

Stock Data

Share Price: 0.03p
Market Cap.: £4.9m
Shares in issue: 16,488.88m

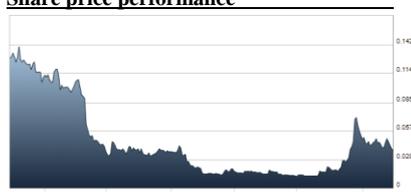
Company Profile

Sector: Mining
Ticker: EUZ.L
Exchange: AIM

Activities

AIM and JSE listed Europa Metals is an exploration company focused on the Toral Pb-Zn-Ag deposit in Spain.

Share price performance



Source: LSE. Note that past performance is not a reliable indicator of future performance.

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TPI acts as joint broker to Europa Resources Limited.

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Europa Metals Limited

Assay results and project update

Europa Metals is an exploration and development company focused on its wholly owned Toral Pb-Zn-Ag project in NW Spain. The Company has recently completed a drill programme with Toral's high-grade core with the aim of collecting a bulk sample for metallurgical testwork as well as increasing confidence in the current JORC (2012) compliant inferred mineral resource estimate of 16Mt grading 3.9% Zn, 3.1% Pb and 24g/t Ag. Best intercepts included 13.1m grading 2.47% Zn Eq (TOD-023) and 6.1m grading 1.06% Zn Eq (TOD-022). Whilst the overall grade was lower than expected an additional mineralised zone was intersected in the hanging wall, 25m above the main contact zone. Drill hole TOD-023D intersected 10.5m grading 2.23% Zn Eq in the hanging wall zone. With these results, Europa's consultants will now be able to upgrade the inferred resource to indicated category. The material collected from TOD-023D will be used for detailed metallurgical tests providing further information on processing, mineralogy and concentrate products. Europa also announced that it has raised, on aggregate, £1m (before expenses). Net proceeds will be used to fund targeted drilling required for a PFS as well as exploratory drilling along strike (to the east) and at depth. Updated resource estimate and met tests will provide key information in order to de-risk the project while also potentially expanding the mineralisation into new areas.

Assay results: new mineralised zone identified

Drill hole TOD-023 intercepted a broad zone of mineralisation in the main contact zone including 13.07m grading 2.47% Zn Eq (Pb & Ag) from 668.43m to 681.50m. Within this wide zone of mineralisation there were higher grade intercepts of up to 2m grading 4.34% Zn Eq from 672.9m to 674.9m. Management has suggested that the lower grade intercepted within the main zone was due to the replacement of Zn and Pb minerals with a late-stage calcite vein. An additional mineralised zone was identified in the hanging wall, 25m above the main contact zone. Assay results revealed elevated copper levels with 0.28m grading 1.83% Cu.

Updated resource: updated estimate in progress

Work has commenced on an updated JORC (2012) resource estimate at Toral and management expects this work to be completed in approximately four weeks. The updated resource model coupled with the metallurgical testwork results will provide key information as the project moves towards a PFS and a potential mining licence application in 2020.

Metallurgical programme: an important catalyst

Core from drill hole TOD-023D and TOD-022 will be used for metallurgical testwork which is scheduled to occur over the next eight weeks. These results will provide critical specifications on any future concentrate product for preliminary marketing discussions with third party concentrate purchasers such as smelters and trading houses.

Valuation: updated base-cased, risk-adjusted value of 0.071p

We have updated our base-case risk-adjusted valuation to account for the additional shares in issue to 0.071p per share from 0.095p per share (see [12 July 2019 report](#)). This is a simple average between our DCF-derived and our peer-based valuations. Despite the lacklustre assay results from TOD-23 within the high-grade zone, we are encouraged with the additional mineralised zone above the main zone. We look forward to the updated resource estimate in the coming weeks as well as the metallurgical testwork results. These are key components that will help de-risk the project moving forwards.

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