Search Minerals Announces Deep Fox Phase 2 Assays: Deep Fox Ready for Resource Estimate

written by Raj Shah | March 1, 2019

February 28, 2019 (Source) – **Search Minerals Inc. ("Search" or the "Company") (TSXV: SMY)**, is pleased to announce receipt of drill program assay results for all Phase 2 drill holes on its **DEEP FOX** Critical Rare Earth Element (CREE) property in SE Labrador. Assays from 8 Phase 2 drill holes show significant CREE throughout the mineralized zone; mineralization is observed in all levels (50m, 100m, 150m, 200m).

HIGHLIGHTS OF DEEP FOX PHASE 1 AND PHASE 2 DRILL PROGRAMS

- **DEEP FOX** confirmed to have higher grade mineralization and higher widths than **FOXTROT**;
- Mineralization observed down to 200m level below surface in Phase 1 and Phase 2 drill holes;
- Mineralized zone is at least 350m in strike length, from 11m to 32m wide and open below 200m depth;
- Phase 2 assay highlights (all true widths):
    - FD-18-15 (100m level): 251 ppm Dy, 1784 ppm Nd, 478 ppm Pr, 1978 ppm La over 21.49m;
    - FD-18-17 (150m level): 238 ppm Dy, 1694 ppm Nd, 433 ppm Pr, 1797 ppm La over 7.30m;
    - FD-18-20: (200m level): 212 ppm Dy, 1528 ppm Nd, 415 ppm Pr, 1770 ppm La over 10.14m;
- Resource Estimate calculation is the next step in the development of the **DEEP FOX PROJECT**.

Greg Andrews, President/CEO states; "These drill results are a key milestone in the development of our Critical Rare Earth

District in SE Labrador. This successful drill program will allow Search to engage with our consultants to provide a mineral resource estimate for the Deep Fox property. Upon completion of the mineral resource estimate, we expect to provide an updated Preliminary Economic Assessment ("PEA") which will look to optimize the mining and processing using both Deep Fox and Foxtrot material as a source feed.

We continue to advance all necessary critical activities for this project to get to production. Our proprietary Direct Extraction Process produced a high purity 99% mixed rare earth oxide concentrate from our successful 2017 pilot plant operation. The mixed REO concentrate produced has allowed Search to evaluate options for rare earth separation to facilitate entry into the rare earth supply chain. The pilot plant optimization program is well underway at SGS Minerals, to further reduce cost and process risk. Environmental work started in 2018 will continue through 2019, including the submission of a Project Description for Deep Fox to initiate the environmental impact statement process.

Our low cost project is very timely with the increased attention in the growth of clean and green technologies, led by the accelerating trend of electrification of vehicles.

I would like to thank all our shareholders, employees, contractors, suppliers, provincial and federal agencies, the local communities, the NunatuKavut Community Council, and all other stakeholders, who have been so supportive as we develop this world class District in the Province of Newfoundland and Labrador."

The Phase 1 **DEEP FOX** Drill Program consists 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 consists 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); assay highlights can be found in Table 1 and Table 2.

Assay results indicate that mineralized intervals have true width zones (either continuous mineralization or as 2 to 3 units over 3 m thick) of 11m to 32m at the 50m and 100m levels below the surface. Extensive drilling at the 50m (Phase 1) and 100m levels (Phase 1 and Phase 2) indicate that the mineralization has a strike length of at least 350m. Mineralization intersected at the 200m-level (Phase 2) indicates that the mineralized zone is open below this depth. A Phase 3 drill program is required to infill on the 150m and 200m levels and to test for mineralization at the 250m-level.

Drill holes on the 50m and 100m levels and channels on the surface form a 50m by 50m grid in the medium to high grade mineralization; additional drilling is required on the 150m and 200m levels to extend this 50m grid. This density of information is suitable to calculate a reliable resource estimate to at least the 100m-level with preliminary resources to the 200m-level.

The **DEEP FOX** (formerly Deepwater Fox) property (see Search Minerals news releases Jan. 27th, 2015 and Oct. 15th 2015) occurs about 2 km NE from the port of St. Lewis on the SE Labrador coast and within 12 km of the **FOXTROT** Deposit. It can be accessed by all-weather gravel and paved roads and by water through the port of St. Lewis.

TABLE 1 HIGHLIGHTS OF REE & OTHER SELECTED ELEMENTS FROM PHASE 2 DEEP FOX

	DEEP FOX PROPERTY – PHASE 2			
	FD-18-13 (100m)	FD-18-15 (100m)	FD-18-15 (100m)	FD-18-16 (100m)
From (m) To (m) True Width (m)	145.94 158.13 9.75	162.03 169.58 6.04	173.71 200.57 21.49	182.85 198.39 12.43
Y (ppm)	1,297	1,159	1,323	1,255
Zr (ppm)	12,265	15,261	14,044	12,225
Nb (ppm)	693	638	649	638
La (ppm)	2,250	1,995	1,978	1,882
Ce (ppm)	4,637	4,251	4,220	4,020
Pr (ppm)	543	498	478	461
Nd (ppm)	1,983	1,822	1,784	1,762
Sm (ppm)	362	352	336	333
Eu (ppm)	18.8	18.3	17.6	17.3
Gd (ppm)	282	281	263	266
Tb (ppm)	43.0	45.4	43.0	42.4
Dy (ppm)	250	270	251	252
Ho (ppm)	47.4	51.9	48.7	49.0
Er (ppm)	132	147	137	139
Tm (ppm)	18.5	20.7	19.7	19.5
Yb (ppm)	114	129	121	121
Lu (ppm)	16.3	18.3	17.3	17.1
LREE (ppm)	10,076	9,217	9,075	8,741

HREE (ppm)	922		981		919		923		
HREE+Y (ppm)	2,219		2,140		2,242		2,178		
TREE (ppm)	10,998		10,198		9,994		9,664		
TREE +Y (ppm)	12,295		11,356		11,317		10,919		
%TREE	1.10	%	1.02	%	1.00	%	0.97	%	
%TREE+Y	1.23	%	1.14	%	1.13	%	1.09	%	
%HREE	8.38	%	9.62	%	9.20	%	9.55	%	
%HREE +Y	18.05	%	18.84	%	19.81	%	19.95	%	
Note; REE TREE LREE HREE Y %HREE+Y %HREE	All elements parts per million (ppm), 10,000 ppm = 1% = 10kg/tonne Rare Earth Elements: La, Ce, Pr, Nd, Sm, Eu, Gd, Tb, Dy, Ho, Er, Tm, Yb, Lu (Lanthanide Series). Total Rare Earth Elements: Add La, Ce, Pr, Nd, Sm, Eu, Gd, Tb, Dy, Ho, Er, Tm, Yb, Lu Light Rare Earth Elements: Add La, Ce, Pr, Nd, Sm. Heavy Rare Earth Elements: Add Eu, Gd, Tb, Dy, Ho, Er, Tm, Yb, Lu. Y not included in HREE due to relatively low value compared to most Lanthanide series HREE. %(HREE+Y)/(TREE+Y) %(HREE/ TREE)								

TABLE 2 HIGHLIGHTS OF REE & OTHER SELECTED ELEMENTS FROM PHASE 2 DEEP FOX

	DEEP FOX PROPERTY				
	FD-18-17 (150m)	FD-18-17 (150m)	FD-18-20 (200m)	FD-18-20 (200m)	

From (m) To (m) True Width (m)	286.31 295.44 7.30		297.04 302.57 4.42		362.32 374.99 10.14		377.96 383.56 4.48		
Y (ppm)	1,235		1,502		1,096		1,425		
Zr (ppm)	13,039		14,495		13,741		13,682		
Nb (ppm)	538		772		602		665		
La (ppm)	1,797		2,048		1,770		2,383		
Ce (ppm)	3,844		4,658		3,746		5,053		
Pr (ppm)	433		505		415		553		
Nd (ppm)	1,694		2,030		1,528		2,132		
Sm (ppm)	317		392		294		402		
Eu (ppm)	16.2		19.9		15.3		20.5		
Gd (ppm)	257		314		233		318		
Tb (ppm)	40.7		49.6		37.2		49.7		
Dy (ppm)	238		293		212		277		
Ho (ppm)	45.1		55.4		41.6		55.0		
Er (ppm)	128		158		119		155		
Tm (ppm)	18.0		22.2		16.7		21.5		
Yb (ppm)	111		136		103		132		
Lu (ppm)	15.8		19.1		14.8		18.8		
LREE (ppm)	8,358		9,968		8,002		10,862		
HREE (ppm)	869		1,067		792		1,048		
HREE+Y (ppm)	2,105		2,569		1,888		2,473		
TREE (ppm)	9,227		11,035		8,794		11,909		

TREE +Y (ppm)	10,463		12,537		9,889		13,335		
%TREE	0.92	%	1.10	%	0.88	%	1.19	%	
%TREE+Y	1.05	%	1.25	%	0.99	%	1.33	%	
%HREE	9.42	%	9.67	%	9.01	%	8.80	%	
%HREE +Y	20.12	%	20.49	%	19.09	%	18.55	%	
Note; REE TREE LREE HREE Y %HREE+Y %HREE	All elements parts per million (ppm), 10,000 ppm = 1% = 10kg/tonne Rare Earth Elements: La, Ce, Pr, Nd, Sm, Eu, Gd, Tb, Dy, Ho, Er, Tm, Yb, Lu (Lanthanide Series). Total Rare Earth Elements: Add La, Ce, Pr, Nd, Sm, Eu, Gd, Tb, Dy, Ho, Er, Tm, Yb, Lu Light Rare Earth Elements: Add La, Ce, Pr, Nd, Sm. Heavy Rare Earth Elements: Add Eu, Gd, Tb, Dy, Ho, Er, Tm, Yb, Lu. Y not included in HREE due to relatively low value compared to most Lanthanide series HREE. %(HREE+Y)/(TREE+Y) %(HREE/ TREE)								

Quality Assurance / Quality Control (QA/QC):

Channel samples, 10cm deep and 8cm wide, are cut by gas-powered diamond saw from cleaned outcrops to provide samples for assay and logging/reference. Each channel is cut into two vertical sections, similar to drill core, with a 6 cm thick section (weathering removed) being sent out for assay to Activation Laboratories Ltd. A 2 cm thick section is stored in channel boxes for reference and to provide due diligence/verification samples. The channels are cut perpendicular to strike, pieced together, logged and photographed to produce geological and geochemical sections. These channel samples, or horizontal drill holes, produce the same data as vertical diamond drill holes, except the data is from horizontal geological sections and the

collected sample is 6 to 8 times bigger than NQ drill core. Additional 8 cm wide cuts from a channel interval make excellent preliminary metallurgical samples (1m of channel yields about 30kg of sample).

Lithogeochemistry samples, all from bedrock, are collected by Company personnel, bagged and described. Reference samples are also collected for each grab, lithogeochemistry and channel sample. The samples are shipped to Activation Laboratories Ltd. (ActLabs) sample prep facility in Ancaster, Ontario, where they are crushed to 80% -10 mesh and riffled to produce a representative sample. This sample is then pulverized to 95% -200 mesh with the pulverizing mills being cleaned between each sample with cleaning sand. A representative sample is treated by a lithium metaborate/tetraborate fusion and then analyzed by ICP and ICP/MS techniques. Mass balance is required as an additional quality control technique and elemental totals of the oxides should be between 98% and 101%. For QA/QC purposes Search requires duplicates every 25 samples and two Search reproducibility standards every 50 samples. ActLabs analyzes duplicates and splits approximately every 15 samples and also analyses 29 measured standards for QA/QC. To further enhance our QA/QC procedures Search has a program of checking analytical results with other labs to confirm the ActLabs results. ActLabs is a ISO/IEC 17025 accredited laboratory.

Qualified Person:

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 technical information reported herein. The company will endeavour to meet high standards of integrity, transparency, and consistency in reporting technical content, including geological 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 FOXTROT Project, which is road accessible and at tidewater. Exploration efforts have advanced "Deep Fox" and "Fox Meadow" as significant new CREE prospects very similar to and in close proximity to the original FOXTROT discovery. While the Company has identified more than 20 other prospects in the District, its primary objective remains development of FOXTROT. The delineation of additional resources will ensure competitive-low cost production beyond the 14-year mine life outlined in the FOXTROT PEA (April 2016.) The FOXTROT 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 proprietary 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 and on SEDAR at 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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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.