



Search Minerals Announces Debenture Financing and Shares for Debt Transaction

VANCOUVER, British Columbia, June 10, 2020 -- **Search Minerals Inc. (TSXV: SMY)** ("**Search**" or the "**Company**") is pleased to announce a non-brokered secured convertible debenture ("**Debenture**") private placement (the "**Private Placement**") for gross proceeds of \$500,000. The Debenture has a maturity date of one year from the date of issuance and will bear simple interest at a rate of 15% per annum, calculated and paid semi-annually. The Debenture will be convertible into units ("**Units**") of the Company at a conversion price of \$0.05 per Unit, all in accordance with the terms set forth in the certificate representing the Debenture. Each Unit will be comprised of one common share of the Company (a "**Share**") and one common share purchase warrant (a "**Warrant**"), with each Warrant entitling the holder thereof to acquire one additional Share (a "**Warrant Share**") at an exercise price of \$0.05 per Warrant Share for five years from the date of conversion of the Debenture. The Debenture will be secured by a general security agreement over all of the Company's assets and a share pledge agreement pursuant to which the Company has pledged all the shares of its wholly owned subsidiary Alterra Resources Inc. InCoR Holdings PLC, who already has security over the Company's assets has agreed to enter into an inter-creditor agreement so their security will rank *pari passu* with the subscriber.

In addition, the Company has agreed to settle the interest payment due to InCoR Holdings PLC. as at May 31, 2020, in the amount of \$69,308.22, with the issuance of 1,386,164 Common Shares of the Company, at a deemed price of \$0.05 per Share. The Company decided to settle this debt with Shares in order to preserve its remaining cash for operations.

All securities issued pursuant to the Private Placement and Shares for Debt will be subject to a statutory hold period of four months from the date of issuance, in accordance with applicable securities legislation. Completion of the Private Placement and Shares for Debt is subject to 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 Critical Rare Earth Element ("CREE") District of South East Labrador. The Company controls a belt 63 km long and 2 km wide including its 100% interest in the **FOXTROT** and **DEEP FOX** Projects, which are road accessible and at tidewater. Exploration efforts have advanced **FOX MEADOW** and **SILVER FOX** as new CREE prospects very similar to and in close proximity to **FOXTROT** and **DEEP FOX**.

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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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, completion of the Private Placement. 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 does not receive the approval of the TSX Venture Exchange for the Private Placement. 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.