

## Search Minerals Phase III Drilling Increases Foxtrot REE Project Resource Estimate by 55% of Similar Grade

VANCOUVER, Nov. 1, 2012 /CNW/ - Search Minerals Inc. ("Search" or the "Company") (TSXV: SMY) and its wholly-owned subsidiary, Alterra Resources Inc., are pleased to announce that Roscoe Postle Associates (RPA) have prepared an updated mineral resource estimates for the Foxtrot Project in the Port Hope Simpson Rare Earth Element (REE) District in southeastern Labrador.

### HIGHLIGHTS

- A 270% increase in Indicated Resources, largely from extending the initial resource to depth.
- 9,229,000 tonnes of Indicated Mineral Resources with a grade of 0.17% heavy rare earth elements (HREE+Y), equivalent to 0.21% heavy rare earth oxides (HREO+Y), and
  - **0.88% total rare earth elements (TREE+Y), equivalent to 1.07% heavy rare earth oxides (HREO+Y), including 189 ppm dysprosium (218 ppm Dy<sub>2</sub>O<sub>3</sub>) and 1,442 ppm neodymium (1,687 Nd<sub>2</sub>O<sub>3</sub>).**
- 5,165,000 tonnes of Inferred Mineral Resources with a grade of 0.16% HREE+Y (0.20% HREO+Y) and 0.77% TREE+Y (0.93% TREO+Y), including 176 ppm Dy (202 ppm Dy<sub>2</sub>O<sub>3</sub>) and 1,233 ppm Nd (1,442 Nd<sub>2</sub>O<sub>3</sub>).
- A continuous band of higher-grade mineralization, amenable to lower tonnage underground mining, containing a majority of the resources.
- A broader zone with larger tonnages of mineralization slightly lower in grade, and amenable to open pit mining.
- The deposit remains open at depth along more than 500m of strike length.

Jim Clucas, President and CEO of Search Minerals, stated "The latest RPA resource estimate reflects the results from all three successful drill programs at Foxtrot. The significant increase in both size and quality of the resource gives us the flexibility to consider different production scenarios including a starter pit and a smaller high grade underground mine. This case should result in significantly reduced capital costs and a faster payback as well as reducing the environmental footprint."

### MINERAL RESOURCE ESTIMATES

The resource estimate was carried out by Roscoe Postle Associates Inc. (RPA), and is an update on the initial resource estimate, dated Sep. 30, 2011. Table 1 provides a summary of the mineral resource inventory from the block model, using a reporting cutoff of 130 ppm Dy (150 ppm Dy<sub>2</sub>O<sub>3</sub>), the heavy rare earth element with the greatest in situ value at Foxtrot. This summary also reports the grade of neodymium, the light rare earth with the greatest in situ value.

The focus of exploration has been a steeply dipping tabular zone that has a true width of 60m to 100m. This zone consists of inter-layered bands of mafic and felsic volcanics, with the felsic bands hosting the economic mineralization. Mineral Resources are limited to the portions of the zone logged as felsic. Drilling to date has established strong REE mineralization over a near-surface strike length of more than 2,000 meters, and identified a Central Area with high economic potential, to a depth of 450m. Horizontal extensions of the Central Area, primarily to the west, are generally thinner; the HREE grades are similar to those in the Central Area, and the LREE grades are generally lower. All of the Indicated resources lie in the well-drilled heart of the Central Area; Inferred resources lie at depth in the Central Area, and in the eastern and western extensions.

**Table 1. Estimated open pit mineral resources for the Foxtrot Project, at a Dy cutoff of 130 ppm (equivalent to a Dy<sub>2</sub>O<sub>3</sub> cutoff of 150 ppm), as of September 30<sup>th</sup>, 2012.**

Classification	Zone	Tonnage (in tonnes)	Dy (in ppm)	Nd (in ppm)	Y (in ppm)	HREE+Y (in %)	TREE+Y (in %)
Indicated	Central	9,229,000	189	1,442	1,040	0.17	0.88
Indicated	Extensions	–	–	–	–	–	–
<b>INDICATED TOTAL</b>		<b>9,229,000</b>	<b>189</b>	<b>1,442</b>	<b>1,040</b>	<b>0.17</b>	<b>0.88</b>
Inferred	Central	3,291,000	178	1,339	982	0.16	0.83
Inferred	Extensions	1,874,000	171	1,046	960	0.16	0.67
<b>INFERRED TOTAL</b>		<b>5,165,000</b>	<b>176</b>	<b>1,233</b>	<b>974</b>	<b>0.16</b>	<b>0.77</b>

Classification	Zone	Tonnage (in tonnes)	Dy <sub>2</sub> O <sub>3</sub> (in ppm)	Nd <sub>2</sub> O <sub>3</sub> (in ppm)	Y <sub>2</sub> O <sub>3</sub> (in ppm)	HREO+Y (in %)	TREO+Y (in %)
Indicated	Central	9,229,000	218	1,687	1,345	0.21	1.07
Indicated	Extensions	–	–	–	–	–	–
<b>INDICATED TOTAL</b>		<b>9,229,000</b>	<b>217</b>	<b>1,687</b>	<b>1,320</b>	<b>0.21</b>	<b>1.06</b>
Inferred	Central	3,291,000	205	1,567	1,247	0.20	1.00
Inferred	Extensions	1,874,000	197	1,224	1,219	0.19	0.81
<b>INFERRED TOTAL</b>		<b>5,165,000</b>	<b>202</b>	<b>1,442</b>	<b>1,237</b>	<b>0.20</b>	<b>0.93</b>

1. The elements that contribute to the HREE+Y total, and whose oxides contribute to the HREO+Y total, are: Y, Eu, Gd, Tb, Dy, Ho, Er, Tm, Yb and Lu.
2. Numbers are rounded to reflect the precision of the estimated tonnages and grades.
3. Estimated mineral resources are not mineral reserves and do not have demonstrated economic viability.
4. An average dry bulk density of 2.71 tonnes per cubic meter (t/m<sup>3</sup>) was used for felsic rocks and 2.88 t/m<sup>3</sup> for mafic rocks.
5. Grades were interpolated using ordinary kriging.
6. Resources have been classified using the Definition Standards of the Canadian Institute of Mining, Metallurgy and Petroleum (CIM); details of the classification procedures are provided in the text below.
7. The decision to base the reporting cutoff on dysprosium is based on its current and recent market value and on its grade, the combination of which makes it the project's predominant heavy rare earth element in terms of in situ value. It is possible that, in the future, the project's reporting cutoff will incorporate other rare earth elements.
8. There are no known legal, political, environmental, or other risks that could materially affect the potential development of the mineral resources.

A complete tabulation of the grades of the entire suite of elements, and their oxides, are given at the end of this news release in Table 3.

## ADDITIONAL RESOURCE POTENTIAL

On every section through the Central Area, the deepest holes show strong mineralization, including the section on which a hole reached mineralization at a vertical depth of about 450m. This indicates potential for a significant increase in resources at depth in the Central Area, where the deposit remains open at depth along the entire 500m.

The eastern and western extensions have been tested to a depth of only 50-100m, and their down-dip extensions remain targets for future drilling. In the west, where several sections show a consistent band of high-grade mineralization that remains open at depth, future drilling may add to the current resources.

## HIGH-GRADE CENTRAL BAND

RPA carried out a Preliminary Economic Assessment (PEA) on a bulk open pit mining scenario (results were disclosed in a press release dated May 1, 2012). The PEA indicated that material at 130 ppm Dy has a net smelter return (NSR) well above the marginal cost of mining and processing. Since the project's economic viability will depend on the details of metal prices, metallurgical recovery factors, and costs, the project's mineral resources may, in future, be reported at lower or higher cutoffs. Table 2 shows the sensitivity of tonnage and grade to the reporting cutoff, using a range of Dy cutoffs.

Table 2 shows that there is a sizeable resource at higher cutoff grades, with 80% of the Indicated tonnage and 70% of the Inferred tonnage being above a 150 ppm Dy cutoff (173 ppm Dy<sub>2</sub>O<sub>3</sub>). The vast majority of these high-grade resources lie along three continuous bands of felsic material that lie close to the footwall of the broader felsic zone. With widths of 5-20m, and with near-vertical dips, these bands are amenable to small-scale underground mining.

**Table 2. Sensitivity of the project's total open pit mineral resources to changes in the Dy cutoff grade.**

Classification	Dy Cutoff		Dy (in ppm)	Nd (in ppm)	Y (in ppm)	HREE+Y (in %)	TREE+Y (in %)
	Grade (in ppm)	Tonnage (in tonnes)					
Indicated	130	9,229,000	189	1,442	1,040	0.17	0.88
	150	7,653,000	199	1,515	1,094	0.18	0.93
	170	6,056,000	210	1,594	1,149	0.19	0.97
	190	4,605,000	219	1,660	1,198	0.20	1.01
Inferred	130	5,165,000	176	1,233	974	0.16	0.77
	150	3,661,000	191	1,371	1,058	0.18	0.86
	170	2,537,000	204	1,523	1,137	0.19	0.95
	190	1,654,000	218	1,673	1,217	0.20	1.04

Classification	Dy <sub>2</sub> O <sub>3</sub> Cutoff		Dy <sub>2</sub> O <sub>3</sub> (in ppm)	Nd <sub>2</sub> O <sub>3</sub> (in ppm)	Y <sub>2</sub> O <sub>3</sub> (in ppm)	HREO+Y (in %)	TREO+Y (in %)
	Grade (in ppm)	Tonnage (in tonnes)					
Indicated	150	9,229,000	217	1,687	1,320	0.21	1.06
	173	7,653,000	229	1,772	1,389	0.22	1.11
	196	6,056,000	241	1,865	1,459	0.24	1.17
	219	4,605,000	252	1,943	1,521	0.25	1.22
Inferred	150	5,165,000	202	1,442	1,237	0.20	0.93
	173	3,661,000	219	1,604	1,343	0.22	1.03
	196	2,537,000	235	1,782	1,444	0.23	1.14
	219	1,654,000	251	1,957	1,545	0.25	1.25

## MINERAL RESOURCE ESTIMATION AND CLASSIFICATION PROCEDURES

The mineral resource estimates are based on assay results obtained from channel samples and from three drilling campaigns. The Phase I drilling campaign was completed in 2010/2011 and consisted of 23 diamond drill holes totaling 3,955m. The Phase II drilling program was completed in the summer of 2011 and consisted of 20 diamond drill holes totaling 4,083m. The Phase III drilling campaign was completed in spring 2012 and consisted of 29 diamond drill holes totaling 10,836m. The channel sampling program was completed in 2011 and consisted of 269m of samples taken from ten channel cuts across the full width of the mineralized zone exposed at surface.

Mineral resources were estimated by ordinary kriging, a geostatistical estimation method that uses information on the spatial continuity of grades. A search ellipse with a radius of 140m (along strike) by 70m (down dip) by 5m (across the mineralized zone) was used. The search ellipse was sub-divided into octants (eight sectors) and within each octant the assay data from a maximum of three sample intervals were used for grade estimation. The variogram model used for ordinary kriging had ranges of correlation equal to the radiuses of the search ellipse and its orientation was aligned with the search ellipse. With the rare earth elements all being strongly correlated with each other, the same variogram model was used for the estimation of all rare earth grades.

Within 10x5x10m blocks, the tonnage of felsic material was estimated using the nearby samples, and the grades of the complete rare earth element suite were estimated using the assays from the nearby felsic samples.

Mineral resources were classified as Indicated if the block estimate was based on samples in all eight octants, which restricts the Indicated resources to the well-drilled heart of the felsic zone. Blocks were classified as Inferred if their estimate was based on assays from at least two different drill holes within the range of correlation as defined by the variogram. In the down-dip direction, Inferred resources were required to be within 50m of the base of current drilling.

Two ISO-certified commercial laboratories have been used for the assays used in these resource estimates. The primary lab is the Activation Laboratories Ltd. (ActLabs) facility in Ancaster, Ontario; the secondary lab, used for check purposes, is the SGS facility in Toronto, Ontario. The reliability of the assay information was established through two quality assurance and quality control (QA/QC) programs, one conducted and monitored by Search Minerals and its consultants and the other conducted and monitored internally by ActLabs. Both QA/QC programs use certified reference materials and blanks to check the accuracy and precision of the assay information provided by the laboratory; the internal program of ActLabs also uses pulp duplicates to monitor the reliability of the data.

## QUALIFIED PERSON

Mohan Srivastava (P.Geo), an independent consultant, is the Qualified Person (QP) responsible for the calculation and classification of the mineral resource estimate; Mr. Srivastava has also reviewed and approved the technical disclosure in this news release. A National Instrument 43-101 Technical Report will be filed by Search Minerals on SEDAR within 45 days of the date of this news release.

**Table 3. Element and oxide grades for open pit mineral resources, at a Dy cutoff grade of 130 ppm (equivalent to a Dy<sub>2</sub>O<sub>3</sub> cutoff of 150 ppm), as of September 30<sup>th</sup>, 2012.**

Tonnage (t)	INDICATED			INFERRED		
	Central	Extensions	TOTAL	Central	Extensions	TOTAL
	9,229,000	–	9,229,00	3,291,000	1,874,000	5,165,000
<b>Element Units</b>						
Y Ppm	1,040	–	1,040	982	960	974
La Ppm	1,646	–	1,646	1,564	1,183	1,426
Ce Ppm	3,337	–	3,337	3,139	2,429	2,881
Pr Ppm	384	–	384	359	280	330
Nd Ppm	1,442	–	1,442	1,339	1,046	1,233
Sm Ppm	262	–	262	245	197	228
Eu Ppm	13	–	13	12	9	11
Gd Ppm	205	–	205	193	165	183
Tb Ppm	33	–	33	30	28	30
Dy Ppm	189	–	189	178	171	176
Ho Ppm	37	–	37	35	34	34
Er Ppm	103	–	103	98	98	98
Tm Ppm	15	–	15	14	15	14
Yb Ppm	92	–	92	88	95	91
Lu Ppm	14	–	14	13	15	14
Zr Ppm	9,619	–	9,619	9,538	10,987	10,064
Nb Ppm	626	–	626	585	455	538
LREE %	0.71	–	0.71	0.66	0.51	0.61
HREE %	0.17	–	0.17	0.16	0.16	0.16
TREE %	0.88	–	0.88	0.83	0.67	0.77
<b>Oxide Units</b>						
Y <sub>2</sub> O <sub>3</sub> Ppm	1,320	–	1,320	1,247	1,219	1,237
La <sub>2</sub> O <sub>3</sub> Ppm	1,926	–	1,926	1,830	1,385	1,669
CeO <sub>2</sub> Ppm	4,105	–	4,105	3,861	2,988	3,544
Pr <sub>6</sub> O <sub>11</sub> Ppm	465	–	465	434	339	400
Nd <sub>2</sub> O <sub>3</sub> Ppm	1,687	–	1,687	1,567	1,224	1,442
Sm <sub>2</sub> O <sub>3</sub> Ppm	303	–	303	285	228	264
Eu <sub>2</sub> O <sub>3</sub> Ppm	15	–	15	14	10	13
Gd <sub>2</sub> O <sub>3</sub> Ppm	236	–	236	222	190	210
Tb <sub>4</sub> O <sub>7</sub> Ppm	38	–	38	36	33	35
Dy <sub>2</sub> O <sub>3</sub> Ppm	217	–	217	205	197	202
Ho <sub>2</sub> O <sub>3</sub> Ppm	42	–	42	40	39	39
Er <sub>2</sub> O <sub>3</sub> Ppm	118	–	118	112	112	112
Tm <sub>2</sub> O <sub>3</sub> Ppm	17	–	17	16	17	16
Yb <sub>2</sub> O <sub>3</sub> Ppm	105	–	105	100	109	103
Lu <sub>2</sub> O <sub>3</sub> Ppm	16	–	16	15	17	16
ZrO <sub>2</sub> Ppm	12,985	–	12,985	12,877	14,832	13,586
Nb <sub>2</sub> O <sub>5</sub> Ppm	789	–	789	737	573	677
LREO %	0.85	–	0.85	0.8	0.62	0.73
HREO %	0.21	–	0.21	0.2	0.19	0.2
TREO %	1.06	–	1.07	1.05	0.81	0.93

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:

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](http://www.searchminerals.ca) and on SEDAR at [www.sedar.com](http://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](http://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.

SOURCE: Search Minerals Inc.

%SEDAR: 00024814E

**For further information:**

Jim Clucas  
President & Chief Executive Officer  
T: 604-688-6180  
E: [jimclucas@searchminerals.ca](mailto:jimclucas@searchminerals.ca)

CO: Search Minerals Inc.

CNW 16:35e 01-NOV-12