

VANCOUVER, July 29, 2015 /CNW/ - (TSXV: SMY) Search Minerals Inc. ("Search" or the "Company") is pleased to announce the closing of the first tranche of its previously announced private placement and the filing of the 2nd quarter ended May 31, 2015 Financial Statements and Management and Analytical Discussion. The Company has also provided a corporate update regarding the 2015 Exploration program, the re-location of the exploration office to St. Lewis and the planned programme for the balance of the year.

Greg Andrews, President, states, "Search continues to work towards achieving its corporate goals for 2015 which are: 1) to continue to advance the Port Hope Simpson Critical Rare Earth Element ("CREE" - Nd, Eu, Tb, Dy, Y) District in SE Labrador, specifically the FOXTROT Project and the recently announced Deepwater Fox Prospect; 2) to prove the commercial application of the Company's proprietary metallurgy process with a demonstration plant, which should allow the Company to initiate a feasibility study; and 3) continue to build relationships and seek strategic partners. Search has also been working very diligently in strengthening the balance sheet and reducing corporate expenses."

FINANCING

Further to its news release dated July 2, 2015, the Company has completed the first tranche of its non-brokered private placement (the "Offering") raising gross proceeds of \$477,000 by the issuance of 7,950,000 units (the "Units") at \$0.06 per Unit. Each Unit consists of one common share in the capital of the Company (a "Share") and one share purchase warrant (a "Warrant"). Each Warrant entitles the holder to purchase one additional common share in the capital of the Company (a "Warrant Share") at a price of \$0.10 per Warrant Share for a period of 24 months from the closing of the Offering. The Company intends to close the final tranche of the Offering shortly.

The Company will use the proceeds from the Offering as follows:

- Continue channel sampling work program at the new Deepwater Fox prospect;
- Prepare updated preliminary economic assessment report using the information contained in the recent engineering study (see "Search Minerals Receives Independent Engineering Study For Processing Facility In SE Labrador," June 16, 2015) and including information from Search's proprietary metallurgical process (see "Search Minerals Announces Successful Scale Up of Proprietary Metallurgical Process to Produce 98.9% Purity Rare Earth Oxide Product," Feb. 2, 2015);
- To maintain its rare-earth properties in the Port Hope Simpson CREE District; and
- For general working capital.

All securities issued in the Offering are subject to a statutory hold period to November 29, 2015 in accordance with applicable securities legislation. Closing of the Offering is subject to final approval of the TSX Venture Exchange.

A director of the Company acquired Units under the Offering. Such participation is considered to be a "related party transaction", as defined under Multilateral Instrument 61-101 ("MI 61-101"). The Company intends to rely on the exemptions from the valuation and minority shareholder approval requirements of MI 61-101 contained in sections 5.5(b) and 5.7(1)(b) of MI 61-101 in respect of such insider participation.

PROGRESS OF 2015 EXPLORATION PROGRAM

The Search Exploration Crew, consisting of three geologists and 5 local support staff, has been in the field for just over two months. The focus of the exploration program is maintenance work on licenses in the Port Hope Simpson CREE (Critical Rare Earth Element) District and a channelling program on the Company's new Deepwater Fox Prospect (see Search Minerals News Release January 27, 2015).

The main part of the channelling program is almost complete; a total of 12 channels totalling 350m of channel and approximately 650 assay samples over a strike length of 500m. Most samples have been delivered for assay and the results are pending. Geological surface mapping, prospecting and channel logging indicate the presence of mineralization over 500m strike length and varying from 3 to 34m wide. An additional 2-3 channels are planned.

Results of the channel program will be used to evaluate and plan a 2000m drill program at Deepwater Fox in October. The aim of this program is to outline a second source of feed material, in the Port Hope Simpson CREE District, for a possible central processing plant in the St. Lewis, Labrador region.

Upon completion of the Deepwater program, exploration will also be carried out elsewhere in the Port Hope Simpson CREE District, in the Henley Harbour area of SE Labrador and in the 100% owned Red Wine area of Central Labrador (see June 29, 2015, Search Minerals owns 100% of Red Wine Complex Property with purchase of Great Western Minerals' working interest.)

RELOCATION OF SEARCH EXPLORATION OFFICE

The Search Exploration office is in the process of moving to a larger facility in St. Lewis, which will house the exploration team,

facilitate the core analysis and separation operation, and provide space to maintain all the Company's core, including that from the Red Wine Complex. The consolidation of offices and core shacks will have immediate savings for the Company. The exploration office is located closer to the FOXTROT project and Deepwater Fox prospect, which will reduce travel time and the associated costs getting to the worksites.

PLANNED ADVANCEMENTS FOR BALANCE OF 2015

- Design and build a larger-scale pilot demonstration plant to test the FOXTROT Project mineralization. The material processed through the demonstration plant will confirm the specifications and purity of the mixed rare earth oxide product for further testing by end-users or separation refineries;
- Engage an Engineering Company to initiate an Environmental Scoping Study to provide the Company with strategic guidance and tools required to initiate the Environmental Assessment process;
- Continue to work on our relationships with Atlantic Canada Opportunities Agency ("ACOA"), Research and Development Corporation ("RDC"), NunatuKavut Community Council ("NCC"), and the local communities, and cultivate new relationships to enhance the development of FOXTROT. These new relationships could include off-take partners, joint venture partners, end-users, or other strategic partners; and
- Build market awareness of Search Minerals, by enhancing our investor relations, redesigning our website, and increased communication to the marketplace.

The above advancements for 2015 will depend on funding to complete and therefore are subject to change.

About Search

Search is a TSX Venture Exchange listed company focused on creating value through finding and developing "critical rare earth element ("CREE")" mineral assets in Labrador. CREEs (Nd, Eu, Tb, Dy, Y) have growing demand, constrained or restricted supply and are commonly used in innovative technologies.

Search is the discoverer of the Port Hope Simpson CREE District, a highly prospective CREE belt located in southeast Labrador, where the Company controls a belt 70 km long and up to 8 km wide. Search owns 100% of the advanced CREE resource called the Foxtrot Project ("Foxtrot"), and a recently announced Foxtrot-like prospect called "Deepwater Fox". In addition, the Company has identified more than 20 other Foxtrot-like prospects in the District. The primary focus of Search is to continue to advance the Foxtrot resource, while evaluating other Foxtrot-like prospects. Several of the Foxtrot-like prospects require exploration drilling programs and may provide additional resources to a central processing facility that would be situated within the District.

In addition, Search holds a number of other CREE mineral prospects in Labrador in its portfolio, including claims in the Red Wine Complex, in the Henley Harbour area and in the Strange Lake Complex (where Quest Rare Minerals has a Joint Venture with Search) .

Search Minerals is led by a Management Team and Board of Directors with proven track records in the mining industry. The Company also has experienced geological and metallurgical teams led by Dr. Randy Miller and Dr. David Dreisinger respectively.

All material information on the Company may be found on its website at searchminerals.ca and on SEDAR at sedar.com.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Cautionary Statement Regarding "Forward-Looking" Information.

This news release includes certain "forward-looking statements" under applicable Canadian securities legislation that are not historical facts. Forward-looking statements involve risks, uncertainties, and other factors that could cause actual results, performance, prospects, and opportunities to differ materially from those expressed or implied by such forward-looking statements. Forward-looking statements are necessarily based on a number of estimates and assumptions that, while considered reasonable, are subject to known and unknown risks, uncertainties and other factors which may cause actual results and future events to differ materially from those expressed or implied by such forward-looking statements. Such factors include, but are not limited to: general business, economic and social uncertainties; litigation, legislative, environmental and other judicial, regulatory, political and competitive developments; and those additional risks set out in Search's public documents filed on SEDAR at www.sedar.com. Although Search believes that the assumptions and factors used in preparing the forward-looking statements are reasonable, undue reliance should not be placed on these statements, which only apply as of the date of this news release and no assurance can be given that such events will occur in the disclosed time frames or at all. Except where required by law, Search disclaims any intention or obligation to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

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