

**Quest Minerals
Limited**

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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**

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Report for Quarter Ended 30 June 2017

Quest Minerals Limited (ASX: QNL, "Company") is pleased to provide this quarterly update on its activities for the quarter ended 30 June 2017.

1. Victory Bore Gold Project, Sandstone WA (EL 57/1036)**(a) Gold**

Activities during the quarter centred around preparation for a proposed Reverse Circulation (RC) drilling program planned for late July/early August specifically targeting gold. This comprised detailed geological mapping, field verification of historical exploration activities including drill hole collar positions and a review of all geochemical sampling and drill data results.

The location of EL 57/1036 and high-grade gold anomalies from historical Reverse Circulation (RC) and Rotary Air Blast (RAB) drilling completed by a previous explorer are shown in **Figures 1 and 2** below. Reported results include several ore grade intersections and areas of gold anomalism that constitute follow-up targets. Significant intersections are tabulated at **Table 1** below.

Holes YR867 (**4m @ 3.5g/t from 52m**) and YR875 (**6m at 5.2g/t from 56m**) 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 200m and 400m respectively south of the significant RC hits at "Zone A" of the anomaly (refer **Figure 3**). These were not tested by previous RC drilling.

The Company plans to commence a 1,100 metre RC drilling program in late July/early August to test these historical anomalies. The proposed RC drill holes at 'Dual Prospect' are shown in **Figure 4** and are expected to take 8 - 10 days to complete.

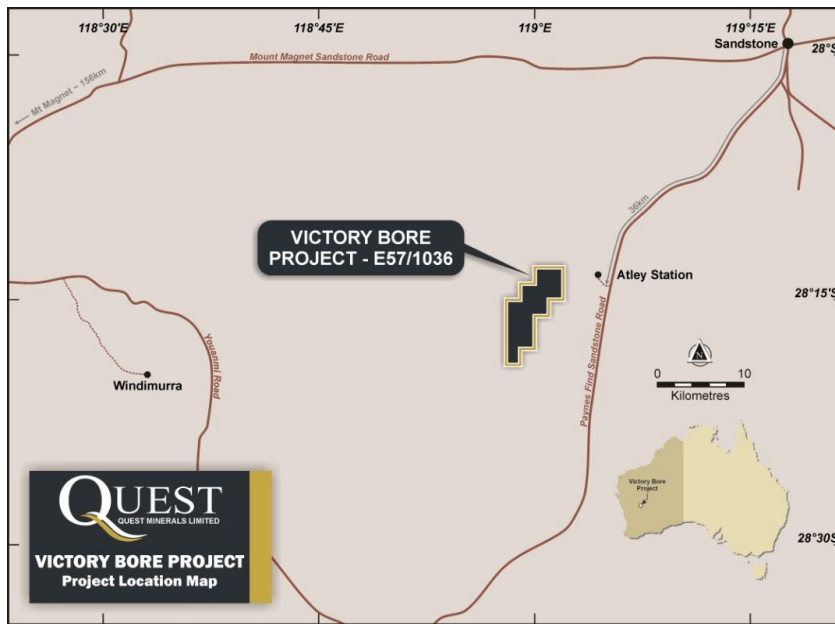


Figure 1: Regional location map

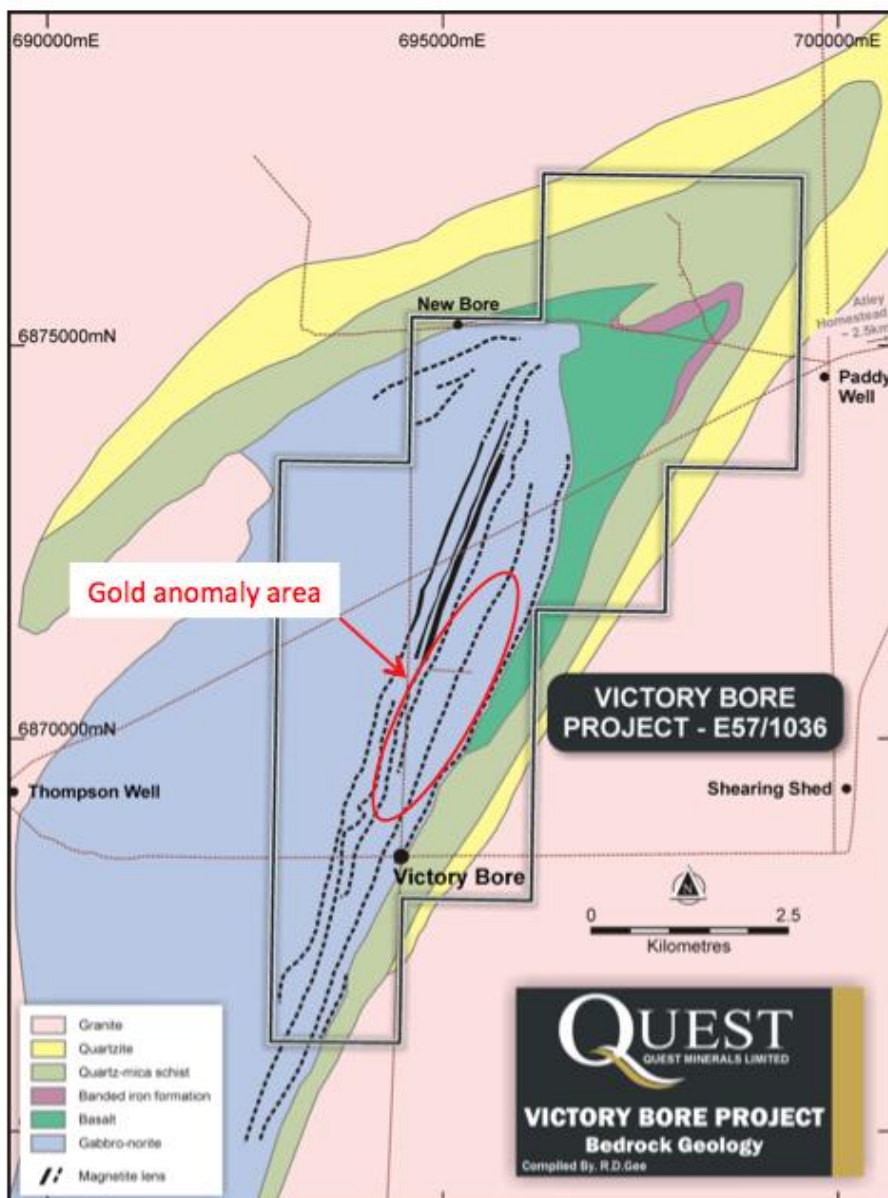


Figure 2: Bedrock geology map showing approximate location of gold anomalous area defined by historical RAB drilling and magnetic lenses from aeromag surveys containing a vanadium Resource

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)

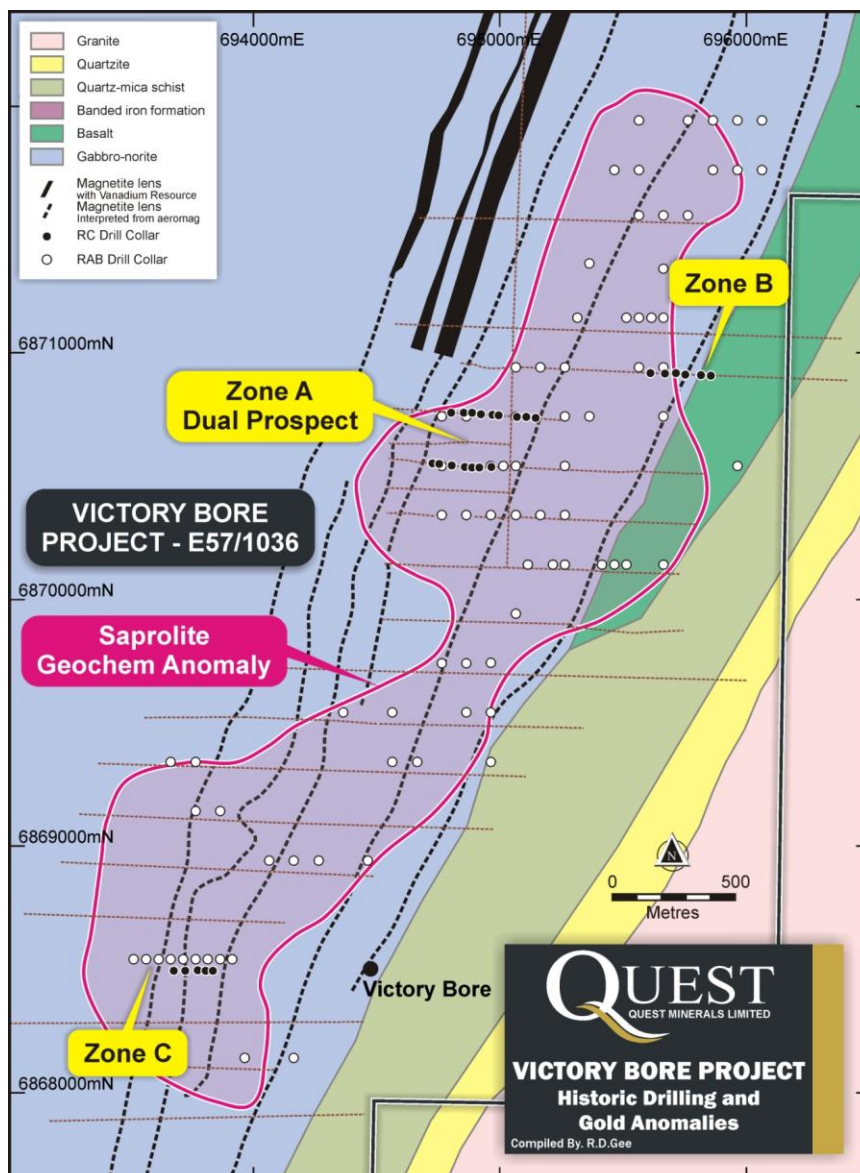


Figure 3: RAB drill lines defining 6km gold anomaly at Victory Bore. "Dual Prospect" to be drilled by Quest is located at Zone A

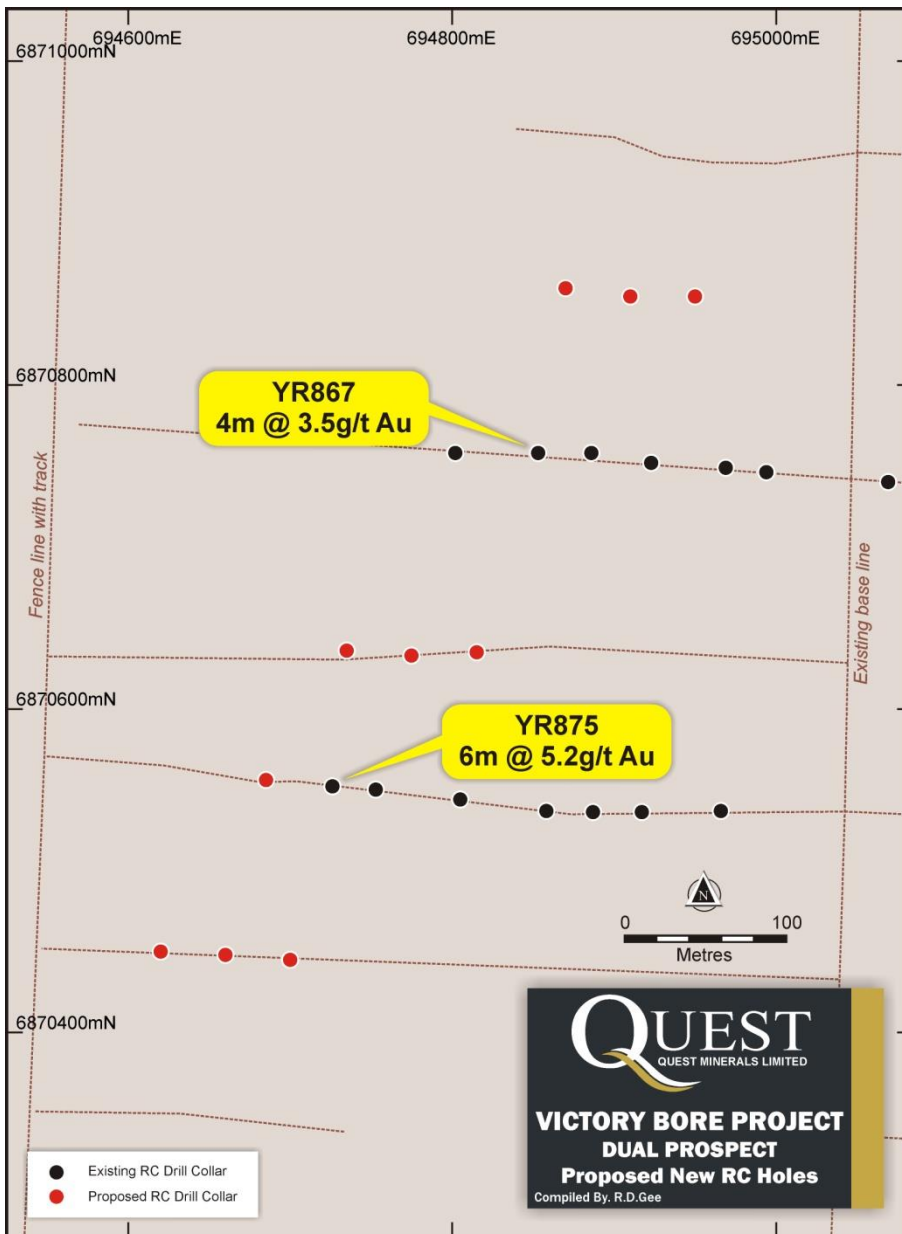


Figure 4: proposed RC drill holes at "Dual Prospect" (shown as red dots on map)

Heritage Survey and POW

The Company received formal clearance from the Wutha Native Title Claimants following a 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.

A Program of Works (POW) application covering the proposed drilling programme lodged with Department of Mines Industry Regulation and Safety (DMIRS) has been approved.

(b) Vanadium

As part of the Company's review of all exploration activity previously conducted within the present tenement boundary at the Victory Bore project area, the following Mineral Resource estimate has been provided by independent geological consultants CSA Global Pty Ltd (CSA) in accordance with the JORC Code 2012. For full details including the information required by JORC Table 1 refer to the Company's ASX announcement of 29 June 2017.

Table 2: Inferred Mineral Resource, Victory Bore

Tonnes (Mt)	Fe (%)	V ₂ O ₅ (%)	TiO ₂ (%)	P (%)	SiO ₂ (%)	Al ₂ O ₃ (%)	LOI (%)
151	25.0	0.44	6.73	0.013	28.6	14.8	0.56

Note: the Mineral Resource was estimated within constraining wireframe solids based on a nominal lower cut-off grade of 20% Fe. The Resource is quoted from blocks above a specified Fe % cut-off grade of 20% Fe.

The Mineral Resource estimate was first announced by the Company on 4 March 2011 based on JORC 2004 reporting guidelines based on drilling conducted primarily in 2010.

Quest considers that the size, grade, location of the Victory Bore Vanadium-Titanium-Iron deposit, coupled with the recent tightening of supply and strengthening of prices for vanadium and titanium feedstock in particular, warrant additional future investment in the project.

Activities to add value would include a comprehensive metallurgical review including all data generated in previous test work and scoping studies completed in 2011 and 2012 with a view to identifying alternative product and processing strategies. Mineralogical analyses should be included to determine the suitability of alternative hydrometallurgical process flow sheets to the style of mineralisation exhibited at Victory Bore. This will initially require additional diamond drilling to provide drill-core material and geotechnical data for pit design and revised mining parameters, optimisation of grind size vs recovery, as well as detailed geological data.

Due to limited funding availability the Company will be actively seeking a joint venture partner to fund this work and future development of the project.

2. Corporate

The Company lodged a cleansing Prospectus on 19 April 2017 for the issue of 10,000 shares at a price of 2.5 cents resulting in a cash raising of \$250. The Prospectus was prepared primarily for the purpose of section 708A(11) of the Corporations Act to remove any trading restrictions on shares issued by the Company pursuant to a previous placement of 10,000,000 shares at 2.0 cents to sophisticated investors completed during the March 2017 quarter.

2.1 Capital Structure

CAPITAL STRUCTURE SUMMARY	Fully Paid Ordinary Shares	Unlisted Options ⁽¹⁾
Securities on Issue as 30 June 2017 and at the date of this report	116,937,867	32,500,000

⁽¹⁾ Unlisted options are exercisable at a price of \$0.03 at any time until 30 September 2020.

2.2 Company Secretary Resignation

Mr Stuart Third resigned as Joint Company secretary on 4 April 2017, leaving Mr Palumbo as sole Company Secretary.

2.3 Buy Back of Unmarketable Parcels

On 11 May 2017 the Company announced completion of a buy-back of less than marketable parcel of fully paid ordinary shares (Buy-Back). Based on the Buy-Back price of \$0.025 (2.5 cents) per share and the register of members of Quest as at 17 March 2017, a total of 471,561 fully paid shares were acquired and cancelled.

The number of shareholders immediately after completion of the Buy-Back on 11 May was 490.

2.4 Cash at Bank and Borrowings

At 30 June 2017 the Company had a cash balance of approximately \$874,000 and zero borrowings.

2.5 Change of Address

On 8 May 2017 the Company changed its registered office to Level 11, London House 216 St. Georges Terrace, Perth, Western Australia 6000; new postal address: GPO Box 2517 Perth WA 6831.

Yours faithfully,

Gino Vitale
Director

for further information, contact:

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David Palumbo

Company Secretary

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ENDS

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.

The information that relates to Mineral Resources is based on and fairly represents information compiled by **Mr David Williams**, a Competent Person, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Williams is employed by CSA Global Pty Ltd, an independent consulting company. Mr Williams has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity he is undertaking, to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Williams consents to the inclusion of the matters based on his 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.