

MONTREAL, QUEBEC--(Marketwired - Feb 12, 2016) - [Critical Elements Corp.](#) ("Critical Elements" or the "Company") (TSX VENTURE:CRE)(OTCQX:CRECF)(FRANKFURT:F12) is pleased to announce that Critical and Lepidico Ltd ("Lepidico") has entered into a binding agreement ("Agreement") that gives the right to Lepidico to acquire up to a 75% interest in the Lemare lithium project.

Terms of the transaction

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

Conditions	● \$15,000 cash payment at the signature of the Agreement ● 60 day period for Lepidico to undertake additional due diligence
Upon exercise of right to farm-in post due diligence	● \$35,000 cash payment on or before May 10, 2016 ● \$500,000 payment in shares or cash on or before May 10, 2016, such val ● \$35,000 cash payment on or before September 9, 2016
Earn 50% interest	● Lepidico to spend \$800,000 by December 31, 2016 in exploration expens ● Lepidico to spend additional \$1,200,000 by December 31, 2017 in explor ● Lepidico to deliver a Joint Ore Reserves Committee ("JORC") Code comp
Earn additional 25% interest (total 75%)	● Completion of definitive feasibility study and environmental study on Lema ● Payment of \$2,500,000 (cash or shares)
Royalty	● 2% Net Smelter Royalty ("NSR") payable to Critical Elements ● Rights to buy back 1% of the NSR for \$2,000,000
Milestone Payment	● Maximum payment of \$1,500,000 in cash or shares for delineation of a JO

The Lemare project consists of 158 claims for a total ground position of 7,433 hectares (74 km²) in a region of Quebec that boasts other lithium deposits and known lithium mineralisation, as shown in the maps and table below. The Lemare project is potentially a new lithium field in an established lithium district.

Table 1. Lithium resources of the James Bay area.

Company	Project	Measured & Indicated	Inferred
Nemaska Lithium	Whabouchi	13.0Mt measured @ 1.60% Li ₂ O and 15.0Mt indicated @ 1.54% Li ₂ O	4.7Mt @ 1.51%
Critical Elements	Rose Lithium-Tantalum	26.5Mt indicated @ 1.30% Li ₂ O equivalent	10.7Mt @ 1.14%
Galaxy Resources	James Bay	11.7Mt indicated @ 1.30% Li ₂ O	10.5Mt @ 1.20%

Figure 1. Location of known lithium deposits in the James Bay area of Quebec. To view figure 1 please visit the following link: http://media3.marketwire.com/docs/JB1_English.pdf

In October 2012, Monarques collected 43 channel samples from six trenches totalling 62 metres in length across the exposed spodumene pegmatite. Of these, 11 samples returned a Li₂O content superior to 2%. The results of the channel sampling are shown in the table below:

Table 2. Channel sampling results from Lemare (Monarques Resources Inc.)

Channel	Grade Li ₂ O %	Length (metres)
LEM(Li)-12-R1	1.61	9.5
including	2.00	6.0
LEM(Li)-12-R2	1.96	12.0
including	2.68	6.0
LEM(Li)-12-R3	1.74	10.5
LEM(Li)-12-R4	2.12	4.8
LEM(Li)-12-R5	1.18	14.2
including	1.58	10.1
LEM(Li)-12-R6	0.42	10.5
including	1.12	3.0

Initial exploration at Lemare was undertaken in 2012 by Monarques Resource Inc. who discovered a "granite pegmatite dyke containing a considerable amount of spodumene." The pegmatite ranges in apparent thickness from 4.8 to 14.2 metres and was followed for close to 200 metres in length on surface. The full length of the dyke remains unknown and is open in both directions. The pegmatite is undrilled so the depth extent also remains unknown.

Figure 2. Trenching program at Lemare showing the six trenches channel sampled. To view figure 2 please visit the following link: http://media3.marketwire.com/docs/mona_ENG.pdf

Figure 3. Location of the Lemare project claims in the James Bay area, Quebec, Canada. To view figure 3 please visit the following link: http://media3.marketwire.com/docs/JB2_ENG.pdf

Outside of this trenching program, there has been limited lithium exploration undertaken at Lemare. Based on other lithium deposits around the world, it is a common occurrence for pegmatites to exist in "swarms." As part of the due diligence process, Lepidico and Platypus will assess the potential for other pegmatites to exist within the project area.

"Lemare is a significant landholding that is highly prospective and sits in a proven lithium district, and boasts a large pegmatite that is ready to be drilled," stated Gary Johnson, Chairman, Lepidico.

"The arrangement with Lepidico allows Lemare to advance towards resource delineation and project development over its other properties. Critical Elements is currently focussed on the development of its Rose lithium project. With Lepidico farming into the Lemare 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.

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.

Lepidico and Platypus

On February 1, 2016, Lepidico and Platypus entered into an exclusive agreement to complete mutual due diligence for the purpose of investigating whether or not an agreement for the acquisition by Platypus of Lepidico or its assets can be agreed.

Platypus Managing Director Tom Dukovcic said, "The Lemare acquisition is another prospective opportunity for Lepidico that we will consider as part of our due diligence. Platypus has undertaken to assist Lepidico in the assessment of Lemare and we are fully supportive of the potential acquisition as it would deliver a quality project to the growing portfolio."

About Lepidico

Lepidico is a lithium exploration company and the 100% owner and licensor of the L-Max technology, a proprietary process which has the potential to commercially extract lithium and other by-products from unconventional sources at a competitive cost.

Currently, the majority of the world's lithium is produced from either brines or hard rock spodumene. L-Max delivers an opportunity to create a third supply source of lithium, namely lithium bearing micas such as lepidolite and zinnwaldite. Although there are a number of known deposits of lithium bearing micas around the world, these materials have typically been overlooked as a source of lithium as there has been no commercial process available to economically extract the contained lithium and produce lithium carbonate or lithium hydroxide that is suitable for end users.

As part of its exploration activity, Lepidico has commissioned and received several geological reports to assist in the

identification of ore bodies that have the potential to host commercial quantities of lithium bearing micas and associated lithium minerals.

With the use of its L-Max technology, Lepidico is seeking to unlock the potential value of such lithium bearing micas. Lepidico is actively exploring opportunities to apply L-Max directly to:

- **Brownfields Projects:** There are existing mining projects around the world that currently have lithium bearing micas being passed through to waste dumps or tailings dams. Lithium bearing micas can be effectively concentrated by flotation, which would allow the L-Max process to be utilised to produce lithium products (and other by-products) from a source that has previously been deemed to be of no value.
- **Greenfields Projects:** There has been limited exploration to date relating to identifying deposits of lithium bearing micas. These micas typically occur in pegmatites (coarse grained granites), often in association with other lithium, tin or tantalum containing ores.

Lepidico was founded in February 2015 by Executive Chairman Gary Johnson and has achieved significant progress in a short period of time. Gary Johnson is a metallurgist and has over 35 years experience in the mining industry in various roles. Gary currently is the Owner and Principal of Strategic Metallurgy Pty Ltd, which specialises in providing metallurgical and strategic consulting to various mining companies, including Sirius Resources, which Strategic Metallurgy has been involved with since first drill core. Gary was also the former Managing Director of Norilsk Nickel Australia and was a key proponent in the development and commercialisation of Activox®, a process technology for treating refractory gold ores and nickel sulphide concentrates.

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.

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.

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