

Search Minerals closes first tranche of non-brokered financing

TORONTO, Dec. 17, 2013 /CNW/ - Search Minerals Inc. ("**Search**" or the "**Company**") (TSXV: SMY) is pleased to announce that it has closed the first tranche of a non-brokered private placement (the "**Private Placement**"). On closing, the Company issued 5,211,082 units of the Company (the "Units") at a price of C\$0.07 per Unit for aggregate gross proceeds of C\$364,775.70.

Each Unit is comprised of one common share of the Company and one-half of one common share purchase warrant, with each whole common share purchase warrant (a "**Warrant**") entitling the holder to purchase an additional common share (a "**Warrant Share**") at a price of \$0.10 for a period of 24 months from the closing of the Offering.

A director of the Company has acquired Units pursuant to the financing. All securities issued pursuant to the financing are subject to a four-month re-sale restriction.

A second and final tranche of the Private Placement is expected to close in the coming weeks, for additional proceeds of up to C\$350,000, for total financing of approximately C\$710,000.

USE OF PROCEEDS

The Company will use the proceeds from the Private Placement to allow for the completion of the Transactions being negotiated by the Company (see "*Search Minerals Announces Non-Binding Letters of Intent for Business Combinations with Two Tin Companies in Brazil*", August 20, 2013), for maintaining and evaluating its rare earth element ("**REE**") properties in the Port Hope Simpson REE District, for expenses associated with the execution and due diligence of the potential Transactions, and for general working capital.

The Company is focused on critical metals and minerals with strong market fundamentals and increasing use in innovative technologies. These critical metals and minerals include tin, neodymium, dysprosium and other elements that the Board and Management agree are strategic in nature.

Stephen Keith, President & Chief Executive Officer of the Company, commented, "With this financing in place, we can now focus on the future of Search Minerals. This equity financing gives Search the resources required to move ahead with the planned new direction and transformative change contemplated in the Transactions. If completed, the strategic Transactions between Search and MSFA and/or CMR will provide immediate access to cash flow, will move Search from pure exploration to development and operations, and will greatly increase our ability to return value to our shareholders."

UPDATE ON PROPOSED TRANSACTIONS

As previously announced, Search is in the process of completing its due diligence investigation into the target assets and negotiating definitive acquisition agreements with respect to the acquisition of the Arara tin project owned by Carlos Mena Resources Ltda. ("**CMR**") and the Mocambo tin project owned by Mineração São Francisco Ltda. ("**MSFA**"). For additional information on the history and current status of the Arara and Mocambo projects, please see "*Search Minerals Announces Non-Binding Letters of Intent for Business Combinations with Two Tin Companies in Brazil*", August 20, 2013.

The Company is continuing to negotiate definitive agreements with CMR and the shareholders of MSFA and will provide additional information as soon as possible following execution of these agreements. While the definitive agreements will be the result of arm's length negotiation between Search and the respective vendors, the proposed acquisition of the shares of MSFA is considered to be a transaction with a Non-Arm's Length Party (as defined in the policies of the TSX Venture Exchange (the "**Exchange**")), due to the fact that Roberto Giannetti da Fonseca is a director of Search and also an officer of Kaduna Consultoria e Participações Ltda., which owns a majority interest in MSFA.

Completion of the transactions is subject to a number of conditions, including Exchange acceptance and shareholder approval. The transactions cannot close until the required shareholder approval is obtained. There can be no assurance that the transactions will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the management information circular to be prepared in connection with the Transactions, any information released or received with respect to the proposed Transactions may not be accurate or complete and should not be relied upon. Trading in the securities of Search should be considered highly speculative.

The TSX Venture Exchange has in no way passed upon the merits of the proposed Transaction and has neither approved nor disapproved the contents of this press release.

About Search Minerals:

Search Minerals Inc. (TSXV: SMY) is a TSX Venture Exchange listed company focused on creating value through finding and developing mineral assets with growing demand and constrained or restricted supply, and with increasing use in innovative technologies. The Company is actively pursuing opportunities and partnerships in critical metals, including, but not limited to, tin, tungsten, dysprosium and neodymium, prioritizing projects that can be partnered, funded and developed in a relatively short period of time, in strategic, friendly jurisdictions.

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).

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.

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