Management's Discussion and Analysis
for the Three Months Ended February 28, 2015

The following information, prepared as of April 24, 2015, should be read in conjunction with the unaudited condensed interim consolidated financial statements of Search Minerals Inc. (the "Company" or "Search") for the three months ended February 28, 2015, together with the audited consolidated financial statements of the Company for the year ended November 30, 2015 and the accompanying Management's Discussion and Analysis (the "MD&A") for that fiscal year. The referenced unaudited condensed interim 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 April 24, 2015.

- 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 and the Company is trading on the TSX Venture Exchange under the symbol "SMY.V."

The Company has operated in two lines of business: mineral exploration for strategic metals, including but not limited to, dysprosium, neodymium, tin and tungsten, 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.

During 2014, the Company focused on pursuing opportunities and partnerships in strategic metals. The Company planned to prioritize projects that could be partnered, funded and developed in a relatively short period of time in strategic, mining friendly jurisdictions. On July 16, 2014, the Company terminated a proposed tin transaction.

The Company is developing the Foxtrot Rare Earth Element project ("Foxtrot Project") which occurs in the Port Hope Simpson REE District in Labrador. Search will seek to develop mineral assets with growth demand and constrained supply.

OVERALL PERFORMANCE

On November 19, 2014, the Company announced that a bulk sample of the Foxtrot Project resource was extracted for the purpose of running a pilot plant and for additional testing. The 40 tonne bulk sample will be used to continue testing of the new metallurgical process. Additional details of the metallurgical testing were disclosed in news releases dated February 2, 2015 and February 25, 2015.

On January 27, 2015, the Company announced channel sample assay results from the Deepwater Fox REE Prospect located in the Port Hope Simpson REE District. Both assay results and the channel length exceed those of the nearby Foxtrot Deposit. Refer to the news release for details.

On March 13, 2015, the Company announced the discovery of three belts of critical REE mineralization in the Henley Harbour area. This is the second critical REE district that Search has discovered in Labrador, the other being the Port Hope Simpson REE District. Refer to the news release for details.

OUTLOOK

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. The Company has engaged SNC-Lavalin to provide Search with a scoping engineering cost study to consider whether the recent metallurgical breakthrough will significantly reduce the capital and operating costs for a future processing facility. The Company plans on designing and building a larger-scale pilot demonstration plant to test the Foxtrot Project mineralization.

The Company is considering various strategies to reduce its working capital deficiency. The Company will require additional financing in order to settle its liabilities and continue development of the Foxtrot Project.

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

During the year ended November 30, 2014, the Company was testing a proprietary metallurgical process on the Foxtrot Project. The Company did not conduct other significant exploration activities. Other than metallurgy, the majority of the work performed on the properties was to maintain the properties in good standing with the Government of Newfoundland and Labrador and with the vendors of the Fox Harbour Property. During the year, the Company paid $30,000 and issued 100,000 common shares at the fair value of $5,500 to the vendors. On January 9, 2015, the Company made the final payment to the vendors of the Fox Harbour Property and acquired an undivided 100% interest in the Fox Harbour Property which includes the Deepwater Fox Prospect. The final payment was comprised of $15,000 cash and 50,000 common shares of the Company.

On January 21, 2014, the Company announced that it will receive research and development investments totaling $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 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. At February 28, 2015, the Company had received $193,510 from RDC and ACOA. The Project commenced in January 2014 and has now been completed. The Company expects to receive the balance of the $225,000 from RDC and ACOA shortly.

The Project evaluated the effectiveness and compared the commercial feasibility of a variety of innovative metallurgical processes to separate and refine REE from ore with the specific characteristics of that identified at the Company's Foxtrot Project. SGS Canada Inc. ("SGS") was engaged to perform testing on ore samples containing REE from the Company's Foxtrot Project. SGS has examined innovative methods to isolate REE from the specific matrix of ore. The current separation process involves crushing and grinding of ore, followed by gravity separation, flotation and magnetic separation to produce a concentrate containing the REE materials. The concentrate is then subjected to acid baking at 200 degrees Celsius, water leaching, purification of the leachate, and precipitation of REE oxalate. The process options investigated with SGS were designed to reduce complexity and cost of REE recovery from Foxtrot ores.

On July 23, 2014, the Company announced the development of a simplified metallurgical process tested on a sample from the Company's Foxtrot Project to produce a high grade rare earth elements product for refining. A patent application has been lodged with the United States Patent Office to protect the Company's ownership of this technology. This process is a significant improvement over the earlier Foxtrot work reported. The steps of grinding, flotation, gravity and magnetic separation to produce an ore concentrate are no longer required to process the Foxtrot ore. The coarse crushed ore is directly treated with small amounts of acid in a heated pug mill, a conventional mixing device, prior to water leaching.

On November 19, 2014, the Company announced that a bulk sample of the Foxtrot Project resource was extracted for the purpose of running a pilot plant and for additional testing. The 40 tonne bulk sample will be used to continue testing of the new metallurgical process. Additional details of the metallurgical testing were disclosed in news releases dated February 2, 2015 and February 25, 2015.

On January 27, 2015, the Company announced the second major discovery, the Deepwater Fox Prospect (Foxtrot being the other), that occurs in the Fox Harbour Volcanic Belt (part of the Port Hope Simpson REE District). The Company plans to continue exploration at Deepwater Fox in 2015 commencing with additional channeling to define the surface expression of the mineralization and hopefully an exploration drilling program to explore the mineralization at depth. Experience gained at Foxtrot will be applied to Deepwater Fox to expedite the development program in a cost effective manner. Plans also include channeling at several other prospects in the belt in 2015. The aim is to discover and outline several REE resources in the belt to support a centralized processing plant in SE Labrador. Ongoing metallurgical studies of the Foxtrot mineralization will be expanded to include the Deepwater Fox mineralization.

The Company's main focus in the Port Hope Simpson REE District is on metallurgy at the Foxtrot Project and the exploration for additional Foxtrot-like deposits at other targets throughout the Fox Harbour volcanic belt. The Company anticipates initiating a feasibility study on the Foxtrot Project subject to available financing. Other parts of the Port Hope Simpson REE District require some work to maintain licenses in good standing.

TECHNOLOGY RESEARCH

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 the Starved Acid Leaching Technology ("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 (received in April 2014);
- $100,000 upon the earlier of the completion of a positive bankable feasibility study and 18 months from the date of the Purchase Agreement (May 13, 2015); 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 April 28, 2014, InCor received positive results from the economic scoping study and accordingly, paid the Company $50,000.

At November 30, 2013, SALT was held in a wholly-owned subsidiary, SALT Technology Holdings Inc. During the year ended November 30, 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.

RESULTS OF OPERATIONS

The Company incurred a loss of $167,733 ($0.00 per share) for the three months ended February 28, 2015 as compared to a loss of $511,449 ($0.01 per share) for the three months ended February 28, 2014. The table below details certain non-cash or unusual transactions that for the purposes of this discussion have been adjusted out of the reported loss to produce an adjusted loss that forms a better basis for comparing the period over period operating results of the Company.

	2014 ($)	**2013 ($)**
Loss for the period as reported	(167,733)	(511,449)
Add (deduct):		
Amortization	4,762	10,265
Gain on debt settlement	-	(25,983)
Adjusted loss for the period [1]	(162,971)	(527,167)

[1] Adjusted loss for the period is not a term recognized under IFRS.

- The Company recorded a gain on debt settlement as a result of issuing 1,732,412 common shares at the fair value of $0.055 per share to settle $121,250 of accounts payable and accrued liabilities.

The decrease in the adjusted loss for the three months ended February 28, 2015 compared to the three months ended February 28, 2014 is the net result of a number of differences in various expenses as follows:

- Accounting and audit fees of $11,754 (2014: $25,069) are comprised of fees to maintain the accounting records and prepare financial reports as required. The decrease in fees was due to less activity during the current period.

- Administration expense and management fees of $54,158 (2014: $134,830) are comprised of fees paid to executive management of the company as well as administrative staff. The Company reduced activity in the current period.
- Consulting fees of $22,500 (2014: $98,200) includes consulting fees paid to the VP of Technology and other consultants. In the prior period, the Company incurred fees due to engaging KPMG LLP to conduct due diligence as part of a potential transaction.
- Legal fees of $15,474 (2014: $151,173) decreased as in the prior period, the Company incurred fees as part of a potential transaction.
- Regulatory and transfer agent fees of $3,850 (2014: $32,063) decreased as in the prior period, the Company incurred fees as part of a potential transaction.
- Travel and accommodation expenses of $5,082 (2014: $20,881) decreased as in the prior period, the Company incurred fees as part of a potential transaction.

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 February 28, 2015.

	Three Months Ended ($)			
	Feb 28, 2015	**Nov 30, 2014**	**Aug 31, 2014**	**May 31, 2014**
Total Revenues	-	-	-	-
Loss	(167,733)	(62,781)	(282,393)	(516,928)
Loss Per Share (basic and diluted)[(1)]	(0.00)	(0.00)	(0.00)	(0.01)
Total Assets	9,092,199	9,342,465	8,994,998	8,446,237
Total Liabilities	1,511,467	1,596,250	2,031,424	1,678,148
Shareholders' Equity	7,580,732	7,746,215	6,963,574	6,768,089

	Three Months Ended ($)			
	Feb 28, 2014	**Nov 30, 2013**	**Aug 31, 2013**	**May 31, 2013**
Total Revenues	-	-	-	-
Loss	(511,449)	(1,811,336)	(367,218)	(396,917)
Loss Per Share (basic and diluted)[(1)]	(0.01)	(0.02)	(0.00)	(0.01)
Total Assets	8,463,871	8,296,470	9,312,453	9,533,171
Total Liabilities	1,178,854	948,131	420,934	274,434
Shareholders' Equity	7,285,017	7,348,339	8,891,519	9,258,737

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

For the three months ended November 30, 2014 and November 30, 2013, the Company recorded write-downs of staking deposits and mineral properties of $106,358 and $1,161,793, respectively. The write-downs explain the increase in loss during the quarters and the decrease in total assets and shareholders' equity.

FINANCING ACTIVITIES

During the three months ended February 28, 2015, the Company did not complete any financing activities.

LIQUIDITY AND CAPITAL RESOURCES

The Company's operations consumed approximately $163,000 of cash (before working capital items) for the three months ended February 28, 2015 (2014: $527,000) with an additional approximate $244,000 (2014: $175,000) utilized on mineral property acquisition costs, deferred exploration expenditures and staking costs. The cash requirement for the three months ended February 28, 2015 was fulfilled from cash on hand at the beginning of the period.

The Company's aggregate operating, investing and financing activities during the three months ended February 28, 2015 resulted in a net decrease in its cash balance from $594,121 at November 30, 2014 to $307,722 at February 28, 2015. The Company's working capital decreased by $183,393 correspondingly during the period and stood at negative $1,030,247 at February 28, 2015. The Company has accumulated losses since inception of $15,466,542. At February 28, 2015, the Company had recorded liabilities of $555,090 relating to a potential tin transaction. The Company is considering various strategies to reduce the liabilities relating to the tin strategy.

The Company does not have any commitments for material capital expenditures over the near term or long term.

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 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.

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current operations, including exploration programs, will result in profitable mining operations. The recoverability of the carrying value of exploration and development properties and the Company's continued existence is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, the ability of the Company to raise additional financing, if necessary, or alternatively upon the Company's ability to dispose of its interests on an advantageous basis. Changes in future conditions could require material write-downs of the carrying values.

At February 28, 2015, the Company had not yet achieved profitable operations, had a working capital deficiency of $1,093,247, had an accumulated deficit of $15,466,542 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 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 three months ended February 28, 2015 and 2014, 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:

	2015 $	2014 $
Administration and management fees[1]	**52,917**	96,667
Consulting fees[2]	**22,500**	22,500
Non-executive directors fees	**13,500**	19,500
Mineral property expenditures		
Geological consulting[3]	**32,499**	50,000
	121,416	188,667

(1) Includes salary earned by the former CEO, Stephen Keith, salary earned by the former VP of Corporate Development, Alexandre Penha, fees billed by the former CEO, Jim Clucas, and fees billed by the President, Greg Andrews. The business purpose of the transactions was to compensate the individuals for administration and management services provided.

(2) Includes fees billed by the VP of Technology, Dr. David Dreisinger. The business purpose of the transactions was to compensate Dr. David Dreisinger for assisting with metallurgical work relating to the Company's REE properties. The Company has a consulting agreement with Dr. 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, Dr. Randy Miller. The business purpose of the transactions was to compensate Dr. Randy Miller for managing the mineral properties.

At February 28, 2015, accounts payable and accrued liabilities included $743,688 (November 30, 2014: $713,573) 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 President and the directors of the Company. The compensation paid or payable to key management for services during the three months ended February 28, 2015 and 2014 is identical to the table above.

FINANCIAL INSTRUMENTS

Designation of Financial Instruments

The Company's financial instruments consist of cash, other receivable and accounts payable, and accrued liabilities. The Company designated its cash, other receivable, reclamation deposits and staking deposits 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 is 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. Refer to the going concern note for additional disclosure. As at February 28, 2015 and November 30, 2014, the Company had working capital (deficiency) as follows:

	February 28, 2015 $	November 30, 2014 $
Current assets	**418,220**	749,396
Current liabilities	**(1,511,467)**	(1,596,250)
Working capital	**(1,093,247)**	(846,854)

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 February 28, 2015 and November 30, 2014, all of the Company's cash was held in Canadian dollars, the Company's functional currency. 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. The Company has had nominal amounts of payables in US dollars.

b) Interest Rate Risk

The Company has no interest bearing financial instruments and as such, the Company is not exposed to 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:	115,670,711 common shares as at April 24, 2015.

Options and warrants outstanding as at April 24, 2015:

Security	Number	Exercise Price	Expiry Date
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	760,000	$0.485	March 31, 2016
Stock Options	150,000	$0.480	April 7, 2016
Stock Options	145,000	$0.260	January 19, 2017
Stock Options	780,000	$0.200	October 17, 2017
Stock Options	1,545,000	$0.100	April 26, 2018
Stock Options	100,000	$0.070	October 29, 2018
TOTAL	4,897,500		

Security	Number	Exercise Price	Expiry Date
Share Purchase Warrants	2,605,541	$0.100	December 16, 2015
Share Purchase Warrants	1,847,691	$0.100	February 19, 2016
Share Purchase Warrants	4,000,000	$0.200	August 8, 2016
Share Purchase Warrants	532,000	$0.200	August 22, 2016
Share Purchase Warrants	8,300,000	$0.100	August 27, 2016
Share Purchase Warrants	5,960,000	$0.100	September 8, 2016
Share Purchase Warrants	11,700,000	$0.100	October 9, 2016
TOTAL	34,945,232		

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 unaudited condensed interim consolidated financial statements for the three months ended February 28, 2015 and this accompanying MD&A (together, the "Interim 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 Interim 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 industries, including the mining industry, are subject to legal claims, with and without merit. The Company may become involved in legal disputes in the future. Defence and settlement costs can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, there can be no assurance that the solution of any particular legal proceeding will not have a material adverse effect on the Company's financial position or results of operations.

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.

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.