

Subject: Risk Management Policy

Identification: POL-008

Usage: Internal & External

Date: 01/26

Version: 01

Approval: Approved

1. Executive Summary

The Lithium Ionic Group, composed of the companies MGLIT Empreendimentos Ltda., Neolit Minerals Participações Ltda., and Salit Mineração Ltda., hereinafter referred to as the "LI Group", recognizes that proactive and effective risk management is essential to achieving our strategic objectives, protecting business value, supporting sustainable growth, and protecting our employees, the environment, communities, and investors.

2. Goal

Formalize LI Group's commitment to adopt a systematic and continuous approach to risk management, promoting informed decisions, incident prevention and continuous performance improvement, aiming to ensure safety, regulatory compliance and sustainability of its activities.

3. Scope

This Policy applies to all employees, contractors, officers and directors of the LI Group, and extends to key partners and suppliers, where applicable.

This Policy applies to all operations and activities of the mining company, including the exploration, transportation, storage, and processing of materials. Risk management will be implemented at every stage of activity, ensuring the safety of employees, the protection of the environment, the well-being of surrounding communities, and full compliance with applicable laws and regulations.

Risk management is embedded within LI Group's corporate governance, strategic planning, decision-making, and operational processes across all stages of exploration, development, operation, and mine closure.

4. References

This Policy is based on Brazilian, Canadian, and international best practices and standards for risk management, including, but not limited to, ISO 31000:2018, IFC Performance Standards, IRMA Standard, World Bank EHS Guidelines, and Brazilian regulations applicable to the mineral,

environmental, safety and contract sectors, such as:

1. Recommendations of the Task Force on Climate-related Financial Disclosures (2017)
2. IFRS S1 General Requirements for Disclosure of Sustainability-Related Financial Information (2023)
3. IFRS S2 Climate-related disclosures (2023)
4. IFC Performance Standards on Environmental and Social Sustainability (2012)
5. Guiding Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy" Framework (2011)
6. OECD Guidelines for Multinational Enterprises on Responsible Business Conduct (2023 Edition)
7. IRMA Standard for Responsible Mining (2018)
8. ISO 31000:2018 – Risk Management

5. Our Commitment

LI Group is committed to:

- Incorporating risk management into its corporate culture and daily operations.
- Identifying, assessing, and mitigating strategic, operational, financial, environmental, legal, reputational, and social risks.
- Ensuring the safety of people, assets, the environment, communities, and all stakeholders involved in the company's operations.
- Promoting continuous improvement across all phases of LI Group's activities.

6. Risk Management Framework

LI Group manages risk through a framework that ensures:

- A formal governance process for risk management is established.
- Clear roles, responsibilities, and accountabilities are defined across the organization.
- Robust internal controls are implemented to identify, assess, and mitigate risks.
- Adequate resources, tools, and capabilities are provided to support effective

risk management and foster a strong risk-aware culture.

- **Risk Identification Process:** The identification of risks will be carried out on an ongoing basis, through analysis of operational processes, interviews with stakeholders, internal and external audits, and monitoring of environmental and safety conditions.

The structured process for identifying risks will include:

- Conducting interviews with managers and operators to identify operational, safety, and environmental risks.
- Engaging in dialogue with directly affected communities to understand local concerns and potential impacts.
- Reviewing past incidents and near misses to map areas of vulnerability.
- Analyzing environmental impact studies to identify and evaluate potential risks.
- Continuously monitoring applicable laws and regulations to ensure compliance and anticipate regulatory changes.
- Exchanging information and experiences with other companies and agencies in the sector to identify common or emerging risks.

Risk Assessment: Once identified, risks will be evaluated in terms of their likelihood and potential impact. This assessment will be conducted using pre-established criteria that consider the severity of potential consequences for LI Group's operations, employee safety, the environment, local communities, and investors.

Risks will be classified into categories as follows:

- Operational risks.
- Safety and health risks.
- Environmental risks.
- Social risks.
- Financial risks.
- Regulatory risks.
- Strategic and reputational risks.

The risk assessment will be dynamic and will be reviewed periodically to reflect the evolution of operations and the external environment.

- **Risk Treatment:** LI Group will implement mitigation plans for identified risks, including immediate corrective actions to reduce the likelihood of occurrence and preventive strategies to minimize potential impacts. These plans will be regularly updated as new risks are identified.
- **Monitoring and Review:** Risk management processes will be continuously monitored and periodically reviewed, particularly during key corporate activities such as project investments, mergers, market expansions, or significant changes in external conditions. Any identified risks or emerging issues will be promptly reported to Senior Management, ensuring timely updates and corrective actions

7. Roles and responsibilities

- **Project Board/Executive Committee:** Sets risk tolerance, oversees strategic, financial, and CAPEX risks, and approves critical mitigation plans.
- **Project Management:** Implements the policy, integrates and monitors technical, environmental, social and contractual risks, ensuring control over costs, timelines, and project execution.
- **Technical Coordinators:** Identify, assess, and address risks within their respective areas, ensuring legal, technical, and contractual compliance across assigned activities.
- **Contract and Construction Managers:** Monitor execution, performance, operational and safety risks, and promptly report any cost, schedule, or contractual deviations to Management.
- **Contractors and Suppliers:** Perform work in accordance with risk management and HSE requirements, and promptly report any unsafe conditions, incidents, or potential risks.
- **Employees:** Act proactively and safely, participate in required training, and support the identification, prevention, and management of operational risks.

8. Risk Tolerance and Classification

Risks are evaluated and classified according to their likelihood of occurrence and potential impact on LI Group's operations, the environment, local communities, reputation, and financial

performance. Based on this assessment, LI Group applies a tiered risk-level system to prioritize response actions and allocate resources effectively.

- **Low Risks (1-5):** Risks that are unlikely to occur or have minimal impact. These will be managed through routine controls and monitored periodically.
- **Moderate Risks (6-12):** Risks that may occur occasionally and have a noticeable but manageable impact. These require targeted mitigation strategies and regular monitoring.
- **High risks (13-19):** Risks that are likely to occur or have a significant impact. They require immediate attention, formal mitigation plans, and oversight from top management.
- **Critical Risks (20-25):** risks with a high probability of occurrence and/or severe and long-term impacts. They require urgent executive-level intervention, notification to the Board, and ongoing monitoring until their complete resolution or mitigation.

When significant or critical risks are identified, mitigation strategies are prioritized, and mitigation procedures are implemented.

9. Management Commitment

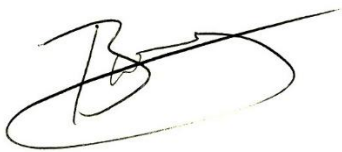
The Board of Directors and Senior Management are responsible for upholding the values and principles established in this Policy and for ensuring that all projects and initiatives are developed in alignment with these commitments.

10. Disclosure, Review and Implementation

This Policy will be disseminated, archived, and published on the website, coming into effect 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 its content remains current.

11. Approval and Validity

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



Blake Hylands
CEO and Director, Lithium Ionic Corp.

12. Version histories

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