



MinQuest Completes Interim Capital Raising

HIGHLIGHTS

- MinQuest Limited (ASX:MNQ) has completed a placement of convertible notes to sophisticated and professional investors to raise \$300,000.
- The conversion terms under the convertible notes are subject to shareholder approval.
- MinQuest has elected not to extend the Fyre Lake farm-in joint venture agreement.

COMPLETION OF FURTHER INTERIM CAPITAL RAISING

On 14 April 2016, MinQuest Limited ("**MinQuest**") announced that it had signed a binding Heads Of Agreement ("**HOA**") to acquire 100% of Electronic Pain Assessment Technology (ePAT) Pty Ltd ("**ePAT**").

The Board of MinQuest advises that it has completed an interim capital raising via an issue of convertible notes to raise \$300,000 ("**Notes**"), with funds due to be received by 18 July 2016. The principal terms of the Notes are:

- the Notes are issued at \$1.00 each;
- the Notes are unsecured;
- the Notes are convertible to fully paid ordinary shares in the Company (**Shares**), subject to shareholder approval 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 of the Shares:
 - 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.

18 July 2016

DIRECTORS

Frank Terranova
Chairman

Jeremy Read
Managing Director

Paul Niardone
Non-Executive Director

Adam Davey
Non-Executive Director

Stephen Kelly
Company Secretary

SHARE INFORMATION

ASX Code: MNQ
Issued Capital:
296,805,545 Fully Paid
Shares
72,936,522 Listed Options
15,619,853 Unlisted Options

CONTACT INFORMATION

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MinQuest Limited
ACN: 146 035 127

Subject to receiving shareholder approval, the Company will issue 25,000,000 options to note holders on the following terms:

- an exercise price equivalent to the price at which Shares are issued under the Capital Raising; and
- a 3-year exercise term from issue.

The Company intends to use the funds for the following purposes:

- costs associated with the proposed transaction with ePAT; and
- general working capital purposes.

UPDATE ON THE ACQUISITION OF EPAT

The Company is in the process of finalising the Notice of Meeting for an Extraordinary General Meeting of Shareholders to seek the Shareholder approvals required for the proposed acquisition of ePAT.

The Company will provide further details relating to the proposed acquisition in the Notice of Meeting. It is anticipated that the Notice of Meeting will be despatched to Shareholders prior to 31 July 2016.

UPDATE ON THE FARM IN JOINT VENTURE AGREEMENT FOR THE FYRE LAKE PROJECT

On 18 July 2014 MinQuest announced that it had entered into a farm in joint venture agreement that gave the Company the right, but not the obligation, to earn up to a 70% interest in the Fyre Lake Project ("**Fyre Lake Agreement**"). The Fyre Lake Project became MinQuest's main undertaking following signing the Fyre Lake Agreement.

MinQuest has not earned any direct ownership interest in the Fyre Lake Project. Under the Fyre Lake Agreement, MinQuest is required to meet the following milestones to earn up to a 70% direct ownership interest in the Fyre Lake Project:

Due date	Ownership payments		Exploration expenditure
	Shares Canadian dollars	Cash Canadian dollars	Cash Canadian dollars
14 July 2016	\$200,000	\$200,000	\$-
10 January 2017	\$-	\$-	\$3,000,000
14 July 2017	\$300,000	\$300,000	\$-
Total additional payments and expenditure to earn 51% interest	\$500,000	\$500,000	\$3,000,000
14 July 2018	\$-	\$-	\$3,000,000
Total additional payments and expenditure to earn 70% interest	\$500,000	\$500,000	\$6,000,000

Taking into consideration that:

- (i) the Company had not earned an ownership interest in the Fyre Lake Project;
- (ii) the requirement for the Company to make substantial ownership payments and exploration expenditure as summarised above, to earn up to a 70% interest in the Fyre Lake Project; and
- (iii) that is a condition precedent of the ePAT HOA that the Company divest its interest in the Fyre Lake Project prior to completion of the ePAT Acquisition;

the Company elected not to make the ownership payments that were due under the Fyre Lake Agreement on 14 July 2016. The Fyre Lake Agreement is therefore effectively at an end and the Company has no further rights or obligations under that agreement.

The Company retains its interest in the Coober Pedy farm in joint venture agreement. However, it is noted that it is a condition precedent of the ePAT HOA that MinQuest divest this interest prior to the completion of the ePAT Acquisition.

Forward Looking Statements

This announcement contains "forward-looking statements". Such forward-looking statements include, without limitation: estimates of future earnings, the sensitivity of earnings to commodity prices and foreign exchange rate movements; estimates of future production and sales; estimates of future cash flows, the sensitivity of cash flows to commodity prices and foreign exchange rate movements; statements regarding future debt repayments; estimates of future capital expenditures; estimates of resources and statements regarding future exploration results; and where the Company expresses or implies an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and believed to have a reasonable basis. However, forward looking statements are subject to risks, uncertainties and other factors, which could cause actual results to differ materially from future results expressed, projected or implied by such forward-looking statements. Such risks include, but are not limited to commodity price volatility, currency fluctuations, increased production costs and variances in resource or reserve rates from those assumed in the company's plans, as well as political and operational risks in the countries and states in which we operate or sell product to, and governmental regulation and judicial outcomes. For a more detailed discussion of such risks and other factors, see the Company's Annual Reports, as well as the Company's other filings. The Company does not undertake any obligation to release publicly any revisions to any "forward looking statement" to reflect events or circumstances after the date of this release, or to reflect the occurrence of unanticipated events, except as may be required under applicable securities law.