Power Nickel Announces Up To C$45 Million Best Efforts Private Placement

written by Raj Shah | February 11, 2025

February 11, 2025 (Source) – Power Nickel Inc. (the "Company" or "Power Nickel") (TSXV:PNPN) (OTCBB:PNPNF) (Frankfurt: IVV) has announced today that it has entered into an agreement with BMO Capital Markets and Hannam & Partners to act as joint bookrunners (together with a syndicate of agents, the "Agents") in connection with a "best efforts" private placement offering by the Company of securities for aggregate proceeds of up to C$45 million, consisting of (i) up to C$37 million of Quebec flow-through shares (the "FT Shares") and, (ii) up to C$8 million of hard dollar shares (the "HD Shares" and together with the FT Shares, the "Offered Securities"). The price of the Offered Securities will be determined in the context of the market.

The net proceeds received by the Company from the sale of HD Shares will be used by the Company for working capital and general corporate purposes.

The gross proceeds received by the Company from the sale of the FT Shares will be used to incur expenses described in paragraph (f) of the definition of "Canadian exploration expense" ("CEE") in subsection 66.1(6) of the Tax Act and paragraph (c) of the definition of CEE in section 395 of the QTA, and will be renounced in favour of the relevant purchasers by no later than December 31, 2025, pursuant to the terms of the subscription and renunciation agreement to be entered into between the Company and such purchasers of FT Shares. Such expenses will also qualify as "flow-through mining expenditures" as defined in

subsection 127(9) of the Tax Act for the purposes of the federal tax credit described in paragraph (a.2) of the definition of “investment tax credit” in subsection 127(9) of the Tax Act.

For purchasers of FT Shares resident in the Province of Québec, 10% of the amount of the CEE will be eligible for inclusion in the deductible “exploration base relating to certain Québec exploration expenses” and 10% of the amount of the CEE will be eligible for inclusion in the deductible “exploration base relating to certain Québec surface mining exploration expenses” (as such terms are defined in sections 726.4.10 and 726.4.17.2 of the QTA, respectively, for the purposes of the deductions described in section 726.4.9 and 726.4.17.1 of the QTA), giving rise to an additional 20% deduction for Québec tax purposes. In the event that the Company is unable to renounce CEE, effective on or prior to December 31, 2025, in favour of the purchasers of FT Shares in an aggregate amount not less than the gross proceeds raised from the issue of FT Shares, the Company will indemnify each purchaser of FT Shares for the additional taxes payable by such subscriber as a result of the Company’s failure to renounce the CEE as agreed.

The offering is expected to close on or about February 27, 2025 and is subject to the Company receiving all necessary regulatory approvals, including the approval of the TSX Venture Exchange.

The securities offered have not been registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements. This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any State in which such offer, solicitation or sale would be unlawful.

About Power Nickel Inc.
Power Nickel is a Canadian exploration company focusing on developing the High-Grade Nickel Copper PGM, Gold and Silver Nisk project into potentially Canada's next poly metallic mine.

On February 1, 2021, Power Nickel (then called Chilean Metals) completed the acquisition of its option to acquire up to 80% of the Nisk project from Critical Elements Lithium Corp.

The NISK property comprises a large land position (20 kilometres of strike length) with numerous high-grade intercepts. Power Nickel is focused on expanding the high-grade nickel-copper PGM, Gold and Silver mineralization with a series of drill programs designed to test the initial Nisk discovery zone, the Lion discovery zone and to explore the land package for adjacent potential poly metallic deposits.

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Cautionary Note Regarding Forward-Looking Statements

This message contains certain statements that may be deemed "forward-looking statements" concerning the Company within the meaning of applicable securities laws. Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the words "expects," "plans," "anticipates," "believes," "intends," "estimates," "projects," "potential," "indicates," "opportunity," "possible" and similar expressions, or that events or conditions "will," "would," "may," "could" or "should" occur. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance, are subject to risks

and uncertainties, and actual results or realities may differ materially from those in the forward-looking statements. Such material risks and uncertainties include, but are not limited to, among others; the timing for various drilling plans; the ability to raise sufficient capital to fund its obligations under its property agreements going forward and conduct drilling and exploration; to maintain its mineral tenures and concessions in good standing; to explore and develop its projects; changes in economic conditions or financial markets; the inherent hazards associates with mineral exploration and mining operations; future prices of nickel and other metals; changes in general economic conditions; accuracy of mineral resource and reserve estimates; the potential for new discoveries; the ability of the Company to obtain the necessary permits and consents required to explore, drill and develop the projects and if accepted, to obtain such licenses and approvals in a timely fashion relative to the Company's plans and business objectives for the applicable project; the general ability of the Company to monetize its mineral resources; and changes in environmental and other laws or regulations that could have an impact on the Company's operations, compliance with environmental laws and regulations, dependence on key management personnel and general competition in the mining industry.