Management's Discussion and Analysis
for the Year Ended November 30, 2014

The following information, prepared as of March 27, 2015, should be read in conjunction with the consolidated financial statements of Search Minerals Inc. (the "Company" or "Search") for the year ended November 30, 2014. 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 March 27, 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 project in Labrador and the Port Hope Simpson REE District in Labrador. Search will seek to develop mineral assets with growth demand and constrained supply.

OVERALL PERFORMANCE

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. On February 10, 2014, the Company completed the second tranche of 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. The Company has used the proceeds from the private placements to allow for the completion of due diligence on the Transaction, 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 totaling $225,000 from the Research & Development Corporation and from the Atlantic Canada Opportunities Agency to assist in the *Development of Innovative Technologies for the Recovery and Refining of Rare Earth Elements from Ore Mined in Labrador*. 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.

On January 27, 2014, the Company announced that it had entered into a definitive share purchase agreement dated January 22, 2014 with Brasilis Kaduna Consultoria e Participações Ltda. and MS Marpin Consultoria e Participações Ltda., 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 would result in a reverse take-over of Search by the Vendors (the "Transaction"). The Company also announced that it would not be pursuing a transaction with Carlos Mena Resources Ltd. Additional details are disclosed in the section below titled "Tin Strategy". An update on the Transaction was provided in news releases dated May 1, 2014 and July 16, 2014.

On July 16, 2014, the Company announced that it had delivered notice of termination of the Share Purchase Agreement with MSFA. The Company had determined that it was necessary to terminate the Share Purchase Agreement as certain conditions of the Transaction were not satisfied in a timely manner as required pursuant to the Share Purchase Agreement. The termination was effective July 15, 2014.

On July 23, 2014, the Company announced the development of a simplified metallurgical process tested on a bulk 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 July 25, 2014, the Company's President and Chief Executive Officer, Mr. Stephen Keith, resigned and on July 28, 2014, the Executive Vice President, Corporate Development, Mr. Alex Penha, resigned. Mr. Jim Clucas was appointed as interim Chief Executive Officer and interim President effective July 28, 2014. On February 18, 2015, Mr. Greg Andrews was appointed as President and Mr. Jim Clucas transitioned to Executive Chairman.

On July 31, 2014, the Company announced a non-brokered private placement pursuant to which the Company would issue up to 40,000,000 units at a price of $0.05 per unit for gross proceeds of up to $2,000,000. Each unit would consist of one common share and one common share purchase warrant of the Company. Each warrant would entitle the holder to acquire an additional common share of the Company for a period of two years following the date of issuance of the unit at a price of $0.10 per share. On August 27, 2014, the Company closed the first tranche of 8,300,000 units for gross proceeds of $415,000. On September 8, 2014, the Company closed the second tranche of 5,960,000 units for gross proceeds of $298,000. On October 9, 2014, the Company closed the third and final tranche of 11,700,000 units for gross proceeds of $585,000. The Company issued an aggregate of 25,960,000 units for aggregate gross proceeds of $1,298,000.

Proceeds of the private placements are to be used as follows:

1. To advance the larger scale testing and optimization of the Company's simplified metallurgical processing technology (patent pending) with SGS Canada;
2. To maintain the rare earth properties in the Port Hope Simpson REE District;
3. To advance discussions with refining partners; and,
4. For general working capital.

On September 24, 2014, the Company announced that exploration personnel have begun a six week exploration program in the Port Hope Simpson REE district. This program focused on advancing several Foxtrot-like prospects in the district and on location/documenting a site for a planned bulk sample of the Foxtrot Project deposit.

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 Foxtrot Deposit. 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.

TIN TRANSACTIONS

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, May 1, 2014 and July 16, 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 would acquire 100% of the issued and outstanding quotas (shares) of MSFA and which would result in a reverse take-over of Search by the Vendors (the "Transaction").

Pursuant to the Share Purchase Agreement, Search would acquire 100% of the outstanding quotas of MSFA in exchange for an aggregate of 135,000,000 common shares of Search (the "Search Shares") at a deemed price of $0.055 per Search Share to be issued to the Vendors on the closing date. After giving effect to the Transaction it was expected that the Vendors would hold approximately 61.3% of the issued and outstanding Search Shares.

On January 27, 2014, the Company announced that it would no longer be proceeding with the acquisition of the Arara tin project from CMR. The Company was unable to agree to terms of the acquisition with the current owners.

On July 16, 2014, the Company announced that it had delivered notice of termination of the Share Purchase Agreement with MSFA. The Company determined that it was necessary to terminate the Share Purchase Agreement as certain conditions of the Transaction were not satisfied in a timely manner as required pursuant to the Share Purchase Agreement. The termination was effective July 15, 2014.

The Company has contingent liabilities relating to the proposed Transaction with MSFA and other potential tin transactions. The total amount of the unrecorded contingent liabilities as at November 30, 2014 was $484,245. At November 30, 2014, the Company had recorded liabilities of $557,907 relating to the Transaction. The Company is considering various strategies to reduce the liabilities relating to the tin strategy.

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

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.

During the year ended November 30, 2014, the Company has been testing a proprietary metallurgical process on the Foxtrot Project. The Company has not conducted other significant exploration activities. Other than metallurgy, the majority of the work performed on the properties has been 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 Foxtrot Project. 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 November 30, 2014, the Company had received $130,913 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.

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.

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, 2014, the Company wrote-down $31,883 (2013: $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, as amended on November 13, 2014, 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 has issued 983,333 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

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.

SELECTED ANNUAL INFORMATION

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

	November 30, 2014 ($)	November 30, 2013 ($)	November 30, 2012 ($)
Total Revenues	-	-	-
Loss	(1,373,551)	(2,824,234)	(6,914,578)
Loss per Share (basic and diluted)	(0.01)	(0.04)	(0.14)
Deferred Resource Property Exploration Expenditures	615,608	792,492	3,282,333
Total Assets	9,342,465	8,296,470	9,259,509
Total Liabilities	1,596,250	948,131	662,164
Dividends Declared	-	-	-

The significant variability in loss is due to the write-down of mineral properties of $31,883, $1,161,793 and $5,246,469 during the years ended November 30, 2014, 2013 and 2012, respectively.

RESULTS OF OPERATIONS

The Company incurred a loss of $1,373,551 ($0.01 per share) for the year ended November 30, 2014 as compared to a loss of $2,824,234 ($0.04 per share) for the year ended November 30, 2013. 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 year over year operating results of the Company.

	2014 ($)	**2013 ($)**
Loss for the year as reported	(1,373,551)	(2,824,234)
Add (deduct):		
Amortization	32,919	49,264
Share-based payments	-	99,663
Technology research	-	145,058
Gain on debt settlement	(25,983)	-
Proceeds on sale of technology	(50,000)	(50,000)
Write-down of other receivables	28,630	-
Write-off of accounts payable and accrued liabilities	(250,964)	-
Write-down of mineral properties	31,883	1,161,793
Write-down of staking deposits	74,475	-
Adjusted loss for the year [1]	(1,532,591)	(1,418,456)

[1] Adjusted 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.
- Technology research costs during the prior year represents consulting fees, travel expenses and legal fees associated with research on SALT.
- 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.
- Proceeds on sale of technology is from the sale of SALT.
- The Company has a 50% interest in the Red Wine Property and Great Western Minerals Group Ltd. ("GWG") has the remaining 50% interest. The Company acts as the operator on the Red Wine joint venture and the Company has incurred certain expenses to maintain the property. The Company had other receivables from GWG of $28,630 which were written-off for during the year ended November 30, 2014.
- The Company has contingent liabilities relating to the proposed acquisition of MSFA. As the Company believes that there is a less than probable likelihood that these liabilities are payable, the Company wrote-off the liabilities and has disclosed these liabilities in the consolidated financial statements as contingent liabilities.
- The write-down of mineral properties during fiscal 2014 was due to writing-off the Red Wine Property. The write-down in fiscal 2013 was due to writing-off the Red Wine Property and various other properties.
- The Company has staking deposits with the Government of Newfoundland. The staking deposits are forfeited if the company does not make sufficient exploration expenditures on the claims or the claims are dropped by the Company.

The increase in the adjusted loss for the year ended November 30, 2014 compared to the year ended November 30, 2013 is the net result of a number of differences in various expenses as follows:

- Accounting and audit fees of $109,530 (2013: $104,549) are comprised of fees to maintain the accounting records and prepare financial reports as required.
- Administration expense and management fees of $504,759 (2013: $501,026) are comprised of fees paid to executive management of the company as well as administrative staff.

- Consulting fees of $279,819 (2013: $169,052) increased due to engaging KPMG LLP to conduct due diligence on MSFA. Fees paid to the VP of Technology are included in consulting fees while they were included in technology research expense in the prior year.
- Legal fees of $344,969 (2013: $221,276) increased due to the proposed Transaction with MSFA.
- Regulatory and transfer agent fees of $53,771 (2013: $23,577) increased due to the proposed Transaction with MSFA.
- Travel and accommodation expenses of $32,456 (2013: $146,487) decreased during the current year. During Q3 and Q4 of fiscal 2013, the Company incurred higher than normal travel and accommodation expenses due to the proposed Transaction with MSFA.

Three months ended November 30, 2014 and 2013

	2014 ($)	2013 ($)
Loss for the period as reported	(62,781)	(1,811,336)
Add (deduct):		
Amortization	7,551	12,316
Share-based payments	-	3,480
Technology research	-	25,877
Proceeds on sale of technology	-	(50,000)
Write-off of accounts payable and accrued liabilities	(250,964)	-
Write-down of mineral properties	31,883	1,161,793
Write-down of staking deposits	74,475	-
Adjusted loss for the period [1]	(199,836)	(657,870)

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

The decrease in the adjusted loss for the three months ended November 30, 2014 as compared to the three months ended November 30, 2013 was due primarily to a decrease of administration and management fees of $87,447, a decrease in consulting fees of $67,950, a decrease in legal fees of $188,003, a decrease in technology research of $25,877 and a decrease in travel and accommodation of $85,671. Costs associated with the Transaction were significant in Q4 2013 and $nil in Q4 2014. During Q4 2014, the Company closed its Toronto office resulting in savings in administration and management fees as well as office and miscellaneous expenses.

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, 2014.

	Three Months Ended ($)			
	Nov 30, 2014	Aug 31, 2014	May 31, 2014	Feb 28, 2014
Total Revenues	-	-	-	-
Loss	(62,781)	(282,393)	(516,928)	(511,449)
Loss Per Share (basic and diluted)[1]	(0.00)	(0.00)	(0.01)	(0.01)
Total Assets	9,342,465	8,994,998	8,446,237	8,463,871
Total Liabilities	1,596,250	2,031,424	1,678,148	1,178,854
Shareholders' Equity	7,746,215	6,963,574	6,768,089	7,285,017

	Three Months Ended ($)			
	Nov 30, 2013	**Aug 31, 2013**	**May 31, 2013**	**Feb 28, 2013**
Total Revenues	-	-	-	-
Loss	(1,811,336)	(367,218)	(396,917)	(248,763)
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

(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 year ended November 30, 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.

iii) On August 27, 2014, the Company completed a non-brokered private placement of 8,300,000 units at a price of $0.05 per unit for gross proceeds of $415,000. Each unit is comprised of one common share and 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 August 27, 2016. A value of $nil has been attributed to the warrants using the residual method.

iv) On September 8, 2014, the Company completed a non-brokered private placement of 5,960,000 units at a price of $0.05 per unit for gross proceeds of $298,000. Each unit is comprised of one common share and 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 September 8, 2016. A value of $nil has been attributed to the warrants using the residual method.

v) On October 9, 2014, the Company completed a non-brokered private placement of 11,700,000 units at a price of $0.05 per unit for gross proceeds of $585,000. Each unit is comprised of one common share and 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 October 9, 2016. A value of $nil has been attributed to the warrants using the residual method.

The Company incurred $23,450 of legal fees and other fees in connection with the private placements.

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.

LIQUIDITY AND CAPITAL RESOURCES

The Company's operations consumed approximately $1,483,000 of cash (before working capital items) for the year ended November 30, 2014 (2013: $1,489,000) with an additional approximate $505,000 (2013: $1,095,000) utilized on mineral property acquisition costs, deferred exploration expenditures and staking costs. The cash requirement for the year ended November 30, 2014 was fulfilled from cash on hand at the beginning of the year and from private placements of an aggregate of 34,866,464 units for gross proceeds of $1,921,453, offset by $264,676 that had been received at November 30, 2013.

The Company's aggregate operating, investing and financing activities during the year ended November 30, 2014 resulted in a net increase in its cash balance from $508,147 at November 30, 2013 to $594,121 at November 30, 2014. The Company's working capital decreased by $68,305 correspondingly during the year and stood at negative $846,854 at November 30, 2014. The Company has accumulated losses since inception of $15,298,809. At November 30, 2014, the Company had recorded liabilities of $446,872 relating to the 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 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 November 30, 2014, the Company had not yet achieved profitable operations, had a working capital deficiency of $846,854, had an accumulated deficit of $15,298,809 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 years ended November 30, 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[1]	**375,000**	402,194
Consulting fees[2]	**96,250**	-
Non-executive directors fees	**67,500**	75,000
Technology research[2]	**-**	100,417
Mineral property expenditures		
Geological consulting[3]	**182,500**	200,000
	721,250	777,611

(1) Includes salary earned by the former CEO, Stephen Keith, salary earned by the former VP of Corporate Development, Alexandre Penha, and fees billed by the current CEO, Jim Clucas. 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 Stephen Keith, Alexandre Penha and Jim Clucas. These agreements include termination clauses and change of control provisions calling for lump sum payments of one to three times average annual compensation. As Stephen Keith and Alexandre Penha both resigned, the Company did not incur severance or termination costs.

(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 managing and researching SALT as well as 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 November 30, 2014, accounts payable and accrued liabilities included $713,573 (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 year ended November 30, 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 years ended November 30, 2014 and 2013 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, 2014, key management received share-based payments of $nil (2013: $68,702).

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, 2014. At November 30, 2014 and 2013, the Company was not subject to any externally imposed capital requirements.

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.

Fair Value of Financial Instruments

The Company classified its fair value measures within a fair value hierarchy, which reflects the significance of inputs used in making the measurements as defined in IFRS 7 – Financial Instruments: Disclosures.

Level 1 – Unadjusted quoted prices at the measurement date for identical assets or liabilities in active markets.

Level 2 – Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in market that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3 – Unobservable inputs which are supported by little or no market activity.

The Company does not have financial assets or liabilities that are measured at fair value on a recurring basis. The fair value of the Company's cash, other receivables, reclamation deposits, staking deposits and accounts payable and accrued liabilities are estimated to approximate their carrying values as at November 30, 2014 and 2013.

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 November 30, 2014 and 2013, the Company had working capital (deficiency) as follows:

	2014 **$**	2013 $
Current assets	**749,396**	169,582
Current liabilities	**(1,596,250)**	(948,131)
Working capital	**(846,854)**	(778,549)

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, 2014 and 2013, 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 March 27, 2015.

Options and warrants outstanding as at March 27, 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	1,400,000	$0.200	April 16, 2015
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	36,345,232		

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 year ended November 30, 2014 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 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.

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 Company's current fiscal year have not had a material impact on the Company:

- IFRS 10 "Consolidated Financial Statements"
- IFRS 11 "Joint Arrangements"
- IFRS 12 "Disclosure of Interests in Other Entities"
- IFRS 13 "Fair Value Measurement"
- IAS 1 "Presentation of Financial Statements" amendments