

# **Rose Lithium Tantalum Project and Offtake Agreements set the stage for Critical Elements interest**

Critical Elements Corp. (TSXV: CRE | OTCQX: CRECF) is a Canadian junior mining company in the development stage. The Company's flagship project is the Rose Lithium-Tantalum Project located in James Bay, Northern Quebec, Canada. The project is in a good geographic location with access to on-site infrastructure such as power, roads, airport, railway and a camp. The Rose property comprises 500 claims spread over a 26,100 ha area. Critical Elements also have several other exploration projects, some of these are being farmed out to other companies under buy in agreements. These projects offer exposure to many key metals such as more lithium, cobalt, copper, nickel, zinc, gold, silver and platinum group elements.

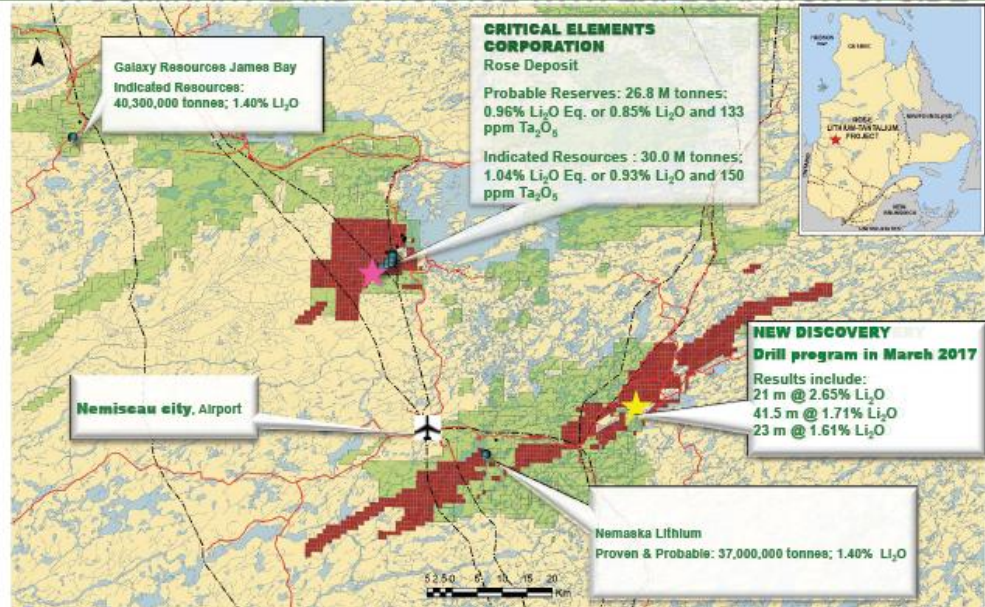
## **Lithium and tantalum**

Emerging as critically important resources, lithium and tantalum are expected to see unprecedented demand in the near future. Lithium mining is a leading industry supporting three separate billion-dollar industries – smart phones, electric vehicles and energy storage. Goldman Sachs calls “lithium the new gasoline.” They forecast 22% electric vehicle penetration by 2025, and lithium demand for all EV applications could grow more than 11 x by that year. Tantalum is an element found in everyday lives, as it improves technology and material performance. Its many applications include uses in electronics, medicine, engineering and energy generation.

## **Rose Lithium-Tantalum project**

## A DOMINANT LAND PACKAGE WITH EXPLORATION UPSIDE

- Located in a premier mining jurisdiction in Québec
- Excellent access to infrastructure including roads, low cost power and skilled labor
  - Camp
  - Power line on site
  - Road access
  - Airport
- Strong relations with First Nations communities and local and provincial



### Rose deposit in James Bay

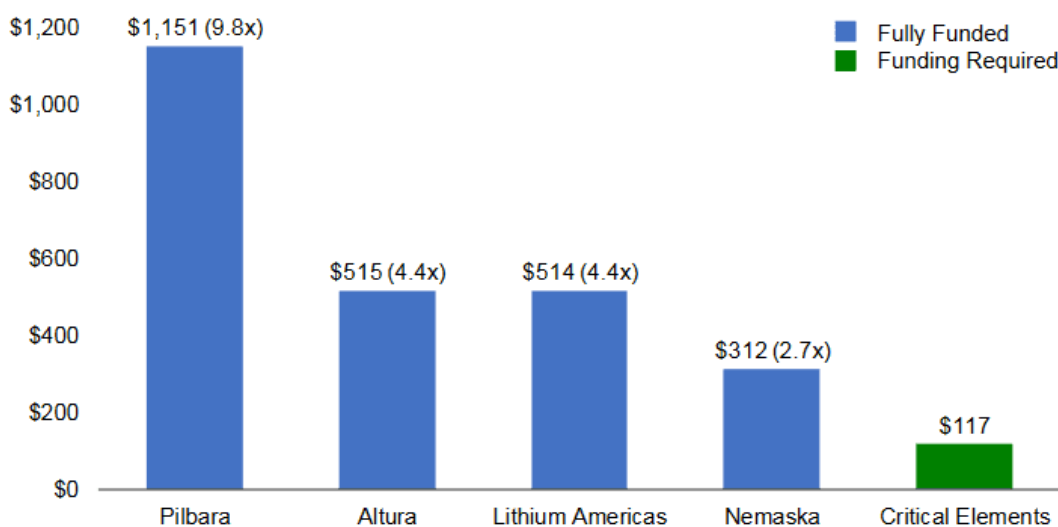
The 100% owned Rose Lithium-Tantalum project Feasibility Study from October 2017 was based on a conventional truck and shovel open pit operation and a conventional milling process. The mill will process 1.61 m tonnes of ore per year to produce an annual average of 236,532 tonnes of technical and chemical grade spodumene concentrates and 429 tonnes of tantalite concentrate. It will have an average operating costs of \$66.56 per tonne milled. The ore zones are open at depth and a future underground operation is possible. The anticipated construction time to start production is 21 months. The life of mine is 17 years, and the average strip ratio is 7.2 tones of stripping per tonne of ore. The post-tax NPV8% was C\$ 726 m, with an internal rate of return of 34.9%.

	Pre-Tax	After-Tax
NPV <sub>8%</sub> IRR Payback Period	\$1.257 B 48.2% 2.3	\$726M 34.9% 2.8
Gross Margin Average Annual EBITDA Mine Life CAPEX	63% \$183M 17 Years \$341M	

### Feasibility Study results summary

Critical Elements has a market cap of C\$ 112.5 m. The chart below shows how Critical Elements compares to its more advanced peers, thereby showing the potential if the Company can progress further.

### Comparable Feasibility-Stage Flagship Project – Market Capitalization (US\$ M)



### Comparable Feasibility-Stage Flagship Projects as of May 2018

Near term catalysts include the Rose Stage 2 Feasibility Study results, which are due H2, 2018; and any announcements regarding off-take or project financing. Added to this will be permitting in H1, 2019. If all goes well the Company plans to be in production by H2, 2020.

The Rose project is well advanced and set to rapidly move

forward as soon as off-takes have been arranged and project financing is in place. At current valuations there is good opportunity for potential profit once those steps are complete. The Rose deposit of lithium and tantalum are one of the purest available in the world.

Critical Elements Corporation is well positioned with a quality lithium-tantalum resource at Rose, several other early stage projects, a mining friendly jurisdiction, a strong Feasibility Study result, and several near term catalysts. One to watch, especially if a large off-take agreement takes place.