Search Minerals Inc. Closes Shares for Debt Transaction

written by Raj Shah | August 29, 2019

August 28, 2019 (Source) – **Search Minerals Inc. ("Search" or the "Company") (TSXV: "SMY")** announces that it has closed its previously announced shares for debt transaction.

The Company issued 1,100,000 common shares in the capital of the Company (the "**Shares**") at a price of $0.08 per Share in settlement of an outstanding debt in the amount of $88,000 owing to certain directors of the Company in respect of accrued director fees (the "**Debt Settlement**").

All securities issued in connection with the Debt Settlement are subject to a four month hold period.

The issuance of Shares to the directors constitutes a "related party transaction" as this term is defined in Multilateral Instrument 61-101 – *Protection of Minority Securityholders in Special Transactions* ("**MI 61-101**"). All of the independent directors of the Company, acting in good faith, determined that the fair market value of the Shares being issued pursuant to the Debt Settlements to the directors and the consideration being paid is reasonable. The Company intends to rely on the exemptions from the valuation and minority shareholder approval requirements of MI 61-101 contained in sections 5.5(a) and 5.7(1)(a) of MI 61-101 as neither the fair market value of the Shares nor the debt exceeds 25% of the Company's market capitalization.

The Company did not file a material change report more than 21 days before the expected closing of the shares for debt transaction as the details and amounts of debts settled under

the transaction 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 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.

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*: Certain disclosure in this release, including statements regarding the Company's exploration plans and strategies to delineate additional resources, may constitute "forward-looking information" within the meaning of Canadian securities legislation. In making the forward-looking statements in this release, the Company has applied certain factors and assumptions that the Company believes are reasonable, including that the Company will obtain the necessary regulatory approvals for exploration work. However, the forward-looking statements in this release are subject to numerous risks, uncertainties and other factors that may cause future results to differ materially from those expressed or implied in such forward-looking statements. Such uncertainties and risks include, among others, financing risks, delays in obtaining or inability to obtain required regulatory approvals and changes in the Company's plans. 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. Readers are cautioned not to place undue reliance on forward-looking statements. The Company does not intend, and 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 required by law.*