

Search Closes First Tranche of Private Placement and Announces Shares for Debt Transaction

☒ January 10, 2019 (Source) – **Search Minerals Inc. (TSXV: SMY)** (“**Search**” or the “**Company**”) is pleased to announce the closing of the first tranche of its previously announced private placement. Further to its news release dated December 11, 2018 the Company has completed the first tranche of its non-brokered private placement (the “**Offering**”) raising gross proceeds of \$100,000 by the issuance of 2,000,000 flow-through units (the “**Units**”) at \$0.05 per Unit. Each flow-through unit comprised of a flow-through Common Share and one-half of one common share purchase warrant, with each whole common share purchase warrant entitling the holder to purchase an additional common share at a price of \$0.06 for a period of 24 months from the closing of the Offering.

All Shares issued pursuant to the Offering are subject to a statutory hold period of four months plus one day from the date of issuance, in accordance with applicable securities legislation.

The Company will use the proceeds of the Offering to incur Canadian exploration expenses as defined in the Income Tax Act on the Deep Fox and other company’s properties.

Closing of the Offering is subject to a number of conditions, including receipt of all necessary corporate and regulatory approvals, including the approval of the TSX Venture Exchange.

Shares for debt transaction

The Company has negotiated certain amendments to the

Exploration Activity Agreement between the Company and NunatuKavut Community Council Inc. (“NCC”) dated August 22, 2012 (the “**Agreement**”). Under the terms of the amending agreement, NCC has agreed to accept 500,000 units of the Company (the “**Units**”) at a deemed issue price of \$0.05 per Unit in settlement of payments owing to NCC under the Agreement in the amount of \$25,000 (the “**Debt**”). Each Unit will consist of one common share of the Company (a “**Share**”) and one common share purchase warrant of the Company (a “**Warrant**”). Each Warrant will entitle the holder to purchase one additional Share (a “**Warrant Share**”) at a price of \$0.06 per Warrant Share for a period of 24 months.

The Units will be issued concurrently with an additional 50,000 Shares due for issue under the original terms of the Agreement (the “**Agreement Shares**”).

The Company decided to settle the Debt with Units in order to preserve its remaining cash for operations and the settlement of other obligations.

The issuance of the Units and the Agreement Shares to NCC is subject to the approval of the TSX Venture Exchange. All securities issued will be subject to a four month hold period which will expire on the date that is four months and one day from the date of issue.

About Search Minerals Inc.

Led by a proven management team and board of directors, Search is focused on finding and developing resources within the emerging Port Hope Simpson Critical Rare Earth Element (“**CREE**”) District of South East Labrador (the “**District**”). The Company controls a belt 70 km long and 8 km wide including its 100% interest in the FOXTR0T Project, which is road accessible and at tidewater. Exploration efforts have advanced “Deep Fox” and “Fox Meadow” as significant new CREE prospects very similar to and in close proximity to the original FOXTR0T

discovery. While the Company has identified more than 20 other prospects in the District, its primary objective remains development of FOXTROT. The delineation of additional resources will ensure competitive-low cost production beyond the 14-year mine life outlined in the FOXTROT PEA (April 2016.) The FOXTROT Project has a low capital cost to bring the initial project into production (\$152 M), a short payback period and is scalable due to Search's proprietary processing technology.

The preliminary economic assessment is preliminary in nature and includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the preliminary economic assessment will be realized. The preliminary economic assessment includes the results of an economic analysis of mineral resources. Mineral resources are not mineral reserves and do not have demonstrated economic viability.

All material information on the Company may be found on its website at www.searchminerals.ca and on SEDAR at www.sedar.com

About neo-CREOs (Adamas Intelligence – November 2017)

We consider neodymium, praseodymium, and dysprosium to be neo-CREOs and they are vital to NdFeB magnets used widely in renewable power generation, electric mobility, and energy-efficient technologies. We consider terbium to be a neo-CREO because upon experiencing shortages of dysprosium, consumers in the magnet industry will rapidly consume available terbium supplies in its place for applications involving renewable power generation, electric mobility and energy efficient technologies. Lanthanum is considered a neo-CREO because it is widely used in catalytic converters and rechargeable batteries, and will be increasingly used as a thermal stabilizer by producers of poly-vinyl chloride (PVC) to

minimize lead consumption and improve the energy efficiency of PVC and other processing equipment.

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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Cautionary Statement Regarding “Forward-Looking” Information.

This news release includes certain “forward-looking information” and “forward-looking statements” (collectively “forward-looking statements”) within the meaning of applicable Canadian and United States securities legislation including the United States Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical fact, included herein, without limitation, statements relating the future operating or financial performance of the Company, are forward-looking statements.

Forward-looking statements are frequently, but not always, identified by words such as “expects”, “anticipates”, “believes”, “intends”, “estimates”, “potential”, “possible”, and similar expressions, or statements that events, conditions, or results “will”, “may”, “could”, or “should” occur or be achieved. Forward-looking statements in this news release relate to, among other things, technical results from the Company’s drilling program and closing of the Offering. Actual future results may differ materially. There can be no assurance that such statements will prove to be accurate, and actual results and future events could differ materially from those anticipated in such statements. Forward-looking statements reflect the beliefs, opinions and projections on

the date the statements are made and are based upon a number of assumptions and estimates that, while considered reasonable by the respective parties, are inherently subject to significant business, economic, competitive, political and social uncertainties and contingencies. Many factors, both known and unknown, could cause actual results, performance or achievements to be materially different from the results, performance or achievements that are or may be expressed or implied by such forward-looking statements and the parties have made assumptions and estimates based on or related to many of these factors. Such factors include, without limitation, the risk that the Company is not able to find suitable investors for the Offering or does not receive the approval of TSX Venture Exchange. Readers should not place undue reliance on the forward-looking statements and information contained in this news release concerning these times. Except as required by law, the Company does not assume any obligation to update the forward-looking statements of beliefs, opinions, projections, or other factors, should they change.