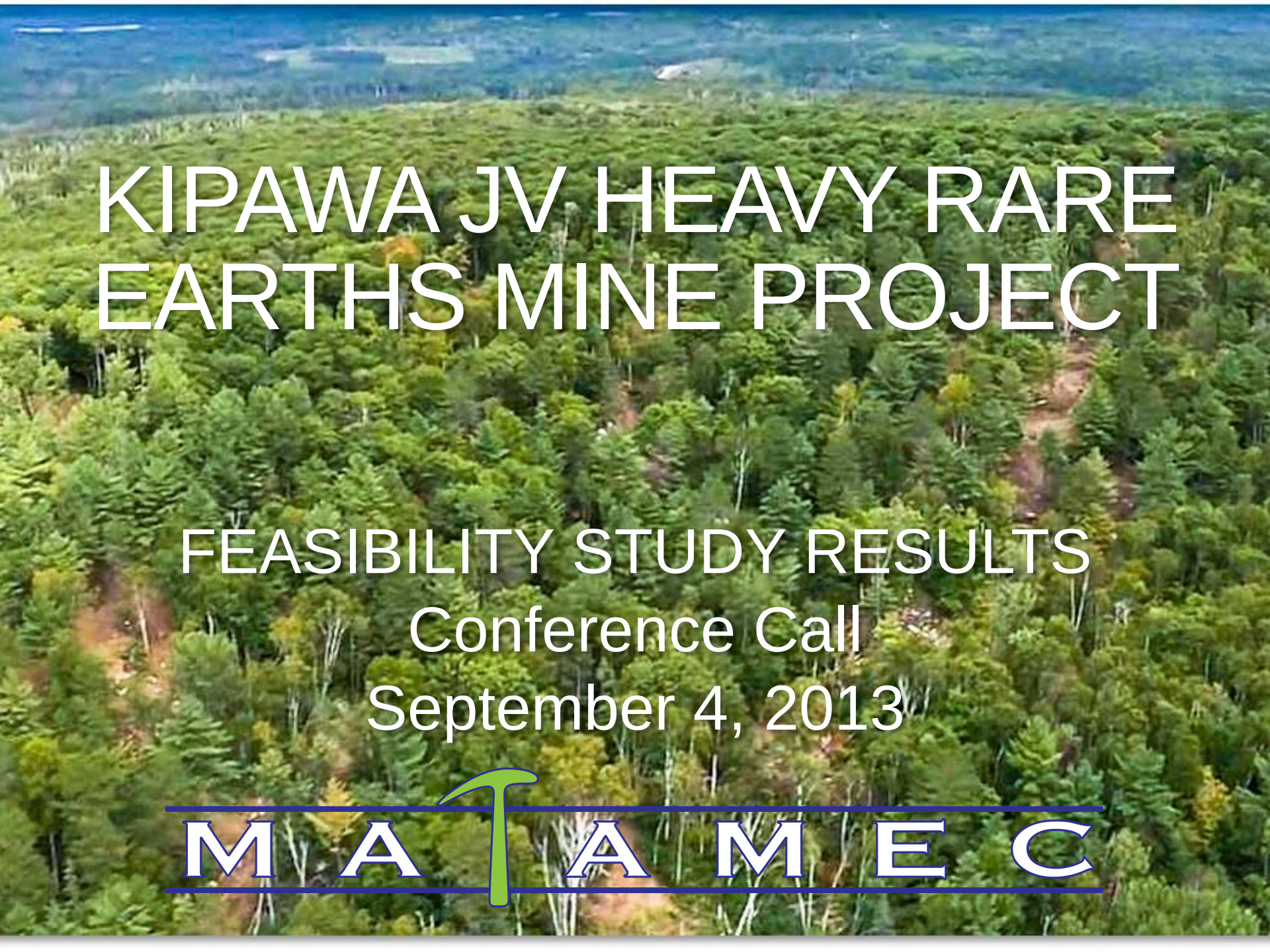

KIPAWA JV HEAVY RARE EARTHS MINE PROJECT

FEASIBILITY STUDY RESULTS
Conference Call
September 4, 2013

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DISCLAIMER

This presentation contains "forward-looking information" within the meaning of Canadian Securities legislation. Generally, forward-looking statements can be identified by the use of forward-looking terminology such as "scheduled", "anticipates", "expects" or "does not expect", "is expected", "scheduled", "targeted", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking statements contained herein include, without limitation, statements relating to mineral reserve estimates, mineral resource estimates, realization of mineral reserve and resource estimates, capital and operating costs estimates, the timing and amount of future production, costs of production, success of mining operations, the ranking of the project in terms of cash cost and production, permitting, economic return estimates, power and storage facilities, life of mine, social, community and environmental impacts, rare metal markets and sales prices, off-take agreements and purchasers for the Company's products, environmental assessment and permitting, securing sufficient financing on acceptable terms, opportunities for short and long term optimization of the Project, and continued positive discussions and relationships with local communities and stakeholders. Forward-looking statements are based on assumptions management believes to be reasonable at the time such statements are made. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. Although Matamec has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. Factors that may cause actual results to differ materially from expected results described in forward-looking statements include, but are not limited to: Matamec's ability to secure sufficient financing to advance and complete the Project, uncertainties associated with Matamec's resource and reserve estimates, uncertainties regarding global supply and demand for rare earth materials and market and sales prices, uncertainties associated with securing off-take agreements and customer contracts, uncertainties with respect to social, community and environmental impacts, uncertainties with respect to optimization opportunities for the Project, as well as those risk factors set out in the Company's year-end Management Discussion and Analysis dated December 31, 2012 and other disclosure documents available under the Company's profile at www.sedar.com. Forward-looking statements contained herein are made as of the date of this presentation and Matamec disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise, except as required by applicable securities laws.

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OVERVIEW

- FS Highlights
- Project Development
- Social Acceptability
- Environment and Permitting
- Geology, Mining and Processing
- CAPEX, OPEX, Pricing and Financial Models
- Upside Opportunities and Optimization
- Next Steps
- Q&A

FS HIGHLIGHTS – POSITIVE RESULTS

Kipawa HRE Project Financial Model for 15.2 years LOM in CDN$	
$NPV_{10\%}$	$260 million (pre-tax)
IRR	21.6% (pre-tax)
Revenue	$2.55 Billion
EBITDA	$1.37 Billion
CAPEX (initial)	$374 million - Contingency (15%)
OPEX (annual)	$78.5 million
Payback Period	3.9 years (pre-tax)
Life of Mine	15.2 years
Concentrate Production	3,653 tonnes (annual avg.)

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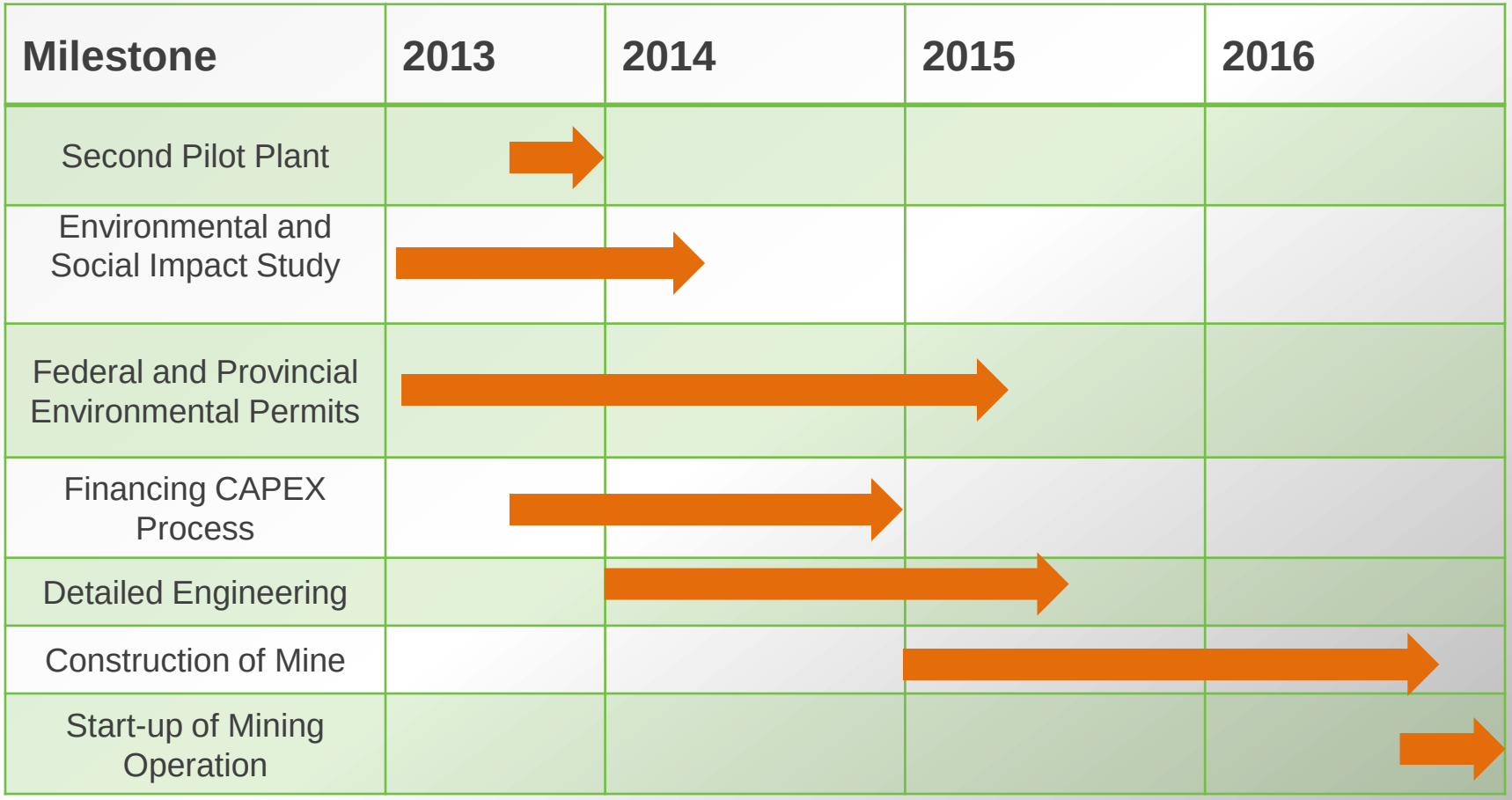
PROJECT DEVELOPMENT – SOLID PLAN



SOCIAL ACCEPTABILITY - KEY PRIORITY

Presence in the Community

Local Office

2 employees

Social Implication

A presence both in participation and sponsorships

Member of the Chamber of Commerce

Témis-accord

Temiscaming - Kipawa


ENVIRONMENT &
PERMITTING

ENVIRONMENT – ENSURING REQUIRED STANDARDS FOR FUTURE GENERATIONS

- Environmental protection laws governing mining development in Quebec and Canada are among the most stringent in the world
- Regardless of its small size, Kipawa must comply with:
  - The guidelines of the Directive 019 (Mining project framework)
  - Canadian Environmental Assessment Act
- These laws ensure contaminants will not adversely affect the environment

PROVINCIAL PROCESS
(ENVIRONMENT QUALITY ACT - QUEBEC)

- Presentation of the project to the Ministère du Développement durable, de l'Environnement, de la Faune et des Parcs (« MDDEFP ») in April 2012

Next steps:

- Finish the Environmental and Social Impact Assessment
- Apply for the Certificate of Approval (CA) at winter 2014
- MDDEFP evaluation period, including a Q&A
- BAPE process might apply but subject to gov't decision
- The MDDEFP will issue its decision concerning the CA

FEDERAL PROCESS

CANADIAN ENVIRONMENTAL ASSESSMENT ACT (CEAA)

- Role of the CEAA:
  - Provide Canadians with the assurance that environmental and social impacts of the project will be evaluated
- January 31, 2013 - Project notice submitted to the CEAA
- March 28, 2013 – CEAA confirmed that an Environmental Impact Assessment (EIA) is required on Kipawa project
- In May 2013 guidelines for EIA were provided by the CEAA
- Agency requires one year to complete analysis of EIA
- Through the process Public Consultation consists of 4 stages:
  - 2 are completed
  - 2 of which are still to come

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GEOLOGY, MINING & PROCESSING

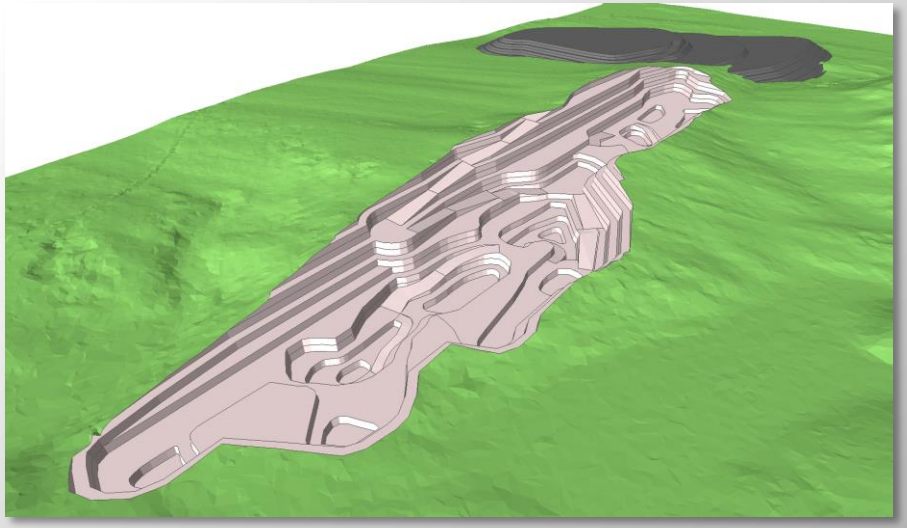
MINERAL RESERVES

In-pit Mineral Reserves	Metric Tonnes (mt)
Proven (51.7% of the deposit)	10,221,000
Probable (48.3% of the deposit)	9,548,000
Total	**19,769,000**

Total Grade	
La_2O_3	0.0588
Ce_2O_3	0.1195
Pr_6O_{11}	0.0146
Nd_2O_3	0.0550
Sm_2O_3	0.0123
Eu_2O_3	0.0015
Gd_2O_3	0.0119
Tb_4O_7	0.0022
Dy_2O_3	0.0147
Ho_2O_3	0.0032
Er_2O_3	0.0101
Tm_2O_3	0.0016
Yb_2O_3	0.0096
Lu_2O_3	0.0013
Y_2O_3	0.0943
TREO	**0.4105**

KIPAWA PROJECT

- A deposit with a simple mineralogy
- Enriched in heavy rare earths
- 10-12 tonnes per day of concentrate produced at the process plant
- Mine will operate for 15.2 years



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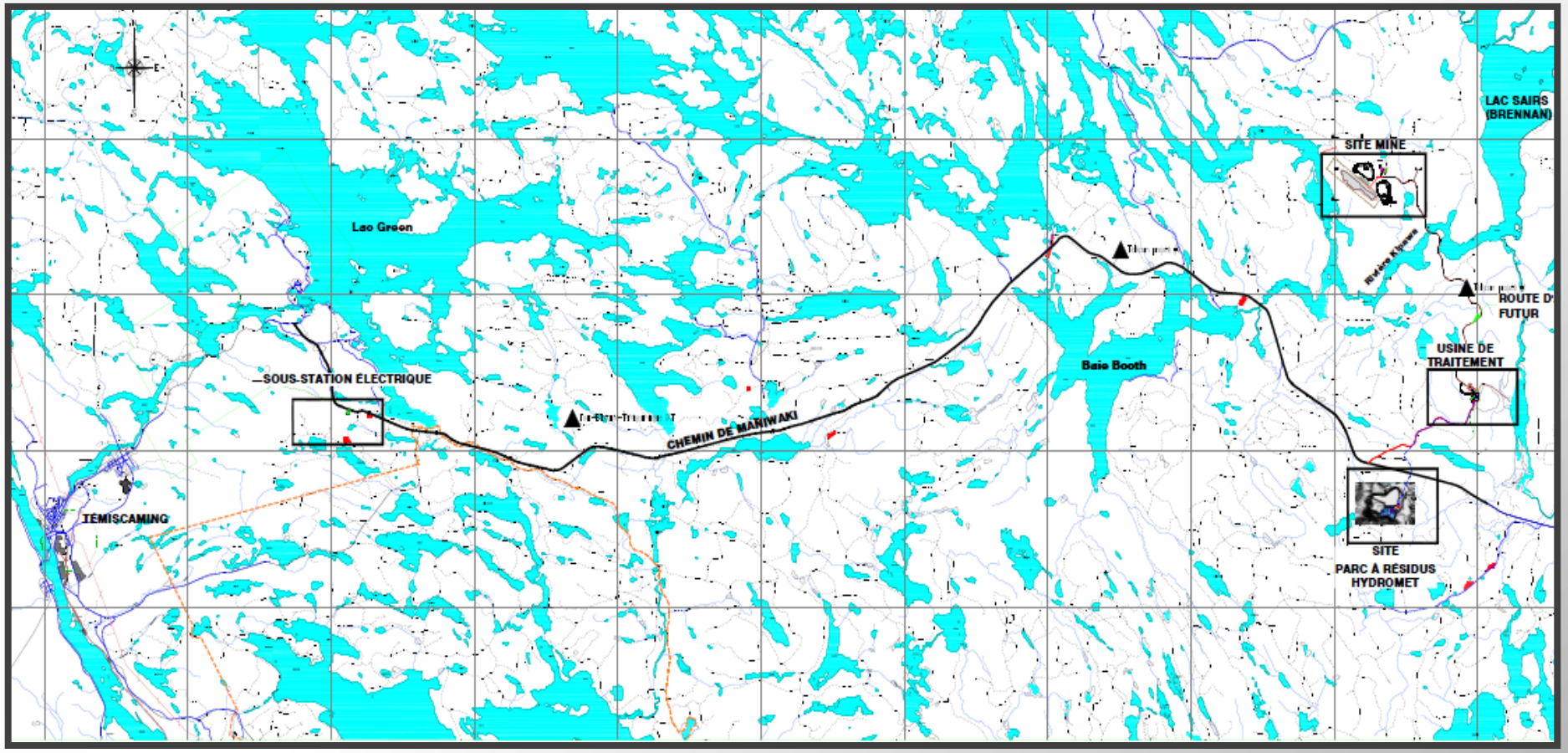
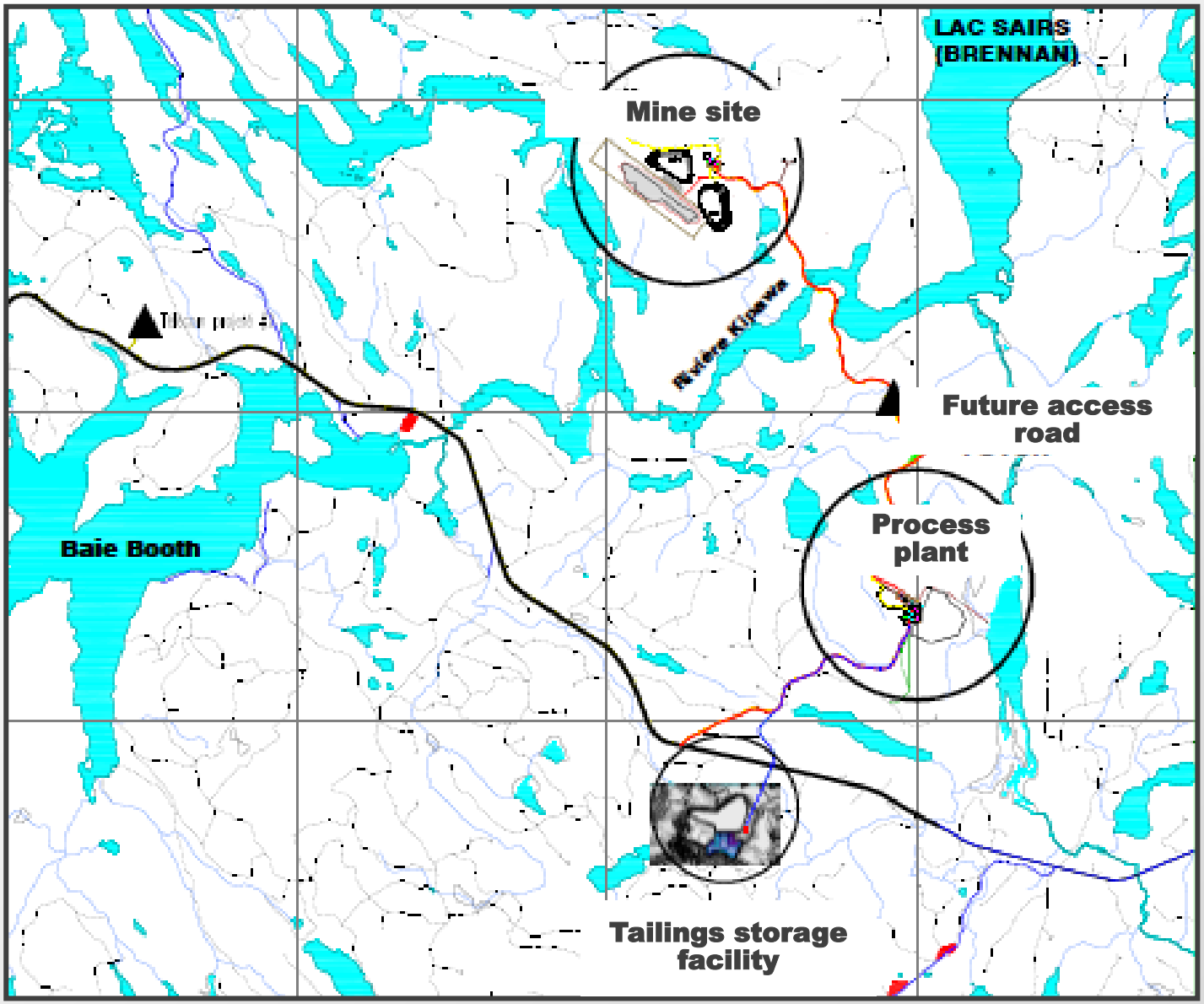
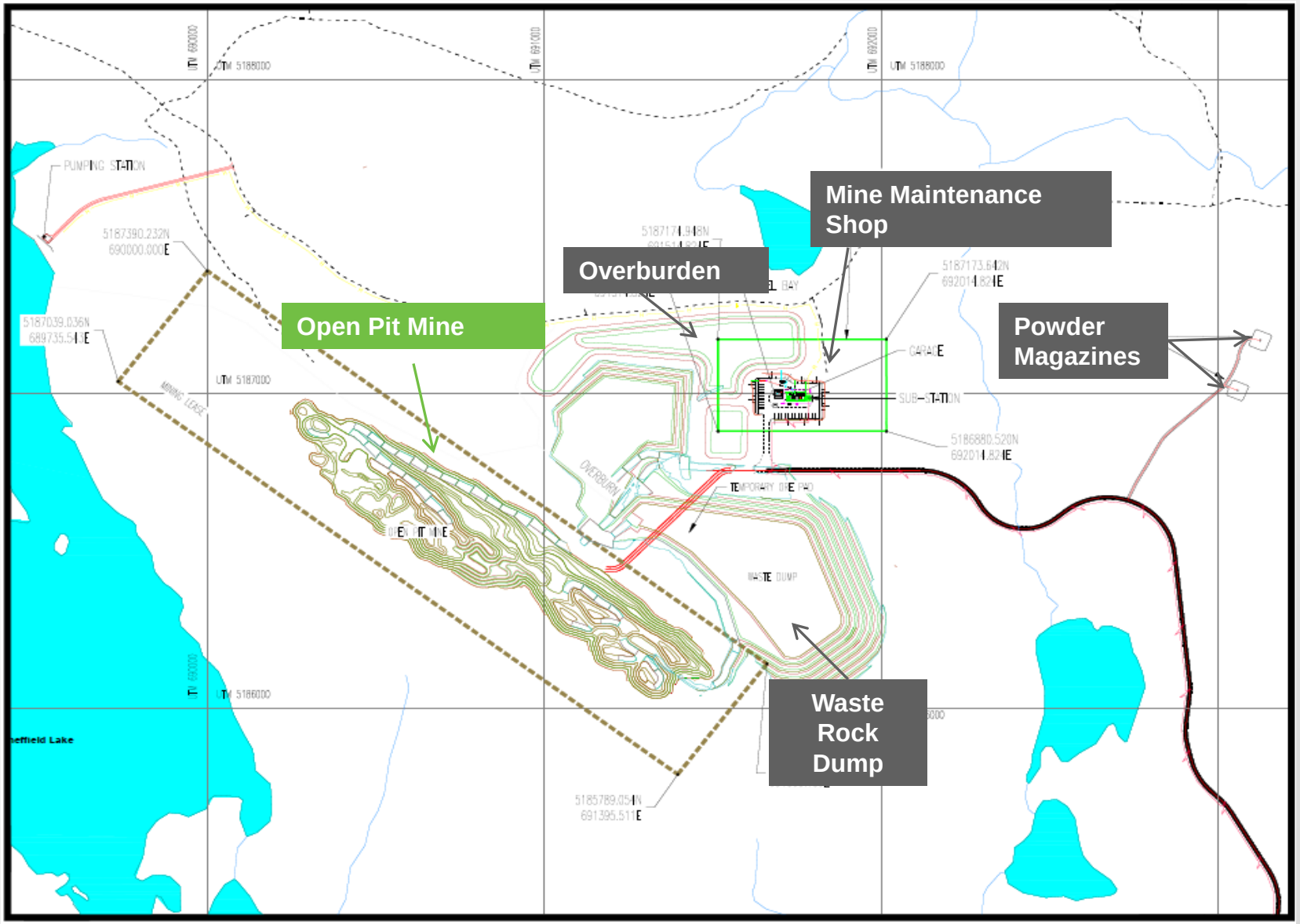
KIPAWA MINE PROJECT – LOCATION



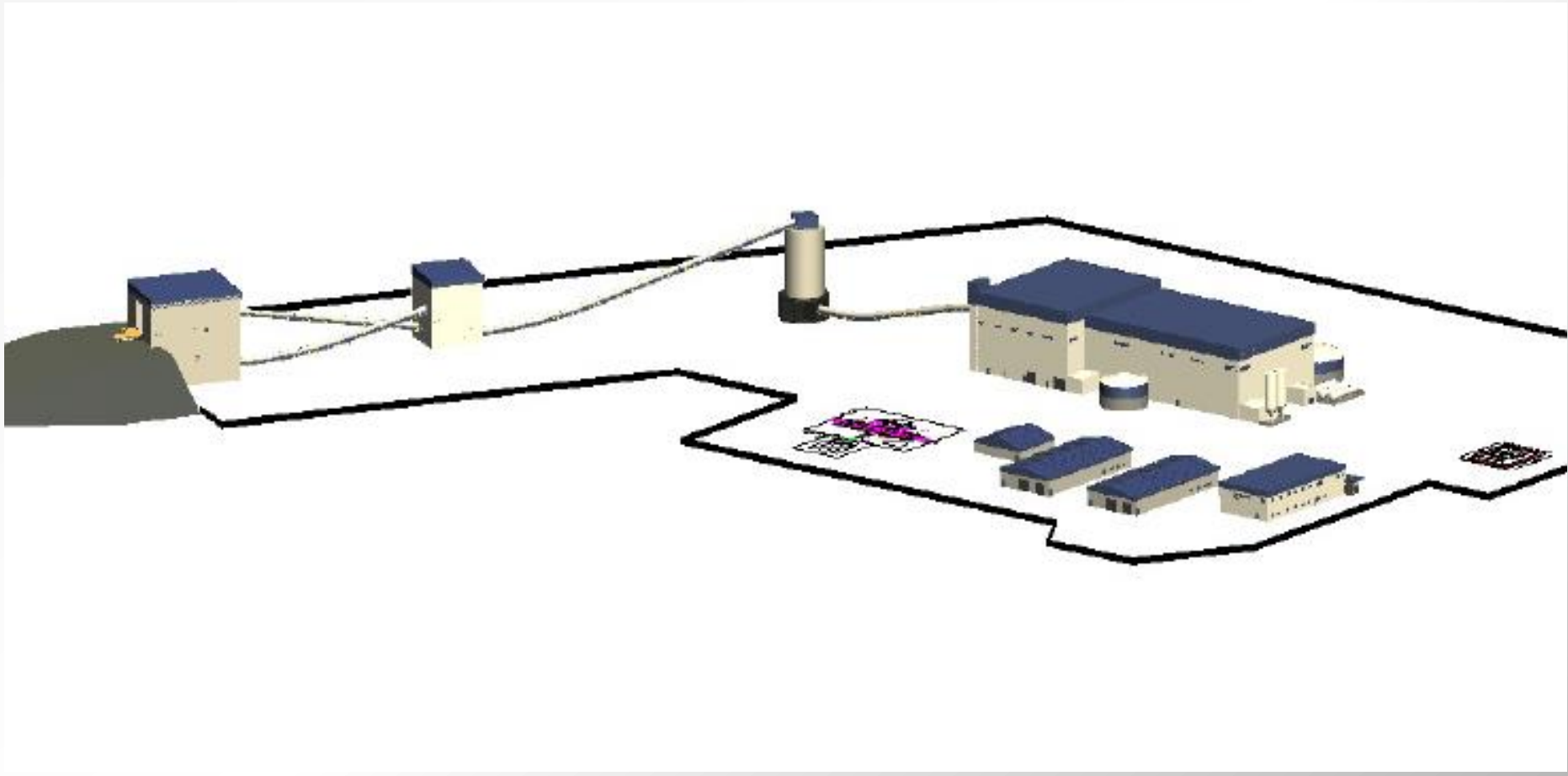
INFRASTRUCTURE – LOCATIONS



INFRASTRUCTURE – MINE SITE



INFRASTRUCTURE – PROCESS PLANT SITE



CAPEX, OPEX, PRICING AND FINANCIAL MODELS

MODERATE CAPEX

Capital Cost Items	Cost (Million $ CAD)
Off-Site Installation near Temiscaming town	
Main Sub-Station / Hydro-Quebec Power / Parking	**9.76**
Inter-Site Services	
Power line 44kV / Communications / Part of Access road	**13.35**
Mine Site	
Mining Equip / Pre-Prod./ Roads / Shop / …and other	**41.92**
Processing Plant Site	
Support Infrastructures	23.27
Process Plant	137.21
Fresh Water Supply	4.79
Tailing Storage Facilities / Pipelines / Effluent treatment	27.69
Sub Total	**192.96**
Total Direct Costs	**257.99**
Total Indirect and Owner's Costs	**67.56**
Overall Contingency (15%)	**48.83**
Total Costs	**374.4**

COMPETITIVE OPEX

OPEX is $78.5 million per year or $21.53/kg mixed TREO concentrate

	Average
Net Metal Return (NMR)*	**$46.97 /kg TREO**
Mining	$4.97 /kg TREO
Processing**	$13.35 /kg TREO
G&A	$3.18 /kg TREO
Cash Costs	**$21.53 /kg TREO**
Production of mixed contained TREO concentrate	3,653 tpa

*NMR = Grade x Recovery x Revenue

**Processing includes tailings management costs

OPEX Estimates Based on Following Parameters:

- Tonnes of mineralized rock and waste mined per year: 2.5 million
- Tonnes of mineralized rock milled per year: 1.3 million
- Tonnes of mixed HRE concentrate: 1,516 tpa
- Tonnes of mixed LRE concentrate: 2,137 tpa
- Total manpower required for operation: 229 employees

A LOOK AT THE REO PRICING 2016

Rare Earth Oxides	PEA Price Forecast for 2016 (FOB China, $US/kg REO)	FS Price Forecast For 2016 (Ex-Works Mine-Site, $US/kg REO)	Metal Pages FOB China, $USD/kg REO August 27th, 2013	Asian Metal 2011 Peak Price (FOB China, $US/kg REO)
Cerium (Ce_2O_3)	$5.00	**$5.90**	$7.00	$151.00
Lanthanum (La_2O_3)	$10.00	**$5.95**	$6.50	$140.00
Neodymium (Nd_2O_3)	$75.00	**$75.00**	$82.00	$370.00
Praseodymium (Pr_6O_{11})	$75.00	**$75.40**	$110.00	$251.00
Samarium (Sm_2O_3)	$9.00	**$6.85**	$11.00	$136.00
Europium (Eu_2O_3)	$500.00	**$1,100.00**	$1,060.00	$5,600.00
Gadolinium (Gd_2O_3)	$30.00	**$59.40**	$49.00	$186.00
Terbium (Tb_4O_7)	$1,500.00	**$1,076.00**	$950.00	$4,200.00
Dysprosium (Dy_2O_3)	$750.00	**$713.00**	$540.00	$2,500.00
Yttrium (Y_2O_3)	$20.00	**$29.40**	$23.00	$200.00
Holmium (Ho_2O_3)	$65.00	**$53.60**	**$77.88	***$711.00
Erbium (Er_2O_3)	$40.00	**$63.60**	**$57.60	$300.00
Thulium (Tm_2O_3)*	-	**$1,200.00**	n/a	n/a
Ytterbium (Yb_2O_3)*	-	**$56.70**	**$54.35	***$142.00
Lutetium (Lu_2O_3)	$320.00	**$1,400.00**	**$1,136.00	***$1,357.00

***At PEA, no value s were attributed to Tm and Yb due to prices were available at date of publication. ** From Asian Metal August 28, 2013. Prices shown represent Chinese Domestic RE Prices. ***Chinese Domestic price listed – rounded to the nearest dollar.**

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UPSIDE OPPORTUNITIES & OPTIMIZATION

- **Additional Upside Opportunities:**
  - **Mining:** Room for pit design improvement at detailed engineering
  - **Metallurgy**:
    - Optimization testwork and 2nd pilot plant to improve recoveries and reduce reagent consumption which leads to lower processing costs
    - Investigate testwork to separate to the individual REO's
    - Possible addition of a separation plant
  - **Production Scale:** Potential optimization concerning production rate scenarios in order to maximize the IRR on the project
- **Expansion:**
  - **Resources:** Verification of lateral and down dip extension by drilling
  - **By-Products:** Testwork to recover zirconium and other by-products (minor metals) in the REE mineralized zones and in the syenite body

POSITIONED FOR LONG-TERM GROWTH

- Secure financing to take us into the development stage before the construction phase begins
- 2ND pilot plant this fall at SGS Lakefield with the goal to further optimize the metallurgy
- Complete off-take agreement with TTC.
- Acceptance of social license to operate through standard environmental and social evaluation process
- Start of construction subsequent to receipt of permits in 2015
- Project commissioning starting Q4 2016

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QUESTIONS?


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