

May 10, 2019



Dear :

Re: Your request for access to information under Part II of the *Access to Information and Protection of Privacy Act* (File # NR-75-2019)

On April 23, 2019, the Department of Natural Resources received your request for access to the following records/information:

In NR-42-2019 there is a reference to a meeting note for Search Minerals, please provide a copy of this note and any other briefing, information, meeting, direction/decision notes relating to this company for the past three months.

I am pleased to inform you that a decision has been made by the Department of Natural Resources, confirmed by the Deputy Minister, to provide access to the requested records. The records are attached.

We are providing access to the most information possible but have made redactions in accordance with Sections 29(1)(a) and 35(1)(d) of *ATIPPA, 2015* as follows:

29. (1)(a) The head of a public body may refuse to disclose to an applicant information that would reveal advice, proposals, recommendations, analyses or policy options developed by or for a public body or minister;

35. (1)(d) The head of a public body may refuse to disclose to an applicant information which could reasonably be expected to disclose information, the disclosure of which could reasonably be expected to result in the premature disclosure of a proposal or project or in significant loss or gain to a third party;

Please be advised that you may ask the Information and Privacy Commissioner to review the processing of your access request, as set out in section 42 of the *Access to Information and Protection of Privacy Act* (the *Act*). A request to the Commissioner must be made in writing within 15 business days of the date of this letter or within a longer period that may be allowed by the Commissioner.

The address and contact information of the Information and Privacy Commissioner is as follows:

Office of the Information and Privacy Commissioner
2 Canada Drive
P. O. Box 13004, Stn. A
St. John's, NL. A1B 3V8
Telephone: (709) 729-6309
Toll-Free: 1-877-729-6309
Facsimile: (709) 729-6500

You may also appeal directly to the Supreme Court Trial Division within 15 business days after you receive the decision of the public body, pursuant to section 52 of the *Act*.

Please be advised that this letter will be published following a 72 hour period after it is sent electronically to you or five business days in the case where records are mailed to you. It is the goal to have the letter posted to the Completed Access to Information Requests website within one business day following the applicable period of time.

If you have any questions, please feel free to contact me at 709-729-0463 or rhynes@gov.nl.ca.

Sincerely,

A handwritten signature in cursive script that reads "Rod Hynes".

Rod Hynes
ATIPP Coordinator

Meeting Note
Department of Natural Resources
Meeting with Search Minerals Inc.
Monday March 4, 2019, 11:00 AM
Fairmont Royal York Hotel, PEI Room, Main Mezzanine Level

Attendees:

Greg Andrews, President and Chief Executive Officer, Director, Search Minerals Inc.
Dr. David Dreisinger, Ph.D, Director & Vice President Metallurgy

Minister Siobhan Coady
Perry Canning, ADM, Mines

Purpose of Meeting:

- Search Minerals Inc. requested a meeting with Minister Coady to provide an update on development of its rare earth elements camps in Labrador.

Background:

- Search Minerals Inc. (through its wholly-owned subsidiary Alterra Resources Inc.) has three Rare Earth Elements (REE) camps in Labrador with its primary focus on the Port Hope Simpson (PHS) Critical Rare Earth Element District in South East Labrador. This District is home to the company's flagship Foxtrot resource property and also includes Deep Fox Discovery and Fox Meadow Discovery. The other two camps are Henley Harbour on the southern coast of Labrador and the Red Wine Complex in central Labrador.
- Search has filed The Foxtrot Rare Earth Element Mine for provincial (December, 2017) and federal (January, 2018) environmental assessment. An environmental assessment committee has been assigned and Search is required to submit an environmental impact statement (EIS) for the project. EIS guidelines have been provided to the company and Search has initiated environmental base line studies.
- In April 2016, Search released an updated Preliminary Economic Assessment (PEA) on the Foxtrot project. The PEA evaluated an open pit and underground mine development producing 10 tonnes of rare earth oxide per day. The potential mine would have a 14 year mine life and employ 140 people during the 8 year open pit stage and 220 during the 6 year underground phase. The PEA estimated an initial capital cost of \$152 million (\$232 million including sustaining and closure capital).
- During the open pit operations, mining activity will occur 6 months of the year (May to October), at a rate of 2,000 tonnes per day. The underground phase of the mining project will run year round at a rate of 1,000 tonnes per day. The rare earth oxide would be shipped out of the province for final separation of the REEs.
- The pilot plant project was successfully completed in February 2017 and produced a high purity (98.99%) mixed rare earth oxide (REO) concentrate for refining. An advantage to the extractive method is a dry stackable residue which is more environmentally friendly.
- In November 2018, Search announced that it will receive further research and development (R&D) funding from the Department of Tourism, Culture, Industry and Innovation (\$306,537 non-repayable) and the Atlantic Canada Opportunities Agency (\$300,000 conditionally repayable) to assist in the refinement and optimization of the Direct Extraction Hydrometallurgical Process. Search will contribute an additional \$165,000 for a total cost of approximately \$806,000.

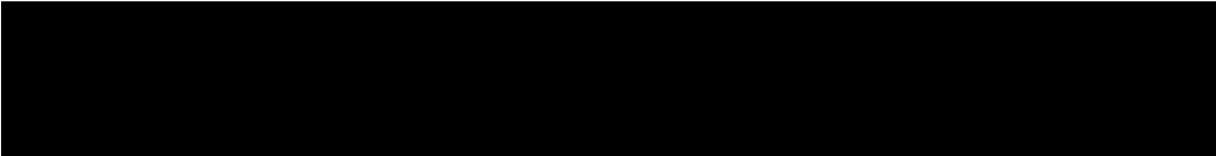
- In 2018, Search initiated phase one of a drill program on its Deep Fox Discovery and in December reported encouraging assays results. The Deep Fox drill program has confirmed higher grade mineralization and higher true widths than the Foxtrot deposit. The company states “with the anticipation of phase two results, we will be able to prepare a resource estimate for Deep Fox with the ultimate goal to prepare an updated preliminary economic assessment.” Phase two is complete and results are being analyzed.

Agenda item #1: Executive Update

- Search Executive will provide an update on the progress for the Foxtrot property

Analysis

- As part of the R&D Direct Extraction Hydrometallurgical Process, Search is looking to further pilot plant optimization based on the recommendations from SGS Canada. With results from this study, Search will explore the opportunity to build and operate a demonstration plant that would provide substantially more REO concentrate for further refining and identify qualifications required to secure end-users or an off-take agreement.

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S.29.1.a

S.35.1.d

- In 2015, Search Minerals completed an engineering study on a metallurgical pilot plant in Southern Labrador which evaluated the commercial feasibility of innovative technologies for the recovery and refining of rare earth elements from Labrador. The \$1.9 million study was partially funded by Research and Development Corporation of Newfoundland and Labrador (\$750,000) and the Atlantic Canada Opportunities Agency (\$500,000 conditionally repayable). As a result, Search now has a Direct Extraction Hydrometallurgical Process (US Patent Pending).

Potential Speaking Points

- Government would like to thank Search for their support and initiative in spearheading the Mining the Future 2030 document.

- The Minister may wish to ask about progress with their environmental impact statement required as part of the Foxtrot environmental assessment and 

S.29.1.a

S.35.1.d

Proposed Actions

- None at this time.

Prepared/Approved by: B. Lawlor / K. Bradbury / A. Smith / P. Canning
Ministerial Approval:

February 22, 2019

Attachments: Biographies

Biographies

Greg Andrews

President and Chief Executive Officer, Director, Search Minerals Inc.

Mr. Andrews received his Bachelor of Commerce, Finance from the University of Calgary. He has over 20 years of experience in strategic planning, financial and administrative management consulting to public and private companies. He has held positions as General Manager of a Registered Portfolio Management company, General Manager of a Private Family Office and President of a wholesale distribution company. Mr. Andrews has also held various directorships in TSX Venture listed companies since 1993, including those involved in mining, oil and gas, technology and biotechnology.

Dr. David Dreisinger, Ph.D

Director & Vice President Metallurgy

Dr. Dreisinger holds the position of Industrial Research Chair, Hydrometallurgy at the University of British Columbia where he has been a Professor since 1988. He has over 250 publications to his credit and has been involved as a process consultant for metallurgical companies for many years. He has participated in 19 U.S. patents for work in areas such as pressure leaching, ion exchange removal of impurities from process solutions, use of thiosulfate as an alternative to cyanide in gold leaching, and leach-electrolysis treatment of copper matte. Dr. Dreisinger also co-invented the Mt. Gordon Copper Process for copper recovery from sulfide ores and the Sepon Copper Process for copper recovery from sulfidic-clayey ores. He has been actively involved in the development of the proposed metallurgical flow sheet for Boleo and is one of the recognized experts in the world in the area of hydrometallurgy. He is also a director of Polymet Mining Corp. and Search Minerals and holds officer positions with Search Minerals Inc. and Trimetals Mining Inc.