

23 March 2015

Australian Securities Exchange
Level 40, Central Park
152-158 St George's Terrace
Perth WA 6000

SECURITIES PURCHASE PLAN OPENS

The Board is pleased to advise that the attached Prospectus has been dispatched today in advance of the opening of the AusQuest Securities Purchase Plan (**SPP**) on Tuesday 24 March 2015.

Shareholders entitled to participate in the SPP will also receive:

- personalised application forms to apply for up to \$15,000 AusQuest shares at \$0.019 each, together with a free attaching option (on a 1:2 basis), exercisable at 3.5 cents on or before 30 April 2018.
- general application forms to participate in any shortfall to the SPP.

Participation in the shortfall is open to any party (subject to shareholder approval at the AGM on 23 April 2015) and an application form is available on the Company's website.

The SPP is designed to allow shareholders to participate in the current round of fundraising on the same terms as the accompanying placement to sophisticated investors.

In total, the Company is seeking to raise up to \$3.0 million 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 24 February 2015), and for working capital purposes.

The timetable for the SPP is as follows:

Record Date	10 March 2015
Prospectus despatch date	24 March 2015
Opening Date	24 March 2015
Closing Date	20 April 2015
General Meeting Date	23 April 2015
Issue of SPP securities	29 April 2015

For further information, please contact:

Graeme Drew
Managing Director
+61 8 9364 3866

Henko Vos
Company Secretary
+ 61 8 9463 2463



AUSQUEST LIMITED

ABN 35 091 542 451

PROSPECTUS

For an Offer of up to 52,631,579 SPP Shares and 26,315,789 SPP Options under the Company's 2015 Securities Purchase Plan at an issue price of \$0.019 per SPP Share with one free attaching SPP Option on the basis of 1 SPP Option for every 2 SPP Shares applied for and issued (exercisable at \$0.035 each by 30 April 2018), to raise up to approximately \$1,000,000 before issue costs.

This Prospectus includes a general offer to apply for SPP Shortfall Securities existing on the Closing Date.

Any issue of the SPP Options will be subject to Shareholder approval at the Company's General Meeting on 23 April 2015.

Any issue of the SPP Shortfall Securities will be at the Company's discretion and subject to Shareholder approval at the Company's General Meeting on 23 April 2015

This Prospectus also facilitates the secondary trading of a total of up to 105,263,158 Shares and 52,631,579 Options issued and to be issued by the Company to sophisticated investors, pursuant to section 708A(11) of the Corporations Act.

This Prospectus also facilitates the secondary trading of 37,500,000 Shares issued to Christopher Ellis upon conversion of convertible notes, pursuant to section 708A(11) of the Corporations Act.

Important Notice

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the Securities being offered under this Prospectus, then you should consult your stockbroker, accountant or other professional adviser. The Securities offered by this Prospectus should be considered speculative.

Shareholders who do not partake or are not successful in their applications under the Company's 2015 Securities Purchase Plan will have their shareholdings in the Company diluted.

Important Notes

This Prospectus is dated 19 March 2015 and a copy of this Prospectus was lodged with the ASIC on that date. ASIC and ASX take no responsibility for the content of this Prospectus. No Securities will be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus. The Company will apply to ASX for the Securities the subject of this Prospectus to be granted quotation on ASX. This Prospectus does not constitute an offer in any place in which or to any person to whom it would not be lawful to make such an offer. Refer to Section 4.3 for treatment of Overseas Shareholders. Applications for SPP Securities or SPP Shortfall Securities offered pursuant to this Prospectus can only be submitted on an Application Form which accompanies this Prospectus. No person is authorised to give information or to make any representation in connection with this Prospectus which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult. This Prospectus including the Application Forms accompanying it and which form part of this Prospectus is important and should be read in its entirety prior to making an investment decision. If you do not fully understand this Prospectus or are in any doubt as to how to deal with it, you should consult your professional adviser. In particular, it is important that you consider the risk factors (Section 8 of this Prospectus) that could affect the performance of the Company before making an investment decision. Some words and expressions used in this Prospectus have defined meanings which are explained in the Glossary. A soft copy of the Prospectus including an SPP Shortfall Securities Application Form can be downloaded from the website of the Company at www.ausquest.com.au, or the website of ASX at www.asx.com.au. Any person may obtain a hard copy of the Prospectus free of charge by contacting the Company.

Contents

1	Investment Highlights and Risks of Investment	3
2	Corporate Directory	4
3	Chairman's Letter	5
4	Details of the Offer	6
5	Purpose and Effect of the Offer including Capital Structure	10
6	Action Required by Eligible Shareholders	13
7	Rights and Liabilities Attaching to Securities	16
8	Risk Factors and Additional Disclosures	18
	Glossary	27

Timetable (subject to change at Company's discretion)

SPP Record Date	10 March 2015
SPP and Placement announcement date	11 March 2015
Placement tranche 1 and Conversion Shares issue date	19 March 2015
Prospectus lodgement date	19 March 2015
Prospectus despatch date	24 March 2015
SPP Opening Date (also for SPP Shortfall Securities Offer)	24 March 2015
SPP Closing Date (also for SPP Shortfall Securities Offer)	20 April 2015
General Meeting	23 April 2015
Placement tranche 2 issue date (subject to shareholder approval)	29 April 2015
Issue of SPP Securities, despatch of holding statements	29 April 2015
SPP Shortfall Securities Offer issue date (subject to shareholder approval)	29 April 2015

Section 1: Investment Highlights and Key Risks of Investment

Investment Highlights

- The funds raised by Placement (up to \$2,000,000) and SPP (up to \$1,000,000) will be used to:
 - fund exploration and drilling of nickel-copper targets within the Company's 100% owned Fraser Range projects;
 - fund 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);
 - to strengthen the Company's working capital position, and
 - pay for the costs of the capital raising announced on 11 March 2015.
- Following the Offer the Company will have additional cash of up to \$2.8 million (after costs) to support its planned exploration activities in Australia and Peru.

Key Risks of Investment

- Substantial expenditure will be incurred by the Company's exploration efforts at Fraser Range and in Peru without any guarantee that the funds raised will achieve the objectives of the Company's exploration strategy. Once the net funds of the Offer are exhausted together with the Company's existing available cash the Company will require either more equity or debt capital to further its exploration objectives and there is no guarantee that the funds will be made available to the Company on acceptable terms or at all. Any additional equity funds raised may be dilutive to Shareholders and any debt funds raised may restrict the Company's activities and autonomy in carrying out its strategies.
- The market price of the Company's Securities may rise and fall in an unpredictable manner influenced by factors beyond the control of the Company within and outside Australia. There is no guarantee that Shareholders will receive any return on their investment in the Securities the subject of this Prospectus.
- General risks such as rise and fall in commodity prices, reliance on key personnel within the Company and economic instability in markets throughout the world can affect the success or viability of an investment in the Company. Shareholders and potential investors must regard this investment as speculative and consider the detailed risks of investment set out in Section 8.
- Shareholders not taking up their rights under the SPP will have their shareholdings diluted.
- Shareholders eligible to vote at the Company's General Meeting to approve the issue of the SPP Options may not approve the issue of the SPP Options. In this situation no SPP Options will be issued under the Offer and they will be treated as SPP Shortfall Securities to be allotted at the Directors' absolute discretion, if the issue of SPP Shortfall Securities are approved in General Meeting. The Directors have resolved that all successful applicants for SPP Shares will receive one SPP Option for every two SPP Shares allotted, provided Shareholder approval has been obtained in General Meeting.

Section 2: Corporate Directory

Board of Directors

Mr Greg Hancock	Non-Executive Chairman
Mr Graeme Drew	Managing Director
Mr John Ashley	Non-Executive Director
Mr Chris Ellis	Non-Executive Director

Company Secretary

Mr Henko Vos

Principal Office

8 Kearns Crescent
Ardross WA 6153
Telephone: (61 8) 9364 3866
Facsimile: (61 8) 9364 4892

Registered Office

C/-Nexia Perth,
Level 3, 88 William Street
Perth WA 6000

Auditors

HLB Mann Judd
Level 4, 130 Stirling Street
Perth WA 6000

Website : www.ausquest.com.au

Share Registry

Advanced Share Registry Services Pty Ltd*
110 Stirling Highway
Nedlands WA 6009
Telephone: (61 8) 9389 8033
Facsimile: (61 8) 9262 3723
Website: www.advancedshare.com.au

Legal Adviser

Hilary Macdonald, Corporate & Resources Lawyer
Suite 23, 18 Stirling Highway
Nedlands WA 6009

Securities Exchange

Australian Securities Exchange
(Home Exchange: Perth, Western Australia)
ASX Code: AQD

*this reference appears for information purposes only and this entity has not been involved in or authorised or caused the issue of this Prospectus

**Any enquiries concerning the Offer should be directed to Mr Henko Vos, Company Secretary,
(08) 9463 2463.**

Section 3: Chairman's Letter

19 March 2015

Dear Shareholder

To support the Company's ongoing activities, as announced to the ASX on 11 March 2015, the Directors have resolved to raise up to \$3 million by way of a private placement of shares and free attaching options (on a 1 for 2 basis) to sophisticated investors ("Placement") and a Securities Purchase Plan ("SPP") to allow eligible shareholders the ability to participate in the capital raising at the same issue price as the Placement.

The first tranche of the Placement was issued on 19 March 2015, and subject to receiving shareholder approval at the Company's 2015 General Meeting to be held on 23 April 2015, the second tranche of the placement will be issued on or about 30 April 2015, together raising up to approximately \$2 million. One purpose of the Prospectus is to remove any restrictions on the trading in both tranches of the Placement securities issued by the Company, should the placees wish to sell their Placement securities within 12 months of issue.

The Directors are pleased to invite you, as an Australian or New Zealand registered shareholder of AusQuest at 5 pm WST on the Record Date, to subscribe for fully paid ordinary shares in AusQuest free of all brokerage and commission costs, under the terms and conditions of the SPP, as detailed in this Prospectus. The Company is offering Shares and free attaching Options (on a 1 for 2 basis) by way of the SPP, and on the same terms of the placement, to raise up to \$1.0 million, supplementing the \$2.0 million raised by the Placement. The issue of the SPP Options is subject to receiving shareholder approval at the Company's 2015 General Meeting to be held on 23 April 2015.

The SPP is a cost advantageous way for shareholders to top up their holdings in the Company and to take advantage of the issue price which is a discount to the VWAP calculated over the last 5 days on which sales were recorded on the ASX before the capital raising was announced on ASX. However, shareholders should be aware that the market price of AusQuest shares may rise or fall between now and the date when securities are issued in accordance with the SPP. If the market price of AusQuest shares falls, the subscription price of the shares to be issued pursuant to the SPP may not be at a discount to the market price on the date of issue.

The funds raised by the Placement and the SPP will 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 exploration projects in Peru (i.e. those which are not already free carried as announced to ASX on 24 February 2015),

and to cover the costs of the capital raising and provide working capital.

The Company also extends a general invitation in this Prospectus to all investors to subscribe for any shortfall that may arise under the SPP, by completing the generic SPP Shortfall Securities Application Form accompanying this Prospectus. Related Parties of the Company and their Associates will require prior shareholder approval at the 2015 General Meeting in order to receive any issue of SPP Shortfall Securities. To participate in this capital raising please read the Prospectus carefully, and send your completed application forms and payment (by **BPAY** or cheque), to the Company in cleared funds by 5pm WST on 20 April 2015. The Company recommends that all BPAY payments are made no later than 19 April 2015 to avoid disappointment.

Yours faithfully

Greg Hancock
Chairman

Section 4: Detailed Offer of Securities

4.1 Terms of the SPP

These are the terms and conditions of the AusQuest Limited 2015 Securities Purchase Plan (as contemplated by Regulatory Guide 125 of the Australian Securities & Investments Commission and Class Order 09/425, in relation to the SPP Shares) and they are binding on each Eligible Shareholder submitting a complete Application Form with payment.

- (a) The Offer is an invitation to Eligible Shareholders to subscribe for SPP Shares at the Issue Price each, up to a maximum subscription by each Eligible Shareholder of 789,474 Shares (\$15,000). The issue of the SPP Options is subject to shareholder approval at the Company's 2015 General Meeting to be held on 23 April 2015 (either under resolution 8 or 9).
- (b) The instructions on how to apply are set out in Section 6 of the Prospectus. You may refuse the Offer, by doing nothing.
- (c) The Offer to each Eligible Shareholder is made on the same terms and conditions. The Offer is non-renounceable (i.e. you may not transfer your right to acquire SPP Securities under the SPP to anyone else).
- (d) The Offer opens and closes on the Opening Date and Closing Date in the Timetable. The Directors reserve the absolute right to change the Timetable Dates.
- (e) You are eligible to apply for the SPP Securities if:
 - (i) your registered address in the Company's register of members is in Australia or New Zealand or otherwise you are a Shareholder to whom an offer of SPP Securities under this SPP is not in breach of the securities laws of the country in which you reside; and
 - (ii) you were registered as a holder of Shares as at 5.00pm WST on the Record Date in the Timetable.
- (f) As required by ASIC Regulatory Guide 125, it is confirmed that the Issue Price is less than the market price for the Company's Shares during the period from 24 February 2015 to 19 March 2015 inclusive.
- (g) As required by ASX Listing Rule 7.2 Exception 15:
 - (i) the number of SPP Securities to be issued under the SPP is not greater than 30% of the number of Shares already on issue, and
 - (ii) the Issue Price represents at least 80% of the volume weighted average price for the 5 days in which trading in the Company's Shares occurred before the Offer was announced on 11 March 2015.

The Company's capital structures on the date of this Prospectus and at completion of the capital raising constituted by the Placement and the SPP is illustrated in Section 5 of the Prospectus.

- (h) The rights and obligations of the SPP Shares are contained in the Constitution (which is available for inspection at the registered office of the Company during the period of the Offer) and under the Corporations Act. The SPP Shares will be issued on the same terms as all other ordinary shares in the Company, detailed in Section 7 of the Prospectus. The rights and obligations of the SPP Options are detailed in Section 7 of the Prospectus. The Company will apply for the SPP Options to be quoted on ASX subject to satisfying the requirements of the Listing Rules (e.g. minimum number of Option holders must be 50).
- (i) The Company will apply for the SPP Securities to be quoted on ASX within seven days of the date of issue of this Prospectus. In accordance with section 723(3) of the Corporations Act, if such an application is not made within these seven days then the Company will not issue any SPP Securities and all Application Money received pursuant to this Prospectus will be repaid as soon as practicable, without interest. If official quotation of the SPP Securities (including the SPP Options)

is not granted by ASX within three months of the date of this Prospectus, then all Application Money received pursuant to this Prospectus will be repaid as soon as practicable, without interest. The SPP Options will remain unlisted Options until such time as ASX grants quotation of the SPP Options, subject to the requirements of section 723(3) of the Corporations Act.

- (j) If you are an Eligible Shareholder, you can subscribe for a maximum of 789,474 Shares at the Issue Price for total consideration of \$15,000. Accepting Eligible Shareholders must select one of the following 5 alternative subscription choices on the Application Form:

Subscription Choice	Number of Shares	Total amount payable at the Issue Price
Offer A	52,632 Shares	\$1,000
Offer B	105,264 Shares	\$2,000
Offer C	263,158 Shares	\$5,000
Offer D	526,316 Shares	\$10,000
Offer E	789,474 Shares	\$15,000

- (k) The total subscription cost for the SPP Shares purchased by each Eligible Shareholder (including through joint holding(s), multiple share accounts or any holding in which they have a beneficial interest/s) must not exceed \$15,000. The Directors reserve the right to issue to an Eligible Shareholder less SPP Shares than the number specified in an Application Form (including only that number of SPP Shares per accepted Application Form that permits the Company to comply with ASX Listing Rule 7.1) for whatever reason, including to avoid the inadvertent subscription of over \$15,000 worth of SPP Shares by an Eligible Shareholder through multiple applications or joint holdings.
- (l) No fractions of Shares will be issued. Fractional entitlements will be rounded up to the nearest whole number of Shares.
- (m) The Company has set a maximum amount of up to \$1,000,000 to be raised by the Offer. Accordingly, the Company retains the right to scale back the number of SPP Securities issued to Eligible Shareholders under the SPP if demand is strong. Any scaling down will be administered at the Board's total discretion. You therefore may be issued with no SPP Shares, or fewer SPP Shares, than as set out in your Application Form. Refunds of the balance will be paid by the Company to unsuccessful Eligible Shareholders after the Closing Date without interest.
- (n) You must pay the Issue Price per SPP Share and any fees or charges incurred by you in completing the Application Form, for example, bank fees or fees of professional advisers.
- (o) The SPP Securities will be issued as soon as possible after the General Meeting Date (and in the case of the SPP Options, only if Shareholders approve the issue of the SPP Options) subject to receipt of the Application Money and after ASX has granted permission for the SPP Securities to be quoted. The Company will send or cause to be sent a holding statement to all successful applicants under the Offer in due course. The fact that ASX may agree to grant Official Quotation of the SPP Securities is not to be taken in any way as an indication of the merits of the Company or the SPP Securities. ASX takes no responsibility for the contents of this Prospectus.
- (p) All amounts in this Offer are expressed in Australian dollars. The instructions on how to apply are set out in Section 6 of the Prospectus. If you are paying by cheque please provide a cheque for the exact amount consistent with the completed Application Form. If you do not provide the exact amount, the Company reserves the right to return your Application Form and cheque (in which

case you will receive no SPP Securities) or issue you a lesser number of SPP Securities and (if necessary) return a portion of your funds. No interest will be paid on money returned.

- (q) The Company may make more than one offer to acquire SPP Securities under the SPP in any 12 month period. Shareholders will not be able to acquire SPP Shares to a value exceeding \$15,000 pursuant to the SPP in any 12 month period. The Company may amend the terms of the SPP to provide for different terms to apply to different invitations. The Company may terminate the SPP at any time. Notice of invitations, the terms of invitations and termination of the SPP will be provided to ASX.
- (r) The Company may act or omit to act in relation to the SPP (including applying the terms of the SPP) in its absolute discretion. The Company may settle any difficulty of question of fact or interpretation in relation to the SPP in any matter it thinks fit, whether generally or in relation to any participant, application or SPP Security. The Company's decision will be conclusive and binding. The Company reserves the right to waive strict compliance with the terms of the SPP. The Directors of the Company or any delegate of them may exercise the powers of the Company under the terms of the SPP.
- (s) While the Issue Price is at a 14% discount to the volume weighted average price of the Company's Shares in the 5 day trading period up to and including the date of announcement of the Offer on 11 March 2015, subscription under the SPP is a speculative investment and the market price may change between the dates you apply for SPP Shares and the issue of SPP Shares to you. Accordingly, the value of Shares applied for may rise or fall. Other risks of investment associated with accepting the invitation to subscribe for SPP Shares are detailed in Section 8.
- (t) The application of funds raised pursuant to the SPP is described in the investment highlights in Section 1, in the Chairman's letter in Section 3 and in Section 5.
- (u) The Directors consider that it is inappropriate to give Shareholders advice regarding the taxation consequences of acceptance of the Offer. The Company disclaims any responsibility or liability for any taxation consequences to Shareholders in relation to the Offer. Shareholders are encouraged to consult their own accountants or tax advisers in connection with the taxation implications of acceptance of the Offer.

4.2 Class Order 09/425

ASIC Class Order CO 09/425 grants blanket relief to all companies to implement a share purchase plan without issuing a disclosure document (e.g. a prospectus), if the company satisfies the conditions set out in the Class Order. However the Class Order only permits the offer of fully paid ordinary shares under a share purchase plan; it does not permit the offer of Options as part of a securities purchase plan, with relief from disclosure obligations. Accordingly one purpose of the Prospectus is to ensure that the Company complies with the disclosure requirements of Chapter 6D of the Corporations Act in relation to the offer of the SPP Options which forms part of the Offer. In relation to the SPP Shares the Company complies with ASIC Class Order CO 09/425, excluding the requirement to issue a "cleansing notice", but for the sake of simplicity this Prospectus offers the SPP Shares as well as the SPP Options in one document.

4.3 Overseas Shareholders

This Prospectus does not constitute an offer of Securities, and no action has been taken to register or qualify the SPP Securities, or the Offer, or the SPP Shortfall Securities Offer or otherwise to permit an offering of any Securities, in any jurisdiction outside Australia and New Zealand, because of the small number of such Shareholders, and the cost of complying with applicable regulations in jurisdictions outside Australia and New Zealand. The Prospectus is sent to those Shareholders for information only.

The Offer contained in this Prospectus to Eligible Shareholders with registered addresses in New Zealand is made in reliance on the Securities Act (Overseas Companies) Exemption Notice 2002 (New Zealand). Members of the public in New Zealand who are not existing Shareholders on the Record Date are not entitled to apply for any Securities. Recipients may not send or otherwise distribute this Prospectus to any person outside Australia (other than to Eligible Shareholders).

4.4 SPP Shortfall Securities Offer

Any Rights of Eligible Shareholders which are not taken up pursuant to the Offer (including in circumstances where Shareholders do not approve the issue of the SPP Options at the General Meeting) will form the basis for the SPP Shortfall Offer which is made by the Company to all investors by way of this Prospectus. The SPP Shortfall Offer opens on the Opening Date and closes on the Closing Date. The Directors reserve the right to issue the SPP Shortfall Securities at the Issue Price at their absolute discretion and may issue to an applicant a scaled back, lesser number of, or no, SPP Shortfall Securities than the number for which the applicant applies for on the SPP Shortfall Securities Application Form. The instructions on how to apply for SPP Shortfall Securities are set out in Section 6 of the Prospectus. SPP Shortfall Securities are likely to be issued on one date on or around 29 April 2015 subject to Shareholder approval being obtained at the General Meeting on 23 April 2015. Shareholders should take their own legal advice as to their ability to increase their Voting Power in the Company as a result of receiving an issue of SPP Shortfall Securities without putting themselves or the Company in breach of the takeovers prohibition in section 606 of the Corporations Act 2001 (Cth).

4.5 Secondary Trading – Placement Securities and Conversion Shares

On 11 March 2015, the Company announced to ASX that it had arranged a private placement of 105,263,158 Shares and 52,631,579 Options to raise a total of approximately \$2 million (before issue costs). The Placement is to be completed in two tranches as follows:

Tranche 1

72,375,000 Shares (no Shareholder approval required).

Tranche 2

32,888,158 Shares and 52,631,579 Options (subject to Shareholder approval being obtained at the Company's 2015 General Meeting on 23 April 2015).

In addition, upon allotment of the Tranche 1 Shares on the date of this Prospectus, the convertible notes held by a Director, Christopher Ellis, automatically converted 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 does not include the grant of attaching Options to Mr Ellis.

Generally, section 707(3) of the Corporations Act requires a prospectus to be issued if securities are offered for sale within 12 months after their issue and the issue of those securities is without disclosure (e.g. via a prospectus) to investors under Chapter 6D of the Corporations Act. Section 708A(11) provides an exemption from this general requirement (which would otherwise be applicable to the placees) where:

- (a) the relevant securities are in a class of securities of the Company that are already quoted on ASX;
- (b) a prospectus is lodged with ASIC either:
 - (i) on or after the day on which the relevant securities were issued, or
 - (ii) before the day on which the relevant securities are issued and offers of securities that have been made under the prospectus are still open for acceptance on the day on which the relevant securities were issued, and
- (c) the prospectus is for an offer of securities issued by the Company that are in the same class of securities as the relevant securities.

One purpose of this Prospectus is to comply with section 708A(11) of the Corporations Act, to remove any restrictions on the trading in both tranches of the Placement Securities and the Conversion Shares issued by the Company and to relieve the allottees from the obligation to issue a prospectus if they wish to sell the Placement Securities or Conversion Shares within 12 months of issue. The issue of the Placement Securities and the Conversion Shares is not undertaken by the Company for the purpose of the allottees immediately onselling the Placement Securities or the Conversion Shares. However the Directors consider that the allottees should be entitled, if they wish, to on sell their Placement Securities or Conversion Shares within 12 months of issue.

Section 5: Purpose and Effect of the Offer including Capital Structure

5.1 Purpose of the Offer

The purpose of the Placement and the Offer is to raise up to \$3 million for the following purposes. This table shows budget estimates depending on whether \$500,000 or \$1,000,000 is raised by the SPP, excludes the Company's existing cash reserves, and assumes no Existing Options are exercised.

Approximate use of proceeds of the capital raising	Breakdown \$ (if SPP raises \$500,000)	Total \$ (if SPP raises \$500,000)	Breakdown \$ (if SPP raises \$1,000,000)	Total \$ (if SPP raises \$1,000,000)
Placement tranche 1	1,375,125		1,375,125	
SPP Securities	500,000		1,000,000	
Placement tranche 2	624,875		624,875	
Total Offer proceeds (before costs of Offer)		<u>2,500,000</u>		<u>3,000,000</u>
Fraser Range				
Exploration and drilling, tenement, consultants	920,000	920,000	1,120,000	1,120,000
Peru Projects				
Exploration and drilling, tenement, salaries	900,000	900,000	1,120,000	1,120,000
Total		1,820,000		2,240,000
Working Capital, comprising:		500,000		550,000
Office and administration costs	200,000		220,000	
Accounts reporting	150,000		160,000	
Corporate	150,000		170,000	
Costs of the Offer		180,000		210,000
Estimated Total Use of Funds		<u>2,500,000</u>		<u>3,000,000</u>

5.2 The Effect of the Offer and Pro Forma Statement of Financial Position

In summary the effect of the Offer (taking into account completion of the Placement, conversion of the Convertible Notes, assuming Shareholders approve the issue of the SPP Options or the SPP Shortfall Securities in General Meeting, and assuming the Offer is subscribed up to \$1,000,000 in conjunction with the SPP Shortfall Securities Offer) will be that:

- (a) cash reserves will initially increase by up to approximately \$2,790,000 (after costs of the Issue); and
- (b) the number of Shares on issue will increase from 299,503,444 (before allotment of Tranche 1 of the Placement and conversion of the Convertible Notes) to 494,898,181; and
- (c) the number of Options on issue will increase from 78,650,000 to 157,597,368.

5.3 Detailed Changes in Capital Structure

A comparative table of changes in the capital structure of the Company as a consequence of the Placement and the Offer is set out below. This table assumes that the Offer is fully subscribed or the SPP Shortfall Securities Offer is fully subscribed.

Shares	
299,503,444 Existing Shares	Immediately prior to allotment of tranche 1 of the Placement and the Offer
72,375,000 Placement Shares	issued pursuant to Placement tranche 1
37,500,000 Conversion Shares	Issued upon conversion of Convertible Notes
52,631,579 SPP Shares	to be issued pursuant to SPP
32,888,158 Placement Shares*	to be issued pursuant to Placement tranche 2
494,898,181 Shares	on issue after capital raising is completed
Options	
78,650,000 Existing Options (68,750,000 listed options expiring 30 November 2016 exercisable at \$0.04 and 9,900,000 unlisted options expiring 30 November 2015 exercisable at \$0.07)	Immediately prior to allotment of tranche 1 of the Placement and the Offer
26,315,789 SPP Options*	to be issued pursuant to SPP
52,631,579 Placement Options*	to be issued pursuant to Placement tranche 2
157,597,368 Options*	on issue after capital raising is completed

* assumes Shareholders approve at 2015 General Meeting on 23 April 2015

5.4 Statement of Financial Position – auditor reviewed as at 31 December 2014

The Statement of Financial Position as at 31 December 2014 (auditor reviewed) and unaudited Pro Forma Statements of Financial Position as at 31 December 2014 (assuming the Placement completes with shareholder approval being granted for tranche 2 of the Placement, and the Offer is subscribed to the extent of \$500,000 and also \$1,000,000) shown on the next page have been prepared on the basis of the

accounting policies normally adopted by the Company and reflect the anticipated changes to its financial position following completion of the capital raising.

Note	Auditor Reviewed 31 Dec 2014	Pro-forma Transactions		Pro- Forma Balance Sheet at 31 Dec 2014	
		\$2.5M full subscription ¹	\$3.0M over subscription ²	\$2.5M full subscription ¹	\$3.0M over subscription ²
	\$	\$	\$	\$	\$
Current assets					
Cash and cash equivalents	974,430	2,500,000	3,000,000	3,474,430	3,974,430
Trade and other receivables	246,786	-	-	246,786	246,786
Other assets	50,000	-	-	50,000	50,000
Total current assets	1,271,216	2,500,000	3,000,000	3,771,216	4,271,216
Non - current assets					
Plant and Equipment	42,962	-	-	42,962	42,962
Exploration and evaluation expenditure	13,826,497	-	-	13,826,497	13,826,497
Total non - current assets	13,869,459	-	-	13,869,459	13,869,459
Total assets	15,140,675	2,500,000	3,000,000	17,640,675	18,140,675
Current liabilities					
Trade and other payables	254,837	180,000	210,000	434,837	464,837
Provisions	53,391	-	-	53,391	53,391
Convertible Note	750,000	(750,000)	(750,000)	-	-
Total current liabilities	1,058,228	(570,000)	(540,000)	488,228	518,228
Total liabilities	1,058,228	(570,000)	(540,000)	488,228	518,228
Net assets	14,082,447	3,070,000	3,540,000	17,152,447	17,622,447
Equity					
Issued capital	53,135,509	3,070,000	3,540,000	56,205,509	56,675,509
Reserves	2,385,434	-	-	2,385,434	2,385,434
Accumulated losses	(41,438,496)	-	-	(41,438,496)	(41,438,496)
Total equity	14,082,447	3,070,000	3,540,000	17,152,447	17,622,447

Note:

- Pro-forma transactions under note 1 reflects the position if the Company raise \$2.5M through the Placement (\$2.0M) and full subscription under the SPP to Eligible Shareholders (\$0.5M).
- Pro-forma transactions under note 2 reflects the position if the Company raise \$3.0M, through the Placement (\$2.0M) and accepts the maximum allowable oversubscriptions under the SPP to Eligible Shareholders (\$1.0M).
- Under the AGM 2014 approved terms of the Convertible Notes previously granted to Mr Christopher Ellis (a Director and substantial Shareholder), the Convertible Notes automatically converted to ordinary shares upon the Company issuing shares under a placement. The Convertible Notes converted at a deemed issue price of \$0.02 per Share (which is higher than the Offer price of \$0.019 per Share) for a total of 37,500,000 Shares. The conversion increased issued capital by \$750,000 and decreased liabilities by a corresponding amount.

Section 6: Action Required by Eligible Shareholders

6.1 What you may do

The number of SPP Securities Shares you are entitled to is shown on the Application Form accompanying your copy of the Prospectus. If you are an Eligible Shareholder, you may;

- (a) subscribe for all of your Rights (refer to section 6.2); or
- (b) subscribe for part of your Rights and allow the balance to lapse (refer to section 6.3); or
- (c) do nothing in which case you will experience dilution to your existing shareholding.

In addition you may apply for SPP Shortfall Securities by completing the SPP Shortfall Securities Application Form (refer to section 6.4 of the Prospectus). The Company cannot guarantee that any applicant will receive any of the SPP Securities applied for. The Directors reserve the right not to issue, or to scale back applications for SPP Securities in their sole discretion.

You must pay for the SPP Shares (and any SPP Shortfall Securities) either by BPay following the instructions on the Application Form, or by cheque in Australian dollars made payable to “AusQuest Limited” so that AQD is in receipt of cleared funds by the Closing Date. The Company recommends that all BPAY payments are made no later than 19 April 2015 to avoid disappointment.

6.2 If you wish to subscribe for all of your Rights

If you wish to subscribe for all of your Rights, complete the accompanying Application Form in accordance with the instructions set out in that form. The Application Form sets out the number of SPP Securities you are entitled to. You must pay for the SPP Shares by BPay following the instructions on the Application Form, or by cheque in Australian dollars made payable to “AusQuest Limited”. The completed Application Form must be accompanied by a copy of your deposit details and receipt number if you are paying by BPay, or a cheque made payable to “AusQuest Limited” and crossed “Not Negotiable”, for the appropriate Application Money in Australian dollars calculated at the Issue Price per SPP Share, and cleared funds received by the Company at either of the following addresses by no later than 5.00 pm (WST) on the Closing Date. The Company will present the cheque on or around the day of receipt of the Application Form. If a cheque is not honoured upon its first presentation, the Directors reserve the right to reject the relevant Application Form.

Street Address:	Postal Address:
Advanced Share Registry 110 Stirling Highway Nedlands WA 6009	PO Box 1156 Nedlands WA 6909

If the amount of your BPay payment or your cheque(s) for Application Money (or the amount for which those cheque(s) clear in time for allocation) is insufficient to pay for the number of SPP Shares you have applied for in your Application Form, you may be taken to have applied for such lower number of SPP Shares as your cleared Application Money will pay for (and to have specified that number of SPP Shares in your Application Form), or your Application may be rejected.

6.3 If you wish to subscribe for part of your Rights and allow the balance to lapse

If you wish to subscribe for part of your Rights and allow the balance to lapse, complete the accompanying Application Form stating your subscription choice for the number of SPP Shares you wish to subscribe for in accordance with the instructions set out on the Application Form. The completed Application Form must be accompanied by a copy of your deposit details and receipt number if you are paying by BPay, or a cheque for the appropriate Application Monies calculated at the Issue Price per SPP Share, and cleared funds received by the Company by no later than 5.00 pm (WST) on the Closing Date. The balance of your Right will lapse and form part of the SPP Shortfall Securities.

6.4 Rights not taken up under the SPP

If you are an Eligible Shareholder and do not wish to accept all (or part) of your Rights, you are not obliged to do anything. If you don't wish to subscribe for any of your Rights and allow it all to lapse, you are not obliged to do anything. You will receive no benefit out of the Offer, your Rights will lapse and form part of the SPP Shortfall Securities for other investors to apply. Your percentage shareholding in the Company will be diluted but the number of Existing Shares you hold will not be affected. You will receive no benefit or SPP Securities.

6.5 SPP Shortfall Securities - Rights not taken up by Eligible Shareholders under the SPP

Any investors (it is not a requirement that applicants need to be a Shareholder or an Eligible Shareholder) may apply for SPP Shortfall Securities by completing the SPP Shortfall Securities Application Form accompanying this Prospectus and returning it to the Company by the Closing Date together with their payment including the subscription price of the SPP Shortfall Securities. The SPP Shortfall Securities Application Form invites you to set out the number of SPP Securities you wish to apply for. You must pay for the SPP Shortfall Securities either by BPay following the instructions on the SPP Shortfall Securities Application Form, or by cheque in Australian dollars made payable to "AusQuest Limited". The completed Application Form must be accompanied by a copy of your deposit details and receipt number if you are paying by BPay, or a cheque made payable to "AusQuest Limited" and crossed "Not Negotiable", for the appropriate Application Money in Australian dollars calculated at the Issue Price per SPP Share, and cleared funds received by the Company at either of the following addresses by no later than 5.00 pm (WST) on the Closing Date. The Company will present the cheque on or around the day of receipt of the SPP Shortfall Securities Application Form. If a cheque is not honoured upon its first presentation, the Directors reserve the right to reject the relevant Application Form.

Street Address:	Postal Address:
Advanced Share Registry 110 Stirling Highway Nedlands WA 6009	PO Box 1156 Nedlands WA 6909

If the amount of your BPay payment or your cheque(s) for Application Money (or the amount for which those cheque(s) clear in time for allocation) is insufficient to pay for the number of SPP Shortfall Securities you have applied for in your Application Form, you may be taken to have applied for such lower number of SPP Shortfall Securities as your cleared Application Money will pay for (and to have specified that number of SPP Shares in your Application Form) or your Application may be rejected.

Refunds will be provided in respect of any SPP Shortfall Securities applied for but not issued, pursuant to the requirements of the Corporations Act. The Company cannot guarantee that any applicant will receive any of the SPP Shortfall Securities applied for. The Directors reserve the right not to issue, or to scale back applications for SPP Shortfall Securities in their sole discretion. Related Parties cannot receive an issue of SPP Shortfall Securities without prior approval of the Shareholders at the Company's general meeting to be held on 23 April 2015.

6.6 Joint Shareholders

If you are a joint holder of Existing Shares, you are taken to be a single registered holder of Existing Shares for the purposes of determining whether you are an Eligible Shareholder and joint holders are entitled to participate in the SPP in respect of that single holding only. If you receive more than one prospectus under the SPP due to multiple registered holdings, you may only apply for SPP Shares to the value of \$15,000.

6.7 Custodians and Custodian Certificate

Eligible shareholders who hold Shares as a "custodian" (as defined in ASIC Class Order 09/425) ("**Custodian**") may participate in the SPP on behalf of one or more persons whom the Custodian holds Shares on behalf of ("**Custodian Beneficiaries**"). If a Custodian applies for SPP Securities on behalf of a Custodian Beneficiary, the Company may not issue SPP Securities to the Custodian under the SPP unless the

Custodian gives the following (or substantially the following) ("**Custodian Certificate**") in writing to the Company. The Company will supply an appropriate Custodian Certificate upon request to the Company Secretary,

- (a) either or both of the following:
 - (i) that the Custodian holds the Shares on behalf of one or more persons that are not custodians ("**Participating Beneficiaries**"); or
 - (ii) that another custodian ("**Downstream Custodian**") holds beneficial interests in Shares on behalf of a Participating Beneficiary, and the Custodian holds the Shares to which those beneficial interests relate on behalf of the Downstream Custodian or another custodian, on the Record Date and that each Participating Beneficiary has subsequently instructed the following persons:
 - (iii) where sub-paragraph (a)(i) applies – the Custodian; and
 - (iv) where sub-paragraph (a)(ii) applies – the Downstream Custodian, to apply for SPP Securities under the SPP on their behalf;
- (b) the number of Participating Beneficiaries;
- (c) the name and address of each Participating Beneficiary, and that each Participating Beneficiary's address is located in Australia or New Zealand;
- (d) that each Custodian Beneficiary is not in the United States and that the Custodian has not sent any materials relating to the SPP to any person in the United States;
- (e) in respect of each Participating Beneficiary:
 - (i) where sub-paragraph (a)(i) applies – the number of Shares that the Custodian holds on their behalf; and
 - (ii) where sub-paragraph (a)(ii) applies – the number of Shares to which the beneficial interests relate;
- (f) in respect of each Participating Beneficiary:
 - (i) where sub-paragraph (a)(i) applies – the number or the dollar amount of SPP Securities they instructed the Custodian to apply for on their behalf; and
 - (ii) where sub-paragraph (a)(ii) applies – the number or the dollar amount of SPP Securities they instructed the Downstream Custodian to apply for on their behalf;
- (g) there are no Participating Beneficiaries in respect of which the total of the application price for the following exceeds A\$15,000:
 - (i) the SPP Securities applied for by the Custodian under the SPP in accordance with the instructions referred to in sub-paragraph (f); and
 - (ii) any other Shares issued to the Custodian in the 12 months before the application as a result of an instruction given by them to the Custodian or the Downstream Custodian to apply for Shares on their behalf under an arrangement similar to the SPP;
- (h) that a copy of this Prospectus was given to each Participating Beneficiary; and
- (i) where sub-paragraph (a)(ii) applies – the name and address of each Custodian who holds beneficial interests in the Shares held by the Custodian in relation to each Participating Beneficiary.

Section 7: Rights and Liabilities Attaching to Securities

The following is a summary of the more significant rights and liabilities attaching to SPP Securities, Placement Securities and the Conversion Shares. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders and Optionholders. To obtain such a statement, please seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Company's Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

7.1 Rights Attaching to Placement Shares, SPP Shares and Conversion Shares

The Placement Shares, the SPP Shares and the Conversion Shares are ordinary shares and will as from their issue rank equally in all respects with all Existing Shares.

The rights attaching to the Placement Shares, the SPP Shares and the Conversion Shares arise from a combination of the Company's Constitution, the Corporations Act, the ASX Listing Rules and general law. A copy of the Company's Constitution is available for inspection free of charge during business hours at its registered office.

A summary of the rights attaching to the Placement Shares, the SPP Shares and the Conversion Shares is set out below.

- (a) Subject to the Constitution of the Company and any rights or restrictions at the time being attached to a class of Shares, at a general meeting of the Company every Shareholder present in person, or by proxy, attorney or representative has one vote on a show of hands, and upon a poll, one vote for each Share held by the Shareholder. In the case of an equality of votes, the chairperson has a casting vote.
- (b) Subject to the Corporations Act, the ASX Listing Rules and any rights or restrictions attached to a class of Shares, the Company may pay dividends as the Directors resolve but only out of profits of the Company. The Directors may determine the method and time for payment of the dividend.
- (c) Subject to the Corporations Act, the ASX Listing Rules and any rights or restrictions attached to a class of Shares, on a winding up of the Company any surplus must be divided among the shareholders of the Company.
- (d) Generally, Shares are freely transferable, subject to satisfying the requirements of the ASX Listing Rules and the Corporations Act. The Directors may decline to register any transfer of Shares but only where permitted to do so by the Corporations Act, the ASX Listing Rules, or under the Company's Constitution.
- (e) Subject to the Corporations Act, the ASX Listing Rules, and any rights attached to a class of shares, the Company (under the control of the Directors) may allot and issue shares and grant options over shares, on any terms, at any time and for any consideration, as the Directors resolve.
- (f) Subject to the Corporations Act, the ASX Listing Rules, and the terms of issue of shares in a particular class, the Company may vary or cancel rights attached to shares in that class by either special resolution passed at a general meeting of the holders of the shares in that class, or with the written consent of the holders of at least 75% of the votes in that class.
- (g) Each Shareholder will be entitled to receive notice of, and to attend and vote at, general meetings of the Company and to receive notices, accounts and other documents required to be furnished to Shareholders under the Company's Constitution, the Corporations Act and the ASX Listing Rules.

7.2 Rights Attaching to Placement Options, and SPP Options (subject to Shareholder approval)

- (a) Each Option entitles the holder, on exercise, to one Share.
- (b) There is no issue price for the Options. The exercise price for the Options is \$0.035.
- (c) Shares issued on exercise of Options will rank equally with other Shares.
- (d) The Company will apply to ASX for official quotation of the Placement Options and the SPP Options within seven days of the date of issue of this Prospectus. In accordance with section 723(3) of the Corporations Act, if such an application is not made within these seven days, or if official quotation of the SPP Options is not granted by ASX within three months of the date of this Prospectus, then the Company will comply with the requirements of section 723(3) of the Corporations Act in relation to the offer of SPP Securities under this Prospectus. In that event the Placement Options would remain unlisted Options, the issue of the SPP Securities under the Prospectus would be considered void and the Company would be required to refund the application money paid for the SPP Securities under this Prospectus as soon as practicable.
- (e) The Company will apply to ASX for official quotation of Shares issued on the exercise of the Options within 10 Business Days after issue of the Shares.
- (f) An Option will lapse upon the expiry date 30 April 2018 at 5pm WST.
- (g) There are no participating rights or entitlements inherent in the Options and Option holders will not be entitled to participate in entitlements issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that the record date for determining entitlements to any such issue will be at least 6 Business Days after the issue is announced. Option holders shall be afforded the opportunity to exercise all Options which they are entitled to exercise prior to the date for determining entitlements to participate in any such issue.
- (h) There are no participation rights inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options, subject to compliance with the Listing Rules and the Corporations Act.
- (i) In the event of any reconstruction (including a consolidation, subdivision, reduction or return) of the issued capital of the Company prior to the expiry of any Options, the number of Options to which each Option holder is entitled or the exercise price of his or her Options or both or any other terms will be reconstructed in a manner determined by the Board which complies with the provisions of the Listing Rules.
- (j) The Options held by an Option holder may be exercised in whole or in part. If exercised in part, multiples of 25,000 must be exercised on each occasion.
- (k) Subject to (j) the Option holder may exercise the Options by lodging with AusQuest a written notice of exercise together with a cheque in payment of the total exercise price at \$0.035 per Share made payable to "AusQuest Limited" and crossed "Not Negotiable". An exercise notice is only effective when AusQuest has received the full exercise price for all the Options the subject of the exercise notice.
- (l) AusQuest will issue the Shares within 10 Business Days of receipt of the exercise notice and full payment of the exercise price in cleared funds.
- (m) Option holders do not have the right to attend or vote at general meetings of AusQuest.
- (n) The Options are transferable.

Section 8: Risk Factors and Additional Disclosures

8.1 Risk Factors applicable to the Company and your investment decision

An investment in the Company is not risk free and investors should consider the risk factors described below, together with information contained elsewhere in this Prospectus, before deciding whether to invest in Securities in the Company. In addition, potential investors considering an application for SPP Shortfall Securities under the SPP Shortfall Securities Offer should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for SPP Securities. The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

(a) Funding

Substantial expenditure will be incurred by the Company's exploration efforts at Fraser Range and in Peru without any guarantee that the funds raised will achieve the objectives of the Company's exploration strategy. Once the net funds of the Offer are exhausted together with the Company's existing available cash the Company will require either more equity or debt capital to further its exploration objectives and there is no guarantee that the funds will be made available to the Company on acceptable terms or at all. Any additional equity funds raised may be dilutive to Shareholders and any debt funds raised may restrict the Company's activities and autonomy in carrying out its strategies.

(b) Economic Risks

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and future production activities, as well as on its ability to fund those activities.

(c) Market conditions

The market price of Securities in the Company can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities and in particular, resources stocks. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(d) Investments in Securities

Shareholders eligible to vote at the Company's General Meeting to approve the issue of the SPP Options may not approve the issue of the SPP Options. In this situation no SPP Options will be issued under the Offer and they will be treated as SPP Shortfall Securities to be allotted at the Directors' absolute discretion, if the issue of SPP Shortfall Securities are approved in General Meeting. The Directors have resolved that all successful applicants for SPP Shares will receive one SPP Option for every two SPP Shares allotted, provided Shareholder approval has been obtained in General Meeting.

Applicants should be aware that there are risks associated with any Securities investment. Securities listed on securities exchanges, and in particular the securities of exploration companies, have experienced extreme price and volume fluctuations that have often been unrelated to the operating performances of such companies. These factors may materially affect the market price of the Shares and the Options regardless of the Company's performance. Mineral exploration and mining are speculative operations that may be hampered by circumstances beyond the control of the Company. Profitability depends on successful exploration and/or acquisition of reserves, design and construction of efficient processing facilities, competent operation and management and proficient financial management. Exploration in itself is a speculative endeavour, while mining operations can be hampered by force majeure circumstances and cost overruns for unforeseen events.

(e) Exploration and Evaluation Risks

The success of the Company depends on the delineation of economically minable reserves and resources, access to required development capital, movement in the price of commodities, securing and maintaining title to the Company's exploration and mining tenements and obtaining all consents and approvals

necessary for the conduct of its exploration activities. Exploration on the Company's existing exploration and mining tenements may be unsuccessful, resulting in a reduction of the value of those tenements, diminution in the cash reserves of the Company and possible relinquishment of the exploration and mining tenements.

(f) **Commodity Price and Exchange Rate Risks**

To the extent the Company is involved in mineral production in the future the revenue derived through the sale of commodities may expose the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for precious and base metals, technological advancements, forward selling activities and other macro-economic factors. Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Company are and will be taken into account in Australian and United States dollar currencies, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.

(g) **Environmental Risks**

The operations and proposed activities of the Company are subject to State and Federal laws and regulation concerning the environment in Australia and in Peru. As with most exploration projects and any future mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. The Company attempts to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

(h) **Native Title and Title Risks**

Interests in tenements in Australia are governed by the respective State legislation and are evidenced by the granting of licences or leases. Each licence or lease is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, the Company could lose title to or its interest in tenements if licence conditions are not met or if insufficient funds are available to meet expenditure commitments. Interests in tenements in Peru are governed by Government legislation and are evidenced by the granting of mineral concessions. Retention of concessions is dependent on the annual payment of rents. Consequently the Company could lose title to or its interest in tenements if the annual rental is not paid before the due date.

It is also possible that, in relation to tenements which the Company has an interest in or will in the future acquire such an interest; there may be areas over which legitimate common law native title rights of indigenous people in Australia and Peru exist. If native title rights do exist, the ability of the Company to gain access to tenements (through obtaining consent of any relevant landowner), or to progress from the exploration phase to the development and mining phases of operations may be affected. The Directors closely monitor the potential effect of native title claims involving tenements in which the Company has or may have an interest.

Some prospects within the Gibson Soak area of the Fraser Range occur within private property for which the surface rights belong to the landowner. The ability of the Company to gain access to tenements (through obtaining consent of any relevant landowner), or to progress from the exploration phase to the development and mining phases of operations may be affected by these rights.

(i) **Joint Venture Parties, Agents and Contractors**

The Directors are unable to predict the risk of financial failure or default by a participant in any joint venture to which the Company is or may become a party or the insolvency or managerial failure by any of the contractors used by the Company in any of its activities or the insolvency or other managerial failure by any of the other service providers used by the Company for any activity.

(j) Resource Estimations

Resource estimates are expressions of judgment based on knowledge, experience and resource modelling. As such, resource estimates are inherently imprecise and rely to some extent on interpretations made. Despite employing qualified professionals to prepare resource estimates, such estimates may nevertheless prove to be inaccurate. Furthermore, resource estimates may change over time as new information becomes available. Should the company encounter mineralisation or geological formations different from those predicted by past drilling, sampling and interpretations, any resource estimates may need to be altered in a way that could adversely affect the Company's operations.

(k) Reliance on Key Personnel

The Company's success depends largely on the core competencies of its directors and management, and their familiarisation with, and ability to operate, in the exploration and mining industry, and the Company's ability to retain its key executives.

(l) International Operations Risk

The Company's activities in Peru and West Africa are subject to risks often described as sovereign risk which in this context includes changes to legislation affecting the conditions of grant of tenure, transfer of ownership of tenure, renewal and continuity of tenure, changes to royalty and state ownership arrangements, changes to government policy and practice, and the general ability to enforce tenure rights and contractual rights; changes to taxation legislation affecting the economic viability of the Company's activities, and changes to other legislation within the country affecting the stability and continuity of the Company's operations. These risks may adversely affect the Company and the value of its Securities. Due to the geographical distance involved between Peru and Australia, and due to the different legal systems operating in the respective countries, it may be more difficult and more expensive to enforce contractual rights under Peruvian tenure legislation and at law generally compared to enforcing the Company's rights within Western Australia.

(m) Taxation

An investment in the Company and disposal of those investments are associated with taxation consequences under Australian law. Investors are responsible for seeking independent taxation and financial advice as to the consequences of a proposed investment in the Company's Securities.

(n) Timing

The commencement and completion times for the Company's planned exploration programmes including drilling can be significantly affected by external factors including Governmental regulatory processes, local access approvals, native title approvals, access to appropriate contractors, and weather conditions. Under the Peru and Burkina Faso joint ventures the timing of exploration programmes is under the control of the Company's joint venture partners.

8.2 Continuous Disclosure Obligations

The Company is a "disclosing entity" (as defined in section 111 AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company's Securities. The SPP Shares and the Placement Shares are in the same class of Shares that have been quoted on the official list of the ASX during the 12 months prior to the issue of this Prospectus. This Prospectus is a "transaction specific prospectus" to which the special content rules under section 713 of the Corporations Act apply. That provision allows the issue of a more concise prospectus in relation to an offer of Shares in a class which has been continuously quoted by ASX in the three months prior to the date of the prospectus, and in relation to an offer of Options to acquire continuously quoted securities of the Company. In general terms "transaction specific prospectuses" are only required to contain information in relation to the effect of the issue of, and the rights attaching to the

SPP Securities and the Placement Securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of SPP Securities or Placement Securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest. Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 12 months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX. Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with ASIC in relation to the Company (not being documents referred to in section 1274(2) (a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - (i) the financial statements of the Company for the financial year ended 30 June 2014 being the last financial statements for a financial year of the Company lodged with the ASIC before the issue of this Prospectus; and
 - (ii) any documents used to notify ASX of information relating to the Company in the period from lodgement of the financial statements referred to in paragraph (i) above until the issue of the Prospectus in accordance with the Listing Rules as referred to in section 674(1) of the Corporations Act.

Copies of all documents lodged with ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours. The Company has lodged the following announcements with ASX since the lodgement of the 2014 audited financial statements on 27 September 2014:

Date	Description of Announcement
27 September 2014	Notice of Annual General Meeting/Proxy Form
28 October 2014	Quarterly Activities and Cashflow Report
26 November 2014	AGM Presentation
26 November 2014	Results of AGM
16 December 2014	Additional Funding for AusQuest
27 January 2015	AusQuest Fraser Range Footprint Expands
30 January 2015	Quarterly Activities and Cashflow Report
6 February 2015	Appendix 3B
17 February 2015	Gibson Soak Potential Upgraded
23 February 2015	Major Drilling at BanforGold JV Project
24 February 2015	AusQuest Secures JVs worth up to A\$34M
25 February 2015	RIU Presentation
27 February 2015	Appendix 3B

3 March 2015	Shareholder update on Peru JV's
10 March 2015	Trading Halt
10 March 2015	AusQuest Signs Third Peru Agreement
11 March 2015	AQD to Raise up to \$3M for High Impact Exploration
13 March 2015	Half Year Financial Report
19 March 2015	Appendix 3B

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

8.3 Material contract - Mandate with Hartleys Limited

The Company has engaged Hartleys Limited to provide corporate advisory services for 12 months under a mandate executed on 12 August 2014. The mandate terms provide for customary fees to be paid to Hartleys Limited for corporate advisory services and in respect of the Placement and SPP monies raised.

8.4 Share Price

Three months prior to this Prospectus the highest and lowest market sale prices of Shares on ASX were:

High	\$0.035	24 February 2015
Low	\$0.007	23 December 2014
Closing	\$0.02	18 March 2015

8.5 CHESS

The Company participates in the Clearing House Electronic Sub-register System ("CHESS"). Under CHESS, applicants will not receive a certificate but will receive a statement of their holding. If you are broker sponsored, you will receive a CHESS statement. The CHESS statement will set out the number of SPP Securities issued under this Prospectus, provide details of your holder identification number ("HIN") and give the participation identification number of the sponsor.

If you do not wish to participate through CHESS you will be issuer sponsored by the Company and you will be registered on the issuer sponsored sub register. Your statement will be dispatched by the Company's share registry and will contain the number of SPP Securities issued to you under this Prospectus and your securityholder reference number ("SRN").

A CHESS statement or issuer sponsored statement will be despatched to Shareholders at the end of any calendar month in which the balance of their shareholding changes. Shareholders may request a statement at other times for which a charge may be made.

8.6 Directors' Interests

Other than as set out overleaf or elsewhere in this Prospectus, no Director nor any firm in which such a Director is a partner, has or had within 2 years before the lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Issue of Securities pursuant to this Prospectus; or
- (c) the Issue of Securities pursuant to this Prospectus,

and no amounts have been paid or agreed to be paid (in cash or Shares or otherwise) to any Director or to any firm in which any such Director is a partner, either to induce him to become, or to qualify him as, a Director or otherwise for services rendered by him or by the firm in connection with the formation or promotion of the Company or Issue of Securities pursuant to this Prospectus.

The Directors' Voting Power and Option holdings at the date of this Prospectus are:

Name	Voting Power in Shares	Options
Greg Hancock	4,586,415	1,250,000
Graeme Drew	8,612,466	1,500,000
John Ashley	9,716,630	1,322,500
Christopher Ellis	28,366,218*	8,500,000

*in addition 37,500,000 Shares were issued to Christopher Ellis on the date of this Prospectus upon conversion of the Convertible Notes which occurs automatically upon allotment of Tranche 1 of the Placement.

Three of the Directors have agreed to participate in tranche 2 of the Placement subject to prior shareholder approval being obtained at the Company's 2015 General Meeting on 23 April 2015. The figures shown in the table below show the intended participation by the three Directors in tranche 2 of the Placement and their potential participation in the SPP shortfall.

Name	SPP Shortfall Shares	SPP Shortfall Options	Tranche 2 Placement Shares	Tranche 2 Placement Options
Graeme Drew	789,474	394,737	3,000,000	1,500,000
John Ashley	789,474	394,737	2,631,579	1,315,789
Christopher Ellis	789,474	394,737	16,947,368	8,473,684

Shareholder approval is necessary for the Directors to participate in the SPP Shortfall Securities Offer and this is being sought at the General Meeting on 23 April 2015. The degree to which all or any of the Directors will participate in either the SPP Shares and the SPP Shortfall Securities is not known at this time.

The Constitution of the Company provides that the Directors may be paid for their services as Directors. Non-executive directors may only be paid a sum not exceeding such fixed sum per annum as may be determined by the Company in general meeting, to be divided among the Non-executive Directors and in default of agreement then in equal shares. The current total maximum annual non-executive directors fees permitted under the Constitution are \$300,000.

In the two years preceding lodgement of this Prospectus, \$396,412 (excluding GST where applicable) has been paid by the Company by way of remuneration for services provided by the Directors, companies associated with the Directors or their associates in their capacity as Directors, employees, consultants or advisers. Directors, companies associated with the Directors or their associates are also reimbursed for all reasonable expenses properly incurred in the course of conducting their duties which include, but are not in any way limited to, out of pocket expenses, travelling expenses, disbursements made on behalf of the Company and other miscellaneous expenses.

This is comprised of the following:

Director	12 months to 19 March 2015 (\$)	12 months to 19 March 2014 (\$)
Greg Hancock*	-	-
Graeme Drew**	166,695	223,333
John Ashley*	768	5,616
Chris Ellis*	-	-
Total	167,463	228,949
24 month total		396,412

*entitled to non-executive directors fees of \$40,000 each per annum, but waived since 1 January 2013. John Ashley received the disclosed consultancy fees in consideration for geological consultancy services which he or a controlled entity provided to the Company.

** Graeme Drew's service contract to 30 November 2015 provides for total annual remuneration of \$150,000 (including superannuation) effective from July 1st 2014.

8.7 Interests and Consents of Experts and Advisers

Other than as set out below or elsewhere in this Prospectus, all persons named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation of or distribution of this Prospectus do not have, and have not had in the two years before the date of this Prospectus, any interest in:

- the formation or promotion of the Company;
- property acquired or proposed to be acquired by the Company in connection with its formation or promotion of the offer of Securities pursuant to this Prospectus; or
- the offer of Securities pursuant to this Prospectus,

and no amounts have been paid or agreed to be paid (in cash or Securities or otherwise) and no other benefit has been given or agreed to be given to any of those persons for services provided by those persons in connection with the formation or promotion of the Company or the offer of Securities pursuant to this Prospectus.

Hilary Macdonald in her capacity as solicitor to the Company; Hartleys Limited in their capacity as corporate advisers to the Company, and HLB Mann Judd as Auditors to the Company (consenting to the Company placing reliance on the 31 December 2014 auditor reviewed financial statements in Section 5.4 of the Prospectus) have given (and have not before the date of this document withdrawn) their consent to be named in this document in the form and context in which they are named. They have not:

- authorised or caused the issue of this Prospectus;
- made, or purported to have made, any statement in this Prospectus or on which a statement in this Prospectus is based except as set out in this section; or
- assumed responsibility for any part of this Prospectus except as set out in this section and to the maximum extent permitted by law, expressly disclaims responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this section.

Hilary Macdonald is entitled to be paid \$6,000 for advice and assistance in relation to certain aspects of this Prospectus, assisting the Company in relation to its due diligence regime and enquiries, the application for quotation of the Securities on ASX, the SPP, the SPP Shortfall Securities Offer, advice relating to the Placement and the Notice of General Meeting. Hilary Macdonald has within the last two years received the

amount of \$46,657 for the provision of professional legal services to the Company. The above amounts are exclusive of GST.

HLB Mann Judd has received audit fees of \$63,985 within the last two years before the date of the Prospectus. The above amounts are exclusive of GST.

Hartleys Limited will be paid a fee of approximately \$133,000 to \$162,000 (inclusive of GST), depending on the level of uptake under the SPP. Hartleys Limited has within the last two years received the amount of \$240,008 (exclusive of GST) for the provision of corporate advisory services to the Company.

8.8 Estimated Expenses of the Offer

The estimated expenses of the Offer are \$180,000 - \$210,000 (inclusive of GST) comprising:

	SPP (\$500K)	SPP (\$1M)
ASIC fees	2,300	2,300
ASX fees	22,700	23,700
Legal and corporate fees	11,000	11,000
Brokers fees	133,000	162,000
Printing and postage	11,000	11,000
Total	180,000	210,000

8.9 Litigation

As at the date of this Prospectus, the Company and its subsidiaries are not involved in any material legal proceedings and the Directors are not aware of any material legal proceedings pending or threatened against the Company.

8.10 Privacy Act

If you complete an application for SPP Securities, you will be providing personal information to the Company. The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your Shares in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised brokers, print service providers, mail houses and the Company share registry. You can access, correct and update the personal information that we hold about you. Please contact the Company or its registry if you wish to do so at the relevant contact numbers set out in this Prospectus. Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (Cth) (as amended), the Corporations Act and certain rules. You should note that if you do not provide the information required on the application for New Shares, the Company may not be able to accept or process your application.

8.11 Electronic prospectus and SPP Shortfall Securities Application Form

In accordance with ASIC class order CO/44 a copy of this Prospectus may be downloaded from the Company's website at www.ausquest.com.au. Any person accessing the electronic version of this Prospectus for the purpose of making an investment in the Company under the SPP Shortfall Securities Offer must be an Australian resident and must only access the Prospectus from within Australia. People who access the electronic version of this Prospectus should ensure that they download and read the entire Prospectus. The Corporations Act prohibits any person from passing onto another person an SPP Shortfall Securities Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. Any person may obtain a hard copy of this Prospectus free of charge by contacting the Company Secretary by telephone on (08) 9463 2463 during business hours. The Company reserves the right to refuse any Application Form, including an Application Form from a person whom the Company has reason to believe was not provided with a complete and unaltered copy of this Prospectus (and any relevant supplementary or replacement Prospectus). If you have received an SPP

Shortfall Securities Application Form without a complete and unaltered copy of this Prospectus, please contact the Company who will send you, free of charge, either a printed or electronic version of this Prospectus.

8.12 Directors' Consent

Each Director has consented to the lodgement of this Prospectus with the ASIC.

Signed on behalf of the Directors pursuant to a resolution of the Board.

A handwritten signature in black ink, appearing to read 'G. Drew', written in a cursive style.

Graeme Drew

Managing Director

Glossary

Application means an application for SPP Securities.

Application Form means the personalised application form accompanying this Prospectus for use by Eligible Shareholders in applying for SPP Securities.

Application Money means the money received from Eligible Shareholders in respect of their Application.

ASIC means the Australian Securities and Investments Commission.

Associates is defined in the Corporations Act and includes people with whom a shareholder has a voting agreement or acts in concert in relation to Shares, or people who have control over how a Share is voted or disposed of.

ASX means ASX Limited (ABN 51 008 624 691).

Business Day means a day on which trading takes place on the stock market of ASX.

CHESS means ASX Clearing House Electronic Sub-registry System.

Closing Date means 5pm WST on the date stated in the Timetable.

Company or **AusQuest** means AusQuest Limited (ACN 091 542 451).

Constitution means the Company's Constitution as at the date of this Prospectus.

Convertible Notes means the convertible notes issued under the Convertible Note Agreement dated 26 November 2014 between Christopher Ellis and the Company.

Conversion Shares means the 37,500,000 Shares issued to Christopher Ellis upon conversion of the Convertible Notes.

Corporations Act means the Corporations Act 2001 (Commonwealth).

Director means a director of the Company at the date of this Prospectus.

Dollar or **\$** means Australian dollars.

Eligible Shareholders means a Shareholder as at the Record Date other than an Overseas Shareholder.

Existing Option means an option to subscribe for a Share in existence on the date of this Prospectus.

Existing Share means a Share on issue on the date of this Prospectus.

General Meeting means the general meeting of Shareholders to be held on or about 23 April 2015.

Issue means the issue of SPP Securities under this Prospectus.

Issue Price means the issue price for each SPP Share under the Offer, namely \$0.019.

Listing Rules or **ASX Listing Rules** means the Listing Rules of the ASX.

Offer means the invitation in this Prospectus to Eligible Shareholders to subscribe for 1 SPP Share for the Issue Price and 1 SPP Option for every 2 SPP Shares applied for and issued, and otherwise on the terms in the Prospectus.

Official Quotation means official quotation on ASX.

Opening Date means the date stated in the Timetable.

Option means an option to subscribe for one Share.

Overseas Shareholders means a Shareholder whose registered address is not situated in Australia or New Zealand.

Placement means the placement to sophisticated investors comprising a first tranche of 72,375,000 Placement Shares at the Placement Issue Price which occurred on 19 March 2015, and up to 32,888,158 Placement Shares (and up to 52,631,579 Placement Options) at the Placement Issue Price which will occur on or about the date stated in the Timetable subject to Shareholder approval being obtained at the

Company's General Meeting on 23 April 2015 and any changes made to the Timetable at the Board's discretion.

Placement Issue Price means the same price as the Issue Price.

Placement Option means an Option issued or to be issued pursuant to the Placement.

Placement Share means a Share issued or to be issued at the Placement Issue Price pursuant to the Placement.

Placement Securities means up to 105,263,159 Placement Shares and up to 52,631,579 Placement Options.

SPP means the Company's 2015 Securities Purchase Plan.

Prospectus means this document.

Record Date means 5pm WST on the date stated in the Timetable.

Related Party is defined in section 228 of the Corporations Act and includes Directors, their spouses, parents and children, and their controlled entities.

Relevant Interest is defined in the Corporations Act and includes the ability to control voting decisions or financial control over an entity holding Shares, and is deemed to exist where a person holds more than 20% of an entity which holds Shares in the Company.

Right means an Eligible Shareholder's right to subscribe for SPP Securities offered by this Prospectus.

SPP Securities means the SPP Shares and the SPP Options the subject of the Offer.

SPP Shares means a Share to be issued under the SPP pursuant to this Prospectus.

SPP Shortfall Securities means SPP Securities for which valid Applications have not been received by the Closing Date and in relation to which the SPP Shortfall Securities Offer is made.

SPP Shortfall Securities Offer means the general offer by the Company to all investors to subscribe for SPP Shortfall Securities, comprising up to 26,315,789 SPP Shares and 13,157,894 SPP Options under the Company's 2015 Securities Purchase Plan at an issue price of \$0.019 per SPP Share with one free attaching SPP Option on the basis of 1 SPP Option for every 2 SPP Shares applied for and issued, exercisable at \$0.035 each by 30 April 2018.

SPP Shortfall Securities Application Form means the generic application form accompanying this Prospectus for use in applying for SPP Shortfall Securities under the SPP Shortfall Securities Offer.

SPP Option means an Option to be issued under the SPP pursuant to this Prospectus on the basis of one Option for every 2 SPP Shares applied for and issued (subject to Shareholder approval at the General Meeting).

Securities has the meaning given in the Corporations Act.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means the holder of a Share.

Timetable means the indicative timetable appearing on the inside front cover of this Prospectus.

Voting Power is defined in the Corporations Act and in summary means the Relevant Interest of a shareholder in Shares, plus the Relevant Interest of the shareholder's Associates in Shares.

WST means Western Standard Time.



SECURITIES PURCHASE PLAN ("SPP") APPLICATION FORM

How do I apply for SPP Securities under the Prospectus?

- Carefully read the Prospectus dated 19 March 2015 accompanying this form and the Important Information and further instructions on the reverse of this form.
- Decide on the amount of SPP Shares you wish to apply for. The choices are shown below. Select only one. The relevant number of free attaching options will automatically be included when your SPP Shares are issued, subject to Shareholder approval first being obtained on 23 April 2015.
- Pay for the SPP Shares in accordance with the instructions outlined in the Prospectus and the Important Information and further instructions on the reverse of this form.
 - Option 1: Paying by Bpay®; or
 - Option 2: Paying by Cheque
- Payments must be made in Australian dollars.

PAYMENT OPTIONS

Option 1: Paying by Bpay®

If paying by Bpay®, please complete and return this Application Form together with a copy of your payment deposit details and receipt number. By making a Bpay® payment you will be taken to have made the statements and certifications that are set out in the Important Information notice on the reverse of this form.

Payment must be received by the Registry by Bpay® by 5:00pm (WST) on 20 April 2015. By paying by Bpay®, you will have completed an application for the number of SPP Shares the subject of your Application Payment and Application Form. If you make a payment by Bpay® and AusQuest Limited (AQD) receives an amount which is not equal to either A\$1,000, A\$2,000, A\$5,000, A\$10,000 or A\$15,000, AQD may round down the dollar amount of SPP Shares that you are applying for to the next lowest parcel at their discretion. Your payment must be for a minimum of A\$1,000.



Telephone & Internet Banking – Bpay®

Contact your bank or financial institution to make this payment from your cheque, savings, debit or transaction account.

More info: www.bpay.com.au

® Registered to Bpay Pty Ltd ABN 69 079 137 518

A I/we wish to purchase a parcel of SPP Shares to the dollar amount of (tick one box only):

☐ A\$1,000 OR ☐ A\$2,000 OR ☐ A\$5,000 OR ☐ A\$10,000 OR ☐ A\$15,000

B Make your cheque payable to "AusQuest Limited" and crossed "Not Negotiable"

Drawer

Cheque Number

BSB Number

Account Number

Amount of Cheque

A\$

.00

C Contact Details

Telephone Number – Business Hours

Telephone Number – After Hours

Contact Name

()

()

IMPORTANT INFORMATION

1. This is an important document which requires your immediate attention. If you are in any doubt as to how to deal with this Application Form, please consult a professional adviser.
2. If you do not wish to purchase SPP Securities under the SPP, there is no need to take action.
3. Please ensure you have read and understood the Prospectus and this Important Information, before you make the Application Payment by Bpay® or you submit your Application Form with your payment.
4. This SPP is non-renounceable. Applications can only be accepted in the name printed on the Application Form.
5. If you are a custodian, trustee or nominee within the definition of "custodian" in ASIC Class Order [CO 09/425] you must complete and submit an additional Certificate that contains additional certifications and details that must be provided (the **Certificate**) before your Application for SPP Shares is accepted. The Certificate can be obtained by contacting Advanced Share Registry on +61 8 9389 8033. Applications received by custodians that are not accompanied by the Certificate will be rejected.
6. For applicants that are not required to complete the Certificate, by submitting the Application Form with a cheque or making payment by Bpay®, **you certify** that the aggregate of the payment made by you for:
 - the parcel of SPP Shares indicated on the Application Form or Bpay® payment; and
 - any other SPP Shares applied for by you, or which you have instructed a Custodian to acquire on your behalf under the SPP or any other share purchase plan in the 12 months prior to the date of submission of the Application Form or payment by Bpay® does not exceed A\$15,000.
7. AQD reserves the right to make amendments to this Application Form where appropriate.
8. Applicants are not assured of receiving any or the SPP Shares for which they have applied as AQD may scale back applications in accordance with the Prospectus.

How to Lodge your Application Form and Application Payment

A reply paid envelope is enclosed for you to return your Application Form and Application Payment. No postage stamp is required if it is posted in Australia. Shareholders in New Zealand will need to affix the appropriate postage to the reply paid envelope.

The Application Form and the payment for SPP Shares must be received by the Share Registry no later than the closing date shown overleaf. If paying by Bpay® you also need to provide a copy of your deposit details and receipt number. You should check the processing cut off-time for Bpay® transactions with your bank, credit union or building society to ensure your payment will be received by the Registry by the close of the offer.

Mailing Address

AusQuest Limited
C/- Advanced Share Registry
PO Box 1156
Nedlands WA 6909

or

Hand Delivery

AusQuest Limited
C/- Advanced Share Registry
110 Stirling Highway
Nedlands WA 6009 *(Please do not use this address for mailing purposes)*

Make sure you send your Application Form and Application Payment allowing enough time for mail delivery, so Advanced Share Registry Services Limited receives them no later than 5:00pm (WST) 20 April 2015. Please ensure sufficient cleared funds are held in your account, as your cheque will be banked as soon as it is received. AQD reserves the right not to process any Application Forms and Application Payments received after the Closing Date or to treat them as applications for the SPP Shortfall Securities, more details of which are provided in the Prospectus.

If you require information on how to complete this Application Form or Acceptance Slip please contact Advanced Share Registry Limited on: +61 8 9389 8033.

PIN CHEQUE(S) HERE

SHORTFALL Application Form

AUSQUEST LIMITED

ABN 35 091 542 451

Fill out this Application form if you want to apply for SPP Shortfall Shares and free attaching Options in AusQuest Limited (subject to shareholder approval)

- Please read the Prospectus lodged with ASIC on 19 March 2015
- Follow the instructions to complete this Application form (see reverse).
- Print clearly in capital letters using black or blue pen.

Number of Shortfall SPP Shares you are applying for:

x \$0.019 per SPP Share =

Total amount payable

A Write the name(s) you wish to register the Securities in (see reverse for instructions)

Applicant 1

Name of Applicant 2 or < Account Designation >

Name of Applicant 3 or < Account Designation >

B Write your postal address here

Number / Street

Suburb/Town

State

Postcode

C CHESS participant – Holder Identification Number (HIN)

D Enter your Tax File Number(s), ABN, ACN or exemption category

Applicant #1

Applicant #2

Applicant #3

E Cheque payment details

Please enter details of the cheque(s) that accompany this application.

Name of drawer of cheque

Cheque No.

BSB No.

Account No.

Cheque Amount A\$

F Contact telephone number (daytime/work/mobile)

G Email address

By submitting this Application form, I/We represent and warrant that I/we have read and understood the Prospectus to which this Application Form relates and declare that this Application is completed and lodged according to the Prospectus and the instructions on the reverse of this Application Form and declare that all details and statements made by me/us are complete and accurate. I/We agree to be bound by the constitution of AusQuest Limited and agree to the terms and conditions of the Offer under this Prospectus (including the representations, warranties and agreements contained in the Prospectus), and in particular, that I/we have not relied on any other information provided by the Company other as set out in this Prospectus when making my/our decision to invest. I/We represent, warrant and undertake to the Company that our subscription for the above Securities will not cause the Company or me/us to violate the laws of Australia or any other jurisdiction which may be applicable to this subscription for securities in the Company.

Application forms and cheques must be received by the Share Registry so that funds are cleared by 5.00 pm WST 20 April 2015.

Guide to the SHORTFALL Application Form

YOU SHOULD READ THE PROSPECTUS CAREFULLY BEFORE COMPLETING THE APPLICATION FORM

Please complete all relevant sections of the appropriate Application Form using BLOCK LETTERS.
These instructions are cross-referenced to each section of the Application Form.

INSTRUCTIONS

- A. Write your full name. Initials are not acceptable for first names.
- B. Enter your postal address for all correspondence. All communications to you from AusQuest Ltd will be mailed to the person(s) and address as shown. For joint Applicants, only one address can be entered.
- C. If you are sponsored in CHESS by a stockbroker or other CHESS participant, you may enter your CHESS HIN if you would like the allocation to be directed to your HIN.
NB: your registration details provided must match your CHESS account exactly.
- D. Enter your Australian tax file number ("TFN") or ABN or exemption category, if you are an Australian resident. Where applicable, please enter the TFN /ABN of each joint Applicant. Collection of TFN's is authorised by taxation laws. Quotation of your TFN is not compulsory and will not affect your Application Form.
- E. Complete cheque details as requested. Make your cheque payable to AusQuest Ltd in Australian currency, cross it and mark it "Not Negotiable". Cheques must be made in Australian currency, and cheques must be drawn on an Australian Bank.
- F. Enter your contact details so we may contact you regarding your Application Form or Application Monies.
- G. Enter your email address so we may contact you regarding your Application Form or Application Monies or other correspondence.

CORRECT FORMS OF REGISTRABLE TITLE

ONLY legal entities can hold the Securities. The Application must be in the name of a natural person(s), companies or other legal entities acceptable to the Company. At least one full name and surname is required for each natural person. Examples of the correct form of registrable title are set out below.

Type of Investor	Correct Form of Registrable Title	Incorrect Form of Registrable Title
Trusts	Mr John David Smith <J D Smith Family A/C>	John Smith Family Trust
Deceased Estates	Mr Michael Peter Smith <Est Lte John Smith A/C>	John Smith (deceased)
Partnerships	Mr John David Smith & Mr Ian Lee Smith	John Smith & Son
Clubs/Unincorporated Bodies	Mr John David Smith <Smith Investment A/C>	Smith Investment Club
Superannuation Funds	John Smith Pty Limited <J Smith Super Fund A/C>	John Smith Superannuation Fund

LODGMET

Mail or deliver your completed Application Form with cheque(s) attached to the following:

In person

Advanced Share Registry Services
110 Stirling Highway
NEDLANDS WA 6009

Or post to

Advanced Share Registry Services
PO Box 1156
NEDLANDS WA 6909

It is not necessary to sign or otherwise execute the Application Form.

If you have any questions as to how to complete the Application Form, please contact the Share Registry on (08) 9389 8033.