

## **SAFETY POLICY**

### **1. INTRODUCTION**

This Safety Policy sets out the standard which the Board, management and employees of Patagonia Lithium Ltd ACN 654 004 403 (**Company**) are required to comply with when dealing with Health, Safety, Environmental & Sustainability matters.

The Company expects that the Board, senior executives and employees act in accordance with the Company's Values as articulated in the Board Charter and in the best interest of the Company.

### **2. PURPOSE**

The primary purpose of this Policy is set the direction by the Board of Directors in fulfilling its oversight responsibilities in relation to:

- Monitoring and reviewing health, safety, environmental and sustainability policies, and community impacts;
- Monitoring the implementation and effectiveness of health, safety, environmental and sustainability policies and systems;
- Reviewing health, safety and environmental performance audit results and updates from management;
- Reviewing emerging health, safety and environmental trends in legislation and proposed regulations affecting the Company;
- Overseeing the Company's strategies and efforts to protect and improve the quality of the environment, including, but not limited to, the Company's climate change and sustainability policies and programs;
- Supporting the furtherance of the Company's commitment to promotion of a healthy and safe work environment, and environmentally sound and socially responsible resource development; and
- Management of risks relating to any of the foregoing.

### **3. DUTIES AND RESPONSIBILITIES**

The following shall be the common tasks assigned to management in carrying out its oversight functions. These duties and responsibilities are set forth below as a guide to the Board with the understanding that the Board may alter or supplement them as appropriate. To fulfill its duties and responsibilities, management is expected to:

- Review, monitor and report to the Board on actions and initiatives undertaken by the Company to:
  - prevent, mitigate, and manage risks related to health, safety, environmental and sustainability matters which may have the potential to adversely impact the Company's operations, activities, plans, strategies, or reputation, and

- prevent loss or injury to the Company's employees, assets, and operations from malicious acts, natural disasters, or other crisis situations;
- Periodically review the Company's major operational, environmental, health and safety risks, including a regular review of the top risks identified by management and the policies and procedures adopted by the Company to manage and mitigate those risks;
- Review and discuss the Company's health, safety, environmental and sustainability objectives, policies, and performance, including metrics relevant to assess that performance;
- Monitor the Company's efforts in creating a culture of continuous improvement in the Company's health, safety, environmental and sustainability practices;
- Review, monitor and report to the Board on whether the Company's systems, programs and policies relating to health, safety, environmental and sustainability matters are being appropriately developed and effectively implemented;
- Review at least annually:
  - the Company's health, safety, and environmental policies to ensure that they adequately reflect the Company's commitment to environmental stewardship and socially responsible development, and
  - the safety practices of the Company's workers and contractors;
- Discuss annually with management, the scope and plans for conducting audits of the Company's performance in health, safety, the environment, and sustainability, and review any such audits;
- Review and recommend to the Board health, safety, environmental, technical and sustainability related policies and/or policy improvements that will help the Company comply with all applicable laws and regulations during exploration, development, operation, and closure activities;
- Review and recommend to the Board the policies, strategies and systems that can be used to promote sustainability and corporate social responsibility (which includes but is not necessarily limited to matters relating to safety, environmental health and protection, human rights, ethics, regulatory compliance, and creation of a positive legacy in communities where the Company operates and matters affecting Indigenous Communities);
- Facilitate or help to maintain a culture within the Company whereby employees are made aware of the risks of the Company, and steps are taken to mitigate such risks;
- Review, discuss and report on any material noncompliance with health, safety or environmental laws, and management's response to such non-compliance;
- Review, discuss and report on any pending or threatened administrative, regulatory, or judicial proceedings regarding health, safety or the environment that are material to the Company;
- Monitor significant trends in health, safety, and environmental legislation;

- Review the Company's programs to minimise or prevent the harmful effects of the Company's operations on the environment, and monitor their effectiveness;
- Monitor and review climate-change related risks and opportunities;
- Review updates regarding health, safety and environmental performance of the Company;
- Review management's philosophy and strategy for the implementation and securing of a positive relationship, driving economic development, and creating well-being within the communities impacted by the Company's operations, and report its conclusions to and make recommendations regarding implementation of these strategies to the Board;
- Periodically review operating activities in the context of health, safety, environmental and sustainability objectives; and
- Perform such other duties and responsibilities, consistent with this Policy and governing laws, as may be delegated by the Board from time to time.

#### **4. OUTSIDE ADVISORS**

The Board may, in its sole discretion, retain, obtain the advice of, or terminate any experts or consultants (**Advisers**) as it deems appropriate. The Board shall be directly responsible for the appointment, compensation, and oversight of the work of any such Advisers retained by the Company. The Company must provide for appropriate funding, as determined by the Board, for payment of reasonable compensation to any such Adviser retained by the Company.

#### **5. REVIEW OF POLICY**

The Company will monitor compliance with this Policy periodically in relation to any areas of improvement which arise from this Policy. Suggestions for improvements or amendments to this Policy can be made at any time by providing a written note to the Managing Director, Executive Director and/or Chief Executive Officer.

Version 1.0

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