



Quest Rare Minerals Ltd.

QUEST COMPLETES \$51.75 MILLION NEW ISSUE

- *Issues 9,470,300 units at \$4.25 per unit and 2,300,000 “flow-through” shares at \$5.00 per share*
- *Over-allotment option exercised by agents*
- *Each unit consists of one common share and one-half of a warrant*
- *Each full warrant may be exercised for 18 months at \$5.00*

Toronto, October 21, 2010 - Quest Rare Minerals Ltd. (TSX-V : QRM) has completed its previously-announced public offering in each of the provinces of Canada by issuing 9,470,300 units (“Units”) at a price of \$4.25 per unit, for gross proceeds to Quest of approximately \$40.25 million, and 2,300,000 “flow-through” shares at a price of \$5.00 per share, for gross proceeds to Quest of \$11.5 million, representing aggregate gross proceeds to Quest of approximately \$51.75 million. The 9,470,300 Units issued today included 1,235,000 Units issued by Quest upon the exercise of an over-allotment option by the agents for the offering.

“We are very pleased with the positive outcome of our financing,” Peter J. Cashin, Quest’s President & CEO said. “The offering, which was over-subscribed, was substantially larger than Quest initially planned. We believe that the success of the offering reflects the market’s response to the quality of our Strange Lake REE project as well as the exploration upside of our Misery Lake and other project opportunities.”

Each Unit is comprised of one common share and one-half of a common share purchase warrant. Each whole warrant entitles its holder to purchase one additional Quest common share at a price of \$5.00 until April 21, 2012, 18 months from the closing date of the offering.

Quest intends to use the net proceeds from the offering primarily for a pre-feasibility study on its Strange Lake B-Zone in northeastern Québec, and to use the balance of the net proceeds for exploration on Quest’s Misery Lake project, for working capital, and a possible feasibility study on the Strange Lake B-Zone.

The offering was conducted on a best-efforts basis through a syndicate of agents led by Dundee Securities Corporation and including CIBC World Markets Inc. and Stonecap Securities Inc., by way of a short-form prospectus dated October 7, 2010.

About Quest Rare Minerals

Quest Rare Minerals Ltd. is a Canadian-based exploration company focused on the identification and discovery of new rare earth deposit opportunities. Quest is publicly-listed on the TSX Venture Exchange as “QRM” and is led by an experienced management and technical team. Quest is currently advancing several projects in certain of Canada’s premier exploration areas: the Strange Lake and Misery Lake areas

of northeastern Quebec, the Kenora area of northwestern Ontario and the Plaster Rock area of northwestern New Brunswick. Quest's 2009 exploration program led to the discovery of a new Rare Earth metal deposit, the B-Zone, on its Strange Lake property in northeastern Quebec. Quest recently filed a 43-101 Inferred Resource Estimate as well as a Preliminary Economic Assessment (PEA) on the B-Zone deposit. In addition, Quest announced the discovery of a new area of rare earth element (REE) mineralization on its Misery Lake project, approximately 120 km south of the Strange Lake project. Quest continues to pursue high-value project opportunities throughout North America.

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