

**Quest Minerals
Limited**

ABN 55 062 879 583

Level 11
216 St. Georges Terrace,
Perth,
Western Australia 6000
T: +61 (8) 9481 0389
F: +61 (8) 9463 6103
E: jeromev@vitale.net.au

Board of Directors

Steve Formica
Jerome G (Gino) Vitale
David Palumbo

Company Secretary:

David Palumbo

Capital Structure:

Ordinary Shares: 116,937,867
Unlisted Options: 32,500,000



ASX Code: **QNL**

Enquiries regarding this
announcement can be directed
to:

Mr Gino Vitale
T: +61 (8) 9221 3355
Mr David Palumbo
T: +61 (8) 9481 0389

Victory Bore Project – Gold drilling Programme

HIGHLIGHTS:

- RC drilling programme to test defined gold anomaly planned for late July/early August
- Heritage Survey completed and clearance for drilling received from Wutha Native Title Claimants
- Programme of Works lodged with DMIRS

Quest Minerals Limited (QNL or Company) (ASX: QNL) is pleased to announce that following a detailed geological review of all available exploration data and field work completed during May and June, the Company plans to conduct a 1,100 metre Reverse Circulation (RC) drilling programme to test historical gold anomalies within the Victory Bore project area. Drilling is scheduled for late July/early August and is anticipated to take 8- 10 days to complete.

Figure 3 below shows the location of historical drilling targeted specifically at gold within the project area. Most of the drilling was undertaken by Battle Mountain Gold Company (BMGC) in the mid 1990's to examine the regional "Youanmi-Sandstone Shear" as a gold target structure. BMGC reported a total of 558 Rotary Air Blast (RAB) holes in the project area. These defined a 6 km gold anomaly at the 20ppb level oriented north-north-east¹. The anomaly is in the saprolite zone of the lateritic weathering profile in the area around Victory Bore.

As a follow-up of the defined RAB anomaly, BMGC drilled a total of 27 RC holes to an average depth of 80 metres, all angled at 60° east. Field examination by Quest has confirmed positions of all historical RC holes now recorded by GPS by reference to collar markers or drill sample material located on the ground. Significant intersections are tabulated at Table 1 below. Holes YR867 and YR875 occur on adjacent lines 200m apart in a similar structural position with respect to the interpreted geology. These intercepts define what the Company has called the **Dual Prospect**. Also included in this table are two RAB holes (YP793 and YP590) which recorded significant assay results lying respectively 200m and 400m south of the significant RC hits at "Zone A" of the anomaly (refer Figure 3). These were not covered by the follow-up RC drilling.

The intercepts indicate an alignment trending 020°, which is conformable with the underlying structural trend with no indication of a cross-structural feature. Host rocks in both cases are magnetic

¹ Battle Mountain Gold GSWA A51335, Youanmi JV project for Year ending 11 Feb 1997

gabbro, but field examination of drill spoil by Quest indicates the presence of fine-grained mafic schist, quartz veins and disseminated pyrite.

Project Location

The Project is located in the mid-west Region of Western Australia, 560km north-east of Perth and 120km south-east of Mt Magnet and lies on the southern end of E57/1036 on which the Company has reported a JORC 2012 vanadium- titanium- magnetite Mineral Resource (refer QNL ASX announcement of 29 June 2017). Access is via the sealed Paynes Find-Sandstone Road thence via station tracks.

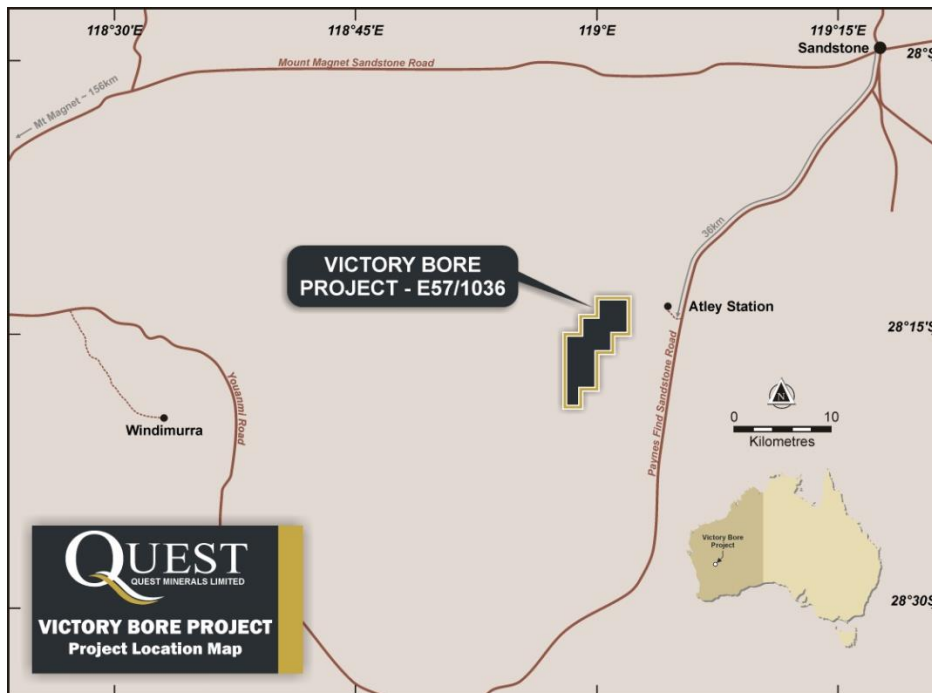


Figure 1: regional location map

Hole ID	Stated position		Actual Position*		Intersection	Rock type	Zone (see Figure 3)
	mN	mE	mN	mE			
YR867	6870600	694590	6870758	694853	4m @ 3.5g/t from 52m	Gabbro, minor basalt	Zone A-Dual Prospect
YR875	6870400	694550	6870552	694726	6m at 5.2g/t from 56m	Gabbro, vein quartz	Zone A
YP793	6870200	694800	RAB not transformed		6m @ 0.11g/t	Gabbro	Zone A
YP590	6870000	695940			4m @ 0.26g/t	metasediments	Zone A
YR863	6870800	695490	6870913	695752	4m @ 0.11g/t from 60m	Gabbro, basalt vein quartz	Zone B
YR883	6868400	693490	6868494	693722	4m @ 0.24g/t from 68m	Gabbro	Zone C
* adjusted position compared to actual reported position on superseded GMA84 grid; located by Quest with an accuracy of ± 5 meters on the UTM Zone50 GDA95. The discrepancies between actual and stated position can be as much as 240 metres to the northeast.							

Table 1: Significant historical gold intersections - "Dual Prospect" at Zone A and drill lines to the south at Zones B and C (refer Figure 3)

Outcrop and Regolith Geology

Most of the area is covered by post-lateritic mulga-covered sheetwash deposits, composed of red-brown sand and ferruginous clays. This is derived by erosion of the once-continuous lateritic blanket and underlying saprolitic bedrock. Uplands of exposed granite occur to the northwest of the project area where it is overlain by lateritic duricrust.

RAB drilling shows that much of the sheetwash cover is surprisingly thin, being only 2-10 meters in the western part of the area of the project area. It increases to 25m in the central area under the present drainage that flows from north to south over the project area.

The basement below the transported layer will therefore be the exhumed and re-buried saprolite zone of the original lateritic weathering profile. In respect of gold exploration, it is likely therefore it could include segments of the depletion and supergene zones of the weathering profile. This situation has implications for gold exploration, where the threshold for saprolite anomalism can be set as low as 20ppb. Nevertheless the interface between transported and in-situ material remains the best medium for gold exploration, and is superior to soil sampling.

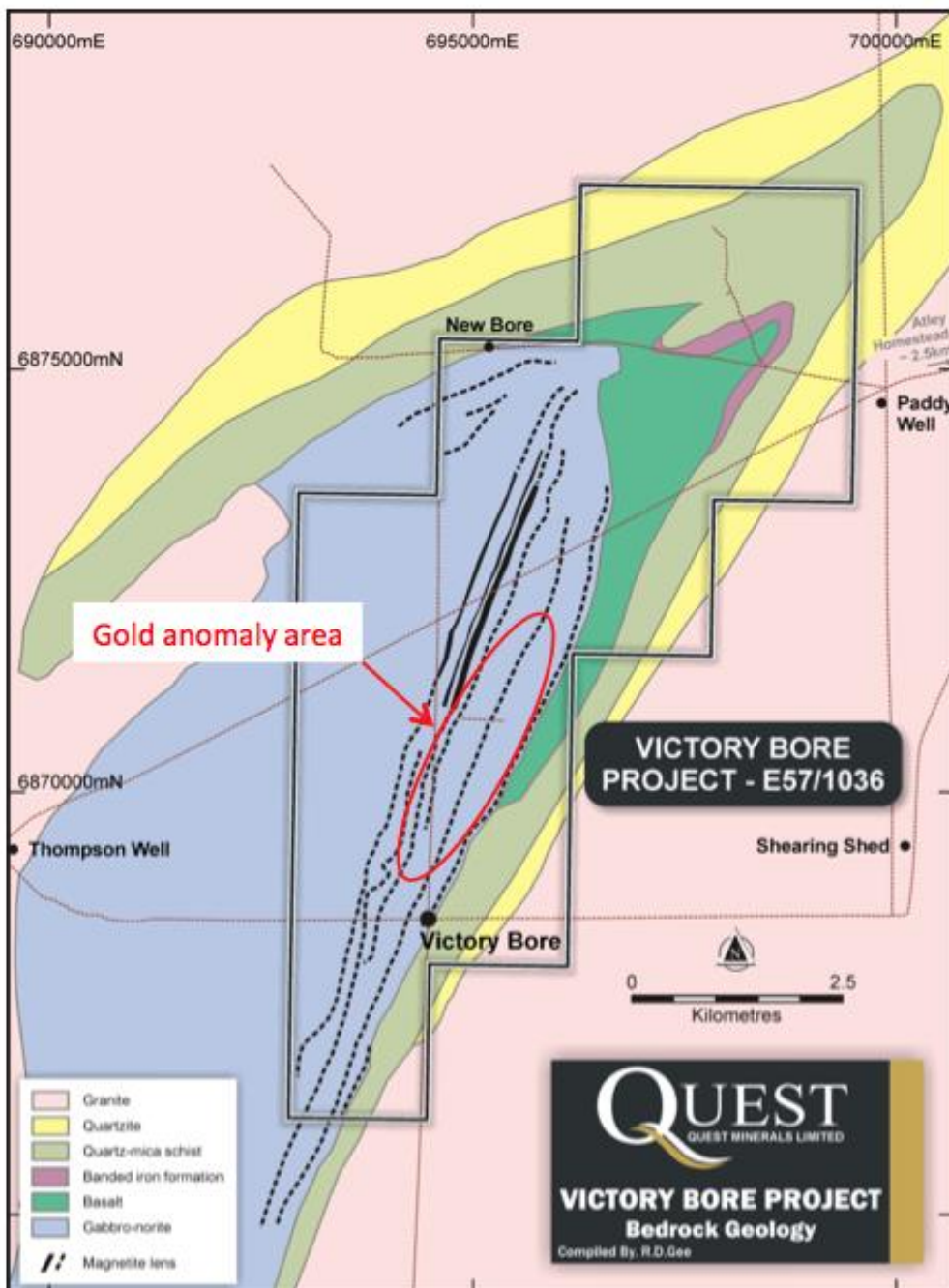


Figure 2: Bedrock geology map showing approximate location of gold anomalous area defined by historical RAB drilling

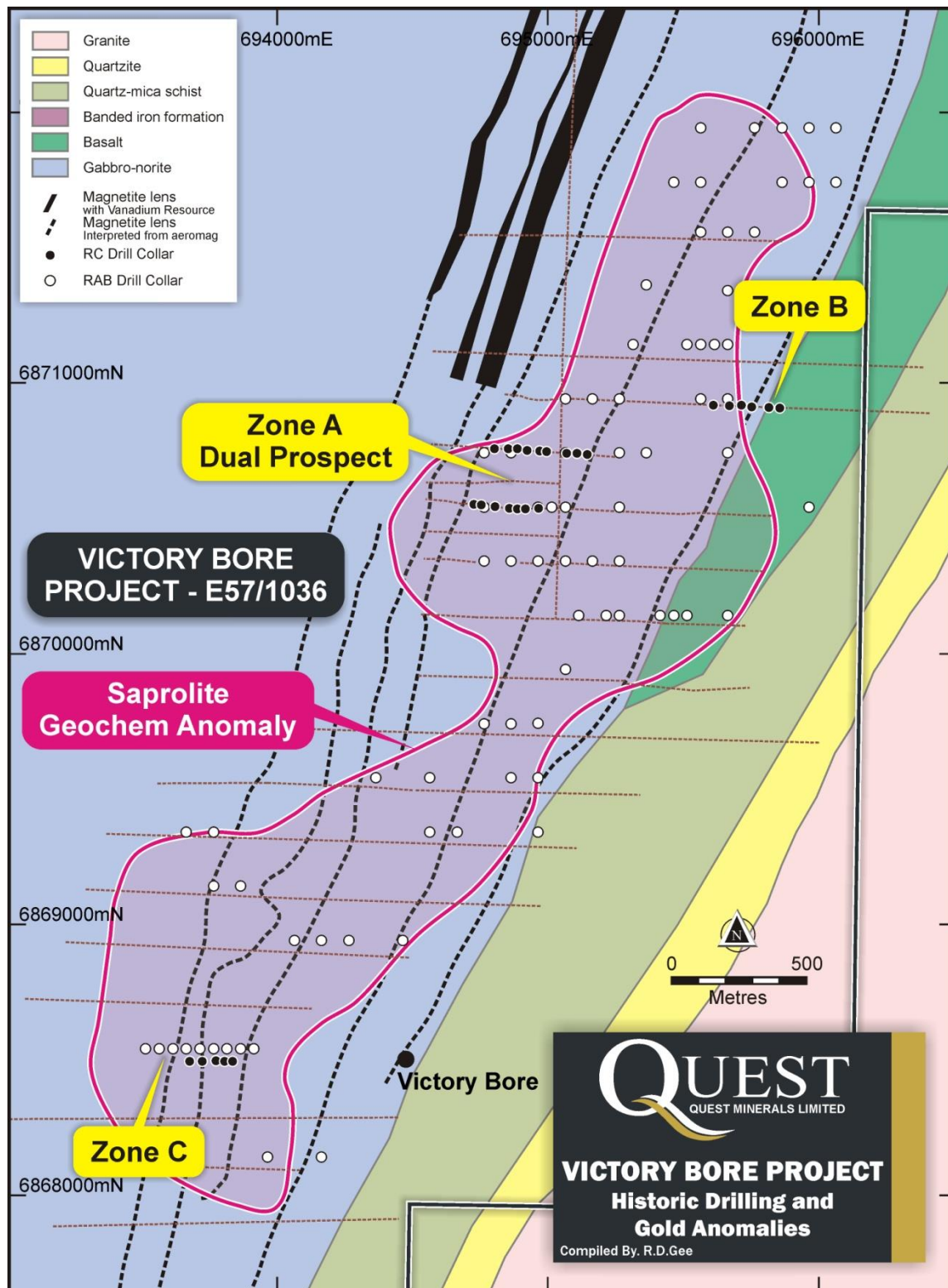


Figure 3: RAB drill lines defining 6km gold anomaly at Victory Bore. "Dual Prospect" to be drilled by Quest is located at Zone A

To test the two hits that occur on lines 200m apart and test continuity over a strike length of 400m, Quest plans to drill three holes on each of three 100m infill and extension lines, plus a hole to go under YR875, making a total of 10 holes. All holes are to be drilled at 60°E to depth of 90m. The proposed holes are shown in Figure 4.

Figure 4: proposed RC drill holes at 'Dual Prospect'

Other Gold Targets

Within the major 10ppb anomaly, not all elevated values around 50 -100ppb have been followed up by RC drilling. These potential targets occur between Dual Prospect at Zone A and Zone C in Figure 3. Here there is a possible structural target where Magnetite Lens 2 is crumpled. Subject to the outcome of the proposed drilling programme, the Company plans to review the available BMG non-digital data base in more detail to assess whether this structure is supported by any low-level anomalous gold in the RAB sampling.

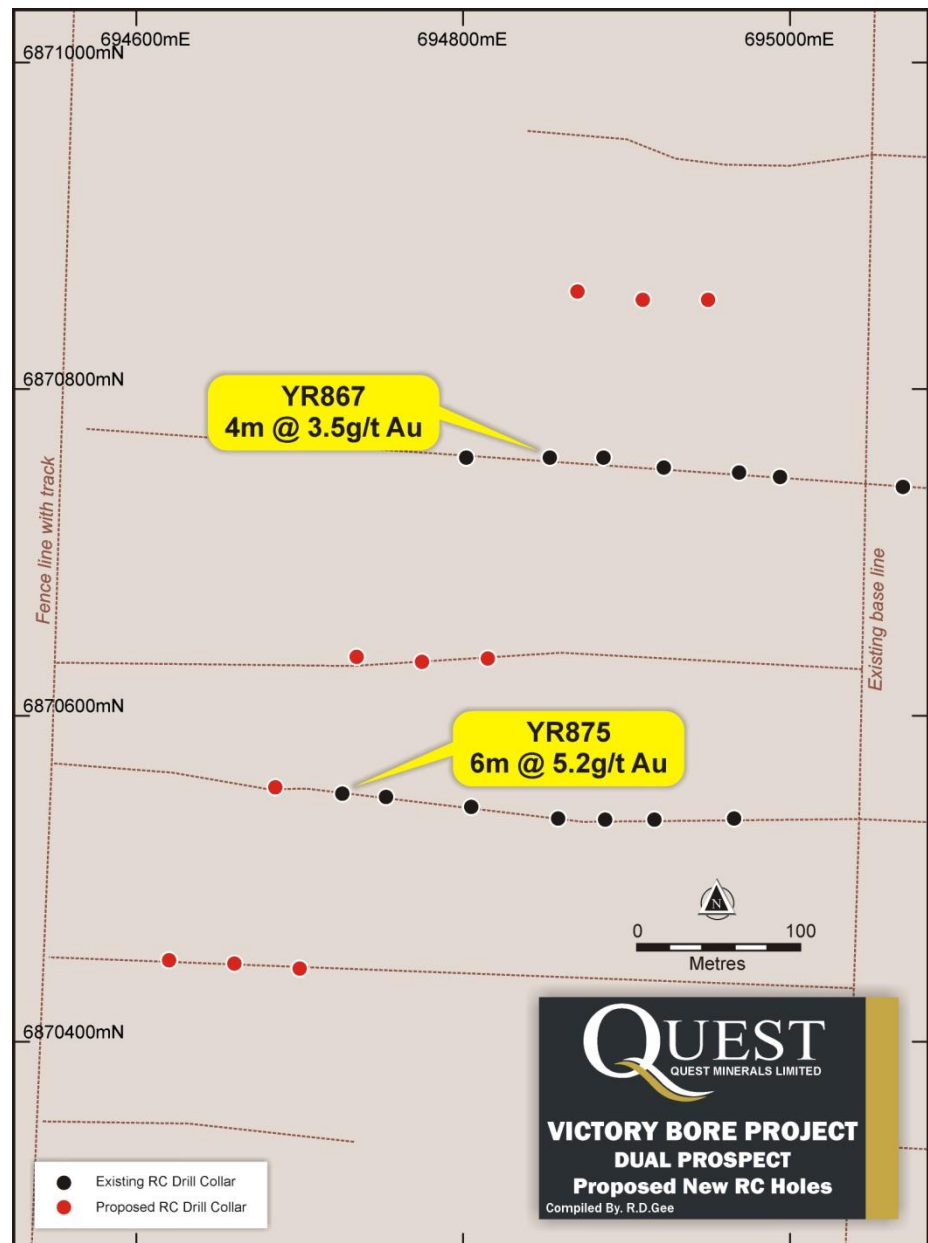
The offset and apparent rotation of an interpreted anticlinal closure to the north evident from aeromagnetic surveys

(refer QNL ASX announcement 29 June 2017) presents an attractive and obvious structural target, especially in the folded BIF-basalt assemblage. However this area has been well covered by BMG with soil sampling in subcrop-colluvial areas, and RAB drilling in sheetwash areas. No gold anomalies or single-point hits were noted by BMG. Similarly the BMG database needs further detailed assessment, but these would present low-level secondary targets.

Heritage Survey and POW

The Sandstone area in which E57/1036 is located has been extensively surveyed in the past, including surveys conducted during 2006 and 2007 development in which the Wutha Native Title Claimants participated. The Sandstone area is predominantly low-lying plains with mulga and break-away country that has been worked over for many years and today old mine workings dot the area.

The Company's wholly owned subsidiary Acacia Mining Pty Ltd and holder of E57/1036 has received formal clearance from the Wutha Native Title Claimants following a desktop heritage study completed in June. As a result, a condition of grant of the licence has been fulfilled and no further ethnographic heritage assessment or consultations with the Claimants will be required for future exploration and development activities.



Following receipt of heritage clearance a Programme of Works ("POW") application covering the proposed drilling programme has been lodged with Department of Mines, Industry Regulation and Safety (DMIRS) and is pending approval.

Gino Vitale
Director

Competent Persons Statement

The information in this announcement that relates to the historical Exploration Results is based on and fairly represents information compiled by **Dr Dennis Gee**, who is a Member of the Australian Institute of Geoscientists (AIG) and a consultant to Quest Minerals Ltd. Dr Gee has sufficient experience relevant to the style of mineralisation and type of deposit under consideration, and to the activity which he has undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Dr Gee consents to the inclusion in this report of the matters based on this information in the form and context in which it appears.

Disclaimer

Forward-looking statements are statements that are not historical facts. Words such as "expect(s)", "feel(s)", "believe(s)", "will", "may", "anticipate(s)" and similar expressions are intended to identify forward-looking statements. These statements include, but are not limited to statements regarding future production, resources or reserves and exploration results. All of such statements are subject to certain risks and uncertainties, many of which are difficult to predict and generally beyond the control of the Company, that could cause actual results to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements. These risks and uncertainties include, but are not limited to: (i) those relating to the interpretation of drill results, the geology, grade and continuity of mineral deposits and conclusions of economic evaluations, (ii) risks relating to possible variations in reserves, grade, planned mining dilution and ore loss, or recovery rates and changes in project parameters as plans continue to be refined, (iii) the potential for delays in exploration or development activities or the completion of feasibility studies, (iv) risks related to commodity price and foreign exchange rate fluctuations, (v) risks related to failure to obtain adequate financing on a timely basis and on acceptable terms or delays in obtaining governmental approvals or in the completion of development or construction activities, and (vi) other risks and uncertainties related to the Company's prospects, properties and business strategy. Our audience is cautioned not to place undue reliance on these forward-looking statements that speak only as of the date hereof, and we do not undertake any obligation to revise and disseminate forward-looking statements to reflect events or circumstances after the date hereof, or to reflect the occurrence of or non-occurrence of any events.

Attached:

Appendix - JORC Code, 2012 Edition – Table 1 sections 1 and 2

APPENDIX

JORC TABLE 1

Section 1: Sampling Techniques and Data

Criteria	Explanation
<i>Sampling techniques</i>	<ul style="list-style-type: none"> Quest Minerals had not undertaken any drilling on the Dual Prospect, and all data relates to field checking of collar positions and to information in statutory reports by previous operator, dating back to 1995. Historic reports indicate grab-sampling of drill cutting. Specific measures to ensure representativity are unknown. Historic reports state 0.5kg samples were taken from each meter of RC drill cuttings and composited into 4-meter samples.
<i>Drilling techniques</i>	<ul style="list-style-type: none"> Angled Reversed Circulation (RC) holes. Rig capability not specified.
<i>Drill sample recovery</i>	<ul style="list-style-type: none"> Estimation of volumetric or weight recovery of RC chips not stated in historic reports.
<i>Logging</i>	<ul style="list-style-type: none"> One-meter intervals were geologically logged by previous operator and geological logs are available as analogue (non-digital) sheets on GSWA open file. They have been checked in the field by Quest Minerals
<i>Sub-sampling techniques and sample preparation</i>	<ul style="list-style-type: none"> Method of sampling of individual meter interval not specified but presumed to be spear sampled. QA procedures not specified. Half-kg sample size for each meter is considered appropriate for the grades shown by analysis.
<i>Quality of assay data and laboratory tests</i>	<ul style="list-style-type: none"> Half-kg aliquots taken from four-kg composites were pulverised to unstated size. Analytical technique for gold only was aqua-regia digest, followed by DIBK extraction and AAS finish at detection limit of 0.01 g/t. Laboratory quality control procedures unstated in the open file reports.
<i>Verification of sampling and assaying</i>	<ul style="list-style-type: none"> Not stated in historic reports. No adjustments have been made to stated analyses.
<i>Location of data points</i>	<ul style="list-style-type: none"> Collar positions of drill holes are stated as “as-planned” GDA 1984 coordinates prior to construction of drill grids. Collar positions have been picked up in the field using GPS GDA95 and are considered accurate to within $\pm 5\text{m}$. No down-hole surveys are reported by previous operator.
<i>Data spacing and distribution</i>	<ul style="list-style-type: none"> At the Dual prospect there are 11 previous RC holes on grid lines 200m apart and 50m centres. Two RC are reported in this ASX release. These holes are insufficient to establish geological control.
<i>Orientation of data in relation to geological structure</i>	<ul style="list-style-type: none"> Geological structure and control is not known at present.
<i>Sample security</i>	<ul style="list-style-type: none"> Unknown
<i>Audits or reviews</i>	<ul style="list-style-type: none"> None stated.

Section 2: Reporting of Exploration Results

Criteria	Explanation
<i>Mineral tenement and land tenure status</i>	<ul style="list-style-type: none"> Exploration License 57/1036 known as Victory Bore, was granted 1 July 2016 in the name of Acacia Mining Pty Ltd which is a wholly owned subsidiary of Quest Minerals Ltd.
<i>Exploration done by other parties</i>	<ul style="list-style-type: none"> Battle Mountain Gold Company undertook a regional systematic RAB geochemical program over much of the area in the period 1991-1995, with limited follow-up of gold anomalies by RC drilling. The historical database is all analogue and not digital. Battle Mountain exploration procedures are considered to be of high quality.
<i>Geology</i>	<ul style="list-style-type: none"> Anomalous gold occurs in the saprolite zone of the weathering profile. Significant gold hits in historic RC holes occur in fresh gabbro near the top of the Atley Gabbro Intrusion. Geological controls are unknown.
<i>Drill hole Information</i>	<ul style="list-style-type: none"> Collar positions of drill holes with significant intersections are shown in Table 1 of this release. RC holes were angled 60° east, with down-hole depth of 90m, and were unsurveyed.
<i>Data aggregation methods</i>	<ul style="list-style-type: none"> Historic RC results were simply reported as four-meter composite intersections, without any further manipulations.
<i>Relationship between mineralisation widths and intercept lengths</i>	<ul style="list-style-type: none"> No mineralized widths can be deduced from the down-hole intercepts at this stage.
<i>Diagrams</i>	<ul style="list-style-type: none"> Appropriate map of collar positions is included in the release. Cross sections are not geologically meaningful at this stage.
<i>Balanced reporting</i>	<ul style="list-style-type: none"> All relevant work of a current nature undertaken by Quest is outlined in this release. It is not appropriate to outline all results of exploration undertaken in 1995.
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"> No other exploration data is relevant or material at this stage.
<i>Further work</i>	<ul style="list-style-type: none"> Eleven additional RC holes are planned to better define the zone of potential gold mineralization and gain a geological understanding of the prospect. This will achieve a grid spacing of 100m x 40m over a possible strike length of 400 meters.