

# ASX ANNOUNCEMENT

ASX: QNL



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## Uranium Project - Exclusive Dealing Agreement with Xanthos Mining (Pty) Ltd

Quest Minerals Ltd (Quest) has entered into an agreement (Agreement) with Namibian company Xanthos Mining (Pty) Ltd (Xanthos) in respect of Xanthos' 20% shareholding in Marenica Minerals (Pty) Ltd (Marenica Minerals) which owns the advanced Marenica uranium project (Project) in Namibia.

The majority 80% shareholding in Marenica Minerals is held by ASX listed Marenica Energy Ltd (ASX:MEY) (Marenica Energy). Under the terms of a shareholders agreement between Xanthos and Marenica Energy, Xanthos' interest in the Project is free carrying up to a decision to mine.

In consideration of Quest paying to Xanthos AU\$5,000 per month over a period of 4 months Quest has the exclusive right during that period to conduct due diligence in respect of the Project and Xanthos' interest in Marenica Minerals and, depending on the outcome of the due diligence, to enter into negotiations with Xanthos to acquire its interest in Marenica Minerals. Quest has the right to extend the arrangement for an additional two months upon paying Xanthos AU\$5,000 per additional month.

The Project is located in the uranium rich Damara Province in Namibia and covers 527 sq km of tenements which are highly prospective for both secondary and primary uranium deposits. Mineral Resources at the Project were reported by Project operator Marenica Energy to ASX on 1 March 2010 and currently stand at 227Mt grading 170ppm U<sub>3</sub>O<sub>8</sub> comprising an Indicated Mineral Resource of 31Mt grading 175ppm U<sub>3</sub>O<sub>8</sub> and an Inferred Mineral Resource of 196Mt grading 169ppm U<sub>3</sub>O<sub>8</sub> for a combined total of 85 million pounds of contained U<sub>3</sub>O<sub>8</sub>.

Metallurgical testwork on bulk samples have been carried out with initial results confirming that the ore is amenable to upgrading. The results of the testwork are being incorporated into a scoping study for release by Marenica Energy in June 2010 as reported by it to ASX on 1 March 2010.

David Semmens  
Company Secretary

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