

Stock Data

Share Price: 0.12p
Market Cap.: £6.7m
Shares in issue: 5,576.9m

Company Profile

Sector: Mining
Ticker: EUZ (all exchanges)
Exchanges: AIM, ASX, JSE

Activities

Europa Metals is a dual listed mining exploration company with assets in León Province in Spain. The company's core asset is the 100% owned Toral lead-zinc-silver project which recently achieved a JORC 2012 Maiden Inferred Resource.

Share price performance



Source: LSE

Turner Pope contact details

Turner Pope Investments (TPI) Ltd
6th Floor
Becket House
36 Old Jewry
London
EC2R 8DD

Tel: 0203 621 4120
Email: info@turnerpope.com
Web: www.turnerpope.com

Attention is drawn to the disclaimers and risk warnings at the end of this document.

This is a non-independent marketing communication. The analyst who has prepared this report is aware that TPI has a relationship with the company covered in this report. Accordingly, it has not been prepared in accordance with legal requirements designed to promote the independence of investment research and is not subject to any prohibition on dealing ahead of the dissemination of investment research.

TPI acts as joint broker to Europa Metals Ltd.

Retail clients (as defined by the rules of the FCA) must not rely on this document.

Barney Gray Research analyst
Tel: 0203 621 4120
barney@turnerpope.com

Europa Metals Ltd

Europa Metals is a European focused lead-zinc explorer with its primary asset in Spain. The company is a turnaround situation which, following board changes, cost reduction and a corporate restructuring, is now focused on identifying and developing economically viable metals assets within the EU.

Europa's core asset, acquired into the portfolio is the wholly owned Toral lead, zinc and silver project in Spain. With a significant amount of historic work committed to the project in the past 30 years, including over 441,000 metres of diamond drilling, Europa has prosecuted a highly cost effective programme that culminated in the announcement of a maiden JORC (2012) Resource estimate of 16Mt@6.9% zinc equivalent (including lead credits) and 25g/t silver in January 2018.

To date, Europa's strategic approach has been typified by returning to primary data sources - the new management was one of the first in a significant time period to identify and visit the actual historic core held at the Spanish national core library, located in Andalucía - and use independent consultants to work from first principles, verifying data sets and carrying out independent test work.

This initial workflow resulted in the identification of silver credits; which were subsequently incorporated into the JORC resource, and a new understanding of the mineralisation that has formed the foundation of the 2018 Phase I and Phase II work programmes (see page 2).

Europa has also now established the financial capability to expedite the key aims of its Phase I work programme and also progress the planning of Phase II. In May 2018, the company raised gross proceeds of £1.0m through the issue of 1,739.1m shares at 0.0575p per share. These funds were earmarked to expedite Europa's Phase I activities. This was followed by a second placing to raise a further £0.56m (before expenses) through the placing of 727.1 million new shares at 0.0775p per share in August 2018. This additional tranche of funds is being utilised to instigate Phase II activities.

Both phases of the work programme have the potential to demonstrate a highly economic project with a high-grade production core that can be built out from. Europa believes that the work on mineralogy and metallurgy could also be of significant interest to larger lead-zinc companies in terms of discerning the saleable concentrate product types and the zinc recoveries. Work from re-logging is expected to better inform Europa as to the overall structural makeup of Toral while the company awaits the results of the Specific Gravity (SG) programme in context to the existing JORC (2012) resource. New SG measurements could impact on the contained metals within Toral.

We believe that an effective work programme coupled with cost control have been clearly demonstrated by Europa so far and with fieldwork already underway, we expect an acceleration of news flow as the company expedites its fully funded work programme over 2018. By certain metrics, the company trades at a discount to its peers and if Europa delivers on its operational milestones, it is possible that such a discount could close to an appreciable degree.

Work programme summary

Europa has raised sufficient funds to pursue a focused 2018 campaign in order to expedite the following:

1. Complete reassessment of the historic core - including logging the entire drillhole and recording key specific gravity measurements from historic drilling to set against those currently in the resource for the first time.
2. Conduct mineralogical and metallurgical testwork to determine potential concentrate products.
3. Complete a scoping study to define first economics on the project. The scoping study commenced in mid-June 2018 with a number of key elements to undertake including preliminary mine layout, mineral inventory estimation and capex and opex parameters. Of particular interest will be how the study encompasses the various high-grade areas that sit within 200 metres of surface.
4. A combination drill rig has now been mobilised to site and will be used to identify the presence of further mineralisation to the East and then to begin infill drilling into the established resource including key prospective areas.

Toral project summary

The Toral project in which Europa holds 100%, is a large licence area located in the province of León in northwest Spain. This is a well-established mining region with extensive infrastructure in place to support exploration and development activities.

In January 2018, Europa announced a Maiden JORC (2012) Inferred Resource of 16 million tonnes at 6.9% zinc equivalent (including lead credits) and 25 grammes per tonne of silver. This estimate was based on an economic cut-off of 4.0% zinc equivalent. This estimate implies that Toral could contain 670,000 tonnes of zinc, 540,000 tonnes of lead and 13 million ounces of silver; volumes which the company believes could rank Toral as a potentially 'world class' lead-zinc project.

In order to better reflect the company's primary focus on lead-zinc and precious metal projects in Europe, the company changed its name from Ferrum Crescent to 'Europa Metals Limited' in June 2018.

Operational update

On 22 May 2018, Europa Metals (trading as Ferrum Crescent) completed a fund raising of £1.0m before expenses through the issue of 1,739.1 million shares at 0.0575p per share through its newly appointed joint broker, Turner Pope Ltd. These funds were used to provide financing and general working capital to progress the resource delineation and commissioning of a scoping study at the Total project in Spain.

The proceeds of the placing will enable the company to build upon Toral's maiden JORC (2012) zinc, lead and silver resource estimate of 16Mt@6.9% Zinc equivalent (including lead credits) and 25 g/t Silver (See Appendix 1 for more detail or Turner Pope's earlier research note on Ferrum Crescent dated 5 April 2018). This will be expedited by the completion of the key stage Phase I work for 2018 which includes:

- An initial scoping study to better assess the Toral project. This will detail infrastructure requirements, potential mining methodologies and marketing options.
- An 8-hole drilling programme east along strike to identify further scale for the resource.
- Metallurgical test work on existing core samples to progress Europa's understanding of likely saleable concentrates from the full mining operation.

Name change

Following the fund raising in May 2018, the company was suspended from trading on AIM from 4 June to 8 June 2018 in order to effect the change in the company's name from Ferrum Crescent Limited to Europa Metals Ltd.

Scoping study commences

On 19 June 2018, Europa engaged UK based company, Addison Mining Services Limited to commence an initial Scoping Study on the Toral project. The primary objective of the study is to establish the economics of the project through a fully accredited and independent mining consultancy and the work to be conducted includes:

- Resource optimisation of the JORC (2012) Inferred resource
- Preliminary mine layout
- Mineral inventory estimation
- Preliminary economic assessment, DCF (discounted cash flow) and sensitivity analysis
- Capex and opex parameters
- Environmental, hydrogeological and geotechnical parameters

As of 28 August 2018, this scoping study remains on schedule and to budget.

Combination drilling rig contracted

On 16 July 2018, Europa secured a combined Reverse Circulation (RC) and Diamond drilling rig (the combination rig) which was mobilised successfully at the end of August 2018. The rig has been supplied by Sondeos y Perforaciones Industriales de Bierzo SA (SPI) and will be overseen by Europa's on-site team.

This specification of rig offers the company several operational advantages. Primarily, the initial extension of drilling activity to the east of the main ore body to targeted depths of 150-200 metres can be conducted in a more cost effective method using diamond drilling given that the ability to switch to diamond drilling (all Toral drilling to date has been performed as diamond drilling) offers greater flexibility in terms of depth and deviation control.

In addition, the same rig could be used for Phase II infill drilling within the existing inferred ore body with the intention of increasing the JORC 2012 resource estimate announced in January 2018 (See Appendix 1). It could also be utilised for the completion of geo-tech holes for a final full feasibility study expected in due course.

Recent placing to progress Phase II

On 10 August 2018, Europa raised £563,516 before expenses through the placement of 727.1 million shares at 0.0775p per share through its joint broker, Turner Pope. While Phase I, as described previously, is progressing on target and on budget, the net proceeds from the August placing have been earmarked primarily for funding a planned Phase II work programme at Toral project leading to the eventual completion of a proposed feasibility study. The balance of remaining funds will also be used for general working capital purposes.

Current equity position

As outlined in detail, Europa recently raised gross funds of approximately £1.56m before expenses over two separate placings to fund its forward work programmes for 2018. The company holds no interest bearing debt or convertible loan instruments.

Following the completion of two fund raisings, the company now has approximately 5,576.9 million shares in issue. Recent options exercisable at 0.165p and 0.3p per share expired in May and July 2018 respectively. However, in tandem with the recent placings, Europa has issued new tranches of options to management and advisers totalling 649.4 million options in issue. Some 337.5 million are exercisable at 0.0575p per share in May 2023 with the balance exercisable at 0.075p between May 2020 and May 2021.

Corporate activity in the wider zinc sector

In addition to Europa's successful efforts to raise new capital for investment in its flagship Toral project in May and July of this year, there has also been significant corporate activity in the wider zinc exploration sector, particularly in Canada and Australia.

In July 2018, Canadian Zinc (TSX: CZN), closed a financing agreement with a subsidiary of Resource Capital Fund VI (RCF), under which RCF purchased 100 million shares in CZN at C\$0.20 per share for gross proceeds of C\$20m. As part of the deal, RCF also received 50 million warrants exercisable at C\$0.25 per share that could generate an additional C\$12.5m in proceeds for CZN prior to their expiry on 31 December 2018. Canadian Zinc is using the proceeds of this raising to fund the ongoing development of its flagship Prairie Creek zinc-lead-silver project in Northwest Territories, Canada and to also repay a C\$10m bridge loan issued by RCF to CZN.

In early July 2018, TSX-listed Foran Mining, which is focused on zinc and copper exploration in Saskatchewan, raised a total of C\$9.4m in two tranches through a private placement of shares. These new funds have been earmarked to complete a feasibility study for the company's flagship McIlvenna Bay project, a zinc-copper deposit in the Hanson Lake District region of Canada.

Also in late July 2018, Canadian listed silver-zinc explorer Silver Bull Resources announced the completion of an initial placing to raise US\$2.8m which will be used for general working capital purposes. Silver Bull's primary project is the Sierra Mojada silver-zinc project located in Mexico.

This placing follows the news in June 2018 that Silver Bull signed an agreement with South32 whereby Silver Bull has granted South32 the option to form a 70/30 joint venture in respect of the Sierra Mojada project. To maintain the option in good standing, South32 has agreed to contribute US\$10m of exploration funding over four years on the premise that aggregate exploration expenditure totals US\$17m over the first three years of the exploration period. To exercise the option, South32 may subscribe for 70% of the shares in Silver Bull's wholly owned subsidiary that holds Sierra Mojada in return for a commitment of US\$100m (less initial funding contributed during the option Phase) for project development funding.

In April 2018, ASX quoted Alta Zinc (AZI), which has several mining licences in Italy, raised A\$3.0m through the placing of 272.7 million new shares with investors introduced by Arete Capital Partners. These funds are being used to fund ongoing technical studies for Alta's lead-zinc-silver Gorno project in northern Italy and also to finance a mining work plan for the asset.

In February 2018, Canadian explorer, Fireweed Zinc, raised gross proceeds of C\$12.4m through a syndicate of agents led by Haywood Securities and which included major Canadian brokers, Canaccord Genuity Corp and GMP Securities. These funds have been earmarked for further exploration and development of Fireweed's Macmillan Pass Project in Yukon Territory, a significant zinc-lead-silver project.

Other recent operational progress in the sector

Aside from a raft of successful placings in the sector during 2018, there has also been several positive new updates from major players in the zinc sector. By way of example, in June 2018, Canadian zinc-lead-silver explorer, ZincX Resources (TSXV: ZNX), announced positive results from its independent Preliminary Economic Assessment of its 100% owned Cardiac Creek deposit on the Akie property in British Columbia. In particular, the project which has an 18 year mine life has been ascribed an estimated after tax NPV of C\$401m, an IRR of 27% and a 3.2 years payback period. Initial capex for the development is estimated to be C\$302.3m including contingencies.

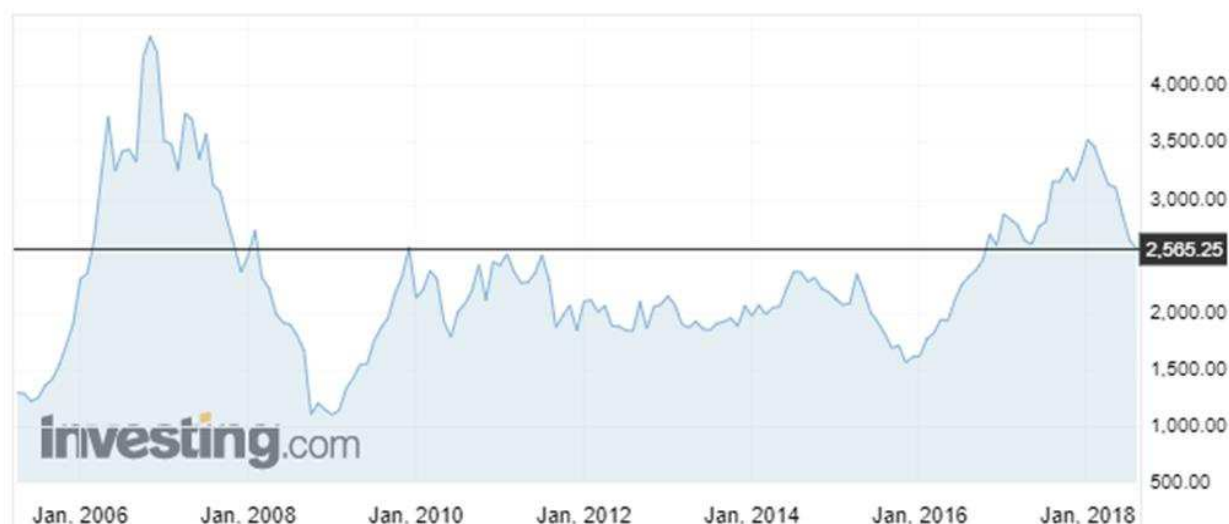
Since May 2018, ASX-quoted Ironbark Zinc (ASX: IBG) has also kept the markets updated on progress at its potentially huge Citronen zinc project in Greenland. The company has already proposed a wide ranging business plan for the project which is estimated to require financing in excess of US\$500m in order to develop a project capable of generating annual revenue in excess of US\$700m at comparatively low operating cost. Ironbark are currently working with Cutfield Freeman & Co to examine a range of financing options for Citronen. Discussions with China Nonferrous, with which Ironbark has an engineering and construction MoU are ongoing although Ironbark states that there are several matters on which to reach agreement before an operating joint venture can be expedited.

A long term zinc play

It should be acknowledged that the management has stated that Europa Metals represents a long term play on the economics of the zinc market and that it would be imprudent to invest in a relatively early stage explorer such as Europa solely on the basis of current dynamics including zinc prices and existing strong demand, positive as they are but rather on the broader fundamentals of the Toral project.

Zinc prices reached a 10-year high in the early part of 2018 and remain robust at current levels in excess of US\$2,500 per tonne (see price chart below). The long term zinc price chart below clearly depicts that we remain in a period of higher than average zinc prices despite the recent softening of prices since Q1 2018.

Zinc prices (US\$ per tonne) since 2006

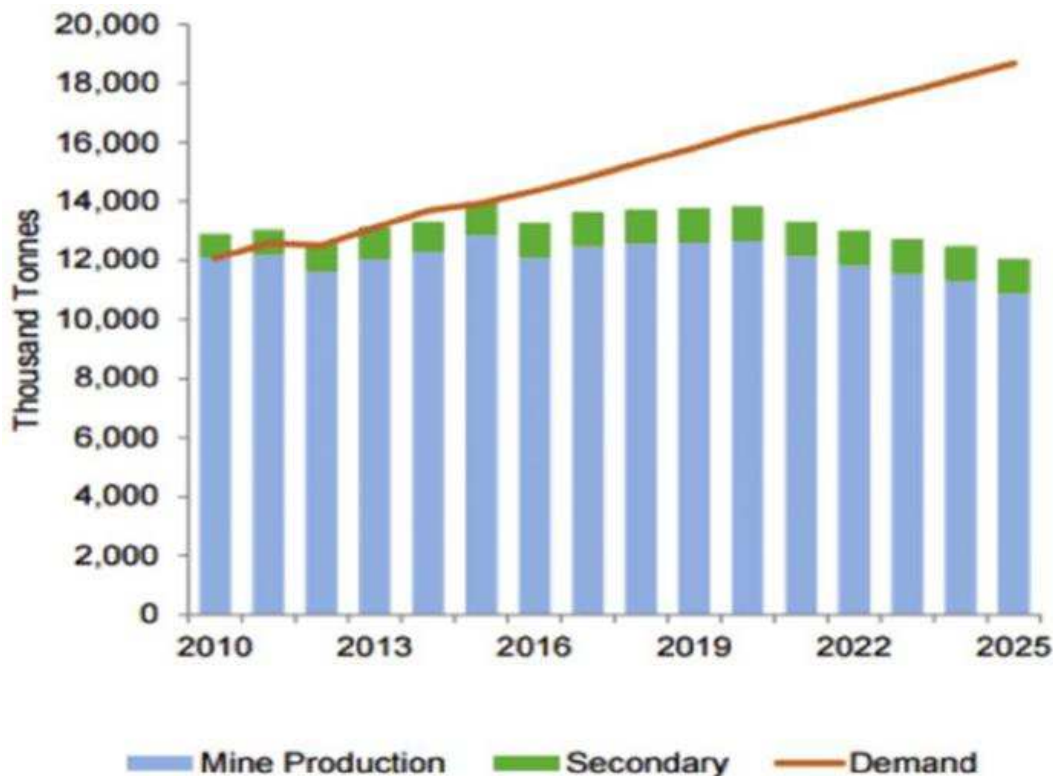


Source: www.investing.com

Demand outlook remains positive

Nevertheless Europa remains bullish on the long term outlook for zinc market as encapsulated by the chart below. In particular, the company believes that peak mine production from existing and committed mines will be reached in 2020 leading to an expansion of the demand/supply gap thereafter. Although long range forecasting is highly indicative, such a scenario could potentially put upwards pressure on zinc prices implying an attractive operating environment for explorers and operators nearing production over the next five years.

Zinc supply and production forecasts



Source: Wood Mackenzie, CRU, ILZSF, Teck

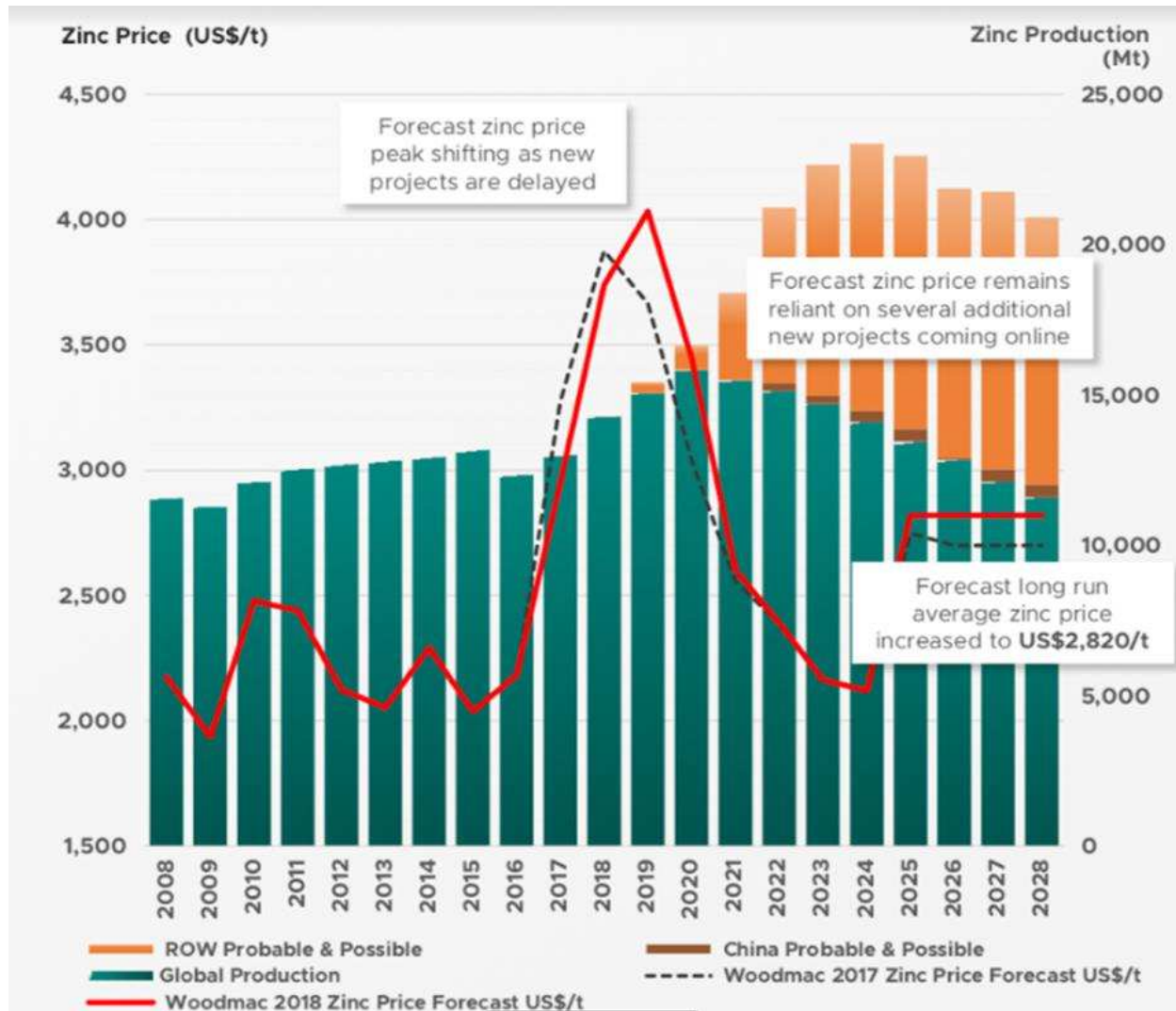
The 10 year zinc outlook

In the more detailed chart below, supplied by Wood Mackenzie (WoodMac), the leading global energy and commodities consultant expands on the estimated long term global production trend for zinc. Primarily, WoodMac anticipates an aggressive peak in global zinc prices in 2019 followed by a relative pricing slump and subsequent stabilisation at a solid level between US\$2,500 and US\$3,000 per tonne and a long term average of US\$2,820 per tonne from 2025 onwards.

With the chart above depicting a burgeoning demand/supply gap after over the next ten years driven by a forecast 2% per annum increase in global demand and consumption dominated by increased living standards in China, WoodMac has also outlined from where it expects new zinc supply to be derived.

WoodMac estimates that 287,000 tonnes of additional zinc output per annum is required to meet demand over the next ten years when annual global demand for zinc is forecast to be 17.5Mt per annum by 2018. The company's forecast zinc price is contingent on several new projects coming on line within the next five years. In particular, the company has outlined significant new production potential from several large projects in China, Russia and Algeria, with a combined production capacity of 975 ktpa coming on stream over 2022/23 after which WoodMac expects global prices to stabilise at attractive long term levels as seen below.

Forecast zinc price, production and demand



Source: WoodMac

Peer group comment

Comparing the company against a listed peer group of primarily zinc E&P companies highlights several indicators of relative value for Europa. In particular, when compared against its small cap peers in the sub-US\$50m market capitalisation category, Europa is trading on a comparatively low Enterprise Value (EV) to Resources (Mt) multiple. Although Alta Zinc and Consolidated Zinc both possess a proportion of indicated resources against Europa's purely inferred resource, an EV/Mt less than one tenth of its ASX peers looks compelling. Azure Minerals and Erris Resources are currently in the earlier stages of exploration activities and do not yet have the resources to ascribe an EV ratio. However, both companies possess substantial cash resources to expedite their ongoing exploration activities.

Central Asia Metals trades on a substantially higher EV/Mt ratio than the wider peer group. However, it should be noted that this company has substantial copper production in Kazakhstan implying that a direct comparison with its smaller zinc exploration peers should be made tentatively at best given the breadth of its considerably larger asset portfolio.

Zinc peer group comparison summary

Company	Exchange	Country	Stage	Mkt. Cap	EV	Indicated	Inferred	Total	EV/Mt
				US\$m	US\$m	Resource Mt	Resource Mt	Resource Mt	
Central Asia Metals	AIM	Macedonia	PRD	550.8	689.7	1,101,000	525,000	1,626,000	424.18
Azure Minerals	ASX	Mexico	EXP	33.0	24.1	0	0	0	0.00
Erris Resources	AIM	Sweden/Ireland	EXP	4.5	-0.8	0	0	0	0.00
Alta Zinc	ASX	Italy	SCS	11.1	7.9	136,000	70,000	206,000	38.30
Consolidated Zinc	ASX	Mexico	SCS	8.6	8.1	47,600	142,100	189,700	42.87
Europa Metals	ASX/AIM	Spain	EXP	5.9	3.9	0	1,210,000	1,210,000	3.23

Source: RNS, Companies

Appendix 1 – Company summary

AIM and ASX quoted Europa Metals (abbreviated as ‘EUZ’ in both exchanges) is a European lead-zinc exploration company with a core focus on the 100% owned Toral lead-zinc project located in the Province of León in northwest Spain. The company also possesses the Lago licence, a secondary project in the adjacent Galicia province (outlined on the map below). The province of León is an established mining region with good road, rail and power infrastructure to support exploration, development and production activities. At this stage, Europa ascribes 100% of its current asset value to the Toral licence.

Exploration activity on the Toral licence has accelerated over the last twelve months and this licence was recently renewed for an additional three years in November 2017 by the Director General of Mines in the Province of León to reflect this. As such, the Toral licence does not expire until November 2020.

Asset summary

Toral is a large licence area with potentially significant eastern extensions and is estimated to contain an Inferred Resource of 16 million tonnes (Mt) at 6.9% Zn (zinc) Equivalent (including Pb (lead) credits) in addition to 25/t Ag (silver). Individual zinc and lead grades are 4.0% Zn and 3.3% Pb with an estimated metal content of 670,000 tonnes of zinc and 540,000 tonnes of lead in addition to 13 million troy ounces of silver.

Location of the Toral lead zinc project in León province, Spain



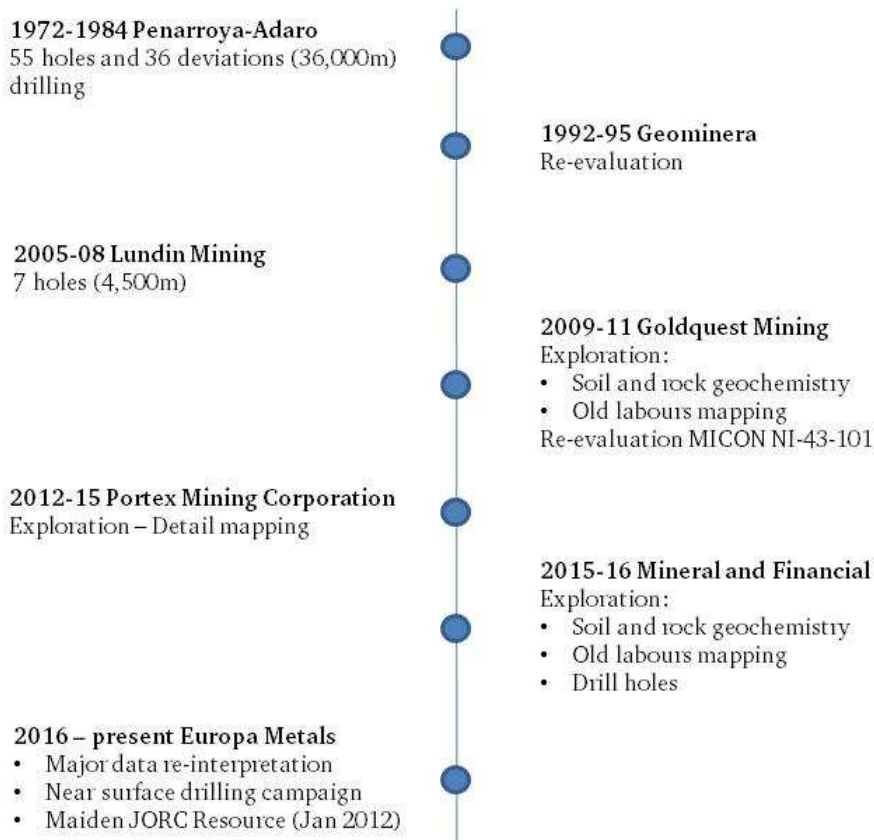
Source: Company

Timeline for Toral

Toral was discovered in 1972 by Penarroya and drilling and evaluation was conducted by Penarroya and Geominera during the period from discovery until 1995. Further drilling was conducted by Lundin Mining after 2005 and geochemistry work was also carried out by Goldquest Mining during 2009 until 2011. An NI 43-101 Technical Report was completed during this time provide a summary of material scientific and technical information and Portex Mining also carried out further detailed mapping of Toral during the period 2012-2015.

As outlined in this report, from 2016, Europa Metals has established operatorship of the licence enabling the publication of a maiden JORC Resource in early 2018.

Summary timeline for the Total licence



Source: Company

Historical exploration activities

In July 2017, FCR completed a 1,046.9 metres exploration drilling programme on the Toral Project to determine the presence of near-surface mineralisation. The results of the drilling programme were successful and cores containing visible lead-zinc were confirmed from each of the six holes completed. The results of the key intersections where the results confirmed the presence of lead-zinc anomalies are outlined below:

- Hole TOR17009 1 metre grading at 1.22% Pb, 9.77% Zn (10.99% combined PB/Zn)
- Hole TOR17012 3 metres grading at 0.64% Pb, 6.46% Zn (7.10% combined PB/Zn)
- Hole TOR17012 1 metre grading at 0.67% Pb, 16.10% Zn (16.77% combined PB/Zn)
- Hole TOR17013 1 metre grading at 6.51% Pb, 6.50% Zn (13.01% combined PB/Zn)
- Hole TOR17013 3 metres grading at 6.03% Pb, 5.49% Zn (11.52% combined PB/Zn)

FCR conducted its exploration activity on Toral in tandem with independent resource consultancy, Addison Mining Services (AMS) and by December 2017, the company had completed data location checks, data collection and analytical review procedures for the purpose of preparing a JORC (Joint Ore Reserves Committee) 2012 compliant resource estimation for Toral. JORC is the Australasian code for the reporting of exploration results, mineral resources and ore reserves. (NB. JORC is a professional code of practice that sets minimum standards for public reporting. The current edition of the JORC code to which FCR abides was published in 2012).

Silver upside

Review of the mineralised intersections as outlined previously also identified the presence of precious metals and both AMS and the company undertook further analysis and verification of the existing data to verify the silver grades present in the Toral system.

Maiden JORC (2012) Resource confirmed

On 30 January 2018, FCR released a Maiden Inferred Mineral Resource estimate in respect of the Toral project. A new block model and an initial digital geological model increased the level of understanding of mineralisation and geological controls at Toral. As such, the company is confident of being able to expand the published resource further subject to further exploration activity as outlined in this report.

Inferred resource for the Pb-Zn-Ag mineralisation on Toral reported at a 4.0% Zn equivalent

Cut Off								Zn	Pb	Ag Troy
Zn Eq	Tonnes	Density	Zn Eq	Zn Eq	Zn	Pb	Ag	Tonnes	Tonnes	Oz
(PbAg)%	(Millions)		(Pb)%	(PbAg)%	%	%	g/t	(1,000s)	(1,000s)	(Millions)
6.0	9	2.65	8.8	9.5	5.0	4.3	31	470	400	9
5.0	12	2.57	7.8	8.4	4.6	3.7	28	580	470	11
4.0	16	2.52	6.9	7.5	4.0	3.3	25	670	540	13
3.0	20	2.50	6.2	6.7	3.7	2.9	23	750	600	15

Source: Source: Addison Mining Services, Company

Note to reader: Unless otherwise stated, factual information in the note has been sourced from the company and opinions are those of the author.

Appendix 2 - Board of Directors

Colin Bird - Non-executive Chairman

Colin is a Fellow of the Institute of Materials, Minerals and Mining and a UK Chartered Engineer. He also holds a UK and South African Mine Managers Certificate for coal mines. The early part of his career was spent in the UK coal mining industry and thereafter he moved to the Zambian copper belt and then to South Africa to work in a management position with Anglo Coal and BP Coal. On his return to the UK, he was Technical and Operations Director of Costain Mining Ltd, which involved responsibility for Costain's interest in the UK, Latin-America and Spain. Colin has had senior technical and operational experience in a number of commodities to include coal, nickel, gold, copper and industrial minerals. After his operational career, he became involved in corporate finance and has been involved in several of public listings, mainly on the UK AIM market. Colin possesses a Higher National Diploma in Mining Engineering (Trent Polytech College, United Kingdom).

Laurence Read - Executive Director

Laurence brings over 18 years of experience to Europa working with quoted and private companies within the natural resources sectors. During his career he has worked with companies in most key natural resources regions operating across a wide range of commodities, often working on behalf of professional investment groups. Within the publicly quoted company arena Laurence has significant experience working within the regulatory frameworks of the UK exchanges, TSX, JSE, ASX, Oslo and Hong Kong.

Myles Champion - Executive Technical Director

Myles holds a BSc (Hons) in Geology from University of Wales College Cardiff and a MSc (MinEx) from the Royal School of Mines in London. He also holds a Grad Dip of Business (Finance). He has gained nearly 25 years' experience in the natural resources sector, of which 15 cover all financial aspects of mining and exploration companies on ASX and AIM. This is complemented by a further 10 years as an exploration Geologist. The majority of this time was spent in greenstone terrains of Western Australia covering gold and nickel and his experience also includes Project Geologist at Lion-Ore responsible for the exploration, discovery and BFS completion of the Emily Ann Nickel Sulphide Mine.

Evan Kirby – Non-executive Director

Dr Kirby is a metallurgist with over 30 years of international experience in the mining sector. He has held senior management positions with Impala Platinum, Rand Mines and Rustenburg Platinum Mines and worked as a director and technical consultant for a number of mining companies. He is currently a director of Bezant Resources plc (AIM) and Nyota Minerals Limited (ASX & AIM).

Dan Smith- Non-executive Director and Company Secretary

Mr Smith is a member of the Australian Institute of Company Directors and the Governance Institute of Australia and has over 10 years' primary and secondary capital markets expertise. As a director of Minerva Corporate, he has advised on and been involved in, over a dozen IPOs, RTOs and capital raisings on both the ASX and NSX. His key focus is on corporate governance and compliance, commercial due diligence and transaction structuring, as well as ongoing investor and stakeholder engagement. Mr Smith is also currently Company Secretary for Taruga Gold Limited and Love Group Global Limited, both listed on the ASX. He holds a BA in International Relations from Curtin University, Western Australia.

THIS DOCUMENT IS NOT FOR PUBLICATION, DISTRIBUTION OR TRANSMISSION INTO THE UNITED STATES OF AMERICA, JAPAN, CANADA OR AUSTRALIA.

Conflicts

This is a non-independent marketing communication under the rules of the Financial Conduct Authority (“FCA”). The analyst who has prepared this report is aware that Turner Pope Investments (TPI) Limited (“TPI”) has a relationship with the company covered in this report. Accordingly, the report has not been prepared in accordance with legal requirements designed to promote the independence of investment research and is not subject to any prohibition on dealing by TPI or its clients ahead of the dissemination of investment research.

TPI manages its conflicts in accordance with its conflict management policy. For example, TPI may provide services (including corporate finance advice) where the flow of information is restricted by a Chinese wall. Accordingly, information may be available to TPI that is not reflected in this document. TPI may have acted upon or used research recommendations before they have been published.

Risk Warnings

Retail clients (as defined by the rules of the FCA) must not rely on this document.

Any opinions expressed in this document are those of TPI’s research analyst. Any forecast or valuation given in this document is the theoretical result of a study of a range of possible outcomes and is not a forecast of a likely outcome or share price.

The value of securities, particularly those of smaller companies, can fall as well as rise and may be subject to large and sudden swings. In addition, the level of marketability of smaller company securities may result in significant trading spreads and sometimes may lead to difficulties in opening and/or closing positions. Past performance is not necessarily a guide to future performance and forecasts are not a reliable indicator of future results.

AIM is a market designed primarily for emerging or smaller companies and the rules of this market are less demanding than those of the Official List of the UK Listing Authority; consequently AIM investments may not be suitable for some investors. Liquidity may be lower and hence some investments may be harder to realise.

Specific disclaimers

TPI acts as joint broker to Europa Metals Ltd (“Europa Metals”) which is listed on the AIM Market of the London Stock Exchange (“AIM”). TPI’s private and institutional clients may hold, subscribe for or buy or sell Europa Metals’ securities.

This document has been produced by TPI independently of Europa Metals. Opinions and estimates in this document are entirely those of TPI as part of its internal research activity. TPI has no authority whatsoever to make any representation or warranty on behalf of Europa Metals.

General disclaimers

This document, which presents the views of TPI's research analyst, cannot be regarded as "investment research" in accordance with the FCA definition. The contents are based upon sources of information believed to be reliable but no warranty or representation, express or implied, is given as to their accuracy or completeness. Any opinion reflects TPI's judgement at the date of publication and neither TPI nor any of its directors or employees accepts any responsibility in respect of the information or recommendations contained herein which, moreover, are subject to change without notice. Any forecast or valuation given in this document is the theoretical result of a study of a range of possible outcomes and is not a forecast of a likely outcome or share price. TPI does not undertake to provide updates to any opinions or views expressed in this document. TPI accepts no liability whatsoever (in negligence or otherwise) for any loss howsoever arising from any use of this document or its contents or otherwise arising in connection with this document (except in respect of wilful default and to the extent that any such liability cannot be excluded by applicable law).

The information in this document is published solely for information purposes and is not to be construed as a solicitation or an offer to buy or sell any securities or related financial instruments. The material contained in the document is general information intended for recipients who understand the risks associated with equity investment in smaller companies. It does not constitute a personal recommendation as defined by the FCA or take into account the particular investment objectives, financial situation or needs of individual investors nor provide any indication as to whether an investment, a course of action or the associated risks are suitable for the recipient.

This document is approved and issued by TPI for publication only to UK persons who are authorised persons under the Financial Services and Markets Act 2000 and to professional clients, as defined by Directive 2004/39/EC as set out in the rules of the Financial Conduct Authority. This document may not be published, distributed or transmitted to persons in the United States of America, Japan, Canada or Australia. This document may not be copied or reproduced or re-distributed to any other person or organisation, in whole or in part, without TPI's prior written consent.

Copyright © 2018 Turner Pope Investments (TPI) Limited, all rights reserved.