



NEWS RELEASE

FOR IMMEDIATE RELEASE: August 3, 2017

Search Provides Corporate Update And Announces Flow-Through Financing

Vancouver, B.C. Aug 3, 2017 – Search Minerals Inc. (TSXV: SMY) (“**Search**” or the “**Company**”) is pleased to provide a corporate update on the developments in the Company. The Company remains focused on commencing a 2000 metre drill program at Deep Fox, and advancing into the rare earth supply chain by providing those who are in the business of separating mixed rare earth concentrates into individual rare earth oxides with a sample of the Search 99% high purity mixed rare earth oxide concentrate from the recently completed pilot plant operation at SGS Canada (Lakefield).

Financing Update

In March 2017, the Company announced that it intended to raise up to \$3,000,000 through a private placement of funds to be used to drill the Deep Fox prospect, continue exploration work in the area, advance environmental assessment applications and for general working capital requirements. While the \$462,000 raised from this effort was insufficient to commence the drill program at Deep Fox, the Company has allocated funds to complete exploration work in the area, perform additional channel sampling at Deep Fox, and for completing all necessary planning and permitting for the drill program.

The Company now intends to raise the additional \$700,000 needed to complete the planned 2,000 metre drill program at Deep Fox by way of a flow through financing. The Company proposes to issue up to 10,000,000 flow-through shares at \$0.07 per share for gross proceeds of up to \$700,000. The proceeds of the flow-through financing will be used to incur Canadian Exploration Expenses as defined in the Income Tax Act on the Company’s properties.

Cash Conservation Program

In response to the current shortfall in fundraising, the Company has implemented additional cash conservation measures with management agreeing to defer/accrue their respective fees since May 2017. These measures will continue to be reviewed monthly depending on the cash situation of the Company. Directors’ fees for non-management directors have been accruing since December 2016.

In conjunction with the flow-through financing, the Company is also actively seeking other sources of funding for general working capital requirements.

Deep Fox Drill Program

For some time Search has been pointing to the upside potential of this prospect (previously called Deepwater Fox). The 2015 Channel program (*See Search News Release – dated October 15, 2015 – Search Minerals announces expansion of the Deepwater Fox “Critical REE” prospect in the Port Hope Simpson REE District*) outlines a similar strike length to Foxtrot but increased widths up to 30m and containing up to 15% higher grades of our key rare earth elements (Nd, Pr, Dy and Tb).

SEARCH MINERALS INC.

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Also, during the recently completed pilot plant operation and associated testing, it was confirmed that the Deep Fox material would provide similar or better extraction results as those achieved on the Foxtrot material. (*See Search News Release – dated April 5, 2017 – Search Minerals achieves high rare earth elements extraction from Deep Fox mineral sample*)

A 2,000 metre drill program would provide Search with approximately 13 holes, ranging from 25m to 100m intersections. A successful drill program is expected to confirm that the geological model at Deep Fox is similar to that observed at Foxtrot. At Foxtrot, drilling confirmed a close correspondence between surface channel geology/assays and drill core geology/assays down to at least 400m intersections.

The Deep Fox project is drill ready and Search has received all the required permits. Prior to undertaking the drill program, the Company will need to construct an access road to the drill site, which is expected to take 7 -14 days; the drill program is expected to take 30 - 45 days. Assays results and analysis should be available in up to 6 weeks following completion of the drill program.

Samples from the Pilot Plant

Search has forwarded concentrate samples (under confidentiality agreements), produced from its pilot plant testing, to 2 companies who are in the business of separating mixed rare earth concentrates into individual rare earth oxides. The evaluation of the concentrate materials by these companies will allow Search to accurately determine separation costs and assess best options for a separation partner. In addition, this step will provide potential offtake partners with more complete data on product quality as the Company looks to collaborate with them and other players in the downstream rare earth supply chain.

The early feedback from the separation companies is that the Company's 99% high purity mixed rare earth oxide concentrate sample is among the purest currently available.

Environmental Application

On July 28, 2017, Search filed the appropriate Environmental Applications for Mine Development to both the Federal and Provincial Governments. The government bodies have a prescribed period of 45 days to provide comments and suggestions. These comments will outline the required steps to be completed and included for the preparation of an Environmental Impact Statement.

Qualified Person:

Dr. Randy Miller, Ph.D., P.Geo, is the Company's Vice President, Exploration, and Qualified Person (as defined by National Instrument 43-101) who has supervised the preparation of and approved the technical information reported herein. 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.

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.

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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 South East Labrador (the “**District**”). 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 “Deep Fox” and “Fox Meadow” as significant new CREE prospects very similar and in close proximity to the original FOXTROT discovery. While the Company has identified more than 20 other prospects in the District, its primary objective remains development of FOXTROT with the clearly demonstrated success of the proprietary processing technology at the pilot plant level 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. The preliminary economic assessment is preliminary in nature and includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the preliminary economic assessment will be realized. The preliminary economic assessment includes the results of an economic analysis of mineral resources. Mineral resources are not mineral reserves and do not have demonstrated economic viability.

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

About neo-CREOs (Adamas Intelligence – December 2016)

We consider neodymium, praseodymium, and dysprosium to be neo-CREOs and they are vital to NdFeB magnets used widely in renewable power generation, electric mobility, and energy-efficient technologies. We consider terbium to be a neo-CREO because upon experiencing shortages of dysprosium, consumers in the magnet industry will rapidly consume available terbium supplies in its place for applications involving renewable power generation, electric mobility and energy efficient technologies. Lanthanum is considered a neo-CREO because it is widely used in catalytic converters and rechargeable batteries, and will be increasingly used as a thermal stabilizer by producers of poly-vinyl chloride (PVC) to minimize lead consumption and improve the energy efficiency of PVC and other processing equipment.

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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, completion 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 or does not receive the approval of the TSX Venture Exchange. 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, the Company does not assume any obligation to update the forward-looking statements of beliefs, opinions, projections, or other factors, should they change.

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