Power Nickel's New "Wildcat" Zone Discovery Generating Interest at its Nisk Nickel Project in Quebec

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I find it sadly ironic that the Canadian Government, in an effort to compete with the U.S. Inflation Reduction Act (IRA), has found itself being held hostage by a car company that didn't get similar incentives to what Volkswagen AG (Xetra: VOW3 | OTCPK: VWAGY) received a few weeks ago.

Stellantis N.V. (NYSE: STLA | Euronext Milan: STLAM | Euronext Paris: STLAP), along with its joint venture partner South Korea's LG Energy Solution Ltd. (KSE: A373220), announced they will immediately halt construction on the C$5 billion electric vehicle battery plant being built in Windsor, Ontario, and will begin implementing their "contingency plans".

In the Government's defense, the Stellantis/LG deal was originally signed before the IRA was enacted, but you'd have to be completely oblivious to the ways of big business to think Stellantis wouldn't be back at the table asking "what about us"?

My expectation is the Canadian Government will continue its policy of trying to "spend us rich" and will fold to the demands of Stellantis and anyone else who asks. As a taxpayer I'm ready to cry "uncle", on the flip side, any and every publicly traded company out there should be doing their utmost to take advantage of the open wallets on both sides of the border and extract as much non-dilutive capital as they can get their hands on.

Power Nickel Delivers Drill Results

This brings me to some interesting comments in a Power Nickel Inc. (TSXV: PNPN | OTCQB: PNPNF) press release from two weeks ago. CEO Terry Lynch is quoted as saying:

> *"…we have benefited greatly by having our project in Quebec, where very favorable incentives exist for Critical Mineral projects like our NISK Nickel Sulfide project at Nemaska. The recent Quebec and Canadian budgets provide substantial incentives to explore Critical Minerals and build mines. Going forward, the new… incentives, could, for example, advance as much as US$200 million to building a $400 million Nickel Mine."*

All I can say is good on them, and go get it if you can.

In the meantime, news at Power Nickel is all about drill results from its 2022/23 drill program.

On April 27, 2023, the Company announced that it continues to confirm the presence of high-grade Ni-Cu-Co-PGE (nickel, copper, cobalt, platinum group metals) mineralization in the Main Zone of its Nisk project. In addition, step-out exploration drilling 800 meters (m) east of the Main Zone shows indications of a new Ni-Cu-Co-PGE zone within the same ultramafic sequence of rocks.

Highlights from the Main Zone include:

- Hole PN-23-023: 0.97% Ni, 0.45% Cu, 0.07% Co, 0.80 g/t Palladium, 0.27 g/t Platinum over 16.4m
- Hole PN-23-024: 0.57% Ni, 0.17% Cu, 0.04% Co, 0.47 g/t Palladium, 0.18g/t Platinum over 14.8m

Plus a new discovery 800m east of the Main Zone includes:

- Hole PN-22-020: 0.22% Ni, 0.42% Cu, 0.01% Co, 0.71 g/t Palladium, 0.31 g/t Platinum over 4.9m

Discovery of the Wildcat area, a new high-grade Cu-PGE zone

This news was followed up last week with another drill result and another new find where Power Nickel announced the discovery of a new high-grade Cu-PGE mineralized zone approximately 5km northeast of the main Nisk deposit. Identified as “Wildcat” area, this target area was never previously drilled.

Highlights include:

- Hole PN-23-031A (see FIGURE 1 below): 1.47% Cu, 13.1 g/t Ag, 0.28 g/t Au, 5.71 g/t Palladium, 20.76 g/t Platinum over 7.75m
    - including 3.90% Cu, 25 g/t Ag, 0.52g/t Au, 19.97g/t Palladium, 90.60g/t Platinum over 1.75m

The Wildcat area represents an entirely new target to explore and is wide open laterally, along strike, and at depth. Of significance, this new discovery includes high-grade platinum and palladium associated with copper. Now all they need is some lithium and graphite (which have both been discovered in Quebec) and Power Nickel could become a one-stop shop for the battery plants being built in Canada.

Proposed divestiture to focus on nickel

An interesting sidebar for Power Nickel is the proposed divestiture of some or all of its other assets. Prior to the end

of Q2/2023, the Company is planning to announce a proposed public spinoff of its B.C. Gold property, the Golden Ivan Project, located approximately 3 kilometers to the east of Stewart, BC in the heart of the Golden Triangle and its Chilean assets, which include a 3% NSR royalty interest on any future production, from the Copaquire copper-molybdenum deposit, that was sold to a subsidiary of Teck Resources Limited (NYSE: TECK | TSX: TECK.A | TSX: TECK.B).

Power Nickel (formerly called Chilean Metals) is 100 % owner of five properties comprising over 50,000 acres strategically located in the prolific iron-oxide-copper-gold belt of northern Chile.

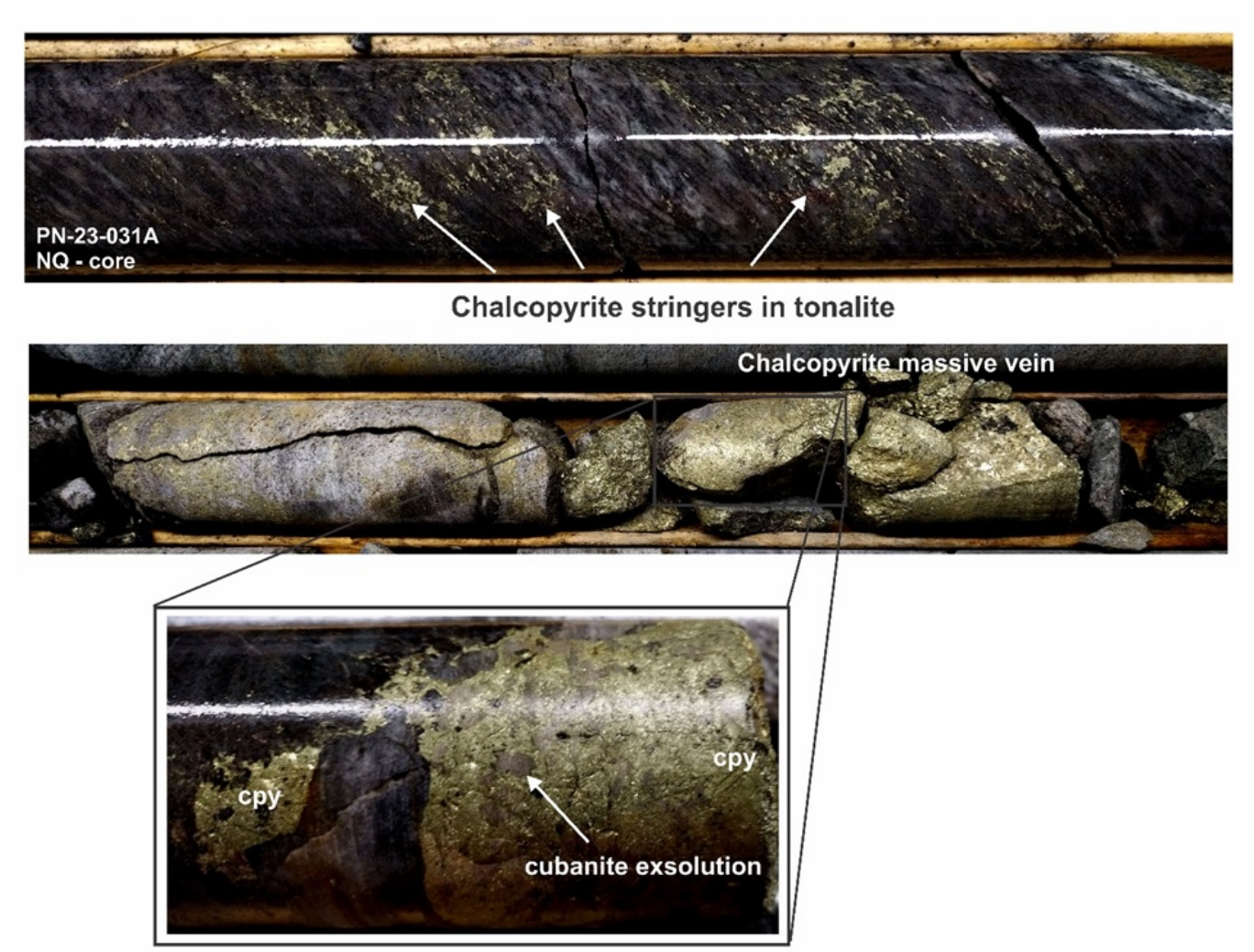
Fully funded for drilling and exploration in 2023

It's unclear (at least to me) if the spin-off will result in any capital flowing into Power Nickel's coffers but that isn't critical at present as the Company recently closed the final tranche of a private placement that raised a total of C$4.8 million. That leaves Power Nickel fully funded for its 2023 drill campaigns that will commence sometime around late July and target up to 15,000 meters.

Other near-term catalysts include the announcement of an Airborne EM survey and Metallurgical study for the Nisk Property over the next several weeks and plans to update the Project's NI 43-101 resource estimate in Q2 or early Q3 this year.

Power Nickel trades at a market cap of C$35 million.

FIGURE 1: Stringers and massive chalcopyrite in DDH PN-23-031A



Source: [Company news release (May 10, 2023)]