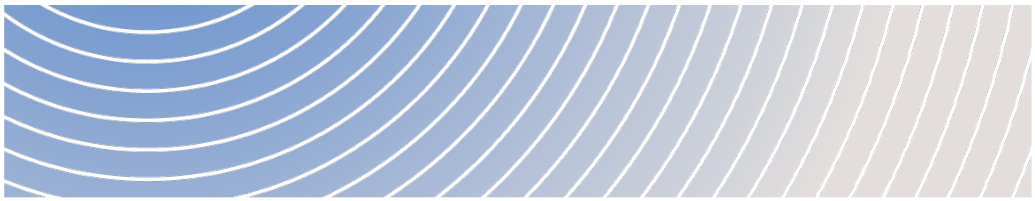
Analysis of Critical Elements Lithium Corporation's Proposed Changes to the Rose Lithium-Tantalum Mining Project



DRAFT REPORT

JANUARY 2025

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1. Introduction

Critical Elements Lithium Corporation (the proponent) is proposing the construction, operation and decommissioning of an open-pit lithium and tantalum mine. The project would be located on the *James Bay and Northern Quebec Agreement* (JBNQA) territory in Eeyou Istchee, approximately 38 kilometres from the Cree village of Nemaska and within trapline RE01 of the Cree Nation of Eastmain. As proposed, the project would include an open pit, waste rock and tailings accumulation areas, an industrial ore processing area, and administrative and maintenance buildings. The project would have a 26-year life and an ore production capacity of 4,600 tonnes per day.

The project was assessed under the *Canadian Environmental Assessment Act, 2012* (CEAA 2012). On August 10, 2021, the previous Minister of the Environment and Climate Change decided that the project was not likely to cause significant adverse environmental effects and could proceed, subject to the conditions prescribed in the Decision Statement. The Decision Statement contains 222 legally binding conditions, including mitigation measures and follow-up program requirements to be met by the proponent throughout the life of the project.

Section 68 of the *Impact Assessment Act* (IAA) provides the Minister with the legislative authority to amend a Decision Statement to add new conditions, remove existing conditions or modify existing conditions. The Minister must be of the opinion that adding, removing or modifying a condition does not increase the extent to which the effects of the Project, as assessed during the environmental assessment, are adverse. The decision contained in the Decision Statement cannot be modified.

Condition 2.17 of the Decision Statement requires the proponent to notify the Canadian Impact Assessment Agency (IAAC) before carrying out any proposed modifications to the project. On May 28, 2024, the proponent notified IAAC of proposed changes to the project in the document entitled *Avis de Corporation Lithium Éléments Critiques à l'AEIC pour les changements au projet minier Rose lithium-tantale*, which includes the addition of a workcamp, including a domestic wastewater treatment system with surface discharge, and the operation of two borrow pits. The proponent also provided further information on September 10, 2024, in the document entitled *Informations supplémentaires de Corporation Lithium Éléments Critiques à l'AEIC pour les changements au projet minier Rose lithium-tantale*.

IAAC conducted an analysis of the proposed changes and the potential adverse environmental effects of those changes within areas of federal jurisdiction, including impacts on the rights of Indigenous peoples, to determine:

- whether the changes constitute a new or different designated project under the *Physical Activities Regulations* (the Regulations) and, therefore, would require an impact assessment under the IAA;
- whether any changes (including addition or removal) are required to the key mitigation measures and follow-up requirements included as conditions in the Decision Statement.

IAAC's analysis is summarized in this report.

In parallel with the federal process, the project is also being monitored at the provincial level by the Environmental and Social Impact Review Committee (COMEX). COMEX is an independent body reporting to the Ministère de l'Environnement, de la Lutte contre les changements climatiques, de la Faune et des Parcs du Québec (MELCCFP). Its mission is to assess and examine the environmental and social impacts of projects located south of the 55th parallel in the territory governed by the JBNQA. The proponent will need to obtain various authorizations from COMEX and MELCCFP for the workcamp and borrow pits.

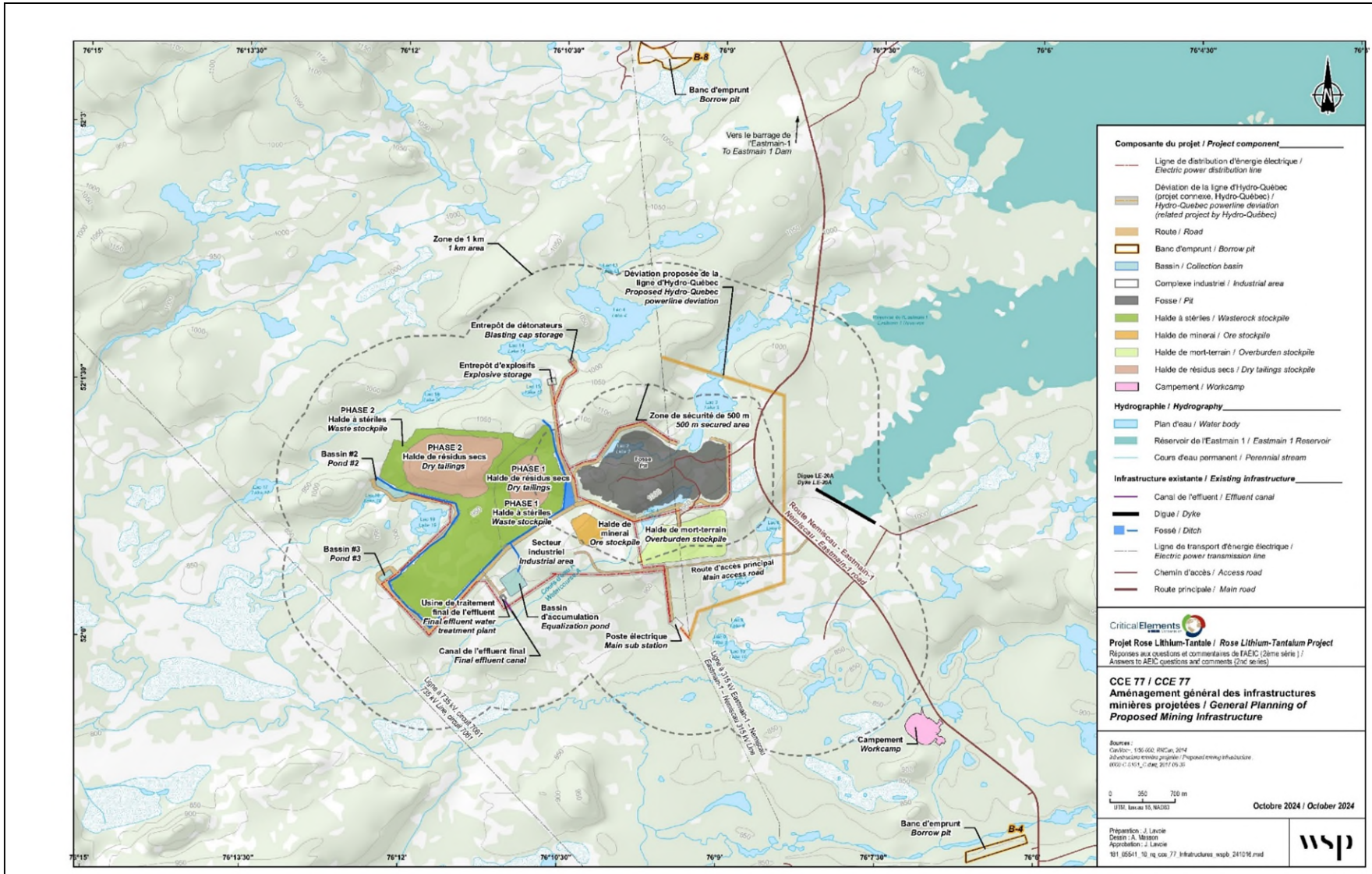
2. Proposed Changes to the Project

The proponent stated during the environmental assessment that it anticipated that the workcamp would be developed by the Cree community of Eastmain at the former Hydro-Québec facility. However, Hydro-Québec has since confirmed that its camp will be reserved for its own personnel. As a result, the proponent is proposing to build an independent camp to house the workers associated with the project. The workcamp would provide accommodation for around 250 people during the operating phase, with a further 250 temporary rooms for the construction phase.

The proposed workcamp would be located about 3 km from the mine site, accessible via the Nemiscau-Eastmain-1 road. During the construction phase, the proponent proposes to supply the workcamp with electricity via generators, then power the workcamp from the project's main electrical substation connected to Hydro-Québec's main grid. An emergency generator and a 73 m³ propane tank would also be available for fuel needs and in the event of a power failure. The workcamp would have facilities to supply drinking water and treat domestic wastewater. In addition, a 100-metre-wide firebreak around the workcamp perimeter will be cleared and maintained throughout mine operations to protect the workcamp from forest fires. Forest regeneration will be regularly cleared. The firebreak will be built on three sides, while a strip of forest will be retained along the Nemiscau-Eastmain-1 road to act as a noise and dust barrier, as well as a visual screen.

As for the borrow pits, the characterization of granular materials from the B-2 borrow pit, initially planned, would not meet the specifications required for the construction of landscaped surfaces and roads. The proponent is therefore proposing sites B-4 and B-8, which are already partially developed, to supply between 30,000 and 50,000 m³ of granular materials needed to build the site. Site B-4 is located 6 km south of the mine as the crow flies, and site B-8 is located 4 km north of the mine as the crow flies, as shown in Figure 1. The borrow pits would be mined during the construction period, for an estimated two years, and then occasionally during the operation period, depending on subsequent granular material requirements.

Figure 1: Main Project Components



3. Consultation and Engagement

3.1 Proponent's Engagement with First Nations

The proponent indicated that information about proposed changes to the project was conveyed through the environmental committee it established, as well as through the series of community meetings it held in 2023, notably with Chief Shanoush of Eastmain, the RE01 tallyman, the Cree Nation of Eastmain, the Cree Nation of Nemaska, the Crees of the Waskaganish First Nation and the Cree First Nation of Waswanipi. No issues were raised by committee participants. The tallyman raised the possibility of restoring the borrow pits to provide a better environment for waterfowl. The proponent has committed to include measures to this effect in the wetland compensation plan.

3.2 IAAC's Engagement on Project Change

As the project is located within the territory of the JBNQA, IAAC is working with the Cree Nation Government (CNG) to analyze proposed changes to the project. Several e-mail exchanges and virtual meetings took place between the CNG and IAAC as part of this analysis.

IAAC also sought the expertise of Environment and Climate Change Canada (ECCC), Fisheries and Oceans Canada (DFO), Health Canada (HC) and Natural Resources Canada (NRCan) to inform the assessment of potential adverse effects related to proposed changes to the project, as presented above in section 4.

In addition, IAAC will be seeking further comments from federal authorities, the CNG and the public on the proposed changes to the project as part of the public consultation period. The results of the public consultation period will be taken into account in IAAC's analysis to provide advice to the Minister of the Environment and Climate Change on a final recommendation of potential amendments to the Decision Statement.

4. IAAC's Analysis of Changes

The *Physical Activities Regulations* identify the activities that constitute designated projects that may require an impact assessment. Paragraph 19(c) of the *Physical Activities Regulations* reads as follows:

> *19 The expansion of an existing mine, mill, quarry or sand or gravel pit in one of the following circumstances:*
>
> *(c) in the case of an existing metal mine, other than a rare earth element mine, placer mine or uranium mine, if the expansion would result in an increase in the area of mining operations of 50% or more and the total ore production capacity would be 5 000 t/day or more after the expansion;*

According to the proponent's analysis, the proposed changes to the project would increase the area of mining operations by 2.6%, reaching 9.2 hectares more than the initial 352.9 hectares of the designated project area. Prior to the proposed changes, the project's total ore production capacity was 4,600 t/day. The proposed changes to the project would not increase this production capacity. Consequently, IAAC is of the opinion that the proposed changes do not constitute a new or different designated project that might require a new impact assessment.

5. Assessment of Potential Adverse Environmental Effects

The following analysis seeks to determine whether the proposed changes would increase the extent to which the effects of the project, as assessed during the environmental assessment, are adverse. The analysis determined whether any changes were required to the mitigation measures and follow-up requirements included as conditions in the Decision Statement.

5.1 Fish and Fish Habitat

5.1.1 Proponent's Assessment

The study area lies within the boundaries of fishing zone 22, where 30 fish species have been recorded. According to information provided by the proponent, the inventories carried out confirmed the presence of 12 fish species in the study area. No special-status fish species were captured during these inventories. Considering watercourse "D" closest to the workcamp, the dominant species potentially present are brook trout and longnose dace, with burbot and pearl dace as confirmed species.

The proponent assessed the potential effects of project changes on fish and fish habitat. According to the proponent, the proposed modifications to workcamp runoff management have been designed to limit

environmental impacts on receiving watercourses. Currently, runoff flows naturally to the “D upstream” watershed, but would be redirected to a sedimentation basin before being discharged at the “upstream tributary” point. Although this modification would result in a temporary 14% increase in the catchment area at the point of discharge, the proponent asserts that this effect will quickly dissipate downstream, becoming negligible at the “inter tributary” and “downstream tributary” points. On the west side, the 2% reduction observed at point “D upstream” would, in the proponent’s opinion, have a minimal impact on average and flood flows, although occasional increases in low-water flows are noted.

As for pumping groundwater to meet the needs of the workcamp, the proponent maintains that the existing aquifer can sustain the average daily withdrawal of 255 m³/day over the long term. It indicates that identified sensitive habitats, such as peat bogs and an unnamed watercourse, will not be significantly impacted due to the significant depth of the water table in the area. Hydrological modelling shows that drawdowns will only affect the network of fissures in the bedrock, with no significant pressure on surface habitats. The proponent therefore concludes that the environmental impact of pumping would be nil.

As for the wastewater effluent pipe, the proponent claims that its design minimizes impacts on fish habitat. The pipe would be buried outside the coastline, and a bed of rock would be laid to prevent erosion. In addition, no dewatering of the receiving watercourse would be required, reducing construction-related disturbance. According to the proponent, these measures would ensure efficient effluent management without harming the aquatic ecosystem.

According to the proponent, access to and operation of borrow pits B-4 and B-8 will not require any watercourse crossings via the access roads, which rules out any potential impact on fish and fish habitat in these areas. The only planned culvert would be installed in a drainage ditch along the Nemiscau-Eastmain-1 road, not in a fish-bearing watercourse. As such, no direct impact on aquatic species is anticipated from this project.

In terms of mitigation measures, the proponent is putting forward the respect of minimum distances, adopting a 60-metre limit in relation to wetlands and watercourses, i.e. twice the distance required by current regulations. This approach aims to reinforce the protection of sensitive aquatic environments. No new specific measures were deemed necessary, given the absence of identified risks for fish and their habitats in the areas concerned.

Finally, the proponent believes that the mitigation and follow-up measures initially set out in the environmental impact study will remain sufficient to manage the potential effects of the proposed changes. It does not consider it necessary to add further measures, asserting that those already in place will be adequate to minimize environmental impacts.

5.1.2 Views Expressed

ECCC believes that if all the mitigation measures proposed by the proponent are implemented rigorously and in a timely manner, the impacts of the construction of the workcamp on surface and groundwater quality and the associated risks would be minimized.

DFO considers that the proponent has adequately assessed the main potential environmental effects of the proposed project modifications on fish and fish habitat. According to the information provided, these modifications should not cause any additional residual adverse effects on fish and fish habitat, provided that the key mitigation measures are applied.

5.1.3 IAAC's Analysis and Conclusions

IAAC is of the opinion that the change to the project will not cause adverse environmental effects on fish and fish habitat that would alter the conclusions reached in the 2021 environmental assessment.

IAAC recommends that the geographical area occupied by infrastructure be modified to include a reference to Figure 1 of this report in condition 1.8 of the Decision Statement. This will ensure that existing conditions in the Decision Statement apply to new infrastructure associated with the designated project, including conditions related to fish and fish habitat and progressive reclamation. Furthermore, IAAC recommends that condition 3.3 be amended to include all components of the designated project, not just the mine. This change is designed to ensure a more global and coherent approach to the implementation of condition 3.3 and its sub-conditions.

5.2 Migratory Birds

5.2.1 Proponent's Assessment

The 2021 environmental assessment assessed the project's potential effects on migratory birds, their eggs, nests and habitats, as well as on species listed on Schedule 1 of the *Species at Risk Act* (SARA). The proponent has established a natural environment study area covering some 100 km² around the future mine site, an area frequented by migratory and non-migratory birds during migration, nesting and juvenile rearing periods.

Analyses revealed the potential presence of 97 bird species in this area, including 24 species of waterfowl, 27 species of water birds and 61 species of terrestrial birds. Some of these, like the Canada goose and the white goose, are of particular importance to the Cree Nations.

According to the proponent's assessment, the common nighthawk is the only species at risk that could potentially be present on the site of the proposed workcamp. As for borrow pits, the common nighthawk could be observed at all sites, and the rusty blackbird could be found at several sites.

The proponent recognizes the high environmental value associated with the common nighthawk. However, it estimates that the intensity of disturbance would be low thanks to the mitigation measures planned for

the project, the small area to be cleared and the availability of alternative habitats nearby. With regard to habitat loss, the impact is assessed as being of moderate intensity, since the effects are limited to a specific area corresponding to the project infrastructures and will only affect a limited number of individuals.

The duration of residual effects is considered long, given that deforestation will result in a permanent loss of habitat. The probability of these impacts occurring is rated as medium; although they are possible, they are not guaranteed. Finally, the proponent concludes that the residual effect on the common nighthawk during the construction phase is considered moderate, considering the limited scope of the effects and the implementation of mitigation measures.

5.2.2 Views Expressed

Concerning birds at risk, ECCC considers that existing mitigation measures should limit the project's impacts on these species or their habitats, as they are widely distributed in Quebec, do not have a large presence in the project area and are likely to find other breeding habitats at the regional level.

5.2.3 IAAC's Analysis and Conclusions

IAAC believes that by modifying the definition of the geographic area occupied by infrastructure in condition 1.8 of the Decision Statement, as described in section 4.1.3 of this report, the mitigation measures and follow-up programs set out in section 4 of the Decision Statement would apply to the project change and mitigate potential effects on migratory birds.

IAAC is also of the opinion that the effects associated with the proposed change are within the range of effects predicted during the 2021 environmental assessment and would not alter the conclusions of that assessment.

5.3 Indigenous Peoples

5.3.1 Proponent's Assessment

Four First Nations groups could be affected by the proposed changes to the project: the Cree Nation of Eastmain, the Cree Nation of Nemaska, the Crees of the Waskaganish First Nation and the Cree First Nation of Waswanipi. The workcamp and two borrow pits would be located on JBNQA territory in Eeyou Istchee, some 38 kilometres north of the Cree village of Nemaska. There are no sensitive sites in the vicinity of the workcamp and borrow pits. According to the proponent, the area is seldom used, with the exception of hunters and those using the Nemiscau-Eastmain-1 road. The workcamp and borrow pits would be located within trapline RE01 of the Eastmain Cree Nation. Pit B-4 is also partly located on Nemaska Cree Nation's R-19 territory.

The proponent has assessed the potential effects of project changes on First Nations, including effects on socio-economic conditions, health, current use of lands and resources for traditional purposes, and historical, cultural and archaeological heritage.

Workcamp and borrow pit activities could lead to changes in air quality due to increased levels of particulate matter (crystalline silica dust) and gaseous combustion compounds (carbon monoxide, nitrogen dioxides and sulphur dioxide). The proponent mentions, however, that no exceedances of atmospheric particulate matter in excess of the criteria issued by the authorities are expected in the vicinity of the workcamp and borrow pits. In addition to the measures cited in the impact study and compliance with the requirements of the *Regulation respecting sand pits and quarries*, the proponent has committed to implement measures to mitigate the effects of the workcamp and borrow pits on air quality and the health of First Nations. These measures include, in particular, the implementation of dust emission control techniques and air quality monitoring.

Consequently, the proponent concludes that the risk of contamination of traditional foods (fish, wildlife, plants or other natural resources) and air quality would be low.

Activities associated with the workcamp and borrow pits could result in an increase in natural ambient noise. The proponent indicates, however, that this level should remain below the permissible limits of MELCCFP instruction note 98-01. In addition, the proponent has committed to implement measures in compliance with the *Lignes directrices relativement aux niveaux sonores provenant d'un chantier de construction industriel* of the Ministère de l'Environnement et de la Lutte contre les changements climatiques in order to mitigate the effects of the workcamp and borrow pits on the sound environment and the health of First Nations, as well as a noise exposure complaint management program.

The proponent indicates that road transport activities, heavy machinery traffic, the use of refueling sites and the temporary storage or handling of residual and hazardous materials could have an impact on soil and groundwater quality. The proponent reiterated its commitment to implementing measures to mitigate the effects cited in the impact study, and to complying with the environmental discharge objectives issued by the MELCCFP for the workcamp's wastewater. In addition, the Proponent commits to delineating hazardous material storage areas in accordance with current regulations, including the implementation of an emergency response plan in the event of an accidental spill.

Workcamp and borrow pit activities could result in a loss of cultural identity for Cree communities, as well as concerns about human health risks and accident hazards related to increased road traffic. The proponent has committed to implement measures to mitigate the effects of the workcamp and borrow pits on mental health. These measures include, in particular, the distribution of heavy traffic throughout the day and week in order to avoid intensive periods of this type of traffic, as well as a communication plan aimed at disseminating information about the designated project to the Cree communities.

In terms of current use of lands and resources for traditional purposes, the workcamp site would remove approximately 0.5 km^2 of area from trapline RE01, which occupies 4,884 km^2. Workcamp activities and the transport of granular materials from the borrow pits to the mine site could also disturb certain wildlife species of interest in the vicinity, including moose, waterfowl and woodland caribou, a species at risk under Schedule 1 of Canada's *Species at Risk Act* (SARA). The proponent mentions that during the impact study, users of this territory had indicated that they were considering relocating their activities elsewhere on trapline RE01. The proponent has committed to implement measures to mitigate the effects of the

workcamp and borrow pits on the current use of lands and resources for traditional purposes. These measures include prohibiting hunting and fishing activities by all workers on the mine site and hunting weapons at the workcamp, informing Cree land users of the schedule of workcamp-related activities, and establishing a program for harvesting plants for traditional purposes on the borrow pit site prior to mining.

In addition, the 2021 environmental assessment. conducted by the proponent showed that the disturbance rate of woodland caribou habitat within a 5 km radius of the mine is 99%. Within the cumulative effects study area, the project would contribute to a 0.01% loss of undisturbed habitat with the biophysical characteristics required for woodland caribou to meet their life cycle needs. Given the current low level of use of the study area by woodland caribou, the proponent felt that the likelihood of a significant cumulative effect from the project was very low. Considering the small area cleared for the workcamp and borrow pits, its proximity to the mine site and within an already disturbed area, as well as the low presence of caribou, the apprehended cumulative effect related to the proposed changes remains the same as that presented in the 2021 environmental assessment.. The activities associated with the workcamp and borrow pits that are likely to have an impact on woodland caribou are the presence and operation of the workcamp, which creates disturbances caused by noise and light, and transportation and traffic, which increases the risk of collisions.

As mentioned in its document assessing the impacts of the proposed changes, the proponent has committed to implement measures to mitigate the effects of the workcamp and borrow pits and to minimize the project's effects on woodland caribou. These measures include the development of a training module for employees and subcontractors to make them aware of the precarious nature of caribou populations and to enable them to distinguish possible signs of the species' presence, the development and implementation of an action plan in the event of the presence of a caribou near the workcamp, setting up a communication system to inform employees of the potential presence of caribou near the workcamp or on the access road, intensifying the transport schedule during the day and reducing it at night due to the higher risk of collision.

Finally, the proponent indicates that an archaeological inventory was carried out in 2021 on areas of archaeological potential, and no evidence of the presence of ancient or recent human groups was found in the areas visited in the sector of the workcamp and the two borrow pits. As a result, the adverse effects of the proposed changes are considered low due to the low archaeological potential and the mitigation measures that will be put in place in the event of a chance find.

5.3.2 Views Expressed

Health Canada (HC) has no comments or advice to submit regarding the proposed changes.

With regard to borrow pits, the CNG stressed during the COMEX review that the proponent should favour the use of closely spaced borrow pits to limit the project's footprint on the territory. The proponent indicated that the two borrow pits selected (B-4 and B-8) were chosen according to rigorous criteria, including their 60 m distance from wetlands and watercourses, and their location within the study area.

In addition, the CNG has asked the proponent to confirm the work and volumes required for the selected borrow pits, and whether these volumes will be sufficient to reduce the need to open new pits in the future. In this regard, the proponent indicated that initial work on the mine site, including landscaped surfaces and roads, would require between 30,000 m³ and 50,000 m³ of quality granular material from borrow pits B4 and B8. These requirements are deemed sufficient by the engineering teams. Most of the estimated 680,541 m³ of granular materials required for the project will come from waste rock (bulk or crushed). The construction of the workcamp would not require any additional granular materials, as the selected site rests on a potential borrow pit containing suitable materials. The proponent has confirmed that only borrow pits B-4 and B-8 will be used, as their total volumes of 120,000 m³ are more than sufficient for the project's needs. The pits will be operated sequentially, with only one pit in use at a time.

With regard to social impacts and associated mitigation measures, the CNG believes that the proponent should implement specific mitigation measures to limit impacts on the quality of life of land users, particularly with regard to activities related to the workcamp and borrow pits. These measures should be developed in collaboration with the Cree communities affected, the tallyman and land users. The CNG also stressed the importance of maintaining communication channels accessible to Cree land users after the workcamp is built, in case of future problems.

The proponent indicated that the First Nations were informed of the proposed changes to the project, including the addition of the workcamp and borrow pits, through the environmental committee established under the Pihkuutaau agreement and at meetings with the tallyman. No issues were raised by these additions.

The proponent has also incorporated these modifications into the environmental and social follow-up program, in order to monitor potential impacts on the Crees. The proponent has assured that the borrow pits will not be operated simultaneously. All activities within the study area were assessed, and all information pertaining to additions was communicated to the relevant stakeholders, including the tallyman and First Nations.

Finally, as the workcamp will first be equipped with a temporary Bionest Kodiak-type wastewater treatment system, prior to the installation of a permanent plant, the CNG expressed concern about the reuse of dried sludge for revegetation work.

The proponent specified that sludge from the treatment process would be dewatered and stored in a watertight container fitted with a protective tarp. A physicochemical characterization of the sludge will be carried out. If the sludge meets the quality standards and regulations in force, it could be used for the gradual revegetation of the proponent's facilities, including the mine site and workcamp. Otherwise, the sludge will be sent to the Chibougamau technical landfill site for disposal in compliance with regulations, thus guaranteeing sanitary safety.

The proponent assures that there will be no additional impact on traditional Cree uses, as sludge will only be used on project sites to stabilize soils and promote the growth and diversification of plant species. Species will be selected in consultation with First Nations, and the results of restoration efforts will be

included in an annual report communicated to the Crees. The environmental and social monitoring program, already presented to the Crees, will take these activities into account.

With regard to effects on woodland caribou, ECCC believes that impact-causing activities such as deforestation, brushing, stripping and grading have already been taken into account in the project's impact assessment. The proponent confirms that the mitigation measures set out in the impact study will also apply to the modifications.

ECCC concludes that the project modifications would not change the conclusions and recommendations made in the 2021 environmental assessment. The impacts remain comparable, and the proposed mitigation, monitoring and follow-up measures remain appropriate to limit the risk of significant adverse environmental effects.

The CNG emphasized that it did not disagree with the proponent's conclusion that the cumulative impacts are marginal, but noted that a higher segmentation may draw caribou away from human activities. The CNG would like to encourage the proponent to keep the footprint as small as possible. The CNG also believes that woodland caribou monitoring, which is already being considered, will be crucial, and suggested that the proponent could conduct more active caribou monitoring and engage in activities to improve caribou habitat in the region.

5.3.3 IAAC's Analysis and Conclusions

IAAC believes that by modifying the definition of the designated project area in condition 1.8, as described in section 4.1.3 of this report, the mitigation measures and follow-up programs mentioned in sections 2, 5, 7, 8 and 9 of the Decision Statement would also apply to the project change, thereby helping to mitigate potential effects on species at risk of interest to First Nations, Cree health, current use of lands and resources for traditional purposes, and natural and cultural heritage and structures, sites or things of historical, archaeological, paleontological or architectural significance. In particular, with regard to the CNG's concerns for caribou, the use of MELCCFP data, the implementation of more proactive monitoring measures, involvement aimed at improving caribou habitat at the regional level could be implemented as part of the action plan for caribou provided for in condition 5.1 of the Decision Statement. Furthermore, conditions 2.6 and 2.9 state that the follow-up program provided for in condition 5.5 must include the possibility of the proponent implementing additional mitigation measures, in consultation with First Nations, in the event that the project's effects on caribou are more significant than anticipated in the 2021 environmental assessment.

IAAC also considers that the effects associated with the proposed change fall within the range of effects predicted in the 2021 environmental assessment and do not alter the conclusions of that assessment. In addition, in accordance with condition 8.3 of the Decision Statement, the proponent must relocate the tallyman's camp on trapline RE01 in consultation with the tallyman. The requirements of the Decision Statement will mitigate the effects of the workcamp and borrow pits on traditional land use, notably by prohibiting hunting by site workers. With regard to concerns about consultation and communication, IAAC

believes that conditions 8.3 to 8.10 would limit the negative effects of the proposed changes. IAAC's analysis also concluded that the commitments listed by the proponent in their assessment of the proposed changes are already covered by the existing conditions of the Decision Statement.

6. Conclusion

IAAC's provisional conclusion is that, based on the information provided by the proponent and the various parties consulted, the proposed changes to the project are not likely to cause significant adverse environmental effects beyond those described in the 2021 environmental assessment, taking into account the mitigation measures and follow-up programs included in the conditions of the Decision Statement.

Since the proposed changes to the project are not included in the definition of the designated project as currently formulated in the Decision Statement, IAAC recommends that this definition be modified to include the B-4 and B-8 borrow pits, the workcamp and their associated related infrastructure as described in section 2 of this analysis report. This amendment will ensure that the conditions included in the Decision Statement also apply to the proposed changes to the project.

In addition, modifications have been proposed to certain conditions of the follow-up programs to reflect the updated predictions of the proponent's analysis. All proposed modifications to the Decision Statement are presented in the table below.

TABLE 1 CHANGES TO THE DECISION STATEMENT RECOMMENDED BY IAAC

Last Decision Statement published August 10, 2021	Recommended changes to the Decision Statement
Designated project description: Critical Elements Corporation (CEC) is proposing the construction, operation and decommissioning of an open pit lithium and tantalum mine located approximately 38 kilometres north of Nemaska, in Quebec. As proposed, the project includes the operation of an open pit, waste and tailings impoundment area, an industrial ore processing facility and the option of transforming concentrate off-site. The mine would produce about 4,500 tonnes of ore per day over a 17-year life span. The project would last 26 years in total with the construction and restoration phases.	**Designated project description:** Critical Elements Corporation (CEC) is proposing the construction, operation and decommissioning of an open pit lithium and tantalum mine located approximately 38 kilometres north of Nemaska, in Quebec. As proposed, the project includes the operation of an open pit, waste and tailings impoundment area, an industrial ore processing facility, a workcamp and the operation of two borrow pits, and the option of transforming concentrate off-site. The mine would produce about 4,500 tonnes of ore per day over a 17-year life span. The project would last 26 years in total with the construction and restoration phases.
Condition 1.7: *Designated Project* means the Mine Rose Lithium-Tantalum Project as described in section 2 of the Environmental Assessment Report prepared by the Impact Assessment Agency of Canada and the Cree Nation Government (Canadian Impact Assessment Registry, reference number 80005).	**Revised condition 1.7:** *Designated Project* means the Mine Rose Lithium-Tantalum Project as described in section 2 of the Environmental Assessment Report prepared by the Impact Assessment Agency of Canada and the Cree Nation Government (Canadian Impact Assessment Registry, reference number 80005) and section 2 of the analysis report prepared by the Canadian Impact Assessment Agency, *Analysis of Critical Elements Lithium Corporation's Proposed Changes to the Rose Lithium-Tantalum Mining Project* (Canadian Impact Assessment Registry, reference number 80005).
Condition 1.8 *Designated Project area* means the geographic area occupied by the Designated Project infrastructures identified on Figure 5 of the Environmental Assessment Report.	**Revised condition 1.8** *Designated Project area* means the geographic area occupied by the Designated Project infrastructures identified on Figure 1 of the analysis report prepared by the Canadian Impact Assessment Agency, *Analysis of Critical Elements Lithium Corporation's Proposed Changes to the*

	Rose Lithium-Tantalum Mining Project (Canadian Impact Assessment Registry, reference number 80005).
Condition 3.3 The Proponent shall manage the mine effluents before their discharge into the receiving environment. For this purpose, the Proponent shall:	**Revised condition 3.3** The proponent shall manage ~~the mine~~ effluents of the Designated Project before their discharge into the receiving environment. For this purpose, the Proponent shall: