



BOARD OF DIRECTORS CHARTER

Critical Elements Lithium Corporation (“Critical Elements” or “Corporation”) is established under the Canada Business Corporations Act and listed on the TSX Venture Exchange, on the American Over-The-Counter QX stock exchange (OTCQX) and on the Frankfurt Exchange. The purpose of the Corporation is profitably delivering responsibly sourced lithium for sustainable green energy solutions through partnerships with our stakeholders.

This Charter outlines the mandate, membership, authority and responsibilities of the board of directors (the “Board”) and it may be amended from time to time by the Board.

MANDATE

The Board of the Corporation is responsible for the overall stewardship of the business and affairs of the Corporation as required under applicable legislation and stock exchange rules. The Board delegates the responsibility for the day-to-day operations to the Chief Executive Officer (“CEO”) and the executive management team. The Board, directly through its policies and through its committees, shall provide strategic direction and oversight for achieving the Corporate Purpose.

COMPOSITION

The Board is elected by the shareholders at each annual meeting of shareholders of the Corporation.

Membership Criteria and Board Succession

The Governance and Nominating Committee is responsible for maintaining a Board succession plan that is responsive to the needs of Critical Elements and the long-term interests of its shareholders. Candidates are initially considered and recommended by the Governance and Nominating Committee then approved by the entire Board and elected annually by the Corporation’s shareholders.

Candidates will be identified based on the current needs for Board composition, including the diversity of its membership and the competencies and skills that it possesses as a whole and the competencies and skills the candidate would bring to the Board. The nominee’s integrity, reputation and accomplishments, as well as the ability of the candidate to contribute to effective oversight of the management of the Corporation will also be considered.

Majority Voting Policy

Each director should be individually elected by the vote of a majority of the shares represented in person or by proxy at any meeting for the election of directors. Forms of proxy for the election of directors will permit a shareholder to vote in favour of, or to withhold from voting, separately for each director nominee. The Chair of the Board will ensure that the number of shares voted in favour or withheld from voting for each director nominee is recorded and promptly made public after the meeting. If any nominee for director receives, from the shares voted at the meeting in person or by proxy, a greater number of shares withheld than shares voted in favour of his or her election, that director must promptly tender his or her resignation to the Chair of the Board following the meeting. The Board shall determine whether or not to accept the resignation within 90 days after the date of the relevant security holders' meeting. The Board must accept the resignation unless there are exceptional circumstances which warrant not accepting the resignation. The resignation will be effective when accepted by the Board. The Corporation will promptly issue a news release with respect to the Board's decision on the resignation and, if the Board decides not to accept the resignation, the reasons for that decision will be set out in the news release.

Any director who tenders his or her resignation will not participate in any Board deliberations as to whether his or her resignation should be accepted. In the event any director fails to tender his or her resignation in accordance with this policy, the Board will not re-nominate the director. Subject to any corporate law restrictions, the Board is not limited in any action it may take if a director's resignation is accepted, including:

- (i) leaving a vacancy in the Board unfilled until the next annual general meeting;
- (ii) filling the vacancy by appointing a new director whom the Board considers to merit the confidence of the shareholders; or
- (iii) calling a special meeting of shareholders to consider a new Board nominee to fill the vacant position.

This majority voting policy does not apply to a contested election of directors, that is, where the number of nominees exceeds the number of directors to be elected.

Director Independence

The Board shall be constituted of a majority of directors who are "independent", as determined by the Board in accordance with applicable securities laws and stock exchange rules. Generally, an independent director means a director who has no direct or indirect material relationship with the Corporation. For these purposes, "material relationship" means a relationship which could, in the view of the Board, reasonably interfere with the exercise of a director's independent judgment.

Directors have an ongoing obligation to inform the Board of any material changes in their circumstances or relationships which may affect the Board's determination as to their independence.

The Board will review the independence of all directors on an annual basis and will disclose its determinations in the Corporation's management information circular.

Size

The Board shall be comprised of at least one (1) and not more than 10 directors, as specified in the Corporation's by-laws.

Retirement

Directors may serve on the Board until the annual meeting of shareholders following their 72nd birthday and may not be re-elected after reaching age 72.

Tenure

The corporation is supportive to periodic board refreshment to foster the sharing of diverse perspectives in the boardroom and the generation of new ideas and business strategies. In order to balance the interests of the Corporation in retaining directors who have been able to develop, over a period of time, significant insight into the Corporation and its operations and an institutional memory that benefits the Board as well as management while, at the same time, ensuring for sufficient renewal, no more than one third of the non-executive directors may exceed the lengthy tenure limit, which is set at 10 years.

Chair

Each year, the Board will elect a Chair from among its members. The Board has developed a Mandate for the Chair of the Board which shall be reviewed every two years by the Governance and Nominating Committee and the Board.

MEETINGS

Scheduling

Board meetings are scheduled in advance at least quarterly throughout the year. In addition to regularly scheduled Board meetings, additional meetings may be called upon the giving of proper notice at any time to address specific needs of the Corporation. The Board may also take action from time to time by unanimous written consent. A Board meeting may be called by the Chair of the Board, the CEO or any director.

Notice

Notice of the time and place of each meeting of the Board must be given to each director either by personal delivery, electronic mail, facsimile or other electronic means not less than 48 hours before the time of the meeting. Board meetings may be held at any time without notice, if all of the directors have waived or are deemed to have waived notice of the meeting. A director participating in a Board or committee meeting is deemed to have waived notice of the meeting.

Agenda

The Chair of the Board shall establish the agenda for each Board meeting in consultation with the CEO. The agenda will be distributed to directors in advance of each Board meeting to allow the Board members sufficient time to review and consider the matters to be discussed. Each Board member is free to request the inclusion of other agenda items, request the presence of, or a report by, any member of senior management and/or request the consideration of matters that are not on the agenda for that meeting, although voting on matters so raised may be deferred to another meeting to permit proper preparation for a vote on an unscheduled matter.

In-Camera Sessions

Independent directors will meet without management present at every Board meeting and at such other times as they may determine appropriate. The Chair of the Board will inform the CEO of the substance of these meetings to the extent that action is required by management.

Distribution of Information

Information and data that are important to the Board's understanding of the business to be conducted at a Board meeting will normally be distributed to the directors reasonably in advance of the meeting or as soon as possible.

Attendance

A director who is unable to attend a Board meeting in person may participate by telephone or teleconference.

Quorum

The quorum for any Board meeting is a majority of directors.

Minutes

The Corporate Secretary, his or her designate or any other person the Board requests, shall act as secretary of Board meetings. He or she shall ensure that minutes of Board meetings are recorded with clear indication of where the Board meeting took place, the directors who were present in person or via teleconference or video conference. The minutes shall be an accurate, adequately detailed reporting of the discussions of the Board. The minutes shall be subsequently presented to the Board for approval.

RESPONSIBILITIES, DUTIES AND POWERS

The fundamental responsibility of the Board is the stewardship of the business and affairs of Critical Elements with a view to enhancing and preserving long-term shareholder value while ensuring that the Corporation conducts its business and affairs ethically and in accordance with corporate governance practices determined by the Board to be appropriate.

Legal Obligations

The Board is responsible for acting in accordance with the obligations contained in the Canada Business Corporations Act and any other applicable laws. Among other things, the Board is required to act honestly and in good faith with a view to the best interests of the Corporation; supervise the management of the business and affairs of the Corporation; exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances; and exercise independent judgment.

Strategic Planning

The Board is responsible for adopting a strategic planning process, approving annual strategic plans which take into account, among other things, the risks and opportunities of Critical Elements' business and affairs and will, during the course of the year, monitor the Corporation's performance against those plans.

Risk Management

The Board, in conjunction with management, is responsible for establishing the appropriate risk appetite for the Corporation and ensuring that the principal risks of the Corporation's business, including, but not limited to, environmental, operating, political, financial, geological, legal and regulatory risks, are identified, assessed and understood by the Board and management and that there are appropriate systems in place which effectively monitor and manage those risks with a view to the long-term viability of Critical Elements.

The Board shall, in fulfilling this responsibility, establish an enterprise risk management program of the Corporation and review such program on at least an annual basis, including its risk management practices and the guidelines, policies and processes underlying such enterprise risk management program.

Appointment and Supervision of Management and Succession Planning

The Board, with the participation and recommendations of the Governance and Nominating Committee, is responsible for:

- the selection, appointment, evaluation and, if necessary, the termination of the CEO and will, with respect to other officers of the Corporation, review and approve the CEO's recommendations with respect to the appointment and termination of such officers;
- satisfying itself of the integrity of the CEO and other officers of the Corporation and satisfying itself that the CEO and management create a culture of integrity throughout the organization;
- developing corporate goals and objectives for the CEO and other officers and then monitoring and assessing the performance of the CEO and other officers against such corporate goals and objectives;
- setting the compensation of the CEO and other officers;
- providing advice and counsel to the CEO in the execution of his or her duties; and

- overseeing the human resources policies of the Corporation and ensuring adequate provision has been made to train and develop management and that management succession plans are in place.

Annual Budget & Expenditures

The Board will:

- adopt an annual budget and plan;
- approve all major expenditures, projects, acquisitions, dispositions and changes in operating policies and organizational structures;
- approve all capital budgets not included in the annual budget and above set authorization limits; and
- approve all financing arrangements, including guarantees adopted and other significant obligations incurred by the Corporation.

Corporate Governance, Social Responsibility, Ethics and Integrity

The Board believes that having established corporate governance practices, as determined by the Board as being appropriate for Critical Elements, is essential to the well-being of the Corporation and the promotion and protection of its shareholders' interests.

The Board is responsible for developing Critical Elements' approach to corporate governance, including developing a set of corporate governance principles and guidelines. The Board oversees the functioning of the corporate governance system, in part through the work of the Governance and Nominating Committee and the Environmental and Social Responsibility Committee.

The Board is responsible for establishing, and monitoring the Corporation's compliance with, policies and procedures designed to ensure that the Corporation operates at all times in compliance with all applicable laws and regulations and in accordance with high standards of ethics and corporate governance. Policies the Board has adopted, that it reviews from time to time and resolves disputes under, include:

- Code of Business Conduct and Ethics
- Disclosure & Confidentiality Policy
- Insider Trading Policy
- Whistleblower Policy
- Environmental Policy
- Anti-bribery and Anti-Corruption Policy
- Diversity Policy
- Clawback Policy

The Board will provide leadership to Critical Elements in support of its commitment to corporate responsibility, set the ethical and cultural tone for Critical Elements and its management and foster ethical and responsible decision-making by management.

Communications with Shareholders

The Board is responsible for ensuring there are procedures in place to facilitate effective communications with its shareholders and to obtain, and appropriately address, feedback received from its shareholders. In fulfilling this responsibility, the Board shall, among other things:

- ensure management engages a professional who is experienced in working closely with members of the investment community, institutional investors and individual shareholders;
- ensure that there are shareholder engagement processes in place in order to solicit the views of significant shareholders on the Corporation's strategy, performance and executive compensation program;
- provide shareholders with a procedure to communicate directly with the Board.

Engagement with Other Stakeholders

Critical Elements recognises that in order to achieve long-term shareholder value, careful consideration of all other major stakeholders' (employees, customers, communities, provincial and federal governments, suppliers, environmental organisations, etc.) interests and priorities needs to be considered in strategic decisions and day-to-day operations. In order to achieve its oversight responsibilities, The Board shall, among other things:

- Oversee the creation of stakeholder engagement plan;
- Oversee the creation and development of Environmental and Social Management System;
- Review at least quarterly stakeholder engagement reports and risk registrar where major concerns are captured; and
- Develop policies and procedures for properly governing the stakeholder engagement and timely and transparent communication.

Public Disclosure

The Board is responsible for overseeing the Corporation's continuous disclosure program with a view to satisfying itself that procedures are in place to ensure that:

- Operational and financial performance of the Corporation is adequately reported to regulators, stock exchanges and stakeholders on a timely and regular basis;
- Financial performance is reported fairly and in accordance with International Financial Reporting Standards (IFRS);
- Timely reporting to regulators, exchanges and stockholders of any developments that could or would reasonably be expected to have a significant and material impact on the Corporation; and
- Policies and procedures are in place to allow for effective communication with regulators, exchanges and stakeholders.

The Board will, among other things, require that Critical Elements maintain a disclosure policy which sets out the procedures to be followed to ensure that information required to be disclosed by the Corporation is properly collected and accurately recorded, processed and summarized and

reported on a timely basis and that the Corporation complies with all applicable laws, rules and regulations relating to financial reporting and disclosure.

The Board will also ensure that procedures are in place to ensure that developments at all levels of the organization are promptly and accurately reported to management and, ultimately, to the CEO and the Board.

Director Compensation

The Board will, with the advice and recommendations of the Compensation Committee, approve the form and amount of director compensation on at least an annual basis.

Advisors

The Board has sole authority to retain, obtain the advice of, and terminate any consultant, external legal counsel or other advisor, to assist it in the performance of its duties. Critical Elements will provide appropriate funding, as determined by the Board, for payment of reasonable compensation to any advisor retained by the Board. The Board shall have sole authority to approve such consultants' fees and retention terms, and shall be directly responsible for the selection, compensation and oversight of the advisors it retains.

Access to Management & Information

Board members will have full and free access to officers and employees of the Corporation and its books and records. Any meetings or contacts that a Board member wishes to initiate may be arranged through the CEO or the Corporate Secretary. Board members will use their judgment to ensure that any such contact is not disruptive to the business operations of the Corporation.

Board Evaluation

The Board shall review, at least annually, the Board's duties, responsibilities and performance and determine if any changes in practices of the Board or amendments to this Mandate are necessary or otherwise deemed appropriate by the Board.

DELEGATION OF POWERS

Subject to the limitations imposed by statute and the Board's oversight function and ultimate responsibility for the stewardship of the Corporation, responsibility for the day-to-day management of the Corporation's business and affairs has been delegated to Critical Elements' officers. The Board may also delegate certain matters to committees of the Board. Any responsibility not delegated to management or a committee of the Board remains with the Board.

The Board's delegation of responsibility for the day-to-day management of the Corporation's business and affairs to the Corporation's officers will be subject to such limitations as the Board may impose including, but not limited to, specified financial limits.

Those matters which require Board approval are set out in Schedule “A” attached hereto.

COMMITTEES

Standing Committees

The Board will have an Audit Committee; Environmental and Social Responsibility Committee; Technical Committee; Compensation Committee and Governance and Nominating Committee. The Board may, from time to time, establish such additional committees as it deems appropriate and delegate to them such authority permitted by applicable law as the Board sees fit.

Each committee will operate in accordance with applicable law, its Charter (as adopted and amended from time to time by the Board) and the applicable rules of securities regulatory authorities and stock exchanges. The Charter for each of the committees will be posted on the Corporation’s website.

Composition and Independence

The Governance and Nominating Committee will be responsible for recommending to the Board the persons to be appointed to each committee as members and as the Chair and will review each committee’s membership on at least an annual basis and otherwise periodically as circumstances require.

All of the members of the Audit Committee, Compensation Committee, Governance and Nominating Committee and the Environmental and Social Responsibility Committee shall be “independent” directors, taking into account applicable rules and regulations of securities regulatory authorities and stock exchanges. The majority of the Technical Committee should also consist of independent directors.

Committee Chair

The chair of each committee is responsible for guiding the committee in the fulfillment of its duties and responsibilities. The Board has developed a Committee Chair Mandate, which shall be reviewed every two years by the Governance and Nominating Committee and the Board.

RESPONSIBILITIES OF DIRECTORS

The primary responsibility of individual directors is to act honestly and in good faith and to exercise their business judgment in what they reasonably believe to be in the best interests of Critical Elements and its shareholders.

The Board has developed the following specific expectations of directors to promote the discharge by the directors of their responsibilities and to promote the proper conduct of the Board:

- **Understand the Corporation and its Business.** Each director is expected to develop and maintain a thorough understanding of Critical Elements’ business, its strategy, business operations, financial position and performance, the risks it faces and the social and political environments in which it operates.
- **Loyalty and Ethics.** All directors owe a duty of loyalty to Critical Elements which requires each director to put the best interests of the Corporation ahead of any other commercial interest he or she may have. Directors are expected to conduct themselves in accordance with Critical Elements’ Code of Business Conduct and Ethics. Directors must disclose any conflict of interest on any issue, including any interest in a material contract or transaction, brought before the Board and refrain from participating in the Board discussion and voting on the matter unless asked by the Board to do so.
- **Prepare for Meetings.** Directors are expected to diligently prepare for each meeting, including by reviewing all materials circulated in advance of each meeting and should arrive prepared to discuss the issues presented. Directors are encouraged to contact the Board Chair, committee Chairs, the CEO and any other appropriate officer to ask questions and discuss agenda items prior to meetings.
- **Attend Meetings.** Directors are expected to maintain a high attendance record at meetings of the Board. Attendance by telephone or video conference may be used to facilitate a director’s attendance.
- **Participate in Meetings.** Directors are expected to be active and effective participants in the deliberations of the Board by participating fully and frankly in Board discussions and encouraging free and open discussion of the affairs of the Corporation.
- **Continuing Education.** Directors are expected to pursue continuing education opportunities to maintain and enhance their abilities as directors and ensure that their knowledge of the business of the Corporation remains current.
- **Other Directorships and Significant Activities.** Critical Elements values the experience directors bring from other boards on which they serve and other activities in which they participate, but recognizes that those boards and activities may also present demands on a director’s time and availability and may present conflicts or legal issues, including independence issues. Each director should, when considering membership on another board, make every effort to ensure that such membership will not impair the director’s time and availability for his or her commitment to Critical Elements. The Board believes that this objective is served by limiting the number of other public company boards a director may serve on to four (4). Directors must seek approval by the Board Chair, the Chair of the Governance and Nominating Committee and the CEO before accepting membership on the board of another public company or establishing other significant relationships, particularly those that may result in significant time commitments.
- **Confidentiality.** Each director must maintain the confidentiality of information received in connection with his or her services as a director of the Corporation.

Board of Directors Approval Date: June 14, 2021

Revised: October 3, 2023

SCHEDULE "A" - MATTERS REQUIRING BOARD APPROVAL

A.1 The Board has the statutory responsibility for considering the following matters and may not delegate such matters to committees of the Board or to management of the Corporation:

- the submission of any question or matter to the shareholders of the Corporation which requires the approval of the shareholders;
- the filling of a vacancy among the directors or in the office of auditor, or the appointment of additional directors;
- the issuance of securities;
- the declaration of dividends;
- the purchase, redemption or any other form of acquisition of shares issued by the Corporation;
- the payment of a commission to any person in consideration of the person purchasing or agreeing to purchase shares of the Corporation from the Corporation or from any other person or procuring or agreeing to procure purchasers for any such shares except as authorized by the Board;
- the approval of a management proxy circular;
- the approval of a take-over bid circular, directors' circular or issuer bid circular;
- the approval of an amalgamation of the Corporation;
- the approval of all financial information and other disclosure documents that are required by law to be approved by the Board before they are released to the public;
- the approval of an amendment to the articles of the Corporation; and
- the adoption, amendment or repeal of any by-law of the Corporation.

A.2 In addition to those matters, which at law cannot be delegated, the following matters (as well as any other matters that may be specified by the Board from time to time) must be referred to the Board (or an appropriate committee of the Board where delegation to a committee is permitted by law) in advance of any commitment or substantial negotiation for approval:

- annual budgets;
- entering into transactions of a fundamental nature such as reorganizations, material acquisitions or dispositions;
- entering into, or making a material modification to, any agreement or commitment to become liable for any debt obligations or guarantees involving more than \$280,000 (the "Threshold Amount") (based on the "materiality" threshold used by Critical Elements' independent auditors), or subjecting any assets of the Corporation to a security interest;
- any transaction involving a purchase, contract, merger, combination, acquisition, disposal or other contract that (a) requires shareholder approval or (b) involves a sum of more than the Threshold Amount;
- committing to make any capital expenditure in excess of the Threshold Amount that is not otherwise already part of the Corporation's approved operating budget;

- entering into any contract, agreement or commitment out of the ordinary course of business;
- entering into any agreement with an officer, director or 10% shareholder of the Corporation or any parent or subsidiary of the Corporation outside of the ordinary course of business;
- terminating, suspending or significantly modifying any material business activity or business strategy of the Corporation or undertaking a new business activity;
- making any material change to a business or strategic plan that has been approved by the Board;
- initiating or settling any legal proceeding involving a payment that exceeds the Threshold Amount; and
- the appointment, compensation and/or removal of the CEO, any officer of the Corporation, a director or the Board Chair.

Last updated: October 3, 2023