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## PRESS RELEASE

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### **CRITICAL ELEMENTS CORPORATION IS PROUD TO NAME RON MACDONALD AS EXECUTIVE CHAIRMAN AND TO BENEFIT FROM HIS ASIA BATTERY EXPERTISE**

**SEPTEMBER 11, 2012** – MONTREAL, QUEBEC – **CRITICAL ELEMENTS CORPORATION** (TSX.V: CRE) (US OTCQX: CRECF) (FSE: F12) is proud to name Ron MacDonald as the Company's Executive Chairman and thus advance off-take negotiations.

Mr. Macdonald is well known within the global green energy and emerging battery storage industries, particularly for his knowledge of the rising demand for the Asian markets. He has spoken internationally on the demand drivers in these markets and has been working to secure the key components required to feed this growing requirement. Mr. MacDonald has also developed a close working relationship with the end users of these commodities, which gives Critical Elements Corporation a distinct advantage in advancing its large Quebec-based Lithium-Tantalum deposit toward production.

Ron MacDonald graduated from 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 Executive Chairman and Director of American Vanadium (TSX.V: AVC) as well as Executive Chairmen of Canada Strategic Metals (TSX: CJC). 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.

"With the rapid progress of the Company's Rose Lithium-Tantalum project, we are strengthening management to meet both our aggressive production timeline and the expected escalation in demand for battery-grade lithium carbonate. The 99.9% pure Rose battery-grade lithium carbonate will meet the needs of hybrid and 100% electric vehicle battery markets, as well as supplying the emerging grid-level storage battery needs of China, Japan and the U.S. Critical Elements Corporation is well positioned to be a leading global suppliers of high-purity lithium carbonate bring produced in Quebec, one of the most stable and supportive mining jurisdictions in the world. There is also growing concern among the leading global electronic corporations regarding current and future supply of ethically-sourced tantalum. Major tantalum processors such as Cabot and HC Starck, as well as electronic producers such as Intel, Motorola and Apple have publicly committed to only sourcing ethically produced tantalum for their products. In production the Rose mine will be the first new significant producer of tantalum in over 20 years. Mr. MacDonald's appointment as Chairman will raise the Company's profile and provide us with lithium-tantalum off-take and Asia battery expertise," said Jean-Sébastien Lavallée, President and Chief Executive Officer

## RECENT LITHIUM MARKET NEWS

Critical Elements Corporation also notes that, driven by a significant increase in demand in the past year in the markets for hybrid/electric vehicles, electronics and particularly energy storage as a result of renewable energy policies in China, Japan and the United States, the lithium market has shown considerable strength in terms of price and demand for battery-grade material. The current spot price in China for battery-grade lithium carbonate, as posted on the Asian Metals website ([www.asianmetals.com](http://www.asianmetals.com)), ranges from RMB 40-42/kg (US \$6,290 to US \$6,600/tonne at an RMB/US\$ exchange rate of 6.35).

Furthermore, on August 23, 2012, Australian hard-rock lithium producer Talison Lithium became the target of a takeover bid by Rockwood Holdings, a major lithium carbonate producer (brine deposit) operating in South America. A consolidation of the lithium market appears to be developing, with takeovers by major lithium carbonate producers, which is a clear indication of the drive to secure high-quality lithium carbonate supply for the emerging battery market.

“The Talison Lithium takeover announced on August 23, 2012, shows once again that we are seeing a major industrial revolution, with the adoption of a technology that is increasingly powerful at lower and lower prices. More than ever, the major players in the battery industry are looking to secure long-term supply. With its Rose lithium-tantalum project, Critical Elements Corporation is well positioned to become a major producer of battery-grade lithium carbonate and tantalum. Furthermore, on August 5, 2012, Galaxy Lithium published an increase in the lithium carbonate price in China, which now stands at \$7,000 per tonne for battery-grade lithium carbonate, \$1,000 higher than the price used in the financial model in the Company’s preliminary economic assessment dated November 21, 2011,” said Jean-Sébastien Lavallée, President and Chief Executive Officer.

In the past few months, the Critical Elements team has entered into discussions with a number of potential lithium carbonate and tantalite buyers. The Company is currently negotiating the terms of long-term sales and risk distribution among the buyers. The Company will be able to use the various buyers’ technical specifications to orient pilot plant work. The plant should be ready by the fall to product bulk samples of lithium carbonate and tantalite concentrate. Samples of the finished products are expected to be provided to many of the potential buyers to enable them to build batteries and conduct performance tests on their finished products.

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.

## 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>) showed an estimated after-tax Internal Rate of Return (IRR) of 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>.**

The Company is presently at the feasibility study stage on the Rose project. Genivar is carrying out an environmental study and a feasibility study for the surface installations, Ambuck Associates is leading the feasibility study and doing mine design for the study, AMEC is leading the tailings facility study, Bumigeme is handling the concentration and carbonatization plant study, and Acme Metallurgical Ltd. of Vancouver is responsible for the metallurgical component of the project.

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 506,700 tonnes at 10.66 g/t Au, for 173,700 ounces of gold at a 5 g/t cut-off.

**INFORMATION:**

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