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|  | HSE POLICY |  |
| APPROVING MANAGER: Andrew Smith | LAST UPDATED: November 27, 2018 | PAGE: 1 OF 10 |
| Andrew Smith | 25 September 2020 | |
| SEC 1. HSE POLICY | | |

Background: This is the health and safety policy statement of British Lithium Limited (BLL), for its exploration and study of hard rock lithium occurring principally within former clay mining areas near St Austell, Cornwall, involving trenching, drilling, rock chip sampling, mapping and associated activities. Samples are further processed at BLL’s laboratory at Roche. This document explains how we will manage health and safety in our business.

A copy of this Policy can be found at British Lithium Ltd Dropbox\2. St Austell\25. HSE\ And on our website

PART ONE: Statement of Intent

- prevent accidents and cases of work-related ill-health,
- manage health and safety risks in our workplace,
- provide clear instructions and information, and adequate training, to ensure employees are competent to do their work,
- provide personal protective equipment,
- consult with our employees on matters affecting their health and safety,
- provide and maintain safe plant and equipment,
- ensure safe handling and use of substances,
- maintain safe and healthy working conditions,
- implement emergency procedures, including evacuation in case of fire or other significant incident, and
- review and revise this policy regularly.

Accepted by British Lithium CEO

Andrew Smith 

Date

25 Sep 2020

Signature (Barry Whitford, BLL Competent Person)

Date

I certify that all controls are in place which reduce risk to as low as is reasonably practicable, all staff have been informed, and safe systems of work have been applied.

PART TWO – Responsibilities for health and safety

1. Overall Person Responsible for Health and Safety

Barry Whitford – Manager, Health & Safety

2. Day to Day Person Responsible for Health and Safety

Barry Whitford

3. Following People have responsibility

British Lithium Limited
Unit 6, Victoria Trading Estate, Roche, Cornwall
<https://britishlithium.co.uk/about-us/corporate-governance/>

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- Barry Whitford – Competent Person Under Section 8C of the Quarry Regulation 1999. Safety, risk assessments, consulting employees, accidents, first aid and work-related ill-health.
- Andrew Smith - monitoring, accident and ill-health investigation, emergency procedures, fire and evacuation.
- Martin Wheeler – Laboratory Manager – managing COSHH policy, maintaining material safety datasheet register, maintaining equipment, information, instruction and supervision, training.

4. All Employees

- co-operate with supervisors and managers on health and safety matters;
- take reasonable care of their own health and safety; and
- report all health and safety concerns to an appropriate person (as detailed above).

PART THREE – Arrangements for health and safety

1. Risk Assessment

- We follow a risk assessment management system as described in Section Two
- We will review risk assessments when working habits or conditions change.

2. Training

- We will give staff and subcontractors health and safety induction and provide appropriate training (including working at height, asbestos awareness and electrical safety).
- Before being permitted to work on the exploration sites, staff and contractors are required to undertake the quarry openers or managers online inductions programme.
- We will provide personal protective equipment.
- We will make sure suitable arrangements are in place for employees who work remotely.

3. Consultation

- We will consult staff routinely on health and safety matters as they arise and formally when we review health and safety.

4. Evacuation

- We will make sure escape routes are well signed and kept clear at all times.
- Evacuation plans are tested from time to time and updated if necessary.

SEC 2. HAZARD & RISK ASSESSMENT & MANAGMENT

1. Overview

British Lithium Limited (BLL) uses a Hazard & Risk assessment and management policy to identify, assess, record and communicate all HSE hazards, aspects and opportunities using a common approach to ensure:

- risks to people, the environment, property, and assets are evaluated;
- risks are managed in accordance with the recommended hierarchy of controls to achieve levels that are as low as reasonably practicable;
- any requirements are implemented ensuring compliance and conformance to mitigate any HSE risks; and
- the information is retained in BLL’s Risk Assessment Methods Statements (RAMS) folder.

NOTE:

A TAKE 5 SHOULD BE COMPLETED AT THE BEGINNING OF EVERY TASK

2. Risk Assessment Methods

Before starting any task, the task should be assigned a Risk Level by identifying the associated hazards and the context, nature and scale of the risks. At BLL, the following assessment methodologies and tools shall be used:

BRITISH LITHIUM STAFF ARE ONLY PERMITTED TO CONDUCT TASKS WITH A LEVEL ONE RISK LEVEL

| Risk Level | Risk Assessment Type | Triggers |
|----------------|--|--|
| Level 1 | <p>Pre-Task Hazard Assessment</p> <ul style="list-style-type: none"> • Informal Hazard Identification / Risk Awareness (e.g. Take 5) • Workgroup Hazard Assessment (e.g. Group Take 5, • Risk Assessment Method Statement (RAMs) | <ul style="list-style-type: none"> • (Take 5) prior to all tasks or duties • Significant consequences identified from an informal risk assessment • Deviations from standard work procedures • Limited knowledge of risks from task or no existing procedures • Where permits are required • Change management for minor changes • When a scope of work is created or changed |
| Level 2 | <p>Qualitative Risk Assessment</p> <ul style="list-style-type: none"> • Qualitative Risk Assessment (e.g. utilizing BLL’s HSE 5x5 Risk Matrix) • Hardware or Design Review (e.g. HAZOP) | <ul style="list-style-type: none"> • High degree of uncertainty remains after Level 1 assessment • Hazards identified without controls from a Level 1 assessment • Change management for major changes • Stakeholder concerns (e.g. complaints or adverse symptoms) • Regulatory driven • Post-incident review of controls from Low, Moderate and High incident investigations |

SEC 2. HAZARD & RISK ASSESSMENT & MANAGMENT

| | | |
|----------------|---|--|
| | | <ul style="list-style-type: none"> • Recommendation from audit or management review |
| Level 3 | <p>Quantitative Risk Assessment</p> <ul style="list-style-type: none"> • Semi-Quantitative Risk Assessment (SQRA) • Quantitative Risk Assessment (QRA) (e.g. risk and consequence modelling; fault and/or event tree analysis; formalized/quantitative environmental impact assessment techniques) | <ul style="list-style-type: none"> • Hazards with potential critical risk outcome • Level 2 assessment where the current risk is assessed as Critical • High degree of uncertainty remains after Level 2 assessment • Recommendation from audit or management review |

3. Conducting Level 1 Pre-task hazard assessment

Pre-task hazard assessments (Level 1) are task-based assessments either completed individually or in small teams as part of daily work activities that must be completed by all personnel prior to work or tasks being performed.

Pre-task hazard assessment includes but is not limited to:

- Job Hazard Analysis (JHA)
- Safe Work Procedure (SWP)
 - Together these form the Risk Assessment Method Statement
- Take Five – See Annex A

Guidance: Create a RAMs if the job requires more than one person and takes more than one hour or meets the criteria of a Level -1 Risk.

The intent of pre-task hazard assessments is to **stop and think** about the consequences of the job / task about to be performed, even if it's routine (e.g. driving: "what are the current conditions?"). If the maximum reasonable consequence is a first aid treatment injury or greater, the assessment shall be documented.

The following bullets provide guidance on how and when to perform a pre-task hazard assessment.

At the beginning of the shift or prior to work commencing:

- Discuss the plan:
 - Will we be performing a new routine task(s)? Review existing RAMs. These have been previously performed BLL.
 - If there is no RAMs then the preference is to develop one, failing this, complete a Take Five
 - Do we have the right tools, are you competent based trained (CBT) to operate them?
 - Do we need any permits?
 - Will we be interacting with other teams / contractors?

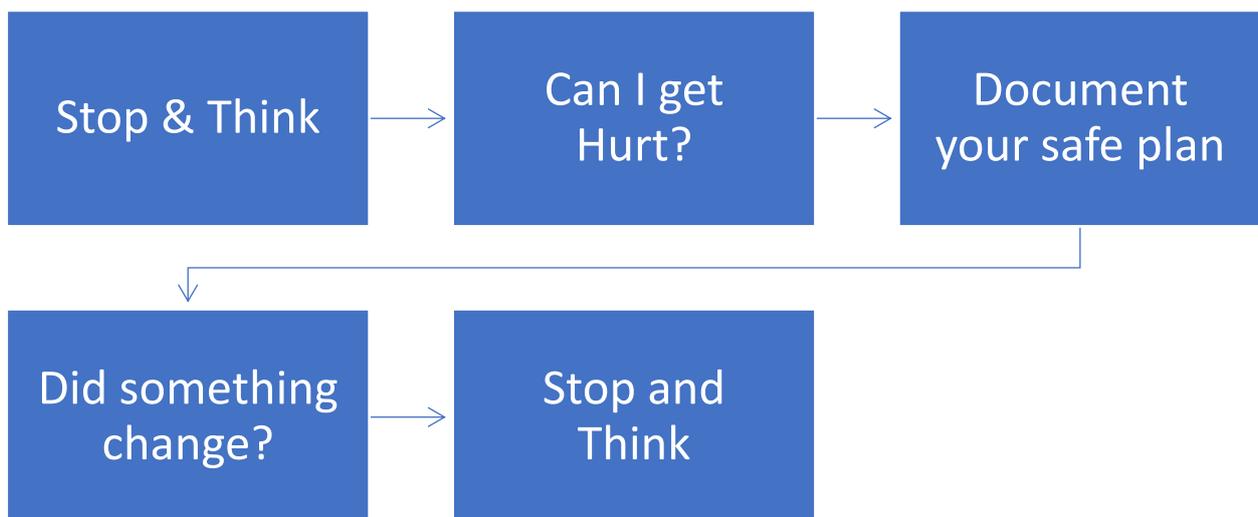
SEC 2. HAZARD & RISK ASSESSMENT & MANAGMENT

- What are the hazards?
 - Are there any critical risks?
 - Are there gravity hazards: fall from heights, dropped loads?
 - Are there mechanical hazards: rotating equipment, pinch points?
 - Are there any electrical hazards?
 - Are there any vehicles and driving hazards: vehicle collision / rollover, vehicle and pedestrian interaction?
- What controls are in place?
 - What critical risks are present and what critical controls pertain to this work? Are they in place and working?
 - Is rotating equipment guarded?
 - Does everyone have the appropriate training? If needed, is it competency-based?
 - Does everyone have the appropriate PPE?

If a task must be completed that wasn't anticipated / reviewed prior to work commencing and that task can reasonably result in a first aid or more significant incident, as a minimum a documented Take Five must be completed.

- Sub-tasks may be bundled into one main task. For example, if a tire needs to be changed, one documented Take Five will suffice. Additional individual Take Fives are not required for chocking wheels, removing jack from trunk, jacking car, etc.

If there is a **change, such as a breakdown or change in weather, a Take Five or RAMS must be completed** and communicated to all affected workers.



SEC 3. COSHH

The Control of Substances Hazardous to Health Regulations 2002, as amended, is a United Kingdom Statutory Instrument which states general requirements imposed on employers to protect employees and other persons from the hazards of substances used at work by risk assessment, control of exposure, health surveillance and incident planning. There are also duties on employees to take care of their own exposure to hazardous substances

A copy of British Lithium CoSHH Policy along with Material Safety Data Sheets MSDS can be found at: British Lithium Ltd Dropbox\2. St Austell\25. HSE\CoSHH

| Substance | Risks/Hazardous |
|---------------------------|--|
| Kaolinised Granite | H332 Harmful if inhaled H316: Causes mild skin irritation |
| Diesel | H227: Combustible liquid. H304: May be fatal if swallowed and enters airways. H316: Causes mild skin irritation. H351: Suspected of causing cancer. H411: Toxic to aquatic life with long lasting effects. |
| Petrol | H224 -- Flammable liquids -- Category 1 H304 -- Aspiration Hazard -- Category 1 H315 -- Skin corrosion/irritation -- Category 2 H336 -- Specific target organ toxicity (single exposure) -- Category 3 H340 -- Germ cell mutagenicity -- Category 1B H350 -- Carcinogenicity -- Category 1B H361d -- Reproductive toxicity -- Category 2 H361f -- Reproductive toxicity -- Category 2 H371 -- Specific target organ toxicity (single exposure) -- Category 2 H411 -- Hazardous to the aquatic environment, chronic toxicity -- Category 2 |
| Turpentine | H226 Flammable liquid and vapour. H302 Harmful if swallowed. H304 May be fatal if swallowed and enters airways. H312 Harmful in contact with skin. H315 Causes skin irritation. H317 May cause an allergic skin reaction. H319 Causes serious eye irritation. H332 Harmful if inhaled. H411 Toxic to aquatic life with long-lasting effects. |

Material Safety Data Sheets (MSDS)

The MSDS provides information on chemical products and this information can then be used by the employer to create a risk assessment for the use of those chemicals. The MSDS will describe what hazards are associated with the chemical product concerned and will also give information on handling, storage and emergency measures in case of an accident. The employer can then utilise this information to guide them when creating a risk assessment for the use of that chemical in their particular workplace. The MSDS is not a risk assessment itself but the information it contains is a fundamental tool for producing the associated risk assessment. It is important to remember that even seemingly innocuous powders like plaster or cement can cause serious burns to the skin or eyes. But these can easily be avoided by the correct use of PPE – which will be dictated by reading the MSDS and doing the risk assessment.

Sec 4. Quarry Regulations 1999

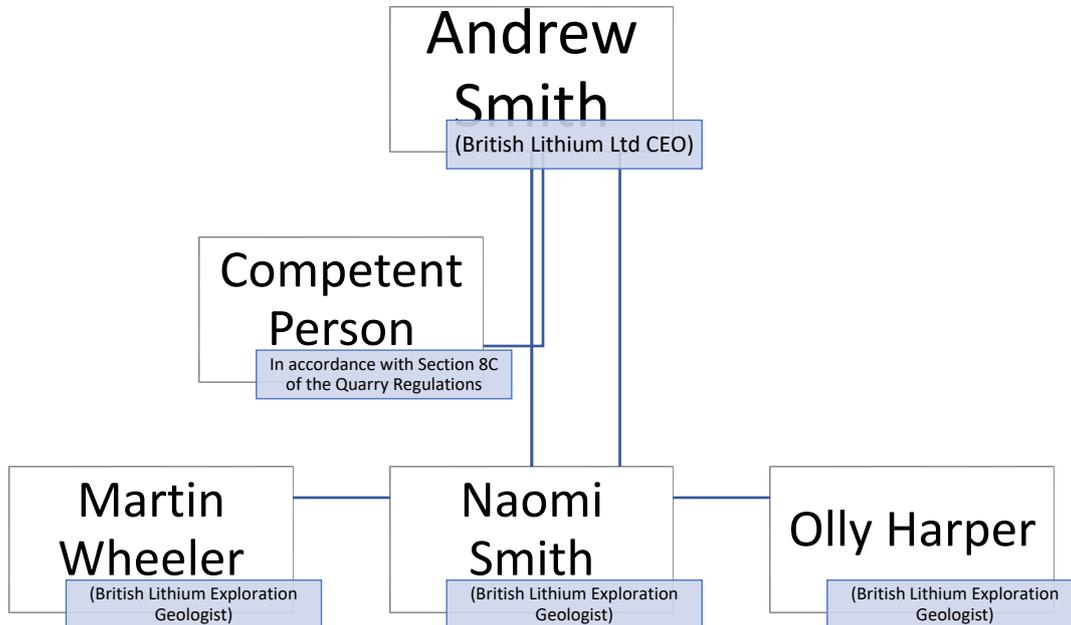
The Quarries Regulations 1999 are intended to protect the health and safety of people working at a quarry and others who may be affected by quarrying activities. They apply to both employers and the self-employed. They are also intended to safeguard people not working at the quarry (e.g. those living, passing or working nearby, or visiting, for example to buy materials).

Regulation 7 The health & safety document

The Quarries Regulations 1999, Require. The operator shall ensure that no work is carried out at the quarry unless a document (in these Regulations referred to as the “health and safety document”) has been prepared which shall contain the following.

| Topics to Include in the Health and Safety Document | Regulation | Location |
|---|-------------------|-------------------------------------|
| Risk assessments – including those carried out under: (a) Management of Health and Safety at Work Regulations 1999; (b) Control of Substances Hazardous to Health Regulations 2002; (c) Manual Handling Operations Regulations 1992; (d) Control of Noise at Work Regulations 2005. | 7(1)(a) | Contained in RAMS |
| Health & safety measures | 7(1)(b) | Contained in RAMS |
| Co-ordination of safety measures | 7(1)(c) | Contained in RAMS |
| Management structure | 7(1)(d) & 8 | Next Page |
| Explosion risk control plan (NOT APPLICABLE) | 7(2)(a) | NA |
| Toxic gas protection plan (NOT APPLICABLE) | 7(2)(b) | NA |
| Plan of quarry, showing where regulations do/do not apply | 7(2)(c) | Contained in RAMS |
| All instructions, rules, and schemes which apply to the quarry, including: | 7(1)(e)(i) and 10 | |
| Scheme for the inspection and maintenance of the quarry including excavations, tips, plant etc | 12 | Contained in RAMS |
| Vehicles rules | 14 | Follow quarry owners permit system |
| Permit-to-work system | 18 | |
| Shotfiring rules | 25 | NA |
| Excavations and tips rules | 31 | NA |
| Conclusions of appraisals and assessments of excavations and tips | 32 & 33 | NA |
| Frequency of review of safety measures | 11(b) | Before commencing each work program |

A copy of British Lithium Safety Documents can be found at: British Lithium Ltd Dropbox\2. St Austell\25. HSE

Sec 4. Quarry Regulations 1999**Management Structure****Vehicle Rules**

Any vehicle entering the pit, including contractors must be of a suitable off-road design with recovery tow points. Each BLL vehicle is fitted with:

- A permanent safety flag on a mast displayed in a prominent position.
- A flashing beacon; and
- certified recovery gear and first aid kits and fire extinguisher.

Any driver operating a vehicle on gazetted mining sites is required to hold a pit permit driving license issued by the quarry owner. Each driver is to check each of the above is fitted and serviceable before entering a gazetted mine site or driving on unpaved roads.

Drivers must abide by the Quarry Owners pit driving rules, and stick to 15mph.

BRITISH LITHIUM TAKE FIVE

Last updated 28th October 2018

Before starting work:

- | | | | | |
|----|---|------------------------------|-----------------------------|------------------------------|
| 1 | Have you received induction training? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input type="checkbox"/> |
| 2 | Do you know the company's health & safety rules? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input type="checkbox"/> |
| 3 | Are you familiar with how to report hazards & incidents? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input type="checkbox"/> |
| 4 | Are there emergency facilities and an evacuation procedure/route for the site? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input type="checkbox"/> |
| 5 | Do you have access to appropriate emergency and first aid equipment? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input type="checkbox"/> |
| 6 | Have you asked the person in charge about all relevant hazards? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input type="checkbox"/> |
| 7 | If the work involves a high-risk task (such as work at heights, hot-work, confined spaces), is a work permit/safe work method statement required? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input type="checkbox"/> |
| 8 | Do you have the correct procedures and equipment to do the work safely? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input type="checkbox"/> |
| 9 | Is there appropriate separation of vehicles and people during the proposed work? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input type="checkbox"/> |
| 10 | Is all required electrical/mechanical equipment in a safe condition? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input type="checkbox"/> |
| 11 | Are hazardous/dangerous substances used and stored according to their safety data sheets? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input type="checkbox"/> |
| 12 | Have you consulted with workers about the task and the safe way to do it? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input type="checkbox"/> |
| 13 | Do you have all necessary PPE? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input type="checkbox"/> |
| 14 | Have you got a safe way of getting in and out of your work area? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input type="checkbox"/> |
| 15 | Have any manual handling risks been identified and assessed? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input type="checkbox"/> |

If you answer "no" to any of those above, you may need to follow up with the person in charge before you start work to help ensure your safety.

At the end of work:

- 1 Have you left the worksite in an appropriate condition free from hazards and risks (clean-up, tools put away, housekeeping)?

RISK ASSESSMENT MATRIX

| | | CONSEQUENCE | | | | |
|-------------|----------------|---------------------|--|---|--|---|
| | | INSIGNIFICANT | LOW | MODERATE | HIGH | CATASTROPHIC |
| Life/Health | | First Aid Treatment | Medical treatment or occupational illness (recoverable). | Lost time injury or occupational injury (recoverable); restricted work injury | Fatality or disabling injury or occupational illness (non-recoverable) | Multiple fatalities or disabling permanent injuries |
| Likelihood | Almost Certain | Moderate | High | High | Extreme | Extreme |
| | Likely | Moderate | Moderate | High | High | Extreme |
| | Possible | Low | Moderate | Moderate | High | High |
| | Unlikely | Low | Low | Moderate | Moderate | High |
| | Rare | Low | Low | Low | Moderate | Moderate |

RISK TOLERANCE LEVELS

| | |
|--------------------|---|
| GREEN LOW | <i>Worker may approve.</i> Worker must review the RAMS and verify that identified controls can be fully implemented, and that all personnel fully understand the task and their role. The journey may proceed with caution but be prepared to reassess the risk. |
| YELLOW MODERATE | <i>PPA Supervisor input required.</i> Supervisor must review the RAMS and discuss potential additional controls with the Worker. If controls cannot be implemented to reduce the risk rating to green, the Supervisor must sign the RAMS as 'Approver'. |
| ORANGE HIGH | <i>PPA One-up Line Manager* input required.</i> One-up Line Manager must review the RAMS and discuss potential additional controls with the driver or their supervisor. If controls cannot be implemented to reduce the risk rating to yellow or green, the One-up Line Manager must sign the RAMS as 'Approver'. |
| RED EXTREME | <i>Work must not proceed.</i> Input must be sought from the appropriate Manager for further advice. If controls cannot be implemented to reduce the risk rating to orange, yellow or green, the task must be reconsidered, alternative travel methods employed, or a full Risk Assessment conducted to establish suitable controls. |