



DIVERSITY POLICY

OBJECTIVE AND SCOPE

This Diversity 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, business conduct and ethics in its business activities, accounting standards and disclosures, internal accounting controls and audit practices. The Corporation stands for equal employer opportunity and observes all labour laws and regulations in the province of Quebec and Canada.

The Corporation is committed to a merit-based system for the composition of its Board of Directors (the “Board”), Senior Management, and workforce within a diverse and inclusive culture that solicits multiple perspectives and views, free of bias and discrimination.

Critical Elements is convinced of the benefits of having diversity on the Board and in Senior Management. Diversity is important to ensure that members of the Board and Senior Management possess a broad range of perspectives, experience and expertise required to achieve the Corporation’s purpose. Diversity helps avoid “group think” and enables the board and Senior Management to better see risks and opportunities from a number of different perspectives.

In accordance with the Corporation's commitment set out above, this Policy is established to govern the process of recruiting and developing talent with diverse characteristics and skills. This Policy provides a framework within which Critical Elements will consider the principles of diversity when recruiting, developing and appointing the Senior Management team and Board members, with the goal of having talented, knowledgeable persons with diverse experience, backgrounds and perspectives guiding the company.

OVERSIGHT

The Governance and Nominating Committee of the Board shall review and evaluate this Policy annually to determine if it effectively ensures appropriate diversity and inclusion. The Board

reserves the right, based on recommendations from the Governance and Nominating Committee, to change this policy from time to time as it considers necessary.

DEFINITION OF DIVERSITY

Diversity means all the varied characteristics that make individuals unique from one another. It includes, but is not limited to, characteristics such as gender, education, religion, ethnicity, race, nationality, culture, language, aboriginal status, age, disability and other characteristics.

BOARD DIVERSITY

When identifying and considering the selection of candidates for appointment or nomination for election to the Board, the Governance and Nominating Committee will ultimately select an individual on a merit-based system having the particular skills, knowledge and experience needed to effectively run the company's business. In addition, the committee will give due consideration to the present level of diversity on the Board and the positive impact further diversity might have on the Corporation and its business.

Gender diversity will be accorded particular attention when considering Board appointments. The committee will ensure that appropriate efforts are made to include women on the list of candidates being considered for board positions. In addition to its own searches, when necessary, the committee will engage qualified independent external advisors to conduct a search for candidates to help achieve the Corporation's diversity objectives.

SENIOR MANAGEMENT DIVERSITY

The Chief Executive Officer (CEO) is responsible for providing executive leadership necessary to ensure the long-term success of Critical Elements and integrate Board approved policies, including the Diversity Policy, into the recruitment and appointment of the Senior Management team. The CEO will report annually to the Governance and Nominating Committee on the diversity policy implementation.

Only candidates who are highly qualified based on their experience, education, expertise, personal skills, qualities and general and industry specific knowledge will be considered. It is an objective of this Policy that diversity criteria also be considered when determining the composition of the Senior Management team.

MONITORING AND REPORTING

The Governance and Nominating Committee will be responsible for monitoring the effectiveness of this policy and continue to expand on existing initiatives to create a diverse culture throughout the Corporation.

The Governance and Nominating Committee will monitor the corporate recruitment process to ensure that the pool of potential candidates satisfies the diversity requirements set forth by this Policy representing diversity of skills and perspectives. In addition, the Committee will ensure that the employment searches include women candidates and when necessary, utilize the assistance of an independent third party to help achieve the Corporation's diversity objectives.

The committee will report to the Board on an annual basis on the effectiveness of the nominating procedures and recommend any changes that it thinks are appropriate. The committee will also be responsible for the annual public disclosure with respect to diversity in the Annual Information Form and Management Information Circular, as well as measuring the Critical Elements' success in reaching the targets outlined in this Policy.

Board of Directors Approval Date: June 14, 2021
Next review: June 14, 2022