TIANQI LITHIUM CORPORATION
TERMS OF REFERENCE OF
THE AUDIT AND RISK COMMITTEE OF
THE BOARD OF DIRECTORS

(Considered and approved at the 27th meeting of the sixth session
of the Board of Directors of the Company)

Chapter 1 General Provisions

Article 1 In order to strengthen the decision-making function of the Board of Directors of Tianqi Lithium Corporation (the "**Company**"), audit in advance and professionally, ensure the effective supervision of the Board of Directors on senior management, further improve the corporate governance structure, and improve the Company's risk identification and risk prevention ability, the Company has specifically established the Audit and Risk Committee and formulated these Terms of Reference in accordance with the Company Law of the People's Republic of China (the "**Company Law**"), the Code of Corporate Governance for Listed Companies, the Guidelines No. 1 of the Shenzhen Stock Exchange for the Self- regulation of Listed Companies—Standard Operation of Companies Listed on the Main Board, the Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Hong Kong Listing Rules**"), the Articles of Association of Tianqi Lithium Corporation (the "**Articles of Association**") and other relevant provisions.

Article 2 The Audit and Risk Committee of the Board is a specialized body under the Board, which is mainly responsible for reviewing the Company's financial information and its disclosure, supervising and evaluating internal and external audit works and internal control, as well as exercising the powers of the Board of Supervisors required by the Company Law. The Audit and Risk Committee shall report to and be accountable to the Board of Directors.

Chapter 2 Composition

Article 3 The Audit and Risk Committee shall consist of three independent non-executive Directors, including at least one independent non-executive Director who is an accounting professional and who shall act as the convenor.

Article 4 Members of the Audit and Risk Committee shall be nominated by the Chairman, more than one-half of independent non-executive Directors or one-third of all Directors, and shall be elected by the Board.

The appointment of members of the Audit and Risk Committee shall comply with the requirements of the listing rules of the place where the Company's shares are listed.

A former partner of the Company's current external auditor may not serve as a member of the Audit and Risk Committee for a period of two years from the following date, whichever is later:

(I) the date on which such former partner ceases to be a partner of the accounting firm; or

(II) the date on which such former partner ceases to enjoy the financial interest in the accounting

firm.

Article 5 The Audit and Risk Committee shall have one convenor who is an independent non- executive Director with accounting expertise and is responsible for chairing the work of the Committee; The convenor shall be elected by more than one-half of all members of the Committee and shall be reported to the Board of Directors for approval.

The convenor of the Audit and Risk Committee (or, in his absence, his duly appointed representative) shall attend the annual general meeting of the Company and be prepared to answer any questions from shareholders concerning the audit and risk management activities at the meeting.

Article 6 The term of office of the members of the Audit and Risk Committee is the same as that of the members of the Board of Directors. Members may be eligible for re-election. Any member who ceases to be a Director of the company shall automatically lose his/her membership. The Board of Directors shall add new members in accordance with the Articles of Association and these Terms of Reference.

When the number of members of the Committee is less than two-thirds of the required number, the Company's Board of Directors shall promptly add new candidates for the Committee. Before the number of members of the Committee reaches two-thirds of the required number, the Committee shall suspend the exercise of the powers provided in these Terms of Reference.

The Board of Directors of the Company shall periodically assess the independence and performance of the members of the Audit and Risk Committee and may replace those members who are not suitable to continue to serve as members if necessary.

Article 7 The Supervision and Audit Department of the Company (the "**Audit Department**") is the organizing department of the Audit and Risk committee, and the office of the Board of Directors is responsible for organizing the work.

Article 8 The Audit and Risk Committee or the Board authorizes the Company to obtain external independent professional advice, at the Company's expense, as it deems necessary, and to ensure that the external personnel with relevant experience and expertise are involved. The Audit and Risk Committee shall be provided with adequate resources to discharge its responsibilities. The Audit and Risk Committee shall be responsible for setting its selection criteria, selecting, appointing and defining the terms of reference of any external party providing advice to the Audit and Risk Committee.

Chapter 3 Responsibilities and Authorities

Article 9 The Audit and Risk Committee mainly exercises the following powers and authorities:

(I) to supervise and evaluate the work of external audit firms, and propose to hire or replace external audit firms;

(II) to supervise and evaluate the internal audit work, and supervise the Company's internal audit system and its implementation;

(III) to be responsible for communication and coordination between the Company's internal audit and external audit;

(IV) to review the Company's financial reports and information disclosure, and assess the possible existence or risks;

(V) to monitor and evaluate the Company's internal control, supervise the effectiveness and compliance of the Company's operations and audit major related transactions;

(VI) to study the establishment of the Company's risk management control system and make recommendations, monitor the implementation of relevant risk management and internal control systems, and conduct regular review for the risk management control system;

(VII) to study the judgment criteria or judgment mechanism of the Company's major decisions, major risks, major events and important business processes and make recommendations;

(VIII) to exercise the powers of the Board of Supervisors required by the Company Law;

(IX) Other matters stipulated or authorized by laws, regulations, the listing rules of the place where the Company's shares are listed, and the Articles of Association.

The following matters shall be submitted to the Board of Directors for deliberation with the approval by a majority of all members of the Audit and Risk Committee:

(I) disclose financial information in the financial accounting reports and regular reports, and internal control evaluation reports;

(II) appoint or dismiss the accounting firm that undertakes the audit business of the Company;

(III) to appoint or dismiss the Company's person-in-charge of finance;

(IV) to make changes in accounting policies and estimates or to correct significant accounting errors for reasons other than changes in accounting standards;

(V) other matters stipulated by laws, administrative regulations, the provisions of the CSRC, the Listing Rules and the Articles of Association.

Any review opinions passed at the Audit and Risk Committee meetings shall be submitted in writing to the Board of Directors of the Company. If the Audit and Risk Committee put forwards review opinions to the Board of Directors on matters within the scope of its duties and responsibilities, and the Board of Directors does not adopt such review opinions, the Company shall disclose such matters and fully explain the reasons.

Article 10 The Audit and Risk Committee's responsibilities and duties to monitor and evaluate the work of the external audit firms shall include at least the following:

(I) to assess the independence and professionalism of external audit firms, in particular the impact of non-audit services provided by external audit firms on their independence;

(II) to make recommendations to the Board on hiring or replacing external auditors;

(III) to review audit fees and terms of engagement of the external audit firms, and to deal with any issues related to the resignation or dismissal of the external audit firms;

(IV) to discuss the nature and scope of the audit and reporting responsibilities with the external auditor prior to the commencement of the audit and ensure coordination if more than one audit firm is involved;

(V) to discuss and communicate with external audit firms about audit scope, audit plan, audit method and major issues discovered during the audit;

(VI) to monitor and assess the diligence of external audit firms;

(VII) to develop and implement policies for hiring external auditors to provide non-audit services; and to identify matters which it considers to require action or improvement and report to the Board and make recommendations.

The Audit and Risk Committee shall convene at least once a year a separate communication meeting with the external audit firm without management participation. The Secretary of the Board of Directors may attend the meeting as a non-voting delegate.

When the Company hires or replaces an external audit firm, the Audit and Risk Committee shall form a review opinion and make recommendations to the Board of Directors before the Board of Directors can review relevant proposals.

Article 11 Work responsibilities of the Audit and Risk Committee for annual reports:

(I) The Audit and Risk Committee shall, through consultation with the accounting firm responsible for the annual audit of the Company, determine the time schedule for the audit of the financial reports of the current year;

(II) The Audit and Risk Committee shall procure the accounting firm to submit the audit report within the agreed time limit, and record in the form of written opinions the way, times and results of the urging and the signature of the relevant persons in charge for confirmation;

(III) The Audit and Risk Committee shall review the financial and accounting statements prepared by the Company and form written opinions before the certified public accountant (the "**Annual Audit Certified Public Accountant**") who provides annual report audit for the Company enters the site;

(IV) The Audit and Risk Committee shall strengthen communication with the Annual Audit Certified Public Accountant after the Annual Audit Certified Public Accountant enters the site, review the Company's financial and accounting statements again after the preliminary audit opinion is issued by the Annual Audit Certified Public Accountant, and form a written opinion;

(V) The Audit and Risk Committee shall vote on the annual financial and accounting statements after the completion of the annual audit report and submit the resolutions to the Board of Directors for review. At the same time, it shall submit to the Board of Directors a summary report of the audit work of the Company conducted by the accounting firm for the current year;

(VI) The above documents formed by the Audit and Risk Committee shall be disclosed in the

annual reports.

Article 12 The Responsibility of the Audit and Risk Committee to direct the internal audit activity shall include at least the following:

(I) to guide and supervise the establishment and implementation of the internal audit system

(II) to review the annual internal audit work plan of the Company;

(III) to supervise and urge the implementation of internal audit plans of the Company;

(IV) to guide the internal auditing department to operate effectively;

(V) to report to the Board the progress and quality of the internal audit work and the material problems or clues found;

(VI) to coordinate the relationship between the internal auditors and external auditing units such as external auditors and national auditors.

The Audit Department of the Company shall report to the Audit and Risk Committee. All the audit reports, rectification plans for audit problems and rectification results submitted by the Audit Department to the management shall be submitted to the Audit and Risk Committee as well. The Audit Department shall immediately and directly report any relevant material problems or clues found to the Audit and Risk Committee.

Article 13 The responsibilities of the Audit and Risk Committee for communication between internal and external auditors include:

(I) to coordinate communication between management and external auditors on major audit issues;

(II) to coordinate the communication between the Audit Department and the external audit firm and cooperate with external audit work;

(III) to act as the principal representative between the Company and the external auditor to check the relationship between both;

(IV) to review the Audit Statement from the external auditors to the management, any material questions raised by external auditors to management regarding accounting records, financial accounts or monitoring systems, and the management's response, and to ensure that the Board of Directors responds in a timely manner to issues raised in the Audit Statement from the external auditors to the management.

Article 14 The Audit and Risk Committee's responsibility for reviewing the Company's financial information shall include at least the following:

(I) to review the financial reports and internal control audit reports of the Company and put forward opinions on the authenticity, completeness and accuracy of the financial reports and the effectiveness of internal control;

(II) to focus on major accounting and auditing issues in the financial reports of the Company, including major accounting error adjustment, significant accounting policies and practice, changes in accounting estimates, matters involving significant accounting judgment, assumptions for the Company continuing as a going concern and matters leading to a non- standard unqualified audit opinion audit report, compliance with accounting standards and compliance with the listing rules of the place where the Company's shares are listed, and other laws and regulations on financial reporting, etc.;

(III) to pay special attention to the possibility of fraud, malpractice and material misstatement related to financial reporting;

(IV) to supervise the rectification of financial reporting problems.

In this connection, members of the Audit and Risk Committee shall liaise with the Board of Directors and the management. The Committee shall meet with external auditors at least twice a year. The Audit and Risk Committee shall consider any material or unusual matter reflected or required to be reflected in such reports and accounts and shall give due consideration to any matter raised by the Company's accounting and financial reporting officers, supervisory officers or external auditors.

Article 15 The Audit and Risk Committee's responsibility to monitor the effectiveness and compliance of the Company's operations shall include at least the following:

(I) to review the Company's financial monitoring and evaluate the adequacy of the design of risk management and internal control systems of the Company;

(II) to discuss the risk management and internal monitoring system with the management, review the internal control self-evaluation report, and ensure that the management has fulfilled their responsibilities to establish an effective system. The discussion shall include the adequacy of the Company's resources in accounting and financial reporting functions, the qualifications and experience of its staff, and the adequacy of training courses and relevant budgets for staff;

(III) at the appointment by the Board of Directors or initiatively study the important findings of risk management and internal control issues and the response of management to the findings;

(IV) to ensure to check the effectiveness of risk management and internal control system of the Company and its subsidiaries at least once a year, and make recommendations on improving risk management and internal control to the Board of Directors. The Audit and Risk Committee's annual review shall include, inter alia, the following:

(1) changes in the nature and severity of material risks since last year's inspection, and the Company's ability to cope with changes in its business and external environment;

(2) the management continues to monitor the scope and quality of the work of the risk and internal control systems, the internal audit function and the work of other assurance providers;

(3) how detailed and how often the monitoring results are communicated to the Board of Directors;

(4) significant monitoring failures or weaknesses identified during the review of risk management and internal control systems, and the severity of unforeseeable consequences or

emergencies resulting therefrom, which have had, may have had or may have a material impact on the financial performance or conditions of the Company, as well as any remedial measures taken to address such monitoring failures or weaknesses;

(5) whether the Company's procedures for financial reporting and compliance with the Hong Kong Listing Rules are valid; and

(6) the adequacy of resources (internal and external) for designing, implementing and monitoring the risk management and internal control systems, including staff qualifications and experience, training programmes and the Company's budget on accounting, internal audit, and financial reporting functions, as well as those relating to the Company's environmental, social and governance performance and reporting.

(V) to review the internal control audit report issued by the external audit firm, communicate with the external audit firm about the problems found and improvement methods;

(VI) to review correspondence from external auditors to the management, any significant inquiries from auditors to the management regarding accounting records, financial accounts or monitoring systems and management responses to ensure that the Board of Directors responds to the issues raised in correspondence from external auditors to the management in a timely manner;

(VII) to evaluate the results of internal control evaluation and audit, and procure the rectification of internal control defects; and to review the Company's financial and accounting policies and practices;

(VIII) to review arrangements that employees of the Company and other parties who have dealings with the Company (such as customers and suppliers) may confidentially raise concerns about financial reporting, internal monitoring or other possible improprieties and ensure that appropriate arrangements are in place to conduct impartial, independent investigations and take appropriate follow-up action on such matters.

Article 16 Without prejudice to the generality of these Terms of Reference, the Audit and Risk Committee shall be responsible to the Board of Directors, whose proposals shall be submitted to the Board of Directors for deliberation and decision.

Chapter 4 Decision-making Procedures

Article 17 The Audit Department shall be responsible for the preparation work at an early stage in relation to the decision-making of the Audit and Risk Committee and provide written information of relevant aspects of the Company:

(I) Relevant financial reports of the Company;

(II) Work reports of internal and external audit institutions;

(III) External audit contracts and relevant work reports;

(IV) Disclosure of information by the Company;

(V) Audit or assessment report of major related transactions of the Company;

(VI) Other relevant matters.

Article 18 Meetings of the Audit and Risk Committee shall evaluate the reports provided by the Audit Department, and submit the relevant written resolutions to the Board for discussion.

(I) Evaluation of the work of external audit firms, and appointment and replacement of external audit firms;

(II) Whether the internal audit system of the Company has been effectively implemented, and whether the financial reports of the Company are complete and true;

(III) Whether the disclosed financial reports of the Company are objective and true, and whether the major related transactions of the Company are in compliance with relevant laws and regulations;

(IV) Evaluation of the work of the financial department and audit department of the Company, including their responsible personnel;

(V) Other relevant matters.

Chapter 5 Proceedings

Article 19 Meetings of the Audit and Risk Committee are divided into regular meetings and ad hoc meetings. The regular meetings are held at least quarterly and all members shall be notified five working days prior to the meeting (excluding the meeting day). Ad hoc meetings are held when proposed by two or more members of the Audit and Risk Committee or deemed necessary by the convenor a nd may be held at short notice in case of emergency. The office of the Board of Directors of the Company shall be responsible for issuing the notice of meeting according to the time limit specified above. The meeting shall be presided over by the convenor or, if the convenor is unable to attend, he may appoint another member (independent non- executive Director) to chair the meeting.

Article 20 Meetings of the Audit and Risk Committee shall only be held when more than two-thirds of the members are present. Each member shall have one vote, and resolutions adopted by the meeting shall be approved by more than half of all members.

Members of the Audit and Risk Committee may attend the meeting in person, or appoint other members to attend and vote at the meeting on their behalf.

Where members of the Audit and Risk Committee appoint other members to attend and vote at the meeting on their behalf, they shall submit a power of attorney to the presiding person of the meeting. The power of attorney shall be submitted to the presiding person of the meeting before voting at the meeting.

The power of attorney shall be signed by the appointor and the proxy. The power of attorney shall include at least the following:

(I) Name of appointor;

(II) Name of proxy;

(III) Matters entrusted;

(IV) Instructions on the exercise of voting rights regarding the agenda of the meeting (for, against or abstention), and statement indicating that whether the proxy can vote according to his own will when no specific instructions are given;

(V) Period of authorization;

(VI) Date of signature of the power of attorney.

Members of the Audit and Risk Committee who neither attended the meeting in person nor appointed other members to attend the meeting on their behalf shall be deemed to be absent from the relevant meeting. Members of the Audit and Risk Committee who failed to attend meetings for two consecutive times shall be deemed to have failed to properly perform their powers, and the Board of the Company may dismiss their duties as members.

Article 21 The voting at the meetings of the Audit and Risk Committee shall be undertaken by show of hands or voting. Ad hoc meetings may be held in the form of voting by way of communication (such as email, telephone, short message, written or oral).

Article 22 Member of the Audit Department may attend the meeting of the Audit and Risk Committee as non-voting members. The Audit and Risk Committee may invite the Directors, other senior managers of the Company and the responsible persons of the relevant departments to attend the meeting as non-voting members if necessary. However, non-members of the Audit and Risk Committee shall have no voting rights on the resolutions at the meeting.

Article 23 If necessary, the Audit and Risk Committee may engage independent intermediary institutions to provide professional advice for its decisions, and the costs shall be borne by the Company.

Article 24 The procedures for convening meetings of the Audit and Risk Committee, way of voting and resolutions approved at the meeting must comply with the provisions of relevant laws, regulations, the listing rules of the place where the Company's shares are listed, the Articles of Association and these Terms of Reference.

Article 25 Meetings of the Audit and Risk Committee shall have records of minutes, and members present at the meetings shall sign the minutes of the meetings. The minutes of the meetings shall be kept by the Secretary of the Board of Directors of the Company for at least ten years.

Minutes of the meetings shall include at least the following:

(I) Date, location and name of convener of the meeting;

(II) Name of persons present at the meeting, and specific note shall be made for a proxy;

(III) Agenda of the meeting;

(IV) Main points of speeches by members;

(V) Way of voting and results of each matter or resolution (the voting results shall specify the number of votes of for, against or abstention);

(VI) Other matters that shall be described and recorded in the minutes of the meeting.

The minutes of the meeting shall record in sufficient detail the matters considered and decisions made by the Audit and Risk Committee, including concerns raised or dissenting views expressed by members. Such minutes and final versions shall be made available to all members of the Audit and Risk Committee for comment and storage within a reasonable time after the meeting.

Article 26 Resolutions passed and the voting results of the Audit and Risk Committee meetings shall be submitted in writing to the Board of Directors of the Company.

Article 27 The personnel attending the meeting shall keep confidential the matters discussed at the meeting, and shall not disclose relevant information without authorization. In case of any breach of confidentiality obligation, relevant personnel shall bear legal liability in accordance with laws, administrative regulations, rules, the Articles of Association and the relevant confidentiality agreement.

Chapter 6 Supplementary Provisions

Article 28 These Terms of Reference shall come into effect as of the date of approval by the Board of Directors.

Article 29 Matters not covered in these Terms of Reference shall be implemented in accordance with the provisions of the relevant laws and regulations of the People's Republic of China (the "**PRC**"), the listing rules of the place where the Company's shares are listed and the Articles of Association. In case of any conflict between these Terms of Reference and any future laws and regulations of the PRC, the listing rules of the place where the Company's shares are listed or the Articles of Association as amended by legal procedures, the relevant laws and regulations of the PRC, the listing rules of the place where the Company's shares are listed and the Articles of Association as amended by legal procedures shall prevail, and these amended Terms of Reference shall be submitted to the Board of Directors for approval.

Article 30 The right of final interpretation of these Terms of Reference belongs to the Board of Directors of the Company.