11 October 2013

Australian Securities Exchange
Level 8
Exchange Plaza
2 The Esplanade
Perth
WA 6000

AUSQUEST TO RAISE $2.5 MILLION FOR HIGH IMPACT NICKEL-COPPER-GOLD EXPLORATION

The Board of AusQuest (AusQuest or the Company) is pleased to announce that it has resolved to raise up to approximately $1,760,000 in a placement to sophisticated and professional investors through the issue of up to 88 million new shares at 2 cents per share. Participants in the placement will receive one attaching option exercisable at $0.04 on or before 30 November 2016 for every two shares subscribed (Placement). The options will be listed on the Australian Securities Exchange (ASX), subject to meeting ASX requirements. Hartleys Limited is Broker to the Offer.

In addition to the Placement, AusQuest has resolved to offer eligible shareholders the opportunity to participate in a Securities Purchase Plan (SPP) to raise a maximum of $740,000 (see SPP details below).

Funds raised pursuant to the Placement will primarily be used to fund drilling of large nickel-copper targets at the Company's 100% owned Fraser Range project, exploration and drilling of very large copper-gold targets within the Company's portfolio of exploration projects in Peru, and for working capital purposes.

AusQuest's Managing Director, Mr Graeme Drew commented: "The last time we undertook a capital raising was back in 2008, and this is a strong signal of support from existing and new shareholders, and a strong validation for our team, our strategy and our asset portfolio. We look forward to embarking on high impact exploration in the Fraser Range and Peru."

Securities Purchase Plan

The Board of AusQuest is pleased to advise that it has resolved to provide eligible shareholders with the opportunity to participate in this capital raising, at the same issue price offered under the Placement, by way of an SPP. The SPP will raise a maximum of $740,000.

Subject to any scale back that is required to comply with ASX requirements, AusQuest shareholders registered with the Company and having an Australian or New Zealand address, on 10th October 2013, will be entitled to acquire up to $15,000 of shares at 2 cents per share and also receive a free attaching option (on a 1:2 basis) exercisable at 4 cents each on or before 30 November 2016.

The Company will issue a prospectus in relation to the SPP securities because ASIC class order relief (removing the need to lodge a prospectus for SPP shares), does not extend to options issued under an SPP. The SPP Prospectus is expected to be despatched to shareholders shortly along with the AGM Notice and we encourage eligible shareholders to make sure their address and contact details are up to date to ensure they receive the information to enable them to participate.

Board Support

The Placement is strongly supported by AusQuest's Directors who collectively have committed to subscribe for in the order of $500,000 of new shares. Resolutions to approve Directors participating in the placement will be put to shareholders at the AGM in November 2013.

Placement

The allotment of tranche 1 of the Placement of up to approximately 26.5 million shares and 13.25 million options is not subject to shareholder approval and will fall within the Company's 15% placement capacity under ASX LR 7.1 and additional 10% placement capacity under ASX LR 7.1A.

The second tranche of the Placement for the balance of the shares and options to be issued will be issued subject to shareholder approval at the Company's AGM scheduled to take place on or around Tuesday, 26 November 2013.

For further information, please contact:

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