

## Search Minerals announces non-binding letters of intent for business combinations with two tin companies in Brazil

TORONTO, Aug. 20, 2013 /CNW/ - Search Minerals Inc. ("**Search**" or the "**Company**") (TSXV: SMY) is pleased to announce that it has signed two non-binding Letters of Intent ("**LOIs**") with Mineração São Francisco de Assis Ltd. ("**MSFA**") and Carlos Mena Resources Ltd. ("**CMR**"), two privately held companies, each dedicated to the development and operation of tin assets in Brazil. The LOIs outline the general terms and conditions pursuant to which Search, MSFA and CMR would be willing to complete one or more transactions resulting in a combination of their respective business operations (the "**Transactions**"). The LOIs were negotiated at arm's length, and, ultimately, the outcomes are independent from one another. The assets are located in proven tin jurisdictions with previous and current mining activities, and they have been extensively drilled for resource estimation.

MSFA owns and operates one producing tin mine and a concentration plant near São Félix do Xingu in the state of Pará, in Northern Brazil. A second alluvial mining plant is ready to commence operation in the next three months, which will bring current tin production capacity to 960 metric tonnes per year. The project, also known as the Mocambo Project, is accessible via paved road, with daily flights out of the nearby cities of São Félix do Xingu and Mocambo. Work done to date includes 1,684 drill holes, for a total of 10,390m drilled within the areas currently being mined. Additional exploration targets are located within the borders of MSFA's mineral rights, including a large paleo-channel, as well as additional primary tin and tungsten (wolframite) targets on the Serra do Mocambo hill.

CMR owns the mineral rights for the Arara Project, with occurrences of tin, niobium, tantalum, and rare-earth oxide. A Brazilian company, Grupo Paranapanema, owned and operated the Arara Project from 1975 to 1989, with historical alluvial production of 5,900 tonnes of tin. From 2002 to 2012, artisanal mining work took place under a cooperative system, managed by CFC Amazônia (a company associated with CMR). Historical tin production from this period is estimated at about 3,600 tonnes. Work done to-date under CMR's management includes 412 drill holes, for a total of 12,333m drilled at a nominal spacing of approximately 100m by 100m, focusing on the main supergene/residual enriched oxide mineralization (alluvial and saprolite domains). CMR has recently acquired a concentration plant, which has been delivered to site, with a production capacity of about 525,000 tonnes per year.

Stephen Keith, CEO of Search, commented, "These strategic transactions, if materialized, will greatly increase our ability to return value to our shareholders and to immediately move from pure exploration to development and operations, and to cash flow generation. Search continues to pursue opportunities and partnerships in tin mining and other strategic metals in friendly, strategic jurisdictions, prioritizing projects that can be partnered, funded and developed in a relatively short period of time. It is our view that MSFA will provide immediate access to cash flow, and that CMR will deliver a unique growth opportunity, as exploration at the CMR asset is significantly de-risked and in the resource definition stage. The preparation of NI 43-101 technical reports for both assets are underway and will be available at the time of closing.

"The tin mining sector is in line with our strategy to focus on critical metals with strong market fundamentals and increasing use in innovative technologies. Tin prices have risen from US\$4,000 per tonne in 2002 to US\$22,000 per tonne today, on the back of strong new demand and supply constraints from existing mines, and a limited pipeline of new projects coming on stream."

The non-binding LOIs are each subject to the execution of a definitive agreement (the "**Definitive Agreements**") between the parties and include a period of exclusivity. In the event the Definitive Agreements are executed, the closing of the Transactions will be subject to a number of other conditions precedent, including but not limited to Board approval, receipt by Search of a favourable fairness opinion, and receipt of all necessary shareholder, stock exchange, third party, court and regulatory approvals. Search will be engaging an independent audit firm to conduct due diligence, and an investment bank to perform an independent economic valuation.

No definitive agreements have been reached, and there can be no assurances that any transaction will result, or as to the terms thereof.

### About Search Minerals:

*Search Minerals Inc. (TSXV: SMY) is a TSX Venture Exchange listed company. 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 135 km long and up to 12 km wide. In addition, Search holds a number of additional mineral prospects in Newfoundland and Labrador in its portfolio, including claims in the Strange Lake Complex (where Quest Rare Minerals has a Joint Venture with Search); and at the Red Wine Complex (where Great Western Minerals Group has a Joint Venture with Search).*

*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 proven track records in the mining industry, with 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 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.*

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#### For further information:

Stephen Keith  
President & Chief Executive Officer  
T: 416-368-8288  
E: [info@searchminerals.ca](mailto:info@searchminerals.ca)

CO: Search Minerals Inc.

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