



ASX ANNOUNCEMENT

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October 7th, 2024

ENTITLEMENT OFFER TO ADVANCE THE COMPANY'S PROJECTS IN PERU AND AUSTRALIA

- ***AusQuest launches a non-renounceable rights offer to raise up to approximately A\$2.6 million (before costs) to carry out exploration drilling programs on the Company's 100% owned copper projects in Peru and to investigate new acquisition and/or exploration opportunities in Australia.***
- ***Eligible shareholders may apply under the offer for 2 New Shares for every 5 Shares held, at A\$0.008 per Share. Eligible shareholders will also receive a free attaching New Option on a 1 for 2 basis, exercisable at A\$0.012.***
- ***AusQuest's largest shareholder to provide cornerstone support - Chrysalis Investments Pty Ltd, an entity controlled by AusQuest's Non-Executive Director Chris Ellis, has a 22.24% holding in the Company and intends to subscribe for its full entitlement under the rights offer.***
- ***Major drilling campaign to test the Company's Cangallo Porphyry Copper Project in Peru – planned to commence in December 2024.***
- ***Further exploration and drilling at the Australian Projects planned in H1 2025***

AusQuest Limited (ASX code: AQD) is pleased to announce that it will undertake a 2 for 5 non renounceable pro-rata rights offer ("**Rights Offer**") to the Company's eligible shareholders at a price of A\$0.008 per New Share, plus one free attaching New Option exercisable at A\$0.012 for every two New Shares subscribed for, to raise approximately A\$2.6 million (before costs). The proceeds will help fund drilling of large-scale copper prospects defined by the Company's exploration activities in Peru.

AusQuest's Managing Director, Graeme Drew, commented that AusQuest is very pleased to offer eligible shareholders the opportunity to be part of the initial drilling program that will test exciting and newly discovered large scale copper prospects in Peru that are 100% owned by the Company, at a time when the demand for copper continues to grow.

"The Rights Offer will place AusQuest in a strong financial position, especially in light of our Strategic Alliance with South32 who continue to fund selected projects within our Australian portfolio, and importantly provides our shareholders with the opportunity to maintain and/or increase their shareholding in AusQuest at this exciting time in the Company's history'.



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Use of Funds

It is proposed that funds raised by the Rights Offer, together with existing cash reserves, will be used to carry out exploration drilling programs on the Company's 100% owned copper projects in Peru, and to investigate new acquisition and/or exploration opportunities in Australia that might be of interest to the Company's strategic alliance partner South32, or retained as 100% owned AusQuest projects, plus for working capital purposes.

Participation by Directors

AusQuest's largest shareholder, Chrysalis Investments Pty Ltd, an entity controlled by Non - Executive Director Mr Chris Ellis and which has a 22.24% holding in the Company, and the Company's Managing Director Graeme Drew, both intend to subscribe for their full entitlements under the Rights Offer. The take up by Chrysalis of its entitlement will be in accordance with any legal and regulatory requirements.

Rights Offer Details

The Rights Offer issue price of A\$0.008 per share represents a discount of approximately 25.2% to the Company's volume weighted average price (VWAP) of Shares in the 5 day trading period before the date of this announcement.

Each New Share offered under the Rights Offer will carry a 1 for 2 free attaching unlisted New Option exercisable at \$0.012, with an expiry date of 11 November 2027.

The Rights Offer is being extended to all AusQuest shareholders who have a registered address in Australia or New Zealand at 5.00pm AWST on 11th October 2024 ("**Record Date**"). The Rights Offer is not being extended to overseas shareholders who, on the Record Date, have a registered address outside Australia or New Zealand. Their interests are proposed to be managed by the appointment of a foreign nominee under s615 of the *Corporations Act 2001* (Cth), subject to ASIC approval of the nominee.

The Rights Offer is expected to open on 15th October 2024 and close at 5.00pm AWST on 4th November 2024, unless extended.

The Rights Offer is non-renounceable, which means that eligible shareholders who do not take up their entitlements in the Rights Offer will not receive any value for those entitlements, and their equity interest in AusQuest will be diluted.

Shortfall Offer

Any New Shares not applied for by eligible shareholders will form part of the shortfall offer under the Rights Offer ("**Shortfall Offer**"). Eligible shareholders who take up their entitlement in full under the Rights Offer will also be able to apply under the Shortfall Offer for additional New Shares at the same price and on the same terms as for the Rights Offer. The Shortfall Offer will also be open to third party investors. Shares under the Shortfall Offer will be issued at the discretion of the Directors.

What Eligible Shareholders may do

Eligible Shareholders will shortly be provided with a copy of the Prospectus which will include a personalised Entitlement and Acceptance Form with instructions on how to participate in the Rights Offer.

Eligible Shareholders will be able to:

- Take up their entitlements in part or in full;
- Take up their entitlements in full and apply for additional New Shares under the Shortfall Offer; or
- Allow their entitlements to lapse.

Indicative Timetable

An indicative timetable for the Rights Offer is set out below.

Event	Target Date
Announcement of Offer and Appendix 3B lodged with ASX	Pre market Monday, 7 October 2024
Prospectus lodged with ASIC and ASX	Pre market Tuesday, 8 October 2024
Ex-date	Thursday, 10 October 2024
Record Date for determining Entitlements	Friday, 11 October 2024
Opening Date, Prospectus and Entitlement and Acceptance Form sent to Eligible Shareholders and Company announces this has been occurred	Tuesday, 15 October 2024
Last day to extend the Closing Date	Wednesday, 30 October 2024
Closing Date (if not extended)	Before noon (AEST) Monday November 2024
Securities quoted on a deferred settlement basis	Tuesday, 5 November 2024
Announcement of results to ASX	Monday, 11 November 2024
Last day for Company to Issue the New Shares and New Options under the Rights Offer and to lodge an Appendix 2A applying for quotation of the New Shares	Before noon (AEST) Monday, 11 November 2024
Normal trading of New Shares issued under the Rights Offer expected to commence	Tuesday, 12 November 2024
Last day to issue Shortfall Securities	Tuesday, 4 February 2025

Note: Subject to the ASX Listing Rules and the Corporations Act, the Company reserves the right to vary the above dates. In particular, the Directors reserve the right to extend the Closing Date by giving at least three Business Days' notice to ASX prior to the Closing Date.

The Rights Offer is not underwritten. AusQuest has engaged Euroz Hartleys Limited (AFSL 230052) to provide capital raising and corporate services in relation to the Rights Offer. As part of their fee, the Prospectus includes a secondary offer to them of 20,000,000 New Options, subject to shareholder approval and to raising a certain amount of funds under the Shortfall Offer, offered on the same terms as the New Options under the Rights Offer but with a subscription price of \$0.00001 per New Option.

Enquiries

Any questions regarding this announcement should be made to Henko Vos, Company Secretary on +61 (08) 9463 2463 or henko.vos@nexiaperth.com.au.

The Directors of AusQuest invite all eligible shareholders to consider this investment opportunity carefully in light of the Company's upcoming exploration drill programs, and wish to thank you for your ongoing support.

A handwritten signature in black ink, appearing to read 'G Drew'.

Graeme Drew
Managing Director

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Forward-looking statement

This announcement contains forward looking statements. Forward-looking statements are often, but not always, identified by words such as 'intends', 'may', "will", 'could', 'believes', 'estimates', 'targets', 'expects', 'predicts' or similar words. The forward-looking statements in this announcement are predictive in character and may be affected by known or unknown risks and uncertainties or by inaccurate assumptions that could cause the actual event or results to differ materially from the event or results described or implied in such forward-looking statements. Forward-looking statements are not statements of historical fact but are based on management's beliefs, opinions and estimates as of the date of this announcement. The Company cannot and does not give any assurance that the events or results expressed or implied by the forward-looking statements contained in this announcement will actually occur and neither the Company nor any of its directors, officers, employees or agents give any warranty as to the accuracy or likelihood of fulfilment of any forward-looking statement, except as required by law. Investors should be aware of the risks of placing undue reliance upon any forward-looking statements.