SearchMinerals Inc Announces $500,000 Secured Convertible Debenture

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VANCOUVER, Sept. 07, 2017 - Search Minerals Inc. (TSXV:SMY) (“Search” or the “Company”) is pleased to announce that it has entered into a term sheet with InCoR Holdings Plc, (“InCoR”) pursuant to which InCoR has agreed to provide funding (the “Financing”) of $500,000 by way of a secured convertible debenture (“Debenture”). The Debenture will have 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, in cash or, at InCoR’s option, payable in Units. The Debenture will be convertible into units (“Units”) of the Company at a conversion price of $0.06 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 $0.07 per Warrant Share for five years from the date of issuance of the Debenture. The Debenture will be secured by a General Security Agreement over all of the Company’s assets, or a Security arrangement which is satisfactory to each party. As a condition of closing, InCoR will appoint 2 nominees to the Search board. Jim Clucas and Jim Patterson have agreed to voluntarily resign from the Search board to accommodate this condition.

The Company anticipates closing the Financing on or before September 26, 2017. The proceeds from the Financing will be used for general working capital and to initiate the planned 2000m drill program at Deep Fox.

In addition, and further to the Company’s news release dated August 8, 2017, the Company will continue with its previously announced flow-through financing to raise up to an additional $700,000 through the issuance of up to 10,000,000 flow-through shares at a price of $0.07 per share. The proceeds of the flow-through financing will be used to incur Canadian Exploration Expenses (as defined in the Income Tax Act) on the Company’s properties.

All securities issued pursuant to the Financing and the flow-through private placement will be subject to a statutory hold period of four months and one day from the Closing Date. Completion of the Financing and the flow-through private placement are subject to the approval of the TSX Venture Exchange (the “TSXV”).

Greg Andrews, President & CEO, “We are very pleased that Search continues to attract the interest of InCoR as a Strategic Investor to continue to develop the Port Hope Simpson Critical Rare Earth Element District. These funds will allow Search to initiate the Deep Fox drill program, while we continue to raise flow-through funds.”

Andrews stated: “InCoR has been an investor in Search Minerals since 2010. In 2015, InCoR provided Search with $ 1,000,000.00 by way of a $ 350,000.00 private placement and the purchase of the Starved Acid Leach Technology (“SALT”) promissory note for $ 650,000.00, (See Search News Release – dated September 30, 2015 – Search Minerals Inc. announces amendment to Patent purchase of SALT Technology and Raises $ 350,000 Private Placement). This transaction was instrumental for the government funding approval process of Atlantic Canada Opportunities Agency (“ACOA”) and Research and Development Corporation of Newfoundland and Labrador (“RDC”). ACOA and RDC together contributed up to $ 1,250,000 towards the $ 1,900,000 successful pilot plant operation. The pilot plant provided Search with high purity mixed rare earth concentrate samples. Search has sent out some of the samples to refineries for further separation validation and costing. “

Furthermore, “InCoR recognizes that this is a first step financing and will work with Search to continue to secure more funding to advance the District. The Debenture will aid the Company’s efforts to complete the current flow through funding. The Debenture funding along with the flow-through funding will provide Dr. Randy Miller and his team with the necessary funds to complete the proposed 2000m drill program at Deep Fox. We expect to be begin to initiate the drill program in the coming weeks, as these financings are completed.”

Deep Fox Drill Program

For some time Search has been pointing to the upside potential of this prospect (previously called

Deepwater Fox). The 2015 Channel program (See Search News Release – dated October 15, 2015 – Search Minerals announces expansion of the Deepwater Fox “Critical REE” prospect in the Port Hope Simpson REE District”) outlines a similar strike length to Foxtrot but increased widths up to 30m and containing up to 15% higher grades of our key rare earth elements (Nd, Pr, Dy and Tb).

Also, during the recently completed pilot plant operation and associated testing, it was confirmed that the Deep Fox material would provide similar or better extraction results as those achieved on the Foxtrot material. (See Search News Release – dated April 5, 2017 – Search Minerals achieves high rare earth elements extraction from Deep Fox mineral sample”)

A 2,000 metre drill program would provide Search with approximately 13 holes, ranging from 25m to 100m intersections. A successful drill program is expected to confirm that the geological model at Deep Fox is similar to that observed at Foxtrot. At Foxtrot, drilling confirmed a close correspondence between surface channel geology/assays and drill core geology/assays down to at least 400m intersections.

The Deep Fox project is drill ready and Search has received all the required permits. Prior to undertaking the drill program, the Company will need to construct an access road to the drill site, which is expected to take 7 -14 days; the drill program is expected to take 30 - 45 days. Assays results and analysis should be available in up to 6 weeks following completion of the drill program.

Qualified Person:

Dr. Randy Miller, Ph.D., P.Geo, is the Company's Vice President, Exploration, and Qualified Person (as defined by National Instrument 43-101) who has supervised the preparation of and approved the technical information reported herein. The Company will endeavour to meet high standards of integrity, transparency, and consistency in reporting technical content, including geological and assay (e.g., REE) data.

About InCoR Holdings Plc.

InCoR Holdings Plc is a venture capital and holding company in the natural resource sector, with particular expertise in mining and mining technologies."

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. Exploration efforts have advanced “Deep Fox” and “Fox Meadow” as significant new CREE prospects very similar and in close proximity to the original FOXTROT discovery. While the Company has identified more than 20 other prospects in the District, its primary objective remains development of FOXTROT with the clearly demonstrated success of the proprietary processing technology at the pilot plant level and delineation of prospects that will ensure competitive-low cost production beyond the 14-year mine life contemplated in the preliminary economic assessment of FOXTROT completed in 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 proprietary 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

About neo-CREOs (Adamas Intelligence – December 2016)

We consider neodymium, praseodymium, and dysprosium to be neo-CREOs and they are vital to NdFeB magnets used widely in renewable power generation, electric mobility, and energy-efficient technologies. We consider terbium to be a neo-CREO because upon experiencing shortages of dysprosium, consumers in the magnet industry will rapidly consume available terbium supplies in its place for applications involving renewable power generation, electric mobility and energy efficient technologies. Lanthanum is considered a neo-CREO because it is widely used in catalytic converters and rechargeable batteries, and will be

increasingly used as a thermal stabilizer by producers of poly-vinyl chloride (PVC) to minimize lead consumption and improve the energy efficiency of PVC and other processing equipment.

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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 is not able to find suitable investors for the Private Placement or does not receive the approval of the TSX Venture Exchange. 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.

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