Quebec City, November 16, 2020 **BY EMAIL**

Mr. Jean-Sébastien Lavallée
President and Chief Executive Officer
Critical Elements Lithium Corporation
1080, Côte du Beaver Hall, Suite 2101
Montreal, Quebec H2Z 1S8

SUBJECT: Rose Lithium-Tantalum Mining Project—Responses to the Second Information Request (March and May 2020)

Dear Mr. Lavallée,

On October 29, 2020, the Joint Assessment Committee (the Committee) received the responses to its Information Request sent on March 27 (Second Part) concerning the above-mentioned project. The responses are in the following document:

> WSP, 2020. *Rose Lithium-Tantalum Mining Project—Responses to the Second Information Request of the IAAC.* Report prepared for Critical Elements Lithium Corporation. 162 pages + appendices.

After review of the document, the Committee, in co-operation with the departments that have environmental assessment expertise, has determined that the detailed information below must be provided so that the analysis of the Environmental Impact Statement (EIS) can continue.

No further information beyond what is specified in the Final Guidelines for the Preparation of an EIA of December 2012, including the Addendum of August 2016, and in the correspondence of last March 27 and May 22, is requested in this letter. The details and the context of each question are available in the correspondence of March 27 and May 22, 2020.

Question CCE-25
Environmental Hazards Associated with Tantalum
A) The proponent shall consider that tantalum dissolved in water is adsorbed to colloids and particles. The response provided is based entirely on the dissolved tantalum content, which is indeed very low, instead of the measurement of total tantalum in the water. The propensity of tantalum to be adsorbed, although this limits aqueous exposure to fish and other aquatic organisms, will result in an accumulation in sediments and a possible hazard for benthic invertebrates and benthivorous fish.

The Committee acknowledges the proponent's commitment to monitor the effluent if the dissolved tantalum is higher than 0.1 µg/L. By measuring the total tantalum, as required by the *Metal and Diamond Mining Effluent Regulations*, it is very likely that the tantalum will exceed the threshold of 0.1 µg/L in the effluent. Faced with this contingency, the proponent shall propose water treatment or management practices limiting the tantalum releases to the lowest possible levels. The proponent shall also confirm whether the commitment to monitor the effluent is added to the environmental follow-up program.

D) and E) The proponent shall consider the total tantalum (colloidal and particulate) in its dispersion model, as explained in A). For question E) specifically, the proponent shall account for tantalum in the treatment process sludge, tailings and waste rock in its dispersion model.

G) The proponent reiterated that co-deposit without a sealing barrier of the waste rock, tailings and treatment process sludge met the mining industry requirements for mining waste management, particularly those of the Global Industry Standard on Tailings Management of the International Council on Mining & Metals, published in August 2020. However, the experts consider that little information is available to date on the mobility and toxicity of tantalum and that preventive measures must be taken to minimize the risk to the environment. Moreover, during leaching tests serving to determine the hazard associated with tailings, the proponent only measured the dissolved tantalum and not the tantalum associated with colloids and particles, as explained in A). Tailings leaching is therefore underestimated.

According to Directive 019 (2012) and Schedule 2 of Quebec's Soil Protection and Contaminated Sites Rehabilitation Policy, criteria indicative of soil contamination are not published or established for all the existing parameters. The list provided is therefore neither exhaustive nor limitative. The user shall report all the quantified parameters, even if the grid does not provide criteria for these parameters, as in this case for tantalum. The new Global Industry Standard on Tailings Management published last August recommends minimizing the risks to the environment and the public. The Tailings Guide of the Mining Association of Canada also suggests considering protection of the environment.

The proponent, even though it provides for close monitoring for the final mining effluent, must consider installing a sealing barrier at this co-deposit pad and, in the negative, must provide justification.

Question CCE-35
Management of Water in Contact with Service Roads
A and B) The proponent shall provide the requested information.

Question CCE-36
Water Treatment Unit and Accumulation and Sedimentation Ponds
A) The proponent shall include the additional water coming from the road ditches in its water balance.
B) The proponent shall provide the following details concerning the mechanisms for recirculation of water from the water treatment plant, which will be a key stage in case the treated water monitoring criteria are exceeded:

- The mechanism and its operation in detail, including whether this will be done automatically or manually. Indicate the robustness of this system and the measures that will be taken in the event of sensor failure.
- The estimated capacity of the storage tank, in number of days, should an incident occur that requires recirculation of the discharge water:
    - And that ore processing was not stopped;
    - And that ore processing was stopped.
- Examples of mine sites that use recirculation and water treatment system suppliers. Present this information in a detailed manner, including information on the performance of this type of system.

Question CCE-37
Impermeability of Accumulation Basins
B) The proponent shall explain what the blue area east of the co-deposit pad represents on Map 03-03 in Appendix CEAA-21 and what design and sealing criteria are planned for this infrastructure.

Question CCE-38
Surface Water Monitoring Plan—Operational, Closure and Post-Closure Phases
A) The proponent shall provide the surface water monitoring plan for the operational, closure and post-closure phases.

Question CCE-40
Certificates of Analysis for Leaching Tests
A) The proponent shall provide the certificates of analysis of the **waste rock**. The question initially concerned the ore and the *tailings*, but this was a translation error.
B) The proponent provided the certificates of analysis of the ore. The proponent instead shall provide the certificates of analysis of the **tailings**.

Question CCE-41
Overburden and Sediment Geochemical Characterizations
A and B) The proponent did not provide the sampling plan or the results of the overburden geochemical characterization.

The Committee reminds the proponent that the mine site's water management system must include the collection of all drainage water in contact with the mine structures, including the overburden pile. The proponent shall provide an assessment of the effects of these components on water quality and review the management mode of the runoff water coming from the overburden pile.
B) The proponent shall specify if the information was taken into account in the acid mine drainage assessment.
C) The proponent shall confirm if the sediments of Lakes 1 and 2 will be exposed *in situ* during mining.

Question CCE-61
Traditional Food—Measures to Protect Surface Water Quality
The proponent shall describe the measures that will be taken to detect leaks and spills from the waste rock and tailings pile or mine water basins (including exfiltration from piles, ponds and ditches) to protect surface water quality. The proponent only referred to the water treatment plant.

Question CCE-72
Intensive beaver trapping before the project's construction phase
The proponent shall specify the amount of time it will allow the Trapline RE1 tallyman for intensive beaver trapping before the construction phase.

Question CCE-88
Major accident and malfunction response time in the James Bay area
The proponent shall explain the reasons supporting its estimate of the two-hour maximum major accident or failure response time at the water treatment plant, in the event that the water recirculation system malfunctions.

Next Steps
The Committee is currently preparing a request for clarification document concerning some of the other responses provided in your response document. The document will be sent to you soon.

The Committee also proposes to organize a meeting with you and the expert departments concerned to discuss the information that must be provided so that the Committee and the expert departments can continue their review. Explanations can be provided to clarify what is expected.

The time taken by the proponent to provide the information is not included in the calculation of the timeline to conduct an environmental assessment.

If you need further information, please contact Véronique Lalande by phone at 418-455-4116 or by email at the following address: veronique.lalande@canada.ca

Yours truly,

<Original signed by>

John Paul Murdoch
Co-Chair, Joint Assessment Committee
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