



PRESS RELEASE

CRITICAL ELEMENTS SIGNS WITH STRATEGIC PARTNER FOR: TAKE OR PAY OFF-TAKE, COLLABORATION FOR FEASIBILITY COMPLETION AND PROJECT FINANCING OPTION

SEPTEMBER 8, 2015 – MONTREAL, QUEBEC – **Critical Elements Corporation** (TSX-V: CRE) (US OTCQX: CRECF) (FSE: F12) is pleased to announce the signature of a strategic collaboration agreement (the “Agreement”) with a Leading Chemical Company (the “Strategic Partner”), that includes take or pay off-take for all products produced from the Rose Lithium-Tantalum project. The feasibility study will be completed in collaboration with the Strategic technical and commercial Partner. Finally, should the feasibility study support the technical feasibility and economic viability of the project the Strategic Partner will also have the option of participating in the project by providing equity in the project financing for an interest of up to 25%.

The material terms of the Agreement are as follows:

Take or pay off-take Agreement

Subject to the take or pay off-take agreement to be executed by the parties (the “Take or pay off-take Agreement”), the Strategic Partner will have 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 Agreement, and subject to certain conditions, notably the exercise of the Financing Option (as defined below), the Strategic Partner has also been 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

The Strategic Partner has agreed to collaborate with, assist and provide technical support to Critical Elements for the preparation and completion of the feasibility study. The Strategic Partner has further 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 on the Project (the “Mine”).

Project Financing

As consideration for the Strategic Partner’s covenants and undertakings under the Agreement, Critical Elements has agreed to grant the Strategic Partner an option to acquire an ownership interest of up to 25% in the project by committing to pay for a portion of the mine construction costs (the “Financing Option”). The Strategic Partner may exercise the Financing Option within a period of 60 days after having received 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.

“This is truly a game changing Agreement for the Company,” said Jean-Sébastien Lavallée, President and CEO of Critical Elements. “The Company now has the ideal partner to complete its feasibility study and advance the Rose project.”

“With a quality asset like the Rose project and our joint expertise, we will be positioned to maximize the project’s potential.”

“With the diversified Rose project products and its long-term 17-year mine life, we will be positioned to produce ceramic-grade lithium concentrate as well as meet the specifications for the fast growing lithium battery market. The tantalum and mica concentrate also gives additional by-product diversification. This makes the Rose project unique among all the lithium assets.”

From the Strategic Partner:

“We are pleased to enter this partnership and further growing our activities within the fast growing lithium market with Critical Elements. The Rose project has the potential to unlock our shared ambitions.”

“Our involvement in the project will start from the beginning by collaborating on the feasibility completion, and our Take or pay off-take agreement, as well as our participation option, really demonstrates our commitment to the lithium market.”

ABOUT THE STRATEGIC PARTNER

The Strategic Partner has more than 50 years of operation history, operating worldwide. The Strategic Partner is a financially strong company with specific knowledge that guarantees access to the major markets worldwide with an entry to major customers.

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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