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## AUSQUEST LIMITED

ABN 35 091 542 451

### NOTICE OF ANNUAL GENERAL MEETING EXPLANATORY STATEMENT AND PROXY FORM

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**TIME:** 10.00 am (WST)

**DATE:** Wednesday, 24 November 2021

**PLACE:** Heritage Room  
South of Perth Yacht Club  
Applecross, Western Australia

*Shareholders are urged to attend or vote by lodging the proxy form accompanying this Notice.*

***This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.***

***Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (+61 8) 9463 2463.***

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**TIME AND PLACE OF MEETING AND HOW TO VOTE**

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**VENUE**

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The Annual General Meeting of the Shareholders to which this Notice of Meeting relates will be held at 10.00 am (WST) on Wednesday, 24 November 2021 at:

Heritage Room  
South of Perth Yacht Club  
Applecross, Western Australia

**YOUR VOTE IS IMPORTANT**

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The business of the Annual General Meeting affects your shareholding and your vote is important.

**VOTING IN PERSON**

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To vote in person, attend the Annual General Meeting on the date and at the place or method set out above.

**VOTING BY PROXY**

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To vote by proxy, please complete and sign the enclosed Proxy Form and return by:

- (a) post or in person to AusQuest Limited, 8 Kearns Crescent, Ardross WA 6153; or
- (b) facsimile to the Company on facsimile number +61 8 9364 4892: or
- (c) e-mail to the Company at [proxy@ausquest.com.au](mailto:proxy@ausquest.com.au)

so that it is received not later than 10.00 am (WST) on Monday, 22 November 2021.

**Proxy Forms received later than this time will be invalid.**

Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

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## NOTICE OF ANNUAL GENERAL MEETING

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Notice is given that the Annual General Meeting of Shareholders will be held at 10.00 am (WST) on Wednesday, 24 November 2021 at The Heritage Room, South of Perth Yacht Club, Applecross, Western Australia.

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the Annual General Meeting. The Explanatory Statement and the Proxy Form are part of this Notice of Meeting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders of the Company at 5.00 pm (WST) on Monday, 22 November 2021.

Terms and abbreviations used in this Notice of Meeting and Explanatory Statement are defined in the Glossary.

### AGENDA

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#### 1. ANNUAL REPORT

To receive and consider the financial report of the Company together with the reports of the directors and the auditor for the financial year ended 30 June 2021.

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#### 2. RESOLUTION 1 – ADOPTION OF THE REMUNERATION REPORT

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*“That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, the remuneration report for the financial year ended 30 June 2021 be adopted”.*

**Short Explanation:** The Remuneration Report is in the Directors' Report section of the Company's Annual Report. Listed companies are required to put the Remuneration Report to the vote for adoption at the Company's Annual General Meeting. The vote on this resolution is advisory only and does not bind the Directors or the Company.

**Voting Exclusion Statement:** A vote on this resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

- (a) a member of the key management personnel, details of whose remuneration are included in the Remuneration Report;
- (b) a closely related party of such a member.

However any of those persons may cast a vote on the resolution if:

- (a) the person does so as a proxy appointed in writing that specifies how the proxy is to vote on the proposed resolution; and
- (b) the vote is not cast on behalf of a person described in paragraphs (a) or (b) above.

If you appoint the Chairman of the Meeting as your proxy, the Company encourages you to direct the Chairman how to vote on this advisory Resolution. The Chairman, as one of the Key Management Personnel of the Company, is not permitted to cast any votes in respect of this advisory Resolution that arise from undirected proxies held unless the proxy expressly authorises the Chairman to do so.

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### 3. RESOLUTION 2 – RE-ELECTION OF MR CHRISTOPHER ELLIS AS A DIRECTOR

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*"That Mr Christopher Ellis, a director of the Company who retires in accordance with clause 3.6 of the Constitution and ASX Listing Rule 14.4, and being eligible, offers himself for re-election, be re-elected as a director of the Company".*

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### 4. RESOLUTION 3 – APPROVAL OF 10% PLACEMENT FACILITY

To consider and, if thought fit, to pass the following, with or without amendment, as a **special resolution**:

*"That, pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and otherwise on the terms and conditions in the Explanatory Memorandum."*

**Voting Exclusion:** The Company will disregard any votes cast in favour of this Resolution by a person (and any associates of such a person) who is expected to participate in, or who will obtain a material benefit as a result of the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company). However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee or custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
  - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

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**DATED: 12 OCTOBER 2021**

**BY ORDER OF THE BOARD  
HENKO VOS  
COMPANY SECRETARY**

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## EXPLANATORY STATEMENT

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This Explanatory Statement has been prepared for the information of the Shareholders in connection with the business to be conducted at the Annual General Meeting to be held at 10:00 am (WST) on Wednesday, 24 November 2021 at The Heritage Room, South of Perth Yacht Club, Applecross Western Australia.

The purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

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### 1. ANNUAL REPORT

Section 317 of the Corporations Act requires the reports of the directors and of the auditors and the Annual Report, including the financial statements, to be put before the Annual General Meeting and the Constitution provides for those reports and statements to be received and considered at the Annual General Meeting. Neither the Corporations Act nor the Constitution requires a vote of Shareholders at the Annual General Meeting on the reports or statements. However, Shareholders will be given the opportunity to raise questions on the reports and the statements at the Annual General Meeting.

The Company's 2021 Annual Report is available at [www.ausquest.com.au](http://www.ausquest.com.au). Those shareholders that elected to receive a printed copy of the Annual Report will have received a copy with this Notice of Annual General Meeting.

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### 2. RESOLUTION 1 – ADOPTION OF THE REMUNERATION REPORT

The Remuneration Report is in the Directors Report section of the Company's Annual Report.

By way of summary, the Remuneration Report:

- (a) explains the Company's remuneration policy and the process for determining the remuneration of its Directors and executive officers;
- (b) addresses the relationship between the Company's remuneration policy and the Company's performance; and
- (c) sets out remuneration details for each Director and each of the Company's executives named in the Remuneration Report for the financial year ended 30 June 2021.

Section 250R(2) of the Corporations Act requires companies to put a resolution to their members that the Remuneration Report be adopted. The vote on this resolution is advisory only, however, and does not bind the Board or the Company. The Board will consider the outcome of the vote and comments made by Shareholders on the Remuneration Report at the meeting when reviewing the Company's remuneration policies.

The Chairman will give Shareholders a reasonable opportunity to ask questions about or to make comments on the Remuneration Report.

Under the Corporations Act, if 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive AGMs, Shareholders will be required to vote at the second of those AGMs on a resolution that a further meeting is held at which all of the Company's Directors (other than the Managing Director) must stand for re-election. Voting on this resolution will be determined by a poll at the meeting rather than a show of hands. Shareholders voted in favour (99.70%) of the Remuneration Report at the 2020 AGM.

#### Undirected proxies

The Chairman intends to exercise all undirected proxies in favour of Resolution 1. If the Chairman of the Meeting is appointed as your proxy and you have not specified the way the Chairman is to vote on Resolution 1, by signing and returning the Proxy Form, the Shareholder is considered to have provided the Chairman with an express authorisation to vote the proxy in accordance with the Chairman's intention.

Any undirected proxies held by any other key management personnel or any of their closely related parties will not be voted on this resolution.

Key management personnel of the Company has the same meaning as set out in the accounting standards and includes the Directors of the Company and those other persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. The Remuneration Report identifies the Company's key management personnel for the financial year to 30 June 2021. Their closely related parties are defined in the Corporations Act, and include certain members of their family, dependents and companies they control.

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### **3. RESOLUTION 2 – RE-ELECTION OF MR CHRISTOPHER ELLIS AS A DIRECTOR**

ASX Listing Rule 14.4 and Clause 3.6 of the Constitution provide that a re-election of Directors must be held at each annual general meeting. The Directors to retire are to be those who have been in office for 3 years since their appointment or last re-appointment or who have been longest in office since their appointment or last re-appointment or, if the Directors have been in office for an equal length of time, by agreement. Mr Ellis retires from office in accordance with these requirements and being eligible, offers himself for re-election by shareholders as a director of the Company, with effect from the end of the meeting.

Mr Ellis is an experienced mining executive with over 30 years' experience in geology, exploration, mine planning and project development in Australia and overseas. He was a founding member and Executive Director of Excel Coal Limited which was the subject of a take-over bid by the US coal giant Peabody Energy Inc, and has held senior positions within Shell Coal's Exploration, BP Coal (London and USA), Agipcoal Australia and the Stratford Joint Venture. Mr Ellis is also an executive director of King Island Scheelite Limited.

The Board unanimously recommends that shareholders vote in favour of the re-election of Mr Ellis as a director.

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### **4. RESOLUTION 3 – APPROVAL OF 10% PLACEMENT FACILITY**

#### **4.1 General**

Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its issued share capital through placements over a 12 month period after the annual general meeting (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity. The Company is now seeking shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility.

The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 4.2(c) below).

If Resolution 3 is passed, the Company will be able to issue equity securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A, without any further shareholder approval. If Resolution 3 is not passed, the Company will not be able to access the additional 10% capacity to issue equity securities to issue equity securities without shareholder approval provided for in Listing Rule 7.1A and will remain subject to the 15% limit on issuing equity securities without shareholder approval set out in Listing Rule 7.1.

The Directors of the Company believe that Resolution 3 is in the best interests of the Company because if exploration success is achieved at its Australian or Peruvian projects in particular, over the next 12 months, this resolution provides the ability for the Company to raise additional funds quickly. The Directors unanimously recommend that Shareholders vote in favour of this Resolution.

## 4.2 Description of Listing Rule 7.1A

### (a) Shareholder approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to shareholder approval by way of a special resolution at an annual general meeting. Accordingly, at least 75% of votes cast by Shareholders present (in person, or by proxy or representative) and eligible to vote at the Meeting must be in favour of Resolution 3 for it to be passed.

### (b) Equity Securities

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company.

The Company, as at the date of the Notice, has on issue three (3) classes of Equity Securities, namely quoted Shares, quoted Options and unquoted Options.

### (c) Formula for calculating 10% Placement Facility

Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an annual general meeting may issue or agree to issue, during the 12 month period after the date of the annual general meeting, a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

where

**A** = The number of fully paid ordinary shares on issue at the commencement of the 12 months immediately preceding the date of issue or agreement to issue:

- plus the number of fully paid ordinary securities issued in the 12 months under an exception to ASX Listing Rule 7.2 other than exception 9, 16 or 17;
- plus the number of fully paid ordinary securities issued in the relevant period on the conversion of convertible securities within ASX Listing Rule 7.2 exception 9 where:
  - the convertible securities were issued or agreed to be issued before the commencement of the relevant period; or
  - the issue of, or agreement to issue the convertible securities was approved or taken under these rules to have been approved under ASX Listing Rule 7.1 or 7.4;
- plus the number of fully paid ordinary securities issued in the relevant period under an agreement to issue securities within ASX Listing Rule 7.2 exception 16 where:
  - the agreement was entered into before the commencement of the relevant period; or
  - the agreement or issue was approved, or taken under these rules to have been approved under ASX Listing Rule 7.1 or rule 7.4;
- plus the number of partly paid ordinary securities that became fully paid in the relevant period;
- plus the number of any other fully paid ordinary securities that became fully paid in the relevant period
- less the number of fully paid ordinary securities cancelled in the last 12 months.

*Note that A has the same meaning in ASX Listing Rule 7.1 when calculating an entity's 15% placement capacity.*

**D** = 10%

**E** = the number of equity securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the last 12 months immediately preceding the date of issue of the shares where the issue or agreement

has not been subsequently approved by the holders of its ordinary securities under ASX Listing Rule 7.4.

**(d) Listing Rule 7.1 and Listing Rule 7.1A**

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1. At the date of this Notice, the Company has on issue 823,189,831 Shares, meaning the Company has the capacity to issue:

- (i) 123,478,475 Equity Securities under Listing Rule 7.1; and
- (ii) 82,318,983 Equity Securities under Listing Rule 7.1A.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 4.2(c) above).

**(e) Minimum Issue Price**

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 Trading Days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed by the Company and the recipient of the Equity Securities; or
- (ii) if the Equity Securities are not issued within 10 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

**(f) 10% Placement Period**

The 10% Placement Period is defined in section 4.4 (a) below.

**4.3 Listing Rule 7.1A**

The effect of Resolution 3 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under Listing Rule 7.1.

Resolution 3 is a special resolution and therefore requires approval of 75% of the votes cast by shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

**4.4 Specific information required by Listing Rule 7.3A**

Pursuant to and in accordance with Listing Rule 7.3A, information is provided in relation to the approval of the 10% Placement Facility as follows:

**(a) 10% Placement Period**

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the earlier to occur of:

- (i) the date that is 12 months after the date of the annual general meeting at which the approval is obtained;
- (ii) the time and date of the Company's next annual general meeting; or

- (iii) the time and date of the approval by shareholders of ordinary securities of a transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking) (**10% Placement Period**).

**(b) Minimum Issue Price**

The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities over the 15 Trading Days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed by the Company and the recipient of the Equity Securities; or
- (ii) if the Equity Securities are not issued within 10 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

**(c) Purpose for which the 10% Placement Facility may be implemented**

The Company may seek to issue the Equity Securities for cash consideration also in which case the Company intends to use the funds raised towards an acquisition of new resource assets or investments (including expenses associated with such acquisition), continued exploration and feasibility study expenditure on the Company's current assets and/or for general working capital.

The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.

**(d) Risk of economic and voting dilution**

If Resolution 3 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table (in the case of Unlisted Options, only if the Unlisted Options are exercised). There is a risk that:

- (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and
- (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The below table shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A(2) as at the date of this Notice.

The table also shows:

- (i) two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- (ii) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 50% as against the current market price.

Variable 'A' in Listing Rule 7.1A.2	Dilution			
		\$0.009 50% decrease in Issue Price	\$0.017 Issue Price	\$0.026 50% increase in Issue Price
<b>Current Variable A</b> 823,189,831 Shares	<b>10% Voting Dilution</b>	82,318,983 shares	82,318,983 shares	82,318,983 shares
	<b>Funds raised</b>	\$740,871	\$1,399,423	\$2,140,294
<b>50% increase in current Variable A</b> 1,234,784,747 Shares	<b>10% Voting Dilution</b>	123,478,475 shares	123,478,475 shares	123,478,475 shares
	<b>Funds raised</b>	\$1,111,306	\$2,099,134	\$3,210,440
<b>100% increase in current Variable A</b> 1,646,379,662 Shares	<b>10% Voting Dilution</b>	164,637,966 shares	164,637,966 shares	164,637,966 shares
	<b>Funds raised</b>	\$1,481,742	\$2,798,845	\$4,280,587

The table has been prepared on the following assumptions:

- (i) The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
- (ii) No listed or unlisted options are exercised into Shares before the date of the issue of the Equity Securities.
- (iii) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- (iv) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting.
- (v) The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
- (vi) The issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes options, it is assumed that those options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
- (vii) The issue price is \$0.17, being the closing price of the Shares on ASX on 11 October 2021.

**(e) Allocation policy when the 10% Placement Facility may be implemented**

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;
- (ii) the effect of the issue of the Equity Securities on the control of the Company;
- (iii) the financial situation and solvency of the Company; and
- (iv) advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of this Notice. However, the recipients of Equity Securities could consist of current Shareholders and/or new Shareholders (or both), none of whom will be related parties or associates of a related party of the Company.

**(f) Voting Exclusions**

A voting exclusion statement is included in the Notice. At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities utilising this 10% Placement Facility following the 2021 Annual General Meeting. No existing Shareholder's votes will therefore be excluded under the voting.

**(g) Prior Approvals under Listing Rule 7.1A**

The Company previously obtained approval from its Shareholders pursuant to ASX Listing Rule 7.1A at its Annual General Meeting held on 26 November 2020. The total number of Equity Securities issued in the 12 months preceding this Meeting and the percentage they represent of the total number of Equity Securities on issue at the commencement of that 12 month period are as follows:

	<b>Shares</b>	<b>Unlisted Options</b>	<b>Listed Options</b>
Number of Equity Securities on issue at commencement of the 12 month period	677,332,681	39,500,000	127,027,620
Equity Securities issued in the prior 12 month period	145,857,150	115,428,575	Nil
Percentage that previous issues represent of the total number of equity securities on issue at commencement of the 12 month period	22%	292%	Nil%

The Company has issued the following Equity Securities in the 12 months preceding the date of this meeting:

(see next two pages)

Date of Issue	1 Dec 2020	25 Jan 2021	31 Mar 2021
Number of Securities	20,000,000	19,000,000	167,857,152
Class	Unlisted options	Unlisted options	Placement Tranche 1: 1) 111,904,768 Shares. 2) 55,952,384 Unlisted options.
Issue Price	Nil	Nil	1) \$0.021 per Share 2) Nil (free attaching)
Terms of Class / Issue	Unlisted options exercisable at \$0.075 each on or before 30 November 2024	Unlisted options exercisable at \$0.05 each on or before 30 November 2024	1) Same as existing fully paid ordinary shares previously issued by the Company. 2) Unlisted options are exercisable at \$0.04 each and expires on 1 March 2023.
Discount to Market Price at date of issue or agreement	N/A	N/A	The share price on the date of the agreement to issue was \$0.025, being a discount of \$0.004 which represents a discount of 16% to the market price. The options were issued on the basis of 1 option for every 2 Shares subscribed for.
Total cash consideration	Nil	Nil	1) \$2,350,000 (\$3m in total) 2) Free attaching
Amount of cash spent	N/A	N/A	\$1,050 million in total
Use of cash consideration	N/A	N/A	Used for exploration programs over selected projects in Australia and Peru, for project generation in both countries and for general working capital purposes.
Intended use of remaining cash (if any)	N/A	N/A	The Company intends to use remaining funds for the same purposes as it continues its operations and exploration programs.
Total non-cash consideration paid and current value	Issue of unlisted options to Directors as approved on 26 November 2020 at the Company's AGM. Deemed value of \$180,000 <sup>a</sup>	Issued under the Company's Long Term Incentive Plan as approved on 26 November 2020 at the Company's AGM. Deemed value of \$247,000 <sup>b</sup>	Free attaching Unlisted options attached to the Shares were issued on the basis of one option for every two Shares subscribed for.
Allottees of Equity Securities issued or Basis of Issue	1) 5,000,000 to Chrysalis Investments Pty Ltd (Christopher Ellis). 2) 5,000,000 to Hancock Corporate Investments Pty Ltd (Greg Hancock). 3) 10,000,000 to Graeme Drew.	Employees and contractors of the Company	Various sophisticated and professional investors

<b>Date of Issue</b>	<b>9 Apr 2021</b>	<b>9 Apr 2021</b>	<b>9 Apr 2021</b>
<b>Number of Securities</b>	46,428,573	5,000,000	3,000,000
<b>Class</b>	Placement Tranche 2: 1) 30,952,382 Shares 2) 15,476,191 Unlisted Options	Unlisted options	Shares
<b>Issue Price</b>	1) \$0.021 per share (deemed) 2) Nil (free attaching)	Nil	\$0.011 (deemed – value of Share price on date of agreement).
<b>Terms of Class / Issue</b>	1) Same as existing fully paid ordinary shares previously issued by the Company. 2) Unlisted options are exercisable at \$0.04 each and expires on 1 March 2023.	Unlisted options exercisable at \$0.04 each on or before 1 March 2023	Same as existing fully paid ordinary shares previously issued by the Company
<b>Discount to Market Price at date of issue or agreement</b>	The share price on the date of the agreement to issue was \$0.025, being a discount of \$0.004 which represents a discount of 16% to the market price. The options were issued on the basis of 1 option for every 2 Shares subscribed for.	N/A	The share price on the date of the issue was \$0.019, being a discount of \$0.008 which represents a discount of 42% to the market price compared to the market price on the date of the agreement under which the Shares were issued.
<b>Total cash consideration</b>	1) \$650,000 (\$3m in total) 2) Free attaching	Nil	No cash was raised from the issue. (Issued in lieu of cash for geological consulting services rendered to the Company).
<b>Amount of cash spent</b>	\$1,050 million in total	N/A	N/A
<b>Use of cash consideration</b>	Used for exploration programs over selected projects in Australia and Peru, for project generation in both countries and for general working capital purposes.	N/A	N/A
<b>Intended use of remaining cash (if any)</b>	The Company intends to use remaining funds for the same purposes as it continues its operations and exploration programs.	N/A	N/A
<b>Total non-cash consideration paid and current value</b>	Free attaching Unlisted options attached to the Shares were issued on the basis of one option for every two Shares subscribed for.	Issue of unlisted options as broker fees as approved on 31 March 2021 at the Company's GM. Deemed value of \$40,000 <sup>c</sup>	\$33,000 deemed value for the previous provision of geological consulting services rendered to the Company.
<b>Allottees of Equity Securities issued or Basis of Issue</b>	Various sophisticated and professional investors.	Euroz Hartleys Limited (who acted as the Lead Manager for the Placement – see issues on 31 March 2021 and 9 April 2021.	Mick Sherington

a - The 20,000,000 unlisted options are exercisable at \$0.75 and expire on 30 November 2024. The non-cash value of \$180,000 was calculated using the Black & Scholes option-pricing model (audited figure).

b - The 19,000,000 unlisted options are exercisable at \$0.05 and expire on 30 November 2024. The non-cash value of \$247,000 was calculated using the Black & Scholes option-pricing model (audited figure).

c - The 5,000,000 unlisted options are exercisable at \$0.04 and expire on 1 March 2023 (same terms as those issued under the Placement noted under 31 March 2021 and 9 April 2021 above). The non-cash value of \$40,000 was calculated using the Black & Scholes option-pricing model (audited figure).

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## GLOSSARY

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**\$** means Australian dollars.

**Annual General Meeting** or **Meeting** means the meeting convened by the Notice of Meeting.

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited.

**ASX Listing Rules** means the Listing Rules of ASX.

**Board** means the current board of Directors of the Company.

**Business Day** means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

**Chair** means to chairperson of the Meeting

**Company** means AusQuest Limited (ABN 35 091 542 451).

**Constitution** means the Company's Constitution.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Directors** means the current Directors of the Company.

**Equity Securities** has the same meaning as in the Listing Rules.

**Explanatory Statement** means the explanatory statement accompanying the Notice of Meeting.

**Long Term Incentive Plan** or LTIP means the Long Term Incentive Plan of the Company used to incentivise eligible persons, as defined in the LTIP, from time to time and at the discretion of the Board.

**Meeting** means the general meeting of Shareholders convened under this Notice.

**Notice** or **Notice of Meeting** or **Notice of Annual General Meeting** means this notice of annual general meeting including the explanatory statement.

**Related Party** is defined in section 228 of the Corporations Act

**Remuneration Report** means the remuneration report in the Directors' Report section of the Company's Annual Report.

**Resolutions** means the resolutions set out in the Notice of Meeting, or any one of them, as the context requires.

**Rule** means a rule or clause of the Constitution

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a holder of a Share.

**WST** means Western Standard Time as observed in Perth, Western Australia.



## 2021 ANNUAL GENERAL MEETING PROXY FORM

I/We being shareholder(s) of AusQuest Limited and entitled to attend and vote hereby:

### APPOINT A PROXY

The Chair of the Meeting **OR**

**PLEASE NOTE:** If you leave the section blank, the Chair of the Meeting will be your proxy.

or failing the individual(s) or body corporate(s) named, or if no individual(s) or body corporate(s) named, the Chair of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf, including to vote in accordance with the following directions (or, if no directions have been given, and to the extent permitted by law, as the proxy sees fit), at the Annual General Meeting of the Company to be held **at Heritage Room, South of Perth Yacht Club, Applecross, Western Australia on 24 November 2021 at 10.00 am (WST)** and at any adjournment or postponement of that Meeting.

**Chair's voting intentions in relation to undirected proxies:** The Chair intends to vote all undirected proxies in favour of all Resolutions. In exceptional circumstances, the Chair may change his/her voting intentions on any Resolution. In the event this occurs, an ASX announcement will be made immediately disclosing the reasons for the change.

**Chair authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chair of the Meeting as my/our proxy (or the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolution 1 (except where I/we have indicated a different voting intention below) even though this resolution is connected directly or indirectly with the remuneration of a member(s) of key management personnel, which includes the Chair.

### VOTING DIRECTIONS

#### Resolutions

Resolutions	For	Against	Abstain*
1 Adoption of the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-Election of Mr Christopher Ellis as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Approval of 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

\* If you mark the Abstain box for a particular Resolution, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

### SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)	Joint Shareholder 2 (Individual)	Joint Shareholder 3 (Individual)
<input type="text"/>	<input type="text"/>	<input type="text"/>
Sole Director and Sole Company Secretary	Director/Company Secretary (Delete one)	Director

This form should be signed by the shareholder. If a joint holding, all the shareholder should sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the Corporations Act 2001 (Cth).

Email Address

Please tick here to agree to receive communications sent by the Company via email. This may include meeting notifications, dividend remittance, and selected announcements.

## HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE MEETING, PLEASE BRING THIS FORM WITH YOU.  
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**

### CHANGE OF ADDRESS

This form shows your address as it appears on Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes.

### APPOINTMENT OF A PROXY

If you wish to appoint the Chair as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chair, please write that person's name in the box in Step 1. A proxy need not be a shareholder of the Company. A proxy may be an individual or a body corporate.

### DEFAULT TO THE CHAIR OF THE MEETING

If you leave Step 1 blank, or if your appointed proxy does not attend the Meeting, then the proxy appointment will automatically default to the Chair of the Meeting.

### VOTING DIRECTIONS – PROXY APPOINTMENT

You may direct your proxy on how to vote by placing a mark in one of the boxes opposite each resolution of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any resolution by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given resolution, your proxy may vote as they choose to the extent they are permitted by law. If you mark more than one box on a resolution, your vote on that resolution will be invalid.

### PROXY VOTING BY KEY MANAGEMENT PERSONNEL

If you wish to appoint a Director (other than the Chair) or other member of the Company's key management personnel, or their closely related parties, as your proxy, you must specify how they should vote on Resolution 1, by marking the appropriate box. If you do not, your proxy will not be able to exercise your vote for Resolution 1.

**PLEASE NOTE:** If you appoint the Chair as your proxy (or if they are appointed by default) but do not direct them how to vote on a resolution (that is, you do not complete any of the boxes "For", "Against" or "Abstain" opposite that resolution), the Chair may vote as they see fit on that resolution.

### APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning Advanced Share Registry Limited or you may copy this form and return them both together.

To appoint a second proxy you must:

- On each Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- Return both forms together.

### COMPLIANCE WITH LISTING RULE 14.11

In accordance with Listing Rule 14.11, if you hold shares on behalf of another person(s) or entity/entities or you are a trustee, nominee, custodian or other fiduciary holder of the shares, you are required to ensure that the person(s) or entity/entities for which you hold the shares are not excluded from voting on resolutions where there is a voting exclusion. Listing Rule 14.11 requires you to receive written confirmation from the person or entity providing the voting instruction to you and you must vote in accordance with the instruction provided.

By lodging your proxy votes, you confirm to the company that you are in compliance with Listing Rule 14.11.

### CORPORATE REPRESENTATIVES

If a representative of a nominated corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A Corporate Representative Form may be obtained from Advanced Share Registry.

### SIGNING INSTRUCTIONS ON THE PROXY FORM

#### Individual:

Where the holding is in one name, the security holder must sign.

#### Joint Holding:

Where the holding is in more than one name, all of the security holders should sign.

#### Power of Attorney:

If you have not already lodged the Power of Attorney with Advanced Share Registry, please attach the original or a certified photocopy of the Power of Attorney to this form when you return it.

#### Companies:

Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held.

### LODGE YOUR PROXY FORM

This Proxy Form (and any power of attorney under which it is signed) must be received at an address given below by 10.00 am (WST) on 22 November 2021, being not later than 48 hours before the commencement of the Meeting. Proxy Forms received after that time will not be valid for the scheduled Meeting.



#### BY MAIL

AusQuest Limited  
8 Kearns Crescent, Ardross WA 6153



#### BY FAX

+61 8 9364 4892



#### BY EMAIL

proxy@ausquest.com.au



#### IN PERSON

AusQuest Limited  
8 Kearns Crescent, Ardross WA 6153