

# Quarterly Activities Report

For the period ending 30 September 2014



ASX: QRL

31 October 2014

ASX Code: QRL

ACN 149 278 759

## Registered Office

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## Website

[www.quintessentialresources.com.au](http://www.quintessentialresources.com.au)

## Investor Enquiries

[info@quintessentialresources.com.au](mailto:info@quintessentialresources.com.au)

## Capital Structure

175.9M Ordinary Shares  
15.8M Unlisted Options

## Board of Directors

Mr. Jay Stephenson  
*Non-Executive Chairman and Company Secretary*

Mr Shashi Fernando  
*Director*

Ms Julia Beckett  
*Director*

## Share Registry

Computershare Investor Services  
Level2, Reserve Bank Building  
45 St Georges Terrace  
Perth WA 6000  
P: 1300 557 010  
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## HIGHLIGHTS

- Quintessential Resources Limited (“QRL” or “the Company”) to acquire global technology incubation company Yonder & Beyond
- Lead Managers Taylor Collison and Fosters Stockbroking appointed
- Shashi Fernando Appointed to the Board of QRL
- Yonder & Beyond to Acquire State in Revolutionary Music App PlayMeet
- Non-Renounceable Entitlement Issue fully underwritten

The Company is pleased to announce its Quarterly Activities Report for the period ended 30 September 2014.

## Yonder and Beyond

The Company announced in July that it is to acquire global technology incubation company Yonder & Beyond Ltd (“Y&B”) which holds an exciting portfolio of assets experiencing accelerated growth and development managed by a world class team.

Y&B is pioneered by Shashi Fernando, who has twice been named in the world’s top 50 in Mobile Entertainment and has an outstanding track record in the digital and entertainment industry. Mr Fernando was the founder and CEO of Saffron Digital Limited (“Saffron”) and sold the company to HTC Corporation, one of the world’s largest smartphone manufacturers, for US\$50m in 2011. Under his leadership, Saffron experienced 100% revenue and profit growth, year on year for three years, and was deployed in partnership with music labels, film studios, operators and manufacturers in 43 countries and 17 languages. Mr Fernando was subsequently appointed Chief Content Officer and served on the Board of Directors of HTC Corporation.

Y&B is a technology incubation company that provides a collection of resources and expertise at group level to start-up companies in the sector, particularly in mobile, technology and entertainment. This includes full-time senior executives who specialise in areas that are often costly and inaccessible for start-ups, such as Digital Strategies, Business Development, Finance and Human Resources. This model ensures high growth and an excellent probability of success to Y&B's investments.

On 31 October 2014, the Company announced an updated capital structure and planned capital raising.

The acquisition of Yonder & Beyond will result in a significant change to the nature and scale of the Company's main business and will require re-compliance with ASX's admission requirements in Chapters 1 and 2 of the ASX Listing Rules, including the lodgement of a prospectus with ASIC to facilitate, amongst other matters, the Post-consolidation Capital Raising.

### **Joint Lead Managers**

In September, the Company appointed Taylor Collison Ltd and Foster Stockbroking Pty Ltd as Joint Lead Managers for an equity raising to be completed in conjunction with the acquisition of Yonder & Beyond.

### **PlayMeet**

Post the end of the Quarter, the Company announced that Y&B will acquire a 10% stake in US-based social media service, PlayMeet, a social music application that aims to revolutionise the way people connect through music. Y&B's investment into PlayMeet is subject to the completion of legal due diligence by Y&B.

The PlayMeet app is music focused and is nearing completion to be ready for commercial launch. The management team, ranging from seasoned music industry individuals to renowned artists, has demonstrated the ability to create ground-breaking products in pop culture involving artists, brands, digital applications, business models and policy.

### **Board Changes**

Mr Shashi Fernando was appointed a Director of QRL on 17 October 2014 after the resignation of Ms Paige McNeil as Managing Director.

### **Non-Renounceable Entitlement Issue**

The Company completed a fully underwritten non-renounceable entitlement issue of 31,403,262 shares at an issue price of \$0.01 per share on the basis of one (1) new share for every four (4) Shares held. The issue raised \$314,032 before costs.

### **Activities Update**

If the shareholders of QRL approve the acquisition of Y&B, post completion, the new board of QRL will undertake a review of the PNG assets to investigate opportunities to divest its existing assets and projects.

Jay Stephenson  
Chairman

# Appendix 5B

## Mining exploration entity quarterly report

Name of entity

Quintessential Resources Limited

ABN

76 149 278 759

Quarter ended ("current quarter")

September 2014

### Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date 3 Months \$A'000
1.1	Receipts from product sales and related debtors	22	22
1.2	Payments for		
	(a) exploration and evaluation	(55)	(55)
	(b) development		
	(c) production		
	(d) administration	(121)	(121)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	1	1
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Cash advance	(1)	(1)
<b>Net Operating Cash Flows</b>		(154)	(154)
<b>Cash flows related to investing activities</b>			
1.8	Payment for purchases of:		
	(a)prospects		
	(b)equity investments		
	(c) other fixed assets		
1.9	Proceeds from sale of:		
	(a)prospects		
	(b)equity investments		
	(c)other fixed assets		
1.10	Loans to other entities		
1.11	Loans repaid by other entities		
1.12	Other (provide details if material)		
<b>Net investing cash flows</b>		-	-
1.13	Total operating and investing cash flows (carried forward)	(154)	(154)

**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(154)	(154)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc. net of costs	408	408
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other (provide details if material)		
	<b>Net financing cash flows</b>	408	408
	<b>Net increase (decrease) in cash held</b>	254	254
1.20	Cash at beginning of quarter/year to date	29	29
1.21	Exchange rate adjustments to item 1.20		
1.22	<b>Cash at end of quarter</b>	283	283

**Payments to directors of the entity and associates of the directors**

**Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	71
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Payment for Managing Director Fees, Corporate Advisory Fees in relation to the Y&B Transaction, Accounting and Company secretary

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

-

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

-

### Financing facilities available

*Add notes as necessary for an understanding of the position.*

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	10
4.2 Development	
4.3 Production	
4.4 Administration	125
<b>Total</b>	<b>135</b>

### Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	10	29
5.2 Deposits at call	273	3
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter</b> (item 1.22)	<b>283</b>	<b>32</b>

**Appendix 5B**  
**Mining exploration entity quarterly report**

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**Interests in Mining Tenements**

*Disclosure in accordance with ASX Listing Rule 5.3.3*

6.1	<b>Project/ Tenements</b>	Location	Held at end of quarter	Acquired during the quarter	Disposed during the quarter
	EL 2045	Papua New Guinea	0%		
6.2	<b>Farm-in Agreements / Tenements</b>	Location	Held at end of quarter	Acquired during the quarter	Disposed during the quarter
	E 1727 – Bismark	Papua New Guinea	90%		
	EL 1822 – Goodenough /Fergusson	Papua New Guinea	90%		
	EL 1823 – East Normanby	Papua New Guinea	90%		
	EL 2162 – M'Sende	Papua New Guinea	90%		
6.3	<b>Farm-out Agreements / Tenements</b>	Location	Held at end of quarter	Acquired during the quarter	Disposed during the quarter

### Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 <b>Preference securities</b> <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>+Ordinary securities</b>	175,858,367	175,858,367		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	50,245,319	50,245,319	\$0.01	
7.5 <b>+Convertible debt securities</b> <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 <b>Options</b> <i>(description and conversion factor)</i>	10,000,000 2,000,000 600,000 3,250,000		<i>Exercise price</i> 20 cents 37 cents 36 cents 14 cents	<i>Expiry date</i> 31 December 2014 30 July 2015 4 April 2015 31 October 2015
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				

## **Compliance statement**

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act.
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here: ..... Date: 31 October 2014  
Company Secretary

Print name: Jay Stephenson