Crystal Exploration Inc. Completes Technical Report

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VANCOUVER, Dec 7, 2016 - Crystal Exploration Inc. (the "Company" or "Crystal") (TSX VENTURE:CEI) is pleased to announce completion and filing of a Technical Report for its diamond projects located in Nunavut, Canada. The National Instrument ("NI") 43-101 Technical Report ("the Report") entitled 'Technical Report for the Muskox and Hood River Properties', focused on historical results, work performed during 2015 and 2016 and includes newly developed kimberlite targets within the Contwoyto and Hood River project areas. The Report was authored by Dean Besserer, P.Geol. A copy of the Report can be located at www.sedar.com.

Jim Greig, President & CEO commented, "The report provides a comprehensive review of historical work, recent exploration and a 2017 exploration plan. Crystal has now identified new drill targets for potential discoveries. Lab results are pending for the Muskox Kimberlite Pipe that has demonstrated encouraging diamond grades in a large body that is open at depth. In addition, the Crystal team will continue to work with all stakeholders for a potential acquisition of the nearby Jericho Diamond Mine."

The Report compiles and summarizes approximately 24 years of current and historical work completed across Crystal's project areas. The most notable historical work comes from Canamera Geological ("Canamera"), Lytton Minerals ("Lytton"), New Indigo Resources Inc. ("New Indigo"), Ashton Mining ("Ashton"), De Beers Canada Exploration Inc. ("De Beers") and Tahera Diamond Corp. ("Tahera").

In total, 72 prospective kimberlite targets were reviewed on the ground during 2016. Of the 72 which were ground truthed, 17 ground geophysical grids were completed which totaled 83.01 line kilometers of high resolution magnetics. From the 17 grids, 6 have been selected as high priority drill targets with respect to newly discovered kimberlite(s). In addition to the geophysical anomalies, numerous unsourced diamond (or kimberlite) indicator mineral ("DIM") trains have been identified on the Muskox, Muskox East (Contwoyto) and Hood River properties.

The recommended 2017 exploration should include but not be limited to: Continue compiling historic data and re-interpret historic airborne geophysical surveys; Process existing kimberlite samples on hand at the SRC; Process and pick the till samples collected during the 2016 exploration program including micro-probe analysis of picked grains; Complete caustic fusion of the James River Dyke; Complete ground geophysical surveys (magnetics and electromagnetics) over priority lake based targets; and Drill the six high priority targets developed by Crystal during 2016 for the spring/summer of 2017.

Muskox Kimberlite Pipe

The Muskox kimberlite has yielded encouraging diamond results from both caustic fusion analysis and Dense Media Separation ("DMS") processed bulk samples from several sampling campaigns. The Report outlines a number of incongruent results and the known issues for the Muskox Kimberlite Pipe. This includes diamond breakage and the exclusion of diamondiferous eclogite xenoliths during specific sampling programs. This is evidenced by a 2006 caustic fusion sampling program that combined a 3,692 kilogram sample for the M2 and M1 units returning 2.69 carats above a 0.85 mm cut off. Intervals with higher stone counts correlate well with the presence of mantle xenoliths, especially eclogite xenoliths.

Macrodiamond modelling was performed by Mineral Services of Vancouver in 2006 on both the M1 and M2 units. Subsets of the respective units were also modelled after the removal of the largest stones which did not fit on a lognormal distribution curve and could cause a "nugget effect". The grade prediction modelling used a cut off of 0.01 carats. The modelled grade for the M2 unit subset was 122 cpht with a range from 82 to 165 cpht. The modelled grade for the M1 unit subset was 41 cpht with a range from 28 to 52 cpht for the M2 unit subset. The results of the grade modelling from the M2 unit are significantly better than the grades indicated by the De Beers bulk sample.

To view a 3D Model for the Muskox Kimberlite, please visit the following link:
http://media3.marketwire.com/docs/cei1207model.pdf

Muskox is a multiphase Jurassic (173±2 Ma) kimberlite intrusion with a diameter at surface of approximately

200 meters and a total surface area of approximately 4 hectares, which is large for a kimberlite body in this part of the Slave Geological Province. It is a circular body at surface that tapers with depth.

2016 Diamond Results

Diamonds results from the Muskox Kimberlite Pipe are now expected during early 2017. Results have been delayed due to unexpected maintenance of the Dense Media Separation ("DMS") plant at the Saskatchewan Research Council Analytical Laboratories ("SRC") in Saskatoon. In total, 31,466 kilograms of kimberlite from 27 drill holes have been sent to the SRC for macro-diamond (approximately +0.85 mm) recovery using their DMS processing plant.

About Crystal Exploration Inc.

Crystal is a Canadian diamond exploration company with Common shares listed for trading on the TSX Venture Exchange. Crystal is backed by proven and seasoned resource sector professionals who have a track record of advancing exploration projects from grassroots through to production scenarios. The technical content of this news release have been reviewed and approved by Dean Besserer, P.Geol., the Technical Advisor of the Company and a Qualified Person as defined by National Instrument 43-101.

ON BEHALF OF THE BOARD OF DIRECTORS

Jim Greig
President and Chief Executive Officer

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