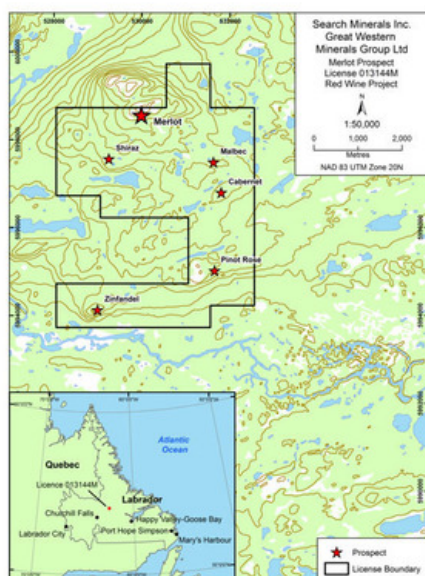


Search Minerals Inc. discovers high grade Dy-Y-Nd mineralization at the Merlot REE Prospect, Red Wine Property, Labrador



VANCOUVER, Jan. 16, 2012 /CNW/ - Search Minerals Inc. (TSXV: SMY) ("Search" or the "Company") and Great Western Minerals Group Ltd. ("GWMG") of Saskatchewan, are pleased to announce the discovery of high-grade Rare Earth Element (REE) mineralization in the Merlot Prospect on their Red Wine Property, located approximately 120km northeast of Churchill Falls, Labrador. Six channels, totalling 44.08m, have been collected on the Merlot REE-Y Prospect. Assay results give up to 800 ppm Dy, 2340 ppm Nd, TREE up to 1.20% (1.72% TREE+Y) and Y up to 5207 ppm. The Merlot Prospect is part of the 50/50 Search Minerals-GWMG Red Wine Joint Venture.

Highlights:

- Discovery of high-grade (Type 2) mineralization ranging up to 1.20% TREE (1.72% TREE+Y), 5207 ppm Y, 2340 ppm Nd, and 800 ppm Dy;
- Mineralization mapped and sampled over approximately 350m strike length;
- 13.07m width of high-grade (Type 2) mineralization with 504 ppm Dy, 2074 ppm Nd, 3116 ppm Y and 1.03% TREE (1.34% TREE+Y).

The 2011 Merlot Prospect channel sampling program on the Red Wine Property consisted of six channels totalling 44.08m. All six channels intersected high-grade Type 2 REE-Y mineralization that was mapped over approximately 350m strike length. Width of the mineralization in channels ranges from 3.55m to 13.07m. Type 2 mineralization is typically comprised of fine-grained, disseminated, currently unidentified REE minerals. This mineralization is most commonly found within pegmatitic units consisting of fine-grained pyroxene, coarse feldspars, and coarse to very coarse amphiboles. The characteristic elements associated with Type 2 mineralization are Th, Y, and REE.

Table 1 contains weighted averages from the 2011 Merlot Prospect channel sampling program. Analytical techniques, sample preparation, and channel sampling procedures are outlined in Search's July 27, 2010 and September 8, 2010 news releases.

Jim Clucas, President and CEO of Search Minerals said, "We are delighted with the discovery of high values of Dy, Nd, and Y over significant widths at the Merlot Prospect on our Red Wine property. We intend to follow up with additional exploration in the 2012 field season."

Jim Engdahl, President and CEO of Great Western Minerals notes "GWMG is very pleased with the results in the Merlot Prospect on the Red Wine Property to date. Working with Search Minerals is an effective mechanism by which GWMG can execute its strategy of pursuing additional sources of rare earth feedstock on a global basis, that is, through effective joint venture partnerships."

The Red Wine Property is located 40 km, by helicopter, from the Red Wine base camp, which is located on the Orma Lake Road approximately 80 km from Churchill Falls, in central Labrador (Figure 1).

Exploration Program Update

The company discovered six REE prospects, Merlot, Zinfandel, Malbec, Shiraz, Pinot Rosé, and Cabernet on its Red Wine property in 2010. Eudialyte-bearing (Type 1) and Dy-enriched (Type 2) mineralization were found throughout the property at the six prospects. The Pinot Rosé (Type 1) and Cabernet (Type 1 and 2; see the March 7, 2011 news release) Prospects were both drilled in 2010. The Cabernet Prospect was the focus of a drilling program in 2011; assay results are pending for this program. Other prospects on the Red Wine Property, including Merlot, were the focus of a mapping and channel sampling program in 2011; assay results are pending for samples collected from some of the other prospects.

Future exploration plans include additional channel sampling and mapping, and a drill program at the Merlot Prospect in 2012.

Qualified Person:

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

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 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 the Starved Acid Leaching Technology ("SALT"), a process with the potential to aid in the recovery of certain metals.

Search Minerals is led by a management team and board with a proven track record in the mining industry. The Company has a team with deep geological and metallurgical expertise led by Dr. Randy Miller and Dr. David Dreisinger.

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

Table 1

Channel No.	MRC-11-03	MRC-11-03	MRC-11-04	MRC-11-05	MRC-11-06	MRC-11-06
Mineralization	Type 2	Type 2	Type 2	Type 2	Type 2	Type 2
Interval (m)	0.0-8.41	0.0-1.0	0.0-5.52	0.0-8.88	0.0-13.07	10.23-13.07
Length (m)	8.41	1	5.52	8.88	13.07	2.84
Y	3571	5207	2673	3388	3116	3414
Zr	1315	1411	1028	1207	1655	2050
Nb	38	38	53	44	169	203
La	1266	1680	1241	1337	1687	1587
Ce	3005	4080	2719	3153	3791	3533
Pr	406	549	364	430	501	467
Nd	1712	2340	1362	1799	2047	1910
Sm	383	536	299	395	430	415
Eu	50.0	71.0	37.7	50.5	49.6	49.4
Gd	399	567	311	401	387	388
Tb	79.1	116.0	58.7	76.8	71.5	75.3
Dy	536	800	402	514	504	548
Ho	122.4	185.0	87.3	114.6	108.4	120.2
Er	341	523	245	323	335	375
Tm	50.0	76.7	35.4	46.8	49.2	55.9
Yb	282	438	196	269	284	322
Lu	35.1	55.1	24.3	33.6	35.9	41.1
LREE	6770.9	9185.0	5985.0	7114.2	8456.0	7912.1
HREE	1894.7	2831.8	1396.3	1828.9	1824.4	1976.2
HREE + Y	5465.3	8038.8	4069.4	5217.4	4940.6	5390.2
TREE	8665.6	12016.8	7381.3	8943.1	10280.4	9888.3
TREE + Y	12236.3	17223.8	10054.4	12331.6	13396.6	13302.3
%HREE	21.9	23.6	18.9	20.5	17.7	20.0
%HREE + Y	44.7	46.7	40.5	42.3	36.9	40.5
Note: All amounts parts per million (ppm). 10,000 ppm = 1% = 10kg/tonne						
REE	Rare Earth Elements: La, Ce, Pr, Nd, Sm, Eu, Gd, Tb, Dy, Ho, Er, Tm, Yb, Lu (the Lanthanide Series)					
TREE	Total Rare Earth Elements: Sum of La, Ce, Pr, Nd, Sm, Eu, Gd, Tb, Dy, Ho, Er, Tm, Yb, Lu					
LREE	Light Rare Earth Elements: Sum of La, Ce, Pr, Nd, Sm					
HREE	Heavy Rare Earth Elements: Sum of Eu, Gd, Tb, Dy, Ho, Er, Tm, Yb, Lu					
Y	Y herein not included in HREE due to low market value compared to most Lanthanide series HREE					
%HREE + Y	%(HREE+Y)/(TREE+Y)					
%HREE	%(HREE/TREE)					

Image with caption: "Figure 1 (CNW Group/Search Minerals Inc.)". Image available at: http://photos.newswire.ca/images/download/20120116_C4133_PHOTO_EN_8891.jpg

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CNW 07:00e 16-JAN-12