

Focusing on battery materials at #PDAC2021, Publisher starts with the rare earths experts from Search Minerals

written by Tracy Weslosky | March 8, 2021

It's the week where the mining world usually descends in Toronto for [PDAC 2021](#) (#PDAC2021) conference...last year I gained a business partner and 2 Board members , this year I am committed to reviewing every single battery material, critical material, technology metal and associated cleantech/greentech and EV company participating.

Often asked how I find companies, the answer is always the same – relationships. 20+ years now on Bay Street, am always seeking the story behind the deal, this one is about Newfoundland and Labrador. A deal that has not only made every local a potential shareholder, is championed by the government but is about the value of investing in people for the future good of the whole.

For #PDAC2021, I urge you to start with going to the [Search Minerals Inc.](#) (TSXV: SMY) virtual booth. Off to a good start in 2021, especially on the money side of their business. They closed an oversubscribed private placement in January (\$534,000), received another \$150,900 in warrant proceeds in early February and announced another non-brokered private placement in mid-February for maximum gross proceeds of \$1.75 million. This is expected to close on or before March 15.

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. Within this area is a belt 63 km long and 2 km wide which is road accessible, on tidewater, and located within 3 local communities. Search is focused on finding and developing Critical Rare Earths Elements (CREE), Zirconium (Zr) and Hafnium (Hf) resources.

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. Search has completed a preliminary economic assessment report for Foxtrot and a resource estimate for Deep Fox. Search is also working on three exploration prospects along the belt which include: Fox Meadow, Silver Fox and Awesome Fox.

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. Foxtrot is the most advanced with a Preliminary Economic Assessment (PEA) on the prospect and an NI 43-101 report prepared in 2016. The deposit, which would be mined with both open pit and underground workings, 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.

In addition to 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. The company developed a patented proprietary Direct Extraction technology which has produced a 99% high purity mixed rare earth concentrate via two continuous

pilot plants. Search has continued to optimize their patented Direct Extraction Process technology with the generous support from the Department of Tourism, Culture, Industry and Innovation, Government of Newfoundland and Labrador and from the Atlantic Canada Opportunity Agency (ACOA).

Greg Andrews, President and CEO of Search Minerals commented in their [February 10, 2021](#) news release that “Search has received internal engineering studies which outlines the capital and operating costs for constructing a 1/200th scale demonstration plant in St. Lewis Labrador (10 tonnes per day). The demonstration plant would be essential for 1) training our future workforce for plant operations, 2) producing sufficient quantities of mixed rare earth concentrate for demonstration of commercial rare earth separation, and 3) large scale validation of our Direct Extraction processing flowsheet. We are putting together our business plan for the construction of the demonstration plant with our funding partners.”

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.

We note that the company has a [Memorandum of Understanding](#) with the Saskatchewan Research Council (SRC), signed in late October 2020, for technical collaboration. The company has also entered into a Technical Collaboration Framework Agreement with [USA Rare Earth, LLC](#) to explore further separation capabilities.

An interesting company with good assets, Search has a nice, compact area of operations and have had good exploration success under the helm of some of the most respected rare earths experts

such as Dr. David Dreisinger. They are in the right resource space at the right time (in my opinion*) – and with the critical piece of business in the market (always) being leadership, Greg Andrews has been at the helm since 2014 and is evidence that indeed, investing in relationships in the community is a long term strategy for the wise.

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