AUSQUEST LIMITED

ASX ANNOUNCEMENT

October 15th, 2024

Rights Offer – Despatch of Prospectus

AusQuest Limited (ASX code: AQD) refers to its announcements to ASX on 7th and 8th October 2024 (‘Capital Raising to Advance Projects in Peru and Australia’ and ‘Prospectus – Non-Renounceable Pro-Rata Rights Issue’) regarding its non-renounceable, pro-rata rights offer to raise up to $2.64 million before costs (**Rights Offer**) and offer of any shortfall in entitlements taken up (**Shortfall Offer**).

The Company is pleased to confirm that the Prospectus together with a personalised Entitlement and Acceptance Application form has today been despatched to eligible shareholders.

A copy of the Prospectus is available on the ASX website (www.asx.com.au) using the Company’s ASX code ‘AQD’, as well as on the Company’s website (www.ausquest.com.au).

The Rights Offer and the Shortfall Offer made under the Prospectus are now open for applications. Eligible shareholders should read the Prospectus carefully and consult their professional advisors as necessary.

A copy of the letters provided to shareholders of the Company who are either eligible or ineligible to participate in the Rights Offer accompanies this announcement.

The Directors of AusQuest invite all eligible shareholders to consider this investment opportunity in light of the Company’s upcoming exploration programs within Australia and Peru – including target drilling, and wish to thank all shareholders for their continued support.

Authorised on behalf of the Board of Directors.

Graeme Drew
Managing Director

Visit Investor Hub for further updates

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15 October 2024 **Visit Investor Hub for video update from AusQuest Chairman**

Dear Shareholder,

NOTICE TO ELIGIBLE SHAREHOLDERS - NON-RENOUNCEABLE PRO-RATA RIGHTS ISSUE

On 7 October 2024, AusQuest Limited (**Company**) announced that it is undertaking a non-renounceable pro-rata rights issue to raise up to approximately $2.64 million (before costs) (**Rights Offer**).

The Company lodged a prospectus for the Rights Offer (**Prospectus**) with the Australian Securities & Investments Commission (**ASIC)** and the Australian Securities Exchange (**ASX**) on 8 October 2024.

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

The purpose of this letter is to provide you with key information about the Rights Offer.

The Offers

The Rights Offer is a non-renounceable pro-rata offer to be made under the Prospectus on the basis of two (2) fully paid ordinary share in the Company (**New Share**) for every five (5) fully paid ordinary shares (**Shares**) held by Eligible Shareholders (described below), at an issue price of $0.008 each, together with 1 free attaching unlisted option (**New Option)** for every 2 New Shares subscribed for and issued (exercisable at $0.012 per option and expiring on 11 November 2027). Fractional entitlements will be rounded down to the nearest whole New Share. All New Shares will rank equally in all respects with other Shares then on issue.

Any entitlements not taken up under the Rights Offer will form part of an offer for the Shortfall. Under the Prospectus, the Company is making a separate offer to Eligible Shareholders and the general public for any New Shares and New Options for which valid applications are not received from Eligible Shareholders by the Closing Date of the Rights Offer, at the same issue price as the Rights Offer (**Shortfall Offer**).

The Company has engaged Euroz Hartleys Limited (AFSL 230052) to provide capital raising and corporate services in relation to the Rights Offer and the Shortfall Offer. As part of their fee, the Prospectus includes a secondary offer to them of 20,000,000 New Options, subject to shareholder approval and to raising a certain amount of funds under the Shortfall Offer, offered on the same terms as the New Options but with a subscription price of $0.00001 per New Option (**Broker Offer**).

The Rights Offer, the Shortfall Offer and the Broker Offer are referred to in the Prospectus and this letter as the **Offers.**

Eligibility

The record date for determining eligibility to participate in the Rights Offer (**Record Date**) was **5:00pm (AWST) on 11 October 2024**. All shareholders with an address in Australian or New Zealand who are registered as the holders of Shares on this date will be eligible to participate in the Rights Offer (**Eligible Shareholders**).

Options available to Eligible Shareholders

As an Eligible Shareholder, you may do any one of the following:

- ✓ accept your Entitlement in full;
- ✓ accept your Entitlement in full and also apply for additional New Shares and New Options under the Shortfall Offer;
- ✓ accept your Entitlement in part and allow the balance to lapse; or
- ✓ do nothing, in which case your Entitlement will lapse and become part of the Shortfall and your Shareholding will be diluted if New Shares are issued under the Rights Offer.

Further details on these options are set out in the Prospectus and the instructions on your personalised Entitlement and Acceptance Form.

Entitlements under the Rights Offer are non-renounceable and Eligible Shareholders may not sell or transfer their Entitlements.

The Closing Date for receipt of Applications and accompanying payments from Eligible Shareholders is **5pm AWST on Monday, 4 November 2024,** unless closed early or extended.

How to obtain a copy of the Prospectus and personalised Entitlement and Acceptance Form

A copy of your personalised Entitlement and Acceptance Form is either provided with this letter, if you have elected to receive Company correspondence via the post, or as a hyperlink on your email notification, if you have elected to receive Company correspondence via email.

The Prospectus is also available on the ASX website (www.asx.com.au) using the Company's ASX code 'AQD', as well as the Company's website (www.ausquest.com.au).

You can also obtain a copy of the Prospectus and your personalised Entitlement and Acceptance Form:

- ✓ **online** at https://investor.automic.com.au/#home – to access this website, you will need your SRN or HIN; or
- ✓ in **hardcopy/paper copy** on request to the Company's Share Registry. You can contact the Company's Share Registry via telephone on 1300 288 664 (within Australia) or +61 2 9698 5414 (international), or via email at corporate.actions@automicgroup.com.au.

Indicative Timetable

The table below sets out the indicative timetable of key events in relation to the Rights Offer. The dates may change subject to the ASX Listing Rules.

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

Further Information

The Directors are pleased to present this opportunity to Eligible Shareholders. For general enquiries, please contact the Company Secretary, Henko Vos, on +61 (08) 9463 2463 or henko.vos@nexiaperth.com.au.

For further information about how to participate in the Rights Offer, please contact Automic by email corporate.actions@automicgroup.com.au or by phone on 1300 288 664 (within Australia) or +61 2 9698 5414 (international) between 8:30 am and 7:00pm (EST) Monday to Friday.

Yours sincerely

G Hancock

Greg Hancock
Non-executive Chairman
AusQuest Limited

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The Company lodged a prospectus for the Rights Offer (**Prospectus**) with the Australian Securities & Investments Commission (**ASIC)** and the Australian Securities Exchange (**ASX**) on 8 October 2024. The Prospectus is available on the ASX website (www.asx.com.au) using the Company's ASX code 'AQD', as well as the Company's website (www.ausquest.com.au).

The purpose of this letter is to inform you about the Rights Offer and to explain why you will not be able to subscribe for securities under the Rights Offer. This letter is not an offer to issue shares or other securities to you, nor an invitation for you to apply for any shares or other securities.

You are not required to do anything in response to this letter.

The Offers

Under the Rights Offer, Eligible Shareholders (as described below) are entitled to subscribe for two (2) fully paid ordinary shares in the Company (**New Shares**) for every five (5) fully paid ordinary shares (**Shares**) held by them, at an issue price of $0.008 per New Share, together with 1 free attaching unlisted option (**New Option)** for every 2 New Shares subscribed for (exercisable at $0.012 per option and expiring on 11 November 2027). In addition, the Company is making an offer of any shortfall under the Rights Offer to Eligible Shareholders and certain other persons as detailed in the Prospectus (**Shortfall Offer**).

The Rights Offer is not underwritten. The Company has engaged Euroz Hartleys Limited AFSL 230052 (**Broker**) to provide capital raising and corporate services in relation to the Rights Offer. As part of their fee, the Prospectus incudes a secondary offer to them of New Options, subject to shareholder approval and to raising certain funds under the Shortfall Offer (**Broker Offer**). The offers under the Prospectus are referred to as the **Offers.**

The Company intends to apply the funds raised under the Offers (less expenses) to carry out exploration programs on the Company's 100% owned properties in Australia and Peru, to identify and investigate new acquisition and/or exploration opportunities in Australia that might be of further interest to the Company's strategic alliance partner, South32, or be retained as 100% owned AusQuest projects and for working capital.

On completion of the Rights Offer, and assuming full subscription, the Company will have approximately 1,156,608,913 Shares on issue and 243,229,845 unlisted options. The Broker Offer on completion will increase the number of options on issue by a further 20,000,000, assuming the conditions for that offer are satisfied.

Eligibility Criteria

All shareholders with an address in Australia or New Zealand who are registered as the holders of Shares on 11 October 2024 (**Record Date**) will be eligible to participate in the Rights Offer (**Eligible Shareholders**). The Broker Offer is only available to the Broker (or its nominee).

Ineligible Shareholders

Shareholders who do not meet the eligibility criteria above are not able to subscribe for New Shares or New Options under the Rights Offer (**Ineligible Shareholders**).

The restrictions upon eligibility to participate in the Rights Offer arise because of the legal and regulatory requirements in certain countries other than Australia and New Zealand, the relatively small number of shareholders in those countries, the relatively low number and value of New Shares and New Options that would otherwise be offered to those shareholders and the potential costs to the Company of complying with these legal and regulatory requirements.

The Company has determined that it would be unreasonable to make or extend the Rights Offer to shareholders with a registered address in countries outside of Australia and New Zealand.

Unfortunately, according to our records, you do not satisfy the eligibility criteria for the Rights Offer stated above. Accordingly, pursuant to ASX Listing Rule 7.7.1 and section 9A(3)(a) of the *Corporations Act 2001* (Cth) (**Act**), the Company wishes to advise you that you are an Ineligible Shareholder and will not be offered securities under the Rights Offer. The Company will accordingly not be sending you a copy of the Prospectus.

The Company has appointed the Broker (subject to ASIC approval) to act as foreign nominee for the Ineligible Shareholders in respect of the Rights Offer. The nominee will have the right to sell the securities that might have otherwise been issued to the Ineligible Shareholders had they been able to participate in the Right Offer. An overview of the nominee sale procedure, is as follows:

(a) the nominee will be issued the New Shares and New Options that would have been taken up by the Ineligible Shareholders if they were eligible to participate in the Rights Offer;

(b) the nominee will use its best endeavours to sell the New Shares and New Options at the time and price and otherwise in the manner determined by the nominee in its absolute discretion;

(c) the net proceeds of the sale of these New Shares and New Options (less the subscription monies and the nominee's brokerage fee and other reasonable selling costs associated with the sale procedure) will be distributed to the Ineligible Shareholders in proportion to their shareholdings as at the Record Date and

(d) if any such net proceeds of sale are less than the reasonable costs which would be incurred by the Company for distributing those proceeds, such proceeds may be retained by the Company. There is a possibility that Ineligible Shareholders may receive no net proceeds from the sale. The Company will not be liable for the sale of any of the New Shares and New Options of Ineligible Shareholders.

Further Information

For further information, please contact the Company Secretary, Henko Vos, on +61 (08) 9463 2463 or henko.vos@nexiaperth.com.au. On behalf of the Company, we thank you for your continued support of the Company

Yours sincerely

GHancock

Greg Hancock
Non-executive Chairman
AusQuest Limited