

11th March 2015
ASX Release



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

The Board of AusQuest Limited (ASX: AQD) is pleased to announce that it has resolved to raise up to approximately \$2 million in a placement to sophisticated and professional investors through the issue of up to approximately 105 million new shares at 1.9 cents per share. Participants in the placement will receive one attaching option exercisable at 3.5 cents on or before 30 April 2018 for every two shares subscribed for in the Placement. Hartleys Limited is Broker to the Offer.

In addition to the Placement, the Board of AusQuest has also resolved to offer eligible shareholders the opportunity to participate in a Securities Purchase Plan (SPP) to raise between \$500,000 and \$1 million (at the sole discretion of the AusQuest Directors) which together will make the total capital raise up to \$3.0 million (Capital Raising).

Funds raised pursuant to the Capital Raising will primarily be used to fund exploration and drilling of nickel-copper targets within the Company's 100% owned Fraser Range projects, exploration and drill permitting of porphyry copper-gold targets identified within the Company's extensive portfolio of exploration projects in Peru (that are not already free-carried through initial drilling as recently announced to the ASX on February 24th 2015), and for working capital purposes.

AusQuest's Managing Director, Mr Graeme Drew commented: "We are very pleased with the strong response received for the Placement, which was heavily oversubscribed and look forward to giving all eligible shareholders the opportunity to participate in an SPP on the same terms as the Placement.

We also look forward to embarking on high impact exploration in the Fraser Range, Peru and West Africa, with a significant amount of drilling being free-carried by AusQuest's off-shore joint venture partners."

Subject to any scale back that is required to comply with ASX and ASIC class order requirements, AusQuest shareholders registered with the Company and having an Australian or New Zealand address, on 10th March 2015, will be entitled to apply for up to \$15,000 worth of shares each at 1.9 cents per share and also receive a free attaching option (on a 1 for 2 basis) exercisable at 3.5 cents each on or before 30 April 2018.

The Company will issue a prospectus in relation to the SPP securities during March 2015. The SPP Prospectus will be despatched to shareholders shortly thereafter, along with a Notice of General Meeting to be held on or about the 23rd April 2015.

The Company encourages all shareholders to make sure their address and contact details are up to date to ensure they receive the information to enable them to participate.

Board Support

The Placement is strongly supported by AusQuest's Directors who collectively have committed to contribute in the order of \$500,000. Resolutions to approve directors participating in the Placement (and any SPP shortfall) will be put to shareholders at the General Meeting scheduled to take place on or around Thursday, 23 April 2015.

Placement

The allotment of the first tranche (Tranche 1) of the Placement of approximately 72.4 million shares is not subject to prior shareholder approval and will fall within the Company's existing 15% placement capacity under ASX LR 7.1 and additional 10% placement capacity existing under ASX LR 7.1A.

Following allotment of the Tranche 1 shares, the convertible note held by a Director, Mr Christopher Ellis, will automatically convert to 37,500,000 shares on the basis of a deemed conversion price of 2 cents per share, as approved by the Company's shareholders in general meeting on 26 November 2014. Conversion will not include the grant of attaching options to Mr Ellis.

The second tranche (Tranche 2) of the Placement for up to approximately 32.9 million shares and all Placement options, will be issued subject to shareholder approval at the General Meeting of AusQuest Shareholders, scheduled to take place on or around Thursday, 23 April 2015.

The options will be listed on the Australian Securities Exchange (ASX), subject to meeting ASX requirements.

For further information, please contact:



Graeme Drew
Managing Director

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.