Search Minerals Announces $200,000 Funding and Provides Update on Convertible Debenture

written by Raj Shah | November 8, 2018

November 8, 2018 (Source) – **Search Minerals Inc. ("Search" or the "Company") (TSXV: SMY)**, is pleased to announce that InCoR Holdings PLC ("**InCoR**") has agreed to lend the Company an additional CDN $200,000, which will be used for general 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 debentures issued to InCoR on September 28, 2017 (the "**September Debenture**") and October 27, 2017 (the "**October Debenture**"), in the amounts of $150,000 and $350,000, respectively.

The October Debenture was not converted and matured on October 27, 2018, at which time it became repayable in cash. As the Company pursues a refinancing of both the September Debenture and the October Debenture, InCoR has agreed to forbear taking any action under both the September Debenture and the October Debenture or the related security agreements for duration of the period beginning September 29, 2018, and ending on November 30, 2018. As consideration for this forbearance the Company has agreed to pay InCoR a forbearance fee in the amount of CDN $ 20,000.00 which is payable at the end of the forbearance period.

The foregoing constitute "related party transactions" 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.

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 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 FOXTROT 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 support 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.

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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.