

# Search Minerals Acknowledges Junior Exploration Assistance From Government of Newfoundland and Labrador and Provides Corporate Update

written by Raj Shah | May 13, 2019

✘ May 13, 2019 ([Source](#)) – Search Minerals Inc. (“Search” or the “Company”) (TSXV: SMY), is pleased to acknowledge receipt of a grant of \$95,664.53 from the Province of Newfoundland and Labrador towards exploration work completed in 2018 on the Company’s Critical Rare Earth Element (CREE) claims located near the communities of St. Lewis and Port Hope Simpson in Southeastern Labrador.

Greg Andrews, President and CEO of Search Minerals states, “Search is very appreciative of the Junior Exploration Assistance Program (“JEA”) funds granted by the Province of Newfoundland and Labrador Department of Natural Resources, which allowed us to hire local personnel and continue to explore and advance the Port Hope Simpson Critical Rare Earth Element District (the “District”) in 2018. The Company controls a belt 70 km long and 8 km wide and there are still 20 showings within this belt to be further assessed. The 2018 field season funding allowed our geologists to keep prospective exploration licenses in good standing, and more importantly, allowed Search to complete the very successful Phase 1 and Phase 2 drill program at our Deep Fox prospect.”

**Rights Offering**

On May 2, 2019, the Company announced a Rights Offering (the “**Offering**”) to raise \$1,366,055. InCoR Holdings PLC are providing a back stop or guarantee to ensure the full amount is raised. The closing date for the Rights Offering is June 14, 2019. The Rights Notice and Offering is available on our website ([www.searchminerals.ca](http://www.searchminerals.ca)) and on SEDAR. Shareholders will also be receiving information via mail or directly from their brokerage agents with instructions as to how to participate in the Offering.

Greg Andrews states, “We are very fortunate to have the support of our strategic investor, InCoR Holdings, to guarantee the success of the Rights Offering. We also encourage all our shareholders to read the Rights Offering material to make an informed decision.”

### **Deep Fox Project**

The Phase 1 DEEP FOX Drill Program consisted of a total of 15 holes (3 in 2017 and 12 in 2018) to sample CREE mineralization at the 50m (10 holes) and 100m (5 holes) levels below the surface. Assay highlights for Phase 1 drill holes were previously published (see Search Minerals news releases March 5, 2018 and December 5, 2018).

The Phase 2 DEEP FOX Drill Program consisted of a total of 8 holes (3 holes on the 100m level, 2 holes on the 150m level and 3 holes on the 200m level) (see Search Minerals news release dated February 28, 2019).

A Phase 3 drill program is required to infill on the 150m and 200m levels and to test for mineralization at the 250m-level.

### **Mineral Resource Estimate for Deep Fox and Preliminary Economic Assessment Report**

The Company has engaged Roscoe Postle Associates to provide a mineral resource estimate on the Deep Fox property based on our recent successful Phase 1 and Phase 2 drill programs. The mineral resource estimate will determine whether to 1) complete a Phase 3 drill program to increase the resource or 2) directly proceed with a Preliminary Economic Assessment to evaluate the potential to mine and process the CREE material from the Deep Fox and Foxtrot deposits.

### **Pilot Plant Optimization**

The Pilot Plant Optimization program is underway at the facilities of SGS Canada. The program is primarily funded by Atlantic Canada Opportunity Agency (“ACOA”) and **InnovateNL**. The program will focus on the following components: 1) sustainable equipment design for acid baking of rare earth ore; 2) water leach optimization with investigation into separate leaching of coarse and fine material as well as investigation of calcine grinding; and 3) explore alternative methods of impurity removal from the direct extraction process.

This optimization should allow Search Minerals to update the flowsheet with chosen process parameters which ultimately will be used to construct and operate a demonstration plant, the next milestone with our proprietary direct extraction process.

### **Search Minerals Inc Granted United States Patent for Acid Leaching of Rare Earth Minerals**

Search Minerals Inc has been granted a patent (US Patent 10,273,562, Issued April 30, 2019) for acid leaching of rare earth minerals using the Search Minerals Direct Extraction Process. Dr. David Dreisinger (VP and Director Search Minerals) and Mr. Cornelius Verbaan (SGS Minerals) are co-inventors. The full rights to the patent are held by Search Minerals Inc.

## **Loan advances from InCoR**

InCoR Holdings PLC (“**InCoR**”) has loaned the Company a further \$100,000, which the Company will use to reduce liabilities and general working capital. The loan is a non-interest bearing, demand loan and will be secured by the existing security package given by the Company and its subsidiary in favor of InCoR in connection with the secured convertible debenture issued to InCoR on November 30, 2018, in the amount \$850,000.

InCoR has provided the Company with a total of \$350,000 since January 2019 which remain outstanding and due upon demand.

The foregoing constitutes a “related party transaction” within the meaning of Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions (“MI 61-101”) because InCoR is a “Control Person” of the Company. The Company is relying on the exemptions from the formal valuation and minority approval requirements in Sections 5.5.(a) and 5.7(1)(a) of MI 61-101, on the basis that the fair market value of the transaction does not exceed 25% of the Company’s Market Capitalization.

### **Qualified Person(s):**

Dr. David Dreisinger, Ph.D., P.Eng., is the Company’s Vice President, Metallurgy and Qualified Person for the purposes of NI 43-101. Dr. Dreisinger has reviewed and approved the technical disclosure contained in this news release as applicable.

Dr. Randy Miller, Ph.D., P.Geo, is the Company’s Vice President, Exploration, and Qualified Person (as defined by National Instrument 43-101) who has supervised the preparation of and approved the geological information reported herein.

The Company will endeavour to meet high standards of integrity, transparency, and consistency in reporting technical content, including geological, metallurgical and assay (e.g., REE) data.

### **About Search Minerals Inc.**

Led by a proven management team and board of directors, Search is focused on finding and developing resources within the emerging Port Hope Simpson Critical Rare Earth Element (“**CREE**”) District of South East Labrador (the “**District**”). The Company controls a belt 70 km long and 8 km wide including its 100% interest in the FOXTR0T Project, which is road accessible and at tidewater. The Company has completed 5000m of drilling on the Deep Fox prospect and continued exploration efforts have advanced “Fox Meadow”. Deep Fox and Fox Meadow are very similar to and in close proximity to the original FOXTR0T discovery. The Company has identified more than 20 other prospects in the District. The delineation of additional resources will ensure competitive-low cost production beyond the 14-year mine life outlined in the FOXTR0T PEA (April 2016.) The FOXTR0T Project has a low capital cost to bring the initial project into production (\$152 M), a short payback period and is scalable due to Search’s patented processing technology.

The preliminary economic assessment is preliminary in nature and includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the preliminary economic assessment will be realized. The preliminary economic assessment includes the results of an economic analysis of mineral resources. Mineral resources are not mineral reserves and do not have demonstrated economic viability.

All material information on the Company may be found on its

website at [www.searchminerals.ca](http://www.searchminerals.ca) and on SEDAR at [www.sedar.com](http://www.sedar.com).

### **About neo-CREOs (Adamas Intelligence – November 2017)**

We consider neodymium, praseodymium, and dysprosium to be neo-CREOs and they are vital to NdFeB magnets used widely in renewable power generation, electric mobility, and energy-efficient technologies. We consider terbium to be a neo-CREO because upon experiencing shortages of dysprosium, consumers in the magnet industry will rapidly consume available terbium supplies in its place for applications involving renewable power generation, electric mobility and energy efficient technologies. Lanthanum is considered a neo-CREO because it is widely used in catalytic converters and rechargeable batteries, and will be increasingly used as a thermal stabilizer by producers of poly-vinyl chloride (PVC) to minimize lead consumption and improve the energy efficiency of PVC and other processing equipment.

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### **Cautionary Statement Regarding “Forward-Looking” Information.**

*This news release includes certain “forward-looking information” and “forward-looking statements” (collectively “forward-looking statements”) within the meaning of applicable Canadian and United States securities legislation including the United States Private Securities Litigation Reform Act of 1995. All*

statements, other than statements of historical fact, included herein, without limitation, statements relating the future operating or financial performance of the Company, are forward-looking statements.

Forward-looking statements are frequently, but not always, identified by words such as “expects”, “anticipates”, “believes”, “intends”, “estimates”, “potential”, “possible”, and similar expressions, or statements that events, conditions, or results “will”, “may”, “could”, or “should” occur or be achieved. Forward-looking statements in this news release relate to, among other things, technical results from the Company’s drilling program and closing of the Offering. Actual future results may differ materially. There can be no assurance that such statements will prove to be accurate, and actual results and future events could differ materially from those anticipated in such statements. Forward-looking statements reflect the beliefs, opinions and projections on the date the statements are made and are based upon a number of assumptions and estimates that, while considered reasonable by the respective parties, are inherently subject to significant business, economic, competitive, political and social uncertainties and contingencies. Many factors, both known and unknown, could cause actual results, performance or achievements to be materially different from the results, performance or achievements that are or may be expressed or implied by such forward-looking statements and the parties have made assumptions and estimates based on or related to many of these factors. Such factors include, without limitation, the risk that the Company is not able to find suitable investors for the Offering or does not receive the approval of TSX Venture Exchange. Readers should not place undue reliance on the forward-looking statements and information contained in this news release concerning these times. Except as required by law, the Company does not assume

*any obligation to update the forward-looking statements of beliefs, opinions, projections, or other factors, should they change.*