



Unaudited Condensed Consolidated
Interim Financial Statements
As at March 31, 2014
(expressed in Canadian dollars)

The attached financial statements have been prepared by Management of Matamec Explorations Inc. and have not been reviewed by the auditor.

MATAMEC EXPLORATIONS INC.

Condensed Consolidated Interim Statements of Financial Position (unaudited)

(In Canadian dollars)

	Notes	March 31 2014	December 31 2013
		\$	\$
Assets			
Current assets			
Cash and cash equivalents		155,721	788,341
Short-term deposit, rate of 0,9%, maturing on September 2014		50,014	100,259
Sales taxes recoverable		41,784	147,329
Tax credits recoverable	4	1,462,804	1,397,897
Other receivables		35,345	25,726
Prepaid expenses		23,536	27,970
		<u>1,769,204</u>	<u>2,487,522</u>
Non-current assets			
Non-current portion of tax credits recoverable	4	114,685	105,546
Investment in shares of a private company		1	1
Available-for-sale financial assets (cost: \$31,700)	5	55,000	23,000
Property and equipment	6	177,235	182,260
Exploration and evaluation assets	7	16,562,041	16,249,316
		<u>16,908,962</u>	<u>16,560,123</u>
Total assets		<u><u>18,678,166</u></u>	<u><u>19,047,645</u></u>
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		1,184,882	1,176,139
Deposit on sale of interest in a property		22,500	22,500
		<u>1,207,382</u>	<u>1,198,639</u>
Non-current liabilities			
Deferred income taxes		2,336,000	2,312,000
Total liabilities		<u><u>3,543,382</u></u>	<u><u>3,510,639</u></u>
Equity attributable to Matamec Explorations Inc.'s shareholders			
Share capital		23,256,671	23,256,671
Contributed surplus		4,805,551	4,795,828
Accumulated other comprehensive income		23,300	(8,700)
Deficit		(12,950,738)	(12,506,793)
Total equity		<u>15,134,784</u>	<u>15,537,006</u>
Total liabilities and equity		<u><u>18,678,166</u></u>	<u><u>19,047,645</u></u>

ON BEHALF OF THE BOARD OF DIRECTIORS
(signed) André Gauthier, Director

(signed) Marcel Bergeron, Director

The accompanying notes are an integral part of these unaudited condensed interim financial statements.

MATAMEC EXPLORATIONS INC.

Condensed Consolidated Interim Statements of Profit and Loss (unaudited)

(In Canadian dollars)

	Three months ended March 31, 2014	Three months ended March 31, 2013
	\$	\$
Administrative expenses		
Salaries and fringe benefits	83,547	128,009
Rent and office expenses	42,356	47,565
Consulting fees	83,210	25,875
Stock-based compensation	9,723	-
Trustees and registration fees	8,530	9,711
Shareholders' reports	3,957	5,454
Professional fees	123,360	129,519
Insurance, taxes and licenses	4,399	4,332
Travelling and entertainment expenses	61,526	132,360
Telecommunications	4,890	6,582
Amortization of property and equipment	4,149	4,875
	429,647	494,282
Operating loss	429,647	494,282
Financial revenues		
Interest income	985	14,845
Financing fees, interest and bank charges	(422)	(672)
	563	14,173
Loss before income taxes	429,084	480,109
Income taxes	14,861	(205,773)
Net Loss	443,945	274,336
Net loss per share, basic and diluted	0.004	0.002
Weighted-average number of common shares outstanding basic and diluted (in thousands)	120,300	120,300

The accompanying notes are an integral part of these unaudited condensed interim financial statements.

MATAMEC EXPLORATIONS INC.

Condensed Consolidated Interim Statements of Comprehensive Income (unaudited)

(In Canadian dollars)

	Three months ended March 31, 2014	Three months ended March 31, 2013
	\$	\$
Net loss for the year	(443,945)	(274,336)
Available for sale financial assets:		
Gain (loss) on change in fair value of available for sale financial assets	32,000	(5,000)
Other comprehensive loss, net of income taxes	32,000	(5,000)
Total comprehensive loss for the period attributable to Matamec Explorations Inc. shareholders	(411,945)	(279,336)

The accompanying notes are an integral part of these unaudited condensed interim financial statements.

MATAMEC EXPLORATIONS INC.

Condensed Consolidated Interim Statements of Changes and Equity (unaudited)

(In Canadian dollars)

	Number of common shares outstanding	Share capital	Warrants	Contributed surplus	Accumulated other comprehensive income	Deficit	Total of equity attributable to Matamec shareholders
	#	\$	\$	\$	\$	\$	\$
Balance - January 1st, 2014	120,300,186	23,256,671	-	4,795,828	(8,700)	(12,506,793)	15,537,006
Net loss for the period	-	-	-	-	-	(443,945)	(443,945)
Other comprehensive income	-	-	-	-	32,000	-	32,000
Comprehensive income for the year	-	-	-	-	32,000	(443,945)	(411,945)
Stock options							
Share-based compensation	-	-	-	9,723	-	-	9,723
Deferred income taxes relating to share issue costs	-	-	-	-	-	-	-
Balance - March 31, 2014	120,300,186	23,256,671	-	4,805,551	23,300	(12,950,738)	15,134,784
Balance - January 1st, 2013	120,300,186	23,256,671	-	4,590,366	800	(11,937,145)	15,910,692
Net loss for the year	-	-	-	-	-	(274,336)	(274,336)
Other comprehensive loss	-	-	-	-	(5,000)	-	(5,000)
Comprehensive loss for the year	-	-	-	-	(5,000)	(274,336)	(279,336)
Share issue costs	-	-	-	-	-	200	200
	-	-	-	-	-	200	200
Balance - March 31, 2013	120,300,186	23,256,671	-	4,590,366	(4,200)	(12,211,281)	15,631,556

The accompanying notes are an integral part of these unaudited condensed interim financial statements.

MATAMEC EXPLORATIONS INC.

Condensed Consolidated Interim Statements of Cash Flows (unaudited)

(In Canadian dollars)

	Notes	Three months ended March 31, 2014	Three months ended March 31, 2013
		\$	\$
Operating activities			
Net loss		(443,945)	(274,336)
Adjustment for :			
Share-based compensation		9,723	-
Amortization of property and equipment		4,149	4,875
Deferred income tax expense		24,000	(103,000)
		<u>(406,073)</u>	<u>(372,461)</u>
Change in non-cash working capital items	9	<u>319,301</u>	3,068,454
Cash flows used in operating activities		<u>(86,772)</u>	2,695,993
Investing activities			
Short-term deposit acquisition		(50,014)	-
Short-term deposit disposal		100,259	-
Government assistance received		-	984,977
Exploration and evaluation assets		(596,093)	(2,934,636)
Property and equipment acquisition		-	(3,409)
Cash flows used in investing activities		<u>(545,848)</u>	<u>(1,953,068)</u>
Financing activities			
Issuance of common shares, net of issue expenses		-	200
Cash flows generated from financing activities		<u>-</u>	<u>200</u>
Increase (decrease) in cash and cash equivalent		(632,620)	743,125
Cash and cash equivalents – beginning of period		788,341	1,692,598
Cash and cash equivalents – end of period		155,721	2,435,723
Additional information related to the statement of cash flows:			
Cash		155,721	2,335,407
Short-term investments		-	100,316
		<u>155,721</u>	<u>2,435,723</u>

The accompanying notes are an integral part of these unaudited condensed interim financial statements.

MATAMEC EXPLORATIONS INC.

Condensed Notes to the Interim Consolidated Financial Statements

For the 3 months ended March 31, 2014 and 2013

(unaudited)

(In Canadian dollars)

1. Incorporation, nature of operations and going concern

The Company, incorporated under Part 1A of the Québec Companies Act, is a mining exploration business. Since February 14, 2011 the Company is regulated by the Business Corporation Act (Quebec). The Company's head office is located at 1010 Sherbrooke Street West, suite 700, Montreal (Quebec) Canada, H3A 2R7. Shares of the Company are traded on TSX Venture Exchange under the symbol "MAT" and OTC QX stock exchange under the symbol "IMREF". Matamec Explorations Inc. is the ultimate parent company of the group. It has not yet determined whether the mining properties contain economically recoverable ore reserves. The recoverability of the amounts shown for mining properties depends upon the existence of economically recoverable ore reserves, the ability of the Company to obtain necessary financing to continue exploration work and development of its properties, and upon future profitable production or proceeds from the disposal of properties.

The Company has not yet determined whether the mining properties and the deferred exploration and evaluation ("E&E") expenditures have economically recoverable ore reserves. Recovery of amounts indicated under mining properties, the deferred exploration and evaluation expenditures and the property and equipment are subject to the discovery of economically recoverable reserves, the Company's ability to obtain the financing required to complete exploration, evaluation, development, construction and profitable future production on its assets or the proceeds from the sale of such assets

The accompanying unaudited condensed interim financial statements have been prepared using International Financial Reporting Standards ("IFRS") applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they come due. In assessing whether the going concern assumption is appropriate, Management takes into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. Management is aware in making its assessment of material uncertainties related to events and conditions that lend a significant doubt upon the Company's ability to continue as a going concern and accordingly, the appropriateness of the use of IFRS applicable to a going concern, as described in the following paragraph. These unaudited condensed interim financial statements do not reflect the adjustment to the carrying values of assets and liabilities, expenses and financial position classifications that would be necessary were the going concern assumption would not be appropriate. These adjustments could be material.

The Company recorded a net loss of \$443,945 for the three-month period ended March 31, 2014, and has an accumulated deficit of \$12,950,738 as at March 31, 2014. In addition to ongoing working capital requirements, the Company must secure sufficient funding to meet its obligations and existing commitments for exploration and evaluation programs and pay general and administration costs. As at March 31, 2014, the company had working capital of \$561,822. Management estimates that these funds will not be sufficient to meet the Company's obligations and budgeted expenditures through March 31, 2015. Any funding shortfall may be met in the future in a number of ways, including but not limited to, the issuance of new debt or equity instruments, expenditures reductions and/or the introduction of joint venture partners and/or business combinations. While Management has been successful in securing financing in the past, there can be no assurance it will be able to do so in the future or that these sources of funding or initiatives will be available for the Company or that they will be available on terms which are acceptable to the Company. If Management is unable to obtain new funding, the Company may be unable to continue its operations, and amounts realized for assets might be less than amounts reflected in these unaudited condensed interim financial statements.

If management is unable to obtain new funding, the Corporation may be unable to continue its operations, and amounts realized for assets may be less than amounts reflected in these unaudited condensed interim financial statements.

The Company's financial year ends on December 31. These unaudited condensed interim financial statements were approved for issue by the Board of Directors on May 29, 2014.

MATAMEC EXPLORATIONS INC.

Condensed Notes to the Interim Consolidated Financial Statements

For the 3 months ended March 31, 2014 and 2013

(unaudited)

(In Canadian dollars)

2. Basis of preparation and significant accounting policies in effect

These unaudited condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. The financial statements should be read in conjunction with the Company's audited annual financial statements for the year ended December 31, 2011, which have been prepared in accordance with IFRS as issued by the IASB.

The unaudited condensed interim financial statements should be read in conjunction with the Company's audited annual financial statements for the year ended December 31, 2013, which have been prepared in accordance with IFRS as issued by the IASB.

The accounting policies followed in these unaudited condensed interim financial statements are consistent with those of previous financial year, except as described below.

The significant accounting policies used in the preparation of the Company's unaudited condensed financial statements are described below.

a) Basis of measurement

These consolidated financial statements have been prepared on a historical cost basis except for the revaluation of certain financial instruments to their fair value (available-for-sale financial assets). In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flows information.

b) Basis of consolidation

Subsidiary

The consolidated financial statements include the accounts of Matamec Explorations Inc., and its wholly owned subsidiary Mabec Uranium Inc. The subsidiary is inactive. The reporting date of the annual information of the subsidiary is December 31.

The subsidiary is an entity controlled by the Company since it has the power to govern the subsidiary's financial and operating policies. The existence and effect of potential rights to vote that can actually be exercised or converted are taken into account to evaluate if the Company controls another entity. The subsidiary accounts are consolidated from the date the Company gets control and cease to be consolidated from the date the Company ceases to have that control. The subsidiary accounting policies are in compliance with the Company's policies.

Jointly controlled asset

The Company and Toyota Rare Earth Canada Inc. ("TRECAn") control jointly an exploration and evaluation asset, pursuant to a 51/49 joint venture agreement, 51% being the interest of the Company. Information on this asset is presented in Notes 7 (Property Kipawa). Jointly controlled assets involve joint control, and often joint ownership, by the group and venturers of assets contributed or acquired for the purpose of the joint venture, without creating a corporation, partnership or other entity. When the Group's activities are conducted through jointly controlled assets, the Group recognizes its share of jointly controlled assets, any liabilities that it has incurred, and its share of any liabilities incurred jointly with the other venturers in relation to the joint venture, and any expenses that it has incurred in respect of its interest in the joint venture.

Transactions eliminated on consolidation

Intercompany balances and transactions, including unrealized gains and losses arising from intercompany transactions, are eliminated in the preparation of the consolidated financial statements.

Changes in accounting policies

The Company has adopted IFRIC 21 provides guidance on accounting for levies in accordance with IAS 37, Provisions, Contingent Liabilities and Contingent Assets. The interpretation defines a levy as an outflow from an entity imposed by a government in accordance with legislation and confirms that an entity recognizes a liability for a levy only when the triggering event specified in the legislation occurs. The Corporation will adopt IFRIC 21 in its financial statements for the annual period beginning January 1, 2014.

MATAMEC EXPLORATIONS INC.

Condensed Notes to the Interim Consolidated Financial Statements

For the 3 months ended March 31, 2014 and 2013

(unaudited)

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3. Judgments, estimates and assumption

Many of the amounts included in the financial statements require Management to make judgments and/or estimates. These judgments and estimates are continuously evaluated and are based on Management's experience and knowledge of the relevant facts and circumstances. Actual results may differ from the amounts included in the financial statements.

Management's opinions and estimates could have an appreciable impact on the amounts reported in the financial statements with respect to the following items, which have changed significantly since the audited annual financial statements for the year ended December 31, 2013:

Impairment of non-financial assets

The Company's evaluation of the recoverable amount with respect to the non-financial assets is based on numerous assumptions and may differ significantly from actual values. The recoverable amounts are based, in part, on certain factors that may be partially or totally outside of the Company's control. This evaluation involves a comparison of the estimated recoverable amounts of non-financial assets to their carrying values.

The Company's fair value estimates are based on numerous assumptions. The recoverable amount estimates may differ from actual values and these differences may be significant and could have a material impact on the Company's financial position and result of operations. Assets are reviewed for an indication of impairment at each statement of financial position date and when there are indicators of impairment. This determination requires significant judgment. Factors which could trigger an impairment review include, but are not limited to, an expiry of the right to explore in the specific area during the period or will expire in the near future, and is not expected to be renewed; substantive exploration and evaluation ("E&E") expenditures in a specific area is neither budgeted nor planned; E&E of mineral resources in a specific area have not led to the discovery of commercially viable quantities of mineral resources and the Company has decided to discontinue such activities in the specific area; or sufficient data exists to indicate that, although a development in a specific area is likely to proceed, the carrying amount of the assets is unlikely to be recovered in full from successful development or by sale, significant negative industry or economic trends.

4. Tax credits recoverable

	March 31, 2014	December 31, 2013
Quebec refundable credit on mining duties at rate of 12%, 13,51%, 15% and 16%		
Property Kipawa JV		
2012	306,427	306,427
2013	91,651	91,651
2014	9,139	-
	407,217	398,078
Other properties		
2012	55,985	55,985
2013	13,895	13,895
2014	439	-
	70,319	69,880
Refundable credit for resources related to exploration at rates of 35% and 38,75%		
Property Kipawa JV		
2012	325,078	325,078
2013	616,880	616,880
2014	61,513	-
	1,003,471	941,958
Other properties		
2013	93,527	93,527
2014	2,955	-
	96,482	93,527
Total	1,577,489	1,503,443
Less: Non-current portion of tax credits recoverable	(114,685)	(105,546)
Current portion of tax credits recoverable	1,462,804	1,397,897

MATAMEC EXPLORATIONS INC.

Condensed Notes to the Interim Consolidated Financial Statements

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5. Available-for-sale financial assets

The Company owns 100,000 shares of Northern Superior Resources Inc. ("Northern"). Northern's shares were trading at \$0.05 as at March 31, 2014 (\$0.03 as at December 31, 2013). Consequently, the Company recorded an unrealized loss of \$2,000 on changes of the fair value of the investment during the year.

On August 19, 2013, the Company has signed an agreement with Canada Strategic Metals. This Company can acquire a 50% undivided interest in Sakami property by issuing 2 million common shares and will spend \$2,250,000 in deferred exploration, left on 3 years. At the date of the agreement 500,000 shares were issued for a consideration of \$22,500. On March 31, 2014 the shares were trading at \$0.10. Consequently, the Company recorded an unrealized gain of \$20,000 on changes of the fair value of the investment during the period.

6. Property and equipment

	Buildings and land	Computer equipment	Office furniture	Exploration amenities and facilities	Total
Net book value					
As at January 01, 2014	128,493	59,313	49,842	70,775	308,423
Additions	-	0	0	-	0
As at March 31, 2014	128,493	59,313	49,842	70,775	308,423
Accumulated depreciation					
As at January 01, 2014	9,568	36,386	22,990	57,219	126,163
Depreciation	1,164	1,503	1,341	1,017	5,025
As at March 31, 2014	10,732	37,889	24,331	58,236	131,188
Net book value as at Mar 31, 2014	117,761	21,424	25,511	12,539	177,235
Net book value					
As at January 01, 2013	128,493	53,717	47,703	70,775	300,688
Additions		2,520	2,140	-	4,660
As at March 31, 2013	128,493	56,237	49,843	70,775	305,348
Accumulated depreciation					
As at January 01, 2013	4,719	29,078	16,143	51,409	101,349
Depreciation	1,212	1,833	1,630	1,452	6,127
As at March 31, 2013	5,931	30,911	17,773	52,861	107,476
Net book value as at Mar 31, 2013	122,562	25,326	32,070	17,914	197,872

MATAMEC EXPLORATIONS INC.

Condensed Notes to the Interim Consolidated Financial Statements

For the 3 months ended March 31, 2014 and 2013

(unaudited)

(In Canadian dollars)

7. Deferred exploration Mining properties

		December 31,				
	Interest	2013	Additions	Disposal	Write off	March 31, 2014
Sakami	100%	112,610	-	-	-	112,610
Zeus	100%	54,234	-	-	-	54,234
Kipawa JV	51%	-	-	-	-	-
Tansim	100%	44,368	-	-	-	44,368
Valmont	100%	112,318	-	-	-	112,318
Vulcain	100%	175,687	-	-	-	175,687
Matheson Pelangio	100%	27,141	-	-	-	27,141
Matheson JV	50%	1,581,454	-	-	-	1,581,454
		2,107,812	-	-	-	2,107,812

Deferred exploration and evaluation expenditures

	December 31,			Tax		
	2013	Additions	Disposal	credits	Write off	March 31, 2014
Sakami	2,206,869	659	-	(54)	-	2,207,474
Zeus	1,701,925	8,785	-	(3,339)	-	1,707,371
Kipawa JV	6,964,454	363,500	-	(61,514)	-	7,266,440
Tansim	227,317	-	-	-	-	227,317
Valmont	351,691	-	-	-	-	351,691
Vulcain	1,512,030	-	-	-	-	1,512,030
Matheson Pelangio	304,971	-	-	-	-	304,971
Matheson JV	872,247	4,688	-	-	-	876,935
	14,141,504	377,632	-	(64,907)	-	14,454,229
Total	16,249,316	377,632	-	(64,907)	-	16,562,041

Mining properties

		December 31,				
	Interest	2012	Additions	Disposal	Write off	March 31, 2013
Sakami	100%	114,701	-	-	-	114,701
Zeus	100%	52,468	-	-	-	52,468
Kipawa JV	75%	-	-	-	-	-
Tansim	100%	46,712	-	-	-	46,712
Valmont	100%	110,400	-	-	-	110,400
Vulcain	100%	183,023	-	-	-	183,023
Matheson Pelangio	100%	27,141	-	-	-	27,141
Matheson JV	50%	1,581,455	-	-	-	1,581,455
		2,115,900	-	-	-	2,115,900

Deferred exploration and evaluation expenditures

	December 31,			Tax		
	2012	Additions	Disposal	credits	Write off	March 31, 2013
Sakami	2,216,093	7,560	-	-	-	2,223,653
Zeus	1,496,007	25,221	-	(9,597)	-	1,511,631
Kipawa JV	4,836,600	2,590,068	-	(691,743)	-	6,734,925
Tansim	226,772	-	-	-	-	226,772
Valmont	332,147	4,315	-	(1,694)	-	334,768
Vulcain	1,510,341	7,183	-	(530)	-	1,516,994
Matheson Pelangio	304,971	-	-	-	-	304,971
Matheson JV	840,487	18,875	-	-	-	859,362
	11,763,418	2,653,222	-	(703,564)	-	13,713,076
Total	13,879,318	2,653,222	-	(703,564)	-	15,828,976

MATAMEC EXPLORATIONS INC.

Condensed Notes to the Interim Consolidated Financial Statements

For the 3 months ended March 31, 2014 and 2013

(unaudited)

(In Canadian dollars)

8. Financial instruments and risk management

The fair value of the investment in a private company cannot be determined since it does not trade on an active market.

The estimative fair value is established at the date of the consolidated statement of financial position using the relevant information available on the market and other information on financial instruments.

Above Company's financial instruments, classified as loans and receivables, have a fair value which approximates their carrying value due to their short-term maturity. The fair value of the investment in listed shares is based on market prices.

Fair value hierarchy

- Level one includes quoted prices (unadjusted) in active markets for identical assets or liabilities: -Investment in shares of a listed company;
- Level two includes inputs that are observable other than quoted prices included in level one:- None;
- Level three includes inputs that are not based on observable market data.

Input level used by the Company to assess fair value is level one.

Fair value

Fair value of financial instruments is presented as follow:

	March 31, 2014		31 décembre 2013	
	Carrying Value	Fair Value	Carrying Value	Fair Value
	\$	\$	\$	\$
Financial assets				
Cash and cash equivalent	155,721	155,721	788,341	788,341
Short-term deposit	50,014	50,014	100,259	100,259
Other receivables	35,345	35,345	25,726	25,726
Total	241,080	241,080	914,326	914,326
Available-for-sale				
Investment in share of a private company	1	1	1	1
Investment in shares of a listed company	55,000	55,000	23,000	23,000
	55,001	55,001	23,001	23,001
Financial liabilities				
Trade payable and accrued liabilities	1,184,882	1,184,882	1,176,139	1,176,139

MATAMEC EXPLORATIONS INC.

Condensed Notes to the Interim Consolidated Financial Statements

For the 3 months ended March 31, 2014 and 2013

(unaudited)

(In Canadian dollars)

9. Cash flow information

	Three months period ended	
	March 31, 2014	March 31, 2013
	\$	\$
Changes in non-cash working capital items		
Increase (decrease) sales tax recoverable	105,545	285,899
Increase of other receivables	(9,619)	(300)
Decrease (increase) of prepaid expenses	4,434	(129,091)
Increase (decrease) of tax credits recoverable	(74,046)	178,639
Increase (decrease) of accounts payable and accrued charges	292,988	(26,071)
Decrease (increase) deposit of sale interest of a property	-	2,759,378
	319,301	3,068,454

10. Joint-venture

- Following the signature of the SPA on July 11, 2012, the deposit on sale of interest in a property of \$1,500,000 presented in the current liabilities was accounted for as a reduction of the deferred exploration and evaluation costs.
- On July 11, 2012, TRECan and the Company, signed a sale and purchase agreement ("SPA") and a JVA agreement in connection with the Kipawa HREE Deposit. Through this transaction, the two companies intend to complete a feasibility study on the Kipawa HREE Deposit.

Under the SPA, TRECan has acquired from Matamec an undivided interest of 49% in the Kipawa HREE Deposit for a total consideration not exceeding \$16,000,817. This amount has been used for the sole purpose of funding the expenses related to the feasibility study and was payable as follow: upon signature, TREcan would make payment of \$8,500,000 and an amount not exceeding \$7,500,817 ("the second sale price") has been paid by TREcan upon receipt of cash calls in accordance with the JVA (after the initial \$8,500,000 has been spent).

An undivided interest of 25% in the Kipawa HREE Deposit has been transferred by Matamec to TRECan on the signature date. The additional undivided interest of 24%, should be transferred to TRECan upon delivery of the feasibility report, or the full contribution of the second sale price. On August 8, 2013 the additional 24% has been transferred, bringing the participation of Matamec to 51% and 49% for TREcan.

11. Subsequent events

On April 17th, 2014 the Company has granted 100,000 stock options at a price of \$0,12 to a consultant.