



## PRESS RELEASE

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### CRITICAL ELEMENTS ADOPTS A SHAREHOLDER RIGHTS PLAN

**FEBRUARY 2<sup>ND</sup>, 2012** - MONTREAL, QUEBEC – **Critical Elements Corporation** (TSX.V: CRE) (US OTCQX: CRECF) (FSE: F12) is pleased to announce that its board of directors (the “**Board**”) has adopted a shareholder rights plan (the “**Plan**”) to encourage a fair treatment of shareholders, should a take-over bid be made for Critical Elements. The Plan is effective today and will provide the Board and the shareholders, more time to consider unsolicited take-over bids of the Corporation. The Plan is intended to discourage coercive or unfair take-over bids and gives the Board time to pursue alternatives to maximize shareholder value, if appropriate, in the event of an unsolicited take-over bid.

The Plan has not been adopted in response to, or in contemplation of, any specific proposal to acquire control of Critical Elements. The Plan is subject to acceptance by the TSX Venture Exchange and must be ratified by the shareholders of Critical Elements at its next meeting which is scheduled to take place on March 9, 2012. Unless otherwise terminated in accordance with its terms, the Plan will terminate at the close of the third annual meeting of shareholders following the meeting at which the Plan is ratified by shareholders, unless the Plan is reconfirmed and extended at such meeting.

The Board is of the view that the recent economical uncertainty and its consequences on the stock markets might have created an environment where an opportunistic take-over offer could be made for Critical Elements. Such an offer may not be in the best interest of all shareholders. Consequently, the Board has adopted the Plan, the benefits of which extend to Critical Elements’ shareholders should an offer be made for the Corporation.

The rights issued under the Plan will become exercisable only when a person, including any party related to it, acquires or announces its intention to acquire 20% or more of the outstanding shares of Critical Elements without complying with the “Permitted Bid” provisions of the Plan or without approval of the Board. Should such acquisition occur, each right will, upon exercise, entitle a right holder other than the acquiring person or related persons to purchase shares of Critical Elements at a substantial discount to the market price at the time of such event.

Under the Plan, a “Permitted Bid” is a bid made to all shareholders of Critical Elements and is open for acceptance for not less than 60 days. If, at the end of such 60 day period, at least 50% of the outstanding shares, other than those owned by the offeror or certain related parties, have been tendered, the offeror may take up and pay for the shares but must extend the bid for a further 10 days to allow other shareholders to tender.

The Plan will provide the Board and the shareholders with more time to fully consider any unsolicited take-over bid for the Corporation without undue pressure, to allow the Board to pursue, if appropriate, other alternatives to maximize shareholder value and to allow additional time for competing bids to emerge.

A complete copy of the Plan will be available shortly on SEDAR at [www.sedar.com](http://www.sedar.com).

#### 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 Ta<sub>2</sub>O<sub>5</sub> contained in a tantalite concentrate and US\$6,000/t for lithium carbonate (Li<sub>2</sub>CO<sub>3</sub>) 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% Li<sub>2</sub>O Eq. or 0.98% Li<sub>2</sub>O and 163 ppm Ta<sub>2</sub>O<sub>5</sub> and an Inferred resource of 10.7 million tonnes of 1.14% Li<sub>2</sub>O Eq. or 0.86% Li<sub>2</sub>O and 145 ppm Ta<sub>2</sub>O<sub>5</sub>.**

Critical Elements is presently in the tendering process for the various aspects of the feasibility study and has commissioned Genivar to complete an environmental impact study of Rose deposit 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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