

Search Minerals announces closing of non-brokered financing, issuance of shares-for-debt and warrant extension application

TORONTO, Feb. 10, 2014 /CNW/ - Search Minerals Inc. ("**Search**" or the "**Company**") (TSXV: SMY) is pleased to announce that it has closed the second and final tranche of a non-brokered private placement (the "**Private Placement**"). Pursuant to the second tranche, the Company issued an aggregate of 3,695,382 units (the "**Units**") at a price of C\$0.07 per Unit for gross proceeds of C\$258,767.70. Including Units sold pursuant to the first tranche of the Private Placement, the Company issued a total of 8,906,464 Units for aggregate gross proceeds of approximately C\$623,450.

Each Unit is comprised of one common share of the Company and one-half of one common share purchase warrant, with each whole common share purchase warrant (a "**Warrant**") entitling the holder to purchase an additional common share (a "**Warrant Share**") at a price of \$0.10 for a period of 24 months from the closing of the Offering.

A Control Person (as that term is defined under the policies of the TSX Venture Exchange) of the Company has acquired Units pursuant to the financing. All securities issued pursuant to the financing are subject to a four-month re-sale restriction.

ISSUANCE OF SHARES FOR DEBT

In addition to the cash proceeds from the offering, Search has agreed to settle an aggregate of \$121,250 of indebtedness owed to certain directors and officers of the Company through the issuance of an aggregate of 1,732,412 common shares at a deemed issuance price of \$0.07 per common share. All common shares issued in connection with the shares for debt transaction are subject to a four-month statutory hold period. The transaction remains subject to final TSX Venture Exchange ("**TSXV**") approval.

Pursuant to Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions ("**MI 61-101**"), the shares for debt transaction and the purchase of Units by an insider pursuant to the Private Placement constitute "related party transactions" as related parties will receive 1,732,412 common shares of the Company in connection with the debt settlement and have purchased an aggregate of 2,200,000 Units pursuant to the second tranche of the Private Placement. The Company is relying on exemptions from the formal valuation and minority approval requirements of MI 61-101, based on the fact that the securities of the Company are not listed on any of the markets specified in section 5.5(b) of MI 61-101 and a determination that the fair market value of the transactions, insofar as they involve related parties, does not exceed \$2,500,000 and/or 25% of the market capitalization of the Company, the Company has one or more independent directors in respect of the transactions, and all of the independent directors have approved both the Private Placement and the shares for debt settlement. A material change report will be filed less than 21 days before the closing date of the transactions. This shorter period is considered reasonable and necessary in the circumstances as the Company wishes to address its short term funding requirements and improve its financial position by reducing its accrued liabilities.

USE OF PROCEEDS

The Company will use the proceeds from the Private Placement for due diligence and expenses related to the Transaction between MSFA and the Company (see "*Search Minerals Announces Reverse Takeover Acquisition of Mineração São Francisco de Assis Ltda.*", January 27, 2014), for maintaining and evaluating its rare earth element ("**REE**") properties in the Port Hope Simpson REE District, and for general working capital.

The Company is focused on critical metals and minerals with strong market fundamentals and increasing use in innovative technologies. These critical metals and minerals include tin, neodymium, dysprosium and other elements that the Board and Management agree are strategic in nature.

APPLICATION FOR WARRANT EXTENSION

The Company has also applied to the TSXV to extend the expiry date of an aggregate of 25,400,000 issued and outstanding common share purchase warrants (the "**Warrants**") in accordance with TSXV Policy 4.1.

The warrants were initially issued by the Company on March 21, 2013 and October 16, 2012. The Warrants are exercisable at prices of \$0.10 and \$0.20 per common share, respectively, and were set to expire on March 21, 2014 and April 16, 2014, respectively. Subject to TSXV approval, the Company proposes to extend the terms of the Warrants as follows:

<u>Number of Warrants</u>	<u>Exercise Price</u>	<u>Original Issuance Date</u>	<u>Original Expiry Date</u>	<u>Amended Expiry Date</u>
24,000,000	\$0.10	March 21, 2013	March 21, 2014	March 21, 2015
1,400,000	\$0.20	October 16, 2012	April 16, 2014	April 16, 2015

The exercise price of the warrants will remain unchanged.

2013 ANNUAL FINANCIALS

The Company has filed on SEDAR its consolidated financial statements for the three- and twelve-month period ended November 30, 2013 and the related management's discussion and analysis.

About Search Minerals:

Search Minerals Inc. (TSXV: SMY) is a TSX Venture Exchange listed company focused on creating value through finding and developing mineral assets with growing demand and constrained or restricted supply, and with increasing use in innovative technologies. The Company is actively pursuing opportunities and partnerships in critical metals, including, but not limited to, tin, tungsten, dysprosium and neodymium, prioritizing projects that can be partnered, funded and developed in a relatively short period of time, in strategic, friendly jurisdictions.

Search is the discoverer of the Port Hope Simpson REE District, a highly prospective light and heavy REE belt located in southeast Labrador, where the Company controls a dominant land position in a belt 135 km long and up to 12 km wide. In addition, Search holds a number of additional mineral prospects in Newfoundland and Labrador in its portfolio, including claims in the Strange Lake Complex (where Quest Rare Minerals has a Joint Venture with Search); and at the Red Wine Complex (where Great Western Minerals Group has a Joint Venture with Search).

All material information on the Company may be found on its website at www.searchminerals.ca and on SEDAR at 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 of the adequacy or accuracy of this release.

Cautionary Statement:

This news release contains forward-looking statements that are not historical facts. Forward-looking statements involve risks, uncertainties, and other factors that could cause actual results, performance, prospects, and opportunities to differ materially from those expressed or implied by such forward-looking statements. Factors that could cause actual results to differ materially from these forward-looking statements include those risks set out in Search's public documents filed on SEDAR at www.sedar.com. Although Search believes that the assumptions and factors used in preparing the forward-looking statements are reasonable, undue reliance should not be placed on these statements, which only apply as of the date this news release, and no assurance can be given that such events will occur in the disclosed time frames or at all. Except where required by law, Search disclaims any intention or obligation to update or revise any forward-looking

statement, whether as a result of new information, future events, or otherwise.

SOURCE: Search Minerals Inc.

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