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Wednesday, 14 October 2020 ASX Code : QUE

QUARTERLY ACTIVITIES REPORT

for the quarter ending 30 September 2020

This Quarterly Activities Report is provided to the Australian Securities Exchange (**ASX**) under ASX Listing Rule 4.7C.

Current Quarter:	1 July 2020 to 30 September 2020
Previous Quarter:	1 April 2020 to 30 June 2020
Balance Date:	30 September 2020
Company:	Queste Communications Ltd (**QUE** or the **Company**)
Consolidated Entity:	The Company and controlled entities (**Queste**), being ASX-listed Orion Equities Limited (A.C.N. 000 742 843) (**OEQ**) and controlled entities of OEQ (**Orion**).

As at Balance Date and currently, QUE holds 9,367,653 shares in Orion, being 59.86% of its issued ordinary share capital (30 June 2020: 9,367,653 shares (59.86%)). Orion has been recognised as a controlled entity and included as part of the Queste Consolidated Entity's results since 1 July 2002.

The accompanying Appendix 4C Cash Flow Report (provided under ASX Listing Rule 4.7B) in respect of the Current Quarter separately discloses the cash flows of the Company (ie. QUE solely) and the Consolidated Entity (incorporating QUE and Orion).

Details of Business Activities

The Consolidated Entity's business activities incorporates the business activities and results of controlled entity, OEQ.

Business Activities of QUE

The business activities of QUE during the Current Quarter relates to the management of its assets.

In addition to the investment in controlled entity, Orion (as above), QUE has a direct share investment in Associate entity, Bentley Capital Limited (ASX:**BEL**), being 1,225,752 shares (or 1.61% of BEL's issued ordinary share capital) (30 June 2020: 1,225,752 shares and 1.61%).

The market value of QUE's investment portfolio is as follows:

			30-Sep-20	
	No. Shares Held	**% Interest**	**Last Bid Price**	**Market Value**
Shares in Orion Equities Limited (ASX:OEQ)	9,367,653	59.86 %	$0.092	$861,824
Shares in Bentley Capital Limited (ASX:BEL)	1,225,752	1.61 %	$0.061	$74,771
				$936,595

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Business Activities of Orion

Orion is a listed investment company.

The business activities of Orion during the Current Quarter relates to the management of its investments, including investments in listed and unlisted securities and real estate held for development and resale.

Queste refers to the monthly net tangible asset (**NTA**) disclosures lodged by Orion in respect of the Current Quarter:

- 14 August 2020: NTA Backing as at 31 July 2020;
- 7 September 2020: NTA Backing as at 31 August 2020; and
- 6 October 2020: NTA Backing as at 30 September 2020.

Information concerning Orion may be viewed from its website: www.orionequities.com.au

Orion's market announcements may also be viewed from the ASX website (www.asx.com.au) under ASX code "OEQ".

Material Developments or Changes in Business Activities

There were no material developments or changes in the business activities of QUE and OEQ during the Current Quarter.

Summary of Expenditure Incurred in Business Activities

A summary of expenditure incurred in relation to cash flows from operating activities reported in the Appendix 4C Cash Flow Report is as follows:

For Current Quarter ending 30 September 2020	Company $'000	Consolidated Entity $'000
Land operation expenses	-	-
Personnel expenses	105	232
Occupancy expenses	-	-
Corporate expenses	24	57
Administration expenses	11	13
Total Expenditure	**140**	**302**

A portion of the above expenditure incurred was recovered during the Quarter pursuant to shared office and administration arrangements, as reported in Item 1.8 of the accompanying Appendix 4C Cash Flow Report, as follows:

For Current Quarter ending 30 September 2020	Company $'000	Consolidated Entity $'000
Recovery of staff costs under shared office arrangements	56	56

Explanation of Payments to Related Parties

During the quarter, the Consolidated Entity paid $52k and $117k relating to fees/salaries and employer statutory superannuation obligations in respect of Queste's and Orion's Directors respectively. This is disclosed in Item 6 of the accompanying Appendix 4C Cash Flow Report.

AUTHORISED FOR RELEASE - FOR FURTHER INFORMATION:

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Rule 4.7B

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

QUESTE COMMUNICATIONS LTD and controlled entity

ABN

58 081 688 164

Quarter Ended (current quarter)

30 September 2020

Consolidated statement of cash flows		Company		Consolidated	
		Current Quarter Sep20 $A' 000	Year to Date 3 months $A' 000	Current Quarter Sep20 $A' 000	Year to Date 3 months $A' 000
1.	**Cash flows from operating activities**				
1.1	Receipts from customers	-	-	-	-
1.2	Payments for				
	(a) research and development	-	-	-	-
	(b) product manufacturing and operating costs	-	-	-	-
	(c) advertising and marketing	-	-	-	-
	(d) leased assets	-	-	-	-
	(e) staff costs	**(105)**	**(105)**	**(232)**	**(232)**
	(f) administration and corporate costs	**(35)**	**(35)**	**(70)**	**(70)**
1.3	Dividends received (see note 3)	-	-	-	-
1.4	Interest received	-	-	-	-
1.5	Interest and other costs of finance paid	**(2)**	**(2)**	-	-
1.6	Income taxes paid	-	-	-	-
1.7	Government grants and tax incentives	**93**	**93**	**159**	**159**
1.8	Other (provide details if material)				
	- Recovery of staff costs under shared office arrangements	**56**	**56**	**56**	**56**
1.9	**Net cash from / (used in) operating activities**	**7**	**7**	**(87)**	**(87)**
2.	**Cash flows from investing activities**				
2.1	Payments to acquire or for:				
	(a) entities	-	-	-	-
	(b) businesses	-	-	-	-
	(c) property, plant and equipment	-	-	-	-
	(d) investments	-	-	-	-
	(e) intellectual property	-	-	-	-
	(f) other non-current assets	-	-	-	-

Notes:

The Company currently has a 59.86% (30 June 2020: 59.86%) interest in ASX listed investment company, Orion Equities Limited ("OEQ"). OEQ is a controlled entity of the Company under the Accounting Standards. Therefore, the Consolidated columns in this Monthly Cash Flow Report takes into account the cash flows of the Company and its controlled entity, including OEQ.

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Consolidated statement of cash flows		Company		Consolidated	
		Current Quarter Sep20 $A' 000	Year to Date 3 months $A' 000	Current Quarter Sep20 $A' 000	Year to Date 3 months $A' 000
2.	**Cash flows from investing activities (continued)**				
2.2	Proceeds from the disposal of:				
	(a) entities	-	-	-	-
	(b) businesses	-	-	-	-
	(c) property, plant and equipment	-	-	-	-
	(d) investments	-	-	-	-
	(e) intellectual property	-	-	-	-
	(f) other non-current assets	-	-	-	-
2.3	Cash flows from loans to other entities	-	-	-	-
2.4	Dividends received (see note 3)	-	-	-	-
2.5	Other (provide details if material)	-	-	-	-
2.6	**Net cash from / (used in) investing activities**	-	-	-	-
3.	**Cash flows from financing activities**				
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-	-	-
3.2	Proceeds from issue of convertible debt securities	-	-	-	-
3.3	Proceeds from exercise of options	-	-	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-	-	-
3.5	Proceeds from borrowings	-	-	-	-
3.6	Repayment of borrowings	**(10)**	**(10)**	-	-
3.7	Transaction costs related to loans and borrowings	-	-	-	-
3.8	Dividends paid	-	-	-	-
3.9	Other (provide details if material)	-	-	-	-
3.10	**Net cash from / (used in) financing activities**	**(10)**	**(10)**	-	-
4.	**Net increase / (decrease) in cash and cash equivalents for the period**				
4.1	Cash and cash equivalents at beginning of period	**57**	**57**	**352**	**352**
4.2	Net cash from/(used in) operating activities (item 1.9 above)	**7**	**7**	**(87)**	**(87)**
4.3	Net cash from/(used in) investing activities (item 2.6 above)	-	-	-	-
4.4	Net cash from/(used in) financing activities (item 3.10 above)	**(10)**	**(10)**	-	-
4.5	Effect of movement in exchange rates on cash held	-	-	-	-
4.6	**Cash and cash equivalents at end of period**	**54**	**54**	**265**	**265**

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5.	**Reconciliation of cash and cash equivalents** at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	**Company**		**Consolidated**	
		Current Quarter Sep20 $A' 000	Previous Quarter Jun 20 $A' 000	Current Quarter Sep20 $A' 000	Previous Quarter Jun 20 $A' 000
5.1	Bank balances	54	57	265	352
5.2	Call deposits	-	-	-	-
5.3	Bank overdrafts	-	-	-	-
5.4	Other (provide details)	-	-	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**54**	**57**	**265**	**352**

6.	**Payments to related parties of the entity and their associates**	Current Quarter $A' 000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	**(170)**
6.2	Aggregate amount of payments to related parties and their associates included in item 2	**-**

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A' 000**	**Amount drawn at quarter end $A' 000**
7.1	Loan facilities	200	80
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	**200**	**80**

7.5	**Unused financing facilities available at quarter end**	**120**

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

Note: OEQ and QUE have entered into a Loan Agreement for OEQ to advance up to $200,000 to QUE. The loan is unsecured and matures on 31 December 2020 and accrues interest at 10% pa in respect of the first $150,000 advanced, and 7.5% pa in respect of $50,000 advanced thereafter.

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8.	Estimated cash available for future operating activities	Company $A' 000	Consolidated $A' 000
8.1	Net cash from / (used in) operating activities (Item 1.9)	7	(87)
8.2	Cash and cash equivalents at quarter end (Item 4.6)	54	265
8.3	Unused finance facilities available at quarter end (Item 7.5)	120	-
8.4	Total available funding (Item 8.2 + Item 8.3)	174	265
8.5	Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	Not applicable as Item 8.1 is a positive cashflow	

Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.

8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

8.6.1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Not applicable

8.6.2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Not applicable

8.6.3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Not applicable

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered

Compliance statement

1. This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2. This statement gives a true and fair view of the matters disclosed.

Authorised by

14 October 2020

Victor Ho
Executive Director & Company Secretary

The **Company** currently holds the following listed share investments:

			30-Sep-20	
	No Shares/Units	% Interest	Last Bid Price	Market Value
Shares in Orion Equities Limited (OEQ)	9,367,653	59.86 %	$0.092	$861,824
Shares in Bentley Capital Limited (BEL)	1,225,752	1.61 %	$0.061	$74,771
				$936,595

The above investments are regarded as liquid assets to supplement the Company's cash reserves.

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See Chapter 19 of ASX Listing Rules for defined terms

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 107: Statement of Cash Flows apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

AUTHORISED FOR RELEASE - FOR FURTHER INFORMATION:

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