

Canada Strategic Metals (the “Company”) is committed to responsible, sustainable business practices, especially concerning its operations in order to improve the future for all stakeholders of the Company.

Therefore, the Board of Directors has adopted the following Environmental Policy.

PURPOSE

To provide a framework for measuring the performance of the Company’s activities in an environmentally responsible manner, ensuring compliance by the Company and its staff with all known applicable environmental regulations and commitments.

OBJECTIVE

Maintain high environmental standards limited only by technical and economic feasibility to protect the safety of its staff, conserve natural resources, and minimize the impact of its activities on the environment through diligent application of appropriate technology and responsible conduct at all stages of mining activity.

Canada Strategic Metals therefore will:

- Conduct all operations in an environmentally sound manner which ensures compliance with all or exceeds all applicable federal, provincial and local regulations;
- Assign accountability and responsibility for implementation of the environmental policy and make environmental performance an important factor in the management review process;
- Provide adequate resources, personnel and training so that all staff are aware of their responsibilities with respect to the environment, and are able to carry them out in accordance with the environmental policy;
- Communicate openly with staff, regulatory agencies and the public on environmental issues and address concerns pertaining to potential hazards and impacts;
- Work in cooperation with industry, the public and government toward the development of responsible environmental policies, laws, and regulations;
- Apply best management practices to achieve environmental protection consistent with industry standards;

In the absence of applicable regulations:

- Implement operating practices to minimize the use and production of hazardous substances and manage them properly;
- Establish and maintain appropriate emergency response plans for all activities and facilities;
- Maintain a self-monitoring program at each facility to ensure environmental compliance;
- Conduct periodic environmental assessments at all of its operations and develop and implement action plans to correct potential deficiencies in a timely manner;
- Monitor environmental technical developments on an ongoing basis in order to identify and implement continuous improvement measures;
- Identify revisions or improvements to current practices in order to minimize environmental impacts, reporting findings regularly to the Board of Directors; and
- Encourage all staff to report to management any known or suspicious departure from this policy or related procedures.

The Board of Directors, President & CEO and all staff of the Company share responsibility for meeting this commitment in all of the Company's fields of activities and spheres of application.

The application of this policy is the responsibility of all members of the staff and management and was reviewed and approved by the Board of Directors.

Prepared by:	Board of Director
Approved on:	July 28, 2014