

Form 45-106F6 AMENDED

British Columbia Report of Exempt Distribution

This is the form required under section 6.1 of National Instrument 45-106 for a report of exempt distribution in British Columbia.

Issuer/underwriter information

Item 1: Issuer/underwriter name and contact information

Critical Elements Corporation
1080, Côte du Beaver Hall, Suite 2101
Montreal, Quebec H2Z 1S8
Tel: (514) 904-1496 ext. 103

Item 2: Reporting issuer status

The Issuer is a reporting issuer in British Columbia, Alberta and Quebec.

Item 3: Issuer's industry

Indicate the industry of the issuer by checking the appropriate box below.

- | | |
|---------------------------------------------------------|-------------------------------------------------------------|
| <input type="checkbox"/> Bio-tech | <input type="checkbox"/> Mining |
| <input type="checkbox"/> Financial Services | <input checked="" type="checkbox"/> exploration/development |
| <input type="checkbox"/> investment companies and funds | <input type="checkbox"/> production |
| <input type="checkbox"/> mortgage investment companies | <input type="checkbox"/> Oil and gas |
| <input type="checkbox"/> securitized products issuers | <input type="checkbox"/> Real estate |
| <input type="checkbox"/> Forestry | <input type="checkbox"/> Utilities |
| <input type="checkbox"/> Hi-tech | <input type="checkbox"/> Other (describe) |
| <input type="checkbox"/> Industrial | _____ |

Item 4: Insiders and promoters of non-reporting issuers

Information about insiders and promoters			
Full name, municipality and country of principal residence	All positions held (e.g., director, officer, promoter and/or holder of more than 10% of voting securities)	Number and type of securities of the issuer beneficially owned or, directly or indirectly controlled, on the distribution date, including any securities purchased under the	Total price paid for all securities beneficially owned or, directly or indirectly controlled, on the distribution date, including any securities purchased under the distribution

		distribution	(Canadian \$)
N/A			

Details of distribution

Item 5: Distribution date

June 2, 2016

Item 6: Number and type of securities

Private placement of 16,750,000 common shares at a price of \$0.37 per share, which includes 2,750,000 common shares issued pursuant to the exercise in full of the over-allotment option, for gross proceeds totaling \$6,197,500.

Item 7: Geographical information about purchasers

Each jurisdiction where purchasers reside	Number of purchasers	Price per security (Canadian \$) ¹	Total dollar value raised from purchasers in the jurisdiction (Canadian \$)
Quebec	2	\$0,37 (per common share)	\$418,507.00
Ontario	20	\$0,37 (per common share)	\$555,009.25
Alberta	5	\$0,37 (per common share)	\$148,000.00
British-Columbia	1	\$0,37 (per common share)	\$37,000.00
Australie	4	\$0,37 (per common share)	\$964,983.68
Royaume-Uni	2	\$0,37 (per common share)	\$4,037,000.07
Guernsey	1	\$0,37 (per common share)	\$37,000.00
Total number of Purchasers	35		
Total dollar value of distribution in all jurisdictions (Canadian \$)			\$6,197,500

Item 8: Information about purchasers

Full name, residential address and telephone number of purchaser	Indicate if the purchaser is an insider (I) of the issuer or a registrant (R)	Number and type of securities purchased	Total purchase price (CA\$)	Exemption relied on	Date of distribution
Merriwee Superannulation Fund 48 Canberra Road Toorak Victoria Australia 3142 Phone : 613 8688-91111	-	540,540 Common Shares	200,000 \$	Section 2.3 of National Instrument 45-106"	June 2, 2016
VonRoss Nominees PTY Ltd (VonRoss Family Account) P.O.Box 1199 Booragoon, Weather Australia 6954 Phone: 0416131390	-	135,135 Common Shares	50,000 \$	Section 2.3 of National Instrument 45-106	June 2, 2016
Tribeca Global Natural Resources Funds Level 23, 1, O'Connell Street Sydney, NSW 2000 Phone: 612-9640-2600	-	1,832,389 Common Shares	677,984 \$	Section 2.3 of National Instrument 45-106	June 2, 2016
Herb & Vine 562 Alma St Pont Pery, Ontario L9L 1C9 Phone: 905-982-1211	-	50,000 Common Shares	18,500 \$	Section 2.3 of National Instrument 45-106"	June 2, 2016
Suburban Drug Marts (Victoria Park) Limited #4 - 80 West Beaver Creek Rd Richmond Hill, Ontario L4B 1H3 Phone: 905-597-5716	-	50,000 Common Shares	18,500 \$	Section 2.3 of National Instrument 45-106"	June 2, 2016
Insight Limited Partnership II 350 - 318 11th Avenue SE Calgary, Alberta T2G 0Y2 Phone: 403-221-095	-	100,000 Common Shares	37,000 \$	Section 2.3 of National Instrument 45-106"	June 2, 2016
El Oro Ltd 1, Le Truchot St-Peter Port Guernsey GY1 3S2 Phone: 0207 581 2782	-	100,000 Common Shares	37,000 \$	Section 2.3 of National Instrument 45-106"	June 2, 2016
JP Morgan Asset Management 60 Victoria Embankment London EC4Y 0JP Phone: 0207 134-6348	-	10,810,811 Common Shares	4,000,000 \$	Section 2.3 of National Instrument 45-106"	June 2, 2016
Palos Management Inc.		1,081,100 Common	400,007 \$	Section 2.3	June 2, 2016

1, Place Ville-Marie, Suite 1670 Montreal, Quebec H3B 2B6 Phone: 514-397-0188	-	Shares		of National Instrument 45-106"	
785202 Ontario Limited 19, Nolita Road North York, Ontario M2M 4L1 Phone: 416-221-0359	-	50,000 Common Shares	18,500 \$	Section 2.3 of National Instrument 45-106"	June 2, 2016

Commissions and finder's fees

Item 9: Commissions and finder's fees

Full name and address of the person being compensated	Indicate if the person being compensated is an insider (I) of the issuer or a registrant (R)	Compensation paid or to be paid (cash and/or securities)				
		Cash (Canadian \$)	Securities			Total dollar value of compensation (Canadian \$)
			Number and type of securities issued	Price per security (Canadian \$)	Exemption relied on and date of distribution (yyyy-mm-dd)	
Canaccord Genuity Corporation Suite 2200 – 609 Granville Street Vancouver, B.C. V7Y 1H2	n/a	\$433,825	1,172,500 compensation options *	-	Section 2.3 of National Instrument 45-106 2016-06-02	\$433,825
Canaccord Genuity Corporation Suite 2200 – 609 Granville Street Vancouver, B.C. V7Y 1H2	n/a	-	200,000 common shares (corporate finance fees)	0.37	Section 2.3 of National Instrument 45-106 2016-06-02	\$74,000

* Each compensation option entitling their holder to purchase one common share of the Company at a price of \$0.37 per share until June 2, 2018.

Certificate

On behalf of the Critical Elements Corporation, I certify that the statements made in this report are true.

Date: June 16, 2016

Critical Elements Corporation _____

Name of [issuer/underwriter] (please print)

Nathalie Laurin, CFO 514-718-5998 _____

Print name, title and telephone number of person signing

(signed) Nathalie Laurin _____

Signature

Item 10: Contact information

n/a

IT IS AN OFFENCE TO MAKE A MISREPRESENTATION IN THIS REPORT.

Notice - Collection and use of personal information

The British Columbia Securities Commission collects and uses the personal information required to be included in this report for the administration and enforcement of the *Securities Act*. If you have any questions about the collection and use of this information, contact the British Columbia Securities Commission at the following address:

British Columbia Securities Commission

P.O. Box 10142, Pacific Centre

701 West Georgia Street

Vancouver, British Columbia V7Y 1L2

Telephone: (604) 899-6500

Toll free across Canada: 1-800-373-6393

Facsimile: (604) 899-6581