

Subject: Procurement and Supplier Policy

Identification: POL-005

Usage: Internal and External

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Approval: Approved

1. Executive Summary

Lithium Ionic Group, including MGLIT Empreendimentos Ltda., Neolit Minerals Participações Ltda. and Salit Mineração Ltda., hereinafter referred to as "LI Group" is committed to ethical, transparent, sustainable and responsible procurement, contracting and supply chain management practices.

This Policy establishes standards for the selection, contracting and management of suppliers, in line with the principles of ethics, human rights, environmental management, community development and corporate integrity and requirements of the IRMA (Initiative for Responsible Mining Assurance) standardization. This Policy requires suppliers and contractors to respect all internationally recognized human rights, aligned with the UN Guiding Principles on Business and Human Rights.

2. Goal

This Policy was created to establish clear guidelines for the selection, contracting and management of suppliers, service providers and business partners. In this way, it ensures ethical, transparent, and sustainable practices throughout the supply chain, in line with social, environmental, and corporate governance (ESG) principles.

3. Scope

This Policy applies to all employees, contractors, subcontractors, and consultants of the LI Group who are directly or indirectly involved in supply chain activities. It also extends to all suppliers and service providers operating in the LI Group's global supply chain.

Compliance with this Policy is mandatory to ensure that all supply chain activities are aligned with our organizational values and ESG (Environmental, Social, and Governance) principles.

4. References

1. Universal Declaration of Human Rights (1948)
2. UN Global Compact
3. ICMM Principles for Sustainable Mining
4. GRI Standards (2024)
5. ISO 20400 Sustainable Procurement Guidelines
6. OECD Guidelines for Multinationals Enterprises
7. IRMA – Initiative to Ensure Responsible Mining

5. Policy Principles

LI Group's supply chain activities are guided by fundamental pillars that build a safer, more efficient and sustainable mining sector. To do this, we need to follow the principles outlined below:

- Map and assess ESG risks in the supply chain.
- Create a contingency plan for supply interruptions.
- Encourage sustainable logistics practices.
- Encourage local purchases and hiring local labour, when available.
- To meet legal and regulatory requirements.
- Conduct periodic ESG-focused supply chain audits when relevant risks are identified.

6. Supplier Requirements

Suppliers must meet certain requirements to ensure that our products and services are of high quality and comply with the standards set by Li Group.

I. Compliance with Laws and Regulations

Suppliers shall conduct their activities in full compliance with all applicable laws, regulations and standards, including those relating to:

- Labor rights (no forced labor, no child labor, no discrimination or harassment).

- Occupational health and safety.
- Current environmental laws.
- Anti-bribery, anti-corruption and anti-money laundering.

LI Group requires its suppliers to respect all internationally recognized human rights by aligning with the United Nations Guiding Principles on Business and Human Rights (UNGPs).

This Policy will be widely disseminated among all employees, contractors and suppliers, in the languages and formats appropriate for each location. In addition, all those involved in the recruitment and human resources management processes of the contracted companies must be trained on the principles established in this Policy.

II. Human Rights and Labour Standards

Suppliers are required to align with these requirements throughout their operations, with particular emphasis on strict compliance for all activities related to Li Group's Project.

- Defend nationally and internationally recognized human rights.
- Respect freedom of association and collective bargaining rights.
- Provide fair wages and decent working conditions.
- Prohibit forced labour, child labour, and modern slavery.
- Know and respect the internal policies of the LI Group.
- Suppliers are encouraged to hire local labour and source from local suppliers whenever possible, in alignment with LI Group's social responsibility commitments.
- Suppliers must commit to protecting human rights defenders from any form of retaliation, intimidation, or harassment.
- In accordance with the Employer-Pays Principle, suppliers are prohibited from charging recruitment fees or withholding workers' identity documents.
- Provide all legally mandated accommodations for employees' physical or mental health needs, as required under applicable Brazilian law.

Suppliers must also avoid and prevent child labour. Suppliers must not hire minors under 18 years of age in hazardous work, or situations that characterize child labor by ILO

Convention 182/Recommendation 190. In addition, it is prohibited to hire an intern or minor apprentice under 15 years of age.

LI Group and suppliers will document the ages of all workers and, where risks are high, conduct enhanced due diligence to verify compliance.

III. Health, Safety and Environmental Stewardship

The obligations of suppliers are:

- Provide safe, healthy and hygienic workplaces.
- Manage all environmental impacts responsibly, such as emissions, waste, biodiversity, and water use, in alignment with Li Group's ESG Policy and all applicable federal, state and municipal legislation.
- Comply with all applicable health, safety and environmental standards and regulations.
- Send all occupational health and safety documentation requested at the time of hiring.
- Use appropriate and certified equipment, materials and methodologies to minimize environmental risks and impacts.
- Participate in mandatory Health, Safety and Environmental training programs, when necessary.
- Know and respect the LI Group's Code of Conduct and compliance policies.
- Suppliers must ensure that their employees have the right to refuse work that they consider unsafe, protecting them from retaliation. In addition, all activities must undergo occupational health and safety risk assessments.
- It is essential for suppliers to continuously improve occupational safety and health (OSH) management, eliminating hazards, mitigating risks, and ensuring safe and healthy working conditions for all employees.

IV. Ethical Business Conduct

Suppliers must:

- Conduct business honestly, fairly and transparently.
- Prohibit bribery, facilitation payments, fraud and conflicts of interest.
- Protect confidential information and intellectual property.
- Suppliers must communicate all subcontracting relationships and ensure that subcontractors comply with the same ethical and human rights standards set out in this policy.

7. Procurement and contracting practices

Procurement and contracting practices define how Grupo LI should purchase products, contract services and select suppliers fairly, transparently and responsibly. This includes following clear criteria of quality, price, deadline and social responsibility.

I. Supplier Selection and Due Diligence

- Suppliers are selected based on objective criteria, including technical capabilities, quality, cost-effectiveness, compliance history, safety performance, ESG practices, relevant qualifications and experience.
- When aligned with contracting requirements and availability, we encourage the inclusion of local suppliers and small businesses to foster local economic development.
- Suppliers must demonstrate technical competence, preferably with experience in mining or related sectors.
- Suppliers must provide all the required legal documentation (active CNPJ registration, permits, environmental licenses, clearance certificates, etc.).
- All supplier selection processes must follow LI Group's Anti-Bribery Policy and Code of Business Conduct and Ethics to safeguard against conflicts of interest and fraudulent practices.

II. Responsible Sourcing and Transparency

- Materials and services must be sourced responsibly, avoiding support for conflict minerals or suppliers associated with human rights violations.
- Suppliers must ensure that chain of custody and traceability information is maintained, where applicable.
- As LI Group advances through its development stages, our goal is to establish processes for the continuous assessment of sustainability risks across our future supply chain. As projects evolve and our supplier network expands, these assessments will extend to both upstream and downstream suppliers to support the identification and management of long-term risks. This approach will be guided by the United Nations Guiding Principles on Business and Human Rights (UNGPs) and the OECD Guidelines, which outline best practices for ethical, responsible, and sustainable business conduct.
- Due diligence measures include verifying compliance with this Policy and its application throughout the supply chain. This approach is proactively shared with suppliers, customers, direct and indirect partners, and other stakeholders.

8. Supply chain management

Supply chain management is the process of planning, coordinating and controlling all activities involved in the supply of products and services to LI Group. This includes everything from the choice of suppliers to the final delivery of the product or service.

I. Risk Monitoring and Management

- The LI Group may conduct audits, site visits and inspections to verify compliance.
- Suppliers must fully cooperate with audits and implement corrective actions as necessary.
- Periodic meetings and performance reviews may be carried out to support service alignments, renewals, or future hiring decisions.
- Non-compliance identified through audits or monitoring will result in

procedures such as written warnings, necessary corrective actions, and, where applicable, suspension of supplier activities until compliance is re-established or termination of the relevant contract.

II. Continuous Improvement

Suppliers must sign TERM OF ACCEPTANCE with ethical, labour, environmental, and human rights principles, and are encouraged to participate in training and improvement programs related to environmental stewardship, occupational health and safety, and ethical business practices.

9. Access to the Supplier Grievance Mechanism

The LI Group wants the supplier to have an effective Grievance Mechanism and for its employees to feel safe in expressing their concerns and doubts.

- Suppliers are encouraged to have a grievance mechanism for their employees.
- If such a mechanism does not exist, the supplier must allow and encourage its employees and subcontractors to access the LI Group Complaints Mechanism.
 - i. All complaints submitted will be formally passed on to the supplier for immediate investigation and corrective action, with updates that must be reported to the LI Group.
 - ii. Retaliation against individuals who report complaints in good faith is strictly prohibited.
 - iii. LI Group will periodically disclose information about supplier-related complaints, including the number, type, resolution status and actions taken, ensuring the protection of confidentiality.

10. Non-compliance and consequences

Serious failure to comply with this Policy may result in:

- Issuance of a corrective action plan with specific deadlines.
- Suspension or termination of the business relationship.
- Reporting violations to the competent regulatory authorities.

- Application of contractual penalties, warnings or termination provisions in cases of violation of legal obligations, safety standards, environmental regulations or internal policies.
- In cases of serious or repeated violations of human rights, environmental obligations or IRMA standards, LI Group shall have the right to immediately terminate the contracts and notify suppliers to the relevant authorities.

11. Management Commitment

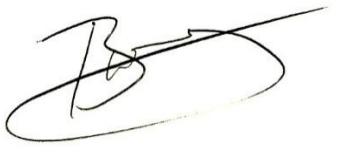
Senior Management is responsible for upholding the values and principles set out in this policy and for guiding the development of projects and initiatives in alignment with these commitments. The Procurement team is responsible for communicating the policy, while the ESG Team and Legal Department support due diligence procedures. Contract Managers are responsible for monitoring contractual performance and reporting any non-conformities.

12. Disclosure, Review and Implementation

This Policy will be disclosed, filed and published on the institutional website, entering into force on the date of its publication and replacing any previous versions. It will be reviewed within a maximum of two years, or as needed, to ensure that its content remains current.

13. Approval and Validity

This policy is effective upon approval by the Company's CEO and Senior Management and will remain in effect until further revision.



Blake Hylands,
CEO and Director, Lithium Ionic Corp.

14. Version histories

Date	Elaborate	Version
01/2026	Idália S. Rodrigues & Katrina Diez	01