VANCOUVER, Aug. 31, 2016 /CNW/ - Search Minerals Inc. ("Search" or the "Company") (TSXV: SMY), and its wholly-owned subsidiary, Alterra Resources Inc. ("Alterra"), are pleased to summarize our achievements in 2016 to date and provide our outline of advancement for upcoming months. Our goal for 2016 continues to be to advance the Port Hope Simpson (PHS) CREE District in SE Labrador, which contains the FOXTROT Project ("FOXTROT") and advance the metallurgy technology with a pilot plant, to attract strategic and offtake partners.

Highlights of 2016

- Commissioned SGS Minerals Canada ("SGS"), Lakefield to build and operate Pilot Plant. This $1.9M project is being funded by the Atlantic Canada Opportunity Agency ("ACOA") and the Research Development Corporation of Newfoundland and Labrador ("RDC") for $1.25M of eligible expenses.
- Updated the existing Preliminary Economic Assessment ("PEA") with updated capital costs from the independent engineering study (the "Study") completed by SNC-Lavalin Australia Pty Ltd. The Study estimated construction and operating costs for a REE mineralization treatment facility in SE Labrador applying Search's proprietary process for treatment of REE mineralization from FOXTROT.
- Released PEA highlights - $152M Capital Costs (including $33M contingency), Pre- tax: NPV_{10} -$93M, 22.2% IRR and 3.5year payback, After-tax: NPV_{10} - $48M, 16.7% IRR and 4.4year payback – (Search News release – February 16, 2016 - Search Minerals Announces Enhanced Economics in Updated Preliminary Economic Assessment of Foxtrot REE Project).
- Received AllNorth Consultants Environmental Desktop Study with recommendations and process for our Environmental Assessment Application related to FOXTROT Project development.
- Completed the 2016 Field Exploration Program in the 62km x 10km Port Hope Simpson (PHS) REE District ("District") to evaluate and maintain key licenses. The Program advanced the Fox Meadow prospect (see Search News Release -August 29, 2016 – 2016 Exploration Program). The District now contains the FOXTROT Project and Deepwater Fox and Fox Meadow prospects.
- Continued building positive relations with the NunatuKavut Community Council ("NCC").

Outline of Advancements and Goals for Balance of 2016 and 2017

- Continue to advance the PHS CREE District with additional work on the Deepwater Fox and Fox Meadow prospects.
- Advance the recommendations from the Environmental Desktop Study prepared by AllNorth.
- Obtain final report from SGS for Pilot Plant operation and receive mixed rare earth oxide concentrate samples from Pilot Plant for further separation with refineries or other separation technology companies.
- Continue to work with ACOA, RDC, NCC and government of NL to advance environmental assessment and the development of the FOXTROT Project.
- Continue to seek out offtake partners, joint venture partners, end-users as strategic partners.
- Build market/investor awareness of Search Minerals with a view to broadening our shareholder base, improving liquidity and attracting equity investment for exploration and development programs.

Search also announces that it has contracted with Pilot? Communications Inc. (Pilot?) of St. John's, NL for communications and investor relations services for an initial six-month term. Under the terms of the contract, which is subject to TSXV approval, these services will begin immediately and Pilot? will receive a monthly retainer of $6,850 per month. The contract may be extended for an additional six months following the initial six-month term.

Pilot? Communications has been in operation for over 20 years and has a strong background in marketing and communications, including government and community relations and investor relations. Paul Snow, BSc. MBA, who will lead the file for Pilot° is an IR professional with experience supporting publicly traded mining, oil and gas and technology firms. Paul is also an experienced geologist who brings a solid understanding of the mining and exploration business to his role.

Greg Andrews, President and CEO states: "Search continues to advance the FOXTROT Project and strengthen its presence in the PHS Critical Rare Earth Element District. At the same time, we are focusing on the business of attracting the right strategic partners; including an offtake partner. Given that our proprietary processing technology is scalable and the Fox Meadow and Deepwater Fox prospects are so similar to FOXTROT, we are obviously excited about the implications on our capital budget, in particular the very real potential to push out the time line for the $50M+ underground program contemplated in the PEA released in February of this year."

"With all of this work and excitement ahead of us in the coming months, ongoing and timely communications with our existing shareholders, the investment community, governments and all of our key stakeholders becomes that much more important. In this

respect we are pleased to add Pilot Communications and Paul Snow to our team."

About Search

Search Minerals Inc. 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, Pr, 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, 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 CREE 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 CREE District.

In addition, Search holds a number of other CREE mineral prospects in Labrador in its portfolio including claims in the Red Wine Complex and in the Henley Harbour area.

Search 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 of the adequacy or accuracy of this release.

Cautionary Statement:

This news release contains forward-looking statements 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. Factors that could cause actual results to differ materially from these forward- looking statements include those 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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