

# Appendix 3B

## New issue announcement, application for quotation of additional securities and agreement

*Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.*

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

MinQuest Limited

ABN

21 146 035 127

We (the entity) give ASX the following information.

### Part 1 - All issues

*You must complete the relevant sections (attach sheets if there is not enough space).*

- |   |   |   |
|---|---|---|
| 1 | +Class of +securities issued or to be issued  | (a) Fully paid ordinary shares<br>(b) Convertible notes   |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | (a) 9,630,763 fully paid ordinary shares issued pursuant to the partial conversion of a convertible note by Magna Equities II LLC.<br><br>(b) 750,000 convertible notes which, subject to shareholder approval, are convertible into ordinary shares on the terms set out in item 3 of this announcement. Assuming that shareholder approval of the conversion terms is obtained and conversion occurs at a price of \$0.012 per share, a total of 62,500,000 shares will be issued (on a pre-consolidation basis) on completion of the ePAT transaction. |

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+ See chapter 19 for defined terms.

3 Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)

- (a) Fully paid ordinary shares issued on the same terms as fully paid ordinary shares.
- (b) 750,000 convertible notes issued on the following terms::
- the Notes are issued at \$1.00 each;
  - the Notes are unsecured;
  - subject to shareholder approval, the Notes are convertible to fully paid ordinary shares in the Company 1 as follows:
    - if the acquisition of ePAT completes, the Notes will convert to Shares at the lower of 1.2 cents or the price at which shares are issued pursuant to the Capital Raising proposed to be conducted as a condition precedent of the acquisition of ePAT (“Capital Raising”); and
    - if the acquisition of ePAT does not complete by 30 September 2016, the Notes will convert to Shares at 80% of the 15 day VWAP:
      - between 30 September 2016 and 31 December 2016 at the election of the Noteholder; and
      - otherwise on 31 December 2016;
  - if shareholders do not approve the conversion of the Notes, the Company will redeem the Notes on 31 December 2016 at a 30% premium to their face value.

4 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?

If the additional +securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

(a) Yes.

(b) Shares issued pursuant to the conversion of convertible notes (subject to shareholder approval of the conversion terms) will rank equally with fully paid ordinary shares.

5	Issue price or consideration	(a) \$0.00663 per share. (b) 750,000 notes issued for consideration of \$1 per note.
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	(a) Issued in respect of the partial conversion of convertible notes issued to Magna Equities II LLC. The amount converted was USD49,000.  (b) The Company intends to use the funds raised from the issue of the convertible notes for the following purposes:  i. to repay the outstanding balance of convertible notes drawn under the Convertible Loan Facility with Magna Equities II LLC; ii. costs associated with the proposed transaction with ePAT; and iii. general working capital purposes.
6a	Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?  If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i	Yes
6b	The date the security holder resolution under rule 7.1A was passed	30 November 2015
6c	Number of +securities issued without security holder approval under rule 7.1	Nil
6d	Number of +securities issued with security holder approval under rule 7.1A	Nil
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	3,734,377 fully paid ordinary shares issued as partial conversion of Convertible Notes that were issued in accordance with shareholder approval received at the Extraordinary General Meeting held on 7 October 2015
6f	Number of +securities issued under an exception in rule 7.2	5,896,386 fully paid ordinary shares issued as partial conversion of the Convertible Notes as disclosed in the Company's Appendix 3B dated 27 January 2016

+ See chapter 19 for defined terms.

6g If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.

N/a

6h If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements

N/a

6i Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure I and release to ASX Market Announcements

LR7.1 10,041,369  
LR7.1A 29,680,555

7 +Issue dates

Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A.

Cross reference: item 33 of Appendix 3B.

(a) 19 April 2016  
(b) 22 April 2016

	Number	+Class
8 Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)	264,177,497	Fully paid ordinary shares
	10,000,000	Fully paid ordinary shares issued under the Oresearch Acquisition Agreement and subject to trading restrictions until 5 May 2016.
	22,628,048	Fully paid ordinary shares issued under the Oresearch Acquisition Agreement and subject to trading restrictions until 6 June 2016.
	72,816,669	Share options with an exercise price of \$0.045 per share expiring 11/05/2017

	Number	+Class
9	Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)	7,923,097 Share options with an exercise price of \$0.045 per share expiring 11/02/2017
	6,000,000	Share options with an exercise price of \$0.045 per share expiring 23/07/2017
	1,696,756	Share options with an exercise price of \$0.10 per share expiring 10 August 2018.
	I	Convertible note with a face value of US\$39,000 and an expiry date of 22 January 2017 that may be converted into equity securities at a conversion price that is the lesser of (a) the lowest VWAP in the 5 days prior to the issue of a conversion notice or (b) A\$0.05 per share.
	I	Convertible note with a face value of US\$69,000 and an expiry date of 17 February 2017 that may be converted into equity securities at a conversion price that is the lesser of (a) the lowest VWAP in the 5 days prior to the issue of a conversion notice or (b) A\$0.05 per share.
	I	Convertible note with a face value of US\$69,000 and an expiry date of 17 March 2017 that may be converted into equity securities at a conversion price that is the lesser of (a) the lowest VWAP in the 5 days prior to the issue of a conversion notice or (b) A\$0.05 per share.
	750,000	Convertible notes with a face value of \$1 and an expiry date of 31 December 2016. Refer item 3 for the terms on which the notes may be converted or redeemed.
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	All fully paid ordinary shares rank equally in relation to dividends.

+ See chapter 19 for defined terms.

## Part 2 - Pro rata issue

11	Is security holder approval required?	N/a
12	Is the issue renounceable or non-renounceable?	N/a
13	Ratio in which the +securities will be offered	N/a
14	+Class of +securities to which the offer relates	N/a
15	+Record date to determine entitlements	N/a
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	N/a
17	Policy for deciding entitlements in relation to fractions	N/a
18	Names of countries in which the entity has security holders who will not be sent new offer documents  <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small>	N/a
19	Closing date for receipt of acceptances or renunciations	N/a
20	Names of any underwriters	N/a
21	Amount of any underwriting fee or commission	N/a
22	Names of any brokers to the issue	N/a
23	Fee or commission payable to the broker to the issue	N/a
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	N/a

25	If the issue is contingent on security holders' approval, the date of the meeting	N/a
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	N/a
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/a
28	Date rights trading will begin (if applicable)	N/a
29	Date rights trading will end (if applicable)	N/a
30	How do security holders sell their entitlements <i>in full</i> through a broker?	N/a
31	How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/a
32	How do security holders dispose of their entitlements (except by sale through a broker)?	N/a
33	<sup>+</sup> Issue date	N/a

### Part 3 - Quotation of securities

*You need only complete this section if you are applying for quotation of securities*

34 Type of <sup>+</sup>securities  
(tick one)

(a)  <sup>+</sup>Securities described in Part 1

(b)  All other <sup>+</sup>securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

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<sup>+</sup> See chapter 19 for defined terms.

## Entities that have ticked box 34(a)

### Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35  If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders
- 36  If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories  
1 - 1,000  
1,001 - 5,000  
5,001 - 10,000  
10,001 - 100,000  
100,001 and over
- 37  A copy of any trust deed for the additional +securities

## Entities that have ticked box 34(b)

- 38 Number of +securities for which +quotation is sought
- 39 +Class of +securities for which quotation is sought
- 40 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?  
If the additional +securities do not rank equally, please state:  
  - the date from which they do
  - the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
  - the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment
- 41 Reason for request for quotation now  
Example: In the case of restricted securities, end of restriction period  
  
(if issued upon conversion of another +security, clearly identify that other +security)



42 Number and <sup>+</sup>class of all <sup>+</sup>securities quoted on ASX (including the <sup>+</sup>securities in clause 38)

Number	<sup>+</sup> Class
N/a	N/a

### Quotation agreement

- 1 <sup>+</sup>Quotation of our additional <sup>+</sup>securities is in ASX's absolute discretion. ASX may quote the <sup>+</sup>securities on any conditions it decides.
- 2 We warrant the following to ASX.
  - The issue of the <sup>+</sup>securities to be quoted complies with the law and is not for an illegal purpose.
  - There is no reason why those <sup>+</sup>securities should not be granted <sup>+</sup>quotation.
  - An offer of the <sup>+</sup>securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.  
Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
  - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any <sup>+</sup>securities to be quoted and that no-one has any right to return any <sup>+</sup>securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the <sup>+</sup>securities be quoted.
  - If we are a trust, we warrant that no person has the right to return the <sup>+</sup>securities to be quoted under section 1019B of the Corporations Act at the time that we request that the <sup>+</sup>securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before <sup>+</sup>quotation of the <sup>+</sup>securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here:

Date: 22 April 2016

Company secretary

Print name:

Stephen Kelly

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<sup>+</sup> See chapter 19 for defined terms.

# Appendix 3B – Annexure 1

## Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

### Part 1

<b>Rule 7.1 – Issues exceeding 15% of capital</b>	
<b><i>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</i></b>	
<b><i>Insert</i></b> number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	83,458,341
<b><i>Add</i></b> the following: <ul style="list-style-type: none"> <li>• Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 <span style="float: right;">5,896,386</span></li> <li>• Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval <span style="float: right;">207,450,818</span></li> <li>• Number of partly paid +ordinary securities that became fully paid in that 12 month period <span style="float: right;">NIL</span></li> </ul> <p><b><i>Note:</i></b></p> <ul style="list-style-type: none"> <li>• <i>Include only ordinary securities here – other classes of equity securities cannot be added</i></li> <li>• <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul>	
<b><i>Subtract</i></b> the number of fully paid +ordinary securities cancelled during that 12 month period	Nil
<b>“A”</b>	296,805,545

<b>Step 2: Calculate 15% of “A”</b>	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
<b>Multiply</b> “A” by 0.15	44,520,832
<b>Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used</b>	
<p><b>Insert</b> number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> <li>• Under an exception in rule 7.2</li> <li>• Under rule 7.1A</li> <li>• With security holder approval under rule 7.1 or rule 7.4</li> </ul> <p><i>Note:</i></p> <ul style="list-style-type: none"> <li>• <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i></li> <li>• <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul>	34,479,463
“C”	34,479,463
<b>Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1</b>	
“A” x 0.15  <i>Note: number must be same as shown in Step 2</i>	44,520,832
<b>Subtract</b> “C”  <i>Note: number must be same as shown in Step 3</i>	34,479,463
<b>Total</b> [“A” x 0.15] – “C”	<b>10,041,369</b>  <i>[Note: this is the remaining placement capacity under rule 7.1]</i>

+ See chapter 19 for defined terms.

## Part 2

<b>Rule 7.1A – Additional placement capacity for eligible entities</b>	
<b>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</b>	
<b>“A”</b>  <i>Note: number must be same as shown in Step 1 of Part 1</i>	296,805,545
<b>Step 2: Calculate 10% of “A”</b>	
<b>“D”</b>	0.10  <i>Note: this value cannot be changed</i>
<b>Multiply “A” by 0.10</b>	29,680,555
<b>Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used</b>	
<b>Insert</b> number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A  <i>Notes:</i> <ul style="list-style-type: none"> <li>• <i>This applies to equity securities – not just ordinary securities</i></li> <li>• <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul>	Nil
<b>“E”</b>	Nil

<b>Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A</b>	
“A” x 0.10  <i>Note: number must be same as shown in Step 2</i>	29,680,555
<b>Subtract “E”</b>  <i>Note: number must be same as shown in Step 3</i>	Nil
<b>Total</b> [“A” x 0.10] – “E”	29,680,555  <i>Note: this is the remaining placement capacity under rule 7.1A</i>

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+ See chapter 19 for defined terms.