

Stock Data

Share Price: 0.025p
Market Cap.: £4.18m
Shares in issue: 16,722m

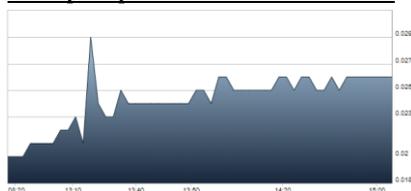
Company Profile

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: [London Stock Exchange website](#).

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

Preliminary met tests confirm saleable levels of concentrate product

Europa Metals is an exploration and development company focused on its wholly owned Toral Pb-Zn-Ag project in northern Spain. The Company has recently received a preliminary independent metallurgical study from mining consultants, Wardell Armstrong. Locked cycle testing confirms saleable concentrate of lead (57.5%), zinc (55.8%) and silver (1.5kg/t). The locked cycle tests also demonstrated good metal recoveries including: 84.3% recovery for lead, 70.7% recovery for zinc and 90.3% recovery for silver. Toral has JORC (2012) compliant resource of 18Mt grading 7.4% Zn Eq. (based on a 4% Zn cut-off grade including Pb credits) and 24g/t Ag, including an Indicated resource of 2.7Mt grading 8.9% Zn Eq. The initial metallurgical testwork will be followed up with a second phase that will focus on improving zinc metal recoveries, potential by-product production and flow sheet optimisation. Management has now completed all the main components required to demonstrate the viability of continued development of the Toral project.

Preliminary Metallurgical testwork

Preliminary metallurgical testwork conducted by Wardell Armstrong LLP tested potential concentrate products and metals processing methods. Whilst the results are encouraging, they represent the preliminary findings from a single test, conducted without any further optimisation of floatation performance under closed circuit conditions.

Second phase of metallurgical testwork for Q1 2020

Based on the preliminary metallurgical tests, management will now proceed with the next phase of metallurgical testwork, following up on the recommendations made by Wardell Armstrong. This second phase is expected to be completed during Q1 2020 and will focus on an increased depression of zinc during lead flotation with the goal of increasing zinc recoveries. In addition, full testing for deleterious elements will be conducted.

Valuation: maintain our base-case, risk-adjusted value of 0.071p

Whilst the preliminary metallurgical testwork is a significant development for Toral with the confirmation of saleable levels of concentrate, we maintain our base case, risk-adjusted value of 0.071p per share. This is a simple average between our DCF-derived and our peer-based valuations. We are encouraged with the initial met test results and note that the project continues to be de-risked through the various development stages. We look forward to the second phase met tests focusing on increasing zinc recoveries, potential for by-product production and an optimised flow sheet as well as full testing for deleterious elements in Q1 2020. These are key components that will help de-risk the project as Toral continues through the development stage.

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