

Environmental Social & Governance Committee Charter

ROLE

The role of the Environmental, Social and Governance (“ESG”) Committee is to assist the Board in fulfilling its oversight responsibilities by reviewing and monitoring any matters relating to the management of workplace, community or environmental impacts (in accordance with the policy set out in Annexure A), the management of stakeholder relationships (including relevant aspects of human resources), and permitting and relevant regulatory risks. The Committee will also seek to identify opportunities to strengthen the Company’s license to operate and the sustainability and resilience of the communities and regions where Adriatic companies operate. It will provide scrutiny of and guidance to executive management on these issues.

COMPOSITION

The Board will strive to adhere to the following composition requirements for the Committee. However, the Board acknowledges that circumstances may not always allow adherence to the following requirements:

- the Committee must comprise at least three members;
- a majority of the members of the Committee must be independent non-executive Directors in accordance with the criteria set out in Annexure A. A senior member of the executive management team should also be a member of the Committee;
- the Board will appoint and remove and replace members of the Committee by resolution; and
- the Chair of the Committee must not be the Chair of the Board of Directors and must be independent.

PURPOSE

The primary purpose of the Committee is to support and advise the Board in fulfilling its ESG responsibilities by:

- recognising its legal and other obligations relating to environmental, social and external governance issues;
- evaluating and, where necessary, seeking to enhance relationships with stakeholders as a means of strengthening the Company’s license to operate; and
- managing its activities in a sustainable manner including with respect to the Company’s workforce, its communities and the environment.

DUTIES AND RESPONSIBILITIES

General Responsibilities

The Committee will use all reasonable endeavors to understand the Company’s business and operations so as to assess whether the operating risks and sustainability issues, including any consequential financial risks faced by the Company, have been identified, eliminated or minimized and/or that appropriate mitigation plans have been implemented which reduce risks to an acceptable level in line with the risk appetite identified by the Board.

The Committee will ensure appropriate management practices and assurance methodologies are adopted to inform the Board of the adequacies and effectiveness of the specific requirements outlined in this Charter.

The Committee will review, in a timely manner, serious ESG-related incidents or nonconformances, including monitoring investigations and corrective actions for quality and investigative veracity, and ensure that, as a result of such investigations, lessons have been learned and steps taken to avoid repeats.

The Committee will review disclosure of the Company’s Environmental, Social and Governance policies and practices, including those contained in the Company’s Management Information Circular and Annual Report before disclosure is made.

Environmental, Social, and Governance Responsibility

In assisting the Board, the Committee will use all reasonable endeavors to:

- review and monitor, and where relevant provide strategic guidance on, the processes in place which are designed to ensure compliance with all Company ESG policy commitments and the implementation of necessary management measures identified through environmental and social impact assessments;
- monitor, and where relevant provide strategic guidance on, management's setting, measuring and review of objectives and targets that aim to drive continuous improvement in ESG performance;
- monitor, and where relevant provide strategic guidance on, the adequacy of ESG reporting systems for actual or potential incidents, breaches and trends;
- review and monitor, and where relevant provide strategic guidance on, the environmental related contingency planning within the Company which is designed to ensure that all material environmental risks have appropriate contingency plans in place;
- review and monitor, and where relevant provide strategic guidance on, the plans, activities and corrective actions in place which are designed to ensure that there is appropriate engagement with communities impacted by the Company's operations, and review the handling of grievances raised by stakeholders;
- participate in reviewing due diligence relating to ESG aspects of potential acquisitions;
- review and monitor programmes designed to ensure employee alignment with the Company's desired standards, values and behaviours;
- periodically review the Company's ESG strategy and advise on ESG KPIs/targets to be included in corporate reporting;
- review and monitor, and where relevant provide strategic guidance on management's implementation of labour laws, relations with employee councils/unions, and the implementation, training and dissemination of personnel-related aspects of the Company's ESG policies (such as grievance, whistleblowing and anti-bribery and corruption policies);
- monitor relevant stakeholder perceptions of the Company; and
- support management to have a positive impact in its ESG activities.

Risk Management

The Committee (reporting its findings to the Audit and Risk Committee) will ensure management has established and operates a risk management system which is designed to:

- identify, assess, monitor and manage ESG operational risks to acceptable levels, including but not limited to environmental, safety, social, financial (i), legal, personnel and anti-corruption and bribery matters;
- establish an overall rating of the Company's ESG risks and related mitigation strategies;
- escalate risks to the appropriate level of the organisation dependent on materiality;
- oversee the production of a register of permits;
- regularly review the adequacy and effectiveness of mitigation measures in reducing such risks to acceptable levels; and
- help to identify opportunities for strengthening the Company's position on ESG issues.

In assisting the Board, the Committee will:

- liaise with the Audit Committee on risk management processes for the identification and management of material financial risks, which are the accountability of the Audit Committee;
- review any periodic risk management reports prepared by the executive management and present to the Board the overall results of this assessment and updates, as required;
- review and monitor the operational contingency planning and assurance processes within the Company to ensure all material risks and critical systems and processes are identified and that appropriate contingency plans are in place and are effective; and
- periodically review the effectiveness and suitability of the risk management system.

The Chairs of the ESG and Audit Committees will be informed of instances of concern relating to their areas of focus and which have been highlighted through the Company's whistleblowing facility.

Legal, Regulatory and Ethical Compliance

The Committee will:

review and monitor, and where relevant provide strategic guidance on, the Company's policies, procedures and systems for detecting, reporting and preventing breaches of conduct, data breaches and breaches of anti-bribery and corruption policy commitments; and in conjunction with the Board and Audit Committee, use all reasonable endeavours to monitor the Company's compliance with:

- (i) all relevant statutory and regulatory obligations, including those to the Shareholders of the Company;
- (ii) all environmental licenses and permits;

in so doing, ensure that the Company keeps abreast of any changes or developments in environmental, social and governance legislation or substantive developments in international good practice standards, and inform the Board of any which are material to the operations of the Company; and

review and monitor, and where relevant provide strategic guidance, on the Company's whistleblowing and grievance-handling policies.

MEETINGS

The Committee will meet at least twice yearly in each financial year and additionally as circumstances may require for it to undertake its role effectively.

Meetings are called by the Secretary as directed by the Board or at the request of the Chair of the Committee.

Where deemed appropriate by the Chair of the Committee, meetings and subsequent approvals and recommendations can be implemented by a circular written resolution or conference call.

A quorum shall consist of two members of the Committee. In the absence of the Chair of the Committee or their nominees, the members shall elect one of their members to act as Chair of that meeting.

Executive management, technical personnel and external professional or expert advisors are to attend Committee meetings, or part thereof, as requested by the Chair of the Committee, to provide required reports and presentations to the Committee.

Decisions will be based on a majority of votes with the Chair having a casting vote.

The Chair of the Committee, through the Secretary, will prepare a report of the actions of the Committee to be included in the Board papers for the next Board meeting.

Minutes of each meeting will be included in the papers for the next full Board meeting after each Committee meeting.

SECRETARY

The Company Secretary or their nominee shall be the Secretary of the Committee and shall attend meetings of the Committee as required.

The Secretary will be responsible for keeping the minutes of meeting of the Committee and circulating them to Committee members and to the other members of the Board.

The Secretary shall commission and distribute supporting papers for each meeting of the Committee as far in advance as possible.

RELIANCE ON INFORMATION OR PROFESSIONAL OR EXPERT ADVICE

Each member of the Committee is entitled to rely on information, or professional or expert advice, to the extent permitted by law, given or prepared by:

an employee of the Company whom the member believes on reasonable grounds to be reliable and competent in relation to the matters concerned;

a professional adviser, whose appointment and fees are approved by the Chief Executive Officer, or expert in relation to matters that the member believes on reasonable grounds to be within the person's professional or expert competence; or

another Director or officer of the Company in relation to matters within the Director's or officer's authority.

REVIEW OF CHARTER

The Board will conduct an annual review of the membership to ensure that the Committee has carried out its functions in an effective manner and will update the Charter as required or as a result of new laws or regulations.

The Charter shall be made available to members, to senior management, to the external auditor and to other parties as deemed appropriate and will be posted to the Company's website.

REPORTING

The Chairman of the Committee (or their nominee) shall report the findings and recommendations of the Committee to the Board after each Committee meeting. The minutes of all Committee meetings shall be circulated to members of the Board.

All recommendations of the Committee are to be referred to the Board for approval.

The Committee is to review all major health, safety, environment or community issues as notified or otherwise advised by Executive Management at its next meeting and report on its findings and recommendations, if applicable, to the Board in accordance with standard reporting protocol of the Committee. The Committee shall also regularly review the operation of the Company's grievance mechanism, and how grievances are handled and resolved.

Adoption:

This Charter was amended, restated and approved by the Board on 6th November 2020

SCHEDULE 6 ANNEXURE A

ENVIRONMENTAL, SOCIAL & GOVERNANCE POLICY

INTRODUCTION

This environmental, social and governance (ESG) policy (ESG Policy) regulates and provides guidance for Adriatic Metals Plc's (the "Company"), and its subsidiaries', management of activities to minimise adverse workforce, community or environmental impacts and to realise opportunities in these areas. The Company recognises that its principal concern must be the wellbeing of its people, whether employees, contractors, consultants, affected near-mine persons and communities, or other stakeholders. The health and safety of those persons, and the sustainability of the environment in which they work or live, is a critical factor in measuring the long-term success of the Company's business and, therefore, also for its investors. The Company is committed to implementing and maintaining the best practical standards of governance and transparency.

PURPOSE

Strong ESG performance is essential for the success and growth of the Company's business and its license to operate. The Company recognises its legal and other obligations to all legitimate stakeholders. With the recognised obligations in mind, the Company will manage its activities in a sustainable manner with respect to its workforce, the communities affected by its activities and the environment.

The Company is committed to managing its activities so as to minimise adverse workforce, community or environmental impacts. In so doing the Company will aim to comply with both the standards set out in the Equator Principles and the European Bank for Reconstruction and Development's Performance Requirements; including addressing ESG matters in its supply chain, the sustainable use of natural resources, responsible waste management, labour standards and the health and safety both of its employees and the communities in which it operates. The supply chain includes contractors, sub-contractors and suppliers of goods and services.

The Company also recognises the importance of the impact of its operations on climate change, use of land, water quality and availability and biodiversity. Our overall objective is to ensure that the communities where we work are ultimately enhanced by our presence.

PRINCIPLES

The Company will achieve this by:

- implementing a systematic approach to ESG risk management;
- as a minimum, complying with, and where possible exceeding, all applicable home and host country and international laws and regulations and applying internationally accepted industry standards where laws or standards do not exist. We oppose bribery and corruption and ensure that we have in place robust internal controls to prevent the paying or receipt of bribes;
- giving priority to the safety and health of our workforce and local communities;
- setting, measuring and reviewing objectives and targets that will drive continuous improvement in ESG performance;
- ensuring that our activities are underpinned by the principles of good governance, transparency and ethical conduct;
- seeking to work respectfully and in harmony with our host communities and with a commitment pro-actively to maximise the benefits which we share with local stakeholders through employment, training and procurement opportunities and our contribution to infrastructure and social investment;
- embedding ESG considerations in the Company's business planning and decision making processes;
- integrating ESG requirements when designing, purchasing, constructing and modifying equipment and facilities;
- reviewing the ESG contingency and emergency planning process to ensure high risk activities identified in the ESG risk management have appropriate contingency plans in place;
- being responsible and efficient in our use of resources such as water and avoiding, minimising or mitigating adverse

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ANNEXURE A

impacts on water, air or soil;

maintaining a culture in which employees and contractors are aware of our desired standards and their ESG obligations and are empowered to intervene or raise concerns on ESG issues;

ensuring a fair and sustainable working environment for our workforce, free from bullying, discrimination and harassment;

ensuring that the Company undertakes substantive assessment of our social and environmental impacts and agreed mitigation measures;

undertaking and supporting research to gain a better understanding of ESG and using a scientific approach to support impact assessments and evidence based decision making;

taking a collaborative and pro-active approach to engaging with our stakeholders;

requiring Directors, contractors and employees to comply with our ESG expectations in a mutually beneficial manner; and

supporting international good practice initiatives such as the Voluntary Principles on Security and Human Rights and the Extractive Industries Transparency Initiative.

APPLICATION

Responsibility for the application of this Policy rests with, but is not limited to, all Company employees and contractors engaged in these activities under the Company's operational control.

Each department of the Company is responsible for the development of its own internal policies to implement the principles set out in this Policy.

The Company's managers are also responsible for promoting and ensuring compliance with this Policy and their individual department's policies.

MONITORING AND REVIEW

Material breaches of this ESG Policy will be reported to the Company's Board of Directors (Board) and the ESG Committee of the Board.

The Board will monitor the content, effectiveness and implementation of this ESG Policy on a regular basis. There may also be independent reviews taken from time to time. Any findings, updates or improvements identified will be addressed as soon as possible.

Personnel are invited to comment on this ESG Policy and suggest ways in which it may be improved. Comments, suggestions and queries should be addressed to the Board.

Approved by the Company's Board of Directors on 6th November 2020.

Adopted by the Company on 9th November 2020