

20 October 2017

Australian Securities Exchange
Level 40, Central Park
152 – 158 St George's Terrace
Perth WA 6000

By electronic lodgement

Dear Sir/ Madam

GRANT OF WAIVER FOR ASX LISTING RULE 10.13.5

AusQuest Limited (ASX code: AQD) wishes to advise that in relation to the issue of up to 21,642,048 shares in the Company to Chrysalis Investments Pty Ltd as part conversion of the Convertible Note for \$750,000 issued in October 2016, the Company has been granted a waiver from ASX Listing Rule 10.13.5 to permit the Company's Notice of General Meeting ("Notice") to be sent to shareholders.

The waiver is subject to the following conditions:

- 1.1 The Notice states that the issue price of Conversion Shares to be issued to Mr Christopher Ellis who is a director of AusQuest, will be the lower of:
 - 1.1.1. 2 cents per Share; and
 - 1.1.2. the volume weighted average market price for Shares calculated over the 5 days on which sales in the Shares were recorded immediately prior to the day on which the issue of the Conversion Shares is made.
- 1.2. The Notice includes a worked example of the dilution that will occur to existing shareholders of the Company as a result of the issue of the Conversion Shares.
- 1.3. The Company discloses the terms of this waiver to the market by way of a fulsome disclosure in the Notice.

The Notice of Annual General Meeting was dispatched to shareholders on 20 October 2017.

Henko Vos
Company Secretary