



Management's Discussion and Analysis ("MD&A")
for the Year Ended November 30, 2020

The following information, prepared as of March 30, 2021, should be read in conjunction with the audited consolidated financial statements of Search Minerals Inc. (the "Company" or "Search") for the year ended November 30, 2020. 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 30, 2021.
- 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.
- The preliminary economic assessment is preliminary in nature and includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them to enable them to be categorized as mineral reserves and there is no certainty that the preliminary economic assessment will be realized. Mineral resources that are not mineral reserves do not have a demonstrated economic viability

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 is focused on creating value through finding and developing “critical rare earth element (“CREE”)” mineral assets in SE Labrador, Canada. CREEs (for example Nd, Pr, Tb, Dy, La) are strategic metals that have growing demand, constrained or restricted supply, and are commonly used in innovative technologies.

Search is the discoverer of the Port Hope Simpson – St. Lewis CREE District, a highly prospective CREE belt located in southeast Labrador that is 63 km long and up to 2 km wide. Search owns 100% of two advanced CREE resources called the Foxtrot Project (“Foxtrot”) and Deep Fox Project (“Deep Fox”), and the recently announced significant Foxtrot-like prospects “Fox Meadow”, “Silver Fox” and “Awesome Fox”. In addition, the Company has identified more than 20 other Foxtrot-like prospects in the District. Several of the Foxtrot-like prospects require exploration drilling programs and may provide additional resources to a central processing facility that would be situated within the District.

Search has completed some initial metallurgical work on material from Silver Fox. Silver Fox contains Zr (Hf) values much higher than any other CREE resource (Foxtrot and Deep Fox) or mineralized zone (Fox Meadow and Awesome Fox) in SE Labrador. The testing was carried out a SGS Canada and demonstrated that Low Intensity Magnetic Separation (LIMS) could be used to recover a magnetite concentrate from ground ore. The LIMS non-magnetic material was then treated by Wet High Intensity Magnetic Separation (WHIMS) to produce a Rare Earth Concentrate containing over 7% total REO content. The WHIMS non-magnetic material was tested by flotation (rougher and cleaner) and the production of a 43% ZrO₂ concentrate was produced. Search is following up on all these results to pursue further investigation of pre-concentration of Rare Earths to form a WHIMS concentrate for treatment by the Direct Extraction Process as well as a Zircon-containing flotation concentrate as a by-product.

Search also holds a number of other CREE mineral prospects in Labrador in its portfolio, including claims in the Red Wine Complex and the Henley Harbour area.

OVERALL PERFORMANCE

Search Minerals’ focus is on exploration and development of the Critical Rare Earth Element District in Southeastern Labrador, Canada. The Company seeks to raise funds through the capital markets and to seek out government assistance or other non-dilutive and alternative financings to advance the CREE District.

Search achieved a key milestone in the development of our Critical Rare Earth District in SE Labrador. The successful drill program (Phase 1 and 2) on the Deep Fox property has allowed Search to publish a mineral resource estimate, to the 100m level; a Phase 3 drill program is planned to provide a resource estimate to the 200m level – expected to be the depth of an open pit at Deep Fox. We expect to provide an updated Preliminary Economic Assessment (“PEA”), once the Phase 3 drill program is complete, that will look to optimize the mining and processing using both Deep Fox and Foxtrot material as a source feed.

The new Deep Fox resource and the Company’s Foxtrot resource in combination begin to outline the emerging CREE District in SE Labrador. The two deposits are approximately 12 km apart. Our goal is the anticipation of an extended project mine life and increased production of rare earth elements. Search is poised to become a crucial player in the creation of a secure North American rare earth element supply chain.

Search Minerals completed a very successful 2020 exploration program focusing on 3 prospects, Fox Meadow, Silver Fox and Awesome Fox.

The Pilot Plant optimization program using the patented Search Direct Extraction Process has been successfully completed in March 2020. The program produced both a 58% REO mixed rare earth carbonate concentrate and a 99% pure mixed REO concentrate, which will provide Search with more options to refine our products into the individual oxides. The production of the carbonate and/or the mixed oxide concentrate samples can be obtained,

from either the Foxtrot or Deep Fox material. Search will continue to work with separation companies, refineries and potential off-take partners for further processing to high value separated rare earth oxides.

Search is currently doing metallurgy testing on Silver Fox material for Zirconium and Hafnium. Silver Fox contains Zr (Hf) values much higher than any other CREE resource (Foxtrot and Deep Fox) or mineralized zone (Fox Meadow and Awesome Fox) in SE Labrador.

We recently signed a Memorandum of Understanding with Saskatchewan Research Council. The Government of Saskatchewan recently announced \$31 million in funding for a Rare Earth Processing Facility in Saskatoon that will be owned and operated by SRC. The SRC Rare Earth Processing Facility is positioned as a catalyst to stimulate the resource sector in Saskatchewan and across Canada to generate industry investment and growth. The Processing Facility will have the ability to process rare earth concentrates and to separate rare earths into individual rare earth oxide products using the conventional solvent extraction process. The ability to demonstrate the separation of rare earths, from our concentrate produced in SE Labrador, will position Search as a potential supplier in the Canadian and North American rare earth supply chain.

The Company completed some key transactions to strengthen the balance sheet prior to our November 30 year-end. We converted \$1.5M of convertible debentures into equity and issued shares for \$190,000 of debt.

In December 2020, the Company purchased the land and building in St. Lewis, Labrador for \$ 210,000, which is used for our accommodations, kitchen, office, material handling, core sorting and core shack. Search has been leasing this property since 2016. Search will make this our Newfoundland and Labrador office, as we continue to develop our Critical Rare Earth Element (“CREE”) District in SE Labrador.



OUTLOOK

Search Minerals’ is well positioned to take advantage of the recent interest in securing a North American Rare Earth supply chain. We are also very encouraged with the recent financing activity within our sector. Our Critical Rare Earth District comprising of 2 Projects (Foxtrot and Deep Fox), 3 quality prospects (Silver Fox, Fox Meadow and Awesome Fox) and many other showings along a 62 km belt.

Search Minerals’ focus is on exploration and development of the Critical Rare Earth Element District in Southeastern Labrador, Canada. This District is road accessible, on tidewater and contains quantities of those elements that are in short supply and considered strategic or critical due to their use in green economy technologies. Based on these attributes, the Company intends to become a competitive, low-cost, environmentally responsible supplier of Critical Rare Earth Elements (“CREE”) to the global marketplace.

To accomplish this Search will leverage its scalable breakthrough Direct Extraction Metallurgical Process and its highly accessible district-scale resources in SE Labrador to attract important strategic partners; a strategic partner(s) to finance to a bankable feasibility study for development of its Deep Fox and Foxtrot Resources, and an offtake partner whose long-term commitments will provide the stable income necessary to access capital financing for projects of this size.

The Company will continue to advance the two projects to a single Bankable Feasibility Study. The near-term steps to accomplish this are discussed below:

Our continued exploration work, technology advancements, and support from our many stakeholders, has positioned Search to capitalize on strong market fundamentals in rare earths driven by the global electrification of the transportation sector and current climate change initiatives, led by government.

Growth in rare earth markets is being driven by rare earth (neo) magnets used in electric motors for electric vehicles and generators in wind turbines. Neo magnets used in these high-temperature applications use alloys including

neodymium, praseodymium, dysprosium, and terbium. Search has significant resources of neodymium, praseodymium, dysprosium and terbium at FOXTROT and DEEP FOX.

Search has received internal engineering studies which outlines the capital and operating costs for constructing a 1/200th scale demonstration plant in St. Lewis Labrador (10 tonnes per day). The demonstration plant would be essential for 1) training our future workforce for plant operations, 2) producing sufficient quantities of mixed rare earth concentrate for demonstration of commercial rare earth separation, and 3) large scale validation of our Direct Extraction processing flowsheet. We are putting together our business plan for the construction of the demonstration plant with our funding partners.

Recent Work in the Critical Rare Earth Element District

The 2020 Exploration program was initiated in June 2020 and completed in August 2020. Our exploration work was concentrated on the Silver Fox, Awesome Fox and Fox Meadows prospects, and mainly consisted of channel sampling.

We are very thankful for the support of the town of St. Lewis and Port Hope Simpson, to accept our team into their communities to complete our work, during the Covid-19 pandemic. Our program is now completed and our team of Dr. Randy Miller, and Suzanne Butler (P.Geol.), along with our local support team, were able to work for a continuous 9 week period without any Covid related issues. We are very proud that our safety protocols kept our employees, and local communities safe and healthy.

Foxtrot Project

The Foxtrot Project has a total indicated resource of 7.39 million tonnes and an inferred resource of 1.98 million tonnes. The Life of Mine Plan outlined in the PEA indicates that 4.9 million tonnes of material at an average grade of 0.98% Total Rare Earth Elements ("TREE") could be mined over a 14-year period, including open pit mining for the first eight years and underground mining thereafter. Drilling indicates that the mineralization at Foxtrot is open at depth below the current resource and PEA Mine Plan. Additional drilling on Foxtrot would be required in the preparation of a bankable feasible study.

Deep Fox Project

Search completed the Phase 1 and Phase 2 drill programs, totaling 5000m of drilling on the Deep Fox property. The successful drill program provided the following observations:

- **DEEP FOX** confirmed to have higher grade mineralization and larger widths than **FOXTROT**;
- Mineralization observed down to 200m level below surface in Phase 1 and Phase 2 drill holes;
- Mineralized zone is at least 350m in strike length, from 11m to 32m wide and open below 200m depth;
- Phase 1 - Assay highlights (all true widths):
 - FD-18-05 (50m level): 283 ppm Dy, 1,896 ppm Nd, 500 ppm Pr, 2,025 ppm La over 5.6m;
 - FD-18-06 (100m level): 247 ppm Dy, 1,757 ppm Nd, 478 ppm Pr, 1,926 ppm La over 22.4m;
 - FD-18-10: (50m level): 257 ppm Dy, 1,940 ppm Nd, 532 ppm Pr, 2,307 ppm La over 21.7m;
- Phase 2 assay highlights (all true widths):
 - FD-18-15 (100m level): 251 ppm Dy, 1,784 ppm Nd, 478 ppm Pr, 1,978 ppm La over 21.49m;
 - FD-18-17 (150m level): 238 ppm Dy, 1,694 ppm Nd, 433 ppm Pr, 1,797 ppm La over 7.30m;
 - FD-18-20: (200m level): 212 ppm Dy, 1,528 ppm Nd, 415 ppm Pr, 1,770 ppm La over 10.14m;

The Phase 1 **DEEP FOX** Drill Program consisted of a total of 15 holes (3 in 2017 and 12 in 2018) to sample CREE mineralization at the 50m (10 holes) and 100m (5 holes) levels below the surface.

The Phase 2 **DEEP FOX** Drill Program consisted of a total of 8 holes (3 holes on the 100m level, 2 holes on the 150m level and 3 holes on the 200m level). Assay results indicate that mineralized intervals have true width zones (either continuous mineralization or as 2 to 3 units over 3 m thick) of 11m to 32m at the 50m and 100m levels below the surface. Extensive drilling at the 50m (Phase 1) and 100m levels (Phase 1 and Phase 2) indicate that the

mineralization has a strike length of at least 350m. Mineralization intersected at the 200m-level (Phase 2) indicates that the mineralized zone is open below this depth.

Drill holes on the 50m and 100m levels and channels on the surface form a 50m by 50m grid in the medium to high grade mineralization; additional drilling is required on the 150m and 200m levels to extend this 50m grid. This density of information is suitable to calculate a reliable resource estimate to at least the 100m-level with preliminary resources to the 200m-level.

HIGHLIGHTS OF THE DEEP FOX RESOURCE

- 2,329,000 tonnes Indicated Resource (\geq C\$140/t NSR cut-off value);
- 3,902,000 tonnes Inferred Resource (\geq C\$140/t NSR cut-off value);
- Portion of Inferred Resource to be potentially upgraded to Indicated Resource category upon completion and integration of the **DEEP FOX** LIDAR survey results in a new resource estimation;
- Drilling and geological interpretation indicates the potential for additional Mineral Resources at the 150m and 200m elevations; Phase 3 drill program is required to realize this potential;
- Mineralization is open at depth (below 200m)

The Company has recently completed a U.A.V. (drone) LIDAR survey on the Deep Fox property. The results of this survey produced a Digital Terrain Surface for the Deep Fox property that will allow better definition of the resource estimate; some inferred resources mentioned above should be upgraded to indicated resources. The results of this survey are now available to be integrated into the next resource estimate for Deep Fox.

Fox Meadow Prospect

Fox Meadow was originally discovered in 2012 by a small channel program on outcrop that exhibited magnetic/radiometric anomalies. Subsequent channels in 2013 and 2016 discovered two mineralized zones, one to the south and one to the north, that gave low to medium grade CREE mineralization. Trenching by hand indicated that mineralization also occurred in overburden-covered treed areas.

The 2018 channel program consisted of trenching with a mini-excavator in overburden-covered treed areas. Two 2016 channels were extended to the south and north of the exposed outcrop. Results from the north indicated that mineralization disappears in a northerly direction. Results from the south discovered medium- to high-grade mineralization. One channel (FMC-18-01) gave a mineralized zone of medium- to high-grade mineralization of about 32m wide. The second channel (FMC-18-02) gave medium- to high-grade mineralization for the final 11m of the channel; the mineralized zone extends under the overburden to the south of the channel.

Search's Summer 2019 exploration program included an U.A.V. (drone) magnetometer survey and another channelling program. Magnetometer survey results indicated that the CREE mineralization at Fox Meadow is up to 650 m long. When the additional channelling, totalling 308.1m in 6 channels, is compiled with previous channels the mineralized zone appears to have a strike length of at least 500m and a width of up to 124m. The previous north and south mineralized zones have been joined by the 2019 channel program; two composite channels of 124m and 112m span the combined zones. Most of the new channels occur in overburden-covered treed areas that required trenching with a mini-excavator to expose bedrock.

HIGHLIGHTS OF FOX MEADOW 2019 CHANNEL PROGRAM

- **FOX MEADOW** (all true widths) exhibits higher grade mineralization ($>$ 190 ppm Dy) measuring at least 21.2m to 46.0m over 200m strike length; and, measuring at least 7.1m to 46.0m over 450m strike length;
- Channel assay highlights (all true widths):
 - Section FMC-19-01: 244 ppm Dy, 1098 ppm Nd, 270 ppm Pr, 838 ppm La over 15.79m;
 - Section FMC-19-02: 234 ppm Dy, 1184 ppm Nd, 296 ppm Pr, 943 ppm La over 7.8m;
 - Section FMC-19-03: 221 ppm Dy, 990 ppm Nd, 241 ppm Pr, 763 ppm La over 10.84m;
 - Section FMC-19-04: 269 ppm Dy, 1486 ppm Nd, 370 ppm Pr, 1126 ppm La over 4.61m;
 - Section FMC-19-05/06: 220 ppm Dy, 1456 ppm Nd, 373 ppm Pr, 1399 ppm La over 3.23m.
- Section FMC-19-01 contains 85.1m higher grade mineralization over 123.6m total thickness;

- **FOX MEADOW** CREE mineralization is similar to **DEEP FOX** and **FOXTROT**; third potential CREE deposit in the Port Hope Simpson-St. Lewis CREE District of SE Labrador.

Trenching/channeling in 2020, a UAV magnetic survey (2019) and mapping/prospecting outlined two mineralized zones on the surface at **FOX MEADOW**: the NW zone is up to 175m wide and SE zone is up to 116m wide. Combined, the mineralization is at least 790m long. This combined surface expression is significantly longer and wider than the surface expressions of the nearby and related **FOXTROT** and **DEEP FOX** Resources. The **FOX MEADOW** mineralization is similarly hosted by peralkaline volcanic rocks and exhibit similar grades of the REE magnet materials (Nd, Pr, Tb and Dy) as **FOXTROT** and **DEEP FOX**.

The 2020 channel/trenching program consisted of 4 channels: one new channel spanning the NW zone of mineralization, one channel extending a previous channel to span the SE zone and two channels to extend another previous channel in the NW zone.

HIGHLIGHTS OF THE FOX MEADOW 2020 CHANNEL PROGRAM

- Channel assay highlights (all true widths):
 - Section FMC-20-01 (NW): 11,933 ppm Zr, 237 ppm Dy, 1,443 ppm Nd, 267 ppm Hf, over 8.17m;
 - Section FMC-20-03 (SE): 12,157 ppm Zr, 208 ppm Dy, 1,165 ppm Nd, 269 ppm Hf over 16.17m;
 - Section FMC-20-04 (NW): 17,378 ppm Zr, 259 ppm Dy, 1,552 ppm Nd, 372 ppm Hf over 8.91m;
- Current channel program indicates that the NW mineralized zone is at least 175m wide and 425m long, and, the SE mineralized zone is at least 116m wide and 365m long; 790m combined length;
- **FOX MEADOW** combined (NW and SE zones) surface extent is much greater than the **FOXTROT** and **DEEP FOX** surface extents - 350-450 m long and up to 40m thick;
- Expanded 2021 channeling/trenching and/or drilling program needed to sample the extended length and width indicated in the 2020 exploration program.

Silver Fox Prospect

Silver Fox was originally discovered in 2012 by a small channel program on outcrop that exhibited magnetic/radiometric anomalies. Subsequent channels in 2018 and 2019 outlined a thin mineralized zone that gave low to medium grade CREE mineralization. This mineralized zone stretches over 650m of strike length and occurs about 2 km west of the Foxtrot Deposit.

Channelling in 2012 and 2018 consisted of five channels that outlined two zones along strike from each other that were separated by an outcrop poor zone. The 2019 channel program, using a mini excavator to expose bedrock to extend one channel and make three more channels, sampled the zone between the previous channel programs.

The Silver Fox mineralized zone contains low to medium grade CREE mineralization, when compared to Foxtrot, Deep Fox and Fox Meadow, however it has much higher zirconium and hafnium values than these other zones; Silver Fox is being evaluated as a Zr + Hf resource with minor CREE.

HIGHLIGHTS – 2019 SILVER FOX MINERALIZED ZONE

- **SILVER FOX** (all true widths) exhibits high grade Zr (Hf, Nd, Pr, Dy, Tb) mineralization ranging from 3.63 to 8.83m wide over 650m strike length; Channel assay highlights (all true widths):
 - Section FSC-19-04: 26,389 ppm Zr, 110 ppm Dy, 1494 ppm Nd, 409 ppm Pr, over 7.14m;
 - Section FSC-18-01: 28,965 ppm Zr, 96.7 ppm Dy, 1249 ppm Nd, 348 ppm Pr over 6.49m;
 - Section FSC-12-02: 25,466 ppm Zr, 89.1 ppm Dy, 1281 ppm Nd, 348 ppm Pr over 8.83m;
- **SILVER FOX** contains Zr (Hf) values much higher than any other CREE resource (**FOXTROT** and **DEEP FOX**) or mineralized zone (**FOX MEADOW**) in SE Labrador.

The 2020 trenching/channeling (seven channels), and mapping/prospecting indicate that the surface expression of this mineralized zone is up to 8.8m wide and 1120m long. The program consisted of two infill channels in areas of poor outcrop, two channels to explore to the west of previous channels, two channels to explore to the east of

previous channels and the extension of one previous channel. This program identified two thicker high grade Zr (Hf) mineralized zones: a 550m long West Zone and a 180m long East Zone.

HIGHLIGHTS – 2020 SILVER FOX MINERALIZED ZONE

- SILVER FOX (all true widths) exhibits high grade Zr (Hf, Nd, Pr, Dy, Tb) mineralization ranging from 3.00 to 8.83m wide over two zones: East Zone 550m long and West Zone 180m long;
- Channel assay highlights (all true widths):
 - Section FSC-20-01: 23,229 ppm Zr, 99.3 ppm Dy, 1222 ppm Nd, 570 ppm Hf, over 6.51m;
 - Section FSC-20-02: 24,308 ppm Zr, 87.4 ppm Dy, 1212 ppm Nd, 582 ppm Hf over 7.64m;
 - Section FSC-20-04: 22,949 ppm Zr, 106 ppm Dy, 1337 ppm Nd, 596 ppm Hf over 6.38m;
- **SILVER FOX** contains Zr (Hf) values much higher than any other CREE resource (**FOXTROT** and **DEEP FOX**) or mineralized zone (**FOX MEADOW** and **AWESOME FOX**) in SE Labrador.

Awesome Fox Prospect

Awesome Fox was originally discovered in 2012 and channeled in 2013 and 2014. A UAV drone magnetometer survey in 2019 outlined a continuous magnetic anomaly on the property that contained all previous channels. The 2020 channel program was designed to test the anomaly on the property. Seven channels were trenched and sampled in areas of little or no outcrop. Assays indicate that the mineralized zone is at least 850m long and from 4-43m thick; includes high grade subzones 3-4m thick.

Additional channels and extensions to previous channels are required to better define the surface extent of the known medium- to high-grade mineralization; an infill channel program is planned for the 2021 exploration season. Mineralization is hosted by felsic peralkaline volcanic rocks similar to those at the nearby Foxtrot and Deep Fox deposits, and the Silver Fox and Fox Meadow mineralized zones.

HIGHLIGHTS – 2020 AWESOME FOX MINERALIZED ZONE

- The 2020 and previous channel programs indicate that mineralization within the UAV magnetic anomaly is at least 850m long and 4-43m thick;
- Channel assay highlights (all true widths):
 - Section FMC-20-02: 11,146 ppm Zr, 247 ppm Dy, 1,533 ppm Nd, 379 ppm Pr, over 3.34m;
 - Section FMC-20-03: 17,079 ppm Zr, 198 ppm Dy, 1,191 ppm Nd, 306 ppm Pr over 4.31m;
 - Section FMC-20-07: 14,562 ppm Zr, 211 ppm Dy, 1,142 ppm Nd, 298 ppm Pr over 3.97m;
- Channels outline several medium- to high-grade zones within low-grade mineralization.

Environmental Assessment Notice from Federal and Provincial Agencies

Search has received notice from the Canadian Environmental Assessment Agency (“CEAA”) and from the Province of Newfoundland and Labrador (“Province”) for Search to provide an Environmental Impact Statement (“EIS”). Both CEAA and the Province have provided final guidelines required for the preparation of the EIS. In August 2018, both CEAA and the Province completed a site visit to Foxtrot and Deep Fox. Both agencies will work in concert to reduce duplication in the EIS process. The Company has initiated environmental baseline studies as defined in the guidelines. The environmental baseline studies will take place along with transparent and open communication with all stakeholders and interest groups in the submission of the EIS. This EIS preparation is another milestone in the development and permitting of the project.



Search Water Leach Pilot Plant at SGS

Direct Extraction Process Refining

Search Minerals completed a successful \$1.9M pilot plant operation in June 2017 using the proprietary Direct Extraction Process at SGS Canada (Lakefield) (“**SGS**”) Lakefield, Ontario. The pilot plant provided Search with a sample of a 99% high purity mixed rare earth oxide concentrate (“**REO Concentrate**”) for further testing at separation facilities. The Company has been in continued discussion with various separation refineries whom have either tested the material or reviewed the technical information from the pilot plant. The funding of the pilot plant was provided by \$750,000 from the Newfoundland and Labrador Department of Tourism, Culture, Industry and Innovation (“**TCII**”) and \$500,000 from the Atlantic Canada Opportunities Agency (“**ACOA**”)

In conjunction with processing the FOXTROT material during the pilot plant operation, a bench-top demonstration test of the Deep Fox mineral sample was also completed at **SGS**. The test highlights provided extractions of 90.8% Neodymium, 90.5% Praseodymium, 81.3% Dysprosium and 82.5% Terbium, which compare favorably with the extractions from the Foxtrot recent pilot plant studies.

On November 28, 2018, Search received a further research and development funding commitment from **TCII** and **ACOA** totaling \$606,537 to assist in the refinement and optimization of the Search Minerals Direct Extraction Process. The total program cost was estimated to be \$806,000 and TCII and ACOA reimbursing Search for \$606,537 of the allowable costs.

The bench and pilot plant portion of the project has been completed and has produced the following highlights:

- Best extraction of 87% Neodymium (Nd), 88% Praseodymium (Pr), 77% Dysprosium (Dy) and 78% Terbium (Tb) by acid treatment/water leaching of -0.5 mm crushed Foxtrot Deposit material.
- As an alternative, the precipitation of a mixed rare earth carbonate with 58% REO content was demonstrated after supplemental removal of aluminum from the zinc free solution.
- Effective removal of uranium from the primary water leach solution or the secondary re-leach solution using ion exchange. Uranium was reduced to below detection limit in solution. Similarly, thorium was removed below the detection limit from the secondary re-leach solution using solvent extraction technology.

The information from this program will ultimately be used to design and operate future demonstration and commercial processing plants.

The proprietary process is a direct leach on crushed material, thereby eliminating grinding, flotation, gravity and magnetic separation, and as a result produces waste that is a dry stackable inert residue, thereby eliminating the need for wet tailing ponds. Search has been able to reduce the initial capital costs as a smaller, yet profitable, scale operation. Management continues to review advancement in separation technology which could provide the same or lower separation pricing as existing proven solvent extraction processing.

Also, Search is exploring the opportunity to build and operate a demonstration plant. This demonstration plant would provide Search with substantially more REO Carbonate or REO Concentrate for further refining and certifications required to secure an off-take agreement. Search would look to secure funding for the demonstration plant with a mixture of alternative financings, equity financings and various government assistance programs.

In April 2020, **SGS** has been commissioned to conduct preliminary metallurgical testing on a channel sample from **SILVER FOX** for recovery of a zirconium and hafnium mineral concentrate. **SILVER FOX** is the fourth major mineralized zone in the Port Hope Simpson – St. Lewis Critical Rare Earth Element (“**CREE**”) District and is enriched in zirconium and hafnium content in comparison to **FOXTROT** and **DEEP FOX** Resources.



In March 2020, Atlantic Canada Opportunities Agency (“ACOA”) approved funding of up to \$50,000 towards the completion of two engineering studies to further advance the Company’s Critical Rare Earth Element District in South East Labrador, Canada. The first study has been completed and has provided an updated cost of capital and operating costs for a full processing facility operating at 2,000 tonnes per day. The second engineering study is nearing completion and will determine both capital and operating costs and design of a 1/200 scale demonstration plant to be built and operated on-site in St. Lewis, Labrador treating 10 tonnes per day of rare earth containing material.

Current and Future Rare Earth Element Market

On September 30, 2020, United States President Trump signed a “*Executive Order on Addressing the Threat to the Domestic Supply Chain from Reliance on Critical Minerals from Foreign Adversaries*”. The order provides timelines to make recommendations and actions to address the Domestic Supply Chain.

Ford, GM and Fiat/Chrysler along with Federal and Provincial funding, have committed to making electric vehicles in Ontario. Having Original Equipment Manufacturers (“OEM”) producing electric cars could help build the rare earth supply chain in Canada.

The Government of Saskatchewan recently announced \$31 million in funding for a Rare Earth Processing Facility in Saskatoon that will be owned and operated by SRC. The SRC Rare Earth Processing Facility is positioned as a catalyst to stimulate the resource sector in Saskatchewan and across Canada to generate industry investment and growth. The Processing Facility will have the ability to process rare earth concentrates and to separate rare earths into individual rare earth oxide products using the conventional solvent extraction process.

We believe the upward trending expansion of the rare earth permanent magnet market will continue and our project could be poised to benefit from this expected growth. Search Minerals is seeking various ways to link with these government mandated initiatives as the growth in electric vehicle and clean and green technologies are expanding and rare earth elements are a key ingredient to meet these challenges.

MINERAL PROPERTIES

The rare earth 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 and Y – Yttrium. Additional elements of interest are Zr – Zirconium and Nb – Niobium.

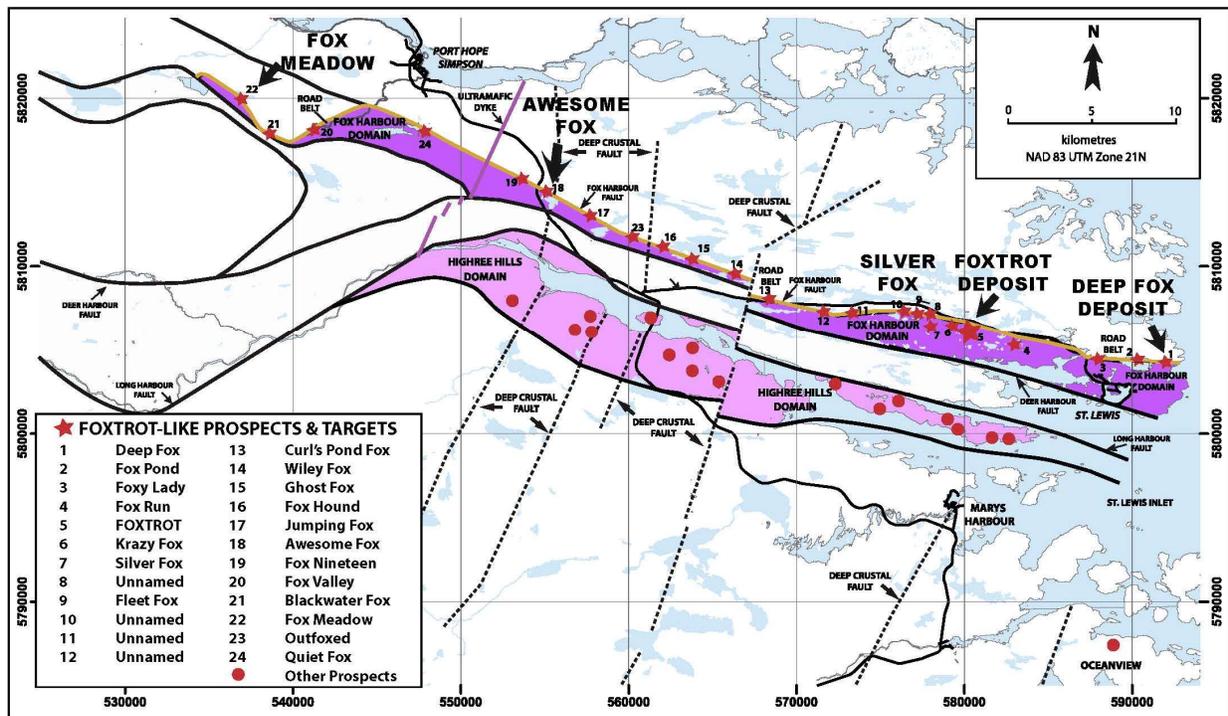
Although the Company has taken steps to verify title to mineral properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee a clear title. Property title may be subject to unregistered prior agreements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

Critical Rare Earth Element District, Labrador

Search Minerals Inc. began exploring for Rare Earth Elements (“REE”) near the communities of St. Lewis and Port Hope Simpson in 2009. Early in the exploration cycle it became apparent that the company-discovered NW trending Fox Harbour volcanic belt contained significant quantities of REE, Zr and Hf and had the potential to be a prolific District. The FOXTROT deposit, on which a favourable Preliminary Economic Assessment (“PEA”) now exists (updated in April 2016), was discovered in 2010 through systematic follow-up of coincident airborne radiometric/magnetic anomalies. More than 20 additional prospects were identified within a 70 km long and 8 km wide belt that was staked by Search in 2009-2010.

Search controls a rapidly emerging Critical Rare Earth Element (“CREE”) District in SE Labrador that is road accessible and on/near tidewater. The FOXTROT Deposit was the first of four important discoveries. The Company recently completed a 5000 m drill program and produced a mineral resource estimate at Deep Fox, the second discovery. A channel sampling program is ongoing for Fox Meadow and Silver Fox, the third and fourth discoveries. Surface channel sample and drill core sample assays at Deep Fox yielded average grades at least 15% higher than channels

at FOXTROT. Search has identified more than 20 other prospects in this highly accessible District and has developed a proprietary, scalable, hydrometallurgical process to optimize every opportunity to position as a competitive low-cost supplier of CREE well into the future. Search enjoys tremendous support from the Government of Canada and the Government of Newfoundland and Labrador, both of which have financially supported the development of our proprietary metallurgical process. In addition, Search personnel on the ground have built strong relationships with local communities and with the Nunatukavut Community Council who represent the local indigenous people. All of these factors will help to ensure that our project can be brought into production at relatively low capital and operating costs and in a timely manner.



Foxtrot Project

Based on a total indicated resource of 7.39 million tonnes and an inferred resource of 1.98 million tonnes, the Life of Mine Plan outlined in the PEA indicates that 4.9 million tonnes of material at an average grade of 0.98% Rare Earth Elements (“REE”) could be mined over a 14-year period, including open pit mining for the first eight years and underground mining thereafter. Drilling indicates that the mineralization at Foxtrot is open at depth below the current resource and PEA Mine Plan.

On February 16, 2016, the Company announced the results of the updated PEA on its Foxtrot Project. The final NI 43-101 PEA was filed on www.sedar.com on May 2, 2016. The PEA evaluates an open pit-underground scenario with lower capital costs, a lower mining rate and higher grade processing facility feed. The revised PEA was prepared by Roscoe Postle Associates Inc. (“RPA”). It reconfirms the Foxtrot Project has positive economics and the potential to become a profitable producer of REE. Highlights of the PEA include:

- \$152 million initial capital cost – includes \$33 million contingency
- \$57 million underground mining capital (Year 8)
- \$23 million sustaining and closure capital
- \$1.713 billion total net revenue

- Net Present Value (10%) discount rate of \$93 million pre-tax and \$48 million after-tax
- Internal rate of return of 22.2% pre-tax and 16.7% after-tax
- Payback period of 3.5 years pre-tax and 4.4 years after-tax
- Undiscounted cash flow of \$327 million pre-tax and \$226 million after tax
- Mine life: 14 years: 8 years open pit, 6 years underground

The Mineral Processing Engineering Study from SNC-Lavalin (June 2015) along with the updated Foxtrot Mineral Resource (December 2015) was the basis of the PEA to ensure Search's proprietary metallurgy process would lead to significant cost savings in capital and operating costs. Search has been able to reduce the initial capital costs as a smaller, yet profitable, scale operation. The Foxtrot project supports low initial capital costs, a good IRR, a short payback period, and is scalable. A feature of the Foxtrot deposit geology allows Search to commence mining in mineralized material for early cash flow. The Processing Facility for this PEA would be located at the proposed Foxtrot mine site, however, further development in the District may determine that an alternative location may be more beneficial. The PEA outlines our current business model as Search continues to seek potential strategic and off take partners.

Deep Fox Project

(Formerly called the Deepwater Fox Prospect)

Deep Fox is located 12 km east of the Foxtrot deposit and became Search's second major discovery within the Fox Harbour volcanic belt (part of the CREE District) following an initial channel sampling program during the 2014 field season. The Deep Fox project is located atop a hill, nearby the abandoned fishing community of Deepwater Creek.

The Deep Fox project is easily accessed via a recently constructed 1.5 km long bush road beginning near the St. Lewis Airport. The 53 initial channel samples taken at Deep Fox were used to plan a much more extensive channel sampling program in 2015 in which 16 channels were sampled. A further 5 infill channels were completed in 2017, four channel extensions completed in 2018, and three channels completed in 2019 to support the drill program. Including all four completed channeling programs, a total of 24 channels have been cut at the Deep Fox project and 1156 samples have been collected and analyzed.

The resources delineated at Deep Fox would be close enough to the proposed FOXTROT mine development to provide additional feed to either extend the life of the overall operation and/or to facilitate a scaling-up for greater operational economies.

The geological model developed for the Foxtrot deposit indicates that peralkaline volcanic rock hosted mineralization observed on surface also occurs at intersection depths (vertically below the surface) of at least 400m (mineralization is open at depth). At Foxtrot the mineralization, both higher and lower grades, dips at 70-90° towards the north and extends continuously from the surface to the deepest intersection; specific geological units can be followed from the surface to each progressively deeper drill hole.

Like the Foxtrot Deposit, the Deep Fox REE deposit occurs in the Fox Harbour volcanic belt, is hosted by peralkaline felsic volcanic rocks and dips 70-90° towards the north. Twenty-three drill holes at Deep Fox indicate high CREE grades and significant widths both underground and on surface. These are similar to or higher than those found at Foxtrot. The Deep Fox mineral resource estimate was completed on November 12, 2019.

Fox Meadow Prospect

The Fox Meadow discovery is located 11km west of Port Hope Simpson and 1km southeast of a graveled forest access road, which extends southwestward from the Trans Labrador Highway. Mineralization coincides with two overlapping magnetic anomalies approximately 1.2km long and 250m wide. Geological mapping and channel sampling indicate that the mineralization occurs in a band up to 124m wide and at least 625m long. Medium- to high-grade mineralization within this band is up to 42m wide.

The observed surface dimensions of higher-grade mineralization at Fox Meadow are now larger than both Foxtrot Deposit (10-14m wide and 400m long) and Deep Fox Prospect (up to 34m wide and 500m long). CREE channel

sample assays from Fox Meadow are similar to those at Deep Fox and Foxtrot, affirming that Fox Meadow is the third substantial Foxtrot-like mineralized zone in the District.

The Fox Meadow prospect is located about 60 km from Deep Fox and 50 km from Foxtrot by gravel and paved roads.

Silver Fox Prospect

The Silver Fox discovery is located 14 km west of St. Lewis, 2 km west of Foxtrot and about 1 km south of an all-season graveled road. Geological mapping and channel sampling indicate that the mineralization occurs in a low- to medium-grade CREE band up to 9m wide and at least 1100m long; this mineralized zone is thinner than the nearby Foxtrot zone and the other two larger CREE prospects. However, Zr + Hf values at Silver Fox are about twice those of the three major CREE mineralized zones/resources. Silver Fox's Zr + Hf mostly occurs in the mineral Zircon; this mineralization-type is being evaluated as a Zr + Hf mineral zone with minor CREE.

Awesome Fox

This Foxtrot-like deposit has many characteristics similar to Fox Meadow: 1) low U and Th values, 2) significant High-Zr Pantellerite zones, 3) magnetite-bearing and magnetite-absent mineralized zones, and, 4) relatively large dimensions. Also, like Fox Meadow, it appears that many more channels and extensions to previous channels are required to more accurately define the dimensions of this deposit.

The mineralized zone is at least 850m long and 4-43m thick.

Most of this area is tree and overburden-covered and needs an excavator to expose bedrock for sampling.

Red Wine Property, Labrador

On June 28, 2015, the Company purchased from Great Western Minerals Group Ltd. ("GWMG") its interest in the Red Wine Property for \$20,000. GWMG had acquired its approximate 50% interest in the Red Wine Property pursuant to an option agreement between the Company and GWMG dated July 23, 2010. Following the acquisition, the Company now owns 100% of the Red Wine Property. Although the Company has written-down costs for accounting purposes, the Company still holds the Red Wine Property. The Red Wine property is located approximately 100 km north-east of Churchill Falls, Labrador. The majority of these claims do not require any expenditure until the year 2022.

NunatuKavut Community Council

On August 27, 2012, as amended on November 13, 2014, the Company entered into 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 value. The agreement also sets out hiring and business opportunities for NunatuKavut members and communities as well as certain financial considerations. The agreement will continue indefinitely unless one or both parties elect to terminate.

SELECTED ANNUAL INFORMATION

The Company's fiscal year 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, 2020 (\$)	November 30, 2019 (\$)	November 30, 2018 (\$)
Total Revenues	-	-	-
Loss	(1,549,525)	(882,612)	(1,131,996)
Loss per Share (basic and diluted)	(0.01)	(0.00)	(0.01)
Deferred Resource Property Exploration Expenditures	693,708	958,842	1,178,414
Total Assets	13,903,055	13,235,446	11,951,744
Total Liabilities	2,298,228	2,475,511	2,007,311
Dividends Declared	-	-	-

During the years ended November 30, 2020 and November 30, 2018, the Company's loss increased due to an increase in interest expense and other finance related expenses as well as an increase in share-based compensation expense relating to stock options.

RESULTS OF OPERATIONS

Year ended November 30, 2020 and 2019

The Company had a loss of \$1,549,525 (\$0.01 per share) for the year ended November 30, 2020 as compared to a loss of \$882,612 (\$0.00 per share) for the year ended November 30, 2019. 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.

	2020 (\$)	2019 (\$)
Loss for the year as reported	(1,549,525)	(882,612)
Add (deduct):		
Amortization	85,372	10,040
Flow-through premium income	-	(10,000)
Amortization of transaction costs	100,280	1,521
Accretion expense	80,948	77,273
Finance charge on leases	21,299	-
Interest expense	192,307	124,833
Share-based compensation – stock options	372,407	117,249
Loss (gain) on debt settlements	36,035	(44,000)
Loss on debt refinancing	80,920	-
Gain on lease amendment	(58,500)	-
Adjusted loss for the year ⁽¹⁾	(638,457)	(605,696)

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

- Amortization increased during the year due to the adoption of new lease accounting standards which reduces rental expense and increases amortization.
- The flow-through premium income represents the value of the tax benefits transferred from Search to the flow-through share investors.
- Amortization of transaction costs relates to the convertible debentures and the promissory notes.

- Accretion expense represents the accounting entry required to bring the book value of the convertible debentures and promissory notes up to their face value at maturity. This accretion expense represents the additional interest expense.
- Interest expense represents the interest incurred on the convertible debentures and promissory notes which bear interest at the rate of 10-15% per annum.
- The Company granted 12,550,000 stock options during the 2020 year and 7,550,000 stock options during the 2019 year. The options vested on the date of grant.

The increase in the adjusted loss for the year months ended November 30, 2020 compared to the year ended November 30, 2019 is the net result of a number of differences in various expenses as follows:

- Accounting and audit fees of \$82,261 (2019: \$67,208) are comprised of fees to maintain the accounting records and prepare financial reports as required.
- Administration expense and management fees of \$270,000 (2019: \$264,671) are comprised of fees paid to executive management of the company as well as administrative staff.
- Consulting fees of \$47,694 (2019: \$13,817) are fees paid to a consultant to assess markets for our future products.
- Legal fees of \$40,880 (2019: \$28,377) are general legal fees to comply with various regulations and general business requirements.
- Office and miscellaneous expenses of \$66,190 (2019: \$55,809) includes insurance and other miscellaneous expenses.
- Regulatory and transfer agent fees of \$42,387 (2019: \$35,432) are fees paid to maintain the listing on the TSX-V and other transaction fees.
- Shareholder communications of \$7,904 (2019: \$26,383) are fees incurred to market the Company to current and potential investors.
- Travel and accommodation expenses of \$9,668 (2019: \$41,780) includes executive travel to the properties in Newfoundland as well as travel for investor relations purposes.

Three months ended November 30, 2020 and 2019

	2020 (\$)	2019 (\$)
Loss for the period as reported	(740,385)	(215,316)
Add (deduct):		
Amortization	19,395	4,038
Amortization of transaction costs	30,042	1,521
Accretion expense	28,749	20,014
Loss (gain) on debt settlements	57,227	-
Interest expense	50,870	28,995
Share-based compensation – stock options	372,407	-
Gain on lease amendment	(58,500)	-
Adjusted loss for the period ⁽¹⁾	(240,195)	(160,748)

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

The increase in the adjusted loss for the period was due primarily to the increase in administration and management fees from \$48,983 in the 2019 period to \$135,000 in the 2020 period due to the timing of bonuses issued in fiscal 2020 compared to fiscal 2019.

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, 2020.

	Three Months Ended (\$)			
	Nov 30, 2020	Aug 31, 2020	May 31, 2020	Feb 29, 2020
Total Revenues	-	-	-	-
Loss	(740,385)	(244,486)	(269,027)	(295,627)
Loss Per Share (basic and diluted) ⁽¹⁾	(0.00)	(0.00)	(0.00)	(0.00)
Total Assets	13,903,055	13,588,893	13,303,962	13,348,383
Total Liabilities	2,298,228	3,365,308	2,927,798	2,720,154
Shareholders' Equity	11,604,827	10,223,585	10,376,164	10,628,229

	Three Months Ended (\$)			
	Nov 30, 2019	Aug 31, 2019	May 31, 2019	Feb 28, 2019
Total Revenues	-	-	-	-
Loss	(215,316)	(337,788)	(179,007)	(150,501)
Loss Per Share (basic and diluted) ⁽¹⁾	(0.00)	(0.00)	(0.00)	(0.00)
Total Assets	13,235,446	12,827,990	12,409,564	12,283,317
Total Liabilities	2,475,511	1,942,565	2,677,603	2,372,349
Shareholders' Equity	10,759,935	10,885,425	9,731,961	9,910,968

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

FINANCING ACTIVITIES

Subsequent to November 30, 2020, the Company completed financings as follows:

- On January 6, 2021, the Company completed a private placement of 8,900,000 units at a price of \$0.06 per unit for gross proceeds of \$534,000. 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 for a period of two years at a price of \$0.06 per common share in the first year and \$0.08 in the second year.
- The Company issued 50,000 common shares to NunatuKavut under the original terms of the Mining Exploration Activities Agreement.
- On March 11, 2021, the Company completed a private placement of 25,000,000 units at a price of \$0.07 per unit for gross proceeds of \$1,750,000. 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 March 11, 2022. In connection with the private placement, the Company paid cash finders' fee of \$13,608 and issued 194,400 share purchase warrants entitling the holder thereof to purchase a common share of the Company at \$0.10 per common share up to March 11, 2022.
- 6,000,000 share purchase warrants at \$0.05 were exercised for gross proceeds of \$300,000, 1,500,000 share purchase warrants at \$0.06 per share were exercised for gross proceeds of \$90,000, 3,304,254 share purchase warrants at \$0.07 per share were exercised for gross proceeds of \$231,298 and 165,000 share purchase warrants at \$0.10 per share were exercised for gross proceeds of \$16,500.

- Subsequent to November 30, 2020, the Company received a promissory note in the amount of US\$115,000 (CDN\$146,706) from InCoR. The promissory note matures on June 2, 2021 and bears interest at 24% per annum with a minimum interest period of six months. Subsequent to November 30, 2020, the Company repaid the promissory note of US\$115,000 and interest of US\$13,800 (aggregate amount of CDN\$164,210).

During the year ended November 30, 2020, the Company completed financings as follows:

- On January 13, 2020, the Company completed a flow-through private placement of 1,400,000 flow-through common shares at a price of \$0.05 per flow-through share for gross proceeds of \$70,000. As at November 30, 2019, the Company had received subscriptions of \$50,000.
- On January 13, 2020, the Company completed a debt settlement transaction with NunatuKavut. The Company issued 500,000 common shares of the Company to settled \$25,000 of accounts payable. In addition, the Company issued 50,000 common shares to NunatuKavut under the original terms of the Mining Exploration Activities Agreement.
- On February 28, 2020, the Company received \$150,000 from InCoR Holdings Plc. The Company agreed that the existing \$850,000 convertible debenture together with the \$150,000 would be rolled over into a new convertible debenture with principal amount of \$1,000,000. In connection with the extension, the Company paid InCoR a \$50,000 forbearance fee. The \$1,000,000 secured convertible debenture was to expire on November 30, 2020, bore interest at 15% per annum, calculated and paid semi-annually in cash or in common shares at InCoR's option. The debenture was convertible into units of the Company at a conversion price of \$0.05 per unit. On November 12, 2020, InCoR elected to convert the \$1,000,000 secured convertible debenture and accordingly, the Company issued 20,000,000 units with each unit being comprised of one common share and one common share purchase warrant entitling the holder to acquire one additional common share at an exercise price of \$0.05 per common share up to November 12, 2025.
- On March 16, 2020, the Company was advanced an unsecured promissory note of \$100,000 from an arm's length party. The promissory note matures on March 16, 2021, repayable at any time without penalty and bears interest at a rate of 10% per annum, payable quarterly. Pursuant to the loan, the Company issued 2,000,000 bonus warrants to the lender, with each bonus warrant entitling the holder to purchase one common share of the Company at a price of \$0.05 per common share up to March 16, 2021. During the year ended November 30, 2020, the Company repaid \$50,000 and subsequent to November 30, 2020, the Company repaid the remaining \$50,000.
- In April 2020, the Company obtained an unsecured \$80,000 line of credit as part of the government's economic response plan to the COVID-19 pandemic. The line of credit is interest free and is eligible for 25% forgiveness if \$60,000 is fully repaid by December 31, 2022. If not repaid in full by the maturity date, the line of credit will be converted into a loan at a fixed interest rate of 5% per annum with a maturity date of December 31, 2025. The Company borrowed \$80,000 from the line of credit as at November 30, 2020.
- On June 25, 2020, the Company closed a non-brokered secured convertible debenture private placement for gross proceeds of \$500,000 with an arm's length party. The \$500,000 convertible debenture was to mature on June 25, 2021, bore interest at 15% per annum, calculated and paid semi-annually. The convertible debenture was convertible into units of the Company at a conversion price of \$0.05 per unit. On November 12, 2020, the lender elected to convert the \$500,000 debenture and accordingly, the Company issued 10,000,000 units with each unit being comprised of one common share and one common share purchase warrant entitling the holder to acquire one additional common share at an exercise price of \$0.05 per common share up to November 12, 2025.
- On July 8, 2020, the Company completed a debt settlement transaction with InCoR Holdings PLC. The Company issued 1,386,164 common shares of the Company at the fair value of \$0.04 per share, \$55,447, to settle \$69,308 of interest payable to InCoR resulting in a gain on debt settlement of \$13,861.

- On November 12, 2020, the lender agreed to extend the \$200,000 November 15, 2019 promissory note by one year to November 15, 2021 in exchange for issuing 4,000,000 warrants exercisable into one common share for one year at a price of \$0.05 per share. Subsequent to November 30, 2020, the Company repaid the \$200,000 promissory note.
- On November 30, 2020, the Company completed debt settlement transactions. The Company issued 3,815,060 common shares of the Company at the fair value of \$0.065 per share, \$247,979, to settle \$85,000 of accounts payable, \$67,397 of interest payable to InCoR and \$38,356 to the lenders of promissory notes resulting in a loss on debt settlement of \$57,226.
- In Q4 fiscal 2020, the Company received \$100,000 in non-interest bearing due on demand loans from InCoR. Subsequent to November 30, 2020, the loans were repaid.
- The company received government assistance of \$220,981.

During the year ended November 30, 2019, the Company completed financings as follows:

- On January 3, 2019, the Company completed a flow-through private placement of 2,000,000 flow-through units at a price of \$0.05 per flow-through unit for gross proceeds of \$100,000. Each unit is comprised of one flow-through 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 \$0.06 per common share up to January 30, 2021. The fair value of the flow-through premium was determined to be \$10,000 with the remaining \$90,000 being allocated to the units. A value of \$10,000 has been attributed to the warrants using the residual method. As at November 31, 2019, the Company had incurred eligible Canadian Exploration Expenditures of \$100,000. Accordingly, the Company recorded the flow-through premium liability as an other income item amounting to \$10,000.
- The Company received from InCoR Holdings Plc an aggregate of \$350,000 in non-interest bearing, due on demand loans secured against the assets of the Company. During the year ended November 30, 2019, the balance of \$350,000 was repaid in cash.
- On June 17, 2019, the Company completed a Rights Offering of 45,535,170 common shares at a price of \$0.03 per common share for gross proceeds of \$1,366,055.

In connection with the Rights Offering, the Company entered into a standby guarantee agreement (the "Standby Guarantee") with InCoR. Under the Standby Guarantee, InCoR agreed to subscribe for all common shares that were not otherwise purchased by the Company's shareholders. InCoR's total subscription was 34,008,634 common shares under the Rights Offering. As compensation for providing the Standby Guarantee, the Company granted InCoR 8,727,625 share purchase warrants. The share purchase warrants are exercisable at a price of \$0.05 per common share up to June 17, 2024.

In connection with the equity financings, the Company incurred cash issue costs of \$36,766.

- On November 15, 2019, the Company received a promissory note of \$200,000 from an arm's length party. The promissory note matures on November 15, 2020 and bears interest at 10% per annum. Interest is payable quarterly. The Company also issued a total of 4,000,000 warrants to the promissory note holder. Each warrant was exercisable into one common share for one year at a price of \$0.05 per share.
- The Company received government assistance of \$532,623.

LIQUIDITY AND CAPITAL RESOURCES

As at November 30, 2020, the Company's cash balance was \$100,797 with a working capital deficiency of \$2,071,522.

The Company's operations consumed \$854,064 of cash, before working capital items, during the year ended November 30, 2020 (2019: \$686,529) with an additional \$760,536 (2019: \$1,371,927) utilized on mineral property deferred exploration expenditures. The cash requirement for the year ended November 30, 2020 was fulfilled from cash on hand at the beginning of the year, \$220,981 of government assistance, \$650,000 from issuance of convertible debentures, \$270,000 from issuance of promissory notes and demand loans, \$80,000 from a line of credit and \$20,000 from completing a flow-through financing.

The Company's aggregate operating, investing and financing activities during the year ended November 30, 2020 resulted in a net decrease in its cash balance from \$228,101 at November 30, 2019 to \$100,797 at November 30, 2020. The Company's working capital decreased by \$27,545 correspondingly during the year and stood at a deficiency of \$2,071,522 at November 30, 2020. The Company has accumulated losses since inception of \$19,894,704.

Subsequent to November 30, 2020, the Company completed private placement equity financings for gross proceeds of \$2,284,000. The proceeds were used in part to pay all outstanding promissory notes and demand loans. As of the date of this MD&A there is a line of credit outstanding with the Government of Canada for \$80,000.

The Company does not have any commitments for material capital expenditures over the near term or long term other than a \$10,000 annual payment to the vendors of the Quinlan Property.

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

GOING CONCERN

The consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will be able to meet its obligations and continue its operations for the foreseeable 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, 2020, the Company had not yet achieved profitable operations, had a working capital deficiency of \$2,071,522, had an accumulated deficit of \$19,894,704 since inception and expects to incur further losses in the development of its business. Management is in the process of obtaining additional financial 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. Subsequent to November 30, 2020, the Company completed private placement equity financings for gross proceeds of \$2,284,000.

In March 2020, there was a global pandemic outbreak of COVID-19. The actual and threatened spread of the virus globally has had a material adverse effect on the global economy and; specifically, the regional economies in which the Company operates. The pandemic could continue to have a negative impact on the stock market, including trading prices of the Company's shares and its ability to raise new capital. These factors, among others, could have a significant impact on the Company's operations. These material uncertainties may cast significant doubt upon the Company's ability to continue as a going concern.

TRANSACTIONS WITH RELATED PARTIES

During the years ended November 30, 2020 and 2019, the Company incurred the following expenditures charged by directors and officers of the Company and/or companies they owned or were significant shareholders of:

	2020	2019
	\$	\$
Administration and management fees ⁽¹⁾	270,000	260,000
Non-executive directors fees	54,000	54,000
Mineral property expenditures		
Geological consulting, salaries, wages and benefits ⁽²⁾	178,000	174,000
Metallurgical consulting ⁽³⁾	130,000	125,000
Share-based compensation	224,038	69,107
	856,038	682,107

⁽¹⁾ Includes salary earned by the CEO, Greg Andrews. The business purpose of the transactions was to compensate Mr. Andrews for administration and management services provided. The Company has an employment contract with Greg Andrews that includes a termination clause and a change of control provision calling for lump sum payments.

⁽²⁾ 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.

⁽³⁾ Includes fees billed by the VP of Metallurgy, 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 notice period of 180 days.

At November 30, 2020, due to related parties of \$1,121,619 (2019: \$831,496) included 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 CEO, VP of Metallurgy, VP of Exploration and the directors of the Company. The compensation paid or payable to key management for services during the year ended November 30, 2020 and 2019 is as follows:

	2020	2019
	\$	\$
Short-term benefits	632,000	613,000
Share-based compensation	224,038	69,107
	856,038	682,107

InCoR is a related party as they appointed two directors of the Company. InCoR has provided financing to the Company as described in the Financing Activities and the Liquidity and Capital Resources sections of this MD&A.

FINANCIAL INSTRUMENTS

Designation of Financial Instruments

The Company's financial instruments consist of cash, trade payable, due to related parties, promissory note payable, convertible debenture, lease obligations and line of credit. The Company's cash, trade payable, due to related parties, promissory note payable, convertible debenture lease obligations and line of credit 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. The Company had working capital (deficiency) as follows:

	November 30, 2020	November 30, 2019
	\$	\$
Current assets	146,706	378,534
Current liabilities	(2,218,228)	(2,422,511)
Working capital (deficiency)	(2,071,522)	(2,043,977)

Subsequent to November 30, 2020, the Company completed private placement equity financings for gross proceeds of \$2,284,000.

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, 2020, 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

As at November 30, 2020, the Company had promissory notes bearing interest at 10%-24% per annum and a line of credit bearing interest at a fixed rate of 5% per annum. As the Company had no variable rate interest bearing financial instruments, 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: 310,846,326 common shares as at March 30, 2021.

Options and warrants outstanding as at March 30, 2021:

Security	Number	Exercise Price	Expiry Date
Stock Options	4,950,000	\$0.08	August 14, 2021
Stock Options	7,450,000	\$0.08	February 7, 2023
Stock Options	12,550,000	\$0.08	November 17, 2025
TOTAL	24,950,000		

Security	Number	Exercise Price	Expiry Date
Share Purchase Warrants	12,529,400	\$0.10	March 11, 2022
Share Purchase Warrants	12,304,031	\$0.07	July 12, 2022
Share Purchase Warrants	7,887,536	\$0.07	July 12, 2022
Share Purchase Warrants	8,900,000	⁽¹⁾ \$0.06	January 6, 2023
Share Purchase Warrants	3,140,988	\$0.07	July 5, 2023
Share Purchase Warrants	8,727,625	\$0.05	June 17, 2024
Share Purchase Warrants	30,000,000	\$0.05	November 12, 2025
TOTAL	83,489,580		

⁽¹⁾ Exercisable at \$0.06 in the first year and \$0.08 in the second year.

DISCLOSURE CONTROLS AND PROCEDURES

In connection with National Instrument 52-109 (Certificate of Disclosure in Issuer's Annual and Interim Filings) ("NI 52-109"), the Chief Executive Officer and Chief Financial Officer of the Company have filed a Venture Issuer Basic Certificate with respect to the financial information contained in the consolidated financial statements for the year ended November 30, 2020 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 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. Defense 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 that 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>.

QUALIFIED PERSONS:

Dr. David Dreisinger, Ph.D., P.Eng., is the Company's Vice President, Metallurgy and Qualified Person for the purposes of NI 43-101. Dr. Dreisinger has reviewed and approved the technical disclosure contained herein as applicable.

Dr. Randy Miller, Ph.D., P.Geo, is the Company's Vice President, Exploration, and Qualified Person (as defined by National Instrument 43-101) who has supervised the preparation of and approved the technical information reported herein as applicable. The company will endeavour to meet high standards of integrity, transparency, and consistency in reporting technical content, including geological and assay (e.g., REE) data.