AUSQUEST LIMITED
ABN 35 091 542 451

25 October 2019

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

By electronic lodgement

Dear Sir/ Madam

DESPATCH OF RIGHTS ISSUE PROSPECTUS AND ISSUE OF PLACEMENT SHARES

AusQuest Limited (ASX code: AQD) wishes to advise that the Prospectus for the Company's non-renounceable pro-rata Rights Offer, announced on 16 October 2019, has today been despatched to eligible shareholders together with a personalised Entitlement and Acceptance Form.

The Rights Offer entitles shareholders to 1 new Share for every 4 Shares held at the Record Date (22 October 2019), at a price of $0.014 per Share, with each new Share issued having an attached option exercisable at $0.025 per option on or before 30 November 2021 (**New Option**).

The Prospectus includes a separate offer to subscribe for any shortfall to the Rights Offer.

Acceptances for the Rights Offer are scheduled to close at 5:00pm (AWST) on 8 November 2019.

Following the opening of the offers under the Prospectus, the Company also advises the issue today of 35,714,286 fully paid ordinary Shares at an issue price of $0.014 per share to certain non-related sophisticated and professional investors under the Placement referred to in the Company's announcement of 16 October 2019. The Shares issued under the Placement are issued on the same terms as the Rights Offer. The New Options to which these investors are entitled under the terms of the Placement are expected to be issued on or around 15 November 2019, following the proposed issue and quotation of the New Options to be issued under the Rights Offer and while the shortfall offer is still open for acceptances under the Prospectus. The Placement raised $500,000 before costs.

Yours sincerely

Henko Vos
Company Secretary