



NEWS RELEASE

FOR IMMEDIATE RELEASE: November 28, 2018

SEARCH MINERALS INC. RECEIVES \$606,000 R&D FUNDING TOWARDS AN \$800,000 PILOT PLANT OPTIMIZATION PROGRAM

Vancouver, B.C. November 28, 2018 – (TSXV: SMY) **Search Minerals Inc.** (“**Search**” or the “**Company**”) is pleased to announce it will receive further research and development (“**R&D**”) funding totaling \$606,537 from the Department of Tourism, Culture, Industry and Innovation (“**TCII**”) and from the Atlantic Canada Opportunities Agency (“**ACO**A”) to assist in the refinement and optimization of the Search Minerals Direct Extraction Process. The Direct Extraction Process was the subject of a successful pilot plant program, which was completed in August 2017. The program will further enhance the technology with a focus on equipment design and reliability, impurity management within the rare earth recovery process and improved final product quality. Search will receive \$306,537 towards the project from TCII and will receive a \$300,000 conditionally repayable contribution from ACOA. Search will contribute an additional \$165,000. The total Project cost is approximately \$806,000.

Greg Andrews, President/CEO comments, “We are very pleased to have the support of both the Government of Newfoundland and Labrador, through the Department of Tourism, Culture, Industry and Innovation, and of the federal government, through ACOA, to provide \$606,537 R&D funding for this \$806,000 project. TCII and ACOA have provided funding to Search from our first bench scale testing in 2014 to our completion of the \$1,900,000 pilot plant testing program in 2017. Our successful collaboration with TCII and ACOA has allowed Search to continue to advance our Critical Rare Earth Project in SE Labrador. The information and data gathered from this pilot plant will be instrumental in the design of the processing facility required to produce our 99% high purity mixed rare earth oxide concentrate. The Search project focuses on the key elements used in the permanent magnet market, poised to grow with the global electrification of modern transportation infrastructure being led by rapidly expanded manufacturing of electric/hybrid vehicles.”

“The Government of Canada understands that innovation is fueled by new ideas and approaches that help grow our economy, create good jobs and improve the quality of life for all Canadians,” said the Honourable Navdeep Bains, Minister of Innovation, Science and Economic Development and Minister responsible for ACOA. “Our support for innovative ideas in mining technology with Search Minerals will have the potential to fuel new business and commercialization opportunities in the mining industry in Newfoundland and Labrador.”

The Honourable Christopher Mitchelmore - Minister of Tourism, Culture, Industry and Innovation, stated: “Strategic investments in R&D are critical to growing the mining industry in Newfoundland and Labrador. This investment to support the refinement and optimization of Search Minerals Direct Extraction Process aligns with our Way Forward commitment to further develop innovation and technology in our province. The Provincial Government continues to work to attract investment, support communities and develop our economy.”

“I am thrilled that the Provincial Government, is supporting Search Minerals Inc. to the tune of \$306,537. This funding enables them to move forward with research and development for their Search Minerals Direct Extraction Process. A positive collaboration that will deliver continued advancement to their Critical Rare Earth Project in Southeast Labrador. This is another example of our commitment to work with industry to build and develop opportunities for the people of Newfoundland and Labrador.” said the Honourable Lisa Dempster - Minister of Children, Seniors and Social Development and MHA for Cartwright – L’Anse au Clair.

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Dr. David Dreisinger, Vice President Metallurgy, will supervise the work with SGS Canada. The project is expected to be completed within 6 months. The information from this program will ultimately be used to design and operate future demonstration and commercial processing plants. Concurrently with the pilot plant refinement and optimization program, Search continues to explore options for rare earth separation technology for production of individual rare earths from the mixed rare earth concentrate to be produced at the mine site.

The program will focus on the following components:

- Sustainable equipment design for acid baking of rare earth ore.
- Water leach optimization with investigation into separate leaching of coarse and fine material as well as investigation of calcine grinding.
- More efficient use of impurity removal from the Direct Extraction Process.

On the successful conclusion of the Pilot Plant optimization, Search will have reached the following milestones:

- Continuous operation of the acid bake flowsheet under the new proposed configuration.
- Bulk (batch) treatment of calcine through all the major circuits.
- Continuous operation of a selective impurity circuit in a 5-day mini pilot plant.
- Proof of operability of the selected flowsheet with chosen process parameters.

Search will engage the services of SGS Canada Inc. (“SGS”) for the construction and operation of the optimized pilot plant. SGS has been involved with all key stages of the development of the Direct Extraction Process from bench scale testing to the pilot plant.

About Search Minerals

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 support 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 the Atlantic Canada Opportunities Agency:

ACOA works to create opportunities for economic growth in Atlantic Canada by helping businesses become more competitive, innovative and productive, by working with diverse communities to develop and diversify local economies, and by championing the strengths of Atlantic Canada. Together, with Atlantic Canadians, ACOA is building a stronger economy.

About the Department of Tourism, Culture, Industry and Innovation, Government of Newfoundland & Labrador:

Tourism, Culture, Industry and Innovation is the lead department for the economic, culture, and innovation agenda of the Provincial Government. We provide insight, intelligence, innovation, and investment services for businesses and communities to create a strong, vibrant business community and regional economies. While TCII plays a prominent role in developing tools and programs to assist businesses and its clients, it is the investment, effort, partnerships and collaboration, and risk undertaken by enterprises and their employees that lead to wealth generation.

About SGS Canada

SGS is the world's leading inspection, verification, testing and certification company. SGS is recognized as the global benchmark for quality and integrity. With more than 80,000 employees, SGS operates a network of over 1,650 offices and laboratories around the world.

Around the world, SGS offers a wide range of integrated services for the hard rock, energy minerals and fertilizer sectors including sustainable geochemical analysis, resource calculation, mineralogy, metallurgical testing and consulting, engineering services, advanced systems, water treatment and trade services. For further information regarding these and other SGS services, please visit www.sgs.com/metallurgy.

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.

For further information, please contact:



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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, advancement of the Company’s Foxtrot Project, environmental assessment results, results from public consultations, provincial studies and the completion of environmental studies. 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, public consultations drastically change the Guidelines, the refusal of the provincial and federal government to cooperate during the assessment process and the results of the environmental assessment are not favourable to the Company. 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.