

Formation Metals Inc. Announces Non-Brokered Offering of up to \$15 Million to Increase 2026 Drill Program to 50,000 m

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[Formation Metals Inc.](#) ("Formation" or the "Company") (CSE:FOMO)(FSE:VF1)(OTCQB:FOMTF), a North American mineral acquisition and exploration company, is pleased to announce a proposed non-brokered private placement for aggregate gross proceeds of up to \$15,000,000 (the "Offering").

Upon closing of the Offering, the Company intends on increasing its 2026 drill program to a fully funded 50,000 metres at the its flagship N2 Gold Project in Quebec (the "Property"), host to a global historic resource of ~871,000 ounces comprised of 18 Mt grading 1.4 g/t Au (~810,000 oz Au) across four zones (A, East, RJ-East, and Central)^{2,3} and 243 Kt grading 7.82 g/t Au (~61,000 oz Au) across the RJ zone^{2,4}.

The Company is presently undertaking a fully funded 30,000 metre drill program which has exceeded expectations, confirming geological continuity and delivering robust and continuous gold intercepts in holes drilled within the northern corridor of the A-Zone, including:

- N2-25-006: 1.8 g/t Au over 21.9 metres beginning at 154.4 metres downhole, 133.7 metres vertical. Highlight interval includes 3.4 g/t Au over 4.8 metres with total metal index of 79.56.
- N2-25-008: 0.95 g/t Au over 61.1 metres beginning at 109 metres downhole, 94.4 metres vertical. Highlight interval includes 1.68 g/t Au over 26.5 metres with total metal index of 67.97.
- N2-25-009: 1.37 g/t Au over 24.0 metres beginning at 168.9 metres downhole, 146.3 metres vertical. Highlight interval includes 2.05 g/t Au over 13.3 metres with total metal index of 81.89.
- N2-25-012: 1.75 g/t Au over 30.4 metres beginning at 64.1 metres downhole, 45.3 metres vertical. Highlight intervals include 3.51 g/t Au over 10.5 metres and 19.2 g/t Au over 0.51 metres with total metal index of 62.43.

The Company's drill strategy for the remainder of 2026 will focus on extensional drilling to the east and west of the A-zone along strike where it believes up to 8 km may be mineralized in total, and to the south, where it recently identified visible gold in a 400 metre step-out in drillhole N2-26-24, located south of N2-25-007, N2-25-008 and N2-25-010.

Figure 1 - Visible gold discovered in the mineralized interval within N2-26-24.

The Company will also advance its base metals exploration program at N2, where it recently completed a revaluation process which revealed significant copper and zinc intercepts within historic drillholes known to have significant gold grades (>1 g/t Au). Assay results range from 200 to 4,750 ppm and 203 ppm to 6,700 ppm, for copper and zinc, respectively, indicating strong potential for elevated base metal (Cu-Zn) concentrations across the property, specifically at the A and RJ zones. Property wide geology at N2 features volcanic and sedimentary rocks formed in regional anticlinal and synclinal flexures. Three principal deformation structures, oriented along the known NW-SE to WNW-ESE structural trends typical of VMS deposits in the Matagami region, function as critical geologic controls for mineralization on the property.

Deepak Varshney, CEO of Formation Metals, commented: "Our maiden program at N2 continues to deliver significant surprises. It is rare for a project to deliver a 100% success rate, but that is what we have accomplished in our drilling in the A-Zone, where we have identified consistent continuous bulk-tonnage gold across both strike and at depth. Moreover, as we continue to expand beyond the historical resource, we are finding significant successes in stepouts. Identifying a new set of shallow mineralized veins over four hundred metres south suggests that there is a strong potential to expand the deposit and almost triple the

width of the potential open pit. These results show that even with almost 71,000 metres drilled at N2, there is a long way to go to fully understand the size and significance of the system, and while our focus remains on extending the A-Zone along strike to the east and west, there is ample opportunity to expand the deposit laterally as well.

Mr. Varshney continued: "Adding 50,000 metres to our 2026 drill program will give us the opportunity to expand our continuity significantly ahead of our maiden resource in the fall. We are very excited to for the upcoming drill season and these funds will allow us to add a third rig onsite as we continue to advance N2."

The Offering will consist of up to \$15,000,000 of a combination of: (i) hard dollar units of the Company (the "HD Units") at a price of \$0.37 per HD Unit; (ii) flow-through units of the Company (the "FT Units") at a price of \$0.44 per FT Unit; (iii) charity flow-through units of the Company (the "Charity FT Units") at a price of \$0.548 per Charity FT Unit; and (iv) Quebec charity flow-through units of the Company (the "Quebec Charity FT Units", and collectively with the HD Units, FT Units and Charity FT Units, the "Units") at a price of \$0.596 per Quebec Charity FT Unit.

Each HD Unit will consist of one common share in the capital of the Company (a "HD Share") and one transferable non-flow-through common share purchase warrant of the Company (a "Warrant"). Each FT Unit will consist of one flow-through common share in the capital of the Company (a "FT Share"), which will qualify as a "flow-through share" within the meaning of subsection 66(15) of the Income Tax Act (Canada) (the "Tax Act"), and one Warrant. Each Charity FT Unit will consist of one charity flow-through common share in the capital of the Company (a "Charity FT Share"), which will qualify as a "flow-through share" within the meaning of subsection 66(15) of the Tax Act and one Warrant. Each Quebec Charity FT Unit will consist of one charity flow-through common share in the capital of the Company (a "Quebec Charity FT Share", and collectively with the HD Shares, FT Shares and Charity FT Shares, the "Shares"), which will qualify as a "flow-through share" within the meaning of subsection 66(15) of the Tax Act and subsection 359.1 of the Taxation Act (Quebec) (the "Quebec Act"), and one Warrant. Each Warrant will entitle the holder thereof to acquire one additional non-flow-through common share of the Company at an exercise price of \$0.596 per common share for a period of 36 months from the closing date of the Offering.

The Company intends to renounce such qualifying expenditures in favour of the subscribers of the FT Units, Charity FT Units and Quebec Charity FT Units with an effective date of no later than December 31, 2027, in the aggregate amount of not less than the total gross proceeds raised from the issuance of such flow-through securities.

The Offering is being completed on a non-brokered private placement basis. The Company may pay finders' fees to eligible arm's length finders in connection with the Offering, in each case in accordance with applicable securities laws and the policies of the Canadian Securities Exchange (the "CSE").

The Offering is expected to close on or about May 13, 2026, or such other date or dates as the Company may determine. The Offering may close in one or more tranches.

Completion of the Offering remains subject to a number of conditions, including, without limitation, receipt of all necessary corporate and regulatory approvals, regulatory approvals, and completion of customary subscription documentation.

The Units will be offered: (a) by way of private placement in all of the provinces of Canada pursuant to applicable exemptions from the prospectus requirements under applicable Canadian securities laws; (b) in the United States or to, or for the account or benefit of, U.S. persons, by way of private placement pursuant to the exemptions from the registration requirements provided for under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"); and (c) in jurisdictions outside of Canada and the United States on a private placement or equivalent basis, in each case in accordance with all applicable laws, provided that no prospectus, registration statement or other similar document is required to be filed in such jurisdiction. The Units to be issued pursuant to the Offering to purchasers in Canada will be subject to a four-month and one day hold period in Canada pursuant to applicable Canadian securities laws. The Units will be offered to purchasers outside of Canada pursuant to an exemption from the prospectus requirements in Canada available under OSC Rule 72-503 - Distributions Outside Canada and, accordingly, the Units to be issued pursuant to the Offering to purchasers outside of Canada are not expected to be subject to a four-month and one day hold period in Canada. The Units offered have not been registered under the U.S.

Securities Act, 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.

Project Summary

Comprising 87 claims totaling ~4,400 ha within the Abitibi sub province of Northwestern Quebec, Formation's flagship N2 Gold Project is an advanced gold project with a global historic resource of ~871,000 ounces comprised of 18 Mt grading 1.4 g/t Au (~810,000 oz Au)^{2,3} and 243 Kt grading 7.82 g/t Au (~61,000 oz Au)².

There are six primary auriferous mineralized zones in total, each open for expansion along strike and at depth. Compilation and geophysical work by [Balmoral Resources Ltd.](#) (now Wallbridge Mining) from 2010 to 2018 generated numerous targets that are being investigated for the first time by Formation with diamond drilling.

Historical highlights from the top two priority zones include:

- A Zone: a shallow, highly continuous, low-variability historic gold deposit with ~522,900 ounces identified at a grade of 1.52 g/t Au. ~15,000 metres have been drilled historically across 1.65 km of strike, with 84% of historical drillholes intercepted auriferous intervals including up to 1.7 g/t over 35 metres.
- RJ Zone: a high-grade historic gold deposit with ~61,100 ounces identified at a grade of 7.82 g/t Au, with high-grade intercepts from historical drill holes as high as 51 g/t Au over 0.8 metres and 16.5 g/t Au over 3.5 metres². This zone was the target of the most recently drilling at the Property by Agnico-Eagle Mines in 2008, when the price of gold was ~US\$800/oz. Only ~900 metres of strike has been drilled, with 4.75+ km of strike remaining to be tested.

The Company's internal view is that the N2 Project has the potential to host a potential open pit resource. This optimism is driven by several key factors:

- Significant Undrilled Strike Length: The "A" Zone alone has >3.1 km of strike open (only ~35% drilled historically), while the RJ Zone has >4.75 km remaining untested - offering substantial room for lateral expansion of known mineralization.
- Open at Depth and Along Strike: All zones remain open, with historical drilling limited to shallow depths (~350 m), leaving considerable vertical upside in a proven gold camp.
- Wide, Continuous Near-Surface Intercepts: Recent drilling has confirmed thick zones (100-200+ m) of target mineralization starting near surface, ideal for bulk-tonnage open-pit scenarios with low strip ratios and high tonnage potential.
- Regional Analogy and Pedigree: Located in the Casa Berardi trend, which hosts multiple multi-million-ounce deposits (e.g., Casa Berardi >2 Moz produced and 14.3 Mt @ 2.75 g/t Au P&P in reserve, Douay >3 Moz in resources (10 Mt @ 1.59 g/t Au indicated, and 76.7 Mt @ 1.02 g/t Au inferred), N2 shares similar geology and structural controls. Nearby Vezza produced from higher-grade underground mining, but N2's shallower, wider zones suggest superior open-pit economics.
- Untested Targets: Compilation work identified numerous geophysical anomalies (IP, EM, VTEM) that remain undrilled, providing discovery potential beyond known zones.
- Rising Gold Prices and Economic Viability: At current gold prices, lower-grade bulk-tonnage deposits become highly attractive, enhancing the project's upside.

Strategically located 25 km south of the mining town of Matagami, Quebec, this prime location provides year-round access via provincial highways and logging roads, proximity to skilled labor, power infrastructure, and established mining services in a jurisdiction known for its gold production exceeding 200 million ounces historically. The project lies along the Casa Berardi mine trend, which hosts multiple million-ounce gold deposits, and is situated approximately 1.5 km east of the former-producing Vezza gold mine operated by

Nottaway Resources from 2013 to 2019 producing over 100,000 ounces of gold via underground methods.

The region's robust infrastructure supports toll milling opportunities, with potential access to nearby processing facilities such as those at Casa Berardi or other Abitibi mills, enabling cost-effective development without the need for on-site mill construction.

Figure 2 - Historic drillhole locations; Formation believes that there is over 15 kilometres of strike to explore at the N2 property.

Figure 3 - Property overview summarizing historical work completed at each of the six mineralized zones and their respective historical resource.

Qualified person

The technical content of this news release has been reviewed and approved by Mr. Babak V. Azar, P.Geo., géo (OGQ#10876) an independent contractor and a qualified person as defined by National Instrument 43-101. Historical reports provided by the optionor were reviewed by the qualified person.

Quality Assurance and Quality Control

The quality assurance and quality control protocols include insertion of blank or standard samples (accredited by Canadian Resource Laboratories) every 10 samples on average during the analytical process. The gold analyses were completed by fire assay (FA) method with an atomic absorption and ICP finish on 50 grams of materials at the Laboratoire Expert Inc. in Rouyn-Noranda, Quebec, Canada and AGAT Laboratories Ltd in Val d'Or, Quebec, Canada. The repeats were carried out by FA followed by gravimetric testing on each sample containing 10.0 g/t gold or more. Total gold analyses (metallic sieve) were carried out on the samples which presented a great variation of their gold contents or the presence of visible gold.

About Formation Metals Inc.

Formation Metals Inc. is a North American mineral acquisition and exploration company focused on the development of quality properties that are drill-ready with high-upside and expansion potential. Formation's flagship asset is the N2 Gold Project, an advanced gold project with a global historic resource of ~871,000 ounces (18 Mt grading 1.4 g/t Au (~810,000 oz Au) across four zones (A, East, RJ-East, and Central)^{2,3} and 243 Kt grading 7.82 g/t Au (~61,000 oz Au) across the RJ zone^{2,4}) and six mineralized zones, each open for expansion along strike and at depth including the "A" zone, of which only ~35% of strike has been drilled (>3.1 km open), and the "RJ" zone, host to historical high-grade intercepts as high as 51 g/t Au over 0.8 metres.

FORMATION METALS INC.

Deepak Varshney, CEO and Director

For more information, please call 778-899-1780, email dvarshney@formationmetalsinc.com or visit www.formationmetalsinc.com.

Neither the Canadian Securities Exchange nor its Regulation Services Provider accepts responsibility for the adequacy or accuracy of this release.

Notes and References:

1. Readers are cautioned that the geology of nearby properties is not necessarily indicative of the geology of the Property.

2. The above referenced resource estimates do not have a category, are considered historical in nature, and are based on prior data prepared by a previous property owner, and do not conform to current CIM categories.

While the Company considers the estimates to be reliable, a qualified person has not done sufficient work to classify the historical estimates as current resources in accordance with current CIM categories and the Company is not treating the historical estimates as a current resource. A 0.5 g/t Au cut-off was used in the preparation of the historical estimates with a minimum 2.5 metre mining width.

Significant data compilation, re-drilling, re-sampling and data verification may be required by a qualified person before the historical estimates can be classified as current resources. There can be no assurance that any of the historical mineral resources, in whole or in part, will ever become economically viable. In addition, mineral resources are not mineral reserves and do not have demonstrated economic viability. The Company is not aware of any more recent estimates prepared for the Property.

3. Needham, B. (1994), 1993 Diamond Drill Report, Northway Joint Venture, Northway Property; Cypress Canada Inc.; 492 pages.
4. Guy K. (1991), Exploration Summary May 1, 1990 to May 1, 1991 Veza Joint Venture Northway Property; Total Energold; 227 pages.

Forward-looking statements:

This news release includes certain "forward-looking statements" under applicable Canadian securities legislation, including, without limitation, statements regarding the the Company's plans for the Property and the expected timing and scope of the drilling program at the Property, completion of the Offering, the anticipated size of the Offering, the expected terms of the securities to be issued, the intended use of proceeds, the incurrence and renunciation of qualifying expenditures, the anticipated closing date of the Offering, and the receipt of regulatory approvals.

Forward-looking statements are based on management's current expectations, estimates, projections and assumptions as of the date of this news release. Such statements are subject to known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to differ materially from those expressed or implied by such forward-looking statements, including but not limited to: the proposed drilling program at the Property, the risk that the Offering may not be completed on the terms described herein or at all; the risk that regulatory approvals may not be obtained in a timely manner or at all; market conditions; changes in commodity prices; availability of financing; exploration results; and general economic, market, business, political and social conditions.

Readers are cautioned that forward-looking statements are neither promises nor guarantees and that actual results may differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. Except as required by applicable law, the Company undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

The Company is presently an exploration stage company. Exploration is highly speculative in nature, involves many risks, requires substantial expenditures, and may not result in the discovery of mineral deposits that can be mined profitably. Furthermore, the Company currently has no reserves on any of its properties. As a result, there can be no assurance that such forward-looking statements will prove to be accurate, and actual results and future events could differ materially from those anticipated in such statements.

SOURCE: Formation Metals Inc.

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