

Search Minerals Inc. Announces Convertible Loan and Convertible Loan for Debt Conversion Transactions

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[Search Minerals Inc.](#) (TSXV: SMY) ("Search Minerals" or the "Company") is pleased to announce it has entered into a loan agreement with Petra Holdings Company Inc. ("Petra"), an arm's length third party, pursuant to which Petra has agreed to provide an unsecured convertible revolving loan to the Company in the aggregate principal amount of \$3,000,000 (the "Loan").

The proceeds from the Loan will be used for the development of the Company's Foxtrot and Deep Fox mining project, including acquisition of equipment, site operations and infrastructure and technical assessments and environmental regulatory compliance, as well as for general working capital and corporate purposes and reduction of other indebtedness.&rm;

"There is growing confidence in our plan to build a secure, sustainable Canadian supply of critical minerals. This financing marks a critical milestone, enabling the company to advance work on our two primary deposits and move closer to unlocking the full potential of the 64-kilometre St. Lewis-Port Hope Simpson Critical Rare Earth Elements District in Newfoundland and Labrador," said Joseph Lanzon, CEO, Search Minerals.

The outstanding principal amount of the Loan will be payable on the date which is three years from the initial drawdown of the Loan. The principal amount of the Loan outstanding from time to time will bear interest at the rate of fifteen (15%) per annum, payable quarterly in arrears.

The principal amount of the Loan will be convertible into common shares of the Company at the option of Petra at any time prior to the close of business on the maturity date. The conversion price for any such conversion shall be (a) a price of \$0.50 per common share for the period from the closing date to the first anniversary of the closing date and (b) after the first anniversary of the closing date, a price equal to the average of the closing price for the common shares on the TSX Venture Exchange (the "TSXV") for the 10 days ending on the last trading day prior to Petra's notice of conversion to the Company, provided that such price is no less than the greater of \$0.50 and the Market Price (as defined in the policies of the TSXV) on the date of conversion. Any common shares issuable on conversion of the Loan will be subject to a hold period of four months and one day from the date of issuance in accordance with applicable securities laws.

For so long as there is at least \$500,000 principal amount outstanding under the Loan or Petra owns at least 5% of the outstanding common shares of the Company, Petra will be entitled to nominate Michael Pearson for appointment and election as a director of the Company, subject to compliance with the policies of the TSXV.

In addition, for so long as there is any principal amount of the Loan outstanding, the Company will provide Petra with copies of all continuous disclosure documents filed by the Company on SEDAR+ concurrently with the filing of such documents, and Petra will have such additional information rights as will be set out in the definitive loan agreement between the Company and Petra governing the Loan.

Closing of the Loan is subject to the following conditions precedent: (a) execution and delivery of a definitive loan agreement between the Company and Petra governing the Loan; (b) the approval of the Company's Board of Directors; and (c) the approval of the TSXV. An initial drawdown in the principal amount of \$750,000 is to be made on closing of the Loan.

The Company is also pleased to announce it has entered into an agreement with [LeadFX Inc.](#) ("LeadFX"), an arm's length third party, pursuant to which LeadFX has agreed to convert the amount of \$404,053.73 in debt which the Company owes to LeadFX into a fixed term unsecured convertible loan (the "LeadFx Loan") by

LeadFX to the Company in such aggregate principal amount in order to support the Company's reorganization of its debt structure. The debt represents unsecured, non-interest bearing and payable on demand debt owed to LeadFX for trade payables paid by LeadFX on behalf of the Company during the period from September 2023 to May 2024 when the Company was unable to pay these payables itself and required financial assistance to satisfy them. At the time the payables were paid and the debt incurred, George Molyviatis, a former director of the Company, was a director of both the Company and LeadFX.

The outstanding principal amount of the LeadFX Loan will be payable on the date which is three years from the closing of the LeadFX Loan. The principal amount of the LeadFX Loan outstanding from time to time will bear interest at the rate of fifteen (15%) per annum, payable quarterly in arrears.

The principal amount of the LeadFX Loan will be convertible into common shares of the Company at the option of LeadFX at any time prior to the close of business on the maturity date. The conversion price for any such conversion shall be (a) a price of \$0.50 per common share for the period from the closing date to the first anniversary of the closing date and (b) after the first anniversary of the closing date, a price equal to the average of the closing price for the common shares on the TSXV for the 10 days ending on the last trading day prior to LeadFX's notice of conversion to the Company, provided that such price is no less than the greater of \$0.50 and the Market Price (as defined in the policies of the TSXV) on the date of conversion. Any common shares issuable on conversion of the LeadFX Loan will be subject to a hold period of four months and one day from the date of issuance in accordance with applicable securities laws.

Closing of the LeadFX Loan is subject to the following conditions precedent: (a) execution and delivery of a definitive loan agreement between the Company and LeadFX governing the Loan; (b) the approval of the Company's Board of Directors; and (c) the approval of the TSXV.

For further information about Search Minerals, please contact:

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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. 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

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