

CRITICAL ELEMENTS CORPORATION

(the “Corporation”)

BOARD OF DIRECTORS CHARTER

1. Purpose

The board of directors of the Corporation (the “**Board**”) is responsible for the supervision of the management of the business and affairs of the Corporation. The Board, directly and through its committees, as may be decided by the Board, shall provide direction to senior management, generally through the Corporation’s president and chief executive officer (the “**CEO**”), to pursue the best interests of the Corporation.

2. Duties and Responsibilities of the Board

The Board, in exercising its powers and discharging its duties, shall act honestly and in good faith with a view to the best interests of the Corporation and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. In considering what is in the best interests of the Corporation, the Board may consider many factors, including, notably, the interests of shareholders, employees, creditors, consumers, governments and the environment to support its decisions.

In furtherance of its purpose, the Board shall assume the following duties and responsibilities:

A. *Strategy and budget*

1. The Board shall ensure that a strategic planning process is in place and approve, at least on an annual basis, a strategic plan which may take into account, among other things, long term opportunities and risks associated with the business;
2. The Board shall approve the Corporation’s annual operating and capital budgets;
3. The Board shall review operating and financial performance results in relation to the Corporation’s strategic plan and budgets;
4. The Board shall approve all significant decisions outside of the ordinary course of the Corporation’s business, including major financings, acquisitions, and dispositions or actions that materially differ the strategic plan or the budget;

B. *Governance*

1. The Board shall develop the Corporation’s approach to, and disclosure of, corporate governance practices and oversee the development by the governance and compensation committee (the “**Governance and Compensation Committee**”) of a set of corporate governance guidelines and principles that are specifically applicable to the Corporation.

2. The Board shall approve the nomination of directors to the Board, as well as:
 - (a) ensure that a majority of the Corporation's directors have no direct or indirect material relationship with the Corporation and determine who, in the reasonable opinion of the Board, are independent pursuant to applicable legislation, regulation and listing requirements;
 - (b) develop appropriate qualifications and criteria for the selection of Board members.
3. The Board shall appoint the chairman of the Board (the "**Chairman**") and the chairman and members of each committee of the Board, in consultation with the relevant committee of the Board.
4. In collaboration with the Governance and Compensation Committee, the Board may offer an orientation and continuing education program for newly appointed directors.
5. The Board shall review the disclosure relating to corporate governance practices in the Corporation's public disclosure documents and may conduct a periodic review of the relationship between management and the Board, particularly in a view to ensure effective communication and the flow of information to directors in a timely manner.
6. The Board may assess annually the effectiveness and contribution of the Board, the Chairman, each committee of the Board and their respective chairmen and individual directors.
7. The Board shall approve position descriptions for the Chairman and the chairman of each Board committee. The Board may review such position descriptions from time to time.
8. Generally, the Board shall act and function independently from management in fulfilling its fiduciary obligations.

C. *Chief Executive Officer, Officers and Compensation and Benefits Policies*

1. The Board shall appoint the CEO and all other officers of the Corporation.
2. In collaboration with the CEO, the Board shall develop a written description of the role of the CEO, which includes a description of his management duties.
3. The Board may develop the goals and objectives that the CEO is responsible for meeting and review the performance of the CEO against such goals and objectives.
4. The Board shall approve the Corporation's compensation policy for directors, if any.
5. The Board shall approve all forms of compensation for the CEO.

6. The Board shall approve the Corporation's compensation and benefits (including pension plans) policy or any changes thereto for officers and other senior management personnel.
7. The Board shall satisfy itself as to the integrity of the CEO, other officers and senior management personnel and that the CEO, other officers and senior management personnel create a culture of integrity throughout the organization.
8. The Board shall provide stewardship in respect of succession planning, including the appointment, training and monitoring of the CEO, other officers and senior management personnel as well as of the chairmen of the Board and its committees.

D. *Risk Management, Capital Management and Internal Controls*

1. The Board may identify and assess periodically the principal risks of the Corporation's business, and ensure the implementation of appropriate systems to manage these risks.
2. The Board shall ensure the integrity of the Corporation's internal control over financial reporting, management of information systems, disclosure controls and procedures, financial disclosure and the safeguarding of the Corporation's assets.
3. Together with the Audit Committee, the Board shall review, approve and oversee the Corporation's disclosure controls and procedures.

E. *Communications*

1. In collaboration with the CEO, the Board may review the Corporation's disclosure and insider trading policies, including measures for receiving feedback from the Corporation's stakeholders, and management's compliance with such policy.
2. In collaboration with management, the Board shall meet with the Corporation's shareholders at the annual meeting and be available to respond to questions at that time.
3. The Board shall monitor investor relations programs and communications with analysts, the media and the public.
4. The Board approves, and as required, oversees compliance of the Corporation's disclosure and insider trading policies by directors, officers and other management personnel and employees.

F. *Financial Reporting, Auditors and Transaction*

1. The Board shall review and approve, as required, the Corporation's financial statements and related financial information.
2. The Board shall appoint, subject to approval of shareholders (including terms and review of engagement), and remove the Corporation's auditors.

3. The Board shall delegate (to the extent permitted by law) to the CEO, other officers and management personnel appropriate powers to manage the business and affairs of the Corporation.

G. *Committees of the Board*

1. Subject to applicable law, the Board shall establish, if needed, other Board committees or merge or dispose of any Board committee in addition to the Audit Committee and the Governance and Compensation Committee.
2. The Board shall review the appropriate structure, size, composition, mandate and members for each Board committee, and approve any modifications to such items as considered advisable. The Board may review, from time to time, each charter of the Board committees and consider any suggested amendments for approval. In addition, the Board may institute procedures to ensure that the Board and the Board committees function independently of management.
3. To facilitate communication between the Board and each of the Board committees, each committee chairman shall provide a summary and, to the extent necessary, a report, to the Board on material matters considered by the committee at the first Board meeting following the committee's meeting.

H. *Meetings of the Board*

1. The Board shall meet at least once in each quarter, and additional meetings may be held as deemed advisable. The Chairman shall be primarily responsible for the agenda and for supervising the conduct of any Board meeting. Any director may propose the inclusion of items on the agenda, request the presence of, or a report by any member of senior management, or at any Board meeting raise subjects that are not on the agenda for that meeting.
2. The Board shall conduct meetings of the Board in accordance with the Corporation's articles and by-laws.
3. The secretary of the Corporation (the "**Corporate Secretary**"), his or her designate or any other person the Board requests, shall act as secretary of Board meetings. Minutes of Board meetings shall be recorded and maintained by the Corporate Secretary, or any other person acting in such capacity, and subsequently presented to the Board for approval.
4. The independent members of the Board may hold regularly scheduled meetings, or portions of regularly scheduled meetings, at which non-independent directors and members of management are not present.
5. Each director is expected to attend all meetings of the Board and any committee of which he or she is a member.
6. The Board shall have unrestricted access to management and employees of the Corporation (including, for greater certainty, its affiliates, subsidiaries and their respective operations).

I. *Composition of the Board*

1. The composition and organization of the Board, including the number, qualifications and remuneration of directors, the number of Board meetings, Canadian residency requirements, quorum requirements, meeting procedures and notices of meetings shall comply with applicable requirements of the *Canada Business Corporations Act*, the securities laws and regulations applicable in the Province of Québec and the articles and by-laws of the Corporation, subject to any exemptions or relief that may be granted from such requirements from time to time.
2. The Board may establish a maximum retirement age.

J. *Other*

1. The Board may review and approve, as required, the Corporation's environmental policies and related management systems.
2. The Board shall perform any other function as prescribed by law or as not delegated by the Board to one of the committees of the Board or to management personnel.
3. This Board Charter is a statement of broad policies and is intended as a component of the flexible governance framework within which the Board, assisted by its committees, directs the affairs of the Corporation. While it should be interpreted in the context of all applicable laws, regulations and listing requirements, as well as in the context of the Corporation's articles and by-laws, it is not intended to establish any legally binding obligations.

K. *Limitations on Board's duties*

1. Nothing contained in this Charter is intended to expand applicable standards of conduct under statutory or regulatory requirements for the directors of the Corporation.
2. Members of the Board 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.