
EUROPA METALS LIMITED

ACN 097 532 137

CORPORATE GOVERNANCE STATEMENT

As at the date of admission to the Official List of ASX

The Board of Europa Metals Limited (the **Company** or **Europa**) is responsible for the overall corporate governance of the Company and its subsidiaries (the **Group**). The Board believes that good corporate governance helps ensure the future success of the Group, adds value to stakeholders and enhances investor confidence. The Board guides and monitors the business affairs of the Group on behalf of the shareholders by whom they are elected and to whom they are accountable.

The ASX document 'Corporate Governance Principles and Recommendations 4th Edition' (**Recommendations**) published by the ASX Corporate Governance Council applies to listed entities with the aim of enhancing the credibility and transparency of Australia's capital markets. The Board has assessed the Group's current practice against the Principles and Recommendations. Other than the matters specified below under "If Not, Why Not" Disclosure, all the best practice recommendations of the ASX Corporate Governance Council have been applied.

This Corporate Governance Statement (**Statement**) discloses the extent to which the Company has followed the Recommendations, or where appropriate, indicates a departure from the Recommendations with an explanation. This Statement should be read in conjunction with the Company's Corporate Governance Plan available on its website at www.europametals.com.

PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

Recommendation 1.1: Disclose a Board Charter

Comply: Yes

Europa's Board Charter contained in the Corporate Governance Plan details the respective roles and responsibilities of the Company's Board and management and those matters expressly reserved to the Board and to management.

Recommendation 1.2: Undertake appropriate checks before appointing a Director or Senior Executive and provide Material Information to Security Holders

Comply: Yes

The Company undertakes appropriate checks before appointing a Director or senior executive or endorsing the election of any prospective Director and provides security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a Director by providing biographical details of candidates including relevant qualifications, experience and skills and details of any other material directorships currently held by the candidate.

Recommendation 1.3: Establish a Written Agreement with each Director and Senior Executive setting out the Terms of their Appointment

Comply: Yes

The Company has written agreements with each of its Directors which set out the terms of their appointment. Executive service agreements are in place with the Executive Chairman and the Managing Director & CEO.

Recommendation 1.4: The Company Secretary should be Accountable Directly to the Board, through the Chair

Comply: Yes

Europa's Board Charter outlines the roles, responsibilities 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.

Recommendation 1.6: Disclose whether a Performance Evaluation of the Board was undertaken in the Reporting Period

Comply: Partially

The process for evaluating Board performance is detailed in the Performance Evaluation Policy which is available on the Company's website. The Performance Evaluation Policy has been newly adopted in connection with the Company's admission to ASX and therefore no performance evaluation has yet been undertaken in accordance with those processes.

Recommendation 1.7: Disclose whether a Performance Evaluation of its Senior Executive was undertaken in the Reporting Period

Comply: Partially

The Board reviews the performance of its executive team at least every two years. A member of the executive team, for these purposes, means key management personnel (as defined in the Corporations Act) other than a non-executive Director. The applicable processes are set out in the Company's Performance Evaluation Policy. As the policy has been newly adopted, no performance evaluation has yet been undertaken under it.

PRINCIPLE 2: STRUCTURE THE BOARD TO BE EFFECTIVE AND ADD VALUE

Recommendation 2.1: Establish a Nomination Committee

Comply: Partially

In view of the size and resources available to the Company, it is not considered that a separate nomination committee would add substance to the process. The Board as a whole acts in regard to the responsibilities of the nomination committee. Those responsibilities are outlined in the Nomination and Remuneration

Committee Charter which is available on the Company's website. The Board devotes time at least annually to discuss Board succession issues and to ensure the Board has the appropriate balance of skills, experience, independence and knowledge of the Company.

Recommendation 2.2: Board Skill Matrix

Comply: Partially

The Board is structured to facilitate the effective discharge of its duties and to add value through its deliberations. It seeks to achieve a Board composition with a balance of diverse attributes relevant to the Company's operations and markets, including skill sets, background, gender, geography and industry experience. Skills identified as necessary include operational management, exploration and geology, engineering, project delivery, finance, corporate governance, equity capital markets, legal and commercial negotiations. A profile of each Director setting out their skills, experience and period of office is set out in the Directors' Report section of the Company's annual report. The Company has not yet disclosed a formal Board skills matrix.

Recommendation 2.3: Independent Directors

Comply: Partially

The Board currently comprises Mr Myles Campion (Executive Chairman), Mr Torey Marshall (Managing Director & Chief Executive Officer), Dr Evan Kirby (Non-Executive Director) and Mr Daniel Smith (Non-Executive Director and Company Secretary). Dr Evan Kirby and Mr Daniel Smith are considered by the Board to be independent Directors. The length of service of each Director is disclosed in the Company's annual report.

Recommendation 2.4: Majority Independent Directors

Comply: No

The Board currently consists of four Directors of whom two (Mr Daniel Smith and Dr Evan Kirby) are considered independent. The Board considers that the current composition is appropriate for the Company's size and stage of development. As the Company's activities develop in size, nature and scope, the composition of the Board will be reviewed.

Recommendation 2.5: The Chair of the Board should be an Independent Director and, in particular, should not be the same person as the Managing Director/Chief Executive Officer

Comply: Partially

The Chair of the Board (Mr Myles Campion) is an Executive Director and is therefore not independent. The Chair is not the same person as the Managing Director & Chief Executive Officer (Mr Torey Marshall). The Board considers that Mr Campion's extensive industry and capital markets experience, together with the separation of the Chair and CEO roles, provides effective leadership for a company of Europa's size.

Recommendation 2.6: A Program for Inducting New Directors and for Periodically Reviewing Existing Directors to undertake Professional Development

Comply: Partially

The Company Secretary is responsible for facilitating inductions and professional development, including receiving briefings on material developments in laws, regulations and accounting standards relevant to the Company. Formal induction processes will be further developed as the Company grows.

PRINCIPLE 3: INSTIL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY

Recommendation 3.1: Articulate and Disclose its Values

Comply: Yes

The Group is committed to conducting all of its business activities fairly, honestly, with a high level of integrity, and in compliance with all applicable laws, rules and regulations. The Company's values are set out in its Code of Conduct contained in the Corporate Governance Plan and are available on the Company's website.

Recommendation 3.2: Disclose a Code of Conduct and be Informed of any Material Breaches

Comply: Yes

Europa's Code of Conduct applies to the Directors, senior executives and employees. Any material breaches of the Code of Conduct are reported to the Board.

Recommendation 3.3: Disclose a Whistleblower Policy and be Informed of any Material Incidents

Comply: Yes

Europa's Whistleblower Policy is disclosed on the Company's website. Any material incidents under the Whistleblower Policy are reported to the Board.

Recommendation 3.4: Disclose an Anti-Bribery and Corruption Policy and be Informed of any Material Breaches

Comply: Yes

Europa's Anti-Bribery and Corruption Policy is disclosed on the Company's website. The Board has a zero-tolerance approach to bribery and corruption. Any material breaches are reported to the Board.

PRINCIPLE 4: SAFEGUARD THE INTEGRITY OF CORPORATE REPORTS

Recommendation 4.1: Establish an Audit Committee

Comply: Partially

The Company does not have a separate Audit Committee as the Board considers that the Company will not currently benefit from its establishment given its size. The full Board carries out the duties that would ordinarily be carried out by an Audit Committee, including monitoring and reviewing matters of significance affecting financial reporting and compliance, the integrity of the financial reporting of the Company, the Company's internal financial control systems and the external audit function.

Recommendation 4.2: Approval of Financial Statements

Comply: Yes

The Board requires the CEO and CFO (or the persons fulfilling those functions) to provide a declaration for each half-year and full-year financial period that the Group's financial records have been properly maintained, that the financial statements present a true and fair view in accordance with the relevant accounting standards, and that the financial statements are founded on a sound system of risk management and internal control which is operating effectively.

Recommendation 4.3: Verification of Integrity of Financial Reports

Comply: Yes

The Group is committed to providing clear, concise, timely and effective disclosure. Material statements in reports are reviewed by relevant functional heads and senior management. Information about the Group's resources is only included if it complies with the ASX Listing Rules. Each draft report is reviewed by the Executive Chairman, Managing Director and/or Company Secretary before release.

PRINCIPLE 5: MAKE TIMELY AND BALANCED DISCLOSURE

Recommendation 5.1: Disclose a Continuous Disclosure Policy

Comply: Yes

Europa's Continuous Disclosure Policy is disclosed on the Company's website.

Recommendation 5.2: Board receives Market Announcements Promptly

Comply: Yes

All members of the Board receive material market announcements promptly after they have been made.

Recommendation 5.3: Investor or Analyst Presentation Released to ASX ahead of the Presentation

Comply: Yes

The Company releases any substantive investor or analyst presentation on the ASX Market Announcements Platform ahead of the presentation.

PRINCIPLE 6: RESPECT THE RIGHTS OF SECURITY HOLDERS

Recommendation 6.1: Provide Information of the Company and its governance on the Website

Comply: Yes

The Company provides information about itself and its governance to investors via its website at www.europametals.com and complies with Listing Rule 3.1 in relation to publication of all relevant documents and reports.

Recommendation 6.2: Investor Relations Program to Facilitate Effective Two-Way Communication

Comply: Yes

The Company's Shareholder Communications Strategy aims to promote and facilitate effective two-way communication with investors.

Recommendation 6.3: Encourage Participation at Meetings

Comply: Yes

The Company encourages shareholders to participate at all general meetings and Annual General Meetings of the Company.

Recommendation 6.4: Resolutions at a Meeting to be Decided by Poll

Comply: Yes

The Company's Constitution provides for all substantive resolutions to be determined by a poll rather than a show of hands.

Recommendation 6.5: Option to Receive and Send Communication Electronically

Comply: Yes

Security holders can register to receive email notifications when an announcement is made by the Company to ASX. ASX announcements are uploaded on the Company's website promptly after lodgement.

PRINCIPLE 7: RECOGNISE AND MANAGE RISK

Recommendation 7.1: Establish a Risk Committee

Comply: Partially

As a consequence of the size and composition of the Company's Board, the Board does not have a stand-alone risk committee. The Board as a whole has the responsibilities typically assumed by a risk committee, including ensuring that an appropriate risk-management framework is in place and is operating properly, and reviewing and monitoring legal and policy compliance systems and issues.

Recommendation 7.2: Risk Management Framework and Periodic Review

Comply: Yes

The Board satisfies itself at least annually that the Group's Risk Management Framework continues to be sound and that the Company is operating with due regard to the risk appetite set by the Board. Key operational risks and their management are recurring items for deliberation at Board meetings.

Recommendation 7.3: Internal Audit

Comply: Yes

The Company does not have an internal audit function. The Board considers that the processes employed pursuant to the Audit and Risk Committee Charter (as applied by the full Board) and the Risk Management Framework are sufficient for evaluating and continually improving the effectiveness of its risk management and internal control processes given the size and complexity of the current business.

Recommendation 7.4: Material Economic, Environmental and Social Risk

Comply: Yes

The Group's exploration operations are such that it is exposed to economic, environmental and social risks. The Board respects the rights and beliefs of all stakeholders and maintains open, honest communication with stakeholders. The Group operates fully within the laws of the jurisdictions in which it operates and maintains high standards with regard to its environmental and social practices. The Board will continue to monitor these risks.

PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY

Recommendation 8.1: Establish a Remuneration Committee

Comply: Partially

The Board as a whole performs the function of the remuneration committee, which includes setting the Company's remuneration structure, determining eligibilities to incentive schemes, assessing performance and remuneration of senior management and determining the remuneration and incentives of the Board. The Board may obtain external advice from independent consultants where considered appropriate. The

Board considers that the Company is not currently of a size, nor are its affairs of such complexity, to justify having a separate remuneration committee.

Recommendation 8.2: Disclose Policies and Practices Regarding the Remuneration of the Non-Executive Directors, Executive Directors and Other Senior Executives

Comply: Yes

The Company's policies and practices regarding the remuneration of Directors and senior executives are disclosed in the remuneration report contained in the Company's Annual Report.

Recommendation 8.3: Equity Based Remuneration Scheme

Comply: Yes

The Company has an equity-based remuneration scheme (the Employee Incentive Plan). The Company does not permit the use of derivatives to limit the economic exposure of participants under the plan. A summary of the equity-based remuneration scheme is contained in the Company's Annual Report and Prospectus.

OTHER PROCESSES

Independent Professional Advice

Directors of the Company are expected to exercise considered and independent judgement on matters before them. Subject to the Chairman's approval (not to be unreasonably withheld), the Directors, at the Company's expense, may obtain independent professional advice on issues arising in the course of their duties.