



PRESS RELEASE

STRATEGIC METALS MARKETING EXPERTS JOIN THE COMPANY

JANUARY 5, 2012 – MONTREAL, QUEBEC – **Critical Elements Corporation** (TSX.V: CRE) (US OTCQX: CRECF) (FSE: F12) is pleased to announce the appointment of Ron MacDonald as a director of the Company and Mark Baggio as a consultant.

Ron MacDonald is a graduate of Dalhousie University in Halifax, Nova Scotia, Canada. He spent two years as Senior Assistant to the Canadian Minister of Foreign Affairs and Deputy Prime Minister and two years as Chief of Staff to the Leader of the Government in the Senate of Canada. From 1988 to 1997, Mr. MacDonald was the Member of Parliament for Halifax, Nova Scotia, during which time he was appointed by the Prime Minister of Canada as Parliamentary Secretary of International Trade. In 1997-2002, Mr. MacDonald was President and CEO of The Council of Forest Industries, the largest lumber manufacturing, grading and marketing group, during which time he became a founding member and director of "Canada Wood", which developed wood markets in China, Korea, India and Japan. From 2003 to 2006, he was Senior Advisor, International Market Development to the President and CEO of Canfor Ltd., Canada's largest lumber manufacturer.

In 2006, Ron MacDonald became President and CEO of Cansource International, a natural resource-focused international marketing and strategic management consultancy. He currently acts in the capacity of Vice Chairman of American Vanadium and Senior Council Global Markets for Commerce Resources Ltd., as well as strategic political advisor to Western Potash. Mr. MacDonald has been a contributing member of the OECD Committee developing international guidelines for tantalum end-users, as well as a member of the EICC committee developing guidelines for their global tantalum smelter verification program. Mr. MacDonald has also been a contributor to the EU Commission Framework 7 policy paper on "Scarcity of Strategic Minerals" and a presenter at conferences in USA, Canada and Asia on critical, strategic and rare earth markets.

Mark Baggio founded Cansource Marketing, a company specialized in global strategic advice, governance and marketing services to unique natural resource companies, in 2006. Since then, he has provided advice to B.C.-based lumber corporations with the aim of building international markets and international product-expansion initiatives. He has also developed and implemented a very successful global marketing program for a major Canadian fishery.

In the last four years, he has worked extensively in the rare and critical resource space, developing and implementing global market and financing programs for Canadian mining companies. As an independent consultant and representative of companies with unique assets, Mr. Baggio has introduced, presented and negotiated for clients in international forums, symposiums and to the Asian financial community, assisting in arranging investment capital. He has also been a member of the OECD committee that developed the new international due diligence guidelines, as well as contributing to the Electronic Industry Citizenship Coalition (EICC) committee dealing with ethical sourcing of materials used in their product production.

"With their many years of experience, Ron MacDonald and Mark Baggio add solid international market expertise and a broad network of contacts to Critical Elements Corporation," said Jean-Sébastien Lavallée, Company President and CEO. "Their work experience in many industries, including Critical Metals, will contribute greatly the Company's growth."

Messrs. MacDonald and Baggio will each receive 500,000 stock options of the Company. Each option entitles its holder to acquire one share of the Company at \$0.15 for a five-year period.

Critical Elements Corporation also announce that the Preliminary Economic Assessment ("PEA") for its 100%-owned Rose Tantalum-Lithium deposit ("Rose Project") located in the James Bay Area of northern Quebec will be deposited on Sedar today.

HKDP COMMUNICATIONS AND PUBLIC AFFAIRS

The Company is also pleased to announce that it has appointed public relations firm HKDP Communications and public affairs to provide it with media relations support. HKDP is a wholly-owned subsidiary of Hill & Knowlton, a world leader in public affairs and communications. The agreement include a monthly basis fee of \$4,500.

ABOUT CRITICAL ELEMENTS CORPORATION

Critical Elements is actively developing its 100%-owned Rose lithium-tantalum flagship project located in Quebec.

A recent financial analysis of the Rose Project based on price forecasts of US\$260/kg (\$118/lb) for Ta₂O₅ contained in a tantalite concentrate and US\$6,000/t for lithium carbonate (Li₂CO₃) show an after-tax Internal Rate of Return (IRR) of an estimated 25% for the Rose Project , with an estimated Net Present Value (NPV) of CA\$279 million at an 8% discount rate. The payback period is estimated at 4.1 years. The pre-tax IRR is estimated at 33% and the NPV at \$488 million at a discount rate of 8%. (Mineral resources that are not mineral reserves do not have demonstrated economic viability).

The project hosts a current NI 43-101-compliant **Indicated resource of 26.5 million tonnes of 1.30% Li₂O Eq. or 0.98% Li₂O and 163 ppm Ta₂O₅ and an Inferred resource of 10.7 million tonnes of 1.14% Li₂O Eq. or 0.86% Li₂O and 145 ppm Ta₂O₅.**

Critical Elements has commissioned a prefeasibility study for the project from Genivar, one of the largest independent engineering firms in Canada. Genivar is also doing an environmental study, and Acme Metallurgical Ltd. of Vancouver is carrying out project metallurgy.

Critical Elements' portfolio also includes rare-earth and tantalum-niobium projects in the Rocky Mountains of British Columbia and in Quebec, as well as a 50% interest in the Croinor project, which is located in Quebec and hosts a current NI 43-101-compliant measured and indicated resource of 814,228 tonnes at 9.11 g/t Au, for 238,414 ounces of gold at a 5 g/t cut-off.

Jean-Sebastien Lavallée (OGQ #773), geologist, shareholder and president and chief executive officer of the Company and a Qualified Person under NI 43-101, has reviewed and approved the technical content of this release.

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