

QUEST MINERALS LIMITED

ACN 062 879 583

NOTICE OF ANNUAL GENERAL MEETING

The Annual General Meeting of the Company will be held at Level 11, London House, 216 St Georges Terrace, Perth, Western Australia on Friday, 24 November 2017 at 10.00am (WST).

*This Notice of Annual General Meeting should be read in its entirety.
If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant,
solicitor or other professional adviser prior to voting.*

**Should you wish to discuss any matter please do not hesitate to contact the Company by
telephone on +61 (08) 9481 0389.**

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QUEST MINERALS LIMITED

ACN 062 879 583

NOTICE OF GENERAL MEETING

Notice is hereby given that the annual general meeting of Shareholders of Quest Minerals Limited (**Company**) will be held at Level 11, London House, 216 St Georges Terrace, Perth, Western Australia on Friday, 24 November 2017 at 10.00am (WST) (**Meeting**).

The Explanatory Memorandum to this Notice provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form form part of this Notice.

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on Wednesday, 22 November 2017 at 4.00pm (WST).

Terms and abbreviations used in this Notice and Explanatory Memorandum are defined in Schedule 1.

AGENDA

1. Annual Report

To table and consider the Annual Report of the Company and its controlled entities for the year ended 30 June 2017, which includes the Financial Report, the Directors' Report and the Auditor's Report.

2. Resolution 1 – Adoption of Remuneration Report

To consider and, if thought fit, to pass with or without amendment, the following resolution as an **ordinary resolution**:

"That for the purpose of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report on the terms and conditions in the Explanatory Memorandum."

Note: The vote on Resolution 1 will be an advisory vote of Shareholders only, and will not bind the Directors or the Company.

Voting Prohibition: In accordance with section 250R of the Corporations Act, a vote on this Resolution 1 must not be cast (in any capacity) by, or on behalf of:

- (a) a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report; or
- (b) a Closely Related Party of such member.

However, a person described above may cast a vote on Resolution 1 if the vote is not cast on behalf of a person described in subparagraphs (a) or (b) above and either:

- (a) the person does so as a proxy appointed in writing that specifies how the proxy is to vote on Resolution 1; or
 - (b) the person is the Chairman voting an undirected proxy which expressly authorises the Chairman to vote the proxy on a Resolution connected directly or indirectly with the remuneration of a member of the Key Management Personnel.
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3. Resolution 2 – Election of Director – Mr Steven Formica

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purpose of clause 12.3 of the Constitution, Listing Rule 14.4 and for all other purposes, Mr Steven Formica, a Director who was appointed casually on 3 January 2017, retires, and being eligible, is elected as a Director."

4. Resolution 3 – Election of Director – Mr Jerome (Gino) Vitale

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purpose of clause 12.3 of the Constitution, Listing Rule 14.4 and for all other purposes, Mr Jerome (Gino) Vitale, a Director, retires, and being eligible, is elected as a Director."

5. Resolution 4 – Election of Director – Mr David Palumbo

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purpose of clause 12.3 of the Constitution, Listing Rule 14.4 and for all other purposes, Mr David Palumbo, a Director who was appointed casually on 18 January 2017, retires, and being eligible, is elected as a Director."

6. Resolution 5 – Approval to issue Shares – Placement

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purpose of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 40,000,000 Shares on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote on the Resolution and the vote is cast in accordance with the directions on the Proxy Form to vote as the proxy decides.

7. Resolution 6 – Approval of 10% Additional Placement Capacity

To consider and, if thought fit, to pass with or without amendment, the following resolution as a **special resolution**:

"That, pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of a number of Equity Securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion: The Company will disregard any votes cast on this by a person who may participate in the 10% Additional Placement Capacity issue and a person who might obtain a benefit (except a benefit solely in the capacity of a holder of ordinary securities) if this Resolution is passed, and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Dated 17 October 2017

BY ORDER OF THE BOARD

Steven Formica
Non-Executive Chairman
Quest Minerals Limited

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QUEST MINERALS LIMITED

ACN 062 879 583

EXPLANATORY MEMORANDUM

1. Introduction

1.1 General

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at Level 11, London House, 216 St Georges Terrace, Perth, Western Australia on Friday, 24 November 2017 at 10.00am (WST).

This Explanatory Memorandum should be read in conjunction with and forms part of the accompanying Notice. Shareholders should read the Notice and this Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

1.2 Proxies

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Lodgment of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- (a) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company; and
- (c) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

1.3 Annual Report

Shareholders will be offered the opportunity to discuss the Annual Report at the Meeting. Copies of the report can be found on the Company's website <http://www.questminerals.com.au> or by contacting the Company on +61 (08) 9481 0389.

There is no requirement for Shareholders to approve the Annual Report.

Shareholders will be offered the following opportunities:

- (a) discuss the Annual Report for the financial year ended 30 June 2017;
- (b) ask questions or make comment on the management of the Company; and
- (c) ask the auditor questions about the conduct of the audit and the preparation and content of the Auditor's Report.

In addition to taking questions at the Meeting, written questions to the Chairman about the management of the Company, or to the Company's auditor about:

- (a) the preparation and the content of the Auditor's Report;
- (b) the conduct of the audit;
- (c) accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- (d) the independence of the auditor in relation to the conduct of the audit,

may be submitted no later than 5 business days before the Meeting to the Company Secretary at the Company's registered office.

2. Resolution 1 – Adoption of Remuneration Report

2.1 General

The Corporations Act provides that the Company is required to put the Remuneration Report to the vote of Shareholders. The Directors' Report contains a Remuneration Report which sets out the remuneration policy for the Company and reports the remuneration arrangements in place for the executive and non-executive directors.

The Chairman will allow a reasonable opportunity for Shareholders as a whole to ask about, or make comments on the Remuneration Report.

The vote on Resolution 1 is advisory only and does not bind the Company or its Directors. However, the Board will actively consider the outcome of the vote and comments made by Shareholders on the Remuneration Report when reviewing the Company's future remuneration policies and practices.

2.2 Proxy voting restrictions

If you elect to appoint as your proxy a member of Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of that member, **you must direct the proxy how they are to vote**. Undirected proxies granted to these persons will not be included in any vote on Resolution 1.

If you elect to appoint the Chair as your proxy (where he or she is also a member of the Key Management Personnel whose remuneration details are also included in the Remuneration Report, or a Closely Related Party of such a member), you **do not** need to direct the Chair how you wish them to exercise your vote on Resolution 1. However, if you do not direct the Chair how to vote, you **must mark the acknowledgement on the Proxy form to expressly authorise the Chair to exercise his or her discretion** in exercising your proxy even though the Resolution is connected directly or indirectly with the remuneration of Key Management Personnel.

2.3 Voting Consequences

A company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting within 90 days of the second annual general meeting (**Spill Meeting**).

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

2.4 Previous Voting Results

On 14 November 2016, pursuant to a relief order granted by ASIC on 7 December 2015, the Company held its 2015 Annual General Meeting followed immediately by its 2016 Annual General Meeting. At each of these meetings a strike was recorded in relation to the adoption of the remuneration report which then required a Spill Resolution to be placed before the 2016 Annual General Meeting. The Spill Resolution was not passed.

Accordingly, as a Spill Resolution was put to vote at the Company's 2016 Annual General Meeting it is not relevant for this Annual General Meeting.

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3. Resolution 2 – Election of Director – Mr Steven Formica

Clause 12.3 of the Constitution provides that, at the Company's annual general meeting in every year, there must be an election of Directors. The election may be satisfied by the election of a new Director having nominated in accordance with clause 12.6, a Director appointed to fill a casual vacancy or as an addition to the existing Directors under clause 12.7 standing for election, or a Director who is retiring as a result of the 3-year tenure limit under clause 12.3(a) standing for election.

Clause 12.7 of the Constitution allows the Directors to appoint at any time a person to be a Director either to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Pursuant to clause 12.8 of the Constitution and Listing Rule 14.4, any Director so appointed holds office only until the next following annual general meeting and is then eligible for election at that meeting but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Mr Steven Formica, having been appointed on 3 January 2017 will retire in accordance with clause 12.3(b)(ii) of the Constitution and Listing Rule 14.4 and being eligible, seeks election from Shareholders.

Mr Formica brings to the Company practical management and business development experience. He has been a successful businessman and operations manager for over 30 years in a number of privately held business ventures including manufacturing, construction, landscape contracting, property development, and integrated wholesale and retail businesses. More recently he has been a successful investor and non-executive director in mineral resource companies. Mr Formica is currently a non-executive director of ASX listed companies Bowen Coking Coal Limited and Lindian Resources Limited, and formerly chairman of Enerji Limited.

The Board considers that Mr Formica does not qualify as an independent director.

Apart from Mr Formica (who abstains from making a recommendation on this Resolution), the Directors' recommend that you vote **FOR** this Resolution 2.

All Shareholders may vote for this Resolution.

4. Resolution 3 – Election of Director – Mr Jerome (Gino) Vitale

Clause 12.3 of the Constitution provides that, at the Company's annual general meeting in every year, there must be an election of Directors. The election may be satisfied by the election of a new Director having nominated in accordance with clause 12.6, a Director appointed to fill a casual vacancy or as an addition to the existing Directors under clause 12.7 standing for election, or a Director who is retiring as a result of the 3-year tenure limit under clause 12.3(a) standing for election.

Clause 12.3(a) particularly provides that a Director must not hold office without re-election past the third annual general meeting following the Director's appointment or last election, or more than 3 years (whichever is the longer). Mr Jerome (Gino) Vitale was appointed as Managing Director on 22 April 2013, which role he resigned from on 18 January 2017 to become a non-executive director.

Mr Jerome (Gino) Vitale, will retire in accordance with clause 12.3(a)(ii) of the Constitution and Listing Rule 14.4 and being eligible, seeks election from Shareholders.

Mr Vitale is an experienced mining company executive with wide ranging experience in project development and finance. His achievements in the gold sector include the acquisition, construction an operation of the McKinnons Gold project in Cobar NSW (a 50,000 oz pa low cost open cut operation), execution of numerous gold project financing transactions as a project finance specialist with Standard Chartered Bank group and senior executive responsibilities with the Normandy Mining group prior to its acquisition by Newmont Mining Corporation.

The Board considers that Mr Vitale does not qualify as an independent director.

Apart from Mr Vitale (who abstains from making a recommendation on this Resolution), the Directors' recommend that you vote **FOR** this Resolution 3.

All Shareholders may vote for this Resolution.

5. Resolution 4 – Election of Director – Mr David Palumbo

Clause 12.3 of the Constitution provides that, at the Company's annual general meeting in every year, there must be an election of Directors. The election may be satisfied by the election of a new Director having nominated in accordance with clause 12.6, a Director appointed to fill a casual vacancy or as an addition to the existing Directors under clause 12.7 standing for election, or a Director who is retiring as a result of the 3-year tenure limit under clause 12.3(a) standing for election.

Clause 12.7 of the Constitution allows the Directors to appoint at any time a person to be a Director either to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Pursuant to clause 12.8 of the Constitution and Listing Rule 14.4, any Director so appointed holds office only until the next following annual general meeting and is then eligible for election at that meeting but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Mr David Palumbo, having been appointed on 18 January 2017 will retire in accordance with clause 12.3(b)(ii) of the Constitution and Listing Rule 14.4 and being eligible, seeks election from Shareholders.

Mr Palumbo has ten years of experience in accounting and financial reporting of ASX listed and unlisted companies, which includes five years as an external auditor. He provides corporate advisory and financial management advice and specialises in corporate compliance, statutory reporting and financial accounting services. He has also been involved in the listing of several junior exploration companies on the ASX.

The Board considers that Mr Palumbo qualifies as an independent director.

Apart from Mr Palumbo (who abstains from making a recommendation on this Resolution), the Directors' recommend that you vote **FOR** this Resolution 4.

All Shareholders may vote for this Resolution.

6. Resolution 5 – Approval to issue Shares – Placement

6.1 General

Resolution 5 seeks Shareholder approval for the issue of up to 40,000,000 Shares (**Placement Shares**) to sophisticated and professional investors who are not related parties of the Company (**Placement**).

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

The effect of Resolution 5 will be to allow the Company to issue the Shares pursuant to the Placement during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

6.2 Specific information required by Listing Rule 7.1

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the Placement:

- (a) the maximum number of Shares to be issued is up to 40,000,000;
- (b) the Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules);

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- (c) the issue price will be not less than 80% of the average market price for Shares calculated over the 5 days on which sales in the Shares are recorded before the day on which the issue is made or, if there is a prospectus, over the last 5 days on which sales in the securities were recorded before the date the prospectus is signed;
 - (d) it is intended that the Placement Shares will be issued progressively to sophisticated and professional investors determined by the Board who are not related parties of the Company;
 - (e) the Placement Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
 - (f) the Company intends to use the funds raised from the Placement towards general working capital expenses, exploration on the Victory Bore Project and/or the acquisition of new assets and investments (including any expenses associated with such an acquisition); and
 - (g) a voting exclusion statement is included in the Notice.

6.3 Directors' recommendation

The Board unanimously recommends that Shareholders vote in favour of Resolution 5.

7. Resolution 6 – Approval of 10% Additional Placement Capacity

7.1 General

Listing Rule 7.1A provides that an Eligible Entity (as defined below) may seek shareholder approval by special resolution passed at an annual general meeting to have the capacity to issue up to that number of Equity Securities (as defined below) equal to 10% of its issued capital (**10% Placement Capacity**) without using that company's existing 15% annual placement capacity granted under Listing Rule 7.1.

An Eligible Entity is one that, as at the date of the relevant annual general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

As at the date of this Notice, the Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of less than \$300,000,000.

An Equity Security is a share, a unit in a trust, a right to a share or unit in a trust or option, an option over an issued or unissued security, a convertible security, or, any security that ASX decides to classify as an equity security.

Any Equity Securities issued under the 10% Placement Capacity must be in the same class as an existing class of quoted Equity Securities.

As at the date of this Notice, the Company currently 1 class of quoted Equity Securities on issue, being fully paid ordinary shares (ASX Code: QNL).

If Shareholders approve Resolution 6, the number of Equity Securities the Company may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2.

Resolution 6 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 6 for it to be passed.

7.2 Specific information required by Listing Rule 7.1A

Pursuant to and in accordance with Listing Rule 7.3A, the information below is provided in relation to this Resolution 6:

(a) **Minimum Price**

The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 ASX trading days of the date in section 7.2(a)(i), the date on which the Equity Securities are issued.

(b) **Date of Issue**

The Equity Securities may be issued under the 10% Placement Capacity commencing on the date of the Meeting and expiring on the first to occur of the following:

- (i) 12 months after the date of this Meeting; and
- (ii) the date of approval by Shareholders of any transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking) (after which date, an approval under Listing Rule 7.1A ceases to be valid),

(10% Placement Capacity Period).

(c) **Risk of voting dilution**

Any issue of Equity Securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 6 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in Listing Rule 7.1A(2), on the basis of the market price of Shares and the number of Equity Securities on issue as at the date of this Notice.

The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.

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Number of Shares on Issue	Dilution			
	Issue Price (per Share)	\$0.014 (50% decrease in issue price)	\$0.028 (Current issue price)	\$0.042 (50% increase in Issue price)
157,152,762 (Current)	Shares issued - 10% voting dilution	15,715,276 Shares	15,715,276 Shares	15,715,276 Shares
	Funds raised	\$220,014	\$440,028	\$660,042
235,729,143 (50% increase)*	Shares issued - 10% voting dilution	23,572,914 Shares	23,572,914 Shares	23,572,914 Shares
	Funds raised	\$330,021	\$660,042	\$990,062
314,305,524 (100% increase)*	Shares issued - 10% voting dilution	31,430,552 Shares	31,430,552 Shares	31,430,552 Shares
	Funds raised	\$440,028	\$880,055	\$1,320,083

**The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.*

The table above uses the following assumptions:

1. There are currently 157,152,762 Shares on issue (excluding restricted securities) comprising:
 - (a) 117,152,762 existing Shares as at the date of this Notice of Meeting; and
 - (b) 40,000,000 Shares which will be issued if Resolution 5 is passed at this Meeting.
2. The issue price set out above is the closing price of the Shares on the ASX on 12 October 2017.
3. The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
4. The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in Listing Rule 7.2 or with approval under Listing Rule 7.1.
5. The issue of Equity Securities under the 10% Placement Capacity consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities.
6. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
7. This table does not set out any dilution pursuant to approvals under Listing Rule 7.1.
8. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
9. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Capacity, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and
- (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

(d) **Purpose of Issue under 10% Placement Capacity**

The Company may issue Equity Securities under the 10% Placement Capacity for the following purposes:

- (i) to provide non-cash consideration for new asset purchases or investments; and/or
- (ii) to raise cash to fund:
 - (A) general working capital expenses;
 - (B) exploration and development of the Victory Bore Project; and/or
 - (C) the acquisition of new assets and investments (including any expenses associated with such an acquisition).

The Company will comply with the disclosure Listing Rules 7.1A.4 and 3.10.5A on issue of any Equity Securities issued pursuant to the approval sought by this Resolution. If Equity Securities are issued for non-cash consideration, the Company will at the time of issue of the Equity Securities provide a valuation of the non-cash consideration that demonstrates that the issue price of the securities are at or above the minimum issue price, in accordance with the Note to Listing Rule 7.1A.3. The Company intends to maintain the ability to issue securities under Listing Rule 7.1A for non-cash consideration.

(e) **Allocation policy under the 10% Placement Capacity**

The recipients of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

Further, if the Company is successful in acquiring new resources, assets or investments, it is likely that the recipients under the 10% Placement Capacity will be vendors of the new resources, assets or investments.

(f) **Previous approval under Listing Rule 7.1A**

The Company did not previously seek to obtain approval to issue equity securities under ASX Listing Rule 7.1A at its prior annual general meetings (which were held consecutively on 14 November 2016).

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(g) **Voting exclusion**

A voting exclusion statement is included in this Notice. As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 6.

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SCHEDULE 1 – DEFINITIONS

Additional Placement Capacity has the meaning given in section 7.1 of the Explanatory Memorandum.

Annual General Meeting or **Meeting** has the meaning in the introductory paragraph of the Notice.

Annual Report means the Directors' Report, the Financial Report and Auditor's Report in respect to the financial year ended 30 June 2017.

ASIC means Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX.

Auditor's Report means the auditor's report on the Financial Report.

Board means the board of Directors.

Chairman means the chairman of the Meeting.

Closely Related Party has the meaning in section 9 of the Corporations Act.

Company means Quest Minerals Limited ACN 062 879 583

Constitution means the constitution of the Company.

Corporations Act means the *Corporations Act 2001* (Cth).

Director means a director of the Company.

Directors' Report means the annual directors' report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.

Eligible Entity means an entity that, at the date of the relevant general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

Equity Securities includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

Explanatory Memorandum means the explanatory memorandum attached to the Notice.

Financial Report means the annual financial report prepared under Chapter 2M of the Corporations Act of the Company and its controlled entities.

Key Management Personnel means a person having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

Listing Rules means the listing rules of ASX.

Notice means this notice of meeting.

Proxy Form means the proxy form attached to the Notice.

Remuneration Report means the remuneration report of the Company contained in the Directors' Report.

Resolution means a Resolution contained in this Notice.

Schedule means a schedule to this Notice.

Section means a section contained in this Explanatory Memorandum.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a shareholder of the Company.

Trading Day means a day determined by ASX to be a trading day in accordance with the Listing Rules.

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WST means Western Standard Time, being the time in Perth, Western Australia.

In this Notice, words importing the singular include the plural and vice versa.

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QUEST MINERALS LIMITED

ACN 062 879 583

PROXY FORM

Step 1 – Appoint a Proxy to Vote on Your Behalf

I/We

(details of registered shareholder)

being member(s) of QUEST MINERALS LIMITED hereby appoint:

The Chairman of the Meeting (mark box)

OR

If you are **NOT appointing the Chairman of the Meeting** as your proxy, please write the name of the person or body corporate you are appointing as your proxy

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at Level 11, London House, 216 St Georges Terrace, Perth, Western Australia on Friday, 24 November 2017 at 10.00am (WST) and at any adjournment or postponement of that Meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolution 1, (except where I/we have indicated a different voting intention below) even though Resolution 1 is connected directly or indirectly with the remuneration of a member of Key Management Personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolution 1 by marking the appropriate box in step 2 below. **The Chairman of the Meeting intends to vote undirected proxies in favour of Resolution 1.** In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

Step 2 – Instructions as to Voting on Resolutions

PLEASE NOTE: If you mark the Abstain box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		FOR	AGAINST	ABSTAIN
Resolution 1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Election of Director – Mr Steven Formica	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Election of Director – Mr Jerome (Gino) Vitale	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Election of Director – Mr David Palumbo	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Approval to Issue Shares - Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Approval of 10% Additional Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Step 3 – Sign

Authorised signature/s

This section **must** be signed in accordance with the instructions below to enable your voting instructions to be implemented.

Individual or Shareholder 1

Sole Director and Sole Company Secretary

Shareholder 2

Director

Shareholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date

Proxy Notes:

A Shareholder entitled to attend and vote at the Meeting may appoint a natural person as the Shareholder's proxy to attend and vote for the Shareholder at that Meeting. If the Shareholder is entitled to cast 2 or more votes at the Meeting the Shareholder may appoint not more than 2 proxies. Where the Shareholder appoints more than one proxy the Shareholder may specify the proportion or number of votes each proxy is appointed to exercise. If such proportion or number of votes is not specified each proxy may exercise half of the Shareholder's votes. A proxy may, but need not be, a Shareholder of the Company.

If a Shareholder appoints a body corporate as the Shareholder's proxy to attend and vote for the Shareholder at the Meeting, the representative of the body corporate to attend the Meeting must produce the Certificate of Appointment of Representative prior to admission. A form of the certificate may be obtained from the Company's share registry.

You must sign this form as follows in the spaces provided:

Joint Holding: where the holding is in more than one name all of the holders must sign.

Power of Attorney: if signed under a Power of Attorney, you must have already lodged it with the registry, or alternatively, attach a certified photocopy of the Power of Attorney to this Proxy Form when you return it.

Companies: a Director can sign jointly with another Director or a Company Secretary. A sole Director who is also a sole Company Secretary can also sign. Please indicate the office held by signing in the appropriate space.

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Representative" should be produced prior to admission. A form of the certificate may be obtained from the Company's Share Registry.

Proxy Forms (and the power of attorney or other authority, if any, under which the Proxy Form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the Proxy Form (and the power of attorney or other authority) must be deposited at or received by facsimile transmission at the address below no later than 48 hours prior to the time of commencement of the Meeting.

Lodge your vote:

By hand:

Company Secretary
Quest Minerals Limited
Level 11
216 St Georges Terrace
Perth WA 6000
Australia

By post:

Company Secretary
Quest Minerals Limited
GPO Box 2517
Perth WA 6831
Australia

By facsimile:

+61 8 9463 6103

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