

# Search Minerals and USA Rare Earth Enter Non-Binding Memorandum of Understanding for an Offtake Agreement

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VANCOUVER, Oct. 20, 2021 - [Search Minerals Inc.](#) (TSXV: SMY | OTCQB: SHCMF) ("Search" or the "Company") and USA Rare Earth, LLC ("USA Rare Earth") are pleased to announce that [Search Minerals Inc.](#) and USA Rare Earth, LLC have signed a non-binding Memorandum of Understanding ("MOU") for an offtake of 500 tonnes/year of Neodymium (Nd) / Praseodymium (Pr) from future production at the Deep Fox or Foxtrot deposits. The parties will continue to conduct customary, commercially reasonable due diligence in advance of entering into any definitive agreements. In addition, USA Rare Earth exercised 4,500,000 warrants as part of the Accelerated Warrant program as announced in the Company's press release dated August 18, 2021. Each warrant was exercisable into one common share at a price of \$0.10, and as announced in the Company's press release dated August 18, 2021, the Company had accelerated the expiry date of the warrants to September 30, 2021.

This MOU is part of Search's and USA Rare Earth's development plans to expand the collaboration to include discussions regarding separation, marketing and offtake of a portion of the future production at Deep Fox and Foxtrot. These discussions are in line with Search's ambition to be an important contributor to the development of a North American Critical Material supply chain and USA Rare Earth's strategy of Mine-to-Magnet processing and the development of a complete and sustainable North American rare earth supply chain.

On November 10, 2020 Search and USA Rare Earth jointly announced a Technical Collaboration Framework Agreement whereby the two companies would work on several initiatives.

Greg Andrews, President/CEO of Search, stated: "We have already started a strong technical collaboration with USA Rare Earth and are pleased to deepen our relationship through this MOU and the exercise of warrants by USA Rare Earth. Search will continue our "Sprint to Production" which includes: 1) producing the Q1 2022 Preliminary Economic Assessment Report on the combined Deep Fox and Foxtrot deposits, 2) continued environmental baseline studies, and 3) processing the 80 tonne bulk sample material for our magnetic demonstration plant testing."

Simon Sullivan, Chief Commercial Officer of USA Rare Earth, said, "We are excited to continue our collaboration with Search as we work to stand up a transparent North American critical mineral supply chain. USA Rare Earth continues to execute on its Mine-to-Magnet strategy of bringing back fully-integrated domestic production of rare earth permanent (NdFeB) magnets to the United States. Once operational, USA Rare Earth's NdFeB magnet plant will initially produce 2,000 tonnes annually of high-performance rare earth magnets, with the ability to scale production further based on growing market demand."

Growth in rare earth markets is being driven by rare earth (neo) magnets used in electric motors for vehicles and generators in wind turbines. Neo magnets used in these high-temperature applications use alloys including neodymium, praseodymium, dysprosium, and terbium. Search has significant resources of these elements at Deep Fox and Foxtrot, which will be complementary to the USA Rare Earth Round Top Mountain critical minerals and heavy rare earth project, which has a high concentration of dysprosium and terbium as well as neodymium and praseodymium.

For further information, please contact:

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#### About Search Minerals Inc.

Led by a proven management team and board of directors, Search is focused on finding and developing Critical Rare Earths Elements (CREE), Zirconium (Zr) and Hafnium (Hf) resources within the emerging Port Hope Simpson - St. Lewis CREE District of South East Labrador. The Company controls a belt 63 km long and 2 km wide and is road accessible, on tidewater, and located within 3 local communities. 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.

Search has continued to optimize our patented Direct Extraction Process technology with the generous support from the Department of Tourism, Culture, Industry and Innovation, Government of Newfoundland and Labrador ("InnovateNL"), and from the Atlantic Canada Opportunity Agency ("ACOA"). We have completed two pilot plant operations and produced highly purified mixed rare earth carbonate concentrate and mixed REO concentrate for separation and refining. For more information about Search, visit [www.searchminerals.ca](http://www.searchminerals.ca).

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#### About USA Rare Earth, LLC

USA Rare Earth, LLC owns an 80% operating joint venture interest in, and is the operator of, the Round Top Heavy Rare Earth and Critical Minerals Project located in Hudspeth County, West Texas. Round Top hosts a wide range of critical heavy rare earth elements, high-tech metals, including lithium, zirconium, hafnium and beryllium, and, based on the Preliminary Economic Assessment (dated August 16, 2019) projects a pre-tax net present value using a 10% discount rate of \$1.56 billion based on a 20-year mine plan that is only 13% of the identified measured, indicated and inferred resources. Based on the cost estimates set forth in the PEA, Round Top would be one of the lowest-cost rare earth producers, and one of the lowest cost lithium producers in the world. The Round Top Deposit hosts 16 of the 17 rare earth elements, plus other high-value tech minerals (including lithium) and is well located to serve the US internal demand. USA Rare Earth has also opened a rare earth and critical minerals processing facility in Wheat Ridge, Colorado and in April 2020 USA Rare Earth acquired a neodymium iron boron (NdFeB) permanent magnet manufacturing production line. For more information about USA Rare Earth, visit [www.usare.com](http://www.usare.com)

#### Cautionary Statement Regarding "Forward-Looking" Statements:

*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 to 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. 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*

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