



Additional Update on the Proposal to Acquire Wolverine Zinc Project, Yukon Territory

MinQuest Limited ('MinQuest or the Company') has been a stakeholder in the Companies Creditor Arrangement Act ('CCAA') process for Yukon Zinc Corporation ('Yukon Zinc'), through MinQuest's bid for the Wolverine Zinc mine. MinQuest's offer to purchase the assets of the Wolverine Zinc mine, located in the south-west of the Yukon Territory, Canada, was selected as the back-up bid in the event that the CCAA process for Yukon Zinc did not complete.

On 5 October 2015 PriceWaterhouse Coopers ('PwC') in its capacity as the Monitor of Yukon Zinc advised that Yukon Zinc had paid their creditors and the Yukon Government in accordance with the creditor plan of compromise and arrangement ('the Plan') that was sanctioned by the Supreme Court of British Columbia on 23 September 2015.

On 8 October 2015 (Pacific Standard Time) PwC published its 11th report in relation to the Yukon Zinc CCAA process. That report identified certain information that PwC considered relevant to be notified to the Court and other stakeholders in the CCAA process regarding the implementation of the Plan by Yukon Zinc. The key issues detailed by the Monitor in its latest report are as follows:

- Yukon Zinc was to receive C\$15M in funding from its parent company JDC Canada to fund its obligations under the Plan and to provide the required working capital to place the Wolverine Zinc mine on Care and Maintenance until December 2016. To date Yukon Zinc has only received C\$13M from JDC Canada.
- Due to the C\$2M funding shortfall, PwC estimates that Yukon Zinc now only has sufficient funds to keep the Wolverine Zinc mine on Care and Maintenance until early 2016.
- At the court hearing on 23 September Transamine Trading S.A ('Transamine'), a large unsecured creditor of Yukon Zinc, advised the Court that its claim had not been settled. Transamine has now advised the Monitor that its claim has increased by approximately C\$2M to C\$3.8M. PwC notes that Transamine voted against the Plan, and consequently the Plan would not meet the test of 67% of creditors by value voting in favour of the Plan if, with all other creditor claims remaining unchanged, the higher Transamine Claim was substantiated and voted against the Plan.
- The Monitor is concerned that Yukon Zinc will emerge from the CCAA process but shortly thereafter may be unable to fund its ongoing operations.

In addition to the issues detailed above it is matter of public record that the Government of the Yukon Territory is currently reviewing the amount of the environmental reclamation bond attached to the Wolverine Mine.

MinQuest's bid for the Wolverine Zinc mine has lapsed, however MinQuest will continue to monitor the Yukon Zinc CCAA process and any further reports, if any, that are issued by the Monitor.

MinQuest believes that for viable, long term mining operations to be sustained using the existing infrastructure at Wolverine, an integrated project combining the remaining mineral resources at Wolverine and the Kona mineral resource on the adjacent Fyre Lake project, which MinQuest is earning up to an 80% interest, is required.

12 October 2015

DIRECTORS

David Deloub
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:
202,064,511 Fully Paid
Shares
72,936,522 Unlisted
Options

CONTACT INFORMATION

Registered Office:
Unit 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



Competent Person Statement

The information in this report that relates to exploration results is based upon information reviewed by Mr Jeremy Read BSc (Hons) who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Read is a full time employee of MinQuest Limited and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Read consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. Mr Read is the Managing Director of MinQuest and currently owns 2,525,253 Fully Paid Ordinary Shares and has the entitlement to a further 2,525,253 deferred consideration shares subject to relevant milestone events being achieved.

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.