



## ANNUAL REPORT CORPORATE GOVERNANCE SUMMARY

Full details are available in the Corporate Governance Section of the Company's website.

### Chairman's Statement - 2022

As the Chairman of Atlantic Lithium, I am responsible for the leadership of the Board of Directors, for the efficient organisation and conduct of that Board's functioning, and for the briefing of all Directors in relation to issues arising at Board meetings. I am also ultimately responsible for shareholder communication and feedback, arranging Board performance evaluation, and setting the tone for Board's approach to Corporate Governance matters. I worked closely with Managing Director Vincent Mascolo until he sadly passed away on 10<sup>th</sup> March 2022. I now work closely with the Interim Chief Executive Officer Lennard Kolff and Finance Director and Company Secretary Amanda Harsas.

Whilst continually maturing, Atlantic Lithium essentially remains a junior mining industry mineral exploration company. From a practical viewpoint, this means that the Company is yet to reach the stage where it is earning revenue, employing a large workforce, expending large sums of money on capital works or undertaking development and / or mining works on land owned by third-parties. Accordingly, the Company's adoption of, and reporting against, the QCA's Corporate Governance framework reflects the current status of its lifecycle and its characterisation as a growth company. In this regard, whilst the Company has largely adopted the QCA's principles, it considers that some of the principles and associated reporting requirements may not yet be appropriate for the Company to adopt.

As Chairman, it is my intention to continue to review Atlantic's approach to Corporate Governance as it evolves from junior explorer to project development company. As I have previously noted, this evolution will require more rigour to be applied to the Company's internal and external policies and procedures as project and capital expenditures, levels of community and governmental engagement, personnel numbers, and asset values all increase over time.

### The QCA's Ten Principles as Adopted by the Company

#### Principle 1 - Promote Long-term Value for Shareholders

Atlantic Lithium is an AIM-listed mineral exploration company with frontier assets in West Africa, numerous lithium projects in Ghana and Cote D'Ivoire. The Company's corporate strategy is to create and sustain shareholder value through the discovery of world-class and globally demanded mineral commodities. Specifically, the Company is aiming to:

- build a diversified portfolio of predominantly gold and lithium projects in frontier pro-mining jurisdictions within Africa;
- illustrate the metallurgy of the Company's owned assets with the aim of demonstrating the ability to upgrade to saleable product; and
- obtain the mineral rights, licenses and mining-related permits for the discovery of mineral resources, and demonstrate a viable approach towards their economic extraction, transportation and sale on the global market utilising the combined the combined skills and experience of the Company's Board and management team.

The Company is constantly working on building the value of its portfolio of assets via their sourcing, financing, exploration and ultimately their commercialisation. These endeavors require the Company to employ a diverse range of skills and experience and both Board and managerial level. This is a key attribute of the Company, as outlined in further detail under Principle 6 below. The Company is also supported by substantial corporate shareholders with expertise in the areas of exploration, production and commodity trading (refer "About Us" on the Company's website). Other core values which support the Company's development goals include having a diversity of mineral commodities, a diversity of operational jurisdictions, a mixture of greenfields and brownfields projects, a highly experienced geological and project management workforce, and the on-going corporate and financial support of the Company's cornerstone shareholders.

Mindful of the need to ensure the Company's operations are conducted to comply with all internal systems of control, accountability and safeguards, and in order to ensure all personnel act with honesty, integrity and fairness when dealing with communities, land holders, business partners, suppliers, potential customers, industry participants, governments, regulators, shareholders and fellow employees, the Board established a Social and Ethics Committee during 2018. This Committee's responsibilities have been dealt with by the Company's Executive Committee and is incorporated into the board meeting. The Executive Committee members are Neil Herbert, Lennard Kolff and Amanda Harsas.

#### Principle 2 - Addressing Shareholder Needs and Expectations



The Company currently has a relatively modest number of shareholders, and at least 75% of the Company's shares are currently held by the Top 20 holders. These shareholders are known to the Board and the Company's Executive Management. However, the Company has also undertaken a number of beneficial shareholder searches in order to understand the make-up of its register for communication and engagement purposes.

Atlantic Lithium regularly engages with shareholders through attendance at resource conventions and similar industry functions, together with non-deal roadshows to engage with institutional shareholders, brokers, analysts and potential investors. Feedback garnered from these processes is discussed at Executive and Board level to ensure investor expectations are consistently understood. The Company also engages in investor events and webinars, providing the opportunity to engage with and answer the questions of private investors. The Company team is contactable by all investors and is open and available to answer any queries. Each RNS contains a list of contact points for the Company, its broker, its NOMAD and its external Public Relations firm.

Conference and investor presentations, including videos where applicable, are made available on the Company's website and via its newsletter service. The Company operates a Twitter account and has a free newsletter subscription page available to all interested parties on its website.

### **Principle 3 - Accounting for Stakeholder and Social Responsibilities**

The Company remains committed to being a responsible global citizen and sensitive to the needs and expectations of governments, communities and other stakeholders in the countries and local communities in which it operates. At this stage the Company is largely a greenfields exploration company, so the footprint of its physical activities is presently modest and almost immediately rectified (eg. trenching is re-filled, drill holes re-covered, etc). Furthermore, the Company's major projects are typically located in areas of little to no vegetation, no fauna, and a sparse human population. Where applicable, disturbed vegetation areas are rehabilitated utilising with our ongoing revegetation programs and in-house nurseries.

However, mindful of its continual evolution towards becoming a project development company, during 2018 the Board established a Social and Ethics Committee which reports to the full Board. The aim of the Committee is to ensure the observance of good Corporate Governance and human rights practices by the Company. The Company also has a Corporate and Social Responsibility Policy (as detailed on the CSR page of its website). The Company takes pride in providing equal opportunities for employment across the various jurisdictions in which it operates.

### **Principle 4 - Embedded and Effective Risk Management**

The majority of the risks and uncertainties facing the Company were identified and addressed in the Company's February 2015 AIM Admission Document, a copy of which is available on the Company's website (AIM Rule 26 Information). Specifically, those risks were outlined on pages 47 to 65 of that document.

The Board and the Company's management adopt a conservative approach to the management of the risks facing the Company, having regard to the present size and scale of its operations. As outlined in the Chairman's Statement, the Company is yet to reach the stage where it is earning revenue, employing a large workforce, expending large sums of money on capital works or undertaking development and / or mining works on land owned by third-parties. However, the Company utilises the following framework in the measurement and management of its risks:

- Board and Executive Appointments;
- Structured Board Reporting;
- Comprehensive Insurance Program;
- Location Control and Conduct;
- Site Visits;
- Documented Risk Management Practices and Policies.

#### Financial Risk Management and Internal Control

The Board, in conjunction with the Company's Executive Management, identifies and appraises risks, maintains control and direction over appropriate strategic, financial and organisational structure matters, with defined lines of responsibility and delegation limits established. The Board has overall responsibility for ensuring that the Company maintains a system of internal controls and for monitoring their effectiveness to provide reasonable assurance regarding the reliability of the Company's financial reporting. The Company's Audit Committee meets with the Company's external audit firm to discuss the Company's system of internal controls and management practices.



The Board considers the following to be the key internal control procedures established within the Company:

- the operation of authorisation procedures;
- the operation of dual banking authorities;
- the appropriate segregation of duties;
- clearly defined and delegated responsibilities;
- the close involvement of Senior Executives across day to day activities;
- the setting of detailed budgets and the monitoring and reporting against same;
- the operation of the Company's Audit Committee; and
- the establishment of a Whistleblower Policy, which includes the acceptance of anonymous reports.

The Board considers a significant failing to be any item that would lead to a material misstatement within the Company's financial reports. The Company's Audit Committee discusses the level of materiality with the Company's external audit firm, and any errors or misstatements within the financials (whether material or not) are discussed to review any implications for the system of internal controls and management verification procedures outlined above.

#### Operational and Project Risk Management

Risk management is the driver for how the Company does business and dictates requirements to design, plan and adequately respond to internal and external events. This ensures that proper incident response, and effective monitoring can be implemented to minimise anticipated risks and reduce harm and disruption to people, environment and the Company's operations.

The health of the Company's people, and the communities in which it works, has been Atlantic's priority in working through the COVID-19 crisis. It remains the main consideration, along with Governmental requirements, community concerns and health advice for planning. The plan incorporates the identification, assessment and minimisation of risks, and addresses any concerns and requirements that have been identified through consultation between the Atlantic management team and key stakeholders from communities in which we operate, or through which we traverse, other affected community groups, local and state government, health advisors and employees and contractors. The plans are reassessed and will continue to be reassessed with new information as it comes available.

#### **Principle 5 - Maintenance of Board Function and Balance**

The Board is responsible to the Company's shareholders for its strategy, direction, values and ultimately, its long-term success. The Board sets the Company's strategic objectives and determines the risk appetite and control framework within which those objectives are achieved. The Board also provides leadership and direction for the Company's Executive Management and broader workforce, ensuring that the necessary resources are in place to enable delivery of the Company's objectives. The Board oversees the Company and its business within an agreed governance structure to deliver long-term shareholder value.

The Board currently consists of three Executive Directors and three Non-Executive Directors. Of the Directors, Mr Stuart Crow is considered to be independent. The reasons are outlined in full within the full Corporate Governance Statement on the Company's website.

The Company believes that Stuart Crow has demonstrated a strong independence of character and judgement since his appointment to the Board on 1 February 2013 and continues to do so. He is a member of the Company's Audit & Risk Management Committee and acts as the Chair of the Remuneration & Nomination Committee. He demonstrates a clear and independent view of the Company's financial affairs. Furthermore, he is not aligned with any of the Company's significant shareholders and has demonstrated a willingness to question and challenge the Company's Directors, including those representatives of the significant shareholders, in an objective fashion. The Board firmly believes that Stuart Crow will not allow his holding of options to influence his independence and the opinions he will provide to the Board and the Audit & Risk Committee and the Remuneration & Nomination Committee, which he chairs.

The Interim CEO and Finance Director are essentially engaged on a full-time basis by the Company. As part of the interview and appointment process, Non-Executive Directors are required to confirm that they have sufficient time available to dedicate to the performance of their duties and to discharge their responsibilities to the Company.

The terms of appointment for each of the Company's Directors is set out under a Letter of Appointment, which contains, amongst other things, the requirement for Directors to attend:

- all Director's Board and Strategy Meetings;
- all shareholder's Meetings;



- any special Board or other meeting that may be convened (including committee meetings of which the Director is a member); together with
- time required to liaise with fellow Directors.

During the period 1 July 2021 to 30 June 2022, there were six Board Meetings. Directors' attendance at Board and Committee meetings which they were eligible to attend during this period is as outlined on page 28 of this Annual Report.

#### *Dealing with Potential Conflicts of Interest*

Where a particular transaction or matter to be resolved by the Board may involve a potential conflict of interest of one or more of the Directors, those parties recuse themselves from deliberation and voting on the matter. In some instances, the disinterested Directors may consent to the attendance of the interested Director(s), and their participation in any discussion of the matter to be resolved, in order to have all views considered ahead of the matter being separately resolved by the disinterested Directors.

### **Principle 6 - Appropriate Mix of Skills and Experience at Board Level**

#### Board Skills Matrix

Maintaining a balance of experience and skills is an important factor in the Company's Board composition. The Board is currently comprised of seasoned industry professionals (as detailed on Pages 6-8 of this Annual Report) with combined qualifications, skills and experience as outlined below.

#### Summary Board Skills Matrix

The Company considers the current Board of Directors to provide the following matrix of skills:

- Publicly-listed, junior mining industry corporate experience;
- Mineral exploration and resource definition and development expertise;
- Capital raising expertise and experience;
- Corporate strategy development expertise;
- Financial management and financial accounting experience;
- Contract management experience;
- Exploration and mining joint venture and farm-in experience;
- Human resource management experience;
- OH&S management experience;
- Corporate M&A experience;
- Investor communication and presentation expertise;
- Ore mining and production expertise; and
- Commodity marketing and global trading expertise.

The Board of Atlantic is mindful of the need to review its skills and capabilities as the Company continues to expand and grow its operations, and will consider adding further relevant skills to the Board in due course via training and / or the appointment of additional Directors.

#### Maintenance of Directors' Skillset

The Company encourages and recommends each of its Directors to attend relevant external seminars, conferences and educational programs for expanding their knowledge base and professional skills. Where practical, Directors are also encouraged to attend international resource conferences where the Company has a presence or is presenting. In this way Directors are available to meet with any shareholders, potential investors, business partners, governmental officials, other industry participants and follow any relevant regulatory, technological and / or commercial developments.

#### Company Secretary

The Company Secretary is available as a resource to all Directors, but particularly the Chairman, and is responsible for all matters to do with the proper functioning of the Board. Each Director is entitled to access the advice and services of the Company Secretary as required.

The Company Secretary is a Chartered Accountant and the Finance Director of Atlantic Lithium Limited with over 25 years' experience across a wide range of industries.



#### **Principle 7 - Evaluation of Board Performance**

The Board will continue to regularly review and monitor its composition and performance having regard to the evolving complexity of the Company's activities and operations, and make changes as appropriate. The Company is in the process of establishing the criteria against which its performance and effectiveness will be measured and how frequently evaluations of the Board and the Board Committees will take place. These matters will be reported on in the future.

#### **Principle 8 - Corporate Culture Based on Ethical Values and Behaviours**

The Company was listed on the AIM market operated by the London Stock Exchange in February of 2015. At that time, the Company had a Share Dealing Code and an Anti-Bribery Corruption Policy. Since that time the Company has updated its Share Dealing Code to be compliant with the European Union's Market Abuse Regulations introduced in 2016 and adopted a Corporate Social Responsibility Policy (as outlined above under Principle 3). These documents are set out in full in the Corporate Governance Section of the Company's website.

In parallel with the adoption of the QCA Corporate Governance Principles, the Company has instituted a Code of Conduct applicable to all employees and Board members, as outlined in the Corporate Governance Section of the Company's website.

During 2018, the Board established a Social and Ethics Committee to ensure the adoption and maintenance of good Corporate Governance practices by the Company, ensure the Company's observance of international human rights, monitor and guide the Company's environment, health and safety record, and its promotion of equal opportunity and anti-corruption practices. The role and objectives of the Committee are outlined in further detail in the Corporate Governance section of the Company's website.

In December 2019, the Company adopted a Whistleblower Policy, providing staff, contractors and other stakeholders to report matters of concern (including anonymously) via a formal process.

#### **Principle 9 - Maintenance of Governance Structures and Processes**

The Chairman of the Company is ultimately responsible for the approach taken to the adoption, review and maintenance of Corporate Governance standards by the Board, management and personnel. The Chairman is assisted by the Interim CEO and FD in the maintenance and management of Corporate Governance and risk management standards from an operational perspective throughout the Company, and is also assisted from a policy and documentation perspective by the Company Secretary.

The Company also has a comprehensive Corporate Governance framework and documentation, with full details available on the Company's website. In addition to a comprehensive Corporate Governance Statement, the Company's website contains the following documents and policies (most of these policies were revised and reviewed in August 2022):

- Anti-Bribery and Corruption Policy
- Audit & Risk Committee Charter
- Assessing the Independence of Directors Policy
- Board Charter Corporate Governance Policy
- Charter of the Audit Committee
- Charter of the Executive Committee
- Charter of the Nomination & Remuneration Committee
- Charter of the Social & Ethics Committee
- Corporate Code of Conduct
- Corporate Ethics & Continuous Disclosure Policy
- Corporate Governance Committee Charter
- Diversity Policy
- ESG Policy
- Matters Reserved for the Board of Directors
- Nomination & Remuneration Committee Charter
- Related Party Policy
- Social Media Policy
- Trading Policy
- Whistleblower Policy

#### **Principle 10 - Communications with Shareholders and Other Stakeholders**

Atlantic Lithium regularly engages with its existing shareholders and potential new investors through attendance at resource conventions and similar industry functions. Furthermore, the Company frequently undertakes non-deal roadshows to engage with institutional shareholders, brokers, analysts and potential investors. Feedback garnered from these processes is discussed at



Executive and Board level to ensure investor expectations are consistently understood. The Company also engages in investor events and webinars, providing the opportunity to engage with and answer the questions of private investors.

The Company publishes numerous internal and external contact points at the end of each of its market releases to facilitate contact from the retail market. Conference and investor presentations, including videos where applicable, are made available on the Company's website and via its newsletter service. The Company operates a Twitter account and has a free newsletter subscription page available to all interested parties on its website.

The Company's website contains information available to all shareholders, potential investors and interested stakeholders, including Key Securityholder Information, the Company's Constitutional documents, a range of its Corporate Policies and Meeting Materials for the Company's last five (5) Annual General Meetings. The results of each shareholder meeting are released to the market following the conduct of the meeting, and include in tabular form, all of the proxy votes received in relation to each resolution put to the meeting.

The Company has a Social Media Policy, which is available on the Company's website in the Corporate Governance area.

### **ASX Corporate Governance Council's Corporate Governance Principles and Recommendations**

Atlantic was admitted to the Official List of the Australian Securities Exchange (ASX) on 21 September 2022. In August 2022, Atlantic's Board adopted updated corporate governance policies and charters that take account of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (Recommendations). In accordance with ASX Listing Rule 4.10.3, a statement of the extent of Atlantic's compliance with the Recommendations can be viewed on Atlantic's website at [www.atlanticlithium.com.au](http://www.atlanticlithium.com.au). Full copies of all Atlantic's Corporate Governance policies and charters can also be found in the Corporate Governance section of the Company's website.

### **Committee Reports**

#### Audit Committee

During the 2021 /22 year the Audit Committee undertook the following activities:

- met with the Company's external audit firm BDO Audit Pty Ltd to discuss the audit of the Company's 30 June 2022 Financial Statements and the issues arising therefrom;
- reviewed the Balance Sheet carrying value of the Company's exploration and evaluation assets;
- reviewed the Company's accounting policies and treatment of project acquisition costs and share-based payments;
- reviewed related party transactions and disclosures;
- reviewed the Review of Operations, Remuneration Report and Significant Events After Reporting Date as disclosed in the Company's Annual Report and Half-yearly Financial Report;
- reviewed all other disclosures within the Company's Annual Report and Half-yearly Financial Report.

The audit committee members are currently Kieran Daly (Chairman), Neil Herbert and Stuart Crow.

#### Remuneration & Nominations Committee

During the last 12 months the Remuneration Committee met to review Executive Management performance, remuneration arrangements, and to consider the realignment of the managerial incentive scheme. The committee consists of Stuart Crow (Chairman), Neil Herbert and Kieran Daly.

#### Social & Ethics Committee

The Committee is established to assist the Board with the oversight of social and ethical matters and in ensuring that the Group is, and remains, a committed socially responsible corporate citizen. The commitment to sustainable development involves ensuring that the Company conducts business in a manner that meets existing needs without knowingly compromising the ability of future generations to meet their needs. The Committee's primary role is to supplement, support, advise and provide guidance on the effectiveness or otherwise of management's efforts in respect of social and ethics, transformation and sustainable development-related matters.

During the last 12 months, the Committee's responsibilities have been dealt with by the Company's Executive Committee (Neil Herbert, Len Kolff and Amanda Harsas) and any issues are discussed and reported to the full Board of Directors.