

Quest Minerals Limited

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ASX Code: **QNL**

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- **Partly Paid Shares – Proceedings Commenced to Recover \$976,000 & Receipt of Statutory Demand on Disputed Debt**

Quest Minerals Limited (ASX: QNL, “Company”) advises it has applied to the District Court of Western Australia for orders to serve writs on Malacca Capital Limited and Eurobond Trading Limited to recover \$690,000 and \$286,350 respectively (for a total of \$976,350) relating to amounts payable on the final call on partly paid shares that is now due and payable to Quest.

The call relates to 16.98m shares originally issued in October 2007 at \$0.06 per share and paid to \$0.025 per share. The call is for \$0.0575 per share. Both Malacca and Eurobond are registered in Labuan, a financial centre, free trade and tax free zone in offshore Malaysia. The Company is not aware of any basis upon which the holders can dispute the call, and will seek to obtain and enforce judgments as soon as practicable.

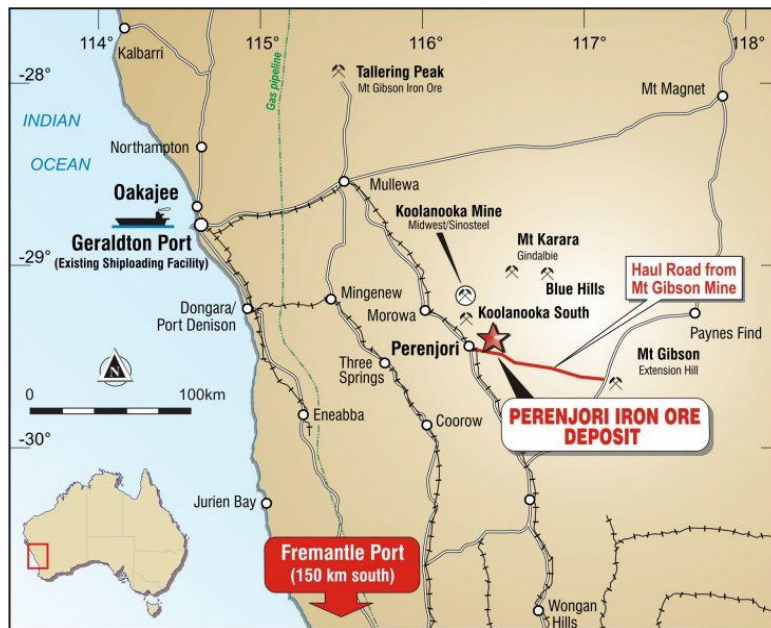
The Company has also received a statutory demand from Natwest Securities Limited (Natwest) with respect to an unsecured borrowing of \$200,000 and interest of approximately \$130,000 said to be owed by the Company. Natwest is also registered in Labuan and shares the same address as Eurobond.

As disclosed in the Company’s 2013 statutory accounts, the Company has made a number of written requests to Natwest to confirm (amongst other things) its incorporation details and the identity of the ultimate beneficiaries lying behind the nominated recipient of funds and other matters as required under the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth). To date Natwest has not responded to those requests. Until those matters are resolved, the Company disputes the debt and will make an application to the court to have the demand set aside.

In the event Natwest is able to provide evidence to resolve the dispute to the Board’s satisfaction and in sufficient detail to enable the Company to comply with its statutory obligations in respect of offshore payments, the Company will pay the claim from funds recently raised from a debenture note issue, placement and proceeds from calls paid by other shareholders (ASX announcements 31 Oct and 4 Nov 2013), and from partial application of the funds raised for working capital purposes under the current rights issue. A supplementary prospectus containing all necessary details is being prepared which the Company expects to lodge with ASIC shortly.

Jerome G Vitale
Managing Director

Quest Minerals Limited is an Australian ASX listed iron ore exploration and development company with advancing projects in the 'mid-west' region of Western Australia. A key attribute of the Company's flagship Perenjori Iron Ore project is its 14 km proximity from the railway siding at the Perenjori township which links directly to Geraldton Port reducing development time to market and minimizing the capital intensity for commercial project development. A concept study for the project is being undertaken after which the Company will be seeking development partners to take the project to full feasibility stage. Quest has the right to earn an initial 80% equity interest in the project.



Perenjori Iron Ore Project Location, showing proximity to rail and road infrastructure

The present mineral resource estimate for Perenjori is summarised below (ASX announcement 27 September 2013):
JORC Mineral Resource Estimate for Perenjori Iron Ore Project at cut-off grade of 20% Fe

Zone	Category	Tonnage Mt	Fe%	Al ₂ O ₃ %	SiO ₂ %	S%
Core BIF Zone	Inferred	93.3	37.22	1.67	41.59	0.05
Eastern Belt (excluding CBZ)	Inferred	78.7	37.64	1.45	41.66	0.03
Western Belt	Inferred	19.7	29.77	3.39	47.04	0.32
Total	Inferred	191.7	36.61	1.75	42.18	0.07

Competent Persons Statement

Information in this announcement that relates to exploration results reflects information compiled by Dr Dennis Gee a Director of the company and a member of the AIG. He has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity upon which he is reporting on as a Competent Person as defined in the 2004 Edition of "The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves." He consents to the inclusion in this report of the matters based on the information compiled by him, in the form and context in which it appears.

Information in this announcement that relates to Mineral Resources is compiled by Rory Devlin and Bielin Shi, both Members of AIG. Both are employed by CSA Global Pty Ltd, and each have sufficient experience relevant to the styles of mineralisation and types of deposit under consideration to qualify as Competent Persons in terms of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code 2004 Edition). Both have consented to the inclusion of information compiled by them in previous ASX releases.

For further details on the Perenjori Iron Ore Project and for details on the Victory Bore Vanadium project (100% owned by Quest Minerals): www.questminerals.com.au

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