

VANCOUVER, Oct. 31, 2016 /CNW/ - [Search Minerals Inc.](#) (TSXV: SMY) ("Search" or the "Company") is pleased to announce the closing of the second tranche of its previously announced private placement. Further to its news releases dated September 13, 2016, October 11, 2016 and October 26, 2016, the Company has completed the second tranche of its non-brokered private placement (the "Offering") raising gross proceeds of \$405,300 by the issuance of 5,790,000 units (the "Units") at \$0.07 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 \$0.14 per Warrant Share for a period of 12 months from the closing of the Offering. Certain directors of the Company (the "Directors") purchased 390,000 Units under this tranche. With the completion of the two tranches, the Company has issued 10,990,000 Units for gross proceeds of \$769,300.

All securities issued pursuant to the Offering are subject to a statutory hold period of four months plus one day from the date of issuance, in accordance with applicable securities legislation.

The proceeds from the Offering will be used to complete environmental assessment applications and for general working capital requirements.

The Company intends to close the final tranche of the Offering by November 8, 2016. Closing of the Offering is subject to a number of conditions, including receipt of all necessary corporate and regulatory approvals, including the approval of the TSX Venture Exchange. No finder's fees or commissions are payable in connection with the financing.

As the Directors are considered to be "related parties" of the Company, the issuance of Units to the Directors will be considered to be a "related party transaction" under Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions ("MI 61-101"). All of the independent directors of the Company, acting in good faith, considered the transactions and have determined that the fair market value of the securities being issued to the Directors and the consideration being paid is reasonable. 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(a) and 5.7(a) or (b) of MI 61-101.

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.

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, the completion of subsequent tranches of the Private Placement and the use of proceeds of the Private Placement. 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, the risk that the Company is not able to find suitable investors for the Private Placement and that management of the Company may decide to use the proceeds in a different way. Readers should not place undue reliance on the forward-looking statements and information contained in this news release concerning these times. Except as required by law, Search does not assume any obligation to update the forward-looking statements of beliefs, opinions, projections, or other factors, should they change, except as required by law.

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