

Quarterly Activities Report

For the period ending 31 July 2014



ASX: QRL

30th July 2014

ASX Code: QRL

ACN 149 278 759

Registered Office

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West Perth WA 6005
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Website

www.quintessentialresources.com.au

Investor Enquiries

qrl@iinet.net.au

Capital Structure

125.6M Ordinary Shares
15.8M Unlisted Options

Board of Directors

Mr. Jay Stephenson MBA, FCPA, CMA, FCIS, MAICD
Non-Executive Chairman

Ms Paige McNeil GDipEd, AGIA, GAICD
*Managing Director &
Company Secretary*

Ms Julia Beckett GIA(cert)
Director

Share Registry

Computershare Investor Services
Level2, Reserve Bank Building
45 St Georges Terrace
Perth WA 6000
P: 1300 557 010
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Subsequent to the end of the June quarter, Quintessential Resources Ltd announced that it has signed an agreement to acquire 100% of the issued capital in Yonder & Beyond Ltd, a global technology incubation company ("Acquisition Agreement").

Yonder & Beyond Ltd ("Y&B") is pioneered by Shashi Fernando, who has twice been named in the world's top 50 in Mobile Entertainment and has an outstanding track record in the digital and entertainment industry. Mr Fernando was the founder and CEO of Saffron Digital Limited ("Saffron") and sold the company to HTC Corporation, one of the world's largest smartphone manufacturers, for US\$50m in 2011. Under his leadership, Saffron experienced 100% revenue and profit growth, year on year for three years, and was deployed in partnership with music labels, film studios, operators and manufacturers in 43 countries and 17 languages. Mr Fernando was subsequently appointed Chief Content Officer and served on the Board of Directors of HTC Corporation.

Y&B is a technology incubation company that provides a collection of resources and expertise at group level to start-up companies in the sector, particularly in mobile, technology and entertainment. This includes full-time senior executives who specialise in areas that are often costly and inaccessible for start-ups, such as Digital Strategies, Business Development, Finance and Human Resources. This model ensures high growth and an excellent probability of success to Y&B's investments. Mr Fernando said he was excited to bring Y&B's exceptional portfolio of mobile applications and services into the ASX environment. "This transaction will enable Y&B to accelerate the growth and development of each of our portfolio investments. We are delighted that Y&B was oversubscribed for our seed raising. This transaction positions Y&B to move forward with a number of exceptional partnerships." Mr Fernando said.

QRL Managing Director, Paige McNeil, said that she believes the Acquisition Agreement will materially transform the Company for the benefit of all shareholders.

"The Board of QRL is pleased by the acquisition of Y&B. We are confident that the Y&B management team will successfully develop and deploy its portfolio of industry acclaimed mobile applications and services and drive outstanding value to our shareholders." Ms McNeil said.

For additional information on the acquisition of Y&B please see ASX Announcement dated 24th July 2014.

Activities Update:

QRL intends to continue to fund its obligations in respect to mineral tenement assets in Papua New Guinea (“PNG”). If the shareholders of QRL approve the acquisition of Y&B, post completion, the new board of QRL will undertake a review of the PNG assets to investigate opportunities to divest its existing assets and projects.

No mineral exploration has taken place during or subsequent to the quarter. EL1727 Bismarck is currently under renewal for a third term and is scheduled to go before the Mining Advisory Council (MAC) in August 2014. The MAC will then make recommendation to the Minister of Mining. EL 2162, M'Sende is current, and the Company has not requested the renewal of EL 2045 which expires in September 2014.

The funds raised from the Pre-consolidation Capital Raising will be used to meet QRL’s expenditure commitments on the existing PNG assets, costs associated with this acquisition and general working capital. The QRL Board considers the proposed acquisition and change of business to be positive and in the best interest of QRL shareholders.

The acquisition of Y&B will result in a significant change to the nature and scale of the Company’s main business and will require re-compliance with ASX’s admission requirements in Chapters 1 and 2 of the ASX Listing Rules, including the lodgement of a prospectus with the Australian Securities and Investments Commission (“ASIC”) to facilitate, amongst other matters, the Post-consolidation Capital Raising. Securities issued by the Company as part of the transaction may be subject to escrow imposed by ASX under its Listing Rules.

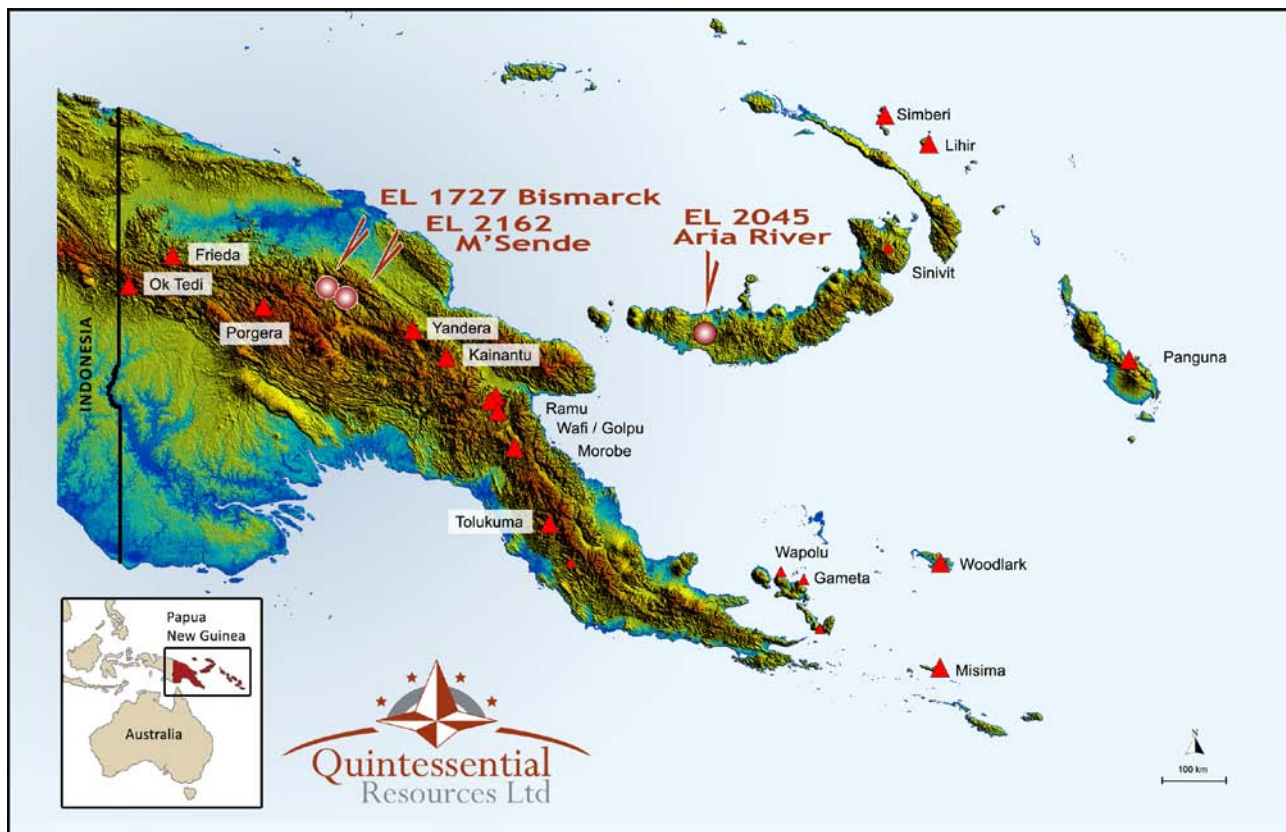


Figure 1: Quintessential Resources Tenement Portfolio

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Paige McNeil
Quintessential Resources Ltd
Managing Director & Company Secretary
Email: qrl@iinet.net.au

Appendix 5B

Mining exploration entity quarterly report

Name of entity

Quintessential Resources Limited

ABN

76 149 278 759

Quarter ended ("current quarter")

June 2014

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date 12 Months \$A'000
1.1 Receipts from product sales and related debtors	-	42
1.2 Payments for		
(a) exploration and evaluation	(9)	(136)
(b) development		
(c) production		
(d) administration	(82)	(400)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	-	3
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Cash advance	(12)	(15)
	(103)	(506)
Net Operating Cash Flows		
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects		
(b) equity investments		
(c) other fixed assets	-	28
1.9 Proceeds from sale of:		
(a) prospects		
(b) equity investments		
(c) other fixed assets		
1.10 Loans to other entities	-	(6)
1.11 Loans repaid by other entities		
1.12 Other (provide details if material)		
	-	22
Net investing cash flows		
1.13 Total operating and investing cash flows (carried forward)	(103)	(484)

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(103)	(484)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc. net of costs	-	347
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other (provide details if material)		
	Net financing cash flows	-	347
	Net increase (decrease) in cash held	(103)	(137)
1.20	Cash at beginning of quarter/year to date	135	170
1.21	Exchange rate adjustments to item 1.20	-	(1)
1.22	Cash at end of quarter	32	32

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	49
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Payment of company secretarial fee, office rental, geological consulting fees, accounting fees, wages recharges & expense reimbursements

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

-

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

-

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	10
4.2 Development	
4.3 Production	
4.4 Administration	45
Total	55

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	6	(3)
5.2 Deposits at call	26	138
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	32	135

Appendix 5B
Mining exploration entity quarterly report

Interests in Mining Tenements

Disclosure in accordance with ASX Listing Rule 5.3.3

6.1	Project/ Tenements	Location	Held at end of quarter	Acquired during the quarter	Disposed during the quarter
	E 1727 – Bismarck	Papua New Guinea	90%		
	EL 2162 – M'Sende	Papua New Guinea	100%		
	EL 2045 - Aria River	Papua New Guinea	90%		

6.2	Farm-in Agreements / Tenements	Location	Held at end of quarter	Acquired during the quarter	Disposed during the quarter

6.3	Farm-out Agreements / Tenements	Location	Held at end of quarter	Acquired during the quarter	Disposed during the quarter

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

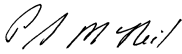
		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference +securities <i>(description)</i>				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy- backs, redemptions				
7.3	+Ordinary securities	125,613,048	125,613,048		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy- backs				

Appendix 5B
Mining exploration entity quarterly report

7.5	+Convertible debt securities <i>(description)</i>				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Options <i>(description and conversion factor)</i>	10,000,000 2,000,000 600,000 3,250,000		<i>Exercise price</i> 20 cents 37 cents 36 cents 14 cents	<i>Expiry date</i> 31 December 2014 30 July 2015 4 April 2015 31 October 2015
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act.
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:  Date: 30 July 2014
Company Secretary

Print name: Paige McNeil