



ANTI-BRIBERY AND ANTI-CORRUPTION POLICY

OBJECTIVE AND SCOPE

This Anti-Bribery and Anti-Corruption Policy (“Policy”) applies to Critical Elements Lithium Corporation (“Critical Elements” or “Corporation”) directors, officers and employees, as well as its subsidiaries, divisions and affiliates (“individuals”) regardless of their position in the organization, at all times and business jurisdictions.

Critical Elements embraces values, such as care, respect, accountability, integrity and collaboration. The Corporation is committed to maintaining the highest standards of transparency, professional conduct and ethics in its business activities, accounting standards and disclosures, internal accounting controls and audit practices. It is the policy of Critical Elements to comply with and require its directors, officers, employees and affiliates to comply with all applicable legal and regulatory requirements relating to bribery and corruption, including, but not limited to, the *Canadian Corruption of Foreign Public Officials Act* and any other country in which the Corporation may operate. Every individual has the responsibility to assist the Corporation in meeting these requirements.

In accordance with the Corporation's commitment set out above, this Policy is established to govern the Critical Elements' adherence to ZERO tolerance for bribery and corruption by any individual associated with the Corporation and in accordance with all applicable legal and regulatory requirements.

OVERSIGHT

The Board of Directors (“Board”), or the Governance and Nominating Committee of the Board, shall immediately be informed of any breaches and will review and evaluate this Policy annually to determine if this Policy effectively ensures accurate and timely disclosure in accordance with its disclosure obligations.

DEFINITIONS

“**Bribe**” is an inducement or reward offered, promised or provided in order to gain any commercial, contractual, regulatory or business or personal advantage. An inducement is something which helps to bring about an action or desired result. A business advantage means that the Corporation or other person is placed in a better position than it would otherwise have been, had the bribery or corruption not taken place.

“CEO” means Chief Executive Officer

“Extortion” means to directly or indirectly demand or accept a bribe, facilitating payment or kickback or other payment by threat of force, intimidation or exercise of authority.

“Facilitating Payment” means a small, unofficial payment made to expedite routine governmental action that does not involve obtaining, retaining or directing business. Examples include payments to (a) secure processing of visas, permits or papers such as work orders or customs documents to process legally transmitted goods and (b) induce minor government functionaries (government employees without discretionary authority over a project or transaction) to complete their jobs in the manner required and where the situation does not involve the securing of business.

“Government Official” means any official of a governmental entity, a public international organization (such as the International Monetary Fund), a regional development bank or other multilateral organization or a person who performs public duties or functions of a legislative, administrative or judicial nature. For purposes of this Policy, government-owned companies and their instrumentalities are considered to be governmental entities, and their employees, officers, directors, agents, consultants and contractors are considered to be Government Officials.

“Kickback” means a payment of any part of a contract amount made to an employee or agent of a contracting party by another contracting party, directly or by use of other techniques, such as subcontracts, purchase orders or consulting agreements, to channel payments to a Government Official, Politician, contracting party or its employees or agents, or their relatives or business associates.

“Political Contribution” means a contribution of money, goods or services to support a Politician or a political campaign or initiative.

“Politician” means a political candidate, a political party, any official of a political party, any employee or agent of any politician, and any person acting on behalf of a political campaign or initiative.

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In adhering to Critical Elements’ corporate values of care, accountability and integrity, the following standards should be observed at all times:

Gifts and Entertainment

Business gifts and entertainment are customary courtesies designed to build goodwill among business partners. These courtesies include such things as meals and beverages, tickets to sporting or cultural events, discounts not available to the general public, travel, accommodation and other merchandise or services. However, a problem may arise when such courtesies compromise - or appear to compromise – the Corporation’s ability to make objective and fair business decisions.

Individuals need to avoid offering, soliciting or receiving any gift, gratuity or entertainment that could be viewed by a reasonable person as an attempt to influence business decisions concerning Critical Elements. At a minimum, gifts:

- cannot be cash;
- must be consistent with customary business practices;
- cannot be excessive in value;
- cannot be construed as a bribe or payoff; and
- cannot be in violation of any applicable laws or regulations.

Gifts and hospitality given to or received from Government Officials and Politicians requires prior written approval of the CEO.

Gifts or hospitality to persons other than Government Officials or Politicians should never be offered or accepted without the prior written approval of the CEO where the value of the gift or hospitality per person exceeds the reasonable limits established by the CEO and communicated internally from time to time. Gifts or hospitality of an insignificant or nominal value, such as promotional items, meals or refreshments offered during a meeting may be given and accepted without such prior approval. In applying this policy:

- individuals should not accept or provide gifts or levels of hospitality, if the total value exceeds the limit established by the CEO, over a twelve-month period;
- where a gift is received that is in excess of the limits established by the CEO, and it would be impractical or offend local custom to return it, the CEO will decide whether it is appropriate to keep the gift or donate it to charity;
- if there is an occasion where personnel and their families are offered hospitality that exceeds the standards established by the CEO, and it may be regarded as offending local custom to decline the offer, the matter will be referred to the CEO for decision.
- the gift or hospitality must be given and accepted in the name of Critical Elements and openly and not secretly.
- All gifts and hospitality provided, received or declined must be recorded in the Critical Elements' **Gift and Hospitality Register** (Appendix 2) which is maintained by the Chief Financial Officer (CFO) of the Corporation or designees; provided that gifts or hospitality of an insignificant or nominal value, such as promotional items, meals or refreshments offered may be given and accepted without being recorded.

Bribes and Kickbacks

Individuals cannot, either directly or indirectly through an agent, pay, offer to pay or promise to give anything of value to any government, public official, political party, political party official or candidate for political office with the goal of influencing his or her decisions that may concern or affect Critical Elements.

Not only are bribes and kickbacks unethical and in violation of the Policy, they can seriously damage Critical Elements' reputation and expose all individuals and Corporate directors and officers to fines, charges and possibly jail.

Political Activities and Contributions

Critical Elements does not make donations or contributions to any candidate for public office or political party and does not approve of anyone making them in Critical Elements' name. The Corporation does, however, recognize that individuals may choose to participate in partisan political activities, but these activities must not involve the use of Corporate money, time, equipment, supplies, facilities or other resources and must be done solely in a personal capacity.

RECORD-KEEPING

The Corporation shall keep and maintain accurate books and records. All payments made to or by Critical Elements' personnel must be fairly, accurately and properly recorded and reported and must properly and fairly record the transactions to which they relate. Recording such payments in any way which would conceal their true nature or which is contrary to applicable accounting standards is not permitted. The Corporation complies with standard accounting practices and policies and is required to make and keep books, records and accounts which accurately and fairly reflect the all-business transactions, assets and liabilities. There must be no "off the books" or secret accounts.

CONSEQUENCES OF NON-COMPLIANCE

Compliance with this Policy is fundamental to the reputation and continued success of Critical Elements. It is the personal responsibility of all directors, officers, employees and contractors to understand and comply with their obligations under this Policy. Failure to observe this Policy may subject Critical Elements personnel to disciplinary action, up to and including termination.

The violation of this Policy may also violate certain Canadian laws and if it appears that a person subject to this Policy may have violated such laws, then Critical Elements may refer the matter to the appropriate regulatory authorities, which could lead to penalties, fines or imprisonment.

This Policy should be read in conjunction with Critical Elements' *Code of Business Conduct and Ethics* and its *Whistleblower Policy* which impose reporting obligations on those subject to this Policy to report violations.

COMMUNICATION OF THE POLICY

This Policy will be posted on the Corporation's website at www.cec corp.ca/corporate-profile/governance/.

Each employee, officer and director of Critical Elements will be required to provide certification that they have read, understood and will comply with the Policy and will be informed whenever significant changes are made.

QUERIES

If there are any questions about how this Policy should be followed in a particular case, please contact the CEO or CFO of Critical Elements.

ACKNOWLEDGEMENT

I acknowledge that I have read and understand the Critical Elements Anti-Bribery and Anti-Corruption Policy. I confirm that I am presently in compliance and I agree to conduct myself in accordance with the provisions contained in the Policy. I further understand that failure to do so may result in disciplinary action being taken against me, which may include termination of my employment.

Signature: _____

Date: _____

Print Name: _____

Board of Directors Approval Date: June 14, 2021

Next review: June 14, 2022

Appendix 1

Schedule “A” – Examples of Red Flags

The following is a list of “red flags” that may indicate the possible existence of Bribery or other corrupt practices, and should be kept in mind by all persons subject to this Policy:

- use of an agent or consultant with a poor reputation or with links to Government Officials or Politicians;
- unusually large commission payments or commission payments where the agent or consultant does not appear to have provided significant services;
- cash payments or requests for cash payments;
- payments without adequate paper trails or compliance with normal internal controls;
- bids for construction or other services where the amounts bid are significantly in excess of prevailing levels;
- unusual bonuses for which there is little support;
- payments to be made to third party countries or to offshore accounts;
- failure to follow standard contracting practices;
- unexplained preferences for certain contractors;
- invoices in excess of contract amounts, or undocumented or inadequately documented change orders.
- requests by Government Officials that contributions be made to charitable organizations.

Appendix 2
Gifts and Hospitality Register

Entry No	Employee's Name	Date of Disclosure	Date of Provision or Receipt of Gift(s)/ Hospitality	Name & Address of Donor(s)	Nature of/ reason for the Gift(s)/ Hospitality	Estimated Value
1.						
2.						
3.						