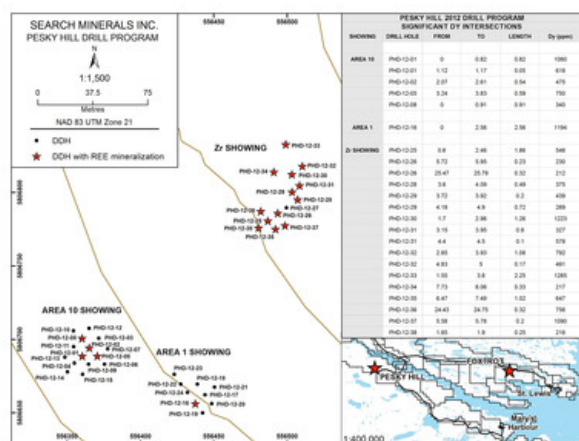


Search Minerals: Encouraging Phase I drilling results from Pesky Hill HREE Prospect in the Port Hope Simpson REE District, SE Labrador



VANCOUVER, Jan. 25, 2013 /CNW/ - Search Minerals Inc. ("Search" or the "Company") (TSXV: SMY) and its wholly-owned subsidiary, Alterra Resources Inc., are pleased to announce the results of the 1213 m NQ drilling program on the **Pesky Hill Prospect**, located 25 km southeast of Port Hope Simpson, Labrador, in the Port Hope Simpson REE District. The exploration drill program, designed to test the surface mineralization to shallow depth, intersected HREE-Zr-Y-Nb vein-hosted mineralization, similar to that observed on the surface. An additional drill program of 1,000m - 3,000m is recommended to help determine if substantial quantities of high grade HREE mineralization occur in the Zr Showing at the **Pesky Hill Prospect**.

Highlights:

- A \$250,000 Phase I exploration NQ drilling program comprised of 38 shallow vertical holes (1213m) ranging from 26 to 50 m in depth was completed;
- Significant results include:
 - DDH PHD-12-16 intersected 0.66% Y (0.84% Y2O3), 1.04% Zr (1.40% ZrO2), 1.02% Nb (1.46% Nb2O5), 0.12% Dy (0.14% Dy2O3) comprised of 64% HREE + Y (42.5% HREE) over an interval of 2.56m
 - DDH PHD-12-33 intersected 0.70% Y (0.88% Y2O3), 1.27% Zr (1.71% ZrO2), 0.96% Nb (1.37% Nb2O5), 0.13% Dy (0.15% Dy2O3) comprised of 71.1% HREE + Y (48.5% HREE) over an interval of 2.25m; and,
- The Zr Showing contains some of the highest grade HREE vein mineralization (PHD-12-33) and is open at depth.

Springdale Forest Resources (Diamond Drilling Division) carried out the drilling program. A total of 38 holes (26 to 50 m depth) were drilled in three separate showings (Figure 1 - Plan Map) to trace and sample high-grade mafic-rich, amphibole-pyroxene-quartz-titanite mineralization, and related granitic pegmatites and granites (see Search's news release, March 1, 2012). These vertical drill holes were drilled approximately 10 m apart.

Table 1 below lists Zr-Y-Nb-REE highlight results from the three showings. Values for Y range from 0.28% Y to 0.70% Y; for Zr from 0.68% Zr to 1.42% Zr; Nb from 0.39% Nb to 1.02% Nb; Dy from 0.05% Dy to 0.13% Dy with HREE + Y for all holes from 59.8% HREE + Y (36.0% HREE) to 78.2% HREE + Y (58.5% HREE). HREE mineralization was intersected in 18 drill holes (see Figure 1- Plan Map).

Drill Hole No.	PHD-12-01	PHD-12-16	PHD-12-25	PHD-12-30	PHD-12-33	PHD-12-35
Showing	Showing 10	Showing 1	Zr Showing	Zr Showing	Zr Showing	Zr Showing
Interval (m)	0.00 - 0.82	0.00-2.56	0.60-2.46	1.70-2.96	1.55-3.80	6.47-7.49
Length (m)	0.82	2.56	1.86	1.26	2.25	1.02
Y	4685	6593	2750	6207	6966	3786
Zr	6766	10448	8515	14249	12653	14090
Nb	7861	10237	3881	8813	9582	4830
La	675	1214	148	492	648	398
Ce	1750	2947	419	1339	1718	1020
Pr	262	410	70	201	267	154
Nd	1300	1882	413	1067	1374	723
Sm	519	649	208	504	575	273
Eu	42.4	49.7	18.2	41.2	45.0	21.6
Gd	736	765	310	807	816	356
Tb	154	168.0	70.6	168.0	180.0	90.6
Dy	1060	1194	546	1223	1285	674
Ho	233	271.0	125.0	281.0	294.0	156
Er	636	850	386	813	904	499
Tm	79.8	112.0	50.2	106.0	123.0	69.8
Yb	350	527	239	485	596	360
Lu	37.4	53.3	25.7	53.7	68.6	39
LREE	4506.0	7102.0	1258.0	3603.0	4582.0	2568.0
HREE	3328.6	3990.0	1770.7	3977.9	4311.6	2266.0

HREE + Y	8013.6	10583.0	4520.7	10184.9	11277.6	6052.0
TREE	7834.6	11092.0	3028.7	7580.9	8893.6	4834.0
TREE + Y	12519.6	17685.0	5778.7	13787.9	15859.6	8620.0
%HREE	42.49%	35.97%	58.46%	52.47%	48.48%	46.88%
%HREE + Y	64.01%	59.84%	78.23%	73.87%	71.11%	70.21%
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	$\frac{\%(\text{HREE}+\text{Y})}{(\text{TREE}+\text{Y})}$					
%HREE	$\frac{\%(\text{HREE})}{\text{TREE}}$					

Table 1 - REE, Y, Zr and Nb Geochemistry for Selected Intervals from Drill Holes

Mineralized veins appear to have a string-like geometry, with intersection thicknesses of the high-grade HREE zones ranging up to 2.56 m. The high-grade veins are associated with lower grade granitic pegmatites and anomalous REE-bearing granite. Small pegmatitic vein stockworks are observed near Showing 10. Results from the Zr Showing indicate that the HREE vein at this showing is open at depth and suggest further drilling is required. Additional untested HREE showings, with similar geological settings, also occur in the Pesky Hill area.

The **Pesky Hill Prospect** is located near St. Lewis Inlet on the southeast Labrador coast. An all season, maintained gravel highway (Highway 510) is located about 5 km from the prospect, allowing access to the local port facilities, airstrips, and infrastructure at Port Hope Simpson, St. Lewis, and Mary's Harbour. Access to the **Pesky Hill Prospect** is via a newly constructed 8 km long forest road.

Drill core was transported from the drill site to Search's Port Hope Simpson base where it was logged and split in half using a diamond table saw. One half of the core was kept in core boxes in the core storage facility for reference, and the other half was packaged and transported to ActLab's Sample Preparation Lab in Goose Bay. Search representatives maintained custody of the core and samples at all times until they had been delivered to the lab. See Search's July 27, 2010 news release for details of the sample preparation and assay methods.

Jim Clucas, President and CEO of Search Minerals notes "The small drill program at **Pesky Hill** was designed to test the vein-type mineralization sampled and mapped at surface. The drilling has demonstrated that HREE mineralization in the Pesky Hill area occurs in small volume but higher grade veins that are difficult to correlate."

He continued, "In contrast, the REE deposit outlined at our flagship Foxtrot Project is easily correlated in all directions as it occurs as a large sheet-like body. The associated magnetic anomaly and geological mapping extend the mineralization for over 20 km. Similar magnetic responses and geology occur at the Fox Pond and Foxy Lady Prospects where initial drill programs are planned for 2013."

Large Medium-grade vs Small High-grade REE Mineralization

The Port Hope Simpson REE District, which is 135 km long and 4 - 12 km wide, contains both high-grade pegmatitic vein-hosted HREE mineralization (Rock Rolling Hill, Rattling Bog Hill, Piperstock Hill, Southern Shore, Toots Cove, Pesky Hill, HighREE Island and Ocean View Prospects) and larger, sheet-like, volcanic-hosted mineralization (Foxtrot Project and Foxy Lady and Fox Pond Prospects). The Foxtrot Prospect presently contains a NI 43-101 compliant indicated resource of 9,229,000 tonnes grading 189 ppm Dy (217 ppm Dy₂O₃), 1442 ppm Nd (1687 ppm Nd₂O₃), 1040 ppm Y (1320 ppm Y₂O₃) and 0.88% TREE + Y (1.06% TREO + Y₂O₃); it also has 5,165,000 tonnes inferred resource at slightly lower grades (see Search Minerals news release, November 1, 2012 and the technical report titled "Technical Report on the Foxtrot Project in Labrador, Newfoundland & Labrador, Canada", dated December 14, 2012, each available on the SEDAR website under the Company's profile). The Fox Pond and Foxy Lady Prospects and other areas in the Fox Harbour volcanic belt have similar volcanic-hosted mineralization and are currently being explored for additional Foxtrot-like resources. There are currently no resources outlined in the high-grade HREE vein-hosted showings.

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 endeavor to meet high standards of integrity, transparency, and consistency in reporting technical content, including geological and assay (e.g., REE) data.

About Search Minerals:

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 135 km long and up to 12 km 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 to the Starved Acid Leaching Technology ("SALT"), a process with the potential to aid in the recovery of certain metals.

Search Minerals is lead by a management team and board with a proven track record in the mining industry. The Company also has a team with deep geological and metallurgical expertise lead 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.

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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.

Image with caption: "Figure 1 - Plan Map (CNW Group/Search Minerals Inc.)". Image available at:
http://photos.newswire.ca/images/download/20130125_C8853_PHOTO_EN_23061.jpg

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For further information:

Jim Clucas
President & Chief Executive Officer

T: 604-688-6180

E: jimclucas@searchminerals.ca

CO: Search Minerals Inc.

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