

# Search Minerals Announces Additional Funding, Closes Private Placement and Issues shares for Debt

☒ January 31, 2019 (Source) – **Search Minerals Inc. (“Search” or the “Company”)** (TSXV: SMY), is pleased to announce that InCoR Holdings PLC (“InCoR”) has provided the Company CDN \$150,000, which the Company will use principally for working capital purposes. The loan is a non-interest bearing demand loan and will be secured by the existing security package given by the Company and its subsidiary in favor of InCoR in connection with the secured convertible debenture issued to InCoR on November 30, 2018, in the amount \$850,000.

The foregoing constitute a “related party transaction” within the meaning of Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions (“**MI 61-101**”) because InCoR is a “Control Person” of the Company. The Company is relying on the exemptions from the formal valuation and minority approval requirements in Sections 5.5.(a) and 5.7(1)(a) of MI 61-101, on the basis that the fair market value of the transactions does not exceed 25% of the Company’s Market Capitalization.

## **Private Placement**

The Company closed its previously announced private placement with the issuance of \$100,000 of Flow-Through Units.

Each Flow-Through Unit was issued at a price per unit of \$0.05 and is comprised of one Flow-Through Common Share and one Common Share Purchase Warrant exercisable for a period of 24 months at an exercise price of \$0.06. The Warrants will expire on January 30, 2021. 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 Flow-Through units to incur Canadian exploration expenses as defined in the Income Tax Act on the company's properties. The funds have been used towards the Phase 2 drill assay results at the Deep Fox prospect.

### **Shares for Debt**

The Company completed the shares for debt transaction originally announced on January 10, 2019 (the "**Shares for Debt Transaction**"), after receiving the approval of the TSX Venture Exchange to settle indebtedness with NunatuKavut Community Council Inc. ("**NCC**").

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 warrants will expire on January 30, 2021.

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.

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 FOXTR0T. The delineation of additional resources will ensure competitive-low cost production beyond the 14-year mine life outlined in the FOXTR0T PEA (April 2016.) The FOXTR0T 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](http://www.searchminerals.ca) and on SEDAR at [www.sedar.com](http://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.*

*Not for distribution to U.S. Newswire Services or for dissemination in the United States. Any failure to comply with this restriction may constitute a violation of U.S. securities laws.*

### **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, advancement of the Company's Foxtrot Project, environmental assessment results, results from public consultations, provincial studies and the completion of environmental studies. 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, public consultations drastically change the Guidelines, the refusal of the provincial and federal government to cooperate during the assessment process and the results of the environmental assessment are not favourable to the Company. 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.