

# Europa Metals Ltd (EUZ AIM)

25 September 2019

## Stock Data

Share Price:	0.044p
Market Cap (M):	£5.3
EV (M):	£4.1

## Price Chart



## 52 Week Range

0.155p		0.044p
0.011p		

## Company Summary

Europa Metals intends to develop the current resource at the Toral ore deposit in northern Spain and bring the mine back into production.

MAIN SHAREHOLDERS	HOLDING
Lynchwood Nominees Limited	14.61%
JIM Nominees Limited	11.49%
Hargreaves Lansdown	7.97%
BNY Nominees Limited	5.51%
Interactive Investor Services	5.22%

Source: Europa Metals & Bloomberg

Peter Rose

Tel: +44 (0)20 3463 5034

Peter.Rose@brandonhillcapital.com

www.brandonhillcapital.com

## Europa Announces Assay Results of Recently Completed Drilling Programme

### Event

Europa Metals has announced the final assays for TOD-023 have been received from ALS Laboratories. TOD-023D will be used for metallurgical testwork.

### Highlights

BHC believes the real highlight of the 3 hole and one wedge drilling campaign was the discovery of a faulted breccia above the main mineralised vein in the hanging wall ("HW"), where visible mineralisation was identified and sampled. The hanging wall position is approximately 25m up hole from the main zone. The Hanging Wall zone shows a broad envelope of 10.5m @ 2.23% ZnEq (PbAg) from 636.85m to 647.35m in TOD-023D within which sits a higher-grade portion of 4m @ 4.08% ZnEq (PbAg) from 636.85m to 640.85m (Exhibit 1).

### Comment

The objectives of the drilling campaign were two-fold; to identify gaps within the historic drill spacing, that comprises the resource between the 400 – 1000m horizon of the current Inferred resource and to retrieve a sample for first metallurgical test work analysis to determine potential processing routes and likely concentrate products for sale to third parties.

Although Europa reports assays for TOD-023D, they are only for the newly discovered hanging wall zone and not the main intercept. The full core from this intercept has been sent, along with quarter core from TOD-023 to Wardell Armstrong for metallurgical test work. This, however, will reveal the actual assays in due course when the feed samples are assayed.

This additional information will be combined with all previous Europa drill results, including the initial RC results and used to calculate a new JORC (2012) resource which Europa hopes will see some of the material upgraded to the Indicated category from Inferred, effectively de-risking the orebody. All these assays have now submitted to the independent consultant Addison Mining Service to update the mineral resource. The existing JORC (2012) resource is 16Mt grading 7.5% Zn equivalent with 24g/t silver.

Also, within the Hanging Wall zone results show elevated copper with 0.28m @ 1.83% Cu at a depth of 640m downhole and the results are being assessed by the Europa technical team and understanding how it relates to the copper intercepted near surface in TOD-020 from the 2018 diamond drilling campaign. The new JORC 2012 technical report with a target of early Q4 for completion.

The significant results for holes TOD-023 and TOD-023D are contained in Exhibit 1 on the next page.

**Exhibit 1: Significant intercepts at or Above Assumed Mining Cut-Off grade of >4% Zn Eq.**

Hole ID	From (m)	To (m)	Intercept (m)	Approx. True Thickness (m)	Zone	Ag-ppm	Cu_%	Pb_%	Zn_%	Zn Eq (Pb)%	Zn Eq (PbAg)%
TOD-023	640.18	641.6	1.42	0.8	HW	74.55	0.64	1.09	2.49	3.47	4.89
TOD-023	669.43	670.93	1.5	0.84	Main	7.6	0.05	1.32	2.8	3.99	4.13
TOD-023	672.93	674.93	2	1.12	Main	40.77	0.07	0.8	2.85	3.57	4.34
TOD-023	679.43	680.4	0.97	0.54	Main	78.8	0.01	3.92	0.23	3.77	5.27
TOD-023D	636.85	640.85	4	2.35	HW	29.06	0.16	3.38	0.47	3.53	4.08

Source: Europa Metals

## Prior Drill Holes

The first hole in 2019, TOD-21 deviated significantly away from the intended target location and returned no significant mineralised intercepts.

TOD-22 was drilled to intercept a wide spaced area of >8% Zn Eq Inferred mineralisation. TOD-23 was drilled towards a >8% ZnEq Inferred high grade area, within the corridor of mineralisation already identified, in order to provide both further sampling density with a view to increasing the resource confidence and a metallurgical sample for recovery test work purposes. The hole TOD 022 reported an intersection of >1% ZnEq (PbAg) of 6.1m@1.055% ZnEq (Pb,Ag). This was interpreted to represent the main contact zone in this location.

## Metallurgical Programme

The metallurgical test work has been scheduled to be completed over the next 8 weeks, with the results feeding information into the next phase of mining and economic study and providing preliminary potential product specifications for preliminary marketing to third party concentrate buyers such as smelters and trading houses.

## Research Disclosures

### **Peter Rose**

Peter has 33 years' experience in equities as a resources analyst; he has been at Brandon Hill Capital for 12 years, after having spent 11 years with Deutsche Bank in Australia. Prior to this he spent 2 years with Prudential Bache and 6 years with James Capel. Peter's industry experience includes 16 years as a metallurgist, 3 years with De Beers in South Africa and 9 years in the uranium industry, six of which were spent at the Ranger Uranium mine. Peter holds a BSc degree in Applied Mineral Science from Leeds University UK and a Bachelor of Commerce from the University of South Africa. Peter is also a member of the Institute of Materials, Mining & Metallurgy and a chartered engineer.

**Tel: +44 (0)20 3463 5034**

**Peter.Rose@brandonhillcapital.com**

## Investment Analyst Certification

All research is issued under the regulatory oversight of Brandon Hill Capital Limited. Each Investment Analyst of Brandon Hill Capital Limited whose name appears as the Author of this Investment Research hereby certifies that the recommendations and opinions expressed in the Investment Research accurately reflect the Investment Analyst's personal, independent and objective views about any and all of the Designated Investments or Relevant Issuers discussed herein that are within such Investment Analyst's coverage universe.

Brandon Hill Capital Limited provides professional independent research services and all Analysts are free to determine which assignments they accept, and they are free to decline to publish any research notes if their views change.

## Research Disclaimers

Research disclosure as of 25 September 2019

<u>Company Name</u>	<u>Disclosure</u>
Europa Metals Ltd (EUZ ASX)	

### Investment Research Disclosure Legend:

1. In the past 12 months, Brandon Hill Capital Limited or its affiliates have had corporate finance mandates or managed or co-managed a public offering of the Relevant Issuer's securities or received compensation for Corporate Finance services from the Relevant Issuer.
2. Brandon Hill Capital Limited expects to receive or intends to seek compensation for Corporate Finance services from this company in the next six months.
3. The Investment Analyst or a member of the Investment Analyst's household has a long position in the shares or derivatives of the Relevant Issuer.
4. The Investment Analyst or a member of the Investment Analyst's household has a short position in the shares or derivatives of the Relevant Issuer.
5. As of the month end immediately preceding the date of publication of this report, or the prior month end if publication is within 10 days following a month end, Brandon Hill Capital Limited and / or its affiliates beneficially owned 1% or more of any class of common equity securities of the Relevant Issuer.
6. A senior executive or director of Brandon Hill Capital Limited or a member of his or her household is an officer, director or advisor, board member of the Relevant Issuer and / or one of his subsidiaries.
7. Brandon Hill Capital Limited acts as corporate broker for the Relevant Issuer.
8. The Investment Analyst who is responsible for the preparation of this Investment Research is employed by Brandon Hill Capital Limited, a securities broker-dealer.
9. The Investment Analyst who is responsible for the preparation of this Investment Research has received (or will receive) compensation linked to the general profits of Brandon Hill Capital Limited.

## Disclaimer: Important Information

**This document is not independent** and should not be relied on as an impartial or objective assessment of its subject matter. Given the foregoing, this document is deemed to be a marketing communication and as such has not been prepared in accordance with legal requirements designed to promote the independence of investment research and Brandon Hill Capital Limited is not subject to any prohibition on dealing ahead of dissemination of this document as it would be if it were independent investment research.

**This document has been issued by Brandon Hill Capital Limited for information purposes only** and should not be construed in any circumstances as an offer to sell or solicitation of any offer to buy any security or other financial instrument, nor shall it, or the fact of its distribution, form the basis of, or be relied upon in connection with, any contract relating to such action. This document has no regard for the specific investment objectives, financial situation or needs of any specific entity. Brandon Hill Capital Limited and/or connected persons may, from time to time, have positions in, make a market in and/or effect transactions in any investment or related investment mentioned herein and may provide financial services to the issuers of such investments. The information contained herein is based on materials and sources that we believe to be reliable, however, Brandon Hill Capital Limited makes no representation or warranty, either express or implied, in relation to the accuracy, completeness or reliability of the information contained herein. Opinions expressed are our current opinions as of the date appearing on this material only. Any opinions expressed are subject to change without notice and Brandon Hill Capital Limited is under no obligation to update the information contained herein. None of Brandon Hill Capital Limited, its affiliates or employees shall have any liability whatsoever for any indirect or consequential loss or damage arising from any use of this document.

This report has been approved in the UK by Brandon Hill Capital Limited solely for the purposes of section 21 of the Financial Services and Markets Act 2000. In the UK, this report is directed at and is for distribution only to persons who (i) fall within Article 19(1) (persons who have professional experience in matters relating to investments) or Article 49(2) (a) to (d) (high net worth companies, unincorporated associations, etc.) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (as amended) or (ii) are professional clients or eligible counterparties of Brandon Hill Capital Limited (all such persons together being referred to as "relevant persons"). This report must not be acted on or relied upon by persons in the UK who are not relevant persons.

Neither this report nor any copy of part thereof may be distributed in any other jurisdictions where its distribution may be restricted by law and persons into whose possession this report comes should inform themselves about, and observe any such restrictions. Distribution of this report in any such other jurisdictions may constitute a violation of UK or US securities law, or the law of any such other jurisdictions.

Investments in general involve some degree of risk, including the risk of capital loss. The services, securities and investments discussed in this document may not be available to nor suitable for all investors. Investors should make their own investment decisions based upon their own financial objectives and financial resources and, if in any doubt, should seek advice from an investment advisor. Past performance is not necessarily a guide to future performance and an investor may not get back the amount originally invested. Where investment is made in currencies other than the investor's base currency, movements in exchange rates will have an effect on the value, either favourable or unfavourable. Levels and bases for taxation may change. When we comment on AIM or NEX shares you should be aware that because the rules for those markets are less demanding than the Official List of London Stock Exchange plc, the risks are higher. Furthermore, the marketability of these shares is often restricted.

Brandon Hill Capital Limited and/or its associated companies may from time-to-time provide investment advice or other services to, or solicit such business from, any of the companies referred to in this document. Accordingly, information may be available to Brandon Hill Capital Limited that is not reflected in this material and Brandon Hill Capital Limited may have acted upon or used the information prior to or immediately following its publication. In addition, Brandon Hill Capital Limited, the directors and employees thereof and/or any connected persons may have an interest in the securities, warrants, futures, options, derivatives or other financial instrument of any of the companies referred to in this document and may from time-to-time add or dispose of such interests. Neither the whole nor any part of this material may be duplicated in any form or by any means. Neither should any of this material be redistributed or disclosed to anyone without the prior consent of Brandon Hill Capital Limited. Brandon Hill Capital Limited is authorised and regulated by the Financial Conduct Authority and is a member of the London Stock Exchange.

Brandon Hill Capital Limited may distribute research in reliance on rule 15a-6(a)(2) of the Securities and Exchange Act 1934 to persons that are major US Institutional investors, however, transactions in any securities must be effected through a US registered broker-dealer. Any failure to comply with this restriction may constitute a violation of the relevant country's laws for which Brandon Hill Capital Limited does not accept any responsibility. By accepting this document you agree that you have read the above disclaimer and to be bound by the foregoing limitations/restrictions. Please note that unless otherwise stated, the share price used in this publication is taken at the close of business for the previous day.

## Brandon Hill Contact List

### International Sales

**Oliver Stansfield**

Tel: +44 20 3463 5061

Email: [oliver.stansfield@brandonhillcapital.com](mailto:oliver.stansfield@brandonhillcapital.com)

### Corporate Finance & Broking

**Jonathan Evans**

Tel: +44 20 3463 5016

Email: [jonathan.evans@brandonhillcapital.com](mailto:jonathan.evans@brandonhillcapital.com)

**Wei Jiao**

Tel: +44 20 3463 5019

Email: [wei.jiao@brandonhillcapital.com](mailto:wei.jiao@brandonhillcapital.com)

### Research

**Peter Rose**

Tel: +44 20 3463 5034

Email: [peter.rose@brandonhillcapital.com](mailto:peter.rose@brandonhillcapital.com)

**Enzo Aliaj**

Tel: +44 20 3463 5026

Email: [enzo.aliaj@brandonhillcapital.com](mailto:enzo.aliaj@brandonhillcapital.com)