SDTC OFFICIALLY ANNOUNCES FUNDING OF QUEST'S CLEANTECH PILOT PROJECT

Announcement made by the Federal Minister of Innovation, Science and Economic Development, the Hon. Navdeep Bains

Montréal, Québec (Marketwired – March 4, 2016) — Quest Rare Minerals Ltd. (TSX:QRM) (Quest) received support and recognition today during a presentation made by Minister Navdeep Bains to the Alberta Enterprise Group (AEG). As part of his discussion on government priorities for the economy and for an innovation agenda, Minister Bains announced Quest's eco-friendly ″Selective Thermal Sulphation (STS)″[1] process pilot project as one of the 36 projects selected for funding by Sustainable Development Technology Canada (SDTC).

Quest was awarded a $5 million grant from the SDTC to support the operation of a larger-scale pilot plant to produce mixed rare earth element (REE) oxides, the objective being to confirm and fine-tune process criteria and the performance of Quest's ″STS″ process in preparation for scaled-up industrial production levels.

The eco-friendly STS process developed by Quest is a robust industrial process that efficiently and cost effectively produces high purity mixed REE oxides from mined ore concentrate from its Strange Lake mineral property in Northern Quebec. Compared to alternative technologies, the ″STS″ process delivers superior efficiencies and economies—it (i) is much simpler; (ii) requires fewer reagents and lower reagent dosages; (iii) separates rare earth elements from major impurities; (iv) optimizes liquid process effluent quality and produces smaller quantities of solid residues; and (v) entails lower capital and operating costs. Large buyers of mixed REE oxides have indicated that Quest's "STS" process is cost competitive on a world basis. Moreover, the "STS" process is designed to extract REEs from the phosphor powder recovered from fluorescent light bulbs, helping solve an important environmental problem for landfills.

"The SDTC is incredibly proud to support Quest Rare Minerals," said Leah Lawrence, SDTC President and CEO. "Our mission is to help Canadian cleantech entrepreneurs move their ground-breaking technologies to commercialization by bridging the funding gap between research and market entry. The ″STS″ process is the kind of technology that has the potential to generate jobs, growth and export opportunities, and to bring lasting economic, environmental and health benefits to Canadians and the world."

Quest Executive Chairman Pierre Lortie stated, "SDTC funding allows us to confirm that all critical process parameters of our eco-friendly ″STS″ process are accurate, detailed and complete, thereby minimizing scale-up risk, and ensuring the seamless commissioning and start-up of our industrial-scale processing facilities which we plan to construct in Bécancour, Québec."

Rare earth elements are now essential for nearly all electronics – including smartphones, iPads, and high performance radar and a host of other modern innovations such as magnetic resonance imaging (MRI), light-emitting diode (LED) and many others. REEs are also critical for the efficient performance of "green" technologies. Quest will be particularly well positioned to meet the growing demand for the relatively constrained supply of neodymium and dysprosium; these two REEs are essential for production of more efficient permanent magnets which are critical components of electric cars, wind turbines and many other cleantech products.

About QUEST

Quest Rare Minerals Ltd. ("Quest") is a Canadian-based company focused on becoming an integrated producer of rare earth metal oxides and a significant participant in the rare earth elements (REE) material supply chain. Quest is led by a management team with in-depth experience in chemical and metallurgical processing. Quest's objective is the establishment of major hydrometallurgical and refining facilities in Bécancour, Québec, to separate and produce strategically critical rare earth metal oxides. These industrial facilities will process mineral concentrates extracted from Quest's Strange Lake mining properties in northern Québec and recycle lamp phosphors utilizing Quest's efficient, eco-friendly ″Selective Thermal Sulphation (STS)″[1] process.

Forward-Looking Statements

This news release contains statements that may constitute "forward-looking information" or "forward-looking statements" within the meaning of applicable Canadian 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" under "Risk Factors" in Quest's annual information form dated January 25, 2016, and under "Risk Factors" in Quest's Management's Discussion and Analysis for the fiscal year ended October 31, 2015, all of which are available on SEDAR at http://www.sedar.com, 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 law.

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[1] Patent Pending