Search Minerals Announces Closing of First Tranche of Private Placement for Proceeds of $5.3 Million

written by Raj Shah | December 24, 2021

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December 23, 2021 (Source) – **Search Minerals Inc. (TSXV: SMY | OTCQB: SHCMF)** ("**Search**" or the "**Company**"), is pleased to announce that the Company has closed the first tranche of its previously announced non-brokered private placement offering of 18,540,000 flow-through common shares of the Company (the "**FT Shares**") at a price of $0.25 per FT Share (the "**FT Offering**") and 3,711,113 units (the "**Units**") at a price of $0.18 per Unit (the "**Unit Offering**", together with the FT Offering, the "Private **Placement**") for aggregate gross proceeds of $5,303,000.

Each Unit consists of one common share (each, a "**Share**") and one common share purchase warrant (a "**Warrant**") in the capital of the Company. Each Warrant entitles the holder to purchase one additional common share (a "**Warrant Share**") of the Company for a period of 24 months from the date of issue at an exercise price of $0.25 per Warrant Share, subject to adjustment pursuant to the terms of the Warrant.

The Company intends to use the proceeds from the FT Offering to incur eligible Canadian Exploration Expenses and flow-through mining expenditures, as defined under the *Income Tax Act* (Canada), that will be renounced in favour of the purchasers with an effective date of no later than December 31, 2022. The

Company intents to use the proceeds from the Unit Offering for general working capital purposes.

The Company has agreed to pay finder's fee to certain finders with respect to certain purchasers consisting of a cash fee totaling $281,130 and 1,141,833 non-transferable finder's warrants (each, a "**Finder's Warrant**"). Each Finder's Warrant will entitle the holder to acquire one common share of the Company at an exercise price of $0.35 per common share for a period of 12 months from the date of issuance.

All securities issued pursuant to the Private Placement are subject to a statutory four-month hold period expiring on April 23, 2022. The Private Placement is subject to receipt of final approval of the TSX Venture Exchange.

The Company closed the majority of the FT Offering as part of this initial tranche of the Private Placement in order to ensure closing occurred prior to year-end as is necessary for the purposes of its proposed timeline for renouncing Canadian Exploration Expenses pursuant to the *Income Tax Act* (Canada). The Company anticipates closing the approximately $9.7 million remaining under the Private Placement under one or more additional tranches in the near future.

About Search Minerals Inc.

Led by a proven management team and board of directors, Search is focused on finding and developing Critical Rare Earths Elements (CREE), Zirconium (Zr) and Hafnium (Hf) resources within the emerging Port Hope Simpson – St. Lewis CREE District of South East Labrador. The Company controls a belt 63 km long and 2 km wide and is road accessible, on tidewater, and located within 3 local communities. Search has completed a preliminary economic assessment report for **FOXTROT**, and a resource estimate for **DEEP FOX**. Search is also working on three exploration

prospects along the belt which include: **FOX MEADOW, SILVER FOX** and **AWESOME FOX**.

Search has continued to optimize our patented Direct Extraction Process technology with the generous support from the Department of Tourism, Culture, Industry and Innovation, Government of Newfoundland and Labrador, and from the Atlantic Canada Opportunity Agency. We have completed two pilot plant operations and produced highly purified mixed rare earth carbonate concentrate and mixed REO concentrate for separation and refining.

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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.

Cautionary Statement Regarding "Forward-Looking" Statements:

Except for the statements of historical fact, this news release contains "forward-looking information" within the meaning of the applicable Canadian securities legislation that is based on expectations, estimates and projections as at the date of this news release. "Forward-looking information" in this news release includes information about the Company's anticipated use of proceeds of the Private Placement, closing of additional tranches of the Private Placement, and the timing thereof, and other forward-looking information. Factors that could cause actual results to differ materially from those described in such

forward-looking information include, but are not limited to, the inability to obtain the necessary Exchange approvals to complete the Private Placement or to apply the proceeds of the Private Placement as anticipated by management.

The forward-looking information in this news release reflects the current expectations, assumptions and/or beliefs of the Company based on information currently available to the Company. In connection with the forward-looking information contained in this news release, the Company has made assumptions about the Company's financial condition and development plans do not change as a result of unforeseen events, and that the Company will receive all required regulatory approvals, including Exchange approval, for the Private Placement.

Although the Company believes that the assumptions inherent in the forward-looking information are reasonable, forward-looking information is not a guarantee of future performance and accordingly undue reliance should not be put on such information due to the inherent uncertainty therein. The Company does not assume any obligation to update the forward-looking statements, or to update the reasons why actual results could differ from those reflected in the forward-looking statements, unless and until required by applicable securities laws. Additional information identifying risks and uncertainties is contained in the Company's filings with the Canadian securities regulators, which filings are available at www.sedar.com.