

AUSQUEST LIMITED

ABN 35 091 542 451

NOTICE OF ANNUAL GENERAL MEETING EXPLANATORY MEMORANDUM AND PROXY FORM

Date of Meeting

29th November 2006

Time of Meeting

10.30 am

Place of Meeting

South of Perth Yacht Club

AUSQUEST LIMITED
ABN 35 091 542 451

Notice is given that the Annual General Meeting of the members of AusQuest Limited (the Company) will be held at South of Perth Yacht Club, on 29th November 2006 at 10.30am for the purposes of transacting the following business.

An Explanatory Memorandum containing information in relation to the following resolutions accompanies this Notice of Annual General Meeting.

Ordinary Business

To receive and consider the financial report of the Company for the year ended 30 June 2006 and the reports by the Directors and Auditors thereon.

To consider and if thought fit, to pass, with or without modification, the following ordinary resolutions:

Resolution 1 – To elect the following Director.

Mr John Ashley retires by rotation and submits himself for re-election pursuant to clause 7.3 of the Company's Constitution.

Resolution 2 – Remuneration Report

To adopt the Remuneration Report for the year ended 30 June 2006.

Note – the vote on this resolution is advisory only and does not bind the Directors of the Company.

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NOTES

Who may Vote

For the purposes of regulation 7.11.37 of the Corporations Regulations, the Company determines that members holding ordinary shares as at 10.30am on 27th November 2006 will be entitled to attend and vote at the Annual General Meeting.

Proxies

1. A Shareholder of the Company entitled to attend and vote is entitled to appoint not more than two proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the Shareholder's voting rights. If the Shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half of the votes. A proxy need not be a Shareholder of the Company.
2. To be valid, a proxy form must be received by the Company by 10.30am on 27th November 2006 ("Proxy Deadline"). Proxies may be submitted:-
 - a. By hand delivery to the Company's registered office at Level 2, 47 Colin St., West Perth WA 6005; or
 - b. By post addressed to AusQuest Limited, 6 Kearns Crescent, Ardross WA 6153; or
 - c. By facsimile at (08) 9634 4892

A proxy appointment must be signed by the Shareholder or the Shareholder's attorney. Where the appointment is signed by the appointer's attorney, a certified copy of the authority, or the authority itself, must be lodged with the Company in one of the above ways by the Proxy Deadline. If facsimile transmission is used, the authority must be certified.

BY ORDER OF THE BOARD



Graeme Drew
Managing Director

Dated 19 October 2006

AUSQUEST LIMITED
ABN 35 091 542 451

EXPLANATORY MEMORANDUM

This Explanatory Memorandum is intended to provide shareholders in AusQuest Limited (the Company) with sufficient information to assess the merits of the resolutions contained in the accompanying Notice of Annual General Meeting of the Company.

The Directors recommend that shareholders read this Explanatory Statement in full before making any decision in relation to the Resolutions.

Resolution 1 – To elect the following Directors.

Resolution 1 seeks approval to re-elect John Ashley, who retires in accordance with clause 7.3 of the Company's Constitution and, being eligible, offers himself for re election as a Director of the Company, with effect from the end of the meeting.

Mr John Ashley is a co-founder of the Company and works solely for the benefit of AusQuest. He is also a Director of Southern Geoscience Consultants (SGC), which he established in 1985. John has 48 years experience as a geophysicist in the exploration industry with government agencies, exploration companies, and consulting companies and has worked in many countries. He has had significant involvement in discoveries of uranium (El Sherana West), copper/lead/zinc (Prieska), and gold (Red October, Ulysses).

The Board unanimously recommends that shareholders vote in favour of Mr Ashley's re-election

Resolution 2 – Remuneration Report

Pursuant to section 250R(2) of the Corporations Act 2001, the Board submits its Remuneration Report to shareholders for consideration and adoption by way of non-binding resolution.

The Remuneration Report is set out in and forms part of the Director's Report. The Report:

- explains the Board's policy for determining the nature and amount of remuneration of executive directors and senior executives of the Company;
- explains the Board's remuneration policy; and
- sets out remuneration details for each Director.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the meeting.

The Board unanimously recommends that shareholders vote in favour of adopting the Remuneration Report.

AUSQUEST LIMITED
ABN 35 091 542 451
 Proxy Form

The Secretary
 AusQuest Limited
 6 Kearns Crescent
 Ardross WA 6153

I/We _____
 of _____

being a shareholder/(s) of AusQuest Limited (**Company**) hereby appoint as proxy to vote in accordance with the following directions (or if no directions have been given, as the proxy or Chairman sees fit) at the General Meeting to be held at the South Of Perth Yacht Club, Western Australia on 29th November 2006 at 10.30am (WST) (and at any adjournment thereof) (**Meeting**).

 Name of person you are appointing (if not the Chairman) OR the Chairman

IF THE CHAIRMAN OF THE MEETING IS APPOINTED AS YOUR PROXY OR MAY BE APPOINTED BY DEFAULT AND YOU DO NOT WISH TO DIRECT YOUR PROXY HOW TO VOTE AS YOUR PROXY IN RESPECT OF A RESOLUTION, PLEASE PLACE A MARK IN THIS BOX * →

* By marking this box, you acknowledge that the Chairman may exercise your proxy even if he has an interest in the outcome of the resolution and votes cast by him other than as proxy holder will be disregarded because of that interest. **The Chairman intends to vote in favour of all resolutions if no directions are given. If you do not mark this box, and you have not directed your proxy how to vote, the Chair will not cast your votes on the resolutions and your votes will not be counted in calculating the required majority if a poll is called.**

Resolution	For	Against	Abstain**
1. To approve the re election of Mr John Ashley.	<input style="width: 60px; height: 20px;" type="checkbox"/>	<input style="width: 60px; height: 20px;" type="checkbox"/>	<input style="width: 60px; height: 20px;" type="checkbox"/>
2. To approve the remuneration report (non binding resolution)	<input style="width: 60px; height: 20px;" type="checkbox"/>	<input style="width: 60px; height: 20px;" type="checkbox"/>	<input style="width: 60px; height: 20px;" type="checkbox"/>

**If you mark the abstain box for a particular item, you are directing your proxy not to vote on that item.

Appointing a Second Proxy (if applicable)

<input style="width: 150px; height: 20px;" type="text"/>	OR	<input style="width: 100px; height: 20px;" type="text"/> %	Contact Telephone Number	<input style="width: 200px; height: 20px;" type="text"/>
The number of Shares applicable to this proxy form		The percentage of your voting rights	Area Code	Telephone Number

Signature(s)

Shareholder 1	Shareholder 2	Shareholder 3
<input style="width: 200px; height: 30px;" type="text"/>	<input style="width: 200px; height: 30px;" type="text"/>	<input style="width: 200px; height: 30px;" type="text"/>
Director	Director/Secretary	Sole Director and Secretary

Company Seal (if required)

Proxies may be lodged either by **facsimile on (08) 9364 4892**, or by mail or delivery to 6 Kearns Crescent, Ardross WA 6153. To be valid, a proxy form (and any authority under which the proxy form is signed or a certified copy of the authority) must be received by the Company not less than 48 hours before the time scheduled for commencement of the Meeting. For further instructions on voting, please refer to the rear of this form.

Instructions on Voting

1. How to Vote

Shareholders may vote by attending the Meeting in person, by proxy or authorised representative.

2. Voting in Person

To vote in person, attend the Meeting on the date and at the time and place specified in this Notice of General Meeting.

3. Voting by Proxy

Shareholders are entitled to appoint up to 2 individuals to act as proxies to attend the Meeting and vote on their behalf. Where more than one proxy is appointed each proxy may be appointed to represent a specific proportion of the shareholder's voting rights. If the appointment does not specify the proportion or number of votes each proxy may exercise, each proxy may exercise half of the votes.

The proxy form must be signed by the shareholder or his/her attorney duly authorised in writing or, if the shareholder is a corporation, in a manner permitted by the *Corporations Act 2001*. In the case of Shares jointly held by 2 or more persons, all joint holders must sign the proxy form.

Completion of a proxy form will not prevent individual shareholders from attending the Meeting in person if they wish. Where a shareholder completes and lodges a valid proxy form and attends the Meeting in person, then the proxy's authority to speak and vote for that shareholder is suspended while the shareholder is present at the Meeting.

The proxy may, but need not, be a shareholder of the Company.

4. Voting Entitlements

For the purposes of determining voting entitlements at the Meeting, Shares will be taken to be held by the persons who are registered as holding the Shares 48 hours before the time scheduled for commencement of the Meeting. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.