

Search Minerals Announces Corporate Update Including TSX-V Reinstatement to Trading, Financing, Share Consolidation and AGM

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[Search Minerals Inc.](#) (TSXV: SMY) ("Search Minerals" or the "Company") is pleased to announce a corporate update.

As previously disclosed by the Company, on April 8, 2024, a cease trade order (the "CTO") was issued by the British Columbia Securities Commission (the "BCSC") in respect of the Company as a result of the Company's failure to file its annual audited financial statements, related management's discussion and analysis and certifications for the year ended November 30, 2023 ("2023 Filings") on or before March 29, 2024, as required under National Instrument 51-102 - Continuous Disclosure Obligations ("NI 51-102"). Prior to this, trading in the common shares of the Company (the "Shares") on the TSX Venture Exchange (the "TSXV") had been halted on December 19, 2023 pending review of compliance with TSXV requirements, and the TSXV subsequently suspended trading in the Shares as a result of the issuance of the CTO.

As a result of these events and other concerns that the then existing Board of Directors (the "Board") and management of the Company were not properly managing the business and affairs of the Company, a shareholders meeting was called by certain concerned shareholders of the Company and held on June 21, 2024, to remove and replace the then existing Board. A new Board was elected by shareholders at the meeting and a new management team was then appointed by the Board. The new Board has since been working to remedy the Company's situation created by the inaction of the previous Board. These efforts have included obtaining a partial revocation of the CTO on September 6, 2024, enabling the Company to complete a convertible note private placement financing in October and November 2024 for aggregate gross proceeds of \$1 million to provide the Company with capital to address its continuous disclosure filing defaults and work towards the revocation of the CTO, to complete its obligations under its option agreement to acquire a 100% interest in the Two Tom Lake critical rare earth elements property in Labrador, to fund claims maintenance payments and for working capital purposes. Following the Company's filing of the 2023 Filings in November 2024 and of certain additional required continuous disclosure documents in December 2024 to bring its disclosure obligations up to date with the requirements of NI 51-102, the Company applied to the BCSC for a full revocation of the CTO and this was obtained effective March 27, 2025.

Following the revocation of the CTO, the Company has applied to the TSXV to reinstate trading of its Shares on the TSXV. The Company expects its Shares to be reinstated for trading on or about June 17, 2025.

In the meantime, and in connection with the reinstatement of the Company's Shares for trading on the TSXV, the new Board continues to work on certain restructuring matters for the Company including improving its financial position. The Board remains focused on remedying the Company's financial position and advancing its projects as soon as possible. The Board acknowledges and appreciates the patience of the Company's shareholders and stakeholders during this extended process.

In addition to the disclosure herein regarding the reinstatement of trading of the Company's Shares on the TSXV, the Company is also providing an update on a number of other matters, including the following:

Working Capital Deficiency

The Company's interim financial statements for the three months ended February 28, 2025 reflect a working capital deficiency of \$5,282,051. The largest components of this deficiency are: accounts payable and accrued liabilities of \$2,885,836; reimbursable expenses payable under the General Service Agreement between the Company and Texas Critical Minerals, LLC, as discussed below, in the amount of \$614,914 (disclosed in the financial statements as a demand loan); \$404,984 owing to a wholly-owned subsidiary of [LeadFX Inc.](#), a company with a former common director with the Company, and \$52,056 owing to a former

officer and director of the Company (disclosed in the financial statements as demand loans); amounts owing to current and former officers and directors of the Company in the amount of \$494,341; and the debt component of the convertible notes issued by the Company in October and November 2024 in the amount of \$922,694. In connection with the reinstatement of the Company's Shares for trading, subject to TSXV acceptance, the Company plans to seek financing through a private placement as discussed below to return to a positive working capital position and to fund ongoing operations.

General Service Agreement

On October 15, 2024, the Company entered into a General Service Agreement (the "GSA") with Texas Critical Minerals, LLC ("TCM"), an arm's length party interested in investing in mining projects. TCM is performing a comprehensive due diligence and metallurgical review of the Company's operations to-date in order to determine if it will invest in or partner with the Company, including by participating in the Company's proposed equity financing as described more fully below.

Pursuant to the scope of the GSA, TCM is reviewing and analyzing the historical metallurgical work completed by the Company to-date.. In particular, TCM's review is assessing the historic approach adopted by the Company in its bench-scale testing and attempting to lay the foundations for both bench-scale and pilot plant studies to be undertaken by the Company once its balance sheet has been restructured.

For its services under the GSA, TCM will be paid a service fee of \$300,000. In addition, the Company will reimburse TCM for expense disbursements incurred by it in carrying out its work under the GSA. The reimbursable expenses include payments by TCM to certain of the Company's service providers to obtain significant amounts of information to allow TCM to carry out its work, including drilling assay results and data from SGS Lakefield on work performed on sample material provided by the Company to SGS Lakefield, to perform selective testing to confirm historical results, and to ensure that the Company's mineral claims are kept in good standing while TCM completes its work. The balance of reimbursable expenses incurred by TCM under the GSA to-date is \$914,837. Both the service fee and cost reimbursements are payable by the Company to TCM upon completion of a financing by the Company for proceeds of at least \$1.5 million.

Private Placement

As part of its reorganization efforts, and to remedy its significant working capital deficiency and obtain sufficient financial resources for operations and the funding of exploration and metallurgical programs on its projects, the Company plans to seek financing by conducting a non-brokered private placement (the "Financing") to raise minimum gross proceeds of approximately \$12.0 million. It is expected the securities issued under the Financing will be units ("Units"), with each Unit consisting of one Share and one common share purchase warrant (each a "Warrant"), and that approximately 25% of the Financing will consist of a charitable flow-through financing structure. The proposed Financing will be completed subsequent to the completion of the consolidation of the Shares, as discussed below.

Given the extended period of time during which the Company's Shares have been suspended from trading on the TSXV, the TSXV requires the Company to be reinstated to trading for a period of time before an acceptable market price of the Shares can be established for pricing the Financing. Accordingly, the pricing of the Units, including the exercise price for the Warrants, and the number of Units to be issued under the Financing will be determined in the context of the market once the Company has been reinstated for trading on the TSXV.

The proceeds of the Financing are intended to satisfy the Company's current liabilities, fund metallurgical and exploration programs, claims maintenance, permitting, corporate overhead and for general working capital. Completion of the Financing will be required for the Company to return to a positive working capital position and to meet the TSXV's continued listing requirements. There can be no assurance that the Company will be successful in completing the Financing. If the Company is not successful in completing the Financing and meeting the TSXV's continued listing requirements, the Company will be faced with a potential suspension in trading or delisting from the TSXV.

The Financing will be subject to acceptance of the TSXV. All securities issued in connection with the Financing will be subject to a hold period of four-months and one day from the closing of the Financing.

It is not known at this time whether any directors or officers of the Company may participate in the Financing or whether any investor in the Financing may become a "Control Person" as defined in the policies of the TSXV. Any participation by directors or officers of the Company in the Financing will be considered a related party transaction within the meaning of Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions ("MI 61-101"). The Financing will be conducted in such a manner so that any related party transaction will be exempt from the formal valuation and minority shareholder approval requirements of MI 61-101, on the basis that neither the fair market value of the securities to be issued to the directors or officers under the Financing nor the consideration to be paid by the directors or officers will exceed 25% of the Company's market capitalization. The creation of any Control Person as a result of the Financing would be subject to shareholder approval under the policies of the TSXV, and the Company would plan to seek such approval at the annual general meeting which the Company intends to hold.

Debt Financing

Pending completion of the Financing or similar alternative financing arrangements by the Company, the Company has entered into a loan agreement with Petra Holdings Company Inc. (the "Lender"), an arm's length third party, pursuant to which the Lender has provided an unsecured loan to the Company in the aggregate principal amount of \$750,000 (the "Loan").

The outstanding principal amount of the Loan is payable on or prior to the earlier of 4:30 p.m. (Vancouver time) on August 30, 2026, and forthwith following the closing of any financing of the Company exceeding \$2,500,000. The principal amount of the Loan outstanding from time to time bears interest at the rate of fifteen (15%) per annum, which will accrue and be paid in cash on the maturity date of the Loan. The Company has the right to repay the Loan, in whole or in part, at any time without bonus or penalty.

Share Consolidation

As part of its reorganization efforts, the Company intends to implement a consolidation (the "Consolidation") of its Shares on the basis of ten (10) pre-Consolidation Shares for every one (1) post-Consolidation Share. The Consolidation has been conditionally accepted by the TSXV. The Company expects the Consolidation to take effect on or about June 17, 2025.

The Consolidation will reduce the number of outstanding Shares from 417,987,014 to approximately 41,798,701. Shareholders' proportional ownership in the Company will remain unchanged following the Consolidation. The exercise or conversion price of the Company's outstanding warrants and convertible notes, and the number of Shares issuable thereunder, will also be proportionately adjusted to reflect the Consolidation.

No fractional Shares will be issued as a result of the Consolidation. If, as a result of the Consolidation, a shareholder would receive less than one whole post-Consolidation Share, the number of post-Consolidation Shares issued to the shareholder will, without any additional compensation, be rounded up to the next greater whole number of Shares if the fractional entitlement would be equal to or greater than 0.5, and will be rounded down to the next lesser whole number of Shares if the fractional entitlement would be less than 0.5. No cash consideration will be paid in respect of fractional Shares.

The Company's new CUSIP number will be 812218204 and the new ISIN number will be CA8122182048. The Company's name and trading symbol will remain unchanged.

Registered shareholders who hold physical Share certificates will receive a letter of transmittal requesting that they forward pre-Consolidation Share certificates to the Company's transfer agent, Marrelli Trust Company Limited, in exchange for Direct Registration System statements representing their post-Consolidation Shares. Shareholders who hold their Shares through a broker or other intermediary and do not have Shares registered in their own name will not be required to complete a letter of transmittal.

Annual General Meeting

The Company has not held an annual general meeting of its shareholders since May 25, 2022, which means

it is not currently in compliance with TSXV Policy 3.1, which provides that every TSXV-listed issuer must hold an annual meeting of its shareholders in each year not more than 15 months after its last preceding annual meeting of shareholders. The shareholders meeting of the Company held on June 21, 2024 was a meeting called by certain concerned shareholders of the Company and was held for the purpose of replacing the previous Board of the Company with the new Board in light of the Company's circumstances but it was not an annual general meeting.

The Company intends to hold an annual general meeting (the "Meeting") on July 24, 2025 at Suite 5100, Bay Adelaide - West Tower, 333 Bay Street, Toronto, Ontario at 11:00 a.m. (Eastern time). Additional details regarding the Meeting will be provided in the management information circular of the Company to be prepared for the Meeting.

Management and Other Governance Changes

The Company is not currently in compliance with TSXV Policy 3.1, which provides that management of every TSXV-listed issuer must include, at a minimum, a CEO, a CFO and a Corporate Secretary. However, no person may act as CEO, CFO and Corporate Secretary of the same issuer at the same time and no person may act as a CEO and CFO of the same issuer at the same time other than where the issuer is an inactive issuer or a Capital Pool Company. In addition, an issuer must have an Audit Committee comprised of at least three directors, the majority of whom are not officers, employees or control persons of the issuer or any of its associates or affiliates.

When the new Board was elected in June 2024, the new Board appointed Joseph Lanzon as CEO and Greg Andrews as CFO and Corporate Secretary. Mr. Andrews subsequently resigned as CFO and Corporate Secretary on November 22, 2024. Given the Company's situation at the time with it having limited financial resources and being subject to the CTO, the new Board appointed Mr. Lanzon to serve as CEO and Diane Poole, a director of the Company, to serve as Corporate Secretary, each on an interim basis until replacements could be appointed. However, this meant the Company no longer complied with TSXV Policy 3.1 since Mr. Lanzon is acting as CEO and CFO of the Company at the same time, and the Company no longer has an Audit Committee with a majority of members who are not officers of the Company since Ms. Poole is acting as Corporate Secretary. Both of these appointments are on an interim basis while the new Board works to restructure the Company. It is expected that these deficiencies will be remedied through the appointment of a new CFO and Corporate Secretary once the Company is able to secure financial resources through the Financing, hold the Meeting and expand the Board. The Company will be placed on a 90-days TSXV notice of non-compliance due to these deficiencies. Failure to remedy these deficiencies within this timeline may result in a TSXV trading halt without further notice.

Share Issuance to Former Director and Officer

As disclosed in the Company's audited financial statements for the year ended November 30, 2024, on December 20, 2024, the Company and a former director and officer entered into a settlement agreement whereby the Company agreed to pay the former director and officer the amount of \$270,600 in satisfaction of certain legal claims by the former director and officer, to be paid \$70,000 in cash upon signing (paid), and \$80,000 in cash and \$20,000 in shares (the "Settlement Shares") upon the full revocation of the CTO, resumption of trading on the TSXV, and completion of an equity financing, or before June 20, 2025, whichever occurs first. The Settlement Shares are to be issued at a price equal to the volume weighted average trading price of the Shares on the TSXV for the five days immediately preceding the payment date. The issuance of the Settlement Shares remains subject to acceptance of the TSXV. The Settlement Shares will be subject to a hold period of four-months and one day from issuance.

Loans from Former Related Parties

As disclosed in note 9 to the Company's audited financial statements for the years ended November 30, 2024 and 2024 (the "AFS"), during the years ended November 30, 2024 and November 30, 2023, the Company received non-interest bearing, due on demand loans (the "Related Party Loans") from a wholly-owned subsidiary of LeadFx Inc., which had a director who was also a director of the Company at the time as well, as an individual who was a director of the Company at the time, all being directors who were replaced at the shareholders meeting of the Company called by certain concerned shareholders of the Company on June 21, 2024. LeadFx's subsidiary and the individual director made payments directly to

service providers on behalf of the Company. The total amount outstanding of these Related Party Loans is \$457,040. Written notice of the Related Party Loans was not provided to the TSXV at the time these loans were made and the Related Party Loans are subject to TSXV acceptance. The Company is in the process of applying for TSXV acceptance of the Related Party Loans.

Additional Financial Disclosure

As disclosed in note 6 to the AFS, during the year ended November 30, 2023, the Company disposed of certain vehicles with a book value of \$129,727 in exchange for accounts payable of \$99,298 and accordingly, recorded a loss on sale of equipment of \$30,429. The Company wishes to clarify that this transaction involved vehicles acquired by the Company from an arm's length third party automotive dealership to whom the Company returned the vehicles when the Company was unable to complete payment for them due to its financial position and in order to settle the outstanding accounts payable for the vehicles.

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About Search Minerals

Search Minerals is focused on exploring for and developing Critical Rare Earths Elements (CREE) as well as transition metals Zirconium (Zr) and Hafnium (Hf) within the emerging Port Hope Simpson - St. Lewis CREE District of South-East Labrador. The Company controls two deposits (Foxtrot and Deep Fox), two drill ready prospects (Fox Meadow and Silver Fox) and numerous other CREE prospects, including Fox Valley, Foxy Lady and Awesome Fox, along a 64 kilometre long belt forming a CREE District in Labrador.

Search Minerals also controls additional CREE assets in the Red Wine CREE District of central Labrador. These include: the drill ready Two Tom Lake CREE-Be-Nb deposit, the Mann #1 CREE-Nb-Be prospect and Merlot CREE Prospect.

Forward-Looking Statements

Statements contained in this news release that are not historical facts are "forward-looking information" or "forward-looking statements" (collectively, "Forward-Looking Information") within the meaning of applicable Canadian securities legislation. Forward-Looking Information includes, but is not limited to, disclosure regarding possible events, if and when the trading of the Company's common shares will be reinstated, next steps and courses of action. In certain cases, Forward-Looking Information can be identified by the use of words and phrases or variations of such words and phrases or statements such as "anticipate", "expect" "plan", "likely", "believe", "intend", "forecast", "project", "estimate", "potential", "could", "may", "will", "would" or "should". Forward-Looking Information in this news release are based on certain material assumptions and involve, known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Search Minerals to be materially different from any future results, performance or achievements expressed or implied by the Forward-Looking Information. Such risks and other factors include, those factors discussed in Search Minerals' public filings. Although Search Minerals has attempted to identify important factors that could affect Search Minerals and may cause actual actions, events or results to differ materially from those described in Forward-Looking Information, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that Forward-Looking Information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on Forward-Looking Information. For further information on these and other risks and uncertainties that may affect the Company's business, see the Company's Management's Discussion and Analysis filed with certain Canadian securities regulators, which are available at www.sedarplus.ca. Except as required by law, Search Minerals does not assume any obligation to release publicly any revisions to Forward-Looking Information contained in this news release to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

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