

# Search Minerals is coming off a great 2021 but 2022 promises to be even better

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[Search Minerals Inc.](#) (TSXV: SMY | OTCQB: SHCMF) (Search) stock price rose an impressive [223%](#) in 2021 and looks set for another strong year in 2022.

## Search Minerals 2021 in review

There were several reasons for the rise including positive sentiment towards the rare earths miners, particularly those with projects containing the valuable magnet metals Neodymium (Nd), Praseodymium (Pr) and Dysprosium (Dy) used in powerful electric motors. All three rare earth metals prices have been rising strongly the past year on the back of surging demand from electric vehicle manufacturers as we saw EV sales rise about 100% in 2021. Search's flagship Port Hope Simpson ("PHS") property has many key rare earth elements including Nd, Pr, Dy, and Tb (Terbium).

Another key factor for Search's success in 2021 was that management delivered strong progress. This included a [non-binding MOU](#) with USA Rare Earth LLC for the future delivery of a rare earth mineral concentrate supply containing 500 tpa of NdPr. The MOU is part of a joint development plan to expand the collaboration to include discussions regarding separation, marketing and offtake of a portion of the future production at Search's Deep Fox and Foxtrot deposits. During 2021 Search was able [to purchase back a 2.5% Net Smelter Royalty \(NSR\)](#) from B&A Minerals Limited in return for 15 million common shares of Search Minerals, leaving just an outstanding royalty now of

0.5%. Other progress in 2021 included a successful 7,000m drilling program completed at Deep Fox as well as several successful capital raises including the most recent [C\\$15 million](#) and [C\\$5.3 million](#) equity raises. This leaves Search very well-funded to advance its plans in 2022.

**Search Minerals has district scale rare earth deposits at Port Hope Simpson (PHS) property (flagship) (includes Foxtrot, Deep Fox, Silver Fox, Awesome Fox, and Fox Meadow deposits)**



Source: [Search Minerals company presentation](#)

### **Search Minerals in 2022 and beyond**

Q1 2022 should see Search deliver an updated Preliminary Economic Assessment (“PEA”) for the combined Deep Fox and Foxtrot deposits at their PHS Property. It is anticipated that this will potentially be a very significant improvement of the [2016 PEA](#), which only included the Foxtrot deposit. It resulted in a post-tax [NPV10% of C\\$48 million](#) and post-tax IRR of 16.7% over a 14 year mine life. The initial CapEx was [C\\$152 million](#), and a further C\$57 million in year 8 for the underground stage of the Project.

Search [quotes](#) some of the reasons why the 2022 PEA should be better:

- Increase production rate from 1000 tonnes per day to 2000 tonnes per day
- Increase recoveries from optimized pilot plant process
- Increase revenue from higher grades at Deep Fox
- Extend mine life with material from both Deep Fox and Foxtrot for a central processing facility
- Decrease costs with reduced capital and operating costs

- Upward trending price escalations for permanent magnet material.

In Q2, 2022, Search plans to submit an updated Environmental Impact statement based on the updated PEA.

In Q3 and Q4, 2022 Search will continue to drill Deep Fox to potentially further grow the Resource as well as drill Fox Meadow and Silver Fox and commence a Bankable Feasibility Study (BFS).

All going well Search hopes to make a Final Investment Decision (FID) in 2023 and commence production in 2025.

### **Search Minerals 2022 catalysts**



Source: [Search Minerals company presentation](#)

### **More about Search Minerals**

Search Minerals Inc. is an emerging rare earths developer with three properties in Labrador, Canada. The three are:

- The Port Hope Simpson (“PHS”) property (flagship) – Includes Foxtrot, Deep Fox, Silver Fox, Awesome Fox, and Fox Meadow deposits. PEA due in Q1 2022.
- The Henley Harbour Area in Southern Labrador.
- The Red Wine Complex located in Central Labrador.

### **Closing remarks**

Search Minerals is coming off a great 2021 but 2022 promises to be even better. Certainly, it looks like Search can deliver an impressive 2022 PEA at PHS, given that the project economics will have potentially improved significantly. The PHS Project also has significant exploration upside and potential to further

grow the Resource in 2022.

Search Minerals trades on a market cap of [C\\$74 million](#). The next 3-4 years could be game changing for Search Minerals, if they can make it to production in 2025, or 2026.