Critical Elements Announces Closing of $7 Million Bought Deal Financing of Units

written by Raj Shah | May 1, 2018

May 1, 2018 (Source) – **Critical Elements Corporation** ("Critical Elements" or the "Company") (TSX-V:CRE) (US OTCQX:CRECF) (FSE:F12) is pleased to announce that it has closed its private placement of 7,000,000 units (the "Units") at a price of $1.00 per Unit, which includes 2,000,000 Units issued pursuant to the exercise in full of the Underwriters' option, for gross proceeds totaling $7,000,000 (the "Offering"). The syndicate of underwriters for the Offering was led by Canaccord Genuity Corp., together with BMO Capital Markets and GMP Securities L.P. (the "Underwriters").

Each Unit consists of one common share (a "Common Share") of Critical Elements and one-half of one common share purchase warrant (each whole warrant being a "Warrant"). Each Warrant will entitle the holder thereof to purchase one Common Share at a price of $1.25 per share for a period of 24 months ending May 1, 2020, provided that if the closing price of the Common Shares on the TSX Venture Exchange, or on any other stock exchange on which the Common Shares may be listed at the time, is equal to or greater than $2.00 per Common Share for a period of 20 consecutive trading days any time after four months and one day following the date hereof, the Company may accelerate the expiry date of the Warrants by giving notice to the holders thereof and in such case the Warrants will expire on the 30th day after the date on which such notice is given by the Company.

The Underwriters will receive a cash commission of $420,000, and

420,000 non-transferable common share purchase warrants entitling to purchase 420,000 Common Shares at the price of $1.00 until May 1, 2020.

The Company intends to use the net proceeds for exploration and development of the Company's projects and for general working capital purposes. Securities issued under the Offering and through the Underwriters' option are subject to a four-month hold period, which will expire on September 2, 2018.

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. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

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.

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