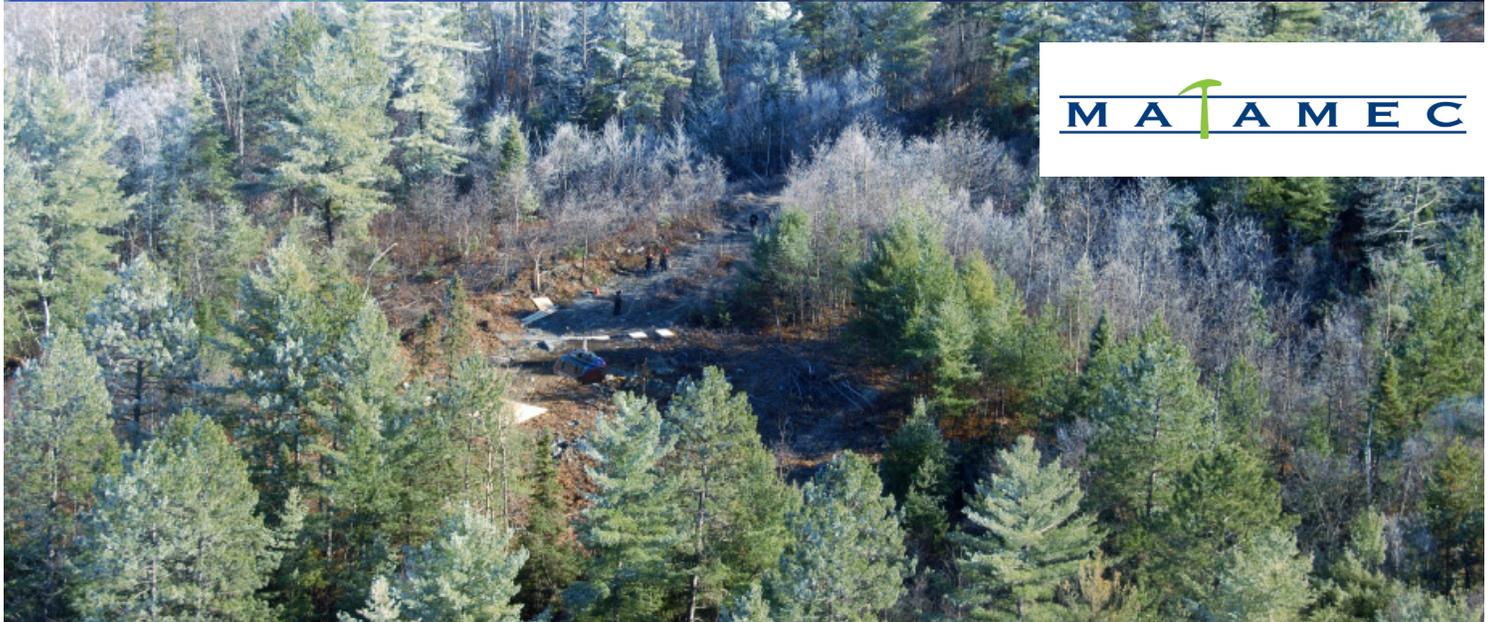




eNewsletter

CHF Spotlight

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MATAMEC

Kipawa

Fueling Tomorrow's Energy Technology Needs

Matamec Explorations Inc. (TSX-V:MAT) is a junior mining exploration company with two divisions: Matamec Gold and Matamec Energy. In this feature article, we are focused on the Energy Division. Matamec Energy's flagship project is the Kipawa Rare Earths JV, owned at 72% by the Company and 28% by Ressources Québec (acting as agent of the government of Québec); Toyota Tsusho Corp. (Nagoya, Japan) holds a 10% royalty on net profit in the deposit. The Energy division's other properties include three lithium projects and one cobalt project – two key elements necessary for the production of many types of batteries – as well as a nickel-cobalt-PGM property.

The Matamec Gold division contains 8 properties, most of which are located in close proximity to prolific mining camps. Four properties are located in the Timmins area, and three of these are close to Goldcorp's Hoyle Pond Mine, an active mine that produced 274,300 ounces gold in 2015. Three other properties are located in the James Bay region of Québec, within the area identified for development under the Québec government's Plan Nord investment initiative. These include: the Sakami and

Opinaca Gold West properties, located in the same geophysical structure as Goldcorp's Éléonore Mine, which produced 268,100 ounces of gold in 2015; and Casa Detour, located close to the Casa Berardi Mine. An eighth gold property, Valmont, is located in the Gaspé region of Québec, and is being explored for a copper-gold porphyry system.

Matamec Energy: One of North America's Most Advanced Rare Earths Projects

Kipawa Rare Earths JV was created in January 2015 when Ressources Québec, which had purchased \$1 M of Matamec common shares in 2014, invested an additional \$3M to acquire a 28% interest in the Kipawa Project. There is still \$1.2 M of the original \$4 M budgeted for 2017. These funds will be used to continue to develop the project and to improve the metallurgi-



cal processes used, as well as to fund tests at a second mini-pilot plant and the completion of a plan for a demonstration pilot plant. The Company also plans to continue its ongoing pursuit of a social license with aboriginal communities and non-aboriginal stakeholders, and holds regular discussions with strategic industrial and financial partners.

Rare earth yttrium-zirconium mineralization at the Kipawa deposit is contained in medium sized grains of silicate minerals, as Eudialyte and Mosandrite representing 90% of the REE contents. The deposit features light and heavy rare earths, and is enriched in heavies. The total reserves now stand at 10.2Mt at 0.44% TREO proven and 9.6Mt at 0.38% TREO probable. (Roche, Genivar, SGS and Golder – October 2013). The Kipawa deposit features 13 of the 31 key elements for energy-related new technologies that have been identified by the U.S. Department of Energy in a December 2015 report. Applications for these rare earth elements range from batteries, fuel cells and permanent magnets for vehicles and power generation, to LED and fluorescent lighting – all clean-energy technologies for which demand will continue to grow in the coming years.

Toyota Tsusho Corp. (Nagoya, Japan) holds a 10% royalty on net profit in the Kipawa deposit, and out of 400 projects around the world that Toyota (an end user) researched in 2012, it was the only one they chose to invest in.

After over 16 months of work and \$18 million invested by Toyota, a Kipawa feasibility study (FS) was published in October 2013 based on the mining and processing of 3,650 average t/d of ore to produce 3,600 tonnes of mixed rare earth concentrate per year. Overall estimated capital cost for the project was \$374 million, with an IRR of 21.6%.

The Company is planning to update the FS in 2018 with a special focus on optimizing the metallurgical and mineral processing functions to reduce capital and operating costs. A number of trade-off studies are planned to be completed prior to the FS update. Trade-off studies are expected to include: (1) plant location, (2) mining methods, (3) on-site manufacture of Sulfuric Acid, (4) transportation study, and (5) tailings disposal.

Lithium and Cobalt Highlights

The Tansim property (100% owned by Matamec) is located in western Québec and is rich in lithium, tantalum, niobium and beryllium, all of which are used in today's innovative technologies. The Tansim property is located on the north shore of Lake Simard in the Temiscamingue region of Québec and consists of one block containing 239 mineral claims and covering more than 12,000 hectares. It shows complex and zoned granitic pegmatites on a >10 km strike length. A Hydro Québec 750 KV power line crosses the forest just 1km north of the property. Geologists estimate that if all of high magnetic terrane corresponds in part with mineralized granitic pegmatites, then nearly 40% remains unexplored.

The Fabre property (100% owned by Matamec) is located in the Lake Temiscamingue region about 10 km from the Cobalt historical mining camp, which has produced about 20,450 tonnes of cobalt at different periods during the 20th century. The property is in a lithological and structural setting that is key to the discovery of cobalt-enriched mineralization. The Company plans to validate this historical information by resampling and assaying for other critical elements. In addition, the upgrading of the geophysical coverage should allow for the interpretation of the structural pattern controlling metal distribution.

“Modern energy technologies – both new energy sources and novel ways to store, transmit, transform, and conserve energy – are enabled by the unique chemical and physical properties of a multitude of specific “key” materials” (DOE, 2015).

Investment Thesis

We believe that Matamec Explorations offers a unique opportunity to invest in the development of industrial mineral and metal deposits related to the new innovative energy technologies. With the Quebec government as a strong joint venture partner through its agent Ressources Québec) on the Kipawa Rare Earths JV project, Matamec is poised to update the project's feasibility study and engage a strategic industrial and financial partner to bring it into production.

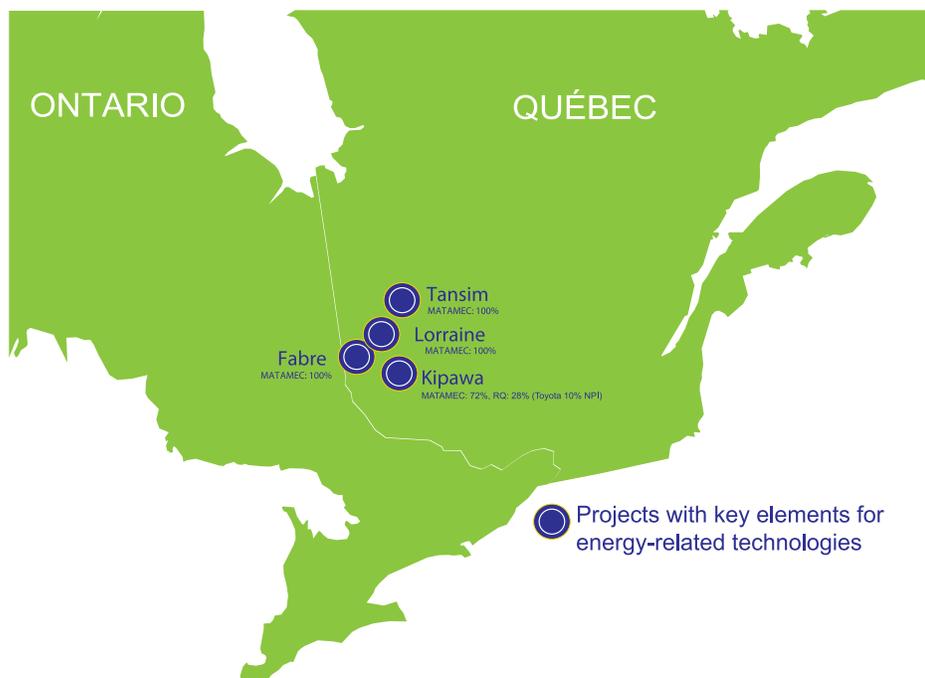
Key Elements for Technologies Related to Energy

Applications	Technologies	Key elements
Vehicles	EV-Li Ion, EV-NiMH, Fuel cells, Permanent magnets, Catalytic converters, Vehicle lightweighting	Lithium, Cobalt, Cerium, Dysprosium, Lanthanum, Neodymium, Nickel, Praseodymium, , Platinum, Palladium, Rhodium, Terbium, Yttrium, Gadolinium, Titanium
Storage	Batteries	Lithium, Cobalt, Cerium, Nickel, Terbium
Wind	Direct Drive (Permanent magnets)	Dysprosium, Neodymium, Praseodymium, Terbium
Lighting	Fluorescent, LED	Cerium, Europium, Gallium, Lanthanum, Nickel, Silver, Terbium, Yttrium
Photovoltaics	Silicon, CIGS, CdTe	Gallium, Nickel, Silver
Power Generation	Gas turbines, Hydrogen electrolysis, Thermoelectrics, Fuel cells	Yttrium, Platinum, Palladium, Rhodium, Cerium, Cobalt, Hafnium, Lanthanum, Ytterbium, Gadolinium

* Deposits in properties held by Matamec Energy feature 2/3 of all key elements for technologies related to energy.

Matamec Energy: 4 properties

Properties Rich in Key Elements for Technologies Related to Energy



Meet the President, CEO and Director of Matamec Explorations Inc.



André Gauthier,
President & CEO

Mr. Gauthier holds a Bachelor of Business Administration and has completed the required Masters courses in Project Management from University of Québec in Montreal. From 1994 to 1996 he was Vice-President of the public junior mining company Q.E.X. Resources Inc. (which became Adventure Gold Inc. in 2007). From 1984 to 1992, he was secretary-treasurer and CFO of Abior Exploration Inc. (which became Exploration Diabior Inc., now merged with Virginia Gold Mines Inc.). When he joined Matamec in 2003 as Vice President, Administration, he added five new properties to the company's portfolio, including Kipawa and Tansim, among others. He became Matamec's President and CEO in 2005.

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Bob Leshchyshen,
MBA, CFA, IR Professional

Mr. Leshchyshen, a consultant, has had extensive research and analytical experience with several equity research and credit-rating organizations, including eResearch, Northern Securities, St. James Securities, Dominion Bond Rating Service and McNeil Mantha Inc. He has written research and valuation reports on small cap mining and oil and gas companies, as well as other industrial and technology companies. Bob has served on the board of directors of a number of mining, health care and technology small cap companies and currently sits on several public company boards. He received a MBA degree from the University of Toronto in 1975 and received a CFA (Chartered Financial Analyst) designation in 1990. Bob returned to CHF in early 2017.



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