SEARCH MINERALS INC.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FEBRUARY 28, 2014 AND 2013

(Unaudited - Expressed in Canadian dollars)

Search Minerals Inc.

Condensed Interim Consolidated Financial Statements

Three months ended February 28, 2014 and 2013
(Unaudited - Expressed in Canadian Dollars)

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NOTICE OF NO AUDITOR REVIEW OF

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company’s management.

The Company’s independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity’s auditor.

SEARCH MINERALS INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Unaudited - Expressed in Canadian dollars)

	Notes	February 28, 2014 $	November 30, 2013 $
ASSETS			
Current			
Cash		**69,696**	85,974
Taxes recoverable		**76,767**	27,105
Other receivables	**6**	**32,872**	28,630
Other assets		**15,642**	27,873
		194,977	169,582
Equipment		**77,841**	88,106
Reclamation deposits		**50,000**	50,000
Staking deposits	**5**	**82,615**	90,065
Exploration and evaluation expenditures (Schedule 1)	**6**	**8,058,438**	7,898,717
		8,463,871	8,296,470
LIABILITIES AND EQUITY ATTRIBUTABLE TO SHAREHOLDERS			
Current			
Accounts payable and accrued liabilities	**7,10**	**1,178,854**	948,131
Equity attributable to shareholders			
Share capital	**8**	**19,155,939**	18,576,733
Subscriptions received	**8(b)**	**-**	264,676
Warrants		**676,768**	543,171
Contributed surplus		**1,889,017**	1,889,017
Deficit		**(14,436,707)**	(13,925,258)
		7,285,017	7,348,339
		8,463,871	8,296,470

Nature of Operations (Note 1)
Going Concern (Note 2)
Commitments (Notes 6, 8 and 12)
Subsequent Events (Notes 8(d) and 9)

Approved by the Board of Directors on April 28, 2014

"Jim Clucas" Director
Jim Clucas

"Jim Patterson" Director
Jim Patterson

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

SEARCH MINERALS INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
For the three months ended February 28, 2014 and 2013
(Unaudited - Expressed in Canadian dollars)

	Notes	**2014** **$**	2013 $
GENERAL AND ADMINISTRATIVE EXPENSES			
Accounting and audit		**25,069**	22,187
Administration and management fees	**10**	**134,830**	69,732
Amortization		**10,265**	12,316
Consulting fees	**10**	**98,200**	35,399
Legal fees		**151,173**	4,600
Non-executive directors fees	**10**	**19,500**	22,500
Office and miscellaneous		**31,801**	15,393
Regulatory and transfer agent fees		**32,063**	6,654
Rent		**13,650**	5,700
Travel and accommodation		**20,881**	4,644
Loss for the period before other items		**(537,432)**	(199,125)
Other income (expense) items			
Technology research	**9**	**-**	(49,638)
Gain on debt settlement	**10**	**25,983**	-
Loss and comprehensive loss for the period		**(511,449)**	(248,763)
Basic and diluted loss per share	**8(e)**	**(0.01)**	(0.00)
Weighted average number of common shares outstanding		**79,057,688**	53,748,772

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

SEARCH MINERALS INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
For the three months ended February 28, 2014 and 2013
(Unaudited - Expressed in Canadian dollars)

	2014 $	2013 $
Cash (used in) provided by		
OPERATING ACTIVITIES		
Net loss for the period	**(511,449)**	(248,763)
Items not affecting cash:		
Amortization	**10,265**	12,316
Gain on debt settlement	**(25,983)**	-
	(527,167)	(236,447)
Changes in non-cash working capital items:		
Taxes recoverable	**(49,662)**	(15,203)
Other assets	**12,231**	7,402
Accounts payable and accrued liabilities	**367,776**	165,006
	(196,822)	(79,242)
INVESTING ACTIVITIES		
Mineral property costs, net	**(170,024)**	(317,970)
Other receivables	**(4,242)**	6,179
Staking deposits, net of recoveries	**7,450**	-
	(166,816)	(311,791)
FINANCING ACTIVITIES		
Issuance of common shares	**623,453**	-
Share issuance costs	**(11,417)**	-
Subscriptions received	**(264,676)**	-
	347,360	-
Decrease in cash during the period	**(16,278)**	(391,033)
Cash, beginning of the period	**85,974**	422,173
Cash, end of the period	**69,696**	31,140
Cash paid for interest	**-**	-
Cash paid for income taxes	**-**	-

Non-cash Transactions (Note 11)

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

SEARCH MINERALS INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the three months ended February 28, 2014 and 2013
(Unaudited - Expressed in Canadian dollars)

	Number of Shares #	Share Capital $	Subscriptions Received $	Warrants $	Contributed Surplus $	Deficit $	Total Shareholdersô Equity $
Balance, November 30, 2012	53,568,772	17,485,844	-	423,171	1,789,354	(11,101,024)	8,597,345
Pursuant to mineral property agreements	420,000	23,450	-	-	-	-	23,450
Comprehensive loss for the period	-	-	-	-	-	(248,763)	(248,763)
Balance, February 28, 2013	53,988,772	17,509,294	-	423,171	1,789,354	(11,349,787)	8,372,032
Balance, November 30, 2013	77,988,772	18,576,733	264,676	543,171	1,889,017	(13,925,258)	7,348,339
For cash pursuant to private placement of units	8,906,464	489,856	(264,676)	133,597	-	-	358,777
Less: Issue costs ï cash	-	(11,417)	-	-	-	-	(11,417)
Pursuant to mineral property agreement	100,000	5,500	-	-	-	-	5,500
Pursuant to debt settlement (Note 10)	1,732,142	95,267	-	-	-	-	95,267
Comprehensive loss for the period	-	-	-	-	-	(511,449)	(511,449)
Balance, February 28, 2014	**88,727,378**	**19,155,939**	**-**	**676,768**	**1,889,017**	**(14,436,707)**	**7,285,017**

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

1. Nature of Operations

Search Minerals Inc. (the ñCompanyò) was incorporated under the provisions of the Business Corporation Act (British Columbia) on June 7, 2006. On May 3, 2007, the Company commenced trading on the TSX Venture Exchange (the ñTSX-Vò) under the trading symbol ñSMY.Vò. The Company is in the business of mineral exploration involving acquiring, exploring and evaluating mineral resource properties. At February 28, 2014, the Company was in the exploration and evaluation stage and had properties located in Canada. The Companyõs corporate head office is located at 155 University Avenue, Suite 1240, Toronto, Ontario Canada.

The Company is currently exploring its mineral properties and has not yet determined whether the properties contain mineral reserves that are economically recoverable. The amounts shown as mineral properties represent costs incurred to date, less amounts recovered from third parties and/or written-down, and do not necessarily represent current or future fair values.

2. Going Concern

These condensed interim 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 future. Realization values may be substantially different from carrying values as shown and these 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 February 28, 2014, the Company had not yet achieved profitable operations, had a working capital deficiency of $983,877, had an accumulated deficit of $14,436,707 since inception and expects to incur further losses in the development of its business. 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. The above factors may cast significant doubt upon the Companyõs 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.

3. Basis of Presentation

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including IAS 34 - Interim Financial Reporting. These condensed interim consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended November 30, 2013 which have been prepared in accordance with IFRS as issued by the IASB.

In the preparation of these condensed interim consolidated financial statements, the Company has used the same accounting policies and methods of computation as in the annual consolidated financial statements for the year ended November 30, 2013 except as outlined in Note 4.

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

Unless otherwise stated, all dollar amounts are in Canadian dollars.

4. Changes In Accounting Policies Including Initial Adoption

Certain pronouncements were issued by the IASB or the IFRS Interpretations Committee that are mandatory for accounting periods beginning before or on January 1, 2013.

The following new standards, amendments and interpretations that have been adopted for the Companyõs current fiscal year have not had a material impact on the Company:

- IFRS 10 ñConsolidated Financial Statementsò
- IFRS 11 ñJoint Arrangementsò
- IFRS 12 ñDisclosure of Interests in Other Entitiesò
- IFRS 13 ñFair Value Measurementò
- IAS 1 ñPresentation of Financial Statementsò amendments

(Unaudited - Expressed in Canadian dollars)

5. Staking Deposits

Staking security deposits are refundable if certain exploration expenditure criteria specified in the Mineral Act of the Province of Newfoundland and Labrador are met. Until such time as the Company makes application to have the deposits refunded, they will be classified as a non-current asset.

The Company has refundable deposits with the Governments of Newfoundland and Labrador as follows:

	Total $
Balance, November 30, 2012	73,915
Additions	18,050
Recoveries	(1,900)
Balance, November 30, 2013	90,065
Recoveries	(7,450)
Balance, February 28, 2014	82,615

6. Mineral Properties – Schedule 1

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.

The Company acquired the mineral properties primarily by staking the claims. In order to maintain title to the claims, the Company must incur minimum exploration expenditures per claim as specified by the Mineral Act of the Province of Newfoundland and Labrador. In lieu of incurring the minimum expenditures, the Company may make security deposits with the Government of Newfoundland and Labrador (Note 5). Other commitments relating to mineral properties are as follows:

Port Hope Simpson REE District, Labrador

Fox Harbour Property

On January 13, 2011, the Company entered into a binding letter of intent (the "LOI") with Andrew Quinlan, Roland Quinlan and Tony Quinlan (the "Vendors"). Pursuant to the LOI, the Company has the option to earn an undivided 100% interest in and to certain claims owned by the Vendors known as the Fox Harbour Claims (the "Fox Harbour Property"). The Fox Harbour Property is comprised of three licenses totaling 48 claims located east of St. Lewis, Labrador.

Under the terms of the LOI, the Company may earn the undivided 100% interest in Fox Harbour Property by making aggregate cash payments of $90,000 and issue an aggregate of 300,000 common shares of the Company over a period of four years as follows:

- pay $10,000 (paid) and issue 30,000 common shares on or before February 25, 2011 (issued at the fair value of $13,500);
- pay $15,000 (paid) and issue 50,000 common shares on or before February 25, 2012 (issued at the fair value of $13,000);
- pay $20,000 (paid) and issue 70,000 common shares on or before February 25, 2013 (issued at the fair value of $2,450);
- pay $30,000 (paid) and issue 100,000 common shares on or before February 25, 2014 (issued at the fair value of $5,500); and,
- pay $15,000 and issue 50,000 common shares on or before February 25, 2015 or, at the sole discretion of the Company, pay $100,000.

The Vendors were granted a 1.5% net smelter return royalty. The Company may, at any time, purchase 1% of the net smelter return royalty for $1,000,000.

(Unaudited - Expressed in Canadian dollars)

7. Accounts Payable and Accrued Liabilities

	February 28, 2014 $	November 30, 2013 $
Trade payables	**692,278**	420,811
Due to related parties (Note 10)	**486,576**	527,320
Total accounts payable and accrued liabilities	**1,178,854**	948,131

8. Share Capital

a. Common shares authorized

Unlimited number of common shares

88,727,378 outstanding at February 28, 2014 (November 30, 2013: 77,988,772)

b. Financings

During the three months ended February 28, 2014, the Company completed financings as follows:

i) 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 value of $78,166 has been attributed to the warrants using the residual method. At November 30, 2013, the Company had received $264,676 of the gross proceeds.

ii) On February 10, 2014, the Company completed the second tranche a non-brokered private placement of 3,695,382 units at a price of $0.07 per unit for gross proceeds of $258,677. 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 February 10, 2016. A value of $55,431 has been attributed to the warrants using the residual method.

The Company incurred $11,417 of legal fees and other fees in connection with the private placements.

During the three months ended February 28, 2013, the Company did not complete any financing activities.

c. Stock option plan

The Company has a stock option plan whereby the maximum number of shares reserved for issue under the plan shall not exceed 10% of the outstanding common shares of the Company, as at the date of the grant. The maximum number of common shares reserved for issue to any one person under the plan cannot exceed 5% of the issued and outstanding number of common shares at the date of the grant and the maximum number of common shares reserved for issue to a consultant or a person engaged in investor relations activities cannot exceed 2% of the issued and outstanding number of common shares at the date of the grant. The exercise price of each option granted under the plan may not be less than the Discounted Market Price (as that term is defined in the policies of the TSX-V). Options may be granted for a maximum term of ten years from the date of the grant, are non-transferable and expire within 90 days of termination of employment or holding office as a director or officer of the Company.

(Unaudited - Expressed in Canadian dollars)

Changes in share purchase options during the three months ended February 28, 2014 and the year ended November 30, 2013 are as follows:

	Number of Options	Weighted Average Exercise Price	Weighted Average Life (Years)
Outstanding, November 30, 2012	5,137,000	$0.41	3.48
Granted	2,760,000	$0.10	
Forfeited	(1,173,500)	$0.35	
Outstanding, November 30, 2013	6,723,500	$0.29	3.27
Forfeited	(25,000)	$0.20	
Outstanding and exercisable, February 28, 2014	6,698,500	$0.30	3.02

At February 28, 2014, the following share purchase options were outstanding entitling the holder thereof the right to purchase one common share for each option held:

Number	Exercise Price	Expiry Date
481,000	$0.40	February 16, 2015
330,000	$0.47	June 22, 2015
212,500	$0.55	November 8, 2015
875,000	$0.60	February 25, 2016
810,000	$0.485	March 31, 2016
150,000	$0.48	April 7, 2016
155,000	$0.26	January 19, 2017
1,175,000	$0.20	October 17, 2017
2,410,000	$0.10	April 26, 2018
100,000	$0.07	October 29, 2018
6,698,500		

d. Warrants

Changes in share purchase warrants during the three months ended February 28, 2014 and the year ended November 30, 2013 are as follows:

	Number of Warrants	Weighted Average Exercise Price	Weighted Average Life (Years)
Balance, November 30, 2012	24,654,220	$0.66	1.33
Issued	24,000,000	$0.10	
Balance, November 30, 2013	48,654,220	$0.42	0.57
Issued	4,453,232	$0.10	
Expired	(14,833,334)	$0.90	
Balance, February 28, 2014	38,274,118	$0.21	0.98

(Unaudited - Expressed in Canadian dollars)

At February 28, 2014, the following share purchase warrants were outstanding entitling the holder thereof the right to purchase one common share for each warrant held:

Number	Exercise Price	Expiry Date
(1)3,888,886	$0.90	March 7, 2014
4,000,000	$0.20	August 8, 2014
532,000	$0.20	August 22, 2014
(2)24,000,000	$0.10	March 21, 2015
(2)1,400,000	$0.20	April 16, 2015
2,605,541	$0.10	December 16, 2015
1,847,691	$0.10	February 10, 2016
38,274,118		

(1) Subsequent to February 28, 2014, these warrants expired unexercised.
(2) On February 13, 2014, the expiry date of 24,000,000 warrants was extended from March 21, 2014 to March 21, 2015 and the expiry date of 1,400,000 warrants was extended from April 16, 2014 to April 16, 2015. The amended costs resulting from these transactions have been offset against the additional value created for the warrants.

e. Basic and diluted loss per share

During the three months ended February 28, 2014, potentially dilutive common shares totaling 44,972,618 (2013 ï 29,791,220) were not included in the calculation of basic and diluted loss per share because their effect was anti-dilutive.

9. Technology Research

On November 13, 2013, the Company entered into a Purchase Agreement with InCoR Holdings Plc.ës (ñInCoRò) wholly-owned subsidiary, InCoR Technologies Limited (ñICRTò), whereby ICRT agreed to purchase the intellectual property rights to starved acid leaching technology (ñSALTò).

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

Å $50,000 at closing (received);
Å $50,000 upon delivery of a positive economic scoping study (received subsequent to February 28, 2014);
Å $100,000 upon completion of a positive bankable feasibility study; and,
Å $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. During the three months ended February 28, 2014, 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. The collection of the promissory note is contingent on milestones as laid out above. The contingent asset is not recognized on the statement of financial position. The Company will record the proceeds received as other income in the period received.

(Unaudited - Expressed in Canadian dollars)

10. Related Party Transactions

During the three months ended February 28, 2014 and 2013, 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:

	2014 **$**	2013 $
Administration and management fees	**96,667**	50,000
Consulting fees	**22,500**	-
Non-executive directors fees	**19,500**	22,500
Technology research	**-**	22,500
Mineral property expenditures		
Geological consulting	**50,000**	50,000
	188,667	145,000

At February 28, 2014, accounts payable and accrued liabilities included $486,576 (November 30, 2013: $527,320) 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.

During the three months ended February 28, 2014, the Company settled accounts payable and accrued liabilities of $121,250 due to certain directors and officers of the Company by issuing 1,732,412 common shares at the fair value of $0.055 per share resulting in a gain on settlement of accounts payable and accrued liabilities of $25,983.

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 three months ended February 28, 2014 and 2013 is identical to the table above. The compensation paid or payable was for short-term benefits.

11. Non-cash Transactions

Investing and financing activities that do not have a direct impact on current cash flows are excluded from the statements of cash flows. During the three months ended February 28, 2014 the following transactions were excluded from the statement of cash flows:

a) deferred exploration expenditures of $136,551 included in accounts payable and accrued liabilities at February 28, 2014, less expenditures included in accounts payable at November 30, 2013 of $152,354 (net inclusion of $15,803); and,

b) the issuance by the Company of 100,000 shares at the fair value of $5,500 pursuant to a mineral property agreement.

During the three months ended February 28, 2013 the following transactions were excluded from the statement of cash flows:

a) deferred exploration expenditures of $419,488 included in accounts payable and accrued liabilities at February 28, 2013, less expenditures included in accounts payable at November 30, 2012 of $440,062 (net inclusion of $20,574); and,

b) the issuance by the Company of 420,000 shares at the fair value of $23,450 pursuant to mineral property agreements.

12. Transaction in Brazil

Transaction in Brazil

On January 22, 2014, the Company entered into a definitive share purchase agreement (the ñShare Purchase Agreementò) with Brasilis Kaduna Consultoria e Participações Ltda. (ñKadunaò) and MS Marpin Consultoria e Participações Ltda. (ñMarpinò and, together with Kaduna, the ñVendorsò), 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 Ltd. (ñMSFAò) and which will result in a reverse take-over of Search by the Vendors (the ñTransactionò). 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 to be issued to the Vendors on the closing date.

The closing of the Transaction is subject to a number of conditions including but not limited to the following: (i) the approval of the Transaction at a shareholder meeting; (ii) the receipt by Search of a satisfactory technical report on MSFAôs Mocambo Mine and the acceptance of same by the TSX-V; (iii) the completion of a 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.

Search Minerals Inc.

CONDENSED INTERIM CONSOLIDATED SCHEDULE OF MINERAL PROPERTIES

For the three months ended February 28, 2014

(Unaudited - Expressed in Canadian Dollars)

	Port Hope Simpson REE District, Labrador $	Red Wine, Labrador $	Other, Newfoundland and Labrador $	Total $
Balance, November 30, 2013	7,898,717	-	-	7,898,717
Acquisition costs				
Cash	30,000	-	-	30,000
Shares	5,500	-	-	5,500
Staking	1,500	-	-	1,500
	37,000	-	-	37,000
Deferred exploration costs				
Camp	17,934	3,900	-	21,834
Engineering and metallurgy	21,527	-	-	21,527
Geological consulting (Note 10)	50,000	-	-	50,000
Geotechnical reports	9,966	342	-	10,308
Government assistance	(8,073)	-	-	(8,073)
Other	27,125	-	-	27,125
	118,479	4,242	-	122,721
Balance, February 28, 2014	**8,054,196**	**4,242**	**-**	**8,058,438**