

## Search Minerals Announces Formation of Strategic Committee; Provides Corporate and Strategy Update

VANCOUVER, June 18, 2012 /CNW/ - Search Minerals Inc. ("Search" or the "Company") (TSXV: SMY) announces that the board of directors (the "Board") has established a special committee (the "Strategic Committee") to explore strategic alternatives for the Company. The Strategic Committee will be chaired by Jonathan Sherman, and will include Jim Patterson and Ray Saunders. The Strategic Committee was not formed in response to a specific pending or contemplated transaction; rather, the Board has directed the committee to examine and report back to the Board on a range of possible transactions, the purpose of which is to maximize value for the Company's shareholders.

### **Corporate Update**

Search further announces details of the intended use of proceeds of the previously announced proposed financing (see press release of May 29, 2012). Of the \$1 million proposed financing, it is intended that approximately \$650,000 will be used for the maintenance and advancement of the Company's rare earth properties in Labrador; \$75,000 will be used with respect to the advancement of the Company's SALT technology; and the remainder of the funds will be used for general and administrative corporate overhead purposes over the next 6 months.

### **Rare Earth Properties**

Of the approximately \$650,000 expenditure planned for the Labrador rare earths properties, it is intended that:

- Approximately \$245,000 will be used for the maintenance of the properties, the majority of which relates to the maintenance of licenses in the region.
- Approximately \$405,000 will be used to:
  - advance the status of the Foxtrot project in the Port Hope Simpson REE District, including an updated NI 43-101 resource estimate to 450m depth. In addition, an updated preliminary economic assessment ("PEA") based on an underground mine concept at Foxtrot is anticipated, with further exploration work being done to promote the Foxtrot project to Measured resource status (as defined in NI 43-101);
  - provide for a base camp in Port Hope Simpson which will support technical and administrative personnel; and
  - conduct continued work to advance the following key prospects:
    - Pesky Hill - (News release March 1, 2012) - the most advanced of the higher grade prospects. This prospect is drill ready. Channel samples averaging 621 ppm Dy, 1534 ppm Nd, 91 ppm Tb, 2963 ppm Y over 14.69m; (News release - March 1, 2012).
    - Fox Pond and Foxy Lady - (News Release - March 20, 2012) - Fox Pond and Foxy Lady prospects occur 8 km along strike from the Foxtrot Project Channel samples from Fox Pond and Foxy Lady contain 236 ppm Dy over 2.49m, and 197 ppm Dy over 5.16m (including 232 ppm Dy over 1.36m), respectively; Grab samples from Fox Pond and Foxy Lady contain 1.70% REE+Y, 347 ppm Dy (Fox Pond), 1.23% TREE+Y and 313 ppm Dy (Foxy Lady) respectively.

### **SALT Technology**

The Company has commissioned the University of British Columbia, under the leadership of Dr. David Dreisinger, to process and evaluate a 160kg sample which was received from PT Antam (News Release - May 23, 2012) This study will take approximately 3 months to complete at a cost of \$60,000. A further \$15,000 has been allocated to support the pilot plant being operated by Votantim in Brazil.

### **Strategy Update**

The Company recognizes that its rare earth properties and the SALT Technology are separate and distinct assets with different business models. The rare earth assets of the Company are better defined as follows:

- The Port Hope Simpson REE District and the Henley Harbour REE District, including:
  - The Foxtrot project - having a 9.26 million tonnes resource estimate to 200m depth and a previously published PEA based on an open pit concept with a \$408 million pre-tax Net Present Value (at a 10% discount rate). The Company is expecting an updated NI 43-101 resource estimate to 450m depth and a revised PEA evaluating a small starter pit and underground mine concept to extract the high grade FT-3 Zone at Foxtrot. It is expected that the underground mine concept will have lower capital costs and yield higher margins per ton. It is further expected that an underground mine based approach will utilize a smaller footprint and could reduce the permitting timeline for a mine at Foxtrot.
  - Nine further prospects which have already shown enough potential to warrant further evaluation using the same discipline and methodology which was instrumental in the success at Foxtrot to date.
- Strange Lake Complex Earn-in Agreement; and
- Red Wine Complex Joint Venture agreement.

The Company is embarking on the next phase of its development, and as mentioned above, the Board has mandated the Strategic Committee, with the input of management, to recommend to the Board the best alternative or alternatives for maximizing shareholder value, upon the completion of a strategic review.

### **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.

### **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 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 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 [sedar.com](http://sedar.com).

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.

### **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.

%SEDAR: 00024814E

**For further information:**

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

CO: Search Minerals Inc.

CNW 17:46e 18-JUN-12