

EUROPEAN METALS HOLDINGS LIMITED

Schedule 16 – Whistle-blower Policy

1. BACKGROUND

This policy supports the commitment of European Metals Holdings Limited (**European Metals**) in creating and maintaining a culture of proper conduct and fair and honest dealing in its business activities.

European Metals encourages the reporting of any instances of suspected unethical, illegal, fraudulent, or undesirable conduct involving European Metals and provides protections and measures so that those persons who make a report may do so confidentially and without fear of intimidation or reprisal.

This policy should be read in conjunction with other European Metals policies, including the Code of Conduct.

2. PURPOSE

The purpose of this policy is to:

- (a) help detect and address Improper Conduct;
- (b) maintain a working environment in which Employees are able to raise concerns regarding instances of Improper Conduct (where there are reasonable grounds to suspect such conduct) without fear of intimidation, disadvantage or reprisal;
- (c) outline the procedures for reporting and investigating reported matters;
- (d) outline the measures in place to protect people who report Improper Conduct; and
- (e) comply with the Corporations Act requirement to have a whistle-blower policy.

It is expected that Employees will report known, suspected or potential cases of Improper Conduct. Failure to raise issues could result in disciplinary action including termination of employment.

3. DEFINITIONS

In this Policy:

European Metals means European Metals Holdings Limited.

APRA means the Australian Prudential Regulation Authority

ASIC means the Australian Securities and Investments Commission.

Corporations Act means the *Corporations Act 2001* (Cth) as amended or modified from time to time.

Employee means any employee, director, contractor or consultant of European Metals.

Improper Conduct means conduct that is illegal, unacceptable or undesirable, or the concealment of such conduct. It includes, but is not limited to, conduct that:

- (a) is against the law or is a failure by European Metals to comply with any legal obligation;
- (b) is dishonest, fraudulent or corrupt;
- (c) is potentially damaging to European Metals, an Employee or a third party, including unsafe work practices, environmental damage, health risks or substantial wasting of corporate resources;
- (d) is misleading or deceptive conduct of any kind, including questionable accounting or financial reporting practices;
- (e) involves bullying, harassment or discrimination; or
- (f) is unethical or breaches European Metals' policies, protocols or codes of conduct.

Reasonable Grounds means that a reasonable person in your position would also suspect the information indicates Improper Conduct.

Section means a section of this policy.

Whistle-blower Protection Officers means persons nominated by European Metals whose key responsibilities include protecting Disclosing Persons who report concerns under this policy. The current Whistle-blower Protection Officers nominated by European Metals are Mr David Koch, Company Secretary and Ambassador Lincoln Palmer Bloomfield Jr, Independent Chairman of the Audit and Risk Committee.

4. REPORTING PROCEDURE

4.1 Who is covered by this Policy?

This Policy applies to reports of Improper Conduct which are made by individuals who are, or have been, any of the following:

- (a) a director, officer or employee of European Metals;
- (b) a contractor or supplier of European Metals;
- (c) an employee of a contractor or supplier of European Metals;
- (d) an individual who is an associate of the European Metals, for example a director of a related company of the European Metals; and
- (e) a relative, dependent or spouse (or that spouse's dependents) of an individual referred to at (a) to (d) above.

In this policy, each person in the categories listed above is referred to as a "**Disclosing Person**".

4.2 To whom can a report of Improper Conduct be made?

The law gives certain protections to a Disclosing Person who reports Improper Conduct on Reasonable Grounds to:

- (a) ASIC;

- (b) APRA (although that is unlikely to be relevant given the nature of European Metals' business);
- (c) the ATO (for Improper Conduct relating to tax matters);
- (d) a Commonwealth authority specified in regulations (at present no authority has been specified); or
- (e) an "eligible recipient" as listed below.

An eligible recipient is:

- (a) any person authorised by European Metals to receive disclosures of Improper Conduct that may qualify for protection. European Metals authorises the nominated Whistleblower Protection Officers listed below:

Company Secretary

Mr David Koch

E: david@europeanmet.com

T: +61 8 6245 2050

Independent Chair of the Audit and Risk Committee

Ambassador Lincoln Palmer Bloomfield Jr

E: LBloomfield@palmercoates.com

T: +1 (703) 960-4757

- (b) an external auditor or actuary of European Metals; and
- (c) a senior manager or officer of European Metals.

4.3 Legal advice and communicating with a lawyer

Before or after making a report of Improper Conduct, a Disclosing Person is entitled to discuss their concerns about Improper Conduct with their lawyer and get legal advice from a lawyer about how the whistleblower laws apply to them. Generally, the legal protections referred to below also apply to such communications between a Disclosing Person and their lawyer.

4.4 Public interest and emergency disclosures to a journalist or Member of Parliament

Protections for public interest and emergency disclosures only apply if a Disclosing Person has first made a report of Improper Conduct to a Commonwealth agency and does not apply if a report has only been made to an "eligible recipient".

- (a) Public Interest disclosures

If:

- (i) a Disclosing Person has made a report of Improper Conduct to one of the Commonwealth agencies specified in Section 4; and
- (ii) at least 90 days have passed since making the report; and

- (iii) the Disclosing Person does not have reasonable grounds to believe that action is being taken on the report and reasonably believes that further disclosure is in the public interest; and
- (iv) has given prior written notice to the relevant Commonwealth agency of his or her intention to make further disclosure,

then the Disclosing Person may make a report of the Improper Conduct to a journalist or Federal or State Member of Parliament. In this case, this further report will have the legal protections referred to in Sections 5 and 6 of this policy, provided it is limited to the information necessary to inform the recipient of the Improper Conduct.

(b) Emergency disclosures

A Disclosing Person will also have the legal protections referred to in Sections 5 and 6 of this policy if the person:

- (i) has made a report of Improper Conduct to a specified Commonwealth agency;
- (ii) has reasonable grounds to believe that the Improper Conduct concerns a substantial and imminent danger to any person's health or safety or to the natural environment;
- (iii) has given prior written notice to the relevant Commonwealth agency of his or her intention to make further disclosure; and
- (iv) makes a report to a journalist or Member of Parliament that is limited to the information necessary to inform the recipient of the substantial or imminent danger.

4.5 How to make a report to an eligible recipient

Employees may report Improper Conduct to an eligible recipient by:

- (a) post to PO Box 646, West Perth WA 6872 (marked as private and confidential to the attention of the Employee's immediate manager or the Whistle-blower Protection Officer); or
- (b) email david@europeanmet.com or LBloomfield@palmercoates ; or
- (c) telephone +61 8 6245 2050.

The Disclosing Person may choose to remain anonymous (and will still have the same legal protections) or may disclose their name, which will be kept confidential subject to certain exceptions referred to in Section 5 of this policy.

4.6 What kind of conduct can you report under this policy?

A Disclosing Person who reports Improper Conduct, whether made directly or anonymously, must have reasonable grounds to suspect that the information being disclosed about the Company concerns:

- (a) misconduct or an improper state of affairs or circumstances in relation to any entity within European Metals; or

- (b) indicates that European Metals or any of its officers or employees has engaged in conduct that:
 - (i) breaches the Corporations Act;
 - (ii) breaches other financial sector laws enforced by ASIC or APRA;
 - (iii) constitutes an offence against other law of the Commonwealth that is punishable by imprisonment for a period of 12 months; or
 - (iv) represents danger to the public or the financial system.

Examples of what may be disclosed include a breach of any legal or regulatory requirement, the European Metals Code of Conduct or any other European Metals policy, including, inter alia:

- (a) fraud, dishonesty or corruption;
- (b) negligence;
- (c) criminal offences;
- (d) financial loss to European Metals, reputational damage or conduct otherwise detrimental to European Metals' interests;
- (e) potential misconduct or an improper state of affairs or circumstances in relation to European Metals' tax affairs;
- (f) failure to comply with legal obligations of European Metals as a company listed on the ASX; and
- (g) unethical or corrupt conduct.

Legal protections apply in favour of a Disclosing Person even if the allegations he or she makes are wrong, provided that the Disclosing Person had Reasonable Grounds for making the allegations.

4.7 **What kind of conduct is not covered by this policy?**

Generally, disclosures that solely concern the Disclosing Person's personal work-related grievances do not qualify for protection under the Corporations Act.

Examples of disclosures regarding personal work-related grievances that may not qualify for protection under whistle-blower laws and this policy include:

- (a) an interpersonal conflict between the Disclosing Person and another employee;
- (b) a decision relating to the engagement, transfer or promotion of the Disclosing Person;
- (c) a decision relating to the terms and conditions of engagement of the Disclosing Person; or
- (d) a decision to suspend or terminate the engagement of the Disclosing Person, or otherwise discipline the Disclosing Person.

However, a report about a personal work-related grievance may still be covered if it includes information about other Improper Conduct beyond the Disclosing Person's personal circumstances, or the Disclosing Person is being threatened with some detriment for making a report.

5. CONFIDENTIALITY AND ANONYMITY

Improper Conduct reports, whether made in the Disclosing Person's name or anonymously, will be kept confidential and details of the report, or the Disclosing Person, will only be released to those necessarily involved in the investigation, unless the Disclosing Person consents or European Metals is obliged or allowed by law to disclose, such as disclosures to ASIC, the Australian Federal Police, or a legal practitioner for the purpose of obtaining advice about the application of the Disclosing Person's protections.

European Metals will ensure that any records relating to a report of Improper Conduct are stored securely and confidentially and are able to be accessed only by European Metals employees who are authorised to access the information for the purposes of the investigation.

Unauthorised disclosure of:

- (a) the identity of the Disclosing Person who has made a report of Improper Conduct; or
- (b) information from which the identity of the reporting person could be inferred,

may be an offence under Australian law and will be regarded as a disciplinary matter.

6. PROTECTIONS AND SUPPORT

European Metals is committed to protecting and respecting the rights of any Disclosing Person who reports Improper Conduct in accordance with this policy.

European Metals will not tolerate any reprisals against any person suspected of making a report of Improper Conduct, or against that person's colleagues, employer (if a contractor), relatives or any other person where the reason for the detrimental conduct relates to the suspicion that a Disclosing Person has made a report of Improper Conduct.

Any such retaliatory action may be an offence and will be treated as serious misconduct and will be dealt with in accordance with European Metals' disciplinary procedures.

In addition to the above, under Australian law, a Disclosing Person who has reasonable grounds for suspecting that Improper Conduct has taken place, and who reports the matter to an appropriate person or agency as referred to in Section 4, may be entitled to additional legal protections in certain circumstances, including:

- (a) they may be protected from civil, criminal or administrative legal action for making the report;
- (b) no contractual or other right may be exercised against the Disclosing Person for making the report;

- (c) the information they provide may not be admissible in evidence against them in legal proceedings (unless they have provided false information); and
- (d) anyone who causes or threatens to cause detriment to a Disclosing Person in the belief or suspicion that a report has been made, or may have been made, proposes to or could be made, may be guilty of an offence and may be liable to pay damages to the Disclosing Person for any loss suffered by him or her as a result.

7. INTERNAL INVESTIGATION PROCEDURE

Whether an internal investigation is required, and the investigation processes undertaken, will vary depending on the precise nature of the alleged Improper Conduct. Any investigation will be conducted in a manner that is fair and objective to all people involved. The time that an investigation takes will depend on the particular facts of each case, but European Metals will conduct any internal investigation as quickly as practicable.

The Whistle-blower Protection Officer is responsible for investigating Improper Conduct reports made under the Whistle-blower Policy. The Whistle-blower Protection Officer has access to independent financial, legal and operational advisors as required, and for serious matters, will be assisted by the Board of European Metals.

An investigation will generally involve making enquiries and collecting evidence for the purpose of assessing whether the Improper Conduct report can be substantiated.

European Metals employees about whom reports are made will generally be given an opportunity to respond to the relevant allegations made in the Improper Conduct report. Feedback will be provided to the Disclosing Person, if appropriate, on the progress of the investigation, unless they have remained anonymous.

Generally, the Whistle-blower Protection Officer will decide whether to escalate any report and the findings of any investigation, and to whom the report and findings should be escalated for any decision. This will depend on the facts and seriousness of each case. For example, a decision on how to respond to the findings of any investigation could be made by a Whistle-blower Protection Officer.

8. REVIEW OF THIS POLICY

This policy will be reviewed from time to time to ensure it remains effective and meets best practice standards and the needs of European Metals. This policy can only be amended by resolution of the Board.

The Whistle-blower Policy can be accessed via the European Metals website at www.europeanmet.com.