



ABN 35 091 542 451

6 Kearns Crescent, Ardross WA 6153
Telephone: 08 9364 3866
Facsimile: 08 9364 4892
Email: graeme@ausquest.com.au
Web: www.ausquest.com.au

26 October 2007

The Manager
Company Announcements Office
Australian Stock Exchange

By Electronic Lodgement

Dear Sir

NOTICE OF ANNUAL GENERAL MEETING

Please find attached the Notice of Annual General Meeting which has been dispatched to shareholders today.

Yours faithfully

A handwritten signature in black ink, appearing to read 'G Drew', is positioned above the printed name and title.

Graeme Drew
Managing Director

AUSQUEST LIMITED

ABN 35 091 542 451

NOTICE OF ANNUAL GENERAL MEETING EXPLANATORY MEMORANDUM AND PROXY FORM

Date of Meeting

28 November 2007

Time of Meeting

10.30 am

Place of Meeting

Heritage Room,
South of Perth Yacht Club



ABN 35 091 542 451

6 Kearns Crescent, Ardross WA 6153
Telephone: 08 9364 3866
Facsimile: 08 9364 4892
Email: graeme@ausquest.com.au
Web: www.ausquest.com.au

October 17, 2007

Dear Shareholder,

AusQuest Limited - Annual General Meeting, 28th November 2007

The Board of Directors cordially invite you to attend the Annual General Meeting (AGM) of AusQuest Limited to be held at the South of Perth Yacht Club on the 28th November at 10.30 am.

A Notice of Annual General Meeting and Explanatory Memorandum covering resolutions to be considered at the meeting are included for your information. A proxy form is included if you are unable to attend and wish to vote on the resolutions.

We look forward to seeing you at the AGM at which time we will provide you with an update on the progress of our projects over the past 12 months and our plans for the future.

Yours faithfully

Graeme Drew
for the Board of Directors.

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 in the Heritage Room at the South of Perth Yacht Club, on 28th 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 2007 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 re-elect the following Director

Mr John Innes 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 2007

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

Resolution 3 – Non-Executive Directors Remuneration

That for the purposes of clause 7.5(a) of the Company's Constitution, ASX Listing Rule 10.17 and all other purposes, approval is given for the maximum aggregate amount that may be paid to Non-Executive Directors as remuneration for their services in each financial year to be set at \$200,000 which may be divided among those directors in the manner to be determined by the Board from time to time"

The Company will in accordance with section 224 of the Corporations Act 2001 disregard any votes cast on Resolution by the Directors or any associates of the Directors. However, the Company need not disregard a vote if:

- it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; and
- it is cast by the person chairing the meeting as proxy for person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

AUSQUEST LIMITED

ABN 35 091 542 451

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 26th November 2007 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 26th 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 XX 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 re-elect the following Director.

Resolution 1 seeks approval to re-elect John Innes, 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.

John Innes' distinguished career extends over more than four decades within the Australian minerals industry, initially with BHP and subsequently with CRA. He was closely associated with the development of Hamersley Iron and in 1994 received the Clunies Ross National Science and Technology Award for his unique contributions in developing new iron and steelmaking technologies, including the HIs melt process. He also held senior managerial roles across the CRA Group of companies with responsibility for engineering, research and development, new resource project evaluations and environmental auditing. Prior to retiring in 1997, John was a CRA Group Executive for 12 years and was Chairman of their Scientific Advisory Board. Throughout his career, John has held many Board positions including Chairman of the GKW Centre for Extractive Metallurgy, Chairman of XRT Ltd, Deputy Chairman of ANSTO as well as Director of Hamersley Iron, Pasminco, Normandy NFM Ltd, AMC and Ausmelt. Currently he is a founding Director of the privately held Conarco Minerals Limited

The Board unanimously recommends that shareholders vote in favour of John Innes'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.

Resolution 3 – Non-Executive Directors Remuneration

Clause 7.5(a) of the Constitution states that the Non-Executive Directors are entitled to be paid out of the funds of the Company, an amount of remuneration which does not, in any year exceed in aggregate an amount of remuneration fixed by ordinary resolution. Resolution 3 seeks shareholder approval to amend this amount from \$100,000 to \$200,000 per annum.

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 28th November 2007 at 10.30am (WST) (and at any adjournment thereof) (**Meeting**).

OR

Name of person you are appointing (if not 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 Innes.	☐	☐	☐
2. To approve the remuneration report (non binding resolution)	☐	☐	☐
3. To approve the increase to the level of aggregate Non-Executive Director remuneration	☐	☐	☐

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

The number of Shares applicable to this proxy form

OR

Appointing a Second Proxy (if applicable)

%

The percentage of your voting rights

Contact Telephone Number

Area Code

Telephone Number

Signature(s)

Shareholder 1

Director

Shareholder 2

Director/Secretary

Shareholder 3

Sole Director and Secretary

Proxies may be lodged either by **facsimile on (08) 9364 4892**, or by mail or delivery to 6 Kearns Crescent, Ardross WA 6153, or by hand delivery to the Company's registered office. 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.