



DISCLOSURE AND CONFIDENTIALITY POLICY

OBJECTIVE AND SCOPE

This Disclosure and Confidentiality 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.

The Corporation is committed to maintaining the highest standards of transparency, accountability, business 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 corporate reporting and disclosure, accounting and auditing controls and procedures, securities compliance and other matters pertaining to fraud. 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 possession and dissemination of undisclosed material information as defined below. The objective of this Policy is to ensure that communications to the investing public about the Corporation are:

- timely, factual and accurate; and
- broadly disseminated in accordance with all applicable legal and regulatory requirements, including, without limitation, Canadian securities laws, on which Critical Elements’ securities are listed and the Securities Act (Quebec) (the “Act”).

This Policy covers disclosures in documents filed with securities regulators and written statements made in the Corporations’ annual and quarterly reports, news releases, letters to shareholders, presentations by senior management and information contained on the Corporate website and other electronic communications. It extends to oral statements made in meetings and telephone conversations with analysts and investors, interviews with the media, as well as speeches, press conferences and conference calls.

OVERSIGHT

The 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

“Authorized Spokespersons” means those persons who have been authorized to speak on behalf of the Corporation as set out below;

“Board” means the Board of Directors of the Corporation;

“Core Documents” means press releases, prospectuses, take-over bid circulars, issuer bid circulars, directors' circulars, rights offering circulars, management's discussion and analysis, annual information forms, information circulars, annual financial statements, interim financial statements, and material change reports;

“CEO” means the chief executive officer of the Corporation;

“CFO” means the chief financial officer of the Corporation;

“Contractor” means a third party (who is not an employee) engaged by the Corporation in an employee-like capacity;

“Directors” means any and all members of the Board;

“Disclosures” means any Document or Oral Statement but does not include written disclosure that is made available to the public only by reason of having been filed with a government or agency of government pursuant to a requirement of law other than securities legislation;

“Disclosure Committee” means the Corporation's disclosure committee responsible for the implementation and monitoring of this Policy;

“Disclosure Controls and Procedures” means controls and procedures that are designed to ensure that information required to be disclosed by the Corporation is recorded, processed, summarized and reported within the specified time periods;

“Document” means any written communication, including a communication prepared and transmitted in electronic form: (a) that is required to be filed with the Autorite des marches financiers (the “AMF”) and a securities regulatory authority in Canada on SEDAR (including Core Documents); or (b) that is not required to be filed with a government or an agency of a government under applicable law or with any stock exchange or similar institution under its bylaws, rules or regulations, the content of which would reasonably be expected to affect the market price or value of the securities of the Corporation;

“Forward-Looking Information” means forward-looking information and forward-looking statements regarding possible events, conditions or results (including future-oriented financial

information with respect to prospective results of operations, a prospective financial position or prospective changes in financial position that is based on assumptions about future economic conditions and courses of action) that is presented as either a forecast or a projection.

“Generally Disclosed” means disseminated to the public by way of a news release together with the passage of a reasonable amount of time (48 hours, unless otherwise advised by the Disclosure Committee that the period is longer or shorter, depending on the circumstances) for the public to analyze the information;

“IIROC” means the Investment Industry Regulatory Organization of Canada;

“Material Information” consists of both **“material facts”** and **“material changes”**, as well as **“privileged information”** in Québec. A **“material fact”** means a fact that significantly affects, or would reasonably be expected to have a significant effect on, the market price or value of the securities of the Corporation. A **“material change”** means a change in the business, operations or capital of the Corporation that would reasonably be expected to have a significant effect on the market price or value of any of the securities of the Corporation and includes a decision to implement such a change if such a decision is made by the Board or by senior management of the Corporation who believe that confirmation of the decision by the Board is probable. **“Privileged information”** is defined under the Québec *Securities Act*, chapter V-1.1 as any information that has not been disclosed to the public and that could affect the decision of a reasonable investor. Schedule "A" attached hereto, while not intended to be complete or comprehensive, lists examples of Material Information.

“Misrepresentation” means (a) an untrue statement of a material fact or (b) an omission to state a material fact that is (i) required to be stated or (ii) necessary to prevent a statement that is made from being false or misleading in the circumstances in which it was made;

“Oral Statements” means any oral statement made by a person with actual, implied or apparent authority to speak on behalf of Critical Elements in circumstances in which a reasonable person would believe that information contained in the statement will become Generally Disclosed. Examples include speeches, presentations, news conferences, interviews and discussions with analysts where the Corporation’s business and affairs, prospects or financial condition is discussed.

“SEDAR” means the system for electronic document analysis and retrieval;

“Selective Disclosure” means the selective disclosure of Undisclosed Material Information; and

“Undisclosed Material Information” is Material Information about the Corporation that has not been Generally Disclosed.

DISCLOSURE COMMITTEE

The Board has established a Disclosure Committee (the **“Committee”**) responsible for all regulatory disclosure requirements and for overseeing the Critical Elements’ disclosure practices. The Committee consists of the CEO, the President and the CFO.

The Committee is responsible for:

- determining whether information is Material Information;
- ensuring the timely disclosure of Material Information in accordance with the Rules and Regulations; and
- overseeing the design and implementation of, and monitoring compliance with, this Policy and the Disclosure Controls and Procedures.

It is essential that the Committee be informed promptly about events and developments that may be material. Any person to whom this Policy applies who becomes aware of information that may constitute Material Information shall promptly contact the CEO, President or CFO who will, in turn, liaise with other members of the Committee, if such exists. A list of current members of the Disclosure Committee and their contact information is set out in Schedule “B” of this Policy.

The Disclosure Committee shall meet as needed. Minutes of such meetings shall be maintained by the Chair of the committee or a designee. The Disclosure Committee may consult with the Corporation’s external legal counsel and other appropriate expert advisors as it considers necessary in connection with this Policy.

AUTHORIZED SPOKESPERSONS

Unless otherwise authorized by the Committee, only members of the Disclosure Committee are authorized to make Disclosures on behalf of the Corporation. Any person to whom this Policy applies, other than an Authorized Spokesperson, who is approached by the media, an analyst, investor or any other member of the public to comment on the affairs of the Corporation, must defer the enquiry to an Authorized Spokesperson.

DEALING WITH REGULATORS

The Disclosure Committee will designate those of its members as being responsible for receiving inquiries from IIROC with respect to unusual trading activity or market rumours. If required by the Rules and Regulations, a member of the Disclosure Committee will be responsible for contacting IIROC in advance of the release of Material Information to seek approval of the news release, to watch for unusual trading and to determine when a halt is required.

DETERMINING “MATERIALITY”

The Disclosure Committee, in consultation with the Board and others as appropriate, shall determine what is deemed to be Material Information and for the preparation of the appropriate Disclosures. In making materiality judgments, the Disclosure Committee and the Board will take into account a number of factors that cannot be captured in a simple or well-defined standard test.

These include the nature of the information itself, the volatility of Critical Elements’ securities and

prevailing market conditions. The Disclosure Committee and the Board will also take into account the impact of the event, development or change in question on its assets, liabilities and earnings and overall operations as well as its reputation and strategic direction.

DISCLOSURE CONTROLS AND PROCEDURES

The following Disclosure Controls and Procedures have been designed to ensure that information required to be disclosed by the Corporation is accurately recorded, processed and summarized and then reported on a timely basis.

Core Documents

Core Documents must be reviewed by the Disclosure Committee and then submitted to the Board for approval. Core Documents must then be filed on SEDAR and posted on the Corporate website.

News Releases

All news releases must be reviewed and approved by the CEO and at least one (1) other member of the Disclosure Committee. All news releases containing Material Information will be provided to the Board for review and approved by the Chair of the Governance and Nominating Committee or the Chair of the Audit Committee. In addition, news releases containing financial Material Information must be reviewed and approved by the Chair of the Audit Committee.

When required by the Rules and Regulations, news releases disclosing Material Information will be transmitted to the stock exchanges on which Critical Elements' securities may be listed, to relevant regulatory bodies (as required) and major news wire services that disseminate financial news to the financial press and to daily newspapers that provide regular coverage of financial news in the areas where the Corporation has operations. News releases must be precleared with the TSX and IIROC, as applicable.

Website

The Corporate Secretary is responsible for the oversight and review of Critical Elements' website on a regular basis to ensure that it is accurate, complete, up-to-date and in compliance with legal and regulatory requirements. The CEO (or a designated officer or employee) and the Director, Investor Relations (or a person or Corporation acting in such capacity) of the Corporation are responsible for creating and maintaining the content on the Corporation's website.

The following must be included on the website:

- all Material Information that has previously been Generally Disclosed, including, without limitation, all documents filed on SEDAR or a link to those documents on SEDAR;
- all news releases or a link to those news releases;
- an e-mail link to a contact to facilitate communication with investors;
- a notice that advises the reader that the information was accurate at the time of posting, but may be superseded by subsequent Disclosures; and

- all information that is not Material Information that is given to analysts, institutional investors and other market professionals (such as sustainability reports, fact sheets, slides of investor presentations, materials distributed at analyst and industry conferences).

Information that is discovered to have contained a Misstatement, must be promptly removed from the website and a correction posted.

The Corporate website must include a notice that advises the reader that when he or she leaves Critical Elements' website through a link, he or she is leaving the Corporate website and that Critical Elements is not responsible for the contents of the other site. No links will be created from the Corporate website to chat rooms, newsgroups or bulletin boards.

Conference Calls

Critical Elements generally may hold conference calls for quarterly and annual earnings releases and for major corporate developments as soon as practicable after they are publicly announced. Conference calls will be accessible simultaneously to all interested parties by telephone or by Internet webcast through the Corporate website and will be preceded with a news release containing all relevant Material Information.

The Corporation will provide advance notice of a conference call or webcast by issuing a news release setting out the date and time and access information for the call and webcast. An audio recording of the conference call and/or an archived webcast will be made available on the Corporate website.

Social Media, Internet Chat Rooms and Bulletin Boards

No person to whom this Policy applies shall participate in, host or link to chat rooms, blogs, social networking sites or bulletin boards in relation to corporate matters. Only Authorized Spokespersons from time to time authorized with the express permission of the Disclosure Committee may post on the Corporate social media pages.

External Speeches and Presentations

Invitations to give external speeches or presentations about Critical Elements at conferences or other public venues at which shareholders, the investment community or media may be present, or which are expected to become available to any of the foregoing, must be pre-approved by an Authorized Spokesperson and the content of any such speeches and presentations must be reviewed and approved by the Disclosure Committee.

Rumours

Critical Elements shall not, except as contemplated below, comment, affirmatively or negatively, on rumours.

Authorized Spokespersons will respond consistently to rumours, saying "It is our policy not to comment on market rumours or speculation." If the TSX, TSXV or any other stock exchange on which Critical Elements' securities may be listed, or a securities regulatory authority, requests that

the Corporation makes a statement in response to a market rumour, the Disclosure Committee will consider the matter and prepare an appropriate response, having obtained legal counsel, if deemed necessary.

TRADING RESTRICTIONS AND BLACKOUT PERIODS

It is illegal for anyone with knowledge of Undisclosed Material Information to trade in securities of the Corporation. Except in the necessary course of business, it is also illegal for anyone to inform any other person of Undisclosed Material Information about the Corporation. Questions regarding the application of this Policy in any particular circumstance should be directed to the CFO. Reference should also be made to the Critical Elements' *Insider Trading Policy*.

CONFIDENTIALITY OF UNDISCLOSED MATERIAL INFORMATION

Any person to whom this Policy applies and who has knowledge of Undisclosed Material Information must treat the Material Information as confidential until the Material Information has been Generally Disclosed.

Undisclosed Material Information shall not be disclosed to anyone except in the "necessary course of business" and as required by the Rules and Regulations. Schedule "C" lists circumstances where securities regulators believe disclosure may be necessary in the course of business.

If Undisclosed Material Information has been disclosed in the "necessary course of business", anyone so informed must clearly understand that it is to be kept confidential, and, in appropriate circumstances, execute a confidentiality agreement. When in doubt, all persons to whom this Policy applies must consult with a member of the Disclosure Committee to determine whether disclosure in a particular circumstance is in the "necessary course of business". For greater certainty, disclosure to analysts, institutional investors, other market professionals and members of the press and other media will not generally be considered to be in the "necessary course of business."

In order to prevent the misuse or inadvertent disclosure of Undisclosed Material Information, the procedures set forth below should be observed at all times:

- Documents and files containing confidential information should be kept in a safe place to which access is restricted to individuals who "need to know" that information in the "necessary course of business" and code names should be used if necessary.
- Confidential matters should not be discussed in places where the discussion may be overheard.
- Transmission of documents containing Undisclosed Material Information by electronic means will be made only where it is reasonable to believe that the transmission can be made and received under secure conditions.
- Unnecessary copying of documents containing Undisclosed Material Information should be avoided and extra copies of documents must be promptly removed from meeting rooms

and work areas at the conclusion of the meeting and must be securely destroyed if no longer required.

AVOIDING SELECTIVE DISCLOSURE

Selective Disclosure must not be made. When participating in shareholder meetings, press conferences, analysts' conferences and private meetings with analysts, Authorized Spokespersons must only present and discuss information that either (i) is not Material Information or (ii) is Material Information, but has previously been generally disclosed.

To protect against Selective Disclosure, the following procedures should be followed:

- Authorized Spokespersons who are participating in shareholder meetings, news conferences, analysts' conferences and private meetings with analysts and industry group conferences or technical meetings should, when possible, script their comments and prepare answers to anticipated questions in advance of the meeting or conference;
- those scripts should normally be reviewed by at least two members of the Disclosure Committee before the meeting or conference; and
- any Undisclosed Material Information that is contained in the script must be Generally Disclosed before the meeting or conference or deleted from the script, if it is premature for the information to be Generally Disclosed.

INADVERTANT DISCLOSURE

If there is reason to believe that an unintentional breach of this Policy might have occurred resulting in the release of Material Information to a select group or individual, such breach shall immediately be reported to the Chair of the Governance and Nominating Committee and the Corporation shall make immediate public disclosure of that information as soon as is reasonably possible.

FORWARD-LOOKING INFORMATION

The Corporation may be required or may choose to disclose Forward-Looking Information from time to time in order to provide the public with a view of possible events, conditions and results of operations. This disclosure will be made in compliance with the Rules and Regulations and best practices including the guidelines set out in this Policy.

There must be reasonable basis for disclosing the Forward-Looking Information, having regard to the assumptions underlying the Forward-Looking Information and the process followed in preparing it. Forward-Looking Information that constitutes Material Information must be generally disclosed.

The disclosure of Forward-Looking Information should be accompanied by appropriate cautionary language that identifies any material risk factors or uncertainties that could cause actual results to

differ materially and a description of any material assumptions on which the Forward-Looking Information is based.

If Forward-Looking Information is generally disclosed:

- the Forward-Looking Information must be clearly stated to be forward-looking in nature and must be identified by words such as “expect”, “anticipate” or “may”;
- the Corporation must caution users of Forward-Looking Information that actual results may vary from the Forward-Looking Information and identify material risk factors that could cause actual results to differ materially from the Forward-Looking Information;
- the Corporation must state the material factors or assumptions used to develop Forward-Looking Information; and
- the disclosure accompanying Forward-Looking Information must describe Critical Elements’ policy for updating Forward-Looking Information.

ANALYSTS REPORTS

Critical Elements aims to ensure through its disclosure that analysts’ estimates are in line with the Corporate expectations. If Critical Elements has determined that it will be reporting results materially below or above publicly held expectations, it may decide to disclose this information in a news release to enable discussion without risk of selective disclosure.

It is the Corporation’s policy to review, upon request, analysts’ draft research reports or models. When reviewing analysts’ reports or models, Authorized Spokespersons must limit their comments to identifying factual information that has been generally disclosed that may affect an analyst’s report or model and to pointing out inaccuracies or omissions with respect to factual information that has been generally disclosed.

All comments must contain a disclaimer that the report or model was reviewed for factual accuracy only. No comfort or guidance shall be expressed on the analysts’ earnings models or earnings estimates and no attempt shall be made to influence an analyst’s opinions or conclusions.

Analyst reports shall not be posted on or linked from the Corporate website. However, the Corporation may post on its website a listing, regardless of the recommendation, of all the investment firms and analysts it is aware of that provide research coverage on Critical Elements. Such list will not include links to analysts’ or any third-party websites or publications.

Critical Elements will not distribute analyst reports to persons outside the Corporation other than third party advisors. Critical Elements may distribute analyst reports to its directors, senior officers and certain other employees to monitor the communications of the Corporation and to assist them in understanding how the marketplace values Critical Elements and how corporate developments affect the analysis.

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 individuals 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 securities 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.cecorp.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 a member of the Disclosure Committee.

ACKNOWLEDGEMENT

I acknowledge that I have read and understand the Critical Elements Disclosure and Confidentiality Policy, as well as the Policies referenced in the Policy. I confirm that I am presently in compliance and I agree to conduct myself in accordance with the provisions contained in this 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

Schedule “A” – Examples of Material Information (Based on National Policy 51-201)

Although not intended to be a comprehensive list, the following are examples of information that could be material, depending on scale and magnitude:

Changes in corporate structure

- changes in share ownership that may affect control of the Corporation
- changes in corporate structure such as reorganizations, amalgamations, or mergers
- take-over bids, issuer bids, or insider bids

Changes in capital structure

- the public or private sale of additional securities
- planned repurchases or redemptions of securities
- planned splits of common shares or offerings of warrants or rights to buy shares
- any share consolidation, share exchange, or stock dividend
- changes in a Corporation’s dividend payments or policies
- the possible initiation of a proxy fight
- material modifications to the rights of security holders

Changes in financial results

- a significant increase or decrease in near-term earnings prospects
- unexpected changes in the financial results for any period
- shifts in financial circumstances, such as cash flow reductions, major asset write-offs or write-downs
- changes in the value or composition of the Corporation’s assets
- any material changes in the Corporation’s accounting policies

Changes in business and operations

- any development that affects the Corporation’s resources, technology, products or markets
- a significant change in capital investment plans or corporate objectives
- major labour disputes or disputes with major contractors or suppliers
- significant new contracts, products, patents, or services or significant losses of contracts or business
- significant discoveries by resource companies
- changes to the Board or executive management, including the departure of the Corporation’s Chairman, CEO, CFO, COO or President (or persons in equivalent positions)
- the commencement of, or developments in, material legal proceedings or regulatory matters
- waivers of corporate ethics and conduct rules for officers, directors, and other key employees

- any notice that reliance on a prior audit is no longer permissible
- de-listing of the Corporation's securities or their movement from one quotation system or exchange to another

Acquisitions and dispositions

- significant acquisitions or dispositions of assets, property or joint venture interests, acquisitions of other companies, including a take-over bid for, or merger with, another Corporation

Changes in credit arrangements

- the borrowing or lending of a significant amount of money
- any mortgaging or encumbering of the Corporation's assets
- defaults under debt obligations, agreements to restructure debt, or planned enforcement procedures by a bank or any other creditors
- changes in rating agency decisions
- significant new credit arrangements

Schedule “B” – Disclosure Committee Members

Name & Position

Tel:

e-mail:

Name & Position

Tel:

e-mail:

Name & Position

Tel:

e-mail:

Schedule “C” – Examples of Disclosures That May Be Necessary in the Course of Business

(Excerpt from National Policy 51-201 Disclosure Standards, Part III - Overview of the Statutory Prohibitions Against Selective Disclosure, Section 3.3 - Necessary Course of Business)

The "necessary course of business" exception exists so as not to unduly interfere with a Corporation's ordinary business activities. For example, the "necessary course of business" exception would generally cover communications with:

- (a) vendors, suppliers, or strategic partners on issues such as research and development, sales and marketing, and supply contracts;
- (b) employees, officers and board members;
- (c) lenders, legal counsel, auditors, underwriters, and financial and other professional advisors to the Corporation;
- (d) parties to negotiations;
- (e) labour unions and industry associations;
- (f) government agencies and non-governmental regulators; and
- (g) credit rating agencies (provided that the information is disclosed for the purpose of assisting the agency to formulate a credit rating and the agency's ratings generally are or will be publicly available).