

NEWS RELEASE

FAVORABLE DECISION STATEMENT ISSUED BY THE MINISTER OF ENVIRONMENT AND CLIMATE CHANGE CANADA CONCERNING THE ROSE LITHIUM-TANTALUM MINING PROJECT BY CRITICAL ELEMENTS LITHIUM CORPORATION

August 11, 2021 - MONTREAL, QUEBEC – Critical Elements Lithium Corporation (the “**Company**” or “**Critical Elements**”) (TSX-V: CRE) (US OTCQX: CRECF) (FSE: F12) is pleased to announce that the Minister of Environment and Climate Change (the “**Minister**”) has rendered a favorable decision in respect of the proposed Rose Lithium-Tantalum Mining Project (the “**Rose Lithium-Tantalum Project**” or the “**Project**”). In a Decision Statement, which includes the conditions to be complied with by the Company, the Minister confirms that the Project is not likely to cause significant adverse environmental effects when mitigation measures are taken into account. This marks an important development for the Project. [The Minister's news release is available on the Impact Assessment Agency of Canada's website.](#)

The final remaining step in the Project's approval is the completion of the provincial permitting process, which runs parallel to the federal process. Pursuant to the *James Bay and Northern Quebec Agreement* (JBNQA), the provincial environmental assessment is conducted jointly by the Cree Nation Government and the Government of Quebec under the Environmental and Social Impact Review Committee (“**COMEX**”). The provincial assessment is already well advanced, as mentioned in the [Company's news release dated March 8, 2021](#) and in the [Company's news release dated June 18, 2021](#).

Pursuant to the *Canadian Environmental Assessment Act, 2012* (CEAA 2012), an environmental assessment of the Project was conducted by a Joint Assessment Committee (the “**Committee**”), formed by the Impact Assessment Agency of Canada and the Cree Nation Government. This is the first environmental assessment prepared jointly by the federal government and the Cree Nation Government. The Committee took into account comments received during consultations with the Eastmain, Nemaska, Waskaganish and Waswanipi Cree Nations and the general public, as well as technical advice from various government departments and agencies. The Company filed its environmental impact assessment for the Project in August 2017. Throughout the assessment process, the Company has provided the competent authorities with various additional information to enable them to complete their analysis. In order to take into account the circumstances arising from the COVID-19 pandemic and its impacts on the Cree communities consulted, the deadline for issuing the declaration of decision for the Project was extended by the Minister and the Decision Statement was finally made public on August 10, 2021.

We are grateful to the government employees involved in the authorization process under the supervision of the Committee, particularly in view of the exceptional circumstances in which the work was carried out in recent months due to the COVID-19 pandemic. We also thank all the stakeholders, and particularly the Cree stakeholders, who participated in the federal process and thus helped improve the Project from both an environmental and social standpoint.

"We are very pleased with the decision regarding the Rose Lithium-Tantalum Environmental Assessment process, which brings us closer to the day when the project can move forward. Critical Elements has made stakeholder relations a priority since the Company's inception. We are excited

about the prospect of moving forward with our plans in the James Bay Eeyou Istchee region," stated Jean-Sébastien Lavallée, CEO of Critical Elements.

The Rose Lithium-Tantalum site (where the Rose Lithium-Tantalum Project is proposed) is located in the Nord-du-Québec administrative region, in the Eeyou Istchee James Bay territory, more specifically on Category III land, on the Traditional Lands of the Cree Nation of Eastmain. Critical Elements has always considered developing the Project through a sustainable development approach, taking into account traditional Cree activities and ensuring the promotion of Cree economic and social development. [The Cree Nation of Eastmain, the Grand Council of the Crees \(Eeyou Istchee\), the Cree Nation Government and Critical Elements signed an impact and benefit agreement, referred to as the Pikhuutaau Agreement \(the "Pikhuutaau Agreement"\), in July 2019.](#) The announcement of the favourable Decision Statement will allow the Company to begin in a more concrete manner the implementation of the Pikhuutaau Agreement, which provides for training, employment and business opportunities for the Crees and particularly the Crees of Eastmain at the Project, as well as for the cooperation and involvement of the Cree parties with Critical Elements in the environmental monitoring during all phases of the Project. The Pikhuutaau Agreement also ensures financial benefits for the Cree parties on a long term basis, consistent with the Cree Nation Mining Policy and with Critical Elements' approach to develop the Project while ensuring the promotion of Cree economic and social development in a mutually beneficial manner.

The Company is continuing the work required to complete the provincial assessment process and hopes to announce its outcome shortly. Once the environmental and social impact assessment and review procedure is completed, the COMEX will make a recommendation in respect of the authorization of the Project by provincial authorities.

ABOUT CRITICAL ELEMENTS LITHIUM CORPORATION

Critical Elements Lithium Corporation aspires to become a large, responsible supplier of lithium to the flourishing electric vehicle and energy storage system industries. To this end, Critical Elements Lithium is advancing the wholly owned, high purity Rose lithium project in Quebec. Rose is our first lithium project to be advanced within a highly prospective land portfolio of over 700 square kilometers. In 2017, the Company completed a robust feasibility study on Rose Phase 1 for the production of high quality spodumene concentrate. The internal rate of return for the Project is estimated at 34.9% after tax, with a net present value estimated at C\$726 million at an 8% discount rate. Capital cost parameters were confirmed in 2019 by Primero Group in the context of a Guaranteed Maximum Price under an Early Contractor Involvement agreement, as a prelude to an Engineering, Procurement and Construction process. Detailed engineering for Phase I is expected to conclude this year as we also deliver technical studies for Phase II, the conversion of spodumene concentrate to high quality lithium hydroxide. In our view, Quebec is strategically well-positioned for US and EU markets and boasts exceptional infrastructure including a low-cost, low-carbon power grid featuring 93% hydroelectricity. We have a strong, formalized relationship with the Cree Nation.

FOR FURTHER INFORMATION, PLEASE CONTACT:

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Cautionary statement concerning forward-looking statements

This news release contains "forward-looking information" within the meaning of Canadian Securities legislation. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "scheduled", "anticipates", "expects" or "does not expect", "is expected", "scheduled", "targeted", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking information contained herein include, without limitation, statements relating to the completion of the Project's approval, the

completion of the provincial permitting process, mineral reserve estimates, mineral resource estimates, realization of mineral reserve and resource estimates, capital and operating costs estimates, the timing and amount of future production, costs of production, success of mining operations, the ranking of the project in terms of cash cost and production, permitting, economic return estimates, power and storage facilities, life of mine, social, community and environmental impacts, lithium and tantalum markets and sales prices, off-take agreements and purchasers for the Company's products, environmental assessment and permitting, securing sufficient financing on acceptable terms, opportunities for short and long term optimization of the Project, and continued positive discussions and relationships with local communities and stakeholders. Forward-looking information is based on assumptions management believes to be reasonable at the time such statements are made. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information.

Although Critical Elements has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. Factors that may cause actual results to differ materially from expected results described in forward-looking information include, but are not limited to: the completion of the Project's approval, the completion of the provincial permitting process, Critical Elements' ability to secure sufficient financing to advance and complete the Project, uncertainties associated with the Company's resource and reserve estimates, uncertainties regarding global supply and demand for lithium and tantalum and market and sales prices, uncertainties associated with securing off-take agreements and customer contracts, uncertainties with respect to social, community and environmental impacts, uncertainties with respect to optimization opportunities for the Project, as well as those risk factors set out in the Company's year-end Management Discussion and Analysis dated August 31, 2020, the Company's Annual Information Form dated August 3, 2021, and other disclosure documents available under the Company's SEDAR profile. Forward-looking information contained herein is made as of the date of this news release and Critical Elements disclaims any obligation to update any forward-looking information, whether as a result of new information, future events or results or otherwise, except as required by applicable securities laws.

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