



NEWS RELEASE

FOR IMMEDIATE RELEASE: May 5, 2017

SEARCH CLOSES FIRST TRANCHE OF PRIVATE PLACEMENT AND EXTENDS PRIVATE PLACEMENT OFFERING

Vancouver, B.C. May 5, 2017 – Search Minerals Inc. (TSXV: SMY) (“Search” or the “Company”) is pleased to announce the closing of the first tranche of its previously announced private placement. Further to its news release dated March 20, 2017, the Company has completed the first tranche of its non-brokered private placement (the “Offering”) raising gross proceeds of \$325,994.94 by the issuance of 3,622,166 units (the “Units”) at \$0.09 per Unit. Each Unit consists of one common share in the capital of the Company (a “Share”) and one-half of one share purchase warrant (a “Warrant”). Each Warrant entitles the holder to purchase one additional common share in the capital of the Company (a “Warrant Share”) at a price of \$0.18 per Warrant Share for a period of 12 months from the closing of the Offering.

All securities issued pursuant to the Offering are subject to a statutory hold period of four months plus one day from the date of issuance, in accordance with applicable securities legislation.

The Company will use the proceeds from the Offering to complete a drilling program on the Deep Fox prospect (*formerly called Deepwater Fox*), to complete the environmental assessment applications and for general working capital requirements. The aggregate gross proceeds of the Offering will be allocated as 1) \$ 1,000,000 for the environmental application process and general working capital, and 2) up to \$ 2,060,000 will be used for the Deep Fox drill program and other exploration in the District.

The Company also announces that it has extended the closing of the Offering to June 5, 2017. Closing of the Offering is subject to a number of conditions, including receipt of all necessary corporate and regulatory approvals, including the approval of the TSX Venture Exchange.

A portion of the second tranche of the Offering may be completed pursuant to BC Instrument 45-534 - Exemption from Prospectus Requirement for Certain Trades to Existing Security Holders and similar instruments in other jurisdictions in Canada (the “Existing Security Holder Exemption”). The aggregate acquisition cost to a subscriber under the Existing Security Holder Exemption cannot exceed \$15,000 unless that subscriber has obtained advice from a registered investment dealer regarding the suitability of the investment. The Company has fixed March 16, 2017, as the record date for the purpose of determining existing shareholders of the Company who are entitled to participate in the Offering pursuant to the Existing Security Holder Exemption.

About Search Minerals Inc.

Led by a proven management team and board of directors, Search is focused on finding and developing resources within the emerging Port Hope Simpson Critical Rare Earth Element (“CREE”) District of South East Labrador (the “District”). The Company controls a belt 70 km long and 8 km wide including its 100% interest in the FOXTROT Project which is road accessible and at tidewater. Exploration efforts have advanced “Deep Fox” and “Fox Meadow” as significant new CREE prospects very similar and in close proximity to the original FOXTROT discovery. While the Company has identified more than 20 other prospects in the District, its

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primary near-term objective remains development of the FOXTROT deposit.

With proprietary processing technology now demonstrated at the pilot plant level and ongoing delineation of additional prospects, the Company's long-term goal is to ensure competitive-low cost production well beyond the 14-year mine life contemplated in the preliminary economic assessment of FOXTROT completed in April 2016. The FOXTROT Project has a low capital cost to bring the initial project into production (\$152 M), a short payback period and is scalable due to Search's proprietary processing technology. The preliminary economic assessment is preliminary in nature and includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the preliminary economic assessment will be realized. The preliminary economic assessment includes the results of an economic analysis of mineral resources. Mineral resources are not mineral reserves and do not have demonstrated economic viability.

All material information on the Company may be found on its website at www.searchminerals.ca and on SEDAR at www.sedar.com

About neo-CREOs (Adamas Intelligence – December 2016)

We consider neodymium, praseodymium, and dysprosium to be neo-CREOs and they are vital to NdFeB magnets used widely in renewable power generation, electric mobility, and energy-efficient technologies. We consider terbium to be a neo-CREO because upon experiencing shortages of dysprosium, consumers in the magnet industry will rapidly consume available terbium supplies in its place for applications involving renewable power generation, electric mobility and energy efficient technologies. Lanthanum is considered a neo-CREO because it is widely used in catalytic converters and rechargeable batteries, and will be increasingly used as a thermal stabilizer by producers of poly-vinyl chloride (PVC) to minimize lead consumption and improve the energy efficiency of PVC and other processing equipment.

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Cautionary Statement Regarding “Forward-Looking” Information.

This news release includes certain forward-looking information” and forward-looking statements” (collectively forward-looking statements”) within the meaning of applicable Canadian and United States securities legislation including the United States Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical fact, included herein, without limitation, statements relating the future operating or financial performance of the Company, are forward-looking statements.

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Forward-looking statements are frequently, but not always, identified by words such as “expects”, “anticipates”, “believes”, “intends”, “estimates”, “potential”, “possible”, and similar expressions, or statements that events, conditions, or results “will”, “may”, “could”, or “should” occur or be achieved. Forward-looking statements in this news release relate to, among other things, completion of the Offering. Actual future results may differ materially. There can be no assurance that such statements will prove to be accurate, and actual results and future events could differ materially from those anticipated in such statements. Forward-looking statements reflect the beliefs, opinions and projections on the date the statements are made and are based upon a number of assumptions and estimates that, while considered reasonable by the respective parties, are inherently subject to significant business, economic, competitive, political and social uncertainties and contingencies. Many factors, both known and unknown, could cause actual results, performance or achievements to be materially different from the results, performance or achievements that are or may be expressed or implied by such forward-looking statements and the parties have made assumptions and estimates based on or related to many of these factors. Such factors include, without limitation, the risk that the Company is not able to find suitable investors for the Offering or does not receive the approval of the TSX Venture Exchange. Readers should not place undue reliance on the forward-looking statements and information contained in this news release concerning these times. Except as required by law, the Company does not assume any obligation to update the forward-looking statements of beliefs, opinions, projections, or other factors, should they change.