Announcement Summary

Entity name

AUSQUEST LIMITED

Announcement Type

New announcement

Date of this announcement

Friday February 19, 2021

The Proposed issue is:

☑ A placement or other type of issue

Total number of +securities proposed to be issued for a placement or other type of issue

ASX +security code	+Security description	Maximum Number of +securities to be issued
n/a	Unlisted options exercisable at $0.04 each with an expiry date of 1 March 2023.	76,428,575
AQD	ORDINARY FULLY PAID	142,857,150

Proposed +issue date

Wednesday March 31, 2021

Refer to next page for full details of the announcement

Part 1 - Entity and announcement details

1.1 Name of +Entity

AUSQUEST LIMITED

We (the entity named above) give ASX the following information about a proposed issue of +securities and, if ASX agrees to +quote any of the +securities (including any rights) on a +deferred settlement basis, we agree to the matters set out in Appendix 3B of the ASX Listing Rules.

1.2 Registered Number Type

ABN

Registration Number

35091542451

1.3 ASX issuer code

AQD

1.4 The announcement is

☑ New announcement

1.5 Date of this announcement

Friday February 19, 2021

1.6 The Proposed issue is:

☑ A placement or other type of issue

Part 7 - Details of proposed placement or other issue

Part 7A - Conditions

7A.1 - Are any of the following approvals required for the placement or other type of issue?

- **+Security holder approval**
- **Court approval**
- **Lodgement of court order with +ASIC**
- **ACCC approval**
- **FIRB approval**
- **Another approval/condition external to the entity**

☑ Yes

7A.1a Conditions

Approval/Condition	Date for determination	Is the date estimated or actual?	** Approval received/condition met?
+Security holder approval	Wednesday March 31, 2021	☑ Estimated	

Comments

The propose issue will be a first tranche using the Company's existing placement capacity under Listing Rule 7.1 and 7.1A capacity for 111,904,768 fully paid ordinary shares with 55,952,384 free attaching options, and a second tranche for 30,952,382 fully paid ordinary shares with 15,476,191 free attaching options to be issued subject to shareholder approval. The placement shares have entitlement to one free unlisted option for every two shares issued. The Company will also seek shareholder approval for the issue of 5,000,000 unlisted Broker options (same terms as the other free attaching options the subject of this Placement).

Part 7B - Issue details

Is the proposed security a 'New class' (+securities in a class that is not yet quoted or recorded by ASX) or an 'Existing class' (additional securities in a class that is already quoted or recorded by ASX)?

☑ Existing class

Will the proposed issue of this +security include an offer of attaching +securities?

☑ Yes

Details of +securities proposed to be issued

ASX +security code and description

AQD : ORDINARY FULLY PAID

Number of +securities proposed to be issued

142,857,150

Offer price details

Are the +securities proposed to be issued being issued for a cash consideration?
Yes

In what currency is the cash consideration being paid?	What is the issue price per +security?
AUD - Australian Dollar	AUD 0.02100

Will these +securities rank equally in all respects from their issue date with the existing issued +securities in that class?
Yes

Attaching +Security

Is the proposed attaching security a 'New class' (+securities in a class that is not yet quoted or recorded by ASX) or an 'Existing class' (additional +securities in a class that is already quoted or recorded by ASX)?
New class

Attaching +Security - New class (+securities in a class that is not yet quoted or recorded by ASX)

Details of attaching +securities proposed to be issued

ISIN Code (if Issuer is a foreign company and +securities are non CDIs)

Have you received confirmation from ASX that the terms of the proposed +securities are appropriate and equitable under listing rule 6.1?	Will the entity be seeking quotation of the 'new' class of +securities on ASX?
No	No

ASX +security code	+Security description
New class-code to be confirmed	Unlisted options exercisable at $0.04 each with an expiry date of 1 March 2023.

+Security type

Options

Number of +securities proposed to be issued

76,428,575

Offer price details

Are the +securities proposed to be issued being issued for a cash consideration?
No

Please describe the consideration being provided for the +securities

Free attaching unlisted options accompanying the placement shares on the basis of one option for every two ordinary shares subscribed for.

Please provide an estimate of the AUD equivalent of the consideration being provided for the +securities

Will all the +securities issued in this class rank equally in all respects from their issue date?

☑ Yes

Options details

+Security currency

AUD - Australian Dollar

Exercise price

AUD 0.0400

Expiry date

Wednesday March 1, 2023

Details of the type of +security that will be issued if the option is exercised

AQD : ORDINARY FULLY PAID

Number of securities that will be issued if the option is exercised

76428575

Please provide a URL link for a document lodged with ASX setting out the material terms of the +securities proposed to be issued or provide the information by separate announcement.

Part 7C - Timetable

7C.1 Proposed +issue date

Wednesday March 31, 2021

Part 7D - Listing Rule requirements

7D.1 Has the entity obtained, or is it obtaining, +security holder approval for the entire issue under listing rule 7.1?

☑ No

7D.1b Are any of the +securities proposed to be issued without +security holder approval using the entity's 15% placement capacity under listing rule 7.1?

☑ Yes

7D.1b (i) How many +securities are proposed to be issued without security holder approval using the entity's 15% placement capacity under listing rule 7.1?

101,599,902 Securities comprising 55,952,384 Options and 45,647,518 Ordinary Shares

7D.1c Are any of the +securities proposed to be issued without +security holder approval using the entity's additional 10% placement capacity under listing rule 7.1A (if applicable)?

☑ Yes

7D.1c (i) How many +securities are proposed to be issued without +security holder approval using the entity's additional 10% placement capacity under listing rule 7.1A?

66,257,250 Ordinary Shares

7D.1c (ii) Please explain why the entity has chosen to do a placement rather than a +pro rata issue or an offer under a +security purchase plan in which existing ordinary +security holders would have been eligible to participate

Due to timing and associated costs invovled.

7D.2 Is a party referred to in listing rule 10.11 participating in the proposed issue?

☑ Yes

7D.3 Will any of the +securities to be issued be +restricted securities for the purposes of the listing rules?

☑ No

7D.4 Will any of the +securities to be issued be subject to +voluntary escrow?

☑ No

Part 7E - Fees and expenses

7E.1 Will there be a lead manager or broker to the proposed issue?

☑ Yes

7E.1a Who is the lead manager/broker?

Euroz Hartleys acted as the lead manager.

7E.1b What fee, commission or other consideration is payable to them for acting as lead manager/broker?

5,000,000 options exercisable at $0.04 each with an expiry date of 1 March 2023. This is to be issued under Tranche 2 and is subject to shareholder approval at a general meeting to be held on or around 31 March 2021. The Company will also pay a fee equivalent to 6% of funds raised under the Placement, excluding funds raised from Directors.

7E.2 Is the proposed issue to be underwritten?

☑ No

7E.4 Details of any other material fees or costs to be incurred by the entity in connection with the proposed issue

Part 7F - Further Information

7F.01 The purpose(s) for which the entity is issuing the securities

Funds raised will be applied towards identifying and advancing new acquisition and/or exploration opportunities both in Australia and Peru and for ongoing working capital requirements.

7F.1 Will the entity be changing its dividend/distribution policy if the proposed issue proceeds?

☑ No

7F.2 Any other information the entity wishes to provide about the proposed issue