

WHISTLEBLOWER POLICY

Introduction

This policy applies to all Directors, Executives and other employees of Lithium Australia (“Company”) and all its subsidiaries (“Group”). This policy also applies, as far as is reasonably achievable, to the Company’s service providers, suppliers and third-party contractors. Any of these persons making a report under this policy are referred to as a whistleblower.

The Group requires its Directors, Officers and Employees to observe high standards of business conduct and ethics, as well as full compliance with all applicable government laws, rules and regulations, corporate reporting and disclosure, accounting practices and controls, audit practices and other matters relating to fraud against shareholders (Concerns).

The Board is responsible for ensuring that a confidential and anonymous process exists whereby persons can report any Concerns relating to the Company.

The objectives of this policy are to:

- (a) encourage the reporting of matters that may cause financial or non-financial loss to the Group or damage the Group’s reputation;
- (b) enable the Group to effectively deal with reports from whistleblowers in a way that will protect the identity of the whistleblower and provide for the secure storage of the information provided;
- (c) establish a policy for protecting whistleblowers against reprisal by any person internal or external to the Group; and
- (d) provide a process for reporting.

This policy should be read in conjunction with the Company’s Code of Conduct Policy.

Duty to Disclose Reportable Conduct

It is expected that Directors, Executives and other employees of the Group will report known, suspected or potential cases of “reportable conduct”.

“Reportable conduct” is conduct by a person or persons connected with the Group which, in the view of the whistleblower acting in good faith is:

- dishonest, fraudulent or corrupt activity including bribery or other activity;
- illegal (including theft, drug sale/use, violence or threatened violence, harassment or intimidation and criminal damage against property);
- in breach of Commonwealth or state legislation or local authority by-laws (e.g. Trade Practices Act or Income Tax Assessment Act);
- unethical, breaches Company policies including the Company’s Code of Conduct, dishonesty such as altering company records or data, adopting questionable accounting or tax practices or generally unethical behaviour;
- an unsafe work practice, environmental damage, conduct which creates a health risk;
- abuse of company property and resources;
- amounts to abuse of authority;

- any other conduct which may cause financial or non-financial loss to the entity or be otherwise detrimental to the interests of the entity; or
- other serious improper conduct.

Procedure for Reporting

A whistleblower must act in good faith and do their best to ensure that there is a reasonable basis for making a report of reportable conduct. However, it is not the whistleblower's responsibility to investigate or prove a case of reportable conduct.

It is expected that a whistleblower will be able to resolve most concerns or queries relating to reporting conduct by discussing the matter with their direct manager.

Managers are required to make reports of reportable conduct to the Whistleblower Officer, who has specific and exclusive responsibility to investigate all reports of reportable conduct.

If a whistleblower is not comfortable speaking to their Manager, or are not satisfied with their response to the whistleblower's report, the whistleblower may report directly to the Whistleblower Officer. If the matter concerns the Whistleblower Officer, they should contact the Group's Company Secretary, or a Board Member.

Whistleblower Officer

The key responsibility of the Whistleblower Officer is to ensure that a Whistleblower does not suffer adverse action from their complaint, and to ensure the investigation of the substance of any complaint regarding reportable conduct to determine whether there is evidence in support of the conduct raised, or to refute the report made.

The Whistleblower Officer has direct, unfettered access to independent financial, legal and operational advice as required for the purposes of effectively carrying out the role.

The Whistleblower Officer also has a direct line of reporting to the Chairman.

The current Whistleblower Officer and contact details are as follows:

Mr Adrian Griffin
Managing Director
Lithium Australia
Level 1
675 Murray Street
West Perth WA 6005

Tel: (08) 6145 0288

Email: adrian.griffin@lithium-au.com

Investigation Procedures

An employee who in good faith has material concerns regarding any misconduct which falls under this policy, should make a disclosure to the Whistleblower Officer as soon as is possible or practicable, but in any case, within 14 calendar days of becoming aware of the misconduct.

The Whistleblower Officer will investigate all matters reported under this policy as soon as possible after the matter has been reported.

Following the preliminary investigation the Whistleblower will decide whether it is appropriate to inform the Company Secretary and Board of the misconduct, so that a formal investigation into the matter may be initiated. Where an immediate formal investigation is considered necessary, the Company Secretary, Managing Director or Board as appropriate will designate an investigator. Internal and external resources may be used in the investigation as appropriate in the circumstances.

The designated investigator(s) has/have the right to call for any information or document and/or interview with any Company personnel or other person(s), for the purpose of conducting an investigation under this Whistleblower Policy. All reasonable efforts will be made to protect the Whistleblowers identity, subject to legal or regulatory obligations.

An investigation report should be presented by the designated investigator(s) after completion of the investigation and submitted to the Managing Director, Chairman or Board member as appropriate.

Based on the finding of the investigation, the Managing Director, Chairman or Board member shall determine any follow-up action(s) to be taken, including giving instructions to rectify any control weakness/deficiency noted. Appropriate steps may be taken to close the case if no adverse finding is made.

Where appropriate, the Company will provide feedback to the whistleblower regarding the investigation's progress and outcome.

The investigation will be conducted in an objective and fair manner and as is reasonable and appropriate having regard to the nature of the reportable conduct and the circumstances.

Protection of Whistleblowers'

A submission regarding a Concern may be made by an officer or employee of the Company without fear of dismissal, disciplinary action or retaliation of any kind.

The Company will not discharge, discipline, demote, suspend, threaten or in any manner discriminate against any person who submits in good faith a Concern or provides assistance to management, the Company's auditor, or any other person or group, including any governmental, regulatory or law enforcement body, investigating a Concern.

"Good faith" does not mean that the person submitting the Concern has to be right, but it does mean that a person believes that he or she is providing truthful information.

The Company is committed to ensuring confidentiality in respect of all matters raised under this policy, and that those who make a report acting on reasonable grounds are treated fairly and do not suffer any disadvantage.

Subject to compliance with legal requirements, upon receiving a report under this Policy, the Company will not, nor will any supervisor, manager or Whistleblower Officer, disclose any particulars that would suggest or reveal the identity of a whistle-blower, without first obtaining their consent. If they consent, any information disclosed will be on a strictly confidential basis to those who have a genuine need to know. Any disclosure without a whistleblower's consent will be a breach of this policy.

A Group employee or contractor who is subjected to detrimental treatment as a result of making a report on reasonable grounds under this policy should inform a senior manager or Board Member immediately.

All files and records created from an investigation will be retained under strict security. Unauthorised release of information to someone not involved in the investigation (other than senior managers or directors who are not the subject of the disclosure and need to know to take appropriate action, or for corporate governance purposes) will be a breach of this policy.

Whistle-blowers are assured that a release of information in breach of this policy will be regarded as a serious matter and will be dealt with under the Company's disciplinary procedures.

The Corporations Act 2001 (Cth) provides additional protection in relation to reporting of a possible contravention of the Corporations Act and the Australian Securities & Investments Commission (ASIC) Act by the Company or its employees. Further information can be found on the ASIC website in particular by following the links below:

- <http://asic.gov.au/about-asic/asic-investigations-and-enforcement/whistleblowing/>
- <http://asic.gov.au/about-asic?asic-investigations-and-enforcement/whistleblowing/guidance-for-whistleblowers/>

False Allegations and Legitimate Employment Action

Company personnel who knowingly make false or reckless allegation(s) shall be subject to disciplinary action, which may include but not necessarily be limited to, the termination of their employment.

Likewise, if independent of any disclosure of information by a Whistleblower, adverse or disciplinary action was taken against him/her for legitimate reason(s) or cause(s) under Company rules and policies or contract of employment, the policy may not be used as a counterclaim or defence by him/her.

Notification

The Company Secretary is required to notify and communicate this policy and its importance to all existing and new personnel, contractors, officers and directors.

All directors, officers and employees will be informed whenever significant changes are made.

Review

The Board will review this policy at least annually and update it as required.