

February 19, 2021
ASX Release



AUSQUEST TO RAISE \$3 MILLION FOR HIGH IMPACT COPPER-GOLD & NICKEL EXPLORATION

The Board of AusQuest (AusQuest or the Company) is pleased to announce that it has successfully completed a bookbuild to raise up to approximately \$3.0 million in a placement to sophisticated and professional investors through the issue of up to 143 million new shares at 2.1 cents per share (**Placement**), including participation by AusQuest's major shareholders (see **Major Shareholder/Director Participation** and **Placement Details** below).

Funds raised from the Placement, together with the Company's existing cash reserves, will be applied towards identifying and advancing new acquisition and/or exploration opportunities both in Australia and Peru that might be of interest to the Company's strategic alliance partner (a wholly owned subsidiary of South32 Ltd), or retained as 100% owned AusQuest projects.

In Western Australia this will include increased exploration over the Moora and Morrisey Well Nickel-Copper Projects which are targeting magnetic signatures similar to the Julimar Ni-Cu-PGE discovery north of Perth (Chalice Mining Ltd), and further exploration over the Company's Paterson Cu-Au projects which are targeting magnetic anomalies close to major structures which have a similar expression to those associated with the Winu (Rio Tinto) and Havieron (Newcrest) discoveries further north.

Exploration activities over new copper projects in Peru will also be increased in order to advance them to a stage where they could be of interest to our strategic alliance partner or be compelling drill targets for the Company. In particular this will include work within the Chololo - Ventura region close to Ilo, where the Company recently consolidated its title position over areas where historic work has identified potential for copper deposits.

Funds will also be used to finance the Company's ongoing working capital requirements and general administrative overheads.

Commenting on the success of the Placement, AusQuest's Managing Director, Graeme Drew, said "It was extremely pleasing to see the level of support the Company received for the Placement. This will now allow us to fast-track early-stage exploration programs that we couldn't do before, with the aim of providing quality drill targets for either our strategic alliance partner or ourselves. 2021 is now looking like a very active period for the Company."

The Company also wishes to advise that drilling activity funded under the Company's Strategic Alliance Agreement (SAA), recently began at the Cerro de Fierro Copper Project in Peru (see ASX release 15 February 2021) with additional drilling programs scheduled for completion over the next 6 to 9 months at the Parcoy Copper Project (Peru), the Hamilton Copper-Gold Project (Queensland), and the Balladonia Copper-Nickel Project (Fraser Range) in Western Australia, all funded under the SAA.

MAJOR SHAREHOLDER / DIRECTOR PARTICIPATION

AusQuest's largest shareholder, Chrysalis Investments Pty Ltd - an entity controlled by AusQuest's Non-Executive Director Chris Ellis, has committed to subscribe for up to \$400,000 (19,047,620 shares) in the Placement. AusQuest's Managing Director, Graeme Drew, has committed to subscribe for up to \$50,000 (2,380,953 shares) in the Placement. Director participation is subject to shareholder approval at a general meeting to be held around the end of March 2021.

PLACEMENT DETAILS

The Placement will result in the issue of up to 142,857,150 new fully paid ordinary shares at an issue price of \$0.021 each. Participants in the Placement will receive one attaching unlisted option exercisable at \$0.04 on or before 1 March 2023 for every two shares subscribed.

The issue of 111,904,768 shares and 55,952,384 options is not subject to shareholder approval (falling within the Company's placement capacity under ASX Listing Rule 7.1 and 7.1A). The issue price of 2.1 cents per share represents a 16% discount to the last ASX closing share price of 2.5 cents and a 13.5% discount to the 5-day VWAP of 0.243 cents prior to the Placement. This portion of the placement is expected to settle on Friday, 26 February 2021 with the Placement shares and options to be issued on or around 1 March 2021 (Tranche 1).

The issue of 30,952,382 shares and 20,476,191 options (which includes the director participation reference above and 5M unlisted Broker Options) is subject to shareholder approval at a general meeting to be held around the end of March 2021 with a Notice of Meeting expected to be forward to shareholders shortly. This portion of the placement is expected to settle in early April 2021 (Tranche 2).

Euroz Hartleys Limited acted as Lead Manager to the Placement.

Authorised for release to ASX by the Board of Directors.



Graeme Drew
Managing Director

For further information, please contact:

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COMPETENT PERSON'S STATEMENT

The details contained in this report that pertain to exploration results are based upon information compiled by Mr Graeme Drew, a full-time employee of AusQuest Limited. Mr Drew is a Fellow of the Australasian Institute of Mining and Metallurgy (AUSIMM) and has sufficient experience in the activity which he is undertaking to qualify as a Competent Person as defined in the December 2012 edition of the "Australasian Code for Reporting of

Exploration Results, Mineral Resources and Ore Reserves” (JORC Code). Mr Drew consents to the inclusion in the report of the matters based upon his information in the form and context in which it appears.

FORWARD LOOKING STATEMENT

This report contains forward looking statements concerning the projects owned by AusQuest Limited. Statements concerning mining reserves and resources may also be deemed to be forward looking statements in that they involve estimates based on specific assumptions. Forward-looking statements are not statements of historical fact and actual events and results may differ materially from those described in the forward looking statements as a result of a variety of risks, uncertainties and other factors. Forward looking statements are based on management’s beliefs, opinions and estimates as of the dates the forward looking statements are made and no obligation is assumed to update forward looking statements if these beliefs, opinions and estimates should change or to reflect other future developments.