

RISK MANAGEMENT POLICY

1. INTRODUCTION

This Policy sets out the approach of Core Lithium Ltd (**Core** or **Company**) to managing risk in the Company.

2. OBJECTIVES

At Core, the identification and management of risk is fundamental to achieving the company's objective of delivering value for shareholders.

The company is committed to managing risk in a proactive and effective manner and will:

- (a) have a risk committee to recognise and manage risk;
- (b) set a risk appetite within which the board expects management to operate;
- (c) apply a structured and systematic risk management process across the group;
- (d) embed risk management into our business activities and processes;
- (e) ensure specific risks are identified, assessed and managed;
- (f) ensure significant risks are elevated appropriately, through all levels of management to the Board;
- (g) understand our exposure to risk and apply this to our decision making;
- (h) enable prudent risk taking in line with business objectives and strategies;
- (i) establish and monitor appropriate controls in line with agreed risk tolerances;
- (j) implement effective insurance strategies, including for the transfer of residual risk; and
- (k) assess regularly the effectiveness of the risk management process and risk controls.

3. RISK COMMITTEE

The Committee comprises of at least three members, a majority of whom are independent directors. The Chair of the Committee will be an independent director.

The Board will disclose:

- (a) the charter of the Committee;
- (b) the members of the Committee; and
- (c) as at the end of each reporting period, the number of times the Committee met throughout the period and the individual attendance of the members at those meetings.

The Audit and Risk Committee charter clearly sets out the committee's roles and confers on it all necessary powers to perform such roles.

4. POLICY REVIEW

The Company will monitor compliance with this Policy periodically by liaising with the Board, management and staff for any other ideas or suggestions for improvement of it. Suggestions for improvements or amendments to this Policy can be made at any time by providing a written note to the Chief Executive Officer. In relation to each periodic review, the Board will disclose that such review occurred.

Version 1.1

Last review and approval: June 2022