

For immediate release

30 September 2021

**EUROPEAN METALS HOLDINGS LIMITED**  
**CORPORATE GOVERNANCE STATEMENT**

European Metals Holdings Limited (EMH, Company) (**ASX & AIM: EMH, OTC – Nasdaq Intl ADS: EMHXY**) are pleased to announce the Company's Corporate Governance Statement.

The Corporate Governance Statement has been released on the Australian Stock Exchange ("ASX") as required under the listing rules of the ASX.

**CONTACT**

For further information on this update or the Company generally, please visit our website at [www.europeanmet.com](http://www.europeanmet.com) or see full contact details at the end of this release.

**WEBSITE**

A copy of this announcement is available from the Company's website at [www.europeanmet.com](http://www.europeanmet.com).

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The information contained within this announcement is considered to be inside information, for the purposes of Article 7 of EU Regulation 596/2014, prior to its release. The person who authorised for the release of this announcement on behalf of the Company was Keith Coughlan, Executive Chairman.

## ASX CORPORATE GOVERNANCE STATEMENT

This Corporate Governance summary discloses the extent to which the Company followed the recommendations set by the ASX Corporate Governance Council in its publication 'Corporate Governance Principles and Recommendations (4<sup>th</sup> Edition)' (**Recommendations**) during the year ended 30 June 2021. The Recommendations are not mandatory, however, the Recommendations that will not be followed have been identified and reasons have been provided for not following them.

The Company's Corporate Governance Plan has been posted on the Company's website at <https://www.europeanmet.com/corporate-governance/>.

PRINCIPLES AND RECOMMENDATIONS	COMPLY	EXPLANATION
<b><i>Principle 1: Lay solid foundations for management and oversight</i></b>		
<p><b>Recommendation 1.1</b></p> <p>A listed entity should have and disclose a board charter setting out:</p> <p>(a) the respective roles and responsibilities of its board and management; and</p> <p>(b) those matters expressly reserved to the board and those delegated to management.</p>	Complying	<p>The Company has adopted a Board Charter.</p> <p>The Board Charter sets out the specific responsibilities of the Board, requirements as to the Board's composition, the roles and responsibilities of the Chairman and Company Secretary, the establishment, operation and management of Board Committees, Directors access to company records and information, details of the Board's relationship with management, details of the Board's performance review and details of the Board's disclosure policy.</p> <p>A copy of the Company's Board Charter is stated in the Corporate Governance Plan which is available on the Company's website.</p>
<p><b>Recommendation 1.2</b></p> <p>A listed entity should:</p> <p>(a) undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a director; and</p> <p>(b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.</p>	Complying	<p>(a) The Company has detailed guidelines for the appointment and selection of the Board. The Company's Corporate Governance Plan requires the Board to undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director.</p> <p>(b) Material information relevant to any decision on whether or not to elect or re-elect a Director will be provided to security holders in the notice of meeting holding the resolution to elect or re-elect the Director.</p>
<p><b>Recommendation 1.3</b></p> <p>A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.</p>	Complying	<p>The Company's Corporate Governance Plan requires the Board to ensure that each Director and senior executive is a party to a written agreement with the Company which sets out the terms of that Director's or senior executive's appointment.</p>
<p><b>Recommendation 1.4</b></p> <p>The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.</p>	Complying	<p>The Board Charter outlines the roles, responsibility and accountability of the Company Secretary. The Company Secretary is accountable directly to the Board, through the chair, on all matters to do with the proper functioning of the Board.</p>

<p><b>Recommendation 1.5</b></p> <p>A listed entity should:</p> <p>(a) have and disclose a diversity policy;</p> <p>(b) through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and</p> <p>(c) disclose in relation to each reporting period:</p> <p>(i) the measurable objectives set for that period to achieve gender diversity;</p> <p>(ii) the entity’s progress towards achieving those objectives; and</p> <p>(iii) either:</p> <p>(A) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined “senior executive” for these purposes); or</p> <p>(B) if the entity is a “relevant employer” under the Workplace Gender Equality Act, the entity’s most recent “Gender Equality Indicators”, as defined in and published under that Act.</p>	<p>Not Complying</p>	<p>(a) The Company has adopted a Diversity Policy in Schedule 13 of the Corporate Governance Plan which is available on the company website.</p> <p>(b) The Diversity Policy states that the Board is responsible for setting measurable objectives for achieving gender diversity.</p> <p>(c) The Company currently has no employees and utilizes external consultants and contractors as and when required.</p> <p>There are currently no women in senior executive positions or on the Board.</p>
<p><b>Recommendation 1.6</b></p> <p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>	<p>Complying</p>	<p>(a) The Nomination Committee is responsible for evaluating the performance of the Board and individual directors on an annual basis. It may do so with the aid of an independent advisor. The Performance Evaluation Policy can be found in Schedule 7 of the Company’s Corporate Governance Plan.</p> <p>(b) The Company’s Corporate Governance Plan requires the Company to disclose whether or not performance evaluations were conducted during the relevant reporting period.</p> <p>Due to the size of the Board and the nature of the business, it has not been deemed necessary to institute a formal documented performance review program of individuals. However, the Chairman intends to conduct formal reviews each financial year whereby the performance of the Board as a whole and the individual contributions of each director are disclosed. The Board considers that at this stage of the Company’s development an informal process is appropriate.</p> <p>The review will assist to indicate if the Board’s performance is appropriate and efficient with respect to the Board Charter.</p> <p>The Board regularly reviews its skill base and whether it remains appropriate for the</p>

		<p>Company's operational, legal and financial requirements. New Directors are obliged to participate in the Company's induction process, which provides a comprehensive understanding of the Company, its objectives and the market in which the Company operates.</p> <p>Directors are encouraged to avail themselves of resources required to fulfil the performance of their duties.</p>
<p><b>Recommendation 1.7</b></p> <p>A listed entity should:</p> <p>(a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and</p> <p>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>	Complying	<p>(a) The Remuneration Committee is responsible for evaluating the performance of senior executives. The Remuneration Committee is to arrange an annual performance evaluation of the senior executives.</p> <p>(b) The Company's Corporate Governance Plan requires the Remuneration Committee to conduct annual performance of the senior executives. Schedule 7 'Performance Evaluation Policy' requires the Company to disclose whether or not performance evaluations were conducted during the relevant reporting period.</p> <p>During the financial year an evaluation of performance of the individuals was not formally carried out as the Company has no employees. However, a general review of the individuals occurs on an on-going basis to ensure that structures suitable to the Company's status as a listed entity are in place.</p>
<b>Principle 2: Structure the board to be effective and add value</b>		
<p><b>Recommendation 2.1</b></p> <p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(i) has at least three members, a majority of whom are independent directors; and</p> <p>(ii) is chaired by an independent director, and disclose:</p> <p>(iii) the charter of the committee;</p> <p>(iv) the members of the committee; and</p> <p>(v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	Part complying	<p>(a) The Company has a Nomination Committee comprising all members of the Board with Mr Morzaria being Chairman of the Committee. Only Mr Morzaria and Ambassador Bloomfield are considered to be independent.</p> <p>The role and responsibilities of the Nomination Committee and Charter is outlined in Schedule 4 of the Corporate Governance Plan and Policies available online on the Company's website.</p> <p>The Board devotes time at board meetings to discuss board succession issues. All members of the Board are involved in the Company's nomination process, to the maximum extent permitted under the Corporations Act and ASX Listing Rules.</p> <p>The Board regularly updates the Company's board skills matrix (in accordance with recommendation 2.2) to assess the appropriate balance of skills, experience, independence and knowledge of the entity.</p>

<p><b>Recommendation 2.2</b></p> <p>A listed entity should have and disclose a board skills matrix setting out the mix of skills that the board currently has or is looking to achieve in its membership.</p>	<p>Complying</p>	<table border="1"> <thead> <tr> <th data-bbox="874 210 1190 304">Board Skills Matrix</th> <th data-bbox="1190 210 1382 304">Number of Directors that Meet the Skill</th> </tr> </thead> <tbody> <tr> <td data-bbox="874 304 1190 376">Executive &amp; Non- Executive experience</td> <td data-bbox="1190 304 1382 376">4</td> </tr> <tr> <td data-bbox="874 376 1190 443">Industry experience &amp; knowledge</td> <td data-bbox="1190 376 1382 443">4</td> </tr> <tr> <td data-bbox="874 443 1190 479">Leadership</td> <td data-bbox="1190 443 1382 479">4</td> </tr> <tr> <td data-bbox="874 479 1190 546">Corporate governance &amp; risk management</td> <td data-bbox="1190 479 1382 546">4</td> </tr> <tr> <td data-bbox="874 546 1190 582">Strategic thinking</td> <td data-bbox="1190 546 1382 582">4</td> </tr> <tr> <td data-bbox="874 582 1190 649">Desired behavioural competencies</td> <td data-bbox="1190 582 1382 649">4</td> </tr> <tr> <td data-bbox="874 649 1190 685">Geographic experience</td> <td data-bbox="1190 649 1382 685">4</td> </tr> <tr> <td data-bbox="874 685 1190 721">Capital Markets experience</td> <td data-bbox="1190 685 1382 721">4</td> </tr> <tr> <td data-bbox="874 721 1190 757"><i>Subject matter expertise:</i></td> <td data-bbox="1190 721 1382 757"></td> </tr> <tr> <td data-bbox="874 757 1190 792">- accounting</td> <td data-bbox="1190 757 1382 792">2</td> </tr> <tr> <td data-bbox="874 792 1190 828">- capital management</td> <td data-bbox="1190 792 1382 828">4</td> </tr> <tr> <td data-bbox="874 828 1190 864">- corporate financing</td> <td data-bbox="1190 828 1382 864">4</td> </tr> <tr> <td data-bbox="874 864 1190 900">- industry taxation <sup>1</sup></td> <td data-bbox="1190 864 1382 900">0</td> </tr> <tr> <td data-bbox="874 900 1190 936">- risk management</td> <td data-bbox="1190 900 1382 936">4</td> </tr> <tr> <td data-bbox="874 936 1190 972">- legal<sup>2</sup></td> <td data-bbox="1190 936 1382 972">0</td> </tr> <tr> <td data-bbox="874 972 1190 1008">- IT expertise <sup>2</sup></td> <td data-bbox="1190 972 1382 1008">0</td> </tr> </tbody> </table> <p>(1) Skill gap noticed however an external taxation firm is employed to maintain taxation requirements.</p> <p>(2) Skill gap noticed however a legal firm is employed on an adhoc basis to maintain IT requirements.</p>	Board Skills Matrix	Number of Directors that Meet the Skill	Executive & Non- Executive experience	4	Industry experience & knowledge	4	Leadership	4	Corporate governance & risk management	4	Strategic thinking	4	Desired behavioural competencies	4	Geographic experience	4	Capital Markets experience	4	<i>Subject matter expertise:</i>		- accounting	2	- capital management	4	- corporate financing	4	- industry taxation <sup>1</sup>	0	- risk management	4	- legal <sup>2</sup>	0	- IT expertise <sup>2</sup>	0
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<p><b>Recommendation 2.3</b></p> <p>A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a director has an interest, position, affiliation or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each director.</p>	<p>Complying</p>	<p>(a) The Board Charter provides for the disclosure of the names of Directors considered by the Board to be independent. Only Mr Morzaria and Ambassador Bloomfield are considered to be independent. The details of the directors are disclosed in the Annual Report and Company website.</p> <p>(b) The Board Charter requires Directors to disclose their interest, positions, associations and relationships and requires that the independence of Directors is regularly assessed by the Board in light of the interests disclosed by Directors. Details of the Directors interests, positions associations and relationships are provided in the Annual Reports and Company website.</p> <p>(c) The Board Charter provides for the determination of the Directors' terms and requires the length of service of each Director to be disclosed. The length of service of each Director is provided in the Annual Reports and Company website.</p>																																		

<p><b>Recommendation 2.4</b></p> <p>A majority of the board of a listed entity should be independent directors.</p>	<p>Not complying</p>	<p>Given the Company's present size and scope it is currently not Company policy to have a majority of Independent Directors.</p> <p>At this time Mr Morzaria and Ambassador Bloomfield are considered to be independent.</p> <p>Details of each Director's independence are provided in the Annual Reports and Company website.</p>
<p><b>Recommendation 2.5</b></p> <p>The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.</p>	<p>Not complying</p>	<p>The Board Charter provides that where possible, the Chairman of the Board should be an independent director and not be the same person as the MD of the Company.</p> <p>Mr Keith Coughlan is the Executive Chairman of the Board and is not an independent director.</p> <p>If the Chairman resigns the Board will consider appointing a lead independent Director.</p>
<p><b>Recommendation 2.6</b></p> <p>A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.</p>	<p>Complying</p>	<p>The Board Charter states that a specific responsibility of the Board is to procure appropriate professional development opportunities for Directors. The Board is responsible for the approval and review of induction and continuing professional development programs and procedures for Directors to ensure that they can effectively discharge their responsibilities.</p>
<p><b><i>Principle 3: Instil a culture of acting lawfully, ethically and responsibly</i></b></p>		
<p><b>Recommendation 3.1</b></p> <p>A listed entity should articulate and disclose its values.</p>	<p>Complying</p>	<p>The Company has formulated Core Values that are included in the Board Charter outlined in the Corporate Governance Plan available on the Company's website.</p>
<p><b>Recommendation 3.2</b></p> <p>A listed entity should:</p> <p>(a) have and disclose a code of conduct for its directors, senior executives and employees; and</p> <p>(b) ensure that the board or a committee of the board is informed of any material breaches of that code.</p>	<p>Complying</p>	<p>(a) The Corporate Code of Conduct applies to the Company's directors, senior executives and employees and is in Schedule 2 of the Corporate Governance Plan which is on the Company's website.</p> <p>(b) The Code of Conduct states that any material breaches are to be reported to the Board.</p>
<p><b>Recommendation 3.3</b></p> <p>A listed entity should:</p> <p>(a) have and disclose a whistleblower policy; and</p> <p>(b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.</p>	<p>Part Complying</p>	<p>(a) The Company has a Whistleblower Policy available on the corporate governance page of its website.</p> <p>(b) The Company's Whistleblower Policy does not explicitly state that the Board or a committee is to be informed of any material incidents. It is intended that the Company Secretary or other eligible recipient would inform the Board of any material incidents.</p>
<p><b>Recommendation 3.4</b></p> <p>A listed entity should:</p>	<p>Part Complying</p>	<p>(a) The Company has an Anti-Bribery and Anti-Corruption Policy in Schedule 15 of the Corporate Governance Plan which is on the Company's website.</p>

<p>(a) have and disclose an anti-bribery and corruption policy; and</p> <p>(b) ensure that the board or committee of the board is informed of any material breaches of that policy.</p>		<p>(b) The Policy does not explicitly state that the Board or a committee is to be informed of any material breaches. It is intended that the Company Secretary or Chairman would inform the Board of any material breaches.</p>
<p><b>Principle 4: Safeguard the integrity of corporate reports</b></p>		
<p><b>Recommendation 4.1</b></p> <p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(i) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(ii) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(iii) the charter of the committee;</p> <p>(iv) the relevant qualifications and experience of the members of the committee; and</p> <p>(v) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	<p>Part Complying</p>	<p>(a) The Company has a combined Audit and Risk Committee comprising of two members being Ambassador Bloomfield (Chairman) and Mr Morzaria. Ambassador Bloomfield is considered to be independent and is not chair of the Board.</p> <p>The Audit and Risk Committee Charter is outlined in Schedule 3 of the Corporate Governance Plan available on the Company's website. The qualifications, experience and attendance of the members of the Audit and Risk Committee are disclosed in the Company's Directors' Report (contained in the 2021 Annual Report).</p>
<p><b>Recommendation 4.2</b></p> <p>The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	<p>Complying</p>	<p>The Company's Audit and Risk Committee Charter states that a duty and responsibility of the Committee is to ensure that before the Board approves the entity's financial statements for a financial period, the CEO and CFO have declared that in their opinion the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>
<p><b>Recommendation 4.3</b></p> <p>A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.</p>	<p>Complying</p>	<p>The Company provides interim (currently quarterly) updates of the Company's progress across all areas of the business, including select financial information. The Executive Chairman is responsible for all such updates, which are reviewed by the Board. Individual components are also reviewed by</p>

		senior management with responsibility for the specific component subject matter. The financial information is compiled by the Chief Financial Officer in accordance with generally accepted accounting practices.
<b>Principle 5: Make timely and balanced disclosure</b>		
<p><b>Recommendation 5.1</b></p> <p>A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.</p>	Complying	<p>The Board Charter provides details of the Company's disclosure policy. In addition, Schedule 6 of the Corporate Governance Plan is entitled 'Continuous Disclosure Policy' and details the Company's disclosure requirements as required by the ASX Listing Rules and other relevant legislation.</p> <p>The Board Charter and Continuous Disclosure Policy are in the Corporate Governance Plan available on the Company website.</p>
<p><b>Recommendation 5.2</b></p> <p>A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.</p>	Complying	<p>The Company has established a Continuous Disclosure Policy which is included in the Corporate Governance Plan on the Company's website. This policy states that all material market announcements are promptly provided to directors.</p>
<p><b>Recommendation 5.3</b></p> <p>A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.</p>	Complying	<p>The Company has established a Continuous Disclosure Policy which is included in the Corporate Governance Plan on the Company's website. This policy requires new investor presentations to be released to the market ahead of the presentation.</p>
<b>Principle 6: Respect the rights of security holders</b>		
<p><b>Recommendation 6.1</b></p> <p>A listed entity should provide information about itself and its governance to investors via its website.</p>	Complying	<p>The Company's website, <a href="http://www.europeanmet.com">www.europeanmet.com</a>, provides information about the Company, its projects, its Board and management and governance.</p>
<p><b>Recommendation 6.2</b></p> <p>A listed entity should have an investor relations program that facilitates effective two-way communication with investors.</p>	Complying	<p>The Company has adopted a Shareholder Communications Strategy which aims to promote and facilitate effective two-way communication with investors. The Shareholder Communications Strategy outlines a range of ways in which information is communicated to shareholders.</p> <p>The Shareholder Communications Policy can be found in Schedule 10 of the Corporate Governance Plan which is available on the Company website.</p>
<p><b>Recommendation 6.3</b></p> <p>A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.</p>	Complying	<p>The Company has a Shareholder Communications Policy, which is included in the Corporate Governance Plan on the Company's website. The Policy specifically encourages full participation of shareholders at General Meetings to ensure a high level of accountability and identification with the Company's strategy and goals and outlines the various ways in which the Company communicates with shareholders.</p>

<p><b>Recommendation 6.4</b></p> <p>A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.</p>	<p>Complying</p>	<p>In accordance with ASX guidance, all Listing Rule resolutions and all substantive resolutions are decided by a poll rather than by a show of hands.</p>
<p><b>Recommendation 6.5</b></p> <p>A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.</p>	<p>Complying</p>	<p>Security holders can register with the Company to receive email notifications when an announcement is made by the Company to the ASX.</p> <p>Shareholder's queries should be referred to the Company Secretary at first instance.</p>
<p><b>Principle 7: Recognise and manage risk</b></p>		
<p><b>Recommendation 7.1</b></p> <p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <ul style="list-style-type: none"> <li>(i) has at least three members, a majority of whom are independent directors; and</li> <li>(ii) is chaired by an independent director, and disclose:</li> <li>(iii) the charter of the committee;</li> <li>(iv) the members of the committee; and</li> <li>(v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</li> </ul> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	<p>Part complying</p>	<p>(a) The Company has a combined Audit and Risk Committee comprising of two members being Ambassador Bloomfield (Chairman) and Mr Morzaria. Ambassador Bloomfield is considered to be an independent director.</p> <p>The Audit and Risk Committee Charter is outlined in Schedule 3 of the Corporate Governance Plan available on the Company's website. The qualifications, experience and attendance of the members of the Audit and Risk Committee are disclosed in the Company's Directors' Report (contained in the 2021 Annual Report).</p> <p>The Board devote time at annual board meeting to fulfilling the roles and responsibilities associated with overseeing risk and maintaining the entity's risk management framework and associated internal compliance and control procedures.</p>
<p><b>Recommendation 7.2</b></p> <p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	<p>Complying</p>	<p>(a) The Company process for risk management and internal compliance includes a requirement to identify and measure risk, monitor the environment for emerging factors and trends that affect these risks, formulate risk management strategies and monitor the performance of risk management systems. Schedule 8 of the Corporate Governance Plan is entitled 'Risk Management Policy' and details the Company's disclosure requirements with respect to the risk management review procedure and internal compliance and controls.</p> <p>(b) The Board has not formally reviewed the Company's risk profile during the 2021 financial year. However, this issue is regularly reviewed at Board meetings and risk management culture is encouraged amongst employees and contractors.</p>

<p><b>Recommendation 7.3</b></p> <p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its governance, risk management and internal control processes.</p>	<p>Complying</p>	<p>(a) The Company does not have an internal audit function.</p> <p>(b) The Audit and Risk Committee Charter, Schedule 3 of the Company's Corporate Governance Plan, delegates the responsibility for undertaking and assessing risk management and internal control effectiveness to the Audit and Risk Committee.</p>
<p><b>Recommendation 7.4</b></p> <p>A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.</p>	<p>Complying</p>	<p>The Audit and Risk Committee Charter details the Company's risk management systems which assist in identifying and managing potential or apparent environmental and social sustainability risks (if appropriate). Review of the Company's risk management framework is conducted at least annually, and reports are continually created by management on the efficiency and effectiveness of the Company's risk management framework and associated internal compliance and control procedures.</p>

<b>Principle 8: Remunerate fairly and responsibly</b>		
<p><b>Recommendation 8.1</b></p> <p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(i) has at least three members, a majority of whom are independent directors; and</p> <p>(ii) is chaired by an independent director, and disclose:</p> <p>(iii) the charter of the committee;</p> <p>(iv) the members of the committee; and</p> <p>(v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	Part Complying	<p>(a) The Company's Remuneration Committee comprises two members being Mr Morzaria (Chairman) and Ambassador Bloomfield, who are both considered to be independent directors.</p> <p>The role and responsibilities of the Remuneration Committee and Charter is outlined in Schedule 5 of the Corporate Governance Plan available on the Company's website. The qualifications, experience and attendance of the members of the Remuneration Committee are disclosed in the Company's Directors' Report (contained in the 2021 Annual Report).</p> <p>The Board devote time at annual board meetings to fulfilling the roles and responsibilities associated with setting the level and composition of remuneration for Directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>
<p><b>Recommendation 8.2</b></p> <p>A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p>	Complying	<p>Details of the Company's policies and practices regarding the remuneration of Directors and other senior management is set out in the Remuneration Report as disclosed in the Company's Directors' Report (contained in the 2021 Annual Report).</p>
<p><b>Recommendation 8.3</b></p> <p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	Complying	<p>(a) The Company's Remuneration Committee Charter states that the Committee is required to review, manage and disclose the policy (if any) on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme. The Board must review and approve any equity-based plans.</p> <p>(b) A copy of the Company's Corporate Governance Plan which includes the Remuneration Committee Charter is available on the Company's website.</p>
<b>Principle 9: Additional recommendations that apply only in certain cases</b>		
<p><b>Recommendation 9.1</b></p> <p>A listed entity with a director who does not speak the language in which board or security holder meetings are held or key corporate documents are written should disclose the processes it has in place to ensure the director understands and can contribute to the discussions at those meetings</p>	N/A	N/A

and understands and can discharge their obligations in relation to those documents.		
<p><b>Recommendation 9.2</b></p> <p>A listed entity established outside Australia should ensure that meetings of security holders are held at a reasonable place and time.</p>	Complying	<p>The Company is a public company, incorporated in the British Virgin Islands and registered in Australia. Security holder meetings are held in Australia during normal business hours.</p>
<p><b>Recommendation 9.3</b></p> <p>A listed entity established outside Australia, and an externally managed listed entity that has an AGM, should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.</p>	Complying	<p>The Company is a public company, incorporated in the British Virgin Islands and registered in Australia. The Company takes all reasonable steps to ensure the external auditor is represented at each annual general meeting to answer questions concerning the conduct of the audit, the preparation and content of the auditor's report, accounting policies adopted by the Company and the independence of the auditor in relation to the conduct of the audit</p>

## QCA CORPORATE GOVERNANCE REPORT

The following sets out the Company's Corporate Governance Report in accordance with the AIM Rules for Companies, a copy of which is also available from the Company's website at:

<https://www.europeanmet.com/aim-rule-26/>

### INTRODUCTION

In April 2018, the Quoted Companies Alliance (QCA) published an updated version of its Code which provides UK small and mid-sized companies such as European Metals Limited with a corporate governance framework that is appropriate for a Company of our size and nature. The Board considers the principles and recommendations contained in the QCA Code are appropriate and have therefore chosen to apply the QCA Code.

The updated 2018 QCA Code has 10 principles that should be applied. Each principle is listed below together with an explanation of how the Company applies or otherwise departs from each of the principles.

### PRINCIPLE ONE

#### *Business Model and Strategy*

Geomet s.r.o. controls the mineral exploration licenses awarded by the Czech State over the Cinovec Lithium/Tin Project. Geomet s.r.o. is owned 49% by European Metals and 51% by CEZ a.s. through its wholly owned subsidiary, SDAS. Cinovec hosts a globally significant hard rock lithium deposit with a total Indicated Mineral Resource of 372.4Mt at 0.45% Li<sub>2</sub>O and 0.04% Sn and an Inferred Mineral Resource of 323.5Mt at 0.39% Li<sub>2</sub>O and 0.04% Sn containing a combined 7.22 million tonnes Lithium Carbonate Equivalent and 263kt of tin reported 28 November 2017. An initial Probable Ore Reserve of 34.5Mt at 0.65% Li<sub>2</sub>O and 0.09% Sn reported 4 July 2017 has been declared to cover the first 20 years mining at an output of 22,500tpa of lithium carbonate reported 11 July 2018.

In June 2019 EMH completed an updated Preliminary Feasibility Study, conducted by specialist independent consultants, which indicated a return post tax NPV of USD1.108B and an IRR of 28.8% and confirmed that the Cinovec Project is a potential low operating cost, producer of battery grade lithium hydroxide or battery grade lithium carbonate as markets demand. It confirmed the deposit is amenable to bulk underground mining. Metallurgical test-work has produced both battery grade lithium hydroxide and battery grade lithium carbonate in addition to high-grade tin concentrate at excellent recoveries. Cinovec is centrally located for European end-users and is well serviced by infrastructure, with a sealed road adjacent to the deposit, rail lines located 5 km north and 8 km south of the deposit and an active 22 kV transmission line running to the historic mine. As the deposit lies in an active mining region, it has strong community support.

The quantity of these resources directly attributable to the Company is equivalent to the 49% shareholding the Company has in Geomet s.r.o.

This makes Cinovec the largest hard rock lithium deposit in Europe, the fourth largest non-brine deposit in the world and a globally significant tin resource.

The deposit has previously had over 400,000 tonnes of ore mined as a trial sub-level open stope underground mining operation.

### PRINCIPLE TWO

#### *Understanding Shareholder Needs and Expectations*

The Board is committed to maintaining good communication and having constructive dialogue with its shareholders. The Company has close ongoing relationships with its private shareholders. Institutional shareholders and analysts have the opportunity to discuss issues and provide feedback at meetings with the Company. In addition, all shareholders are encouraged to attend the Company's Annual General Meeting. Investors also have access to current information on the Company through its website, [www.europeanmet.com](http://www.europeanmet.com), and via Keith Coughlan, Executive Chairman, who is available to answer investor relations enquiries.

The Company has adopted a Shareholder Communications Policy which aims to promote and facilitate effective two-way communication with investors. The Shareholder Communications Strategy outlines a range of ways in which information is communicated to shareholders.

The Shareholder Communications Policy can be found in Schedule 10 of the Board Charter which is available on the Company website, [www.europeanmet.com/corporate-governance](http://www.europeanmet.com/corporate-governance).

### **PRINCIPLE THREE**

#### ***Considering wider stakeholder and social responsibilities***

The Board recognises that the long-term success of the Company is reliant upon the efforts of the employees of the Company and its contractors, suppliers, regulators and other stakeholders.

The Company has close ongoing relationships with a broad range of its stakeholders and provides them with the opportunity to raise issues and provide feedback to the Company.

### **PRINCIPLE FOUR**

#### ***Risk Management***

The Board has established an Audit and Risk Committee which, at 30 June 2021, was comprised of directors Ambassador Lincoln Bloomfield (Chairman) and Mr Kiran Morzaria. The role and responsibilities of the Audit and Risk Committee are outlined in Schedule 3 of the Company's Corporate Governance Plan available online on the Company's website, [www.europeanmet.com/corporate-governance](http://www.europeanmet.com/corporate-governance).

The Board devotes time at board meetings to fulfilling the roles and responsibilities associated with overseeing risk and maintaining the entity's risk management framework and associated internal compliance and control procedures.

The Company process for risk management and internal compliance includes a requirement to identify and measure risk, monitor the environment for emerging factors and trends that affect these risks, formulate risk management strategies and monitor the performance of risk management systems. Schedule 8 of the Corporate Governance Plan is entitled 'Risk Management Policy' and details the Company's disclosure requirements with respect to the risk management review procedure and internal compliance and controls.

The Board Charter requires the Board to disclose the number of times the Board met throughout the relevant reporting period, and the individual attendances of the members at those meetings. Details of the meetings will be provided in the Company's Annual Report.

### **PRINCIPLE FIVE**

#### ***A Well Functioning Board of Directors***

The Board currently comprises of 4 members: 2 Executive members (the Executive Chairman, Keith Coughlan and Executive Director, Richard Pavlik) and 2 Non-Executive members (Kiran Morzaria and Ambassador Lincoln Bloomfield). Biographical details of the current Directors are set out within Principle Six below. Pursuant to Article 8.5 of the Company's Articles of Association, at each annual general meeting one third of the directors (or, if their number is not a multiple of three, the number nearest to but not more than one-third shall retire from office by rotation. A retiring director shall be eligible for re-election. All the Executive Directors are full time and the Non-Executive Directors are considered to be part time but are expected to provide as much time to the Company as is required.

All letters of appointment of Directors are available for inspection at the Company's registered office during normal business hours. The Board elects a Chairman to chair every meeting.

All letters of appointment of Directors are available for inspection at the Company's registered office during normal business hours. The Board elects a Chairman to chair every meeting.

The Board holds formal meetings periodically as issues arise and require more details. The Directors are in contact and discuss all necessary issues on a regular basis and to ensure that the Non-Executive Directors while not involved in the day to day running of the Company are still kept up to date on a regular basis.

The Company has established an Audit and Risk Committee, a Remuneration Committee, a Nomination Committee and an Environment, Social and Governance Committee, particulars of which are set out in Principle Nine below.

The QCA recommends a balance between executive and non-executive Directors and recommends that there be two independent non-executives. The Board Charter provides for the disclosure of the names of Directors considered by the Board to be independent.

Following the appointment of Ambassador Bloomfield as a Non-Executive Director on 3 January 2021, the Board is comprised of 2 Executive members and 2 Non-Executive members.

Mr Morzaria is a Board nominee of Cadence Minerals Plc (previously named Rare Earth Minerals Plc), which owns 17,663,864 CDIs in the Company. Mr Morzaria is also a director and chief executive of Cadence Minerals Plc. On this basis, Mr Morzaria

is not an independent Non-executive Director. However, the Board believes that Mr Morzaria is a relevantly qualified professional with an understanding of what is expected of a Non-Executive Director and will discharge his duties as an Non-Executive Director in an effective and appropriate manner on behalf of shareholders as a whole. Board composition will remain however under review.

The details of the directors are disclosed in the Annual Report and Company website, [www.europeanmet.com/directors-and-senior-management](http://www.europeanmet.com/directors-and-senior-management).

The Board Charter requires Directors to disclose their interest, positions, associations and relationships and requires that the independence of Directors is regularly assessed by the Board in light of the interests disclosed by Directors. Details of the Directors interests, positions associations and relationships are provided in the Annual Reports and Company website, [www.europeanmet.com/directors-and-senior-management](http://www.europeanmet.com/directors-and-senior-management).

The Board Charter provides for the determination of the Directors' terms and requires the length of service of each Director to be disclosed. The length of service of each Director is provided in the Annual Reports and Company website, [www.europeanmet.com/directors-and-senior-management](http://www.europeanmet.com/directors-and-senior-management). The Corporate Code of Conduct, which applies to the Company's directors, senior executives and employees is in Schedule 2 of the Corporate Governance Plan which is on the Company's website, [www.europeanmet.com/corporate-governance](http://www.europeanmet.com/corporate-governance).

#### **PRINCIPLE SIX**

##### ***Appropriate Skills and Experience of the Directors***

The Company believes the current balance of skills in the Board as a whole, reflects a very broad range of commercial and professional skills across geographies and industries and each of the Director's has experience in public markets. An assessment of the Board's skills and expertise is also set out in the Corporate Governance Report included in the Company's Annual Report, and which is available on the Company's website, <https://www.europeanmet.com/shareholdercentre-reports>.

The Board shall review annually the appropriateness and opportunity for continuing professional development whether formal or informal.

Profiles of the Directors are set out below:

##### **Mr Keith Coughlan – Executive Chairman**

Mr Coughlan has almost 30 years' experience in stockbroking and funds management. He has been largely involved in the funding and promoting of resource companies listed on ASX, AIM and TSX. He has advised various companies on the identification and acquisition of resource projects and was previously employed by one of Australia's then largest funds management organizations. Mr Coughlan is currently Non-executive Chairman of Doriemus Limited (ASX), and Non-executive Director of Calidus Resources Limited (ASX).

Mr Coughlan is currently a member of the Nomination Committee and the Environment, Social and Governance Committee.

##### **Mr Richard Pavlik – Executive Director**

Mr Pavlik is the Chief Advisor to the CEO of Geomet s.r.o, and is a highly experienced Czech mining executive. Mr Pavlik holds a Masters Degree in Mining Engineer from the Technical University of Ostrava in Czech Republic. He is the former Chief Project Manager and Advisor to the Chief Executive Officer at OKD. OKD has been a major coal producer in the Czech Republic. He has almost 30 years of relevant industry experience in the Czech Republic. Mr Pavlik also has experience as a Project Analyst at Normandy Capital in Sydney as part of a postgraduate program from Swinburne University. Mr Pavlik has held previous senior positions within OKD and New World Resources as Chief Engineer, and as Head of Surveying and Geology. He has also served as the Head of the Supervisory Board of NWR Karbonia, a Polish subsidiary of New World Resources (UK) Limited. He has an intimate knowledge of mining in the Czech Republic.

Mr Pavlik is currently a member of the Nomination Committee and the Environment, Social and Governance Committee.

##### **Mr Kiran Morzaria – Non-executive Director**

Mr Morzaria has extensive experience in the mineral resource industry working in both operational and management roles. He spent the first four years of his career in exploration, mining and civil engineering before obtaining his MBA. Mr Morzaria has served as a director of a number of public companies in both an executive and non-executive capacity.

Mr Morzaria is currently a member of the Audit and Risk Committee and the Environment, Social and Governance Committee.

Mr Morzaria is currently Chairman of the Remuneration Committee and the Nomination Committee.

#### **Ambassador Lincoln Bloomfield – Non-executive Director**

Ambassador Bloomfield is based in Washington, DC, and brings governance and regulatory experience, years of international diplomacy and security expertise to the EMH Board, along with a North American presence while his private sector experience is centred on sustainability, resilience and renewable energy.

Mr Morzaria is currently a member of the Remuneration Committee and the Nomination Committee.

Ambassador Bloomfield is currently Chairman of the Audit and Risk Committee and the Environment, Social and Governance Committee.

#### **PRINCIPLE SEVEN**

##### ***Evaluation of Board Performance***

The Board is responsible for evaluating the performance of the Board and individual directors on an annual basis. It may do so with the aid of an independent advisor. The process for this can be found in Schedule 7 of the Company's Corporate Governance Plan which requires the Board to disclose whether or not performance evaluations were conducted during the relevant reporting period.

Due to the size of the Board and the nature of the business, it has not been deemed necessary to institute a formal documented performance review program of individuals. However, the Chairman intends to conduct formal reviews each financial year whereby the performance of the Board as a whole and the individual contributions of each director are disclosed. The Board considers that at this stage of the Company's development an informal process is appropriate.

The review will assist to indicate if the Board's performance is appropriate and efficient with respect to the Board Charter.

The Board regularly reviews its skill base and whether it remains appropriate for the Company's operational, legal and financial requirements. New Directors are obliged to participate in the Company's induction process, which provides a comprehensive understanding of the Company, its objectives and the market in which the Company operates.

Directors are encouraged to avail themselves of resources required to fulfil the performance of their duties.

#### **PRINCIPLE EIGHT**

##### ***Corporate Culture***

The Corporate Code of Conduct applies to the Company's directors, senior executives and employees.

The purpose of the Corporate Code of Conduct is to provide a framework for decisions and actions in relation to ethical conduct in employment. It underpins the Company's commitment to integrity and fair dealing in its business affairs and to a duty of care to all employees, clients and stakeholders. The document sets out the principles covering appropriate conduct in a variety of contexts and outlines the minimum standard of behaviour expected from employees.

The directors consider that at present the Company has an open culture facilitating comprehensive dialogue and feedback and enabling positive and constructive challenge. The Company has adopted, with effect from the date on which its shares were admitted to AIM, a code for Directors' and employees' dealings in securities which is appropriate for a company whose securities are traded on AIM and is in accordance with the requirements of the Market Abuse Regulation which came into effect in 2016.

#### **PRINCIPLE NINE**

##### ***Maintenance of Governance Structures and Processes***

The QCA Code recommends that the Company maintains governance structures and processes in line with its culture and appropriate to its size and complexity.

Ultimate authority for all aspects of the Company's activities rests with the Board, the respective responsibilities of the Chairman and Chief Executive Officer arising as a consequence of delegation by the Board. The Board has adopted appropriate delegations of authority which set out matters which are reserved to the Board. The Chairman is responsible for the effectiveness of the Board, while management of the Company's business and primary contact with shareholders has been delegated by the Board to the Managing Director. As the Company does not currently have a Managing Director, Mr Keith Coughlan, in his role as Executive Chairman, is responsible for the management of the Company's business and primary contact with shareholders.

The Board has established the following committees.

#### *Audit and Risk Committee*

The Board has established an Audit and Risk Committee which, at 30 June 2021, was comprised of directors Ambassador Lincoln Bloomfield (Chairman) and Mr Kiran Morzaria. The role and responsibilities of the Audit and Risk Committee are outlined in Schedule 3 of the Company's Corporate Governance Plan available online on the Company's website, [www.europeanmet.com/corporate-governance](http://www.europeanmet.com/corporate-governance).

This committee has primary responsibility for monitoring the Financial Reporting function and internal controls in order to ensure that the financial performance of the Company is properly measured and reported. The committee receives the financial reports from the executive management and auditors relating to the interim and annual accounts and the accounting and internal control systems in use throughout the Company. The Audit and Risk Committee shall meet at least each financial quarter and it has unrestricted access to the Company's auditors.

#### *Remuneration Committee*

The Board has established a Remuneration Committee which, at 30 June 2021, was comprised of directors Mr Kiran Morzaria (Chairman) and Ambassador Lincoln Bloomfield. The role and responsibilities of the Remuneration Committee are outlined in Schedule 5 of the Company's Corporate Governance Plan available online on the Company's website, [www.europeanmet.com/corporate-governance](http://www.europeanmet.com/corporate-governance).

The Remuneration Committee reviews the performance of the executive directors and employees and makes recommendations to the Board on matters relating to their remuneration and terms of employment. The Remuneration Committee also considers and approves the granting of share options pursuant to the share option plan and the award of shares in lieu of bonuses pursuant to the Company's Remuneration Policy.

#### *Nomination Committee*

The Board has established a Nomination Committee which, at 30 June 2021, was comprised of Mr Kiran Morzaria (Chairman), Mr Keith Coughlan, Mr Richard Pavlik and Ambassador Lincoln Bloomfield, being all the directors. The role and responsibilities of the Nomination Committee are outlined in Schedule 4 of the Company's Corporate Governance Plan available online on the Company's website, [www.europeanmet.com/corporate-governance](http://www.europeanmet.com/corporate-governance).

#### *Environment, Social and Governance Committee*

The Board has established an Environment, Social and Governance Committee which, at 30 June 2021, was comprised of Ambassador Lincoln Bloomfield (Chairman), Mr Keith Coughlan, Mr Richard Pavlik and Mr Kiran Morzaria, being all the directors. The role and responsibilities of the Environment, Social and Governance Committee and Charter are in the process of being developed and will be made available on the Company's website once completed.

### **PRINCIPLE TEN**

#### ***Shareholder Communication***

The Board is committed to maintaining good communication and having constructive dialogue with its shareholders. The Company has close ongoing relationships with its private shareholders. Institutional shareholders and analysts have the opportunity to discuss issues and provide feedback at meetings with the Company. In addition, all shareholders are encouraged to attend the Company's Annual General Meeting.

Investors also have access to current information on the Company through its website, [www.europeanmet.com](http://www.europeanmet.com), and via Keith Coughlan, Executive Chairman, who is available to answer investor relations enquiries.

The Company shall include, when relevant, in its annual report, any matters of note arising from the audit or remuneration committees.