

Quest Minerals Limited

ABN 55 062 879 583

Level 1,
467 Scarborough Beach Road,
Osborne Park,
Western Australia 6017
T: +61 (8) 9217 9800
F: +61 (8) 9217 9899
E: jeromev@vitale.net.au

Directors

Steve Formica, Chairman
Jerome G (Gino) Vitale
David Palumbo

Joint Company Secretaries

Stuart Third
David Palumbo

Capital Structure

Ordinary Shares: 117,399,428
Unlisted Options: 32,500,000



ASX Code: **QNL**

Enquiries regarding this announcement
can be directed to:

Mr Gino Vitale
T: +61 (8) 9221 33 55
Mr David Palumbo
T: +61 (8) 9481 0389

Less than Marketable Parcel Buy-Back

Quest Minerals Limited (**QNL** or **Company**) (ASX: QNL) is pleased to announce the details for a buy-back for holders of less than marketable parcels of shares in the Company (**Buy-Back**).

Under the Listing Rules of the Australian Securities Exchange, any shareholding valued at less than \$500 is considered to be a "less than marketable parcel" of shares. The Buy-Back will allow shareholders who hold less than marketable parcels of shares in the Company (**Eligible Shareholders**) to sell their shares back to the Company at the Buy-Back price of \$0.025 per share. The Company's last traded price was \$0.024 on 17 March 2017.

Based on the Buy-Back price per share and the register of members as at 5pm (WST) on 17 March 2017 (**Record Time**):

- a less than marketable parcel of shares is any shareholding of 20,000 shares or less;
- 0.486% of QNL shares (571,191 shares) are held in less than marketable parcels; and
- the aggregate value of the QNL ordinary shares held by all holders of less than marketable parcels is \$14,279.78.

QNL shareholders who own 20,000 shares or more will not be eligible to participate in the Buy-Back.

The Company values all its shareholders and is offering this Buy-Back to assist Eligible Shareholders to sell and realise their shares without incurring brokerage and other expenses. The Company will pay for all costs related with this Buy-Back (excluding tax consequences from the sale which remains the shareholder's responsibility) and expects to reduce administrative costs associated with maintaining a large number of very small holdings.

The Company is sending the attached letter to Eligible Shareholders. Those who wish to retain their shares must complete and sign the Share Retention Form and forward it to Advanced Share Registry Services, 110 Stirling Highway, Nedlands WA 6009, to be received by 5pm (WST) on 5 May 2017 (**Closing Time**).

David Palumbo
Joint Company Secretary



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Suite 1, 467 Scarborough Beach Road
Osborne Park WA 6017
(PO Box 1788, Osborne Park DC WA 6917)

T (61 8) 9217 9800 F (61 8) 9217 9899
www.questminerals.com.au

20 March 2017

Dear Shareholder

Offer by Quest Minerals Limited to buy-back less than marketable parcels of shares (Offer)

As announced on 20 March 2017, Quest Minerals Limited (**QNL** or **Company**) intends to complete a minimum holding share buy-back for holders of less than marketable parcels of shares as at 5pm (WST) on 17 March 2017 (**Record Time**).

The directors of the Company recognise that holders of shares with a value of \$500 or less may encounter difficulties selling their shares on the Australian Securities Exchange (**ASX**). In order to allow these shareholders to sell their shares without incurring brokerage and other expenses, and to reduce the administrative and registry costs for the Company that are associated with less than marketable parcels, the directors have resolved to undertake a buy-back of less than marketable parcels of shares under the terms set out in this Offer and the procedure in Division 2 Part 2J.1 of the *Corporations Act 2001* (Cth) (**Buy-Back**).

Shares purchased by the Company under the Buy-Back will be cancelled.

Under the Listing Rules of the ASX, any shareholding valued at less than \$500 is considered to be a "less than marketable parcel" of shares. Based on the Buy-Back price of \$0.025 per share, a less than marketable parcel of shares is any shareholding of 20,000 shares or less. Our share registry shows that the number of shares held by you or an entity that is associated with you is a less than marketable parcel, which makes you one of the Eligible Shareholders.

On the basis of the Buy-Back price and the register of members of the Company as at 17 March 2017:

1. 0.486% of QNL shares (571,191 shares) are held in less than marketable parcels; and
2. the aggregate value of the QNL ordinary shares held by all holders of less than marketable parcels is \$14,279.78.

It is important to note that the market price of QNL shares will change from time to time. The buy-back price under the Buy-Back may be less than the actual market price at the time of the sale and may not be the best price obtainable on the day on which your QNL shares are bought back. The Company will not buy-back your shares if you wish to retain your shareholding.

Your choices:

1. If you would like the Company to purchase your less than marketable parcel of shares at \$0.025 per share, you do not need to do anything.
2. If you do not want your shares to be purchased by the Company under the Buy-Back, you must:
 - a. complete the enclosed Share Retention Form and return it to the Company's share registry, Advanced Share Registry Services, by no later than 5pm (WST) on 5 May 2017 (**Closing Time**); or
 - b. top up your holding to a marketable parcel by either merging multiple holdings or acquiring additional QNL shares on market such that your registered holding at the Closing Time is 20,000 shares or greater.

You are advised to allow reasonable time for the Share Retention Form to be received by the Company. If you hold shares in multiple holdings, some of which are less than marketable parcels, then the Company will purchase those less than marketable parcels unless a Share Retention Form is received for each holding.

If your shareholding is purchased, the sale proceeds will be forwarded to you by the Company as soon as practicable.

The price you receive for each share purchased by the Company in the Buy-Back will be \$0.025.

Australian residents will only be paid their sale proceeds in Australian dollars by direct credit to an account held with an Australian Financial Institution. You must complete and return the enclosed Share Retention Form, including your direct credit of payments instruction in section C.

Non-resident holders who do not have an account with an Australian Financial Institution will be paid in Australian dollars by cheque.

There is an option on the Share Retention Form to choose to donate the proceeds of your sale to Telethon Kids Institute. Telethon Kids Institute's vision is to improve the health and wellbeing of children through excellence in research. The Telethon Kids Institute is one of the largest, and most successful, medical research institutes in Australia, comprising a dedicated and diverse team of more than 500 staff and students. Amounts less than \$100 which remain unclaimed at 5 May 2018 will be donated to Telethon Kids Institute.

The Company makes no recommendation as to whether you should participate in the Buy-Back. You should seek independent professional advice when deciding whether to retain your shares and if you have any questions on how the sale may affect you.

While the Company will pay for all costs associated with this sale, any taxation consequences arising from the sale of a less than marketable parcel under this Buy-Back will be your responsibility. Please consult your legal, financial or taxation advisor if you require information regarding possible taxation implications of the sale of less than marketable parcels under the Buy-Back.

If you require further information in respect of the Buy-Back, please contact the Company's share registry, Advanced Share Registry Services, on (08) 9389 8033 between the hours of 9.00am and 5.00pm WST Monday to Friday.

Yours faithfully

David Palumbo
Joint Company Secretary