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**MINQUEST LIMITED**

**ACN 146 035 127**

**NOTICE OF EXTRAORDINARY GENERAL MEETING AND  
EXPLANATORY MEMORANDUM**

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**TIME:** 11am (Brisbane time)

**DATE:** Monday, 11 May 2015

**PLACE:** Level 1, 320 Adelaide Street, Brisbane QLD 4000

*This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.*

*Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (+61 07 3010 9393).*

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**IMPORTANT INFORMATION**


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**TIME AND PLACE OF MEETING**


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Notice is given that the extraordinary general meeting of the Shareholders to which this Notice of Meeting relates will be held at **11 am (Brisbane time) on Monday, 11 May 2015 at Level 1, 320 Adelaide Street, Brisbane QLD 4000**

**YOUR VOTE IS IMPORTANT**


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The business of the Extraordinary General Meeting affects your shareholding and your vote is important.

**VOTING ELIGIBILITY**


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The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Extraordinary General Meeting are those who are registered Shareholders at **11am (Brisbane time) on Saturday, 9 May 2015**.

**VOTING IN PERSON**


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To vote in person, attend the Extraordinary General Meeting on the date and at the place set out above.

**VOTING BY PROXY**


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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, Shareholders are advised that:

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

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and

- any directed proxies which are not voted on will automatically default to the Chair, who must vote the proxies as directed.

Further details on these changes is set out below.

***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.

If you choose to appoint a proxy, you are encouraged to direct your proxy how to vote on the Resolutions by marking either **For**, **Against** or **Abstain** on the voting form for each Resolution.

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**BUSINESS OF THE MEETING**

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**1. RESOLUTION 1 – RATIFICATION OF PRIOR ISSUE OF 8,768,571 SHARES**

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

*"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 8,768,571 Shares on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by any person who participated in the issue 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.

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**2. RESOLUTION 2 – RATIFICATION OF PRIOR ISSUE OF 7,923,097 SHARES**

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

*"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 7,923,097 Shares on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by any person who participated in the issue 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.

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**3. RESOLUTION 3 – APPROVAL TO ISSUE 7,923,097 OPTIONS TO SUBSCRIBERS**

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

*"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 7,923,097 Options on the terms and conditions set out in the Explanatory Statement."*

**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, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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**4. RESOLUTION 4 – APPROVAL TO ISSUE 6,000,000 OPTIONS TO BARCLAY WELLS**

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

*"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 6,000,000 Options to Barclay Wells on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by Barclay Wells and any other 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, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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**5. RESOLUTION 5 – APPROVAL TO ISSUE SHARES TO GOLDEN PREDATOR MINING CORPORATION**

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

*"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to that number of Shares, when multiplied by the issue price is equal to CAD\$50,000, to Golden Predator Mining Corporation or its nominee on the terms and conditions set out in the Explanatory Statement."*

**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, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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**6. RESOLUTION 6 – APPROVAL TO ISSUE 100 MILLION SHARES TO EXEMPT INVESTORS**

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

*"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 100 million Shares to Exempt Investors and/or their nominees, on the terms and conditions set out in the Explanatory Statement."*

**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, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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**7. RESOLUTION 7 – APPROVAL TO ISSUE CONVERTIBLE NOTE/S AND THE PROPOSED ISSUE OF SHARES AND UNLISTED OPTIONS TO BE ISSUED UPON THE CONVERTIBLE NOTE/S BEING CONVERTED**

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

*“That pursuant to Listing Rule 7.1 and for all other purposes, Shareholders approve:*

- the issue by the Company to Exempt Investors of up to 70 unsecured convertible notes (each with a face value of \$10,000, being for a total value of up to and to raise up to \$700,000); and*
- subsequent conversion of the convertible notes into 46,666,667 fully paid ordinary shares in the capital of the Company at a conversion price of \$0.015 per new Share with a free attaching unlisted Option for each converted Share issued, as set out in the Meeting Materials accompanying the notice of meeting.”*

*in accordance with the terms of the Convertible Notes and otherwise on the terms and conditions set out in the Explanatory Memorandum.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution 7 by Barclay Wells and any other 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 Shareholder, if the resolution is passed, and any of their associates, unless it is cast by a person as proxy for a person who is entitled to vote (in accordance with the directions on the Proxy Form) or by a 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).

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**DATED: 10 APRIL 2015**

**BY ORDER OF THE BOARD**

**KIM CLARK**

**COMPANY SECRETARY**

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## EXPLANATORY STATEMENT

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This Explanatory Statement forms part of the Notice and has been prepared for Shareholders in connection with the Meeting. It provides information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions contained in the Notice.

The Notice, Explanatory Statement and Proxy Form are collectively referred to as the **Meeting Materials**. The Meeting Materials are all important documents that should be read carefully and in their entirety before Shareholders make a decision on how to vote at the Meeting.

This Explanatory Statement does not take into account the individual investment objectives, financial situation and needs of individual Shareholders or any other person. Accordingly, it should not be relied on solely in determining how to vote on the Resolutions.

Capitalised terms used in this Explanatory Statement are defined in the Glossary.

This Explanatory Memorandum is dated 2 April 2015.

## RESPONSIBILITY FOR INFORMATION

The information contained in this Explanatory Statement has been prepared by the Company and is the responsibility of the Company.

A copy of this Notice and Explanatory Statement has been lodged with the ASX pursuant to the Listing Rules. Neither ASX, nor any of its officers take any responsibility for the contents of these documents.

## FORWARD LOOKING STATEMENTS

Certain statements in this Explanatory Statement relate to the future. These statements reflect views only as of the date of this Explanatory Statement. While the Company considers that the expectations reflected in the forward looking statements are reasonable, neither the Company, nor any other person, gives any representation, assurance or guarantee, that the occurrence of an event express or implied in any forward looking statements in this Explanatory Statement will actually occur.

## THE RESOLUTIONS

At this Extraordinary General Meeting, Shareholders will be asked to vote on Resolutions relating to:

- Resolution 1 – Ratification of prior issue of 8,768,571 Shares
- Resolution 2 – Ratification of prior issue of 7,923,097 Shares
- Resolution 3 – Approval to issue 7,923,097 Options to Subscribers
- Resolution 4 – Approval to issue 6,000,000 Options to Barclay Wells
- Resolution 5 – Approval to issue Shares to Golden Predator Mining Corporation
- Resolution 6 – Approval to issue 100,000,000 Shares to Exempt Investors
- Resolution 7 – Approval to issue Convertible Note/s and proposed issue of Shares and unlisted Options to be issued upon the Convertible Note/s being converted

**Table A** below sets out the dilutionary impact of the Resolutions on the Share capital of the Company.

**Table 1 - Dilutionary Effect of the Resolutions**

| <b>Resolution No.</b> | <b>Description</b>                                                              | <b>Shares (number)</b> | <b>Shares (cum)<sup>1</sup></b> | <b>% (at Issue)</b> | <b>% (after issue of all shares per resol.)</b> | <b>Options (number)</b> | <b>Options (cum)<sup>1</sup></b> | <b>% (at Issue)</b> | <b>% (fully diluted)</b> | <b>Total equities (number)</b> | <b>Total equities (cum)<sup>1</sup></b> |
|-----------------------|---------------------------------------------------------------------------------|------------------------|---------------------------------|---------------------|-------------------------------------------------|-------------------------|----------------------------------|---------------------|--------------------------|--------------------------------|-----------------------------------------|
| 1, 2                  | Current issued capital (including shares to be ratified in Resolutions 1 and 2) | 83,458,341             | 83,458,341                      | 100%                | 35.7%                                           | 7,000,000               | 7,000,000                        | 100%                | 30%                      | 90,458,341                     | 90,458,341                              |
| 3                     | Placement Options                                                               | -                      | 83,458,341                      | 0%                  | 0%                                              | 7,923,097               | 14,923,097                       | 53.1%               | 2.6%                     | 7,923,097                      | 98,381,438                              |
| 4                     | Barclay Wells Options                                                           | -                      | 83,458,341                      | 0%                  | 0%                                              | 6,000,000               | 20,923,097                       | 28.7%               | 2%                       | 6,000,000                      | 104,381,438                             |
| 5                     | Golden Predator Shares <sup>2</sup>                                             | 3,392,361              | 86,850,702                      | 3.9%                | 1.5%                                            | -                       | 20,923,097                       | 0.0%                | 1.1%                     | 3,392,361                      | 107,773,799                             |
| 6                     | Future Shares Placement                                                         | 100,000,000            | 186,850,702                     | 53.5%               | 42.8%                                           | -                       | 20,923,097                       | 0.0%                | 33.2%                    | 100,000,000                    | 207,773,799                             |
| 7                     | Convertible Note - Converted Securities                                         | 46,666,667             | 233,517,369                     | 20.0%               | 20.0%                                           | 46,666,667              | 67,589,764                       | -                   | 31.0%                    | 93,333,334                     | 301,107,133                             |

**Notes**

<sup>1</sup> Cum is short for cumulative. This is a cumulative total.

<sup>2</sup> This is an estimate of the number of Shares to be issued to GPVC under Resolution 5. Please refer to Resolution 5 for further details of the issue.



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**1. RESOLUTION 1 – RATIFICATION OF PRIOR ISSUE OF 8,768,571 SHARES****1.1 General**

On 27 November 2014, the Company issued 8,768,571 Shares to sophisticated and exempt investors pursuant to section 708(8) of the Corporations Act.

Resolution 1 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares.

ASX Listing Rule 7.1 prohibits the Company (subject to certain exceptions such as pro-rata issues) from issuing or agreeing to issue equity securities (such as Shares and Options) representing more than 15% of the Company's total issued securities, during a rolling 12 month period, without Shareholder approval (**15% Threshold**).

Listing Rule 7.4 allows an issue of equity securities, for which Shareholder approval was not first obtained, to not be counted towards the 15% Threshold when Shareholder approval for that issue is subsequently obtained.

That is, Listing Rule 7.4 permits an issue of Shares to be approved retrospectively. It provides that an issue of securities is treated as having been made with shareholder approval if ASX Listing Rule 7.1 was not breached at the time the securities were issued and Shareholders subsequently approve (ratify) the issue. The Company did not breach Listing Rule 7.1 at the time the Shares were issued and now seeks Shareholder approval for the issue of the Shares.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

**1.2 Technical information required by ASX Listing Rule 7.5**

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolution 1:

- a) 8,768,571 Shares were issued;
- b) the Shares were issued for \$0.035 consideration;
- c) the Shares issued were all fully paid ordinary shares in the capital of the Company and issued on the same terms and conditions as the Company's existing Shares;
- d) the Shares were issued to sophisticated and exempt investors pursuant to section 708(8) of the Corporations Act; and
- e) \$306,900 was raised under the placement, the funds raised have been used by the Company to facilitate the initial stage of the Joint Venture arrangement with Pacific Ridge Exploration Limited in respect of the Fyre Lake Project in the Watson Lake district of the Yukon, Canada.

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**2. RESOLUTION 2 – RATIFICATION OF PRIOR ISSUE OF 7,923,097 SHARES**

As announced to the market on 11 March 2015, the Company placed 7,923,097 Shares to Exempt Investors, not related to the Company, to raise \$118,846 at an issue price of \$0.015 per Share under the provisions of ASX Listing Rules 7.1 and 7.1A.

Resolution 2 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of:

- 1,246,430 Shares pursuant to the Company's placement capacity under ASX Listing 7.1; and
- 6,676,667 Shares pursuant to the Company's placement capacity under ASX Listing Rule 7.1A which was approved by Shareholders at the Company's previous annual general meeting held on 28 November 2014.

A summary of ASX Listing Rules 7.1 and 7.4 are set out in section 1.1 above.

ASX Listing Rule 7.1A provides that in addition to issues permitted without prior shareholder approval under ASX Listing Rule 7.1, an entity that is eligible and obtains shareholder approval under ASX Listing Rule 7.1A may issue or agree to issue during the period the approval is valid, a number of equity securities which represents 10% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period as adjusted in accordance with the formula in ASX Listing Rule 7.1.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1A. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1A those securities will from that date be included in variable 'A' in the formula in ASX Listing Rules 7.1 and 7.1A.2 for the purpose of calculating the annual placement capacity of the Company under both ASX Listing Rules 7.1 and 7.1A.

By ratifying this issue:

- the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval; and
- the base figure (ie variable 'A') in which the Company's 15% and 10% annual placement capacities are calculated will be a higher number, which, in turn will allow a proportionately higher number of securities to be issue without prior Shareholder approval.

## **2.1 Technical information required by ASX Listing Rule 7.5**

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolution 2:

- a) 7,923,097 Shares were issued on the follow basis:
  - a. 1,246,430 Shares were issued pursuant to ASX Listing Rule 7.1; and
  - b. 6,676,667 Shares were issued pursuant to ASX Listing Rule 7.1A;
- b) The issue price per Share was \$0.015 under both ASX Listing Rule 7.1 and 7.1A;
- c) the Shares issued were all fully paid ordinary shares in the capital of the Company and issued on the same terms and conditions as the Company's existing Shares;

- d) the Shares were issued to Exempt Investors. None of these parties are related parties of the Company; and
- e) the funds raised from this issue are to be used by the Company:
  - a. to prepare for a drilling program to be conducted on the Fyre Lake Project, Yukon Territory during the northern hemisphere spring; and
  - b. working capital purposes.

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### **3. RESOLUTION 3 - APPROVAL TO ISSUE 7,923,097 OPTIONS TO SUBSCRIBERS**

#### **3.1 General**

The Company has agreed to reward subscribers who have subscribed for shares under the placement (Shareholders are being asked to ratify the prior issue of these shares under Resolution 2) with a free attaching option for every Share subscribed for, which are to be issued on the terms and conditions as set out in **Schedule 2 (Option)**.

Resolution 3 seeks Shareholder approval for the issue of Options to the allottees of shares under the placement as described in Item 2 of this Explanatory Memorandum.

A summary of ASX Listing Rules 7.1 is set out in section 1.1 above.

The effect on of Resolution 3 will be to allow the Company to issue the Options the subject of Resolution 3 during the period of 3 months after the Meeting, without using the Company's 15% annual placement capacity.

#### **3.2 Technical information required by ASX Listing Rule 7.3**

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolution 3:

- a) the maximum number of Options to be issued under this Resolution is 7,923,097 Options;
- b) the Options 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 ASX Listing Rules);
- c) the exercise price of the Options shall be 4.5 cents (**Exercise Price**);
- d) the Options shall be issued to those parties who have subscribed for Shares issued on 11 March 2015, being Exempt Investors who are not related parties of the Company;
- e) the Options will be issued on the following terms:
  - a. shall be unlisted and will expire two years after their issue date (**Expiry Date**);
  - b. on payment of the Exercise Price before the Expiry Date, each Option shall be exercisable into one fully paid ordinary share in the capital of the Company, ranking equally with the Company's existing Shares,

and, otherwise, on the terms and conditions as set out in **Schedule 2**;

- f) no funds will be raised from the issue of the Options as they will be issued for nil consideration;
- g) the Options are proposed to be issued immediately following the Meeting. The allotment is to occur in one tranche.

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#### **4. RESOLUTION 4 – APPROVAL TO ISSUE 6,000,000 OPTIONS TO BARCLAY WELLS**

On 19 February 2015, the Company engaged Barclay Wells Ltd (**Barclay Wells**) to provide strategic, financial, fundraising and corporate advisory services to the Company (**Engagement**).

Under the Engagement, amongst other fees payable to Barclays, the Company has agreed to issue Barclay Wells with 6,000,000 Options subject to obtaining all necessary approvals and compliance with all applicable laws, within 30 days of receipt of cleared funds from the clients of Barclay Wells from the Share Placement totalling at least A\$100,000 (**Condition**).

Resolution 4 seeks Shareholder approval for the issue of 6,000,000 Options to Barclay Wells in accordance with the terms of the Engagement for nil consideration.

A summary of ASX Listing Rules 7.1 is set out in section 1.1 above.

The effect on of Resolution 4 will be to allow the Company to issue the Options the subject of Resolution 4 during the period of 3 months after the Meeting, without using the Company's 15% annual placement capacity.

##### **4.1 Technical information required by ASX Listing Rule 7.3**

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolution 4:

- a) the maximum number of Options to be issued under this Resolution is 6 million;
- b) the Company intends to issue the Options to Barclay Wells as soon as practicable after Shareholder approval is obtained, in any case the Options 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 ASX Listing Rules);
- c) the issue price of the Options shall be nil, however the exercise price of the Options shall be 4.5 cents (**Exercise Price**);
- d) the Options shall be issued to Barclay Wells and its nominees, whom are not related parties of the Company;
- e) the Options will be issued on the following terms:
  - a. each Option shall be unlisted and will expire two years after their issue date (**Expiry Date**);
  - b. on payment of the Exercise Price before the Expiry Date, each Option shall be exercisable into one fully paid ordinary shares in the capital of the Company, ranking equally with the Company's existing Shares,

and, otherwise, on the terms and conditions as set out in **Schedule 2**;

- f) no funds will be raised from the issue of the Options given they will be issued for nil consideration as part payment of the fees payable to Barclay Wells under the Engagement;
- g) the Options are proposed to be issued following the Meeting, once the Condition has been satisfied. The allotment is to occur in one tranche.

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## **5. RESOLUTION 5 – APPROVAL TO ISSUE SHARES TO GOLDEN PREDATOR MINING CORPORATION**

### **5.1 General**

The Company has entered into an agreement effective from 26 February 2015 (**Marg Agreement**) with Golden Predator Mining Corporation (**GPMC**) to acquire up to a 75% Interest in the Marg Copper Project, located within the Mayo Mining District in the Yukon Territory in Canada (**Marg Project**).

The Agreement is structured as a staged earn-in and, initially, MinQuest is granted an exclusive right and option to earn a 25% interest in the Marg Project in exchange for the payment of the equivalent of CAD\$100,000 in cash in total, exploration expenditure being incurred on the Marg Project and the issue of 2 tranches of CAD\$50,000 worth of Shares in the Company, calculated by reference to the 20 day VWAP calculated over the 20 day trading period immediately prior to the issue date (**Reference Price**).

Resolution 5 seeks Shareholder approval for the issue of the 1<sup>st</sup> tranche of Shares to GPMC as consideration under the Marg Agreement.

A summary of ASX Listing Rules 7.1 is set out in section 1.1 above.

The effect on of Resolution 5 will be to allow the Company to issue the Shares the subject of Resolution 5 during the period of 3 months after the Meeting, without using the Company's 15% annual placement capacity.

### **5.2 Technical information required by ASX Listing Rule 7.3**

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolution 5:

- a) the maximum number of Shares to be issued under this Resolution is ;that number of Shares which, when multiplied by the Reference Price, equals CAD\$50,000. The exchange rate of the issue of the Shares will be the rate as quoted by or on behalf of, the Reserve Bank of Australia (or any successor in its obligations) as the purchasing power of AUD1 in CAD as last published prior to the Share issue date. As the exact number of shares to be issued is not known until the issue date, Table 2 below sets out some worked examples to illustrate the potential dilutionary impact of the Share issue to be approved under this Resolution, based on different issue prices and currency conversion rates;
- 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 ASX Listing Rules);
- c) the issue price per Share will be the 20 day VWAP per Share calculated over the 20 day trading period immediately prior to the issue date,

subject to the condition that this be at least 80% of the VWAP for securities in the class, calculated over the last 5 days on which sales in the securities were recorded before the day on which the issue is made;

- d) the Shares shall be issued to GPMC and/or its nominee, being entities who are not related parties of the Company;
- e) the Shares shall be fully paid ordinary shares in the capital of the Company, ranking equally with the Company's existing Shares and for which the Company shall seek quotation on the ASX for; and
- f) no funds will be raised from the issue of the Shares given they will be issued for nil consideration as part payment for the rights being acquired by the Company under the Marg Agreement;
- g) subject to the approval being obtained, the Shares are to be issued immediately following the Meeting and are to be allotted in one tranche.

**Table 2 – Dilutionary Impact of Resolution 5 based on estimated pricing scenarios**

| Currency conversion rate variable <sup>1</sup> |       | Equivalent AUD value of CAD 50,000 | Issue Price per Share Variable (AUD) <sup>1</sup>        |                                               |                                         |                                               |                                                          |                                               |
|------------------------------------------------|-------|------------------------------------|----------------------------------------------------------|-----------------------------------------------|-----------------------------------------|-----------------------------------------------|----------------------------------------------------------|-----------------------------------------------|
|                                                |       |                                    | 10% decrease to Current Issue Price (\$0.0135 per Share) | % of Shares on issue (undiluted) <sup>2</sup> | Current Issue Price (\$0.015 per Share) | % of Shares on issue (undiluted) <sup>2</sup> | 10% increase to Current Issue Price (\$0.0165 per Share) | % of Shares on issue (undiluted) <sup>2</sup> |
| 5% decline in CAD:AUD conversion rate          | 0.967 | A\$48,341                          | 3,580,825                                                | 4.11%                                         | 3,222,743                               | 3.72%                                         | 2,929,766                                                | 3.39%                                         |
| <b>Current CAD:AUD conversion rate</b>         | 1.018 | A\$50,885                          | 3,769,290                                                | 4.32%                                         | <b>3,392,361</b>                        | 3.91%                                         | 3,083,964                                                | 3.56%                                         |
| 5% increase in CAD:AUD conversion rate         | 1.069 | A\$53,430                          | 3,957,754                                                | 4.53%                                         | 3,561,979                               | 4.09%                                         | 3,238,163                                                | 3.74%                                         |

**Notes**

<sup>1</sup>The actual number of shares to be issued is to be calculated by reference to both the prevailing currency conversion rate and the 20 day VWAP of the Shares calculated over the 20 day trading period immediately prior to the issue date. Details of the calculation are provided above. The current CAD: AUD currency exchange rate and issue price per share are calculated as at close of trade on 25 March 2015.

<sup>2</sup>The dilutionary impact is calculated by reference to the Company's current issued Shares as at the date of this Notice of Meeting of 83,458,341 Shares and on the basis that no Options are exercised and no other securities are issued.

Based on the variables and calculations in Table 2 above, the negative dilutionary impact of the issue will be heightened if the CAD:AUD exchange rate decreases and the trading price of the Shares also declines. The issue is estimated to have a maximum negative dilutionary impact of 4.53% and a minimum negative dilutionary effect of 3.39%, based on the variables above. The actual impact of the issue may be greater or less than these estimates due to fluctuations in currency and the Company's Share price as a consequence of matters outside the control of the Company. Shareholder approval is sought to issue the number of Shares calculated in accordance with the terms of the Marg Agreement as detailed above in Section 5.1.

## 6. RESOLUTION 6 – APPROVAL TO ISSUE 100 MILLION SHARES TO EXEMPT INVESTORS

### 6.1 General

For the purpose of Listing Rule 7.1, the Company is seeking approval for Resolution 6 referred to in the accompanying Notice.

Listing Rule 7.1 prohibits the Company (subject to certain exceptions in Listing Rule 7.2 such as pro-rata issues), from issuing or agreeing to issue equity securities representing more than 15% of the Company's total issued securities, during a rolling 12 month period, without Shareholder approval (**15% Threshold**).

The Company is working towards acquiring and developing the Company's projects, including the Coober Pedy Project in South Australia, the Fyre Lake Project in Canada and the Marg Project in Canada (**Project Development**). Specifically, Resolution 6 seeks Shareholder approval pursuant to Listing Rule 7.1 for the issue of up to a maximum of 100,000,000 Shares to various Exempt Investors or their nominees in order to raise funds for the Project Development. The issue price per Share is to be determined, subject to the condition that this will be at least 80% of the VWAP for the Shares calculated over the last 5 days on which sales in the Shares were recorded before the day on which the issue was made.

Approximately 80% of the funds raised will be directed towards the Company's Project Development, with the balance applied to working capital expenses and general business running costs.

If Shareholder approval is not obtained, depending on the available placement capacity at the time, some of the Shares may still be issued pursuant to Listing Rule 7.1, which allows the Company to issue up to 15% of its total ordinary Share capital without Shareholder approval during the following 12 month period.

If Shareholders approve the issue of the Shares, the Company will have the flexibility to issue further securities up to the 15% Threshold over the following 12 month period.

On the basis that Shareholder approval for this Resolution 6 is obtained, the issue of the 100,000,000 Shares will not be counted as a new issue for the purposes of calculating the 15% Threshold.

### 6.2 Information required by the Listing Rules

Listing Rule 7.3 requires that the information listed below be provided to Shareholders for the purpose of obtaining shareholder approval pursuant to Listing Rule 7.1:

**Table 3: ASX Listing Rule 7.3 Disclosure**

| Item                                       | Information                                              |
|--------------------------------------------|----------------------------------------------------------|
| <b>Maximum number of securities issued</b> | 100,000,000 Shares.                                      |
| <b>Issue Price</b>                         | The issue price will be at least 80% of the VWAP for the |

| Item                                                                   | Information                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                        | Shares calculated over the last 5 days on which sales in the Shares were recorded before the day on which the issue was made.                                                                                                                                                                                                                                                                                                                                                                              |
| <b>Issue date / date by which the entity will issue the securities</b> | The Shares are proposed to be issued as soon as practicable after the date of the Meeting, and in any event not later than 27 July 2015, being 3 months after the date of the Meeting. The allotment may occur progressively in tranches as subscriptions are received by the Company.                                                                                                                                                                                                                     |
| <b>Terms of the securities</b>                                         | The Shares issued are fully paid ordinary shares in the capital of the Company that rank equally in all respects with the Company's existing Shares on issue.                                                                                                                                                                                                                                                                                                                                              |
| <b>Name of allottees or basis on which determined</b>                  | <p>Exempt Investors or their nominees, being sophisticated and professional Investors or other parties who are exempt from the disclosure requirements by virtue of an exception in section 708 of the Corporations Act.</p> <p>MinQuest reserves the right to pay any broker or other adviser a commission or fee on all monies raised from any investors introduced by that adviser.</p>                                                                                                                 |
| <b>Use of funds</b>                                                    | <p>The Company is working towards acquiring and developing the Company's projects, including the Coober Pedy Project in South Australia, the Fyre Lake Project in Canada and the Marg Project in Canada.</p> <p>Approximately 80% of the funds raised will be primarily directed towards the Company's Project Development.</p> <p>In addition to the Project Development, the Company will apply approximately 20% of the funds raise to working capital expenses and general business running costs.</p> |

### 6.3 Dilutionary impact of Resolution 6

The dilutionary impact of the issue of Shares under this Resolution 6 is detailed above in Table 1. It is estimated that the issue of Shares may account for up to 33.2% of the Company's securities on a fully diluted basis, assuming that all Resolutions are approved and relevant securities issued. If other Resolutions are not approved, the dilutionary effect of the issue may be greater.

The Company wishes to progress forward with its program to acquire (and increase its equity stake incrementally under earn-in provisions) and develop the Company's projects. The Company will require a significant amount of funding to carry out these programs in the future and will announce the details to the market as appropriate under the Listing Rules. While dilutionary, shareholder approval is sought for Resolution 6 so as to provide the Company with a possible funding option for its future capital and expenditure requirements.



## 6.4 Impact of Shareholder approval

Importantly, Shareholders should note that:

- Shareholder approval is sought for the issue of the Shares; however
- if Shareholder approval is not obtained for Resolution 6, some of the Shares may still be issued pursuant to Listing Rule 7.1, assuming there is available placement capacity. Such an issue would not be constrained by the terms (including the issue price) stated in this Resolution.

Accordingly, if:

- **Resolution 6 is approved** the future issues of the Shares will not reduce the Company's available placement capacity under Listing Rule 7.1 (and 7.1A if applicable). Assuming that no other Equity Securities are issued, no options are exercised but that Resolutions 1-5 and 7 are approved, the Company will be able to issue an additional 27,518,751 new Shares without Shareholder approval in the following 12 months and without relying on any exceptions to the 15% Threshold;
- **Resolution 6 is not approved** the Company's capacity under Listing Rule 7.1 will be impacted to the extent of the Shares. The Company will only be able to issue new Shares without Shareholder approval in the following 12 months to the extent of its remaining Placement Capacity.

Voting exclusion statements are included in the Notice.

## 6.5 Directors Recommendation

The Directors recommend that Shareholders vote in favour of Resolution 6.

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## 7. RESOLUTION 7 – APPROVAL TO ISSUE CONVERTIBLE NOTE/S AND THE PROPOSED ISSUE OF SHARES AND UNLISTED OPTIONS TO BE ISSUED UPON THE CONVERTIBLE NOTE/S BEING CONVERTED

### 7.1 Introduction

For the purpose of listing Rule 7.1, we are seeking Shareholder approval for Resolution 7.

### 7.2 The Resolution and explanation

The Company is seeking approval to issue up to 70 convertible notes, each with a face value of \$10,000 to raise up to \$700,000, subject to the satisfaction or waiver (as applicable) of the following conditions precedent (**Conditions Precedent**):

- a) obtaining all regulatory approvals required under the Corporations Act and the ASX Listing Rules; and
- b) entering into definitive long form documentation for the convertible notes.

If the Conditions Precedent are not satisfied (or waived) within the required timeframe, the Company must repay the funds invested within 60 days.

The commercial terms of the convertible notes are set out in **Schedule 1** of this Explanatory Memorandum.

In short, on satisfaction or waiver of the Conditions Precedent, up to convertible notes with a face value of \$10,000 each may be issued by the Company to raise up to \$700,000 (**Convertible Notes**). The Convertible Notes are convertible within 2 years from the date of issue into a maximum of 46,666,667 Shares at the fixed conversion price of \$0.015 per Share (**Fixed Conversion Price**) in the Company (**Convertible Shares**).

The Fixed Conversion Price is equivalent to the Company's Share trading price of \$0.015 per Share as at market close on 25 March 2015 and therefore represents no discount or premium.

Further, for each Convertible Share issued (upon conversion of a Convertible Note/s), the noteholder shall be entitled to one free attaching Option (**Free Option**) on the following terms:

- a) Issue Price of Free Option: Nil.
- b) Exercise Price of Free Option: 4.5 cents
- c) Expiry Date of Free Option: 2 years after the issue date.
- d) Terms of free Options: On payment of the Exercise Price before the Expiry Date, each Free Option may be exercisable into one Share and as otherwise set out in **Schedule 2**.

Resolution 7 seeks Shareholder approval pursuant to Listing Rule 7.1 for the approval of up to 70 unlisted Convertible Notes and the proposed issue of up to a maximum of 46,666,667 Convertible Shares and up to 46,666,667 free Options upon conversion, pursuant to the terms of the Convertible Notes. Refer to Schedule 1 for the terms of the unlisted Convertible Notes and Schedule 2 for the terms of the Options.

Listing Rule 7.1 prohibits (subject to certain exceptions such as pro-rata issues and bonus issues) the Company from issuing or agreeing to issue new securities representing more than its 15% Threshold.

By virtue of Shareholders approving the issue of the Convertible Shares, MinQuest's capacity under the 15% Threshold will not be affected and the Company's Board will have the flexibility to issue further securities up to the 15% Threshold over the following 12 month period.

On the basis that Shareholder approval for this Resolution 7 is obtained, the proposed issue of the Convertible Shares and Free Options will not be counted as a new issue for the purpose of the 15% Threshold.

## 7.3 Listing Rule Requirements

### 7.3.1 Information required by the Listing Rules

Listing Rule 7.3 requires that the information listed below be provided to Shareholders for the purpose of obtaining Shareholder approval pursuant to Listing Rule 7.1:

#### Table 3: ASX Listing Rule 7.3 Disclosure

| Item                                                                                            | Information                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|-------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Maximum number of Convertible Notes and Convertible Shares and Free Options to be issued</b> | <p>70 Convertible Notes:</p> <ul style="list-style-type: none"> <li>• 46,666,667 Convertible Shares; and</li> <li>• 46,666,667 Free Options to be issued upon conversion of the Convertible Notes in accordance with their terms.</li> </ul>                                                                                                                                                                                                                                                           |
| <b>Issue Price</b>                                                                              | \$0.015 per Convertible Share.                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>Issue date / date by which the entity will issue the securities</b>                          | <p>The Convertible Notes are proposed to be issued within 3 business days of Shareholder approval for this Resolution being obtained and in any event no later than 27 July 2015, being 3 months after the date of the Meeting.</p> <p>The Convertible Shares and Free Options are to be issued once the unlisted Convertible Notes are converted.</p>                                                                                                                                                 |
| <b>Terms of the unlisted Convertible Notes</b>                                                  | The terms of the unlisted Convertible Notes are set out in Schedule 1 to this Explanatory Memorandum.                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>Terms of the Convertible Shares</b>                                                          | The Convertible Shares shall be fully paid ordinary shares in the capital of the Company that shall rank equally in all respects with the Company's existing Shares on issue. For further details refer to Schedule 1.                                                                                                                                                                                                                                                                                 |
| <b>Terms of the Free Options</b>                                                                | <ul style="list-style-type: none"> <li>• Issue Price: Nil.</li> <li>• Exercise Price: 4.5 cents</li> <li>• Expiry Date: 2 years after the issue date.</li> <li>• Terms: On payment of the Exercise Price before the Expiry Date, each Option may be exercisable into one Share and as otherwise set out in <b>Schedule 2</b>.</li> </ul>                                                                                                                                                               |
| <b>Name of allottees or basis on which determined</b>                                           | <p>Exempt Investors unrelated to the Company and the Convertible Shares and Free Options to be issued on conversion are proposed to be issued to those same parties or their nominees. No Convertible Shares or Free Options will be issued to related parties without obtaining prior shareholder approval under the Listing Rules.</p> <p>MinQuest reserves the right to pay any broker or other adviser a commission or fee on all monies raised from any investors introduced by that adviser.</p> |
| <b>Use of funds</b>                                                                             | <p>The funds raised through the issue of the Convertible Notes are to be applied as follows:</p> <ul style="list-style-type: none"> <li>• \$400,000 for drill testing of the Cyclops copper-gold target on the Coober Pedy Project in South</li> </ul>                                                                                                                                                                                                                                                 |

| Item | Information                                                                                                                                                                                                                                                            |
|------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|      | <p>Australia;</p> <ul style="list-style-type: none"> <li>• CAD\$50,000 to exercise the options agreement for the Marg Copper-Gold Project, Yukon Territory in Canada; and</li> <li>• the balance for development, exploration and working capital purposes.</li> </ul> |

#### 7.4 Related party information

The Convertible Notes will not be issued to any related parties and the commensurate number of Convertible Shares and Free Options to be issued upon conversion are not proposed to be issued to any related parties without prior approval of the Company's Shareholders as required under the Listing Rules.

#### 7.5 Dilutionary impact of Resolution 7

The dilutionary impact of the issue of Shares under this Resolution 7 is detailed above in Table 1. It is estimated that the issue of the Convertible Notes and the Convertible Shares and Options to be issued on conversion may account for up to 31% of the Company's securities on a fully diluted basis, assuming that all Resolutions are approved and relevant securities issued. If other Resolutions are not approved, the dilutionary effect of the issue may be greater.

Conversely, please note that the issue depends the Convertible Noteholders electing to convert their securities into the Convertible Shares and also then exercise the Options to acquire further Shares at 4.5 cents per Share issued (being approximately 3 times the current trading price of the Shares at 25 March 2015). If the parties do not convert the maximum number of securities permitted, the dilutionary impact of this Resolution may be reduced.

Again, the Company wishes to progress forward with its program to acquire (and increase its equity stake incrementally under earn-in provisions) and develop the Company's projects and hopes to generate value for shareholders in doing so. While dilutionary, shareholder approval is sought for Resolution 7 so as to ensure the Company has up to \$700,000 of available funding for its future capital and expenditure requirements.

#### 7.6 Impact of Shareholder approval

Importantly, Shareholders should note that:

- a) **Resolution 7 is approved:** Shareholder approval is sought for the issue of the Convertible Notes and, upon their conversion, the issue of the Convertible Shares and Free Options. If Shareholder approval is obtained, the Convertible Notes shall be issued and any Convertible Shares and Free Options issued will not count towards the Company's 15% Threshold.; and
- b) if Shareholder approval is not obtained for Resolution 7, the Convertible Notes shall not be issued and therefore there will be no impact or change to the securities on issue by the Company. As noted above, however, the

Company may be required to repay the funds invested within 60 days of the due date for satisfying the Conditions Precedent under the arrangement.

## **7.7 Recommendation**

No members of the Board have any personal interests in the outcome of Resolution 7.

Accordingly, the Board unanimously recommends that eligible Shareholders vote in favour of Resolution 7. Each Director intends to vote all Shares they own or control the right to vote in favour of Resolution 7.

## **ENQUIRIES**

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Shareholders are requested to contact the Company Secretary, Kim Clark, on +61 7 3010 9393 if they have any queries in respect of the matters set out in these documents.

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**GLOSSARY**

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**\$** means Australian dollars unless otherwise stated.

**ASIC** means the Australian Securities and Investments Commission.

**associate(s)** means has the meaning given in section 12 of the Corporations Act.

**ASX** means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

**ASX Listing Rules** means the Listing Rules of ASX.

**Board** means the current board of directors of the Company.

**Business Day** means Monday to Monday inclusive, except New Year's Day, Good Monday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

**CAD** means Canadian dollars.

**Chair** means the chair of the Meeting.

**Company** or **MinQuest** means MinQuest Limited ACN 146 035 127.

**Constitution** means the Company's constitution.

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

**Directors** means the current directors of the Company.

**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.

**Exempt Investors** means those investors who are sophisticated, professional or otherwise exempt from the disclosure requirements in accordance with an exception in section 708 of the Corporations Act.

**Explanatory Statement** means the explanatory statement accompanying the Notice of Meeting.

**Extraordinary General Meeting** or **Meeting** means the meeting convened by the Notice.

**Meeting Materials** means the Notice, Explanatory Statement, Annexures and Proxy Form.

**Notice** or **Notice of Meeting** or **Notice of Extraordinary General Meeting** means this notice of extraordinary general meeting including the Explanatory Statement and the Proxy Form.

**Option** means an option to acquire a Share.

**Ordinary Securities** has the meaning set out in the ASX Listing Rules.

**Proxy Form** means the proxy form accompanying the Notice.

**Remuneration Report** 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 2014.

**Resolutions** means the resolutions set out in the Notice of Meeting, or any one of them, as the context requires.

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

**Shareholder** means a holder of a Share.

**VWAP** means volume weighted average market price.

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**SCHEDULE 1 – TERMS AND CONDITIONS OF CONVERTIBLE NOTES**


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| Item                                          | Details                                                                                                                                                                                                                                                                                                                                                               |
|-----------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Issuer:</b>                                | MinQuest Limited ACN 146 035 127 ( <b>Issuer</b> ).                                                                                                                                                                                                                                                                                                                   |
| <b>Securities offered:</b>                    | Convertible Note/s are convertible into fully paid ordinary shares of the Issuer, listed on the ASX and ranking equally with all other fully paid ordinary shares on issue by the Issuer ( <b>Shares</b> ).                                                                                                                                                           |
| <b>Currency:</b>                              | AUD.                                                                                                                                                                                                                                                                                                                                                                  |
| <b>Denomination:</b>                          | AUD\$10,000 per Convertible Note.                                                                                                                                                                                                                                                                                                                                     |
| <b>Total Issue Size:</b>                      | Up to \$700,000.                                                                                                                                                                                                                                                                                                                                                      |
| <b>Expiry Date:</b>                           | 2 years from date of issue.                                                                                                                                                                                                                                                                                                                                           |
| <b>Issue Price:</b>                           | 100% of the Total Issue Size.                                                                                                                                                                                                                                                                                                                                         |
| <b>Fixed Conversion Price:</b>                | 1.5c per Share.                                                                                                                                                                                                                                                                                                                                                       |
| <b>Total number of Shares to be issued:</b>   | Up to a maximum of 46,666,667 Shares.                                                                                                                                                                                                                                                                                                                                 |
| <b>Conversion Rights:</b>                     | Convertible Note holder/s may convert the Convertible Note/s into Shares during the Conversion Period at the Fixed Conversion Price for the Shares.                                                                                                                                                                                                                   |
| <b>Free attaching Options:</b>                | One free attaching unlisted option ( <b>Options</b> ) shall be issued to the Convertible Note holder/s for each Share to be issued upon conversion of the Convertible Note/s.                                                                                                                                                                                         |
| <b>Terms of Options:</b>                      | <ul style="list-style-type: none"> <li>• Issue Price: Nil.</li> <li>• Exercise Price: 4.5c</li> <li>• Option Expiry Date: 2 years after the issue date.</li> <li>• Terms: On payment of the Exercise Price before the Expiry Date, each Option may be exercisable into one Share.</li> </ul>                                                                          |
| <b>Conversion Period:</b>                     | The Convertible Note/s is/are convertible into Shares at the election of the Convertible Note holder/s at any time on or after 30 days from the Closing Date to 7 days prior to the Expiry Date.                                                                                                                                                                      |
| <b>Adjustments to Fixed Conversion Price:</b> | The Fixed Conversion Price shall be adjusted in certain circumstances, including rights issues, Share dividends, stock splits, bonus issues, asset distributions or the occurrence of certain other dilutive events. Any adjustment to the Fixed Conversion Price or other reorganisation of the Convertible Note/s must be in accordance with the ASX Listing Rules. |
| <b>Transferability:</b>                       | The Convertible Notes are not freely transferable.                                                                                                                                                                                                                                                                                                                    |
| <b>Governing Law:</b>                         | Queensland, Australia                                                                                                                                                                                                                                                                                                                                                 |
| <b>Listing:</b>                               | The Convertible Notes will not be listed.                                                                                                                                                                                                                                                                                                                             |



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**SCHEDULE 2 – TERMS OF OPTIONS**

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The terms and conditions attaching to the unlisted Options are set out below.

(a) **Definitions**

- **Company** means MinQuest Ltd.
- **Exercise Price** means \$0.045.
- **Expiry Date** means the date that is 2 years after the date of issue of the Option.
- **Share** means a fully paid ordinary share in the Company.

(b) **Terms**

- The securities to be issued are Options to subscribe for fully paid ordinary shares in the capital of the Company (**Shares**).
- The Options are to be issued for no consideration.
- The Options will vest on issue.
- The exercise price of the Options will be \$0.045 each.
- The Options will expire on the Expiry Date unless earlier exercised.
- Shares issued on exercise of the Options will rank pari passu with all existing Shares of the Company from the date of issue.
- The Options may be exercised, wholly or in part, by delivering a duly completed form of notice of exercise, together with a cheque (or a transfer of funds) for the Exercise Price per Option to the Company at any time on or before the Expiry Date.
- The issue of Shares following the receipt of an Option will be processed by the Company at the end of each calendar month for the exercise notifications received in that calendar month.
- The Options shall be unlisted.
- The Options are not transferable, except with the approval of the Board of Directors.
- Option holders will not participate in dividends unless the Options are exercised.
- Following the issue of the Options, in the event of any reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of the Company:
  - The number of Options, the exercise price of the Options, or both will be reconstructed (as appropriate) in a manner consistent with the ASX Listing Rules, but with the intention that such reconstruction will not result in any benefits being conferred on the holders of the Options which are not conferred on shareholders; and

- Subject to the provisions with respect to rounding of entitlements as sanctioned by a meeting of shareholders approving a reconstruction of capital, in all other respects the terms for the exercise of the Options will remain unchanged.
- If there is a pro rata issue (except a bonus issue), the Exercise Price of an Option may be reduced according to the following formula:

$$O^n = O - \frac{E [P - (S + D)]}{N + 1}$$

Where:

- $O^n$  = the new exercise price of the Option;
  - $O$  = the old exercise price of the Option;
  - $E$  = the number of underlying securities into which one Option is exercisable;
  - $P$  = the average market price per security (weighted by reference to volume) of the underlying securities during the 5 trading days ending on the day before the ex-rights date or the ex-entitlements date;
  - $S$  = the subscription price for a security under the pro rata issue;
  - $D$  = dividend due but not yet paid on the existing underlying securities (except those to be issued under the pro rata issue); and
  - $N$  = the number of securities with rights or entitlements that must be held to receive a right to one new security.
- If there is a bonus issue to the holders of shares in the Company, the number of shares over which the Option is exercisable may be increased by the number of shares which the Option holder would have received if the Option had been exercised before the record date for the bonus issue.
  - The terms of the Options can be varied by the Directors of the Company. However, the terms of the Options shall not be changed to reduce the Exercise Price, increase the number of Options, change the vesting terms and conditions or change any period for exercise of the Options.
  - The Company shall apply for listing of the resultant shares of the Company issued upon exercise of any Option.



#### All Correspondence:

✉ By Mail Boardroom Pty Limited  
GPO Box 3993  
Sydney NSW 2001 Australia

Level 7, 207 Kent Street,  
Sydney NSW 2000 Australia

📠 By Fax: +61 2 9290 9655

💻 Online: [www.boardroomlimited.com.au](http://www.boardroomlimited.com.au)

☎ By Phone: (within Australia) 1300 737 760  
(outside Australia) +61 2 9290 9600

## YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded before 11:00am (Brisbane Time) on Saturday the 9<sup>th</sup> of May, 2015

### TO VOTE BY COMPLETING THE PROXY FORM

#### STEP 1 APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.

If you wish to appoint the Chair of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chair of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chair of the Meeting will be your proxy. A proxy need not be a security holder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

##### Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by contacting the company's securities registry or you may copy this form.

To appoint a second proxy you must:

- (a) complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- (b) return both forms together in the same envelope.

#### STEP 2 VOTING DIRECTIONS TO YOUR PROXY

To direct your proxy how to vote, mark one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of securities are to be voted on any item by inserting the percentage or number that you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item for all your securities your vote on that item will be invalid.

##### Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

#### STEP 3 SIGN THE FORM

The form must be signed as follows:

**Individual:** This form is to be signed by the securityholder.

**Joint Holding:** where the holding is in more than one name, all the securityholders should sign.

**Power of Attorney:** to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form should be signed by that person. Please indicate the office held by signing in the appropriate place.

#### STEP 4 LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore before 11:00am (Brisbane Time) on Saturday the 9<sup>th</sup> of May, 2015. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged using the enclosed Reply Paid Envelope or:

📠 By Fax + 61 2 9290 9655

✉ By Mail Boardroom Pty Limited  
GPO Box 3993,  
Sydney NSW 2001 Australia

👤 In Person Level 7, 207 Kent Street,  
Sydney NSW 2000 Australia

#### Attending the Meeting

If you wish to attend the meeting please bring this form with you to assist registration.

☐**Your Address**

This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction in the space to the left. Securityholders sponsored by a broker should advise their broker of any changes. Please note, you cannot change ownership of your securities using this form.

**PROXY FORM****STEP 1 APPOINT A PROXY**

I/We being a member/s of MinQuest Limited (Company) and entitled to attend and vote hereby appoint:

☐

the Chair of the Meeting (mark box)

OR if you are NOT appointing the Chair of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered shareholder) you are appointing as your proxy below

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting as my/our proxy at the Extraordinary General Meeting of the Company to be held at Level 1, 320 Adelaide Street, Brisbane QLD 4000 on Monday the 11<sup>th</sup> of May, 2015, at 11:00am (Brisbane Time) and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

The Chair of the Meeting will vote all undirected proxies in favour of all Items of business. If you wish to appoint the Chair of the Meeting as your proxy with a direction to vote against, or to abstain from voting on an item, you must provide a direction by marking the 'Against' or 'Abstain' box opposite that resolution.

**STEP 2 VOTING DIRECTIONS**

\* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your vote will not be counted in calculating the required majority if a poll is called.

|                                                                                                                                                                  | For                      | Against                  | Abstain*                 |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|--------------------------|--------------------------|
| Resolution 1 Ratification of Prior Issue of 8,768,571 Shares                                                                                                     | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 2 Ratification of Prior Issue of 7,923,097 Shares                                                                                                     | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 3 Approval to Issue 7,923,097 Options to Subscribers                                                                                                  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 4 Approval to Issue 6,000,000 Options to Barclay Wells                                                                                                | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 5 Approval to Issue Shares to Golden Predator Mining Corporation                                                                                      | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 6 Approval to Issue 100 Million Shares to Exempt Investors                                                                                            | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 7 Approval to Issue Convertible Note/s and the Proposed Issue of Shares and Unlisted Options to be Issued Upon the Convertible Note/s being Converted | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

**STEP 3 SIGNATURE OF SHAREHOLDERS**

This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director / Company Secretary

Contact Name.....

Contact Daytime Telephone.....

Date / / 2015