

## 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: [steve@formicagroup.com.au](mailto:steve@formicagroup.com.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:

Steve Formica

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E: [steve@formicagroup.com.au](mailto:steve@formicagroup.com.au)

## Despatch of Notice of General Meeting

Quest Minerals Limited ("QNL" or the "Company") has despatched to shareholders a notice of general meeting to be held on 19 January 2018 ("Notice").

The Notice is seeking shareholder approval for the Company's acquisition of 100% of the issued shares of Austrian Projects Corporation Pty Ltd ("APC") from the APC securityholders (for the purpose of acquiring a 100% interest in a suite of cobalt and gold exploration tenements in Austria) by the issue of:

- 186,000,000 fully paid ordinary shares ("Shares")
- 65,000,000 options having an exercise price of \$0.03 and expiring on 30 September 2020 (i.e., on the same terms and conditions as the Company's existing class of options) ("Options") ("Consideration Options"); and
- 240,000,000 performance shares (consisting of 120,000,000 Class A Performance Shares and 120,000,000 Class B Performance Shares)(together, the "Performance Shares")

to the securityholders of APC ("Acquisition"), and a capital raising seeking to raise \$4,500,000 (before costs) ("Capital Raising") through the issue of 150,000,000 Shares at an issue price of \$0.03 per Share under the Prospectus ("Public Offer").

The Notice also seeks shareholder approval to change the Company's name to "High Grade Metals Limited" and to elect two new directors, Mr Torey Marshall and Mr Hayden Locke.

### ASX Listing Rules waivers and confirmations

The Acquisition constitutes a change in the nature and scale of the Company's activities that requires shareholder approval under Listing Rule 11.1.2, and the Company is also required to re-comply with Chapters 1 and 2 of the ASX Listing Rules. In connection with the Acquisition and Capital Raising, ASX has granted the Company the following waivers and given it the following confirmations.

1. A waiver from Listing Rule 1.1 condition 12 to the extent necessary to permit the exercise price of the Options proposed to be issued in connection with the Acquisition not to be at least \$0.20, on the following conditions.



- a. The terms of this waiver are immediately disclosed to the market and, along with the terms and conditions of the Options, are clearly disclosed in the notice of meeting pursuant to which the Company will seek the approval required under Listing Rule 11.1.2 in respect of the Acquisition ("Notice") and in the Prospectus.
  - b. Shareholders specifically approve the exercise price of the Options as part of the approvals obtained under Listing Rule 11.1.2 for the Acquisition.
2. A waiver from Listing Rule 2.1 condition 2 to the extent necessary to permit the issue price of the Shares issued under the Public Offer ("Capital Raising Shares") not to be at least \$0.20 each on the following conditions.
  - a. The issue price of the Capital Raising Shares is not less than \$0.02 each ("Issue Price").
  - b. The terms of this waiver are immediately disclosed to the market and are clearly disclosed in the Notice and in the Prospectus.
  - c. Shareholders approve the Issue Price of the Capital Raising Shares as part of the approvals obtained under Listing Rule 11.1.2.
3. Confirmation that the terms of the Performance Shares proposed to be issued as part consideration for the Acquisition are appropriate and equitable for the purposes of Listing Rule 6.1 subject to the following conditions.
  - a. The Company obtains shareholder approval for the issue of the Performance Shares, and the Notice includes sufficient information about the terms and conditions of the Performance Shares including, if applicable, approval for the issue of the Performance Shares which are to be held by a related party pursuant to Chapter 2E of the Corporations Act 2001 (Chapter 2E is not applicable to the issue of any of the Performance Shares to any of the proposed allottees thereof);
  - b. The Performance Shares are not quoted.
  - c. The Performance Shares are not transferable.
  - d. The Performance Shares do not have voting rights subject to those required by law.
  - e. The Performance Shares do not permit the holder to participate in new issues of capital such as bonus issues and entitlement issues.
  - f. The Performance Shares do not carry an entitlement to a dividend.
  - g. Each Performance Share is converted into one Share on achievement of the relevant milestone.



- h. If a Performance Share has not converted into a Share by the relevant expiry date, each holder's Performance Shares will automatically consolidate into one Performance Share and will then convert into one Share.
- i. The Company must make an announcement immediately upon the conversion of any Performance Shares.
- j. The terms and conditions of the Performance Shares, including without limitation the relevant vesting conditions that have to be satisfied before each class of Performance Shares is converted into Shares, are not to be changed without the prior approval of ASX and the Company's shareholders.
- k. Upon conversion of the Performance Shares into Shares, the Company will apply to ASX for quotation of the Shares within the requisite time period.
- l. The Company must disclose the following in each annual report, annual audited accounts, half-yearly report, and quarterly cashflow report issued by the Company in respect of any period during which the Performance Shares remain on issue or are converted or redeemed:
  - i. The number of Performance Shares on issue during the relevant period.
  - ii. A summary of the terms and conditions of the Performance Shares, including without limitation the number of ordinary shares into which the Performance Shares are convertible and the relevant Performance Milestones that have to be satisfied in order for the Performance Shares to be converted.
  - iii. Whether any of the Performance Shares were converted or redeemed during that period.
  - iv. Whether a milestone for the Performance Shares was met during that period.
- m. The Company must disclose in each Appendix 3B (announcement of issue of equity securities) lodged while the Performance Shares remain on issue:
  - i. The number of Performance Shares on issue at the time of lodgement.
  - ii. The conversion ratio of the Performance Shares into Shares upon achievement of a relevant Performance Milestone.
- n. The terms of this waiver are immediately disclosed to the market and are clearly disclosed in the Notice and in the Prospectus.

**Steve Formica**

**Non Executive Chairman**

for further information, contact:

Steve Formica  
T: +61 (8) 9481 0389  
E: [steve@formicagroup.com.au](mailto:steve@formicagroup.com.au)

David Palumbo  
T: +61 (8) 9481 0389  
E: [david@miningcorporate.com.au](mailto:david@miningcorporate.com.au)

**ENDS**