

Hercules Silver Corp. Announces Closing of \$5.75 Million Brokered Private Placement

written by Raj Shah | April 20, 2023

April 20, 2023 ([Source](#)) – Hercules Silver Corp. (TSXV: **BIG**) (OTCQB: **BADEF**) (FSE: **8Q7**) (“**Hercules Silver**” or the “**Company**”) is pleased to announce that it has closed its previously announced brokered private placement offering (the “**Offering**”) of units of the Company (“**Units**”) for aggregate gross proceeds of \$5,750,000, including the full exercise of the agents’ option. The Offering was led by Canaccord Genuity Corp. as part of a syndicate of agents including Research Capital Corporation and 3L Capital Inc. (collectively, the “**Agents**”).

In connection with the Offering, the Company issued 28,750,000 Units at a price of \$0.20 per Unit. Each Unit consists of one common share in the capital of the Company (each, a “**Common Share**”) and one-half of one Common Share purchase warrant (each whole warrant, a “**Warrant**”). Each whole Warrant entitles the holder thereof to acquire one Common Share at a price of \$0.30 per Common Share for a period of 24 months from the closing date of the Offering.

The net proceeds of the Offering will be used for exploration as well as for working capital and general corporate purposes.

Closing of the Offering is subject to final approval by the TSX Venture Exchange (the “**TSX-V**”). The Common Shares and Warrants will be subject to a hold period of four months and one day from the closing date of the Offering in accordance with applicable

securities laws.

In connection with the Offering, the Company paid to the Agents a cash commission equal to 6.0% of the gross proceeds raised pursuant to the Offering (reduced to 3.0% in respect of certain purchasers) and issued to the Agents broker warrants of the Company (the “**Broker Warrants**”) equal to 6.0% of the number of Units sold pursuant to the Offering (reduced to 3.0% in respect of certain purchasers). Each Broker Warrant will entitle the holder thereof to purchase one Common Share at an exercise price of \$0.20 per Common Share for a period of 24 months following the closing of the Offering.

The Offering constitutes a “related party transaction” within the meaning of Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions (“**MI 61-101**”) as certain insiders of the Company participated in the Offering to purchase an aggregate of 250,000 Units. The Company has relied on exemptions from the formal valuation and minority shareholder approval requirements of MI 61-101 contained in sections 5.5(a) and 5.7(1)(a) of MI 61-101 in respect of related party participation in the Offering as neither the fair market value (as determined under MI 61-101) of the subject matter of, nor the fair market value of the consideration for, the transaction, insofar as it involved the related parties, exceeded 25% of the Company’s market capitalization (as determined under MI 61-101). Further details will be included in a material change report to be filed by the Company. A material change report will be filed in connection with the related party participation in the Offering less than 21 days in advance of closing of the Offering as approval of the Offering occurred less than 21 days prior to closing. The Offering was approved by the board of directors of the Company, with the director participating in the Offering abstaining from the vote in respect thereof.

This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities described in this news release. Such securities have not been, and will not be, registered under the U.S. Securities Act, or any state securities laws, and, accordingly, may not be offered or sold within the United States, or to or for the account or benefit of persons in the United States or “U.S. Persons”, as such term is defined in Regulation S promulgated 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 Hercules Silver Corp.

Hercules Silver Corp. is a junior mining company focused on the exploration and development of the 100% owned Hercules Silver Project, northwest of Cambridge, Idaho.

The Hercules project is a disseminated silver-lead-zinc system with 28,000 meters of historical drilling across 3.5 kilometers of strike. The Company is well positioned for growth through the drill bit in 2023, having completed extensive surface exploration in 2022 consisting of soil & rock sampling, geological mapping, IP geophysics, and a 9-hole drill program.

The Company's management team brings significant exploration experience through the discovery and development of numerous precious metals projects worldwide.

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Neither the TSX Venture Exchange nor its Regulation Services

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Disclaimer for Forward-Looking Information

This news release contains certain information that may be deemed "forward-looking information" with respect to the Company within the meaning of applicable securities laws. Such forward-looking information involves known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements, or developments in the industry to differ materially from the anticipated results, performance or achievements expressed or implied by such forward-looking information. Forward-looking information includes statements that are not historical facts and are generally, but not always, identified by the words "expects," "plans," "anticipates," "believes," "intends," "estimates," "projects," "potential" and similar expressions, or that events or conditions "will," "would," "may," "could" or "should" occur. Forward-looking statements in this news release include, but may not be limited to, statements regarding receipt of all approvals relating to the Offering including approval of the TSXV; intended use of proceeds of the Offering; and Company's expected growth and results of operations.

Although the Company believes the forward-looking information contained in this news release is reasonable based on information available on the date hereof, by its nature, forward-looking information involves assumptions and known and unknown risks, uncertainties and other factors which may cause our actual results, level of activity, performance or achievements, or other future events, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information.

Examples of such assumptions, risks and uncertainties include, without limitation, assumptions, risks and uncertainties associated with general economic conditions; the Covid-19 pandemic; adverse industry events; the receipt of required regulatory approvals and the timing of such approvals; that the Company maintains good relationships with the communities in which it operates or proposes to operate, future legislative and regulatory developments in the mining sector; the Company's ability to access sufficient capital from internal and external sources, and/or inability to access sufficient capital on favorable terms; mining industry and markets in Canada and generally; the ability of the Company to implement its business strategies; competition; the risk that any of the assumptions prove not to be valid or reliable, which could result in delays, or cessation in planned work, risks associated with the interpretation of data, the geology, grade and continuity of mineral deposits, the possibility that results will not be consistent with the Company's expectations, as well as other assumptions risks and uncertainties applicable to mineral exploration and development activities and to the Company, including as set forth in the Company's public disclosure documents filed on the SEDAR website at www.sedar.com.

THE FORWARD-LOOKING INFORMATION CONTAINED IN THIS PRESS RELEASE REPRESENTS THE EXPECTATIONS OF HERCULES SILVER AS OF THE DATE OF THIS PRESS RELEASE AND, ACCORDINGLY, IS SUBJECT TO CHANGE AFTER SUCH DATE. READERS SHOULD NOT PLACE UNDUE IMPORTANCE ON FORWARD-LOOKING INFORMATION AND SHOULD NOT RELY UPON THIS INFORMATION AS OF ANY OTHER DATE. WHILE HERCULES SILVER MAY ELECT TO, IT DOES NOT UNDERTAKE TO UPDATE THIS INFORMATION AT ANY PARTICULAR TIME EXCEPT AS REQUIRED IN ACCORDANCE WITH APPLICABLE LAWS.

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