



PRESS RELEASE

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CRITICAL ELEMENT ANNOUNCES CLOSING OF \$6 MILLION BOUGHT DEAL COMMON SHARE FINANCING

JUNE 2, 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 closed its private placement of 16,750,000 common shares at a price of \$0.37 per share, which includes 2,750,000 common shares issued pursuant to the exercise in full of the over-allotment option, for gross proceeds totaling \$6,197,500. The private placement was led by Canaccord Genuity Corp.

The Company is very pleased to have arranged this offering with an elite group of institutions including lead investor JP Morgan Asset Management U.K., stated Jean-Sébastien Lavallée, President and Chief Executive Officer.

The Underwriter will receive a cash commission of \$433,825, and 1,172,500 non-transferable share purchase warrants entitling to purchase 1,172,500 common shares at the price of \$0.37 until June 2, 2018. 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. Securities issued under the Offering and through the over-allotment option are subject to a four month hold period which will expire on October 3, 2016.

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 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.

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