

**CHARTER OF THE AUDIT COMMITTEE
OF
LITHIUM ROYALTY CORP.**

1 PURPOSE AND RESPONSIBILITIES OF THE COMMITTEE

1.1 Purpose

The purpose of the audit committee (the “**Committee**”) of Lithium Royalty Corp. (the “**Corporation**”) is to assist the board of directors of the Corporation (the “**Board**”) in its oversight of:

- (a) the integrity of the Corporation’s accounting and financial reporting systems, including those used in connection with the preparation of its financial statements, budgets and forecasts;
- (b) the adequacy of the Corporation’s internal controls over financial reporting and disclosure controls and procedures;
- (c) the Corporation’s compliance with legal and regulatory requirements;
- (d) the External Auditor’s independence, qualifications and performance;
- (e) the work of the External Auditor and the performance of the Corporation’s internal audit function; and
- (f) performing any other activities consistent with this Charter or specifically assigned to the Committee by the Board.

2 DEFINITIONS AND INTERPRETATION

2.1 Definitions

In this Charter:

- (a) “**Chair**” means the Chair of the Committee;
- (b) “**Compensation, Nominating and Governance Committee**” means the compensation, nominating and governance committee of the Board;
- (c) “**Director**” means a member of the Board;
- (d) “**External Auditor**” means the accounting firm that serves as the Corporation’s independent auditor;
- (e) “**Shareholders**” means the shareholders of the Corporation.

2.2 Interpretation

This Charter is subject to and shall be interpreted in a manner consistent with the articles and by-laws of the Corporation, the *Canada Business Corporations Act*, and any other applicable legislation.

3 ESTABLISHMENT AND COMPOSITION OF COMMITTEE

3.1 Establishment of the Audit Committee

The Committee is hereby established with the constitution, function and responsibilities set forth herein.

3.2 Appointment and Removal of Members of the Committee

(a) **Appointment of Members.** The members of the Committee shall be appointed by the Board, having considered the recommendation of the Compensation, Nominating and Governance Committee.

(b) **Annual Appointments.** The appointment of members of the Committee shall take place annually at the first meeting of the Board after a meeting of the Shareholders at which Directors are elected; provided, however, that if the appointment of members of the Committee is not so made, the Directors who are then serving as members of the Committee shall continue as members of the Committee until their successors are appointed.

(c) **Vacancies.** The Board may appoint a member to fill a vacancy which occurs in the Committee between annual elections of Directors. If a vacancy exists on the Committee, the remaining members shall exercise all of their powers so long as a quorum remains in office.

(d) **Removal of Members.** Any member of the Committee may be removed from the Committee by a resolution of the Board.

3.3 Number of Members

The Committee shall consist of three or more Directors.

3.4 Qualifications and Independence of Members

(a) **Financial Literacy.** Each member of the Committee shall be financially literate or must become financially literate within a reasonable period of time after his or her appointment to the Committee. For the purposes of this Charter being “**financially literate**” means having the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation’s financial statements.

(b) **Accounting or Financial Management Expertise.** The Board will appoint to the Committee at least one Director who has accounting or financial management expertise.

(c) **Independence.** Each member of the Committee shall be independent for the purposes of all applicable laws and stock exchange requirements.

3.5 Board Approval Required

No member of the Committee shall serve on more than three public company audit committees without the approval of the Board.

4 COMMITTEE CHAIR

4.1 Board to Appoint Chair

The Board shall appoint the Chair from the members of the Committee.

4.2 Chair to be Appointed Annually

The appointment of the Chair shall take place annually at the first meeting of the Board after a meeting of the Shareholders at which Directors are elected; provided, however, that if the appointment of the Chair is not so made, the Director who is then serving as Chair shall continue as Chair until his or her successor is appointed.

5 COMMITTEE MEETINGS

5.1 Quorum

A quorum of the Committee shall be a majority of the members.

5.2 Secretary

The Chair shall designate from time to time a person who may, but need not, be a member of the Committee, to act as the secretary of the Committee.

5.3 Time and Place of Meetings

The time and place of the meetings of the Committee and the calling of meetings and the procedure in all things at such meetings shall be determined by the Committee; provided, however, that the Committee shall meet at least quarterly.

5.4 Meetings with Management and Auditors

As part of each meeting of the Committee at which the Committee recommends that the Board approve the annual audited financial statements or at which the Committee approves the quarterly financial statements, the Committee shall meet separately with each of:

- (a) the relevant members of management of the Corporation; and
- (b) the External Auditor.

5.5 Right to Vote

Each member of the Committee shall have the right to vote on matters that come before the Committee.

5.6 Voting

Any matters to be determined by the Committee shall be decided by a majority of votes cast at a meeting of the Committee called for such purpose. Actions of the Committee may be taken by an instrument or instruments in writing signed by all of the members of the Committee, and such actions shall be effective as though they had been decided by a majority of votes cast at a meeting of the Committee called for such purpose.

5.7 Invitees

The Committee may invite any Directors, officers or employees of the Corporation or any other person to attend meetings of the Committee to assist in the discussion and examination of the matters under consideration by the Committee. The External Auditor shall receive notice of and attend, at the expense of the Corporation, each meeting of the Committee.

5.8 Regular Reporting

The Committee shall report to the Board at the Board's next meeting the proceedings at the meetings of the Committee and all recommendations made by the Committee at such meetings.

6 AUTHORITY OF COMMITTEE

6.1 Retaining and Compensating Advisors

The Committee has the authority to retain independent counsel or any other advisors as the Committee may deem appropriate, in its sole and absolute discretion. The Committee is not required to obtain the approval of the Board in order to retain or compensate such counsel or other advisors.

6.2 Funding

The Committee has the authority to authorize the payment of:

- (a) the compensation of the External Auditor or any other independent auditor engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Corporation;
- (b) the compensation of any independent counsel or other advisors retained by the Committee under Section 6.1; and
- (c) and ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

6.3 Communication with Auditors

The Committee has the authority to communicate directly with the External Auditor and the Internal Auditor.

6.4 Subcommittees

The Committee may delegate authority to individual members or subcommittees if deemed appropriate.

6.5 Recommendations to the Board

The Committee shall have the authority to make recommendations to the Board, but shall have no decision-making authority other than as specifically contemplated in this Charter or as specifically delegated by the Board.

7 REMUNERATION OF COMMITTEE MEMBERS

7.1 Remuneration of Committee Members

Members of the Committee and the Chair shall receive such remuneration for their service on the Committee as the Board may determine from time to time, having considered the recommendation of the Compensation, Nominating and Governance Committee.

7.2 Directors' Fees

No member of the Committee may earn fees from the Corporation or any of its subsidiaries other than Directors' fees (which fees may include a combination of cash, benefits and common shares, options or other equity securities of the Corporation). For greater certainty, no member of the Committee shall accept, directly or indirectly, any consulting, advisory or other compensatory fee from the Corporation.

8 PRIMARY DUTIES AND RESPONSIBILITIES OF THE COMMITTEE

8.1 Review and Approval of Financial Information

(a) **Annual Financial Statements.** The Committee shall review and discuss with the relevant members of management and the External Auditor the audited annual financial statements of the Corporation, together with the notes thereto and the report of the External Auditor thereon, and the related management's discussion and analysis ("**MD&A**") and, if appropriate, recommend to the Board that it approve such audited annual financial statements and the related MD&A.

(b) **Interim Financial Statements.** The Committee shall review and discuss with the relevant members of management and the External Auditor the interim unaudited financial statements of the Corporation, together with the notes thereto, and the related MD&A and, if appropriate, approve such interim unaudited financial statements and the related MD&A.

(c) **Material Public Financial Disclosure.** The Committee shall discuss with the relevant members of management and the External Auditor:

- (i) financial information to be disclosed in the press releases discussing the annual and interim profits or losses of the Corporation;
- (ii) financial information to be disclosed in any other press releases issued by the Corporation; and
- (iii) financial information and earnings guidance provided to analysts and rating agencies.

(d) **Procedures for Review.** The Committee shall be satisfied that adequate procedures are in place for the review of disclosure containing financial information extracted or derived from the Corporation's financial statements and shall periodically assess the adequacy of those procedures.

(e) **General.** The Committee shall review and discuss with the relevant members of management and the External Auditor:

- (i) major issues regarding accounting principles and financial statement presentations, including any significant changes in the Corporation's selection or application of accounting principles;
- (ii) major issues as to the adequacy of the Corporation's internal controls over financial reporting and any special audit steps adopted in light of material internal control deficiencies;
- (iii) analyses prepared by management or the External Auditor setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative accounting methods on the financial statements;
- (iv) the effect on the financial statements of the Corporation of regulatory and accounting initiatives;
- (v) the effect on the financial statements of the Corporation of off-balance sheet transaction structures, obligations (including contingent obligations) and other relationships of the Corporation with unconsolidated entities or other persons that have a material current or future effect on the financial condition, changes in financial condition, results of operations, liquidity, capital resources, capital reserves or significant components of revenues or expenses of the Corporation;
- (vi) the extent to which changes or improvements in financial or accounting practices approved by the Committee have been implemented;
- (vii) policies and procedures relating to the maintenance and oversight of financial information relating to royalties and other financial interests;
- (viii) any financial information or financial statements to be disclosed in a prospectuses, offering memorandum or other offering document of the Corporation; and
- (ix) management's certification of the financial statements as required under applicable laws and stock exchange requirements.

8.2 Oversight of the External Auditor

(a) ***Authority with Respect to External Auditor.*** The Committee shall be responsible for the selection, compensation, retention and oversight of the work of the External Auditor engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Corporation. In discharging its responsibilities, the Committee shall:

- (i) recommend to the Board the accounting firm to be proposed to the Shareholders for appointment as the External Auditor;
- (ii) recommend to the Board the compensation of the External Auditor;

- (iii) determine, at any time, whether the Board should recommend to the Shareholders that the incumbent External Auditor be removed from office;
- (iv) review the terms of the External Auditor's engagement and discuss the audit fees with the External Auditor, as necessary; and
- (v) require the External Auditor report directly to the Committee.

(b) **Independence of External Auditor.** The Committee shall satisfy itself as to the independence of the External Auditor. As part of this process, the Committee shall:

- (i) assure the regular rotation of the lead audit partner as required by applicable laws and consider whether, in order to ensure continuing independence of the External Auditor, the Corporation should periodically rotate the accounting firm that serves as External Auditor;
- (ii) require the External Auditor to submit at least annually to the Committee a formal written statement delineating all relationships between the External Auditor and the Corporation, engage in a dialogue with the External Auditor with respect to any disclosed relationships or services that may impact the objectivity and independence of the External Auditor, and recommend to the Board the appropriate actions to be taken in response to the External Auditor's report to satisfy itself of the External Auditor's independence;
- (iii) unless the Committee adopts pre-approval policies and procedures, it must pre-approve any non-audit services provided by the External Auditor to the Corporation or its subsidiaries; provided, however, that the Committee may delegate such pre-approval authority to one or more of its members, who shall report to the Committee concerning their exercise of such delegated authority at or prior to the next scheduled meeting of the Committee; and
- (iv) establish, approve and periodically review the Corporation's hiring policy regarding partners, employees and former partners and employees of the External Auditor and any accounting firm that used to serve as External Auditor.

(c) **Issues Between External Auditor and Management.** The Committee shall satisfy itself that any disagreement between management and the External Auditor regarding the Corporation's financial reporting is resolved. As part of this process, the Committee shall:

- (i) review any problems experienced by the External Auditor in conducting the audit, including any restrictions on the scope of the External Auditor's activities or on its access to requested information;
- (ii) act as an intermediary with a view of resolving any significant disagreements that may arise between management of the Corporation and the External Auditor;
- (iii) review with the External Auditor:

- (A) any accounting adjustments that were noted or proposed by the External Auditor, but were ultimately not made;
- (B) any auditing or accounting issues presented by the engagement;
- (C) any internal control issues or weaknesses identified by the External Auditor; and
- (D) the responsibilities, budget and staffing of the Corporation's internal audit function.

(d) **Evaluation of External Auditor.** The Committee shall evaluate the External Auditor each year and present its conclusions to the Board. In connection with this evaluation, the Committee shall:

- (i) obtain and review a report prepared by the External Auditor describing:
 - (A) the External Auditor's quality-control procedures;
 - (B) any material issues raised by the most recent internal quality-control review, or peer review, of the External Auditor or by any inquiry, review, inspection or investigation involving the External Auditor by governmental or professional authorities, within the preceding five years, in respect of one or more independent audits carried out by the External Auditor, and any steps taken to deal with any such issues; and
 - (C) all relationships between the External Auditor and the Corporation; and
- (ii) review and evaluate the performance of the lead partner of the External Auditor.

8.3 Risk Assessment and Risk Management

The Committee shall assist the executive officers of the Corporation in assessing and managing the Corporation's risk exposure. In doing so, the Committee shall:

- (a) discuss the Corporation's major financial risk exposures with the executive officers and review the systems implemented and strategies taken by management to monitor and control such financial risk exposures;
- (b) review the External Auditor's recommendations to address any weaknesses in the Corporation's internal controls and the steps taken by management to implement such recommendations;
- (c) make recommendations to the Board whether any new risk management strategies should be considered or implemented.

8.4 Internal Audit Function

In connection with the oversight of the Corporation's internal audit function, the Committee shall:

- (a) review the terms of reference of the internal audit function ;
- (b) in consultation with the External Auditor and the internal audit group, review the adequacy of the Corporation's internal control structure and procedures designed to ensure compliance with applicable laws and any special audit steps adopted in light of material deficiencies and controls;
- (c) review management's response to significant internal control recommendations made by the internal audit group and the External Auditor;
- (d) review (i) the annual internal control report prepared by management, including management's assessment of the effectiveness of the Corporation's internal controls, structure and procedures for financial reporting, and (ii) the External Auditor's annual report on the assessment made by management; and
- (e) instruct the External Auditor to prepare an annual evaluation of the Corporation's internal audit function and reviewing the results of that evaluation.

9 OTHER DUTIES AND RESPONSIBILITIES OF THE COMMITTEE

9.1 Related Party Transactions

The Committee shall review all related party transactions involving the Corporation and make recommendations to the Board regarding any actions to be taken, including the approval of any proposed transactions.

9.2 Expense Reimbursement Policy

The Committee shall review and make recommendations with respect to the Corporation's expense reimbursement policy and the rules relating to the standardization of the Corporation's expense reporting practices. The Committee shall also review the expense reimbursement summaries submitted by the Chief Executive Officer of the Corporation on a quarterly basis.

9.3 Integrity Assurance

The Committee shall review and make recommendations with respect to the Corporation's integrity assurance policy. In connection therewith, the Committee shall put in place procedures for:

- (a) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters; and
- (b) the confidentiality and anonymity of submissions made by employees of the Corporation regarding questionable accounting or auditing practices;

- (c) the receipt of reports by the general counsel of the Corporation on all complaints received under the integrity assurance policy; and
- (d) considering the recommendations of the general counsel of the Corporation in respect of actions to be taken in response to the complaints received.

10 ANNUAL PERFORMANCE EVALUATION

On an annual basis, the Committee shall follow the process established by the Compensation, Nominating and Governance Committee for assessing the performance and effectiveness of the Committee.

11 CHARTER REVIEW

The Committee shall review and assess the adequacy of this Charter annually and recommend to the Board any changes it deems appropriate.

Approved by the Board of Directors of the Corporation on February 21, 2023, and effective as of March 8, 2023.