

Quest Rare Minerals and Straightline Aviation sign MOU at Canadian Aerospace Summit to bring eco-efficient solution to Canada's remote transportation challenges

MONTREAL, QUEBEC--(Marketwired - Nov 16, 2016) - [Quest Rare Minerals Ltd.](#) (TSX:QRM) announced an agreement with Straightline Aviation (SLA) to provide dedicated air services for the transport of ore concentrate, supplies and personnel using Lockheed Martin's Hybrid Airships. The airships will 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-Îles.

Under the Memorandum of Understanding (MOU), SLA will operate a fleet of seven of the world's first heavy-lift cargo Hybrid Airships, the LMH-1. The airships will transport personnel, critical supplies for mine operations, and carry more than 200,000 tonnes of rare earth ore concentrate annually for delivery to Quest's Bécancour refining facilities. Rare earth metals are critical to hundreds of high tech applications, many of which define our way of life and are key to the emergence of green technologies.

Developed and built by Lockheed Martin, the LMH-1 is well suited to Quest's transportation challenges due to its remote northern Québec mine site location. The airship has the ability 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 can carry 20 metric tons of cargo and up to 19 passengers. Both the U.S. Federal Aviation Administration (FAA) and Transport Canada have agreed on the newly developed Hybrid Airship certification criteria, which is being used to complete the type certification. First commercial deliveries are scheduled in 2019.

Hybrid Airships combine the technology of lighter than air aircraft with airplanes, helicopters and hovercraft. Helium provides 80 percent of the lift, while the remaining lift comes from the aerodynamic shape of the aircraft and its four thrust vectoring engines. The airship also features a unique hovercraft-like Air Cushion Landing System that facilitates taxiing and grips the craft firmly on the ground.

The airships 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 eliminates 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 Labrador Sea coast.

This new transportation solution will also stimulate employment and business opportunities for regional and Indigenous communities increasing the socio-economic benefits to the area around the mine site.

The service agreement represents a value of approximately US\$ 850 million, including fuel costs, over a 10-year period that starts in 2019, with further extensions of up to 20 additional years in line with the current projected life of the mine.

Supporting Quotes

Pierre Lortie, Executive Chairman of the Board, Quest

"Quest and SLA make ideal partners - we are well positioned to fully leverage the cost efficiencies and environmental advantages of the LMH-1, and are truly excited to be among the first companies to implement such an innovative transport solution."

Mark Dorey, Chief Operating Officer, Straightline

"We are looking forward to working with Quest, and believe that our Hybrid Airships will provide significant benefits in reaching remote locations such as the Strange Lake complex. Removing the need for expensive, intrusive infrastructure, it is a significant step in re-defining the way transport works in remote regions."

Rob Binns, Chief Executive Officer, Hybrid Enterprises

"Lockheed Martin's Hybrid Airship represents a revolution in remote cargo delivery. The Quest Strange Lake Project is a prime example of how our Hybrid Airship enables a cost effective and environmentally friendly solution to accessing strategically important mineral deposits."

Charles Bouchard, Chief Executive Lockheed Martin Canada

"I am thrilled to see Lockheed Martin's advanced technology coming to the province of Quebec and indeed being sought after to

solve transportation challenges in some of the most isolated and northern regions of Canada. It is an ideal country to use the highly innovative Hybrid Airships and I applaud the collaboration between Hybrid Enterprises, Straightline Aviation and Quest Rare Minerals in pursuing such an environmentally-friendly solution in Canada."

ABOUT

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.

Straightline Aviation is headquartered in the United Kingdom with offices in New York and Los Angeles, SLA was co-founded by a team of highly experienced airship and aviation executives with the sole purpose of bringing Hybrids into operation. Chief Executive Officer Mike Kendrick previously founded and ran the Virgin Group's extensive airship interests, including the Virgin Airship and Balloon Company (VABC). Mark Dorey was the Chief Operating Officer of VABC and is now SLA's COO. David Tait OBE, the President of SLA's U.S. operations, was a founding member of the team that created Virgin Atlantic Airways and was the Executive Vice President of Virgin Atlantic Airways' U.S. operation for 18 years.

Hybrid Enterprises is headquartered in Atlanta, Georgia. Hybrid Enterprises is the exclusive reseller of Lockheed Martin's Hybrid Airships. Hybrid Enterprises is comprised of industry professionals who have sold, leased and operated cargo aircraft in over 120 countries on six continents. Hybrid Enterprises is solely focused on sales and marketing of Lockheed Martin's Hybrid Airships.

Quest Forward-Looking Statement

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.

Photo of the Signing Ceremony

Introduction to Rare Earths

Overview of Quest's Project

Straightline Aviation Introduction

¹ Patent Pending

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