EUROPEAN METALS HOLDINGS LIMITED
ACN 154 618 989

ANNUAL REPORT
30 JUNE 2024

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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CHAIRMAN'S LETTER

Dear Shareholders,

Welcome to the 2024 Annual Report for European Metals Holdings Limited ("European Metals" or "the Company").

On behalf of the Board of Directors, I am pleased to report on a year of significant progress for the Company and the Cinovec Lithium Project ("Cinovec Project") despite challenging macro conditions.

Lithium prices have fallen by some 80% over the year, and at the time of writing, there have been numerous closures and production cutbacks at established lithium production projects around the globe. Falling prices along with increasing costs have combined to make new lithium project development more challenging. However, the Company, remains confident in the lithium market medium to long term and the future of our project. We have already seen improvements in the macro indicators and remain enthusiastically committed to developing the Cinovec Project.

We welcomed the European Bank for Reconstruction and Development ("EBRD") as a shareholder early in the year. We believe the bank's involvement in the Company and the project is significant. The EBRD works very closely with the European Investment Bank, and the organisations have made joint public statements about their support for funding the energy transition in Europe, linked to the support that the industry is receiving from the European Union ("EU"). We have lodged our formal submission under the Critical Raw Materials Act post-period and we look forward to the Cinovec Project being recognised as a strategic project under this legislation. As previously reported, the project already enjoys strategic project status under another EU initiative, the Just Transition Fund.

Other key milestones achieved during the year included the successful production of lithium carbonate and lithium hydroxide from the pilot programme – both meeting battery grade specifications, the granting of extensions to our exploration licenses which cover granted Preliminary Mining Permits, and the selection of a significantly superior site for the lithium processing plant.

Clearly, the Definitive Feasibility Study delay during the year was unfortunate, though necessary. The plant location attributes required comprehensive assessment in order for engineering and design improvements to be made to ensure improved permitting and project economics. We have been working on processing enhancements during this time, which we anticipate will further improve the project economics.

Corporately, we welcomed Non-executive Director Merrill Gray to the Board of Directors as part of the Company's redomiciliation to Australia.

The project continues to enjoy strong support from all levels of the Czech government. 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.

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 year. I look forward to updating you throughout the new financial year as we continue to advance the Cinovec Project.

Keith Coughlan
EXECUTIVE CHAIRMAN

REVIEW OF OPERATIONS

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% Li_2O, Indicated Mineral Resource of 360.2Mt at 0.44% Li_2O and an Inferred Mineral Resource of 294.7Mt at 0.39% Li_2O 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% Li_2O 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.

Parts of the ore body near surface have been mined for tin from the 14th Century to the 20th Century and the lithium-bearing orebody below surface previously had over 400,000 tonnes of ore mined as a trial sub-level open stope mining operation for tin mineralisation in the 1980's.

On 19 January 2022, EMH provided an update to the 2019 Pre-Feasibility-Study ("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 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").

EBRD STRATEGIC INVESTMENT

Early in the year, the Company successfully completed a capital raising of approximately €6 million by European Bank for Reconstruction and Development ("EBRD") as a strategic investment in the Company and the development of the Cinovec Project (refer to the Company's ASX release dated 21 July 2023) (**EBRD Strategic Investment in EMH**). As part of the due diligence process, EBRD engaged an independent, international mining consultancy to undertake a technical review of the Cinovec Project. EBRD also performed a review of the Cinovec Project in respect to compliance with EBRD's Environmental and Social Policy. The Company considers its relationship with EBRD to be highly strategic as the European Union charts a path towards greater lithium supply security and sustainability. Support for the Company's lithium project aligns with these EU goals.

The EBRD is an international financial institution established in 1991 to foster the economic transition process and to promote private and entrepreneurial initiatives in its countries of operation including Central and Eastern Europe, former Soviet Union and Eastern Mediterranean, through provision of loans, equity investments, conducting policy dialogue and providing technical cooperation. It has since played a transformative role and gained unique expertise in fostering change in the region and beyond, investing €170 billion in more than 6,400 projects including nearly EUR 3bn in some 70 mining projects across 15 countries. EBRD works very closely with the European Investment Bank ("EIB") and the organisations have made joint public statements to assist in the funding of the energy transition in Europe.

REVIEW OF OPERATIONS

As part of the investment in European Metals, EBRD will be offered the right to maintain its percentage ownership in the Company and we believe that the EBRD will play an important part, both directly and indirectly in the future financing of European Metals and Geomet.

SUCCESSFUL BATTERY GRADE LITHIUM CARBONATE PILOT PROGRAMME

The Company has continued to enhance the project via improvements to recoveries and quality of the potential end product. On 9 November 2023, the Company announced the results of the Lithium Chemical Plant ("LCP") pilot programme, confirming the robustness of the LCP process flow sheet (refer to the Company's ASX/ AIM release dated 9 November 2023) (**Successful Battery-Grade pilot programme for Cinovec Project**).

The pilot programme, conducted at ALS Laboratories in Perth, confirmed the industrial viability of the LCP process flowsheet, producing exceptionally clean battery grade lithium carbonate (>99.9%) with single-stage purification (bicarbonation) of crude lithium carbonate. The programme processed ore that was fully-representative in all respects of the run-of-mine for the first seven years of planned mining, including average grade and expected rock-type mix from the bulk mining.

A complete assay table for the piloted battery-grade lithium carbonate comparing the Cinovec product with the global standard YS/T 582-2013 and including assay results for the nine elements commonly controlled for cathode manufacturers which sits outside YS/T 582-2013, is presented in the Company's ASX/AIM release dated 9 November 2023 (**Successful Battery-Grade pilot programme for Cinovec Project**).

SUCCESSFUL BATTERY GRADE LITHIUM HYDROXIDE ALSO PRODUCED FROM PILOT PROGRAMME

The Company announced the successful production of lithium hydroxide monohydrate from pregnant leach solution manufactured during the larger-scale Cinovec pilot programme referred to above. The pilot programme confirmed the viability of the LCP process flowsheet for the industrial-scale production of either lithium carbonate or lithium hydroxide. Crude lithium carbonate from the pilot programme was converted into exceptionally clean battery-grade lithium hydroxide monohydrate at laboratory scale.

The pilot programme processed ore that is fully-representative in all respects of the run-of-mine for the first seven years of mining planned at Cinovec, including average grade and expected rock-type mix from the bulk mining. The Company is particularly pleased with the quality of product. The lithium hydroxide produced was of the highest grade possible and exceptionally clean. This, when combined with the ability to produce either battery-grade lithium carbonate or hydroxide, enables a wider range of off-takers to be engaged with for the Cinovec product.

A complete assay table for the battery-grade lithium hydroxide monohydrate comparing the Cinovec product with the global standard GB/T 26008-2020 is presented in the Company's ASX/AIM release dated 11 April 2024 (**Successful Production of Lithium Hydroxide**).

EXTENSION GRANTED TO ALL EXPLORATION LICENSES

On 29 January 2024, the Company announced the granting of an extension to all four Cinovec Exploration Licences ("the licences"). These licenses fully cover all three granted Preliminary Mining Permits ("PMP's") comprising the Cinovec Project. All four licences have been extended until 31 December 2026. The granting of this extension follows a comprehensive evaluation by the relevant state authorities of results achieved to date in exploring and developing the deposit. Plans for future exploration work, including further resource drilling, and compliance with conditions set by the Czech Ministry of Environment were also assessed. The extension was required as the granted PMP's, whilst conveying the sole and exclusive rights to apply for a Final Mining Permit, do not allow for further drilling until the final mining area is granted. As the Company plans to conduct further metallurgical and measured resource drilling, an extension to the exploration licenses due to expire in December 2023 was sought.

The licences extension applies to the Exploration Areas Cinovec, Cinovec II, Cinovec III and Cinovec IV, which fully cover the East, South and North West PMP's (refer to the Company's ASX/ AIM release dated 29 January 2024) (**Extension Granted to All Cinovec Exploration Licenses**).

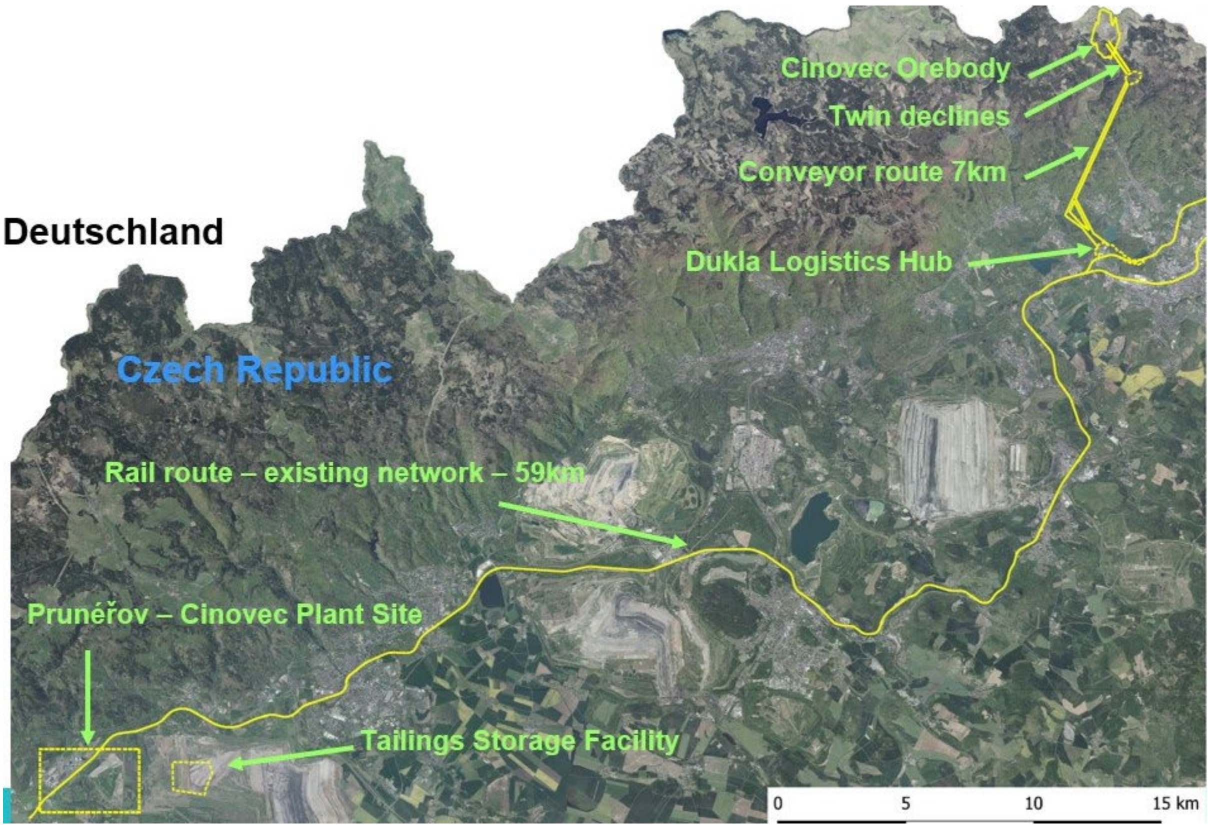
REVIEW OF OPERATIONS

NEW PLANT SITE EXPECTED TO IMPROVE PERMITTING AND PROJECT ECONOMICS

On 26 April 2024, the Company announced the decision to move the proposed site of the lithium processing plant from Dukla to Prunéřov. The new site was selected for a number of reasons, including the expectation of speeding up the permitting process and expediting the Cinovec Project. The Prunéřov site is anticipated to also enable positive outcomes for project economics including reductions in capex and opex per tonne as a result of optimalization of the engineering identified as part of the Definitive Feasibility Study DFS process, and reduced demolition and clearance requirements (refer to the Company's ASX/ AIM release dated 26 April 2024) (**New Plant Site to Improve Project Permitting and Economics**).

The new site has received preliminary agreement and support from the municipal and regional governments. Prunéřov is the site of the former Prunéřov 1 Power Station, which was decommissioned in 2020 and Prunéřov 2 Power Station. The site is owned and operated by CEZ, the Company's project level partner. The site, currently zoned for industrial use, is considerably larger in size than the Dukla site and should enable the processing plant to be laid out in a more effective (and anticipated less costly) manner, enabling better and faster constructability, improved operability and greater ease of maintenance. The ore from the underground mining operation at Cinovec will be carried by conveyor to Dukla where it will be loaded onto trains for transport to Prunéřov, a distance of approximately 59 km using existing rail facilities, the capacity of which has been confirmed. During the DFS process, it became apparent that after considerable consultation with local stakeholders and the municipal and regional governments the Dukla site possessed limited capacity and also limited support from the surrounding municipalities, for the extent of processing operations proposed. The Prunéřov industrial site is located alongside the 750MW Prunéřov 2 Coal fired power plant and is situated further away from inhabited areas.

Regional Project Map



REVIEW OF OPERATIONS

REDOMICILIATION

The Company advised the market that it has been registered as an Australian Company effective 7 May 2024 and lodged a notice of intention to discontinue with the British Virgin Islands registry ("BVI Registry") (refer to the Company's ASX/ AIM release dated 7 May 2024) (**Redomiciliation Update**). The Company advised its intention to redomicile in the announcement to the market on 1 December 2023, and the proposed redomiciliation was approved by the Company's Shareholders on 22 December 2023. European Metals is now domiciled in Australia and is a Company governed under the Corporations Act 2001 (Cth) ("Australian Continuance").

The Board believes that the Australian Continuance should lead to substantial cost savings and improvements in the Company's administration and efficiency of operations. Additionally, it will remove a potential impediment to obtaining European development financial assistance for the Cinovec project. The redomiciliation represented a re-admission to AIM, which was completed shortly after the redomiciliation.

POST PERIOD UPDATE

On 31 July 2024, and post the reporting period, the Company provided a further project update (refer to the Company's ASX/ AIM release dated 31 July 2024) (**Cinovec Lithium Project Update**). The Company advised that the timeline for the completion of the DFS and therefore construction of the Cinovec lithium processing plant continue to be worked on. Given the change to the location of the lithium processing plant from Dukla to Prunéřov, additional geotechnical work is currently underway to confirm the optimal construction method and layout at the new site. Results from this geotechnical work are expected to be available at the end of September. DRA is then expected to provide a detailed timeline and begin the DFS finalisation program of work.

The Project team continues to progress several DFS-related programs on the Front-End Comminution and Beneficiation circuit ("FECAB") and LCP to improve the overall flowsheet which are expected to positively impact Project economics.

REVIEW OF OPERATIONS

CORPORATE

The Company announced the appointment of Merrill Gray as a Non-executive Director of the Company on 18 April 2024. Merrill 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. Merrill 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), Hexagon Energy Materials Limited (ASX: HXG) 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. Merrill brings experience and networks across the lithium-ion battery supply chain. Merrill holds Bachelor of Engineering and Bachelor of Science degrees, as well as an MBA, and is a fellow of The Australasian Institute of Mining and Metallurgy and the Australian Institute of Engineering (refer to the Company's ASX/ AIM release dated 18 April 2024) (**Appointment of Director**).

The Company announced the appointment of Henko Vos as Company Secretary on 2 February 2024, following the retirement of Ms Shannon Robinson. Mr Vos is a member of the Australian Institute of Company Directors, the Governance Institute of Australia and Chartered Accountants Australia & New Zealand. He holds similar director and secretarial roles in various other listed public companies in both industrial and resource sectors (refer to the Company's ASX/ AIM release dated 2 February 2024) (**Company Secretary Appointment/Resignation**).

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.

REVIEW OF OPERATIONS

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, 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.

REVIEW OF OPERATIONS

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 may 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. 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.

REVIEW OF OPERATIONS

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 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.

REVIEW OF OPERATIONS

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 operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. 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.

DIRECTORS' REPORT

Your Directors present their report, together with the consolidated financial statements of the Group, being European Metals Holdings Limited ("EMH" or the "Company") and its controlled entities ("Group"), for the year ended 30 June 2024.

Directors
The following persons were Directors of the Company and were in office for the entire year, and up to the date of this report, unless otherwise stated:

Mr Keith Coughlan	Executive Chairman Previously Managing Director	
Mr Richard Pavlik	Executive Director	
Mr Kiran Morzaria	Non-Executive Director	
Ambassador Lincoln Bloomfield Jr	Non-Executive Director	
Ms Merrill Gray	Non-Executive Director	Appointed 18 April 2024

Company Secretary
Ms Shannon Robinson — Resigned 1 February 2024

Ms Robinson was appointed as Company Secretary on 20 April 2023 and resigned on 1 February 2024. Ms Robinson is a Chartered Secretary and corporate advisor with 20 years' experience. Shannon is a former corporate lawyer, a graduate member of the Australian Institute of Company Directors (AICD) and a fellow of the Governance Institute of Australia (GIA). She holds similar secretarial roles in various other listed public companies.

Mr Henko Vos — Appointed 1 February 2024

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 2024 Financial Year has been one of significant growth and development for the Group. For further information refer to the Project Review section of this report.

Results of Operations

The consolidated loss after tax for year ended 30 June 2024 was $3,355,576 (2023: $5,928,441).

Financial Position

The net assets of the Group have increased by $3,156,940 to $36,483,241 at 30 June 2024 (2023: $33,326,301).

Significant Changes in the State of Affairs

There have not been any significant changes in the state of affairs of the Group during the financial year other than as disclosed in the Review of Operations section of this report.

Dividends Paid or Recommended

No dividends were declared or paid during the year and the Directors do not recommend the payment of a dividend for the period.

DIRECTORS' REPORT

Information on Directors

Keith Coughlan	Executive Chairman – Appointed 30 June 2020 Previously Managing Director (CEO) – Appointed 6 September 2013 to 30 June 2020
Qualifications	BA
Experience	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.
Interest in shares and Options	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.
Performance Rights	Mr Coughlan held, at the date of this report, 2,400,000 Performance Rights indirect interest held by Kadaje Investments Pty Ltd, an entity of which Mr Coughlan is a director and a shareholder.
Special Responsibilities	Member of Nomination Committee Member of Environment, Social and Governance Committee
Directorships held in other listed entities	Mr Coughlan is Non-Executive Director of Codrus Minerals Limited (appointed 22 July 2024-current) Mr Coughlan was previously 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)
Richard Pavlik	Executive Director – Appointed 27 June 2017
Qualifications	Masters Degree in Mining Engineer
Experience	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.
Interest in shares and Options	Mr Pavlik held, at the date of this report, 300,000 shares direct interest
Performance Rights	Mr Pavlik held, at the date of this report, 1,200,000 Performance Rights direct interest
Special Responsibilities	Member of Environment, Social and Governance Committee Member of Nomination Committee
Directorships held in other listed entities	Nil

DIRECTORS' REPORT

Information on Directors (continued)

Kiran Morzaria	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	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.
Interest in shares and Options	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.
Special Responsibilities	Chair of Remuneration Committee Chair of Nomination Committee Member of Audit and Risk Committee Member of Environment, Social and Governance Committee
Directorships held in other listed entities	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).
Lincoln Bloomfield Jr.	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	Ambassador Bloomfield is based in Washington, DC, and brings governance and regulatory experience, years of international diplomacy and security expertise to the EMH Board, along with a North American presence, while his private sector experience is centred on sustainability, resilience and renewable energy.
Interest in shares and Options	Ambassador Bloomfield held, at the date of this report, 525,000 direct interest in shares.
Special Responsibilities	Chair of Environment, Social and Governance Committee Chair of Audit and Risk Committee Member of Remuneration Committee Member of Nomination Committee
Directorships held in other listed entities	Nil

DIRECTORS' REPORT

Information on Directors (continued)

Merrill Gray	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	Merrill 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. Merrill 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), Hexagon Energy Materials Limited (ASX: HXG) 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. Merrill brings experience and networks across the lithium-ion battery supply chain.
Interest in shares and Options	Nil
Special Responsibilities	Member of Environment, Social and Governance Committee Member of Audit and Risk Committee
Directorships held in other listed entities	Managing Director of Hexagon Energy Materials Limited (Appointed 18 October 2021, resigned 17 May 2022)

Company Secretary

Mr Henko Vos (appointed 1 February 2024)

Ms Shannon Robinson (resigned 1 February 2024)

Director Meetings

The number of Directors' meetings and meetings of Committees of Directors held during the year and the number of meetings attended by each of the Directors of the Company during the year is:

	Directors' Meetings		Audit and Risk Committee		Nomination Committee	
Name	**Number attended**	**Number eligible to attend**	**Number attended**	**Number eligible to attend**	**Number attended**	**Number eligible to attend**
Keith Coughlan	4	4	-	-	1	1
Richard Pavlik	4	4	-	-	1	1
Kiran Morzaria	4	4	2	2	1	1
Lincoln Bloomfield, Jr	4	4	2	2	1	1
Merrill Gray	2	2	-	-	-	-

DIRECTORS' REPORT

Director Meetings (continued)

Name	Remuneration Committee		ESG Committee	
	Number attended	Number eligible to attend	Number attended	Number eligible to attend
Keith Coughlan	-	-	3	3
Richard Pavlik	-	-	3	3
Kiran Morzaria	1	1	3	3
Lincoln Bloomfield, Jr	1	1	3	3
Merrill Gray	-	-	2	2

Indemnifying officers or auditor

During or since the end of the financial year 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 $71,000 (2023: $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

During the year, no unquoted options and warrants were issued.

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

Expiry date	Exercise Price	Number under option
31-Dec-25	80 cents	1,000,000

The following ordinary shares of European Metals Holdings Limited were issued during the year ended 30 June 2024 and up to the date of this report on the exercise of options granted:

Type	Date options granted	Expiry Date	Number under option	Number exercised	Exercised price
Consultants	25 September 2020	23 October 2023	2,024,000	2,024,000	0.42
Consultants	8 October 2020	23 October 2023	600,000	600,000	0.45

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

DIRECTORS' 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
Keith Coughlan	17 December 2020/2 March 2022	2-Mar-25	2,400,000
Richard Pavlik	17 December 2020/2 March 2022	2-Mar-25	1,200,000
Employee in terms of ESIP	27 February 2022 /2 March 2022	2-Mar-25	1,200,000
	12 December 2022/20 December 2022	2-Mar-25	450,000
	13 December 2022/20 December 2022	2-Mar-25	300,000
	14 December 2022/20 December 2022	2-Mar-25	100,000
Consultant	22 February 2022/ 2 March 2022	2-Mar-25	900,000
	29 August 2022/ 1 September 2022	2-Mar-25	750,000

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 for leave of Court to bring proceedings on behalf of the Company or 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 any part of those proceedings.

The Company was not a party to any such proceedings during the year.

Non-audit Services

BDO has not provided any non-audit services during the year.

DIRECTORS' REPORT

Significant events after the reporting date

On 31 July 2024, and post the reporting period, the Company provided a further project update (refer to the Company's ASX/ AIM release dated 31 July 2024) (**Cinovec Lithium Project Update**). The Company advised that the timeline for the completion of the DFS and therefore construction of the Cinovec lithium processing plant continue to be worked on. Given the change to the location of the lithium processing plant from Dukla to Prunéřov, additional geotechnical work is currently underway to confirm the optimal construction method and layout at the new site. Results from this geotechnical work are expected to be available at the end of September. DRA is then expected to provide a detailed timeline and begin the DFS finalisation program of work.

The Project team continues to progress several DFS-related programs on the Front-End Comminution and Beneficiation circuit ("FECAB") and LCP to improve the overall flowsheet which are expected to positively impact Project economics.

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 2024 has been received and can be found on page 25 of the financial 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.

DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED)(continued)

A. Principles used to determine the nature and amount of remuneration (continued)

The Board policy is to remunerate Non-executive Directors at commercial market rates for comparable companies for time, commitment, and responsibilities. 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.

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 year ended 30 June 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.

2024	Short-term benefits		Post-employment benefits	Long term benefits	Equity-settled share-based payments	Total	% related to performance
	Salary fees and leave	Profit share and bonuses	Super-annuation	Annual Leave and Long Service Leave	Rights/ Options (ii)	$	%
	$	$	$	$	$		
Directors							
Keith Coughlan(i)	478,322	116,978	27,500	195,098	(880,462)	(62,564)	14%
Kiran Morzaria	54,826	-	-	-	-	54,826	0%
Richard Pavlik	74,287	61,660	-	-	(440,231)	(304,284)	45%
Lincoln Bloomfield Jr	70,100	-	-	-	-	70,100	0%
Merrill Gray	11,667	-	-	-	-	11,667	0%
Total	689,202	178,638	27,500	195,098	(1,320,692)	(230,254)	16%

Notes:

(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.

REMUNERATION REPORT (AUDITED)(Continued)

B. Details of Remuneration (continued)

	Short-term benefits		**Post-employment benefits**	**Long term benefits**	**Equity-settled share-based payments**	**Total**	**% related to performance**
	Salary fees and leave	Profit share and bonuses	Super-annuation	Long Service Leave	Rights/ Options (iii)	$	%
2023	$	$	$	$	$		
Directors							
Keith Coughlan (i)	425,901	48,922	27,500	32,762	201,359	736,444	34%
Kiran Morzaria	57,048	-	-	-	-	57,048	0%
Richard Pavlik(ii)	141,295	33,647	-	-	100,681	275,623	49%
Lincoln Bloomfield Jr	70,852	-	-	-	-	70,852	0%
Total	695,096	82,569	27,500	32,762	302,040	1,139,967	34%

Notes:

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

(ii) In the prior financial period, Mr Pavlik was reimbursed for a salary that should have been paid to him by European Metals Holdings Limited in 2021, in addition to the salary paid by Geomet. The total salary for the period January 2021 to July 2022 was $54,883 and a bonus of $33,647.

(iii) 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 was updated. As a result, a share-based expense was recognised for the year ended 30 June 2023.

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, received a salary of $595,300 plus statutory superannuation contribution from 1 July 2023 to 30 June 2024.

D. Share-based compensation

During the financial year, no shares were issued to KMP under the Employee Securities Incentive Plan (ESIP) (2023: nil).

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

30-Jun-24	**Loan shares Grant Details**			**Exercised**		**Lapsed/Cancelled**		**Balance at End of Year**	
	Grant Date	**No.**	**Value**	**No.**	**Value**	**No.**	**Value**	**No.**	**Value**
			$		**$**		**$**	**Vested**	**$**
Group KMP									
Keith Coughlan	30-Nov-17	850,000	592,245	-	-	-	-	850,000	592,245
Richard Pavlik	30-Nov-17	300,000	209,028	-	-	-	-	300,000	209,028
Kiran Morzaria	30-Nov-17	200,000	139,352	-	-	-	-	200,000	139,352
		1,350,000	**940,625**	**-**	**-**	**-**	**-**	**1,350,000**	**940,625**

REMUNERATION REPORT (AUDITED)(Continued)

D. Share-based compensation (continued)

30-Jun-23	Loan shares Grant Details			Exercised		Lapsed/Cancelled		Balance at End of Year	
	Grant Date	No.	Value $	No.	Value $	No.	Value $	No. Vested	Value $
Group KMP									
Keith Coughlan	30-Nov-17	850,000	592,245	-	-	-	-	850,000	592,245
Richard Pavlik	30-Nov-17	300,000	209,028	-	-	-	-	300,000	209,028
Kiran Morzaria	30-Nov-17	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 18(d).

E. Options issued for the year ended 30 June 2024

No options were issued as part of the remuneration for the year ended 30 June 2024 (2023: nil).
No options were held by key management personnel at 30 June 2024 (2023: nil).

F. Performance Rights granted for the year ended 30 June 2024

No performance rights were granted as part of the remuneration for the year ended 30 June 2024 (2023: nil).

Granted in prior year	Performance Rights Details			Exercised		Lapsed/ Cancelled		Balance at End of Year		Vested	Unvested
	Grant Date	No.	Value[1] $	No.	Value $	No.	Value $	No.	Value[1] $	No.	No.
Group KMP											
Keith Coughlan	17-Dec-20	2,400,000	2,088,000	-	-	-	-	2,400,000	2,088,000	-	2,400,000
Richard Pavlik	17-Dec-20	1,200,000	1,044,000	-	-	-	-	1,200,000	1,044,000	-	1,200,000
		3,600,000	**3,132,000**	**-**	**-**	**-**	**-**	**3,600,000**	**3,132,000**	**-**	**3,600,000**

Notes:
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 30 June 2024, management's assessment is that the performance rights will vest as follows:
   - 1,200,000 Class A performance rights on 2 March 2025, probability 100%
   - 1,200,000 Class B performance rights after 2 March 2025, probability 0%
   - 1,200,000 Class C performance rights after 2 March 2025, probability 0%

DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED)(Continued)

G. Equity instruments issued on exercise of remuneration options

No equity instruments were issued during the year to Directors or other KMP.

H. Loans to Directors and Key Management Personnel

No loans were issued to Key Management Personnel during the financial year. 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

2024 Name	Balance at Start of year	Granted as remuneration during the year	Issued on exercise of options	Other Changes during the year	Balance at end of year
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]	11,968,504	-	-	(5,828,141)	6,140,363
Lincoln Bloomfield, Jr	250,500	-	-	274,500	525,000
Total	18,469,004	-	-	(5,553,641)	12,915,363

1. Mr Coughlan held, at the end of the financial year, 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 2023, the Company received company secretarial, accounting and bookkeeping services of $206,278 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 30 June 2024 was $37,969(2023: $17,028).

There were no other transactions with Key Management Personnel during the financial year.

REMUNERATION REPORT (AUDITED)(Continued)

L. Additional Information

The earnings of the consolidated entity for the five years to 30 June 2024 are summarised below:

	2024	2023	2022	2021	2020
	$	$	$	$	$
Sales revenue	-	-	-	-	-
EBITDA	(3,289,784)	(5,876,476)	(6,758,452)	(3,892,419)	(4,607,385)
EBIT	(3,344,508)	(5,925,349)	(6,798,864)	(3,901,295)	(4,608,729)
Loss after income tax	(3,355,576)	(5,928,441)	(6,802,895)	(3,962,450)	(4,608,729)

	2024	2023	2022	2021	2020
Share price at financial year end ($)	0.28	0.83	0.65	1.60	0.29
Total dividends declared (cents per share)	-	-	-	-	-
Basic loss per share (cents per share)	(1.64)	(3.14)	(3.78)	(2.39)	(3.05)

End of Remuneration Report

Signed in accordance with a resolution of the Board of Directors.

Keith Coughlan
EXECUTIVE CHAIRMAN
Dated at 30 September 2024

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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 year ended 30 June 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

30 September 2024

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2024

	Note	30 June 2024 $	30 June 2023 $ (Restated)*
Finance Income		767,263	479,783
Other income	6	868,868	1,116,293
Share based payments	17/18	2,299,512	(1,933,518)
Share of loss of equity accounted investee	12	(2,301,708)	(1,845,158)
Professional fees		(1,270,579)	(1,544,741)
Employees' benefits		(1,946,862)	(719,705)
Advertising and promotion		(547,634)	(576,744)
Travel and accommodation		(164,813)	(175,848)
Directors' fees		(272,539)	(219,984)
Share registry and listing expenses		(342,526)	(152,501)
Insurance expense		(78,366)	(76,357)
Audit fees	7	(77,952)	(63,443)
Depreciation and amortisation expense		(54,724)	(48,873)
Facility, advance fee and finance costs		(11,068)	(3,092)
Foreign exchange gain/(loss)		46,202	145,858
Other expenses		(268,650)	(310,411)
Loss before income tax		(3,355,576)	(5,928,441)
Income tax expense	3	-	-
Loss from operations		(3,355,576)	(5,928,441)
Loss for the period		(3,355,576)	(5,928,441)
Other comprehensive income/(loss)			
Items that may be reclassified subsequently to profit or loss:			
– Exchange differences on translating foreign operations		13,379	(25,452)
- Exchange difference on translating investment in Geomet	12	(2,206,706)	1,938,737
Other comprehensive (loss)/income for the period, net of tax		(2,193,327)	1,913,285
Total comprehensive loss for the period		(5,548,903)	(4,015,156)
Net Loss attributable to:			
- Members of the parent entity		(3,355,576)	(5,928,441)
		(3,355,576)	(5,928,441)
Total Comprehensive loss attributable to:			
- Members of the parent entity		(5,548,903)	(4,015,156)
		(5,548,903)	(4,015,156)
Loss per share for loss from continuing operations			
Basic and diluted loss per share (cents)	8	(1.64)	(3.14)

The above statement should be read in conjunction with the accompanying notes.
**The comparative information has been restated as a result of prior period adjustments discussed in Note 1(m).*

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024

	Note	30 June 2024 $	30 June 2023 $ (Restated)*	1 July 2022 $ (Restated)*
CURRENT ASSETS				
Cash and cash equivalents	9	4,727,375	8,892,951	19,055,509
Trade and other receivables	10	391,942	200,706	782,518
Other assets	11	37,263	34,697	53,094
TOTAL CURRENT ASSETS		5,156,580	9,128,354	19,891,121
NON-CURRENT ASSETS				
Other assets	11	28,549	48,154	47,392
Right-of-use asset		166,211	39,968	87,930
Investments accounted for using equity method	12	23,531,598	22,275,934	16,554,847
Advances to associate	13	8,430,289	8,418,872	-
Property, plant and equipment		5,212	2,899	-
TOTAL NON-CURRENT ASSETS		32,161,859	30,785,827	16,690,169
TOTAL ASSETS		37,318,439	39,914,181	36,581,290
CURRENT LIABILITIES				
Trade and other payables	14	359,859	818,977	939,822
Payable to associate	1(u)	-	5,627,507	-
Provisions – employee entitlements	15	310,832	16,570	147,048
Lease liability		45,917	40,775	45,707
TOTAL CURRENT LIABILITIES		716,608	6,503,829	1,132,577
NON-CURRENT LIABILITIES				
Provisions – employee entitlements	15	329	84,051	-
Lease liability		118,261	-	40,775
TOTAL NON-CURRENT LIABILITIES		118,590	84,051	40,775
TOTAL LIABILITIES		835,198	6,587,880	1,173,352
NET ASSETS		**36,483,241**	**33,326,301**	**35,407,938**
EQUITY				
Issued capital	16	58,886,707	47,881,352	47,881,352
Reserves	17	7,684,597	16,719,125	12,872,321
Accumulated losses		(30,088,063)	(31,274,176)	(25,345,735)
TOTAL EQUITY		**36,483,241**	**33,326,301**	**35,407,938**
		-	-	-

The above statement should be read in conjunction with the accompanying notes.
**The comparative information has been restated as a result of prior period adjustments discussed in Note 1(m).*

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2024

	Issued Capital $	Share Based Payment Reserve $	Foreign Currency Translation Reserve $	Accumulated Losses $	Total $
Balance at 1 July 2022, as previously reported	47,881,352	11,904,132	379,659	(24,365,633)	35,799,510
Adjustment for correction of error	-	-	588,530	(980,102)	(391,572)
Balance at 1 July 2022, as restated	**47,881,352**	**11,904,132**	**968,189**	**(25,345,735)**	**35,407,938**
Loss attributable to members of the Company	-	-	-	(5,928,441)	(5,928,441)
Other comprehensive income	-	-	1,913,286	-	1,913,286
Total comprehensive loss for the year	-	-	1,913,286	(5,928,441)	(4,015,155)
Transactions with owners, recognised directly in equity					
Share based payments	-	1,933,518	-	-	1,933,518
Balance at 30 June 2023, as restated	**47,881,352**	**13,837,650**	**2,881,475**	**(31,274,176)**	**33,326,301**
Balance at 1 July 2023, as restated	47,881,352	13,837,650	2,881,475	(31,274,176)	33,326,301
Loss attributable to members of the Company	-	-	-	(3,355,576)	(3,355,576)
Other comprehensive loss	-	-	(2,193,327)	-	(2,193,327)
Total comprehensive loss for the year	-	-	(2,193,327)	(3,355,576)	(5,548,903)
Transactions with owners, recognised directly in equity					
Shares issued during the year	9,889,116	-	-	-	9,889,116
Capital raising costs	(3,841)	-	-	-	(3,841)
Exercise of options	1,120,080	-	-	-	1,120,080
Share based payments	-	(2,299,512)	-	-	(2,299,512)
Transfer from performance rights/options reserve		(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**

The above statement should be read in conjunction with the accompanying notes.
**The comparative information has been restated as a result of prior period adjustments discussed in Note 1(m).*

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2024

	Note	30 June 2024 $	30 June 2023 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Other income		-	1,716,398
Payments to suppliers and employees		(4,238,770)	(3,596,566)
Interest received		827,502	438,823
Payments for Cinovec associated costs		(10,334)	(398,354)
Net cash (used in) operating activities	19	(3,421,602)	(1,839,699)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(3,812)	(4,191)
Payments for investments in associate		(11,391,585)	(8,420,065)
Net cash (used in) investing activities		(11,395,397)	(8,424,256)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		9,889,116	-
Capital raising costs paid		(3,841)	-
Proceeds from exercise of options		1,120,080	-
Payment for lease liability		(62,616)	(48,799)
Net cash provided by/(used in) financing activities		10,942,739	(48,799)
Net (decrease) in cash and cash equivalents		(3,874,259)	(10,312,754)
Cash and cash equivalents at the beginning of the financial year		8,892,951	19,055,509
Exchange differences in foreign currency held		(291,317)	150,196
Cash and cash equivalents at the end of financial year	9	4,727,375	8,892,951

The above statement should be read in conjunction with the accompanying notes.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

NOTE 1: STATEMENT OF MATERIAL ACCOUNTING POLICIES

(a) Basis of preparation

These consolidated financial statements and notes represent those of European Metals Holdings Limited ("EMHL" 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. The Company was previously incorporated in the British Virgin Islands however redomiciled on 7 May 2024.

(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

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. The adoption of these Accounting Standards and Interpretations would not have any significant impact on the financial performance or position of the Group.

There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting period and on foreseeable future transactions.

(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.

(iii) Financial Position

The Directors have prepared the consolidated financial statements on going concern basis, which contemplates continuity of normal business activities and the realisation of assets and extinguishment of liabilities in the ordinary course of business.

At 30 June 2024, the Group comprising the Company and its subsidiaries has incurred a loss for the year amounting to $3,355,576 (2023: loss of $5,928,441). The Group has a net working capital surplus of $4,439,972 (2023: surplus of $2,624,525) and cash and cash equivalents of $4,727,375 (2023: $8,892,951).

The Directors have prepared a cash flow forecast, which indicates that the Company will have sufficient cash flows to meet all commitments and working capital requirements for the 12-month period from the date of signing this financial report.

Based on the cash flow forecasts, the Directors are satisfied that the going concern basis of preparation is appropriate.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

NOTE 1: STATEMENT OF MATERIAL ACCOUNTING POLICIES

(iv) 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

NOTE 1: STATEMENT OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(b) Income Tax (continued)

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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

NOTE 1: STATEMENT OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(d) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities in the Statement of Financial Position.

(e) Revenue

Interest

Interest income is recognised using the effective interest method.

Services Revenue

Revenue is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Group: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

(f) Goods and Services Tax (GST)

Revenues, expenses, and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

Cash flows are presented in the Statement of Cash Flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(g) Financial Instruments

Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument. Financial instruments (except for trade receivables) are measured initially at fair value adjusted by transaction costs, except for those carried at 'fair value through profit or loss', in which case transaction costs are expensed to profit or loss. Where available, quoted prices in an active market are used to determine the fair value. In other circumstances, valuation techniques are adopted. Subsequent measurement of financial assets and financial liabilities are described below.

Trade receivables are initially measured at the transaction price if the receivables do not contain significant financing component in accordance with AASB 15 Revenue from Contracts with Customers.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expired.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

NOTE 1: STATEMENT OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(g) Financial Instruments (continued)

Classification and measurement

Financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15 Revenue from Contracts with Customers, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- amortised cost;
- fair value through other comprehensive income (FVOCI); and
- fair value through profit or loss (FVPL).

Classifications are determined by both:

- the contractual cash flow characteristics of the financial assets; and
- the Group's business model for managing the financial asset.

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet with the following conditions (and are not designated as FVPL);

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Financial assets at fair value through other comprehensive income

The Group measures debt instruments at fair value through OCI if both of the following conditions are met:

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding; and
- the financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling the financial asset.

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under AASB 132 Financial Instruments: Presentation and are not held for trading.

Financial assets at fair value through profit or loss (FVPL)

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

For trade receivables and advance to associate, the Group applies a simplified approach in calculating expected credit losses ('ECLs). Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

NOTE 1: STATEMENT OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(g) Financial Instruments (continued)

Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss.

All interest-related charges and, if applicable, gains and losses arising on changes in fair value are recognised in profit or loss.

(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 22.

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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

NOTE 1: STATEMENT OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(j) Share based payments

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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

NOTE 1: STATEMENT OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(m) Restatement of comparatives

Correction of error

On 28 April 2020, the Company announced the investment of EUR 29,100,000 (circa A$ 48,850,092) by CEZ a.s. ("CEZ") for a 51% equity interest in Geomet, the Company's wholly owned Czech subsidiary at the time, and holder of the Cinovec licenses, had been completed. The Company ceased to fully consolidate Geomet's results within EMH's consolidated accounts effective from this date and commenced equity accounting its investment in Geomet, as an associate.

At 30 June 2020, the Company inadvertently recognised its portion of that period's share of Geomet's loss as a profit, resulting in a misstatement of the investment in associate's carrying value. In May 2023, the Company agreed to a further investment of $5,627,057 million (circa EUR 3,432,217) to maintain its 49% shareholding. The Company inadvertently neglected to provide for this obligation as a payable at 30 June 2023, and accordingly also understated its investment by this amount. The balance was subsequently settled on 7 July 2023. The Company also noted that historical balances were converted directly from CZK to AUD, where they should have been converted into GBP as the functional currency of the holding company. The noted errors have, in turn, had a resultant impact on the exchange difference on translating the investment since its acquisition.

Extracts (being only those line items affected) are disclosed below.

Consolidated Statement of profit or loss and other comprehensive income	30 Jun 2023		30 Jun 2023
	$	$	$
	As Reported	Adjustment	Restated
Loss for the period	(5,928,441)	-	(5,928,441)
Other comprehensive income:			-
– Exchange differences on translating foreign operations	(25,342)	-	(25,342)
– Exchange difference on translating investment in Geomet	4,528,258	(2,589,521)	1,938,737
Other comprehensive income/(loss) for the period, net of tax	**4,502,916**	**(2,589,521)**	**1,913,395**
Total comprehensive loss for the period	**(1,425,525)**	**(2,589,521)**	**(4,015,046)**

Consolidated statement of financial position at the end of the comparative period	30 Jun 2023		30 Jun 2023
	$	$	$
	As Reported	Adjustment	Restated
Investment in associate	19,629,519	2,646,415	22,275,934
Total assets	**37,267,766**	**2,646,415**	**39,914,181**
Payable to associate	-	5,627,507	5,627,507
Total liabilities	**960,373**	**5,627,507**	**6,587,880**
Net assets	**36,307,393**	**(2,981,092)**	**33,326,301**
Accumulated losses	(30,294,074)	(980,102)	(31,274,176)
Reserves	18,720,115	(2,000,990)	16,719,125
Total equity	**36,307,393**	**(2,981,092)**	**33,326,301**

NOTE 1: STATEMENT OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(u) Restatement of comparatives (continued)

Consolidated statement of financial position at the beginning of the of the earliest comparative period	1 Jul 2022		1 Jul 2022
	$	$	$
	As Reported	Adjustment	Restated
Investment in associate	16,946,419	(391,572)	16,554,847
Total assets	**36,972,862**	**(391,572)**	**36,581,290**
Net assets	**35,799,510**	**(391,572)**	**35,407,938**
Accumulated losses	(24,365,633)	(980,102)	(25,345,735)
Reserves	12,283,791	588,530	12,872,321
Total equity	**35,799,510**	**(391,572)**	**35,407,938**

The prior period adjustment did not have an impact on the consolidated statement of cash flows.

The prior period adjustment did not have an impact on the basic or diluted earnings/(loss) per share.

NOTE 2: 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

NOTE 2: DETERMINATION OF FAIR VALUES (CONTINUED)

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 3: INCOME TAX

(a) Income tax expense	**2024**	**2023**
	$	**$**
Current tax	-	-
Deferred tax	-	-
	-	-
Deferred income tax expense included in income tax expense comprises:		
(Increase) in deferred tax assets	-	-
Increase in deferred tax liabilities*	-	-
	-	-

* 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 30 June 2024.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

NOTE 3: INCOME TAX (CONTINUED)

(b) Reconciliation of income tax expense to prima facie tax payable	**2024**	**2023**
	$	**$**
Net loss before tax	(3,355,576)	(5,928,441)
Prima facie tax on operating loss at 25% (2023: 25%)	(838,894)	(1,482,110)
Add/(Less): Non-deductible items		
Non-deductible expenses	854,198	1,333,306
Non-assessable income	(574,878)	-
Adjustments recognised in the current year in relation to the current tax of previous years	(37,663)	1,236
Current year tax loss not recognised	-	188,998
Effect of temporary differences that would be recognised directly in equity	(960)	-
Temporary differences not recognised	598,197	(41,430)
Income tax attributable to operating profit/loss	-	-
The applicable weighted average effective tax rates are as follows:	Nil%	Nil%
Balance of franking account at year end	Nil	Nil
Deferred tax assets/(liabilities)		
Tax losses	2,003,970	1,499,005
Other future deductions	768	-
Other receivables and other assets	(27,456)	(27,670)
Trade and other payables and Accruals	6,734	8,750
Right-of-use assets	(41,553)	(9,992)
Lease liabilities	41,045	10,194
Provisions	81,228	27,517
Unrecognised net deferred tax asset	2,064,735	1,507,804
Tax losses		
Unused tax losses for which no deferred tax asset has been recognised	8,015,879	6,000,962

The Company is registered in Australia (previously the British Virgin Islands (BVI) up to 7 May 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 same business test is passed.

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

NOTE 4: 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 year, the Company received a total of $1,009,490 (2023: 1,830,738) from its associate, Geomet s.r.o. This amount is broken down as $868,741 (2023: $1,102,944) for providing services of managing the Cinovec project development and $140,749 (2023: $727,794) for recharged costs. The balance owing from Geomet s.r.o at 30 June 2024 is $94,802 (2023: $94,802). The Company's Directors also received remuneration from Geomet s.r.o in arm's length transaction during the financial year.

From July 2023, the Company received company secretarial, accounting and bookkeeping services of $206,278 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 30 June 2024 was $37,969(2023: $17,028).

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. There have been no further loan advancements or repayments made during the year. Interest charged and paid for the year was $717,173 (CZK 11,683,222). Closing balance of the loan is $8,430,289 (See Note 13)

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

NOTE 5: KEY MANAGEMENT PERSONNEL COMPENSATION

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 year ended 30 June 2024 and 30 June 2023.

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

	2024	2023
	$	$
Short-term benefits	867,840	777,665
Post-employment benefits	27,500	27,500
Annual leave and long service leave	195,098	32,762
	1,090,438	837,927
Equity settled	(1,320,692)	302,040
	(1,320,692)	302,040
Total	(230,254)	1,139,967

Loans to Key Management Personnel

There were no loans to Key Management Personnel during the financial year (2023: nil). The total value of loan shares at 30 June 2024 amounted to $1,442,666 (30 June 2023: $1,442,666). The fair value of the remaining 1,350,000 loan shares is $1,442,666 at 30 June 2024. (See Note 17(d))

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

NOTE 6: OTHER INCOME

	2024	2023
	$	$
Service revenue – Cinovec project development	868,741	1,102,944
Other Income	127	13,349
	868,868	1,116,293

NOTE 7: AUDITOR'S REMUNERATION

	2024	2023
	$	$
Auditor's services		
Audit and review of financial report	65,677	63,443
other services	3,500	-
Under provision in prior year	8,775	-
	77,952	63,443

NOTE 8: BASIC AND DILUTED LOSS PER SHARE

	2024	2023
	$	$
Basic and diluted loss per share	(1.64)	(3.14)
Loss attributable to members of European Metals Holdings Limited	(3,355,576)	(5,928,441)
Weighted average number of shares outstanding during the period	204,755,046	188,790,669

Potential ordinary shares of the Company consist of 1,000,000 options and 7,300,000 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

	2024	2023
	$	$
Cash at bank	2,990,454	6,758,425
Term deposit	1,736,921	2,134,526
Total cash and cash equivalents in the consolidated Statement of Cash Flows	4,727,375	8,892,951

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

NOTE 10: TRADE AND OTHER RECEIVABLES

	2024	2023
	$	$
Trade receivables	94,802	94,802
GST and VAT receivable	47,068	38,903
Accrued management fees	243,310	-
Interest receivable	6,762	67,001
	391,942	200,706

NOTE 11: OTHER ASSETS

	2024	2023
	$	$
Current		
Prepayments	-	-
Other receivables	37,263	34,697
	37,263	34,697
Non-Current		
Bank guarantee on office lease	28,549	48,154
	28,549	48,154

NOTE 12: INVESTMENT IN ASSOCIATE

		2024	2023
		$	$
			(Restated)
Opening balance		22,275,934	16,554,847
Increase in investment		5,764,078	5,627,507
Share of loss - associates	5	(2,301,708)	(1,845,158)
Share of the movement in foreign currency translation reserve - associates		(2,206,706)	1,938,738
Closing balance		**23,531,598**	**22,275,934**

Effective 28 April 2020 and up to 30 June 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.

Contingent liabilities, commitments and bank guarantees
Geomet had no contingent liabilities, commitments or bank guarantees at 30 June 2024.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

NOTE 12: INVESTMENT IN ASSOCIATE (CONTINUED)

	2024	2023
Summarised statement of financial position	**$**	**$**
Current assets	10,679,067	24,328,436
Non-current assets	74,233,700	64,599,159
Total assets	84,912,767	88,927,595
Current liabilities	1,892,298	5,785,887
Non-current liabilities	15,963,209	17,193,373
Total liabilities	17,855,507	22,979,260
Net assets	67,057,260	65,948,335
Summarised statement of profit or loss and other comprehensive income		
Revenue	1,409,179	18,399
Expenses	(6,058,543)	(3,781,572)
Loss for the year	(4,649,364)	(3,763,173)

NOTE 13: ADVANCES TO ASSOCIATES

	2024	2023
	$	**$**
Advances to associate	8,430,289	8,418,872
	8,430,289	8,418,872

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 14: TRADE AND OTHER PAYABLES

	2024	2023
	$	**$**
Trade payables	238,376	747,492
Accrued expenses and other liabilities	121,483	71,485
	359,859	818,977

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

NOTE 15: PROVISIONS

	2024 $	2023 $
Current Liability		
Provision for annual leave	219,139	16,570
Provision for long service leave	91,693	-
	310,832	16,570
Non-current Liability		
Provision for long service leave	329	84,051
	329	84,051

NOTE 16: ISSUED CAPITAL

On the 7 May 2024 the Company redomiciled from the British Virgin Islands to Australia. On redomiciliation all CDI's converted to shares on a 1:1 basis.

(a) Issued and paid up capital

		2024 $	2023 $
Total issued capital		58,886,707	47,881,352
Shares	Number	207,444,705	192,385,492

(b) Movements in shares

	Date	Number	$
Balance at the beginning of the year	1 Jul 2023	**186,042,485**	**47,881,352**
Exercise of options	9 Jan 2023	6,343,007	-
Balance at the end of the year	30 Jun 2023	**192,385,492**	**47,881,352**
Balance at the beginning of the year	1 Jul 2023	**192,385,492**	**47,881,352**
Placement shares	23 Aug 2023	12,315,213	9,889,116
Exercise of options	Various	2,624,000	1,120,080
Conversion of performance rights	28 Mar 2024	120,000	-
Transaction costs		-	(3,841)
Balance at end of the year	30 Jun 2024	**207,444,705**	**58,886,707**

(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.

NOTE 16: ISSUED CAPITAL (CONTINUED)

(c) Capital risk management (continued)

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 30 June is as follows:

	2024	2023
	$	$
Cash and cash equivalents	4,727,375	8,892,951
Trade and other receivables	391,942	200,706
Other assets	37,263	34,697
Trade and other payables	(359,859)	(818,977)
Payable to associate	-	(5,627,507)
Provisions	(310,832)	(16,570)
Lease liability	(45,917)	(40,775)
Working capital surplus	4,439,972	2,624,525

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

NOTE 17: RESERVES

	2024	2023
	$	$
Option reserve 17(a)	418,000	4,788,589
Performance shares reserve 17 (b)	3,471,444	3,471,444
Performance rights reserve 17 (c)	1,664,338	4,134,950
Loan shares reserve 17 (d)	1,442,667	1,442,667
Foreign currency translation reserve 17 (e)	688,148	2,881,475
Total Reserves	7,684,597	16,719,125

(a) Option reserve

	2024	2023
	$	$
Balance at the beginning of the financial year	4,788,589	4,370,589
Share based payment expense	-	418,000
Transfer to retained earnings	(4,370,589)	-
Balance at the end of the financial year	418,000	4,788,589

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

NOTE 17: RESERVES (CONTINUED)

(a) Option reserve (continued)

The following options existed as at 30 June 2023 and 30 June 2024:

	Expiry date	Balance at 30 Jun 2023	Issued during the year	Exercised during the year	Expired/ cancelled	Balance at 30 Jun 2024
Options @ 42cents	23 Oct 2023[1]	2,024,000	-	(2,024,000)	-	-
Options @ 45cents	23 Oct 2023[2]	600,000	-	(600,000)	-	-
Options @ 80 cents[1]	31 Dec 2025[3]	2,000,000	-	-	(1,000,000)	1,000,000
Total		**4,624,000**	**-**	**(2,624,000)**	**(1,000,000)**	**1,000,000**

[1]2,024,000 unlisted options were exercised during the year as detailed in the table above. The share capital for the options exercised was issued on 25 October 2023.
[2]600,000 unlisted options were exercised during the period as detailed in the table above. The share capital for the options exercised was issued on 23 October 2023.
[3]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 for the prior year. 1,000,000 did not meet vesting conditions and therefore lapsed on 28 March 2024.

(b) Performance shares reserve

The Performance shares reserve records the fair value of performance shares issued. No performance shares were on issue at 30 June 2024.

	Date	Number	$
Balance at the beginning of the year	1 Jul 2023	**-**	**3,471,444**
Balance at the end of the year	30 June 2024	**-**	**3,471,444**

(c) Performance rights reserve

	30 June 2024		30 Jun 2023	
	Number	$	Number	$
Balance at the beginning of the year	**7,470,000**	**4,134,950**	**5,800,000**	**2,619,432**
Granted	-	-	1,670,000	1,515,518
Converted	(120,000)	-	-	-
Cancelled	(50,000)	-	-	-
Movement (1)	-	(2,299,512)	-	-
Transfer to retained earnings		(171,100)	-	-
Balance at the end of the year	**7,300,000**	**1,664,338**	**7,470,000**	**4,134,950**

(1) Movement relates to reassessment of probability of performance rights by management during the year.

NOTE 17: RESERVES(CONTINUED)

(d) Loan shares reserve

Employee securities incentive plan

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

iv. 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.
v. 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

vi. 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
vii. 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

viii. 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.

	30 June 2024		30 Jun 2023	
	Number	Amount Expensed	Number	Amount Expensed
Balance at beginning of the year	**1,350,000**	**1,442,667**	**1,350,000**	**1,442,667**
Loan shares repaid during the year	-	-	-	-
Balance at end of the year	**1,350,000**	**1,442,667**	**1,350,000**	**1,442,667**

NOTE 17: RESERVES(CONTINUED)

(d) Loan shares reserve (continued)
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 year ended 30 June 2024:

	Number 30 June 2023	Repaid during the year	Number 30 June 2024
Director Loan shares	1,350,000	-	1,350,000
	1,350,000	-	1,350,000

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

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 2019 financial year.

A summary of the outstanding Director loan shares at 30 June 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 November 2017	30 November 2017	30 November 2017
Expected volatility	143.41%	143.41%	143.41%
Expiry date	30 November 2032	30 November 2032	30 November 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**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

NOTE 17: RESERVES(CONTINUED)

(e) Foreign currency translation reserve

The foreign currency translation reserve records exchange differences arising on translation of foreign controlled subsidiaries, the Group's share of foreign exchange movement in Geomet s.r.o.

	2024 $	2023 $ (Restated)
Balance at the beginning of the financial year	2,881,475	968,189
Movement during the period	(2,193,327)	1,913,286
Balance at the end of the period	688,148	2,881,475

NOTE 18: SHARE BASED PAYMENT EXPENSE

During the year, the Group incurred a share-based payments reversal for a total of $2,299,512 resulting from the transactions detailed below.

(i) Share based payment arrangements granted in previous years/periods and existing during the year ended 30 June 2024:

- On 17 December 2020, 3,600,000 performance rights were issued 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 year ended 30 June 2024, management assessed the probability of achieving the financial hurdles to be 100% for its Class A options and 0% for its Class B and C options, as a result of which, a reversal of share-based payment expense of $1,320,693 has been recognised in the consolidated statement of profit or loss and other comprehensive income for the year.

	Number granted	Grant date	Estimated Vesting Date	Share price on grant date	Value per right	Total fair value	% vested
Class A	1,200,000	17 Dec 20	2 March 2025	$0.87	$0.87	$1,044,000	0%
Class B	1,200,000	17 Dec 20	Post 2 March 2025	$0.87	$0.87	$1,044,000	0%
Class C	1,200,000	17 Dec 20	Post 2 March 2025	$0.87	$0.87	$1,044,000	0%

- On 24 November 2021, 50,000 performance rights were issued to a consultant. The performance rights were valued at $76,750 at grant date. These had fully vested, and total expense was recognised in 30 June 2022 consolidated statement of profit or loss and other comprehensive income. These performance rights were converted to shares on 28 March 2024 and therefore have been reversed from the reserve to retained earnings.

- On 24 November 2021, 50,000 performance rights were issued to a consultant. The performance rights were valued at $76,750 at grant date. By 31 December 2023 a total amount of $46,050 had vested and was expensed, with $17,189 being recognised in the consolidated statement of profit or loss and other comprehensive income for the year. These performance rights were cancelled on 28 March 2024 as conditions had not been met and therefore have been reversed from the reserve to retained earnings.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

NOTE 18: SHARE BASED PAYMENT EXPENSE (CONTINUED)

- On 22 February 2022, 900,000 performance rights were issued 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 year ended 30 June 2024, management assessed the probability of achieving the financial hurdles to be 100% for its Class A options and 0% for its Class B and C options, as a result of which, a reversal of share-based payment expense of $318,591 has been recognised in the consolidated statement of profit or loss and other comprehensive income for the year.

	Number granted	Grant date	Estimated Vesting Date	Share price on grant date	Value per right	Total fair value	% vested
Class A	300,000	22 Feb 22	2 March 2025	$1.16	$1.16	$348,000	0%
Class B	300,000	22 Feb 22	Post 2 March 2025	$1.16	$1.16	$348,000	0%
Class C	300,000	22 Feb 22	Post 2 March 2025	$1.16	$1.16	$348,000	0%

- On 27 February 2022, 1,200,000 performance rights were issued 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 year ended 30 June 2024, management assessed the probability of achieving the financial hurdles to be 100% for its Class A options and 0% for its Class B and C options, as a result of which, a reversal of share-based payment expense of $414,693 has been recognised in the consolidated statement of profit or loss and other comprehensive income for the year.

	Number granted	Grant date	Estimated Vesting Date	Share price on grant date	Value per right	Total fair value	% vested
Class A	400,000	27 Feb 22	2 March 2025	$1.14	$1.14	$456,000	0%
Class B	400,000	27 Feb 22	Post 2 March 2025	$1.14	$1.14	$456,000	0%
Class C	400,000	27 Feb 22	Post 2 March 2025	$1.14	$1.14	$456,000	0%

- On 29 August 2022, 750,000 performance rights were issued 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 year ended 30 June 2024 management assessed the probability of achieving the hurdles to be 100% for Tranche 1 and 0% for Tranches 2 and 3, as a result of which, a reversal of share-based payment expense of $113,928 was recognised in the consolidated statement of profit or loss and other comprehensive income for the year.

	Number granted	Grant date	Estimated Vesting Date	Share price on grant date	Value per right	Total fair value	% vested
Tranche 1	250,000	29 Aug 22	2 March 2025	$0.73	$0.73	$182,500	0%
Tranche 2	250,000	29 Aug 22	Post 2 March 2025	$0.73	$0.73	$182,500	0%
Tranche 3	250,000	29 Aug 22	Post 2 March 2025	$0.73	$0.73	$182,500	0%

NOTE 18: SHARE BASED PAYMENT EXPENSE (CONTINUED)

- On 12 December 2022, 450,000 performance rights were issued to an employee. The performance rights were valued at $301,500 at grant date and are being expensed over the vesting period as noted below. For the year ended 30 June 2024, management assessed the probability of achieving the hurdles to be 0% for all Tranches, as a result of which, a reversal of share-based payment expense of $107,705 was recognised in the consolidated statement of profit or loss and other comprehensive income for the year.

	Number granted	Grant date	Estimated Vesting Date	Share price on grant date	Value per right	Total fair value	% vested
Tranche 1	150,000	12 Dec 22	Post 2 March 2025	$0.67	$0.67	$100,500	0%
Tranche 2	150,000	12 Dec 22	Post 2 March 2025	$0.67	$0.67	$100,500	0%
Tranche 3	150,000	12 Dec 22	Post 2 March 2025	$0.67	$0.67	$100,500	0%

- On 13 December 2022, 300,000 performance rights were issued to an employee. The performance rights were valued at $201,000 at grant date and are being expensed over the vesting period as noted below. For the year ended 30 June 2024, management assessed the probability of achieving the to be 0% for all Tranches, as a result of which, a reversal of share-based payment expense of $71,587 was recognised in the consolidated statement of profit or loss and other comprehensive income for the year.

	Number granted	Grant date	Estimated Vesting Date	Share price on grant date	Value per right	Total fair value	% vested
Tranche 1	100,000	13 Dec 22	Post 2 March 2025	$0.67	$0.67	$67,000	0%
Tranche 2	100,000	13 Dec 22	Post 2 March 2025	$0.67	$0.67	$67,000	0%
Tranche 3	100,000	13 Dec 22	Post 2 March 2025	$0.67	$0.67	$67,000	0%

- On 14 December 2022, 170,000 performance rights were issued to an employee. The performance rights were valued at $117,300 at grant date. 70,000 Tranche 1 performance rights had fully vested by 9 November 2023, and total expense was recognised by 31 December 2023. These 70,000 Tranche 1 performance rights were converted to shares on 28 March 2024 and therefore have been reversed from the reserve to retained earnings. The remaining 100,000 tranche 2 performance rights are being expensed over the vesting period as noted below. For the year ended 30 June 2024, management assessed the probability of achieving the hurdles to be 100% for Tranche 2, as a result of which, a share-based payment expense of $30,497 was recognised in the consolidated statement of profit or loss and other comprehensive income for the year.

	Number granted	Grant date	Estimated Vesting Date	Share price on grant date	Value per right	Total fair value	% vested
Tranche 2	100,000	14 Dec 22	1 October 2026	$0.69	$0.69	$69,000	0%

NOTE 19: CASH FLOW INFORMATION

	2024 $	2023 $
Reconciliation of cash flow from operating activities with loss after tax:		
Loss after income tax	(3,355,576)	(5,928,441)
Adjustments for:		
Share based payments	(2,299,512)	1,933,518
Finance costs	11,068	25,962
Foreign exchange loss	300,381	362,201
Depreciation and amortisation expenses	54,724	48,873
Equity accounted of investment in Geomet s.r.o.	2,301,708	1,845,158
Interest in assets and liabilities net of deemed disposal of subsidiary		
Decrease/(Increase) in trade and other receivables and other assets	(184,449)	40,302
(Decrease)/Increase in trade and other payables	(460,486)	(120,845)
(Decrease)/Increase in provisions	210,541	(46,427)
Cash flow used in operating activities	(3,421,602)	(1,839,699)

(b) Credit standby facilities

The Company had no credit standby facilities as at 30 June 2024 and 2023.

(c) Investing and Financing Activities – Non-Cash

There were no non-cash investing or financing activities during the year, apart from an increase in lease liabilities of $123,403 following the commencement of a new office lease agreement.

NOTE 20: 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 21: 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:

	2024 $	2023 $
Financial assets		
Cash	4,727,375	8,892,951
Trade and other receivables	391,942	200,706
Other Assets	65,812	82,851
Advances to associate	8,430,289	8,418,872
Total financial assets	13,615,418	17,595,380
Financial liabilities		
Trade and other payables	359,859	818,977
Lease liability	164,178	40,775
Total financial assets	524,037	859,752

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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

NOTE 21: FINANCIAL RISK MANAGEMENT (CONTINUED)

(ii) Market risk (continued)
Foreign exchange risk (continued)

At 30 June 2024, the Group has financial assets and liabilities denominated in the foreign currencies detailed below:

	2024 Amount in EUR	2024 Amount in GBP	2024 Amount in USD	2023 Amount in EUR	2023 Amount in GBP	2023 Amount in USD
Cash and cash equivalents in EMH	2,080,365	48,100	-	2,018,189	48,287	-
Trade and other payables in EMH	35,000	19,693	5,882	6,300	12,909	3,901
	2,115,365	**67,793**	**5,882**	**2,024,489**	**61,196**	**3,901**
5% effect in foreign exchange rates	105,768	3,390	294	101,224	3,060	195

Other than intercompany balances 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 year. The table below details the credit quality of the financial assets at the end of the year:

Financial assets	Credit Quality	2024 $	2023 $
Cash and cash equivalents held at Westpac Bank	High	2,456,825	2,045,240
Cash and cash equivalents held at ANZ bank	High	2,270,550	6,847,711
Bank guarantee held at ANZ bank	High	28,549	48,154
Trade and other receivables	High	391,942	200,706
Other assets	High	37,263	34,697
Advances to associate	High	8,430,289	8,418,872
		13,615,418	**17,595,380**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

NOTE 21: FINANCIAL RISK MANAGEMENT (CONTINUED)

(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 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**

As at 30 June 2023	Carrying Amount $	Contractual Cash flows $	<3 months $	3-6 months $	6-24 months $	>24 months
Financial assets						
Cash and cash equivalents	8,892,951	8,892,951	8,892,951	-	-	-
Trade and other receivables	200,706	200,706	200,706	-	-	-
Other assets	82,851	82,851	34,697	-	48,154	-
Advances to associate	8,418,872	8,418,872	-	-	-	8,418,872
Cash inflows	**17,595,380**	**17,595,380**	**9,128,354**	**-**	**48,154**	**8,418,872**
Financial liabilities						
Trade and other payables	818,977	818,977	818,977	-	-	-
Lease liabilities	40,775	40,775	12,047	12,201	16,527	-
Cash outflows	**859,752**	**859,752**	**831,024**	**12,201**	**16,527**	**-**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

NOTE 21: FINANCIAL RISK MANAGEMENT (CONTINUED)

(iii) 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 30 June 2024	Weighted Average Interest Rate	Floating Interest Rate	Fixed Interest Rate	Non-interest bearing	Total
Financial assets	%	$	$	$	$
Cash and cash equivalents	0.905%	2,990,454	1,736,921	-	4,727,376
Trade and other receivables		-	-	391,942	391,942
Bank guarantee		-	28,549	-	28,549
Other assets		-	-	37,263	37,263
Advances to associate	8.8%	-	8,430,289	-	8,430,289
		2,990,454	**10,195,759**	**429,205**	**13,615,419**
Financial liabilities					
Trade and other payables		-	-	359,859	359,859
Lease liabilities		-	164,178	-	164,178
		-	**164,178**	**359,859**	**524,037**

As at 30 June 2023	Weighted Average Interest Rate	Floating Interest Rate	Fixed Interest Rate	Non-interest bearing	Total
Financial assets	%	$	$	$	$
Cash and cash equivalents	1.05%	-	2,134,526	6,758,425	8,892,951
Trade and other receivables		-	-	200,706	200,706
Bank guarantee		-	48,154	-	48,154
Other assets		-	-	34,697	34,697
Advances to associate	8.8%	-	8,418,872	-	8,418,872
		-	**10,601,552**	**6,993,828**	**17,595,380**
Financial liabilities					
Trade and other payables		-	-	818,977	818,977
Lease liabilities		-	40,775	-	40,775
		-	**40,775**	**818,977**	**859,752**

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 $29,905 (2023: $21,345).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

NOTE 21: FINANCIAL RISK MANAGEMENT (CONTINUED)

(iv) 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 22: CONTROLLED ENTITIES

Subsidiaries of European Metals Holdings Limited

Controlled entity	Country of Incorporation	Class of Shares	Percentage Owned 2024	Percentage Owned 2023
European Metals UK Limited (EMH UK)	United Kingdom	Ordinary	100%	100%
EMH (Australia) Pty Ltd	Australia	Ordinary	100%	100%

NOTE 23: PARENT ENTITY DISCLOSURE

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.

	2024 $	2023 $
ASSETS		
Current assets	5,156,582	9,128,354
Non-current assets	20,023,040	8,511,087
TOTAL ASSETS	25,179,621	17,639,441
LIABILITIES		
Current liabilities	709,160	864,563
Non-current liabilities	118,590	84,051
TOTAL LIABILITIES	827,750	948,614
NET ASSETS	**24,351,871**	**16,690,827**
EQUITY		
Issued capital	58,886,707	47,881,352
Reserves	12,983,323	13,837,650
Accumulated losses	(47,518,159)	(45,028,175)
TOTAL EQUITY	**24,351,871**	**16,690,827**
	-	-

Profit or Loss and Other Comprehensive Income

	2024 $	2023 $
Loss for the year	(2,491,091)	(4,094,183)
Total comprehensive loss	**(2,491,091)**	**(4,094,183)**

Guarantees

There are no guarantees entered into by European Metals Holdings Limited for the debts of its subsidiaries as at 30 June 2024.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

NOTE 23: PARENT ENTITY DISCLOSURE (CONTINUED)

Contingent liabilities
There are no contingent liabilities of the parent as at 30 June 2024 and 30 June 2023.

Commitments
There were no commitments for the parent as at 30 June 2024 and 30 June 2023.

Material accounting policy information
The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 1, except for the following:
- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.

NOTE 24: CAPITAL COMMITMENTS
There are no capital commitments for the Group as at 30 June 2024 and 30 June 2023.

NOTE 25: CONTINGENT LIABILITIES
There are no contingent liabilities for the Group as at 30 June 2024 and 30 June 2023.

NOTE 26: SIGNIFICANT EVENTS AFTER THE REPORTING DATE
On 31 July 2024, and post the reporting period, the Company provided a further project update (refer to the Company's ASX/ AIM release dated 31 July 2024) (**Cinovec Lithium Project Update**). The Company advised that the timeline for the completion of the DFS and therefore construction of the Cinovec lithium processing plant continue to be worked on. Given the change to the location of the lithium processing plant from Dukla to Prunéřov, additional geotechnical work is currently underway to confirm the optimal construction method and layout at the new site. Results from this geotechnical work are expected to be available at the end of September. DRA is then expected to provide a detailed timeline and begin the DFS finalisation program of work.

The Project team continues to progress several DFS-related programs on the Front-End Comminution and Beneficiation circuit ("FECAB") and LCP to improve the overall flowsheet which are expected to positively impact Project economics.

CONSOLIDATED ENTITY DISCLOSURE STATEMENT AS AT 30 JUNE 2024

Entity name	Entity type	Place formed / Country of incorporation	Ownership interest %	Tax residency
European Metals Holding Limited	Body corporate	Australia	100%	Australia
European Metals UK Limited (EMH UK)	Body corporate	United Kingdom	100%	United Kingdom
EMH (Australia) Pty Ltd	Body corporate	Australia	100%	Australia

DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. the consolidated financial statements, notes and the additional disclosures are in accordance with the *Corporations Act 2001* including:

   (a) complying with Accounting Standards;
   (b) are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board, as stated in Note 1 to the financial statements; and
   (c) give a true and fair view of the financial position as at 30 June 2024 and of the performance for the year ended on that date of the Group.

2. the Chief Executive Officer and Chief Finance Officer have each declared that:

   (a) the financial records of the Group for the financial year have been properly maintained in accordance with s286 of the *Corporations Act 2001*;
   (b) the consolidated financial statements and notes for the financial year comply with the Accounting Standards; and
   (c) the consolidated financial statements and notes for the financial year give a true and fair view.

3. in the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

4 The information disclosed in the consolidated entity disclosure statement on page 60 is true and correct.

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

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

Keith Coughlan
EXECUTIVE CHAIRMAN

Dated at Perth on 30 September 2024

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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 30 June 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 year 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 30 June 2024 and of its financial performance for the year 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.

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.

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 12. 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 12, 1(iv) and 1(l) discloses 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 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 annual report for the year ended 30 June 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.

Other matters

The financial report of European Metals Holdings Limited, for the year ended 30 June 2023 was audited by another auditor who expressed an unmodified opinion on that report on 29 September 2023.

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 19 to 24 of the directors' report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of European Metals Holdings Limited, for the year ended 30 June 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

BDO

Glyn O'Brien

Glyn O'Brien

Director

Perth, 30 September 2024

ADDITIONAL INFORMATION

The following additional information is required by the Australian Securities Exchange in respect of listed public companies only.

1 Shareholding as at 10 September 2024

(a) Distribution of Shareholders

Category (size of holding)	Number and percentage of Shareholders
1 – 1,000	608 (0.17%)
1,001 – 5,000	794 (1.00%)
5,001 – 10,000	353 (1.34%)
10,001 – 100,000	498 (7.74%)
100,001 – and over	168 (89.76%)
	2,421

(b) The number of shareholdings held in less than marketable parcels is 1,111.

(c) Voting Rights

The voting rights attached to each class of equity security are as follows:

207,444,705 shares/DI's

- Each share/ DI is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

(d) 20 Largest Shareholders — Shares/ DI's as at 10 September 2024

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>	11,065,033	5.33%
4	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	10,233,888	4.93%
5	HARGREAVES LANSDOWN (NOMINEES) LIMITED <15942>	7,635,722	3.68%
6	EUROPEAN ENERGY & INFRASTRUCTURE GROUP LIMITED	6,343,007	3.06%
7	CITICORP NOMINEES PTY LIMITED	5,919,455	2.85%
8	BNP PARIBAS NOMS PTY LTD	5,256,819	2.53%
9	INTERACTIVE INVESTOR SERVICES NOMINEES LIMITED <SMKTISAS>	5,031,922	2.43%
10	INSWINGER HOLDINGS PTY LTD	4,900,000	2.36%
11	BARCLAYS DIRECT INVESTING NOMINEES LIMITED <CLIENT1>	4,607,550	2.22%
12	HARGREAVES LANSDOWN (NOMINEES) LIMITED <VRA>	4,572,963	2.20%
13	VIDACOS NOMINEES LIMITED <CLRLUX>	4,070,661	1.96%
14	LAWSHARE NOMINEES LIMITED <SIPP>	3,422,536	1.65%
15	HSDL NOMINEES LIMITED <MAXI>	3,176,353	1.53%
16	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	2,701,555	1.30%
17	HARGREAVES LANSDOWN (NOMINEES) LIMITED <HLNOM>	2,375,361	1.15%
18	INTERACTIVE INVESTOR SERVICES NOMINEES LIMITED <SMKTNOMS>	2,313,851	1.12%
19	WILGUS INVESTMENTS PTY LTD	2,210,000	1.07%
20	MR RICHARD KELLER <EST ANNA E KELLER A/C>	2,203,000	1.06%
Total Top 20 Shareholders		**114,055,231**	**54.98**

2 The name of the Company Secretary is Mr Henko Vos.

3 The address of the principal registered office is Level 3, 88 William St, Perth WA 6000. Telephone +61 8 6245 2050.

ADDITIONAL INFORMATION

4 Registers of securities are held at the following addresses
Computershare Investor Services Limited
Level 17
221 St Georges Terrace
Perth, Western Australia, 6000

5 Securities Exchange Listing
Quotation has been granted for all the shares/ DI's of the Company on all Member Exchanges of the Australian Securities Exchange Limited.

6 Unquoted Securities
A total of 1,000,000 options over unissued shares/ DI's are on issue.
A total of 7,300,000 performance rights are on issue.

7 Use of Funds
The Company has used its funds in accordance with its 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%
	Cinovec II		100%	N/A	100%
	Cinovec III		100%	N/A	100%
	Cinovec IV		100%	N/A	100%
Preliminary Mining Permit	Cinovec II	Cinovec South	100%	N/A	100%
	Cinovec III	Cinovec East	100%	N/A	100%
	Cinovec IV	Cinovec NorthWest	100%	N/A	100%