



GOVERNANCE AND NOMINATING COMMITTEE CHARTER

The board of directors (the “Board”) of Critical Elements Lithium Corporation (“Critical Elements” or “Corporation”) has established a Governance and Nominating Committee (the “Committee”) whose membership, authority and responsibilities shall be as set out in this Charter, as it may be amended from time to time by the Board.

MANDATE AND OBJECTIVES

The mandate of the Governance and Nominating Committee is to assist the Board in fulfilling its oversight responsibilities with respect to following the best governance practices in order to achieve the mission of the Corporation, including:

- identify individuals qualified to become Board members consistent with the criteria approved by the Board and recommend director nominees to the Board and for each committee;
- lead the Board in its annual review of the Board’s performance;
- oversee Chief Executive Officer (“CEO”) recruitment and succession planning; and
- review, develop and recommend to the Board corporate governance principles and policies applicable to Critical Elements.

COMPOSITION

The Committee shall be comprised of at least three (3) directors as determined by the Board annually following the annual meeting of shareholders. All members of the Committee shall be “independent” within the meaning of section 1.4 of Regulation 52-110 *respecting Audit Committees* or any other applicable rules of securities regulatory authorities and stock exchanges, and shall appoint one of the members to Chair the Committee.

The members of the Committee shall be elected by the Board at its first meeting following each annual shareholder’s meeting. Members shall serve until the next annual meeting of shareholders or until their successors are duly appointed or until such member resigns, retires or is removed from the Committee by the Board. The Board may fill any vacancy in the Committee by appointment from among the independent directors of the Corporation. Unless a Chair is elected by the Board, the members of the Committee may designate a Chair by a majority vote of all the Committee members.

The Committee may form and delegate authority to subcommittees when appropriate.

MEETINGS AND PROCEDURES

The Committee shall meet at least twice (2) a year or more frequently, if necessary, to carry out its responsibilities.

At all meetings of the Committee, every resolution shall be decided by a majority of the votes cast. In the case of an equality of votes, the Chair shall not be entitled to a second vote. In the absence of the Committee Chair for any meeting, the Members shall elect a Chair from those in attendance to act as Chair of that meeting.

A quorum for meetings of the Committee shall be a majority of its members. The rules for calling, holding, conducting and adjourning meetings of the Committee shall be the same as those governing meetings of the Board, including meeting by teleconference, video conference and similar communications equipment.

Each meeting will include an in-camera session of the Committee without members of management present. At least annually, the Committee shall also hold in-camera sessions with external compensation consultants, if such are retained.

The Committee shall keep minutes of its meetings which shall be submitted to the Board. The Committee may, from time to time, appoint any person who need not be a member, to act as a secretary at any meeting.

REPORTING TO THE BOARD

Following each meeting of the Committee, the Committee Chair shall report to the Board on the issues considered by the Committee, and any recommendations being made by the Committee for approval by the Board and on any actions taken by the Committee.

RESPONSIBILITIES, DUTIES AND POWERS

The Committee's principal responsibility is one of alignment of Board and Senior Management diverse skills with Corporate goals and strategies, as well as the direct oversight of the effectiveness of policies and procedures.

The following are the general duties and responsibilities of the Committee:

Board Membership

In fulfilling its responsibilities, the Committee will, among other things, identify and recommendation to the Board individuals qualified to become members of the Board, following the Critical Elements current charters and policies. In making its recommendations, the Committee shall take into account:

- the independence of the prospective candidate;

- the current composition of the Board, including the diversity of its membership and the competencies and skills that the Board as a whole currently possesses and the competencies and skills that the prospective candidate would bring to the Board;
- the ability of the prospective candidate to contribute to effective oversight of the management of the Corporation, taking into account the needs of the Corporation and the individual's background, experience, competencies, expertise, perspective, skills and knowledge that are appropriate and beneficial to the Corporation;
- the prospective candidate's contacts in the communities in which Critical Elements does business and in Critical Elements' industry or other industries relevant to its business;
- the personal qualities, characteristics and accomplishments of the prospective candidate
- the prospective candidate's integrity and reputation in the business community;
- the ability of the prospective candidate to represent Critical Elements' stockholders and be committed to enhancing long-term stockholder value;
- the prospective candidate's qualification to serve on Board committees; and
- the gender and other diversity characteristics outlined in the Critical Elements' Diversity Policy.

The Committee shall review, on an annual basis, the composition, organization and size of the Board in order to ensure that the Board has the requisite expertise and that its membership consists of persons with sufficiently diverse and independent backgrounds.

The Committee will maintain a matrix of the competencies and skills that the Board considers to be necessary for the Board, as a whole, to possess and the competencies and skills that the Board considers each existing director to possess in order to identify any competency and skill gaps on the Board.

The Committee will establish and oversee a policy for considering shareholder nominees for directors and develop the procedures that must be followed by shareholders in submitting recommendations.

Committee Structure

In consultation with the Board Chair and the Chair of each committee, the Committee will, on an annual basis, make recommendations to the Board with respect to assignments to committees of the Board, including recommendations as to the Chair of each committee, the types, duties, functions, size and operation of committees of the Board and the adequacy of committee mandates.

Succession Planning

The Committee shall:

- review periodically the overall succession planning for the Chair of the Board and, when appropriate, recommend to the Board the process for selecting the Chair of the Board;

- participate with the Compensation Committee in the selection and recruitment of any new CEO or other senior officer who may be considered to serve as a director; and
- prepare an annual report to the Board on succession planning, which should include policies and principles for CEO selection and performance review, as well as policies regarding succession in the event of an emergency or the retirement of the CEO and ensure that a CEO succession plan is in place.

Corporate Governance

The Committee is responsible for overseeing the establishment and implementation of the Critical Elements' corporate governance policies and practices and for monitoring, at least on an annual basis, the Corporation's performance against such policies and practices, as well as applicable laws and regulations. The Committee shall:

- review and monitor any changes to the legal and regulatory framework applicable to the Corporation, as well as exchange policies and disclosure requirements.
- have a direct oversight of the compliance with the Critical Elements' Code of Business Conduct and Ethics.
- collaborate with other Board committees, such as Audit Committee, in investigations of alleged violations reported through the Whistleblower line, as outlined in the Critical Elements' Whistleblower Policy.

Orientation and Continuing Education

The Committee shall provide an orientation and education program for new directors. Such education should advise on the role of the Board and its committees, the nature and operation of the business of Critical Elements and the contribution which individual directors are expected to make to the Board in terms of both time and resource commitments. The Committee will also ensure that the Corporation provides continuing education opportunities to existing directors, so that individual directors can maintain and enhance their abilities and ensure that their knowledge of the business of the Corporation remains current.

Independence

The Committee shall monitor the appropriateness of implementing structures from time to time to ensure that the Board functions independently of management. The Committee will consider questions of independence and possible conflicts of interest of members of the Board and of senior management and make recommendations regarding such matters to the Board, including the criteria for determining director independence. The Committee will, on an annual basis, review and assess the independence of each director. The Committee is responsible for approving, and subsequently monitoring, all transactions involving the Corporation and "related parties" as that term is defined in applicable securities laws.

Performance Evaluation

The Committee shall, on an annual basis, oversee the evaluation of the Board, its committees and the contribution of individual directors to determine whether the Board, its committees and

the directors are functioning effectively. The Committee will prepare, for discussion with the Board, an assessment of performance of the Board and its committees.

Shareholder Engagement

The Committee shall develop and regularly evaluate the process by which shareholders may communicate with the Board Chair or other members of the Board.

Risk Management

The Committee shall assist the Board in fulfilling its risk oversight responsibilities by, among other things, ensuring that processes are in place to enable management to identify significant corporate governance risks; ensuring that management establishes appropriate action plans to mitigate against such risks; and monitoring management's implementation of such action plans.

Public Disclosure

The Committee shall review and recommend to the Board for approval the Corporation's governance policies and practices, including that contained in the Critical Elements' management information circular, and any public disclosures containing information with respect to the matters set out in this Charter over which the Committee has responsibility.

Investigations

The Committee shall direct and supervise the investigation into any matter brought to its attention within the scope of its duties.

Access to Management & Information

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

Advisors

The Committee has the 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 Committee, for payment of reasonable compensation to any advisor retained by the Committee. The Committee 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.

Committee Evaluation

The Committee shall review, at least once every two years, the Committee's duties, responsibilities and performance and determine if any changes in practices of the Committee or amendments to this Charter are necessary or otherwise deemed appropriate by the Committee.

Additional Assignments

The Committee shall undertake such additional responsibilities as from time to time may be delegated to the Committee by the Board, required by Critical Elements' incorporation documents or bylaws or required by applicable law or stock exchange rules.

Board of Directors Approval Date: June 14, 2021
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