Management's Discussion and Analysis
for the Year Ended November 30, 2013

The following information, prepared as of February 6, 2014, should be read in conjunction with the consolidated financial statements of Search Minerals Inc. (the "Company" or "Search") for the year ended November 30, 2013. The referenced consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All amounts are expressed in Canadian dollars unless otherwise indicated.

FORWARD-LOOKING STATEMENTS

Forward-looking statements look into the future and provide an opinion as to the effect of certain events and trends on the business. Forward-looking statements may include words such as "plans", "intends", "anticipates", "should", "estimates", "expects", "believes", "indicates", "suggests" and similar expressions.

This MD&A contains forward-looking statements. These forward-looking statements are based on current expectations and various estimates, factors and assumptions and involve known and unknown risks, uncertainties and other factors. Information concerning mineral resource estimates and the interpretation of drill results may also be considered a forward-looking statement, as such information constitutes a prediction of what mineralization might be found to be present if and when a project is actually developed.

It is important to note the following:

- Unless otherwise indicated, forward-looking statements in this MD&A describe the Company's expectations as of February 6, 2014.

- Readers are cautioned not to place undue reliance on these statements as the Company's actual results, performance or achievements may differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements if known or unknown risks, uncertainties or other factors affect the Company's business, or if the Company's estimates or assumptions prove inaccurate. Therefore, the Company cannot provide any assurance that forward-looking statements will materialize. Factors that could cause results or events to differ materially from current expectations expressed or implied by the forward-looking statements include, but are not limited to, possible variations in mineral resources, labour disputes, operating or capital costs; availability of sufficient financing to fund planned or further required work in a timely manner and on acceptable terms; failure of equipment or processes to operate as anticipated; and political, regulatory, environmental and other risks of the mining industry.

- Subject to applicable laws, the Company assumes no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or any other reason.

For a description of material factors that could cause the Company's actual results to differ materially from the forward-looking statements in this MD&A, please see "Risks and Uncertainties."

GENERAL

The Company was incorporated on June 7, 2006 under the *Business Corporations Act* of British Columbia under the name "Search Capital Inc." On May 3, 2007, the Company completed its initial public offering. It began trading on the TSX Venture Exchange (the "TSX-V") on May 7, 2007 as a Capital Pool Company. On October 24, 2008, the Company acquired 100% of the issued and outstanding shares of Alterra Resources Inc. ("Alterra"), and Alterra became a wholly-owned subsidiary of the Company. The transaction constituted the Company's Qualifying

Transaction (the "QT"), as defined by the TSX-V, and the Company ceased to be a Capital Pool Company. The Company resumed trading on the TSX-V on October 27, 2008 under its changed name, "Search Minerals Inc." and under the symbol "SMY.V."

To date, the Company has been operating in two lines of business: mineral exploration in the Province of Newfoundland and Labrador, and the research and development of the starved acid leaching technology ("SALT"). The intellectual property rights in SALT were sold to InCoR Holdings Plc.'s wholly-owned subsidiary, InCoR Technologies Limited in November 2013.

In addition, and principally, the Company is now focused on pursuing opportunities and partnerships in strategic metals including, but not limited to, tin, tungsten, dysprosium and neodymium. The Company is prioritizing projects that can be partnered, funded and developed in a relatively short period of time in strategic, mining friendly jurisdictions.

OVERALL PERFORMANCE

On January 25, 2013, the Company announced results from Phase I drilling at the Pesky Hill Prospect in the Port Hope Simpson REE District in SE Labrador. The $250,000 Phase 1 exploration drilling program comprised of 38 shallow vertical holes (1,213m) ranging from 26m to 50m in depth (see the January 25, 2013 news release for details).

On February 20, 2013, the Company announced that the United States Patent Office had granted the Company a United States patent for SALT. Furthermore, the Company announced that patent applications had been filed in several countries for nickel laterite processing using SALT. Separate applications were lodged with the national patent offices in Brazil, Cuba, the Philippines, Australia, Europe (including the French overseas territory of New Caledonia), Indonesia, Colombia and the Organization of African States.

On March 21, 2013, the Company completed a non-brokered private placement of 24,000,000 units at a price of $0.05 per unit for gross proceeds $1,200,000. Each unit was comprised of one common share and one share purchase warrant. Each warrant entitles the holder thereof to purchase an additional common share of the Company at $0.10 per common share up to March 22, 2014. The proceeds from the financing were used for general working capital purposes.

On March 25, 2013, the Company announced the results of a revised Preliminary Economic Assessment ("PEA") by Roscoe Postle & Associates ("RPA") on the Foxtrot Project in the Port Hope Simpson REE District. It was noted that the PEA evaluated an open pit/underground scenario with lower capital costs, a lower mining rate and higher grade mill feed than the original PEA. Highlights include a reduction in capital costs to $221 million from $469 million, with a 3.8 year payback, a $219 million net present value at a discount rate of 10%, and a 26% pre-tax internal rate of return. The May 9, 2013 National Instrument ("NI") 43-101 Technical Report on the Foxtrot Project PEA was filed on www.sedar.com on June 13, 2013.

On April 11, 2013, the Company announced the appointment of Stephen Keith as President and Chief Executive Officer of the Company. It was also announced that Jim Clucas, the outgoing President and Chief Executive Officer, had transitioned to Executive Chairman of the Company. Mr. Keith has worked on projects in more than 30 countries, with a focus on Latin America. Mr. Keith had most recently been a founder and the President and Chief Executive Officer of Rio Verde Minerals Development Corp. until its acquisition by B&A Fertilizers Limited on March 13, 2013.

On June 20, 2013, the Company announced the discovery of three new prospects in the Port Hope Simpson REE District with mineralization similar to that at the Company's Foxtrot Project. The new prospects, Fleet Fox, Fox Run and Silver Fox, along with two previously announced Foxtrot-like Prospects, Fox Pond and Foxy Lady, all occur within 10km of the Foxtrot Project.

On August 20, 2013, the Company announced that it had signed two non-binding Letters of Intent ("LOIs") with Mineração São Francisco de Assis Ltd. ("MSFA") and Carlos Mena Resources Ltd. ("CMR"), two privately held companies, each dedicated to the development and operation of tin assets in Brazil. It was noted that the LOIs outlined the general terms and conditions pursuant to which Search, MSFA and CMR would be willing to complete one or more transactions resulting in a combination of their respective business operations (the "Transactions"), and that the non-binding LOIs would each be subject to the execution of a definitive agreement (the "Definitive Agreements") between the parties. An update on the Transactions was provided on December 17, 2013 and January 27, 2014.

On October 30, 2013 the Company announced the discovery of ten new prospects in the Port Hope Simpson REE District, with mineralization similar to that at the Company's Foxtrot Project.

On November 1, 2013, the Company appointed Mr. Alexandre Penha as Executive Vice President, Corporate Development. Mr. Penha, who holds over 15 years of industry experience and is a current Director of Search Minerals Inc., most recently held the title of Vice President, Corporate Development at Aura Minerals Inc. He was previously Vice President, Corporate Development at Rio Verde Minerals Development Corporation; Research Associate at Merrill Lynch Gold; IBD Associate at Thomas Weisel Partners Canada; Corporate Development at Tau Capital; and Corporate Finance at Banif Primus Investment Banking in Rio de Janeiro, Brazil.

On November 27, 2013, the Company announced it had completed the sale of the intellectual property rights in the Company's starved acid leaching technology ("SALT") to InCoR Holdings Plc.'s ("InCoR") wholly-owned subsidiary, InCoR Technologies Limited ("ICRT"). Pursuant to the definitive agreement between the parties, the Company transferred all of the intellectual property rights related to SALT to SALT Technology Holdings Inc. ("SALT Holdings"), a newly-incorporated company, and ICRT purchased the outstanding shares of SALT Holdings for a total purchase price of $2.2 million as follows:

- $50,000 at closing (received);
- $50,000 upon delivery of a positive economic scoping study;
- $100,000 upon completion of a positive bankable feasibility study; and,
- $2,000,000 repayable from 25 percent of the net cash flow from a commercial application of SALT.

In order to keep the Purchase Agreement in good standing, ICRT must incur aggregate expenditures of not less than $1,000,000 within 24 months of completing the economic scoping study.

On December 16, 2013, the Company completed the first tranche of a non-brokered private placement of 5,211,082 units at a price of $0.07 per unit for gross proceeds of $364,776. Each unit is comprised of one common share and one-half of one share purchase warrant. Each whole warrant entitles the holder thereof to purchase an additional common share of the Company at $0.10 per common share up to December 16, 2015. A second and final tranche of the private placement is expected to close in due course, for additional proceeds of approximately $350,000. At the date of this MD&A, $258,677 had been received for the second and final tranche of the private placement. The Company noted that it would be using the proceeds from the private placement to allow for the completion and due diligence of the Transactions being negotiated by the Company, for maintaining and evaluating its REE properties in the Port Hope Simpson REE District, and for general working capital.

On January 21, 2014, the Company announced that it would be receiving research and development investments totalling $225,000 from the Research & Development Corporation ("RDC") and from the Atlantic Canada Opportunities Agency ("ACOA") to assist in the *Development of Innovative Technologies for the Recovery and Refining of Rare Earth Elements ("REE") from Ore Mined in Labrador* (the "Project"). Search will receive $112,500 towards the project from each of RDC and ACOA and the Company will contribute an additional $75,000 in working capital. The purpose of the Project is to evaluate the effectiveness and compare the commercial feasibility of a variety of innovative metallurgical processes to separate and refine rare earth elements from ore with the specific characteristics of that identified at the Company's Foxtrot Project in the Port Hope Simpson REE District in SE Labrador. SGS Canada Inc. has been engaged to perform testing on ore samples containing REE taken from the Company's Foxtrot Project located near Port Hope Simpson, Labrador. The Project commenced in January 2014 and with an estimated project completion date of June 2014.

On January 27, 2014, the Company announced that it had entered into a definitive share purchase agreement dated January 22, 2014 (the "Share Purchase Agreement") with Brasilis Kaduna Consultoria e Participações Ltda. ("Kaduna") and MS Marpin Consultoria e Participações Ltda. ("Marpin" and, together with Kaduna, the "Vendors"), which set forth the terms and conditions pursuant to which Search will acquire 100% of the issued and outstanding quotas of Mineração São Francisco de Assis Ltda. (“MSFA”) and which will result in a reverse take-over of Search by the Vendors (the “Transaction”). At this time, the Company will not be pursuing a transaction with CMR. Additional details are disclosed in the section below titled “Tin Transaction”.

OUTLOOK

Search is focused on pursuing opportunities and partnerships in strategic metals including, but not limited to, tin, tungsten, dysprosium and neodymium. The Company is prioritizing projects that can be partnered, funded and developed in a relatively short period of time, in strategic, friendly jurisdictions.

The Company has made a strategic decision to focus on critical metals, the first of these being tin. Tin fundamentals are strong, and tin prices have risen from US$4,000 per tonne in 2002 to US$22,000 per tonne in 2013, on the back of strong new demand and supply constraints from existing mines and a limited pipeline of upcoming projects.

The Company is currently focused on completing the Transaction to acquire MSFA and its tin producing asset. The Company is in the process of completing a management information circular for distribution to shareholders outlining the specifics of the Transaction in anticipation of a shareholder meeting. Management is arranging the necessary financing to complete the Transaction. Additional details are disclosed in the section below titled “Tin Transaction”.

In addition, Search continues to maintain and evaluate its REE properties in the Port Hope Simpson REE District, which includes the Fox Harbour volcanic belt and the Company’s flagship property, the Foxtrot Project. At present, Search Minerals Inc. operates all of its exploration through its 100% owned subsidiary, Alterra Resources Inc.

Furthermore, Search will be undertaking a project, the *Development of Innovative Technologies for the Recovery and Refining of Rare Earth Elements (“REE”) from Ore Mined in Labrador* (the “Project”), which will evaluate the effectiveness and compare the commercial feasibility of a variety of innovative metallurgical processes to separate and refine rare earth elements from ore with the specific characteristics of that identified at the Company’s Foxtrot Project in the Port Hope Simpson Rare Earth Element District in SE Labrador. SGS Canada Inc. will be engaged to perform testing on ore samples containing REE taken from the Company’s Foxtrot Project located near Port Hope Simpson, Labrador. The Project commenced in January 2014 with an estimated project completion date of June 2014.

During the 2013 field season, Search mapped and sampled mineralization throughout the Fox Harbour volcanic belt to prioritize targets and to discover and/or document additional Foxtrot-like deposits. Search has completed two joint venture agreements to date and has been actively seeking out both strategic partners to advance properties and acquisition opportunities.

TIN TRANSACTION

On August 20, 2013, the Company announced that it had signed two non-binding Letters of Intent (“LOIs”) with Mineração São Francisco de Assis Ltd. (“MSFA”) and Carlos Mena Resources Ltd. (“CMR”), two privately held companies, each dedicated to the development and operation of tin assets in Brazil. It was noted that the LOIs outlined the general terms and conditions pursuant to which Search, MSFA and CMR would be willing to complete one or more transactions resulting in a combination of their respective business operations (the “Transactions”), and that the non-binding LOIs would each be subject to the execution of a definitive agreement (the “Definitive Agreements”) between the parties. It was noted that, in the event the Definitive Agreements were to be executed, the closing of the Transactions would be subject to a number of other conditions including but not limited to the following: Board approval, receipt by Search of a favourable fairness opinion, and receipt of all necessary shareholder, stock exchange, third party, court and regulatory approvals. Search noted that it would be engaging an independent firm to conduct due diligence and an investment bank to perform an independent economic valuation. Lastly, it was noted that there could be no assurances that any transaction would result. An update on the Transactions was provided on December 17, 2013.

On January 27, 2014, the Company announced that it had entered into a definitive share purchase agreement dated January 22, 2014 (the "Share Purchase Agreement") with Brasilis Kaduna Consultoria e Participações Ltda. ("Kaduna") and MS Marpin Consultoria e Participações Ltda. ("Marpin" and, together with Kaduna, the "Vendors"), which set forth the terms and conditions pursuant to which Search will acquire 100% of the issued and outstanding quotas (shares) of Mineração São Francisco de Assis Ltda. ("MSFA") and which will result in a reverse take-over of Search by the Vendors (the "Transaction").

Pursuant to the Share Purchase Agreement, Search will acquire 100% of the outstanding quotas of MSFA in exchange for an aggregate of 135,000,000 common shares of Search (the "Search Shares") (on a pre-Consolidation basis) at a deemed price of $0.055 per Search Share (on a pre-Consolidation basis) to be issued to the Vendors on the closing date. After giving effect to the Transaction, but without giving effect to the Private Placement (as described below), it is expected that the Vendors will hold approximately 61.3% of the issued and outstanding Search Shares; consequently, the Transaction constitutes a reverse take-over of Search pursuant to TSX-V Policy 5.2 – *Change of Business and Reverse Takeovers*.

While the Share Purchase Agreement was the product of arm's length negotiations between Search and the Vendors, the Transaction is considered to be a transaction with a Non-Arm's Length Party (as defined in the policies of the TSX-V) by virtue of the fact that Roberto Giannetti da Fonseca is a director of Search and also an officer of each of Kaduna and MSFA. Mr. Giannetti da Fonseca holds a very small (less than 1%) equity interest in Kaduna. Mr. Giannetti da Fonseca has recused himself from all board proceedings of Search at which the Share Purchase Agreement and the Transaction were considered and approved.

A special meeting of Search shareholders (the "Shareholder Meeting") is expected to be held in March 2014 to approve, among other matters, the Transaction. Additional information concerning the Shareholder Meeting will be included in the management information circular to be delivered to holders of Search Shares setting forth the business to be conducted at the Shareholder Meeting.

Also on January 27, 2014, the Company announced that it would no longer be proceeding with the acquisition of the Arara tin project from CMR at this time. While Search remains interested in the project, the Company was unable to agree to terms of the acquisition with the current owners. Search continues to explore additional acquisition opportunities and may in the future revisit the potential acquisition of the Arara project.

MSFA is the sole owner and operator of the Mocambo tin mine (the "Mocambo Mine"), located about 30 km away from the city of São Félix do Xingu in the state of Pará, in Northern Brazil. The Mocambo Mine is accessible via paved roads and small aircrafts, with available flights out of the nearby cities of São Félix do Xingu and Marabá. The mine site is well equipped with excellent housing and facilities, an airstrip, and more than 30 km of local roads within the borders of the mine area. The mine was originally placed in production in 1984 by St. Joe Minerals; French company Rhone Poulenc took over in late 1987, and the mine operated until 1994. Production restarted in mid-2012 under the management of MSFA. Current installed capacity of the existing plant is 40,000m^3 per month. Cumulative production since the restart of operations in July 2012 through to the end of October 2013 has been 441,419 kg SnO_2 (cassiterite), achieving peak production at a rate of approximately 40,000 kg (SnO_2) per month, with approximately 70% Sn in the concentrate. A second alluvial mining plant with similar capacity has recently been ordered, which should allow the doubling of current SnO_2 production rates.

Historical drilling conducted by the previous operator includes 1,684 drill holes, for a total of 10,390m drilled within the areas currently being mined. Additional exploration targets are located within the borders of MSFA's mineral rights, including a large paleo-channel, as well as additional primary tin and tungsten (wolframite) targets on the Serra do Mocambo hill. Search commissioned an independent technical report on the Mocambo Mine to be prepared in conformity with National Instrument 43-101 – *Standards of Disclosure for Mineral Projects*. Additional information concerning the Mocambo Mine, including a summary of the key conclusions of the technical report, will be included in the management information circular to be prepared in connection with the Shareholder Meeting.

Tin fundamentals are strong, with increasing use in innovative technologies, and tin prices have risen from US$4,000 per tonne in 2002 to US$22,000 per tonne in 2013, on the back of strong new demand and supply constraints from existing mines and a limited pipeline of upcoming projects.

MINERAL PROPERTIES

The rare metals elements ("REE") mentioned are defined as follows: La – Lanthanum, Ce – Cerium, Pr – Praseodymium, Nd – Neodymium, Pm – Promethium, Sm – Samarium, Eu – Europium, Gd – Gadolinium, Tb – Terbium, Dy – Dysprosium, Ho – Holmium, Er – Erbium, Tm – Thulium, Yb – Ytterbium, Lu – Lutetium, Y – Yttrium, Zr – Zirconium and Nb – Niobium.

Although the Company has taken steps to verify title to mineral properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee a clear title. Property title may be subject to unregistered prior agreements and regulatory requirements. The Company is not aware of any disputed claims of title.

Port Hope Simpson REE District, Labrador

The Port Hope Simpson REE district forms a belt that stretches north-westerly from Fox Harbour (St. Lewis) on the SE Labrador coast, inland for 135km and up to 12km wide. The Company controls a number of licenses in this area acquired pursuant to an agreement with B and A Minerals Limited and additional map staked licenses. All portions of this belt are within 10km of a local transportation network that includes all-season highways, seasonal logging roads, ocean ports and three airstrips.

On January 13, 2011, the Company entered into a binding letter of intent with Andrew Quinlan, Roland Quinlan and Tony Quinlan. Pursuant to the letter of intent, the Company has the option to acquire the Fox Harbour Property located east and north of St. Lewis, Labrador. The Fox Harbour Property is part of the Port Hope Simpson REE district.

Since the fall of 2009, the Company has been exploring the Port Hope Simpson REE District. The next paragraphs detail exploration work completed in the current financial year.

On January 25, 2013, the Company announced results from the Phase I drilling at the Pesky Hill Prospect in the Port Hope Simpson REE District. The $250,000 Phase I exploration drilling program comprised of 38 shallow vertical holes (1,213m) ranging from 26m to 50m in depth (see the January 25, 2013 news release for details).

On March 25, 2013, the Company issued a news release summarizing an updated Preliminary Economic Assessment ("PEA") for the Foxtrot Project. The PEA evaluated an open pit/underground scenario with lower capital costs, a lower mining rate and higher grade mill feed. Highlights included a reduction in capital costs to $221 million from $469 million, with a 3.8 year payback, a $219 million net present value at a discount rate of 10%, and a 26% pre-tax internal rate of return. The May 9, 2013 NI 43-101 Technical Report on the Foxtrot Project PEA was filed on www.sedar.com on June 13, 2013.

On June 20, 2013, the Company announced the discovery of three new prospects in the Port Hope Simpson REE District with mineralization similar to that at the Company's Foxtrot Project. The new prospects, Fleet Fox, Fox Run and Silver Fox, along with two previously announced Foxtrot-like Prospects, Fox Pond and Foxy Lady, all occur within 10km of the Foxtrot Project (see the June 20, 2013 news release for details).

On October 30, 2013 the Company announced the discovery of ten new prospects in the Port Hope Simpson REE District, with mineralization similar to that at the Company's Foxtrot Project.

During the year ended November 30, 2012, the Company wrote-down $5,246,469 of mineral property costs. The Company determined that there were indicators of impairment on a portion of the Port Hope Simpson REE District, as well as on the Base Metal Katie Property and the other Newfoundland and Labrador properties. The Company wrote-down all deferred mineral property costs relating to these properties other than costs directly related to exploration on the Foxtrot Project and the recently drilled Pesky Hill Prospect. Although the Company has written-down costs for accounting purposes, the Company still holds a significant number of licenses.

The Company’s main focus in the Port Hope Simpson REE District is on the Foxtrot Project and the exploration for additional Foxtrot-like deposits at other targets throughout the Fox Harbour volcanic belt. Other parts of the Port Hope Simpson REE District require some work to maintain licenses in good standing.

Strange Lake Property, Labrador

On June 22, 2010, the Company entered into an agreement with Quest Rare Minerals Ltd. (“Quest”) pursuant to which Quest transferred four licenses consisting of nine mineral claims to the Company in consideration for 10,000 common shares of the Company.

In addition, the Company granted Quest an option (the “Option”) to acquire up to a 65% undivided working interest in the Company’s Strange Lake Property. In November 2012, Quest earned a 50% undivided interest in the Strange Lake Property by settling $67,141 of accounts payable in lieu of 50,000 Quest shares and incurring $500,000 of exploration expenditures. Quest may earn an additional 15% undivided working interest in the property by incurring additional mineral exploration expenditures of $1,250,000 in aggregate on or before June 15, 2015, paying $75,000 in cash to the Company and issuing 150,000 common shares of Quest on or before June 15, 2015.

The property is subject to a 1.5% net smelter return royalty in favour of the Company. Quest may, at any time, purchase two-thirds of the 1.5% NSR royalty for $1,000,000.

Quest is the operator for the property and the Company will pay Quest an amount equal to 10% of the expenditures incurred by Quest for each year of the Option.

Quest is currently not performing any work on the Strange Lake property and has not announced any future exploration work. Quest and Search are involved in ongoing discussions regarding the future of the Strange Lake Property.

Red Wine Property, Labrador

On March 16, 2010, the Company entered into an option agreement (the “Letter Agreement”) with Great Western Minerals Group Ltd. (“GWG”) whereby GWG could acquire up to a 50% working interest in the Company’s Red Wine property, located approximately 100km north-east of Churchill Falls, Labrador. Under the terms of the Letter Agreement, GWG paid an aggregate of $225,000 and GWG issued an aggregate of 1,050,000 common shares to Search and funded exploration programs of an aggregate of $1,500,000 of exploration expenditures. On June 28, 2011, the Company announced that GWG had earned a 50% interest in the Red Wine Property. GWG and the Company have a joint venture with the Company currently acting as the operator. GWG and the Company are currently not performing any work on the Red Wine Property and no future exploration work is planned. During the year ended November 30, 2013, the Company wrote-down $1,161,793 of mineral property costs representing expenditures on the Red Wine Property and other Newfoundland and Labrador properties. Although the Company has written-down costs for accounting purposes, the Company still holds the Red Wine Property.

NunatuKavut Community Council

On August 27, 2012, the Company announced that it had signed a Mining Exploration Activities Agreement with the NunatuKavut Community Council (the “NunatuKavut”), the political representative body of the Inuit of South-Central Labrador. The agreement solidifies a relationship that has evolved through the Company's activity in and around NunatuKavut communities on the south coast. The agreement sets out a respectful way forward, meeting the interests of and ensuring mutual benefit for both parties. Key elements in the agreement address environmental protocols and safeguards for matters of historic values. The agreement also sets out hiring and business opportunities for NunatuKavut members and communities as well as certain financial considerations. The Company issued 50,000 common shares to NunatuKavut and will make an annual good faith payment of a small cash stipend. The agreement will continue indefinitely unless and until one or both parties elect to terminate.

TECHNOLOGY RESEARCH

Under the direction and guidance of Dr. David Dreisinger, Search had been successful in leaching nickel and cobalt from two samples from two laterite deposits in Brazil. Proof of Concept was established in using the starved acid leach technology ("SALT") on samples from a saprolite nickel deposit and tailings produced from a limonitic ore. In both cases, nickel and cobalt were put into solution using this patented process which minimizes sulphuric acid consumption. Sulphuric acid is usually the largest cost component in treating nickel laterites. Sufficient progress was made to proceed to the pilot plant stage.

On July 13, 2011, the Company entered into a three (3) year agreement with Votorantim Metais Níquel S.A. and Votorantim Novos Negócios S.A., operating subsidiaries of Votorantim Participações S.A. (together, "Votorantim") whereby Votorantim and the Company agreed to work together to develop SALT at a pilot plant in Brazil and issue a final report on the SALT process. Votorantim's rights in respect of the SALT process are exclusively within Brazil and do not impair Search's rights to exploit the technology for its sole benefit in other jurisdictions.

On February 20, 2013, the Company announced that the United States Patent Office granted the Company a United States patent for SALT. Furthermore, the Company announced that patent applications had been filed in several countries for nickel laterite processing using SALT. Separate applications have been lodged with the national patent offices in Brazil, Cuba, the Philippines, Australia, Europe (including the French overseas territory of New Caledonia), Indonesia, Colombia and the Organization of African States.

On November 13, 2013, the Company entered into a Purchase Agreement with InCoR Holdings Plc.'s ("InCoR") wholly-owned subsidiary, InCoR Technologies Limited ("ICRT"), whereby ICRT agreed to purchase the intellectual property rights to SALT.

Pursuant to the Purchase Agreement, ICRT purchased SALT for a total purchase price of $2.2 million, comprised of the following:

- $50,000 at closing (received);
- $50,000 upon delivery of a positive economic scoping study;
- $100,000 upon completion of a positive bankable feasibility study; and,
- $2,000,000 repayable from 25 percent of the net cash flow from a commercial application of SALT.

In order to keep the Purchase Agreement in good standing, ICRT must incur aggregate expenditures of not less than $1,000,000 within 24 months of completing the economic scoping study.

At November 30, 2013, SALT was held in a wholly-owned subsidiary, SALT Technology Holdings Inc. Subsequent to November 30, 2013, the Company transferred its wholly-owned interest in SALT Technology Holdings Inc. to ICRT in exchange for a $2,150,000 promissory note. The promissory note is non-interest bearing and due on completion of milestones as laid out in the Purchase Agreement. The promissory note is secured by a pledge of the SALT Technology Holdings Inc. shares.

During the year ended November 30, 2013, the Company incurred technology research expense of $145,058 (2012: $324,667). Included in technology research expenses are consulting fees incurred in Brazil, consulting fees of Dr. David Dreisinger, payments to the University of British Columbia, legal fees and travel expenses.

SELECTED ANNUAL INFORMATION

The Company's fiscal period ends on November 30th of each year. The following is a summary of certain selected audited financial information for the last three completed fiscal periods:

	November 30, 2013 ($)	November 30, 2012 ($)	November 30, 2011 ($)
Total Revenues	-	-	-
Net Loss	(2,824,234)	(6,914,578)	(1,700,558)
Net Loss per Share (basic and diluted)	(0.04)	(0.14)	(0.04)
Deferred Resource Property Exploration Expenditures	792,492	3,282,333	7,149,389
Total Assets	8,296,470	9,259,509	16,148,690
Total Liabilities	948,131	662,164	2,085,590
Dividends Declared	-	-	-

The significant decrease in total assets and the change in net loss was due to the write-down of mineral properties of $1,161,793 during the year ended November 30, 2013 and $5,246,469 during the year ended November 30, 2012.

RESULTS OF OPERATIONS

Years ended November 30, 2013 and 2012

The Company incurred a net loss of $2,824,234 ($0.04 per share) for the year ended November 30, 2013 as compared to a net loss of $6,799,555 ($0.14 per share) for the year ended November 30, 2012. The table below details certain non-cash or unusual transactions that for the purposes of this discussion have been adjusted out of the reported net loss to produce an adjusted net loss that forms a better basis for comparing the year over year operating results of the Company.

	2013 ($)	2012 ($)
Net loss for the year as reported	(2,824,234)	(6,799,555)
Add (deduct):		
Amortization	49,264	78,866
Share-based payments	99,663	95,631
Gain on option agreement	-	(48,193)
Loss on sale of marketable securities	-	161,832
Flow-through premium income	-	(53,500)
Operator fee income	-	(5,134)
Technology research	145,058	324,667
Proceeds on sale of technology	(50,000)	-
Write-down of mineral properties	1,161,793	5,246,469
Write-down of staking deposits	-	44,812
Adjusted net loss for the year (1)	(1,418,456)	(1,069,128)

(1) Adjusted net loss for the year is not a term recognized under IFRS.

- Share-based payments expense for the year ended November 30, 2013 resulted from the Company granting 2,760,000 stock options at the fair value of $0.04 per stock option. Share-based payments expense for the year ended November 30, 2012 resulted from the Company granting 1,485,000 stock options at the fair value of $0.06 per stock option.
- In fiscal 2012, the gain on option agreement represents the value of shares ($105,641) in excess of the carrying value of the Strange Lake Property.

- The loss on sale of marketable securities arose as a result of the Company selling shares of GWG and Quest, received pursuant to option agreements.
- Flow-through premium income resulted from flow-through shares issued during the year ended November 30, 2012.
- Operator fee income is the amount the Company has recorded with respect to acting as the operator on the Red Wine Property.
- Technology research costs during the years represent consulting fees, travel expenses and legal fees.
- Proceeds on sale of technology is from the sale of SALT during fiscal 2013.
- In fiscal 2013 and 2012, the Company determined that there were indicators of impairment on certain mineral properties and therefore the Company incurred write-down charges of $1,161,793 and $5,246,469, respectively. The write-down in fiscal 2013 was primarily on the Red Wine Property. The write-down in fiscal 2012 was primarily on the Port Hope Simpson REE District.
- In fiscal 2012, the Company wrote-down staking deposits to reflect claims forfeited during the year.

During the current and comparative years, the Company has been actively exploring its mineral properties in Newfoundland and Labrador. The Company has been less active in the current year. The increase in the adjusted net loss for the year ended November 30, 2013 as compared to the year ended November 30, 2012 is the net result of a number of differences in various expenses as follows:

- Accounting and audit fees decreased from $120,174 to $104,549 due primarily to less activity.
- Administration expense and management fees increased from $338,795 to $501,026 due primarily to the Company engaging a new Chief Executive Officer and the former Chief Executive Officer transitioning to the role of Executive Chairman.
- Consulting fees decreased from $186,094 to $169,052.
- Legal fees increased from $45,041 to $221,276. The increase is due to the Company incurring legal fees in connection with the proposed tin Transaction.
- Office and miscellaneous expenses decreased from $178,335 to $102,674 due primarily to less activity.
  Travel and accommodation expenses increased from $74,322 to $146,487 due to the Company incurring costs in connection with the proposed tin Transaction.

Three months ended November 30, 2013 and 2012

	2013 ($)	**2012 ($)**
Net loss for the period as reported	(1,811,336)	(5,661,899)
Add (deduct):		
Amortization	12,316	19,786
Share-based payments	3,480	67,719
Gain on option agreement	-	(48,193)
Loss on sale of marketable securities	-	8,506
Flow-through premium income	-	(53,500)
Technology research	25,877	65,756
Proceeds on sale of technology	(50,000)	-
Write-down of mineral properties	1,161,793	5,246,469
Write-down of staking deposits	-	44,812
Adjusted net loss for the period [(1)]	(657,870)	(310,544)

(1) Adjusted net loss for the period is not a term recognized under IFRS.

The increase in the adjusted net loss for the three months ended November 30, 2013 as compared to the three months ended November 30, 2012 is due primarily to an increase in administration and management fees of $42,036 and an increase in legal fees of $186,283. The increase in these fees was for the same reasons as for the year over year comparison above.

QUARTERLY INFORMATION

The following is selected financial data from the Company's unaudited quarterly financial statements for the last eight quarters ending with the most recently completed quarter, being the three months ended November 30, 2013.

	Three Months Ended ($)			
	Nov 30, 2013	**Aug 31, 2013**	**May 31, 2013**	**Feb 28, 2013**
Total Revenues	-	-	-	-
Net Loss	(1,811,336)	(367,218)	(396,917)	(248,763)
Net Loss Per Share (basic and diluted)(1)	(0.02)	(0.00)	(0.01)	(0.00)
Total Assets	8,296,470	9,312,453	9,533,171	9,178,628
Total Liabilities	948,131	420,934	274,434	806,596
Shareholders' Equity	7,348,339	8,891,519	9,258,737	8,372,032

	Three Months Ended ($)			
	Nov 30, 2012	**Aug 31, 2012**	**May 31, 2012**	**Feb 29, 2012**
Total Revenues	-	-	-	-
Net Loss	(5,661,899)	(336,543)	(241,203)	(674,933)
Net Loss Per Share (basic and diluted)(1)	(0.11)	(0.01)	(0.01)	(0.01)
Total Assets	9,259,509	14,412,160	14,078,435	14,490,542
Total Liabilities	662,164	421,746	676,536	867,440
Shareholders' Equity	8,597,345	13,990,414	13,401,899	13,623,102

(1) The basic and diluted calculations result in the same values.

The net loss for the three months ended November 30, 2013, May 31, 2013, November 30, 2012 and February 29, 2012 included share-based payment expense of $3,480, $96,183, $67,719 and $27,912, respectively.

For the three months ended November 30, 2013 and November 30, 2012, the Company recorded write-downs of staking deposits and mineral properties of $1,161,793 and $5,246,469, respectively. The write-downs explain the increase in net loss during the quarter and the decrease in total assets and shareholders' equity.

FINANCING ACTIVITIES

Subsequent to November 30, 2013, the Company received $258,677 of gross proceeds towards a private placement of units at a price of $0.07 per unit. Each unit is comprised of one common share and one-half of one share purchase warrant. Each whole warrant entitles the holder thereof to purchase an additional common share of the Company at $0.10 per common for a period of two years from closing. The private placement has not yet closed and the units have not been issued.

On December 16, 2013, the Company completed a private placement of 5,211,082 units at a price of $0.07 per unit for gross proceeds of $364,776. As at November 30, 2013, the Company had received subscriptions of $264,676. Each unit is comprised of one common share and one-half of one share purchase warrant. Each whole warrant entitles the holder thereof to purchase an additional common share of the Company at $0.10 per common share up to December 16, 2015.

During the year ended November 30, 2013, the Company completed financings as follows:

i) On March 21, 2013, the Company completed a non-brokered private placement of 24,000,000 units at a price of $0.05 per unit for gross proceeds of $1,200,000. Each unit is comprised of one common share and one share purchase warrant. Each warrant entitles the holder thereof to purchase an additional common share of the Company at $0.10 per common share up to March 22, 2014. A value of $120,000 has been attributed to the warrants using the residual method.

The Company incurred $12,561 of legal fees and other fees in connection with the private placement.

During the year ended November 30, 2012, the Company completed financings as follows:

i) On August 8, 2012, the Company completed the first tranche of a non-brokered private placement of 4,000,000 units at a price of $0.20 per unit for gross proceeds of $800,000. Each unit is comprised of one common share and one share purchase warrant. Each warrant entitles the holder thereof to purchase an additional common share of the Company at $0.20 per common share up to August 8, 2014. A value of $280,000 has been attributed to the warrants using the residual method.

ii) On August 22, 2012, the Company completed the second tranche of a non-brokered private placement of 532,000 units at a price of $0.20 per unit for gross proceeds of $106,400. Each unit is comprised of one common share and one share purchase warrant. Each warrant entitles the holder thereof to purchase an additional common share of the Company at $0.20 per common share up to August 22, 2014. A value of $42,560 has been attributed to the warrants using the residual method.

iii) On October 16, 2012, the Company completed a non-brokered private placement of 1,400,000 flow-through units at a price of $0.18 per flow-through unit for gross proceeds of $252,000. Each flow-through unit is comprised of one flow-through common share and one non-flow-through share purchase warrant. Each warrant entitles the holder thereof to purchase an additional common share of the Company at $0.20 per share up to April 16, 2014. A value of $7,000 has been attributed to the warrants using the residual method. The fair value of the flow-through common shares was determined to be $191,500 with the remaining $53,500 of flow-through premium being allocated to flow-through premium liability.

The Company incurred $17,231 of legal fees and other fees in connection with the August 8, 2012, August 22, 2012 and October 16, 2012 private placements.

LIQUIDITY AND CAPITAL RESOURCES

The Company's operations consumed approximately $1,489,000 of cash (before working capital items) for the year ended November 30, 2013 (2012: $1,377,000) with an additional approximate $1,095,000 (2012: $3,314,000) utilized on mineral property acquisition costs, deferred exploration expenditures and the purchase of equipment offset by proceeds from the sale of marketable securities, cash received from GWG and staking costs. The cash requirement for the year ended November 30, 2013 was fulfilled from cash on hand at the beginning of the year and from a private placement of 24,000,000 units at a price of $0.05 per unit for gross proceeds of $1,200,000.

The Company's aggregate operating, investing and financing activities during the year ended November 30, 2013 resulted in a net decrease in its cash balance from $422,173 at November 30, 2012 to $85,974 at November 30, 2013. The Company's working capital decreased by $848,721 correspondingly during the period and stood at negative $778,549 at November 30, 2013. The Company has accumulated losses since inception of $13,925,258.

The Company does not have any commitments for material capital expenditures over the near term or long term other than the remaining $45,000 in remaining cash payments required for the Fox Harbour Property.

The Company has not put into commercial production any of its mineral properties and as such has no operating revenues or cash flows. Accordingly, the Company is dependent on the equity markets as its sole source of operating working capital, and the Company's capital resources are largely determined by the strength of the junior resource capital markets and by the status of the Company's projects in relation to these markets, and its ability to compete for investor support of its projects. Since the Company will likely not have cash flows from operations over the next year, it will have to continue to rely upon equity and debt financing during such period. There can be no assurance that financing, whether debt or equity, will always be available to the Company in the amount required at any particular time or for any particular period or, if available, that it can be obtained on terms satisfactory to it.

GOING CONCERN

The consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will be able to meet its obligations and continue its operations for the foreseeable. Realization values may be substantially different from carrying values as shown and the financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. Such adjustments could be material. At November 30, 2013, the Company had not yet achieved profitable operations, had a working capital deficiency of $778,549, had an accumulated deficit of $13,925,258 since inception and expects to incur further losses in the development of its business. In addition, at November 30, 2013, the Company had insufficient funds to continue operations through the year ending November 30, 2014. Management is in the process of obtaining additional resources and believes sufficient resources will be available as required. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. Subsequent to November 30, 2013, the Company completed a private placement of 5,211,082 units at a price of $0.07 per unit for gross proceeds of $364,776. The above factors may cast significant doubt upon the Company's ability to continue as a going concern and, therefore, it may be unable to realize its assets and discharge its liabilities in the normal course of business.

TRANSACTIONS WITH RELATED PARTIES

During the years months ended November 30, 2013 and 2012, the Company incurred the following expenditures charged by directors and officers of the Company, or former directors and officers of the Company, and/or companies they owned or were significant shareholders of:

	2013	2012
	$	$
Administration and management fees(1)	**402,194**	262,500
Consulting fees	**-**	47,750
Non-executive directors fees	**75,000**	75,000
Technology research(2)	**100,417**	204,272
Mineral property expenditures		
Geological consulting(3)	**200,000**	222,917
	777,611	812,439

(1) Includes fees billed by the Chairman and former CEO, Jim Clucas, salary earned by the CEO, Stephen Keith, and salary earned by the VP of Corporate Development, Alex Penha. The business purpose of the transactions was to compensate the individuals for administration and management services provided. The Company has consulting agreements/employment agreements with Jim Clucas, Stephen Keith and Alex Penha. These agreements include termination clauses and change of control provisions calling for lump sum payments of one to three times average annual compensation.

(2) Includes fees billed by the VP of Technology, David Dreisinger. The business purpose of the transactions was to compensate David Dreisinger for managing and researching SALT. The Company has a consulting agreement with David Dreisinger. The agreement includes a termination clause and a change of control provision calling for lump sum payments.

(3) Includes fees billed by the VP of Exploration, Randy Miller. The business purpose of the transactions was to compensate Randy Miller for managing the mineral properties.

At November 30, 2013, accounts payable and accrued liabilities included $527,320 (2012: $193,665) of amounts owing to directors and officers of the Company and/or companies they control or of which they were significant shareholders. The amounts owing include amounts related to expenditures charged to the Company and for reimbursements of expenditures paid for on behalf of the Company. The amounts owing are unsecured, non-interest bearing and due on demand. The amounts have been recorded at their exchange amount, being the amount agreed to by the parties.

Key management includes the Chief Executive Officer and the directors of the Company. The compensation paid or payable to key management for services during the years ended November 30, 2013 and 2012 is identical to the table above other than share-based payments expense. The compensation paid or payable was for short-term benefits. During the year ended November 30, 2013, key management received share-based payments of $68,702 (2012: $62,641).

FINANCIAL INSTRUMENTS

Management of Capital

The Company's objectives when managing capital are: to safeguard the Company's ability to continue as a going concern in order to facilitate the development of its mineral properties and to maintain an optimal capital structure, while ensuring the Company's strategic objectives are met; and to provide an appropriate return to shareholders relative to the risk of the Company's underlying assets.

The capital structure of the Company consists of equity attributable to common shareholders, comprised of issued capital, warrants, contributed surplus and deficit.

The Company maintains and adjusts its capital structure based on changes in economic conditions and the Company's planned requirements. The Company may adjust its capital structure by issuing new equity, issuing new debt, or acquiring or disposing of assets, and by controlling the capital expenditures program.

The mineral properties are in the exploration stage. As such, the Company is dependent on external financing to develop its properties and fund its activities. In order to carry out its planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed, and, if available, and may even dispose of its interest in the mineral properties.

Management reviews its capital management approach on an ongoing basis and no changes were made to the approach during the year ended November 30, 2013. At November 30, 2013 and 2012, the Company was not subject to any externally imposed capital requirements.

Designation of Financial Instruments

The Company's financial instruments consist of cash and cash equivalents, other receivable and accounts payable, and accrued liabilities. The Company designated its cash and cash equivalents and other receivable as loans and receivables, which are measured at amortized cost. Accounts payable and accrued liabilities are designated as other financial liabilities, which are measured at amortized cost.

Discussions of risks associated with financial assets and liabilities are detailed below:

Credit Risk

Credit risk arises from cash held with banks and financial institutions. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The Company's cash and cash equivalents are held with a large Canadian bank.

Commodity Price Risk

The Company's ability to raise capital to fund exploration or development activities is subject to risks associated with fluctuations in the market price of minerals under exploration.

Liquidity Risk

Liquidity risk is the risk that the Company will not have sufficient funds to meet its financial obligations when they are due. The Company manages liquidity risk by maintaining sufficient cash and cash equivalent balances to enable settlement of transactions on the due date. Management monitors the Company's contractual obligations and other expenses to ensure adequate liquidity is maintained. As at November 30, 2013 and 2012, the Company had working capital (deficiency) as follows:

	2013	2012
	$	$
Current assets	**169,582**	732,336
Current liabilities	**(948,131)**	(662,164)
Working capital	**(778,549)**	70,172

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and price risk.

a) Currency Risk

As at November 30, 2013 and 2012, all of the Company's cash and cash equivalents were held in Canadian dollars, the Company's functional currency, with a nominal amount of cash held in U.S. dollars. The Company has no operations in foreign jurisdictions outside of Canada at this time and as such has no currency risk associated with its operations.

b) Interest Rate Risk

The Company has investments in guaranteed investment certificates that are highly liquid. As such, the Company has been exposed to nominal interest rate risk.

c) Price Risk

Price risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market prices. The Company has no financial instruments subject to price risk.

OUTSTANDING SHARE CAPITAL

Authorized: Unlimited number of common shares

Issued and outstanding: 83,199,854 common shares as at February 6, 2014.

Options and warrants outstanding as at February 6, 2014:

Security	Number	Exercise Price	Expiry Date
Stock Options	481,000	$0.400	February 16, 2015
Stock Options	330,000	$0.470	June 22, 2015
Stock Options	212,500	$0.550	November 8, 2015
Stock Options	875,000	$0.600	February 25, 2016
Stock Options	810,000	$0.485	March 31, 2016
Stock Options	150,000	$0.480	April 7, 2016
Stock Options	155,000	$0.260	January 19, 2017
Stock Options	1,200,000	$0.200	October 17, 2017
Stock Options	2,410,000	$0.100	April 26, 2018
Stock Options	100,000	$0.070	October 29, 2018
TOTAL	6,723,500		

Security	Number	Exercise Price	Expiry Date
Share Purchase Warrants	13,611,112	$0.900	February 25, 2014
Share Purchase Warrants	3,888,886	$0.900	March 7, 2014
Share Purchase Warrants	24,000,000	$0.100	March 22, 2014
Share Purchase Warrants	1,400,000	$0.200	April 16, 2014
Share Purchase Warrants	4,000,000	$0.200	August 8, 2014
Share Purchase Warrants	532,000	$0.200	August 22, 2014
Share Purchase Warrants	2,605,541	$0.100	December 16, 2015
TOTAL	50,037,539		

DISCLOSURE CONTROLS AND PROCEDURES

In connection with National Instrument 52-109 (Certificate of Disclosure in Issuer's Annual and Interim Filings) ("NI 52-109"), the Chief Executive Officer and Chief Financial Officer of the Company have filed a Venture Issuer Basic Certificate with respect to the financial information contained in the consolidated financial statements for the year ended November 30, 2013 and this accompanying MD&A (together, the "Annual Filings").

In contrast to the full certificate under NI 52-109, the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109. For further information the reader should refer to the Venture Issuer Basic Certificates filed by the Company with the Annual Filings on SEDAR at www.sedar.com.

RISKS AND UNCERTAINTIES

The exploration and development of mineral deposits involves significant risks which even a combination of careful evaluation, experience and knowledge may not be successful in overcoming. Few mineral properties which are explored ultimately develop into producing mines. There has been no commercial production of minerals on properties held by the Company to date and there is a high degree of risk that commercial production of minerals will not be achieved.

Locating mineral deposits depends on a number of factors, not the least of which is the technical skill of the exploration personnel involved. The mining industry is intensely competitive. The commercial viability of a mineral deposit depends on a number of factors including the particular attributes of the deposits (principally size and grade), proximity to infrastructure, the impact of mine development on the environment, environmental regulations imposed by various levels of government and the competitive nature of the industry which causes mineral prices to fluctuate substantially over short periods of time. There can be no assurance that the minerals can be marketed profitably or in such a manner as to provide an adequate return on invested capital.

The operations of the Company are subject to all of the risks normally associated with the operation and development of mineral properties and the development of a mine, including encountering unexpected formations or pressures, caving, flooding, fires and other hazards, all of which could result in personal injuries, loss of life and damage to property of the Company and others. In accordance with customary industry practice, the Company is not fully insured against all of these risks, nor are all such risks insurable.

The operations of the Company's properties will be subject to various laws and regulations relating to the environment, prospecting, development, production, waste disposal and other matters. Amendments to current laws and regulations governing activities related to the Company's mineral properties may have material adverse impact on operations.

The Company will need additional funding to complete its long term objectives. The ability of the Company to raise such financing in the future will depend on the prevailing market conditions, competition with other strategic metals exploration stage companies, as well as the business performance of the Company. There can be no assurances that the Company will be successful in its efforts to raise additional financing on terms satisfactory to the Company. If adequate funds are not available or not available on acceptable terms, the Company may not be able to take advantage of opportunities, to develop new projects or to otherwise respond to competitive pressures.

The Company's working capital and liquidity fluctuate in proportion to its ongoing equity financing activities. The Company requires a certain amount of liquid capital in order to sustain its operations and in order to meet various obligations as specified under the its resource property acquisition agreements. Should the Company fail to obtain future equity financing due to reasons as described above, it will not be able to meet these obligations and may lose its interests in the properties covered by the agreements. Further, should the Company be unable to obtain sufficient equity financing for working capital, it may be unable to meet its ongoing operational commitments.

All of the Company's mineral properties are in the exploration stage. Exploration and development of natural resources involve substantial expenditures and a high degree of risk. Few properties which are explored are ultimately developed into producing properties. Accordingly, the Company has no material revenue, writes off its mineral properties from time to time, and operates at a loss. Continued operations are dependent upon ongoing equity financing activities.

The Company entered into a definitive agreement with MSFA as described above. The Transaction is subject to a number of conditions including but not limited to the following: (i) the approval of the Transaction at the Shareholder Meeting; (ii) the receipt by Search of a satisfactory technical report on the Mocambo Mine and the acceptance of same by the TSX-V; (iii) the completion of the Private Placement; (iv) the completion of a share consolidation; (v) the completion of satisfactory due diligence by Search; (vi) the approval of the Transaction by the TSX-V, including the listing of the Search Shares to be issued as consideration to the Vendors pursuant to the Share Purchase Agreement; (vii) the absence of any material change or change in a material fact which might reasonably be expected to have a material adverse effect on the financial or operation conditions or the assets of either of Search or MSFA; and (viii) certain other conditions customary in a transaction of this nature. There is no assurance that the Transaction will be approved. The Transaction will require equity financing. There can be no assurances that the Company will be successful in its efforts to raise additional financing on terms satisfactory to the Company.

OTHER INFORMATION

Additional information related to the Company is available for viewing on SEDAR at www.sedar.com and at the Company's website at http://www.searchminerals.ca.

ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

Unless otherwise noted, the following revised standards and amendments are effective for the Company beginning December 1, 2013.

(i) IFRS 10, *Consolidated Financial Statements*, requires an entity to consolidate an investee when it has power over the investee, is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Under existing IFRS, consolidation is required when an entity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. IFRS 10 replaces SIC-12, *Consolidation - Special Purpose Entities* and parts of IAS 27, *Consolidated and Separate Financial Statements*. The adoption of this standard is not expected to have a material impact on the Company's consolidated financial statements.

(ii) IFRS 11, *Joint Arrangements*, requires a venturer to classify its interest in a joint arrangement as a joint venture or joint operation. Joint ventures will be accounted for using the equity method of accounting whereas for a joint operation the venturer will recognize its share of the assets, liabilities, revenue and expenses of the joint operation. Under existing IFRS, entities have the choice to proportionately consolidate or equity account for interests in joint ventures. IFRS 11 supersedes IAS 31, *Interests in Joint Ventures*, and SIC-13, *Jointly Controlled Entities - Non-monetary Contributions by Venturers*. The adoption of this standard is not expected to have a material impact on the Company's consolidated financial statements.

(iii) IFRS 12, *Disclosure of Interests in Other Entities*, establishes disclosure requirements for interests in other entities, such as subsidiaries, joint arrangements, associates, and unconsolidated structured entities. The standard carries forward existing disclosures and also introduces significant additional disclosures that address the nature of, and risks associated with, an entity's interests in other entities. The adoption of this standard is not expected to have a material impact on the Company's consolidated financial statements.

(iv) IFRS 13, *Fair Value Measurement*, is a comprehensive standard for fair value measurement and disclosure for use across all IFRS standards. The new standard clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants, at the measurement date. Under existing IFRS, guidance on measuring and disclosing fair value is dispersed among the specific standards requiring fair value measurements and does not always reflect a clear measurement basis or consistent disclosures. The adoption of this standard is not expected to have a material impact on the Company's consolidated financial statements.