

Material Change Report

1. **Name and Address of Company**

Search Minerals Inc.
1320 – 885 West Georgia Street
Vancouver, B.C. V6C 3X8

2. **Date of Material Change**

August 9, 2011

3. **News Release**

The news release was disseminated on August 9, 2011 through Marketwire.

4. **Summary of Material Change**

Search Minerals Announces Option for Votorantim Group to Acquire 50% Interest in its SALT Technology Process for Nickel Laterite Extraction in Brazil

5. **Full Description of Material Change**

5.1 Full Description of Material Change

See attached.

5.2 Disclosure for Restructuring Transactions

Not applicable

6. **Reliance on Subsection 7.1(2) or (3) of National Instrument 51-102**

Not applicable

7. **Omitted Information**

Not applicable

8. **Executive Officer**

For further information, contact:
Jim Clucas, President
Telephone 604-688-6180

9. **Date of Report**

August 16, 2011.



NEWS RELEASE

FOR IMMEDIATE RELEASE: AUGUST 9, 2011

SEARCH MINERALS ANNOUNCES OPTION FOR VOTORANTIM GROUP TO ACQUIRE 50% INTEREST IN ITS SALT TECHNOLOGY PROCESS FOR NICKEL LATERITE EXTRACTION IN BRAZIL

VANCOUVER, August, 9 2011 – Search Minerals Inc. (“Search” or the “Company”) (TSXV: SMY) is pleased to announce it has signed an agreement with **Votorantim Metais Níquel S.A.** and **Votorantim Novos Negócios S.A.**, operating subsidiaries of **Votorantim Participações S.A. (“Votorantim”)**, a privately owned Brazilian conglomerate headquartered in the city of São Paulo, Brazil, pursuant to which Votorantim will undertake testwork on the Company’s Starved Acid Leaching Technology (“**SALT**”) process. The testwork will be carried out at a pilot plant to be designed and assembled by Votorantim at Brazil’s Centro de Tecnologia Mineral (“**CETEM**”).

Under the terms of the agreement, Search has granted Votorantim the option, exercisable for up to three years, to acquire a 50% interest in the SALT patent if and when the patent is issued by Brazil’s National Institute of Intellectual Property (“**INPI**”). Search filed a patent application in respect of the SALT process with INPI in early 2011. On exercise of the option, Votorantim would be entitled to an undivided 50% interest in the patent, which will entitle Votorantim to use and exploit the patent within Brazil in accordance with the terms of the agreement.

In order to maintain the option in good standing during the option period, Votorantim must fund the testwork to be carried out at the CETEM pilot plant and prepare a final report assessing the results of the testwork. Votorantim will also pay Search an advanced royalty of US\$500,000 per year in the event that Votorantim constructs a process plant utilizing the SALT process at its Niquelândia or Cípo mine sites or its other mineral projects in Brazil. The advanced royalty payments are deductible against an annual 0.75% net smelter return payable to Search in the event Votorantim achieves commercial production using the SALT process at such projects.

If Votorantim exercises the option and acquires a 50% interest in the SALT patent, Votorantim will be entitled to a one year exclusivity period during which neither party may further license the use of the SALT process to third parties within Brazil. Subsequent to such exclusivity period, both Votorantim and Search will be entitled to further license the SALT process within Brazil, in which event, income generated from such licensing shall be shared on a 50/50 basis in accordance with their respective interests. If either party options or acquires a project within Brazil in respect of which the SALT process will be used, the other party will be entitled to elect to participate and fund its share of such project. In the event the other party elects not to participate, such party will be entitled to a 0.25% net smelter royalty on any production from such project utilizing the SALT process.



Votorantim's rights in respect of the SALT process are exclusively within Brazil and will not impair Search's rights to exploit the technology for its sole benefit in other jurisdictions.

Jim Clucas, President and Chief Executive Officer states: *"Search is pleased to have formed an option alliance with the Votorantim Group, one of the largest mining conglomerates in Latin America. This association continues to endorse Search's SALT process to treat certain nickel laterite deposits which are currently sub-economic. We look forward to forming similar alliances in other global jurisdictions in the near future."*

About the Votorantim Group

The Votorantim Group is one of the largest privately held conglomerates in Latin America with operations in 24 countries worldwide. The Group's activities are focused on cement, mining, pulp and paper, steel, orange juice, energy and financial services. In 2010 Votorantim reported consolidated net revenues of R\$ 29,497 million (USD 17,703 million) EBITDA of R\$ 7,420 million (USD 4,454 million) and net income of R\$ 4,870 million (USD 2,923 million). The conglomerate employs about 40,000 people in Brazil and overseas.

About Search Minerals Inc.

Search Minerals Inc. (TSXV:SMY) is a TSX Venture Exchange listed company, headquartered in Vancouver, B.C. Search is the discoverer of the Port Hope Simpson REE District, a highly prospective light and heavy REE belt located in southeast Labrador where the company controls a dominant land position in a belt 135km long and up to 12km wide. In addition, Search has a number of other mineral prospects in its portfolio located in Newfoundland and Labrador, including a number of claims in the Strange Lake Complex, where Quest Rare Minerals has an earn-in agreement with the Company; and at the Red Wine Complex, where Great Western Minerals Group has an earn-in agreement with the Company.

Furthermore, Search Minerals is the owner of patents relating to the Starved Acid Leaching Technology ("SALT"), a process with the potential to aid in the recovery of certain metals.

Search Minerals is lead by a management team and board with a proven track record in the mining industry. The Company has a team with deep geological and metallurgical expertise lead by Dr. Randy Miller and Dr. David Dreisinger. The Company is well-funded and has an aggressive exploration program planned for the remainder of 2011.

All material information on the Company may be found on its website at www.searchminerals.ca and on SEDAR at sedar.com.



For further information, please contact:

Jim Clucas
President & Chief Executive Officer
Joanne C. Jobin
Investor Relations Manager

T: 604-688-6180
E: jimclucas@searchminerals.ca
T: 647-964-2092
E: joannejobin@searchminerals.ca

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