



Activities and Cash Flow Report March Quarter 2016

Highlights

- During the March quarter the Company undertook a wide ranging strategic review of its business that culminated in the Company announcing on 14 April that it had executed a binding Heads of Agreement ("HOA") to acquire 100% of ePAT Pty Ltd ("ePAT").
- Mr Frank Terranova was appointed as the Company's Non-Executive Chairman effective 20 January 2016.

STRATEGIC REVIEW

With the continued uncertainty regarding the outlook for the mining and metals sector, and what is expected to remain a challenging financing environment for Australian resource companies in the short term, the Board of MinQuest undertook a wide ranging review of the Company's business so as to maximise the returns for shareholders.

Following the completion of the strategic review, the Company made the following significant announcements in April 2016:

- 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 in patients who are unable to communicate with their carers.

The acquisition of ePAT is subject to a number of conditions precedent including due diligence, shareholder approval, disposal of the Company's existing exploration projects, the Company completing a Capital Raising for a minimum of \$3 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.
- MinQuest announced that it had notified Magna Equities II LLC of its intention to repay the balance of the outstanding convertible notes drawn down under the Magna Convertible Loan Facility.
- MinQuest announced that it had notified Golden Predator of its intention to withdraw from the farm in joint venture agreement for the Marg Project.

Further detail in relation to the ePAT acquisition is provided in the Company's ASX announcement dated 14 April 2016.

29 April 2016

DIRECTORS

Frank Terranova
Chairman

Jeremy Read
Managing Director

Paul Niardone
Non-Executive Director

Adam Davey
Non-Executive Director

Stephen Kelly
Company Secretary

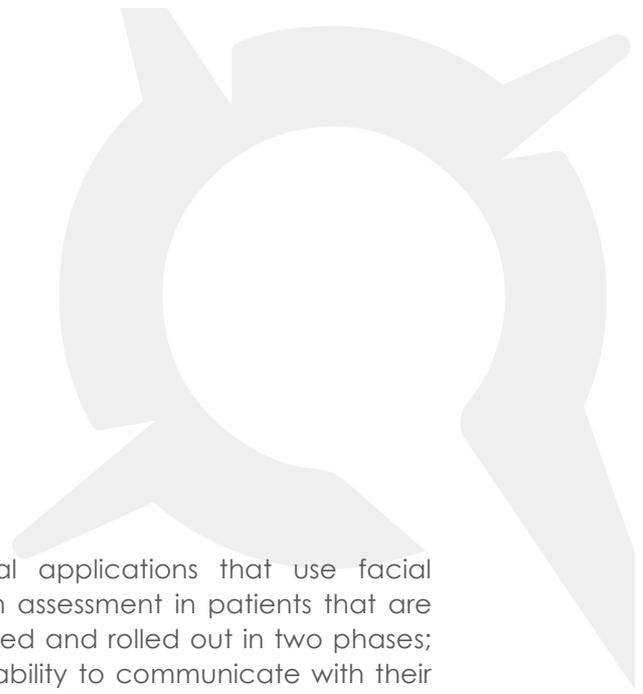
SHARE INFORMATION

ASX Code: MNQ
Issued Capital:
296,805,545 Fully Paid
Shares
72,816,669 Listed Options
15,619,853 Unlisted
Options

CONTACT INFORMATION

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MinQuest Limited
ACN: 146 035 127



OVERVIEW OF ePAT and the ePAT APP

ePAT is developing revolutionary mobile medical applications that use facial recognition software to facilitate and improve pain assessment in patients that are unable to communicate. The App is being developed and rolled out in two phases; one for patients with dementia who have lost the ability to communicate with their carers and the second for young children who have not yet learnt to speak. The ePAT Apps are being developed for the global market, initially for health care professionals and professional carers of patients with dementia and subsequently for parents and carers of young children.

ePAT has evolved from research undertaken by Curtin University. The App's lead developer, Professor Jeff Hughes from Curtin University's School of Pharmacy is the Chief Executive Officer of ePAT.

The ePat App utilises the cameras in smart mobile devices to capture a brief video of patients, which is analysed in real time using facial recognition software to detect the presence of facial micro-expressions that are indicative of the presence of pain. This data is then combined with other indicators of pain, such as vocalisations, behaviours and movements captured through the App by the operator, allowing the automatic calculation of a pain severity score. Due to its ease of use and its reproducibility, the ePAT App can be used in the first instance to detect and measure a patient's pain, after which it can be used to determine the effectiveness of pain management treatment provided to the patient.

The first version of the App will provide carers of patients with dementia with an accurate, simple to use, evidence based pain assessment tool.

More than 47.5 million people worldwide are living with dementia. It is estimated this number could rise to 135 million by 2050. In Australia alone, it is estimated that dementia affects more than 380,000 Australians at a cost of more than \$4.9 billion per year to the economy. By the 2060's, spending on dementia is set to outstrip that of any other health condition. It is projected to be \$83 billion (in 2006-07 dollars), and will represent around 11% of health and residential aged care sector spending¹.

It is estimated up to 85% of patients with dementia suffer pain at some time and 50% experience pain regularly.² In many instances, this pain goes unreported due to the inability of patients to communicate effectively. Whilst there are a number of methodologies currently available to facilitate pain assessment in patients that are unable to communicate effectively, those methodologies are highly subjective, have issues of reproducibility and / or require some involvement or interaction by the patient. The deficiencies in the currently available tools for the assessment of pain in patients with dementia contribute to the following adverse outcomes:

¹ Sourced from <https://fightdementia.org.au/about-dementia/statistics>

²Journal of Clinical Interventions in Ageing 31 October 2013

- Failure to detect and manage pain effectively
- Behavioural disturbances as a result of unrecognised or poorly managed pain, which can lead to the inappropriate use of anti-psychotic agents
- Poor quality of life for patients and carers.
- Increased carer burden and healthcare costs.

The ePAT App aims to improve the quality of life for patients and carers, as well as save time and money by providing a quick, accurate, objective and reliable means to detect and quantify the pain patients with dementia suffer, thus facilitating its effective treatment.

In 2015, the ePAT App underwent validation studies in patients with moderate to severe dementia in three residential aged care facilities ("RACF"). The App demonstrated excellent correlation against the current Australian standard, namely the paper based Abbey Pain Scale. It is planned to undertake implementation studies of the ePAT App in the second half of 2016. Following completion of the implementation studies, ePAT plans to seek regulatory approval in Australia, the United States and the European Union for ePAT App to be registered as a medical device product.

A second version of the App, currently in development, will assist with the assessment of pain in infants and toddlers that are not yet able to talk. It is planned the ePAT App for children will complete testing and be available for use in the second half of calendar 2017.

The ePAT App will be commercialised as follows:

- Available for purchase through the Apple App store and Google Play store to:
 - Carers including the family members
 - Primary healthcare professionals
- Under licence through software vendors to:
 - Residential Age Care Facilities
 - Hospitals

CORPORATE

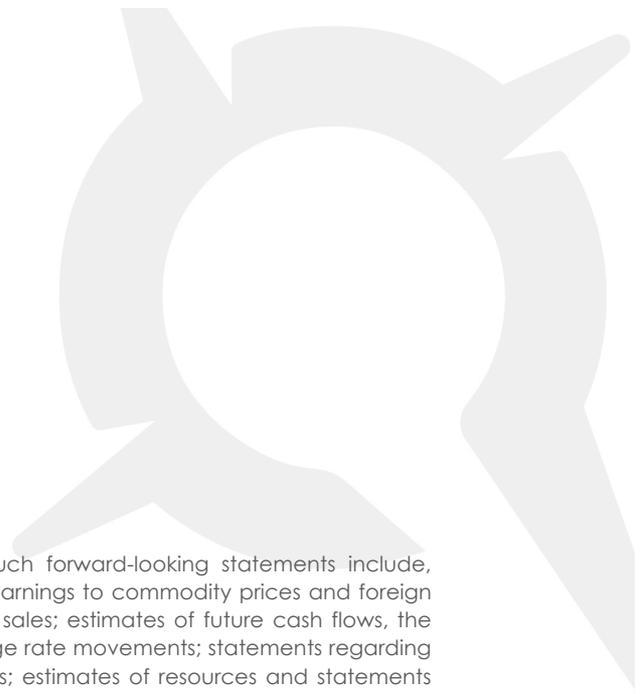
On 23 December 2015, the Company announced that Mr Frank Terranova would be appointed Chairman of the Company. Mr Terranova is to replace Mr David Deloub who steps down as a director of the Company after almost two years as Chairman. Mr Terranova's appointment became effective on 20 January 2016. The Directors of MinQuest thank Mr Deloub for his excellent stewardship and strong leadership over what was an important period of corporate renewal.



Yours faithfully,

A handwritten signature in blue ink that reads "J Read".

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")

31 March 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	(83)	(1,296)
(b) development	-	-
(c) production	-	-
(d) administration	(221)	(656)
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	(304)	(1,952)
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)	(304)	(1,808)

+ 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)	(304)	(1,808)
	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)	250	250
1.17	Repayment of borrowings	-	(250)
1.18	Dividends paid	-	-
1.19	Other (costs of raising capital)	-	(109)
	Net financing cash flows	250	1,707
	Net increase (decrease) in cash held	(54)	(101)
1.20	Cash at beginning of quarter/year to date	71	111
1.21	Exchange rate adjustments to item 1.20	-	7
1.22	Cash at end of quarter	17	17

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	104
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.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

- 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	246 [#]	-
3.2 Credit standby arrangements	-	-

At 31 March 2016 the Company is able to draw down a further three tranches of US\$60,000 in funding under the Convertible Loan Facility with Magna Equities II LLC. On 21 April 2016, the Company announced that it had raised \$750,000 through the issues of convertible notes. Approximately \$260,000 of the amount raised is to be applied to repay the outstanding balance of the convertible notes drawn down under the Magna Equities convertible loan facility. The Company does not intend to make any further drawdowns under the Magna Equities convertible loan facility.

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	25
4.2 Development	-
4.3 Production	-
4.4 Administration	570
Total	595

Included in the estimated Administration costs for the June quarter are (a) \$260,000 to repay the outstanding balance of convertible notes drawn under the Magna Equities convertible loan facility and (b) costs to be incurred in relation to the proposed acquisition of ePAT.

The forecast expenditure for the June quarter will be funded from the proceeds of a \$750,000 interim capital raising announced by the Company on 21 April 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	3	44
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other – Term Deposits	14	27
Total: cash at end of quarter (item 1.22)	17	71

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 (description)	-	-	-	-

+ 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)
7.6	Changes during quarter				
	(a) Increases through issues	1	-	US\$69,000	US\$69,000
		1	-	US\$69,000	US\$69,000
		1	-	US\$69,000	US\$69,000
	(b) Decreases through securities matured, converted	Partial conversion into ordinary shares		US\$198,000	US\$198,000
7.7	Options (description and conversion factor)	72,816,669	72,816,669	<i>Exercise price</i> \$0.045	<i>Expiry date</i> 11 May 2017
		7,923,067	-	\$0.045	11 February 2017
		6,000,000	-	\$0.045	10 August 2017
		1,696,756	-	\$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 April 2016

Print name:

Stephen Kelly
(Company Secretary)

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