



Enabling green technologies through rare earth metal development



## Financing of a World-Class Critical Element Resource through German Partnerships

December 11, 2013

# Disclaimer

## Forward-Looking Statements

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### Forward Looking Statements

Except for the statements of historical fact contained herein, the information presented constitutes “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievement of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

Although the Company has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated or intended. 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.

### Cautionary Note to U.S. Investors Concerning Estimates of Measured, Indicated and Inferred Resources

This presentation uses the terms “Measured,” “Indicated” and “Inferred” Resources. U.S. investors are advised that while such terms are recognized and required by Canadian regulations, the Securities and Exchange Commission does not recognize them. “Inferred Resources” have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an inferred resource will ever be upgraded to a higher category. Under Canadian rules, estimates of Inferred Resources may not form the basis of feasibility or other economic studies. U.S. investors are also cautioned not to assume that all or any part of an Inferred Mineral Resource exists, or is economically or legally mineable.

### National Instrument 43-101

This presentation may include historical reserve and resource information in respect of the project areas that do not conform to the requirements of National Instrument 43-101 and which has not been verified by the Company.

# Presentation Outline



- **About Quest, Rare Earth Markets and PFS Highlights**
- **Project Risk Reduction Measures**
- **Technical Capacity**
- **Environmental Sustainability and Land Re-Use**
- **Economic Sustainability**
- **Geopolitical Environment**
- **Partnerships and Financing Opportunities**

# About Quest Rare Minerals



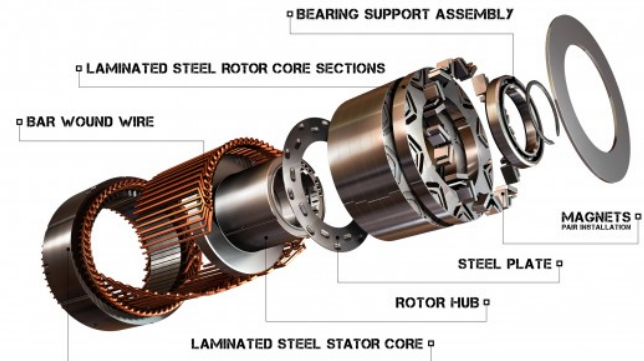
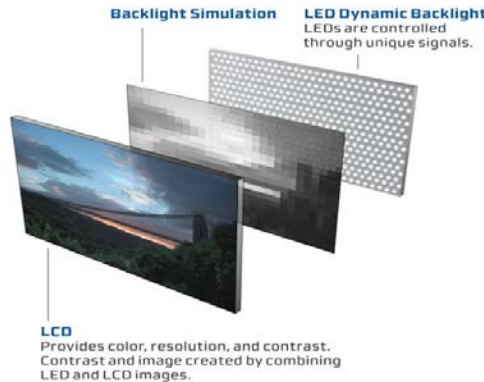
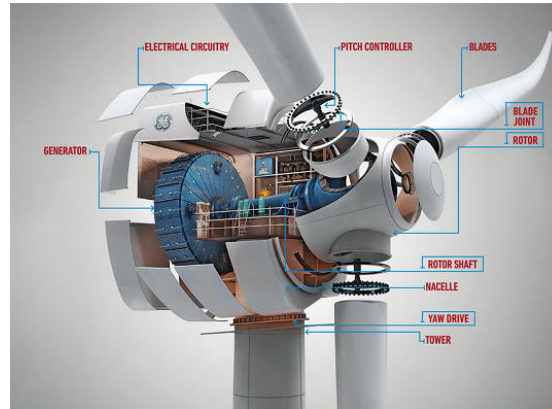
A publicly-listed Canadian company focused on the development of the Strange Lake rare earth project in Quebec, Canada

- Owners and developers of the world's largest Heavy Rare Earth deposit in a geopolitically stable jurisdiction as a reliable supplier of metal resources
- Quest evolving into a long-term supplier of critical metal products for the German automotive, chemicals and technologies industries
- The development will meet or exceed all regulatory expectations for new mining projects in Canada and globally
- The resource model developed for the deposit shows that the operation will be phased and financially robust over more than 30 years
- Seeks strategic partnerships that ensure success of the operation, allowing Quest to deliver secure critical metal supply and evolve into a significant global enterprise

# Rare Earth Sector & Elements



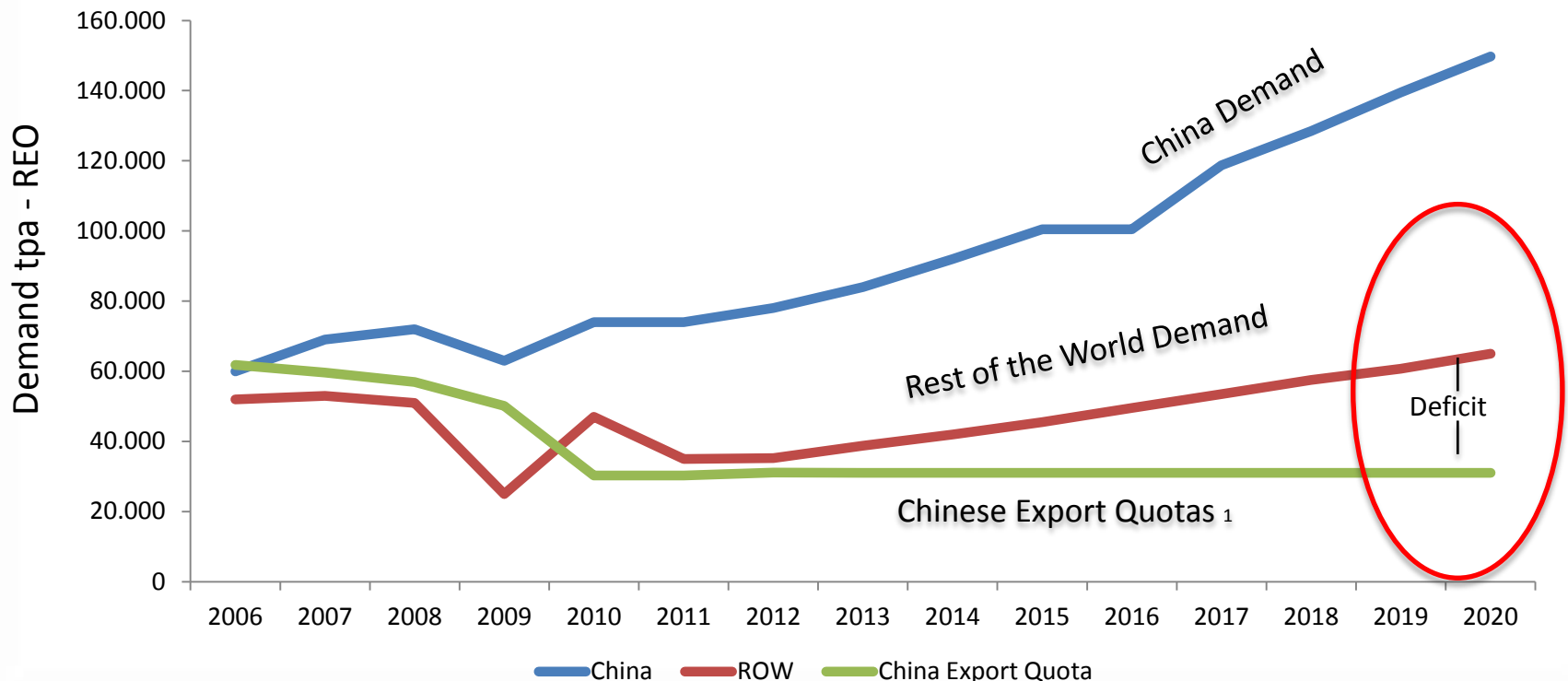
- Wind Turbines
- Hybrid Vehicles
- LEDs
- Aerospace
- Permanent Magnets
- Electric Motors
- Defense Technologies
- Consumer Electronics
- Oil & Gas Refining
- Medical (MRI, Lasers)



# Supply



- Usage of REEs in a variety of technologies are virtually without substitutes, China controls over 95% of current REE supply
- China has used its dominant ownership of REE markets to acquire intellectual property and manufacturing facilities in exchange for supply contracts



# PFS Highlights – Location & Infrastructure



- The port and mine site will be linked by an all-weather gravel access road over a distance of 168 km
- Port location has been identified in Voiseys' Bay, Labrador, near existing mine infrastructure
- Mine material will be shipped to the processing plant in Bécancour

# Bécancour – Infrastructure Advantage



- A site selection study identified the area of Bécancour (Québec) Industrial Park as the optimal location offering:
  - All processes conducted at the same site
  - Grinding plant equipment is close to the other processing plants
  - Ore storage – not likely to freeze
  - Year-round construction and product shipping
  - Input cost advantages:

Input	Cost
Hydroelectricity	\$0.03 to \$0.05/Kwh
Natural Gas	\$0.23/m <sup>3</sup>
Shipping (inbound)	\$12-\$13/t



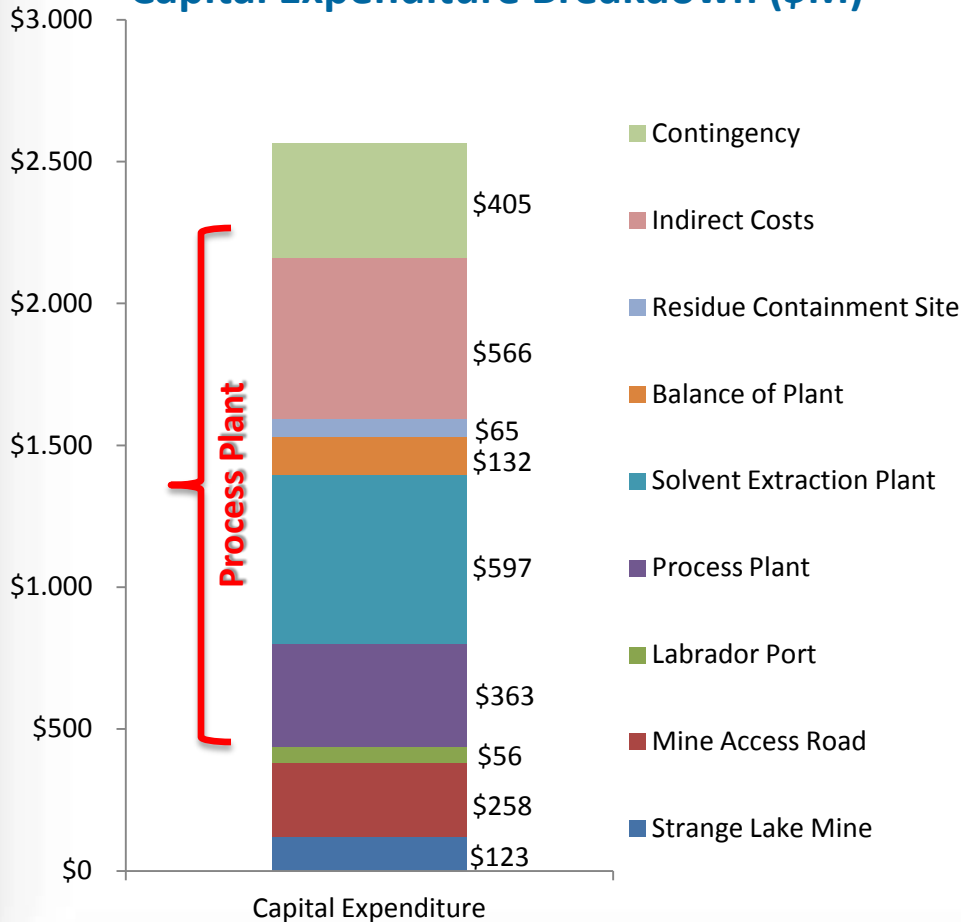
## Strange Lake B-Zone Deposit PFS

NPV <sub>10% Pre-Tax</sub>	\$2.949 Billion
IRR <sub>Pre-Tax</sub>	25.6%
Cap-Ex	\$2.565 Billion
Op-Ex <sub>(Annual)</sub>	\$432 Million
Revenue <sub>(Annual)</sub>	\$1.047 Billion
Payback Period	3.5 Years
Life of Mine	30 Years
Production <sub>(Annual Metal Oxides Contained)</sub>	
<ul style="list-style-type: none"> <li>HREE+Y Con.</li> </ul>	6,350 t
<ul style="list-style-type: none"> <li>LREE Con</li> </ul>	7,300 t
<ul style="list-style-type: none"> <li>Niobium Pentoxide</li> </ul>	3,200 t
<ul style="list-style-type: none"> <li>Zirconia Oxide</li> </ul>	24,650 t

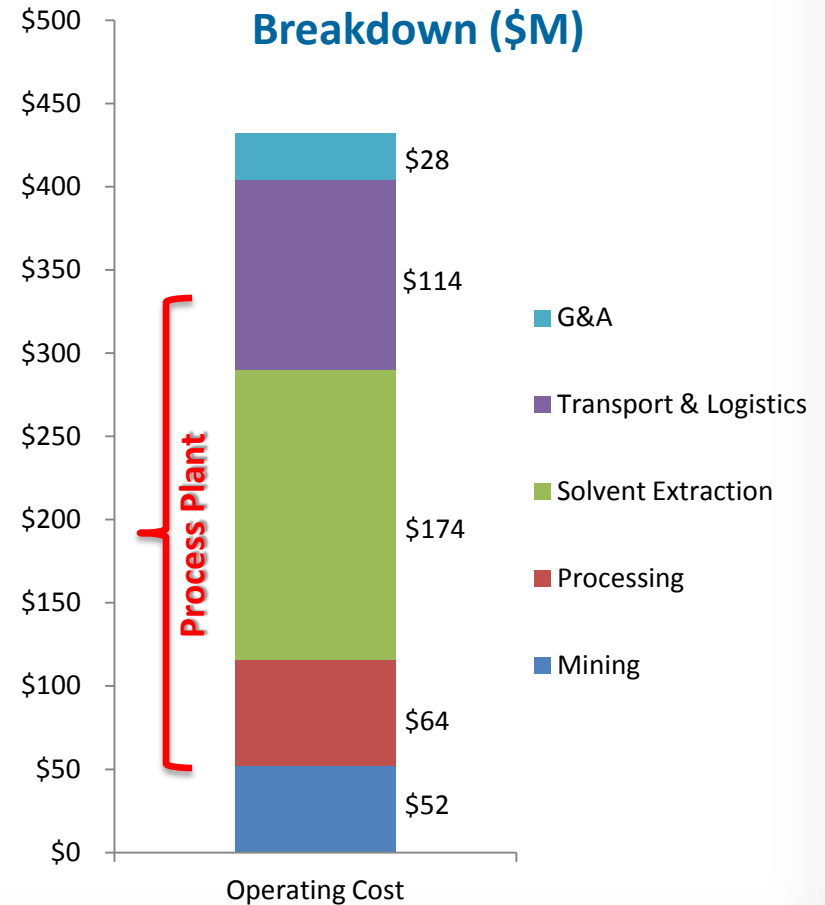
# PFS Highlights – CAPEX & OPEX



## Capital Expenditure Breakdown (\$M)



## Annual Operating Cost Breakdown (\$M)



# Measures to Further Reduce Project Risk

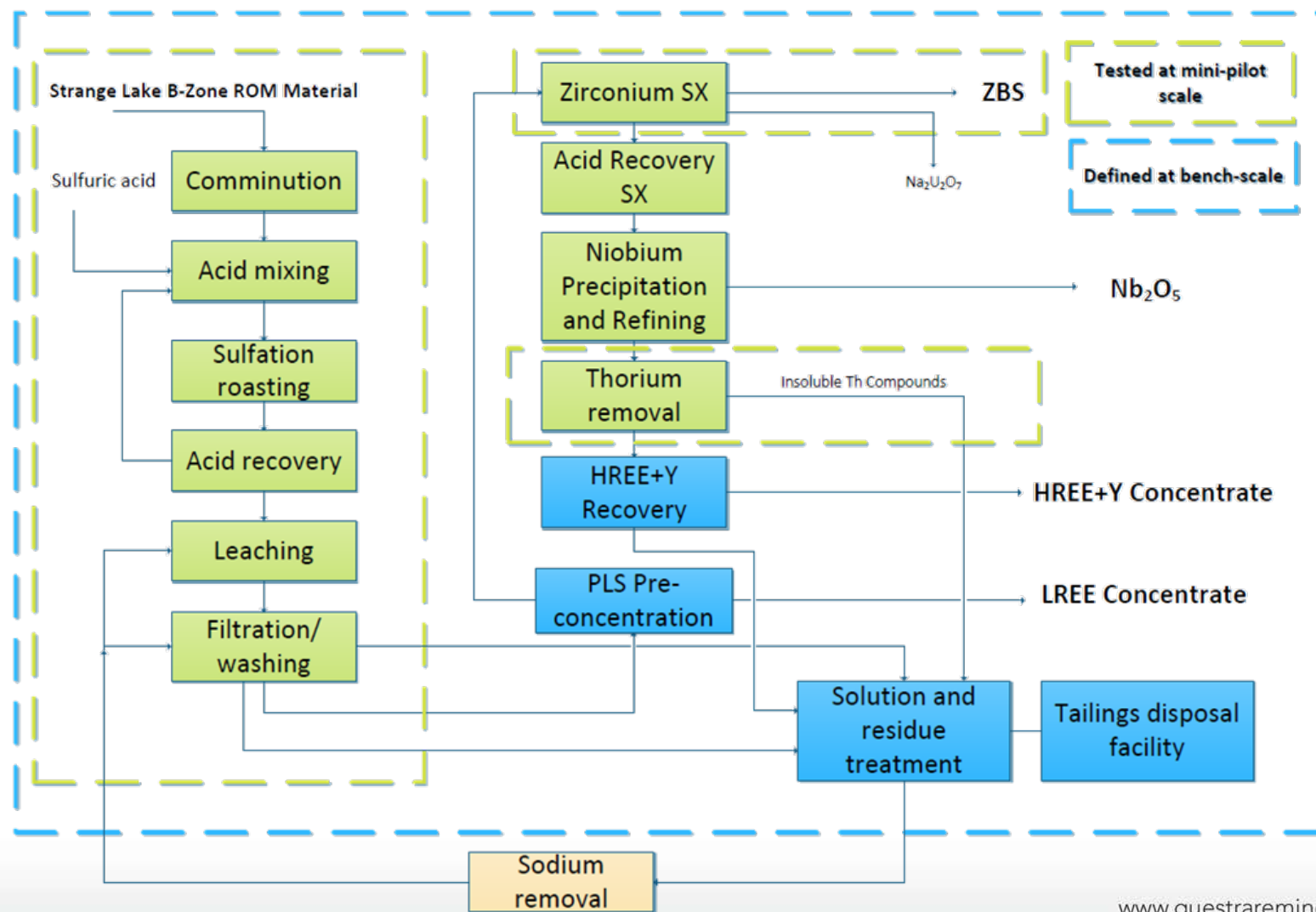


INITIATIVE BEING CONSIDERED	IMPACT TO MITIGATE RISK
<ul style="list-style-type: none"> <li>Mine-site Concentrator</li> </ul>	<ul style="list-style-type: none"> <li>Reduce shipping volumes by 50%, reduce road traffic, produce higher pregnant solution concentrations resulting in higher SX yields, less process residues</li> </ul>
<ul style="list-style-type: none"> <li>Create an Aboriginal-owned Infrastructure company</li> </ul>	<ul style="list-style-type: none"> <li>Reduce infrastructure capital cost exposure by up to 70%, Quest reverts to a toll-user of Labrador road &amp; port</li> </ul>
<ul style="list-style-type: none"> <li>Reduce mine production rate by up to 50% to 2,000 t/day</li> </ul>	<ul style="list-style-type: none"> <li>Lower CAPEX (up to 30%) and Opex (up to 50%) with negligible impacts on financials, smaller environmental footprint, reduce product supply impacts, facilitate permitting timelines - smaller plant : less likely to cause construction and ramp-up delays, less mine and process residues</li> </ul>
<ul style="list-style-type: none"> <li>Institute a phased development approach</li> </ul>	<ul style="list-style-type: none"> <li>To more effectively respond to improved product supply/demand environment</li> </ul>



- Building a strong mining development/chemicals business team
- Mini pilot plant completed to show viability of our process stream
- Full pilot plant operation expected early 2014 : will deliver product for quality assessment
- The pilot plant aims to produce four separate products:
  - HREE+Y oxide concentrate
  - LREE concentrate
  - Niobium pentoxide (approx. 99% purity)
  - Zirconium basic sulfate (approx. 99.9% purity)

# Technical Capacity – Flow Sheet



# Technical Capacity – Processing Facility



# Technical Capacity – Project Production



	Minerals (t) In Materials From Mine	Metal Oxide (t) Production Output	Yield (%)	LOM Avg Rev. (\$m)	Rev. Contribution (%)	
Dysprosium (Dy)	716	599	84	286	27	} 86%
Zirconium (Zr)	33,246	24,654	74	181	17	
Niobium (Nb)	3,716	3,226	87	135	13	
Yttrium (Y)	4,986	4,254	85	94	9	
Neodymium (Nd)	1,721	1,434	83	84	8	
Terbium (Tb)	104	75	72	52	5	
Lutetium (Lu)	77	57	74	46	4	
Praseodymium (Pr)	493	456	92	28	3	
Holmium (Ho)	163	131	80	5	1	
Thulium (Tm)	83	61	73	45	4	
Ytterbium (Yb)	531	403	76	15	1	
Erbium (Er)	517	408	79	21	2	
Gadolinium (Gd)	448	360	80	11	1	
Europium (Eu)	26	13	51	10	1	
Lanthanum (La)	1,940	1,354	70	9	1	
Cerium (Ce)	4,493	3,848	86	23	2	
Samarium (Sm)	437	196	45	1	0	
	<b>53,698</b>	<b>41,528</b>	<b>77</b>	<b>1,047</b>	<b>100</b>	

# Environmental Sustainability and Land Re-Use Planning



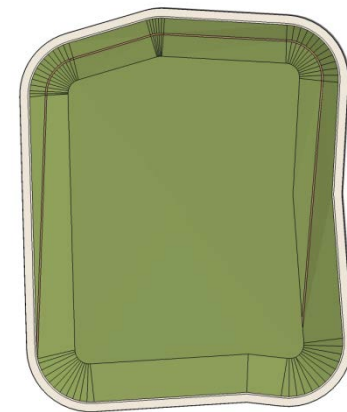
**Chinese Tailings Pond**



**Parc de la Courneuve, Paris**



**Quest Rehabilitation Site**



**Site Top View**

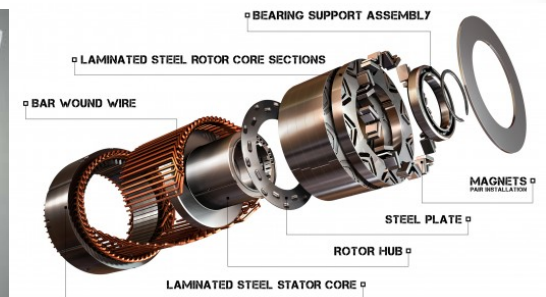
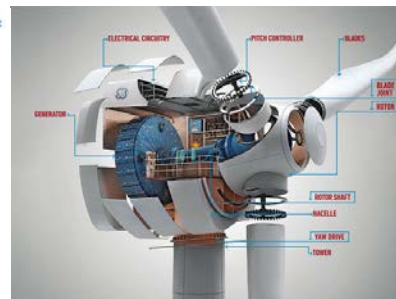
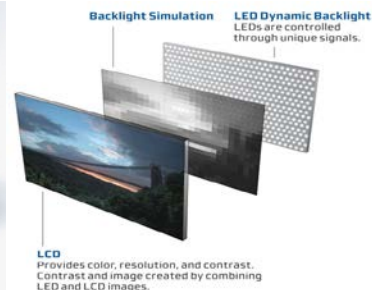




# Economic Sustainability Impacts for Canada



- Will develop global expertise in REE separation and refining technology outside of China
- Enables development of new REE-consuming technologies
- Technology transfer and partnerships with global leaders in REE sector
- Enabler for REE downstream manufacturing capacity
- New vertically integrated economies in Canada
- Governments' natural motivation would be to support the project as an economic catalyst



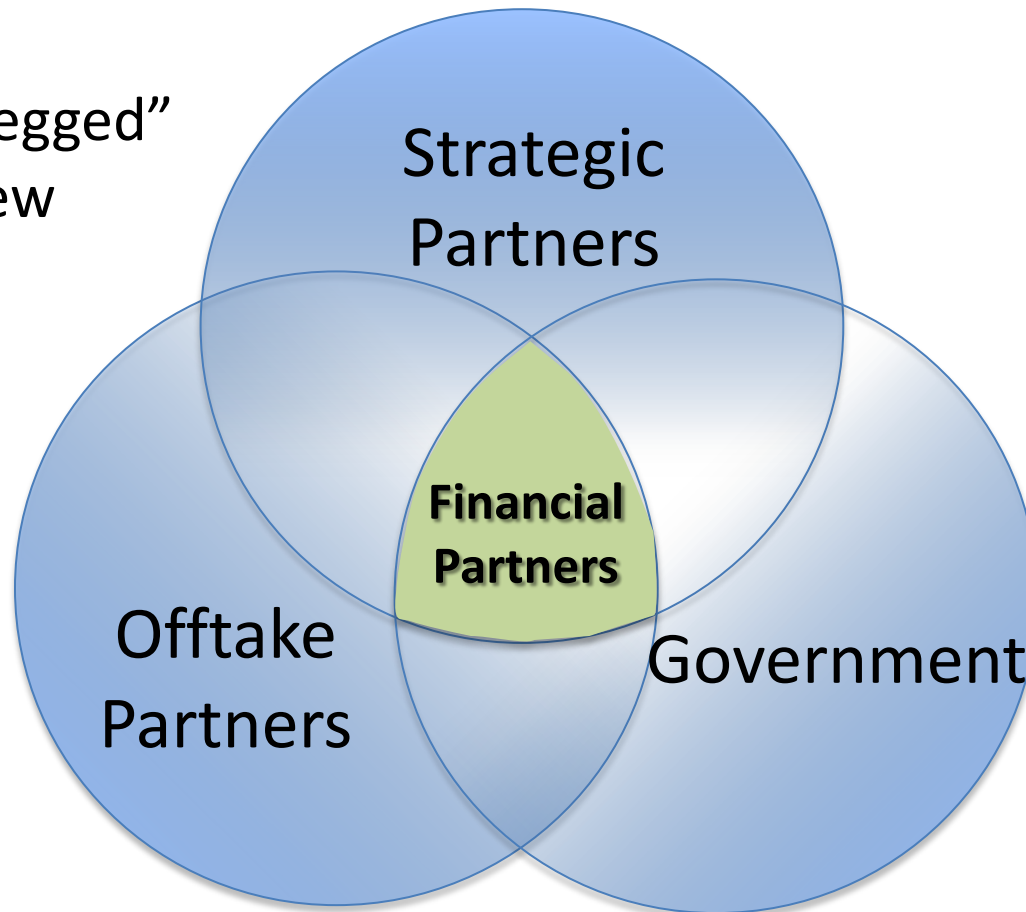
# Geopolitical Environment



- Canada is the world's largest source of many minerals including nickel, zinc and uranium
- Canada was least effected of the G7 countries by the financial crisis of the past four years
- Canada's stringent investment rules and regulations makes it a friendly investment environment
- Canada's impact on the MSCI World Index has doubled in the past decade
- Moody's Investor Services ranks Canada's banking system as number one for financial strength and safety
- One of the most stringent environmental regulatory jurisdictions in the world

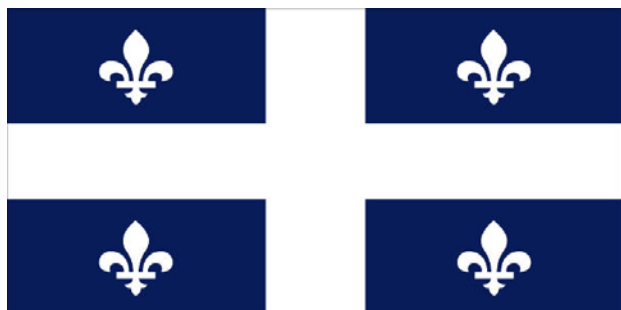
# Partnership and Financing Opportunities

## The “Three-legged” Stool View



- The balance of the financing, if necessary, will be obtained from the equity markets

# Financing Opportunities



- Québec was ranked in the top five by the Fraser Institute as the world's most mining friendly jurisdictions in 2006 and 2011

Québec	Mines	Primary Metals Processing	Fabricated Metal Product Manufacturing
Number of businesses(2010) <sup>1</sup>	150	166	1,890
Number of jobs (2009) <sup>2</sup>	15,000	23,500	41,300
Capital expenditures (2010) <sup>3</sup>	\$2.5 billion	\$695 million	\$103 million
Manufacturing production (2009)	\$6.2 billion <sup>4</sup>	\$15.2 billion	\$7.09 billion
Exports (2010) <sup>5</sup>	\$1.8 billion	\$11.5 billion	\$1.4 billion

**Ressources Québec**  
AN INVESTISSEMENT QUÉBEC SUBSIDIARY

- A subsidiary of Investment Québec, promotes Québec's unique advantage to attract mining and metal processing companies

## Quebec Pension Funds

- Have a dual mandate of providing stakeholders returns while providing investments in Québec projects that create employment and value for the province

### Select Past Transactions



Caisse de dépôt et placement  
du Québec

- Corporation de développement Nautilus Plus Inc. \$10 million
- Vents du Kempt Wind Power Project \$50 Million
- Revision Military Inc. \$5 million



- AJW Technique \$12 million
- Lumenpulse \$3.3 million
- Sanderling Ventures \$10 million

# Thank You



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Scan the barcode for a 3D animation of the Strange Lake, B-Zone Resource

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TSX;  
NYSE MKT:  
**QRM**

Quest Rare Minerals Ltd. ist ein kanadisches Unternehmen, das sich darauf konzentriert sein strategisches Projekt "Strange Lake" im nordöstlichen Teil der Provinz Québec voranzutreiben. Quest ist in den Börsenmärkten TSX und NYSE als "QRM" gelistet, und wird von einem hochqualifizierten Management und technischem Team geleitet.

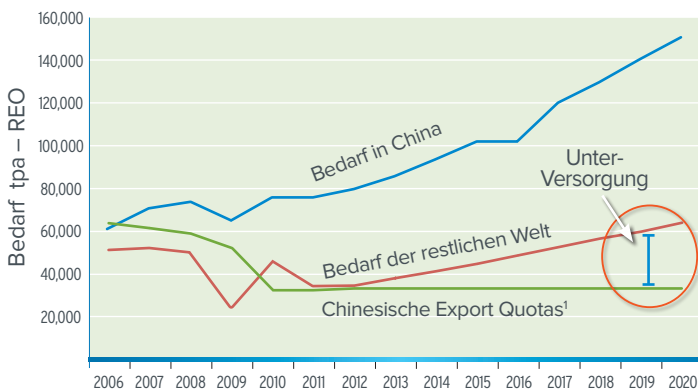
### ➤ STRANGE LAKE PROJEKT

- Das weltgrößte Minen Projekt mit der höchsten Konzentration von HREE (Schwere Seltene Erden) ist in der Lage den langfristigen Bedarf der Industrie zu decken
- Die Lagerstätte liegt nahe der Erdoberfläche und erlaubt für einen kostengünstigen Tagebau
- Die geplante chemische Aufbereitungsanlage in Bécancour wird die größte HREE verarbeitende Anlage in Nordamerika
- Quest bietet dem ständig wachsenden globalen Markt eine sichere und zuverlässige Rohstoffversorgung für diese kritischen Produkte

### ➤ MISERY LAKE PROJEKT

- Liegt 120 km südlich des Strange Lake Projektes
- Signifikante HREE Quelle, unterstützt Quest's Projekt Pipeline

### ➤ VERSORGENGENGPASS-SELTENERDOXID



<sup>1</sup> Annahme, daß sich der chinesische Export in 2013 stabilisiert  
Bedarfsinformation von Roskill 2013



### ➤ ÜBERSICHT ZU SCHWEREN SELTENENERD ELEMENTEN

- Schwere Seltene Erden werden in einer Reihe von Konsumgütern, Rüstungs- und Industriegütern eingesetzt und sind praktisch unersetzbar
- Schwere Seltene Erden sind weniger verbreitet als Leichte Seltene Erden und verlangen daher wesentlich höhere Preise
- Eine Untersuchung der WTO der chinesischen Export Beschränkungen unterstreicht den Bedarf von weiteren Lieferanten für Schwere Seltene Erden außerhalb China, insbesondere in Nordamerika
- Drohendes globales Lieferdefizit: Es wird erwartet, dass China im Jahre 2015 Schwere Seltene Erden importieren muß

### ➤ AKTIEN INFORMATION

Aktien Symbol	QRM (TSX ; NYSE)
Ausstehende Aktien – Basis	67.2 million
Ausstehende Aktien – FD	72.2 million
52-Wochen Handelspanne	\$ .40 - \$1.28
Letzter Börsenschluß	\$0.52
Durchschnittliches Handelstagesvolumen (TSX+NYSE)	293,547 Aktien
Markt Kapitalization - Basis	\$35 million
Bilanzaufstellung (am 7/31/13)	\$19.2 million

# STRANGE LAKE PFS ÜBERSICHT

STRANGE LAKE Projekt ist das weltgrößte Minen Projekt mit der höchsten Konzentration von HREE und ist in der Lage den langfristigen Bedarf der Industrie zu decken.

## > STRANGE LAKE PFS ÜBERSICHT

NPV 10% vor Steuern	\$2.949 Milliarden
IRR vor Steuern	25.6%
Cap-Ex	\$2.565 Milliarden
Op-Ex (Jährlich)	\$432 Million
Einnahmen (Jährlich)	\$1.047 Milliarden
Rückzahlperiode	3.5 Jahre
Lebensdauer der Mine	30 Jahre
<b>Produktion (Metalloxide pro Jahr)</b>	
HREE+Y Konzentrat	6,350 Tonnen
LREE Konzentrat	7,300 Tonnen
Niobium Pentoxid	3,200 Tonnen
Zirconium Oxid	24,650 Tonnen



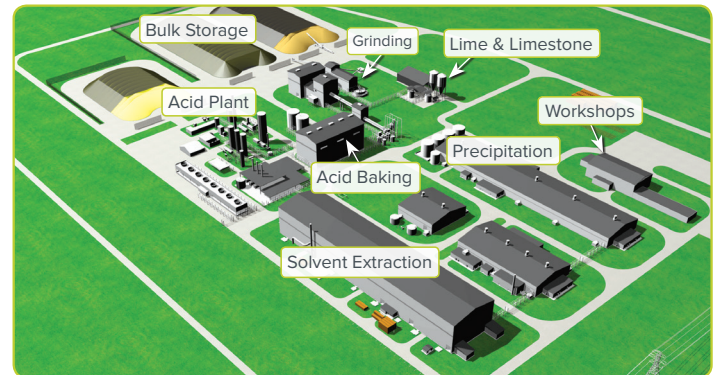
## > STANDORT UND INFRASTRUKTUR

- Die Hafenanlagen und Mine werden durch eine 168 km lange All-Wetter Kiesstraße verbunden
- Der Hafen ist in Voisey's Bay, Labrador, in der Nähe einer existierenden Bergbau-Infrastruktur
- Erzmaterial wird in Bécancour zur Weiterverarbeitung angeliefert

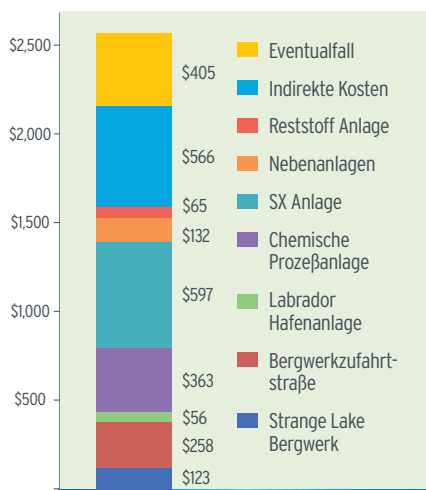
## > BERGWERK



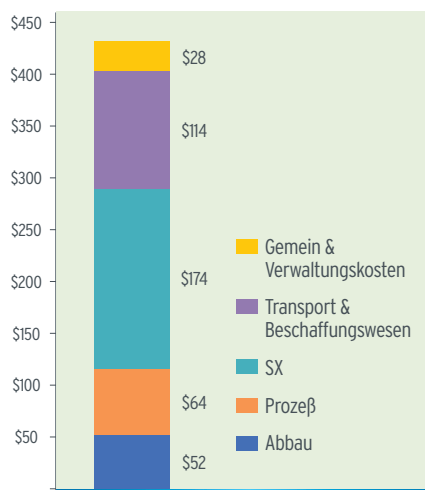
## > PROZESSANLAGE



## > VERWENDUNG DES KAPITALS (\$M)



## > ZUSAMMENFASSUNG JÄHRLICHER GESCHÄFTSKOSTEN (\$M)



## > PRODUKTION ÜBER LEBENSDAUER DES BERGWERKES

Produkt	Produktion Lebensdauer der Mine (Oxid Eq.)	Ausbeute %	Erlös %
Dysprosium (Dy)	599	84	27
Zirconium (Zr)	24,654	74	17
Niobium (Nb)	3,226	87	13
Yttrium (Y)	4,254	85	9
Neodymium (Nd)	1,434	83	8
Terbium (Tb)	75	72	5
Lutetium Lu	57	74	4
Holmium (Ho)	131	80	1