

Search Minerals Inc. Announces \$15,000,000 Non-Brokered Private Placement of Units and Previously Announced Flow- Through Shares

written by Raj Shah | December 7, 2021

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December 7, 2021 ([Source](#)) – Search Minerals Inc. (“Search” or the “Company”) (TSXV: SMY | OTCQB: SHCMF) is pleased to update the terms of the Company’s non-brokered private placement of flow-through common shares of the Company (“the **FT Shares**”), as announced on December 3, 2021 (the “**FT Offering**”). The Company is pleased to announce that Search will complete a non-brokered private placement offering for aggregate gross proceeds of up to \$15,000,000, through a combination of (i) FT Shares at a price of \$0.25 per FT Share, up to a maximum of \$5,000,000; and (ii) units of the Company (the “**Units**”) at a price of \$0.18 per Unit (the “**Unit Offering**”).

Each Unit consists of one common share (each, a “**Share**”) and one common share purchase warrant (each, a “**Warrant**”) in the capital of the Company. Each Warrant will entitle the holder to purchase one additional Share at a price of \$0.25 per Share for a period of 24 months after the date of issuance, provided that if the volume-weighted average closing price of the Shares on the TSX Venture Exchange (the “**TSXV**”) is at a price greater than \$0.40 for a period of thirty consecutive trading days, the Company will have the right to accelerate the expiry date of the

Warrants by giving written notice to the holders of the Warrants that the Warrants will expire on the date that is not less than 30 days from the date of such notice.

The Company intends to use the proceeds from the FT Offering to incur eligible Canadian exploration expenses and flow-through mining expenditures, within the meaning of the *Income Tax Act* (Canada), on the Company's projects, including the Company's Deep Fox project in the Critical Rare Earth Element District of South East Labrador (the "**District**") and other exploration work in the District. The Company intends to use the proceeds from the Unit Offering for general working capital purposes. Closing of each of the FT Offering and Unit Offering (collectively, the "**Offerings**") is subject to a number of conditions, including receipt of all necessary corporate and regulatory approvals, including the approval of the TSXV.

In connection with the Offerings, the Company may pay finders' fees to certain arm's length parties, as permitted by the policies of the TSXV. All securities issued in connection with the Offerings will be subject to a four-month hold period under applicable securities legislation.

Certain insiders of the Company may participate in the Offerings. The participation of Insiders in the Offerings will constitute a "related party transaction" within the meaning of Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions ("**MI 61-101**"). The Company anticipates 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.

Additionally, the Company would like to announce the issuance of

50,000 Shares, with an additional 200,000 Shares to be issued at 50,000 Shares per annum over the following four years, pursuant to the terms of the Company's exploration activity agreement dated August 22, 2012, as amended on November 6, 2014 and December 18, 2018 (the "**Agreement**") with NunatuKavut Community Council, subject to receipt of all necessary corporate and regulatory approvals, including the approval of the TSXV.

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 generous support from the Department of Tourism, Culture, Industry and Innovation, Government of Newfoundland and Labrador, ("**InnovateNL**") and from the Atlantic Canada Opportunity Agency ("**ACOA**"). We have completed two pilot plant operations and produced highly purified mixed rare earth carbonate concentrate and mixed REO concentrate for separation and refining. For more information about Search, visit www.searchminerals.ca.

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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 Note Regarding Forward-Looking Statements: *This news release includes certain forward-looking statements and forward-looking information (together, "forward-looking statements"). All statements other than statements of historical fact included in this release, including, without limitation, statements regarding the Offerings, the use of proceeds from each of the Offerings, the issuance of the Shares under the Agreement, other future plans and objectives of the Company are forward-looking statements. There can be no assurance that such statements will prove to be accurate and actual results and future events may vary from those anticipated in such statements. Important risk factors that could cause actual results to differ materially from the Company's plans or expectations include failure to obtain TSX Venture Exchange acceptance of the Unit Offering, FT Offering and/or the issuance of Shares under the Agreement, inability to use of proceeds from each of the Offerings as expected, failure to raise sufficient funds on the proposed terms or at all, and risks associated with mineral exploration, including the risk that actual results and timing of exploration and development will be different from those expected by management. The forward-looking statements in this news release were developed based on the assumptions and expectations of management, including that TSX Venture Exchange acceptance for the Unit Offering, the FT Offering and the issuance of Shares under the Agreement will be obtained, the Company will be able to use the proceeds from each of the Offerings as anticipated, required fundraising will be completed, as well as the other*

assumptions disclosed in this news release and that the risks described above will not materialize. The Company expressly disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, except as otherwise required by applicable securities legislation.