

VANCOUVER, Oct. 27, 2016 /CNW/ - (TSXV: SMY) Search Minerals Inc. ("Search" or the "Company") is pleased to provide an update on the pilot plant program (the "Pilot Plant") which is being conducted by SGS Canada Inc. ("SGS"). The Pilot Plant is being funded by Atlantic Canada Opportunities Agency ("ACOA") and the Research & Development Corporation of Newfoundland and Labrador ("RDC") for up to \$1.25M of the \$1.9M program cost. The Pilot Plant is using the patent-pending proprietary technology breakthrough developed by the Company (the "Search Direct Extraction Process"), which has eliminated grinding, flotation, and magnetic and gravity separation from the process flow-sheet. Eliminating these processes has significantly reduced the capital and operating costs of the processing of material to a mixed rare earth concentrate.

The program has two phases: a bench-scale program and a continuous pilot-scale program. The bench-scale work is nearing completion (target completion is November 2016 for all reporting). Below are some key accomplishments of the bench-scale testing to date:

1. The bench-scale testing has confirmed the leachability of the FOXTROT material by the Search Direct Extraction Process.
2. The removal of uranium from the rare earth leach solution by ion exchange has been demonstrated. This will provide for low levels of uranium in the final mixed rare earth oxide for refining.
3. The removal of zinc as a zinc sulfide precipitate has been demonstrated. This will provide for low levels of zinc in the final mixed rare earth oxide for refining.

The continuous pilot plant equipment is in the final stages of design and procurement. A Holoflite unit (the "Holoflite") has been rented from the Metso Corporation for demonstrating the use of the Holoflite in the acid thermal treatment step. The unit has been commissioned at SGS and demonstrated to be able to continuously treat 10 kg/hour of FOXTROT material at 180 to 200 °C. The Holoflite system is a heating system normally used to dry mineral concentrates before shipping that has been adapted for use in the treatment of Foxtrot material with acid. The current target for completion of the construction of the "front end" pilot plant is December 2016 (process from ore crushing to precipitation of a mixed rare earth carbonate or hydroxide). The completion of the "back end" through to high purity mixed rare earth oxide will follow closely on these dates.

Greg Andrews, President and CEO, states, "We are looking forward to completion of the pilot plant, as it will provide Search with samples of a mixed rare earth concentrate created from the FOXTROT deposit. These samples will be crucial to provide potential refineries or new technology companies with actual product to further separate into individual oxides. We continue to seek strategic investors and offtake partners and these samples will help us towards this goal. We are also expecting to commence foundational environmental work during the pilot plant operation, which will provide crucial data, such as dry residue analysis and liquid effluent analysis, as we have initiated the process to complete environmental applications."

Qualified Person:

Dr. David Dreisinger, Ph.D., P.Eng., is the Company's Vice President, Metallurgy and Qualified Person for the purposes of NI 43-101. Dr. Dreisinger has reviewed and approved the technical disclosure contained in this news release as applicable. The company will endeavour to meet high standards of integrity, transparency, and consistency in reporting technical content, including geological and assay (e.g., REE) data.

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 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.

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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. 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. 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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