

CRITICAL ELEMENTS CORPORATION

(the “Corporation”)

GOVERNANCE AND COMPENSATION COMMITTEE CHARTER

1. PURPOSE

The principal purpose of the governance and compensation committee (the “**Compensation Committee**”) is to assist and where appropriate make recommendations to the Board (the “**Board**”), in relation with the:

1. Development and implementation of the corporate governance guidelines of the Corporation;
2. Identification of individuals qualified to become members of the Board;
3. Determination of the composition of the Board and its committees;
4. Determination of the directors’ remuneration for Board and committee participation;
5. Procedures to assess the effectiveness of the Board and its committees, including their respective chairman;
6. Compensation of the Chief Executive Officer (the “**CEO**”) and other Named Executive Officers (“**NEOs**”) of the Corporation;
7. The Corporation’s health and safety policies and practices;
8. Corporate goals and objectives relevant to the CEO’s and other NEOs’ compensation, including the evaluation of the CEO’s and NEOs’ performance in light of those goals and objectives and the determination of their respective compensation packages based on these evaluations;
9. Annual review and approval of the compensation discussion and analysis to be included in the Corporation’s management proxy circular;
10. Corporation’s compensation plans or structures to be adopted by the Corporation from time to time; and
11. Corporation’s overall compensation philosophy and strategy to ensure that compensation policies and/or practices followed by the Corporation are designed to recognize and reward performance and establish a compensation framework which is industry competitive.

The Governance and Compensation Committee’s responsibilities include the following:

1. Report, through the chairman of the Governance and Compensation Committee (the “**Chairman**”), to the Board following each meeting on the significant discussions of and decisions made by the Governance and Compensation Committee;

2. Develop and recommend at least annually to the Board a set of corporate governance guidelines in accordance with applicable laws and regulations;
3. Consider and recommend for approval by the Board candidates for election or appointment to the Board;
4. Develop and recommend to the Board appropriate qualifications and criteria for the selection of their members;
5. Conduct, if appropriate, an annual review of the directors' remuneration for board and committee participation;
6. Assist newly appointed members of the Board in becoming better acquainted with the Corporation and its governance process and provide orientation and continuing education for all members of the Board;
7. Consider and recommend for approval by the Board the appointment of the CEO and the Chief Financial Officer;
8. Review and assess annually, in collaboration with the Board, the performance of the CEO against pre-set specific performance criteria;
9. Oversee the design, implementation and administration (with the assistance of third party plan administrators) of any executive or employee incentive compensation, benefits programs and the establishment of guidelines for any director or executive share ownership requirements; and
10. Review executive compensation disclosure before the Corporation publicly discloses this information.

2. COMPOSITION AND MEETING

1. The Governance and Compensation Committee shall be comprised of three members, Marc Simpson, Richard Saint-Jean and Jean-Raymond Lavallée, as may be amended or replaced from time to time.
2. The members of the Governance and Compensation Committee and its Chairman shall be elected by the Board. Unless a Chairman is elected by the full Board, the members of the Governance and Compensation Committee may designate a Chairman among themselves by majority vote of the full Governance and Compensation Committee membership. A Governance and Compensation Committee member may resign from the Governance and Compensation Committee without resigning from the Board, but a Governance and Compensation Committee member shall tender his or her resignation from the Governance and Compensation Committee upon ceasing to be a member of the Board.
3. The members of the Governance and Compensation Committee may be removed or replaced by the Board at any time. The Chairman may be removed by the Board or the Governance and Compensation Committee, in consultation with the Board, at any time. The Board may fill vacancies on the Governance and Compensation Committee. If and whenever a vacancy shall exist on the Governance and Compensation Committee, the remaining members may exercise

all of the powers of the Governance and Compensation Committee, so long as a quorum remains.

4. The Governance and Compensation Committee may delegate any or all of its functions to any of its members or other persons, from time to time as it determines to be necessary to allow it to carry out its duties.

3. MEETING REQUIREMENTS

1. The Governance and Compensation Committee will meet at least two times per year or more frequently as circumstances require. The Governance and Compensation Committee may ask members of management or others to attend meetings or to provide information as necessary. The Governance and Compensation Committee shall have full access to all information it deems appropriate for the purpose of fulfilling its role.
2. The Governance and Compensation Committee may, if considered appropriate, conduct or authorize investigations into any matters within the Governance and Compensation Committee's scope of activities.
3. A quorum for the transaction of business at any meeting of the Governance and Compensation Committee shall be a majority of the number of members of the Governance and Compensation Committee or such greater number as the Governance and Compensation Committee shall by resolution determine and provided further that the Chairman is present.
4. The Governance and Compensation Committee may meet by telephone or by any other means permitted by law or the Corporation's by-laws.
5. The Chairman shall approve the agenda for the meetings and ensure that supporting materials are properly prepared and circulated to members with sufficient time for study by the Governance and Compensation Committee members prior to the meeting.
6. The minutes of the Governance and Compensation Committee meetings shall accurately record the significant discussions of and decisions made by the Governance and Compensation Committee, including all recommendations to be made by the Governance and Compensation Committee to the Board and shall be distributed to the Governance and Compensation Committee members for approval.

4. LIMITATIONS ON GOVERNANCE AND COMPENSATION COMMITTEE'S DUTIES

Nothing contained in this charter is intended to expand applicable standards of conduct under statutory or regulatory requirements for the directors of the Corporation or the members of the Governance and Compensation Committee.

Members of the Governance and Compensation Committee are entitled to rely, absent knowledge to the contrary, on (i) the integrity of the persons and organizations from whom they receive information, and (ii) the accuracy and completeness of the information provided.