

Search Minerals Announces Guaranteed Rights Offering for \$1,366,055

written by Raj Shah | May 3, 2019

✖ May 2, 2019 ([Source](#)) – **Search Minerals Inc. (“Search” or the “Company”)** (TSXV: SMY), is pleased to announce that it will be proceeding with a guaranteed rights offering to raise \$1,366,055. The Company will be offering rights to holders of its Common Shares at the close of business on the record date of May 10, 2019 on the basis of one right for each four (4) Common Shares held (the **“Rights Offering”**). Each right will entitle the holder to subscribe for one share of the Company (a **“Share”**) upon payment of a subscription price of \$0.03 per Share.

The rights will not trade on the TSX Venture Exchange (**“TSXV”**). The Rights offering will expire at 2:00 p.m. (Vancouver time) on June 14, 2019 (the **“Expiry Time”**), after which time unexercised rights will be void and of no value. Shareholders who fully exercise their rights will be entitled to subscribe for additional Shares, if available as a result of unexercised rights prior to the Expiry Time, subject to certain limitations set out in the Company’s Rights Offering circular.

Details of the Rights Offering will be set out in the Rights Offering notice and Rights Offering circular which will be available under the Company’s profile at www.sedar.com. The Rights Offering notice and accompanying rights certificate will be mailed to each eligible shareholder of the Company as at the record date. Registered shareholders who wish to exercise their rights must forward the completed rights certificate, together with the applicable funds, to the rights agent, Computershare Investor Services Inc., on or before the Expiry Time.

Shareholders who own their Common Shares through an intermediary, such as a bank, trust company, securities dealer or broker, will receive materials and instructions from their intermediary. Rights delivered to brokers, dealers or other intermediaries may not be delivered by those intermediaries to beneficial shareholders who are residents in a jurisdiction outside of Canada.

The Company currently has 182,140,678 Common Shares outstanding. A maximum of 45,535,170 Shares will be issued under the Rights Offering. If all the rights issued are validly exercised, the offering will raise gross proceeds of approximately \$1,366,055, the net proceeds of which will be used to reduce trade payables, repay loan advances to InCoR Holdings PLC ("**InCor**"), mineral resource estimate for Deep Fox, an updated Preliminary Economic Assessment report to include both Deep Fox and Foxtrot resources, pilot plant optimization costs, exploration work to maintain licenses, environmental baseline work and general working capital.

Standby Guarantee

In connection with the Rights Offering, the Company has entered into a standby guarantee agreement (the "**Standby Guarantee**") with InCoR. Under the Standby Agreement, InCoR has agreed to subscribe for, and the Company has agreed to issue, all Units that are not otherwise purchased by the Company's shareholders, up to the amount of \$1,366,055. The Standby Guarantee has been approved by the independent directors of the Company. As consideration for the Standby Guarantee, The Company will also grant InCoR compensation warrants ("**Compensation Warrants**") entitling InCoR to acquire up to that number of Common Shares equal to 25% of the number of Units distributed pursuant to the Rights Offering, with each Compensation Warrant exercisable at \$0.05, to acquire one Common Share for a period of sixty (60)

months from the date of the closing of the Rights Offering.

Closing of the Rights Offering is subject to a number of conditions, including receipt of all necessary corporate and regulatory approvals, including the approval of the TSX Venture Exchange.

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 ensure 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.

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.

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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, technical results from the Company's drilling program and closing of the Offering. 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, the risk that the Company is not able to find suitable investors for the Offering or does not receive the approval of TSX Venture Exchange. 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.