



## PRESS RELEASE

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### **CRITICAL ELEMENTS (TSXV: CRE) RECEIVES \$3 MILLION FROM STRATEGIC PARTNER HELM AG**

**JUNE 14, 2017** – MONTREAL, QUEBEC – **Critical Elements Corporation** (the “Corporation” or “Critical Elements”) (TSX-V: CRE) (US OTCQX: CRECF) (FSE: F12) is pleased to announce that it has closed \$3 million, representing the second and third drawdowns on the credit facility entered into with HELM AG on June 28, 2016.

“We are proud and very pleased to be partnered with HELM AG. Their technical and financial participation is proving to be a decisive factor in the success of the Rose lithium-tantalum project. We will soon publish the final feasibility study for the Rose lithium-tantalum project, which is an important milestone in the project’s development,” said Steffen Haber, President of the Corporation.

The material terms of the collaboration agreement with HELM AG, announced on September 9, 2015, are as follows:

#### **Take or pay off-take agreement**

Subject to the take or pay off-take agreement to be executed by the parties, HELM AG has the sole and exclusive right to purchase all of the produced products including spodumene concentrate (technical and chemical grade), all lithium chemicals (carbonate, hydroxide, chloride), mica and tantalum concentrate (collectively, the “Products”).

The parties will use their commercially reasonable efforts to finalize and execute the take or pay off-take agreement by no later than 60 days following the completion of the feasibility study. Under the collaboration agreement, and subject to certain conditions, notably the exercise of the Financing Option (as defined below), HELM AG was also granted a right of first refusal to become the exclusive off-taker for all Products on any of the future projects of Critical Elements (or its affiliates).

#### **Feasibility study**

HELM AG agreed to collaborate with, assist and provide technical support to Critical Elements for the preparation and completion of the feasibility study. HELM AG also agreed to provide logistical and sales support to Critical Elements in relation to the distribution and sale of all future mineral products to be produced from the Rose project.

#### **Project financing**

As consideration for HELM AG’s covenants and undertakings under the collaboration agreement, Critical Elements agreed to grant HELM AG an option to acquire an ownership interest of up to 25% in the Rose project by committing to pay for a portion of the mine construction costs (the “Financing Option”). HELM AG may exercise the Financing Option within a period of 60 days after receiving written notice from Critical Elements to the effect that it has arranged financing for mine construction. The Financing Option is subject to certain conditions, including the execution of the take or pay off-take agreement.

The credit facility provided by HELM AG has enabled the Corporation to finance the Rose project feasibility study. The latest two drawdowns, of \$1,500,000 each for a total of \$3,000,000, have a five-year term and bear interest at an annual rate of 12%. HELM AG will receive 3,296,703 non-transferable warrants in connection with the drawdowns, entitling it to acquire the same number of common shares of the Corporation at a price of \$1.07 per share.

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

The 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, 100% owned by Critical Elements, 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 CA \$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 PEA includes inferred mineral resources that are considered too speculative geologically to have economic considerations applied to them that would enable them to be categorized as mineral reserves and there is no certainty that the preliminary economic assessment will be realized.

The conclusions of the PEA indicate that 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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