



## PRESS RELEASE

### CRITICAL ELEMENTS (TSXV: CRE) AND NATAN (TSXV: NRL) TO EXPLORE DUVAL LITHIUM PROPERTY IN QUEBEC

July 6, 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 Critical Elements and Natan have entered into an option agreement (“Agreement”) that gives Natan the right to acquire up to a 70% interest in the Duval project, located south-west of and contiguous to the Nemaska Lithium Whabouchi Deposit.

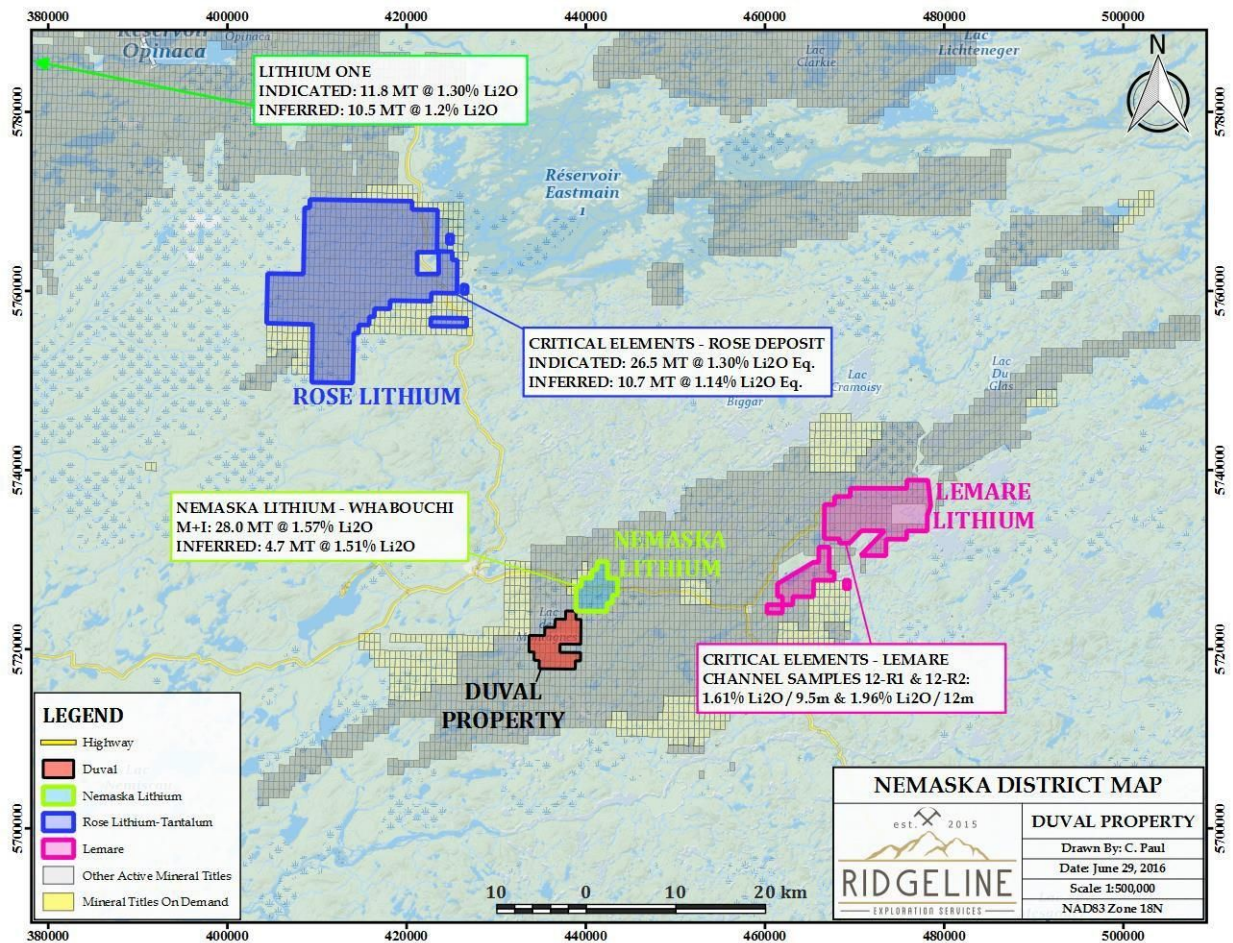
“The Duval project represents a great opportunity for Natan Resources, Critical Elements and the shareholders of both entities. The hard work of companies such as Critical Elements and Nemaska Lithium have unveiled the potential of the Lac des Montagnes volcano-sedimentary belt as one of the most important spodumene lithium hard rock deposit in the world, both in volume and grade.”, stated Michael Blady, CEO of Natan. “This acquisition has given Natan a great address, adjacent to Nemaska’s Whabouchi property, which is considered by many the premier spodumene lithium deposit in North America. We are excited to confirm the great potential of this property and will be working swiftly and diligently to plan and execute a program this summer.”

“This option agreement with Natan will allow the Duval property to be explored in detail for a Lithium Pegmatite discovery. Critical Elements is currently focused on the development of its Rose lithium-tantalum project. With Natan farming into the Duval project, shareholders of both companies will be able to benefit from successful exploration of a highly prospective project,” stated Jean-Sébastien Lavallée, President and CEO, Critical Elements.

The Duval property is comprised of two blocks totaling 46 claims, with a total area of 2,458.92 hectares covering a distance of approximately 7 kilometres along a SW-NE axis. It lies two kilometres south of the Route du Nord and is served by a Hydro Quebec power line and a gravel road, which cross the southern half of the block in a southeasterly direction. The Duval main block can be accessed by the road leading to Lac des Montagnes and then by boat. An old winter road along the SE shore of Lac des Montagnes has been refurbished and can be used for winter drilling on the main block.

The property covers a large part of the regional volcano-metasedimentary unit, known to be the host for Nemaska Lithium’s Wabouchi deposit and the Lemarre showings. The presence of this favorable lithology within the Company’s claims and being along strike from Nemaska’s successful exploration, increases the potential for the discovery of similar significant mineralization.

**Figure 1.** Location of known lithium deposits and showings and location of Duval claims in the James Bay area of Quebec.



## TERMS OF THE TRANSACTION

Under the Agreement, Natan will earn its interest in Duval by way of a farm-in arrangement. The key terms of the Agreement are detailed below:

### GRANT OF FIRST OPTION

Critical Elements hereby grants to Natan the exclusive right and option to acquire, on or before December 31, 2017 an initial 50% Earned Interest in the Property (the "First Option") by issuing to Critical an aggregate of 19.9% of the common shares of Natan, by paying \$15,000 cash and by incurring or funding Exploration Expenditures for a total amount of \$750,000 on the Property, as follows:

- paying to Critical \$15,000 cash within a delay of five (5) days following the execution of this Agreement (non-refundable);
- issuing to Critical 19.9% common shares of Natan Resources Ltd immediately following the receipt of the required approvals from the Exchange; and
- incurring or funding Exploration Expenditures aggregating not less than \$750,000 on the Property, of which an amount of \$350,000 must be incurred or funded before December 31, 2016 and an amount of \$400,000 before December 31, 2017.

### GRANT OF SECOND OPTION

Subject to Natan having exercised the First Option in accordance with the Agreement, Critical hereby also grants to Natan the exclusive right and option to increase its undivided interest in and to the Property from 50% to 70% by paying to Critical an additional amount of \$350,000, incurring or funding additional

Exploration Expenditures of \$1,250,000 and by delivering a NI 43-101 compliant resource estimate on the Property prepared by a Qualified Person independent of Natan and Critical, for the period commencing on the delivery of notice of the exercise of the First Option by Natan (the "First Option Exercise Notice") and ending December 31, 2018, as follows:

- a) on the date of delivery of the First Option Exercise Notice, paying to Critical an amount of \$350,000, in cash or in common shares of Natan at the sole discretion of Natan;
- b) on or before December 31, 2018, incurring or funding additional Exploration Expenditures for an amount of \$1,250,000; and
- c) on or before December 31, 2018, delivering the Resource Estimate to Critical.

#### **MILESTONE PAYMENTS**

Subject to Natan's right to withdraw from and terminate the First Option, Natan agrees to make the following milestone payments to Critical, payable at any time following the exercise of the First Option:

- a) On the estimation of a drilled defined resource (NI 43-101 compliant) of 5,000,000 tonnes at a cut-off grade of 0.6% Li<sub>2</sub>O (all categories) a payment of CAD \$500,000, payable in cash or in common shares of Natan at the sole discretion of Natan;
- b) On the estimation of a drilled defined resource (NI 43-101 compliant) of 10,000,000 tonnes at a cut-off grade of 0.6% Li<sub>2</sub>O (all categories) a payment of CAD \$750,000, payable in cash or in common shares of Natan at the sole discretion of Natan;
- c) On the estimation of a drilled defined resource (Ni 43-101 compliant) of 15,000,000 tonnes at a cut-off grade of 0.6% Li<sub>2</sub>O (all categories) a payment of CAD \$1,000,000, payable in cash or in common shares of Natan at the sole discretion of Natan; and
- d) On the estimation of a drilled defined resource (NI 43-101 compliant) of 20,000,000 tonnes at a cut-off grade of 0.6% Li<sub>2</sub>O (all categories) a payment of CAD \$1,500,000, payable in cash or in common shares of Natan at the sole discretion of Natan.

#### **ROYALTY**

Following the exercise of the First Option by Natan and in addition to the amounts paid, common shares issued and Exploration Expenditures incurred or funded by Natan under the First Option and thereafter under the Second Option, as applicable, Critical shall receive a royalty equal to 2% net smelter returns resulting from the extraction and production of any Minerals on the Property.

The Royalty, including the right of Natan to purchase a portion thereof (1%).

## JAMES BAY LITHIUM RESOURCES

**Table 1. Lithium resources of the James Bay area**

<b>Company</b>	<b>Project</b>	<b>Measured &amp; Indicated</b>	<b>Inferred</b>	<b>Sources</b>
Nemaska Lithium	Whabouchi	13.0Mt measured @ 1.60% Li <sub>2</sub> O and 15.0Mt indicated @ 1.54% Li <sub>2</sub> O	4.7Mt @ 1.51% Li <sub>2</sub> O	NI 43-101 Technical Report - Feasibility Study on the Whabouchi Lithium Deposit and Hydromet Plant (Revised), prepared by Met-Chem Canada inc., revision date January 22nd, 2016
Critical Elements	Rose Lithium-Tantalum	26.5Mt indicated @ 1.30% Li <sub>2</sub> O equivalent	10.7Mt @ 1.14% Li <sub>2</sub> O equivalent	Technical Report and Preliminary economic assessment on the Rose Tantalum- Lithium Project, prepared by Genivar, December 10th 2011

### **DUVAL PROPERTY**

The Duval property is located within the Opinaca Sub-province in Quebec, characterized by metagraywacke, migmatite, and granite. Polydeformed schists occur at the belt margins, whereas the interior portions are metamorphosed to amphibolite and granulite facies. Mineral occurrences within the Opinaca sub-province include rare metals within the peraluminous granites and associated pegmatites.

The property area is underlain by two dominant rock types: biotitic paragneisses belonging to the North-East-trending Lac des Montagnes metasedimentary belt, and granitoids/orthogneisses of the Champion Lake and Opinaca North-East domains. The Lac des Montagnes belt is up to 8 kilometres wide and its northern boundary passes diagonally through the approximate centre of the property. Granitic and pegmatitic bodies of variable sizes and irregular shapes have been reported to intrude the metasedimentary belt and may account for up to 20% of the area by volume.

A 2012 Technical Report on the Valiquette Property, which includes the Duval claims, was completed by InnovExplo for Monarques Resources according to Regulation 43- 101 and Form 43-101F1.

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.

### **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)  $\text{Li}_2\text{CO}_3$  and 206,670 pounds of  $\text{Ta}_2\text{O}_5$  per year over a 17-year mine life.

The project hosts a current Indicated resource of 26.5 million tonnes of 1.30%  $\text{Li}_2\text{O}$  Eq. or 0.98%  $\text{Li}_2\text{O}$  and 163 ppm  $\text{Ta}_2\text{O}_5$  and an Inferred resource of 10.7 million tonnes of 1.14%  $\text{Li}_2\text{O}$  Eq. or 0.86%  $\text{Li}_2\text{O}$  and 145 ppm  $\text{Ta}_2\text{O}_5$ .

**FOR MORE INFORMATION:**

Jean-Sébastien Lavallée, P.Geol.  
President and Chief Executive Officer  
819-354-5146  
president@cecorp.ca  
www.cecorp.ca

**Investor Relations:**

Paradox Public Relations  
514-341-0408

*Neither the TSX Venture Exchange nor its Regulation Services Provider  
(as that term is defined in the policies of the TSX Venture Exchange)  
accepts responsibility for the adequacy or accuracy of this release.*