

AUDIT COMMITTEE CHARTER

1. INTRODUCTION

This Charter sets out the roles and responsibilities of the Audit Committee (**Committee**) established by the Board of Directors (**Board**) of Core Lithium Ltd (**Core** or **Company**).

The Committee has been delegated specific power as set out in this Charter in accordance with rule 15.10 of the Company's Constitution. The Committee must exercise the powers delegated to it in accordance with any directions of the Board.

2. ROLE

2.1 The role of the Committee is to assist the Board to carry out its role in overseeing the corporate reporting, risk management and assurance practices of the Group¹.

2.2 In discharging its responsibilities under these terms of reference, the Committee will have regard to:

- a. the integrity of the Group's periodic corporate reports (including but not limited to, the annual directors' report and annual and half yearly financial statements) and reporting processes;
- b. audit processes (including both the internal audit function and the engagement of the external auditor);
- c. the effectiveness of the systems of internal control and financial risk management;
- d. the Group's systems for compliance with applicable legal and regulatory requirements within the Committee's area of responsibility; and
- e. other matters requiring the approval of the Committee referred by the Board from time to time.

2.3 The Committee is accountable to the Board for its performance. The Committee Chair (or their delegate) will report to the Board on the Committee's activities and

¹ Core Lithium Limited is the parent company of the Core Group of companies. In this document, unless otherwise stated, references to Core Group, Group and Core refer to Core Lithium Limited and its controlled entities and Core-operated joint arrangements, as a whole.

will also consider if any material matters arising out of Committee meetings should be advised to any other committee and, if so, ensure that this occurs.

3. RESPONSIBILITIES

Corporate Reporting

3.1 The Committee will oversee the processes designed to safeguard the integrity of the Group's corporate reporting (within the Committee's area of responsibility) and facilitate independent verification. In particular, the Committee is responsible for:

- a. reviewing corporate reporting and disclosure processes and making recommendations to the Board in relation to the adequacy of those processes (including the process to verify the integrity of any periodic corporate reporting that is not audited or reviewed by the external auditor);
- b. overseeing processes for compliance with laws, regulations and other requirements relating to the preparation of corporate reporting by the Group, including periodic ASX reporting obligations;
- c. asking the external auditor for an independent judgment about the appropriateness of the accounting principles, and the clarity of financial disclosure practices, used by the Group; and
- d. assessing information from internal and external auditors which management identifies as significant for financial reports.

3.2 The Committee will oversee the preparation of the Group's annual report and financial statements and is responsible for recommending to the Board whether they should be approved based on the Committee's assessment of them. This assessment will include:

- a. reviewing and assessing the appropriateness of material estimates, accounting judgments and significant choices exercised by management in preparing the Group's financial statements (including the solvency and going concern assumptions) by:
 - i. examining the processes used; and
 - ii. seeking verification from internal and external auditors;

- b. assessing whether the Group's financial statements reflect the Committee's understanding of, and provide a true and fair view of, the Group's financial position and performance;
 - c. reviewing the results of external audits; and
 - d. reviewing declarations made by the Chief Executive Officer (CEO) and Chief Financial Officer (CFO) to the Board with respect to the Group's financial statements under applicable laws and regulations.
- 3.3 The Committee is responsible for reviewing and monitoring the reporting of related party transactions in accordance with financial reporting obligations.
- 3.4 The Committee is responsible for reviewing, and overseeing management's response to, complaints received by the Group regarding accounting or auditing matters.

External Audit

- 3.5 The Committee is responsible for overseeing the external auditor's role in the corporate reporting process. In particular, the Committee is responsible for:
- a. making recommendations to the Board on the appointment and removal of the external auditor and the rotation of the audit partner;
 - b. agreeing and approving the terms of engagement of the external auditor (including the audit plan) before the start of each audit and in doing so will review the audit plan and require that material risk areas identified are incorporated in the audit plan;
 - c. approving the external auditor's fees for the audit (with such fee being appropriate so as to enable an effective, comprehensive and complete audit to be conducted);
 - d. monitoring and reviewing the independence of the external auditor and reviewing the external auditor's fees for non-audit services;
 - e. where required, determining whether to approve the provision of non-audit services by the external auditor;
 - f. inviting the external auditor to attend Committee meetings to review the audit plan, discuss audit results and consider the implications of external audit findings;

- g. meeting with the external auditor (either on its own initiative, or if requested by the external auditor) with or without management present as often as considered necessary including to discuss, to the extent the Committee considers relevant, any major issues, problems and reservations arising from the interim review and final audit, any accounting and audit judgements, levels of error identified and the effectiveness of the audit;
- h. raising with the external auditor any specific points of divergence with management;
- i. reviewing and monitoring, at least annually, the effectiveness of the external auditor and assessing their performance;
- j. reviewing with the external auditor, on a periodic basis, the scope and adequacy of the external audit, including identified risk areas and any additional procedures required;
- k. reviewing representation letters signed by management and considering whether the information provided in the letter is complete and appropriate; and
- l. monitoring management's response to the external auditor's findings and recommendations and the closure of matters raised.

Other significant matters

3.6 The Committee will assist the Board in its consideration, approval and on-going oversight of matters pertaining to:

- a. the capital structure and funding of the Group, capital management planning and initiatives (including capital allocation) and any other matter the Board may refer to the Committee in connection with the Group's capital position;
- b. where required, due diligence on acquisitions and divestments which may have a material impact on the Group's capital position;
- c. where required, life of operation planning and cash flow prioritisation;
- d. mineral resource and ore reserve estimates; and
- e. the tax affairs of the Group.

3.7 The Committee will assist the Nomination & Remuneration Committee and Board in its consideration and approval of matters pertaining to remuneration outcomes, including (where required) to:

- a. recommend to the Nomination & Remuneration Committee appropriate key performance indicators for any risk management component of the annual business scorecard for the CEO and the Core Senior Leadership Team and any amendments thereto;
- b. determine and recommend to the Nomination & Remuneration Committee the outcome of its evaluation of the risk management component of the annual business scorecard for the CEO and the Core Senior Leadership Team; and
- c. provide advice to the Nomination & Remuneration Committee on material remuneration related risks identified through the system of risk management that may be relevant to the assessment of remuneration arrangements and outcomes, and the outcomes of the Committee's assessment of those risks.

3.8 In accordance with the Group's Delegation of Authority Policy, the Committee will consider for approval:

- a. the commencement or settlement of material litigation (including tax litigation) and the settlement of revenue authority audits or lodgement of tax litigation appeals;
- b. parent-level guarantees and indemnities issued in favour of third parties;
- c. the use of derivatives, including uncleared swaps, for the purposes of hedging and the periodic review of the Group's policy in relation to hedging and other related policies; and
- d. any other matter delegated to the Committee from time to time.

4. COMPOSITION

4.1 The Committee will consist of:

- a. only independent Non-executive Directors;
- b. a minimum of three members; and

- c. an independent Director as Chair, who is not the Board Chair.
- 4.2 At least one Committee member must have appropriate financial and accounting expertise and the members of the Committee as a whole must have sufficient understanding of the industry in which the Group operates.
- 4.3 Provided there is no potential or actual conflict of interest, a standing invitation to attend meetings of the Committee will be issued to all Directors, the external audit engagement partner and to the CEO and CFO.

5. PROCEDURES

Holding of Meetings

- 5.1 The Committee shall meet at least four times a year or more frequently as required.
- 5.2 If required, additional meetings may be requested through the Committee Chair by any member, the Company Secretary, internal auditor or the relevant partner from the external auditor. Any such meeting must be held within ten business days.
- 5.3 In the absence of the Chair, one of the Committee Members, either nominated by the Chair, or elected by the Committee, will act as the Committee Chair for that meeting.

Quorum

- 5.4 A majority of the members of the Committee, present in person or by using any technology, shall constitute a quorum for the transaction of business and the act of a majority of those present at any meeting at which there is a quorum shall be the act of the Committee.

Committee Papers

- 5.5 The Committee Secretary will distribute at least five days in advance of a meeting of the Committee an agenda and any related papers to each member of the Committee and any other persons determined by the Committee.
- 5.6 Directors who are not Committee members are entitled to attend meetings and have access to papers.

5.7 Where a person has a conflict of interest in a matter, the Committee Secretary will provide that person with notice of the matter but, unless the other members of the committee otherwise determine, will not provide that person with papers in relation to that matter.

5.8 The Committee has a right to access management and seek additional information and explanations where it considers it appropriate.

5.9 The Committee, may on the approval of the Chairman of the Board, instruct Management to engage independent professional advisors as required.

Committee Minutes

5.10 The Committee Secretary shall prepare minutes of meetings and have them approved by the Committee Chairman.

5.11 Minutes of meetings shall be confirmed at the next meeting of the Committee.

5.12 All minutes will be entered into a minute book maintained by for that purpose and be available at all times for inspection by any director.

Remuneration

5.13 Remuneration of Committee members shall be as determined by the Board.

Reporting to the Board

5.14 Minutes of each meeting will be submitted to the Board.

5.15 The Committee Chairman, or delegate, must report to the Board after each Committee meeting concerning the proceedings of the Committee.

5.16 All matters relevant to the Committee's role and responsibilities.

6. RESOURCING

The Committee's work is supported by the members of management set out in paragraph 4.3.

Version 2.1

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