Scandium Canada Announces Closing of Private Placements

written by Raj Shah | September 20, 2024

September 20, 2024 (Source) – **Scandium Canada Ltd. (TSX-V: SCD) (OTC: SCDCF)** (the "**Corporation**") **announces closing of a non-brokered private placement for aggregate gross proceeds of $**287,000 (the "**Hard Cash Offering**") and **closing of a non-brokered flow-through private placement for aggregate gross proceeds of $132,500** (the "**Flow-Through Offering**", and together with the Hard Cash Offering, "**Offerings**").

Hard Cash Offering

The Offering consisted of the issuance of 7,175,000 **units of the Corporation (the "Units") at a price of $0.04 per Unit. Each** Unit consists of one common share of the Corporation (a "**Common Share**") and one Common Share purchase warrant (each whole, a "**Warrant**"). Each Warrant entitles the holder thereof to purchase one Common Share at an exercise price of $0.05 per Common Share for a period of 24 months from the date of issuance thereof.

The net proceeds from the sale of the Units will be mainly used by the Corporation for general and corporate working capital purposes. The Corporation does not intend to use the net proceeds of the Hard Cash Offering to make payment to non-arm's length parties nor to make payment to persons conducting investor relations activities nor to affect more than 10% of the proceeds for a specific use.

In connection with the Hard Cash Offering, finder' fees totaling $7,800 will be paid to an arm's length finder. The Common Shares and the Warrants issued pursuant to the Hard Cash Offering are

subject to a restricted hold period of four months and one day, ending on January 21, 2025, under applicable Canadian securities laws.

Flow-Through Offering

The Offering consisted of the issuance of 2,650,000 **units of the Corporation (the "Flow-Through Unitsat a price of $0.05 per Flow-Through Unit. Each Flow-Through** Unit consists of one Common Share that qualifies as "flow-through share" pursuant to subsection 66(15) of the *Income Tax Act* (Canada) (the "**Tax Act**"), and one-half Common Share purchase warrant (each whole, a "**Flow-Through Warrant**"). Each **Flow-Through** Warrant entitles the holder thereof to purchase one Common Share at an exercise price of $0.10 per Common Share for a period of 24 months from the date of issuance thereof. If during a period of ten (10) consecutive trading days between the date that is four (4) months following the closing of the **Flow-Through** Offering and the expiry of the **Flow-Through** Warrants the daily volume weighted average trading price of the Common Shares on the TSX Venture Exchange (the "**Exchange**") (or such other stock exchange where the majority of the trading volume occurs) exceeds $0.18 for each of those ten (10) consecutive days, the Corporation may, within 30 days of such an occurrence, give written notice to the holders of the **Flow-Through** Warrants that the **Flow-Through** Warrants will expire at 4:00 p.m. (Montréal time) on the 30th day following the giving of notice unless exercised by the holders prior to such date. Upon receipt of such notice, the holders of the **Flow-Through** Warrants will have 30 days to exercise their **Flow-Through** Warrants. Any **Flow-Through** Warrants which remain unexercised at 4:00 p.m. (Montreal time) on the 30th day following the giving of such notice will expire at that time.

The net proceeds from the sale of the **Flow-Through** Units will be used to fund the processing and analysis of drill core samples, as well as to update the resource model to incorporate the results from the latest drilling on the Crater Lake Project.

In connection with the **Flow-Through** Offering, finder' fees totaling $3,750 will be paid to an arm's length finder. The Common Shares and the **Flow-Through** Warrants issued pursuant to the **Flow-Through** Offering are subject to a restricted hold period of four months and one day, ending on January 21, 2025, under applicable Canadian securities laws.

Under the Offering, an insider of the Corporation purchased a total of 400,000 Units for a total consideration of $20,000 which constitutes a "related party transaction" within the meaning of Regulation 61-101 *respecting Protection of Minority Security Holders in Special Transactions* ("**Regulation 61-101**") and TSXV Policy 5.9 – *Protection of Minority Security Holders in Special Transaction*. However, the directors of the Corporation who voted in favor of the Offering have determined, based on advice from counsel and management, that the exemptions from formal valuation and minority approval requirements provided for respectively under subsections 5.5(a) and 5.7(1)(a) of Regulation 61-101 can be relied on as neither the fair market value of the Units issued to the insider nor the fair market value of the consideration paid exceed 25% of the Corporation's market capitalization. None of the Corporation's directors has expressed any contrary views or disagreements with respect to the foregoing. A material change report concerning this related party transaction will be filed by the Corporation.

The Offerings remain subject to the final approval of the Exchange. The Corporation also announces its intention to close subsequent tranches of the Offerings on or before October 22, 2024, for a maximum gross proceeds of $1,000,000 representing

the issuance of 25,000,000 Units for the Hard Cash Offering, and a maximum gross proceeds of $750,000 representing the issuance of 15,000,000 Flow-Through Units for the Flow-Through Offering.

*This new 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 Scandium Canada Ltd.

Scandium Canada is a Canadian technology metals company focused on advancing its flagship Crater Lake scandium and rare earth project in Québec.

Forward-Looking Statements

All statements, other than statements of historical fact, contained in this press release including, but not limited to, those relating to the intended use of proceeds of the Offerings, closing of any subsequent tranche of the Offerings, the final approval of the Exchange in connection with the Offerings, the development of the Crater Lake project and, generally, the above "About Scandium Canada Ltd." paragraph which essentially described the Corporation's outlook, constitute "forward-looking information" or "forward-looking statements" within the meaning of applicable securities laws, and are based on expectations, estimates and projections as of the time of this press release. Forward-looking statements are necessarily based upon a number of estimates and assumption that, while considered reasonable by the Corporation as of the time of such statements, are

inherently subject to significant business, economic and competitive uncertainties, and contingencies. These estimates and assumption may prove to be incorrect. Many of these uncertainties and contingencies can directly or indirectly affect, and could cause, actual results to differ materially from those expressed or implied in any forward-looking statements and future events, could differ materially from those anticipated in such statements. A description of assumptions used to develop such forward-looking information and a description of risk factors that may cause actual results to differ materially from forward-looking information can be found in the Corporation's disclosure documents on the SEDAR+ website at www.sedarplus.ca.

By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that estimates, forecasts, projections and other forward-looking statements will not be achieved or that assumptions do not reflect future experience. Forward-looking statements are provided for the purpose of providing information about management's endeavors to develop the Crater Lake project, and, more generally, its expectations and plans relating to the future. Readers are cautioned not to place undue reliance on these forward-looking statements as a number of important risk factors and future events could cause the actual outcomes to differ materially from the beliefs, plans, objectives, expectations, anticipations, estimates, assumptions and intentions expressed in such forward-looking statements. All of the forward-looking statements made in this press release are qualified by these cautionary statements and those made in our other filings with the securities regulators of Canada. The Corporation disclaims any intention or obligation to update or revise any forward-looking statement or to explain any material difference between subsequent actual events and such forward-

looking statements, except to the extent 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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