forms the basis of, and has been used in the preparation of, the current mineral resource estimate, including all analytical data, diamond drill hole logs, QA/QC data, density measurements, and sampling, diamond drilling and analytical techniques. Mr Hogg consents to the inclusion in this announcement of the matters based on the information, in the form and context in which it appears. Mr Hogg has also reviewed and approved the technical information in his capacity as a qualified person under the AIM Rules for Companies.*

*Additionally, Mr Hogg confirms that the entity is not aware of any new information or data that materially affects the information contained within the Company's previous announcements referred to herein.*

For further information on the Company, please visit [www.europametals.com](http://www.europametals.com) or contact:

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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.*