MANAGEMENT'S DISCUSSION AND ANALYSIS
As at March 14, 2017

The following management's discussion and analysis ("MD&A") of the results of operations and financial condition of Quest Rare Minerals Ltd. ("Quest" or the "Corporation") covers the three-month period ended January 31, 2017, unless otherwise noted. It should be read in conjunction with the audited financial statements and related notes as at and for the year ended October 31, 2016 and the condensed interim financial statements for the three-month period ended January 31, 2017.

The condensed interim financial statements for the three-month ended January 31, 2017 have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. These condensed interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the audited financial statements for the year ended October 31, 2016 which have been prepared in accordance with IFRS. All amounts are expressed in Canadian dollars unless otherwise noted.

Forward-Looking Statements

Certain of the information contained in this document may contain "forward-looking statements". Forward-looking statements may include, among others, statements regarding the Corporation's future plans, costs, objectives or economic performance, or the assumptions underlying any of the foregoing, including those concerning the Corporation's Strange Lake B-Zone Rare Earth Element ("REE") property. In this document, words such as "may", "would", "could", "will", "likely", "believe", "expect", "anticipate", "intend", "plan", "estimate" and similar words and the negative form thereof are used to identify forward-looking statements. Forward-looking statements should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether such future performance will be achieved. Forward-looking statements are based on information available at the time and/or management's good faith belief with respect to future events and are subject to known or unknown risks, uncertainties and other unpredictable factors, many of which are beyond the Corporation's control. These risks and uncertainties include, but are not limited to, those described under the heading "Risk Factors" in the Corporation's Amended and Restated Annual Information Form for the fiscal year ended October 31, 2016, which is available on SEDAR at www.sedar.com and could cause actual events or results to differ materially from those projected in any forward-looking statements. The Corporation does not intend, nor does it undertake any obligation, to update or revise any forward-looking statements contained in this MD&A to reflect subsequent information, events or circumstances or otherwise, except if required by applicable law.

CORPORATE OVERVIEW

Quest is a Canadian corporation which is aiming to become a world class industrial supplier of critical rare earth metals. To achieve this aim, Quest is working to develop its Strange Lake REE deposit in northeastern Québec, while at the same time working on engineering and constructing a processing facility in Bécancour in southern Québec.

Quest's main objective is to become a major stable supplier of rare earth oxides for the permanent magnet industry. Rare earth permanent magnets are used in a wide variety of industrial and consumer applications, including wind turbines, automobiles, consumer electronics and medical equipment. The Strange Lake REE deposit contains quantities of all the rare earth metals used in permanent magnets and Quest estimates as much as 75% of its projected annual commercial revenues would come from permanent magnet customers.

To achieve its objective, the Corporation has a plan to execute a series of steps to firstly publish a revised preliminary economic assessment (PEA) and ultimately proceed to develop a Bankable Feasibility Study for the project, and then construct and commission the mine and processing facilities. The key activities leading to a Bankable Feasibility Study are:

- Full scale process piloting;
- Engineering;
- Environmental Impact Assessment (EIA).

All of these activities are in progress and the status and plans for each are outlined below.

Process Piloting

The process flowsheet to produce the mixed rare earth oxide concentrate was developed and tested at a bench scale at SGS Mineral Services – Lakefield (SGS). The work since then has the aim of both scaling up and improving the process parameters of each process step (with the exception of the separation process). Quest's pilot programs will be partially financed by a $4.9 million grant from Sustainable Development Technology Canada (SDTC) that was announced in August 2015 as described below. Piloting is a critical step to ensure the scalability of the process and avoid operational challenges at commercial scale.

The flowsheet includes the following process steps:

• Beneficiation (potentially ore sorting and flotation), which aims to significantly reduces the mass of material to be treated, resulting in smaller process plant footprint at Bécancour and reduced energy requirements;

• Selective Thermal Sulphation (STS) roasting and leaching, which targets recovery of REE+Y to solution, with minimum recovery of impurity elements, including aluminum (Al), iron (Fe), and zirconium (Zr) (they mostly remain in residue). The selective sulphation process aims to greatly reduce acid consumption and dramatically improve the quality of the leach solution, leading to reduced operating costs and allows for a simplified process flowsheet;

• Impurity removal from the leach solution;

• Crude rare earth concentrate precipitation, which precipitates REE+Y from the leach solution;

• Final mixed concentrate production, which includes re-leach of the crude concentrate and final purification steps before producing a high purity mixed rare earth concentrate;

• Separation of the mixed rare earth oxide concentrate into the individual rare earth oxides.

Beneficiation

The flotation optimization program has been completed. The flotation circuit has been further optimized to achieve a mass pull to concentrate of about 20% with rare earth oxide recoveries of approximately 80%, thereby reducing the average mineral concentrate production. This would result in significant savings in the cost of transportation of flotation concentrate from the mine site to the Becancour processing plant. A potential large reduction in volume of concentrate would also result in significant capital and operating cost savings on processes downstream of beneficiation.

The beneficiation process is a simple flotation circuit that uses commercially available chemicals. The flotation optimization program completed at SGS has established a robust and effective reagent scheme. The program was completed in conventional mechanical flotation cells. A program to evaluate flotation performance in columns was completed in November 2015 at ALS Metallurgy, Kamloops in collaboration with Eriez Flotation Division.

In addition, Quest continues to evaluate sensor-based ore sorting (XRT, radiometric, photometric). A program to evaluate sensor ore sorting was completed at TOMRA's laboratory in Wedel, Germany with 10 dry mt of ore sample from the Strange Lake B-Zone. The economic viability of using sensor ore sorting as the first step in ore mass reduction is currently being evaluated. It is possible that ore sorting can potentially reduce the volume of material needed to be milled, the footprint of the flotation plant as well as the consumption of reagents in the flotation process. The sorted material and other unsorted ore samples (totaling about 100 dry mt) will be piloted through flotation to generate about 20 dry mt of mineral concentrate to feed the STS pilot unit. Quest has started a full flotation pilot program at COREM, the largest organization in Canada totally devoted to mineral processing R&D, located in Québec City, Québec. The main objective of the flotation pilot program is to confirm the process parameters for achieving a mass pull to concentrate of about 20% with rare earth oxide recoveries of approximately 80% at a large scale. Crushing and homogenization of samples from the deposit to feed the flotation pilot program are completed with production of a 20% mass pull flotation concentrate scheduled for the first half of 2017. The flotation concentrate will feed the STS pilot program slated to begin in the first half of 2017.

Hydrometallurgy

Quest's hydrometallurgical process has the potential to produce a high purity mixed rare earth oxide without technically complex, risky and costly solvent extraction circuits. The key step in the potential process is the selective thermal sulphation. By careful control of key process parameters, the recovery of REE to solution should be maximized while Al, Fe, Zr and other impurities are rendered insoluble, and the acid level of the leach solution is minimized. High levels of acid and impurities in solution represent a major technical and economic challenge for many projects. By leaving the impurities behind in the leached residue and minimizing free acid in the leach solution, the flowsheet could be dramatically simplified – with reductions in acid consumption, neutralizing agent consumption, process plant footprint, energy consumption and the quantity and quality of residue for disposal. Also of note is the fact that silica in Quest's minerals is not attacked by sulphuric acid, resulting in straightforward liquid solid separation steps.

The STS process was successfully tested during this year at a mini pilot scale at SGS. The problem associated with poor flow characteristics of the mixture of ore and sulphuric acid, which is common to many projects and manifests itself in difficulty to continuously feed the sulphation vessel, has been successfully resolved. The STS process greatly reduces acid consumption and dramatically improves the quality of the leach solution, potentially leading to reduced operating costs and a simplified solution treatment process flowsheet.

The STS process development work is being supported with thermo-gravimetric analysis (TGA) and extensive kinetics mass / heat transfer modeling to help in the selection of equipment and full piloting of the process. Quest is conducting discussions with a major equipment supplier to partner with it in hosting the STS process full pilot.

REE recovery from flotation concentrate to leach solution is anticipated to be as high as 87% in the new process.

Following sulphation and water leaching, the remaining process steps include precipitation and filtration stages using customary equipment and relatively low cost reagents. Impurities are selectively precipitated from solution with minimal REE losses. A crude rare earth concentrate is produced by precipitation. The crude concentrate is then purified to produce the final mixed rare earth concentrate feed to the separation plant.

The final precipitation of the high purity mixed rare earth concentrate uses oxalic acid, which precipitates the rare earths as oxalates. The mixed rare earth oxalate is calcined to produce the high purity oxide.

Mini plant piloting of the STS and water leaching process was completed in the summer months of 2015. The mini plant piloting of the solution treatment circuit has been deferred. Options to further improve the purity of the mixed rare earth concentrate including base metal control and cerium removal have been developed on the bench and are being evaluated. The Corporation is in discussions with a potential technology provider for the full piloting of the STS Process scheduled to be completed in 2017.

In support of the piloting work, Quest is doing detailed modelling of the chemical processes including computational fluid dynamics (CFD), complex heat and mass balances and chemical kinetics modeling. This modeling is providing critical insights into the precise process parameters and will be important input into the full piloting design and ultimately the engineering design criteria for the commercial scale equipment.

Quest has demonstrated on a bench scale at SGS that a significant percentage of Cerium could be removed during the hydromet process (i.e. before the separation plant). Further work will be done to evaluate the operational and economic merits of processes to remove up to 95% of the Cerium. Cerium is unlikely to represent a significant percentage of the Corporation's total potential future revenues. The Corporation is also investigating separating out the Yttrium (Y) and Lanthanum (La) during the hydromet process. If, for example, 90% of the Cerium and a similarly high percentage of the Yttrium and Lanthanum is removed earlier in the process, production through the separation plant would be significantly reduced. Cerium is relatively abundant and not particularly valuable. Yttrium and Lanthanum could be sold at a discount to a specialized industrial processor. Removing the Cerium, Yttrium and Lanthanum early in the process would potentially significantly reduce both the capital and operating costs in separation.

It should be noted that piloting at the scale of 100 tonnes is a substantial and costly undertaking. Other companies processing rare earths have chosen not to pilot to this extent and have then had challenges in ramping up commercial production. Quest's full piloting program is designed to minimize the scale up risk and ensure seamless commissioning and start-up of the commercial scale facilities. Quest's staged piloting from bench to mini plant to full piloting, combined with extensive modeling of the process, has been designed and will be executed in a rigorous manner to ensure the Corporation has a detailed and complete picture of all the process parameters. In addition, mixed rare earth oxide output from the full pilot is intended to provide definitive proof that Quest's process works and produces a product that meets and, in fact, exceeds specifications established by separation refiners. Quest management believes that its full piloting program is an essential step in its plan to build a world class rare earth processing plant at Bécancour.

The Corporation is also undertaking a series of activities to improve the current resource model of the Strange Lake deposit with the ultimate goal of upgrading the resource assessment from indicated to measured. This work started this summer with geologists from Renaud Geological Consulting on site at Strange Lake and will continue into 2017.

Recycled Phosphor Powder

Fluorescent lights contain phosphors which are partly made of rare earth metals (primarily Yttrium, Terbium, Europium, Lanthanum and Cerium). In North America around 10,000 mt of used fluorescent lights are collected each year, the mercury removed and the remaining powder (containing ~8%-10% rare earths) sent to landfill. There is no facility in North America capable of recovering the rare earths.

In 2015, Quest tested, at both the bench scale and the mini pilot scale, the ability to use this recycled phosphor powder as feedstock mixed with the flotation concentrate going into the STS process. These tests demonstrated that Quest's process potentially would recover the rare earths in the phosphor powder without any preprocessing steps (other than the removal of the mercury). While further testing is planned at the full piloting stage, the Corporation is optimistic that it will be able use this material (a 3%-5% mix with its flotation concentrate) as feedstock. Use of this material in the commercial operation at Becancour could improve project economics by boosting revenue at a relatively low marginal cost.

Engineering

The Corporation entered into a memorandum of understanding (MOU) with Tugliq Energy Company (Tugliq) to evaluate and ultimately manage the installation of wind turbines as a source of power at the mine site. Tugliq is preparing to install necessary equipment at the mine site to gather pertinent climatic data. In the MOU, Tugliq and the Corporation have agreed to work together to develop an energy strategy aimed at supplying the Corporation`s power needs at the Strange Lake project and implement such strategy, if feasible and mutually advantageous. No significant additional engineering work was commenced or completed during the three-month period ended January 31, 2017.

Hybrid Airships

On November 16, 2016, the Corporatin entered into a MOU with Straightline Aviation (SLA) to potentially provide dedicated air services for the transport of ore concentrate, supplies and personnel using Lockheed Martin's Hybrid Airships. SLA is headquartered in the United Kingdom with offices in New York and Los Angeles, and was co-founded by a team of highly experienced airship and aviation executives with the sole purpose of bringing Hybrid Airships into operation. The airships could provide shuttle transportation between Quest's Strange Lake complex mine site in Northern Québec and Schefferville, a town with a direct rail link to the Port of Sept-Iles.

Under the MOU, SLA could potentially operate a fleet of seven of the world's first heavy-lift cargo Hybrid Airships, the LMH-1. The airships could transport personnel, critical supplies for mine operations, and carry rare earth ore concentrate for delivery to Quest's Bécancour refining facilities.

Developed and built by Lockheed Martin, the LMH-1 is potentially well suited to Quest's transportation challenges due to its remote northern Québec mine site location. The Hybrid Airship has been designed to land on virtually any surface including snow, ice, gravel and even water, with no runways required or other expensive infrastructure. The helium-filled, heavier-than-air airships has been designed to carry 21 metric tons of cargo and up to 19 passengers. Both the U.S. Federal Aviation Administration (FAA) and Transport Canada have reportedly agreed on the newly developed Hybrid Airship certification criteria, which is being used to complete the type certification. First commercial deliveries are expected in 2019.

Quest believes that the airships potentially present a cost-effective and environmentally-friendly solution to Quest's transport challenges. The LMH-1 is not only designed to use less fuel, emit less carbon dioxide and produce less noise than conventional aircraft, it also could eliminate the need for costly ground-level infrastructure, avoiding impact on the area's wildlife habitat compared to road transport and trucking along a road corridor to the Newfoundland & Labrador sea coast.

Quest is the process of evaluating and confirming the technical feasibility and economic viability of using airships for its Strange Lake project. If Quest decides to use this method of transportation, the technical feasibility and economic viability will need to be confirmed in a revised PEA.

Land Claims

On March 14, 2016, Quest staked an additional 33 contiguous claims (825 ha) in Newfoundland & Labrador. This covers available claim blocks immediately north and east of the Main Zone REE Deposit, historically referred to as the A Zone by the Iron Ore Mining Company of Canada (IOCC). This new license is adjacent to Quest's existing Mineral License, also known as the Alterra Property.

Project Economics

In additional to scaling up and improving the process parameters, the other reason for the above described piloting and engineering work is to improve the project's economics. The development and piloting work described above is anticipated to have a number of economic benefits and management is aiming to continuously lower the cash operating cost of the project. The target cost level aims to be competitive with other potential projects, including certain Chinese producers. The work, as well as a number of other initiatives, would also contribute to lower capital costs. Quest plans to establish its processing facilities in the Bécancour Industrial Park located on the waterfront of the St-Lawrence River. To this effect, Quest has signed an option agreement with Société du parc industriel et portuaire de Bécancour ("SPIPB") dated August 1, 2015 securing rights to the plant and residue space in the Bécancour Industrial Park for Quest to build its planned rare earth processing facilities. Quest has received strong support for the project from SPIPB and looks forward to working closely with the Parc Industriel and the Bécancour communities as it builds its business.

Environmental Impact & Assessment (EIA)

The EIA scope for the Strange Lake Project changed in November 2016 due to the potential airship access solution through Quebec, which potentially replaces previous plans to develop road/port access across Newfoundland & Labrador. This potential option would make the EIA processes of Nunatsiavut and of Newfoundland and Labrador no longer applicable. While it is still expected that these governments would be consulted, the project's EIA would be initiated only with the governments of Quebec and of Canada after modifying project notice/description documents accordingly. Quest is the process of evaluating and confirming the technical feasibility and economic viability of the potential use of the airship solution option and its impact on the EIA and these will need to be confirmed in a revised PEA.

The Government of Québec officially issued Mine Site EIA directives to Quest in March 2016. Further to discussions with Quebec authorities, a letter will be submitted to officially advise of project plans to add an airship landing area, as well as wind turbines, at this location. A third party wind turbine operator may also take charge of managing all energy supply at the mine site. Government authorities will then consider any need to modify the Mine EIA directives, or to related documents.

The airship option would also introduces a new environmental footprint in Schefferville. A third party airship operator may set up a base of airship operations, including areas and infrastructure for take-off/landing, transloading to road or rail, parking, refueling and maintenance. Environmental approval requirements for this new location are currently being assessed on this basis. Any additional project features to allow for use existing rail and port facilities on the Quebec North Shore will also be evaluated.

The EIA Project Notice/Description for the processing facility in Bécancour (southern Québec) will also be modified prior to submission to the Quebec Government. Bulk concentrate transportation could be replaced by super-bags (1-5 tonnes), possibly containerized. Annual concentrate tonnage could potentially be lower, relative to planned quantities for the previous Newfoundland & Labrador road/port option, due to plans to potentially generate higher quality concentrate at the mine site. As a result, the scale of planned process equipment at Bécancour may also change.

Project descriptions for all relevant components will be submitted to the Canadian Environmental Assessment Agency (CEAA) to determine project aspects which are subject to a federal-level EIA.

Government officials and Indigenous representatives were updated on these changes in the last quarter of 2016. In 2017, Quest plans to finalize project changes and complete modifications of project description documents. The project's potential benefits, and its approach to mitigating any environmental impacts, will be presented to local communities prior to continuing with the EIA.

Working Capital Requirements

During the fiscal year ended October 31, 2016, Quest was awarded a grant from SDTC in the amount of $4,935,000 to support its pilot plant project to produce mixed rare earth oxides. During the three months to July 31, 2016, the Corporation received $1,013,802 representing the initial milestone payment of this grant. During the three-month period ended January 31, 2017, the Corporation raised $550,000 through a convertible debenture with a United States private equity special opportunity fund and subsequent to January 31, 2017 $1,620,000 through a Special Warrant offering.

During the fiscal year ended October 31, 2015, the Corporation raised $2,500,000 through a convertible debenture with Ekagrata Inc. as well as $595,376 through a share/warrant financing with Investissement Québec and received $3,044,818 in refunds of Québec Mining Duties and SR&ED tax credits.

The Corporation will need to raise further funds to finance the completion of the full piloting, the full EIA process and the FEL2 and FEL3 engineering work. The Corporation is pursuing a variety of routes to raise these funds, including discussions with potential global strategic investors as well as institutional financial investors, although no assurances can be given in this regard (refer to Going Concern Uncertainty*)*. The public markets have over the last 18 months been difficult for the Corporation to access, however there are recent signs that interest in rare earths and Quest's project is increasing which may allow the Corporation to raise funds again in the public markets. In the interim, management has conducted a comprehensive rationalization of current and planned expenditures and has implemented a series of cost saving measures to reduce and control the professional fees, investor relations and administration expenses.

Risks

As with any new large industrial project there are a number of significant risks. From management's perspective the noteworthy risks are:

1) Pricing and Chinese industry dominance

   The rare earth industry is currently dominated by producers based in China who represent more than 90% of global production. The Chinese government views the rare earth sector as an important strategic industry for the country and over the years has put in place various policies that have impacted the sector. These included export quotas (since removed) which initially caused rare earth prices to rise rapidly though they subsequently fell just as rapidly. More recently, the government is instituting policies to consolidate the rare earth industry in China into 6 State Owned Enterprises and is placing a tax on production value. The goal appears to be to significantly reduce the amount of illegal (and generally polluting) production in China while at the same time raising the price and improving the economics of rare earth production. However, this has yet to occur though prices have risen modestly over the last 6 months. Many observers believe that the Chinese industry will, in time, begin to experience shortages of certain heavy rare earths and may need to begin to import them by the end of this decade.

   The projected price of rare earth oxides is a critical input into Quest's financial projections and cash flow. Projected returns are most sensitive to changes in rare earth prices. Management also recognizes that developments in the Chinese industry can impact Quest's project (both positively and negatively) and need to be monitored on a continuous basis.

2) Performance of Molycorp

   One of the primary producers outside of China, Molycorp filed for Chapter 11 protection in 2015 and subsequently mothballed its Mountain Pass operation. Their performance has created questions around the whole rare earth industry outside of China, particularly in the investment community. Quest continues to point out that its project is expected to produce a very different and more valuable mix of rare earth products than Molycorp. While this gives Quest management confidence in the competitive robustness of its project, the performance of Molycorp does make it more difficult to communicate this message to the investment community.

3) Financing

   To execute on its plans to develop a Bankable Feasibility Study and to subsequently build and construct the whole project, substantial financing will be required. Management estimates it will require approximately $65 million to complete the Bankable Feasibility Study. The Corporation is pursuing a variety of avenues and options to obtain financing, including strategic investors, private investors, governments and the public markets. The Corporation is well aware that the current environment for attracting financing is challenging. While the Corporation is convinced of the merits of its project, obtaining financing in a timely manner is a major recognized risk.

4) Delays

   Project delays due to, for example, obtaining financing or delay in obtaining permits to start construction or construction taking longer than planned are potential risks. The Corporation has been focused on preparing and filing the required project descriptions with the various governments to start the formal EIA process and to obtain permits in a timely manner. It has also been investing considerable time and effort to communicate and to continue building relationships with a multitude of local stakeholder groups to create support for the project in all local communities affected. The Corporation will have a dedicated EIA team focused on executing the required studies and liaising with both community and government authorities. Construction planning will be an important component of the FEL3 engineering. Quest intends to conduct a structured process to hire the best available Engineering, Procurement, Construction Management (EPCM) contractor and negotiate a contract with the right incentives to ensure construction is done on time and on budget.

5) Scale up generates unanticipated issues

   Scaling up a process from bench to commercial production always entails risks. Management is committed to a rigorous piloting process to test, confirm and optimize process parameters, first at a mini pilot scale and then at a full pilot scale. For critical parts of the process, the Corporation intends to pilot with key industrial equipment suppliers who will subsequently be suppliers for the commercial plant. The relative simplicity of its potential process combined with rigorous piloting are the key mitigating actions the Corporation is taking to address this risk.

Additional risks are outlined in the Risk Factors section and in the Corporation's 2016 Amended and Restated Annual Information Form (AIF) and Short Form Prospectus dated July 9, 2014 entitled "Risk Factors" where there is a discussion of the risk factors applicable to the Corporation and its business.

Going Concern Uncertainty

The Corporation's interim financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assume that the Corporation will continue in operation for the foreseeable future and will be able to realize its assets and discharge its obligations in the normal course of operations. 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. The use of these principles may not be appropriate.

To date, the Corporation has not earned significant revenue and is considered to be in the exploration and development stage. Exploration and evaluation expenditures comprise a significant portion of the Corporation's activities. Mineral exploration and development is highly speculative and involves inherent risks.

The Corporation's current committed cash resources are insufficient to cover expected expenditures for the next 12 months and its planned pilot plant and pre-feasibility study on Strange Lake. The Corporation's ability to continue as a going concern is dependent on being able to obtain the necessary financing to satisfy its liabilities as they become due. There can be no assurance that management will be successful in securing adequate financing. In addition, while the Corporation's PEA and future development activities in relation to its Strange Lake project look promising, there can be no assurance that the results of its planned revised PEA and/or Pre-feasibility study will confirm the existence of economically viable quantities of ore or that the project will ultimately go into production.

The Corporation reported a net loss and total comprehensive loss in the three-month period ended January 31, 2017 and the year ended October 31, 2016 of $830,771 and $2,509,732, respectively. As at January 31, 2017, the Corporation's current liabilities exceeded its current assets by $4,202,169 [October 31, 2016 –$3,379,137]. These recurring losses and the need for continued financing to further successful exploration and development activities indicate the existence of a material uncertainty that may cast significant doubt as to the Corporation's ability to continue as a going concern.

The Corporation's interim financial statements do not give effect to any adjustments to the carrying values and classifications of assets and liabilities that might be necessary, if the Corporation is unable to continue as a going concern. Such adjustments could be material.

Expenditures by Material Component

Strange Lake Property, Québec

For the three-month period ended January 31, 2017, Quest incurred a total of $280,801 in exploration and evaluation expenditures net of government tax credits on the Québec Strange Lake mining property compared to $458,056 for the three--month ended January 31, 2016. The following table breaks down the expenditures by its material components:

	2017	2016
	$	$
Acquisition costs	12,948	-
Geological surveys	-	18,750
Drilling	9,375	9,375
Prospecting	-	-
Prefeasibility studies	67,151	105,694
Feasibility studies	-	-
Metallurgical work	-	-
Environmental & permitting	66,517	118,427
Project management & support	214,874	260,310
Government tax credits	(23,500)	(54,500)
Government grants	(66,564)	-
Total	**280,801**	**458,056**

Summary of Quarterly Results

The following table presents unaudited selected financial information for the eight most recently completed financial quarters:

	2017	Year ended October 31, 2016				Year ended October 31, 2015		
	Q1 $	Q4 $	Q3 $	Q2 $	Q1 $	Q4 $	Q3 $	Q2 $
Revenues	-	-	-	-	-	-	-	-
Net loss and total comprehensive loss	(830,771)	(409,009)	(285,814)	(799,196)	(1,015,713)	(1,437,674)	(2,193,074)	(2,210,911)
Basic and fully diluted net income (loss) per share	(0.01)	(0.01)	(0.00)	(0.01)	(0.01)	(0.02)	(0.03)	(0.03)

The Corporation has no intention of paying dividends in the foreseeable future. Any future decision to pay cash dividends will be left to the discretion of the Board of Directors of the Corporation and will depend on the Corporation's financial position, operating results and capital requirements at the time as well as such other factors that the Board of Directors may consider relevant. The Corporation has paid no dividends and has no retained earnings from which it might pay dividends.

Three-month period ended January 31, 2017 compared with the three-month period ended January 31, 2016

The Corporation's cash is deposited with major Canadian chartered banks and financial institutions and is held in highly-liquid investments. As at January 31, 2017, the Corporation had a total of $3,871 in cash and investments compared to $58,776 in cash and investments held-to-maturity as at October 31, 2016.

Expenses for the three-month period ended January 31, 2017, as detailed in the Interim Statements of Comprehensive Loss, totaled $726,456 as compared to $866,655 for the three-month period ended January 31, 2016.

For the quarter ended January 31, 2017, the Corporation reported a net loss of $830,771 as compared to a net loss of $1,015,713 for the quarter ended January 31, 2016. The Corporation expects to record losses until such time as an economic ore body is defined and developed and there are revenues from mineral production.

Exploration and evaluation expenditures, professional fees, investor relations and administration expenses totaled $726,456 (2016 - $866,655). The decrease of $140,199 related to the following variations:

- Exploration and evaluation expenses decreased by $180,555 to $280,801 (2016 - $461,356) mainly due to lower prefeasibility studies, environmental & permitting costs and project management and support plus the benefit of the SDTC government grant as compared to the same period in 2016.
- Professional fees decreased by $40,351 to $71,911 (2016 - $112,262) and related mainly to lower legal, accounting and consulting fees incurred during the period as compared to the same period in 2016.
- Investor relations expenses totaled $54,438 compared to $36,643 for the period ended January 31, 2016. The main components of this net increase of $17,795 related mainly to the increase in: investor relations fees, printing and filing expenses, conferences and meetings and travel related costs.
- Administration expenses increased by $62,912 to $319,306 for the period ended January 31, 2017 (2016 – $256,394). The main components of this variation consisted of increases in the following expenses: salaries and other employee benefits and restructuring expenses. Share-based compensation costs for the quarter ended January 31, 2017 totaled $25,174 as compared to $68,670 for the period ended January 31, 2016.

For the three-month period ended January 31, 2017, finance expenses totaled $104,885 compared to $149,678 for the period ended January 31, 2016. The decrease of $44,793 was as a result of repayments on the convertible debentures which lowered the interest cost for the period ended January 31, 2017.

For the three-month period ended January 31, 2017, finance income totaled $520 compared to $470 for the period ended January 31, 2016. The net increase of $50 was as a result of the increase in funds on deposit during the period ended January 31, 2017 as compared to the period ended January 31, 2016.

During the three-month period ended January 31, 2017, the Corporation recognised tax credits receivable related to Québec resource tax credits ("QRTC"), QMD and SR&ED pertaining to Q1 expenditures, amounting to $23,500 and $66,564 government grants receivable related to the SDTC agreement as compared to $54,500 for the three-month period ended January 31, 2016.

Three-month period ended January 31, 2016 compared with the three-month period ended January 31, 2015

The Corporation's cash is deposited with major Canadian chartered banks and financial institutions and is held in highly-liquid investments. As at January 31, 2016, the Corporation had a total of $143,863 in cash and investments compared to $34,158 in cash and investments held-to-maturity as at January 31, 2015.

Expenses for the three-month period ended January 31, 2016, as detailed in the Interim Statements of Comprehensive Loss, totaled $866,655 as compared to $1,448,480 for the three-month period ended January 31, 2015.

For the three-month period ended January 31, 2016, the Corporation reported a net loss of $1,015,713 as compared to a net loss of $1,470,701 for the quarter ended January 31, 2015. The Corporation expects to record losses until such time as an economic ore body is defined and developed and there are revenues from mineral production.

Exploration and evaluation expenditures, professional fees, investor relations and administration expenses totaled $866,655 (2015 - $1,448,480). The decrease of $581,825 related to the following variations:

- Exploration and evaluation expenses decreased by $374,618 to $461,356 mainly due to lower prefeasibility studies offset in part by higher environmental & permitting costs.
- Professional fees increased by $23,805 to $112,262 and related mainly to higher legal, accounting and consulting fees incurred during the three-month period as compared $88,457 for the same period in 2015.
- Investor relations expenses totaled $36,643 compared to $171,110 for the period ended January 31, 2015. The main components of this net decrease of $134,467 related mainly to the reduction in: salaries and other employee benefits, printing and filing expenses, consulting services, advertising and travel related costs.
- Administration expenses decreased by $96,545 to $256,394 for the three-month period ended January 31, 2016 (2015 – $352,939). The main components of this variation consisted of decreases in the following expenses: salaries and other employee benefits, rent, and telephone and internet. Stock-based compensation costs for the three-month period ended January 31, 2016 totaled $68,670 as compared to $100,066 for the period ended January 31, 2015.

For the three-month period ended January 31, 2016, finance expenses totaled $149,678 compared to $27,321 for the quarter ended January 31, 2015. The increase of $122,357 was as a result of interest on the convertible debentures which had not been issued in the period ended January 31, 2015.

For the three-month period ended January 31, 2016, finance income totaled $470 compared to $5,400 for the quarter ended January 31, 2015. The net decrease of $4,930 was as a result of the decrease in funds on deposit during the quarter ended January 31, 2016 as compared to the period ended January 31, 2015.

During the three-month period ended January 31, 2016, the Corporation recognised tax credits receivable related to Québec resource tax credits ("QRTC"), QMD and SR&ED pertaining to Q1 expenditures, amounting to $54,500.

Liquidity and Capital Resources

The Corporation's operations are focused on the development of its Strange Lake mining property and the industrial facilities required to process the rare earths minerals. Accordingly, the most relevant financial information relates to current liquidity, solvency and planned development expenditures. The financial success of the Corporation depends on its ability to produce mixed rare earths oxides which meet the quality standards of purity at a unitary cost competitive with other global producers.

A number of factors determine the economic viability of the project including: the size of the deposit; the quantity and quality of the reserves; the availability and capital cost of planned infrastructure; the forecasted development and operating costs and the costs to finance the planned expenditures and the projected cash flows. Such development may take several years to complete and the amount of resulting income, if any, is difficult to determine. The economic value of the Corporation's project is largely dependent on factors beyond the Corporation's control, including the market value of the metals to be produced.

The Corporation's main sources of short-term and long-term funding to date have been debt and equity markets, private placements and outstanding warrants and stock options. The Corporation has not paid any dividends. As well, the Corporation does not have any externally imposed capital requirements, either regulatory or contractual.

Quest is actively exploring financing options to cover its expected expenditures for fiscal 2017 including a strategic partnership or off take agreements with end users and has held meetings with interested potential investors and governmental authorities. As previously discussed, Quest has identified and continues to work toward the implementation of a number of additional operational improvements to the base case assumptions presented by the PEA filed in April 2014, which are intended to further reduce project capital and operating costs and increase product yields.

On March 9, 2015, the Corporation entered into a Securities Purchase Agreement (the "Agreement") with Ekagrata Inc. ("Ekagrata"), an unrelated Canadian private investor, pursuant to which the Corporation issued to 2455440 Ontario Inc., an affiliate of Ekagrata, a 7% secured convertible debenture in a principal amount of $2,250,000 (the "Debenture Tranche 1") and 2,250,000 common share purchase warrants.

On April 20, 2015, the Corporation issued 7% secured convertible debenture in a principal amount of $250,000 (the "Debenture Tranche 2") and 250,000 common share purchase warrants (collectively the "Debentures").

On April 30, 2015, the Corporation completed a private placement with Ressources Québec Inc. by issuing 4,579,815 units at a price of $0.13, for gross proceeds of $595,376. Each unit was comprised of one common share and one common share purchase warrant. Each warrant entitles its holder to purchase one additional common share at a price of $0.15 until April 30, 2019.

In connection with this private placement, the Corporation incurred professional fees and expenses of $24,592 which have been pro-rated between the share capital and warrants of $12,192 and $12,400 respectively.

On February 11, 2015, the Corporation received payment of the refundable QMD for its fiscal years 2010 to 2012 in an amount of $3,044,818.

As at October 31, 2015, none of the 613,008 broker compensation units issued had been exercised.

On November 4, 2015 the Canada Revenue Agency (CRA) advised the Corporation that its Scientific Research and Experimental Tax (SR&ED) refund claim totaling $237,369 for fiscal 2013 had been accepted as filed. On November 17, 2015, the Corporation received a refund cheque in the amount of $151,587 representing the Newfoundland and Labrador portion of the SR&ED refund for fiscal 2014.

On March 11, 2016, the Corporation completed a partial redemption of its Ekagrata Debentures in the amount of $158,000.

During fiscal 2016, the Corporation received $1,010,306 of refundable tax credits including $716,069 related to QRTC, $80,644 to QMD and $213,593 to SR&ED relating to fiscal years 2013 & 2014. Subsequent to the October 31, 2016 year end, the Corporation received an additional $1,963,455 of refundable tax credits including $31,498 related to QRTC and $1,931,957 to QMD relating to fiscal years 2013 to 2015.

On January 18, 2017, the Corporation entered into a Securities Purchase Agreement (the "Agreement") with an unrelated United States private equity special opportunity fund, pursuant to which the Corporation, issued a secured convertible debenture in a principal amount of $550,000 (the "2017 Debenture") and 550,000 common share purchase warrants.

The 2017 Debenture matures in one year and bears interest at a rate of 10% per annum, payable semi-annually in cash, and can be converted, at the holder's option, into common shares of the Corporation at a price of $0.16 per share. Each of the 550,000 common share purchase warrants entitles the holder to acquire one common share of the Corporation at a price of $0.18 for three years. The 2017 Debenture is secured by a first-ranking hypothec on all of Quest's assets, present and future, corporeal and incorporeal

On January 18, 2017, the Corporation issued a 10% secured convertible debenture in a principal amount of $550,000 (the "2017 Debenture") by way of private placement ("the Placement") to a U.S. private equity special opportunity fund. The Corporation also issued 550,000 warrants to the private equity fund, each of which entitles the holder to acquire one common share of the Corporation at a price of $0.18 for three years. The proceeds of the 2017 Debenture, were, in part, used to redeem in full, the remaining balance of the Ekagrata debenture and all accrued interest owing, amounting to $385,420 and $78,524 respectively.

On February 22, 2017, the Corporation issued 8,100,000 Special Warrants ("Special Warrants) at a price of $0.20 per Special Warrant, for total proceeds of $1,620,000, pursuant to a private placement.

Each of the Special Warrants may be exchanged, for no additional consideration, for one Quest common share and one common share purchase warrant ("Warrant") of the Corporation. Each of the Warrants will entitle its holder to purchase one common share at a price of $0.275 for a period of three years from the closing date of the private placement.

The Corporation is in the process of filing a prospectus in those provinces in which Special Warrants were sold in order to qualify for distribution the Shares and Warrants issuable upon the exchange of the Special Warrants. The Special Warrants will be deemed to be exercised without payment of additional consideration or further action on the third business day following the day upon which the Corporation obtains a receipt for the final prospectus. In the event that the Corporation does not obtain a receipt for the final prospectus from the applicable Canadian securities authorities by March 24, 2017, each Special Warrant will be exchanged, at no additional cost, for 1.25 common shares and 0.75 Warrants (instead of one common share and one Warrant). In that event, each Warrant will entitle its holder to purchase one common share at a price of $0.275 for a period of four years.

Three-month period ended January 31, 2017 compared with the three-month ended ended January 31, 2016

As at January 31, 2017, the Corporation had cash of $3,071 (2016 - $142,863) and $800 (2016 - $800) invested in Canadian equity securities pursuant to mining property agreements. The investment in cash which comprises most of Quest's invested capital, presents no significant risk.

The Corporation has no long-term borrowings.

During the three-month periods ended January 31, 2017 and 2016, no stock options or warrants were exercised.

Three-month period ended ended January 31, 2016 compared with the three-month period ended ended January 31, 2015

As at January 31, 2016, the Corporation had cash of $142,863 (2015 - $33,508) and $800 (2015 - $650) invested in Canadian equity securities pursuant to mining property agreements. The investment in cash which comprises most of Quest's invested capital, presents no significant risk.

The Corporation has no long-term borrowings.

During the three-month periods ended January 31, 2016 and 2015, no stock options or warrants were exercised.

Outstanding Share Data

As at March 14, 2017, there were 86,529,011 common shares, stock options in respect of 6,721,000 common shares, 480,000 deferred share units, 275,000 restricted share units, 18,655,300 warrants,and 8,100,000 special warrants and 405,000 broker compensation warrants outstanding.

Commitments

There has been no significant change in the Corporation's commitments since October 31, 2016.

Off-Balance Sheet Arrangements

The Corporation does not have any off-balance sheet arrangements.

Related Party Transactions

All of the following related party transactions occurred in the normal course of operations.

During the three-month period ended January 31, 2017, the Corporation incurred fees to a law firm in which a director of the Corporation is a partner. During the three-month period ended January 31, 2017, the total amount for such services provided was $114,714, of which $8,205 was recorded in professional fees, $1,998 was recorded in investor relations, $44,482 was recorded in convertible debenture issue costs and $60,029 was recorded in prepayments [2016 – $33,551, nil, nil, and nil]. As at January 31, 2017 an amount of $285,681 [October 31, 2016 – $193,093] owing to this law firm was included in accounts payable and accrued liabilities in respect of these fees.

During the three-month period ended January 31, 2017, the Corporation incurred fees to a private investment firm of which a director of the Corporation has a related party association. During the three-month period ended January 31, 2017, the total amount recorded in professional fees for such services provided was $30,000 [2016 – $30,000]. As at January 31, 2017, an amount of $173,900 [October 31, 2016 – $143,900] owing to this firm was included in accounts payable and accrued liabilities in respect of these fees.

During the three-month period ended January 31, 2017, the Corporation incurred fees to a number of management entities of which certain officers or directors of the Corporation have a related party association. For the three-month period ended January 31, 2017, the total amount for such services provided was $84,500, of which $12,500 was recorded in directors fees and $72,000 was recorded in exploration and evaluation expenditures [2016 – $12,500 and $75,017 respectively]. As at January 31, 2017, an amount of $369,574 [October 31, 2016 – $233,125] owing to these firms was included in accounts payable and accrued liabilities in respect of these fees.

Compensation of key management personnel and Board of Directors

Excluding the amounts reported above, during the three month periods ended January 31, 2017 and 2016, the Corporation recorded the following compensation for key management personnel and the Board of Directors:

	2017 $	2016 $
Salaries, employee benefits	**75,637**	74,685
Directors' fees	**47,500**	61,250
Stock compensation	**1,461**	44,341
Total compensation paid or accrued to key management personnel and Board of Directors	**124,598**	180,276

Financial Instruments

The Corporation is not exposed to any significant credit risk as at January 31, 2017. The Corporation's cash is deposited with a major Canadian chartered bank and are held in highly-liquid investments.

The Corporation's objectives when managing capital are to safeguard its ability to continue its operations as well as its exploration programs. As such, the Corporation has primarily relied on the equity markets to fund its activities. In order to carry out planned exploration and to pay for administrative costs, the Corporation will spend its existing working capital and raise additional funds as needed. The Corporation does not use term debt financing (other than convertible debentures) and has not paid any dividends. As well, the Corporation does not have any externally imposed capital requirements, either regulatory or contractual.

Critical Accounting Judgments and Estimates

As detailed in note 2 of the audited financial statements for the year ended October 31, 2016, management has identified the following critical accounting policies under which significant judgments, estimates and assumptions are made and where actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

Valuation of refundable tax credits and mining duties credits and government grants – Judgment

The Corporation is entitled to refundable tax credits, mining duties credits and government grants on qualified exploration and evaluation expenditures incurred in the province of Québec. Management judgment is applied in determining whether the mine property expenses are eligible for claiming such credits and government grants and that all conditions have been or will be complied with. Those benefits are recognized when the Corporation estimates that it has reasonable assurance that the tax credits will be realized or grants have been earned and all conditions will be complied with.

Share-based remuneration expense – Estimate

The estimation of share-based payments at fair value at the date of grant requires the selection of an appropriate valuation model and consideration as to the inputs necessary for the valuation model chosen. The fair value of each option or warrant is evaluated using the Black-Scholes pricing model at the date of grant. The Corporation has made estimates as to the volatility, the expected life of options or warrants, and where applicable, expected forfeiture rates. The expected life of the option or warrant is based on historical data. The expected volatility is based on the historical volatility of comparable companies, over the period of the expected life of the stock option or warrant. These estimates may not necessarily be indicative of future actual patterns.

Valuation of the debt and equity components of convertible debentures – Estimate

The 2017 Convertible Debenture was determined to comprise two separate financial instruments, the first being a compound financial instrument comprising a host debt component and a residual equity component representing the conversion feature, and the second related to the common share purchase warrants that were issued along with the 2017 Debentures. On initial recognition, the combined fair value of these two financial instruments was estimated and used to prorate the principal amount of the 2017 Debentures between the two. The fair value of the host or liability component of the convertible debenture was estimated by discounting the stream of future payments of interest and principal at the prevailing market rate for a similar liability of comparable credit status and providing substantially the same cash flows that do not have an associated share purchase warrants and conversion option. The fair values of the equity component representing the conversion feature of the first financial instrument and also of the warrants comprising the second financial instrument were determined based on the Black-Scholes option pricing model. Where the prorated value of the compound financial instrument comprising the host debt component and the equity conversion feature was less than the estimated fair value of the host debt component itself, then the fair value assigned to the equity conversion feature was reduced to zero and the prorated value of the compound financial instrument was allocated entirely to the host debt component.

Changes in Significant Accounting Policies

The Corporation's significant accounting policies are disclosed under notes 2 and 3 to the financial statements for the year ended October 31, 2016. There have been no changes in the Corporation's significant accounting policies during the three-month period ended January 31, 2017.

Recent Accounting Pronouncements

The Corporation adopted the following new standard in preparing these condensed interim financial statements:

IAS 34 Interim Financial Reporting

The amendment clarifies that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the interim financial report (e.g., in the Management Discussion and Analysis). The other information within the interim financial report must be available to users on the same terms as the interim financial statements and at the same time. The amendment must be applied retrospectively and was effective for annual periods beginning on or after January 1, 2016. The adoption of this amendment did not have an impact on the Company's interim condensed consolidated financial statements.

Risk Factors

Resource exploration and development is a highly speculative business, involves a high degree of risk and is frequently unsuccessful. There is no certainty that the expenditures to be made by the Corporation in the exploration of its properties or otherwise will result in discoveries of commercial quantities of minerals. The exploration for and development of mineral deposits involves significant risk, which even a combination of careful evaluation, experience and knowledge may not eliminate. Although the discovery of an ore body may result in substantial rewards, few properties explored are ultimately developed into producing mines. Significant expenditures may be required to locate and establish ore reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. It is impossible to ensure that the Corporation's current exploration programs will result in a profitable commercial mining operation.

Significant capital investment is required to achieve commercial production from successful exploration efforts. The commercial viability of a mineral deposit is dependent upon a number of factors. These include: (i) deposit attributes such as size, grade and proximity to infrastructure; (ii) current and future metal prices (which can be cyclical); (iii) government regulations, including those relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and necessary supplies and environmental protection; (iv) First Nations negotiations and agreements; (v) technological risks and changes and (vi) securing sufficient financing to commercialize the project. The complete effect of these factors, either alone or in combination, cannot be entirely predicted, and their impact may result in the Corporation not receiving an adequate return on invested capital.

The prices of minerals fluctuate widely and are affected by many factors outside of the Corporation's control. The prices of minerals and future expectation of such prices may have a significant impact on the market sentiment for investment in mining and mineral exploration companies. This in turn may affect the Corporation's ability to raise equity financing for its capital requirements.

The Corporation's current committed cash resources are insufficient to cover expected expenditures in fiscal 2017 and its planned Bankable Feasibility Study on Strange Lake. The Corporation's ability to continue as a going concern (refer to Going Concern Uncertainty) is dependent on being able to obtain the necessary financing to satisfy its liabilities as they become due. There can be no assurance that the Corporation will be successful in securing adequate financing.

Reference is made to the section of the Corporation's 2017 Annual Information Form and Short Form Prospectus dated July 9, 2014 entitled "Risk Factors" for a discussion of the risk factors applicable to the Corporation and its business.

Disclosure Controls and Internal Controls over Financial Reporting

Management, including the Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO"), have designed disclosure controls and procedures, or have caused them to be designed under their supervision, to provide reasonable assurance that all material information relating to the Corporation has been made known to them and has been properly disclosed in the Corporation's annual and interim filings and other reports filed or submitted under applicable Canadian securities laws.

Management of the Corporation, with the participation of the CEO and the CFO, has evaluated the effectiveness of the design and operation of the Corporation's disclosure controls and procedures as at October 31, 2016. Based on this evaluation, the CEO and the CFO have concluded that the Corporation's disclosure controls and procedures were effective as of October 31, 2016 to provide reasonable assurance that information required to be disclosed in the Corporation's annual filings and other reports filed or submitted were recorded, processed, summarized and reported within the time period specified in those rules.

An evaluation, under management supervision, was carried out on the effectiveness of the Corporation's internal control over financial reporting as at October 31, 2016 using the criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). Based on this evaluation, management has concluded that internal control over financial reporting was effective as at October 31, 2016.

There have been no changes in the Corporation's design of internal controls over financial reporting during the three-month period ended January 31, 2017 that materially affected, or are reasonably likely to affect, the Corporation's internal control over financial reporting.

Presentation of Mineral Reserve and Resource Information

This MD&A has been prepared in accordance with the requirements of Canadian securities laws, which differ from the requirements of United States securities laws. Unless otherwise indicated, all reserve and resource estimates included in this MD&A have been prepared in accordance with National Instrument 43-101 *Standards of Disclosure for Mineral Projects* ("Nl 43-101"). Nl 43-101 is a rule developed by the Canadian Securities

Administrators which establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects.

Canadian standards, including Nl 43-101, differ significantly from the requirements of the United States Securities and Exchange Commission ("SEC") and reserve and resource information contained in this MD&A may not be comparable to similar information disclosed by United States companies. In particular, and without limiting the generality of the foregoing, the term "resource" does not equate to the term "reserve". Under United States standards, mineralization may not be classified as a "reserve" unless the determination has been made that the mineralization could be economically and legally produced or extracted at the time the reserve determination is made. The SEC's disclosure standards normally do not permit the inclusion of information concerning "measured mineral resources", "indicated mineral resources" or "inferred mineral resources" or other descriptions of the amount of mineralization in mineral deposits that do not constitute "reserves" by United States standards in documents filed with the SEC. United States investors should also understand that "inferred mineral resources" have a great amount of uncertainty as to their existence and as to their economic and legal feasibility. It cannot be assumed that all or any part of an "inferred mineral resource" exists, is economically or legally mineable, or will ever be upgraded to a higher category. Under Canadian rules, estimated "inferred mineral resources" may not form the basis of feasibility or pre-feasibility studies except in rare cases. Disclosure of "contained ounces" in a resource estimate is permitted disclosure under Canadian regulations; however, the SEC normally permits issuers to report mineralization that does not constitute "reserves" by SEC standards only as in-place tonnage and grade without reference to unit measures. The requirements of Nl 43-101 for identification of "reserves" are also not the same as those of the SEC, and reserves reported by Quest in compliance with Nl 43-101 may not qualify as "reserves" under SEC standards. Accordingly, information concerning mineral deposits set forth herein may not be comparable with information made public by companies that report in accordance with United States standards.

Qualified Person

Mr. William J. Lewis, B.Sc., P. Geo., a consultant of Quest, is the qualified person on the exploration projects presented in this MD&A under National Instrument 43-101 *Standards of Disclosure for Mineral Projects* and is responsible for the technical contents of this report and has approved the disclosure of the technical information contained herein.

Other Information

Additional information on the Corporation is available under the Corporation's profile on SEDAR at www.sedar.com and on the Corporation's website at www.questrareminerals.com.