Fathom Nickel Announces the Closing of the First Tranche of Private Placement

written by Raj Shah | December 22, 2023

December 22, 2023 (Source) – Fathom Nickel Inc. (CSE: FNI) (FSE: 6Q5) (OTCQB: FNICF) (the "**Company**" or "**Fathom**") is pleased to announce that it has closed the first tranche of its non-brokered offering of flow-through units and non flow-though units (the "**Offering**"), previously announced on December 4, 2023. Pursuant to the Offering the Company issued 23,213,431 flow-through common units (the "FT Units") at a price per FT Unit of $0.13 (the "FT Price") for gross proceeds of $3,017,746, and 3,312,095 non-flow through Units (the "NFT Units") at a price per NFT Unit of $0.11 (the "NFT Price") for gross proceeds of $364,330. Combined gross proceeds of the Offering was $3,382,076. The second tranche of the Offering, expected to be a combination of approximately $1,200,000 charity flow-through units and NFT Units, is expected to close during the second week of January 2024.

Each NFT Unit consists of one Common Share (a "**Hard Dollar Share**") and one transferable Common Share purchase warrant (a "**Warrant**") that shall be exercisable into one Common Share ("**Hard Dollar Warrant Share**") for a period of 24 months from issuance at an exercise price of C$0.20.

Each FT Unit consists of one flow-through Common Share (a "**FT Share**") and one transferable Common Share purchase warrant (the "**FT Unit Warrant**"), that shall be exercisable into a Warrant Share for 24 months from issuance at an exercise price of C$0.20.

The combined 26,525,526 Hard Dollar and FT shares issued were issued in accordance with the accredited investor exemption under National Instrument 45-106 *Prospectus Exemptions* and are subject to a resale restriction of four months and one day from the date of distribution.

The gross proceeds of the flow-through portion of the Offering will be used by the Company to incur eligible "Canadian exploration expenses" that will qualify as "flow-through mining expenditures" as such terms are defined in the *Income Tax Act* (Canada) (the "**Qualifying Expenditures**") related to the Company's Albert Lake Project and the Gochager Lake Project which are located in Saskatchewan, Canada on or before December 31, 2024. All Qualifying Expenditures will be renounced in favour of the subscribers effective December 31, 2023. The net proceeds of the Offering from the NFT Units will be used for exploration and development of the Company's mineral projects and for working capital and general corporate purposes.

As consideration for services in connection with the Offering, the Company has paid to certain qualified ("**Finders**") a cash commission of $225,108 and issued 1,571,879 broker warrants ("**Broker Warrants**"). Each Broker Warrant will entitle the holder thereof to acquire one common share of the Company at a price of $0.13 for a period of 24 months from the Closing Date.

"*There were several US and international investors who expressed an interest to participate in the financing but had a preference for a closing in early 2024. As a result, we decided to close on the FT Units prior to December 31 in order to ensure the tax benefits accrued to participants for the 2023 tax year, but keep the NFT Units/Charity Units open into January to accommodate these additional investors. The second tranche of NFT Units/Charity Units is expected to close in mid-January,*" stated Doug Porter, President & CFO.

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 Fathom Nickel Inc.

Fathom is an exploration company that is targeting magmatic nickel sulphide discoveries to support the rapidly growing global electric vehicle market.

The Company now has a portfolio of two high-quality exploration projects located in the prolific Trans Hudson Corridor in Saskatchewan: 1) the Albert Lake Project, a 90,000+ hectare project that was host to the historic and past producing Rottenstone deposit (produced high-grade Ni-Cu+PGE, 1965-1969), and 2) the Gochager Lake Project, 22,000+ hectare project host to a historic, NI43-101 non-compliant open pit resource; the Gochager Lake deposit,(of 4.3M tons at 0.295% Ni and 0.081% Cu[1], defined 1967-1970), an analogous drill tested nickel occurrence of drill intersections >1.% Ni (Mal Lake last drilled in 1967[2]), and the Borys Lake Zn-Cu-Pb+Ag occurrence.

1 – The Saskatchewan Mineral Deposit Index (SMID#0880) reports drill indicated reserves at the historic Gochager Lake Deposit of 4,262,400 tons grading 0.295% Ni and 0.081% Cu mineable by open pit. Fathom cannot confirm the resource estimate nor the parameters and methods used to prepare the reserve estimate. The estimate is not considered NI43-101 compliant and further work is required to verify this historical drill indicated reserve.

ON BEHALF OF THE BOARD

“Doug Porter”
President and CFO, Director

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Forward-Looking Statements:

This news release contains “forward-looking statements” that are based on expectations, estimates, projections and interpretations as at the date of this news release. Forward-looking statements are frequently characterized by words such as “plan”, “expect”, “project”, “seek”, “intend”, “believe”, “anticipate”, “estimate”, “suggest”, “indicate” and other similar words or statements that certain events or conditions “may” or “will” occur, and include, without limitation, statements regarding the Company incurring and renunciation of Qualifying Expenditures. Forward-looking statements relate to information that is based on assumptions of management, forecasts of future results, and estimates of amounts not yet determinable. Any statements that express predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance are not statements

of historical fact and may be “forward-looking statements.” Forward-looking statements are subject to a variety of risks and uncertainties which could cause actual events or results to differ from those reflected in the forward-looking statements, including, without limitation: risks related to failure to obtain adequate financing on a timely basis and on acceptable terms; risks related to the outcome of legal proceedings; political and regulatory risks associated with mining and exploration; risks related to the maintenance of stock exchange listings; risks related to environmental regulation and liability; the potential for delays in exploration or development activities or the completion of feasibility studies; the uncertainty of profitability; risks and uncertainties relating to the interpretation of drill results, the geology, grade and continuity of mineral deposits; risks related to the inherent uncertainty of production and cost estimates and the potential for unexpected costs and expenses; results of prefeasibility and feasibility studies, and the possibility that future exploration, development or mining results will not be consistent with the Company’s expectations; risks related to commodity price fluctuations; and other risks and uncertainties related to the Company’s prospects, properties and business detailed elsewhere in the Company’s disclosure record. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. These forward- looking statements are made as of the date hereof and the Company does not assume any obligation to update or revise them to reflect new events or circumstances except in accordance with applicable securities laws. Actual events or results could differ materially from the Company’s expectations or projections.

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