



QUEST MINERALS LIMITED

ACN 062 879 583

Third Supplementary Prospectus

1 Important information

This is a supplementary prospectus (**Third Supplementary Prospectus**) intended to be read with the prospectus dated 15 November 2016 (**Prospectus**) and supplementary prospectuses dated 29 November 2016 (**Supplementary Prospectus**) and 27 January 2017 (**Second Supplementary Prospectus**) issued by Quest Minerals Limited (**Company**). This is the third supplementary prospectus lodged with ASIC in relation to the Offer.

This Third Supplementary Prospectus is dated 6 February 2017 and was lodged with the Australian Securities and Investments Commission (**ASIC**) on that day. ASIC, ASX Limited (**ASX**) and their respective officers do not take any responsibility as to the contents of this Third Supplementary Prospectus or the merits of the investment to which this Third Supplementary Prospectus relates.

Other than as set out below, all details in relation to the Prospectus remain unchanged. To the extent of any inconsistency between this Third Supplementary Prospectus, the Second Supplementary Prospectus, the Supplementary Prospectus and the Prospectus, this Third Supplementary Prospectus will prevail. Unless otherwise indicated, terms defined and used in the Prospectus have the same meaning in this Third Supplementary Prospectus.

This Third Supplementary Prospectus will be issued with the Prospectus and the Supplementary Prospectuses as an electronic prospectus and may be accessed on the ASX platform at its website at www.asx.com.au or on the Company's website at www.questminerals.com.au. The Company will send a copy of this Third Supplementary Prospectus to all Applicants who have applied for Shares under the Prospectus as at the date of this Third Supplementary Prospectus.

This is an important document and should be read in its entirety. If you do not understand it you should consult your professional advisors without delay.

The Company's Directors do not consider the information set out in this Third Supplementary Prospectus to be materially adverse from the point of view of investors.

2 Supplementary Prospectus

The Company has prepared this Third Supplementary Prospectus to:

- (a) provide further information in respect of the Company's officers;
- (b) amend section 7 (Financial Information) of the Prospectus, including further explanation setting out why cash contributions made to the creditors trust established under the DOCA have reduced to \$185,000 and the impact thereof on the Company;

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- (c) provide additional information in respect of the proposed share placement;
- (d) provide further disclosure on the outcome of the Supreme Court Proceedings and the impact on the Company.

3 Directors and Management

As from 1 February 2017, the Company's Board comprises three directors: Mr Steve Formica, Chairman, and Messrs Jerome Vitale and David Palumbo.

Mr David Palumbo and Mr Stuart Third are joint Company Secretaries.

Mr Steve Formica was appointed as a director on 3 January 2017 and as non-executive Chairman on 18 January 2017. Mr Formica brings to the Company practical business acumen 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, integrated wholesale and retail businesses. More recently he has been a successful investor in mineral resource companies as an investor and non-executive director. Mr Formica is currently a non-executive director of ASX listed companies Cabral Resources Limited and Lindian Resources Limited, and formerly chairman of Enerji Limited.

As chair, Mr Formica is responsible for liaising with shareholders and brokers, chairing board meetings and, together with Mr Vitale, implementing the Company's exploration program for Victory Bore and overseeing exploration work undertaken by Geonomics (see below).

An entity controlled by Mr Formica, Stevsand Holdings Pty Limited, has subscribed for 5,900,000 Shares under the Offer.

Mr Formica has agreed, whilst the Company is determining the workload arising from Victory Bore, not to be paid director's fees.

Mr David Palumbo was appointed Joint Company Secretary on 16 December 2016 and a non-executive director on 18 January 2017. He has ten years of experience in accounting and financial reporting of ASX listed and unlisted companies, which includes five years as an external auditor.

Mr Palumbo 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.

Mr Palumbo is responsible for the Company's corporate compliance, statutory reporting and financial accounting. Mr Palumbo is an employee of Mining Corporate, a specialist corporate compliance advisory firm. Mining Corporate will be paid its usual hourly rates of between \$100 and \$250 for performing its services, with the arrangement to be reviewed (based upon market rates) following the Company's reinstatement.

Mr Palumbo has subscribed for 250,000 Shares under the Offer.

On 18 January 2017 the Company announced that Mr Jerome Vitale was stepping down as Managing Director upon reinstatement of the Company's shares to trading on ASX. Mr Vitale remains a Director and the step was taken primarily to reduce costs and in light of Messrs Formica and Palumbo assuming certain responsibilities (as set out above).

Mr Vitale has a thorough understanding of the Company's affairs and project knowledge and, together with Mr Formica, will continue to implement the Company's exploration program for Victory Bore and oversee exploration work undertaken by Geonomics. As a result, the Company has agreed to pay Mr Vitale

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\$5,000 per month for a minimum of 6 months (this is in addition to the \$35,000 payment to be made within 2 days of the Company's shares being reinstated to trading (disclosed in section 6.2 of the Second Supplementary Prospectus).

The Board intends to continue exploration and development of the Victory Bore project, and has appointed Mr Rob Jewson of Geonomics (www.geonomics.net.au) to implement the exploration program as set out in the Prospectus. To preserve technical continuity for the project, Dr Dennis Gee who resigned as a director effective on 31 January 2017, will continue as a technical and exploration consultant to the Company.

4 Litigation & Supreme Court proceedings

Under the terms of settlement, the proceedings were discontinued with no order as to costs and without any admission by any party.

Subject to the Company's securities being reinstated to trading, entities controlled by Mr Nikolaenko and the Company have released each other from all claims, other than a payment to be made of \$4,500 with respect to costs in Federal Court proceedings WAD 469 of 2016.

The increased legal costs resulting from the Supreme Court proceedings, and the Federal Court application for orders under section 444GA of the Corporations Act, have increased the DOCA costs, resulting in reduced payments to the Creditors Trust.

5 Contribution to Creditors Trust

As a result of increased costs associated with the Supreme Court proceedings and Federal Court application for orders under section 444GA of the Corporations Act, the Company and Creditors' Trustee have agreed that the Company's contribution to the Creditors Trust established under the DOCA be reduced from \$331,132 to \$185,000.

This reduction will not impact the use of funds committed to the exploration program and working capital disclosed in the Prospectus.

6 Share placement

The Company has appointed CPS Capital to manage the placement of a further 10,000,000 shares at \$0.02 per share to raise an additional \$200,000 pursuant to shareholder approval received on 14 November 2016 under ASX Listing Rule 7.1.

CPS Capital will be paid a fee of \$12,000 in cash for this additional placement.

7 Financial Information

In respect of the recapitalisation, as set out in the explanatory statement attached to the Notice of Meeting held on 14 November 2016, the Lead Manager will be paid a fee of \$200,000 through the issue of 10,000,000 Shares at a deemed price of \$0.02 per Share. As this amount is a non-cash item, it was not included in the cash movements table contained at section 11 of the Second Supplementary Prospectus.

Upon completion of the capital raising and payments to the deed administrators and any other parties to satisfy obligations under the DOCA, the Company will have a minimum of \$1,000,000 in cash (net of all liabilities) to satisfy the conditions of reinstatement required by ASX Listing Rules.

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8 Directors' Authorisation

This Third Supplementary Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Third Supplementary Prospectus with the ASIC.

On behalf of Quest Minerals Limited



Jerome (Gino) Vitale
Director

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