

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

# Appendix 3B

## New issue announcement, application for quotation of additional securities and agreement

*Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.*

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

AusQuest Limited

ABN

35 091 542 451

We (the entity) give ASX the following information.

### Part 1 - All issues

*You must complete the relevant sections (attach sheets if there is not enough space).*

- |   |   |   |
|---|---|---|
| 1 | +Class of +securities issued or to be issued  | a) Ordinary shares<br>b) Options  |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued   | a) Up to 195,394,737 Shares, comprising – 157,894,737 Placement and Securities Purchase Plan Shares (SSP); and 37,500,000 Convertible Note Shares.<br>b) Up to 78,947,368 Options |
| 3 | Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | a) Shares – fully paid ordinary shares<br>b) Options – exercise price of \$0.035 per option, expiry date 30 April 2018  |

+ See chapter 19 for defined terms.

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<p>4 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul>	<p>a) Shares - Yes, same as other fully paid ordinary shares.</p> <p>b) Options - the options will be a new class of quoted securities.</p> <p>Shares to be issued upon exercise of the Options will rank equally with all other fully paid ordinary shares on issue.</p> <p>The Options do not give the holder the right to participate in any future dividends or receive interest payments.</p>
<p>5 Issue price or consideration</p>	<p>a) 157,894,737 Placement and SSP Shares -\$0.019 per share 37,500,000 Convertible Note Shares – deemed conversion price of \$0.02 per share</p> <p>b) Nil – one free attaching Option is being granted for every two Shares subscribed for under the placement and the securities purchase plan, referred to in paragraph 6 below.</p>

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6	<p>Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>a) Issue of up to 105,263,158 Shares is part of a placement to raise a total of \$2.0m, in two tranches. No shareholder approval is required for the issue of the first tranche, of 72,375,000 Shares. Shareholder approval is required for the issue of the second tranche, of up to 32,888,158 Shares (out of the total 105,263,158 Shares), to be sought at a General Meeting on 23 April 2015.</p> <p>Issue of up to 52,631,579 Shares is under a Securities Purchase Plan to raise \$1M pursuant to a prospectus to be dated on or around 19 March 2015.</p> <p>Issue of 37,500,000 Shares on the conversion of a convertible note as approved by shareholders at the Company's AGM on 26 November 2014.</p> <p>b) Issue of up to 52,631,579 Options is part of a share placement to raise a total of \$2.0m, in two tranches. No Options will be issued under tranche 1. Shareholder approval is required for the issue of the second tranche, of up to 52,631,579 Options (out of the total 52,631,579 Options), to be sought at a General Meeting on 23 April 2015.</p> <p>Issue of up to 26,315,789 Options (subject to shareholder approval to be sought at a General Meeting on 23 April 2015) is under a Securities Purchase Plan to raise \$1M pursuant to a prospectus to be dated on or around 19 March 2015.</p> <p>The purpose of the placement and securities purchase plan is to raise funds to continue 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 exploration projects in Peru (i.e. those which are not already free carried as announced to ASX on 24 February 2015) and to strengthen the Company's working capital position.</p>
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+ See chapter 19 for defined terms.

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6a	Is the entity an *eligible entity that has obtained security holder approval under rule 7.1A?  If Yes, complete sections 6b – 6h in relation to the *securities the subject of this Appendix 3B, and comply with section 6i	Yes (this is relevant only to the issue of 29,749,483 shares which are included in the first tranche of the placement).
6b	The date the security holder resolution under rule 7.1A was passed	26 November 2014
6c	Number of *securities issued without security holder approval under rule 7.1	a) 42,625,517 Ordinary Shares b) Nil
6d	Number of *securities issued with security holder approval under rule 7.1A	a) 29,749,483 Ordinary Shares b) Nil
6e	Number of *securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	a) Up to 32,888,158 Ordinary Shares b) Up to 52,631,579 Options c) Up to 26,315,789 Options under the Securities Purchase Plan,  to be approved at a General Meeting on 23 April 2015.
6f	Number of *securities issued under an exception in rule 7.2	52,631,579 Ordinary Shares under the Securities Purchase Plan
6g	If *securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the *issue date and both values. Include the source of the VWAP calculation.	Yes Issue price on 19 March 2015: \$0.019 15 days VWAP as at 18 March 2015: \$0.022  Source: tradingroom.com.au
6h	If *securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	a) Not applicable b) Not applicable

+ See chapter 19 for defined terms.

6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	Refer to Annexure 1								
7	<p><sup>+</sup>Issue dates</p> <p>Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A.</p> <p>Cross reference: item 33 of Appendix 3B.</p>	<p>a) 72,375,000 Shares under the tranche 1 of the placement, on 19 March 2015</p> <p>b) Nil (Options)</p>								
8	Number and <sup>+</sup> class of all <sup>+</sup> securities quoted on ASX (including the <sup>+</sup> securities in section 2 if applicable)	<table><tr><th>Number</th><th><sup>+</sup>Class</th></tr><tr><td>494,898,181</td><td>Ordinary shares</td></tr><tr><td>78,947,368</td><td>Listed options expiring 30/04/18, exercise price \$0.035</td></tr><tr><td>68,750,000</td><td>Listed options expiring 30/11/16, exercise price \$0.040</td></tr></table>	Number	<sup>+</sup> Class	494,898,181	Ordinary shares	78,947,368	Listed options expiring 30/04/18, exercise price \$0.035	68,750,000	Listed options expiring 30/11/16, exercise price \$0.040
Number	<sup>+</sup> Class									
494,898,181	Ordinary shares									
78,947,368	Listed options expiring 30/04/18, exercise price \$0.035									
68,750,000	Listed options expiring 30/11/16, exercise price \$0.040									
9	Number and <sup>+</sup> class of all <sup>+</sup> securities not quoted on ASX (including the <sup>+</sup> securities in section 2 if applicable)	<table><tr><th>Number</th><th><sup>+</sup>Class</th></tr><tr><td>9,900,000</td><td>Unlisted options exercisable at \$0.07 each, expiring on 30 November 2015</td></tr></table>	Number	<sup>+</sup> Class	9,900,000	Unlisted options exercisable at \$0.07 each, expiring on 30 November 2015				
Number	<sup>+</sup> Class									
9,900,000	Unlisted options exercisable at \$0.07 each, expiring on 30 November 2015									
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	Currently no policy								

## Part 2 - Pro rata issue

11	Is security holder approval required?	N/a
12	Is the issue renounceable or non-renounceable?	N/a
13	Ratio in which the <sup>+</sup> securities will be offered	N/a
14	<sup>+</sup> Class of <sup>+</sup> securities to which the offer relates	N/a

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15	+Record date to determine entitlements	N/a
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	N/a
17	Policy for deciding entitlements in relation to fractions	N/a
18	<p>Names of countries in which the entity has security holders who will not be sent new offer documents</p> <p>Note: Security holders must be told how their entitlements are to be dealt with.</p> <p>Cross reference: rule 7.7.</p>	N/a
19	Closing date for receipt of acceptances or renunciations	N/a
20	Names of any underwriters	N/a
21	Amount of any underwriting fee or commission	N/a
22	Names of any brokers to the issue	N/a
23	Fee or commission payable to the broker to the issue	N/a
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	N/a
25	If the issue is contingent on security holders' approval, the date of the meeting	N/a
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	N/a

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+ See chapter 19 for defined terms.

27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/a
28	Date rights trading will begin (if applicable)	N/a
29	Date rights trading will end (if applicable)	N/a
30	How do security holders sell their entitlements <i>in full</i> through a broker?	N/a
31	How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/a
32	How do security holders dispose of their entitlements (except by sale through a broker)?	N/a
33	+Issue date	N/a

### Part 3 - Quotation of securities

*You need only complete this section if you are applying for quotation of securities*

34 Type of +securities  
(tick one)

(a) ☒ +Securities described in Part 1

(b) ☐ All other +securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

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+ See chapter 19 for defined terms.

## Entities that have ticked box 34(a)

### Additional securities forming a new class of securities

*Tick to indicate you are providing the information or documents*

*To be provided in due course*

- 35 ☒ If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders
- 36 ☒ If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
- 1 - 1,000
  - 1,001 - 5,000
  - 5,001 - 10,000
  - 10,001 - 100,000
  - 100,001 and over
- 37 ☐ A copy of any trust deed for the additional +securities

## Entities that have ticked box 34(b)

- 38 Number of +securities for which +quotation is sought
- 39 +Class of +securities for which quotation is sought
- 40 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?
- If the additional +securities do not rank equally, please state:
- the date from which they do
  - the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
  - the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment
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41	<p>Reason for request for quotation now</p> <p>Example: In the case of restricted securities, end of restriction period</p> <p>(if issued upon conversion of another <sup>+</sup>security, clearly identify that other <sup>+</sup>security)</p>					
42	<p>Number and <sup>+</sup>class of all <sup>+</sup>securities quoted on ASX (including the <sup>+</sup>securities in clause 38)</p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%; padding: 5px;">Number</th> <th style="width: 50%; padding: 5px;"><sup>+</sup>Class</th> </tr> </thead> <tbody> <tr> <td style="height: 100px;"></td> <td style="height: 100px;"></td> </tr> </tbody> </table>	Number	<sup>+</sup> Class		
Number	<sup>+</sup> Class					

### Quotation agreement

- 1      <sup>+</sup>Quotation of our additional <sup>+</sup>securities is in ASX's absolute discretion. ASX may quote the <sup>+</sup>securities on any conditions it decides.
  
- 2      We warrant the following to ASX.
  - The issue of the <sup>+</sup>securities to be quoted complies with the law and is not for an illegal purpose.
  
  - There is no reason why those <sup>+</sup>securities should not be granted <sup>+</sup>quotation.
  
  - An offer of the <sup>+</sup>securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.  

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
  
  - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any <sup>+</sup>securities to be quoted and that no-one has any right to return any <sup>+</sup>securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the <sup>+</sup>securities be quoted.
  
  - If we are a trust, we warrant that no person has the right to return the <sup>+</sup>securities to be quoted under section 1019B of the Corporations Act at the time that we request that the <sup>+</sup>securities be quoted.

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- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before <sup>+</sup>quotation of the <sup>+</sup>securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here:

Date: 19 March 2015

Print name: Henko Vos (Company Secretary)

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<sup>+</sup> See chapter 19 for defined terms.

## Appendix 3B – Annexure 1

## Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

## Part 1

<b>Rule 7.1 – Issues exceeding 15% of capital</b>	
<b><i>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</i></b>	
<b><i>Insert</i></b> number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	297,503,444
<b><i>Add</i></b> the following: <ul style="list-style-type: none"> <li>• Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2</li> <li>• Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval</li> <li>• Number of partly paid +ordinary securities that became fully paid in that 12 month period</li> </ul> <p><i>Note:</i></p> <ul style="list-style-type: none"> <li>• <i>Include only ordinary securities here – other classes of equity securities cannot be added</i></li> <li>• <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul>	Nil  Nil  Nil
<b><i>Subtract</i></b> the number of fully paid +ordinary securities cancelled during that 12 month period	Nil
<b>“A”</b>	297,503,444

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+ See chapter 19 for defined terms.

**Appendix 3B**  
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<b>Step 2: Calculate 15% of “A”</b>	
<b>“B”</b>	0.15 <i>[Note: this value cannot be changed]</i>
<b>Multiply “A” by 0.15</b>	44,625,517
<b>Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used</b>	
<p><b>Insert</b> number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> <li>• Under an exception in rule 7.2</li> <li>• Under rule 7.1A</li> <li>• With security holder approval under rule 7.1 or rule 7.4</li> </ul> <p><b>Note:</b></p> <ul style="list-style-type: none"> <li>• <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i></li> <li>• <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul>	44,625,517 Ordinary Shares (comprising 42,625,517 ordinary shares under Tranche 1 of the Placement and 2,000,000 ordinary shares previously issued during February 2015).
<b>“C”</b>	44,625,517
<b>Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1</b>	
<p><b>“A” x 0.15</b></p> <p><i>Note: number must be same as shown in Step 2</i></p>	44,625,517
<p><b>Subtract “C”</b></p> <p><i>Note: number must be same as shown in Step 3</i></p>	44,625,517
<b>Total [“A” x 0.15] – “C”</b>	<p>Nil</p> <p><i>[Note: this is the remaining placement capacity under rule 7.1]</i></p>

+ See chapter 19 for defined terms.

## Part 2

<b>Rule 7.1A – Additional placement capacity for eligible entities</b>	
<b>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</b>	
<b>“A”</b>  <i>Note: number must be same as shown in Step 1 of Part 1</i>	297,503,444
<b>Step 2: Calculate 10% of “A”</b>	
<b>“D”</b>	0.10  <i>Note: this value cannot be changed</i>
<b>Multiply “A” by 0.10</b>	29,750,344
<b>Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used</b>	
<b>Insert</b> number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A  <i>Notes:</i> <ul style="list-style-type: none"> <li><i>This applies to equity securities – not just ordinary securities</i></li> <li><i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li><i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i></li> <li><i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul>	29,749,483
<b>“E”</b>	29,749,483

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<b>Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A</b>	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	29,750,344
<b>Subtract “E”</b> <i>Note: number must be same as shown in Step 3</i>	29,749,483
<b>Total</b> [“A” x 0.10] – “E”	861 <i>Note: this is the remaining placement capacity under rule 7.1A</i>

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+ See chapter 19 for defined terms.