

Search Minerals Receives \$350,000 in Debt Financing and Extends Convertible Debenture

written by Raj Shah | November 2, 2019

✖ November 1, 2019 ([Source](#)) – **Search Minerals Inc.** (“**Search**” or the “**Company**”) (TSXV: **SMY**), is pleased to announce that InCoR Holdings Limited (“**InCoR**”) has agreed to advance the Company \$150,000 and also extend the maturity date on the secured convertible debenture issued to InCoR on November 30, 2018 (the “**Debenture**”). The Debenture maturity date of November 29, 2019 will be extended to November 30, 2020. The parties have agreed that the \$850,000 principal amount of the Debenture together with the \$150,000 advance will be rolled over into a new convertible debenture with principal amount of \$1,000,000 (the “**New Debenture**”) effective as of November 29, 2019. The Company has also agreed to pay an extension fee of \$50,000 to InCoR.

The New Debenture will be for a term of 12 months and will have an interest rate of 15%. Furthermore, the New Debenture will be convertible into units (“**Units**”) of the Company, at \$0.05 per Unit, at any time following the issuance of the New Debenture, at InCoR’s option. Each Unit, if issued, will consist of one common share and one warrant exercisable into an additional common share for a period of five years from the date of conversion at a deemed price of \$0.05.

The foregoing constitutes 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.

The Company further announces that it has agreed to an unsecured loan of \$200,000 (the "**Loan**") with an arm's length party. The Loan will be for a period of one year, will be repayable at any time without penalty and will bear interest at a rate of 10% per annum, paid quarterly. In consideration for agreeing to the Loan, the Issuer will issue 4,000,000 warrants (the "**Bonus Warrants**") to the lender. Each Bonus Warrant will be exercisable into one common share for one year at a price of \$0.05.

The New Debenture, the Loan and the Bonus Warrants are subject to TSX Venture Exchange approval.

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 FOXTROT and DEEP FOX Projects, which are road accessible and at tidewater. Exploration efforts have advanced "Fox Meadow" as a significant new CREE prospect very similar to and in close proximity to FOXTROT and DEEP FOX. 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 FOXTROT 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

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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, 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.