



search minerals inc.

TSXV: SMY

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SEARCH MINERALS ENTERS INTO LETTER OF INTENT FOR FOX HARBOUR CLAIMS

VANCOUVER, January 17, 2011 – Search Minerals Inc. (“**Search**” or the “**Company**”) (TSXV: SMY) is pleased to announce that it has entered into a binding letter of intent (the “**LOI**”) with Andrew Quinlan, Roland Quinlan and Tony Quinlan (collectively, the “**Vendors**”) to acquire an undivided 100% interest (the “**Option**”) in and to certain claims owned by the Vendors known as the Fox Harbour Claims (the “**Property**”).

Under the terms of the LOI, to earn the Option, the Company has agreed to pay the Vendors an aggregate of \$90,000, with \$10,000 payable on the date of acceptance by the TSX Venture Exchange (the “**Exchange**”) of the Option (the “**Acceptance Date**”), an additional \$15,000 payable on the date that is one year following the Acceptance Date, an additional \$20,000 payable on the date that is two years following the Acceptance Date, an additional \$30,000 payable on the date that is three years following the Acceptance Date and an additional \$15,000 payable on the date that is four years following the Acceptance Date. The Company has also agreed to issue to the Vendors an aggregate of 300,000 common shares of the Company (the “**Shares**”), with 30,000 common shares issuable on the Acceptance Date, an additional 50,000 common shares issuable on the date that is one year following the Acceptance Date, an additional 70,000 common shares issuable on the date that is two years following the Acceptance Date, an additional 100,000 common shares issuable on the date that is three years following the Acceptance Date and an additional 50,000 common shares issuable on the date that is four years following the Acceptance Date. Search may, in its sole discretion, pay to the Vendors \$100,000 on or before the date that is four years following the Acceptance Date in lieu of the additional 50,000 common shares to be issued and \$15,000 to be paid to the Vendors on the date that is four years following the Acceptance Date.

The Company has also granted a 1.5% NSR to the Vendors, of which the Company may purchase 1% at any time for \$1,000,000.

The Property consists of three licences (016480M, 016620M & 017646M) totalling 48 claims (12 square kilometers or 1200 ha) and is located just east of the coastal community of St. Lewis (Fox Harbour) in southeastern Labrador. These claims are contiguous with claims held by Search, through its wholly owned subsidiary, Alterra Resources Inc., that occur west of St Lewis. Dr. Randy Miller, the Vice President of Exploration for Search, notes “we are very pleased to make this acquisition as it allows Search to control the entire Fox Harbour Volcanic Belt, which is highly prospective for LREE-Zr-Y-Nb mineralization”.

No finder’s fees are payable in connection with the acquisition of the Option. Completion of the transaction is subject to a number of conditions, including but not limited to, Exchange approval and the execution of a formal agreement.

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 new ideas or concepts in the mineral exploration or metallurgical fields that have low initial costs and high potential.

For further information please contact:

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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:

Certain disclosures in this release with respect to the proposed transaction constitute forward-looking statements that are subject to numerous risks, uncertainties and other factors relating to the Company's operations as a mineral exploration company. Such risks and uncertainties may cause future results to differ materially from those expressed or implied in such forward-looking statements, including risks as to the completion of the transaction. Readers are cautioned not to place undue reliance on forward-looking statements. Except where required by law, the Company disclaims any intention or obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.