European Metals Holdings Limited

ACN 154 618 989

Transitional Annual Report
31 December 2024

European Metals Holdings Limited
Corporate directory

Directors	Mr Keith Coughlan - Executive Chairman Mr Richard Pavlik - Executive Director Mr Kiran Morzaria - Non-Executive Director Ambassador Lincoln Bloomfield, Jr - Non-Executive Director Ms Merrill Gray - Non-Executive Director
Company secretary	Mr Henko Vos
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Nominated nomad & broker	Zeus Capital Limited 125 Old Broad Street, 12th Floor, London, EC2N 1AR
UK depository	Computershare Investor Services plc The Pavilions Bridgewater Road Bristol BS99 6ZZ United Kingdom
Securities exchange listing - Australia	European Metals Holdings Limited shares are listed on the Australian Securities Exchange (ASX code: EMH) ASX Limited Level 40, Central Park 152-158 St Georges Terrace Perth WA 6000
Securities exchange listing – United Kingdom	London Stock Exchange plc 10 Paternoster Square London EC4M 7LS United Kingdom AIM Code: EMH
Securities exchange listing – OTCQX Best Market and OTCQB	OTC Markets Group 300 Vesey Street, 12th Floor New York City NY 10282 United States OTCQX and OTCQB Codes: EMHXY and EMHLF

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CHAIRMAN'S LETTER

Dear Shareholders,

Welcome to the 2024 Transitional Financial Year ("TFY") Report for European Metals Holdings Limited ("European Metals" or "the Company"). With the change in the Company's year-end to December to coincide with that of the project company, this report covers the audited six-month period from 1 July 2024 to 31 December 2024.

On behalf of the Board of Directors, I am pleased to report on this period as we continue to progress the Cinovec Lithium Project ("Cinovec Project").

The macro conditions in the global lithium market have continued to be challenging throughout this period. These challenges persist into the post reporting period, although at the time of writing there are some more encouraging factors emerging. Production of electric vehicles has increased sharply, particularly in Europe, as has the demand for Energy Storage Systems. These are clearly the two key drivers for lithium demand.

We are also seeing a renewed focus on energy security as well as raw material security as the world experiences a period of geo-political uncertainty. This too is particularly evident in Europe. We have seen the European Council restate its concerns and plans for the security of the raw materials required to enable the green energy transition.

This focus is particularly important for the Cinovec Project given the profile in the region and the potential of the project to be one of the largest local suppliers of lithium chemicals into the European Union ("EU"). This importance has been formally recognised post period with the Czech government's designation of Cinovec as a Strategic Deposit under Czech law as well as a Strategic Project under the EU's Critical Raw Materials Act ("CRMA").

At a project level we have made significant steps to bringing the project to fruition, with a particular focus on improving the economics. We have developed improvements to both the Front-End Comminution and Beneficiation circuit ("FECAB") stage of the process and to the Lithium Processing Plant with positive results in factors such as recoveries and reagent use as well as the potential to increase the scale of the Cinovec Project all of which provide positive outcomes for the project economics.

The project continues to enjoy strong support from all levels of the Czech and EU governments. It remains well positioned to assist in addressing the supply and demand imbalance of lithium in the European Union, as substantial battery manufacturing projects progress and real raw material supply gaps emerge. The ESG credentials of the project continue to be a focus, and we have made significant progress in the field of stakeholder engagement as the project develops.

Finally, I would like to take this opportunity to thank all staff, advisors, contractors, our project partners, CEZ, and shareholders who have supported us over the past difficult period. I look forward to updating you throughout the new year as we continue to advance the Cinovec Project.

Keith Coughlan
EXECUTIVE CHAIRMAN

PROJECT REVIEW

Geomet s.r.o. controls the mineral exploration licenses awarded by the Czech State over the Cinovec Lithium Project. Geomet has been granted a preliminary mining permit by the Ministry of Environment and the Ministry of Industry. The company is owned 49% by EMH and 51% by CEZ a.s. through its wholly owned subsidiary, SDAS. Cinovec hosts a globally significant hard rock lithium deposit with a total Measured Mineral Resource of 53.3Mt at 0.48% Li2O, Indicated Mineral Resource of 360.2Mt at 0.44% Li2O and an Inferred Mineral Resource of 294.7Mt at 0.39% Li2O containing a combined 7.39 million tonnes Lithium Carbonate Equivalent (refer to the Company's ASX/AIM release dated 13 October 2021) ("Resource Upgrade at Cinovec Lithium Project").

An initial Probable Ore Reserve of 34.5Mt at 0.65% Li2O reported 4 July 2017 ("Cinovec Maiden Ore Reserve – Further Information") has been declared to cover the first 20 years mining at an output of 22,500tpa of lithium carbonate (refer to the Company's ASX/AIM release dated 11 July 2018) ("Cinovec Production Modelled to Increase to 22,500tpa of Lithium Carbonate").

This makes Cinovec the largest hard rock lithium deposit in Europe and the fifth largest non-brine deposit in the world.

Cinovec has been designated a Strategic Project by the European Union under the Critical Raw Materials Act. (refer to the Company's ASX/AIM release dated 26/25 March 2025) ("Cinovec declared a Strategic Project under EU Critical Raw Materials Act") and a Strategic Deposit by the Czech Government (refer to the Company's ASX/AIM release dated 7 March 2025) ("Cinovec declared Strategic Deposit by Czech Government"). The deposit has previously had over 400,000 tonnes of ore mined as a trial sub-level open stope underground mining operation.

On 19 January 2022, EMH provided an update to the 2019 PFS Update. It confirmed the deposit is amenable to bulk underground mining (refer to the Company's ASX/AIM release dated 19 January 2022) ("PFS Update delivers outstanding results"). Metallurgical test-work has produced both battery-grade lithium hydroxide and battery-grade lithium carbonate at excellent recoveries. In February 2023 DRA Global Limited ("DRA") was appointed to complete the Definitive Feasibility Study ("DFS").

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. The deposit lies in an active mining region.

The Cinovec processing plant comprises of a Front-End Comminution and Beneficiation circuit ("FECAB") and Lithium Chemical Plant circuit ("LCP") in combination producing Lithium Hydroxide or Lithium Carbonate end products and will be located on the Prunéřov 1 Power Station site located approximately 59km by rail from the Cinovec mine site. (refer to the Company's ASX/AIM releases dated 26 April 2024 and 27 November 2024) ("New Lithium Plant Site Expected to Improve Project Permitting and Economics") ("Cinovec Project Update").

The economic viability of Cinovec has been enhanced by the recent push for supply security of critical raw materials for battery production, including the strong increase in demand for lithium globally, and within Europe specifically, as demonstrated by the European Union's Critical Raw Materials Act ("CRMA").

Post this reporting period, there have been two critical developments for the Cinovec Project with regards to Czech and European Union support.

Firstly, Cinovec was declared as a Strategic Deposit by the Czech government for the purposes of the Czech Construction Code (refer to the Company's ASX/AIM releases dated 7 March 2025) ("Cinovec Declared Strategic Deposit by Czech Government"). Secondly, the European Commission has declared Cinovec as a Strategic Project under the European Union Critical Raw Materials Act (refer to the Company's ASX/AIM releases dated 26/25 March 2025) ("Cinovec Declared a Strategic Project Under EU Critical Raw Materials Act").

These developments underscore the critical importance of the Project to the European Union, simplifying and shortening the permitting process, and providing likely access to large scale funding via European banking institutions.

Process Flowsheet Improvements – FECAB

In July 2024, the Company advised that in order to enhance FECAB performance and achieve a higher-grade concentrate, additional flotation testwork was conducted using ore samples milled to P80<150µm without removing the <20µm slimes fraction. The testwork produced excellent results, and the project team is now evaluating the potential impacts on bulk materials handling, tailings storage, and backfilling if the FECAB process flowsheet is changed to 100% flotation beneficiation (refer to the Company's ASX/AIM announcement of 31 July 2024) ("Cinovec Lithium Project Update").

This improvement from the use of flotation without magnetic separation resulted in an uplift in concentrate grade from 1.198% Li (2.58% Li_2O) to produce almost pure zinnwaldite concentrate with average grade of 1.46% Li (3.14% Li_2O) and the capability to deliver overall FECAB lithium recovery improvements from >87% to >94.7%, proven on a repeated basis.

Process Flowsheet Improvements – Lithium Chemical Plant

The Cinovec Lithium Project Update announcement of 31 July 2024 also highlighted the benefits and impacts of optimisation testwork of the LCP circuit. Recycling the mixed sulphate waste stream is a crucial element of the patent-pending Cinovec LCP process. The updated LCP circuit design enables the recycling of approximately 50% of the total mixed sulphate produced back into the roast mix, while the remaining mixed sulphate will be treated as waste.

The benefits and impacts of this optimisation testwork of the LCP circuit included elimination of sodium sulphate as a roasting reagent, reducing Opex/t for the project and enabling Lithium not recovered in its first pass through the lithium phosphate reactor tank circuit is reprocessed, enabling higher overall lithium recovery.

Just Transition Fund

The Cinovec Project remains vital for the EU's critical materials security, and the adoption of the CRMA will simplify the permitting process for such projects (refer to the Company's ASX/AIM releases dated 27 March 2024 and 31 July 2024) ("Cinovec Project Update"). On 31 July 2024, the Company provided an update that Geomet representatives met with the Czech Republic's Regional Standing Conference ("RSK"), a body responsible for recommending Just Transition Fund ("JTF") support. Geomet submitted an initial funding application for early-stage construction works under existing exploration licenses. Additionally, the RSK has recommended the sub-project for JTF support, with final approval pending from the Ministry of Environment.

Cinovec Lithium Project and DFS Update

In November 2024, the Company released an update on the DFS for the Cinovec Project (refer to the Company's ASX/AIM announcement of 27 November 2024) ("Cinovec Project Update").

The Company announced the selection of the former Prunéřov 1 Power Station ("EPR1") as the processing plant and related infrastructure construction location. After extensive evaluations of potential sites within the broader Prunéřov area. The EPR1 site offers advantages such as established infrastructure for power, water and rail access to leverage off, leading to cost reduction and enhanced operational efficiency. Key benefits include enhanced logistics due to existing rail links, potential processing capacity expansion areas and the potential for integration with CEZ's solar power plans. The Dukla site will be reconfigured as a transport hub, while ongoing engineering work focuses on optimising capital and operational expenditure at EPR1.

The shift to the EPR1 site, which spans 36 hectares compared to the previous 24-hectare Dukla site, is expected to bring several significant benefits:

- Well-established road infrastructure including to rail links will provide excellent access to site, which will provide significant constructability advantages for the processing plant as well as ongoing operating cost ("Opex") benefits and sustainability (environmental footprint) benefits as a result of building on rehabilitated land.
- EPR1 was a major industrial site and is therefore well serviced by power, gas and water infrastructure which will require less work and investment to re-connect and reticulate into the processing plant.
- EPR1 is served directly by extensive rail infrastructure built for the purpose of delivering coal to the EPR1 and EPR2 power plants, which will continue to be used for EPR2 until it is decommissioned by CEZ. This presents synergies in terms of operating and maintenance costs for shared infrastructure and services and may enable expansion of planned processing capacity beyond that published in the Project's 2022 Pre-Feasibility Study ("PFS"), namely 2.25mtpa run-of-mine ore ("ROM") feed; and
- Ultimately, this may enable a further expansion of lithium production when the adjacent EPR2 coal-fired power plant is shut down in-line with European and Czech policy on phasing out coal-fired power generation and adoption of renewables, including planned solar power installations in the Prunéřov area.

Engineering work has continued in parallel to finalising the process plant location and has included:

- Continuous improvement to mining and processing Capex and Opex, including optimisation of process design criteria.
- Investigation of opportunities to increase mine production tonnages and processing plant throughput volumes.
- Reconfiguration of the previous proposed plant site at Dukla to become a transport hub to load ROM onto trains for transportation to the EPR1 site and, in the reverse direction, receive tailings for the purpose of backfilling the mine.
- Optimising materials handling solutions for ROM and tailings at both the Dukla and EPR1 sites; and
- Evaluation of rail logistics and confirmation that the network capacity can accommodate the volumes of material from the Cinovec Project.

Work on updating DFS to include the EPR1 site and revised fully integrated project configuration has already commenced. The results of the DFS are expected to be released in mid-2025.

In December 2024, the Company announced the outcomes of a Concept Study into the potential to increase the planned annual production of lithium chemicals from the Cinovec Project (refer to the Company's ASX/AIM announcement of 20 December 2024) ("Significant Increase in Planned Lithium Production"). The Concept Study assessed potential scenarios to increase ROM ore processing capacity compared to the Prefeasibility Study ("PFS"), without significantly impacting processing plant head grade, life of mine, or plant recovery.

If supported and confirmed as part of the DFS, scenarios were identified that could represent an increase to the possible production previously announced in the PFS, of 29,386 tpa. The Concept Study indicated that this potential increase in ROM ore could be achieved without expanding the surface footprint of the underground mine and that the DFS could be based upon the increased ROM capacity. In addition, that the increased production levels are not expected to delay the DFS.

The Company notes however that the potential increase in production remains conceptual and the economic viability of the project based on the variables considered is currently unknown. However, the potential increase in production would enable the Project to benefit from significant economies.

Process Flowsheet Improvements

The Project team is advancing several DFS-related initiatives to enhance the FECAB circuit and the Lithium Chemical Plant ("LCP") circuit (refer to the Company's ASX/AIM announcement of 27 November 2024) ("Cinovec Project Update"). These improvements focus on optimising recovery rates, reducing waste and lowering Opex costs to strengthen the Project's economic outlook.

In relation to the LCP, post-piloting testing continues to refine aspects such as roasting reagents, pelletising and moisture reduction in the roast mix, as well as improvements in lithium phosphate precipitation already achieved. Consolidated ongoing testwork results demonstrate significant economic benefits, including reduced kiln size and energy consumption, which will be reflected in the DFS.

POST PERIOD UPDATE

Cinovec declared a Strategic Deposit

On 7 March 2025, and post the reporting period, the Company announced that the Czech government had declared Cinovec a Strategic Deposit for the purposes of the Czech Construction Code, simplifying and shortening permitting.

The designation of Cinovec is a major step forward for the Project, enabling Geomet to obtain certain permits and take actions to secure the development of the Project without undue delay. This designation helps accelerate permitting processes in the following ways:

(1) Expedited approval processes – Strategically significant deposits will have priority in obtaining permits and official approvals, reducing the time required for project preparation and mining initiation.
(2) Reduced administrative burden – The designation will streamline coordination between various authorities, eliminating bureaucratic obstacles and minimising assessment duplication, fulfilling “One Stop Shop” permitting assessment as required under the European Union’s (“EU”) CRMA.
(3) Priority environmental impact assessment (“EIA”) review – The EIA process may have accelerated deadlines or be coordinated to minimise delays caused by complex administrative procedures.
(4) Use of exceptional procedures – Strategically significant deposits may be eligible for special legislative procedures similar to those for key infrastructure projects, potentially limiting blocking possibilities by certain institutions or civil organisations. Overall, this status will enhance the predictability and speed of permitting processes, facilitating the timely extraction of raw materials critical for energy security and industrial needs.

(Refer to the Company’s ASX/AIM release dated 7 March 2025) ("Cinovec Declared a Strategic Deposit by Czech Government").

Cinovec Declared a Strategic Project under the EU Critical Raw Materials Act

On 26 March 2025, and post the reporting period, the Company that the European Commission has declared Cinovec to be a Strategic Project under the recently implemented CRMA.

(1) Declaration confirms the importance of Cinovec in supplying battery grade lithium chemicals to the European battery supply chain.
(2) Strategic Project status will bring with it explicit support from European institutions, including financial institutions.
(3) Permitting will be brought within accelerated and simplified process and time limits set out within the CRMA.

The CRMA aims to strengthen security of critical raw material supplies, reduce dependence on imports from third countries, and support innovation in the sustainable sourcing of mineral resources. Lithium is a key raw material for the transition to a modern low-carbon economy, and critical for the development of the automotive industry and the modernisation of the power sector.

(Refer to the Company’s ASX/AIM releases dated 26 March 2025) (“Cinovec Declared a Strategic Project Under EU Critical Raw Materials Act”)

CORPORATE

The Company announced the change of Nominated Adviser and Broker to Zeus Capital Limited on 30 August 2024 following the acquisition of WH Ireland Capital Markets Division from WH Ireland Limited by Zeus Capital Limited (refer to the Company’s ASX/AIM release dated 30 August 2024) (“Change of Nominated Adviser and Broker”).

On 31 October 2024, the Company issued 300,000 performance rights and 5,000,000 unlisted options under the Company’s Employee Inventive Plan to its employees and consultants.

On 26 November 2024, the Company announced a change in its financial year-end from 30 June to 31 December to align with Geomet's reporting period. This transition is intended to enhance the efficiency and cost-effectiveness of financial reporting, auditing and governance processes (refer to the Company’s ASX/AIM release dated 26 November 2024) (“Change of Financial Year End”).

RISKS AND UNCERTAINTIES

The Group's activities have inherent risk, and the Board is unable to provide certainty of the expected results of activities, or that any or all of the likely activities will be achieved. The material business risks faced by the Group that could influence the Group's future prospects, and how the Group manages these risks, are provided below.

Operational risk

The Company may be affected by various operational factors. In the event that any of these potential risks eventuate, the Company's operational and financial performance may be adversely affected. No assurances can be given that the Company will achieve commercial viability through successful exploration outcomes on its tenement holdings. Until the Company is able to realise value from its projects, it is likely to incur ongoing operating losses.

The operations of the Company may be affected by various factors, including failure to achieve predicted grades during mining, operational and technical difficulties encountered during mining, lack of infrastructure in the Company's areas of operation, unanticipated metallurgical problems which may affect value of defined resources, increases in the costs of consumables, spare parts, plant and equipment.

Mineral Resource estimates are made in accordance with the 2012 edition of the JORC Code. Mineral resources are estimates only. An estimate is an expression of judgement based on knowledge, experience and industry practice. Estimates may alter significantly when new information or techniques become available. Resource estimates can be imprecise and depend on interpretations, which may prove to be inaccurate.

The Company's interests in mining tenements are at various stages of exploration and potential production and potential investors should understand that mineral exploration and production is a speculative and high-risk undertaking that may be impeded by circumstances and factors beyond the control of the Company. The Company has interests in mining tenements in the Czech Republic which operate under different regulatory conditions which may impact on time taken to evaluate projects and may affect the viability of resources.

There can no assurance that the tenements, or any other exploration properties that may be acquired in the future, will result in the exploitation of an economic mineral resource. Even though an apparently viable deposit has been identified, there is no guarantee that it can be economically exploited.

The Company will need to apply for a mining lease to undertake development and mining on the relevant tenement. There is no guarantee that the Company will be granted a mining lease and if it is granted, it will be subject to conditions which may impact on the financial viability of the project.

Renewals

Mining and exploration tenements are subject to periodic renewal. The renewal of the term of granted tenements is subject to compliance with the applicable mining legislation and regulations and the discretion of the relevant mining authority. Renewal conditions may include increased expenditure and work commitments or compulsory relinquishment of areas of the tenements. The imposition of new conditions or the inability to meet those conditions may adversely affect the operations, financial position and/or performance of the Company. The Company considers the likelihood of tenure forfeiture to be low given the laws and regulations governing exploration in the Czech Republic and the ongoing expenditure budgeted for by the Company. However, the consequence of forfeiture or involuntary surrender of a granted tenement for reasons beyond the control of the Company could be significant.

Title

Notwithstanding that the exploration licenses the subject of the Cinovec Project has been granted, if the application for the licenses did not strictly comply with the application requirements (such as were required reports were not lodged or were lodged late), there is a risk that the tenements could be deemed invalid.

Global conditions

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's potential development activities, as well as on its ability to fund those activities.

General economic conditions, laws relating to taxation, new legislation, trade barriers incl. tariffs, interest and inflation rates, currency exchange controls, national and international political circumstances (including outbreaks in international hostilities, wars, terrorist acts, sabotage, subversive activities, security operations, labour unrest, civil disorder, and states of emergency), natural disasters (including fires, earthquakes and floods), and quarantine restrictions, epidemics and pandemics, may have an adverse effect on the Company's operations and financial performance, including the Company's exploration and development activities, as well as on its ability to fund those activities.

Regulatory compliance

Regulatory risks of the Company's operating activities are subject to extensive laws and regulations relating to numerous matters including resource licence consent, environmental compliance and rehabilitation, taxation, employee relations, health and worker safety, waste disposal, protection of the environment, protection of endangered and protected species and other matters. The Company requires permits from regulatory authorities to authorise the Company's operations. These permits relate to exploration, development, production and rehabilitation activities. While the Company believes that it will operate in substantial compliance with all material current laws and regulations, agreements or changes in their enforcement or regulatory interpretation could result in changes in legal requirements or in the terms of existing permits and agreements applicable to the Company or its properties, which could have a material adverse impact on the Company's current operations or planned activities.

Obtaining necessary permits can be a time-consuming process and there is a risk that Company will not obtain these permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could materially delay or restrict the Company from proceeding with the development of a project or the operation or development of a mine. Any failure to comply with applicable laws and regulations or permits, even if inadvertent, could result in material fines, penalties or other liabilities. In extreme cases, failure could result in suspension of the Company's activities or forfeiture of one or more of the tenements, the subject of the Projects.

Climate

There are a number of climate-related factors that may affect the operations and proposed activities of the Company. The climate change risks particularly attributable to the Company include: (a) the emergence of new or expanded regulations associated with the transitioning to a lower-carbon economy and market changes related to climate change mitigation. The Company may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. These examples sit amongst an array of possible restraints on industry that may further impact the Company and its business viability. While the Company will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Company will not be impacted by these occurrences; and (b) climate change may cause certain physical and environmental risks that cannot be predicted by the Company, including events such as increased severity of weather patterns and incidence of extreme weather events and longer-term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which the Company operates.

General risks

Future funding requirements and the ability to access debt and equity markets. The funds raised by the Company are considered sufficient to meet the evaluation and development objectives of the Company. Additional funding will be required in the event development costs exceed the Company's estimates and to effectively implement its business and operations plans in the future, to take advantage of opportunities for acquisitions, joint ventures or other business opportunities, and to meet any unanticipated liabilities or expenses which the Company may incur, additional financing will be required. In addition, should the Company consider that its development results justify commencement of production on any of its projects, additional funding will be required to implement the Company's development plans, the quantum of which, remain unknown at the date of the Annual report. The Company may seek to raise further funds through equity or debt financing, joint ventures, production sharing arrangements or other means. Failure to obtain sufficient financing for the Company's activities and future projects may result in delay and indefinite postponement of development or production on the Company's properties or even loss of a property interest or interest in a joint venture. There can be no assurance that additional finance will be available when needed or, if available, the terms of the financing might not be favourable to the Company and might involve substantial dilution to shareholders.

Reliance on key personnel

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment. The Company may not be able to replace its senior management or key personnel with persons of equivalent expertise and experience within a reasonable period of time or at all and the Company may incur additional expenses to recruit, train and retain personnel. Loss of such personnel may also have an adverse effect on the performance of the Company.

Competition

The industry in which the Company will be involved is subject to domestic and global competition. Although the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Company's projects and business.

Market conditions

Share market conditions may affect the value of the Company's shares regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

(a) general economic outlook;
(b) introduction of tax reform or other new legislation;
(c) interest rates and inflation rates;
(d) global health epidemics or pandemics;
(e) currency fluctuations;
(f) changes in investor sentiment toward particular market sectors;
(g) the demand for, and supply of, capital;
(h) political tensions; and
(i) terrorism or other hostilities.

The market price of shares can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company. Potential investors should be aware that there are risks associated with any securities investment. Securities listed on the stock market, and in particular securities of exploration companies experience extreme price and volume fluctuations that have often been unrelated to the operating performance of such companies. These factors may materially affect the market price of the shares regardless of the Company's performance. In addition, after the end of the relevant escrow periods affecting shares in the Company, a significant sale of then tradeable shares (or the market perception that such a sale might occur) could have an adverse effect on the Company's share price.

Commodity price volatility and exchange rate

If the Company achieves success leading to mineral production, the revenue it will derive through the sale of product exposes the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for precious and base metals, technological advancements, forward selling activities and other macro-economic factors. Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Company will be taken into account in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.

Government policy changes

Adverse changes in government policies or legislation may affect ownership of mineral interests, taxation, royalties, land access, labour relations, and mining and exploration activities of the Company. It is possible that the current system of exploration and mine permitting in the Czech Republic may change, resulting in impairment of rights and possibly expropriation of the Company's properties without adequate compensation.

Dilution

In the future, the Company may elect to issue shares or engage in capital raisings to fund development or construction of the Project and growth, for investments or acquisitions that the Company may decide to undertake, to repay debt or for any other reason the Board may determine at the relevant time. While the Company will be subject to the constraints of the ASX Listing Rules regarding the percentage of its capital that it is able to issue within a 12-month period (other than where exceptions apply), shareholder interests may be diluted as a result of such issues of shares or other securities.

Taxation

The acquisition and disposal of shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring shares from a taxation viewpoint and generally. To the maximum extent permitted by law, the Company, its officers and each of their respective advisers accept no liability and responsibility with respect to the taxation consequences of subscribing for shares under any prospectus.

Litigation

The Company is exposed to possible litigation risks including, tenure disputes, environmental claims, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, reputation, financial performance and financial position. The Company is not currently engaged in any litigation.

Environmental regulation

The operations and proposed activities of the Company are subject to Czech laws and regulations concerning the environment. As with most exploration projects and mining and mineral processing operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine and processing plant development proceeds. Whilst the processing plant for the Cinovec Project is to be a rehabilitated industrial site (Prunerov EPR1) outstanding rehabilitation requirements may arise as a result of finalisation of this. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

Mining operations have inherent risks and liabilities associated with safety and damage to the environment and the disposal of waste products occurring as a result of mineral exploration and production. The occurrence of any such safety or environmental incident could delay production or increase production costs. Events, such as unpredictable rainfall or bushfires may impact on the Company's ongoing compliance with environmental legislation, regulations, and licences. Significant liabilities could be imposed on the Company for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous operations or non-compliance with environmental laws or regulations.

The disposal of mining and process waste and mine water discharge are under constant legislative scrutiny and regulation. There is a risk that environmental laws and regulations become more onerous making the Company's operations more expensive.

Approvals are required for land clearing and for ground disturbing activities. Delays in obtaining such approvals can result in the delay to anticipated exploration programs or mining activities and any other rehabilitation requirements arising.

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of European Metals Holdings Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the six-month period ended 31 December 2024.

Directors
The following persons were Directors of European Metals Holdings Limited during the whole of the financial period and up to the date of this report, unless otherwise stated:

Mr Keith Coughlan	Executive Chairman
Mr Richard Pavlik	Executive Director
Mr Kiran Morzaria	Non-Executive Director
Ambassador Lincoln Bloomfield Jr	Non-Executive Director
Ms Merrill Gray	Non-Executive Director

Company secretary
Mr Henko Vos

Mr Vos was appointed as Company Secretary on 2 February 2024. Mr Vos is a graduate member of the Australian Institute of Company Directors (AICD), Governance Institute of Australia and Chartered Accountants Australia & New Zealand. He holds similar secretarial roles in various other listed public companies in both industrial and resource sectors.

Principal activities
The Group is primarily involved in the exploration activities of the Cinovec lithium project in the Czech Republic.

Review of Operations
The six-month period ended 31 December 2024 has been one of significant growth and development for the Group. For further information refer to the Review of operations section of this report.

Results of Operations
The loss for the Group after providing for income tax amounted to $1,250,604 (30 June 2024: $3,355,576).

Financial Position

The net assets of the Group have decreased by $2,150,674 to $34,332,567 at 31 December 2024 (30 June 2024: $36,483,241).

Significant changes in the state of affairs
On 26 November 2024, the Company announced a change in its financial year-end from 30 June to 31 December to align with Geomet's reporting period. This transition is intended to enhance the efficiency and cost-effectiveness of financial reporting, auditing and governance processes (refer to the Company's ASX/AIM release dated 26 November 2024) ("Change of Financial Year End").

There were no significant changes in the state of affairs of the Group during the financial period other than the above and as disclosed in the Review of operations section of this report.

Dividends
There were no dividends paid, recommended or declared during the current or previous financial period.

Information on Directors

Name:	Keith Coughlan
Title:	Executive Chairman – Appointed 30 June 2020 Previously Managing Director (CEO) – Appointed 6 September 2013 to 30 June 2020
Qualifications:	BA
Experience and expertise:	Mr Coughlan has had 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.
Other current directorships:	Mr Coughlan is a Non-Executive Director of Codrus Minerals Limited (appointed 22 July 2024 - current)
Former directorships (last 3 years):	Mr Coughlan was previously the Non-Executive Chairman of Doriemus plc (appointed 19 June 2019, resigned 18 June 2024) Mr Coughlan was previously a Non-Executive Director of Calidus Resources Limited (appointed 13 June 2017, resigned 13 May 2022)
Special responsibilities:	Member of Nomination Committee Member of Environment, Social and Governance Committee
Interests in shares:	Mr Coughlan held, at the date of this report, 850,000 shares direct interest and 4,900,000 shares indirect interest held by Inswinger Holdings Pty Ltd, an entity of which Mr Coughlan is a director and a shareholder
Interests in options:	Nil
Interests in performance rights:	Nil

Name:	Richard Pavlik
Title:	Executive Director – Appointed 27 June 2017
Qualifications:	Masters Degree in Mining Engineer
Experience and expertise:	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 the 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.
Other current directorships:	Nil
Former directorships (last 3 years):	Nil
Special responsibilities:	Member of Environment, Social and Governance Committee Member of Nomination Committee
Interests in shares:	Mr Pavlik held, at the date of this report, 300,000 shares direct interest
Interests in options:	Nil
Interests in performance rights:	Nil

Name:	Kiran Morzaria
Title:	Non-Executive Director – Appointed 10 December 2015
Qualifications:	Bachelor of Engineering (Industrial Geology) from the Camborne School of Mines and an MBA (Finance) from CASS Business School
Experience and expertise:	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.
Other current directorships:	Chief Executive Officer and Director of Cadence Minerals plc (appointed 31 July 2015 – current) and Director of UK Oil & Gas plc (appointed 23 October 2015- current).
Former directorships (last 3 years):	Nil
Special responsibilities:	Chair of Remuneration Committee Chair of Nomination Committee Member of Audit and Risk Committee Member of Environment, Social and Governance Committee
Interests in shares:	Mr Morzaria held, at the date of this report, 200,000 shares direct interest. Mr Morzaria is a director of Cadence Minerals Plc which owns 6,140,363 shares. Mr Morzaria does not exert control of the acquisition or disposal of the shares held by Cadence Minerals and he is not a beneficiary.
Interests in options:	Nil
Interests in performance rights:	Nil

Name:	Lincoln Bloomfield Jr.
Title:	Non-Executive Director – Appointed 3 January 2021
Qualifications:	Harvard College (cum laude, Government, 1974), Fletcher School of Law and Diplomacy (M.A.L.D., 1980)
Experience and expertise:	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 centered on sustainability, resilience and renewable energy.
Other current directorships:	Nil
Former directorships (last 3 years):	Nil
Special responsibilities:	Chair of Environment, Social and Governance Committee Chair of Audit and Risk Committee Member of Remuneration Committee Member of Nomination Committee
Interests in shares:	Ambassador Bloomfield held, at the date of this report, 644,630 shares direct interest
Interests in options:	Nil
Interests in performance rights:	Nil

Name:	Merrill Gray
Title:	Non-Executive Director – Appointed 18 April 2024
Qualifications:	Bachelor of Engineering, Bachelor of Science, MBA, fellow of The Australasian Institute of Mining and Metallurgy and the Australian Institute of Engineering.
Experience and expertise:	Ms Gray is a highly experienced executive and non-executive of ASX and private companies. Her appointment brings over 30 years of metallurgical and mining engineering as well as geology experience., including large scale new technology project development and production management skills. Ms Gray currently works as a global critical minerals and renewable energy (including hydrogen derivatives) corporate advisor, having previously been MD and CEO of Syngas Ltd (Founder), NH3 Clean Energy Limited (previously: Hexagon Energy Materials Limited) (ASX:NH3) and Co-MD of lithium-ion battery recycling company, Primobius GmbH. She has significant international experience, including within the European Union and specifically with German automotive OEM's. Ms Gray brings experience and networks across the lithium-ion battery supply chain.
Other current directorships:	Ms Gray is a Non-Executive Director of AnteoTech Ltd (appointed 31 January 2025 - current)
Former directorships (last 3 years):	Ms Gray was previously the Managing Director of Hexagon Energy Materials Limited (Appointed 18 October 2021, resigned 17 May 2022)
Special responsibilities:	Member of Environment, Social and Governance Committee Member of Audit and Risk Committee
Interests in shares:	Nil
Interests in options:	Nil
Interests in performance rights:	Nil

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Meetings of Directors

The number of meetings of the Company's Board of Directors ('the Board') held during the period ended 31 December 2024, and the number of meetings attended by each Director were:

	Directors' Meetings		**Audit and Risk Committee**		**Nomination Committee**		**Remuneration Committee**		**ESG Committee**	
Name	**Number attended**	**Number eligible to attend**	**Number attended**	**Number eligible to attend**	**Number attended**	**Number eligible to attend**	**Number attended**	**Number eligible to attend**	**Number attended**	**Number eligible to attend**
Keith Coughlan	2	2	-	-	-	-	-	-	-	-
Richard Pavlik	2	2	-	-	-	-	-	-	-	-
Kiran Morzaria	2	2	1	1	-	-	-	-	-	-
Lincoln Bloomfield, Jr	2	2	1	1	-	-	-	-	-	-
Merrill Gray	2	2	1	1	-	-	-	-	-	-

The Board considers remuneration, nomination, and Environmental, Social, and Governance ("ESG") matters as integral to its strategic oversight. As such, these matters were discussed as part of Board meeting agendas rather than through separate committee meetings. This approach ensures that all Directors remain actively engaged in these critical areas, fostering a holistic and informed decision-making process aligned with the Company's objectives and governance principles.

Indemnifying officers or auditor
During or since the six-month period ended 31 December 2024 the Company has given an indemnity or entered into an agreement to indemnify, or paid or agreed to pay insurance premiums as follows:

(i) The Company has entered into agreements to indemnify all Directors and provide access to documents, against any liability arising from a claim brought by a third party against the Company. The agreement provides for the Company to pay all damages and costs which may be awarded against the Directors.
(ii) The Company has paid premiums of $55,000 (30 June 2024: $71,000) to insure each of the Directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of Director of the Company, other than conduct involving a willful breach of duty in relation to the Company. Under the terms and conditions of the insurance contract, the nature of the liabilities insured against, and the premium paid cannot be disclosed.
(iii) No indemnity or insurance of auditors has been paid.

Shares under option
Unissued ordinary shares of European Metals Holdings Limited under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under option
15/06/2023	31/12/2025	$0.80	1,000,000
07/10/2024	30/06/2026	$0.25	5,000,000
			6,000,000

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the Company or of any other body corporate.

Shares issued on the exercise of options
There were no ordinary shares of European Metals Holdings Limited issued on the exercise of options during the six-month period ended 31 December 2024 and up to the date of this report.

Performance Rights
Performance rights on issue at the date of this report is as follows:

Issued to	Grant date	Issue date	Expiry date	Number on issue
Employee in terms of ESIP	07/10/2024	31/10/2024	02/03/2026	100,000
	14/12/2022	20/12/2022	20/12/2025	100,000

Environmental, Social and Governance
The Company has adopted a set of Environmental, Social and Governance ("ESG") metrics and disclosures following the recommendations released by the World Economic Forum ("WEF") in Geneva, Switzerland which are acknowledged as the gold standard for ESG reporting.

The establishment of an ESG Committee at Board level is chaired by Ambassador Lincoln Bloomfield who has considerable private sector experience centred on sustainability, resilience and renewable energy. Ambassador Bloomfield has stated, "European Metals is making every effort to ensure that any finished product containing our lithium will satisfy the public's need for assurance that high ESG standards have been upheld at every stage of our production process. We are committed to the well-being of our workforce, minimizing environmental impact throughout our process, and engaging with the local community".

The Company engaged Socialsuite ESG technology platform - a global leader in ESG impact management systems and sustainability reporting.

The Company has utilised Socialsuite's ESG technology platform to establish its initial ESG baseline dashboard. The Company will focus on delivering and reporting on its ESG metrics and indicators. Socialsuite's ESG reporting technology provides an easy way for investors and other stakeholders to assess the progress of the Company on its journey.

The Company's ESG transparency commitment is a precursor to an independent lithium production Life Cycle Assessment2 ("LCA") which includes a full Carbon Footprint assessment.

Proceedings on behalf of the Company
No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Non-audit services
There were no non-audit services provided during the financial period by the auditor.

Auditor's independence declaration
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' report.

Corporate Governance Statement
The Company's 2024 Corporate Governance Statement has been released as a separate document and is located on the Company's website at https://www.europeanmet.com/corporate-governance/.

Rounding of amounts
The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest dollar.

Remuneration report (audited)
This report details the nature and amount of remuneration for each Director of the Company, and key management personnel ("KMP"). The Directors are pleased to present the remuneration report which sets out the remuneration information for European Metals Holdings Limited's Non-Executive Directors, Executive Directors and other key management personnel.

A. Principles used to determine the nature and amount of remuneration
The remuneration policy of the Group has been designed to align Director and management objectives with shareholder and business objectives by providing a fixed remuneration component, and offering specific long-term incentives based on key performance areas affecting the Group financial results. The Board of the Company believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best management and Directors to run and manage the Group, as well as create goal congruence between Directors, executives and shareholders.

The Board's policy for determining the nature and amount of remuneration for Board members and senior executives of the Group is as follows:

The remuneration policy, setting the terms and conditions for the executive Directors and other senior executives, was developed by the Board. All executives receive a base salary (which is based on factors such as length of service and experience), superannuation, options and performance incentives. The Board reviews executive packages annually by reference to the Group's performance, executive performance, and comparable information from industry sectors and other listed companies in similar industries.

Executives are also entitled to participate in the employee share and option arrangements.

All remuneration paid to Directors and executives is valued at the cost to the Group and expensed.

The Board policy is to remunerate Non-executive Directors at an amount of $70,000 per annum (or equivalent in other currencies), including an allowance for membership of committees and to remunerate Executive Chairman at an amount of $490,000 per annum, including superannuation but excluding bonuses and long-term incentives. The Board determines payments to the Non-executive Directors and reviews their remuneration annually based on market practice, duties, and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to Non-executive Directors is subject to approval by shareholders at the Annual General Meeting. Fees for Non-executive Directors are not linked to the performance of the Group. However, to align Directors' interests with shareholder interests, the Directors are encouraged to hold shares in the Company.

The remuneration policy has been tailored to increase the direct positive relationship between shareholders' investment objectives and Directors' and Executives' performance. Currently, this is facilitated through the issue of options to the majority of Directors and Executives to encourage the alignment of personal and shareholder interests. The Company believes this policy will be effective in increasing shareholder wealth. For details of Directors' and Executives' interests in shares, options and performance shares at year end, refer to sections d, e and f of the remuneration report.

Voting and comments made at the Company's 2024 Annual General Meeting ('AGM')
At the 2024 AGM, 52% of the votes received did not supported the adoption of the remuneration report for the year ended 30 June 2024.

Following the "first strike" received on the 30 June 2024 remuneration report, the Company understand the concerns raised by shareholders regarding the alignment of the remuneration framework with company performance and shareholder expectations. the Company acknowledge the importance of addressing these concerns and are committed to making necessary improvements.

To that end, the Company will undertake a comprehensive review of the remuneration framework.

B. Details of remuneration
Details of the nature and amount of each element of the emoluments of each of the KMP of the Company (the Directors) for the six month period ended 31 December 2024 are set out in the following tables:

The maximum amount of remuneration for Non-Executive Directors is $300,000 as approved by shareholders.

During the financial period, the Company did not engage any remuneration consultants.

	Short-term benefits			Post-employment benefits	Long-term benefits	Equity-settled share-based payments		% related to performance
	Salary fees and leave	Profit share and bonuses	Non-monetary	Super-annuation	Annual leave and long service leave	Performance rights/ options[(ii)]	Total	
six-month period ended 31 December 2024	$	$	$	$	$	$	$	%
Keith Coughlan[(i)]	236,661	-	-	15,000	22,793	(584,984)	(310,530)	-
Richard Pavlik	38,448	-	-	-	-	(292,492)	(254,044)	-
Kiran Morzaria	29,446	-	-	-	-	-	29,446	-
Lincoln Bloomfield Jr	35,023	-	-	-	-	-	35,023	-
Merrill Gray	35,000	-	-	-	-	-	35,000	-
	374,578	-	-	15,000	22,793	(877,476)	(465,105)	

(i) During the financial period, a total of $68,640 of Mr Coughlan's remuneration was reimbursed by Geomet s.r.o.

(ii) As noted in section F "Performance rights granted for the six-month period ended 31 December 2024" of the Remuneration Report, performance rights were granted to Keith Coughlan and Richard Pavlik on 17 December 2020. The Group's estimate of the probability of when these performance rights will vest has been updated, as disclosed in section F. As a result, there has been a reversal of the expense.

	Short-term benefits			Post-employment benefits	Long-term benefits	Equity-settled share-based payments		% related to performance
	Salary fees and leave	Profit share and bonuses	Non-monetary	Superannuation	Annual leave and long service leave	Performance rights/ options [(ii)]	Total	
30 June 2024	$	$	$	$	$	$	$	%
Keith Coughlan[(i)]	478,322	116,978	-	27,500	195,098	(880,462)	(62,564)	14%
Richard Pavlik	74,287	61,660	-	-	-	(440,231)	(304,284)	45%
Kiran Morzaria	54,826	-	-	-	-	-	54,826	-
Lincoln Bloomfield Jr	70,100	-	-	-	-	-	70,100	-
Merrill Gray	11,667	-	-	-	-	-	11,667	-
	689,202	178,638	-	27,500	195,098	(1,320,693)	(230,255)	

(i) During the financial year, a total of $137,280 of Mr Coughlan's remuneration was reimbursed by Geomet s.r.o.

(ii) As noted in section F "Performance Rights granted for the year ended 30 June 2024" of the Remuneration Report, performance rights were granted to Keith Coughlan and Richard Pavlik on 17 December 2020. The Group's estimate of the probability of when these performance rights will vest has been updated, as disclosed in section F. As a result, there has been a reversal of the expense.

C. Service agreements
It was formally agreed at a meeting of the Directors that the following remuneration be established; there are no formal notice periods or termination benefits payable on termination.

Mr Keith Coughlan, Executive Chairman, receives a salary of $460,000 plus statutory superannuation contribution per annum. For the six-month period ended 31 December 2024 he received a salary of $236,661 plus statutory superannuation contribution.

D. Share-based compensation
During the six-month period ended 31 December 2024 no shares were issued to KMP under the Employee Securities Incentive Plan (ESIP) (30 June 2024: nil).

Loan shares on issue to KMP under the ESIP are as follows:

31 December 2024		**Loan shares grant details**		**Exercised**		**Lapsed/ cancelled**		**Balance at end of the period**	
	Grant date	**No.**	**Value $**	**No.**	**Value $**	**No.**	**Value $**	**No. vested**	**Value $**
Group KMP									
Keith Coughlan	30/11/2017	850,000	592,245	-	-	-	-	850,000	592,245
Richard Pavlik	30/11/2017	300,000	209,028	-	-	-	-	300,000	209,028
Kiran Morzaria	30/11/2017	200,000	139,352	-	-	-	-	200,000	139,352
		1,350,000	**940,625**	**-**	**-**	**-**	**-**	**1,350,000**	**940,625**

The terms of the loan shares are disclosed in note 14(d).

E. Options issued for the six-month period ended 31 December 2024
No options were issued as part of the remuneration for the six-month period ended 31 December 2024 (30 June 2024: nil).
No options were held by key management personnel at 31 December 2024 (30 June 2024: nil).

F. Performance rights granted for the six-month period ended 31 December 2024
No performance rights were granted as part of the remuneration for the six-month period ended 31 December 2024 (30 June 2024: nil).

Granted in previous periods	**Performance rights details**			**Exercised**		**Lapsed/ Cancelled**		**Balance at end of the period**		**Vested**	**Unvested**
	Grant date	**No.**	**Value[1] $**	**No.**	**Value $**	**No.**	**Value $**	**No.**	**Value $**	**No.**	**No.**
Group KMP											-
Keith Coughlan	17/12/2020	2,400,000	2,088,000	-	-	-	-	2,400,000	2,088,000	-	-
Richard Pavlik	17/12/2020	1,200,000	1,044,000	-	-	-	-	1,200,000	1,044,000	-	-

(1) The value of performance rights granted to key management personnel is calculated as at the grant date based on the share price at grant date. As at 31 December 2024, management's assessment is that the performance rights will vest as follows:
- 1,200,000 Class A performance rights before 2 March 2025, probability 0%
- 1,200,000 Class B performance rights before 2 March 2025, probability 0%
- 1,200,000 Class C performance rights before 2 March 2025, probability 0%

G. Equity instruments issued on exercise of remuneration options

No equity instruments were issued during the six-month period ended 31 December 2024 to Directors or other KMP.

H. Loans to Directors and key management personnel

No loans were issued to Directors or key management personnel during the six-month period ended 31 December 2024. See section D for share loans currently recognised from previous issue.

I. Company performance, shareholder wealth and Directors' and executives' remuneration

The remuneration policy has been tailored to increase the direct positive relationship between shareholders' investment objectives and Directors' and executives' performance. This will be facilitated through the issue of options to the majority of Directors and executives to encourage the alignment of personal and shareholder interests. The Company believes this policy will be effective in increasing shareholder wealth. At commencement of mine production, performance-based bonuses based on key performance indicators are expected to be introduced.

J. Other information – Shareholdings

Name	Balance at start of period No.	Granted as remuneration during the period No.	Issued on exercise of options No.	Other changes during the period No.	Balance at end of the period No.
Keith Coughlan	850,000	-	-	-	850,000
Indirect[1]	4,900,000	-	-	-	4,900,000
Richard Pavlik	300,000	-	-	-	300,000
Kiran Morzaria	200,000	-	-	-	200,000
Indirect[2]	6,140,363	-	-	-	6,140,363
Lincoln Bloomfield, Jr	525,000	-	-	-	525,000
	12,915,363	-	-	-	12,915,363

(1) Mr Coughlan held, at the end of 31 December 2024 , 850,000 shares direct interest and 4,900,000 shares indirect interest held by Inswinger Holdings Pty Ltd, an entity of which Mr Coughlan is a director and a shareholder.

(2) Mr Morzaria is a director of Cadence Minerals plc, an entity which owns 6,140,363 shares in European Metals Holdings Limited. Mr Morzaria does not exert control of the acquisition or disposal of the shares held by Cadence Minerals and he is not a beneficiary.

K. Other transactions with key management personnel

Purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions.

From July 2024, the Company received company secretarial, accounting and bookkeeping services of $100,015 plus GST from Nexia, a company at which the spouse of Executive Chairman, Keith Coughlan, acts as key management personnel. Amount payable to Nexia as at 31 December 2024 was $15,543 (30 June 2024: $37,969).

There were no other transactions with key management personnel during the six-month period ended 31 December 2024.

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L. Additional information

The earnings of the Group for the five years to 31 December 2024 are summarised below:

	six-month period ended 31 December 2024 $	30 June 2024 $	30 June 2023 $	30 June 2022 $	30 June 2021 $
Sales revenue	-	-	-	-	-
Loss after income tax	(1,250,604)	(3,355,576)	(5,928,441)	(6,802,895)	(3,962,450)
EBITDA	(1,218,042)	(3,289,784)	(5,876,476)	(6,758,452)	(3,892,419)
EBIT	(1,243,778)	(3,344,508)	(5,925,349)	(6,798,864)	(3,901,295)

Reconciliation from EBITDA to the loss after income tax

	Consolidated	
	six-month period ended 31 December 2024 $	30 June 2024 $
EBITDA	(1,218,042)	(3,289,784)
Interest	(6,826)	(11,068)
Depreciation	(25,736)	(54,724)
Loss after income tax	(1,250,604)	(3,355,576)

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	six-month period ended 31 December 2024	30 June 2024	30 June 2023	30 June 2022	30 June 2021
Share price at financial period end ($)	0.17	0.28	0.83	0.65	1.60
Total dividends declared (cents per share)	-	-	-	-	-
Basic earnings per share (cents per share)	(0.60)	(1.64)	(3.14)	(3.78)	(2.39)
Diluted earnings per share (cents per share)	(0.60)	(1.64)	(3.14)	(3.78)	(2.39)

This concludes the remuneration report, which has been audited.

This report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the Directors

Keith Coughlan
EXECUTIVE CHAIRMAN

31 March 2025

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DECLARATION OF INDEPENDENCE BY GLYN O'BRIEN TO THE DIRECTORS OF EUROPEAN METALS HOLDINGS LIMITED

As lead auditor for the audit of European Metals Holdings Limited for the period ended 31 December 2024, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of European Metals Holdings Limited and the entities it controlled during the period.

Glyn O'Brien

Director

BDO Audit Pty Ltd

Perth

31 March 2025

European Metals Holdings Limited
Consolidated statement of profit or loss and other comprehensive income
For the six-month period ended 31 December 2024

	Note	Consolidated six-month period ended 31 December 2024 $	30 June 2024 $
Finance Income		377,490	767,263
Other income		-	127
Expenses			
Share based payments	15	1,366,048	2,299,512
Share of loss of equity accounted investee	11	(1,486,398)	(2,301,708)
Professional fees		(503,457)	(1,268,139)
Employee benefits expense		(309,418)	(1,083,604)
Advertising and promotion		(168,260)	(547,634)
Travel and accommodation		(95,263)	(161,770)
Directors' fees		(148,404)	(272,539)
Share registry and listing expenses		(70,067)	(342,526)
Insurance expense		(35,293)	(78,366)
Audit fees	7	(58,160)	(77,952)
Depreciation and amortisation expense		(25,736)	(54,724)
Facility, advance fee and finance costs		(6,826)	(11,068)
Foreign exchange gain/(loss)		98,769	46,202
Other expenses		(185,629)	(268,650)
Loss before income tax expense		(1,250,604)	(3,355,576)
Income tax expense	4	-	-
Loss after income tax expense for the period		(1,250,604)	(3,355,576)
Other comprehensive income/(loss)			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translating foreign operations		(370,368)	13,379
Exchange difference on translating investment in Geomet	11	836,346	(2,206,706)
Other comprehensive income/(loss) for the period, net of tax		465,978	(2,193,327)
Total comprehensive loss for the period		(784,626)	(5,548,903)
		Cents	**Cents**
Basic loss per share	8	(0.60)	(1.64)
Diluted loss per share	8	(0.60)	(1.64)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

	Note	Consolidated 31 December 2024 $	30 June 2024 $
Assets			
Current assets			
Cash and cash equivalents	9	3,524,484	4,727,375
Trade and other receivables	10	349,385	391,942
Other assets		144,429	37,263
Total current assets		4,018,298	5,156,580
Non-current assets			
Other assets		30,075	28,549
Right-of-use assets		141,281	166,211
Investments accounted for using the equity method	11	22,881,546	23,531,598
Advances to associate	12	8,052,790	8,430,289
Property, plant and equipment		4,407	5,212
Total non-current assets		31,110,099	32,161,859
Total assets		35,128,397	37,318,439
Liabilities			
Current liabilities			
Trade and other payables		325,624	359,859
Employee benefits		326,350	310,832
Lease liabilities		49,086	45,917
Total current liabilities		701,060	716,608
Non-current liabilities			
Employee benefits		-	329
Lease liabilities		94,770	118,261
Total non-current liabilities		94,770	118,590
Total liabilities		795,830	835,198
Net assets		34,332,567	36,483,241
Equity			
Issued capital	13	58,886,707	58,886,707
Reserves	14	2,811,041	7,684,597
Accumulated losses		(27,365,181)	(30,088,063)
Total equity		34,332,567	36,483,241

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

European Metals Holdings Limited
Consolidated statement of changes in equity
For the six-month period ended 31 December 2024

Consolidated	Issued capital $	Share based payment reserve $	Foreign currency translation reserve $	Accumulated losses $	Total equity $
Balance at 1 July 2023	47,881,352	13,837,650	2,881,475	(31,274,176)	33,326,301
Loss after income tax expense for the period	-	-	-	(3,355,576)	(3,355,576)
Other comprehensive loss for the period, net of tax	-	-	(2,193,327)	-	(2,193,327)
Total comprehensive loss for the period	-	-	(2,193,327)	(3,355,576)	(5,548,903)
Transactions with owners, recognised directly in equity:					
Shares issued during the year (net of costs)	9,885,275	-	-	-	9,885,275
Exercise of options	1,120,080	-	-	-	1,120,080
Share-based payments (note 15)	-	(2,299,512)	-	-	(2,299,512)
Transfer from performance rights/options reserve note 14a,c	-	(4,541,689)	-	4,541,689	-
Balance at 30 June 2024	58,886,707	6,996,449	688,148	(30,088,063)	36,483,241

Consolidated	Issued capital $	Share based payment reserve $	Foreign currency translation reserve $	Accumulated losses $	Total equity $
Balance at 1 July 2024	58,886,707	6,996,449	688,148	(30,088,063)	36,483,241
Loss after income tax expense for the period	-	-	-	(1,250,604)	(1,250,604)
Other comprehensive income for the period, net of tax	-	-	465,978	-	465,978
Total comprehensive income/(loss) for the period	-	-	465,978	(1,250,604)	(784,626)
Transactions with owners, recognised directly in equity:					
Share-based payments (note 15)	-	(1,366,048)	-	-	(1,366,048)
Transfer from performance rights/options reserve note 14b,d	-	(3,973,486)	-	3,973,486	-
Balance at 31 December 2024	58,886,707	1,656,915	1,154,126	(27,365,181)	34,332,567

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

	Note	Consolidated six-month period ended 31 December 2024 $	30 June 2024 $
Cash flows from operating activities			
Payments to suppliers and employees		(1,652,575)	(4,238,769)
Interest received		378,390	827,502
Payments for Cinovec associated costs		-	(10,334)
Net cash used in operating activities	16	(1,274,185)	(3,421,601)
Cash flows from investing activities			
Payments for investments in associate		-	(11,391,585)
Payments for property, plant and equipment		-	(3,812)
Net cash used in investing activities		-	(11,395,397)
Cash flows from financing activities			
Proceeds from issue of shares		-	9,889,116
Share issue transaction costs		-	(3,841)
Proceeds from exercise of options		-	1,120,080
Repayment of lease liabilities		(43,514)	(62,616)
Net cash (used in)/from financing activities		(43,514)	10,942,739
Net decrease in cash and cash equivalents		(1,317,699)	(3,874,259)
Cash and cash equivalents at the beginning of the financial period		4,727,375	8,892,951
Effects of exchange rate changes on cash and cash equivalents		114,808	(291,317)
Cash and cash equivalents at the end of the financial period	9	3,524,484	4,727,375

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Note 1. General information

The financial statements cover European Metals Holdings Limited as a Group consisting of European Metals Holdings Limited and the entities it controlled at the end of, or during, the period. The financial statements are presented in Australian dollars, which is European Metals Holdings Limited's functional and presentation currency.

European Metals Holdings Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Ground Floor, 41 Colin Street
West Perth WA 6005
Telephone 08 6245 2050
Email www.europeanmet.com

A description of the nature of the Group's operations and its principal activities are included in the Directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 31 March 2025.

Note 2. Material accounting policy information

(a) Basis of preparation

These consolidated financial statements and notes represent those of European Metals Holdings Limited ("EMH" or "the Company") and its Controlled Entities (the "Consolidated Group" or "Group").

The consolidated financial statements are general purpose financial statements, which have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Boards (AASB) and the *Corporations Act 2001.* The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

The accounting policies detailed below have been adopted in the preparation of the financial report. Except for cash flow information, the consolidated financial statements have been prepared on an accrual basis and are based on historical cost, modified, where applicable, by the measurement at fair values of selected non-current assets, financial assets and financial liabilities.

The Company is a listed public company, incorporated in Australia.

(i) New and Revised Accounting Standards Adopted by the Group

The Group has adopted all the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") that are mandatory for the current reporting period.

New and revised Accounting Standards for Application in Future Periods

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 31 December 2024. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, are set out below.

AASB 18 Presentation and Disclosure in Financial Statements

This standard is applicable to annual reporting periods beginning on or after 1 January 2027 and early adoption is permitted. The standard replaces IAS 1 'Presentation of Financial Statements', with many of the original disclosure requirements retained and there will be no impact on the recognition and measurement of items in the financial statements. But the standard will affect presentation and disclosure in the financial statements, including introducing five categories in the statement of profit or loss and other comprehensive income: operating, investing, financing, income taxes and discontinued operations. The standard introduces two mandatory sub-totals in the statement: 'Operating profit' and 'Profit before financing and income taxes'. There are also new disclosure requirements for 'management-defined performance measures', such as earnings before interest, taxes, depreciation and amortisation ('EBITDA') or 'adjusted profit'. The standard provides enhanced guidance on grouping of information (aggregation and disaggregation), including whether to present this information in the primary financial statements or in the notes. The consolidated entity will adopt this standard from 1 January 2027, and it is expected that there will be a significant change to the layout of the statement of profit or loss and other comprehensive income.

(ii) Statement of Compliance

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in the financial statements containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards as issued by the IASB.

(ii) Reporting period and comparative information

The Company has changed its financial year end from 30 June to 31 December. This financial report therefore relates to the six-month period ending 31 December 2024. The change of financial year end will align EMH with its main project through its investment in associate, Geomet s.r.o, which has a financial year end of 31 December. The comparative information relates to the 12-month period ended 30 June 2024 and therefore the comparative amounts presented are not entirely comparable.

(iv) Going concern

The Group's financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

At 31 December 2024, the Group had a cash position of $3,524,484 (30 June 2024: $4,727,375) and a working capital surplus of $3,317,238 (30 June 2024: surplus of $4,439,972). For the six month period ended 31 December 2024, the Group recorded a loss of $1,250,604 (12 month year ended 30 June 2024: $3,355,576) and had net cash outflows from operating and investing activities of $1,274,185 (12 month year ended 30 June 2024: cash outflow of $14,816,998).

The Group's cash flow forecast to 31 March 2026 indicates that the Group will have sufficient funds to meet its current level of operating costs. The Group will need to raise additional funds to meet its investment activities in order to maintain its current level of ownership in Geomet. Should the Company not be able to meet its proportional share of future cash calls from Geomet, then it may be subject to a dilution of its interest in Geomet based on a fair market value of shares represented by the amount of the cash call not paid. The Group intends to maintain its current investment strategy to maintain its current investment in Geomet, and as a result, there is a material uncertainty that may cast significant doubt over the entity's ability to continue as a going concern in respect to the current investment strategy.

The Directors believe it is appropriate to prepare the financial report on a going concern basis for the following reasons:

- the Group has a net asset position of $ 34,332,567 and a cash balance of $ 3,524,484 as at reporting date.
- the Group continues its focus on maintaining an appropriate level of corporate overheads in line with the available cash resources.
- if the Group cannot meet any future cash calls from Geomet, it has the option of either raising additional funds through a capital raising or diluting its interest in the event that it decides not to meet such cash calls.
- the Group has the ability to raise further funds through a capital raising as it has successfully demonstrated in the past.

Based on these factors, the directors believe that it is appropriate to prepare the 31 December 2024 financial statements on a going concern basis.

In the event that the Company is not able to successfully complete any one or more of the aforementioned activities, it may be unable to realise its assets and discharge its liabilities in the normal course of business. The financial statements do not include adjustments relating to the recoverability and classification of recorded asset amounts, nor to the amounts and classification of liabilities that might be necessary should the Company and the Group not continue as a going concern.

(v) Critical accounting estimates and judgements

The application of accounting policies requires the use of judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions are recognised in the period in which the estimate is revised if it affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Share-based payment transactions
The Group measures the cost of equity-settled transactions with employees and consultants by reference to the estimated fair value of the equity instruments at the date at which they are granted. These are expensed over the estimated vesting periods. Judgement has been exercised on the probability and timing of achieving milestones related to performance rights granted to Directors.

Recognition of deferred tax assets
Deferred tax assets relating to temporary differences and unused tax losses have not been recognised as the Directors are of the opinion that it is not probable that future taxable profit will be available against which the benefits of the deferred tax assets can be utilised.

Investment in associate
Control exists where the parent entity is exposed or has the rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Power over the investee exists when it has existing rights to direct the relevant activities of the investee which are those which significantly affect the investee's returns. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. Significant influence exists if the Group holds 20% or more of the voting power of an investee and has the power to participate in the financial and operating policy decisions of the entity.

Judgements are required by the Group to consider the existence of control, joint control or significant influence over an investee. The Group has considered its investment in Geomet concluding the Group has significant influence but not control or joint control. Control and joint control do not exist as the Group does not direct and does not have the power to direct the relevant activities of Geomet, this lies with the Geomet board, of which there are only 2 directors out of 5 in common with the Group, and Geomet CEO and CFO who are employed and work directly for Geomet.

(b) Income Tax
Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well unused tax losses. Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised. Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled, and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation, and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

(c) Impairment of Assets

At the end of each reporting period the Group assesses whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount in which case the impairment loss is treated as a revaluation decrease.

An assessment is also made at each reporting period as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.

Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(h) Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. Operating segments' results are reviewed by the Group's Executive Chairman to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

(i) Principles of Consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent European Metals Holdings Limited and all of the subsidiaries. Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of the subsidiaries is provided in note 19.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between Group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as "non-controlling interests". The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary's net assets on liquidation at either fair value or at the non-controlling interests' proportionate share of the subsidiary's net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of comprehensive income.

(j) Share based payments

The grant date fair value of share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do not meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Loan shares are treated similar to options and value is an estimate calculated using an appropriate mathematical formula based on Black-Scholes option pricing model. The choice of models and the resultant Loan share value require assumptions to be made in relation to the likelihood and timing of the vesting of the Loan shares and the value and volatility of the price of the underlying shares.

(k) Foreign Currency Transactions and Balances

Functional and presentation currency

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Transaction and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in Profit or Loss, except where deferred in equity as a qualifying cash flow or net investment hedge. Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in other comprehensive income; otherwise the exchange difference is recognised in Profit or Loss.

<u>Group companies</u>

The financial results and position of foreign operations whose functional currency is different from the Group's presentation currency are translated as follows:

· Assets and liabilities are translated at year end exchange rates prevailing at the end of the reporting period;
· Income and expenses are translated at average exchange rates for the period; and
· Retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations recognised in the other comprehensive income and included in the foreign currency translation reserve in the Statement of Financial Position. These differences are reclassified into Profit or Loss in the period in which the operation is disposed.

(l) Investments in associates

Associates are entities over which the consolidated entity has significant influence but not control or joint control. Investments in associates are accounted for using the equity method. Under the equity method, the share of the profits or losses of the associate is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Investments in associates are carried in the statement of financial position at cost plus post-acquisition changes in the consolidated entity's share of net assets of the associate. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. Dividends received or receivable from associates reduce the carrying amount of the investment.

When the consolidated entity's share of losses in an associate equal or exceeds its interest in the associate, including any unsecured long-term receivables, the consolidated entity does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The consolidated entity discontinues the use of the equity method upon the loss of significant influence over the associate and recognises any retained investment at its fair value. Any difference between the associate's carrying amount, fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Note 3. Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and / or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Share-based payment transactions
The fair value of the employee share options is measured using the Black-Scholes formula. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility (based on weighted average historic volatility adjusted for changes expected due to publicly available information), weighted average expected life of the instruments (based on historical experience and general option holder behaviour), expected dividends, and the risk-free interest rate (based on government bonds). Service and non-market performance conditions attached to the transactions are not taken into account in determining the fair value.

The fair value of consultant share options is measured at the fee for the services received, except for when the fair value of the services cannot be estimated reliably, in which case the fair value is measured using the Black-Scholes formula.

The fair value of performance rights granted to Directors is measured using the share price at grant date. Service and non-market performance conditions attached to the transactions are not taken into account in determining the fair value.

Note 4. Income tax expense

	Consolidated six-month period ended 31 December 2024 $	30 June 2024 $
(a) Income tax benefit		
Current tax	-	-
Deferred tax - origination and reversal of temporary differences	-	-
Aggregate income tax expense	-	-
Deferred tax included in income tax expense comprises:		
Decrease in deferred tax assets	-	-
Increase in deferred tax liabilities *	-	-
Deferred tax - origination and reversal of temporary differences	-	-
(b) Numerical reconciliation of income tax benefit and tax at the statutory rate		
Loss before income tax expense	(1,250,604)	(3,355,576)
Tax at the statutory tax rate of 25%	(312,651)	(838,894)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Non-deductible expenses	490,387	854,198
Non-assessable income	(341,512)	(574,878)
Adjustments recognised in the current year in relation to the current tax of previous years	-	(37,663)
Effect of temporary differences that would be recognised directly in equity	-	(960)
Temporary differences not recognised	163,776	598,197
Income tax expense	-	-

	Consolidated 31 December 2024 $	30 June 2024 $
Deferred tax assets/(liabilities) not recognised		
Deferred tax assets/(liabilities) not recognised comprises temporary differences attributable to:		
Tax losses	2,213,330	2,003,970
Other future deductions	672	768
Cash and cash equivalents	(43,101)	(16,449)
Trade and other receivables	(1,466)	(1,691)
Prepayment	(36,107)	(9,316)
Trade and other payables	9,203	6,734
Right-of-use assets	(35,320)	(41,553)
Lease liabilities	35,964	41,045
Employee benefits	85,337	81,228
Unrecognised net deferred tax asset	2,228,512	2,064,736

* Any capital gain on disposal of shares in Geomet held by EMH UK is tax-exempt under the current UK legislation (Schedule 7AC of the Taxation of Chargeable Gains Act 1992). For this reason, no deferred tax liability has been recognised as at 31 December 2024.

The Company is a tax resident of Australia. The unused tax losses are representative of losses incurred in Australia. These tax losses can only be utilised in the future if the continuity of ownership test is passed, or failing that, the business continuity test.

The Company is subject to UK taxation regulations in respect of European Metals (UK) Limited.

Note 5. Related party transactions

Transactions between related parties are at arms' length and on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

During the six-month period ended 31 December 2024, the Company received a total of $488,438 (30 June 2024: $1,009,490) from its associate, Geomet s.r.o. These amounts related mainly to recharges for management services provided for the Cinovec project. The balance owing from Geomet s.r.o at 31 December 2024 is $94,802 (30 June 2024: $94,802). The Company's Executive Chairman also received remuneration of $6,641 from Geomet s.r.o during the financial period.

From July 2024, the Company received company secretarial, accounting and bookkeeping services of $100,015 plus GST from Nexia, a company at which the spouse of Executive Chairman, Keith Coughlan, acts as key management personnel. Amount payable to Nexia as at 31 December 2024 was $15,543 (30 June 2024 : $37,969).

On 31 May 2023, an unsecured loan of $8,418,872 (initial value of CZK 121,000,000) was advanced to Geomet s.r.o by the Company. The loan is due for repayment on 31 December 2028 and carries a fixed interest rate at 8.8% per annum. There have been no further loan advancements or repayments made during the year. Interest charged and paid for the year was $356,863 (CZK 5,442,311). Closing balance of the loan is $8,052,790 (See note 12).

There were no other transactions with related parties during the financial year.

Subsidiaries
Interests in subsidiaries are set out in note 19.

Key management personnel
Disclosures relating to key management personnel are set out in note 6 and the remuneration report included in the Directors' report.

Note 6. Key management personnel disclosures

Refer to the Remuneration report contained in the Directors' report for details of the remuneration paid or payable to each member of the Group's key management personnel (KMP) for the six-month period ended 31 December 2024 and year ended 30 June 2024.

The totals of remuneration paid to KMP during the year are as follows:

	Consolidated six-month period ended 31 December 2024 $	30 June 2024 $
Short-term benefits	374,578	867,840
Post-employment benefits	15,000	27,500
Annual leave and long service leave	22,793	195,098
	412,371	1,090,438
Equity settled	(877,477)	(1,320,692)
	(465,106)	(230,254)

There were no loans to Key Management Personnel during the six-month period ended 31 December 2024 (30 June 2024: nil). The total value of loan shares at 31 December 2024 amounted to $940,625 (30 June 2024: $1,442,667). The fair value of the remaining 1,350,000 loan shares is $940,625 at 31 December 2024 (See note 14).

Note 7. Remuneration of auditors

Auditor's services	Consolidated six-month period ended 31 December 2024 $	30 June 2024 $
Audit and review of financial report	43,554	65,677
Other services	-	3,500
Under provision in prior year	14,606	8,775
	58,160	77,952

Note 8. Earnings per share

	Consolidated six-month period ended 31 December 2024 $	30 June 2024 $
Loss after income tax	(1,250,604)	(3,355,576)

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	207,444,705	204,755,046

	Cents	Cents
Basic loss per share	(0.60)	(1.64)
Diluted loss per share	(0.60)	(1.64)

Potential ordinary shares of the Company consist of 6,000,000 options and 7,600,000 performance rights which were considered as being potentially dilutive at balance date.

In accordance with AASB 133 'Earnings per Share' these options have been excluded from the calculation of diluted loss per share due to their antidilutive effect and as such, diluted loss per share is equal to basic loss per share.

Note 9. Cash and cash equivalents

	Consolidated 31 December 2024 $	30 June 2024 $
Current assets		
Cash at bank	1,767,689	2,990,454
Cash on deposit	1,756,795	1,736,921
	3,524,484	4,727,375

Note 10. Trade and other receivables

	Consolidated 31 December 2024 $	30 June 2024 $
Current assets		
Trade receivables	94,802	94,802
Other receivables	211,432	243,310
Interest receivable	5,862	6,762
BAS receivable	37,289	47,068
	349,385	391,942

Note 11. Investments accounted for using the equity method

	Consolidated 31 December 2024 $	Consolidated 30 June 2024 $
Non-current assets		
Investments accounted for using equity method	22,881,546	23,531,598

Reconciliation
Reconciliation of the carrying amounts at the beginning and end of the current and previous financial period are set out below:

Opening carrying amount	23,531,598	22,275,934
Increase in investment	-	5,764,078
Share of loss - associates	(1,486,398)	(2,301,708)
Share of the movement in foreign currency translation reserve - associates	836,346	(2,206,706)
Closing carrying amount	22,881,546	23,531,598

Effective 28 April 2020 and up to 31 December 2024, Geomet was equity accounted (i.e. 49% of share of the profit or loss of the investee after the date of acquisition) for as Investment in Associate by EMH. The Company was appointed to provide services of managing the Cinovec project development, see note 5 for details.

Contingent liabilities, commitments and bank guarantees
Geomet had no contingent liabilities, commitments or bank guarantees at 31 December 2024.

	31 December 2024 $	30 June 2024 $
Summarised statement of financial position		
Current assets	7,368,336	10,679,067
Non-current assets	80,218,467	74,233,700
Total assets	87,586,803	84,912,767
Current liabilities	4,665,823	1,892,298
Non-current liabilities	16,644,730	15,963,209
Total liabilities	21,310,553	17,855,507
Net assets	66,276,250	67,057,260

Summarised statement of profit or loss and other comprehensive income	six-month period ended 31 December 2024 $	30 June 2024 $
Revenue	340,242	1,409,179
Expenses	(3,373,707)	(6,058,543)
Loss for the year	(3,033,465)	(4,649,364)

Note 12. Advances to associate

	Consolidated 31 December 2024 $	Consolidated 30 June 2024 $
Non-current assets		
Advances to associate	8,052,790	8,430,289

On 31 May 2023 an unsecured loan of $8,418,872 (initial value of CZK121,000,000) was advanced to Geomet s.r.o by the Company. The loan is due for repayment on 31 December 2028 and carries a fixed interest rate at 8.8% per annum.

Note 13. Issued capital

(a) Issued and paid up capital

	Consolidated 31 December 2024 Shares	30 June 2024 Shares	31 December 2024 $	30 June 2024 $
Issued capital	207,444,705	207,444,705	58,886,707	58,886,707

(b) Movements in shares
There have been no movements in shares during the six-month period ended 31 December 2024.

(c) Capital risk management
The Group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it may continue to provide returns for shareholders and benefits for other stakeholders.

The capital structure of the Group consists of equity comprising issued capital, reserves and accumulated losses.

The Group does not have ready access to credit facilities, with the primary source of funding being equity raisings. Therefore, the focus of the Group's capital risk management is to maintain sufficient current working capital to meet the requirements of the Group to meet exploration programs and corporate overheads. The Group's strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required. The working capital position of the Group at 31 December 2024 is as follows:

	Consolidated 31 December 2024 $	Consolidated 30 June 2024 $
Cash and cash equivalents	3,524,484	4,727,375
Trade and other receivables	349,385	391,942
Other assets	144,429	37,263
Trade and other payables	(325,624)	(359,859)
Employee benefits	(326,350)	(310,832)
Lease liability	(49,086)	(45,917)
Working capital surplus	3,317,238	4,439,972

The Group is not subject to any externally imposed capital requirements.

Note 14. Reserves

	Consolidated 31 December 2024 $	30 June 2024 $
Options reserve 14(a)	716,290	418,000
Performance shares reserve 14(b)	-	3,471,444
Performance rights reserve 14(c)	-	1,664,338
Loan shares reserve 14(d)	940,625	1,442,667
Foreign currency reserve 14(e)	1,154,126	688,148
	2,811,041	7,684,597

(a) Option reserve

	Consolidated 31 December 2024 $	30 June 2024 $
Balance at the beginning of the period	418,000	4,788,589
Share based payment expense	298,290	-
Transfer to retained earnings	-	(4,370,589)
Balance at the end of the period	716,290	418,000

The following options existed as at 30 June 2024 and 31 December 2024:

	Expiry date	Balance at 30 June 2024	Issued during the period	Exercised during the period	Expired/ cancelled during the period	Balance at 31 December 2024
Options @ 80 cents[1]	31/12/2025	1,000,000	-	-	-	1,000,000
Options @ 25 cents[2]	30/06/2026	-	5,000,000	-	-	5,000,000
		1,000,000	5,000,000	-	-	6,000,000

(1) 2,000,000 options exercisable at $0.80 on or before 31 December 2025 were granted to consultants on 15 June 2023, subject to vesting conditions. The share-based payment expense of $418,000 was recognised in the consolidated statement of profit or loss and other comprehensive income in 30 June 2023 as 1,000,000 had met vesting conditions. 1,000,000 did not meet vesting conditions and therefore lapsed on 28 March 2024.

(2) 5,000,000 options exercisable at $0.25 on or before 30 June 2026 were granted to consultants on 7 October 2024, they were not subject to vesting conditions therefore the share-based payment expense of $298,290 was recognised in the consolidated statement of profit or loss and other comprehensive income for the six-month period ended 31 December 2024.

(b) Performance shares reserve

The Performance shares reserve records the fair value of performance shares issued. No performance shares were on issue at 31 December 2024.

	Date	Number	$
Balance at the beginning of the period	01/07/2024	-	3,471,444
Transfer to retained earnings		-	(3,471,444)
Balance at the end of the period		-	-

(c) Performance rights reserve

	31 December 2024 Number	31 December 2024 $	30 June 2024 Number	30 June 2024 $
Balance at the beginning of the period	7,300,000	1,664,338	7,470,000	4,134,950
Granted	300,000	-	-	-
Converted	-	-	(120,000)	-
Cancelled	-	-	(50,000)	-
Movement[1]	-	(1,664,338)	-	(2,299,512)
Transfer to retained earnings	-	-	-	(171,100)
Balance at the end of the period	7,600,000	-	7,300,000	1,664,338

(1) Movement relates to reassessment of probability of performance rights by management during the six-month period ended 31 December 2024.

(d) Loan shares reserve

In prior years, remuneration in the form of an employee securities incentive plan was issued to the Directors and employees to attract, motivate and retain such persons and to provide them with an incentive to deliver growth and value to shareholders.

The loan shares reserve records the fair value of the loan shares issued.

The loan shares represent an option arrangement. Loan shares vested immediately. The key terms of the employee share plan and of each limited recourse loan provided under the plan are as follows:

(i) The total loan equal to issue price multiplied by the number of plan shares/shares applied for ("the Advance"), which shall be deemed to have been drawn down at settlement upon issued of the loan shares.
(ii) The loan shall be interest free. However, if the advance is not repaid on or before the repayment date, the Advance will accrue interest at the rate disclosed in the plan from the business day after the repayment date until the date the Advance is repaid in full.
(iii) All or part of the loan may be repaid prior to the Advance repayment Date.

Repayment date

(i) Notwithstanding paragraph iii. above, ("the borrower") may repay all or part of the Advance at any time before the repayment date i.e. the repayment date for 1,650,000 Director shares - 15 years after the date of loan advance and the repayment date for 1,500,000 Employee shares – 7 years after the date of loan advice.
(ii) The Loan is repayable on the earlier of:
    (a) The repayment date;
    (b) The plan shares being sold;
    (c) The borrower becoming insolvent;
    (d) The borrower ceasing to be employed by the Company; and
    (e) The plan shares being acquired by a third party by way of an amalgamation, arrangement, or formal takeover bid for not less than all the outstanding shares.

Loan forgiveness

(i) The Board may, in its sole discretion, waive the right to repayment of all or any part of the outstanding balance of an Advance where:
    (a) The borrower dies or becomes permanently disabled; or
    (b) The Board otherwise determines that such waiver is appropriate.
(ii) Where the Board waives repayment of the Advance in accordance with clause 6(a), the Advance is deemed to have been repaid in full for the purposes of the plan in this agreement.

Sale of loan shares

(i) In accordance with the terms of the plan and the invitation, the loan shares cannot be sold, transferred, assigned, charged or otherwise encumbered with the plan shares except in accordance with the plan.

	31 December 2024 Number	31 December 2024 $	30 June 2024 Number	30 June 2024 $
Balance at the beginning of the period	1,350,000	1,442,667	1,350,000	1,442,667
Transfer to retained earnings	-	(502,042)	-	-
Balance at the end of the period	1,350,000	940,625	1,350,000	1,442,667

Loan shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held. On a show of hands every holder of a share present at a meeting in person or by proxy, is entitled to one vote, and in a poll each share is entitled to one vote.

The Loan shares were issued to the executive members under the employee securities incentive plan on 6 June 2018.

Holders of shares have the same entitlement benefits of holding the underlying shares. Each share in the Company confers upon the Shareholder:

(1) the right to one vote at a meeting of the shareholders of the Company or on any resolution of shareholders;
(2) the right to an equal share in any dividend paid by the Company; and
(3) the right to an equal share in the distribution of the surplus assets of the Company on its liquidation.

Loan shares granted in prior years and existed during the financial period ended 31 December 2024:

	30 June 2024 Number	Repaid during the period	31 December 2024 Number
Director Loan shares	1,350,000	-	1,350,000
	1,350,000	-	1,350,000

No loan shares were granted/repaid during the financial period.

The total fair value of the loan shares was fully expensed in the consolidated statement of profit or loss and other comprehensive income in the 30 June 2019 financial year.

A summary of the outstanding Director loan shares at 31 December 2024 and the inputs used in the valuation of the loan shares issued to Directors are as follows:

Loan shares	**Keith Coughlan**	**Richard Pavlik**	**Kiran Morzaria**
Issue price	$0.725	$0.725	$0.725
Share price at date of issue	$0.70	$0.70	$0.70
Grant date	30/11/2017	30/11/2017	30/11/2017
Expected volatility	143.41%	143.41%	143.41%
Expiry date	30/11/2032	30/11/2032	30/11/2032
Expected dividends	Nil	Nil	Nil
Risk free interest rate	2.47%	2.47%	2.47%
Value per loan	$0.69676	$0.69676	$0.69676
Number of loan shares	850,000	300,000	200,000
Total value	**$592,245**	**$209,028**	**$139,352**

(e) Foreign currency translation reserve
The foreign currency translation reserve records exchange differences arising on translation of foreign controlled subsidiary and the Group's share of foreign exchange movement in Geomet s.r.o.

	Consolidated 31 December 2024 $	Consolidated 30 June 2024 $
Balance at the beginning of the period	688,148	2,881,475
Movement during the period	465,978	(2,193,327)
Balance at the end of the period	1,154,126	688,148

Note 15. Share-based payments

	Number of options 31 December 2024	Weighted average exercise price 31 December 2024	Number of options 30 June 2024	Weighted average exercise price 30 June 2024
Outstanding at the beginning of the financial period	1,000,000	$0.80	2,000,000	$0.80
Granted	5,000,000	$0.25	-	$0.00
Expired	-	$0.00	(1,000,000)	$0.80
Outstanding at the end of the financial period	6,000,000	$0.34	1,000,000	$0.80
Exercisable at the end of the financial period	6,000,000	$0.34	1,000,000	$0.80

The weighted average remaining contractual life of options outstanding at the end of the six-month period ended 31 December 2024 was 1.41 years (30 June 2024: 0.17 years).

During the six-month period ended 31 December 2024, the Group incurred a share-based payment expense of $298,290 (30 June 2024: $47,686) and a reversal of $1,664,339 (30 June 2024: $2,347,198) for a total reversal through the consolidated statement of profit or loss and other comprehensive income for the six month period ended 31 December 2024 of $1,366,048 (30 June 2024: $2,299,512) resulting from the transactions detailed below.

(i) Share based payment arrangements granted in previous years/periods and existing during the six-month period ended 31 December 2024:

- On 17 December 2020, 3,600,000 performance rights were granted to Directors. The performance rights were valued at $3,132,000 at grant date and are being expensed over the vesting period as noted below. For the period ended 31 December 2024, management assessed the probability of achieving the financial hurdles to be 0% for its Class A, Class B and Class C performance rights, as a result of which, a reversal of share based payment expense of $877,477 has been recognised in the consolidated statement of profit or loss and other comprehensive income for the six month period ended 31 December 2024.

	Number granted	Grant date	Expiry date	Share price on grant date	Value per right	Total fair value	% vested %
Class A(i)	1,200,000	17/12/2020	02/03/2025	$0.87	$0.87	1,044,000	-
Class B(ii)	1,200,000	17/12/2020	02/03/2025	$0.87	$0.87	1,044,000	-
Class C(iii)	1,200,000	17/12/2020	02/03/2025	$0.87	$0.87	1,044,000	-

- On 22 February 2022, 900,000 performance rights were granted to a consultant. The performance rights were valued at $1,044,000 at grant date and are being expensed over the vesting period as noted below. For the period ended 31 December 2024, management assessed the probability of achieving the financial hurdles to be 0% for its Class A, Class B and Class C performance rights, as a result of which, a reversal of share- based payment expense of $270,773 has been recognised in the consolidated statement of profit or loss and other comprehensive income for the six month period ended 31 December 2024.

	Number granted	Grant date	Expiry date	Share price on grant date	Value per right	Total fair value	% vested %
Class A(i)	300,000	22/02/2022	02/03/2025	$1.16	$1.16	348,000	-
Class B(iii)	300,000	22/02/2022	02/03/2025	$1.16	$1.16	348,000	-
Class C(ii)	300,000	22/02/2022	02/03/2025	$1.16	$1.16	348,000	-

- On 27 February 2022, 1,200,000 performance rights were granted to a consultant. The performance rights were valued at $1,368,000 at grant date and are being expensed over the vesting period as noted below. For the period ended 31 December 2024, management assessed the probability of achieving the financial hurdles to be 0% for its Class A, Class B and Class C performance rights, as a result of which, a reversal of share-based payment expense of $354,345 has been recognised in the consolidated statement of profit or loss and other comprehensive income for the six month period ended 31 December 2024.

	Number granted	Grant date	Expiry date	Share price on grant date	Value per right	Total fair value	% vested %
Class A(i)	400,000	27/02/2022	02/03/2025	$1.14	$1.14	456,000	-
Class B(iii)	400,000	27/02/2022	02/03/2025	$1.14	$1.14	456,000	-
Class C(ii)	400,000	27/02/2022	02/03/2025	$1.14	$1.14	456,000	-

- On 29 August 2022, 750,000 performance rights were granted to an employee. The performance rights were valued at $547,500 at grant date and are being expensed over the vesting period as noted below. For the period ended 31 December 2024, management assessed the probability of achieving the financial hurdles to be 0% for its Tranche 1, Tranche 2 and Tranche 3 performance rights, as a result of which, a reversal of share-based payment expense of $133,686 has been recognised in the consolidated statement of profit or loss and other comprehensive income for the six month period ended 31 December 2024.

	Number granted	Grant date	Expiry date	Share price on grant date	Value per right	Total fair value	% vested %
Tranche 1(i)	250,000	29/08/2022	02/03/2025	$0.73	$0.73	182,500	-
Tranche 2(ii)	250,000	29/08/2022	02/03/2025	$0.73	$0.73	182,500	-
Tranche 3(iii)	250,000	29/08/2022	02/03/2025	$0.73	$0.73	182,500	-

- On 14 December 2022, 100,000 performance rights were granted to an employee. The performance rights were valued at $69,000 at grant date and are being expensed over the vesting period as noted below. For the period ended 31 December 2024, management assessed the probability of achieving the financial hurdles to be 0% for its Tranche 2 performance rights, as a result of which, a reversal of share-based payment expense of $28,058 has been recognised in the consolidated statement of profit or loss and other comprehensive income for the six month period ended 31 December 2024.

	Number granted	Grant date	Expiry date	Share price on grant date	Value per right	Total fair value	% vested %
Tranche 2(iv)	100,000	14/12/2022	20/12/2025	$0.69	$0.69	69,000	-

(ii) Share based payment arrangements granted during the six-month period ended 31 December 2024:

- On 7 October 2024, 5,000,000 options were granted to consultants. The options were valued at $298,290 at grant date and were fully expensed during the six-month period ended 31 December 2024 as there were no vesting conditions attached.

  The options granted were valued using Black-Scholes model. The number of securities granted, and valuation inputs are outlined below.

	Options issued No.	Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility %	Risk-free rate %	Fair value at grant date
Consultant options	5,000,000	07/10/2024	30/06/2026	$0.165	$0.25	85.26%	3.78%	298,290

- On 7 October 2024, 300,000 performance rights were granted to a consultant. The performance rights were valued at $49,500 at grant date and are being expensed over the vesting period as noted below. For the period ended 31 December 2024, management assessed the probability of achieving the financial hurdles to be 0% for its Tranche 1, Tranche 2 and Tranche 3 performance rights, as a result of which, no share-based payment expense has been recognised in the consolidated statement of profit or loss and other comprehensive income for the six month period ended 31 December 2024.

  The above performance rights did not have market vesting conditions and therefore have been valued at the share price on the grant date of 7 October 2024.

	Number granted	Grant date	Expiry date	Share price on grant date	Value per right	Total fair value	% vested %
Tranche 1(ii)	100,000	07/10/2024	02/03/2025	$0.165	$0.165	16,500	-
Tranche 2(iii)	100,000	07/10/2024	02/03/2025	$0.165	$0.165	16,500	-
Tranche 3(v)	100,000	07/10/2024	02/03/2026	$0.165	$0.165	16,500	-

(i) shall vest upon an announcement by the Company to the ASX stating that the Company has executed an offtake agreement for at least 25% of the product planned to be produced from the Cinovec Project.
(ii) shall vest upon the attainment of Project Finance for the Cinovec Project.
(iii) shall vest upon an announcement by the Company to the ASX stating that the Company has made a Decision to Mine in respect of the Cinovec Project.
(iv) shall vest upon an announcement by the Company to the ASX stating that the Company has the detailed designs of the plant in connection with the Cinovec Project.
(v) shall vest upon successful commissioning of the LCP Plant, as specified in the Definitive Feasibility Study.

Note 16. Cash flow information

(a) Reconciliation of loss after income tax to net cash used in operating activities

	Consolidated six-month period ended 31 December 2024 $	30 June 2024 $
Loss after income tax expense for the period	(1,250,604)	(3,355,576)
Adjustments for:		
Share-based payments	(1,366,048)	(2,299,512)
Finance costs	6,826	11,068
Foreign exchange differences	(114,808)	300,381
Depreciation and amortisation	25,736	54,724
Share of loss - associates	1,486,398	2,301,708
Change in operating assets and liabilities:		
Increase in trade and other receivables	(48,129)	(184,449)
Decrease in trade and other payables	(28,745)	(460,486)
Increase in other provisions	15,189	210,541
Net cash used in operating activities	(1,274,185)	(3,421,601)

(b) Credit standby facilities
The Company had no credit standby facilities as at 31 December 2024 and 30 June 2024.

(c) Investing and financing activities – non-cash
There were no non-cash investing or financing activities during the period.

Note 17. Operating segments

The accounting policies used by the Group in reporting segments are in accordance with the measurement principles of Australian Accounting Standards.

The Group has identified its operating segments based on the internal reports that are provided to the Board of Directors. According to AASB 8 *Operating Segments*, two or more operating segments may be aggregated into a single operating segment if the segments have similar economic characteristics, and the segments are similar in each of the following respects:

- The nature of the products and services;
- The nature of the production processes;
- The type or class of customer for their products and services;
- The methods used to distribute their products or provide their services; and
- If applicable, the nature of the regulatory environment, for example; banking, insurance and public utilities.

Effective 28 April 2020, the Group has a 49% interest in Geomet s.r.o. which is accounted for in accordance with AASB 128 *Investment in Associates and Joint Venture*. Therefore, the Group has only one operating segment based on geographical location. The Australian segment incorporates the services provided to Geomet s.r.o. in relation to the Cinovec project development along with head office and treasury function. Consequently, the financial information for the sole operating segment is identical to the information presented in these financial reports.

Note 18. Financial risk management

The Group's financial instruments consist mainly of deposits with banks, loans to associated company, leases and accounts receivable and payable. The main purpose of non-derivative financial instruments is to raise finance for Group's operations. The Group does not speculate in the trading of derivative instruments.

The Group holds the following financial instruments:

	Consolidated	
	31 December 2024 $	30 June 2024 $
Financial assets		
Cash and cash equivalents	3,524,484	4,727,375
Trade and other receivables	349,385	391,942
Other assets	174,504	65,812
Advances to associate	8,052,790	8,430,289
	12,101,163	13,615,418
Financial liabilities		
Trade and other payables	325,624	359,859
Lease liabilities	143,856	164,178
	469,480	524,037

The fair value of the Group's financial assets and liabilities approximate their carrying value.

Specific Financial Risk Exposures and Management
The Group's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk) credit risk and liquidity risk.

(i) Market risk
The Board meets on a regular basis to analyse currency and interest rate exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

Interest rate risk
Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Group is also exposed to earnings volatility on floating rate instruments. Interest rate risk is not material to the Group as no interest-bearing debt arrangements have been entered into.

Price risk
Price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Group is not exposed to significant price risk.

Foreign exchange risk
Exposure to foreign exchange risk may result in the fair value or future cash flows of a financial instrument fluctuating due to movement in foreign exchange rates of currencies in which the Group holds financial instruments which are other than the AUD functional currency of the Group.

With instruments being held by overseas operations, fluctuations in foreign currencies may impact on the Group's financial results. The Group's exposure to foreign exchange risk is monitored by the Board. The majority of the Group's funds are held in Australian dollars, British Sterling and the Euro.

At 31 December 2024, the Group has financial assets and liabilities denominated in the foreign currencies detailed below:

	31 December 2024				30 June 2024			
	Amount in EUR	**Amount in GBP**	**Amount in CZK**	**Amount in USD**	**Amount in EUR**	**Amount in GBP**	**Amount in CZK**	**Amount in USD**
Cash and cash equivalents in EMH	1,207,125	51,328	-	-	2,080,365	48,100	-	-
Trade and other payables in EMH	8,380	1,960	-	86,942	56,224	27,871	-	8,823
Advances to associates in EMH UK	-	-	8,052,790	-	-	-	8,430,289	-
	1,215,505	53,288	8,052,790	86,942	2,136,589	75,971	8,430,289	8,823
5% effect in foreign exchange rates	60,775	2,664	402,640	4,347	106,829	3,799	421,514	441

Other than intercompany balances and the advance to associate there were no financial assets and liabilities denominated in foreign currencies for EMH UK.

(ii) Credit risk
Credit exposure represents the extent of credit related losses that the Group may be subject to on amounts to be received from financial assets. Credit risk arises principally from trade and other receivables. The objective of the Group is to minimise the risk of loss from credit risk. The Group trades only with creditworthy third parties. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is insignificant. The Group's maximum credit risk exposure is limited to the carrying value of its financial assets as indicated on the Consolidated Statement of Financial Position and notes to the consolidated financial statements.

The credit quality of the financial assets was high during the period. The table below details the credit quality of the financial assets at the end of the period.

Financial assets	**Credit Quality**	**31 December 2024 $**	**30 June 2024 $**
Cash and cash equivalents held at Westpac Bank	High	1,230,664	2,456,825
Cash and cash equivalents held at ANZ bank	High	2,293,820	2,270,550
Bank guarantee held at ANZ bank	High	30,075	28,549
Trade and other receivables		349,385	391,942
Other assets		144,429	37,263
Advances to associate		8,052,790	8,430,289
		12,101,163	**13,615,418**

Management has considered the credit risk of the advance to associate. The resources base, economic viability and development progress of the Cinovec project supports the recoverability of the loan. The probability of default is assessed as low due to the project's viability and Geomet' s ability to meet its obligations of repayment.

(iii) Liquidity risk
Liquidity risk is the risk that the entity will not be able to meet its financial obligations as they fall due. The objective of the Group is to maintain sufficient liquidity to meet commitments under normal and stressed conditions.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, and the availability of funding through an adequate amount of committed credit facilities. The Group aims at maintaining flexibility in funding by maintaining adequate reserves of liquidity.

The following are the contractual maturities of financial assets and financial liabilities, including estimated interest receipts and payments and excluding the impact of netting arrangements.

As at 31 December 2024	Carrying amount $	Contractual Cash flows $	3 months $	3-6 months $	6-24 months $	>24 months $
Financial assets						
Cash and cash equivalents	3,524,484	3,524,484	3,524,484	-	-	-
Trade and other receivables	349,385	349,385	349,385	-	-	-
Other assets	174,504	174,504	144,429	-	30,075	-
Advances to associate	8,052,790	8,052,790	-	-	-	8,052,790
Cash inflows	**12,101,163**	**12,101,163**	**4,018,298**	**-**	**30,075**	**8,052,790**
Financial liabilities						
Trade and other payables	325,624	325,624	325,624	-	-	-
Lease liabilities	143,856	143,856	7,176	14,679	102,504	19,497
Cash outflows	**469,480**	**469,480**	**332,800**	**14,679**	**102,504**	**19,497**

As at 30 June 2024	Carrying amount $	Contractual Cash flows $	3 months $	3-6 months $	6-24 months $	>24 months $
Financial assets						
Cash and cash equivalents	4,727,375	4,727,375	4,727,375	-	-	-
Trade and other receivables	391,942	391,942	391,942	-	-	-
Other assets	65,812	65,812	37,263	-	28,549	-
Advances to associate	8,430,289	8,430,289	-	-	-	8,430,289
Cash inflows	**13,615,418**	**13,615,418**	**5,156,580**	**-**	**28,549**	**8,430,289**
Financial liabilities						
Trade and other payables	359,859	359,859	359,859	-	-	-
Lease liabilities	164,178	164,178	6,576	13,746	96,188	47,668
Cash outflows	**524,037**	**524,037**	**366,435**	**13,746**	**96,188**	**47,668**

(iv) Interest rate risk

From time to time the Group has significant interest-bearing assets, but they are as a result of the timing of equity raising and capital expenditure rather than a reliance on interest income. The interest rate risk arises on the rise and fall of interest rates. The Group's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rate for each class of financial assets and financial liabilities comprises:

As at 31 December 2024	Weighted average interest rate %	Floating interest rate $	Fixed interest rate $	Non interest bearing $	Total $
Financial assets					
Cash and cash equivalents	1.00%	1,767,689	1,756,795	-	3,524,484
Trade and other receivables		-	-	349,385	349,385
Other assets	4.00%	-	30,075	144,429	174,504
Advances to associate	8.80%	-	8,052,790	-	8,052,790
		1,767,689	**9,839,660**	**493,814**	**12,101,163**
Financial liabilities					
Trade and other payables		-	-	325,624	325,624
Lease liabilities	9.02%	-	143,856	-	143,856
		-	**143,856**	**325,624**	**469,480**

As at 30 June 2024	Weighted average interest rate %	Floating interest rate $	Fixed interest rate $	Non interest bearing $	Total $
Financial assets					
Cash and cash equivalents	0.90%	2,990,454	1,736,921	-	4,727,375
Trade and other receivables		-	-	391,942	391,942
Other assets	5.33%	-	28,549	37,263	65,812
Advances to associate	8.80%	-	8,430,289	-	8,430,289
		2,990,454	**10,195,759**	**429,205**	**13,615,418**
Financial liabilities					
Trade and other payables		-	-	359,859	359,859
Lease liabilities	9.02%	-	164,178	-	164,178
		-	**164,178**	**359,859**	**524,037**

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in the interest rates at the reporting date would have increased or decreased the Group's equity and profit or loss by $17,677 (30 June 2024: $29,905).

(v) Net fair value of financial assets and liabilities

The net fair value of cash and cash equivalents and non-interest-bearing monetary assets and financial liabilities approximates their carrying values.

Note 19. Controlled entities

Subsidiaries of European Metals Holdings Limited are as follows:

Name	Principal place of business / Country of incorporation	Ownership interest 31 December 2024 %	Ownership interest 30 June 2024 %
European Metals UK Limited (EMH UK)	United Kingdom	100.00%	100.00%
EMH (Australia) Pty Ltd	Australia	100.00%	100.00%

Note 20. Parent entity information

The following information has been extracted from the books and records of the parent, European Metals Holdings Limited, and has been prepared in accordance with Australian Accounting Standards.

Statement of financial position

	Parent 31 December 2024 $	Parent 30 June 2024 $
Total current assets	4,018,298	5,156,580
Total non-current assets	19,999,423	20,023,039
Total assets	24,017,721	25,179,619
Total current liabilities	701,062	709,161
Total non-current liabilities	94,770	118,590
Total liabilities	795,832	827,751
Net assets	**23,221,889**	**24,351,868**
Equity		
Issued capital	58,886,707	58,886,707
Options reserve 14(a)	716,290	418,000
Performance shares reserve 14(b)	-	3,471,444
Performance rights reserve 14(c)	-	1,664,338
Loan shares reserve 14(d)	940,625	1,442,667
Accumulated losses	(37,321,733)	(41,531,288)
Total Equity	**23,221,889**	**24,351,868**

Statement of profit or loss and other comprehensive income

	Parent six-month period ended 31 December 2024 $	30 June 2024 $
Profit/(loss) after income tax	236,067	(1,045,910)
Total comprehensive income/(loss)	236,067	(1,045,910)

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries
The parent entity had no guarantees in relation to the debts of its subsidiaries as at 31 December 2024 and 30 June 2024.

Contingent liabilities
The parent entity had no contingent liabilities as at 31 December 2024 and 30 June 2024 .

Commitments
The parent entity had no commitments as at 31 December 2024 and 30 June 2024.

Material accounting policy information
The accounting policies of the parent entity are consistent with those of the Group, as disclosed in note 2, except for the following:
- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.

Note 21. Capital commitments

There are no capital commitments for the Group as at 31 December 2024 and 30 June 2024.

Note 22. Contingent liabilities

There are no contingent liabilities for the Group as at 31 December 2024 and 30 June 2024.

Note 23. Events after the reporting period

No matter or circumstance has arisen since 31 December 2024 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Basis of preparation

This consolidated entity disclosure statement (CEDS) has been prepared in accordance with the Corporations Act 2001 and includes information for each entity that was part of the consolidated entity as at the end of the financial period in accordance with AASB 10 Consolidated Financial Statements.

Determination of tax residency

Section 295 (3A)(vi) of the Corporation Act 2001 defines tax residency as having the meaning in the Income Tax Assessment Act 1997. The determination of tax residency involves judgement as there are different interpretations that could be adopted, and which could give rise to a different conclusion on residency.

In determining tax residency, the consolidated entity has applied the following interpretations:

- Australian tax residency the consolidated entity has applied current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance in Tax Ruling TR 2018/5
- Foreign tax residency where necessary, the consolidated entity has used independent tax advisers in foreign jurisdictions to assist in its determination of tax residency to ensure applicable foreign tax legislation has been complied with (see section 295(3A)(vii) of the Corporations Act 2001).

Entity name	Entity type	Place formed / Country of incorporation	Ownership interest %	Tax residency
European Metals Holding Limited	Body corporate	Australia	100.00%	Australia
European Metals UK Limited (EMH UK)	Body corporate	United Kingdom	100.00%	United Kingdom
EMH (Australia) Pty Ltd	Body corporate	Australia	100.00%	Australia

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2024 and of its performance for the financial period ended on that date;
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- the information disclosed in the attached consolidated entity disclosure statement is true and correct.

The Directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of Directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the Directors

Keith Coughlan
EXECUTIVE CHAIRMAN

31 March 2025

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INDEPENDENT AUDITOR'S REPORT

To the members of European Metals Holdings Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of European Metals Holdings Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the period then ended, and notes to the financial report, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

(i) Giving a true and fair view of the Group's financial position as at 31 December 2024 and of its financial performance for the period ended on that date; and

(ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 2(iv) in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the group's ability to continue as a going concern and therefore the group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matter described below to be the key audit matter to be communicated in our report.

Carrying value of investment in associate

Key audit matter	How the matter was addressed in our audit
The Group's carrying value of its investment in associate in Geomet s.r.o represents a significant asset to the group, as disclosed in Note 11. The Australian Accounting Standards require the Group to account for the investment as an Investment in Associate and assess whether there are any indicators of impairment in accordance with AASB 128 Investments in Associates and Joint Ventures ("AASB 128"). Note 11, 2(v) and 2(l) disclose the details of the associate along with the take up of share of loss and the key judgements thereon. As the carrying value of the Investment in Associate represents a significant asset of the Group, this was considered to be a key audit matter.	Our audit procedures included, but were not limited to the following: • Evaluating management's assessment of whether control, joint control or significant influence existed; • Agreeing share of loss to the Associate's audited financial information; • Reviewing the financial information of the Associate including assessing whether the accounting policies of the associate were consistent with the Group; • Considering management's assessment of the existence of impairment indicators of the investment in accordance with AASB 128; and • Assessing the adequacy of the disclosures in the financial report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's transitional annual report for the period ended 31 December 2024, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of:

a) the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and

b) the consolidated entity disclosure statement that is true and correct in accordance with the Corporations Act 2001, and

for such internal control as the directors determine is necessary to enable the preparation of:

i) the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

ii) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (http://www.auasb.gov.au/Home.aspx) at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 17 to 22 of the directors' report for the period ended 31 December 2024.

In our opinion, the Remuneration Report of European Metals Holdings Limited, for the period ended 31 December 2024, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit Pty Ltd

Glyn O'Brien
Director

Perth
31 March 2025

The shareholder information set out below was applicable as at 14 March 2025.

Distribution of shareholders

Category (size of holding)	Number of shareholders	Percentage of shareholders %
1 – 1,000	575	0.16%
1,001 – 5,000	729	0.92%
5,001 – 10,000	344	1.32%
10,001 – 100,000	483	7.59%
100,001 – and over	165	90.01%
	2,296	

Unmarketable Parcel
The number of shareholdings held in less than marketable parcels is 1,013.

On-market Buy Back
At the date of this report, the Company is not involved in an on-market buyback.

Voting Rights
Every member present at a meeting in person or by proxy shall have one vote for each share conducted via a poll.

Restricted Securities
There are no restricted securities under escrow at the date of this report.

Substantial holderss

Shareholder	Number of shares/ DI's held	Percentage of capital held %
MR RICHARD KELLER *(including his associated entities)*	16,874,000	8.13%
EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT *(held under EUROCLEAR NOMINEES LIMITED EOC01>)*	12,315,213	5.94%
BNP PARIBAS NOMINEES PTY LTD CLEARSTREAM>	11,766,672	5.67%

20 Largest Shareholders

Rank	Shareholder	Number of shares/ DI's held	Percentage of capital held %
1	ARMCO BARRIERS PTY LTD	13,644,000	6.58%
2	EUROCLEAR NOMINEES LIMITED EOC01>	12,371,555	5.96%
3	BNP PARIBAS NOMINEES PTY LTD CLEARSTREAM>	11,766,672	5.67%
4	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	9,857,087	4.75%
5	HARGREAVES LANSDOWN (NOMINEES) LIMITED 15942>	8,358,360	4.03%
6	EUROPEAN ENERGY & INFRASTRUCTURE GROUP LIMITED	6,343,007	3.06%
7	CITICORP NOMINEES PTY LIMITED	6,291,761	3.03%
8	INTERACTIVE INVESTOR SERVICES NOMINEES LIMITED SMKTISAS>	5,304,714	2.56%
9	BARCLAYS DIRECT INVESTING NOMINEES LIMITED CLIENT1>	5,013,595	2.42%
10	HARGREAVES LANSDOWN (NOMINEES) LIMITED VRA>	4,727,704	2.28%
11	INSWINGER HOLDINGS PTY LTD	3,900,000	1.88%
12	VIDACOS NOMINEES LIMITED CLRLUX>	3,670,535	1.77%
13	LAWSHARE NOMINEES LIMITED SIPP>	3,571,480	1.72%
14	BNP PARIBAS NOMINEES PTY LTD IB AU NOMS RETAILCLIENT>	3,419,612	1.65%
15	INTERACTIVE BROKERS LLC IBLLC2>	3,305,822	1.59%
16	HSDL NOMINEES LIMITED MAXI>	3,129,408	1.51%
17	INTERACTIVE INVESTOR SERVICES NOMINEES LIMITED SMKTNOMS>	2,969,972	1.43%
18	MORGAN STANLEY CLIENT SECURITIES NOMINEES LIMITED SEG>	2,249,710	1.08%
19	WILGUS INVESTMENTS PTY LTD	2,210,000	1.07%
20	BNP PARIBAS NOMS PTY LTD	2,208,268	1.06%
Total Top 20 shareholders		**114,313,262**	

Unquoted Securities
The Company has on issue:

Unquoted Security	Expiry Date	Number of securities	Number of holders
Unlisted options exercisable at $0.80	31/12/2025	1,000,000	1
Unlisted options exercisable at $0.25	30/06/2026	5,000,000	2
Performance rights	20/12/2025	100,000	1
Performance rights	02/03/2026	100,000	1

Holders of unquoted securities are not entitled to vote at a General Meeting of Members in person, by proxy or upon a poll, in respect of their holding.

Consistency with Business Objectives
The Group has used its cash and assets in a form readily convertible to cash that it had at the time of listing in a way consistent with its stated business objectives.

Tenement Schedule

Permit	Code	Deposit	Interest at beginning of quarter %	Acquired / disposed	Interest at end of quarter %
Exploration Area	Cinovec	N/A	100%	N/A	100%
Exploration Area	Cinovec II	N/A	100%	N/A	100%
Exploration Area	Cinovec III	N/A	100%	N/A	100%
Exploration Area	Cinovec IV	N/A	100%	N/A	100%
Preliminary Mining Permit	Cinovec II	Cinovec South	100%	N/A	100%
Preliminary Mining Permit	Cinovec III	Cinovec East	100%	N/A	100%
Preliminary Mining Permit	Cinovec IV	Cinovec NorthWest	100%	N/A	100%