

CriticalElements
Corporation



Lithium Charged

TSX-V:CRE

WWW.CECORP.CA

April 2016

Forward-Looking Information: This presentation contains "forward-looking information" within the meaning of Canadian securities legislation. All information contained herein that is not clearly historical in nature may constitute forward-looking information. Forward-looking information includes, without limitation, statements regarding the results of the Preliminary Economic Assessment including statements about the projected IRR, NPV, payback period and future capital and operating costs, the availability and access to hydroelectric power, projected annual rate of lithium and tantalum production, the estimation of mineral resources, the market and future price of lithium and tantalum, permitting and the ability to finance the project. Generally, such forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking information is based on certain factors and assumptions management believes to be reasonable at the time such statements are made, including but not limited to, continued exploration activities, lithium, tantalum and other commodity prices, the estimation of initial and sustaining capital requirements, the estimation of labour and operating costs, the estimation of mineral resources, the assumption with respect to currency fluctuations, the timing and amount of future exploration and development expenditures, receipt of required regulatory approvals, the availability of necessary financing for the project, the completion of the environment assessment process, permitting and such other assumptions and factors as set out herein. Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information, including but not limited to: volatile stock price; risks related to changes in lithium and tantalum prices; sources and cost of power facilities; the estimation of initial and sustaining capital requirements; the estimation of labour and operating costs; the general global markets and economic conditions; the risk associated with exploration, development and operations of mineral deposits; the estimation of mineral resources; the risks associated with uninsurable risks arising during the course of exploration, development and production; risks associated with currency fluctuations; environmental risks; competition faced in securing experienced personnel; access to adequate infrastructure to support mining, processing, development and exploration activities; the risks associated with changes in the mining regulatory regime governing the Company; completion of the environmental assessment process; risks related to regulatory and permitting delays; risks related to potential conflicts of interest; the reliance on key personnel; financing, capitalization and liquidity risks including the risk that the financing necessary to fund continued exploration and development activities at the Rose Lithium-Tantalum Project may not be available on satisfactory terms, or at all; the risk of potential dilution through the issue of common shares; the risk of litigation. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in the forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such forward-looking information. Accordingly, readers should not place undue reliance on forward-looking information. Forward-looking information is made as of the date of this presentation, and the Company does not undertake to update such forward-looking information except in accordance with applicable securities laws.

Currency Presentation: Unless indicated otherwise, all dollar figures are in Canadian dollars.

Cautionary Statements Regarding Mineral Resource Estimates: Mineral resources, which are not mineral reserves, do not have demonstrated economic viability. Environmental, permitting, legal, title, taxation, sociopolitical, marketing, or other relevant issues may materially affect the estimate of Mineral Resources. In addition, there can be no assurance that Mineral Resources in a lower category may be converted to a higher category, or that Mineral Resources may be converted to Mineral Reserves.

Quality Control and Assurance: The scientific and technical content of this presentation was reviewed and approved by the Company's President, CEO and shareholder, Jean-Sébastien Lavallée, P.Geo., who is a Qualified Person within the meaning of National Instrument 43-101.

Sources of Information: Information and data such as market prices, volumes and information on comparable development companies' projects were obtained from public sources such as press releases, technical reports and different industry publications.

Trading Symbol:

TSX-V: CRE

Frankfurt: F12

OTCQX: CRECF

Share Structure: 125,7 MM (\$0.265)

Warrants: 2,5 M at \$0.35

Fully diluted: 137 MM

Market Cap: \$33,3 M

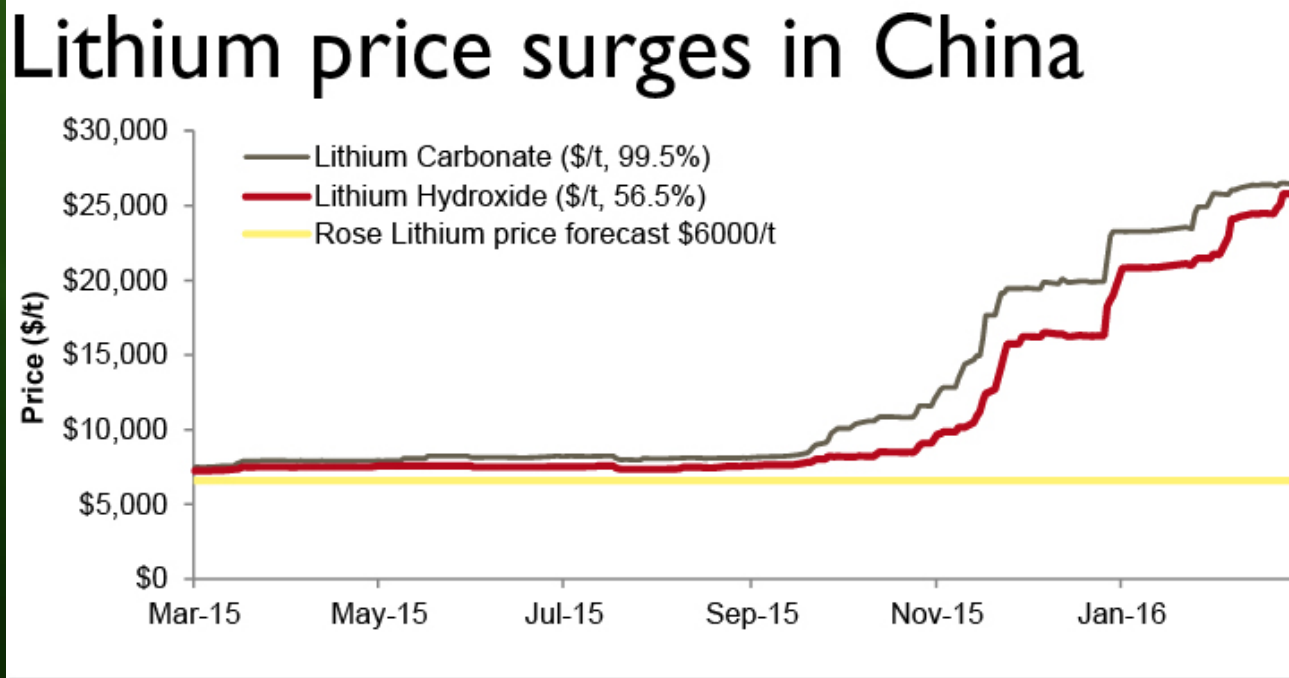
Management & Directors ownership: ≈20%



Jean-Sébastien Lavallée, President & CEO | Mr. Lavallée has been active in mining exploration since 1994. He is the vice president of Consul-Teck Exploration Inc., a consulting firm of Val-d'Or founded in 2003 that specializes in mining exploration in northern areas. Most of the firm's mandates involve the generation and execution of projects in remote areas. Mr. Lavallée has acted as a geologist for many companies, including Eloro Resources Ltd., Uracon Resources Ltd., Agnico-Eagle Mines Ltd., Noranda Minerals Inc., Champion Minerals Inc., Matamec Explorations Inc. and Argex Mining Inc. Having been responsible for the planning and execution of many exploration programs in recent years, Mr. Lavallée has acquired a solid experience in exploration project development.

David J. Buckley, Chief Processing Operator | Mr. David J. Buckley graduated from Virginia Polytechnic Institute in 1976 with a B.S. in Chemical Engineering. He was the Corporate Process Engineer working to support inorganic, brine-based chemical production processes for finished products, including lithium carbonate, lithium hydroxide and lithium chloride, for Rockwood Lithium Inc. from 2006 to 2015. He acted as Lead Process Engineer on a design team for a battery-grade lithium expansion in Chile and he provided process design for a new lithium hydroxide plant for Rockwood Lithium utilizing the traditional carbonate and lime method. Subsequently, he acted as a contractor for Southern Design Services and PenPower from 2004 to 2006. He was also Engineer Associate and Senior Process Engineer for FMC Lithium from 1992 to 2004 where he was acting as the primary engineering resource for inorganic lithium salts production at the main chemical plant. He developed and executed the design for control of the waste stream from the lithium hydroxide of this plant.

Lithium The Only commodity in demand



- High growth for battery grade lithium
- Limited scalability from current producers
- Double digit growth factor for the next 5 years
- Not all deposit can deliver high purity at low cost

- Battery manufacturing to triple by 2020
- LG Chem mega lithium battery factory in operation since 2015
- 2 other Mega-factories to commence lithium battery production in 2016 in China and North America (Tesla & FOXCONN)
- Lithium demand from 2000 to 2008 grew by 10% per year and forecast up to 2017 is more than 11% per year*
- Battery grade lithium forecast demand to grow by 134% from 2012 to 2017*

POWERED BY LITHIUM

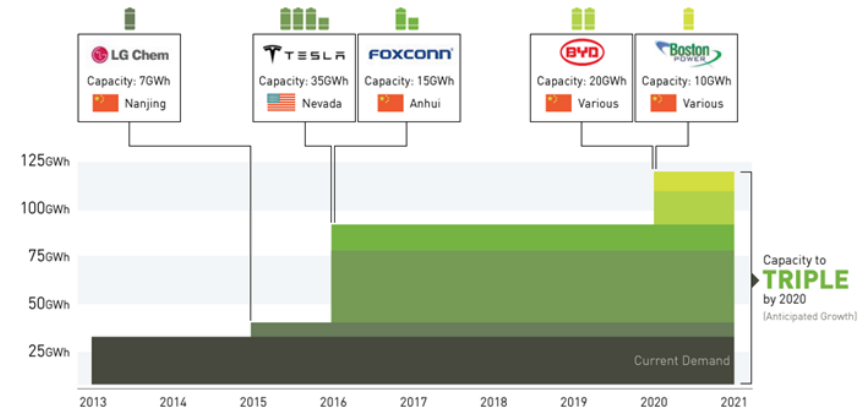
Batteries in devices from smartphones to electric cars demand significant amounts of lithium



Chart of the Week

THE LITHIUM-ION BATTERY MEGAFACTORIES ARE COMING

Production capacity of lithium-ion batteries is anticipated to more than triple by 2020



*Benchmark estimates, not all data disclosed by companies **Instant planned capacity stated for graphical purposes, slower ramp up expected

Data by:

 **BENCHMARK**
MINERAL
INTELLIGENCE

visualcapitalist.com

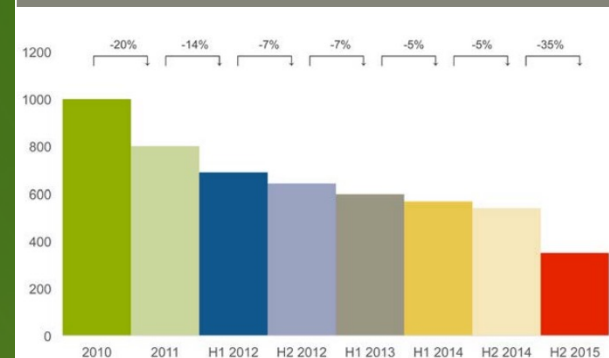


Mega factories impact:

Lithium Ion Battery manufacturing cost since 2010 dropped by 60%

Sources: <http://www.visualcapitalist.com/the-lithium-ion-megafactories-are-coming-chart/>
Signumbox
Roskill

FIGURE 28. AVERAGE EV BATTERY COSTS, \$ PER KWH AND PERCENTAGE CHANGE BETWEEN PERIODS, 2010 TO H2 2015



Source: Bloomberg New Energy Finance

Current World Producers:

- SQM: Brine for 47,949 tpy Lithium Carbonate Equivalent
- FMC: Brine for 22,919 tpy LCE
- Albemarle: Brine/Hard rock for 39,204 tpy LCE
- Tianqi: Hard rock for 110,072 tpy LCE
- China Miners (collectively): 15,078 tpy LCE

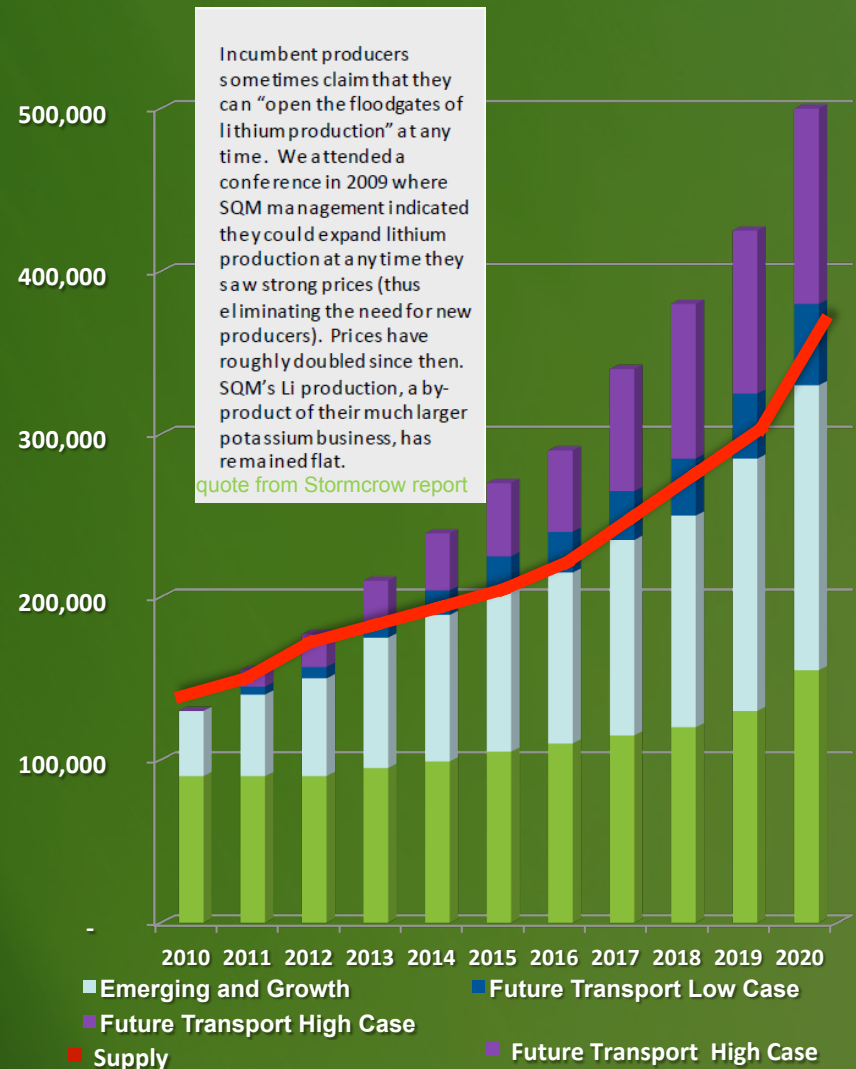
Current World Capacity \approx 235 000T LCE*

- World capacity is affected by low potash price down 68% (see Rockwood & FMC 2013 Q4)
- Chile Postponed lithium expansion for all producer beyond 2015
- 20% increase in battery grade lithium in 2013 (Rockwood 2013 Q4)
- Battery grade Lithium supply shortfall by 2016

New Potential Battery Grade Suppliers

- Orocobre
- Critical Elements Corp.
- Nemaska Lithium
- Western Lithium
- Bacanora Lithium

Supply / Demand Conditions Tightening



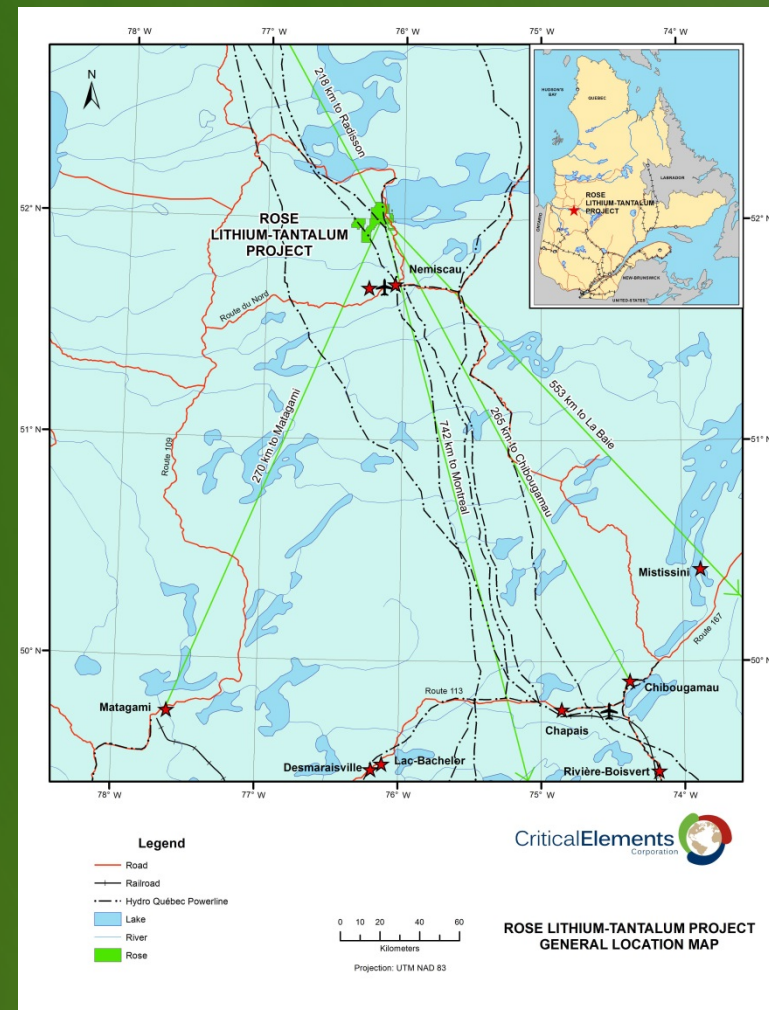
Source: www.talison.com
Rockwood Q4 2013
Stormcrow Capital

PROJECT INFRASTRUCTURE

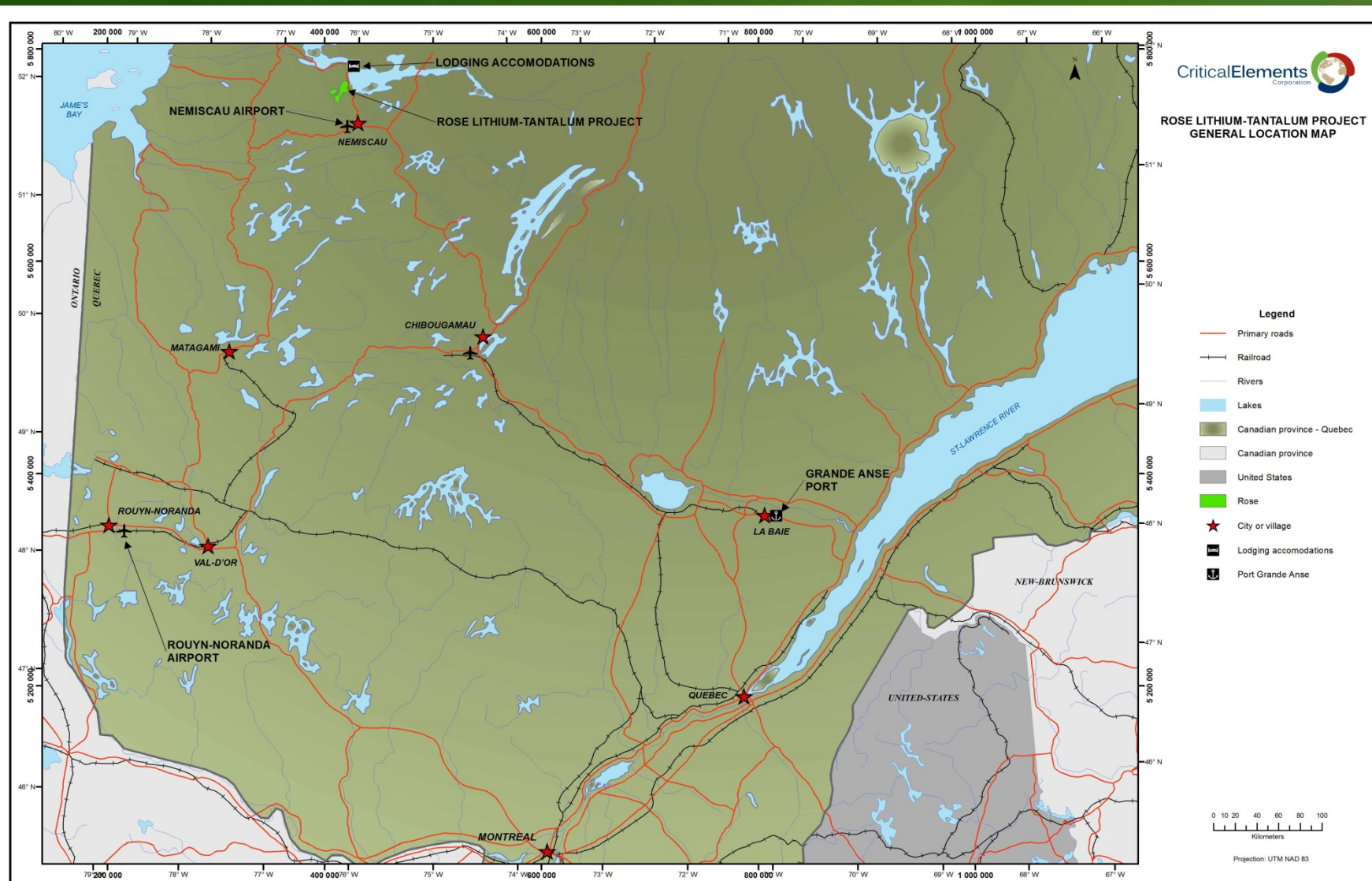
- PROJECT LOCATION: Quebec, 75 km due south of Goldcorp's Eleonore Gold Deposit
- 35 km north of Nemiscau, road access, airport
- Power line directly on the project
- 100 Ton capacity road 100 m from site
- Mining Camp available 30 km from site
- Quebec is ranked 6th in the world for mining investments*
- \$300MM Government tax credit for 2nd-3rd mineral transformation
- PDA signed with Eastmain Cree Community

FEASIBILITY STUDY CONTRACTORS

ENGINEERING FIRM	DEPARTMENT
AMBUCK	Mining
GENIVAR	Environmental/Infrastructure
BUMIGENE / SGS Lakefield	Metallurgical process/ Flow-Sheet/ Transformation process
SECOR	Plant location strategy
AMEC	Tailings



*Source: <http://www.marketwired.com/press-release/fraser-institute-quebecs-mining-reputation-rebounds-international-mining-survey-1994262.htm>



HIGHLIGHTS OF THE PRELIMINARY ECONOMIC ASSESSMENT STUDY :

Highlights of the Preliminary Economic Assessment Study Include:

The financial analysis of the Rose Project was based of price forecasts of US\$260/kg (\$118/lb) for Ta₂O₅ contained in a tantalite concentrate and US\$6,000/t for lithium carbonate (Li₂CO₃).

The pre-tax Internal Rate of Return (IRR) of the Rose Project is estimated at 33%, with a Net Present Value (NPV) of CA\$488 million at an 8% discount rate. The payback period is estimated at 4.1 years. The after-tax Internal Rate of Return (IRR) of the Rose Project is estimated at 25%, with a Net Present Value (NPV) of CA\$279 million at an 8% discount rate.

Project IRR	
Pre-tax	33%
After-tax	25%
Average net operating income	\$81.4 MM / year

Discount Rate	NPV (before taxes)	NPV (after taxes)
0%	1 078 611 885 CA\$	665 122 755 CA\$
5%	651 789 479 CA\$	387 145 131 CA\$
8%	488 360 406 CA\$	279 358 227 CA\$
10%	403 744 658 CA\$	223 097 949 CA\$
12%	333 626 451 CA\$	176 175 210 CA\$

The economic analysis is based on a mine life of 17 years, estimated capital costs of CA \$268.6 million and operating costs of CA \$67.65/tonne of ore milled. Ongoing capital investment was estimated at CA \$36.8 million. Calculations include contingencies of 10% and assumed parity between the Canadian and the American dollars.

ROSE – NPV & IRR commodity price sensitivity

NPV*		Lithium carbonate price per tone				
Tantalum price per pound	(US\$MM)	\$4,500	\$6,000	\$8,500	\$10,000	\$15000
	\$100	\$95.3	\$453	\$1,051	\$1,409	\$2,606
	\$118	\$129	\$488	\$1,085	\$1,444	\$2,639
	\$135	\$163	\$522	\$1,119	\$1,477	\$2,673
	\$155	\$202	\$561	\$1,158	\$1,517	\$2,711

IRR		Lithium carbonate price per tone				
Tantalum price per pound	(US\$MM)	\$4,500	\$6,000	\$8,500	\$10,000	\$15000
	\$100	14.4%	31.5%	52.1%	62.5%	91,89%
	\$118	16.5%	33,0%	53.3%	63.6%	92,74%
	\$135	18.4%	34.3%	54.4%	64.7%	93,62%
	\$155	20.5%	35.9%	55.7%	65.8%	94,58%

* From an 8% discount rate.

ROSE –NI 43-101 PEA Metrics (continued)

1- IRR	Pre-Tax: 33% After-Tax: 25%
2- Avg. net operating income	\$81.4 MM / year
3- Mine / processing / transformation	Open-pit / Flotation / Magnetic / Kiln, leaching, carbonate
4- Open-Pit ore mining rate Average ore processing rate	4,600 t/d 1.5 MM t/y
5- Cash cost per tonne of lithium carbonate (net of tantalum credit)	\$2,900 / t Li_2CO_3
6- Resources (diluted grade at the mill)	24.3 MM t @ 0.89% Li_2O , 132 ppm Ta_2O_5
7- Total contained materials	452,306 t Li_2CO_3 3.5 MM lbs Ta_2O_5
8- Average annual production	26,606 t Li_2CO_3 206,670 lbs Ta_2O_5
9- Initial mine life	17 years
10- Avg. commodity price	\$6,000 / t Li_2CO_3 \$118 / lb Ta_2O_5
11- Initial capital (CAPEX)	\$268.6 MM
12- Sustaining capital	\$36.8 MM
13- Payback period	4.1 years
14- Operating cost (avg. LOM)	\$67.65/t
15- Royalty	2%
16- Tax rate (On operation profits over LOM)	30%
17- Net Recovery rates	84.8% Li_2CO_3 50% Ta_2O_5



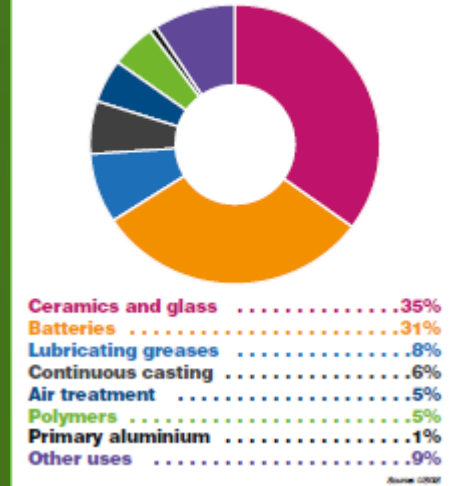
Rose Project Metallurgy Highlights

- Metallurgy work carried by Bumigeme and SGS Lakefield.
- Over 300 composites over the deposit have been tested
- Metallurgical testing based on representative composite sample for the first 8 years of production (selected Holes between Holes LR-09-02 to LR-10-123)
- Lithium concentrate batch flotation reached up to 91.9% recovery with a concentration grade of 6.43% Li_2O . While the average recovery stands at 90.88% with a concentration grade of 6.20% Li_2O
- Low iron content at 0.13% Fe_2O_3 as a solid solution in its crystal structure
- Achieved 99.98% lithium carbonate electric vehicle battery grade
- Bi-Carbonatation transformation recovered up to 96% (based on CRM process) of the Li_2O concentrate. The overall recovery from initial input to finished lithium carbonate stands at 88.2%
- Testing on going to optimize Li_2CO_3 purity and recovery by bi-carbonatation
- Recently improved Ta_2O_5 magnetic recoveries with an average of 77.6% from 50% in PEA
- No Uranium and Thorium in the deposit

Product diversification advantage from the Rose Deposit

- Low-iron spodumene concentrate for the Glass & Ceramic market
- Battery Grade material, with 99.98% purity lithium carbonate
- The battery grade and the glass & ceramic market represents 66% of the lithium demand
- The glass & ceramics and the battery grade products are in high demand with a high value compared to low purity products
- Enables Critical Elements to generate earlier cash flow than other lithium deposits by producing a high value concentrate (for the glass & ceramic) before the chemical transformation to produce battery material.

Global lithium end-use markets 2014 (%)



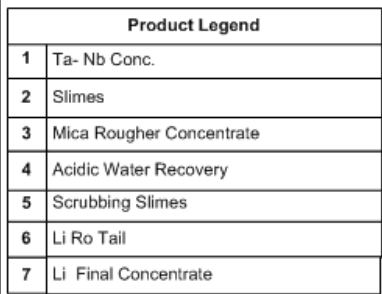
- **High entry Barriers** : The Ceramic & Glass market requires less than 0.2% iron in the spodumene concentrate. The Rose Deposit contain an average of 0.13% Fe_2O_3 as solid solution in its crystal structure and makes the only new source of glass & ceramic material
- Only one current producer for the glass & ceramic market. Most lithium deposits contains more than 1% Fe_2O_3
- Recent mine closure in Canada leaves the Greenbushes deposit in Australia as the only source of low-iron spodumene (**purchased for \$848MM by Tianqi**)

Roasted Lithium spodumene concentrate from Rose



Roasted Lithium spodumene concentrate from other lithium deposits





1- After crushing and grinding we run the material in a magnetic separator and extract the Tantalum for a first product

7- We make the low-iron spodumene concentrate for the glass & ceramic market (we intend to sell about 25% of our concentrate at this stage)

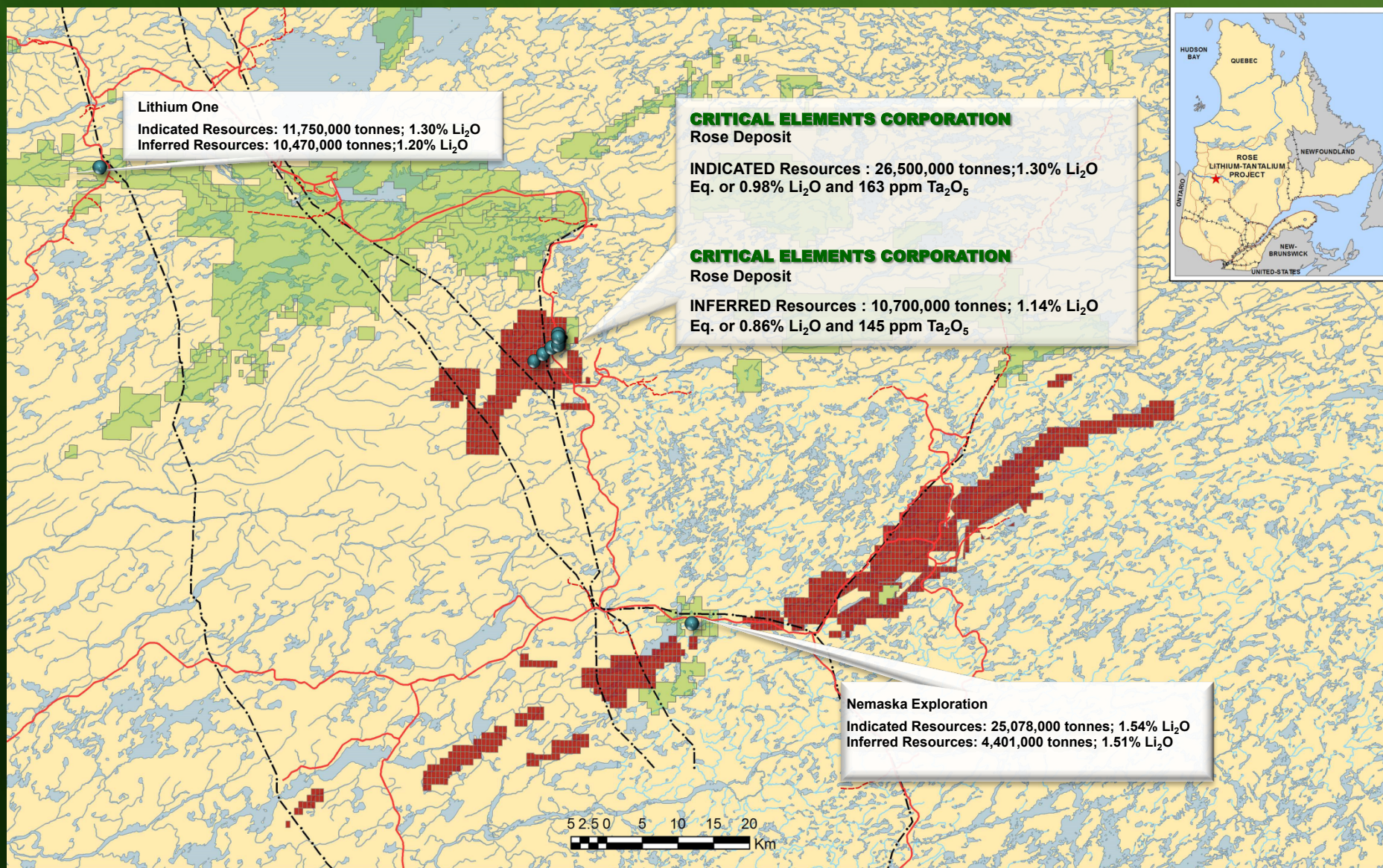
With the remaining concentrate we process the chemical transformation to produce battery grade lithium carbonate

	Tonnes	Li ₂ O	Li ₂ O	Li ₂ CO ₃	Ta ₂ O ₅	Ga	Be	Rb
	(X 1,000)	(%) (equivalent)	(%)	(%) (equivalent)	ppm (g/t)	ppm (g/t)	ppm (g/t)	ppm (g/t)
Indicated Resources	26,500	1.30%	0.98%	2.42%	163	66	128	2,343
Total			259,700 t	642,238 t	4,3 M kg	1,7 M kg	3,4 M kg	62,1 M kg
				(1,412 M lbs)	(9,5 M lbs)	(3,8 M lbs)	(7,4 M lbs)	(136, 7 M lbs)
Inferred Resources	10,700	1.14%	0.86%	2.13%	145	61	121	1,418
Total			92,020 t	227,565 t	1,5 M kg	653,484 kg	1,3 M kg	15,2 M kg
				(500,6 M lbs)	(3,4M lbs)	(1,4 M lbs)	(2,9 M lbs)	(33,4 M lbs)

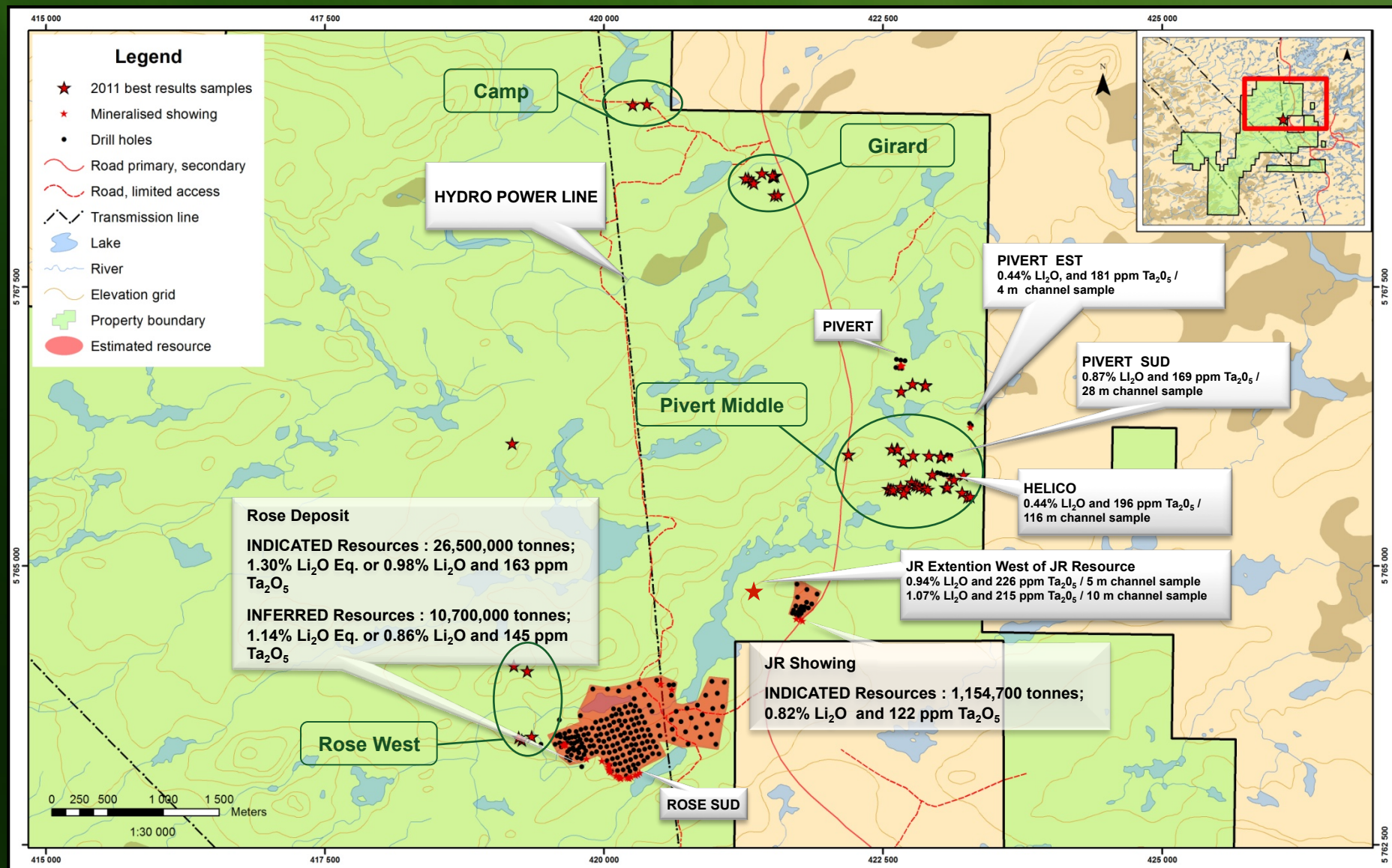
The resource was compiled using a cut-off grade of 41\$/t for the open pit model and 66\$/t for the underground model (taking Li and Ta recovery into consideration) based on the current estimation of the resource and market conditions.

This new indicated resource represents an increase of 131% in tonnage, 129% in Ta₂O₅ and 69% increase in Li₂O. The new inferred resources represent an increase of 393% in tonnage, 418% in Ta₂O₅ and 234 % in Li₂O.

- \$6,000 / tonne of Li₂CO₃ (Source: Canada Lithium Corp. Website)
- \$317 / kg of Ta or \$260 / kg Ta₂O₅ (Source: Commerce Resources Corp. Website)



ROSE DEPOSIT & GROWTH POTENTIAL





Our partner and Off take agreement

Our Partner:

- Representing more than 50 years of history in the chemical industry
- A solid balance sheet
- Aims to be a dominant player in the lithium industry and market

The Advantage:

- A Take or Pay off-take is fully bankable
- Supplier & buyer sharing the same goal; maximizing products value (unlike end-users looking to reduce raw material cost)
- World wide freight and distribution power
- Chemical expertise (where all Junior companies production failure was at the chemical plant level)

The Agreement includes:

- Take or Pay* off-take for all products produced from the Rose Lithium-Tantalum Deposit, to be executed by the parties
- The partner will provide technical & commercial skills from the feasibility to production
- An option for the partner to acquire up to 25% interest in the project. This reflects the fact that the partner has demonstrated an interest to participate in the mine

*A **take-or-pay contract** is a rule structuring [negotiations](https://en.wikipedia.org/wiki/Take-or-pay_contract) between companies and their [suppliers](https://en.wikipedia.org/wiki/Take-or-pay_contract). With this kind of contract, the Company either takes the product from the supplier or pays the supplier a [penalty](https://en.wikipedia.org/wiki/Take-or-pay_contract). Source: https://en.wikipedia.org/wiki/Take-or-pay_contract