



ACN 062 879 583

## Notice of 2016 Annual General Meeting and Explanatory Statement

Date of Meeting: Monday, 14 November 2016

Time of Meeting: 2:15 pm WST

Place of Meeting: BDO Corporate Finance (WA) Pty Ltd

Rokeby Room, 38 Station Street, Subiaco WA 6008

Your Annual Report is available online at [www.questminerals.com.au](http://www.questminerals.com.au)

### IMPORTANT NOTICE

THE RESOLUTIONS PROPOSED FOR THIS MEETING ARE OF FUNDAMENTAL IMPORTANCE TO THE FUTURE OF YOUR COMPANY. IT IS RECOMMENDED THAT SHAREHOLDERS READ THIS NOTICE AND EXPLANATORY STATEMENT IN FULL, AND IF THERE IS ANY MATTER THAT YOU DO NOT UNDERSTAND, YOU SHOULD CONTACT YOUR FINANCIAL ADVISER, STOCKBROKER OR SOLICITOR FOR ADVICE.

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## TIME AND PLACE OF MEETING AND HOW TO VOTE

### Venue

The Annual General Meeting of the Shareholders of Quest Minerals Limited will be held at:

**BDO Corporate Finance (WA) Pty Ltd**

**Rokeby Room, 38 Station Street,**

**Subiaco WA 6008**

**Commencing 2:15 pm (WST)**

**on Monday, 14 November 2016**

### How to Vote

You may vote by attending the Meeting in person, by proxy or authorised representative.

### Voting in Person

To vote in person, attend the Meeting at the time, date and place set out above. The Meeting will commence at 2:15 pm (WST).

### Voting by Proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, members are advised that:

- each member has a right to appoint a proxy;
- the proxy need not be a member of the Company; and
- a member who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

### Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, if it does:

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution - the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on - the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- if the proxy is not the chair - the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

### Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and

- either of the following applies:
  - the proxy is not recorded as attending the meeting;
  - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

Your Proxy Form is enclosed.

#### **Snapshot Date**

In accordance with regulations 7.11.37 and 7.11.38 of the Corporations Regulations 2001, the Directors have set a snapshot date to determine the identity of those Shareholders who are entitled to attend and vote at the Meeting. The snapshot date is 4:00pm (WST) on Thursday, 10 November 2016.

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## NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Shareholders of Quest Minerals Limited will be held at BDO Corporate Finance (WA) Pty Ltd, Rockeby Room, 38 Station Street, Subiaco WA 6008 on Monday, 14 November 2016 at 2:15 pm (WST).

### Business

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#### Accounts and Reports

To receive and consider the financial report of the Company for the financial year ended 30 June 2016 together with the declaration of the Directors, the Remuneration Report and the reports of the Directors and the Company's auditor (Auditor) thereon.

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#### RESOLUTION 1 - ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass the following Resolution as a **non-binding 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 as contained in the Company's annual financial report for the financial year ended 30 June 2016."*

**Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.**

#### Voting Prohibition Statement:

A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

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

However, a person (the "voter") described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy:
  - (i) does not specify the way the proxy is to vote on this Resolution; and
  - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

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#### RESOLUTION 2 - RE-ELECTION OF PAUL PIERCY

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

*"That Paul Piercy, who retires in accordance with Clause 12.3 of the Company's Constitution and, being eligible offers himself for election, is hereby re-appointed a director of the Company."*

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#### RESOLUTION 3 - CONTINGENT BUSINESS: HOLDING A SPILL MEETING

Condition for Resolution 3: Resolution 3 will be considered at the AGM only if:

- (a) at least 25% of the votes cast on Resolution 1 at the Company's 2015 AGM are against the adoption of the Remuneration Report; and
- (b) at least 25% of the votes cast on Resolution 1 at this Meeting are against the adoption of the Remuneration Report; and

- (c) and at the first of those annual general meetings a Spill Resolution was not put to vote.

More information explaining the circumstances in which Resolution 3 will be put to Shareholders at the Meeting is set out in the Explanatory Statement.

If the condition described above is satisfied, to consider, and if thought fit, to pass the following as an ordinary resolution:

“That, as required by section 250V of the Corporations Act:

- (a) A Shareholders meeting be held within 90 days of the 20-15 Annual General Meeting (Spill Meeting);
- (b) Each of Dr Dennis Gee and Mr Paul Piercy cease to hold office immediately before the end of the Spill Meeting; and
- (c) Resolutions to appoint persons to offices that will be vacated immediately before the end of the Spill Meeting be put to the vote at the Spill Meeting.”

\* assumes the director is elected or re-elected at the AGM.

**By order of the Board**

**Stuart Third**  
**Company Secretary**  
**Dated: 14 October 2016**

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## EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of Shareholders in Quest Minerals Limited in connection with the business to be conducted at the Annual General Meeting of the Company to be held at BDO Corporate Finance (WA) Pty Ltd

Rokeby Room, 38 Station Street, Subiaco WA on Monday, 14 November 2016 at 2:15 pm (WST).

This Explanatory Statement should be read in conjunction with the accompanying Notice of Annual General Meeting.

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### 1 FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2016

In accordance with the requirements of the Company's Constitution and the Corporations Act, the financial report of the Company for the financial year ended 30 June 2016 together with the declaration of the Directors, the Remuneration Report and the reports of the Directors and Auditor (together, the **Reports**) thereon will be tabled at the Meeting. Shareholders will have the opportunity of discussing the Reports and making comments and raising queries in relation to the Reports at the Meeting.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at [www.questminerals.com.au](http://www.questminerals.com.au).

The chair of the Meeting will allow reasonable opportunity for the Shareholders as a whole at the Meeting to ask the auditor or the auditor's representative questions relevant to:

- (a) the conduct of the audit;
- (b) the preparation and content of the auditor's report;
- (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.

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

- (a) the content of the auditor's report to be considered at the Meeting; and
- (b) the conduct of the audit of the annual financial report to be considered at the Meeting,

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

The following deals with the businesses to be considered by Shareholders at the Meeting.

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### 2 RESOLUTION 1 - ADOPTION OF REMUNERATION REPORT

#### 2.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the Directors or the Company.

The remuneration report sets out the Company's remuneration arrangements for the Directors and senior management of the Company. The remuneration report is contained in the Company's annual financial report for the financial year ended 30 June 2016.

A reasonable opportunity will be provided for discussion of the remuneration report at the Annual General Meeting.

#### 2.2 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.

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

### 2.3 Previous voting results

If at the Company's 2015 annual general meeting (to be held immediately prior to the Meeting) the votes cast against the remuneration report considered at that annual general meeting are less than 25%, the Spill Resolution will not be relevant for this Annual General Meeting. If however, the votes cast against the remuneration report at the 2015 annual general meeting are at least 25%, then the Spill Resolution will be relevant for this Annual General Meeting.

### 2.4 Proxy voting restrictions

Shareholders appointing a proxy for this Resolution should note the following:

If you appoint a member of the Key Management Personnel (other than the Chair) whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member as your proxy, you must direct your proxy how to vote on this Resolution. Undirected proxies granted to these persons will not be voted and will not be counted in calculating the required majority if a poll is called on this Resolution.

If you appoint the Chair as your proxy (where he/she is also a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member), you do not need to direct your proxy how to vote on this Resolution. 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/her discretion in exercising your proxy even though this Resolution is connected directly or indirectly with the remuneration of Key Management Personnel.

If you appoint any other person as your proxy, you do not need to direct your proxy how to vote on this Resolution, and you do not need to mark any further acknowledgement on the Proxy Form.

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## 3 RESOLUTION 2 - RE-ELECTION OF PAUL PIERCY AS A DIRECTOR

Clause 12.3(b) of the Company's Constitution provides that, at the Company's annual general meeting in every year, there must be an election of Directors of the Company. Further if no person or Director is standing for election or re-election in accordance with paragraphs 12.3(b)(i), (ii) or (iii), then the Director who has been a Director the longest without reelection must retire and stand for re-election.

Mr Paul Piercy will retire in accordance with clause 12.3(b)(iv) of the Constitution and being eligible seeks re-election.

Mr Piercy is a metallurgist with wide operational mining experience who has held senior management and technical positions within the Rio Tinto Limited group, including General Manager of Hamersley Iron's Dampier port and the rail operations, General Manager of Hamersley Iron's Paraburdoo and Channar operations and Managing Director of Novacoal and Kembla Coal and Coke. From 1997 to 2000 Mr Piercy was Managing Director of WestTrac Equipment before playing an integral role in the successful establishment of WestTrac China, as its Chairman/CEO based in China.

Mr Piercy has played an integral part in leading the Board's review of the Company's corporate governance practices and policies since his appointment on 22 April 2013. The Company's remaining Directors recommend to Shareholders that Mr Piercy be re-elected as a Director of the Company.

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**4 RESOLUTION 3 - CONTINGENT BUSINESS - HOLDING A SPILL MEETING**

**4.1 Contingent resolution**

This resolution will only be considered at the AGM if :

- (a) at least 25% of the votes cast on Resolution 1 at the Company's 2015 AGM are against the adoption of the Remuneration Report; and
- (b) at least 25% of the votes cast on Resolution 1 at this Meeting are against the adoption of the Remuneration Report; and
- (c) and at the first of those annual general meetings a Spill Resolution was not put to vote.

**4.2 Additional information**

The Corporations Act was amended in June 2011 to introduce the "two-strikes" rule. The two-strikes rule provides that if at least 25% of the votes cast on the adoption of the remuneration report at two consecutive AGMs are against adopting the remuneration report, members will have the opportunity to vote on a spill "resolution".

The 2015 and 2016 AGMs are being held on the same date. If at the 2015 AGM, at least 25% of the votes cast on the resolution to adopt the remuneration report are against the adoption of the report, this will constitute a "first strike".

If at least 25% of the votes cast in Resolution 1 are against adopting the remuneration report at the 2016 AGM, then this will constitute a second strike and Resolution 3 will be put to the meeting and voted on as required by section 250V of the Corporations Act (Spill Resolution).

If put, the Spill Resolution will be considered as an ordinary resolution.

If the Spill Resolution is passed, a further Shareholders meeting must be held within 90 days (Spill Meeting). Immediately before the end of the Spill Meeting, each of Dr Dennis Gee and Mr Paul Piercy being the directors (other than the Managing Director) who approved the last directors' report cease to hold office (Relevant Directors).

\*This assumes the director is elected or re-elected at the AGM.

Each Relevant Director is eligible to seek re-election as a director of the Company at the Spill Meeting.

If the Spill Resolution is passed, Shareholders should note that each of the Relevant Directors intends to stand for re-election at the Spill Meeting.

The Spill Resolution has the potential that the entire board (other than the Managing Director) is removed from office.

**4.3 Proxy voting restrictions**

Shareholders appointing a proxy for this Resolution should note the following:

If you appoint a member of the Key Management Personnel (other than the Chair) whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member as your proxy, you **must** direct your proxy how to vote on this Resolution. Undirected proxies granted to these persons will not be voted and will not be counted in calculating the required majority if a poll is called on this Resolution.

If you appoint the Chair as your proxy (where he/she is also a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member), you do not need to direct your proxy how to vote on this Resolution. 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/her discretion in exercising your proxy even though this Resolution is connected directly or indirectly with the remuneration of Key Management Personnel.

If you appoint any other person as your proxy, you do not need to direct your proxy how to vote on this Resolution, and you do not need to mark any further acknowledgement on the Proxy Form.



5 GLOSSARY OF DEFINED TERMS

<b>Annual General Meeting or Meeting</b>	means the meeting convened by this Notice.
<b>ASX</b>	means ASX Limited or the Australian Securities Exchange operated by ASX Limited, as the context requires.
<b>BDO</b>	means BDO Corporate Finance (WA) Pty Ltd (ACN 124 031 045).
<b>Board</b>	means the board of Directors.
<b>Closely Related Party of a member of the Key Management Personnel</b>	means: <ul style="list-style-type: none"><li>(a) a spouse or child of the member;</li><li>(b) a child of the member's spouse;</li><li>(c) a dependent of the member or the member's spouse;</li><li>(d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;</li><li>(e) a company the member controls; or</li><li>(f) a person prescribed by the Corporations Regulations 2001 (Cth).</li></ul>
<b>Company or Quest</b>	means Quest Minerals Limited (ACN 062 879 583).
<b>Constitution</b>	means the Company's constitution
<b>Corporations Act</b>	means the <i>Corporations Act 2001</i> (Cth).
<b>Directors</b>	means the current directors of the Company.
<b>Explanatory Statement</b>	means this explanatory statement set out in this Notice.
<b>Key Management Personnel</b>	has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.
<b>Listing Rule</b>	means the official Listing Rules of ASX.
<b>Notice</b>	means this notice of meeting including the Explanatory Statement and the Proxy Form.
<b>Option</b>	means an option to acquire a Share.
<b>Ordinary Securities</b>	has the meaning set out in the Listing Rules.
<b>Proxy Form</b>	means the proxy form accompanying this Notice.
<b>Remuneration Report</b>	means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2013.
<b>Share</b>	means a fully paid ordinary share in the capital of the Company.

<b>Shareholder</b>	means a holder of a Share.
<b>Spill Meeting</b>	has the meaning given in section 2.2 of the Explanatory Memorandum.
<b>Spill Resolution</b>	has the meaning given in section 2.2 of the Explanatory Memorandum.
<b>WST</b>	means Western Standard Time as observed in Perth, Western Australia.

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PROXY FORM

APPOINTMENT OF PROXY

QUEST MINERALS LIMITED

ACN 062 879 583

ANNUAL GENERAL MEETING

I/We

of

Appoint

being a member of Quest Minerals Limited entitled to attend and vote at the Annual General Meeting, hereby

Name of proxy

OR  the Chair of the Annual General Meeting as your proxy

or failing the person so named or, if no person is named, the Chair of the Annual General Meeting, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit, at the Annual General Meeting to be held at 2:15 pm (WST), on Monday, 14 November 2016 at BDO Corporate Finance (WA) Pty Ltd, Rokeby Room, 38 Station Street, Subiaco WA 6008 and at any adjournment thereof.

The Chair intends to vote undirected proxies in favour of all Resolutions in which the Chair is entitled to vote.

**Voting on Business of the Annual General Meeting**

	FOR	AGAINST	ABSTAIN
Resolution 1 - Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 - Re-Election of Paul Piercy as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 - Hold a Spill Meeting	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Please note:** If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

**Important for Resolution 1**

If you have not directed your proxy how to vote as your proxy in respect of Resolutions 1 and 3 and the Chair is, or may by default be, appointed your proxy, you must mark the box below.

I/we direct the Chair to vote in accordance with his/her voting intentions (as set out above) on Resolution 1 (except where I/we have indicated a different voting intention above) and expressly authorise that the Chair may exercise my/our proxy even though Resolutions 1 and 3 are connected directly or indirectly with the remuneration of a member of the Key Management Personnel and acknowledge that the Chair may exercise my/our proxy even if the Chair has an interest in the outcome of Resolutions 1 and 3 and that votes cast by the Chair for Resolutions 1 and 3 other than as proxy holder would be disregarded because of that interest.

If the Chair is, or may by default be, appointed your proxy and you do not mark this box and you have not directed the Chair how to vote, the Chair will not cast your votes on Resolutions 1 and 3 and your votes will not be counted in calculating the required majority if a poll is called on Resolutions 1 and 3.

If two proxies are being appointed, the proportion of voting rights this proxy represents is \_\_\_\_\_%

Signature of Member

Date: \_\_\_\_\_

Individual or Member 1

Member 2

Member 3




Sole Director/Company Secretary

Director

Director/Company Secretary

Contact Name: \_\_\_\_\_ Contact Ph (daytime): \_\_\_\_\_

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QUEST MINERALS LIMITED

ACN 062 879 583

**Instructions for Completing 'Appointment of Proxy' Form**

1. **(Appointing a Proxy):** A member entitled to attend and vote at an Annual General Meeting is entitled to appoint not more than two proxies to attend and vote on a poll on their behalf. The appointment of a second proxy must be done on a separate copy of the Proxy Form. Where more than one proxy is appointed, such proxy must be allocated a proportion of the member's voting rights. If a member appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes. A duly appointed proxy need not be a member of the Company.
2. **(Direction to Vote):** A member may direct a proxy how to vote by marking one of the boxes opposite each item of business. Where a box is not marked the proxy may vote as they choose. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing Instructions):**
  - **(Individual):** Where the holding is in one name, the member must sign.
  - **(Joint Holding):** Where the holding is in more than one name, all of the members should sign.
  - **(Power of Attorney):** If you have not already provided the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.
  - **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual members from attending the Annual General Meeting in person if they wish. Where a member completes and lodges a valid Proxy Form and attends the Annual General Meeting in person, then the proxy's authority to speak and vote for that member is suspended while the member is present at the Annual General Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
  - (a) post to the Company's Share Registry, Advanced Share Registry Services at 150 Stirling Highway, Nedlands WA 6009; or
  - (b) facsimile to the Company's Share Registry on facsimile number +61 8 9389 7871,so that it is received not less than 48 hours prior to commencement of the Meeting.

**Proxy forms received later than this time will be invalid.**