Search Minerals Announces Closing of Oversubscribed Private Placement

written by Raj Shah | January 7, 2021

January 6, 2021 (Source) – **Search Minerals Inc. (TSXV: SMY)** ("**Search**" or the "**Company**"), is pleased to announce that due to strong investor demand, the Company increased the size of and closed its previously announced non-brokered private placement offering of units of the Company (the "**Units**") for gross proceeds of $534,000 (the "**Private Placement**").

Pursuant to the Private Placement, the Company issued 8,900,000 Units at a price of $0.06 per Unit, with each Unit consisting of one common share of the Company (each, a "**Share**") and one common share purchase warrant of the Company (each, a "**Warrant**"). Each Warrant entitles the holder to acquire an additional Share for a period of 2 years at a price of $0.06 in the first year and $0.08 in the second year of the term of the Warrant.

The proceeds of the Private Placement will primarily be used for general working capital purposes. The securities issued in connection with the Private Placement will be subject to a four month and one day hold period under applicable securities laws.

Certain insiders of the Company purchased an aggregate of 420,000 Units under the Private Placement, constituting, to that extent, a "related party transaction" within the meaning of TSX Venture Exchange Policy 5.9 and Multilateral Instrument 61-101 ("**MI 61-101**"). The Company has relied on the exemptions from the valuation and minority shareholder approval requirements of MI 61-101 (and Policy 5.9) contained in sections 5.5(a) and

5.7(1)(a) of MI 61-101 in respect of such insider participation. The Company did not file a material change report more than 21 days before the expected closing of the Private Placement, as the details and amounts of the insider participation were not finalized until closer to the closing and the Company wished to close the transaction as soon as practicable for sound business reasons.

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, 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 TSX Venture 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 ability to close the Private Placement, that 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 TSX Venture 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.