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SEARCH MINERALS INC. DISCOVERS HEAVY RARE EARTH ELEMENT MINERALIZATION IN THE PORT HOPE SIMPSON REE DISTRICT, LABRADOR

VANCOUVER, July 27, 2010 - Search Minerals Inc. (TSXV: SMY) (“Search” or “the Company”) and its wholly owned subsidiary, Alterra Resources Inc. (“Alterra”), have discovered heavy rare earth element-enriched (HREE) mineralization on the Island Prospect in the Port Hope Simpson (PHS) REE district in SE Labrador. In addition, initial results from the Fox Harbour Zone, approximately 12 km east of the Island Prospect, indicate the presence of light rare earth element-enriched peralkaline volcanic units.

Highlights: (See Tables 1 & 2 for details)

- *The Island Prospect and the Fox Harbour zone become the focus of increased exploration activity;*
- *The Island Prospect has rare metal-enriched mineralization including HREE (e.g., Dy up to 3,780 and Er up to 2,330 ppm), Zr (up to 32,790 ppm), Y (up to 19,480 ppm) and Nb (up to 20,300 ppm); and*
- *The Fox Harbour zone, contains rare metal-enriched peralkaline volcanic units, with sampling returning high Zr (up to 19,330), high Y (up to 1,490 ppm) and high LREE (e.g., Ce up to 6,800 ppm);*

At the Island Prospect, mineralization occurs in pegmatite-aplite dykes and veins from 2 cm to 1.5 m wide. Smokey quartz and magnetite occur along with unidentified REE, Nb, Y and Zr minerals throughout the mineralized dykes. The main mineralized zone is roughly 300 x 300 m, although mineralized dykes occur throughout a zone about 1.2 km long. The rare metal-enriched mineralization includes high HREE (e.g., Dy up to 3,780 and Er up to 2,330 ppm), Zr (up to 32,790 ppm), Y (up to 19,480 ppm) and Nb (up to 20,300 ppm) values (Table 1).

Trenching, detailed geological mapping and an extensive sampling program are currently underway to evaluate this prospective area and to spot drill hole locations. Channel samples, 8 cm. wide and 10 cm deep, are also being taken to evaluate vein densities and between-vein grades.

The Island Prospect REE summary:

	MH-068	MH-080	MH-084
	Lithogeochem.	11 cm. channel	13 cm. Channel
	ppm	ppm	ppm
TREE	31,353	24,742	23,499
TREE+Y	50,833	38,192	45,409
HREE	11,433	7,811	11,393
LREE	19,920	16,931	12,106
%HREE+Y	60.8%	55.7%	73.3%
%HREE	36.5%	31.6%	48.5%

The Fox Harbour Zone of the Port Hope Simpson REE district, located 12 km east of the Island Prospect, is an elongate zone approximately 20 km by 3 km. Reconnaissance mapping and prospecting has identified at least 4 linear units, from 1 to 100 m wide, of fine grained granitic gneiss that are tentatively identified as peralkaline volcanic rocks. These units give variable but anomalous values of rare metal elements such as Zr, Y, Nb, and LREE (Table 2). A detailed mapping and sampling program is currently underway to delineate the peralkaline units and to identify the most prospective zones for REE and the other rare metals (Zr, Y, Nb, Ta).

Fox Harbour REE summary:

	FH-009	FH-020	FH-023
	Lithogeochem.	Lithogeochem.	Lithogeochem.
	ppm	ppm	ppm
TREE	3,528	6,793	8,460
TREE+Y	4,778	7,585	9,701
HREE	772	561	837
LREE	2,756	6,232	7,623
%HREE+Y	42.3%	17.8%	21.4%
%HREE	21.9%	8.3%	9.9%

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 = total (ppm) of the Lanthanide Series elements.

LREE Light rare earth elements = La, Ce, Pr, Nd, Sm.

HREE Heavy rare earth elements = Eu, Gd, Tb, Dy, Ho, Er, Tm, Yb, Lu.

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

Jim Clucas, President and CEO of Search notes; “Our initial basis for assembling such a significant land package in the PHS Belt is being borne out by these early results. Our geological model envisages both smaller, higher grade, vein/dyke-hosted deposits and larger, medium to lower grade, deposits with the potential for significantly higher tonnage. We are extremely encouraged by the stellar efforts of our

field team in advancing our program so rapidly and with such significant results. The widespread presence of Heavy Rare Earths at the Island Prospect is very promising.”

Both the Island Prospect and the Fox Harbour peralkaline volcanic rocks occur within 1 km of an all season, maintained, gravel highway. The Fox Harbour volcanic rocks stretch up to 20 km west of the port community of St. Lewis and its small aircraft landing strip. The Island Prospect is within 20 km of Mary’s Harbour and its small aircraft landing strip.

In addition to the two prospective areas reported above, at least 5 other zones with little or no geochemical data are the focus of on-going prospecting and sampling programs.

A further 66 claims have been staked in the district as a result of reconnaissance prospecting and sampling. Geochemical data are expected from these new prospective zones in the near future.

Litho-geochemistry samples, all from bedrock, are collected by Company personnel, bagged and described. Reference samples are also collected for each grab, litho-geochemistry and channel sample. The samples are delivered by Search personnel to Activation Laboratories Ltd. (ActLabs) sample prep facility in Goose Bay, where they are crushed to 80% -10 mesh and riffled to produce a representative sample. This sample is then pulverized to 95% -200 mesh with the pulverizing mills being cleaned between each sample with cleaning sand. The samples are then shipped by courier to the ActLabs analytical facility at Ancaster, Ontario. A representative sample is treated by a lithium metaborate/tetraborate fusion and then analyzed by ICP and ICP/MS techniques. Mass balance is required as an additional quality control technique and elemental totals of the oxides should be between 98% and 101%. For QA/QC purposes Search requires duplicates every 25 samples and two Search reproducibility standards every 50 samples. ActLabs analyzes duplicates and splits approximately every 15 samples and also analyses 29 measured standards for QA/QC. To further enhance our QA/QC procedures Search intends to establish a program of checking analytical results with other labs to confirm the ActLabs results. ActLabs is a ISO/IEC 17025 accredited laboratory.

Randy Miller, Ph.D, P.Geo, Vice President Exploration, is the Qualified Person responsible for the technical content of this press release.

About Search Minerals Inc.

Search Minerals Inc (TSX-V SMY) has a strong and dedicated management team with outstanding capabilities in separate but related mining activities, any of which has the potential to generate significant shareholder value. Search’s mineral exploration team is led by Vice President Exploration Dr. Randy Miller. Dr. Miller is responsible for directing the current exploration programs on Search’s large land position in Labrador. Search also has a technology arm headed up by Dr. David Dreisinger, Chair of Hydrometallurgy at the University of British Columbia in Vancouver, Canada, and a consultant to several major international mining companies.

Search’s business strategy is to fund ideas or concepts in the mineral exploration or metallurgical fields that have low initial costs.

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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 times 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: Island Prospect

	MH-068	MH-080	MH-084	
	Lithogeochem.	11 cm. channel	13 cm. Channel	
	ppm	ppm	ppm	
Y	19,480	13,450	21,910	
Zr	32,790	16,350	16,320	
Nb	20,300	11,100	9,900	
Ta	882	725	825	
La	3,640	3,000	2,070	<i>Light REE</i>
Ce	9,590	8,140	5,700	
Pr	1,100	951	666	
Nd	4,200	3,660	2,630	
Sm	1,390	1,180	1,040	
Eu	88	78	81	<i>Heavy REE</i>
Gd	1,970	1,550	1,810	
Tb	484	346	475	
Dy	3,780	2,560	3,780	
Ho	830	536	830	
Er	2,330	1,470	2,370	
Tm	286	185	297	
Yb	1,500	980	1,580	
Lu	165	106	170	
TREE	31,353	24,742	23,499	
TREE+Y	50,833	38,192	45,409	
HREE	11,433	7,811	11,393	
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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

Table 2: Fox Harbour Zone

	FH-009	FH-020	FH-023	
	Lithogeochem.	Lithogeochem.	Lithogeochem.	
	ppm	ppm	ppm	
Y	1,250	792	1,241	
Zr	13,190	7,170	10,810	
Nb	1,090	845	763	
Ta	67	30	51	
<i>La</i>	594	1,410	1,600	<i>Light REE</i>
<i>Ce</i>	1,330	2,920	3,590	
<i>Pr</i>	153	328	419	
<i>Nd</i>	536	1,340	1,690	
<i>Sm</i>	143	234	324	
Eu	3	11	16	Heavy REE
Gd	152	164	243	
Tb	33	28	41	
Dy	221	157	236	
Ho	45	28	42	
Er	139	76	117	
Tm	21	11	17	
Yb	137	74	109	
Lu	21	12	17	
TREE	3,528	6,793	8,460	
TREE+Y	4,778	7,585	9,701	
HREE	772	561	837	
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%HREE	HREE/ TREE