

## 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: 2,399,428



ASX Code: **QNL**

Enquiries regarding this announcement can be directed to:

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Mr Stuart Third  
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- **Priority offer to existing shareholders**
- **ASX grants extension for compliance with reinstatement conditions**
- **Further funds raised under secured loan**
- **Proceedings by Mutual Holdings and KHV Holdings**
- **Supplementary Prospectus lodged with ASIC**

**Quest Minerals Limited** *(Subject to a Deed of Company Arrangement, Subject a Creditors Trust Deed)* (**ASX: QNL, "Company"**) is pleased to provide this update in relation to its recapitalisation plan as recently approved by shareholders at the General Meeting held on 14 November 2016.

### 1. Priority Offer to Shareholders

As a result of interest from shareholders, CPS Capital Group Pty Limited, the lead manager to the offer to raise \$1.82m under the prospectus ("**Prospectus**") dated 15 November 2016 ("**Placement Offer**"), and the Company have agreed an allocation policy so that, to the extent existing Shareholders apply for Shares under the Offer:

- existing Shareholders with less than 25,000 Shares (which at the offer price of \$0.02 per Share is equivalent to a marketable parcel with a value of \$500) will have a marketable parcel of Shares that can be sold; and
- existing Shareholders are otherwise not diluted as a result of the Recapitalisation.

Multiplying a Shareholder's present holding by 43.7604 will give an approximate number of Shares to apply for to maintain that Shareholder's relative interest in the Company following the issue of 105,000,000 Shares under the Recapitalisation. To get to a marketable parcel, existing shareholders holding less than 25,000 Shares will need to apply for the difference between 25,000 Shares and the number of Shares on their Holding Statement.

Existing Shareholders have 14 days from the date of the Supplementary Prospectus to apply for Shares under the Offer.

Participation in the priority offer will provide shareholders the opportunity to maintain their relative position in the Company as well as negate any dilution that may otherwise occur as a result of the recapitalisation. A letter setting out details of the priority offer will be sent to existing shareholders shortly.

Shareholders and investors should consider the Prospectus and Supplementary Prospectus in deciding whether to apply for shares and will need to complete the application form accompanying the Supplementary Prospectus, available in electronic form at [www.questminerals.com.au](http://www.questminerals.com.au).



ASX Announcement 29 November 2016

## **2. ASX Extension for Reinstatement**

ASX has granted the Company an extension by which time it must meet all of its conditions for reinstatement of its securities for trading. The Company must be reinstated for trading by the commencement of trading on 3 January 2017 (7AM WST) to avoid immediate removal from the official list. Details of the conditions imposed by ASX are contained at Annexure D of the Explanatory Memorandum to the Notice of Meeting dated 14 October 2016 (for the General Meeting held on 14 November 2016).

## **3. Court Proceedings**

The Company advises that Mutual Holdings Pty Limited (Mutual Holdings) and KHV Holdings Pty Ltd (KHV), entities controlled by Mr Vladimir (Roger) Nikolaenko, have commenced proceedings against the Company seeking a declaration that the shareholder meeting held on 14 November 2016 ("**Meeting**") was invalid or alternatively that resolutions 3 to 11 were not passed.

To comply with Listing Rules 9.4 and 15.12.3 and clause 24.3 of the Company's constitution, the Meeting's Chairman excluded 77 million (pre-consolidation) shares held by Mutual Holdings and KHV from voting. The shares were, for the same reason, excluded from voting at the Company's 2013 annual general meeting.

The Company notes that in the three years since 1 October 2013 when the Company's shares were suspended from trading, Mr Nikolaenko has not put forward any alternative plan for shareholders to consider in order to bring about the reinstatement of the Company's shares to quotation, nor to raise any form of capital to enable the Company to operate.

The matter will be vigorously defended by the Company.

## **4. Ongoing Funding**

The Company has agreed to borrow up to \$150,000 from existing shareholders and unrelated investors. The loans carry interest at 10% per annum and are secured over the Company's Victory Bore project. Proceeds will be applied to the costs of the recapitalisation and to defend the above proceedings. The loans carry interest at 10% per annum and have a maturity date of 24 May 2017. In the event the recapitalisation completes, the loans will be set off against application moneys for shares under the Prospectus.

## **5. Lodgement of Supplementary Prospectus**

Further to the Prospectus lodged with ASIC on 15 November 2016, the Company has today lodged a Supplementary Prospectus with ASIC containing additional and updated information.

**Gino Vitale**

**Managing Director**

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