Critical Elements Announces a Non-Brokered Private Placement of Units

written by Raj Shah | August 1, 2020

July 31, 2020 (Source) – Critical Elements Lithium Corporation (the "Corporation" or "Critical Elements") (TSX-V:CRE) (US OTCQX:CRECF) (FSE:F12) is pleased to announce a non-brokered private placement of up to 10,000,000 common share units (the "Units") of the Corporation at a price of $0.30 per Unit for aggregate gross proceeds of $3.0 million (the "Offering").

Each Unit will be comprised of one common share of the Corporation and one-half of one common share purchase warrant of the Corporation (each full warrant, a "Warrant"). Each Warrant will entitle the holder thereof to purchase one common share of the Corporation at a price of $0.45 per common share at any time on or before that date which is 24 months after the closing date of the Offering.

The net proceeds of the Offering will be used by the Corporation to advance the Rose Lithium-Tantalum project as well as for working capital and general corporate purposes.

The Corporation may pay finder's fees of 6.0% of the gross proceeds from the sale of the Units sold under the Offering payable in cash. The Offering is subject to TSX Venture Exchange approval and all securities issued will be subject to a four-month hold period.

About Critical Elements Lithium Corporation

Primero Group recently completed the first phase of its Early Contractor Involvement agreement with the Corporation and

provided a Guaranteed Maximum Price for the engineering, procurement and construction of the wholly-owned Rose Lithium-Tantalum project on a lump sum turnkey basis that is in line with the Project's feasibility study published November 29, 2017. The project feasibility study 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.

FOR MORE INFORMATION:

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