Critical Elements Announces Bought Deal Public Offering to Raise Gross Proceeds of $26,101,250

written by Raj Shah | November 5, 2021

November 4, 2021 (Source) – **Critical Elements Lithium Corporation** (the "**Corporation**" or "**Critical Elements**") (TSXV:CRE)(FSE:F12) is pleased to announce that it has entered into an agreement with Cantor Fitzgerald Canada Corporation (the "Underwriter") pursuant to which the Underwriter has agreed to purchase on a "bought deal" basis pursuant to a short form prospectus for a total of 14,915,000 units (the "Units") of the Corporation at a price of C$1.75 per Unit (the "Offering Price") for gross proceeds of C$26,101,250 (the "Underwritten Offering"). Each Unit shall consist of one common share of the Corporation and one half of one common share purchase warrant (each whole common share purchase warrant, a "Warrant"). Each Warrant shall be exercisable for one common share of the Corporation for a period of 24 months from the Closing Date (as herein defined) at an exercise price of C$2.50.

In addition, the Corporation has granted the Underwriter an option (the "Over-Allotment Option" and together with the Underwritten Offering, the "Offering") to purchase additional Units at the Offering Price to raise additional gross proceeds of up to 15% of the Underwritten Offering, for a period of 30 days after and including the Closing Date to cover over-allotments, if any, and for market stabilization purposes.

The net proceeds from the Offering are expected to be used by the Corporation to fund the development of the Rose lithium

project and for general working capital purposes.

Closing of the Offering is expected to take place on or about November 25, 2021 (the “Closing Date”), and is subject to certain conditions including, but not limited to the receipt of all applicable regulatory approvals including approval of the TSX Venture Exchange.

The Units to be issued under the Offering will be offered by way of a short form prospectus in each of the provinces of Canada. The Units to be issued under the Offering may also be offered in the United States on a private placement basis pursuant to exemptions from the registration requirements of the United States Securities Act of 1933 (the “U.S. Securities Act”), as amended, and certain other jurisdictions in accordance with applicable securities laws.

This news release does not constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of any of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful. The securities have not been and will not be registered under the U.S. Securities Act, or the securities laws of any state of the United States and may not be offered or sold within the United States (as defined in Regulation S under the U.S. Securities Act) unless registered under the U.S. Securities Act and applicable state securities laws or pursuant to an exemption from such registration requirements.

About Critical Elements Lithium Corporation

Critical Elements aspires to become a large, responsible supplier of lithium to the flourishing electric vehicle and energy storage system industries. To this end, Critical Elements is advancing the wholly owned, high purity Rose lithium project in Quebec. Rose is the Corporation’s first lithium project to be

advanced within a highly prospective land portfolio of over 700 square kilometers. In 2017, the Corporation completed a robust feasibility study on Rose Phase 1 for the production of high quality spodumene concentrate. The internal rate of return for the Project is estimated at 34.9% after tax, with a net present value estimated at C$726 million at an 8% discount rate. Capital cost parameters were confirmed in 2019 by Primero Group in the context of a Guaranteed Maximum Price under an Early Contractor Involvement agreement, as a prelude to an Engineering, Procurement and Construction process. Detailed engineering for Phase I is expected to conclude this year as the Corporation plans to deliver technical studies for Phase II; the conversion of spodumene concentrate to high quality lithium hydroxide. In the Corporation's view, Quebec is strategically well-positioned for US and EU markets and boasts exceptional infrastructure including a low-cost, low-carbon power grid featuring 93% hydroelectricity. The project has received approval from the Federal Minister of Environment and Climate Change on the recommendation of the Joint Assessment Committee, comprised of representatives from the Impact Assessment Agency of Canada and the Cree Nation Government; we await similar approval under the Quebec environmental assessment process near-term. The Corporation also has a strong, formalized relationship with the Cree Nation.

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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 statements 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 the completion of the Project’s approval, the completion of the provincial permitting process, 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 Corporation’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: the completion of the Project's approval, the completion of the provincial permitting process, Critical Elements' ability to secure sufficient financing to advance and complete the Project, uncertainties associated with the Corporation'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 Corporation's year-end Management Discussion and Analysis dated August 31, 2020, the Corporation's Annual Information Form dated August 3, 2021, and other disclosure documents available under the Corporation'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.

SOURCE: Critical Elements Lithium Corporation