ASX Release
May 14th, 2014

US$7.5M WEST AFRICAN GOLD JV SET TO COMMENCE:

Farm-in deal with TSX-listed Semafo Inc. at Banfora Project, Burkina

KEY POINTS

- ***Conditions precedent satisfied and US$600,000 upfront cash payment received.***
- ***Major boost to exploration expenditure: US$7.5M expenditure over 3 years for 80%.***
- ***Exploration set to commence shortly, ahead of wet season.***

AusQuest Limited (ASX: AQD) is pleased to advise that exploration activities under the new farm-in joint venture at its **Banfora Gold Project** in Burkina Faso, West Africa are set to commence shortly following satisfaction of all conditions precedent and receipt of the upfront $600,000 cash payment to the Company.

Under the terms of the Farm-in and Joint Venture Agreement announced on April 28, Ressources Burkinor SARL ("Burkinor"), a wholly-owned subsidiary of TSX-listed SEMAFO Inc., can earn up to an 80% interest in the Banfora permits by spending a total of US$7.5 million over a three-year period.

Details of the agreement were reported to the ASX on April 28th 2014.

The agreement will see exploration activity ramp up at Banfora, where AusQuest's exploration over the past four years has highlighted the gold potential of the area.

AusQuest has been advised that exploration activities over the joint venture tenements are due to commence shortly, ahead of the wet season. As operator of the joint venture, Burkinor will have sole carriage of exploration programmes during the earn-in stages.

The Company is very pleased that exploration is about to resume over the Banfora tenements, which AusQuest believes have potential for significant gold discoveries.

Graeme Drew
Managing Director

COMPETENT PERSON'S STATEMENT

The details contained in this report that pertain to exploration results are based upon information compiled by Mr Graeme Drew, a full-time employee of AusQuest Limited. Mr Drew is a Fellow of the Australasian Institute of Mining and Metallurgy (AUSIMM) and has sufficient experience in the activity which he is undertaking to

qualify as a Competent Person as defined in the December 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (JORC Code). Mr Drew consents to the inclusion in the report of the matters based upon his information in the form and context in which it appears.

FORWARD LOOKING STATEMENT

This report contains forward looking statements concerning the projects owned by AusQuest Limited. Statements concerning mining reserves and resources may also be deemed to be forward looking statements in that they involve estimates based on specific assumptions. Forward-looking statements are not statements of historical fact and actual events and results may differ materially from those described in the forward looking statements as a result of a variety of risks, uncertainties and other factors. Forward looking statements are based on management's beliefs, opinions and estimates as of the dates the forward looking statements are made and no obligation is assumed to update forward looking statements if these beliefs, opinions and estimates should change or to reflect other future developments.