

CRITICAL ELEMENTS LITHIUM CORPORATION

(an exploration company)

MANAGEMENT DISCUSSION AND ANALYSIS

For the year ended August 31, 2026

This management discussion and analysis (”MD&A”) of Critical Elements Lithium Corporation (“Critical Elements” or the “Corporation”) complies with Rule 51-102A of the Canadian Securities Administrators regarding continuous disclosure.

The MD&A is a narrative explanation, through the eyes of the management of Critical Elements, of how the Corporation performed during the year ended August 31, 2026, and of the Corporation’s financial condition and future perspectives or opportunities. This discussion and analysis supplements, but does not form part of, the audited financial statements for the year ended August 31, 2026. It reports on the Corporation’s performance for the year ended August 31, 2026, and should therefore be read in conjunction with the audited financial statements as at August 31, 2026 and the notes thereto. This review was prepared by management with information available as at the date of the MD&A.

The financial statements have been prepared in accordance with the International Financial Reporting Standards (“IFRS”) accounting standards.

All figures are in Canadian dollars unless otherwise stated. Additional information relating to the Corporation can be found on SEDAR + at www.sedarplus.ca. The shares of Critical Elements are listed on the TSX Venture Exchange under the symbol CRE, on the American Over-The-Counter QX stock exchange (OTCQX) under the symbol CRECF and on the Frankfurt Exchange under the symbol F12.

DATE

The MD&A was prepared on the basis of information available as at November 12, 2026.

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

All statements, other than statements of historical fact, contained in this MD&A including, but not limited to, those relating to (i) management’s belief that the Corporation has sufficient funds to meet its obligations and planned expenditures for the ensuing twelve months as they fall due, (ii) the Corporation’s ability to secure additional financing in the future to complete the construction and commissioning of its Rose Lithium-Tantalum project and meet its financial needs, (iii) the successful completion of the current environmental assessment and permitting process to advance the Rose Lithium-Tantalum project, (iv) the development plans and timeline for the Rose Lithium-Tantalum project, (v) the results and operational highlights of the feasibility study on the Rose Lithium-Tantalum project, (vi) the Rose Lithium-Tantalum project timeline, (vii) lithium demand growth and trends, (viii) the expected unfolding of construction and commissioning as well as the anticipated start of production at the Corporation’s Rose Lithium-Tantalum project and, (ix) the engineering study, (x) the results of such study and lithium hydroxide plant feed, (xi) the capacity and production, (xii) the mineral reserve estimates, (xiii) the mineral resource estimates, (xiv) the capital and operating costs estimates, (xv) the timing and amount of future production, (xvi) the costs of production, (xvii) the success of mining operations, (xviii) the ranking of the Rose Lithium-Tantalum project in terms of cash cost and production, (xix) the permitting, economic return estimates, (xx) the power and storage facilities, (xxi) the life of mine, (xxii) the social, community and environmental impacts, (xxiii) the lithium and tantalum markets and sales prices, (xxiv) the off-take agreements and purchasers for the Corporation’s products, (xxv) the environmental assessment and permitting, (xxvi) the securing sufficient financing on acceptable terms, (xxvii) the opportunities for short and long term optimization of the Rose Lithium-Tantalum project, (xxviii) the continued positive discussions and relationships with local communities and stakeholders, (xxvix) statements relating of the 2025 and 2026 exploration programs, (xxx) any information as to the future plans and outlook for the Corporation, constitute "forward-looking information" or "forward-looking statements" within the meaning of certain securities laws, and are based on expectations, estimates and projections as of the time of this MD&A. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Corporation as of the time of such statements, are inherently subject to significant business, economic and competitive uncertainties and contingencies. These estimates and assumptions may prove to be incorrect. Moreover, these forward-looking statements were based upon various underlying factors and assumptions, including the timely delivery and installation of the equipment supporting the production, the

Corporation's business prospects and opportunities and estimates of the operational performance of the equipment, and are not guarantees of future performance.

The words "anticipates", "plans", "expects", "indicate", "intend", "scheduled", "estimates", "forecasts", "guidance", "initiative", "outlook", "potential", "projected", "pursue", "strategy", "study", "targets", or "believes", or variations of or similar such words and phrases or statements that certain actions, events or results "may", "could", "would", or "should", "might", or "way forward", "will be taken", "will occur" or "will be achieved" and similar expressions identify forward-looking statements. Forward-looking information and statements are subject to known or unknown risks and uncertainties that may cause actual results to differ materially from those anticipated or implied in the forward-looking information and statements. Risk factors that could cause actual results or events to differ materially from current expectations include, among others, the lack of revenue, the Corporation's dependence upon the Rose Lithium-Tantalum property, the exploration and mining risk, the title of property, the permits and licenses, the dividend policy, the conflicts of interest, the key employees, the labour relations, the mineral explorations and development activities inherently risky, the estimates of mineral resources and mineral reserves, the nature of the Corporation's business, the unanticipated metallurgical processing problems, the life of mine plan, the need for funding and time of development, the construction and start-up of new mines and industrial plants, the infrastructures, supplies and inflation, the equipment shortages and access restrictions, the litigation and others legal proceedings, the climate change, the resource exploration and development is generally speculative in nature, the metal prices, the volatility of share price and market price of the common shares, the dilution, the sales per existing shareholders, the competition, the environmental and safety regulations, the environmental liabilities, the costs of environmental remediation, the stage of development, the uninsured hazard, the future financing, the Canada Revenue Agency, the public company obligations, the lithium demand as well as the change in technology. Unpredictable or unknown factors not discussed in this Cautionary Statement could also have material adverse effects on forward-looking statements. Many of these uncertainties and contingencies can directly or indirectly affect, and could cause, actual results to differ materially from those expressed or implied in any forward-looking statements. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Forward-looking statements are provided for the purpose of providing information about management's expectations and plans relating to the future. Readers are cautioned not to place undue reliance on these forward-looking statements as a number of important risk factors and future events could cause the actual outcomes to differ materially from the beliefs, plans, objectives, expectations, anticipations, estimates, assumptions and intentions expressed in such forward-looking statements. Such risk factors are more particularly set out hereinafter, under the section titled "Risks Factors" of this MD&A. The Corporation disclaims any intention or obligation to update or revise any forward-looking statements or to explain any material difference between subsequent actual events and such forward-looking statements, except to the extent required by applicable law.

NATURE OF ACTIVITIES

Critical Elements Lithium Corporation is incorporated under the Canada Business Corporations Act. The purpose of the Corporation is profitably delivering responsibly sourced lithium for sustainable green energy solutions through partnerships with all stakeholders. The Corporation is involved in the acquisition, exploration, development and processing of critical minerals mining properties. The Corporation is active in Canada.

The Corporation's vision is to be a global leading low-cost lithium producer aiming to positively contribute to global decarbonization and to position itself as an employer of choice, trusted partner for the communities and governments where it operates, as well as investors, customers and suppliers.

The Corporation's strategy is to develop and operate the Rose Lithium-Tantalum project ("Rose" or "the Project"), a high-purity spodumene deposit in Eeyou Istchee, Quebec, Canada, to continue to unlock value through active exploration of a land package of over 1,016 square kilometers and to achieve this vision with minimal environmental impact, including leveraging low carbon electricity available through Québec's established power grid, and in cooperation with the Cree Nation of Eastmain and other local Cree Nations communities, with whom relationships have been formalized.

HIGHLIGHTS

- On December 5, 2025, the Corporation closed a bought deal private placement for total gross proceeds of $7,000,000.20. The placement consisted of 7,500,000 common shares of the Corporation at a price of $0.40 per share, and 6,666,667 common shares sold to charitable purchasers and issued as flow-through shares at a price of $0.60 per share. Red Cloud Securities Inc. acted as sole underwriter and bookrunner. It received a cash fee of $420,000.01 and 850,000 broker warrants entitling it to acquire 850,000 common shares at a price of $0.40 per share until December 5, 2027.

- On June 9, 2026, the Corporation granted 238,607 deferred share units at a price of $1.90 per unit and 639,662 deferred share units at a grant price of $0.73 per unit. The Corporation also granted 372,632 restricted share units at a grant price of $1.90 per unit and 1,025,206 restricted share units at a grant price of $0.73 per unit. These deferred share units and restricted share units relate to fiscal years 2024 and 2025 were granted based on the share price on the date the Compensation Committee made its recommendation to the Board of Directors.

- During the year ended August 31, 2026, the Corporation implemented a drilling program consisting of a minimum of 10,000 metres at the Rose West Discovery. The work completed to date expanded the mineralized zone and confirmed the continuity of several lithium-and tantalum-rich pegmatites.

OVERALL PERFORMANCE

ROSE LITHIUM-TANTALUM – LITHIUM, TANTALUM PROJECT

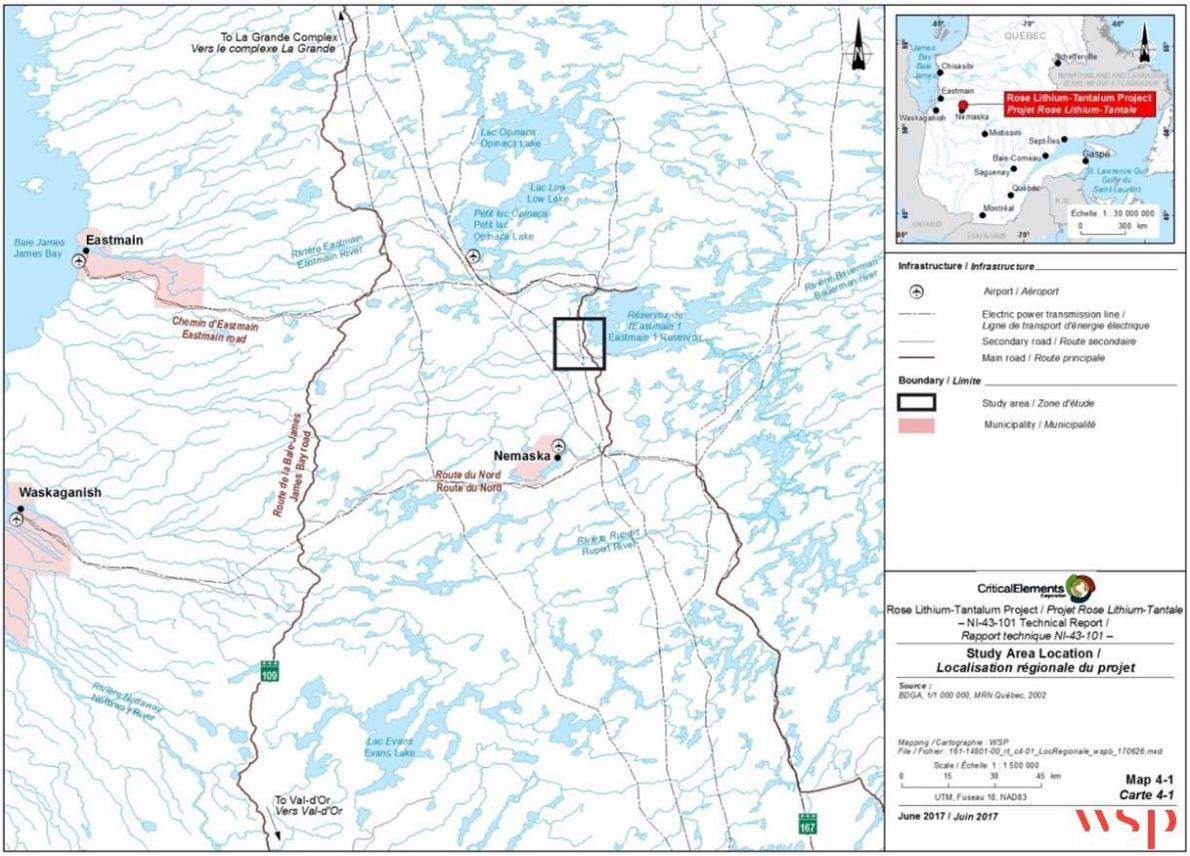
Property Description

The Rose Lithium-Tantalum property is located in northern Québec's administrative region, on the territory of Eeyou Istchee James Bay. It is located on Category III land, on the Traditional Lands of the Eastmain Community, approximately 40 km north of the Cree village of Nemaska. The latter is located approximately 300 km north-west of Chibougamau.

The Rose Lithium-Tantalum property is accessible by road via the Route du Nord and Eastmain-1 Road, usable all year round from Chibougamau. The mine site can also be reached by Matagami, via Route 109, Route du Nord. Figure below shows the regional location of the Project. The Project is located 80 km south of Goldcorp's Éléonore gold mine and 45 km north-west of Nemaska's Whabouchi lithium project and 20 km south of Hydro-Québec's Eastmain 1 hydroelectricity generating plant. The Nemiscau airport services the regions air travel needs. The Rose Lithium-Tantalum property site is located 50 km by road from the Nemiscau airport.

The Rose Lithium-Tantalum property comprises 502 Exclusive Exploration Right ("EER") spread over a 26,034 hectares area (including 29 EER (1,535 hectares)) acquired by map staking and a mining lease representing 157 hectares. Geologically, the Rose Lithium-Tantalum property is located at the north-east end of the Archean Lake Superior, Province of the Canadian Shield.

Figure 1 - Rose Property Location



The Technical Report was prepared in compliance with the standards required by National Instrument 43-101 Standards of disclosure for mineral projects ("NI 43-101") and Form 43-101F1. The Corporation filed the Technical Report on Sedar + on October 11, 2023.

The Feasibility Study was prepared in accordance to NI 43-101 by WSP Canada Inc. (WSP), Bumigeme Inc, and InnovExplo Inc. InnovExplo was responsible for the resource estimate and the mine plan, Bumigeme was responsible for the mineral processing, WSP was responsible for environmental study, project infrastructure, financial modelling, and report integration. Information regarding the outlook for lithium comes from a market study prepared by Mr. Gerrit Fuelling on behalf of the Corporation. Mr. Fuelling is an independent consultant specializing in the lithium market.

The qualified persons for the study are:
InnovExplo Inc.
- Carl Pelletier, P.Geo, Geologist
- Simon Boudreau, P.Eng, Mining Engineer

Bumigeme
- Florent Baril, Eng, Metallurgical Engineer

WSP
- Eric Poirier, P.Eng, PMP, Project Manager
- Paul Gauthier, P.Eng., Mining Engineer
- Olivier Joyal, P.Geo, Geologist

Highlights:

- Expected 17-year mine life

- Average production Year 2-17: 157,706 tonnes of chemical grade 5.56% spodumene concentrate
- Average production Year 2-17: 46,059 tonnes of technical grade 6.16% spodumene concentrate
- Average production Year 2-17: 580 tonnes of tantalum concentrate
- Average operating costs: US$81.30 per tonne milled, US$587 per tonne of concentrate (all concentrate production combined)
- Estimated initial capital cost: US$471 million (before working capital)
- Average gross margin: 78.8%
- After-tax $NPV_{8\%}$ of US$2,195 million, after-tax IRR of 65.7%
- Anticipated construction time: 21 months to start of production
- Average price assumptions of US$4,699 per tonne technical grade lithium concentrate, US$2,162 per tonne chemical grade lithium concentrate and US$150 per kg tantalum pentoxide (Ta_2O_5)

The feasibility is based on a conventional truck and shovel open pit operation and a conventional milling process to produce technical and chemical grade spodumene concentrates and a tantalite concentrate.

The mine will excavate a total of 26.3M tonnes ore grading an average of 0.87% Li_2O and 138 ppm Ta_2O_5 after dilution. The mill will process 1.61M tonnes of ore per year to produce an annual average of 203,765 tonnes of technical and chemical grade spodumene concentrates and 580 tonnes of tantalite concentrate. The ore is contained in several parallel and continuous shallow dipping pegmatite dykes outcropping on surface. The ore zones are open at depth and a future underground operation is possible.

Over the life of mine, the open pit will excavate a total of 182.4M tonnes of waste rock and 10.9 M tonnes of overburden. The average strip ratio is 7.3 tonnes of stripping per tonne of ore.

Table 1 - Rose Key Feasibility Study Results

Item	Units	Value
Production		
Project Life (from start of construction to closure)	years	19
Mine Life	years	17
Total Mill Feed tonnage	M t	26.3
Average Mill Feed grade		
Li_2O	% Li_2O	0.87
Ta_2O_5	ppm Ta_2O_5	138
Lithium Concentrate Production		
% of Production, Chemical Grade	%	75
% of Production, Technical Grade	%	25
Mill Recoveries		
Li_2O, Chemical Grade	%	87.4
Li_2O, Technical Grade	%	84.8
Ta_2O_5	%	54.4
Concentrate grade		
Li_2O, Chemical Grade	%	5.56
Li_2O, Technical Grade	%	6.16
Ta_2O_5 Grade	%	20.00
Payable		
5.56% Li_2O Concentrate, Chemical Grade	t	2,681,000
6.16% Li_2O Concentrate, Technical Grade	t	783,000
Ta_2O_5 Contained in Concentrate	kg	1,971,000

Commodity Prices		
5.5% Li_2O Concentrate, Chemical Grade	US$/$t_{conc.}$	2,162
6% Li_2O Concentrate, Technical Grade	US$/$t_{conc.}$	4,699
Ta_2O_5 Contained in Concentrate	US$/$kg_{contained}$	150
Exchange rate 1.00 US$: 1.30 CAN$		
0.77 US$: 1.00 CAN$		

Item	Units	Value	Value
Project Costs		**CA$**	**US$**
Average Mining Cost	$/t milled	35.13	27.05
Average Milling Cost	$/t milled	27.00	20.79
Average General & Administrative Cost	$/t milled	20.70	15.94
Average Concentrate Transport Costs	$/t milled	22.76	17.52
Project Economics		**CA$**	**US$**
Gross Revenue	$M	12,692	9,772
Total Selling Cost Estimate	$M	161	124
Total Operating Cost Estimate	$M	2,776	2,137
Total Sustaining Capital Cost Estimate	$M	310	239
Total Capital Cost Estimate	$M	611	471
Duties and Taxes	$M	3,688	2,840
Average Annual EBITDA	$M	599	461
Average Gross Profit Margin	%	78.8%	
Pre-Tax Cash Flow	$M	8,835	6,803
After-Tax Cash Flow	$M	5,147	3,963
Effective Tax Rate	%	41.7%	
Discount Rate	%	8.0%	
Pre-Tax Net Present Value @ 8%	$M	5,048	3,887
Pre-Tax Internal Rate of Return	%	95.9%	
Pre-Tax Payback Period	years	1.3	
After-Tax Net Present Value @ 8%	$M	2,851	2,195
After-Tax Internal Rate of Return	%	65.7%	
After-Tax payback Period	years	1.8	

Reserve Estimate

A Mineral Reserve Estimate for 17 mineralized zones was prepared during this study. The estimation assumed the production of a chemical grade spodumene concentrate with a price of US$20 per kg Li_2O and a tantalite concentrate with a price of US$130 per Kg of Ta_2O_5. The recoveries were fixed at 85% and 64% for lithium and tantalum, respectively. The grade-recovery curve used for resource estimate, which became available after the mineral reserves were evaluated, was verified and found to have little influence on the reserve estimate. The production of a higher value technical grade spodumene concentrate was not assumed in the reserve estimate.

Based on compilation status, metal price parameters, and metallurgical recovery inputs, the effective date of the estimate is August 1, 2023.

The estimate was prepared in accordance with CIM's standards and guidelines for reporting mineral resources and reserves.

Table 2 displays the results of the Mineral Reserve Estimate for the Rose Lithium-Tantalum project at the $44.80 net smelter return ("NSR") per tonne cut-off for the open-pit scenario.

Table 2 - Mineral Reserve Estimate

	Tonnage	NSR	Li_2O_eq	Li_2O	Li_2O	Ta_2O_5	Ta_2O_5
Category	**(Mt)**	**($)**	**(%)**	**(%)**	**(000 t)**	**(ppm)**	**(000 t)**
Probable	26.3	165	0.92	0.87	193.8	138	2.3
Total	**26.3**	**165**	**0.92**	**0.87**	**193.8**	**138**	**2.3**

- The Independent and Qualified Person for the Mineral Reserve Estimate, as defined by National Instrument 43-101 – Standards of Disclosure for Mineral Project ("NI 43-101"), is Simon Boudreau, P.Eng, of InnovExplo Inc. The effective date of the Mineral Reserve Estimate is August 1st, 2023.
- The model includes 17 mineralized zones.
- Calculations used metric units (metres, tonnes and ppm).
- The number of metric tons was rounded to the nearest thousand. Any discrepancies in the totals are due to rounding effects. Rounding followed the recommendations in NI43-101.
- InnovExplo is not aware of any known environmental, permitting, legal, title-related, taxation, socio-political, marketing or other relevant issue that could materially affect the Mineral Reserve Estimate.

Resource Estimate

The current Mineral Resource Estimate ("MRE") is primarily based on changes made to the NSR parameters, supported by new assumptions concerning metal prices and the creation of potentially mineable shape to constrain the MRE for the potential underground extraction scenario. No changes to the interpretation and interpolation parameters were deemed necessary. The mineral resource model for the current MRE is based largely upon the model generated for the 2011 PEA.

The effective date of the estimate is August 1st, 2023, based on compilation status, metal price parameters, metallurgical recovery inputs and creation of the constraining volume.

Given the density of the processed data, the search ellipse criteria, the drill hole density and the specific interpolation parameters, the QP is of the opinion that the current MRE can be classified as Indicated and Inferred resources. The estimate was prepared in accordance with CIM's standards and guidelines for reporting mineral resources and reserves.

Table 3 displays the results of the MRE for the Rose Lithium-Tantalum project using CA$31.40 NSR/t cut-off for the open-pit potential extraction scenario and CA$121.12 NSR cut-off for the underground potential extraction scenario.

Table 3 - Mineral Resource Estimate

Category		Tonnage	NSR	Li_2O_Eq	Li_2O	Ta_2O_5
			(CA$)	(%)	(%)	(ppm)
Indicated	Pit	29,922,000	185	1.03	0.93	145
	Underground	624,000	177	0.96	0.91	82
	Total Indicated	30,561,000	185	1.03	0.93	118
Inferred	Pit	1,787,000	149	0.86	0.77	138
	Underground	597,000	150	0.87	0.80	101
	Total Inferred	2,384,000	149	0.86	0.78	129

- The Independent and Qualified Person for the Mineral Resource Estimate, as defined by NI 43-101, is Carl Pelletier, P.Geo., of InnovExplo Inc. The effective date of the estimate is August 1st, 2023. The MRE follow 2014 CIM Definition Standards and the 2019 CIM MRMR Best Practice Guidelines.

- These Mineral Resources are not Mineral Reserves as they do not have demonstrated economic viability.
- The model includes 24 mineralized zones.
- The reasonable prospect for eventual economic extraction is met by having constraining volumes applied to any blocks (potential open -pit or underground extraction scenario) using Whittle and the Deswik Stope Optimizer (DSO) and by the application of cut-off grades. The mineral resource is reported at a cut-off of CA$31.40 NSR for the open-pit potential; and of CA$121.12 NSR for the underground potential based on market conditions (metal price, exchange rate and production cost).
- A range of densities was used on a per-zone basis based on statistical analysis of all available data.
- A minimum true thickness of 2.0 m was applied, using the grade of the adjacent material when assayed or a value of zero when not assayed.
- High grade capping was done on raw assay data based on the statistical analyses of individual mineralized zones.
- Compositing was done on drill hole intercepts falling within mineralized zones (composite lengths vary from 1.5 m to 3.0 m to distribute the tails adequately).
- Resources were evaluated from drill holes using a 2-pass OK interpolation method in a block model (block size = 5 m x 5 m x 5 m).
- The inferred category is only defined within the areas where blocks were interpolated during pass 1 or pass 2 where continuity is sufficient to avoid isolated blocks being interpolated by only one drill hole. The indicated category is only defined by blocks interpolated by a minimum of two drill holes in areas where the maximum distance to the closest drill hole composite is less than 40 m for blocks interpolated in pass 1.
- Results are presented in-situ. The number of metric tons was rounded to the nearest thousand. Any discrepancies in the totals are due to rounding effects. Rounding followed the recommendations in NI 43-101.
- The qualified persons are not aware of any known environmental, permitting, legal, title-related, taxation, socio-political or marketing issues, or any other relevant issue, that could materially affect the potential development of mineral resources other than those discussed in the MRE.

Feasibility Study

The parameters used for the feasibility study are the following:

- Open pit mining rate of 1,610,000 tpy
- Spodumene process plant with a 4,600 tpd capacity

Mining Operation

The mineralization is hosted within outcropping pegmatite dykes subparallel to surface. The ore body is relatively flat, close to surface and comprised of north oriented stacked lenses. Mineralization recognized to date on the Rose property includes rare elements of Lithium-Cesium-Tantalum or LCT-type pegmatites and molybdenum occurrences.

A conventional truck and shovel open-pit approach was considered to mine the Rose Lithium-Tantalum project's Probable Mineral Reserves. The dimensions of the engineered pit design are approximately 1,620m long x 900m wide x 200m deep.

The life of mine plan (LOM) proposes to mine 26.3 Mt of ore, 182.4 Mt of waste, and 10.9 Mt of overburden for a total of 219.6Mt of material. The average stripping ratio is 7.3 tonnes of stripping per tonne of ore. The nominal production rate is estimated at 4,600 tonnes per day and 350 operating days per year.

The mining operation production rate is set to approximately 15 Mt of material per year. An open pit mining schedule was planned and resulted in a mine life of 17 years.

Critical Elements will excavate the mine using its own fleet of equipment and operators. However, it is anticipated that a mining contractor will excavate the overburden and ore during the construction period and part of the first year of operation.

The main production fleet will consist of one (1) backhoe excavator, one (1) electric front shovel, one (1) wheel loader, eight (8) haul trucks (65t each), seven (7) haul trucks (135t each), two (2) rotary drills, one

(1) DTH drill, two (2) bulldozers, one (1) wheel dozer, two (2) graders, one (1) auxiliary excavator, one (1) auxiliary wheel loader, and two (2) water trucks.

The Rose project pit was designed with a 10m single benching arrangement. A 57° inter-ramp angle and an overall pit slope angle of 55° were utilized for the ultimate pit design. A berm width of 7.0m corresponding to the recommended overall slope angle was used. The pit slopes in overburden have a face ratio of 2.5:1 with a 10m berm width.

The main in-pit haulage ramp is designed at 30.9m wide to allow a double-lane traffic, except for the last benches at the pit bottom that are designed at 20.4m wide for single lane traffic. A 2.0m drainage ditch is included to allow for water drainage and pipe installation. The maximum gradient of the inner curvature of all ramp segments is 10%.

Figure 2 – Rose Pit Plan View

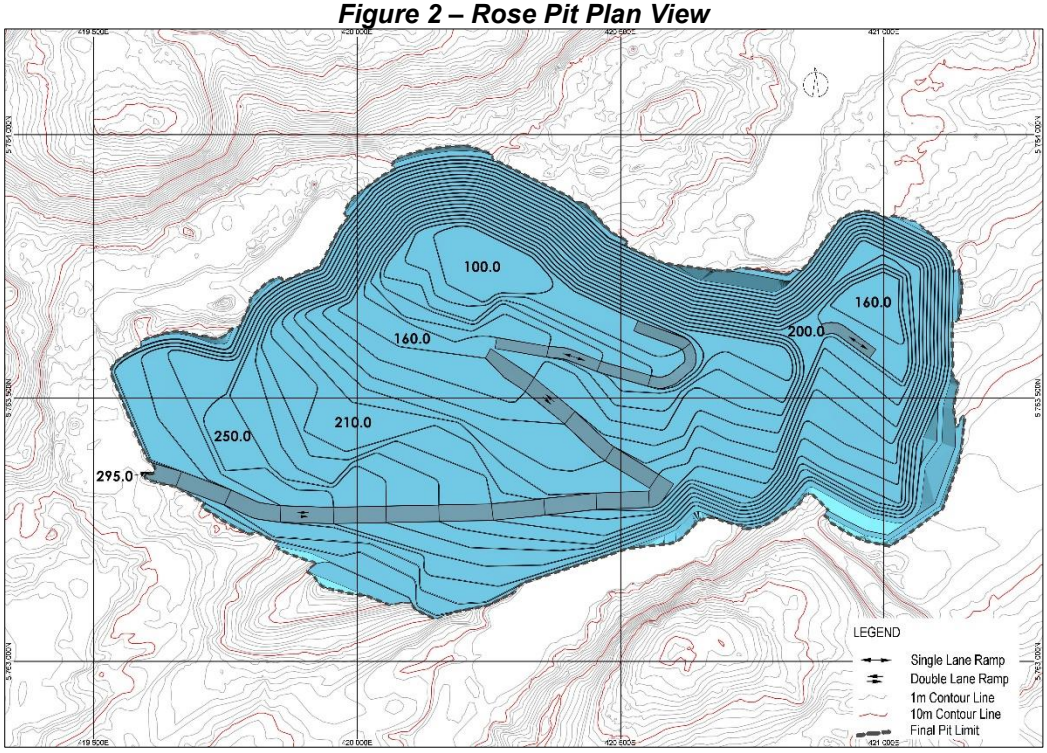
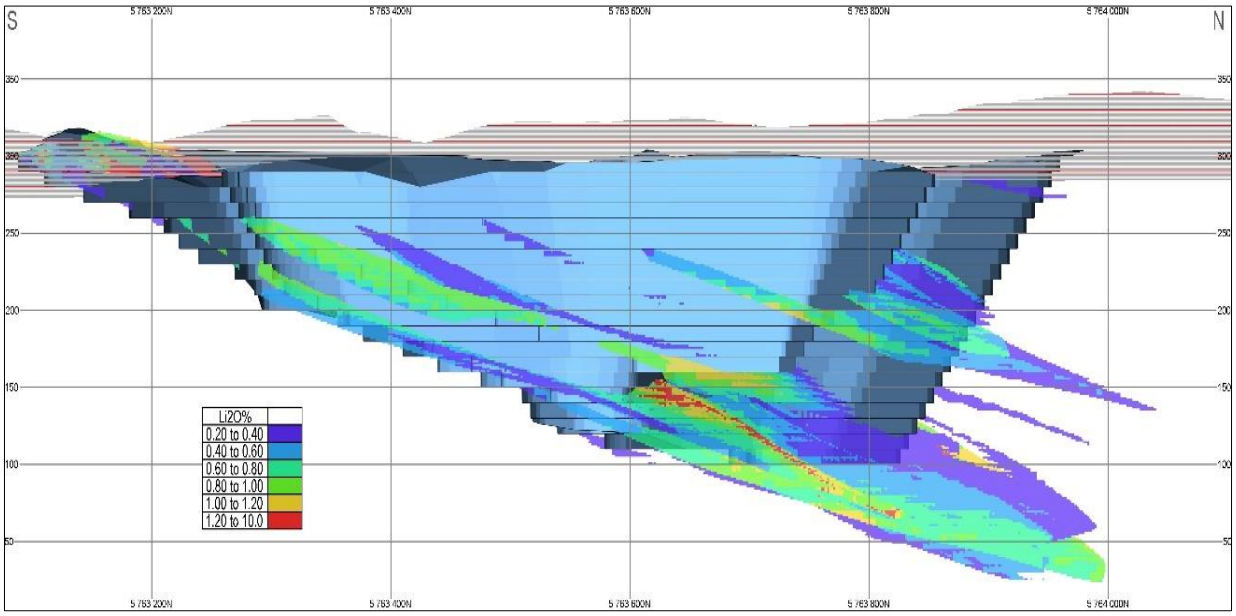


Figure 3 – Rose Pit Side View Looking West



Mineral Processing

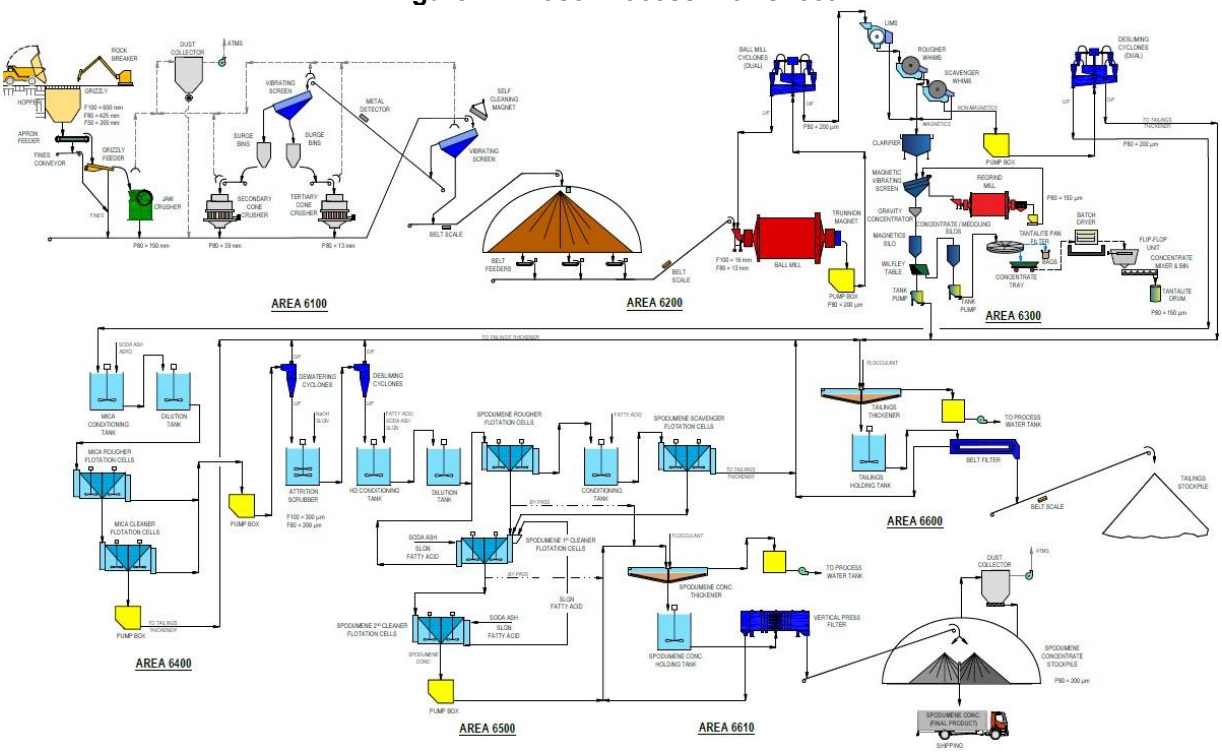
A standard froth flotation process will be utilized to produce technical grade and chemical grade lithium concentrates and a tantalum concentrate. The mineral process plant will consist of crushing, beneficiation, and dewatering areas. The technical grade lithium concentrate will grade 6.16% Li_2O while the chemical grade lithium concentrate will grade 5.56% Li_2O. The tantalum concentrate will grade 20% Ta_2O_5.

The beneficiation process includes crushing, grinding, magnetic separation and flotation. The crushing circuit will consist of a jaw crusher and two (secondary and tertiary) cone crushers, and screens. The crushed ore will have a P80 of 13 mm and will be stockpiled in a 24-hour live capacity dome. The grinding circuit will consist of a ball mill operating in a closed circuit with a set of cyclones. The tantalum will first be recovered at a grade of 2.0% Ta_2O_5 by high intensity magnetic separation then upgraded further to 20.0% Ta_2O_5 by gravity separation. Tantalum concentrate will be thickened, filtered, dried to 1% moisture, and bagged for shipment. The lithium flotation circuit will include removal of slimes (particles less than 20 um) after magnetic separation followed by mica flotation, scrubbing, and spodumene flotation to the required grades. The spodumene concentrate will then be thickened, pressure filtered with a 5% moisture content, and stored in a dome with a capacity of 24 hours and then be transported by trucks and trains to the port. The flotation tailings will be thickened, vacuum filtered to 15% moisture or less, and trucked to the waste rock / tailings piles where it will be dry stacked.

The spodumene plant will operate 24 hours per day, 7 days per week, and 52 weeks per year. The process plant was designed with an operating availability of 90%. The crushing circuit was designed using an operating availability of 50%. The plant has a capacity of 1,610,000 tonnes per year or 4,900 dry tonnes per day including availability.

The process plant flowsheet developed by Bumigeme Inc. is presented in Figure 4.

Figure 4 – Rose Process Flowsheet



Metallurgy

Bench scale metallurgical testing was performed at ACME Metallurgical Limited in Vancouver in 2011. The results from these tests were used for the PEA study. Three composites; Rose (main structure), Rose South (South structure) and Tantalum (secondary structure with higher tantalum and lower lithium content) were subjected to various metallurgical tests.

SGS Canada Inc. in Lakefield conducted tests from 2013 to 2015 to improve lithium and tantalum recoveries. In 2015 SGS Canada Inc. developed a conceptual flowsheet based on a series of bench scale tests on various samples from the Rose deposit. The proposed flowsheet consists of conventional three-stage crushing and single stage grinding followed by magnetic separation for the recovery of tantalum, mica flotation, and spodumene flotation. This flowsheet was the basis of the process plant design.

SGS Canada also conducted a pilot plant program in early 2017 on two samples from the Rose project (Rose and Rose South). The main objective of the pilot plant program was to generate spodumene concentrate for testing in a lithium carbonate pilot plant which was conducted by Outotec in Germany and Finland. Secondary objectives were to prove metallurgical performance on a continuous pilot scale and to generate metallurgical and operating data for further studies. The spodumene pilot plant demonstrated the robustness of the design process.

The Feasibility Study assumes 84.8% and 87.4% recovery for technical and chemical grade lithium concentrates respectively and 54.4% minimum recovery for the tantalum concentrate.

Process water will be recycled releasing minimal amounts to the equalization pond and final effluent treatment plant.

Environmental and Social Impact Assessment

The final environmental impact assessment (EIA) was submitted to the governments of Canada and Quebec in February 2019. In August 2021, Critical Elements announced that the Federal Minister of Environment and Climate Change had rendered a favorable decision in respect of the proposed Rose project. In a Decision Statement, which included the conditions to be complied with by the Corporation, the Minister confirmed that the Project is not likely to cause significant adverse environmental effects when mitigation measures are taken into account.

In September 2022, the Comité d'examen des répercussions sur l'environnement et le milieu social, an independent body made up of members appointed by the governments of Québec and the Cree Nation and responsible for assessing and reviewing the Project's environmental and social impacts, recommended that the Project be authorized. Consequently, the Corporation received the Certificate of Authorization under Section 164 of the Quebec Environment Quality Act for the Project from the Quebec Minister of the Environment, Climate Change, Wildlife and Parks.

Now that the Project has been approved by government authorities, the Corporation must obtain the various permits required to build and operate the mine. A workers' camp, previously planned 25 km to the north, is expected to be set up some 4 km south of the mine site, under the Corporation's responsibility.

On February 20, 2024, the Corporation received three industrial occupancy leases (storage and mining infrastructure) and tailings management facility leases, which are essential for the deployment of its Rose Lithium-Tantalum project.

On August 8, 2024, the Corporation received the amended certificate of authorization with the addition of the workers' camp for the Rose project from the Ministère de l'Environnement, de la Lutte contre les changements climatiques, de la Faune et des Parcs du Québec.

In October 2024, the Corporation received the occupancy lease for its worker camp. This lease is granted by the *Ministère des Ressources naturelles et des Forêts* for a period of one year starting October 1st, 2024 and automatically renewed every year.

In February 2025, the Corporation obtains its first environmental authorization required for the implementation of site construction. This environmental authorization is the next essential step for site preparation leading to construction of the Project and permits the Corporation to carry out the following activities:

- Stripping of an equipment and materials storage area (in the area of the future pit);
- Stripping and developing part of the future overburden pile;
- Stacking of organic matter and overburden on the overburden pile; and
- Building temporary water management infrastructure.

In accordance with the terms of the environmental authorization received by the Corporation, wetland site preparation activities must begin within two years of the date of issue of the authorization. Furthermore, the Corporation expects to be in a position to commence the activities subject to this authorization once all the conditions and the required Project financing has been obtained and a Final Investment Decision is made.

In May 2025, the Corporation received an amended decision statement from the Minister of Environment and Climate Change of Canada. The amendments to the original decision statement issued on August 11, 2021, include the addition of the construction and development of a permanent workers' camp and the use of two borrow pits.

Critical Elements has been working since the beginning with the Eastmain Community, on whose Traditional Lands the Project lies. The Corporation has also maintained good relations with the Grand Council of the Cree and with the neighbouring Nation of Nemaska. Consultations are planned throughout

the life of the Project. In 2019, Critical Elements entered into an impact and benefits agreement with the Cree Nation of Eastmain, the Grand Council of the Cree (Eeyou Istchee), and the Cree Nation Government called the Pihkuutaau Agreement.

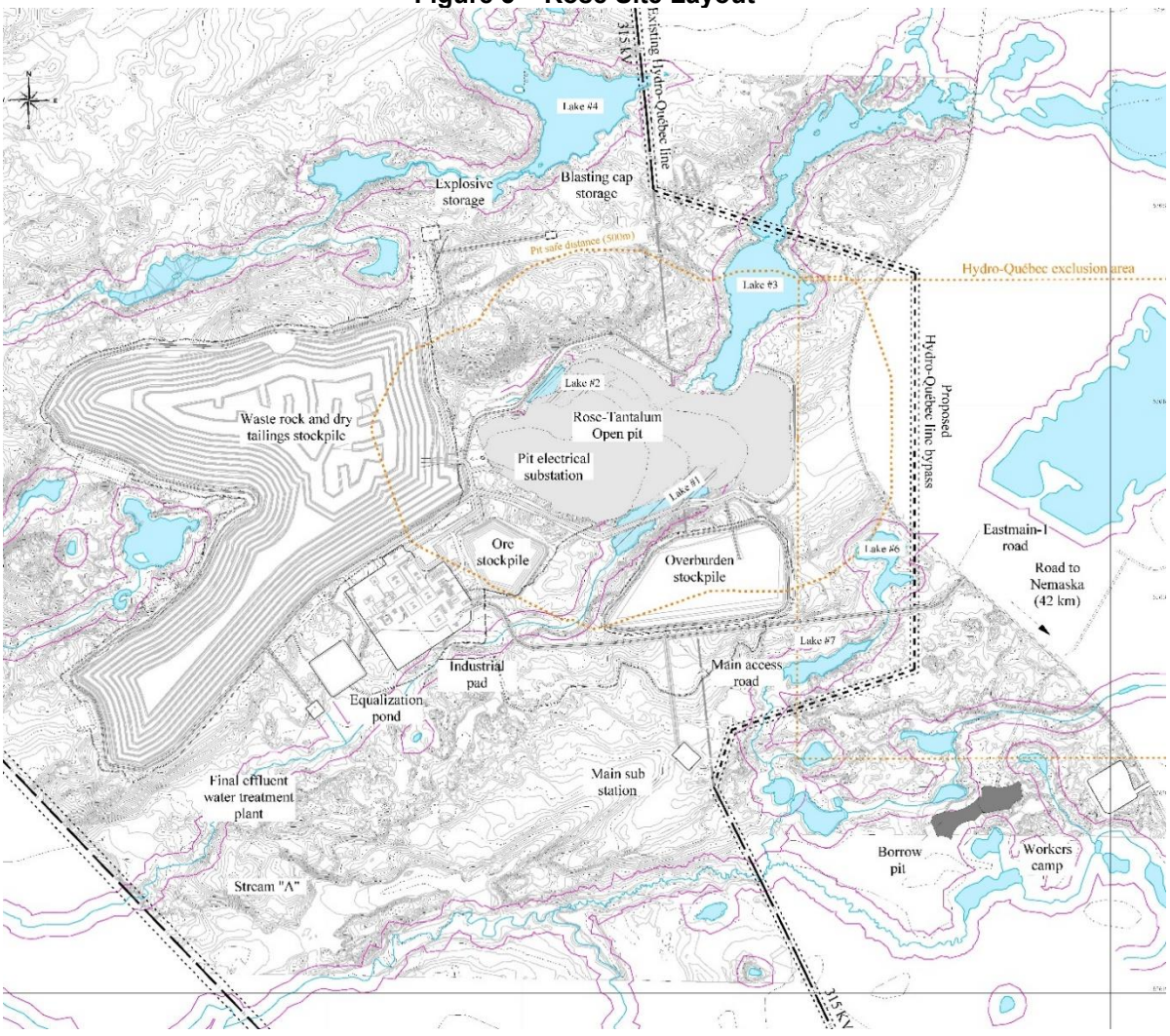
The Corporation's mine closure and restoration plan was accepted by the Ministry of Energy and Natural Resources of the Province of Québec (MERN) in May 2022.

Infrastructure

The Project infrastructure includes site main access, services and haulage roads, explosive and detonator storage, a spodumene processing plant, a maintenance facility, a warehouse, diesel and gasoline storage, ore stockpile, waste rock and dry tailings co-disposal stockpile, overburden stockpile, main electrical substation and distribution, fresh and potable water supply, sewage, surface water management, final effluent treatment, communication system, gate house, and an administrative building. A camp complex will be built near the junction between the site access and Eastmain 1 road.

The mine site layout is shown in Figure 5.

Figure 5 – Rose Site Layout



Waste rock and tailings samples were analyzed, and both were considered to be non-potentially acid generating. The dry tailings and the waste rock will be stored in the same facility which has sufficient

capacity for the life of mine. Rain and snow melt water will be collected in ditches and pumped to the water treatment plant.

The industrial pad has an area of 254,000 m^2 and will contain the process plant, the maintenance facility, warehouse, administration building, diesel and gasoline storage tanks, and all associated services. The ore pad will have an area of 105,000 m^2 where low-grade material may be stored.

The hydrology study has suggested that water inflow to the open pit is to be expected. To maximize pit slopes, water wells will be constructed around the pit periphery to lower the water table below the pit floor. One of these wells will be used to supply the site with fresh water. Water from the other wells will be directed to sedimentation ponds and treated, if necessary, before being released to the effluent.

Water from the waste rock / dry tailings stockpile, the open pit, the industrial pad, the overburden stockpile, and the roads will be collected in an equalization pond and treated before being released as final effluent.

The mine site will have a 2.7 km main access road from the Eastmain 1 road to the industrial pad. Including the service roads, the site will total 16 km of roads.

A 315 kV electrical transport line (L3176), owned by Hydro-Québec, runs North-South over the eastern side of the Rose Property. It runs over the planned open pit. The portion running over the open pit representing 4.2 km will be rerouted to allow open pit operation.

Pre-project studies for the site connection and the 315 kV transmission power line relocation were done in 2018. In compliance with the Act to cap the rate of indexation of Hydro-Québec's domestic distribution rates and to increase the framework of the obligation to distribute electricity (Québec), a formal application for a 21MW block of energy was filed with Hydro-Québec dated May 17, 2023. At this stage, although Hydro-Québec confirms that our project is of interest, the decision is postponed in view of the leeway currently available in the electricity sector and according to the Project schedule.

Figure 6 - Power line at Rose Site



Capital Costs

The capital and operating costs were estimated in Canadian dollars. An economic analysis was conducted with a discounted cash-flow before and after tax. The initial capital cost is estimated at US$471 M including all infrastructures described earlier with a 10% contingency. The sustaining capital is estimated at US$238 M over the life of mine.

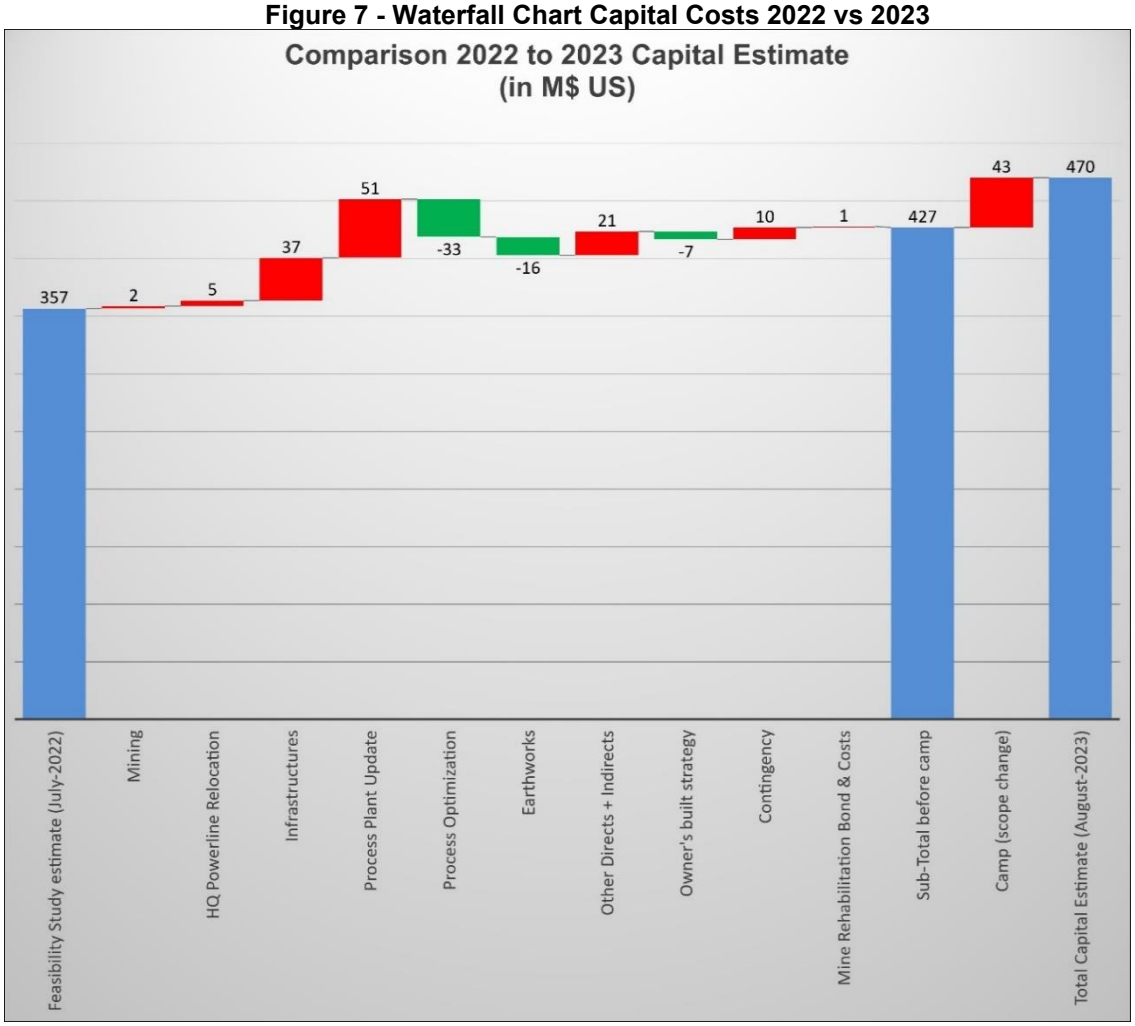
The total payable products are estimated at 2,681,000 tonnes of chemical grade 5.56% Li_2O concentrate, 783,000 tonnes of technical grade 6.16% Li_2O concentrate, and 1,971 tonnes of 20% Ta_2O_5 concentrate.

Table 4 – Initial Capital and Sustaining Capital Costs

Item	Initial Capital (C$M)	Sustaining Capital (C$M)	Initial Capital (US$M)	Sustaining Capital (US$M)
Direct Capital Estimate	**365.4**	**254.0**	**281.4**	**195.6**
Mine Open Pit	7.6	207.5	5.8	159.8
Stockpiles	7.0	19.2	5.4	14.8
Infrastructure	108.9	14.2	83.8	10.9
Process Plant	166.8	10.4	128.4	8.0
Auxiliary Buildings & Equipment	75.2	2.7	57.9	2.1
Indirect Capital Estimate	**189.1**	**0.5**	**145.6**	**0.4**
Owner's Costs	77.7	-	59.9	-
Indirect Costs	111.4	0.5	85.8	0.4
Contingency	55.5	25.4	42.7	19.6
Mine Rehabilitation (Incl. Contingency)	-	21.7	-	16.7
Mine Rehabilitation Bond & Costs	1.2	7.2	0.9	5.6
Total Capital Estimate	**611.2**	**308.9**	**470.6**	**237.8**

The waterfall chart of figure 7 illustrates the capital costs differences between 2022 and 2023 feasibility studies in US$.

Figure 7 - Waterfall Chart Capital Costs 2022 vs 2023



Operating Costs

The operating costs are estimated at US$81.30 per tonne of ore processed which include:

- Mining: US$27.05 per tonne processed
- Processing: US$20.79 per tonne processed
- G&A: US$15.94 per tonne processed
- Concentrate transportation: US$17.52 per tonne processed

The total operating costs are estimated at US$587/tonne of concentrate after Tantalite Credit, as summarized in Table 5.

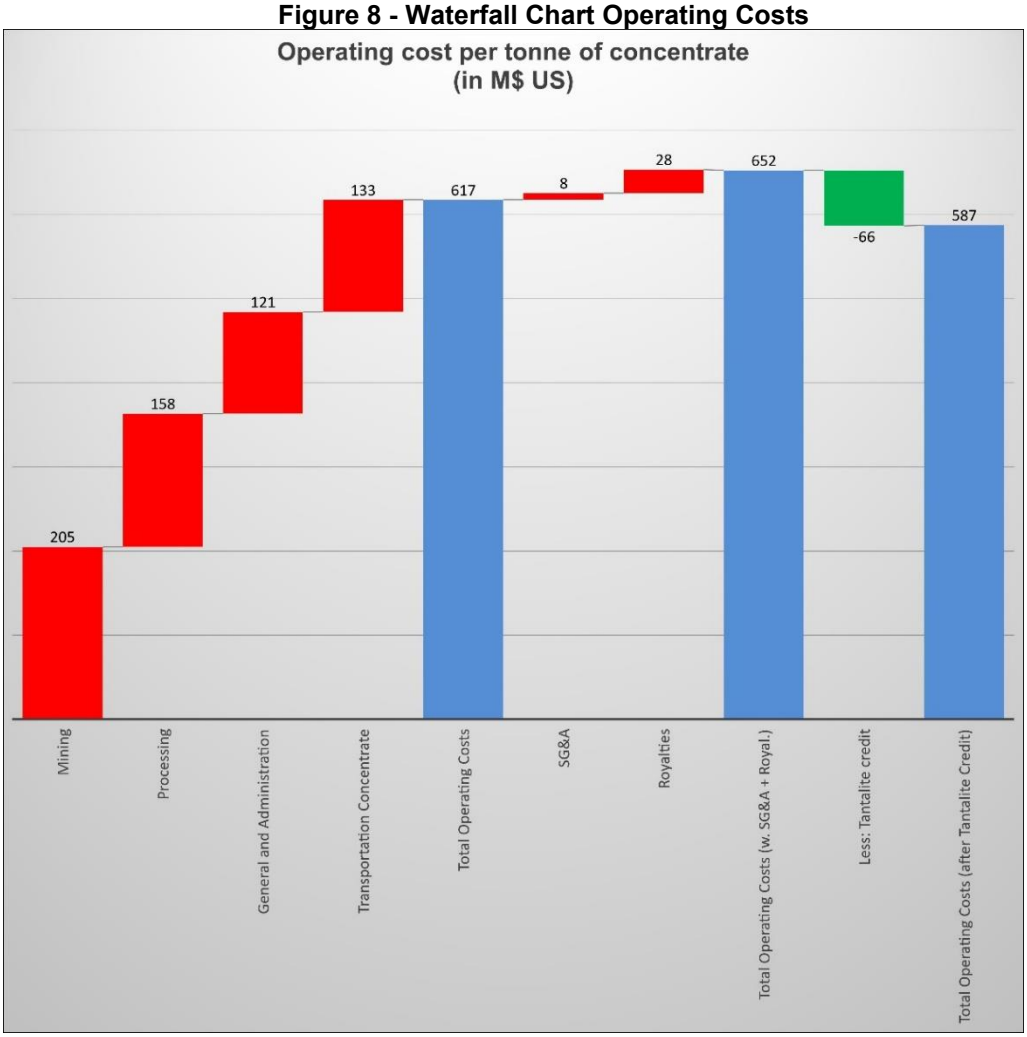
Table 5 – Operating Costs per tonne of Concentrate

Item	C$/t All Concentrate	US$/t All Concentrate
Mining	266	205
Processing	205	158
General and Administrative	157	121
Transportation Concentrate	173	133
Total Operating Costs	**801**	**617**
SG&A	10	8
Royalties	37	28
Total Operating Costs (Incl. SG&A and Royalties)	**847**	**652**
Less: Tantalite Credit	85	66
Total Operating Costs (After Tantalite Credit)	**762**	**587**

Energy unit costs are estimated to CA$0.055 per kWh for electricity and CA$1.35 per litre for diesel.

Figure 8 displays the waterfall chart of the operating cost details.

Figure 8 - Waterfall Chart Operating Costs

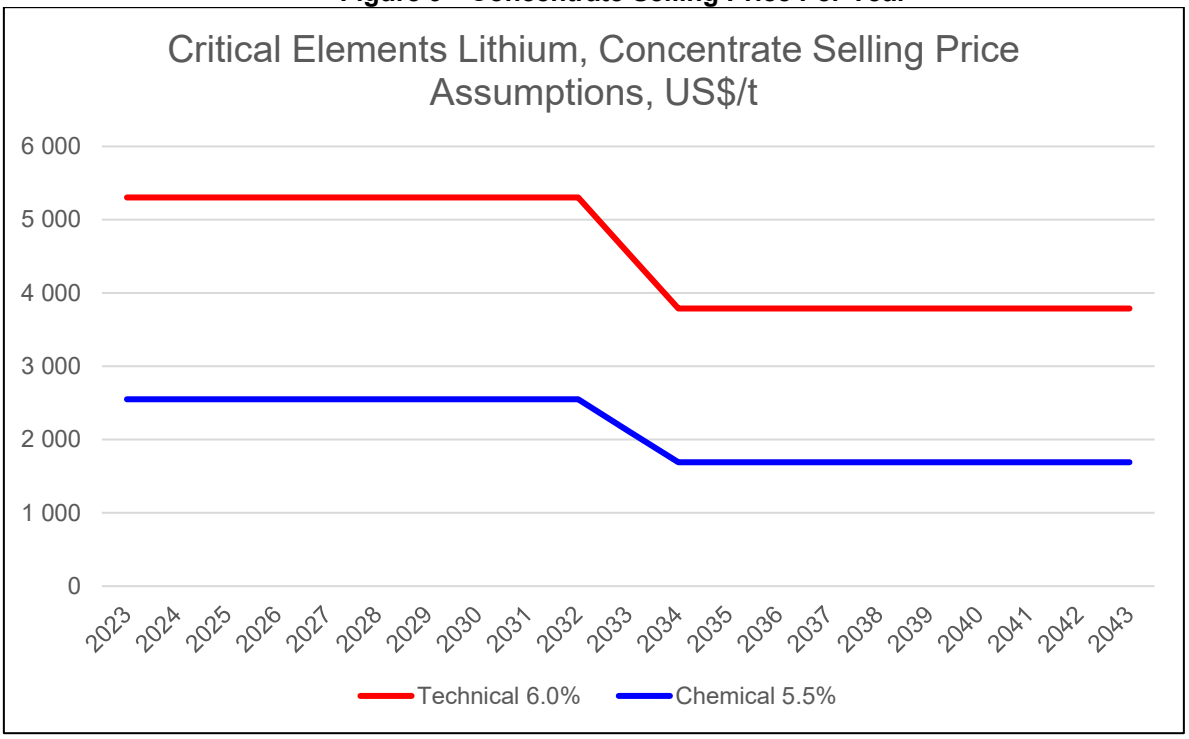


Project Economics

The mine will process 1,610,000 tonnes ore per year grading an average of 0.87% Li_2O and 138 ppm Ta_2O_5 over a period of 17 years. Over the Life of Mine (LOM), the averages for the price assumptions are US$2,162 per tonne and US$4,699 per tonne of chemical grade and technical grade lithium concentrates respectively (FOB port) and US$150 per kg Ta_2O_5 contained in the tantalum concentrate (FOB mine site).

Figure 9 displays the prices per year for the lithium concentrate products.

Figure 9 - Concentrate Selling Price Per Year



The pre-tax and after-tax NPV at various discount rates are presented in Table 6.

Table 6 - Pre-Tax and After-Tax NPV

Discount Rate	Pre-Tax (C$M)	After-Tax (C$M)	Pre-Tax (US$M)	After-Tax (US$M)
NPV @ 0%	8,835	5,147	6,803	3,963
NPV @ 5%	6,137	3,511	4,726	2,704
NPV @ 8%	5,048	2,851	3,887	2,195
NPV @ 10%	4,467	2,499	3,439	1,924
NPV @ 12%	3,975	2,201	3,061	1,695

The after-tax internal rate of return is 65.7%.

Sensitivity Analysis

The sensitivity of the NPV to exchange rate and chemical grade lithium concentrate price is presented in Table 7.

Table 7 After-Tax NPV Sensitivity to Exchange Rate and Chemical Grade Lithium Concentrate

Exchange Rate	After-Tax $NPV_{8\%}$ Discount Rate (C$M)				
	Li_2O Price – Chemical Grade				
	-40%	-20%	Base Case	5%	10%
-10%	710M	1,415M	2,105M	2,278M	2,450M
Base Case	1,144M	1,978M	2,851M	3,012M	3,218M
10%	1,206M	2,052M	2,892M	3,101M	3,311M

Figures 10 to 12 present the sensitivity of the NPV at 8% discount rate, the waterfall chart for NPV comparison between 2022 and 2023 studies, and IRR to prices, Li_2O recovery, exchange rate, operating costs, and capital cost. The economics are most sensitive to Li_2O price, exchange rate, and Li recovery.

Figure 10 - Sensitivity on After-Tax NPV 8%

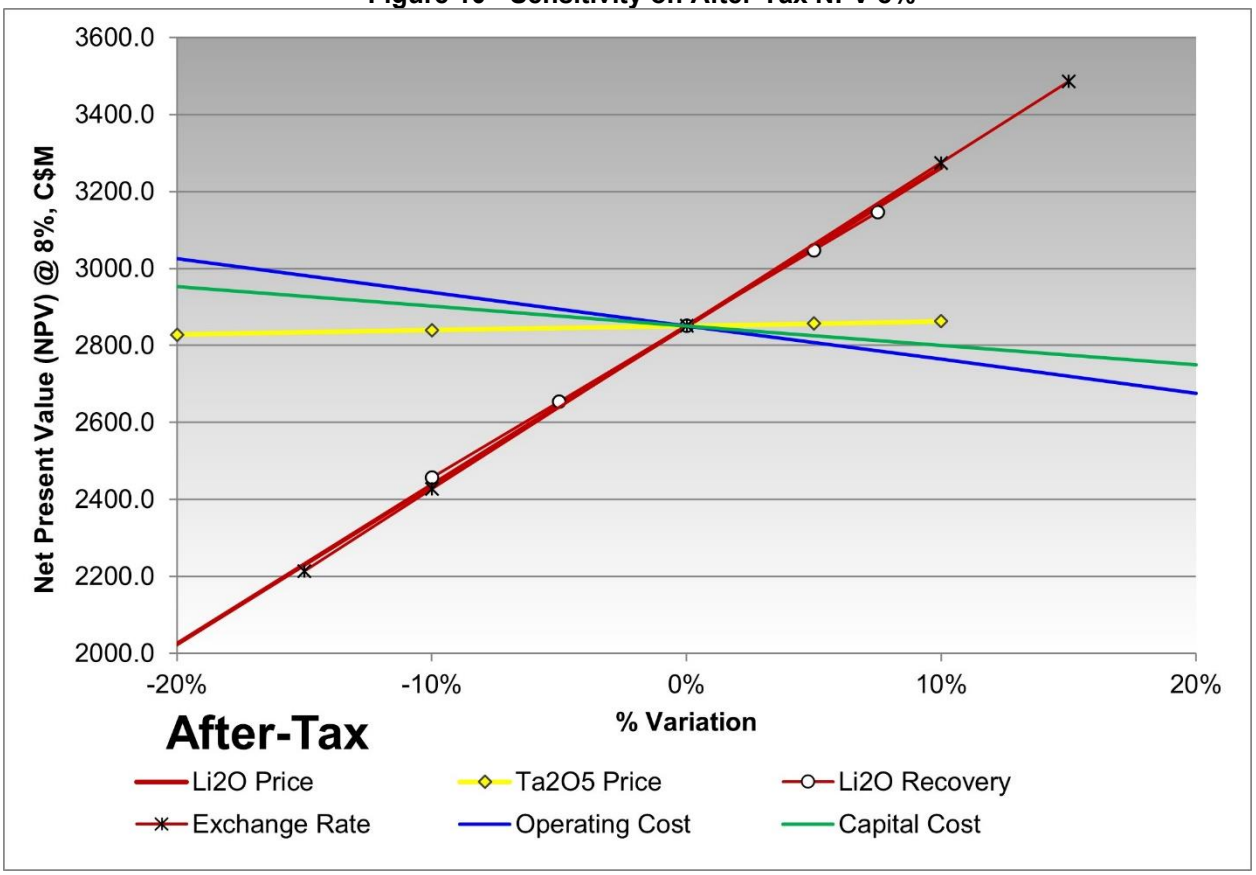


Figure 11 - Sensitivity on After-Tax IRR

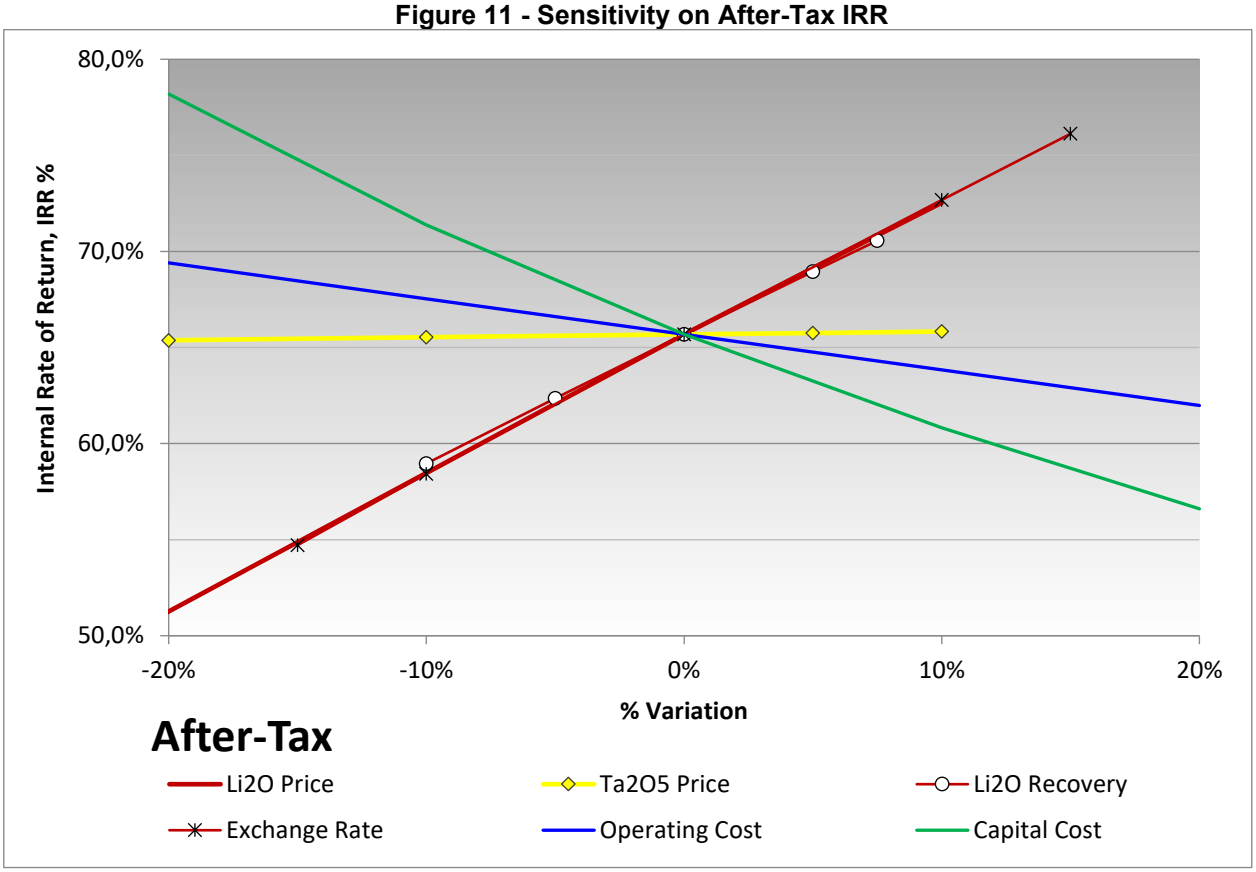
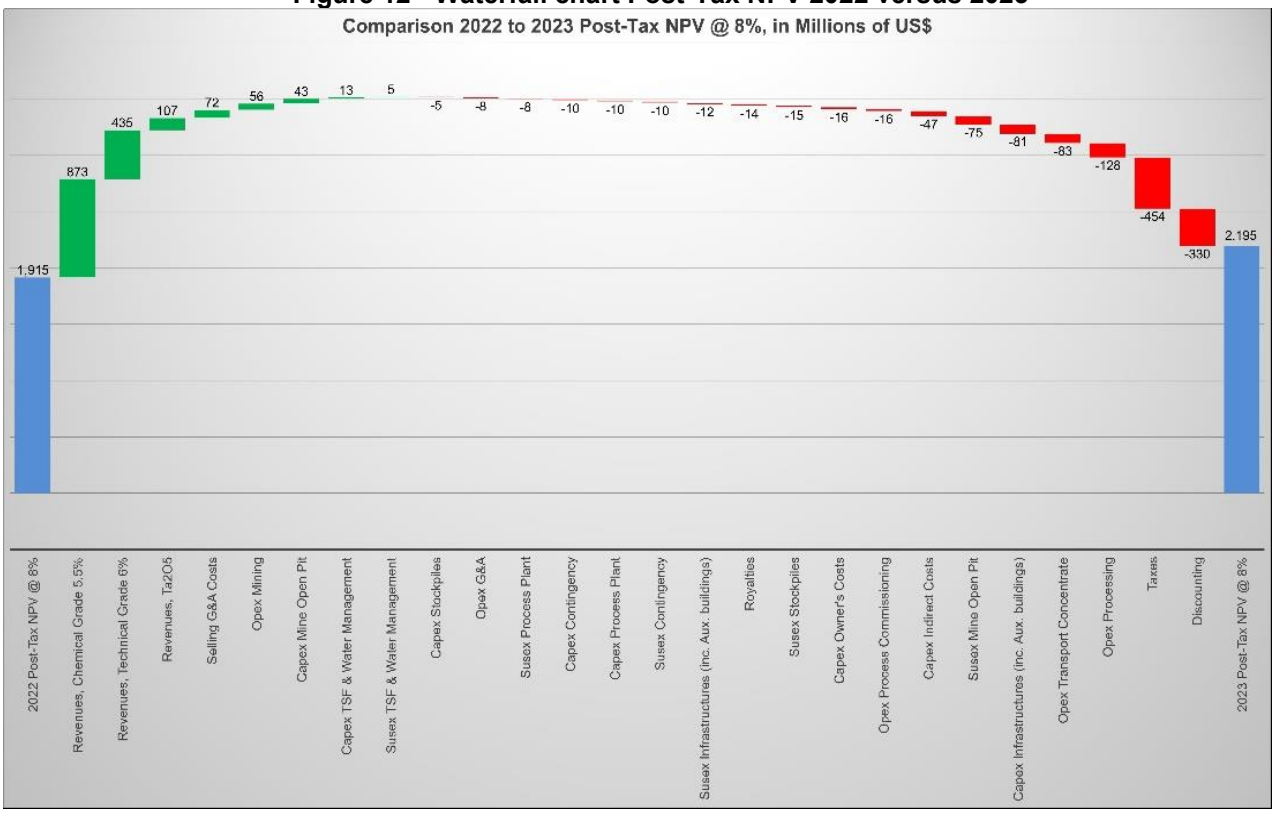


Figure 12 - Waterfall chart Post-Tax NPV 2022 versus 2023



During the 2024 winter drill campaign, Critical Elements successfully completed 3,670 meters of drilling in 31 holes on the spodumene-bearing pegmatite showings discovered during the 2023 summer prospection campaign, herein referred to as Rose West. Drilling results demonstrated the continuity of a mineralized pegmatite body thus far over 450m strike, 370m down dip and to a vertical depth of 140m. In the west, the body is comprised of multiple near surface mineralized pegmatites that range up to an apparent thickness of **12.4m** individually. These bodies appear to coalesce into a more substantial spodumene-bearing pegmatite in the east with an apparent width of **up to 40.4m**. The near surface pegmatites appear to strike northwesterly with a gentle dip of 15°, while the thicker pegmatite appears to strike easterly with a near-horizontal dip of 13°. The body is still open in all directions, while the greatest exploration potential appears to be to the east.

Results from Rose West Discovery 2024 drill program

Drillhole	UTM NAD 83 ZN18		Length	Azimuth	Dip	From	To	Interval*	Li_2O	Ta_2O_5	Lithology
	Easting	Northing	(m)	(°)	(°)	(m)	(m)	(m)	(%)	ppm (g/t)	
RD-24-01	411119	5763973	153.00	235	-50	6.80	13.70	**6.90**	**1.61**	135	Pegmatite
including						7.70	12.00	4.30	**2.17**	77	Pegmatite
						24.00	25.10	1.10	0.02	**571**	Aplite
						95.10	102.80	**7.70**	0.03	**374**	Pegmatite
RD-24-02	411104	5763903	156.00	325	-50	10.60	19.25	**8.65**	**1.00**	**285**	Pegmatite
including						10.60	15.00	4.40	**1.34**	**376**	Pegmatite
						100.80	102.20	1.40	0.04	**394**	Aplite
						103.70	104.20	0.50	0.04	**339**	Aplite
						126.30	128.50	2.20	0.04	145	Pegmatite
						130.25	133.25	3.00	0.03	153	Pegmatite
						145.20	147.10	1.90	0.03	**239**	Pegmatite
RD-24-03	411105	5763898	114.00	145	-50	21.90	24.40	2.50	0.99	142	Pegmatite
						26.35	27.60	1.25	**1.07**	153	Pegmatite
						34.80	37.50	2.70	**1.26**	72	Pegmatite
						41.60	43.35	1.75	0.05	**343**	Pegmatite
						103.5	106.5	3.00	0.03	65	Pegmatite
RD-24-04	411145	5763933	111.00	325	-70	16.40	20.20	3.80	**1.11**	163	Pegmatite
including						18.00	19.20	1.20	**2.12**	55	Pegmatite
						67.60	72.60	**5.00**	0.94	**256**	Pegmatite
including						67.60	69.00	1.40	**1.92**	177	Pegmatite
						103.80	108.00	4.20	**2.24**	170	Pegmatite
RD-24-05	411188	5763963	51.00	315	-70	24.30	27.25	2.95	0.83	**506**	Pegmatite
including						24.30	25.65	1.35	**1.41**	**397**	Pegmatite
including						26.55	27.25	0.70	0.21	**1066**	Pegmatite
RD-24-06	411244	5763876	69.00	315	-70	26.60	28.70	2.10	0.14	**458**	Pegmatite
						46.60	49.80	3.20	**1.08**	**273**	Pegmatite
including						48.00	48.80	0.80	**2.41**	**278**	Pegmatite
						56.60	63.30	**6.70**	**2.16**	81	Pegmatite
RD-24-07	411163	5763819	66.00	315	-70	3.60	4.30	0.70	0.04	**2009**	Aplite
						17.80	30.00	**12.20**	**1.66**	180	Pegmatite
including						22.50	30.00	**7.50**	**2.34**	153	Pegmatite
						50.90	52.40	1.50	0.02	**423**	Pegmatite

Drillhole	UTM NAD 83 ZN18		Length	Azimuth	Dip	From	To	Interval*	Li_2O	Ta_2O_5	Lithology
	Easting	Northing	(m)	(°)	(°)	(m)	(m)	(m)	(%)	ppm (g/t)	
						54.30	56.20	1.90	0.10	**426**	Pegmatite
RD-24-08	411122	5763795	57.00	315	-70	16.90	25.90	**9.00**	**1.55**	105	Pegmatite
including						19.50	24.00	4.50	**2.41**	90	Pegmatite
						37.95	40.00	2.05	0.03	**296**	Pegmatite
RD-24-09	411080	5763759	60.00	315	-70	4.00	8.00	4.00	0.78	**285**	Pegmatite
including						5.50	7.00	1.50	**1.57**	**218**	Pegmatite
						23.60	31.70	8.10	**1.70**	**357**	Pegmatite
including						23.60	29.50	5.90	**2.03**	**403**	Pegmatite
RD-24-10	411106	5763725	63.00	315	-70	3.55	10.50	**6.95**	**2.21**	111	Pegmatite
including						5.00	9.00	4.00	**2.76**	104	Pegmatite
RD-24-11	411139	5763690	66.00	315	-70	3.60	7.30	3.70	**2.18**	109	Pegmatite
RD-24-12	411176	5763719	102.00	315	-70	14.45	20.00	**5.55**	**1.75**	**212**	Pegmatite
including						17.45	18.95	1.50	**2.67**	133	Pegmatite
RD-24-13	411302	5763798	97.00	290	-70	8.00	9.50	1.50	0.01	**311**	Pegmatite
						19.60	20.50	0.90	0.01	**530**	Pegmatite
						55.10	55.80	0.70	0.46	**201**	Aplite
						56.40	68.80	**12.40**	**1.33**	187	Pegmatite
including						63.90	65.40	1.50	**2.53**	**506**	Pegmatite
RD-24-14	411357	5763709	117.00	290	-70	4.75	5.50	0.75	0.05	**365**	Aplite
						22.90	23.70	0.80	0.07	143	Aplite
						36.00	40.40	4.40	0.08	87	Aplite
						43.80	45.80	2.00	0.93	**265**	Pegmatite
						55.30	57.00	1.70	**1.02**	**294**	Pegmatite
RD-24-15	411438	5763775	114.00	300	-70	54.50	57.40	2.90	0.59	60	Pegmatite
						96.40	99.20	2.80	**2.08**	**221**	Pegmatite
RD-24-16**	411384	5763852	113.5	300	-70	52.60	55.50	2.90	0.01	159	Pegmatite
						111.65	113.5	1.85	**1.14**	110	Pegmatite
RD-24-16A	411385	5763851	144.00	300	-70	53.70	56.70	3.00	0.01	162	Pegmatite
						109.60	112.25	2.65	**1.36**	77	Pegmatite
						118.25	143.20	**24.95**	**1.43**	178	Pegmatite
including						119.75	133.25	**13.50**	**1.91**	145	Pegmatite
including						139.25	141.60	2.35	**2.22**	167	Pegmatite
RD-24-17	411320	5763930	159.00	300	-70	35.95	36.70	0.75	0.02	**502**	Aplite
						76.70	79.70	3.00	**1.16**	156	Pegmatite
						96.00	105.00	9.00	**1.16**	172	Pegmatite
Including						97.50	105.00	7.50	**1.29**	182	Pegmatite
						127.00	147.50	**20.50**	**1.22**	**250**	Pegmatite
Including						127.00	142.00	**15.00**	**1.60**	181	Pegmatite
Including						142.00	147.50	**5.50**	0.18	**437**	Pegmatite
RD-24-18	411269	5764015	207.00	300	-70	67.40	81.20	**13.80**	**1.59**	127	Pegmatite
						107.20	107.80	0.60	0.33	146	Pegmatite
						110.00	111.40	1.40	0.16	**584**	Pegmatite

Drillhole	UTM NAD 83 ZN18		Length	Azimuth	Dip	From	To	Interval*	Li_2O	Ta_2O_5	Lithology
	Easting	Northing	(m)	(°)	(°)	(m)	(m)	(m)	(%)	ppm (g/t)	
						118.90	124.60	**5.70**	**1.59**	145	Pegmatite
including						120.40	121.90	1.50	**2.92**	52	Pegmatite
RD-24-19	411347	5764073	186.00	245	-70	71.40	76.60	**5.20**	**1.91**	**242**	Pegmatite
						80.70	81.90	1.20	0.14	**244**	Aplite
						91.00	101.10	**10.10**	**1.75**	**201**	Pegmatite
						112.8	120.00	7.20	0.91	**333**	Pegmatite
including						114.00	118.50	4.50	**1.32**	114	Pegmatite
including						118.50	120.00	1.50	0.05	**880**	Pegmatite
						129.80	135.40	**5.60**	0.03	**266**	Aplite
						136.85	137.60	0.75	0.03	**419**	Aplite
RD-24-20	411408	5763990	177.00	245	-70	82.10	122.50	**40.40**	**1.31**	**235**	Pegmatite
including						82.10	104.60	**22.50**	**1.64**	**219**	Pegmatite
including						112.10	118.10	**6.00**	**2.12**	73	Pegmatite
						141.30	144.30	3.00	0.02	**339**	Pegmatite
RD-24-21	411469	5763910	177.00	245	-70	120.40	144.70	**24.30**	**1.16**	145	Pegmatite
including						120.40	130.90	**10.50**	**1.41**	159	Pegmatite
including						127.90	130.90	3.00	**2.27**	137	Pegmatite
including						133.90	142.90	**9.00**	**1.35**	107	Pegmatite
including						133.90	136.90	3.00	**2.28**	183	Pegmatite
RD-24-22	411524	5763824	177.00	245	-70	128.20	159.80	**31.60**	**1.30**	142	Pegmatite
including						129.70	155.20	**25.50**	**1.59**	130	Pegmatite
RD-24-23	411605	5763887	18.00	245	-70				**		
RD-24-23A	411606	5763887	153.00	245	-70	122.60	142.90	**20.30**	**2.22**	95	Pegmatite
including						125.60	136.10	**10.50**	**2.78**	92	Pegmatite
RD-24-24	411547	5763965	147.00	235	-70	104.50	136.00	**31.50**	**1.29**	121	Pegmatite
including						112.00	115.00	3.00	**1.88**	111	Pegmatite
including						122.50	136.00	**13.50**	**1.69**	127	Pegmatite
RD-24-25**	411490	5764049	84.60	245	-70	73.70	84.60	**10.90**	**1.75**	**305**	Pegmatite
RD-24-25A	411489	5764049	168.00	245	-70	72.30	107.60	**35.30**	**1.39**	157	Pegmatite
including						79.00	88.00	**9.00**	**2.33**	152	Pegmatite
including						91.00	98.50	**7.50**	**1.84**	151	Pegmatite
						155.20	157.60	2.40	0.01	**275**	Pegmatite
RD-24-26	411431	5764131	117.00	245	-70	82.00	103.80	**21.80**	0.62	164	Pegmatite
including						85.00	89.50	4.50	**1.28**	126	Pegmatite
RD-24-27	411519	5764187	111.00	245	-70	84.20	102.85	**18.65**	**1.27**	192	Pegmatite
						104.90	106.10	1.20	**1.89**	186	Pegmatite
RD-24-28	411569	5764115	135.00	235	-70	56.50	57.30	0.80	0.01	125	Pegmatite
						65.00	65.50	0.50	0.01	122	Pegmatite
						68.70	69.30	0.60	0.01	148	Pegmatite
						71.70	72.50	0.80	**1.91**	59	Pegmatite
						83.10	114.50	**31.40**	0.56	163	Pegmatite
including						99.00	105.00	**6.00**	**1.81**	188	Pegmatite

Drillhole	UTM NAD 83 ZN18		Length	Azimuth	Dip	From	To	Interval*	Li_2O	Ta_2O_5	Lithology
	Easting	Northing	(m)	(°)	(°)	(m)	(m)	(m)	(%)	ppm (g/t)	
including						109.50	114.00	4.50	**1.17**	188	Pegmatite
						121.70	126.20	4.50	0.80	189	Pegmatite
						130.40	131.10	0.70	0.02	103	Aplite

** Core length; the true thickness is between 80 to 95% of the core length.*
*** Hole abandoned before reaching target length.*

During the summer of 2025, the Corporation conducted an exploration program including mapping and sampling to identify new lithium bearing pegmatite (see press release dated September 11, 2025 and November 4, 2025).

Work done during the year

Evaluation and exploration expenses of $4,571,846 (2025 - $2,198,011) were incurred during the year ended August 31, 2026 and capitalized as exploration and evaluation assets. These expenses are mainly related to environmental programs, permit applications, community consultations, detailed engineering, drilling work, geology and surface work on the property.

During the period covered by this MD&A, the Corporation implemented a 2026 winter and summer drilling program at the Rose West Discovery site.

Spodumene-bearing pegmatite intervals and assay results from the Winter 2026 drill campaign

Drillhole	From (m)	To (m)	Length (m)	Li_2O (%)	Ta_2O_5 (ppm)	Zone
RW-26-29	**12.60**	**16.20**	**3.60**	**1.51**	**242**	**4**
	176.95	**192.00**	**15.05**	**0.77**	**170**	**6 (new)**
including	*180.00*	*188.00*	*8.00*	*1.39*	*111*	6 (new)
RW-26-30	**3.45**	**6.40**	**2.95**	**0.40**	**239**	**4**
RW-26-31	**54.00**	**60.50**	**6.50**	**0.15**	**191**	**3**
	96.00	**101.85**	**5.85**	**0.58**	**170**	**2**
RW-26-32	**39.00**	**52.50**	**13.50**	**1.89**	**207**	**3**
	105.10	**110.85**	**5.75**	**0.79**	**208**	**n.a**
	116.90	**118.25**	**1.35**	**0.18**	**23**	**n.a**
RW-26-33	**60.35**	**78.10**	**17.75**	**1.29**	**169**	**3**
including	*63.00*	*72.00*	*9.00*	*2.13*	*105*	*3*
	122.05	**123.60**	**1.55**	**0.01**	**432**	**2**
RW-26-34	**37.00**	**51.50**	**14.50**	**1.19**	**167**	**3**
including	*37.00*	*49.20*	*12.20*	*1.41*	*170*	*3*
RW-26-35A	**86.95**	**90.50**	**3.55**	**0.61**	**291**	**5**
including	*89.00*	*90.50*	*1.50*	*1.27*	*231*	*5*
	104.55	**131.90**	**27.35**	**1.89**	**161**	**3**
including	*105.00*	*115.50*	*10.50*	*2.70*	*222*	*3*
including	*120.00*	*129.00*	*9.00*	*1.84*	*115*	*3*
	152.40	**161.50**	**9.10**	**0.67**	**265**	**2**
including	*154.10*	*155.55*	*1.45*	*2.89*	*120*	*2*
RW-26-36	**87.45**	**95.15**	**7.70**	**2.05**	**221**	**5**
	123.80	**147.15**	**23.35**	**1.46**	**176**	**3**
including	124.50	130.50	6.00	2.12	147	3
RW-26-37	**99.90**	**113.15**	**13.25**	**1.32**	**157**	**5**
	139.30	**161.70**	**22.40**	**0.94**	**258**	**3**
including	*144.00*	*157.50*	*13.50*	*1.34*	*193*	*3*
	189.35	**195.30**	**5.95**	**1.06**	**87**	**2**

RW-26-38	**71.60**	**73.50**	**1.90**	**0.80**	**118**	**5 (new)**
	83.70	**85.60**	**1.90**	**0.30**	**137**	**n.a**
	194.25	**208.90**	**14.65**	**1.03**	**233**	**2**
including	*194.25*	*202.50*	*8.25*	*1.68*	*224*	*2*
RW-26-39	**68.65**	**71.35**	**2.70**	**1.31**	**238**	**5 (new)**
	112.05	**126.80**	**14.75**	**1.71**	**210**	**3**
including	*114.95*	*123.00*	*8.05*	*2.47*	*165*	*3*
	132.15	**137.50**	**5.35**	**0.13**	**328**	**n.a.**
RW-26-40	**26.20**	**27.90**	**1.70**	**0.03**	**303**	**n.a**
	55.90	**67.10**	**11.20**	**0.98**	**121**	**5 (new)**
	104.40	**120.00**	**15.60**	**1.73**	**94**	**3**
including	*108.00*	*115.35*	*7.35*	*2.90*	*106*	*3*
	150.40	**155.30**	**4.90**	**0.03**	**180**	**n.a**
RW-26-41	**68.55**	**87.05**	**18.50**	**1.51**	**93**	**5 (new)**
including	*68.55*	*78.15*	*9.60*	*2.49*	*50*	*5 (new)*
	112.00	**122.00**	**10.00**	**0.89**	**175**	**3**
	189.70	**192.85**	**3.15**	**0.02**	**258**	**n.a**
RW-26-42	**-**	**9.00**	Abandoned			
RW-26-43	**204.95**	**211.20**	**6.25**	**0.47**	**832**	**2**
including	*206.45*	*207.65*	*1.20*	*2.28*	*2,796*	*2*
RW-26-44	**-**	**301.90**	No significant results			
RW-26-45	**113.20**	**141.00**	**27.80**	**1.27**	**111**	**3**
including	*119.00*	*141.00*	*22.00*	*1.43*	*122*	*3*
	163.25	**175.90**	**12.65**	**1.00**	**192**	**2**
RW-26-46	**70.60**	**81.05**	**10.45**	**0.93**	**291**	**5 (new)**
including	*72.00*	*75.00*	*3.00*	*2.75*	*553*	*5 (new)*
	125.60	**138.20**	**12.60**	**2.18**	**68**	**3**
including	*126.60*	*134.00*	*7.40*	*3.11*	*48*	*3*
	168.20	**182.80**	**14.60**	**1.82**	**176**	**2**
including	*168.20*	*178.70*	*10.50*	*2.42*	*146*	*2*
RW-26-47	**69.30**	**79.60**	**10.30**	**1.72**	**117**	**5 (new)**
including	*70.25*	*76.60*	*6.35*	*2.61*	*117*	*5 (new)*
	140.15	**151.90**	**11.75**	**1.91**	**74**	**3**
	165.25	**175.60**	**10.35**	**1.44**	**266**	**n.a**
	188.05	**193.25**	**5.20**	**1.68**	**101**	**2**
RW-26-48	**130.50**	**138.60**	**8.10**	**0.59**	**200**	**3**
	168.65	**175.90**	**7.25**	**0.03**	**156**	**2**
RW-26-49	**158.55**	**160.65**	**2.10**	**0.01**	**110**	**3**
RW-26-50	**328.20**	**341.10**	**12.90**	**1.13**	**109**	**7 (new)**
including	*328.20*	*335.45*	*7.25*	*1.67*	*108*	*7 (new)*
RW-26-51	*97.30*	*103.75*	*6.45*	*1.23*	*227*	*5*
including	*98.50*	*102.50*	*4.00*	*1.64*	*179*	*5*
	132.00	*148.85*	*16.85*	*1.58*	*118*	*3*
including	*136.50*	*145.20*	*8.70*	*1.89*	*130*	*3*
RW-26-52	*112.40*	*121.20*	*8.80*	*0.24*	*248*	*5*
	129.10	*148.50*	*19.40*	*1.00*	*88*	*3*
including	*129.10*	*135.80*	*6.70*	*1.11*	*176*	*3*
including	*139.50*	*143.50*	*4.00*	*1.43*	*83*	*3*
RW-26-53	*115.00*	*126.00*	*11.00*	*S.S.*	*S.S.*	*3*
RW-26-54	*108.60*	*128.10*	*19.50*	*0.48*	*220*	*3*
including	*114.00*	*118.50*	*4.50*	*1.12*	*156*	*3*
RW-26-55	*140.10*	*148.20*	*8.10*	*0.59*	*211*	*3*
including	*144.00*	*147.00*	*3.00*	*1.25*	*111*	*3*

RW-26-56A	*95.80*	*110.60*	*14.80*	*0.53*	*119*	*3*
including	*102.00*	*110.60*	*8.60*	*0.86*	*149*	*3*
	122.10	*137.60*	*15.50*	*0.63*	*221*	*3 (?)*
including	*124.70*	*129.00*	*4.30*	*1.65*	*254*	*3 (?)*
RW-26-57	*45.00*	*63.70*	*18.70*	*1.08*	*154*	*5 (?)*
including	*48.00*	*54.00*	*6.00*	*2.15*	*142*	*5*
RW-26-58	**57.05**	**71.10**	**14.05**	**1.33**	**145**	**5**
including	*60.00*	*69.00*	*9.00*	*1.81*	*122*	*5*
RW-26-59	**85.15**	**99.20**	**14.05**	**0.58**	**226**	**3B**
including	*85.15*	*89.00*	*3.85*	*0.84*	*142*	*3B*
including	*95.40*	*97.30*	*1.90*	*1.83*	*178*	*3B*
RW-26-60	**45.80**	**62.00**	**16.20**	**1.35**	**160**	**3B**
including	*46.75*	*56.00*	*9.25*	*1.85*	*93*	*3B*
RW-26-61	**59.65**	**68.05**	**8.40**	**0.61**	**227**	**3B**
including	*59.65*	*64.80*	*5.15*	*0.96*	*163*	*3B*
RW-26-62	**72.45**	**78.75**	**6.30**	**0.93**	**162**	**3B**
including	*76.00*	*77.65*	*1.65*	*3.39*	*109*	*3B*
RW-26-63	**88.30**	**92.55**	**4.25**	**0.15**	**166**	**3B**
RW-26-64	**69.60**	**72.80**	**3.20**	**1.32**	**280**	**3B**
RW-26-65	**59.30**	**63.20**	**3.90**	**0.05**	**106**	**3B**
RW-26-66	**49.30**	**56.40**	**7.10**	**0.18**	**217**	**3B**
RW-26-67	**59.90**	**63.80**	**3.90**	**0.00**	**163**	**3B**
RW-26-68	**15.90**	**20.00**	**4.10**	**0.01**	**161**	**3B**

* *Core length; the true thickness is between 80 to 95% of the core length.*

** *Zone; n.a refers to "not assigned" to a given interpreted mineralized zone.*

As of November 12, 2026, the Corporation has not yet announced a final investment decision with respect to the Rose Lithium-Tantalum project. Management is actively pursuing efforts to complete the project's financing package, which is a prerequisite to making a final investment decision.

ROSE NORTH – LITHIUM AND TANTALUM PROJECT

Property Description

The Rose North property is located in northern Québec's administrative region, on the territory of Eeyou Istchee James Bay. It is located on Category III land, on the Traditional Lands of the Eastmain Community, approximately 50 km north of the Cree village of Nemaska. The latter is located approximately 300 km north-west of Chibougamau.

The Rose North property is accessible by road via the Route du Nord and Eastmain-1 Road, usable all year round from Chibougamau. The site can also be reached by Matagami, via Route 109, Route du Nord and Eastmain-1 Road. The project is located 70 km south of Goldcorp's Éléonore gold mine and 55 km north-west of Nemaska's Whabouchi lithium project and 10 km south of Hydro-Québec's Eastmain 1 hydroelectricity generating plant. The Nemiscau airport services the regions air travel needs. The Rose North property site is located 60 km by road from the Nemiscau airport.

The Rose North property consists of 31 EER covering a total area of 16.14 km². It lies in the northeastern part of Superior Province, within the Eastmain greenstone belt. It is wholly owned by the Corporation.

Work done during the year

Exploration and evaluation expenses of $95 were incurred on the Rose North property during the year ended August 31, 2026 (2025 – Nil).

Management intends to continue the exploration program for this property and is evaluating funding options to continue exploration activities.

ROSE SOUTH – LITHIUM AND TANTALUM PROJECT

Property Description

The Rose South property is located in northern Québec's administrative region, on the territory of Eeyou Istchee James Bay. It is located on Category II and III land, on the Traditional Lands of the Eastmain and Nemaska Community, approximately 40 km north of the Cree village of Nemaska. The latter is located approximately 300 km north-west of Chibougamau.

The Rose South property is accessible by road via the Route du Nord and Eastmain-1 Road, usable all year round from Chibougamau. The site can also be reached by Matagami, via Route 109, Route du Nord and Eastmain-1 Road. The project is located 80 km south of Goldcorp's Éléonore gold mine and 50 km north-west of Nemaska's Whabouchi lithium project and 40 km south of Hydro-Québec's Eastmain 1 hydroelectricity generating plant. The Nemiscau airport services the regions air travel needs. The Rose South property site is located 50 km by road from the Nemiscau airport.

The Rose South property consists of 280 EER covering a total area of 148.81 km². It lies in the northeastern part of Superior Province, within the Eastmain greenstone belt. It is wholly owned by the Corporation.

During the summer of 2025, the Corporation conducted an exploration program including mapping and sampling to identify new lithium bearing pegmatite (see press release dated September 11, 2025 and November 4, 2025).

Work done during the year

Exploration and evaluation expenses of $95 were incurred on the Rose South property during the year ended August 31, 2026 (2025 – $207,331).

Management intends to continue the exploration program for this property and is evaluating funding options to continue exploration activities.

NEMASKA BELT PROPERTIES GROUP

General description of properties

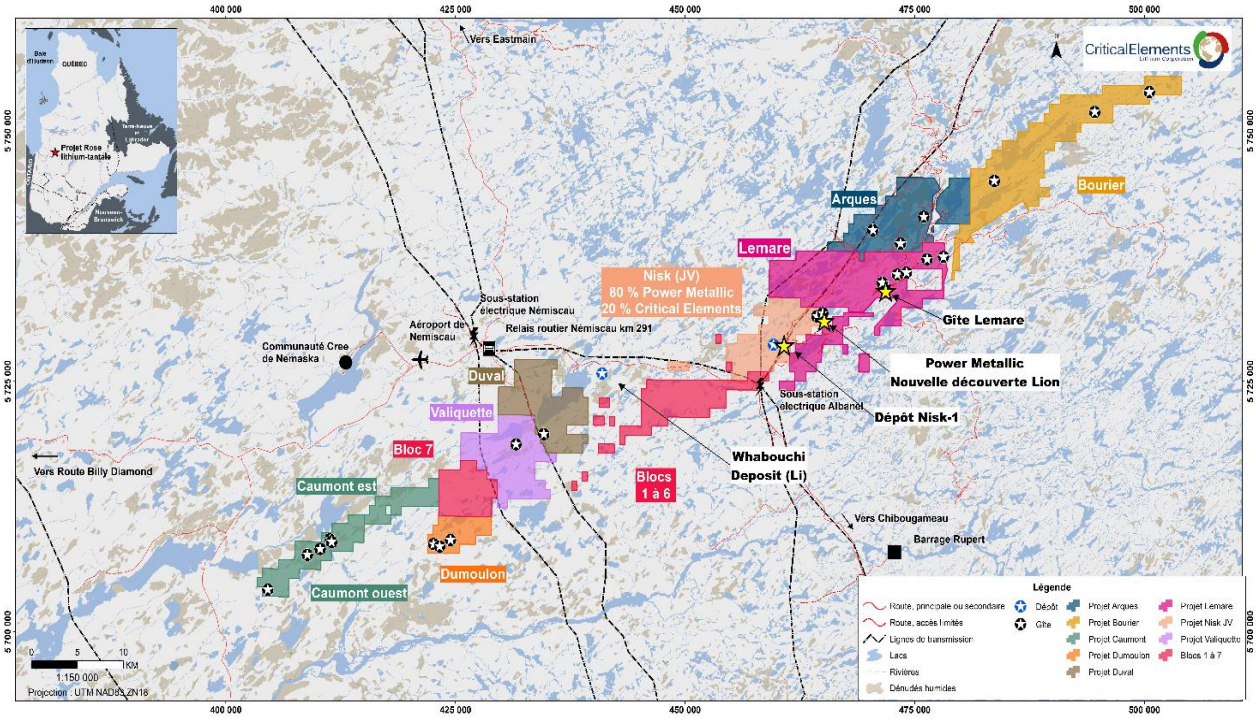
Properties	Exclusive Exploration Right ("EER")	Area (km²)	Targeted minerals	Exploration and evaluation expenses for the year ended August 31	
				2026 $	2025 $
Arques	136	68.40	Li, REE, Nb, Ta	185	205,911
Bourier	203	102.52	Li, Cu, Zn, Au, Ag	190	293
Caumont	94	50.37	Li, Cu, Ni, PGE, Au, Ag	21,166	259,307
Dumoulon	36	19.29	Li, Zn, Pb, Au, Ag	672	110,075
Duval	102	54.51	Li, Cu, Ni, PGE, Au, Ag	18,001	145,379
Lemare	236	116.81	Li, Cu, Ni, PGE, Au, Ag	28,948	260,0105
Nisk (JV with Power Metallic Mines Inc.)	90	48.02	Li, Cu, Ni, PGE, Au, Ag	95	440
Valiquette	104	55.63	Li, Cu, Ni, PGE, Au, Ag	10,836	199,263
Bloc 1	84	44.79	Li, Cu, Ni, PGE, Au, Ag	219	191,797
Blocs 2 à 6	10	5.35	Li, Cu, Ni, PGE, Au, Ag	206	71,691
Bloc 7	54	28.91	Li, Cu, Ni, PGE, Au, Ag	926	152,307
Total	**1,149**	**594.60**		**81,444**	**1,596,568**

The Nemaska Belt properties group includes the Arques, Bourier, Caumont, Dumoulon, Duval, Valiquette, Lemare, Nisk properties, as well as Blocs 1 to 7. The Nemaska Belt properties are located 284 km north of Chibougamau via the "Route du Nord", a non-paved gravel road that connects the town of Chibougamau to Hydro-Quebec's "Poste Albanel", then to Nemiscau camp. The Nemiscau camp is strategically near the center of the Nemaska belt land package. The properties are also accessible from Val-d'Or via Matagami then via the Billy Diamond Road. After 274km on the Billy Diamond Road, a right turn is taken onto the “Route du Nord” which connects to Nemiscau camp and eventually Hydro-Quebec's "Poste Albanel". From the Nemiscau camp, several roads can be taken to access the various properties, many of which are along the Route du Nord. A Hydro-Québec Road, called Eastmain 1, linking the Nemaska facilities to the Eastmain 1 and Eastmain 2 hydroelectric generating stations. The furthest projects need helicopter support as they do not have access roads.

The Nemaska Belt properties are located in the geological province of the Superior, more precisely in the north-eastern part. The province of the Superior extends from Manitoba to Quebec and covers almost half of Quebec with an area of approximately 750,000 km^2. The north-eastern part of the Superior Province consists predominantly of Archean-age rock dated between 2.65 and 2.90 billion years. The general metamorphism is at the greenschist facies, except in the vicinity of intrusive bodies, where it can reach the amphibolite-to-granulite facies. On the Quebec side, the eastern part of the Superior province is divided into several sub-provinces from South to North: Pontiac, Abitibi, Opatica, Nemiscau, Opinaca, Grande, Ashuanipi, Bienville and Minto (Hocq, 1994). The Nemaska Belt properties are all located within the limits of the La Grande Sub-Province.

The Caumont, Valiquette, Duval, Lemare, Blocs 1 to 7 and Dumoulon Properties are located along the southern limit of the La Grande Sub-Province and are centred on a volcano-sedimentary belt informally named here ‘’Nemaska Belt’’ that mainly encompasses the Lac des Montagnes belt and metasediment units like the Voirdye formation. The Properties also include the Caumont mafic-ultramafic suite. Formerly included in the Nemiscau Sub-Province of the Superior, the belt is now included in the La Grande Sub-Province (e.g. Pedreira et al., 2019; 2020; Bandayera et al., 2022). The volcano-sedimentary belt is oriented east-northeast and extends for >280 km with a width of 3-17km. It is located 350km north of Chibougamau.

The Nemaska Belt properties group has lithium potential in a well-established area. In general, the lithium pegmatites tend to occur in swarms in the volcano-sedimentary units. The properties cover a large part of the regional volcano-sedimentary unit, a favourable unit that hosts the Nemaska Lithium’s Wabouchi deposit and the Lemarre showing for its potential for magmatic nickel (Ni), copper (Cu), and platinum group elements (PGE) deposits, such as the Nisk deposit, the Lion discovery, and the various occurrences identified during multiple exploration programs.



Recent work history

During the spring and summer of 2024, the Corporation carried out geological compilation work on some of its projects, including the Caumont, Duval, Valiquette, Arques and Lemare projects, to assess the potential for copper, nickel and platinum group elements (PGE) in preparation for future exploration.

During the spring of 2025, the Corporation carried out a helicopter-borne electromagnetic VTEM plus time-domain system survey covering the Nemaska Belt group of properties except for the Bourier and Nisk projects. The 2,701-line kilometre VTEM survey executed by Geotech Airborne Geophysical Survey covers the entirety of Critical Elements' 100%-owned Nemaska Belt properties except for the Bourier Block with flight lines at a 200-metre spacing. The objective of the survey was to identify conductors that could correlate with Nickel-Copper-PGE mineralization and define high-priority drill targets.

Subsequently, the Corporation conducted an exploration program during the summer of 2025, during which multiple mineralized zones were identified through rock sampling in areas coinciding with electromagnetic anomalies (VTEM conductors). The mineralization is dominated by pyrrhotite and pyrite (iron sulfide) with chalcopyrite (copper sulfide) and/or pentlandite (iron-nickel sulfide). Surface exploration confirmed historical showings and identified newly prospective areas. In total, 1,091 rock samples and 73 till samples (0.5kg C-horizon) were collected during the summer campaign. The exploration program was designed to maximize geochemical coverage and assist in defining targets for future drill testing (see press release dated September 11, 2025 and November 4, 2025).

The Corporation wholly owned the Nemaska Belt properties, with the exception of the Nisk Property. The terms of the agreement entered into with Power Metallic Mines Inc. with respect to this property are presented below, in the Agreements section.

Agreements

Bourier

In July, 2025, the Corporation entered into an Asset Purchase Agreement with Lomiko for the repurchase of the 49% interest in the Bourier property that had been acquired by Lomiko following the signing of an Option Agreement in April 2021. The Corporation paid Lomiko $30,000 in cash to Lomiko to acquire their 49% interest in 203 EER, thereby regaining a 100% ownership in the Bourier property.

Nisk (Power Metallic Mines Inc.)

On December 22, 2020, the Corporation signed an agreement with Power Metallic Mines Inc. which grant Power Metallic Mines Inc. the right to acquire an interest up to 80% of the Nisk Property, in Québec's Eeyou Istchee James Bay territory in Québec.

On July 17, 2023, Power Metallic Mines Inc. sent a notice to the Corporation confirming the exercise of the first option, earning an initial 50% interest in the Nisk property. To acquire this 50% interest, Power Metallic Mines Inc. made a cash payment of $500,000, issued 12,051,770 Power Metallic Mines Inc. shares to the Corporation and incurred $2,800,000 in exploration expenditures on the Nisk property.

On March 21, 2024, Power Metallic Mines Inc. informed the Corporation that it had completed a resource estimate and commitment to fund additional exploration work on the Nisk property, and proceeded to the exercise of the Second Option under the option agreement signed on December 22, 2020, to earn an 80% interest in the property. Accordingly, and in accordance with the option agreement, the parties formed a joint venture in which the Corporation holds a 20% interest.

Following the exercise of the Second Option and until such time as a definitive Feasibility regarding extraction and production activities on the Property is delivered to the joint venture, Critical shall maintain a 20% non-dilutive interest in the property and shall not contribute to any costs.

Royalty

Following the exercise of the First and Second Option by Power Metallic Mines Inc., Critical Elements will receive, in the event of a lithium discovery, a royalty equal to 2% net smelter returns resulting from the extraction and production of Lithium products, including lithium ore, concentrate and chemical, resulting from the extraction and production activities on the Nisk property, including transformation into chemical products. Power Metallic Mines Inc. shall have the right at any time to purchase 50% of the Royalty and thereby reduce the Royalty to 1% by paying to Critical Elements a total cash amount of $2,000,000.

Lithium Marketing Rights

In the event of a lithium discovery, Critical Elements will retain Lithium Marketing Rights meaning the exclusive right of Critical Elements to market and act as selling agent for any and all lithium products, including lithium ore, concentrate and chemical, resulting from the extraction and production activities on the Nisk property, including transformation into chemical products.

Work done during the year

Evaluation and exploration expenses of $81,444 were recorded on the properties comprising the Nemaska Belt during the year ended August 31, 2026 (2025 - $1,596,568). Details by property are provided in the table entitled "General Description of the Properties" above.

Person In Charge of Technical Disclosure

Yves Perron, Eng., MBA, Vice-President Engineering, Construction and Operations of the Corporation and Kenneth Williamson, geologist and Director of exploration of the Corporation, are the qualified persons under *NI 43-101* and that has reviewed and approved the technical content of this MD&A for the properties.

RESULTS OF OPERATIONS

Critical Elements anticipates that, for the foreseeable future, quarterly results of operations will primarily be impacted by several factors, including the timing of exploration and the efforts and timing of expenditures related to the development of the Corporation. Due to fluctuations in these factors, the Corporation believes that the period-to-period comparisons of operating results are not a good indication of its future performance.

RESULTS FOR THE THREE-MONTH PERIOD

The comments below provide an analysis of the operating results for the three-month period ended August 31, 2026.

FINANCIAL HIGHLIGHTS

	August 31 (3 months)	
	2026	2025
Interest income	**$ 105,312**	$ 197,153
General and administrative expenses	**$ 81,814**	$ 82,538
Salaries and fringe benefits	**$ 472,283**	$ 1,650,782
Registration, listing fees and shareholders' information	**$ 27,578**	$ 21,017
Professional and consultants' fees	**$ 95,154**	$ 44,029
Share-based compensation	**$ 332,041**	$ 377,180
Depreciation of fixed assets	**$ 5,905**	$ 8,482
Depreciation of right-of-use assets	**$ 5,173**	$ 5,173
Others	**$ 15,001**	$ -
Net change in fair value of marketable securities	**$ (1,776,665)**	$ (3,119,734)
Other income - premium on flow-through shares	**$ (549,790)**	$ -
Foreign exchange loss	**$ 2,497**	$ 81
Income before income taxes	**$ (1,394,321)**	$ (1,127,605)
Current tax recovery	**$ (128,422)**	$ (162)
Deferred tax expense	**$ 487,916**	$ 162
Income and comprehensive income for the period	**$ (1,034,827)**	$ (1,127,605)
Cash & cash equivalents	**$ 10,204,385**	$ 10,632,631

Interest Income

Interest income for the three-month period ended August 31, 2026, amounted to $105,312 compared to $197,153 for the three-month period ended August 31, 2025. The decrease of $91,841 is mainly due to lower available cash balances and slightly lower interest rates.

Salaries and fringe benefits

Salaries and fringe benefits for the three-month period ended August 31, 2026, amounted to $472,283 (2025 - $1,650,782). The decrease is primarily attributable to the recognition of an accrued liability for

bonuses recorded during the three-month period ended August 31, 2025. The increase in the exchange rate applicable to certain salaries and fringe benefits paid in euros during the three-month period ended August 31, 2026, compared to 2025, also affected this item.

Others

Others consists of taxes payable to the federal and provincial tax authorities in connection with the flow-through share agreements entered into as part of the flow-through private placement completed on December 5, 2025. These taxes are calculated on eligible exploration and evaluation expenditures that the Corporation has renounced in favor of the subscribers, but have not yet been incurred. They are calculated monthly, except in January, during the year following the year in which the flow-through share agreements were entered into. An amount of $15,001 (2025 - Nil) was recognized during the three-month period ended August 31, 2026.

Change in the fair value of the marketable securities

The change in the value of marketable securities is related to fluctuations in the price of each marketable securities held by the Corporation. The change in the fair value of Power Metallic Mines Inc. securities held by the Corporation mainly affected this item.

Other income – premium on flow-through shares

Upon completing a flow-through share financing, the Corporation recognizes a liability for the deferred premium on flow-through shares equal to the difference between the price of the flow-through common shares and the fair value of the Corporation's common shares at the time the shares are issued. This liability is subsequently amortized over the periods during which the funds are spent on eligible Canadian exploration expenditures, resulting in the recognition of income related to the deferred premium on flow-through shares.

Other income related to the deferred premium on flow-through shares totaled $549,790 (2025 - Nil) for the three-month period ended August 31, 2026.

The selected financial information below was taken from Critical Elements' unaudited condensed interim financial statements for each of the following quarters:

$000s of $ except for share data	**August 31 2026**	May 31 2026	Feb. 28 2026	Nov. 30 2025	August 31 2025	May 31 2025	Feb. 28 2025	Nov. 30 2024
Interest income	**105**	107	118	11	197	113	175	182
Net (income) loss	**(1,394)**	1,544	(3,394)	5,274	(1,128)	5,856	(7,786)	(1,007)
Basic and diluted net (income) loss per share	**$ (0.01)**	$ 0.01	$ (0.01)	$ 0.02	$ (0.01)	$ 0.03	$ (0.04)	$ (0.01)

RESULTS FOR THE YEAR

The comments below provide an analysis of the operating results for the year ended August 31, 2026. The following selected financial information data is derived from the Corporation's financial statements for the year indicated.

FINANCIAL HIGHLIGHTS

	August 31 2026	2025
Interest income	$ 341,557	$ 666,633
General and administrative expenses	$ 395,250	$ 350,759
Salaries and fringe benefits	$ 2,139,538	$ 3,327,596
Registration, listing fees and shareholders'	$ 159,288	$ 135,715
Professional and consultants' fees	$ 521,829	$ 357,048
Share-based compensation	$ 797,303	$ 1,468,463
Depreciation of fixed assets	$ 23,474	$ 40,617
Depreciation of right-of-use assets	$ 20,693	$ 20,697
Others	$ 51,057	$ -
Net change in fair value of marketable securities	$ (588,419)	$ (9,037,627)
Other income - premium on flow-through shares	$ (1,151,294)	$ -
Gain on disposal of fixed assets	$ -	$ (11,382)
Gain on lease assigment	$ -	$ (50,840)
Foreign exchange loss	$ 2,604	$ 651
(Loss) income before income taxes	$ 2,029,766	$ (4,064,936)
Current tax recovery	$ (153,242)	$ (1,516,907)
Deferred tax expense	$ 512,736	$ 1,516,907
Net (loss) income and comprehensive (loss) income for the year	$ 2,029,766	$ (4,064,936)
Cash & cash equivalents	$ 10,204,385	$ 10,632,631

Interest Income

Interest income for the year ended August 31, 2026, amounted to $341,557 compared to $666,633 for the year ended August 31, 2025. The decrease of $325,076 is mainly due to lower available cash balances and slightly lower interest rates.

Salaries and fringe benefits

Salaries and fringe benefits for the year ended August 31, 2026, amounted to $2,139,538 (2025 - $3,327,596). The decrease is primarily attributable to the recognition of an accrued liability for bonuses recorded during the year ended August 31, 2025. The increase in the exchange rate applicable to certain salaries and fringe benefits paid in euros during the year ended August 31, 2026, compared to 2025, also affected this item.

Professional and consultant fees

Professional and consulting fees for the year ended August 31, 2026, consisted primarily of expenses of a legal and accounting nature, as well as audit, business development and management expenses. The increase of $164,781 compared to the comparative year is primarily attributable to higher business development expenses, accounting expenses and investor relations expenses. This increase was partially offset by a decrease in legal expenses.

Stock-Based Compensation

Share-based compensation for the year ended August 31, 2026 include the expense related to the 350,000 stock options granted to consultants, as well as the expense related to performance share units, deferred share units and restricted share units. A share-based compensation of $797,303 (2025 - $1,468,463) was therefore granted during the year ended August 31, 2026.

Others

Others consists of taxes payable to the federal and provincial tax authorities in connection with the flow-through share agreements entered into as part of the flow-through private placement completed on December 5, 2025. These taxes are calculated on eligible exploration and evaluation expenditures that the Corporation has renounced in favor of the subscribers, but have not yet been incurred. They are calculated monthly, except in January, during the year following the year in which the flow-through share agreements were entered into. An amount of $51,057 (2025 - Nil) was recognized during the year ended August 31, 2026.

Change in the fair value of the marketable securities

The change in the value of marketable securities is related to fluctuations in the prices of securities held on the TSX Venture Exchange. This item is mainly affected by the change in the fair value of Power Metallic Mine Inc.'s shares held by the Corporation.

Other income – premium on flow-through shares

Upon completing a flow-through share financing, the Corporation recognizes a liability for the deferred premium on flow-through shares equal to the difference between the price of the flow-through common shares and the fair value of the Corporation's common shares at the time the shares are issued. This liability is subsequently amortized over the periods during which the funds are spent on eligible Canadian exploration expenditures, resulting in the recognition of income related to the deferred premium on flow-through shares.

Other income related to the deferred premium on flow-through shares totaled $1,151,294 for the year ended August 31, 2026 (2025 – Nil).

Gain on lease modification

No amount was recognized under this item during the year ended August 31, 2026. During the year ended August 31, 2025, the Corporation ceded its lease for its Longueuil office including all obligations, to another tenant, before the end of its term. This disposal resulted in a gain on lease modification in the amount of $50,840.

LIQUIDITY AND CAPITAL RESOURCES

Cash and cash equivalents as at August 31, 2026, totalled $10,204,385, compared to $10,362,631 as at August 31, 2025. It is management's intention to source further capital funding, either in the form of equity or debt, to support current and future exploration and evaluation of assets, as well as project development.

Financing sources table				
Date	**Type**	**Financings**	**Amount**	**General description of the use of proceeds**
December 5, 2025	Bought deal private placement	Common shares	$3,000,000	The net proceeds of the private placement will be used to funds working capital and for the Corporation's corporate purposes.
December 5, 2025	Bought deal private placement	Flow-through shares	$4,000,000	The net proceeds of the private placement will be used to funds the Corporation's exploration programs. A balance of $787,085 remains available and must be used no later than December 31, 2026.
				The Corporation must incur expenditures of $2,491,259 no later than December 31, 2026. This amount represents the Quebec Resource Tax Credit, which the Corporation is eligible to claim, whereas investors located outside Quebec cannot benefit from it.

The Corporation has been successful in the past in raising financing; however, it requires significant additional financing in the near and long-term and there is uncertainty as to the ability to raise such financing. Advanced exploration of some of the mineral properties would require substantially more financial resources. There is no assurance that such financing will be available when required, or under

terms that are favourable to Critical Elements. The Corporation may also select to advance the exploration and development of exploration and evaluation assets through joint ventures. Management is currently considering opportunities for further financing. The Corporation has sufficient cash resources to purse its activities and meet its obligations for at least the next 12 months.

CASH FLOWS

	August 31	
	2026	2025
Operating activities	**$ (4,394,070)**	$ (1,275,995)
Financing activities	**$ 6,377,458**	$ (40,595)
Investing activities	**$ (2,411,634)**	$ 1,192,626
Net change in cash & cash equivalents	**$ (428,246)**	$ (123,964)
Cash & cash equivalents	**$ 10,204,385**	$ 10,632,631

During the year ended August 31, 2026, operating activities varied from one fiscal year to the next, as the Corporation recorded a net loss compared with net income in 2025. The change was also attributable to a decrease in share-based compensation, as well as a slight decrease in depreciation of fixed assets in 2026. In addition, fiscal 2025 included a gain on the disposal of fixed assets and a gain on lease modification, neither of which had a comparable item in 2026. Conversely, other income was recognized in 2026, with no comparable item in 2025. The change was also attributable to a smaller fluctuation in the fair value of marketable securities in 2026 compared with 2025, as well as fluctuations in accrued interest and deferred income taxes.

During the year ended August 31, 2026, cash flows related to financing activities were primarily affected by the repayment of lease liabilities related for the Blainville lease, as well as a cash settlement of deferred share units. The change compared with the prior year was also attributable to the issuance of shares and share issuance costs related to private placements completed during the year ended August 31, 2026.

During the year ended August 31, 2026, cash flows related to investing activities totaled ($2,411,634), compared to $1,192,626 for the year ended August 31, 2025. The year-over-year variation is primarily attributable to changes in short-term investments, marketable securities, as well as additions to exploration and evaluation assets. During the year ended August 31, 2026, the Corporation received proceeds from of a short-term investment in the amount of $500,000, compared to $4,752,414 in 2025. Proceeds from the sale of marketable securities amounting to $585,770 were also recorded in 2026, compared to $3,020,641 in 2025. Finally, certain transactions carried out in 2025, including the acquisition of fixed assets, proceeds from the disposal of fixed assets, the acquisition of a short-term investment, and the exercise of warrants of Power Metallic Mines Inc., had no corresponding transactions during fiscal 2026, thereby contributing to the variation in cash flows from investing activities.

CONTRACTUAL OBLIGATIONS AND OFF-BALANCE-SHEET ARRANGEMENTS

ROYALTIES ON THE MINING PROPERTIES

PROPERTY	ROYALTY		DESCRIPTION
	Name	Percentage	
Rose Lithium-Tantalum	Jean-Sébastien Lavallée	37.5%	2% NSR on some of the exclusive exploration rights of which 1% may be purchased for an amount of $1,000,000
	Jean-Raymond Lavallée	37.5%	
	Fiducie familiale St-Georges	25%	
Arques	Alain Champagne	100%	1.4% NSR on some of the exclusive exploration rights of which 0.80% may be purchased for an amount of $800,000
	Golden Goose	100%	2% NSR on some of the exclusive exploration rights of which 1% may be purchased for an amount of $1,000,000
Bourier	Alain Champagne	100%	1.4% NSR on some of the exclusive exploration rights of which 0.80% may be purchased for an amount of $800,000
Caumont	Golden Goose	100%	2% NSR on some of the exclusive exploration rights of which 1% may be purchased for an amount of $1,000,000
	Victor Cantore	100%	1.5% NSR on some of the exclusive exploration rights of which 1% may be purchased for an amount of $1,000,000
	Affinage Tectonic	100%	1% NSR on some of the exclusive exploration rights that may be purchased for an amount of $1,000,000
Duval	Jean-Sébastien Lavallée	50%	1% NSR on some of the exclusive exploration rights
	Jean-Raymond Lavallée	50%	
	Golden Goose	100%	2% NSR on some of the exclusive exploration rights of which 1% may be purchased for an amount of $1,000,000
Lemare	Jean-Sébastien Lavallée	50%	1% NSR on some of the exclusive exploration rights
	Jean-Raymond Lavallée	50%	
	Alain Champagne	100%	1.4% NSR on some of the exclusvie exploration rights of which 0.80% may be purchased for an amount of $800,000
	Golden Goose	100%	2% NSR on some of the exclusive exploration rights of which 1% may be purchased for an amount of $1,000,000
Nisk	Jean-Sébastien Lavallée	50%	1% NSR on some of the exclusive exploration rights
	Jean-Raymond Lavallée	50%	
	Alain Champagne	100%	1.4% NSR on some of the exclusive exploration rights of which 0.80% may be purchased for an amount of $800,000
	Golden Goose	100%	2% NSR on some of the exclusive exploration rights of which 1% may be purchased for an amount of $1,000,000
Valiquette	Jean-Sébastien Lavallée	50%	1% NSR on some of the exclusive exploration rights
	Jean-Raymond Lavallée	50%	
	Alain Champagne	100%	2% NSR on some of the exclusive exploration rights of which 1% may be purchased for an amount of $1,000,000
	Golden Goose	100%	2% NSR on some of the exclusive exploration rights of which 1% may be purchased for an amount of $1,000,000

NSR: Annual production net smelter return royalty

NATURE OF OPERATIONS AND BASIS OF PRESENTATION

The Corporation has determined that one of its mining properties, namely Rose Lithium-Tantalum, has economically recoverable ore reserves. As at August 31, 2026, the Corporation determined that it was still in the exploration stage with respect to its Rose Lithium-Tantalum property, because it has not yet obtained all the required financing and all permits to start the construction and development phase of the Rose Lithium-Tantalum project. The Corporation has not yet determined whether its other properties have economically recoverable ore reserves.

The exploration and development of mineral deposits involves significant financial risks. The success of the Corporation will be influenced by a number of factors, including exploration and extraction risks, regulatory issues, environmental regulations and other regulations, as well as available financing.

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and settlement of liabilities during the normal course of operations, and do not reflect the adjustments to the carrying value of assets and liabilities, the reported revenues and expenses and statement of financial position classification that would be necessary if the going concern assumption would not be appropriate. These adjustments could be material.

RELATED-PARTY TRANSACTIONS

Transactions with Key Executives and with members of the Board of Directors

During the year ended August 31, 2026, the Corporation incurred expenses of $1,138,980 (2025 - $212,076) for exploration and evaluation assets and $4,000 (2025 - $1,600) in general administrative expenses payable to Consul-Teck Exploration Minière Inc., a company of which the Chief Executive Officer is a shareholder. No expenses were capitalized to fixed assets of the Corporation in 2026 (2025 - $6,363). In relation with these transactions, the Corporation had an amount of $321,611 payable as of August 31, 2026 (2025 – $93,480).

The Corporation’s Chief Executive Officer owns 50% of 1% NSR on some of the EER of the Duval, Lemare, Nisk et Valiquette properties and 37.5% of 2% NSR on some of the EER of the Rose Lithium-Tantalum property.

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed by the related parties.

The following table reflects the remuneration of key management and directors of the Corporation's:

	August 31, 2026	2025
Management salaries and fringe benefits	$1,936,724	$3,047,096
Directors’ fees	$543,637	$374,549
Compensation and share-based payments	$717,920	$1,309,351
	$3,198,281	$4,730,996

EXPLORATION AND EVALUATION ASSETS

	August 31 2026	2025
Balance, beginning of year	$ 53,814,952	$ 50,073,881
Add:		
Financial guarantee bond management fees	433,858	433,836
Occupancy leases and leases	87,619	65,166
Acquisition of mining properties	5,050	32,147
Community consultations	132,469	125,172
Drilling	3,374,732	15,956
Geology, geochemical and geophysical	96,984	1,893,673
Environmental study	207,191	458,121
Engineering	188,184	611,200
Metallurgic test	3,192	-
Owner team	591,555	837,144
General exploration and evaluation expenses	59,173	67,144
	5,180,007	4,539,559
Balance, before deduction	58,994,959	54,613,440
Rebilling	-	(6,500)
Tax credit related to resources	(1,157,614)	(791,988)
	(1,157,614)	(798,488)
Balance, end of year	$ 57,837,345	$ 53,814,952

Note: Details by property can be found in Note 10 of the financial statements of the Corporation.

Drilling

During the year ended August 31, 2026, the Corporation incurred $3,374,7322 for the planning, organization and execution of drilling on the Rose West discovery, as well as for core storage compared to $15,956 during the comparable year, for core storage.

Geology, geochemistry and geophysical

During the year ended August 31, 2026, the Corporation recognized an amount of $96,984 related to a helicopter-borne VTEM electromagnetic survey over its properties in the Nemaska Belt, with the exception of Bourier and Nisk. An amount of $1,893,673 was recognized during the year ended August 31, 2025, for surface exploration work that had begun on the Rose Lithium-Tantalum, Rose South, in the Nemaska Belt properties. The Corporation had also completed a helicopter-borne electromagnetic VTEM on its properties in the Nemaska Belt, with the exception of Bourier and Nisk.

Environmental study

During the year ended August 31, 2026 and 2025, the environmental study involved the costs related to work on obtaining the environmental authorizations and commitments for the Rose Lithium-Tantalum project.

Engineering

During the year ended August 31, 2026, the Corporation's engineering activities were carried out at a reduced pace, resulting in a decrease in the related expenses, which amounted to $188,184, compared to $611,200 for the 2025 comparative year.

Owner Team

During the year ended August 31, 2026 and 2025, the Corporation incurred expenses related to the owner team of the Corporation. The decrease of $245,589 over the comparative year is mainly due to a reduction in the number of employee in 2026 compared to 2025.

Tax credit related to resources

The Corporation is eligible for a refundable tax credit related to resources, to this end, during the year ended August 31, 2026, the Corporation recorded, under exploration and evaluation expenses an amount receivable of $1,157,614 compared to an amount receivable of $791,998 in 2025.

Additional information

MATERIAL COMPONENTS

	August 31		
	2026	**2025**	**2024**
Statements of Comprehensive Income			
Net loss (income) and comprehensive loss (income) for the year	**$ 2,389,260**	$ (4,064,936)	$ 124,062
Salaries and fringe benefits	**$ 2,139,538**	$ 3,327,596	$ 3,302,021
Net change in fair value of marketable securities	**$ (588,419)**	$ (9,037,627)	$ (4,676,121)
Stock-based compensation	**$ 797,303**	$ 1,468,463	$ 1,592,325
Professional and consultants' fees	**$ 521,829**	$ 357,048	$ 444,008

	August 31		
	2026	**2025**	**2024**
Statements of Financial Position			
Exploration and evaluation assets	**$ 57,837,345**	$ 53,814,952	$ 50,073,881
Marketable securities	**$ 14,143,839**	$ 14,141,190	$ 7,887,146
Financial asset collateral investments	**$ 5,637,306**	$ 5,637,306	$ 5,637,306

DISCLOSURE OF OUTSTANDING SHARE DATA (as at November 12, 2026)

Common shares outstanding:	232,067,399	
Share purchase options outstanding:	1,604,332	
Average exercise price of:	$ 1.43	
Expiry date	**Number of shares**	**Exercise price**
		$
2027	1,404,332	Between 0.39 and 2.29
2028	200,000	0.39
	1,604,332	
Deferred share units outstanding:	944,644	
Restricted share units outstanding:	1,830,812	
Performance share units:	40,416	
Brokers options outstanding:	850,000	
Average exercise price of:	$ 0.40	
Expiry date	**Number of shares**	**Exercise price**
		$
2027	850,000	0.40
	850,000	

Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The determination of estimates requires the exercise of judgment based on various assumptions and other factors such as historical experience and current and expected economic conditions. Actual results could differ from those estimates.

FINANCIAL INSTRUMENTS

Financial instruments are initially measured at fair value, including, in the case of financial instruments that are not subsequently measured at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to the acquisition or issuance of the instrument. The Corporation recognizes financial instruments on the trade date, being the date on which it becomes a party to the contractual provisions of the instrument. Upon initial recognition, the Corporation classifies its financial assets as subsequently measured at either amortized cost or fair value through profit or loss.

A description of financial instruments and their fair value is included in Notes 4 and 21 to the Annual Financial Statements filed on SEDAR + (www.sedarplus.ca).

SUBSEQUENT EVENTS

Between September 24 and October 23, 2026, the Corporation sold 156,000 common shares of Power Metallic Mines Inc. for a total cash consideration of $175,168.

September 28 and September 30, 2026, the Corporation issued a total of 15,500 common shares to an employee at a share price between $0.335 and $0.37, following the settlement of restricted share unit. An amount of $6,648 will be reclassified from contributed surplus to share capital.

On October 8, 2026, the Corporation renewed a guaranteed investment certificate of $1,935,000 issued by a Canadian financial institution, cashable without penalty 90 days after its issuance, bearing interest at a rate of 3.00% and maturing in October 2027.

On October 8, 2026, the Corporation renewed a guaranteed investment certificate of $1,000,000 issued by a Canadian financial institution, cashable without penalty 30 days after its issuance, bearing interest at a rate of 2.50% and maturing in October 2027.

CERTIFICATION OF ANNUAL FILINGS

The Chief Executive Officer and the Chief Financial Officer have signed the Basic Certifications of Annual Filings as required by National Instrument 52-109 for the venture issuer, thus confirming, the review, the absence of misrepresentations and the fair presentation of the annual filings.

- The Chief Executive Officer and the Chief Financial Officer confirm to have reviewed the annual financial statements and the annual MD&A (together, the "annual filings") of the Corporation for the year ended August 31, 2026.

- The Chief Executive Officer and the Chief Financial Officer confirm that, to the best of their knowledge and having exercised reasonable diligence, the annual filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, for the period covered by the annual filings.

- The Chief Executive Officer and the Chief Financial Officer confirm that, to the best of their knowledge and having exercised reasonable diligence that the annual financial statements together with the other financial information included in the annual filings fairly present in all material respects the financial condition, results of operations and cash flows of the issuer, as of the date of and for the period presented in the annual filings.

RISKS FACTORS

Critical Elements is subject to a variety of risks, some of which are described below. If any of the following risks occur, the Corporation's business, results of operations or financial condition could be adversely affected in a material manner. The risks described herein and in other documents forming part of the Corporation's disclosure record are not the only risks facing the Corporation. Additional risks and uncertainties not currently known to the Corporation, or that the Corporation currently deems immaterial, may also materially and adversely affect its business. Prospective purchasers or holders of Corporation's common shares should give careful consideration to all risk factors enumerated below.

Risks Factors Related to the Corporation

Lack of Revenue. As the Corporation does not generate any revenues from mining operations, it is dependent upon future financings to continue its plan of operation and stay in business. The Corporation does not have a history of revenue or return on investment, and there can be no assurance that it will generate revenue, operate at a profit, or yield return on investment in the future.

The Corporation's Dependence upon the Rose Lithium-Tantalum Property. Although the Corporation owns title interest in a number of properties, the Corporation expects future mining operations at the Rose Lithium-Tantalum Property to account for most or all of the Corporation's ore production unless additional properties are brought into production or other producing properties are acquired. The project's profitability will depend on the Corporation's ability to secure long-term offtake agreements. There is no assurance that such agreements will be secured on favourable terms. Any adverse condition affecting the Rose Lithium-Tantalum Property could be expected to have a material adverse effect on the Corporation's financial performance, results of operations and prospects. While the Technical Report demonstrates the economic feasibility of the Rose Lithium-Tantalum Property, the inability to achieve commercial operations on a basis that is economically viable, will have a material

adverse effect on the Corporation. The Corporation's ongoing development of the Rose Lithium-Tantalum Property involves the exploration of new areas although there is no assurance that additional mineral resources or mineral reserves will be discovered. Even if discovered, extraction of ore from new areas may present new or different challenges for the Corporation and may not be economic.

Exploration and Mining Risks. The business of exploration for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. Unusual or unexpected formations, formation pressures, fires, power outages, labour disruptions, flooding, cave-ins, landslides and the inability to obtain suitable or adequate machinery, equipment or labour are other risks involved in the conduct of exploration programs. From time to time the Corporation increases its internal exploration and operating expertise with due advice from consultants and others as required. The economics of developing mineral properties is affected by many factors, including the cost of operations, variation of the grade of ore mined and fluctuations in the price of any minerals produced. There are no underground or surface plants or equipment on the Corporation's mineral properties, nor any known bodies of commercial ore. Programs conducted on the Corporation's mineral property would be an exploratory search for ore.

Titles to Property. While the Corporation has reviewed and is satisfied with the titles to its mineral properties, and, to the best of its knowledge, such titles are in good standing, there is no guarantee that titles to such properties will not be challenged or impugned. The properties may be subject to prior unregistered agreements of transfer or aboriginal land claims, and titles may be affected by undetected defects. In addition, according to the applicable mining legislation in the Province of Québec, the Corporation will need to incur expenditures on its properties and pay a rent in order to renew EER upon their expiry. There can be no assurance that the Corporation will be successful in renewing all such EER. The properties in which the Corporation holds an interest are not currently subject to territorial claims on behalf of First Nations. No insurance can however be provided to the effect that such will not be the case in the future.

Rose Lithium-Tantalum Property is subject to a valid mining lease. The maintenance of this lease is conditional upon compliance with various legal, regulatory and contractual obligations, including, but not limited to, environmental, development and production obligations, as well as the payment of rents and other royalties. Failure to comply with these obligations could result in the suspension, revocation or non-renewal of the mining lease, which could have a material adverse effect on the Corporation's operations, financial condition and prospects.

Permits and Licenses. The Corporation's activities and operations may require licenses and permits from various governmental authorities. There can be no assurance that the Corporation will be able to obtain all necessary licenses and permits that may be required to carry out exploration, development and mining operations at its projects. There can be no assurance that various permits which the Corporation may require in the normal course for its current and anticipated exploration, development and construction activities as well as mining operations, including without limitation, on the Rose Lithium-Tantalum Property will be maintainable or obtainable on reasonable terms or on a timely basis. Furthermore, any delays in obtaining the anticipated construction permits would have an adverse effect on the Corporation's timing and costs.

The Corporation has obtained the key environmental permits required for the Rose project, including those issued under the applicable regulatory regime in the James Bay territory (including, in particular, COMEX). These permits remain subject to various conditions, ongoing obligations and monitoring requirements. Failure to comply with these conditions could result in administrative measures, including amendments, suspensions or revocation of the permits.

Dividend Policy. No dividends on the common shares of the Corporation have been paid to date. The Corporation anticipates that, for the foreseeable future, it will retain future earnings and other cash resources for the operation and development of its business. Payment of any future dividends will be at the discretion of the Board of Directors ("Board") after taking into account many factors, including the

Corporation's operating results, financial condition, and current and anticipated cash needs.

Conflicts of Interest. Certain directors or proposed directors of the Corporation are also directors, officers or shareholders of other companies that are similarly engaged in the business of acquiring, developing and exploiting natural resource properties. Such associations may give rise to conflicts of interest from time to time. Conflicts, if any, will be dealt with in accordance with the relevant provisions of the CBCA. The directors of the Corporation are required by law to act honestly and in good faith with a view to the best interests of the Corporation and to disclose any interest which they may have in any project or opportunity of the Corporation. If a conflict of interest arises at a meeting of the Board, any director in a conflict will disclose his interest and abstain from voting on such matter. In determining whether or not the Corporation will participate in any project or opportunity, the directors will primarily consider the degree of risk to which the Corporation may be exposed and its financial position at that time.

Key Employees. The success of the Corporation is currently largely dependent on the performance of its directors and officers, as well as its operations and technical leaders. The loss of the services of any of these persons could have a materially adverse effect on the Corporation's business and prospects. There is no assurance the Corporation can maintain the services of its directors, officers or other qualified personnel required to operate its business.

Labour Relations. While the Corporation has good relations with its employees, there can be no assurance that it will be able to maintain positive relationships with its employees. In addition, relations between the Corporation and its employees may be impacted by regulatory or governmental changes introduced by the relevant authorities in whose jurisdictions the Corporation carries on business. Adverse changes in such legislations or in the relationship between the Corporation and its employees could have a material adverse impact on the Corporation's business, results of operations and financial condition.

Mineral Exploration and Development Activities Inherently Risky. The business of exploration for minerals and mining involves a high degree of risk that even a combination of experience, knowledge and careful evaluation may not be able to overcome. Few properties that are explored are ultimately developed into mineral deposits with significant value. Unusual or unexpected ground or water conditions, geological formation pressures, fires, rock bursts, power outages, labor disruptions, flooding, earthquakes, explosions, cave-ins, landslides, mechanical equipment and facility performance problems, the inability to obtain suitable adequate machinery, equipment or labor and other unfavorable operating conditions are some of the risks involved in the operation of mines and the conduct of exploration and development programs. Unknown rock mechanics and hydrogeological conditions that cannot be predicted ahead of mining, such as faulting, zones of weak rock, or zones of unanticipated water inflow, may only be discovered during mining and may require significant changes to the mining plan. While lab testing may reduce uncertainty in some of the rock properties, it is never possible to identify all of these potential risks in advance. The Corporation's Rose Lithium-Tantalum Property and any future mining operations will be subject to all the hazards and risks normally incidental to exploration, development and production, any of which could result in work stoppages and damage to or destruction of exploration or development facilities, mines and other producing facilities, damage to life and property, environmental damage and possible legal liability for any or all damage.

Estimates of mineral resources and mineral reserves. The estimates of mineral resources and mineral reserves for the Rose Lithium-Tantalum Property have been prepared in accordance with National Instrument 43-101 - *Standards of Disclosure for Mineral Projects* ("NI 43-101"). There are numerous uncertainties inherent in estimating mineral resources and mineral reserves and no assurance can be given that the anticipated tonnages and grades will be achieved, that the indicated level of recovery will be realized or that any categories of mineral resources or reserves will be upgraded to higher categories. The estimation of mineralization is a subjective process and the accuracy of estimates is a function of quantity and quality of available data, the accuracy of statistical computation and the assumptions and judgments made in interpreting engineering and geological information. Mineral reserves at the Rose Lithium-Tantalum Property have been determined to be economic ore in the context of the Technical Report in accordance with Regulation 43-101. However, factors such as market price fluctuations, increased production costs, reduced recovery rates, and changes to other assumptions

applied to the estimates, may render the mineral reserves uneconomic. It should be understood that the mineral resources and mineral reserves presented in the Technical Report are estimates of the size and grade of the deposits based on a number of drillings and samplings and on assumptions and parameters available. The level of confidence in the estimates depends upon a number of uncertainties. These uncertainties include, but are not limited to, future changes in product prices and/or production costs, differences in size and grade and recovery rates from those expected, and changes in project parameters. There is no assurance that the Rose Lithium-Tantalum Property implementation will be realized or that the current estimates of volume and grade of minerals mined/processed or of cash flows derived from production will be achieved.

Nature of the Corporation's business. It is not anticipated that the Corporation will earn income from ongoing operations in the near future; those operations are aimed at the discovery and development of lithium deposits for economic value. There is no assurance that any deposits having economic value will be discovered or, if discovered, will be sufficient to sustain feasible mining activities or profitable operations.

The Corporation's operations are subject to all of the hazards and risks normally incidental to exploration and development of lithium properties, any of which could result in damage to life or property, environmental damage and possible legal liability for any or all damage. The Corporation's activities may be subject to prolonged disruption of activities or scheduled work programs, due to weather conditions, barriers to property access, whether natural (such as floods or road damage) or man-made (such as blockades), depending on the location of operations in which the Corporation has interests. In the course of exploration, development and production of mineral properties, certain risks, and in particular, unexpected or unusual geological operating conditions including cave-ins, fires, flooding, earthquakes or other conditions may occur. While the Corporation may obtain insurance against certain risks in such amounts as it considers adequate, the nature of these risks is such that liabilities could exceed policy limits or could be excluded from coverage. There are also risks against which the Corporation cannot insure or against which it may elect not to insure. The potential costs which could be associated with any liabilities not covered by insurance or in excess of insurance coverage or compliance with applicable laws and regulations may cause substantial delays and require significant capital outlays, adversely affecting the future earnings and competitive position of the Corporation and, potentially, its financial position.

Whether a lithium deposit will be commercially viable depends on a number of factors, some of which are the particular attributes of the deposit, such as its size and grade, proximity to infrastructure, financing costs and governmental regulations, including regulations relating to prices, taxes, royalties, infrastructure, land use, importing and exporting and environmental protection. The effect of these factors cannot be accurately predicted, and the combination of these factors may result in the Corporation not receiving an adequate return on invested capital.

Unanticipated metallurgical processing problems. Unanticipated metallurgical processing problems may occur during operations, including, without limitation, mechanical problems with milling or extraction equipment, unexpected grade anomalies in processed material, contaminants in processing or processed material, and the inability to operate tested processes at scale which can lead to lower metallurgical recoveries than expected and delay and impede operations, which may affect the profitability of the Rose Lithium-Tantalum Property. In addition, further metallurgical testing or operations may determine that the metals cannot be extracted as economically as anticipated.

Life of Mine Plan. The life of mine plan proposes to mine 26.3 Mt of ore, 182.4 Mt of waste, and 10.9 Mt of overburden for a total of 219.6Mt of material. The average stripping ratio is 7.3 tonnes of stripping per tonne of ore. The nominal production rate is estimated at 4,600 tonnes per day and 350 operating days per year. The open pit mining schedule allows for a 17-year mine life. The mine is expected to produce a total of 26.3 million tonnes of ore grading an average of 0.87% Li2O and 138 ppm Ta2O5, including dilution. The mill is scheduled to process 1.61 million tonnes of ore per year resulting in an annual average of 224,686 tonnes of technical and chemical grade spodumene concentrate and 441 tonnes of tantalite concentrate. However, significant changes in the life of mine plan can occur as a result of experience obtained in the course of carrying out the Corporation's mining activities, changes in mining

methods and rates, process changes, investments in new equipment and technology and other factors. There can be no assurance that the estimates in the Corporation's plan will be consistent with future economic factors or actual results and performance or that the Corporation will not amend its existing life of mine plan for its Rose Lithium-Tantalum Property in the future.

Need for Funding and Time of Development. There is a risk that the development of the Rose Lithium-Tantalum Property into commercial production will not be completed on time or on budget, or not at all. The development and construction schedule of the Rose Lithium-Tantalum Property is based on management's expectations, and may be delayed by a number of factors, some of which are beyond the Corporation's control. It is common in new mining operations to experience unexpected costs, problems and delays during permitting, construction, development and mine start-up. Most, if not all, projects of this kind suffer delays in start-up and commissioning due to late delivery of components, the inadequate availability of skilled labour and mining equipment, adverse weather or equipment failures, the rate at which expenditures are incurred, delays in construction schedules, or delays in obtaining the required permits or consents, or to obtain the required financing. In addition, delays in the early stages of mineral production often occur. During this time, the economic feasibility of production may change. Capital and operating costs are estimates based on the interpretation of geological data, pre-feasibility and feasibility studies and other conditions, and there can be no assurance that they will prove to be accurate. The costs, timing and complexities of developing the Rose Lithium-Tantalum Property may be significantly higher than anticipated, including because the availability of infrastructure such as surface access, skilled labour, and energy at an economic cost, cannot be assured. In addition, cost estimates may increase significantly as more detailed engineering work and studies are completed. The Corporation requires financing through equity and/or debt securities to complete the development, construction and commissioning of the Rose Lithium-Tantalum Property and to fund future working capital, capital expenditures, operating and exploration costs and other general corporate requirements. The success and the pricing of any such capital raising and/or debt financing is dependent upon the prevailing market conditions at that time and upon the Corporation's ability to attract significant amounts of debt and/or equity. There is no assurance that such financing will be obtained on terms satisfactory to the Corporation and, if raised by offering equity securities, any financing may involve a dilution to existing shareholders. Failure to obtain any financing necessary for the Corporation's capital expenditure could result in the delay or indefinite postponement of further construction and development of the Rose Lithium-Tantalum Property which in turn would materially and adversely affect the financial and operating results of the Corporation and the market price of the Corporation's securities and, ultimately, could result in the loss of its properties.

Construction and Start-Up of New Mines and Industrial Plants. The success of construction projects and the start-up of new mines and industrial plants by the Corporation is subject to a number of risks and challenges including the availability and performance of engineering and construction contractors, suppliers and consultants; unforeseen geological formations; the implementation of new mining and industrial processes; the receipt of required governmental approvals and permits in connection with the construction of mining and industrial facilities and the conduct of operations, including environmental and operating permits; price escalation on all components of construction and start-up; engineering and mine design adjustments; the underlying characteristics, quality and unpredictability of the exact nature of mineralogy of a deposit and the consequent accurate understanding of ore or concentrate production; and the successful completion and operation of haulage ramp and conveyors to move ore and other operational elements. Any delay in the performance of any one or more of the contractors, suppliers, consultants or other persons on which the Corporation is dependent in connection with its construction and development activities, a delay in or failure to receive the required governmental approvals and permits in a timely manner or on reasonable terms, or a delay in or failure in connection with the completion and successful operation of the operational elements in connection with the mine and the industrial facilities could delay or prevent the construction and start-up as planned and may result in additional costs being incurred by the Corporation beyond those budgeted. There can be no assurance that current or future construction and start-up plans implemented by the Corporation will be successful.

Shortage and Inflation. The availability of skilled labour, electricity and other necessary supplies at an economic cost cannot be assured. These are integral requirements for exploration, development and production facilities on mineral properties. Prices for goods and services will fluctuate in relation to the

level of investment in the mining sector; it is reasonable to expect that increased demand could impact the Corporation's future economic projections and competitiveness, as it may entail a meaningful increase in costs for various goods and services.

Improvements in the economic conditions for the mining industry as a whole will typically result in increases to both the costs of planned exploration and development activities, which must also be factored into economic models used in projections for future development and potential operations. Increased demand for, and costs of, goods or services could result in delays if they cannot be obtained in a timely manner due to inadequate availability, and may cause scheduling difficulties and delays due to the need to coordinate their availability, any of which could materially increase project exploration, development and/or construction costs. These factors could have a material adverse impact on the Corporation's operations and profitability.

Access restrictions and lack of infrastructure and equipment. The Corporation's interest in the Rose Lithium-Tantalum Property will require adequate infrastructure, such as roads, bridges and sources of power and water, for future exploration and development activities. The lack of availability of these items on terms acceptable to the Corporation or the delay in availability of these items could prevent or delay exploitation or development of the Corporation's mineral properties. Natural resource exploration, development, processing and mining activities are dependent on the availability of mining, drilling and related equipment in the particular areas where such activities are conducted. A limited supply of such equipment or access restrictions may affect the availability of such equipment to the Corporation and may delay exploration, development or extraction activities. Certain equipment may not be immediately available, or may require long lead time orders. A delay in obtaining necessary equipment could have a material adverse effect on the Corporation's operations and financial results.

Litigation and Other Legal Proceedings. Like most companies, the Corporation is subject to the threat of litigation and may be involved in disputes with other parties which may result in litigation or other proceedings. The Corporation's operations are subject to the risk of legal claims by employees, unions, contractors, debt holders, lenders, suppliers, future joint venture partners, shareholders, governmental agencies or others through private actions, class actions, administrative proceedings, regulatory actions or other litigation.

Indigenous Community Relations. In July 2019, the Corporation entered into an Impact and Benefit Agreement (IBA) with the James Bay Cree in connection with the Rose Lithium-Tantalum Property. The development of the project depends on maintaining positive relationships with the Indigenous communities concerned and complying with the commitments set out in the IBA. The IBA includes, among other things, financial obligations, employment and training commitments, as well as contracting opportunities for community members. Failure to comply with the obligations set out in the IBA, or a deterioration in relations with Indigenous communities, could result in disputes, litigation, increased opposition to the project or disruptions to operations, which could lead to delays, additional costs or an interruption of operations. The expectations of Indigenous communities and other stakeholders may evolve over time, which could result in additional requests or adjustments to existing arrangements, with a potential impact on project costs and timelines.

General Risk Factors

Climate Change. Climate change is an international concern and, as a result, poses risk of both climate changes and government policy in which governments are introducing climate change legislation and treaties that could result in increased costs, and therefore, could decrease profitability of the Corporation's operations. The Canadian government has established a number of policy measures in response to concerns relating to climate change. The impacts of these measures will most likely be to increase costs for fossil fuels, electricity and transportation; restrict industrial emission levels; impose added costs for emissions in excess of permitted levels; and increase costs for monitoring and reporting. Compliance with these initiatives could have a material adverse effect on the Corporation's results of operations. The Corporation's current regulatory risks associated with climate change mainly fall under its obligations under the Québec carbon market trading scheme. Increased public awareness and concern regarding global climate change may result in more legislative and/or regulatory requirements

to reduce or mitigate the effects of GHG emission. If the current trend of increasing regulation continues, this may result in the increase of costs of the operations of the Corporation.

In addition, the physical risks of climate change may also have an adverse effect on the operations of the Corporation. Global climate change could exacerbate certain of the threats facing the Corporation's business, including the frequency and severity of weather-related events, resource shortages, changes in rainfall and storm patterns and intensities, forest fires, water shortages and changing temperatures, which can disrupt the Corporation's operations, restrict the Corporation's ability to access its properties, damage its infrastructure or properties, create financial risk to Corporation's business or otherwise have a material adverse effect on its results of operations, financial position or liquidity. These may result in substantial costs to respond during the event, to recover from the event and possibly to modify existing or future infrastructure requirements to prevent recurrence. Climate changes could also disrupt the Corporation's operations by impacting the availability and cost of materials needed for mining operations and could increase insurance and other operating costs.

Metal prices. Even if the Corporation's exploration programs are successful, factors beyond the control of the Corporation may affect marketability of any minerals discovered. Metal prices have historically fluctuated widely and are affected by numerous factors beyond the Corporation's control, including international, economic and political trends, expectations for inflation, currency exchange fluctuations, interest rates, global or regional consumption patterns, speculative activities and worldwide production levels. The effect of these factors cannot accurately be predicted. Future revenues will depend on lithium prices, which are volatile and influenced by global factors. A decline in lithium prices could render the project uneconomic.

Volatility of Share Price and Market Price of the Common Shares. The price of the shares of resource companies tends to be volatile. Fluctuations in the world of metal prices in response to many other elements beyond the control of the Corporation could materially affect the price of the common shares of the Corporation.

There can be no assurance that an active market for the common shares of the Corporation will be sustained after any offering of securities. Securities of companies with smaller capitalizations have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include global economic developments and market perceptions of the attractiveness of certain industries. There can be no assurance that continuing fluctuations in price will not occur. If an active market for the common shares of the Corporation does not continue, the liquidity of a purchaser's investment may be limited. If such a market does not develop, purchasers may lose their entire investment in the common shares of the Corporation.

As a result of any of these factors, the market price of the common shares of the Corporation at any given point in time may not accurately reflect the long-term value of the Corporation. Securities class-action litigation often has been brought against companies following periods of volatility in the market price of their securities. The Corporation may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages, and also divert management's attention and resources.

Dilution. Additional financing needed to continue funding the development and operation of the Corporation may require the issuance of additional securities of the Corporation. The issuance of additional securities and the exercise of Warrants, options and other convertible securities will result in dilution of the equity interests of any persons who are or may become holders of common shares.

Sales by existing shareholders. Sales of a substantial number of common shares in the public market could occur at any time. These sales, or the market perception that the holders of a large number of common shares intend to sell common shares, could reduce the market price of the common shares. If this occurs and continues, it could impair the Corporation's ability to raise additional capital through the

sale of securities.

Competition. The mining industry is intensely competitive in all its phases. The Corporation competes with many companies possessing greater financial resources and technical facilities than itself for the acquisition of mineral interests as well as for recruitment and retention of qualified employees.

Environmental and safety regulations. The Corporation operations may be subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations which would result in environmental pollution. A breach of such legislation may result in the imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner that means standards are stricter, and enforcement, fines and penalties for non-compliance are more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations. The Corporation intends to comply fully with all environmental regulations. Such operations and exploration activities are also subject to substantial regulation under applicable laws by governmental agencies. There can be no assurance, however, that such laws and regulations will not have an adverse effect on any mining project which the Corporation might undertake.

Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations and mineral exploration and development may be required to compensate those suffering loss or damage by reason of mining or other exploration and/or development activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations and, in particular, environmental laws. Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Corporation and cause increases in capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new mining properties.

Environmental liabilities. Exploration activities may also have environmental impacts and may cause environmental liabilities. In any such events, the Corporation may be required to remediate these properties, and the costs of such work could have an adverse effect upon the Corporation and the value of its shares.

The Corporation will be required to obtain permits or maintain them in good standing and comply with various other government regulations and there could be significant adverse consequences to the Corporation arising from not obtaining such permits or not complying with such government regulations.

The current and future operations of the Corporation may require obtaining permits or maintaining them in good standing from various governmental authorities and will be governed by laws and regulations governing prospecting, development, mining, production, export, taxes, labour standards, occupational health, waste disposal, land use, environmental protections, mine safety and other matters. There is no assurance that the Corporation will be able to obtain all necessary permits or maintain them in good standing and approvals that may be required to undertake exploration activity or commence construction or operation of lithium extraction facilities on the Corporation’s properties or any other properties the Corporation may acquire in the future. To the extent such approvals are required and not obtained, the Corporation may be curtailed or prohibited from commencing or continuing with mining operations, or proceeding with any future exploration or development of the Corporation’s properties.

Costs of environmental remediation. Planned expenditures may differ from the actual expenditures required. It is not possible to determine the exact amount that will be required to complete remediation activities, and the amount that the Corporation is required to spend could be materially different than

current estimates. Environmental bonds or other forms of financial assurance represent only a portion of the total amount of money that will be spent on remediation over the life of a mine's operation. Although the Corporation includes estimated remediation costs in its mining plans, it may be necessary to revise the planned expenditures and the operating plan for the Corporation's properties in order to fund required remediation activities.

Stage of development. Based on the Technical Report (as such term is defined below), the Corporation has determined that one of its mineral properties, the Rose Lithium-Tantalum Property, contains economically recoverable ore reserves. As at August 31, 2026, the Corporation considered that the Rose Lithium-Tantalum Property was still at the exploration stage, as all the financing needed to start the construction and development phase of the project had not yet been secured.

Uninsured hazards. Hazards such as unusual geological conditions are involved in exploring for and developing mineral deposits. The Corporation may become subject to liability for pollution or other hazards which cannot be insured against or against which the Corporation may elect not to insure because of the high cost of premiums or for other reasons. The payment of any such liability could result in the loss of Corporation assets or the Corporation's insolvency.

Future financing. Completion of future programs may require additional financing, which may dilute the interests of existing shareholders. The Corporation has been successful in the past in raising financing, however it requires significant additional financing in the near and long-term and there is uncertainty as to the ability to raise such financing. Specifically, in order to move forward on its mining Rose Lithium-Tantalum Property, the Corporation will have to raise additional funds. If management is unable to obtain new funding, the Corporation may be unable to continue its operations, and amounts realized for assets may be less than amounts reflected in these financial statements.

Canada Revenue Agency. No assurance can be made that Canada Revenue Agency will agree with the Corporation's characterization of expenditures as Canadian exploration expenses or Canadian development expenses or the eligibility of such expenses as Canadian exploration expenses under the *Income Tax Act* (Canada). If the Canada Revenue Agency were to successfully challenge the classification or eligibility of certain of the Corporation's expenditures as Canadian exploration expenses or Canadian development expenses, the Corporation could be required to pay additional taxes, interest and, in certain circumstances, penalties. Such a determination could also reduce or eliminate certain tax benefits previously granted to or transferred to investors in connection with flow-through share financings, which could expose the Corporation to indemnification obligations, claims or additional costs. Any adverse assessment or reassessment could have a material adverse effect on the Corporation's financial condition, operating results, cash flows and reputation.

Public Corporation Obligations. As a publicly listed corporate entity, the Corporation is subject to evolving rules and regulations promulgated by a number of governmental and self-regulated organizations, including the Canadian Securities Administrators, the TSXV, the OTCQX International, the Frankfurt Exchange, and the International Accounting Standards Board, which govern corporate governance and public disclosure regulations. These rules and regulations continue to evolve in scope and complexity creating many new requirements, which increase compliance costs and the risk of non-compliance. The Corporation's efforts to comply with these rules and obligations could result in increased general and administration expenses and a diversion of management time and attention from financing, development, operations and, eventually, revenue-generating activities.

Lithium Demand. Lithium is considered an industrial mineral and the sales prices for the different lithium compounds are not public. Lithium is not a traded commodity like base and precious metals. Sales agreements are negotiated on an individual and private basis with each different end-user. Therefore, it is possible that the sales prices used in the Technical Report will be different than the actual prices at which the Corporation is able to sell its lithium compounds. In addition, there are a limited number of producers of lithium compounds and it is possible that these existing producers will try to prevent new-comers from entering the chain of supply by increasing their production capacity and lowering sales prices. Factors such as foreign currency fluctuation, supply and demand, industrial disruption and actual lithium market sale prices could have an adverse impact on operating costs and stock market prices and

on the Corporation's ability to fund its activities. In each case, the economics of the Rose Lithium-Tantalum Property could be materially adversely affected, even to the point of being rendered uneconomic.

Changes in technology. Lithium carbonate and hydroxide are currently key materials used in batteries, including those used in electric vehicles. However, the technology pertaining to batteries, electric vehicles and energy creation and storage is changing rapidly and there is no assurance that lithium will continue to be used to the same degree it is used now, or that it will be used at all. Any decline in the use of lithium in batteries or technologies utilizing such batteries may result in a material and adverse effect on the Corporation's prospects for development of the Rose Lithium-Tantalum Property.

Potential impact of U.S. trade policy. The U.S. government has and continues to make significant changes in U.S. trade policy and has taken certain actions that could negatively impact international trade, including imposing tariffs. The implementation and continuance of new tariffs and retaliatory measures is uncertain. To the extent continued, any such tariffs and/or retaliatory measures may have an adverse effect on the Corporation. Tariffs could have an impact on trade flows, investor sentiment and monetary policy decisions, leading to greater fluctuations in the CAD/USD exchange rate and the Corporation's ability to raise funds to finance its operations. In addition, tariffs could also have an impact on the capital expenditure required to develop and build a mine for the Rose Lithium-Tantalum Project.