



PRESS RELEASE

CRITICAL ELEMENTS (TSXV: CRE) AND NATAN (TSXV: NRL) BEGIN PHASE 1 OF EXPLORATION PROGRAM ON THE DUVAL LITHIUM PROJECT IN THE NEMASKA LITHIUM WHABOUCHI AREA

September 19, 2016 – Montreal, Quebec – **Critical Elements Corporation** (“Critical Elements” or the “Company”) (TSX-V: CRE) (US OTCQX: CRECF) (FSE: F12) and Natan Resources Ltd (“Natan”) (TSX-V: NRL) are pleased to announce that the Phase 1 exploration program for Duval Project in Northern Quebec is being finalized, and [the Company has commenced its program in the field](#). The Duval Project is contiguous to and along strike with the Whabouchi project of Nemaska Lithium Inc. (“Nemaska”) who recently reported encountering a **new lithium-bearing zone** in the south-western end of the planned pit area (see Nemaska press release dated September 6, 2016). Nemaska reported that this new zone has been intersected in multiple drill holes at up to 500 m vertical depth, and is located at the south-western end of the pit area, approximately two kilometers from the north-eastern boundary of Duval 2,459 hectare property.

The Company and Natan have contracted Consul-Teck Exploration Inc. of Val-d’Or as operator of the project. This first phase of exploration will consist of a detailed mapping and sampling program over a grid designed to cover the entire property, over the course of approximately 4 weeks. There has been no historic Lithium focused exploration on the Duval property, however it is believed that the continuation along strike and onto the property of the similar geology as at Whabouchi, indicates the potential to locate Lithium bearing pegmatites.

Upon completion of the Phase 1 program, an updated NI 43-101 report will be completed for the property. Pending the results of the program and the recommendations of the report, the Company is fully financed to advance the program through the exploration cycle quickly.

Jean-Sébastien Lavallée (OGQ #773), geologist, shareholder and President and Chief Executive Officer of the Company and a Qualified Person under NI 43-101, has reviewed and approved the technical content of this release.

CLOSING OF FIRST DRAWDOWN – HELM AG

The Company also announces that it has closed the transaction for the first drawdown under the credit facility agreement signed [on September 19, 2016](#), with HELM AG. This drawdown in the amount of \$1,500,000 will have a term of five years and will bear 12% interest per year. In connection with this initial drawdown, HELM AG received 2,500,000 non-transferable warrants allowing it to acquire the same number of common shares of the Company at a price of \$0.77 per share.

All the securities issued under the private placement are subject to a mandatory hold period of four months plus one day following the closing of the private placement.

The Credit Facility will allow the Corporation to fund its feasibility study on the Rose lithium-tantalum project.

This transaction is subject to regulatory approval.

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 Ta₂O₅ contained in a tantalite concentrate and US\$6,000/t for lithium carbonate (Li₂CO₃) 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) Li₂CO₃ and 206,670 pounds of Ta₂O₅ per year over a 17-year mine life.

The project hosts a current Indicated resource of 26.5 million tonnes of 1.30% Li₂O Eq. or 0.98% Li₂O and 163 ppm Ta₂O₅ and an Inferred resource of 10.7 million tonnes of 1.14% Li₂O Eq. or 0.86% Li₂O and 145 ppm Ta₂O₅.

FOR MORE INFORMATION:

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