

Critical Elements Announces \$5.0 Million Bought Deal Private Placement Financing

written by Raj Shah | April 10, 2018

✖ April 10, 2018 ([Source](#)) – **Critical Elements Corporation** (the “Company” or “Critical Elements”) (TSX-V: CRE) (US OTCQX: CRECF) (FSE: F12) is pleased to announce it has entered into an agreement with a syndicate of underwriters led by Canaccord Genuity Corp. (collectively, the “Underwriters”) pursuant to which they have agreed to purchase, on a bought deal private placement basis, 5,000,000 units (the “Units”) of the Company at a price of C\$1.00 per Unit for gross proceeds of C\$5,000,000 (the “Offering”).

Each Unit consists of one common share (a “Unit Share”) of Critical Elements and one-half of one common share purchase warrant (each whole common share purchase warrant, a “Warrant”) of Critical Elements. Each full Warrant will entitle the holder thereof to purchase one common share of the Company (the “Common Share”) at a price of C\$1.25 per Common Share, for a period of 24 months following the closing date and include an acceleration provision if the closing price of the common shares is greater than C\$2.00 per share for at least 20 consecutive trading days.

The Company has agreed to grant to the Underwriters an option to sell up to an additional 2,000,000 Units of the Company on the same terms and conditions as the Offering, exercisable at any time up to 48 hours prior to the closing of the Underwritten Offering. The net proceeds of the Offering will be used to advance the Rose Lithium-Tantalum project, as well as for working capital and general corporate purposes.

“Despite more subdued overall battery materials equity market conditions, the Company is pleased to have arranged this offering. These funds will allow us to advance development of the Rose Lithium-Tantalum Project, including funding permitting activities. We anticipate that these funds should provide Critical Elements with sufficient capital for 2018” stated Jean-Sébastien Lavallée, President and Chief Executive Officer.

The Units will be issued on a private placement basis in certain provinces of Canada, in each case, pursuant to applicable exemptions from the prospectus requirements under applicable securities laws.

The Offering is scheduled to close on or about May 1, 2018 and is subject to certain conditions including, but not limited to, the receipt of all necessary regulatory and other approvals including the approval of the TSX Venture Exchange and the securities regulatory authorities. The securities issued under the Offering will be subject to a hold period of four months from the applicable closing date.

The securities being offered will not be registered under the United States *Securities Act of 1933*, as amended and may not be offered or sold within the United States absent registration or an exemption from the registration requirements. This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States.

ABOUT CRITICAL ELEMENTS CORPORATION

The Company recently released a financial analysis for Critical Elements’ wholly-owned Rose Lithium-Tantalum project (Rose Lithium-Tantalum project feasibility study, WSP, October 20, 2017), which is based on price forecasts of US \$750/tonne for chemical-grade lithium concentrate (5% Li₂O), US \$1,500/tonne for technical-grade lithium concentrate (6% Li₂O) and US \$130/kg for

Ta₂O₅ in tantalite concentrate, and an exchange rate of US \$0.75/CA \$. The internal rate of return ("IRR") for the Rose Lithium-Tantalum project is estimated at 34.9% after tax, and net present value ("NPV") is estimated at CA \$726 million at an 8% discount rate. The estimated payback period is 2.8 years. The pre-tax IRR for the Rose Lithium-Tantalum Project is estimated at 48.2% and the pre-tax NPV at CA \$1,257 million at an 8% discount rate ([see press release dated September 6, 2017](#)). The financial analysis is based on the Indicated mineral resource. An Indicated mineral resource is that part of a mineral resource for which quantity, grade or quality, densities, shape and physical characteristics can be estimated with a level of confidence sufficient to allow the appropriate application of technical and economic parameters, to support mine planning and evaluation of the economic viability of the deposit.

The life-of-mine (LOM) plan provides for the extraction of 26.8 million tonnes of ore, 182.4 million tonnes of waste, and 11.0 million tonnes of overburden for a total of 220.2 million tonnes of material. The average stripping ratio is 7.2 tonnes per tonne of ore. The nominal production rate is estimated at 4,600 tonnes per day, with 350 operating days per year. The open pit mining schedule allows for a 17-year mine life.

The mine will produce a total of 26.8 million tonnes of ore grading an average of 0.85% Li₂O and 133 ppm Ta₂O₅, including dilution. The mill will process 1.61 million tonnes of ore per year to produce an annual average of 236,532 tonnes of technical- and chemical-grade spodumene concentrate and 429 tonnes of tantalite concentrate.

CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

This news release contains "forward-looking information" within

the meaning of Canadian Securities legislation. Generally, forward-looking information can be identified by the use of forward-looking terminology such as “scheduled”, “anticipates”, “expects” or “does not expect”, “is expected”, “scheduled”, “targeted”, or “believes”, or variations of such words and phrases or state that certain actions, events or results “may”, “could”, “would”, “might” or “will be taken”, “occur” or “be achieved”. Forward-looking information contained herein include, without limitation, statements relating to mineral reserve estimates, mineral resource estimates, realization of mineral reserve and resource estimates, capital and operating costs estimates, the timing and amount of future production, costs of production, success of mining operations, the ranking of the project in terms of cash cost and production, permitting, economic return estimates, power and storage facilities, life of mine, social, community and environmental impacts, lithium and tantalum markets and sales prices, off-take agreements and purchasers for the Company’s products, environmental assessment and permitting, securing sufficient financing on acceptable terms, opportunities for short and long term optimization of the Project, and continued positive discussions and relationships with local communities and stakeholders. Forward-looking information is based on assumptions management believes to be reasonable at the time such statements are made. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information.

Although Critical Elements has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. Factors that may cause actual results to

differ materially from expected results described in forward-looking information include, but are not limited to: Critical Elements' ability to secure sufficient financing to advance and complete the Project, uncertainties associated with the Company's resource and reserve estimates, uncertainties regarding global supply and demand for lithium and tantalum and market and sales prices, uncertainties associated with securing off-take agreements and customer contracts, uncertainties with respect to social, community and environmental impacts, uncertainties with respect to optimization opportunities for the Project, as well as those risk factors set out in the Company's year-end Management Discussion and Analysis dated August 31, 2016 and other disclosure documents available under the Company's SEDAR profile. Forward-looking information contained herein is made as of the date of this news release and Critical Elements disclaims any obligation to update any forward-looking information, whether as a result of new information, future events or results or otherwise, except as required by applicable securities laws.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is described in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.