Beneficial partnerships in place and identifying substantial resources, Search Minerals a contender in the NA race for rare earths

The market interest resurgence in the rare earths space has allowed companies that have been working hard and getting results to be able to showcase their results.

Search Minerals Inc. (TSXV: SMY) is one of those companies, whose exploration efforts currently focused in southeastern Labrador, have generated real results for the company's shareholders. Management remains diligent in their efforts to move the asset base forward, while minding the financial condition of the company. Most notably, they recently announced a small but oversubscribed private placement financing in January 2021, after importantly converting debt to equity in late 2020.

Recall that the company has a 100% interest in an approximate 70 kilometer long by 8 kilometer wide region in the Fox Harbor volcanic belt located in the Port Hope Simpson area of southeastern Labrador. Exploration commenced in 2009 and **it quickly became apparent that the district was rich in rare earths.** The Foxtrot deposit was discovered in 2010 followed by Deep Fox in 2014 and Fox Meadow in 2016. While all of these discoveries have significance, there are more than 20 additional exploration prospects identified in the immediate area, providing future exploration inventory. The company now has five major discoveries in this area with excellent road and power infrastructure with deep-water port access nearby that would support a low-cost development scenario.

The company has a Preliminary Economic Assessment (PEA) on the Foxtrot prospect and an NI 43-101 report prepared in 2016. The PEA highlights a 14 year mine lifespan on Foxtrot (8 years open pit, 6 years underground) that would recover approximately 7.4 million tonnes of Indicated and 2.0 million tonnes of Inferred Resources. The deposit contains the key rare earth elements neodymium, praseodymium, dysprosium and terbium, necessary for permanent magnets used in electric cars, wind turbines and many high-tech products.

But rather than just being a mineral exploration company, management recognized the importance of leveraging the cost advantages provided by the physical location of Foxtrot as well as the subsequent discoveries. Search Minerals committed early to look at extraction metallurgy as an opportunity to do more to position as a low-cost supplier. The development of a patented proprietary extraction process was accomplished with support of provincial and federal governments and has been tested in two separate pilot plant operations. The company successfully produced highly purified mixed rare earth carbonate concentrate and mixed rare earth oxide concentrate for separation and refining.

While their technology has been proven, scaling up to a plant will require significant capital and the company now needs to securing funding and/or a partner to further refine the process in a demonstration plant. In addition, the company will require further funding to continue infill drilling to take the discoveries to feasibility study stages.

However, the company continues to look to the future and enter into additional beneficial partnerships. Recall that Search has a Memorandum of Understanding with the Saskatchewan Research Council (SRC), signed in late October 2020. The ability of the SRC plant to process rare earth concentrates positions Search as a potential supplier in the North American rare earths supply chain. The company has also entered into a Technical Collaboration Framework Agreement to govern initial

cooperation between USA Rare Earth, LLC and Search in a number of important areas of mutual interest.

The company has done a great job of focusing in an area and identifying substantial resources to take to the next level of development. By creating processing methods, they will be able to take more of the value chain in their relatively low-cost operating environment. The next step is (always) more money. The results speak for themselves, hopefully the cash will follow.