



Quest Rare Minerals Ltd.

QUEST ANNOUNCES CLOSING OF PROSPECTUS OFFERING

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Toronto, July 17, 2014 - Quest Rare Minerals Ltd. (TSX; NYSE MKT: QRM) is pleased to announce that it has held the closing of its previously-announced prospectus offering at which Quest issued 11,025,485 units at a price of \$0.27 per unit, for gross proceeds to Quest of approximately \$3 million. Each unit is comprised of one common share and one common share purchase warrant of Quest. Each warrant entitles its holder to purchase one additional Quest common share at a price of \$0.40 for 36 months from the closing date of the offering.

The net proceeds from the offering will be used by Quest primarily towards a feasibility study on its Strange Lake rare earth project in northeastern Québec, and for working capital.

The warrants issued by Quest will trade on the Toronto Stock Exchange under the stock symbol “QRM.WT”. Quest’s common shares are listed on the Toronto Stock Exchange and NYSE MKT.

The offering was completed through a syndicate of agents co-led by GMP Securities L.P. and Desjardins Securities Inc. and including Maison Placements Canada Inc. and Jones, Gable & Company Limited.

This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities described herein. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the “1933 Act”), or any state securities laws of the United States. Accordingly, these securities will not be offered or sold to persons within the United States unless an exemption from the registration requirements of the 1933 Act and applicable state securities laws is available.

About Quest

Quest Rare Minerals Ltd. (“Quest”) is a Canadian-based corporation with the objective of becoming an integrated rare earth mining and processing company. Quest is focused on the exploration and development of new rare earth element (REE) deposit opportunities. It is led by a team with a depth of experience in exploration, mining and metallurgical processing. Quest is currently advancing projects in two of Canada’s premier exploration areas, the Strange Lake and Misery Lake regions of northeastern Québec, and has announced plans for a major hydrometallurgical processing facility in Bécancour, Québec.

Forward-Looking Statements

This news release contains statements that may constitute “forward-looking information” or “forward-looking statements” within the meaning of applicable Canadian and United States securities legislation. Forward-looking information and statements may include, among others, statements regarding the future plans, objectives or performance of Quest, including, the Strange Lake Rare Earth Project’s technical and pre-economic feasibility, future financing by Quest, or the assumptions underlying any of the foregoing. In this news release, 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, or the times at or by which, such future performance will be achieved. No assurance can be given that any events anticipated by the forward-looking information will transpire or occur, including the development of the Strange Lake Rare Earth Project or any financing by Quest, or if any of them do so, what benefits Quest will derive from them.

Forward-looking statements and information 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, assumptions and other unpredictable factors, many of which are beyond Quest's control. These risks, uncertainties and assumptions include, but are not limited to, estimates relating to capital costs and operating costs based upon anticipated tonnage and grades of resources to be mined and processed and the expected recovery rates, together with those described under "Risk Factors" in Quest's final short form prospectus dated July 9, 2014, under "Risk Factors" in Quest's amended and restated annual information form dated June 26, 2014, and under "Risk Factors" in Quest's Management's Discussion and Analysis for the fiscal year ended October 31, 2013, all of which are available on SEDAR at www.sedar.com and on EDGAR at www.sec.gov, and could cause actual events or results to differ materially from those projected in any forward-looking statements. Quest does not intend, nor does Quest undertake any obligation, to update or revise any forward-looking information or statements contained in this news release to reflect subsequent information, events or circumstances or otherwise, except if required by applicable laws.

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