

E3 Lithium Closes Bought Deal Public Offering

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[E3 Lithium Ltd.](#) (TSXV: ETL) (FSE: OW3) (OTCQX: EEMMF), "E3 Lithium" or "the Company," Alberta's leading lithium developer and extraction technology innovator, today announced that it has closed the "bought deal" public offering as previously announced on May 30, 2023, for gross proceeds of C\$5,623,837 (the "Offering"), including partial exercise of the overallotment option for proceeds of C\$623,837.

Details of the Offering

The Offering was led by Red Cloud Securities Inc. and included Eight Capital (collectively, the "Underwriters"), with institutional participation accounting for the majority of the Offering. There was strong participation from E3 Lithium directors, officers and staff which represented C\$312,499 of the total Offering.

Pursuant to the underwriting agreement, the Underwriters received a cash commission of \$318,080, equal to 6.0% of the gross proceeds less insider participation raised under the Offering, and also received 141,369 non-transferable broker warrants of the Company (the "Broker Warrants") equal to 6.0% of the number of gross shares issued less insider participation. Each Broker Warrant entitles the holder to purchase one common share of the Company at a price of C\$2.25 for a period of 24 months from the date of issuance. Under the Offering, the Company issued 2,499,483 common shares at a price of C\$2.25 per common share and currently has 67,518,665 shares outstanding.

Use of Proceeds

E3 Lithium completed the Offering with the view of protecting the balance sheet and having a strong working capital balance entering 2024. The Company's plans for the rest of 2023 remain among the largest and most ambitious E3 Lithium will complete since inception. As referenced in the Prospectus Supplement⁽¹⁾ filed on June 1, 2023, the estimated expenditures heading into 2024 is approximately C\$20.9M, which does not include the receipt of any funds from awarded government grants, estimated at approximately C\$7.3M over the next 12 months. Any government funds received and remaining at the end of 2023 will be put towards the Feasibility Study and general working capital in 2024. A summary of the use of proceeds is outlined below:

Expected Expenditure	Estimated Amount to be Expended
Pre-Feasibility Study	\$3.0 million
Lithium Extraction Field Pilot	\$7.0 million
Lithium Processing	\$1.0 million
Reservoir Development	\$1.0 million
DLE Commercialization and Development	\$1.0 million
2024 Feasibility Study	\$3.0 million
General working capital	\$4.9 million
Total	\$20.9 million

Certain insiders of the Company acquired common shares of the Company pursuant to the Offering and as such, a portion of the Offering is considered a related party transaction within the meaning of TSX Venture Exchange Policy 5.9 and Multilateral Instrument 61-101 Protection of Minority Security Holders in Special

Transactions ("MI 61-101"). The Company is relying upon the exemption from the formal valuation and minority shareholder approval requirements of MI 61-101 as neither the fair market value of the common shares subscribed for, nor the consideration paid for the common shares, exceeds 25 per cent of the Company's market capitalization. The Company did not file a material change report more than 21 days before the expected closing of the Offering because the details of the participation therein by related parties of the Company were not settled until shortly prior to closing of the Offering and the parties wished to close on an expedited basis for business reasons.

Note 1: The Prospectus Supplement dated June 1, 2023 is available under the Company's SEDAR profile at www.sedar.com.

ON BEHALF OF THE BOARD OF DIRECTORS

Chris Doornbos, President & CEO
[E3 Lithium Ltd.](#)

About E3 Lithium

E3 Lithium is a development company with a total of 16.0 million tonnes of lithium carbonate equivalent (LCE) Measured and Indicated and 0.9 million tonnes LCE Inferred mineral resources¹ in Alberta. As outlined in E3's Preliminary Economic Assessment, the Clearwater Lithium Project has an NPV8% of USD 1.1 Billion with a 32% IRR pre-tax and USD 820 Million with a 27% IRR after-tax¹. E3 Lithium's goal is to produce high purity, battery grade lithium products to power the growing electrical revolution. With a significant lithium resource and innovative technology solutions, E3 Lithium has the potential to deliver lithium to market from one of the best jurisdictions in the world.

1: The Preliminary Economic Assessment (PEA) for the Clearwater Lithium Project NI 43-101 technical report is amended Sept 17, 2021. The mineral resource NI 43-101 Technical Report for the North Rocky Property, effective October 27, 2017, identified 0.9Mt LCE (inferred). The mineral resource NI 43-101 Technical Report for the Bashaw District Project, effective March 21, 2023, identified 16.0Mt LCE (measured & indicated). All reports are available on the E3 Lithium's website (e3lithium.ca/technical-reports) and SEDAR (www.sedar.com).

Forward-Looking and Cautionary Statements

This news release includes certain forward-looking statements as well as management's objectives, strategies, beliefs and intentions. Forward looking statements are frequently identified by such words as "may", "will", "plan", "expect", "anticipate", "estimate", "intend" and similar words referring to future events and results. In particular, this news release contains forward-looking information pertaining to the Offering and the proposed use of proceeds therefrom. Forward-looking statements are based on the current opinions and expectations of management. All forward-looking information is inherently uncertain and subject to a variety of assumptions, risks and uncertainties, including the speculative nature of mineral exploration and development, fluctuating commodity prices, the effectiveness and feasibility of emerging lithium extraction technologies which have not yet been tested or proven on a commercial scale or on the Company's brine, competitive risks and the availability of financing, as described in more detail in our recent securities filings available at www.sedar.com. Factors that could cause actual results to differ materially from such forward-looking information include, but are not limited to, changes in the state of equity and debt markets, delays in obtaining required regulatory approvals, failure to satisfy closing conditions in respect of the Offering and other risks and uncertainties involved in the mineral exploration and development industry. Forward-looking information in this news release is based on the opinions and assumptions of management considered reasonable as of the date hereof, including, but not limited to, the assumption that all conditions precedent to the completion of the Offering (including the receipt of all requisite regulatory approvals) will be satisfied in a timely manner; and general business and economic conditions will not change in a materially adverse manner. Actual events or results may differ materially from those projected in the forward-looking statements and we caution against placing undue reliance thereon. We assume no obligation to revise or update these forward-looking statements except as required by applicable law.

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.

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