



PRESS RELEASE

CRITICAL ELEMENTS RETAINS SGS MINERAL SERVICES IN LAKEFIELD TO COMPLETE OPTIMIZATION PROGRAM FOR FINAL PILOT PLAN FLOW SHEET

AUGUST 6, 2013 – MONTREAL, QUEBEC – **CRITICAL ELEMENTS CORPORATION** (TSX.V: CRE) (US OTCQX: CRECF) (FSE: F12) (the “Company”) announces that it has retained the services of SGS Mineral Services in Lakefield to complete an optimization study on its 100% owned Rose deposit. This Phase 1 study is expected to be conducted on an average mine representative sample from the Rose Project deposit and on the variability samples. The objective is to optimize a flow sheet for producing a spodumene concentrate with a minimum grade of 6% Li₂O at a recovery of about 90% for hydrometallurgical operation for lithium extraction.

This will be followed by a Phase 2 program consisting of an optimization of the purity of the Lithium carbonate produced by bi-carbonation to create a final flow sheet. Another objective is to improve Tantalum recovery, currently at about 60%, as a by-product. The final flow sheet will be used to advance the Pilot Plan for the feasibility study.

The objectives of this phase 1 scoping study include:

- Mineralogical analysis of the composite sample and selected flotation products;
- An evaluation of dense media separation to produce a spodumene concentrate suitable for hydrometallurgical test work or to upgrade the feed material;
- An evaluation of the grindability characteristics of the ore;
- Evaluation of key process variables to establish a flotation-based or DMS-Flotation flow sheet;
- An assessment of the grade-recovery relationships;
- Optimization of the final process flow sheet through evaluation of flotation reagents dosages;
- A final report that will include all the findings, including the final flow sheet, and recommendations for future work (pilot plant testing).

The phase 2 scoping study will include:

- Lithium Carbonate Synthesis
- Head Sample Preparation
- Pressure Carbonation
- Bi-carbonation - Precipitation Tests
- Bulk Testing
- Tantalum Recovery
- Lithium Carbonate Residue Preparation and Characterization
- Sulphuric Acid Roasting

- Sodium Hydroxide Fusion
- Chlorination Testing
- Hydrofluoric Acid Leach
- A report on results of the Phase 2 program

The Company also announces it has increased by 1,676,700 the number of common shares reserved for issuance pursuant to its stock option plan. The number of common shares reserved for issuance under the Plan is now set at 11,976,437 being 10% of the number of shares issued and outstanding as of the date hereof.

The board of directors also approved an amendment to the stock option plan relating to the expiration date of the options, which will change from 12 months from the effective date of termination to:

In the case of Director and Officer

Term of office with to the Company	Revised Expiry Date
From 0 to 3 months	Effective date of termination
More than 3 months to 1 year	1 month following effective date of termination
More than 1 year to 3 years	3 months following effective date of termination
More than 3 years	12 months following effective date of termination

In the case of a consultant, the expiry date shall be the earliest of:

- The expiry date of the option;
- 30 days following the effective date of termination if the Consultant has been providing services to the Company for less than 2 years;
- 90 days following the effective date of termination if the Consultant has been providing services to the Company for 2 years or more.

The increase and amendment are subject to the approval of the TSX Venture Exchange.

At the same time, the Company announces the granting of 1,900,000 stock options to directors, officers and consultant of the Company. Jean-Sébastien Lavallée, President and Chief Executive Officer, Jean-François Meilleur, Vice President will each receive 500,000 options. Nathalie Laurin, Chief Financial Officer and Secretary, and three Directors, Marc Simpson, Richard Saint-Jean and Jean-Raymond Lavallée will each receive 200,000 options. Each option entitles its holder to purchase one share of the Company for \$0.15 for a five-year period.

A consultant will receive 100,000 options. Each option entitles its holder to purchase one share of the Company for \$0.15. The options are valid for the shorter of the following periods: two years, or 30 days following the effective date of termination.

Critical Elements shareholders, please contact:

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