



Activities and Cash Flow Report June Quarter 2016

Highlights

- **On 14 April the Company executed a binding Heads of Agreement ("HOA") to acquire 100% of Electronic Pain Assessment Technology (ePAT) Pty Ltd ("ePAT").**
- **The Company issued convertible notes to raise \$750,000 to repay the Magna Convertible Loan Facility, meet costs associated with the ePAT acquisition and for general working capital purposes.**
- **The Company withdrew from the farm in joint venture agreement for the Marg Project.**

On 14 April MNQ announced that it had executed a binding Heads of Agreement ("HOA") to acquire 100% of Electronic Pain Assessment Technology (ePAT) Pty Ltd ("ePAT"). ePAT is the developer a smartphone app ("App") that uses facial recognition technology and other indicators of pain to provide a more objective pain assessment for people who are unable to communicate with their carers.

On 9 May the Company announced that it had completed its due diligence of ePAT and that the parties were negotiating the terms of a Share Sale Agreement. The Share Sale Agreement was executed on 25 July 2016.

The acquisition of ePAT is subject to a number of conditions precedent including shareholder approval, disposal of the Company's existing exploration projects, the Company completing a Capital Raising of a minimum of \$4 million and re-compliance with Chapters 1 and 2 of the ASX Listing Rules.

On 21 April MNQ completed a placement of convertible notes to sophisticated and professional investors to raise \$750,000. The conversion terms of the convertible notes are subject to Shareholder approval. The funds raised through the convertible notes were applied to the following purposes:

- Repayment of the Magna Convertible Loan facility.
- To meet costs associated with the ePAT acquisition.
- General working capital purposes.

On 21 April the Company also announced that it had notified Golden Predator of its intention to withdraw from the farm in joint venture agreement for the Marg Project, Yukon Territory. It is a condition precedent of the ePAT Acquisition that the Company divest its interests in its resource projects in Canada and Australia.

29 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 Share
72,816,669 Listed Options
15,619,853 Unlisted Options

CONTACT INFORMATION

Registered Office:
Suite 1, 47 Park Road
Milton, QLD 4064
T: +61 7 3511 6570
F: +61 7 3369 3305
www.minquest.com.au

MinQuest Limited
ACN: 146 035 127



On 5 May the Company made a cash payment of US\$203,550 to repay, in full, the balance of the outstanding convertible notes drawn down under the Magna Convertible Loan Facility.

Events occurring subsequent to 30 June 2016

Subsequent to 30 June, the Company has undertaken the following significant activities:

- On 18 July the Company announced that it had elected not to make payments required to extend its option under the Fyre Lake farm in joint venture agreement and therefore ceased to have any further rights or obligations under that agreement. Subsequent to this announcement the ASX notified the Company that its securities would be suspended from trading on the ASX and would remain in suspension until the Company has complied with Chapters 1 & 2 of the Listing Rules in accordance with Listing Rule 11.1.3.
- On 18 July the Company completed a placement of convertible notes to raise \$300,000. The conversion terms of the convertible notes are subject to Shareholder approval. The funds raised through the convertible notes are to be applied for the following purposes:
 - (i) To meet costs associated with the ePAT acquisition; and
 - (ii) General working capital purposes.
- On 28 July the Company lodged with the ASX the Notice of Meeting for an Extraordinary General Meeting of Shareholders to be held at the Celtic Club in West Perth at 10.00 am on Wednesday 31 August 2016. At that meeting Shareholders will be requested to approve a number of resolutions related to the ePAT Acquisition.

Further detail in relation to the ePAT acquisition is provided in the Company's ASX announcement dated 14 April 2016 and in the Notice of Meeting that was lodged with the ASX on 28 July 2016.

Yours faithfully,

A handwritten signature in blue ink, appearing to read "J Read", written in a cursive style.

Jeremy Read
Managing Director



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 laws.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

MINQUEST LIMITED

ABN

21 146 035 127

Quarter ended ("current quarter")

30 June 2016

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date \$A'000
1.1 Receipts	-	-
1.2 Payments for (a) exploration & evaluation	(5)	(1,301)
(b) development	-	-
(c) production	-	-
(d) administration	(378)	(1,034)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Net Operating Cash Flows	(383)	(2,335)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	(106)
(b) equity investments	-	-
(c) other fixed assets	-	-
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other – refund of bid deposit	-	250
Net investing cash flows	-	144
1.13 Total operating and investing cash flows (carried forward)	(383)	(2,191)

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(383)	(2,191)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	1,816
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings (convertible notes)	750	1,000
1.17	Repayment of borrowings	(279)	(529)
1.18	Dividends paid	-	-
1.19	Other (costs of raising capital)	(26)	(135)
	Net financing cash flows	445	2,152
	Net increase (decrease) in cash held	62	(39)
1.20	Cash at beginning of quarter/year to date	17	111
1.21	Exchange rate adjustments to item 1.20	-	7
1.22	Cash at end of quarter	79	79

Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	94
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Directors fees paid to Non Executive Directors and salary payments to the Managing Director

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

+ See chapter 19 for defined terms.

- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	-
4.2 Development	-
4.3 Production	-
4.4 Administration	345
Total	345

Included in the estimated Administration costs for the September quarter costs to be incurred in relation to the proposed acquisition of ePAT.

The forecast expenditure for the June quarter will be funded from existing cash balances and a \$300,000 interim capital raising announced by the Company on 19 July 2016.

Further, the Company will be holding an Extraordinary General Meeting of Shareholders on 31 August 2016 at which it will seek Shareholder approval to undertake a capital raising to raise between \$4,000,000 and \$5,750,000 (before transaction cost)s. It is anticipated that the capital raising will be completed prior to 30 September 2016.

+ See chapter 19 for defined terms.

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	79	3
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other - Term Deposits	-	14
Total: cash at end of quarter (item 1.22)	79	17

Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed	N/a		
6.2	Interests in mining tenements and petroleum tenements acquired or increased	N/a		

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference + securities <i>(description)</i>	-	-	-	-
7.2 Changes during quarter				
(a) Increases through issues	-	-		
(b) Decreases through returns of capital, buy-backs, redemptions	-	-		

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.3	+Ordinary securities	296,805,545	296,805,545		
7.4	Changes during quarter				
	(a) Increases through issues	9,630,763	9,630,763	\$0.00663	\$0.00663
		6,601,226	6,601,226	\$0.00595	\$0.00595
	(b) Decreases through returns of capital, buy-backs	Nil	Nil	Nil	Nil
7.5	+Convertible debt securities (description)	<i>\$Nil</i>			
7.6	Changes during quarter				
	(a) Increases through issues	-	-	-	-
	(b) Decreases through securities matured, converted	Partial conversion into ordinary shares		US\$79,000	US\$79,000
		Repaid in cash (principal)		US\$179,000	US\$179,000
7.7	Options (description and conversion factor)	72,816,669	72,816,669	<i>Exercise price</i>	<i>Expiry date</i>
		7,923,067	-	\$0.045	11 May 2017
		6,000,000	-	\$0.045	11 February 2017
		1,696,756	-	\$0.045	10 August 2017
			-	\$0.10	10 August 2018
7.8	Issued during quarter	-	-	-	-
7.9	Exercised during quarter	-	-	-	-
7.10	Expired during quarter	-	-	-	-
7.11	Debentures (totals only)	-	-		
7.12	Unsecured notes (totals only)	-	-		

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:



Date: 29 July 2016

Print name: Stephen Kelly
(Company Secretary)

== == == == ==