

VANCOUVER, Oct. 4, 2016 /CNW/ - (TSXV: SMY) Search Minerals Inc. ("Search" or the "Company") reports that it has negotiated certain amendments to the Exploration Activity Agreement between the Company and NunatuKavut Community Council Inc. ("NCC") dated August 22, 2012 (the "Agreement").

Under the terms of the amending agreement, NCC has agreed to accept 357,143 units of the Company (the "Units") at a deemed issue price of \$0.07 per Unit in settlement of payments owing to NCC under the Agreement in the amount of \$25,000 (the "Debt"). Each Unit will consist of one common share of the Company (a "Share") and one common share purchase warrant of the Company (a "Warrant"). Each Warrant will entitle the holder to purchase one additional Share (a "Warrant Share") at a price of \$0.14 per Warrant Share for a period of twelve months.

The Units will be issued concurrently with an additional 50,000 Shares due for issue under the original terms of the Agreement (the "Agreement Shares").

Greg Andrews, President and CEO comments: "We are very appreciative of the continued support by the NunatuKavut Community Council for the development of the FOXTROT Project. The guidance and support of NCC will be very helpful as we commence the Environmental Assessment process necessary to advance the FOXTROT Project and the Critical Rare Earth District."

Todd Russell, President of NCC, states: "We appreciate the time and effort that Search Minerals has invested into building a positive relationship with the NCC and our communities. They have been very diligent in their work and have been respectful of the fact they are on our Indigenous lands. The NCC looks forward to continuing to strengthen its relationship with Search Minerals as the project progresses."

The Company decided to settle the Debt with Units in order to preserve its remaining cash for the environmental assessment applications, operations and completion of the pilot plant.

The issuance of the Units and the Agreement Shares to NCC is subject to the approval of the TSX Venture Exchange. All securities issued will be subject to a four month hold period which will expire on the date that is four months and one day from the date of issue.

About Search Minerals Inc.

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 SE Labrador. 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 "Deepwater Fox" and "Fox Meadow" as significant new CREE prospects very similar and in close proximity to the FOXTROT discovery. While the Company has identified more than 20 other prospects in the District, its primary objective remains development of FOXTROT by confirming proprietary processing technology at the pilot plant level (in progress) and delineation of prospects that will ensure competitive-low cost production beyond the 14-year mine life contemplated in the preliminary economic assessment of FOXTROT completed in 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.

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

About NunatuKavut Community Council

The NunatuKavut Community Council (NCC) is the representative governing body for approximately 6,000 Inuit of south and central Labrador, collectively known as the Southern Inuit of NunatuKavut. NunatuKavut means "Our Ancient Land" in Inuktitut and is the traditional territory of the Southern Inuit.

About CREE's

Identified as Neodymium (Nd), Europium (Eu), Terbium (Tb), Dysprosium (Dy) and Yttrium (Y) this valuable subset of the complete series of seventeen rare earth elements is considered critical due to high demand and/or constrained domestic supply. Containing unique properties which enhance the performance of a range of innovative technologies, CREE's are essential components in the development of permanent magnets and a variety of other components used in renewable energy, green technology automobiles, medical devices, electronics and agricultural production.

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 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 future events or the Company's future performance, business prospects or opportunities, including the completion of the issuance of Units and Shares to NCC. 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, 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 or the risk that Search does not receive the approval of the TSX Venture Exchange. 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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