

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 8, 2012

3. **News Release**

The news release was disseminated on August 8, 2012 through CNW Group.

4. **Summary of Material Change**

Search Minerals Closes First Tranche of Non-Brokered Financing

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 8, 2012



**NEWS RELEASE
FOR IMMEDIATE RELEASE:**

Search Minerals Closes First Tranche of Non-Brokered Financing

VANCOUVER, August 8, 2012 – Search Minerals Inc. (“Search” or the “Company”) (TSXV: SMY) is pleased to announce that it has closed the first tranche of its non-brokered private placement announced on May 29, 2012 and July 12, 2012. On closing, the Company issued 4,000,000 units (the “Units”) at a price of \$0.20 per Unit to Sercor Ltd. (“Sercor”) for gross proceeds of \$800,000. Each Unit consists of one common share and one common share purchase warrant. Each warrant will entitle the holder to acquire an additional common share of Search until August 8, 2014 at a price of \$0.20 per share. The Company closed the private placement on the same terms as it originally announced on May 29, 2012, other than the term and exercise price of the warrants. The Company extended the term of the warrants from 12 months to 24 months and reduced the exercise price of the warrants from \$0.30 to \$0.20.

Following closing, Sercor holds an aggregate of 9,772,225 common shares of the Company, representing 19% of the Company’s outstanding shares (or 32.5% assuming full conversion of warrants held by Sercor). In connection with the financing, the Company has granted Sercor the right to nominate two additional directors to the Company’s board of directors, raising the total number of Sercor’s nominees to three. Following the appointment of the additional directors, the Company’s board of directors will be comprised of a total of eight directors. The Company will issue a further press release once the nominees have been identified and formally appointed.

All securities issued pursuant to the initial tranche are subject to a hold period expiring on December 8, 2012. No finders fees or commissions are payable in connection with financing.

A second and final tranche of the private placement pursuant to which the Company will issue up to an additional 1,000,000 Units for additional proceeds of \$200,000 is expected to close within the next two weeks.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility of the adequacy or accuracy of this release.



About Search:

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 a Joint Venture with the Company.

Furthermore, Search Minerals is the owner of the Starved Acid Leaching Technology (patents pending) ("SALT"), a process with the potential to economically recover nickel and cobalt from known deposits currently considered sub economic.

Search Minerals is led by a management team and Board of Directors with a proven track record in the mining industry. The Company has experienced geological and metallurgical teams led by Dr. Randy Miller and Dr. David Dreisinger respectively.

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

For further information, please contact:

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Cautionary Statement:

This news release contains forward-looking statements that are not historical facts. Forward-looking statements involve risks, uncertainties and other factors that could cause actual results, performance, prospects, and opportunities to differ materially from those expressed or implied by such forward-looking statements. Factors that could cause actual results to differ materially from these forward-looking statements include those risks set out in Search's public documents filed on SEDAR at www.sedar.com. Although Search believes that the assumptions and factors used in preparing the forward-looking statements are reasonable, undue reliance should not be placed on these statements, which only apply as of the date of this news release, and no assurance can be given that such events will occur in the disclosed time frames or at all. Except where required by law, Search disclaims any intention or obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.