

Search Minerals Closes Rights Offering

written by Raj Shah | June 19, 2019

✖ June 19, 2019 ([Source](#)) – **Search Minerals Inc. (“Search” or the “Company”)** (TSXV: **SMY**), is pleased to announce that on June 18, 2019 the Company closed its previously announced rights offering which expired on June 14, 2019 (**“Rights Offering”**). At closing, Search issued 45,535,170 common shares of the Company (**“Shares”**) at a price of \$0.03 per Share for total gross proceeds of \$1,366,055. Following the closing of the Rights Offering, Search has 227,675,848 Shares issued and outstanding.

To the knowledge of the Company, after reasonable inquiry, directors, officers, employees and insiders of the Company, excluding InCoR (defined below), exercised subscription privileges, including subscription privileges associated with additional rights acquired in the market, to acquire 2,000,000 Shares under the Rights Offering, representing total subscription proceeds of approximately \$60,000. To the knowledge of the Company, after reasonable inquiry, no person became a new shareholder holding more than 10% of the Shares as a result of the Rights Offering.

InCoR Holding Limited (**“InCoR”**), an insider and the Company’s largest shareholder, fully exercised its basic subscription privilege to purchase its pro rata portion of the Shares offered, being 10,624,667 Shares, purchased 6,400,000 Shares through the exercise of its additional subscription privilege, and purchased an additional 16,983,967 Shares pursuant to the standby guarantee agreement entered into between the Company and InCoR. InCoR’s total subscription was 34,008,634 Shares under the Rights Offering.

In addition, InCoR was issued an additional 8,727,625 non-transferable compensation warrants in consideration for providing the stand-by commitment for the Rights Offering. Each such non-transferable compensation warrant is exercisable at a price of \$0.05 for 60 month-period from June 17, 2019. Upon completion of the Rights Offering, InCoR now owns 33.60% of the Company's issued and outstanding Shares.

There were no selling fees or commissions paid in connection with the distribution. The net proceeds of the Rights Offering will be used in the manner disclosed in the rights offering circular of the Company dated May 6, 2019, a copy of which is available on the Company's SEDAR profile at www.sedar.com.

This news release shall not constitute an offer to sell or solicitation of an offer to buy the securities of the Company. There shall be no offer or sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to the registration or qualification of such securities under the laws of any such jurisdiction.

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. The Company has completed 5000m of drilling on the Deep Fox prospect and continued exploration efforts have advanced "Fox Meadow". Deep Fox and Fox Meadow are very similar to and in close proximity to the original FOXTROT discovery. The Company has identified more than 20 other prospects in the District. 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 patented 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

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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, the intended use of proceeds of the Rights Offering and closing of the Rights 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 use the proceeds from the Rights Offering as anticipated or does not receive all necessary approvals for the Rights Offering. 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.