

Cornish Lithium

ESG Policy

This policy sets out Cornish Lithium's overall approach to sustainability and a range of environmental, social and governance (ESG) issues. It will be reviewed annually by our Board of Directors and is supported by our Code of Conduct, Whistleblowing Policy and other related policies. This ESG policy applies to all staff, sub-contractors and partners. All new employees will be given a copy of this policy upon joining and they and existing employees will receive periodic training on its contents.

Purpose statement

We recognise the safety and well-being of our employees, local communities and other stakeholders as a non-negotiable priority. Our commitment to high environmental, social and governance (ESG) standards is central to maintaining our social license to operate, to creating value for all stakeholders and to ensuring commercial success. Our operations are guided by an acute awareness of the role we play as a company in meeting the UN's Sustainable Development Goals (SDGs), including the critical role of lithium and other strategic minerals in supporting global climate action and complementing the regeneration of resource development in Cornwall.

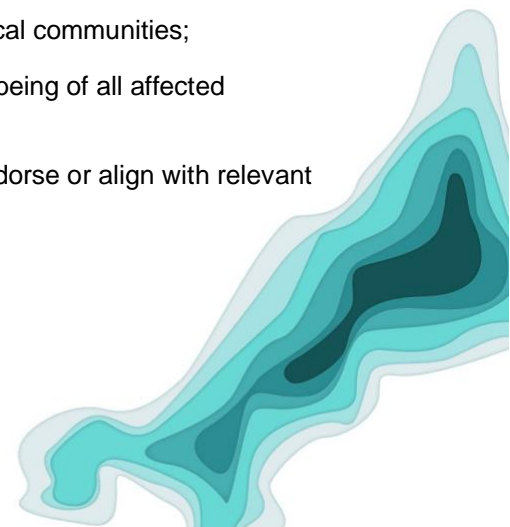
As a result, ESG is at the core of everything Cornish Lithium does. The Company is dedicated to exploring for, and extracting, strategic minerals in a socially and environmentally responsible way, and aims to be a leader in the UK's lithium industry – an industry that will play an essential role in the transition to a lower-carbon economy through underpinning the supply chain for sustainable battery and electric vehicle manufacturing as well as other industrial growth in the UK. In this way, the Company aims to play an important role in helping the UK meet its emissions reduction targets and maintain its position as a leader on climate change.

Cornish Lithium aims to comply with all relevant UK and international standards, including strict adherence to the UK's health, safety and environmental standards and regulations, as well as the applicable elements of the Equator Principles. The Company will also endeavour to provide stakeholders with clear insights into our operations and production, in order to increase assurance regarding the ESG and health and safety aspects of our business.

This policy sets out Cornish Lithium's approach to ESG issues. The policy consists of five pillars: 1) an enabler of the energy transition, 2) responsible stewardship, 3) strong partner to local communities, 4) ensuring safe workplaces and operations, and 5) strong governance and an inclusive culture.

Our broad commitments are outlined below. Throughout all operations and our activities, we aim to:

- Play a positive and critical role in the UK's energy transition;
- Operate in an environmentally responsible manner;
- Promote diversity and equality;
- Maintain constructive and responsive relationships with local communities;
- Not compromise on protecting the safety, health and well-being of all affected stakeholders;
- Meet applicable legal and regulatory requirements and endorse or align with relevant international best-practice initiatives.



Pillar 1: An enabler of the energy transition

Due to its essential role in battery technologies lithium is a critical raw material needed for the energy transition and the move to a net-zero economy. While the UK is currently reliant on imports of lithium, Cornwall possesses significant lithium deposits that are critical to supporting the development of sustainable battery manufacturing in the UK, which will in turn support the UK's automotive industry. Cornwall also has potential to produce other key technology metals that are required to enable the energy transition, including tin, copper and tungsten.

By producing lithium and other technology materials in Cornwall and reducing the UK's reliance on imported strategic materials for battery production, Cornish Lithium contributes to the UK's net-zero ambition. The Company also aims to reduce the UK's vulnerability to external supply disruptions, providing a significant source of strategic advantage to UK-based businesses, as well as helping reduce the overall carbon footprint associated with current global lithium supply chains through our use of low-carbon extraction technologies.

Cornish Lithium is focussed on extraction techniques that offer the opportunity to produce lithium and other technology metals in a low carbon manner, including through the use of geothermal energy to power mineral extraction.

In addition, the Company will strive to enhance its contribution to the UK's energy transition and to minimise any contribution to climate change by:

- Exploring opportunities to partner with initiatives looking to exploit geothermal energy;
- Developing an understanding of our GHG emissions and, thereby, minimising our carbon footprint;
- Working with our suppliers and value chain to understand and minimise climate-related impacts;
- Capitalising on renewable energy in Cornwall, including solar and offshore wind where appropriate and in line with community preferences;
- Repurposing existing infrastructure;
- Working with higher education institutions in the UK and Europe to maximise our ability to draw upon best practice and to work at the cutting edge of innovation.

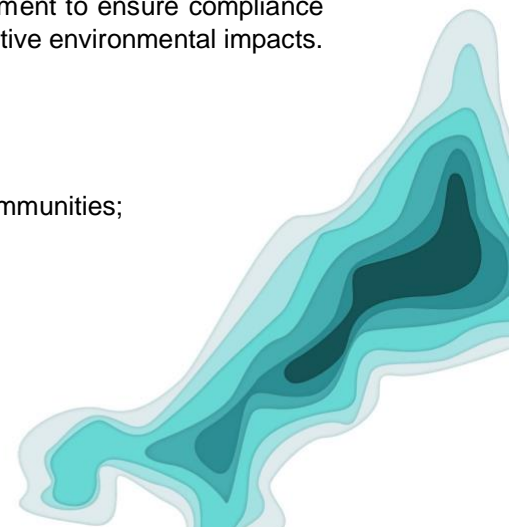
Pillar 2: Responsible stewardship

Cornish Lithium is committed to the responsible stewardship of Cornwall's natural capital. The Company aims to operate in a socially and environmentally responsible and sustainable manner, focussing on a deep understanding of our impacts, as well as working to avoid, mitigate and manage such impacts.

The Company will monitor our impacts and engage with stakeholders regarding our environmental performance, in order to address any concerns, where possible. The Company will also collaborate with the broader mining industry, academia, and regional and national government to ensure compliance with best-practice techniques and processes in order to minimise any negative environmental impacts.

Cornish Lithium is committed to:

- Alignment with relevant leading ESG principles and initiatives;
- Avoiding or minimising adverse environmental impacts on local communities;
- Aligning with customer expectations around responsible sourcing;



- Implementing international best practice regarding waste management (and tailings management, when applicable);
- Minimising impact on biodiversity, aiming to achieve 'no net loss' and, where possible, 'net gains';
- Driving innovation to ensure the efficient extraction, production and processing of key strategic minerals in a low-carbon manner;
- Protecting and further promoting Cornwall's cultural heritage;
- Seeking opportunities to minimise our energy consumption and use of other resources in project design– including through the appropriate use of on site or local renewable energy sources;
- Implementing efficient water management and ensuring our activities do not negatively impact on the quality or availability of local water sources.

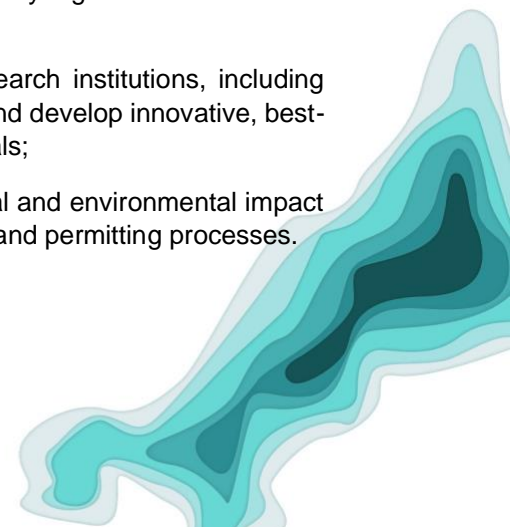
Pillar 3: Strong partner for local communities

Building and maintaining strong, consultative and respectful relationships with the communities around our projects is fundamental to the way Cornish Lithium conducts itself. The Company is committed to open, active, inclusive engagement with surrounding communities and to supporting local socio-economic development. The Company will continue to develop strong relations with the academic and scientific community in Cornwall, including through partnerships to advance innovation.

Building on the strong legacy of mining in Cornwall, our project development plans include an aim to re-develop, and where possible re-utilise, previously used mineral sites and infrastructure. The Company will also leverage the extensive knowledge and capabilities that exist in the region.

Cornish Lithium is committed to:

- Engaging regularly and respectfully with the communities around our operations and maintaining an open platform for dialogue with stakeholders;
- Understanding – and where possible responding to – local needs in relation to social investments, socio-economic impacts and environmental concerns;
- Supporting local economic development by training and hiring community members, and by purchasing goods and services locally where possible;
- Establishing an accessible, timely and transparent process for communities to raise concerns or complaints;
- Identifying and minimising adverse impacts on communities from our operations, such as through transport movements, maximising road safety and minimising dust and noise pollution;
- Pursuing partnerships with local and national government, civil-society organisations and other stakeholders to facilitate sustainable community development;
- Continuing engagement with local schools, universities and research institutions, including partnering with academic and scientific communities to research and develop innovative, best-practice approaches to mining lithium and related technology metals;
- Complying with national laws and international standards for social and environmental impact assessments and associated studies required under the planning and permitting processes.



Pillar 4: Ensuring safe workplaces and operations

Protecting the health and safety of our workforce is of the utmost importance. Cornish Lithium is committed to promoting and maintaining a strong safety culture for all employees and contractors.

The Company will strive to ensure that our activities do not have a negative impact on the health and safety of the communities adjacent to our sites.

Cornish Lithium is committed to:

- Rigorously implementing applicable UK health and safety standards, and complying with other applicable legislation, codes and standards;
- Creating a culture and working environment that is safe and does not adversely impact the health and safety of employees, partners or communities;
- Providing health and safety training for all employees and business partners and continuously working to improve health and safety performance;
- Holding contractors and suppliers to the highest safety standards;
- Continuously seeking to eliminate potential workplace injuries and accidents;
- Undertaking thorough and comprehensive investigations into any workplace incidents that may occur and engaging in knowledge-sharing to ensure lessons are learnt and incidents are not repeated;
- Understanding and mitigating potential risks to community health and safety and developing plans in response to any potential risks identified;
- Engaging with internal and external stakeholders on health and safety-related issues.

Pillar 5: Good governance and inclusive culture

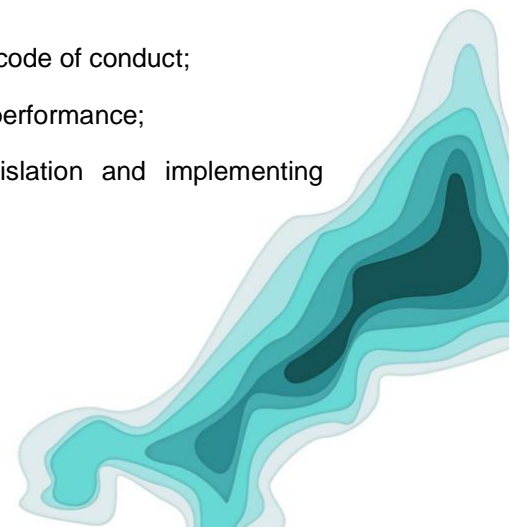
Our approach to ESG is underpinned by robust governance structures and strong corporate policies. As a UK registered and domiciled company, we uphold the highest corporate standards and ensure strict adherence to all applicable laws and regulations. Through our strong local presence in Cornwall, we believe we are well-positioned to understand the needs of, and contribute positively to, our stakeholders and local communities.

As Cornish Lithium continues to grow its business and workforce, the Company will strive to maintain a supportive culture and ensure all employees understand the significance of ESG. The Company is already working to ensure ESG is formally integrated into relevant procedures and decision-making, as well as into the Company culture.

Cornish Lithium aims to promote diversity and inclusion at every level of our organisation and create a positive working environment for all.

The Company is committed to:

- Being an ethical business and ensuring strict compliance with our code of conduct;
- Engaging with investors and, when relevant, lenders on our ESG performance;
- Complying with all applicable anti-bribery and corruption legislation and implementing whistleblowing mechanisms for all employees and contractors;



- Ensuring all staff receive appropriate training on our standards and policies, and that all business partners are similarly aware of, understand and are held accountable for adhering to these standards. This will include a staff induction process for new employees and associates;
- Observing high standards of business integrity and transparency;
- Proactively developing and maintaining a diverse and inclusive culture, with a zero-tolerance approach to bullying or harassment;
- Establishing measures to ensure suppliers and contractors adhere to our culture and performance standards;
- Transparently disclosing and reporting on our material ESG activities and performance.

Approved by the Company's Board of Directors on 20 October 2021

