

Search Minerals Announces Closing of Non-Brokered Private Placement

/THIS RELEASE IS NOT FOR DISTRIBUTION TO U.S. NEWSWIRE SERVICES OR FOR DISSEMINATION IN THE UNITED STATES./

VANCOUVER, Oct. 16, 2012 /CNW/ - **Search Minerals Inc. ("Search" or the "Company") (TSXV: SMY)** is pleased to announce that the Company has closed the non-brokered private placement financing announced on September 14, 2012. The Company issued 1,400,000 "flow-through" units (the "**FT Units**") at a price of \$0.18 per FT Unit for gross proceeds of \$252,000. Each FT Unit is comprised of one flow-through common share of the Company for purposes of the *Income Tax Act* (Canada) and one common share purchase warrant of the Company. Each warrant is exercisable into one additional non-flow through common share of the Company for a period of 18 months from closing of the private placement at an exercise price of \$0.20.

The gross proceeds from the sale of FT Units will be used to fund a drill program of the Company at its heavy rare earth element prospect at Pesky Hill.

All securities issued pursuant to the private placement are subject to a four month hold period which will expire four months and one day from the date of closing, being February 17, 2013.

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.

About Search Minerals

Search Minerals Inc. (TSXV:SMY) is a TSX Venture Exchange listed company, headquartered in Vancouver, B.C. Search is the discoverer of the Port Hope Simpson REE District, a highly prospective light and heavy REE belt located in southeast Labrador where the company controls a dominant land position in a belt 135km long and up to 12km wide. In addition, Search has a number of other mineral prospects in its portfolio located in Newfoundland and Labrador, including a number of claims in the Strange Lake Complex, where Quest Rare Minerals has an earn-in agreement with the Company; and at the Red Wine Complex, where Great Western Minerals Group has a Joint Venture with the Company.

Furthermore, Search Minerals is the owner of patents relating to the Starved Acid Leaching Technology ("SALT"), a process with the potential to economically recover nickel and cobalt from known deposits currently considered sub economic.

Search Minerals is led by a management team and Board of Directors with a proven track record in the mining industry. The Company 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 www.searchminerals.ca and on SEDAR at sedar.com.

Cautionary Statements

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.

This news release does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in any jurisdiction; nor shall there be any sale of securities in any state in the United States in which such offer, solicitation or sale would be unlawful. The securities referred to herein have not been, and will not be, registered under the United States Securities Act of 1933, as amended, and may not be offered or sold within the United States or to or for the account or benefit of U.S. persons absent registration or an applicable exemption from registration requirements.

SOURCE: Search Minerals Inc.

%SEDAR: 00024814E

For further information:

Jim Clucas
T: 604-688-6180
President & Chief Executive Officer
E: jimclucas@searchminerals.ca

CO: Search Minerals Inc.

CNW 18:41e 16-OCT-12