



8 April 2025

Dear Shareholder

8 Kearns Crescent, Ardross WA 6153
Telephone: 08 9364 3866
Facsimile: 08 9364 4892
Web: www.ausquest.com.au

Notice of General Meeting and Proxy Form

Notice is hereby given that a General Meeting (Meeting) of Shareholders of AusQuest Limited (**AusQuest** or **the Company**) (ASX:AQD) will be held in the Heritage Room, South of Perth Yacht Club, Applecross, Western Australia on Thursday, 8 May 2025 at 10:00am (AWST).

The Board has made the decision that it will hold a physical meeting, and in accordance with current legislation, the Company will not be dispatching physical copies of the Notice of Meeting (**NOM**). Instead, a copy of the NOM is available at <http://www.ausquest.com.au> as well as on the ASX announcement platform.

As you have not elected to receive notices by email, a copy of your proxy form is enclosed for your convenience. Shareholders are encouraged to complete and return their Proxy Form by:

- Post or in Person to AusQuest Limited, 8 Kearns Crescent, Ardross WA 6153; or
- Email to proxy@ausquest.com.au

Your proxy voting instruction must be received by 10:00am (AWST) on Tuesday, 6 May 2025, being not less than 48 hours before the commencement of the Meeting.

Any proxy voting instructions received after that time will not be valid for the Meeting.

The NOM is important and should be read in its entirety. If you are in doubt as to the course of action you should follow, you should consult your financial adviser, lawyer, accountant or other professional adviser.

If you have any difficulties obtaining a copy of the Notice of Meeting please contact the Company on +61 (08) 9364 3866 or the Company Secretary on +61 (08) 9463 2463.

The Company's Managing Director Graeme Drew will provide a progress report on the Company's activities after the meeting.

We look forward to seeing you at the Company's General Meeting.

For and on behalf of the Board

Henko Vos
Company Secretary

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AUSQUEST LIMITED

ACN 091 542 451

NOTICE OF GENERAL MEETING EXPLANATORY STATEMENT AND PROXY FORM

TIME: 10:00am (WST)
DATE: Thursday, 8 May 2025
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 General 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 General Meeting please do not hesitate to contact the Company Secretary on (+61 8) 9463 2463.

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IMPORTANT INFORMATION

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IMPORTANT DATES

An indicative timetable of key proposed dates is set out below. These dates are indicative only and are subject to change.

Event	Date
Last day for receipt of Proxy Forms – Proxy Forms received after this time will be disregarded	10:00am (WST) on Tuesday, 6 May 2025
Snapshot date for eligibility to vote	5:00pm (WST) on Tuesday, 6 May 2025
General Meeting	10:00am (WST) on Thursday, 8 May 2025

DEFINED TERMS

Capitalised terms used in this Notice of General Meeting will, unless the context otherwise requires, have the same meaning given to them in the Glossary set out in the Explanatory Statement.

IMPORTANT INFORMATION

- The General Meeting will be a physical meeting held in the Heritage Room, South of Perth Yacht Club, Applecross, WA 6153, at which Shareholders may attend in person or by proxy.
- **Shareholders are encouraged to vote by proxy.** Voting on all Resolutions will be conducted by poll and not by show of hands.

NOTICE OF GENERAL MEETING

Notice is given that a General Meeting of Shareholders will be held at **10:00am (WST) on Thursday, 8 May 2025** in 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 General Meeting. The Explanatory Statement and the Proxy Form are part of this Notice of General 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 General Meeting are those who are registered Shareholders of the Company at **5:00 pm (WST) on Tuesday, 6 May 2025**.

AGENDA

1. Resolutions 1(a) and 1(b) – Ratification of Shares Issued to Placement Participants (Non-Related Parties)

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

- (a) *“That, under and for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders hereby ratify the issue by the Company to the Placement Participants of 157,460,326 Placement Shares issued at a price of \$0.036 each, utilising the Company’s placement capacity under Listing Rule 7.1, in the manner and on the terms and conditions set out in the Explanatory Statement.”*
- (b) *“That, under and for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders hereby ratify the issue by the Company to the Placement Participants of 18,095,228 Placement Shares issued at a price of \$0.036 each, utilising the Company’s placement capacity under Listing Rule 7.1A, in the manner and on the terms and conditions set out in the Explanatory Statement.”*

2. Resolutions 2(a) and 2(b) – Approval to Issue Related Party Participation Shares to Directors of the Company (Related Parties)

To consider and, if thought fit to pass, with or without amendment, the following resolutions as separate **ordinary resolutions**:

- (a) *“That, under and for the purposes of ASX Listing Rule 10.11, section 208 of the Corporations Act and for all other purposes, Shareholders hereby approve the issue by the Company to Mr Chris Ellis, or his nominee, a Director and Related Party of the Company, of 30,555,557 Related Party Participation Shares, in the manner and on the terms and conditions set out in the Explanatory Statement.”*
- (b) *“That, under and for the purposes of ASX Listing Rule 10.11, section 208 of the Corporations Act and for all other purposes, Shareholders hereby approve the issue by the Company to Mr Graeme Drew, or his nominee, a Director and Related Party of the Company, of 2,222,223 Related Party Participation Shares, in the manner and on the terms and conditions set out in the Explanatory Statement.”*

3. Resolutions 3(a) and 3(b) – Approval to Grant Performance Rights to Directors of the Company (Related Parties)

To consider and, if thought fit to pass, with or without amendment, the following resolutions as separate **ordinary resolutions**:

- (a) *“That, for the purposes of section 195(4) and section 208 of the Corporations Act, Listing Rule 10.14 and for all other purposes, Shareholders approve the grant of up to 12 million Performance Rights to Mr Greg Hancock (or his nominee), pursuant to the Company’s Equity Incentive Plan and on the terms and conditions described in the Explanatory Statement.”*
- (b) *“That, for the purposes of section 195(4) and section 208 of the Corporations Act, Listing Rule 10.14 and for all other purposes, Shareholders approve the grant of up to 22 million Performance Rights to Mr Graeme Drew (or his nominee), pursuant to the Company’s Equity Incentive Plan and on the terms and conditions described in the Explanatory Statement.”*

BY ORDER OF THE BOARD



HENKO VOS

Company Secretary

Dated: 21 March 2025

VOTING PROHIBITION & EXCLUSIONS

CORPORATIONS ACT VOTING PROHIBITION

Pursuant to sections 224 and 250BD of the Corporations Act, a vote on the following Resolutions must not be cast (in any capacity) by or on behalf of the party specified in the table below or their respective Associates:

Resolution	Excluded persons	Exception
Resolutions 2(a) and 2(b)	<p>For Resolutions 2(a) and 2(b), the Company will disregard any votes cast in favour of these Resolutions by or on behalf of:</p> <ul style="list-style-type: none">(a) Mr Chris Ellis or any other Related Parties to whom Resolution 2(a) would permit a financial benefit to be given; and(b) Mr Graeme Drew or any other Related Parties to whom Resolution 2(b) would permit a financial benefit to be given.	<p>However, this voting prohibition does not prevent the casting of a vote on any of Resolutions 2(a) and 2(b) if it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the Resolution, and it is not cast on behalf of a Related Party to whom the Resolution would permit a financial benefit to be given, or their Associate.</p>
Resolutions 3(a) and 3(b)	<p>For Resolutions 3(a) and 3(b), the Company will disregard any votes cast in favour of these Resolutions by or on behalf of:</p> <ul style="list-style-type: none">(a) Mr Greg Hancock or any other Related Parties to whom Resolution 3(a) would permit a financial benefit to be given; and(b) Mr Graeme Drew or any other Related Parties to whom Resolution 3(b) would permit a financial benefit to be given.	<p>However, this voting prohibition does not prevent the casting of a vote on any of Resolutions 3(a) or 3(b) if it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the Resolution, and it is not cast on behalf of a Related Party to whom the Resolution would permit a financial benefit to be given, or their Associate.</p>

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ASX LISTING RULES VOTING EXCLUSION STATEMENTS

For the purposes of ASX Listing Rule 14.11, the following voting exclusion statements apply to the Resolutions.

The Company will disregard any votes cast in favour of the following Resolutions by or on behalf of the following persons or an Associate of those persons.

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Resolution	Excluded persons	Exception
Resolutions 1(a) and 1(b)	The Placement Participants, being the persons to whom the Placement Shares were issued.	However, this does not apply to a vote cast in favour of these Resolutions by:
Resolutions 2(a) and 2(b)	<p>The following Related Parties for Resolution 2, being:</p> <p>(a) Mr Chris Ellis (or his nominee) and any Associate of Mr Ellis (or his nominee) and any other person who will obtain a material benefit as a result of the issue of Related Party Participation Shares (except a benefit received solely by reason of being a Shareholder in the Company); and</p> <p>(b) Mr Graeme Drew (or his nominee) and any Associate of Mr Drew (or his nominee) and any other person who will obtain a material benefit as a result of the issue of Related Party Participation Shares (except a benefit received solely by reason of being a Shareholder in the Company).</p>	<p>(a) a person as proxy or attorney for a person who is entitled to vote on the Resolutions, in accordance with directions given to the proxy or attorney to vote on the respective Resolution in that way; or</p> <p>(b) the Chair of the meeting as proxy or attorney for a person who is entitled to vote on the Resolutions, in accordance with a direction given to the Chair to vote on the respective Resolution as the Chair decides; or</p> <p>(c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:</p> <ul style="list-style-type: none"> 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 respective Resolution; and the holder votes on the respective Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.
Resolutions 3(a) and 3(b)	<p>The following Related Parties referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 for Resolution 3, being:</p> <p>(a) Mr Greg Hancock (or his nominee) and any Associate of Mr Hancock (or his nominee) and any other person who is eligible to participate in the Company's Equity Incentive Plan; and</p> <p>(b) Mr Graeme Drew (or his nominee) and any Associate of Mr Drew (or his nominee) and any other person who is eligible to participate in the Company's Equity Incentive Plan.</p>	

TIME AND PLACE OF MEETING AND HOW TO VOTE

VENUE

The General Meeting of Shareholders to which this Notice of Meeting relates will be held at **10:00am (WST) on Thursday, 8 May 2025:**

Heritage Room
South of Perth Yacht Club
Applecross, Western Australia

YOUR VOTE IS IMPORTANT

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

VOTING IN PERSON

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

VOTING BY PROXY

The Proxy Form (and any power of attorney or other authority, if any, under which it is signed) must be received at an address below, or by fax or email by on **10:00am (WST) on Tuesday, 6 May 2025.**

- By mail or in person:** 8 Kearns Crescent, Ardross WA 6153, Australia
- By fax** 08 9464 4892 (within Australia) or +61 8 9464 4892 (outside Australia)
- By e-mail:** proxy@ausquest.com.au

A Proxy Form received after that time will not be valid.

APPOINTMENT OF A PROXY

A Shareholder entitled to attend and vote at the General Meeting is entitled to appoint a proxy. The proxy may, but need not be, a Shareholder.

The Company encourages Shareholders to appoint the Chairperson as your proxy. To do so, mark the appropriate box on the Proxy Form. If the person you wish to appoint as your proxy is someone other than the Chairperson, please write the name of that person in the space provided on the Proxy Form. If you leave this section blank, or your named proxy does not attend the Meeting, the Chairperson will be your 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, you may photocopy the Proxy Form or an additional Proxy Form may be obtained by telephoning the Company on 08 9364 3866 (within Australia) or +61 (8) 9364 3866 (outside Australia).

Please note, it is recommended Shareholders complete the attached proxy form and send to the Company via the communication methods outlined above.

To appoint a second proxy you must, on each Proxy Form, state (in the appropriate box) the percentage of your voting rights which are the subject of the relevant proxy. If both Proxy Forms do not specify that percentage, each proxy may exercise half your votes. Fractions of votes will be disregarded.

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

CORPORATE SHAREHOLDERS

Corporate Shareholders should comply with the execution requirements set out on the proxy form or otherwise with the provisions of section 127 of the Corporations Act. Section 127 of the Corporations Act provides that a company may execute a document without using its common seal if the document is signed by:

- two directors of the company;
- a director and a company secretary of the company; or
- for a proprietary company that has a sole director who is also the sole company secretary, that director.

Corporate Representatives

A corporation may elect to appoint an individual to act as its representative in accordance with section 250D of the Corporations Act, in which case the Company will require a certificate of appointment of the corporate representative executed in accordance with the Corporations Act. The certificate of appointment must be lodged with the Company and/or the Company's share registry before the General Meeting or at the registration desk on the day of the General Meeting.

Votes on Resolutions

You may direct your proxy how to vote by placing a mark in the 'FOR', 'AGAINST' or 'ABSTAIN' box opposite the Resolution. All your votes will be cast in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on the Resolution by inserting the percentage or number of Shares you wish to vote in the appropriate boxes. If you do not mark any of the boxes next to a Resolution, your proxy may vote as he or she chooses. If you mark more than one box on the Resolution, your vote will be invalid.

Chairperson Voting Undirected Proxies

If the Chairperson is your proxy, the Chairperson will cast your votes in accordance with your directions on the Proxy Form. If you do not mark any of the boxes on the Resolutions, then you expressly authorise the Chairperson to vote your undirected proxies at his/her discretion.

As at the date of this Notice of General Meeting, the Chairperson intends to vote undirected proxies **FOR** each of the Resolutions. In exceptional cases the Chairperson's intentions may subsequently change and in this event, the Company will make an announcement to the market.

Voting Entitlement (Snapshot Date)

For the purposes of determining voting and attendance entitlements at the Meeting, Shares will be taken to be held by the persons who are registered as holding the Shares at **5:00pm (WST) on Tuesday, 6 May 2025**. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

Questions from Shareholders

Questions for the Board of Directors can be submitted in the same manner as outlined above for the lodgement of Proxy Forms and must be received be submitted by no later than **5:00pm (WST) on Tuesday, 6 May 2025**.

The Board of Directors will endeavour to prepare answers to these questions, where necessary they will be moderated and curated to cover common ground.

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EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of the Shareholders in connection with the business to be conducted at the General Meeting to be held at **10:00am (WST) on Thursday, 8 May 2025** in the **Heritage Room, South of Perth Yacht Club, Applecross, Western Australia**.

The purpose of this Explanatory Statement is to provide Shareholders with all information known to the Company which is material to a decision on how to vote on all the Resolutions in the accompanying Notice of General Meeting.

This Explanatory Statement should be read in conjunction with the Notice of General Meeting.

Capitalised terms in this Explanatory Statement are defined in the Glossary or otherwise in the Explanatory Statement.

1. RESOLUTIONS 1(A) AND 1(B) – RATIFICATION OF SHARES ISSUE TO PLACEMENT PARTICIPANTS (NON-RELATED PARTIES)

1.1 Background Information

On 20 February 2025, the Company announced that it had received firm commitments from various sophisticated, professional and otherwise exempt investors (**Placement Participants**) to raise \$7.50 million (before costs), comprising \$6.32 million through the issue of 175,555,554 Shares in the Company at an issue price of \$0.036 per Share (**Placement Shares**) and \$1.18 million for an additional 32,777,780 Shares to two of the Company's Directors (**Related Party Participation Shares**). The Director participation is subject to Shareholder approvals, being the subject of Resolutions 2(a) and 2(b) below (together **Placement**).

1.2 Use of Funds Raised under the Placement

Funds raised from the Placement, together with the Company's existing cash reserves, will be used to accelerate drilling at the Company's recent porphyry copper-gold discovery at the Cangallo Project in Peru, and to complete initial drilling at the Lantana and/or Playa Kali Copper Projects which occur along strike from Cangallo, as well as for general working capital purposes.

1.3 Requirement for Shareholder Approval

As described in Section 1.1 above, the Company has issued a total of 175,555,554 Placement Shares under the Placement to the Placement Participants using its available issuing capacities under Listing Rules 7.1 and 7.1A, in the following proportions:

- (a) 157,460,326 Placement Shares pursuant to Listing Rule 7.1; and
- (b) 18,095,228 Placement Shares pursuant to Listing Rule 7.1A.

None of the Placement Participants who participated in the issue of 175,555,554 Placement Shares were or are Directors or other Related Parties of the Company.

Resolutions 1(a) and 1(b) are ordinary resolutions seeking approval by Shareholders for the ratification of the issue of the 175,555,554 Placement Shares.

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12-month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

The issue of the Placement Shares does not fall within any of these exceptions and, as it has not yet been approved by the Company's Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 for the 12-month period from the issue date of the Placement Shares.

Further, ASX Listing Rule 7.1A mandate allows an entity to increase its 15% limit in Listing Rule 7.1 by an extra 10% if Shareholders approve a special resolution at a company's Annual General Meeting. The Company's Shareholders approved the extra 10% placement capacity mandate pursuant to Listing Rule 7.1A at the Company's 2024 Annual General Meeting held on 13 November 2024, allowing the Company the ability to place a total of up to 25% of the fully paid ordinary shares it had on issue at the start of that period.

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 or 7.1A and so does not reduce the Company's capacity to issue further equity securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional equity securities into the future without having to obtain Shareholder approval for such issues under Listing Rules 7.1 and 7.1A.

To this end, Resolutions 1(a) and 1(b) seek Shareholder approval for the issue of Placement Shares under and for the purposes of Listing Rule 7.4.

If Resolutions 1(a) and 1(b) are passed, the issue of the Placement Shares will be excluded in calculating the Company's 15% limit in Listing Rule 7.1 and 10% limit in Listing Rule 7.1A respectively, effectively increasing the number of equity securities it can issue without Shareholder approval over the 12-month period following the issue date.

If Resolutions 1(a) and 1(b) are not passed, the issue of the Placement Shares will be included in calculating the Company's 15% limit in Listing Rule 7.1 and 10% limit in Listing Rule 7.1A respectively, effectively decreasing the number of equity securities it can issue without Shareholder approval over the 12-month period following the issue date.

1.4 ASX Listing Rule 7.5 Information Requirements

In accordance with the disclosure requirements of Listing Rule 7.5, the following information is provided in relation to Resolutions 1(a) and 1(b):

(a) Basis on which Placement Participants were identified

In respect of Resolutions 1(a) and 1(b), the Placement Shares were issued to professional, sophisticated and otherwise exempt investors who are clients of Euroz Hartleys Limited, who acted as lead manager and corporate advisory to the Placement. The recipients were identified through a bookbuild process, which involved the Lead Manager seeking expressions of interest to participate in the capital raising from non-related parties of the Company. None of the Placement Participants are members of the Company's key management personnel, a substantial holder, an advisor or an associate of the Placement Participants, with no Placement Shares issued to any party greater than 1% of the Company's issued capital at the time of issue.

(b) Number and class of securities issued

- (i) in respect of Resolution 1(a) – 157,460,326 Placement Shares were issued to Placement Participants utilising the Company's placement capacity pursuant to Listing Rule 7.1; and
- (ii) in respect of Resolution 1(b) – 18,095,228 Placement Shares were issued to Placement Participants utilising the Company's additional placement capacity pursuant to Listing Rule 7.1A.

The Placement Shares are fully paid ordinary Shares ranking equally with the Company's existing Shares then on issue.

(c) Date on which the securities were issued

The Placement Shares in respect of Resolutions 1(a) and 1(b) were issued by the Company on 28 February 2025.

(d) Price at which the securities were issued

For both Resolutions 1(a) and 1(b), the Placement Shares were issued at an issue price of \$0.036 per Placement Share.

(e) Purpose of issue and the use or intended use of the funds raised

The Company intends to use the funds from the issue of the Placement Shares for the purposes described in Section 1.2 of this Notice.

(f) Issued under an agreement

The issue of the Placement Securities was not made under an agreement.

(g) Voting exclusion

A voting exclusion statement applies to both Resolutions 1(a) and 1(b).

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1.5 Directors' Recommendation – Resolutions 1(a) and 1(b)

The Directors unanimously recommend that Shareholders vote in favour of Resolutions 1(a) and 1(b) as it will refresh the Company's issuing capacity under Listing Rule 7.1 and Listing Rule 7.1A respectively and give the Company the flexibility to raise additional working capital through the offer and issue of equity securities, if and as required.

2. RESOLUTIONS 2(A) AND 2(B) – APPROVAL TO ISSUE RELATED PARTY PARTICIPATION SHARES TO DIRECTORS (RELATED PARTIES)

2.1 Background Information

Messrs Chris Ellis and Graeme Drew are two of the Company's existing directors who wish to participate in the Placement on the same terms as unrelated participants in the Placement (**Related Party Participation**), as set out in 1.1 above, for an aggregate of 32,777,780 shares (**Related Party Participation Shares**). This is in addition to the Placement Shares and the Company will raise a further \$1.18 million from the Related Party Participation.

Subject to Shareholder approval of Resolutions 2(a) and 2(b), the Company proposes to issue a total of 32,777,780 Related Party Participation Shares in the following proportions to Related Parties as follows:

- (a) Mr Chris Ellis – Non-Executive Director – 30,555,557 Related Party Participation Shares; and
- (b) Mr Graeme Drew – Managing Director – 2,222,223 Related Party Participation Shares.

2.2 Chapter 2E of the Corporations Act

Section 208 of the Corporations Act provides that for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The Related Party Participation in the Placement will result in the giving of a financial benefit as Messrs Ellis and Drew are Related Parties of the Company by virtue of being Directors of the Company.

In respect of Resolution 2(a), the Board (other than Mr Ellis who has a material personal interest in Resolution 2(a)) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of Resolution 2(a) because the Related Party Participation Shares will be issued on the same terms as the Shares issued under the Placement to non-related party participants in the Placement and as such the giving of the financial benefit is on arm's length terms.

In respect of Resolution 2(b), the Board (other than Mr Drew who has a material personal interest in Resolution 2(b)) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of Resolution 2(b) because the Related Party Participation Shares will be issued on the same terms as the Shares issued under the Placement to non-related party participants in the Placement and as such the giving of the financial benefit is on arm's length terms.

2.3 Listing Rule 10.11

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue equity securities to:

- 10.11.1 – a related party;
- 10.11.2 - a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the company;
- 10.11.3 – a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the company and who has nominated a director to the board of the company pursuant to a relevant agreement which gives them a right or expectation to do so;

- 10.11.4 – an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3; or
- 10.11.5 – a person whose relationship with the company or a person referred to in Listing Rule 10.11.1 to 10.11.4 is such that, ASX’s opinion, the issue or agreement should be approved by its shareholders,

unless it obtains approval of its shareholders.

The proposed issue of Related Party Participation Shares to Directors falls within Listing Rule 10.11.1 and does not fall within any of the exceptions in Listing rule 10.12. It therefore requires approval of the Company’s Shareholders under Listing Rule 10.11.

Resolutions 2(a) and 2(b) seek the required shareholder approval for the issue of Related Party Participation Shares under and for the purposes of Listing Rule 10.11.

If Resolutions 2(a) and 2(b) respectively are passed, the Company will be able to proceed with the issue of Related Party Participation Shares on the same terms as those offered to other Placement Participants.

If Resolutions 2(a) and 2(b) respectively are not passed, the Company will not be able to proceed with the issue of Related Party Participation Shares on the same terms as those offered to other Placement Participants.

2.4 Information Required by Listing Rule 10.13

Listing Rule 10.13 requires that information be provided to Shareholders for the purposes of obtaining Shareholder approval pursuant to Listing Rule 10.11 as follows:

(a) The names of the persons to whom securities will be issued

Messrs Chris Ellis (Resolution 2(a)) and Graeme Drew (Resolution 2(b)), or their nominees.

(b) Which category in rules 10.11.1 – 10.11.5 the persons fall and why

Messrs Ellis and Drew fall under Listing Rule 10.11.1 as they are Directors of the Company.

(c) The number and class of securities to be issued to the persons

- (i) Resolution 2(a) – Mr Chris Ellis (Non-Executive Director) – 30,555,557 Related Party Participation Shares; and
- (ii) Resolution 2(b) – Mr Graeme Drew (Managing Director) – 2,222,223 Related Party Participation Shares.

The Related Party Participation Shares are fully paid ordinary Shares ranking equally with the Company’s existing Shares then on issue.

(d) The date or dates on which the Company will issue the securities to the persons

Subject to Shareholder approval, the Company proposes to issue the Related Party Participation Shares shortly following the Meeting, or otherwise on one date no later than one month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules).

(e) The price or consideration the entity will receive for the issue

The Company is proposing to issue 32,777,780 Related Party Participation Shares at an issue price of \$0.036 per Related Party Participation Share, to raise \$1.18 million (before costs). The issue price of the Related Party Participation Shares is the same issue price as all other shares issued to other participants in the Placement. The Company will not receive any other consideration for the issue of the Related Party Participation Shares.

(f) Purpose of the issue and use of funds raised

The purpose of the issue and the proposed use of the funds raised are for the same purposes and use as all other funds raised under the Placement, as detailed in section 1.2 of this Notice.

(g) Remunerate and incentivise

The issue of the Related Party Participation Shares is not intended to remunerate or incentivise the directors.

(h) Issued under an agreement

The issue of the Related Party Participation Shares is not made under an agreement.

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(i) Voting exclusion statement

A voting exclusion statement applies to Resolutions 2(a) and 2(b) respectively.

2.5 Directors' Recommendation – Resolutions 2(a) and 2(b)

Each recipient of the Related Party Participant Shares is a Related Party of the Company by virtue of being a Director of the Company. Accordingly, Messrs Ellis and Drew have a material personal interest in the outcome of Resolutions 2(a) and 2(b). In the interests of good corporate governance, Messrs Ellis and Drew decline to make any recommendations as to how Shareholders should vote on Resolutions 2(a) and 2(b).

Mr Greg Hancock, who is the Non-Executive Chairman of the Company will not be participating in the Related Party Placement, recommends that Shareholders vote in favour of Resolutions 2(a) and 2(b) on the basis that the Related Party Participant Shares are offered on the same terms as those under the Placement.

3. RESOLUTIONS 3(A) AND 3(B) – APPROVAL TO GRANT PERFORMANCE RIGHTS TO DIRECTORS (RELATED PARTIES)

3.1 General

The Company is proposing, subject to obtaining Shareholder approval, to issue the following Performance Rights as short term and long-term incentives to:

- (a) Non-Executive Chairman Mr Greg Hancock (or his nominee) – up to 12,000,000 Performance Rights; and
- (b) Managing Director Mr Graeme Drew (or his nominee) – up to 22,000,000 Performance Rights.

The Board considers that the issue of Performance Rights is an effective way to align the efforts of Messrs Hancock and Drew in seeking to create value for Shareholders. The Board also believes that incentivising with Performance Rights is a prudent means of conserving the Company's available cash reserves, while allowing the Company to continue to attract and maintain highly experienced and qualified Board members in a competitive market.

The Performance Rights are to be issued on the same terms and conditions under the Company's Equity Incentive Plan (**Plan**), which was approved by Shareholders at the November 2023 AGM and which is summarised in Schedule 1 to this Explanatory Statement.

The Performance Rights will each convert into a Share on exercise once the vesting conditions have been satisfied, which will need to be met within 3 years from the date of issue. The Performance Rights is further subject to payment of a conversion price of \$0.01 per Performance Right and expires 4 years from the date of grant.

If Resolutions 3(a) and 3(b) are passed, the Company will be able to proceed with the issue of the Performance Rights to Messrs Hancock and Drew (or their respective nominees). If Resolutions 3(a) and 3(b) are not passed, the Company will not be able to proceed with the issue of the Performance Rights to Messrs Hancock and Drew (or their respective nominees), and the Company will have to consider other forms of performance-based remuneration, which may include the payment of cash.

3.2 Vesting Conditions

The vesting of the Performance Rights is subject to the satisfaction of the following share price related performance conditions:

Director	Tranche A AQD Share price achieving a 20-day VWAP of 10 cents	Tranche B AQD Share price achieving a 20-day VWAP of 12 cents	Tranche C AQD Share price achieving a 20-day VWAP of 15 cents	Total
Greg Hancock	3,000,000	4,000,000	5,000,000	12,000,000
Graeme Drew	5,000,000	7,000,000	10,000,000	22,000,000
Total	8,000,000	11,000,000	15,000,000	34,000,000

The vesting of each Tranche will be measured in absolute terms with all vesting conditions being a Shareholder aligned measure.

3.3 Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act requires that for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The proposed issue of Performance Rights constitutes giving a financial benefit as Messrs Hancock and Drew are related parties of the Company by virtue of them being Directors. As such, the Board considers themselves unable to form a quorum to consider whether one of the exceptions set out in section 210 to 216 of the Corporation Act applies to the issue of Performance Rights, the subject of Resolutions 3(a) to 3(c).

Accordingly, Shareholder approval for the issue of the Performance Rights to the Related Parties is sought in accordance with Chapter 2E of the Corporations Act, specifically:

- (a) Resolution 3(a) – Mr Greg Hancock; and
- (b) Resolution 3(b) – Mr Graeme Drew.

3.4 Listing Rule 10.14

Listing Rule 10.14 requires Shareholder approval to be obtained where an entity issues, or agrees to issue, securities under an employee incentive scheme to:

- (a) a director of the entity;
- (b) an associate of the director; or
- (c) a person whose relationship with the entity, director or associate of the director is, in ASX's opinion, such that approval should be obtained.

As Shareholder approval is being sought under Listing Rule 10.14, approval under Listing Rules 7.1 or 10.11 is not required. Accordingly, the issue of the Performance Rights will not be included in the use of the Company's 15% annual placement capacity pursuant to Listing Rule 7.1.

3.5 Specific information required by Listing Rule 10.15 and section 219 of the Corporations Act

Pursuant to and in accordance with Listing Rule 10.15 and section 219 of the Corporations Act, the following information is provided in relation to the proposed issue of the Performance Rights:

- (a) The Performance Rights will be issued to Messrs Hancock and Drew (or their respective nominees) under Resolutions 3(a) and 3(b) respectively.
- (b) Mr Hancock is the Non-Executive Chairman and Mr Drew is the Managing Director of the Company. Accordingly, both Directors fall into the category stipulated by Listing Rule 10.14.1. In the event the Performance Rights are issued to a nominee of a Director, that person will fall into the category stipulated by Listing Rule 10.14.2.
- (c) The number of Performance Rights to be issued to the following persons for which approval is sought:
 - (i) Under Resolution 3(a) – up to 12 million Performance Rights are proposed to be issued to Mr Greg Hancock (or his nominee), comprising 3 million Tranche A, 4 million Tranche B and 5 million Tranche C Performance Rights.
 - (ii) Under Resolution 3(b) – up to 22 million Performance Rights are proposed to be issued to Mr Graeme Drew (or his nominee), comprising 5 million Tranche A, 7 million Tranche B and 10 million Tranche C Performance Rights.

- (d) The total remuneration package for Messrs Hancock and Drew for the previous financial year and the proposed total remuneration package for the current financial year are set out below:

Related Party	Salaries / Directors Fees (incl Superannuation)	Other	Perf. Rights / Options ³	Current Financial Year FY2025 (Estimate) ⁴	Salaries / Directors Fees (incl Superannuation)	Other	Perf. Rights / Options ²	Year Ended 30 June 2024 (Actual) ¹
Mr Greg Hancock	-	-	--	-	-	-	40,000	40,000
Mr Graeme Drew	220,000	-	-	220,000	220,000	-	80,000	302,000

Notes:

- Actual numbers for the previous financial year, that ended on 30 June 2024, are taken from the Company's audited Remuneration Report included within the Company's 2024 Annual Report.
- Performance Rights (Messrs Hancock and Drew) are subject to vesting conditions. Options are subject to exercise price. Performance Rights and Options are valued in accordance with AASB 2 Share-Based Payments.
- Excludes any share-based payments which remain subject to shareholders' approval.

- (e) Other payments to Director related entities

	Year Ended 30 June 2025 (estimate)	Year Ended 30 June 2024	Year Ended 30 June 2023
Mr Greg Hancock	48,000 ¹	48,000 ¹	48,000 ¹
Mr Graeme Drew	-	-	-

Notes:

- Mr Hancock is remunerated for corporate advisory services rendered to the Company.

- (f) The Company have not previously issued any securities to any of Messrs Hancock or Drew under the Company's Equity Incentive Plan (as approved by shareholders at the 21 November 2023 annual general meeting).
- (g) The proposed Performance Rights will be issued on the terms and conditions of the Plan – set out in Schedule 1, with the key terms of the proposed Performance Rights summarised in Schedule 2 to this Explanatory Statement. Subject to meeting the relevant vesting conditions, each Performance Right will convert into one Share in the Company.
- (h) In addition to the reasons set out in section 3.1 above, the Company has agreed to issue the Performance Rights to Messrs Hancock (Resolution 3(a)) and Drew (Resolution 3(b)) subject to Shareholder approval for the following reasons:
- the Performance Rights are unquoted; therefore, the issue of the Performance Rights has no immediate dilutionary impact on Shareholders;
 - the deferred taxation benefit which is available to Messrs Hancock and Drew in respect of an issue of Performance Rights is also beneficial to the Company as it means the related party is not required to immediately sell the Performance Rights to fund a tax liability (as would be the case in an issue of Shares where the tax liability arises upon issue of the Shares) and will instead, continue to hold an interest in the Company; and
 - it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Performance Rights on the terms proposed. Given that the Performance Right have an exercise price of \$0.01 each, and on the assumption that all Performance Rights are converted into Shares, the Company will raise \$340,000 in additional capital from the conversion.

- (i) The value attributed by the Company to the Performance Rights proposed to be issued is as follows:

Director	Tranche A AQD Share price achieving a 20-day VWAP of 10 cents	Tranche B AQD Share price achieving a 20-day VWAP of 12 cents	Tranche C AQD Share price achieving a 20-day VWAP of 15 cents	Total
Greg Hancock	\$109,200	\$138,800	\$162,000	\$410,000
Graeme Drew	\$182,000	\$242,900	\$324,000	\$748,900

These valuations are calculated based on the assumptions that all the target vesting conditions are satisfied, and based on the Share price of \$0.048 (being the closing price on 17 March 2025, the valuation date). The valuations were done using a combination of the Hoadley's Barrier1 Model and the Hoadley's Parisian Model (the combination of the two models to be referred to as the 'Parisian Barrier1 Model'). Hoadley's Parisian Model was first used to generate an implied barrier price that factors in the number of consecutive calendar days for which the underlying asset price must remain above or below the barrier. The implied barrier price (usually higher than the price target for 'up' barrier options) was then input into Hoadley's Barrier1 Model to calculate the value of the performance rights.

The valuations were performed by management who the Company believes has the relevant knowledge and experience to perform these valuations.

- (j) If the Performance Rights issued to Messrs Hancock (12 million Performance Rights) and Drew (22 million Performance Rights) are all converted, a total of 34 million Shares would be issued. This will increase the number of Shares on issue from 1,346,631,516 (being the total number of Shares on issue as at the date of this Notice) to 1,380,631,516 (assuming that no Shares are issued and no convertible securities vest or are exercised) with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of 2.5%.
- (k) If any of the vesting conditions are met and the Performance Rights are converted into Shares, the issue of such Shares may be a perceived cost to the Company.
- (l) The trading history of the Shares' closing prices on ASX in the 12 months before the date of this Notice is set out below:

	Closing Price	Date
Highest	\$0.059	20 March 2025
Lowest	\$0.007	20 January 2025
Last	\$0.059	20 March 2025

Messrs Hancock (Resolution 3(a)) and Drew (Resolution 3(b)) has a material personal interest in the outcome of these Resolutions and accordingly do not believe that it is appropriate to make a recommendation on any of Resolutions 3(a) or 3(b) of this Notice. Mr Ellis, the Company's third Director, is not participating in the proposed issue of Performance Rights and recommends that shareholders vote in favour of both Resolution 3(a) and (3b) for the reasons noted in sections 3.1 and 3.5 (h) of this Notice.

- (m) The relevant interests of Messrs Hancock, Drew and Ellis in securities of the Company as at the date of this Notice are set out below:

Holder	Fully Paid Ordinary Shares	Unlisted Options ⁴	Unlisted Options ⁵
Greg Hancock	4,586,415 ¹	5,000,000	-
Graeme Drew	27,052,772 ²	10,000,000	3,864,681
Chris Ellis ⁶	251,076,208 ³	5,000,000	29,431,704

Notes:

- Of the 4,586,415 shares owned, 2,500,000 shares were held under Hancock Corporate Investments Pty Ltd, a company associated with Mr Hancock.
- Held under OTS Super Pty Ltd <The Drew Family Super A/C>, a company associated with Mr Drew.
- Held under Chrysalis Investments Pty Ltd, a company associated with Mr Ellis.

4. Unlisted Options exercisable at \$0.03 each, expiring 30 November 2026.
5. Unlisted Options exercisable at \$0.012 each, expiring 11 November 2027.
6. Mr Ellis is not participating in the proposed issues. Mr Ellis is participating in the Placement (refer Resolution 2(a) of this Notice).
- (n) The Performance Rights are intended to be issued as soon as practicable following the receipt of approval at the Meeting and in any event, will be issued no later than three years after the date of the Meeting if the required approval is received.
- (o) The Performance Rights will be issued for nil cash consideration as they will be issued as part of Messrs Hancock and Drew remuneration incentive packages. Given that the Performance Right have an exercise price of \$0.01 each, and on the assumption that all Performance Rights are converted into Shares, the Company will raise \$340,000 in additional capital from the conversion at the time.
- (p) A summary of terms of the Plan is set out in Schedule 1 to this Explanatory Statement and a summary of the terms and conditions of Performance Rights is set out in Schedule 2 to this Explanatory Statement.
- (q) No loan will be provided to either Messrs Hancock or Drew in relation to the issue of the Performance Rights.
- (r) Details of any Securities issued under the Plan will be published in the annual report of the Company relating to the period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14.
- (s) Any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of securities under the Plan after this Resolution is approved and who were not named in the Notice will not participate until approval is obtained under that rule.
- (t) The Board is not aware of any other information that is reasonably required by Shareholders to allow them to decide whether it is in the best interests of the Company to pass Resolutions 3(a) (Mr Hancock) or Resolution 3(b) (Mr Drew).
- (u) A voting exclusion statement is included in the Notice.

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SCHEDULE 1 – SUMMARY OF EQUITY INCENTIVE PLAN RULES

Summary of AusQuest Limited Equity Incentive Plan (**Plan**):

1. Awards

Under the Rules of the Equity Incentive Plan (**Plan Rules**), Awards may be offered relying on the ESS Division, at the discretion of the Board. Awards may also be offered to persons to whom securities may be offered without disclosure.

An “Award” includes any share-based incentive award, including:

- shares;
- options to subscribe for a share issued in accordance with the Equity Incentive Plan and subject to the satisfaction of any vesting conditions, performance conditions and/or exercise conditions and payment of the relevant exercise price;
- performance rights which provide entitlements to be issued with shares, subject to the satisfaction of any vesting conditions and/or performance conditions; or
- any other “ESS interests” as defined in section 1100M(1) of the Corporations Act.

Awards may, among other things, be loan-funded or issued as tax-deferred incentives under Australian tax legislation.

2. Eligibility

Persons who may participate in the Equity Incentive Plan (**Eligible Person**) are:

- an employee of the Company or its Associated Entities, whether actual or prospective;
- a director of the Company or its Associated Entities, whether actual or prospective;
- an individual who provides services to the Company or its Associated Entities (i.e. a contractor), whether actual or prospective;
- a person who otherwise constitutes a ‘primary participant’ under section 1100L(1)(a) of the Corporations Act; and
- any other person who is a ‘related person’ of a ‘primary participant’ under section 1100L(1)(b) of the Corporations Act, such as a spouse, child or parent, a controlled body corporate, or a related self-managed superannuation fund trustee.

3. Administration of Equity Incentive Plan

Subject to the requirements of the Listing Rules and the Corporations Act, the Board will administer the Equity Incentive Plan. It may determine the persons to whom the Awards will be offered under the Equity Incentive Plan, and the number of Awards which may be offered to those persons.

4. Offer

Following determination that an Eligible Person may participate in the Equity Incentive Plan, the Board may from time to time make an offer in writing to an Eligible Person. Each offer must specify, in clear, concise and effective manner:

- the date of the offer, and the final date the offer must be accepted by (**Final Acceptance Date**);
- the name and address of the Eligible Person to whom the offer is made;
- the type of Awards being offered;
- the maximum number of Awards being offered;
- in the case of an Option, the exercise price and the exercise period;
- the vesting conditions (if any), the performance conditions and performance period (if any), the test dates (if any) and/or exercise conditions (if any) relating to the Awards being offered;
- the term and expiry date or end date (if any);
- the summary of any rights attaching to the Awards;
- agreement with the Eligible Person for the Company to supply details to third parties (including the share registry of the Company) where required by law;
- if the Offer is made for no monetary consideration under the ESS Division, a statement that the offer is made pursuant to Division 1A of Part 7.12 of the Corporations Act; and

- any other matters required to be specified in the Offer by either the Corporations Act, the Listing Rules or an applicable ASIC instrument of relief, and attach an Application and a copy of this Equity Incentive Plan.

5. Vesting of Awards

The Board may, at its absolute discretion, determine that Awards issued will be subject to vesting conditions (e.g. performance milestones) and in those circumstances, Awards cannot vest in the Eligible Person until such time as those vesting conditions have been satisfied or waived.

If the vesting conditions are not satisfied, the Awards will lapse or be cancelled.

6. Restriction Conditions

Awards may be subject to restriction conditions (such as a period of employment) which must be satisfied before the underlying Shares can be sold, transferred, or encumbered.

7. Power of Attorney

In consideration of the issue of the Awards, each Participant irrevocably appoints each Director and the Secretary (as appointed from time to time) of the Company severally as his or her attorney, to do all acts and things and to complete and execute any documents, including for the purposes of giving effect to the buy-back or sale of forfeited Shares, and the application of the proceeds of the sale of forfeited Shares.

8. Issue Cap

Pursuant to the 'issue cap' under section 1100V of the Corporations Act, the Directors will not make an offer of Awards under the Equity Incentive Plan where monetary consideration is payable in relation to those Awards and which relies on the ESS Division, unless they have reasonable grounds to believe that:

- the total number of Shares that are, or are covered by, the Awards that may be issued under the offer; and
- the total number of Shares that are, or are covered by, Awards that have been issued, or could have been issued, under offers made in connection with the Equity Incentive Plan at any time in the 3-year period prior to the offer being made,

does not exceed 5% (or such other percentage as specified in the Constitution, from time to time) of the total number of underlying Shares in that class on issue, as at the date of the offer.

Offers of Awards under the Equity Incentive Plan where no monetary consideration is payable in relation to those Awards, and which relies on the ESS Division, are not subject to any issue cap.

9. Restriction on Transfer

Shares, or any beneficial or legal interest in Shares, may not be transferred, encumbered or otherwise disposed of, or have a security interest granted over them, unless all restrictions on the transfer, encumbrance or disposal of the Shares have been met, the Board has waived such restrictions, or prior consent of the Board is obtained which consent may impose such terms and conditions on such transfer, encumbrance or disposal as the Board sees fit.

10. Rights Attaching to Shares

Any Shares issued by the Company to an Eligible Person will rank equally with all existing Shares on and from the date of issue.

11. Dividends and Voting Rights

An Eligible Person who holds Awards which are plan Shares is entitled to receive:

- a notice of meeting of shareholders and may exercise any voting rights attaching to those plan Shares; and
- income deriving from those plan Shares, including dividends and distributions declared or paid on those plan Shares.

Holders of Awards that are convertible into plan Shares do not have any of the following rights unless and until plan Shares are allocated or acquired on vesting and exercise:

- the right to receive notice of, attend and vote at general meetings of the Company;
- the right to dividends by the Company;
- the right to a return of capital by the Company; or
- the right to participate in the surplus assets of the Company on winding-up.

SCHEDULE 2 – TERMS AND CONDITIONS OF PERFORMANCE RIGHTS

1. Instrument

The Company is seeking Shareholder approval for a grant of Short Term and Long Term Performance Rights to Mr Greg Hancock (Resolution 3(a)) and Mr Graeme Drew (Resolution 3(b)) (or their nominees) (**Participants**) under the Equity Incentive Plan (**Plan**).

Performance Rights vest if performance conditions are satisfied.

2. Vesting Conditions and measurement

Each Performance Rights will vest and be capable of conversion into a Share in the Company subject to the following vesting conditions being met within the Term:

- Tranche A Performance Rights – the Company achieving a 20-day volume weighted average share price of 10 cents.
- Tranche B Performance Rights – the Company achieving a 20-day volume weighted average share price of 12 cents.
- Tranche C Performance Rights – the Company achieving a 20-day volume weighted average share price of 15 cents.

It is proposed that the following number of Performance Rights be issued:

Director	Tranche A AQD Share price achieving a 20-day VWAP of 10 cents	Tranche B AQD Share price achieving a 20-day VWAP of 12 cents	Tranche C AQD Share price achieving a 20-day VWAP of 15 cents	Total
Greg Hancock	3,000,000	4,000,000	5,000,000	12,000,000
Graeme Drew	5,000,000	7,000,000	10,000,000	22,000,000
Total	8,000,000	11,000,000	15,000,000	34,000,000

The vesting of the Performance Rights will be measured by the Board in accordance with the Equity Incentive Plan.

3. Term

The achievement of the Vesting Conditions will be measured over the three year period from the date following the Meeting (subject to the terms of the Plan) (**Measurement Period**). Any unconverted Performance Rights will expire four years after their issue date.

4. Exercise Price

Each Performance Right is exercisable at \$0.01.

5. Conversion

- To convert a PR, the Holder must give the Company or its Securities Registry the nominated account and other relevant details to enable the Company to issue the Shares.
- The final issue is subject to Board approval at the time who may at its sole discretion delay or postpone the issue of any conversion shares, with such approval not to be unreasonably withheld. The payment of the Exercise Price is required prior to the Board providing its formal approval.
- The Company will impose a condition on Shares issued under this Offer requiring the Holder to obtain Board approval to trade the Shares, with such approval not to be unreasonably withheld. This condition will be imposed separately for Conversion Shares issued under each of Tranche A, Tranche B, and Tranche C of the Offer.

6. Consideration

The Performance Rights will be issued for nil cash consideration and no consideration will be payable upon the conversion of the Performance Rights.

7. Share ranking

All Shares issued upon the conversion of the Performance Rights will upon issue rank pari passu in all respects with other Shares.

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8. Quotation of Shares on ASX

The Performance Rights will not be quoted on ASX. Upon conversion of the Performance Rights into Shares, the Company will apply for quotation of all Shares issued upon conversion of the Performance Rights within the period required by ASX.

9. Dividend and Voting Rights

A Performance Right does not confer upon the holder an entitlement to notice of, or to vote or attend at, a meeting of the Shareholders of the Company or receive dividends declared by the Company.

10. Share Buy-back / Capital Return

In the event that there is a share buy-back or capital return to Shareholders undertaken by the Company which has a material impact on the Company's market capitalisation and upon the achievability of the performance criteria in respect of the Performance Rights, the parties will agree on a pro rata adjustment of the market capitalisation targets required to be met as part of the performance criteria. Any such changes to the performance criteria of the Performance Rights will be subject to Shareholder approval and any other restrictions imposed by ASX. The Performance Rights do not confer any right to a return of capital, whether in a winding up, upon a reduction in capital or otherwise.

11. Participation in new issues

There are no participation rights or entitlements inherent in the Performance Rights and holder will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Performance Rights.

12. Reorganisation of capital

If, at any time, the issued capital of the Company is reorganised (including consolidation, subdivision, reduction or return), all rights of the holder of the Performance Rights are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reorganisation.

13. Change in Control Event

Notwithstanding any other provision of these terms and conditions, if a Change in Control Event (as defined in the Equity Incentive Plan) occurs, the Performance Rights will be deemed to have vested and must be converted into Shares within 5 Business Days of the Change in Control Event occurring.

14. Equity Incentive Plan terms

The Performance Rights are issued pursuant to and are subject to the Equity Incentive Plan. In the event of conflict between a provision of these terms and conditions and the Equity Incentive Plan, these terms and conditions prevail to the extent of that conflict.

GLOSSARY OF DEFINED TERMS

In the Notice and this Explanatory Memorandum, words importing the singular include the plural and vice versa, and unless the context otherwise requires:

\$ means Australian dollars.

Associate has the meaning given to that term in the ASX Listing Rules.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ABN 98 008 624 691) and, where the context requires, the Australian Securities Exchange operated by 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 excluding any day that ASX declares is not a business day.

Chairperson or **Chair** means the person appointed to chair the Meeting convened by the Notice.

Closely Related Party has the meaning given in section 9 of the Corporations Act.

Company means AusQuest Limited (ACN 091 542 451).

Constitution means the constitution of the Company.

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

Director means a director of the Company.

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

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

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

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Lead Manager means Euroz Hartleys Limited (ACN 104 195 057, AFSL 230052).

Listing Rules means the official listing rules of ASX.

Meeting or **General Meeting** means the general meeting convened by this Notice.

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

Performance Rights means the performance rights proposed in this Notice or issued under the Company's Equity Incentive Plan.

Placement means the Placement of a total of 208,333,334 Shares to the Placement Participants (including Related Party Participants).

Placement Participant means a person to whom Placement Shares have been issued under the Placement.

Placement Shares means a Share under the Placement.

Plan means the Equity Incentive Plan as described in Schedule 1 to the Explanatory Statement.

Proxy Form means the proxy form attached to the Notice.

Related Body Corporate has the meaning given to that term in the Corporations Act.

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

Related Party Participant means a Related Party participating in the Placement.

Related Party Participation Shares means the Shares to be issued to Related Party Participants under the Placement.

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

Schedule means a schedule to this Notice.

Section means a section contained in this Explanatory Statement.

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

Shareholder means a registered holder of a Share.

Share Registry means Automic Pty Ltd (ACN 152 260 814).

Tranche means the relevant number of Performance Rights associated with the relevant vesting condition.

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

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INSTRUCTIONS FOR COMPLETING PROXY FORM

1. A member entitled to attend and vote at a General Meeting is entitled to appoint not more than two proxies to attend and vote on a poll on their behalf. The appointment of a second proxy must be done on a separate copy of the Proxy Form. Where more than one proxy is appointed, such proxy must be allocated a proportion of the member's voting rights. If a member appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes. A duly appointed proxy need not be a shareholder of the Company.
 2. If you wish to appoint the Chairperson of the Meeting as your proxy, mark the box. If the person you wish to appoint as your proxy is someone other than the Chairperson of the Meeting, please write the full name of that individual or body corporate in the space provided. If you leave both the box and this section blank, or your named proxy does not attend the meeting, the Chairperson of the Meeting will be your proxy. A proxy need not be a security holder of the Company. A proxy may be an individual or a body corporate. If your appointment of a proxy specifies the way the proxy is to vote on a particular resolution and your appointed proxy is not the Chairperson of the meeting and at the meeting a poll is duly demanded on the question that the resolution be passed, then if either your proxy is not recorded as attending the meeting (if a record of attendance is made) or your proxy does not vote on the resolution, the Chairperson is taken, before voting on the resolution closes, to have been appointed as your proxy for the purposes of voting on the resolution at that meeting.
 3. You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction, unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of securities you wish to vote in the appropriate place. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid. If you direct your proxy how to vote on a particular resolution, the proxy need not vote on a show of hands but if the proxy does so, the proxy must vote as directed. If the proxy has 2 or more appointments that specify different ways to vote on the resolution, the proxy must not vote on a show of hands. If the proxy is the Chairperson, the proxy must vote on a poll, and must vote as directed and if the proxy is not the Chairperson, the proxy need not vote on the poll, but if the proxy does so, the proxy must vote as directed. If any member of the Key Management Personnel of the Company, other than the Chairperson of the Meeting, or a Closely Related Party of a member of the Key Management Personnel is your nominated proxy and you have not directed the proxy how to vote on the Resolutions), that person will not cast any votes on the Resolutions.
 4. Where a member's holding is in one name the holder must sign. Where the holding is in more than one name, all members should sign.
 5. Where a Proxy Form of a corporate representative is lodged and is executed under a power of attorney, the power of attorney must be lodged in like manner as this Proxy Form.
 6. Corporate members should comply with the execution requirements set out on the Proxy Form or otherwise with the provisions of Section 127 of the Corporations Act. Section 127 of the Corporations Act provides that a company may execute a document without using its common seal if the document is signed by:
 - 2 directors of the company;
 - a director and a company secretary of the company; or
 - for a proprietary company that has a sole director who is also the sole company secretary – that director.
- For the Company to rely on the assumptions set out in Section 129(5) and (6) of the Corporations Act, a document must appear to have been executed in accordance with Section 127(1) or (2). This effectively means that the status of the persons signing the document or witnessing the affixing of the seal must be set out and conform to the requirements of Section 127(1) or (2) as applicable. In particular, a person who witnesses the affixing of a common seal and who is the sole director and sole company secretary of the company must state that next to his or her signature.
7. Completion of a Proxy Form will not prevent individual members from attending the General Meeting in person if they wish. Where a member completes and lodges a valid Proxy Form and attends the General Meeting in person, then the proxy's authority to speak and vote for that member is suspended while the member is present at the General Meeting.
 8. To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
 - (a) post to or in person to 8 Kearns Crescent, Ardross WA 6153; or
 - (b) facsimile on +61 8 9463 2499; or
 - (c) email to the Company Secretary at proxy@ausquest.com.au

so that it is received not later than 10.00am (WST) on Tuesday, 6 May 2025.

Proxy forms received later than this time will be invalid.

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