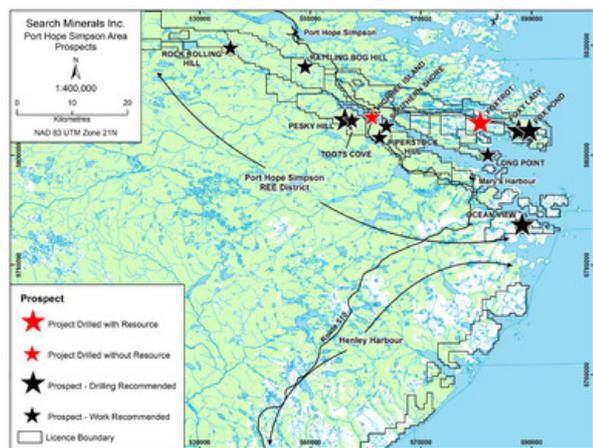


Search Minerals Commences Drilling on the Pesky Hill HREE Prospect in the Port Hope Simpson REE District, SE Labrador



TORONTO, Oct. 5, 2012 /CNW/ - **Search Minerals Inc. ("Search" or the "Company") (TSXV: SMY)** and its wholly-owned subsidiary, Alterra Resources Inc., are pleased to announce the start of a \$250,000 Phase I program which includes a 1200 m NQ drilling program (the "Drilling Program") on the Pesky Hill prospect, located 25 km southeast of Port Hope Simpson, Labrador, in the Port Hope Simpson REE District, as announced on September 5, 2012.

OBJECTIVE OF THE DRILLING PROGRAM

- Identify a high grade, Dysprosium resource that can be put into production much quicker and at a substantially lower capital cost than the Company's Foxtrot Project resource.
- Test the earlier prospecting and surface sampling, which yielded Dysprosium values of 621 - 2,741 ppm (Dy203 from 713 - 3,157 ppm), (News Release, March 1, 2012).
- Demonstrate to all stakeholders the potential of the Port Hope Simpson REE District for multiple REE deposits.

Springdale Forest Resources (Diamond Drilling Division) has been contracted to carry out the drilling program targeting HREE-Zr-Y-Nb mineralization at the Pesky Hill prospect. Approximately 25 holes (25 to 50 m depth) will be spotted to trace and sample high grade mafic-rich, amphibole-pyroxene-quartz-titanite, and related granitic pegmatites (see Search's news releases, March 1, 2012).

The Pesky Hill prospect is located near St. Lewis Inlet on the southeast Labrador coast. An all season, maintained gravel highway (Highway 510) is located about 5 km from the prospect, allowing access to the local port facilities, airstrips, and infrastructure at Port Hope Simpson, St. Lewis, and Mary's Harbour. Access to the Pesky Hill prospect is via a newly constructed 8 km long forest road.

Logging, sampling and assaying of drill core will be on-going with the Drilling Program; assay results are expected in the near future. Core is transported from the drill site to the nearby road and transported by truck to Search's Port Hope Simpson base. The core is split in half using a diamond table saw. One half of the core is kept in core boxes in the core storage facility for reference, and the other half is packaged and transported to ActLabs Sample Preparation Lab at Goose Bay. Search representatives maintain custody of the core and samples at all times until they have been delivered to the lab. See Search's July 27, 2010 news release for details of the preparation and assay methods.

Jim Clucas, President and CEO of Search Minerals notes "This drill program is designed to outline HREE mineralization that will complement the REE deposit outlined at the Foxtrot Project. The Company has discovered 11 REE prospects in the Port Hope Simpson REE District and hopes to develop multiple REE mines in the District."

CORPORATE UPDATE

The Strategic Committee continues to work with Byron Capital to explore strategic alternatives for the Company to enhance shareholder value. Search is expecting an updated NI 43-101 resource estimate to 450m depth for its flagship property, Foxtrot.

The Port Hope Simpson REE District is 135 km long and 4 - 12 km wide, consists of 3910 claims and occupies 978 square kilometres. There is a total of 11 REE prospects in the District, including: Rock Rolling Hill, Rattling Bog Hill, Piperstock Hill, Southern Shore, Toots Cove, Pesky Hill, HighREE Island, Foxtrot Project, Foxy Lady, Fox Pond and Ocean View. The Foxtrot Project, Foxy Lady and Fox Pond Prospects occur in the Fox Harbour mineralized belt. Piperstock Hill, Southern Shore, Toots Cove and Pesky Hill occur in a 13 km mineralized zone known as the HighREE Hills. The Ocean View Prospect occurs in a 3 km mineralized zone known as the Ocean View mineralized belt. The Fox Harbour, Ocean View and HighREE Hills mineralized zones are considered very prospective for both HREEs and LREEs.

Qualified Person:

Dr. Randy Miller, Ph.D., P.Geo, is the Company's Vice President Exploration and Qualified Person for the purposes of NI 43-101. Dr. Miller 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.

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.)

Location of Pesky Hill Prospect and all Prospects Port Hope Simpson REE Belt, SE Labrador

About Search:

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. 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 the Starved Acid Leaching Technology (patents pending) ("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 www.sedar.com.

Cautionary Statement:

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.

Image with caption: "Location of Pesky Hill Prospect and all Prospects Port Hope Simpson REE Belt, SE Labrador. (CNW Group/Search Minerals Inc.)". Image available at: http://photos.newswire.ca/images/download/20121005_C4842_PHOTO_EN_18993.jpg

SOURCE: Search Minerals Inc.

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