

Quest Minerals Limited

ABN 55 062 879 583
(Subject to a Deed of Company
Arrangement and Creditors Trust)

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Board of Directors and Management:

Jerome G (Gino) Vitale
Managing Director

Non-Executive Directors

Paul Piercy – Non executive
Chairman
Dennis Gee – non-executive
Director

Company Secretary

Stuart Third

Capital Structure

Ordinary Shares: 719,253,285



ASX Code: **QNL**

Enquiries regarding this
announcement can be directed to:

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Mr Stuart Third
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Placement to contribute to recapitalisation costs

Quest Minerals Limited (*Subject to a deed of Company Arrangement, Subject to a Creditors Trust*) (**ASX: QNL, "Company"**) is pleased to announce that it has completed a placement of 93.81 million fully paid ordinary shares to a sophisticated and professional investor to raise \$6,250.

The shares have been issued under the Company's existing capacity under ASX Listing Rule 7.1. The issue price of the shares is \$0.0000667 per share, is equivalent to a post reconstruction price of \$0.02 cents per share, as detailed in the Company's Notice of Meeting issued on 14 October 2016.

Proceeds from the issue are to be applied to prospectus lodgement fees payable to ASIC, and for other costs associated with meeting compliance requirements and the conditions imposed by ASX in order to achieve reinstatement of quotation of its securities is set out in Annexure D to the Explanatory Memorandum accompanying the above notice of meeting.

A summary of the key conditions imposed by ASX to achieve reinstatement of quotation of its securities is contained in the Company's Quarterly Report released on 1 November 2016.

Yours faithfully

Stuart Third
Company Secretary

Appendix 1

Capital Structure after Recapitalisation

Following the placement the Company's present capital structure and the position post consolidation and the recapitalisation will now be as follows:

	Fully Paid Ordinary Shares		Forfeited Partly Paid shares		Options
Existing Shares on Issue as at 30 September 2016 and at date of this report, prior to the consolidation of capital	719,253,285	100.00%	16,980,000	100%	-
Existing Shares on issue following the consolidation	2,397,511	2.23%	56,600	100%	
Placement at \$0.02 per Share to unrelated parties in satisfaction of fees	91,000,000	84.69%	-	-	
Issue at \$0.02 per Share to related parties	4,000,000	3.72%	-	-	
Issue of Shares at \$0.02 per share in satisfaction of fees to unrelated lead manager and corporate advisers	10,000,000	9.31%	-	-	
Issue of Unlisted Options to nominees of proponents of recapitalization at a price of \$0.00001 (includes 2,500,000 to be offered to a related party subject to shareholder approval)					32,500,000
Conversion of forfeited Partly Paid Shares (to be offered under Prospectus)	56,600	0.05%			
On Issue at completion of proposed consolidation and recapitalisation	107,454,111	100.00%	-	-	32,500,000

About Victory Bore Gold Project, Sandstone WA

The Company's wholly owned subsidiary Acacia Mining Pty Ltd ("Acacia") was awarded Exploration Licence E57/1036 on 1 July 2016. The licence covers an area of 39 km² on 13 blocks near the town of Sandstone, 560 km north east of Perth in East Murchison Mineral Field in Western Australia. **Figure 1** below shows several gold processing facilities are located close to the licence area.

The primary interest of the Company is to explore the potential for gold mineralization where a number of historical drill anomalies in BIF's (banded iron formations) have never been followed up. These anomalies represent sound drill targets that warrant follow up drilling.

The area also hosts gold bearing mineralised shears and quartz veins associated with brittle-ductile fracturing of host rocks that provide significant potential for economic gold mineralization due to the favourable geological and structural setting.

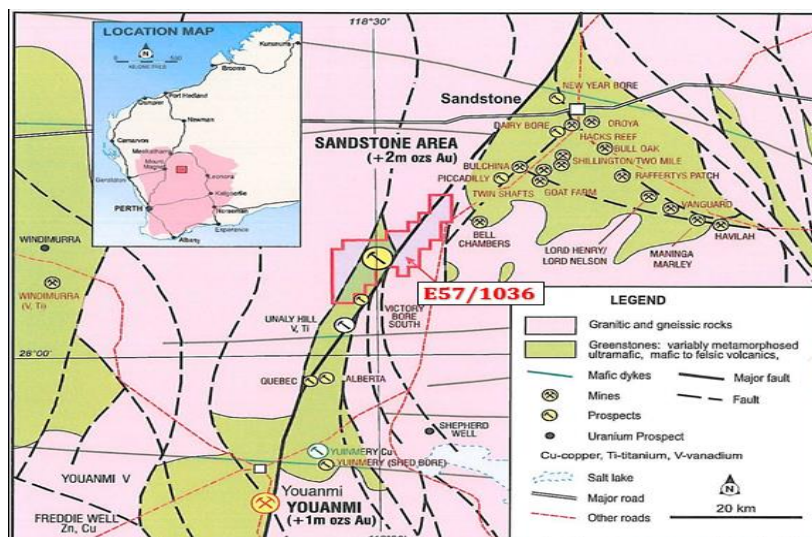


Figure 1 – Location of E57/1036 and geology of Sandstone area

The Company has previously commissioned a consultant geologist to compile historic gold intersections, being drilling programs that predominantly occurred from 1979 to 1998. Previous exploration drilling carried out by Battle Mountain Gold intersected several ore grade intersections of gold. These include:

- 4m @ 3.51 g/t Au from 52m in hole YR867
- 6m @ 5.2 g/t Au from 59m in hole YR875
- 8m @ 10.24 g/t Au from 20m in hole YP780

The location of these drill holes within EL57/1036 is shown in **Figure 2** below.

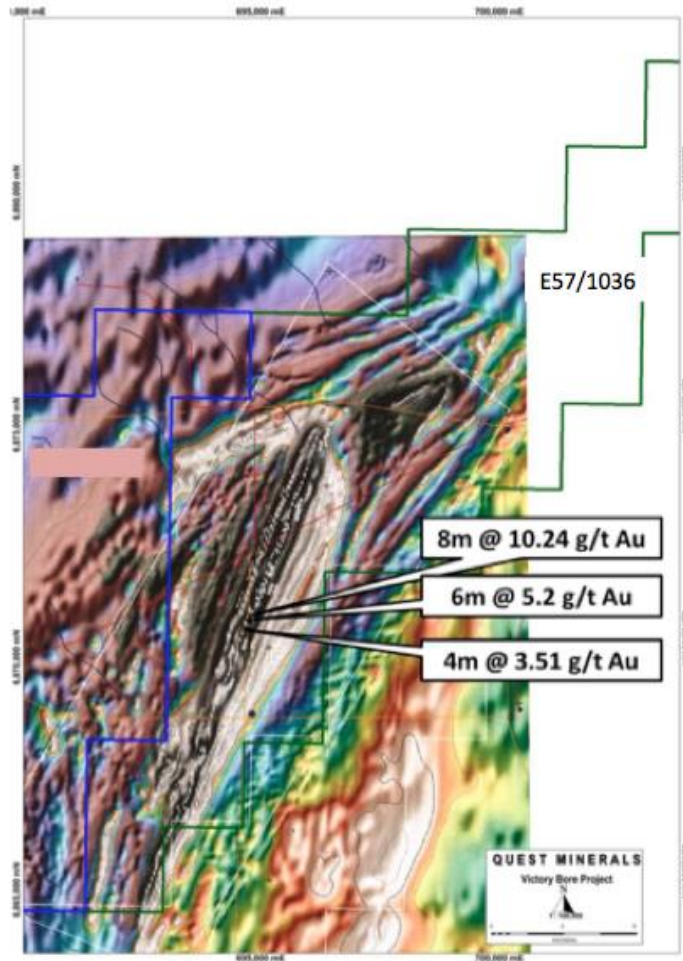


Figure 2 –historical gold intercepts and location shown over interpreted aeromagnetics map