

RIGHTS OFFERING NOTICE

SEARCH MINERALS INC.

Notice to Security Holder – May 6, 2019

The purpose of this notice is to advise holders of common shares of Search Minerals Inc. (“**SMY**”) of a proposed offering of rights (“**Rights**”) of SMY (the “**Rights Offering**”).

References in this notice to “we”, “our”, “us” and similar terms are to SMY. References in this notice to “you”, “your” and similar terms are to holders of SMY’s common shares.

We currently have sufficient working capital to last less than one month. We require 100% of the offering to meet our working capital requirements for the next four months

1. Who can participate in the rights offering?

We are issuing to the holders of our outstanding Common Shares of record at the close of business (2:00 p.m. Vancouver time) on May 10, 2019 (the “**Record Date**”) rights to subscribe for Common Shares on the terms described in our circular. Each holder of Common Shares of record at the close of business on the Record Date who is resident in an Eligible Jurisdiction (as defined below) may participate in the Rights Offering.

2. Who is eligible to receive rights?

The offer of these securities is made in (i) all provinces and territories of Canada except Quebec, and (ii) in all jurisdictions outside Canada and the United States excluding any jurisdiction that does not provide a prospectus exemption substantially similar to the exemption provided in Canada or that otherwise requires obtaining any approvals of a regulatory authority in the such jurisdiction or the filing of any document by the Company in the such jurisdiction in connection with this offering (collectively, the “**Eligible Jurisdictions**”). In addition, the offering is not being made in jurisdictions where the Company is not eligible to make such offer.

The securities offered hereby have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”), or the securities laws of any state of the United States. This rights offering circular does not constitute an offer to sell or a solicitation of an offer to buy any of the securities offered hereby within the United States, and the securities offered herein may not be offered or sold in or into the United States or to U.S. persons. “**United States**” and “**U.S. persons**” are as defined in Regulation S under the U.S. Securities Act.

This notice is not to be construed as an offering of the Rights, nor are the Shares (defined below) issuable upon exercise of the Rights offered for sale in any jurisdiction outside the Eligible Jurisdictions or to shareholders who are residents of any jurisdiction other than the Eligible Jurisdictions (“**Ineligible Holders**”).

3. How many rights are we offering?

We are offering a maximum of 45,535,170 Rights to Eligible Holders.

4. How many rights will you receive?

We are offering each Eligible Holder one Right for every 4 common shares held as of the Record Date. No fractional Rights will be issued. The holder’s entitlement will be reduced to the next lowest whole number of Rights.

5. What does one right entitle you to receive?

Each Right entitles an Eligible Holder to purchase one (1) share of SMY at a subscription price of \$0.03 per Share (the “**Basic Subscription Privilege**”) until 2:00 p.m. (Vancouver time) on June 14, 2019

Any Eligible Holder who exercises all of their Rights under the Basic Subscription Privilege will also have the additional privilege of subscribing, pro rata, for additional Shares at the subscription price (the “**Additional Subscription Privilege**”). The Shares available under the Additional Subscription Privilege will be those Shares issuable in the Rights Offering that have not been subscribed and paid for under the Basic Subscription Privilege by June 14, 2019

Any Eligible Holder who exercises their Rights must enclose payment in Canadian funds by certified cheque, bank draft or money order payable to the order of Computershare Investor Services Inc., SMY’s transfer agent.

6. How will you receive your rights?

Registered Eligible Holders – If you are a registered holder of common shares, a certificate (a “**Rights Certificate**”) representing the total number of Rights that you are entitled to as of the Record Date is enclosed with this notice.

Beneficial Eligible Holders – You are a beneficial holder of common shares if you hold your shares through a securities broker or dealer, bank or trust company or other participant (a “**Participant**”) in the book-based system administered by CDS Clearing and Depository Services Inc. (“**CDS**”). The total number of Rights to which all beneficial Eligible Holders as of the Record Date are entitled will be issued to and deposited with CDS following the Record Date. If you are a beneficial Eligible Holder, we expect you will receive a confirmation of the number of Rights issued to you from the applicable Participant in accordance with the practices and procedures of that Participant. CDS will be responsible for establishing and maintaining book-entry accounts for Participants holding Rights.

7. When and how can you exercise your rights?

If you are a registered Eligible Holder who receives a Rights Certificate, you must complete and deliver your Rights Certificate on or before 2:00 pm (Vancouver time) on June 14, 2019

If you are a beneficial Eligible Holder, you must arrange exercises, transfers or purchases of Rights through your Participant on or before 2:00 pm (Vancouver time) on June 14, 2019 or such earlier time as required by your Participant. We expect that each beneficial Eligible Holder will receive a customer confirmation of issuance or purchase, as applicable, from their Participant through which the Rights are issued in accordance with the practices and policies of such Participant.

8. What are the next steps?

This notice contains key information that you should know about SMY. You can find more details in our rights offering circular, a copy of which can be obtained on SMY’s profile at www.SEDAR.com or at www.searchminerals.ca, or you can ask your dealer representative for a copy, or contact Greg Andrews at 604-998-3432 or info@searchminerals.ca. You should read the rights offering circular, along with SMY’s continuous disclosure record, to make an informed decision.

/s/ Greg Andrews

Chief Executive Officer/President
Search Minerals Inc.
