FORM 51-102F3
MATERIAL CHANGE REPORT

Item 1 Name and address of the Company

Critical Elements Corporation (the "**Company**")
1080 Côte du Beaver Hall, Suite 2101
Montréal, Québec
H2Z 1S8

Item 2 Date of material change

May 18, 2016

Item 3 News release

The press release was issued and distributed on May 18, 2016 via Marketwire.

Item 4 Summary of material change

The Company announces a $5,000,000 bought deal common share financing.

Item 5 Full description of material change

The Company announced that it has entered into an agreement with Canaccord Genuity Corp. (the "Underwriter"), to sell 14,000,000 common shares (the "Common Shares") on a bought deal private placement basis at a price of C$0.37 per share for gross proceeds of C$5,180,000 (the "Offering"). In addition, the Company will grant the Underwriter an over-allotment option, exercisable prior to the closing of the Offering, to purchase from the Company up to an additional 2,750,000 common shares at C$0.37 per share to raise additional gross proceeds of up to C$1,017,500.

The Underwriter will receive a cash commission of 7% of the gross proceeds raised, and non-transferable share purchase warrants entitling the Underwriter to purchase, at the price of the Offering within 24 months after closing of the Offering, Common Shares equal to 7% of the aggregate number of securities sold pursuant to the Offering. Canaccord Genuity will also be issued an additional 200,000 Common Shares as a corporate finance fee.

The Company intends to use the net proceeds for exploration and development of the Company's projects and for general working capital purposes.

Closing of the Offering is anticipated to occur on or before June 7, 2016 and is subject to receipt of applicable regulatory approvals including approval of the TSX Venture Exchange. Securities issued under the Offering and through the over-allotment option will be subject to a four month hold period which will expire four months from the date of closing.

Item 6 **Reliance on subsection 7.1(2) of National Instrument 51-102**

N/A

Item 7 **Omitted Information**

None

Item 8 **Executive Officer**

Jean-Sébastien Lavallée, President and CEO
Tel: 819-354-5146
president@cecorp.ca

Item 9 **Date of Report**

May 20, 2016