



## PRESS RELEASE

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### CRITICAL ELEMENTS ANNOUNCES \$5 MILLION BOUGHT DEAL COMMON SHARE FINANCING

**MAY 18, 2016** – MONTREAL, QUEBEC – **Critical Elements Corporation** (“Critical Elements” or the “Company”) (TSX-V: CRE) (US OTCQX: CRECF) (FSE: F12) is pleased to announce that it has entered into an agreement with Canaccord Genuity Corp. (the “Underwriter”), to sell 14,000,000 common shares (the “Common Shares”) on a bought deal private placement basis at a price of C\$0.37 per share for gross proceeds of C\$5,180,000 (the “Offering”). In addition, the Company will grant the Underwriter an over-allotment option, exercisable prior to the closing of the Offering, to purchase from the Company up to an additional 2,750,000 common shares at C\$0.37 per share to raise additional gross proceeds of up to C\$1,017,500.

The Underwriter will receive a cash commission of 7% of the gross proceeds raised, and non-transferable share purchase warrants entitling the Underwriter to purchase, at the price of the Offering within 24 months after closing of the Offering, Common Shares equal to 7% of the aggregate number of securities sold pursuant to the Offering. Canaccord Genuity will also be issued an additional 200,000 Common Shares as a corporate finance fee.

The Company intends to use the net proceeds for exploration and development of the Company’s projects and for general working capital purposes.

Closing of the Offering is anticipated to occur on or before June 7, 2016 and is subject to receipt of applicable regulatory approvals including approval of the TSX Venture Exchange. Securities issued under the Offering and through the over-allotment option will be subject to a four month hold period which will expire four months from the date of closing.

This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”) or any state securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

#### ABOUT CRITICAL ELEMENTS CORPORATION

A recent financial analysis (Technical Report and Preliminary Economic Assessment (PEA) on the Rose lithium-tantalum Project, Genivar, December 2011) of the Rose project based on price forecasts of US\$260/kg (\$118/lb) for Ta<sub>2</sub>O<sub>5</sub> contained in a tantalite concentrate and US\$6,000/t for lithium carbonate (Li<sub>2</sub>CO<sub>3</sub>) showed an estimated after-tax Internal Rate of Return (IRR) of 25% for the Rose project, with an estimated Net Present Value (NPV) of CA\$279 million at an 8% discount rate. The payback period is estimated at 4.1 years. The pre-tax IRR is estimated at 33% and the NPV at \$488 million at a discount rate of 8%. (Mineral resources are not mineral reserves and do not have demonstrated economic viability). (The preliminary economic assessment is preliminary in nature). (See press release dated November 21, 2011.)

The conclusions of the PEA indicate the operation would support a production rate of 26,606 tons of high purity (99.9% battery grade) Li<sub>2</sub>CO<sub>3</sub> and 206,670 pounds of Ta<sub>2</sub>O<sub>5</sub> per year over a 17-year mine life.

The project hosts a current Indicated resource of 26.5 million tonnes of 1.30% Li<sub>2</sub>O Eq. or 0.98% Li<sub>2</sub>O and 163 ppm Ta<sub>2</sub>O<sub>5</sub> and an Inferred resource of 10.7 million tonnes of 1.14% Li<sub>2</sub>O Eq. or 0.86% Li<sub>2</sub>O and 145 ppm Ta<sub>2</sub>O<sub>5</sub>.

**FOR MORE INFORMATION:**

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