

# eResearch Report on Search Minerals offers investors a 'staggering' volume of information on the rare earths market

written by Tracy Weslosky | September 28, 2022

Over the years I have lost count of the times I have recommended that public companies secure a research report, simply because I personally love the benefit of third-party analysis and metrics. Toss in an analyst with more financial degrees than most CFOs such as eResearch's Chris Thompson, and the analysis can prove beneficial to everyone reading the content, including the company and all of us interested in critical minerals. Having followed rare earths company [Search Minerals Inc.](#) (TSXV: SMY | OTCQB: SHCMF) ("Search") for a decade now, the recent [eResearch analyst report](#) blind-sided me by the coverage in that it was a staggering 72-page overview, review and historical biography of not only Search Minerals, but a worthwhile read on the rare earths sector.

Now for my notes extracted from my review of the eResearch Report on Search, but again I urge you to access the [eResearch analyst report](#) directly to secure any answers you may be 'searching' for...

Search Minerals is developing their rare earths projects in Labrador, Canada. Their flagship project is the **Port Hope Simpson ("PHS") Property** which includes the Foxtrot resource, Deep Fox resource, Silver Fox, Awesome Fox, and Fox Meadow deposits. The Property is prospective for rare earth elements

('REE') Neodymium (Nd), Praseodymium (Pr), Dysprosium (Dy), and Terbium (Tb), Zirconium (Zr) and Hafnium (Hf). Search Minerals plans mining and primary production of the Deep Fox and Foxtrot deposits all going well by 2025 in Labrador and further refining of concentrate into REE oxides and carbonates on the Island of Newfoundland thereafter.

The updated 2022 PEA resulted in a [post-tax NPV8% of C\\$1.31 billion](#) and a post-tax IRR of 41.5%. Initial CapEx was estimated at [C\\$422 million](#) (including a C\$61 million contingency) with a mine life of 26 years.

### **Foxtrot and Deep Fox Resource estimate – 31 December 2021**



Source: [Search Minerals news April 11, 2022](#)

### **Search Minerals development timeline plan**



Source: [eResearch report on Search Minerals p.15](#)

**Highlights of the eResearch report ("The report") on Search Minerals, which was initiated on September 14, 2022:**

- **The Importance of Rare Earth Elements (REE)** – If you are new to rare earths, this report highlights the many uses of rare earths including their role in the EV sector. Of interest was the [quote on page 4](#): "Neodymium (Nd) is the strongest known magnetic substance and Nd magnets are used in applications that require strong, compact permanent magnets, such as cellular phones, electric motors, hard disk drives, televisions, and medical devices." Also an interesting point for your next trivial discussion with friends over a glass of wine, is that the smartphone

(screen and electronics) contains at least 9 rare earth elements.

- **Search Minerals PEA (2022) Highlights (based on the Foxtrot and Deep Fox Resource)** – Mine production of 2,000 tpd (720,000 tpa) over a 26-year mine life, including both open pit and underground operations...Underground mining capital in Year 7 of C\$54 million is funded from operations...Annual production of approximately 1,437 t of Magnet Rare Earths Oxides (Nd+Pr: 1,291 t, Dy: 125 t, and Tb: 21 t).
- **Key Projects Funded for C2022:** Funded for Deep Fox exploration, preparation of 70t bulk sample, and working towards the start of a Feasibility Study.
- **Strong Management Team** – Management has extensive experience, geological knowledge of the region, and are experts in REE processing. Since I know many of the members of this team, I urge you to review the geological team as many in this sector often refer to them as the best in the business, specifically Dr. David Dreisinger whom Jack Lifton and I have used in numerous interviews over the years to help the InvestorIntel.com audience understand the rare earths market.
- **Search Minerals Appears Inexpensive Using Different Valuation Metrics** – The Report looked at several different valuation methodologies for Search Minerals. eResearch initiates coverage on Search Minerals and reports a Speculative Buy Rating.

Again, the eResearch report makes for compelling reading and I would encourage anyone serious about investing in rare earths investors to review the entire report.

Most certainly the potential 17x upside (p 5) if Search Minerals succeeds to production is something to consider, especially given the backdrop of forecast shortages of the key magnet rare

earths this decade as the EV and wind energy sectors potentially boom. Investors should also consider the various risks that junior miners face as not all will succeed.

Search Minerals Inc. currently trades at C\$0.10 with a market cap of [C\\$41 million](#).

*Disclosure: The valuations presented in this article are those of eResearch and not InvestorIntel. Search Minerals is a digital media advertiser on InvestorIntel.com and pays for both banner ads and interviews, however, neither eResearch nor Search Minerals have paid for this content.*