

**Stock Data**

Share Price:	11.00p
Market Cap:	£5.40m
Shares in issue:	49.1m
52 week High/Low	24.00p/1.800p

**Company Profile**

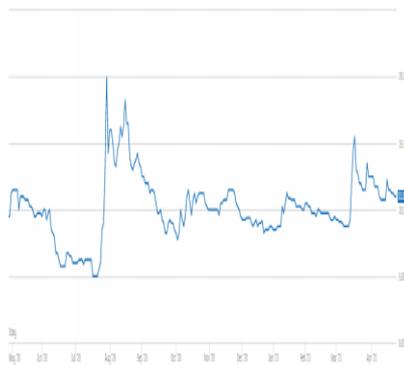
Sector:	Mining
Ticker:	EUZ
Exchange:	AIM

**Activities**

Europa Metals Limited ('Europa', 'EUZ', 'the Company') is an AIM and JSE listed exploration company focused on Europe, specifically Spain.

[www.europametals.com/](http://www.europametals.com/)

**1-year Share price performance**



Source: [LSE](https://www.lse.com)

Past performance is not an indication of future performance.

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## Europa Metals Limited

Europa has today confirmed that three primary holes and four 'daughter holes' for metallurgical sampling have now been completed at its 100%-owned Toral Pb/Zn/Ag project ('Toral', 'the Project') in north-west Spain. With drilling and internal review work remaining on schedule and within budget, first assays from holes TOD-028 and TOD-029 have already been sent for independent laboratory assessment. The objective of the current campaign is to infill known gaps in the resource drilling pattern, centred around the Project's known Indicated resource between the 100 to 800 metre horizon. As such, operations on the ground continue to progress despite ongoing Pandemic complications, which demonstrates the benefit of comprehensive operational planning and a highly experienced on-site team.

### Final assay results now awaited

Following a positive internal inspection of TOD-029, four additional daughter holes were also completed (TOD-029 a-d). Having recovered material similar to the parent holes, this work is expected to meaningfully contribute to further ore-sorting test work in the upper siliceous zone of the deposit and contribute to the Pre-Feasibility Study metallurgical review. Management's continued focus remains on optimising the Project's early years of production, seeking to improve further on the already shortened Year 4 payback period that was determined by Bara Consulting ('Bara') in their November 2020 independent economic study.

Final assay results from the first batch of drilling are now awaited. In addition, TPI also anticipates updates from the Project's hydrogeology programme and geotechnical work. Set against a background of rising commodity prices, Europa continues to add value to the Toral Project which now presents multiple options to crystallise value going forward. With this in mind, TPI has reassessed some of the findings from Bara's November 2020 economic study of the Project. Taking current Zn/Pb/Ag prices, for example, as opposed to the 3-year trailing averages assumed by Bara, LOM total projected revenues increase to US\$1,016 million from US\$963 million previously (as shown overleaf). TPI also considers that the Project has potential to expand beyond its assessed 12-year LOM, recognising that the original drilling programme had terminated at a point when it was still producing highest measured zinc grades with the prospect remaining open at depth and to the east. This, together with the fact that it is located within the EU, where asset security, ESG and supply chain transparency/metals passporting is expected to become increasingly important factors, suggests Toral's value and desirability will continue to increase as it moves towards a final production decision.

### Drilling objectives

Building on the PEA, drilling work within the upper siliceous zone found above the main high-grade body offers potential to unlocking further value in the early years of the mining schedule. Within this, Europa will seek to optimise its exploration opportunity by combining extensive historic data with its current resource model. Core recovered by the drill rig can be expected to contribute to the following workstreams:

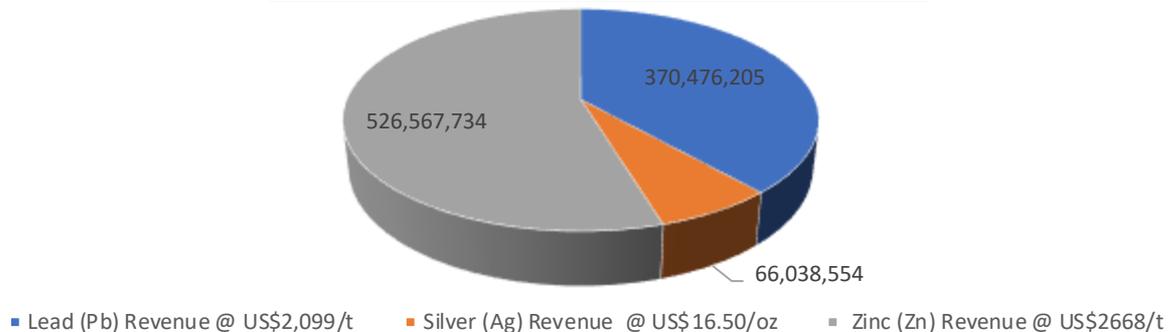
- Increase resource delineation to JORC standards, while looking to 'fill' gaps from historic drills holes within the upper siliceous zone. Utilising the efficient model Europa has demonstrated previously, it will seek to tie together historic areas of influence within the compliant model. It also intends to repeat its multi-

functional approach, looking to take resource, geotech. and metallurgy samples from appropriate holes.

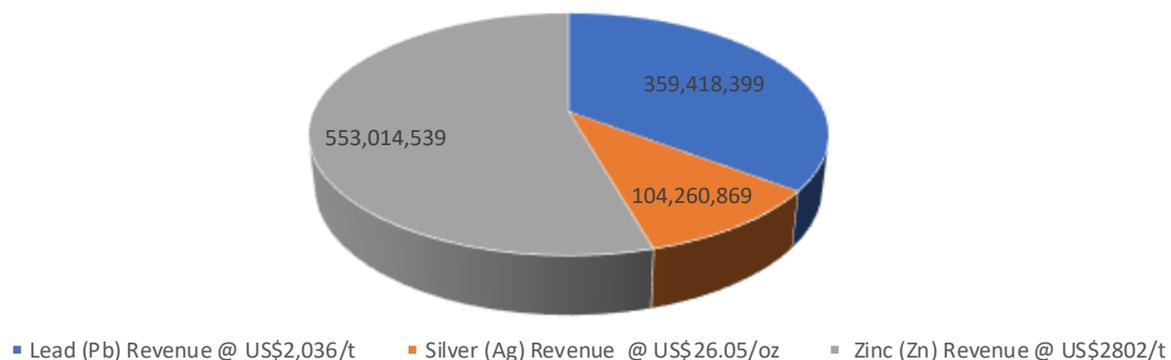
- Further metallurgical testwork, to confirm the suitability of the siliceous ore type, found in the upper levels of the Toral deposit is suitable for X-Ray Transmission ('XRT') ore sorting.
- Increased routine geotechnical studies and logging around areas of mining development with a view to aggregating into a database that will aid further design studies and ultimately demonstrate potential operating efficiencies plus route of the crucial, early years decline ramp into the ore body.

Further to Europa's announcement of 19 October 2020, the current drill programme forms part of the Innovation Partnership with the University of Salamanca and SPI (the 'Partnership'), which helped secure the grant award of €466,801.50 to the Company from the Centre for the Development of Industrial Technology ('CDTI'). Data from the drilling campaign will be recovered and processed by the Partnership in order to progress development of a software package that can correct or reduce deviation within diamond drilling operations.

Bara Scoping Study - November 2020 Toral Project  
Total Projected Revenues = US\$963 million



TPI Restated Bara Study Based on Metal Prices of 27 April 2021  
Total Projected Revenues = US\$1,016 million



Source: Bara, TPI estimates

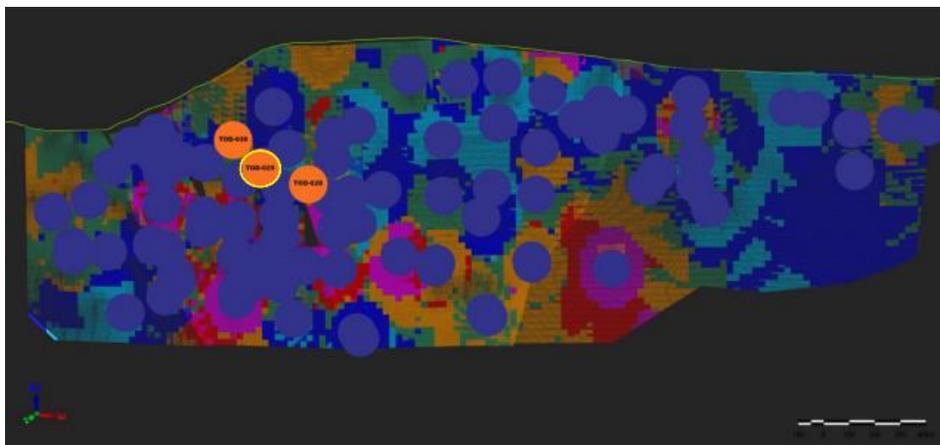
## Base case, risk-adjusted valuation

TPI last updated its valuation for Europa on 19 August 2020, based on the model originally detailed in its Initiation Research of 12 July 2019. Today's news details the latest positive steps being taken by the Toral Project. The advancement of further studies as the PFS takes shape are expected to heighten credibility still further. It also represents positive testament to the operating environment within Castilla y León, which supports viable, sustainable metals projects towards development. Providing licence security combined with attractive economics, pre-existing infrastructure, currently strong metal prices and access to a good local workforce, adequately demonstrates the OECD-based project's 'deliverability' as a 'real mining operation'. Aside from Europa's apparent market valuation disparity that was highlighted in a peer group comparison generated by TPI on 18 November 2020, Toral can be considered a reasonably advanced, high-grade project with a low-cost entry point for near-term, sustainable production offering payback in Year 4 of a proposed 12-year production schedule. In a mining market that has faced increasing

capital restrictions, the PEA cited Toral as a realistic proposition for production, with sub-surface expansion potential to take the Project well beyond Year 12. Data crystallised following completion of numerous work and resource development stages over the past 24 months, have built confidence in its potential to become a high-grade producer of concentrates located in a favourable jurisdiction. Balance sheet support provided through the £2.0m (gross) equity fundraising announced on 19 August 2020, in addition to the first draw down of a regional grant-loan, can be expected to ensure the Project will take necessary steps (including drilling) towards completion of its full PFS and application for a Mining Licence. TPI's present risk-adjusted, base-case valuation for Europa stands at £16.9m, or 34.5p/share, which is a multiple of Europa's current level despite the fact that recent news provides scope to further reduce the discount factors applied to the model. Higher metals prices relative to those incorporated in Bara's November 2020 scoping study also add a further 5.5% to Toral's projected LOM total revenues, which presently stand at US\$1,016 million (compared with US\$963 million previously), as detailed below:

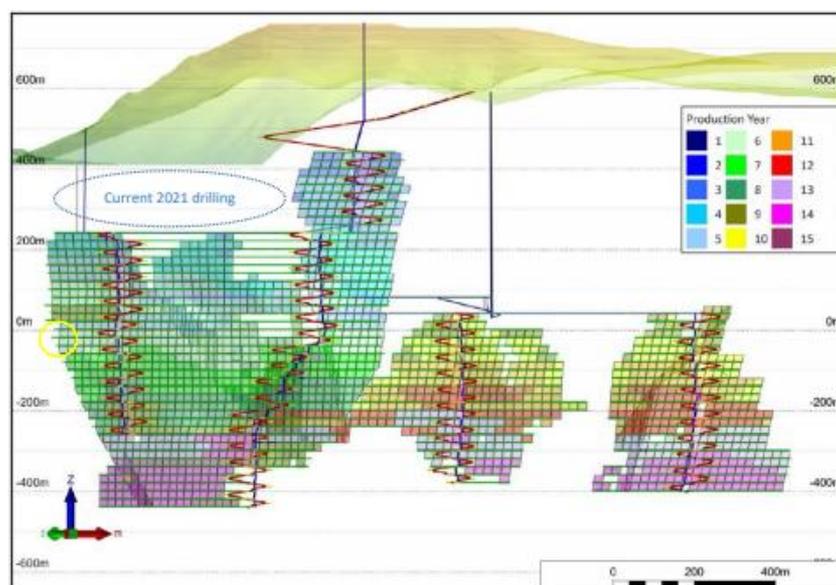
**(Please note that this valuation is the result of financial modelling and there is no guarantee that such a valuation will ever be realised, therefore please do not base investment decisions on this valuation alone.)**

**East West long section locating completed primary drill holes Tod-028, 29 & 30 (2021 drilling campaign)\***



\* The orange circle identifies location of Top-029 daughter holes (a-d) within the primary holes target zone  
Source: Europa, [RNS of 28 April 2021](#)

**Toral Life of Mine Development Plan- Current phase of 2021 drilling campaign target area highlighted\***



\*Retrieving resource, geotechnical and metallurgical data to develop early years potential mining scenario  
Source: Europa, [RNS of 28 April 2021](#)

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