



Quarterly Report – 31st March 2018

Exploration set to ramp-up significantly under South32 Strategic Alliance with diamond drilling imminent at Chololo, drill permits well advanced at Cerro de Fierro, drilling planned at 3 Australian projects, and 4 new projects accepted in Australia

HIGHLIGHTS

Peru – Copper-Gold

- ❑ Final approvals received from the Peruvian Government for diamond drilling at the Chololo porphyry copper project (South32).
- ❑ Access preparations at Chololo to commence late in April, with ~5,000m of diamond drilling planned to begin in May.
- ❑ Drill permitting for ~3,000m of diamond drilling at the Cerro de Fierro IOCG project (South32) well advanced, with only approval for surface access now pending.
- ❑ Potential for manto-style copper mineralisation at the Parcoy Project confirmed by mapping and sampling.
- ❑ New tenement applications (8) submitted at Azucar West following recognition of the potential for buried porphyry copper mineralisation in the area.

Australia – Nickel, Copper, Zinc

- ❑ RC drilling (~2,900m) of structural targets at the Blue Billy Joint Venture Project agreed with South32. Access clearances underway.
- ❑ Diamond drilling (~1,900m) of bedrock conductors at the Jimberlana and Balladonia Nickel Projects approved under the Strategic Alliance.
- ❑ Four base metal projects (Caramulla, Tangadee, Yallum Hill (WA) and Hamilton (QLD)) accepted as new ‘exploration opportunities’ under the Strategic Alliance, taking the total number of projects under the Alliance to 10.
- ❑ VTEM surveys completed over the Caramulla Nickel and Tangadee Zinc Projects, outlining several targets.

Corporate

- ❑ At the end of March 2018, the Company’s cash position was approximately A\$3.6M following receipt of funds from South32 for ongoing work over Strategic Alliance Projects (~A\$2.3M) as well as a US\$500,000 bonus payment.

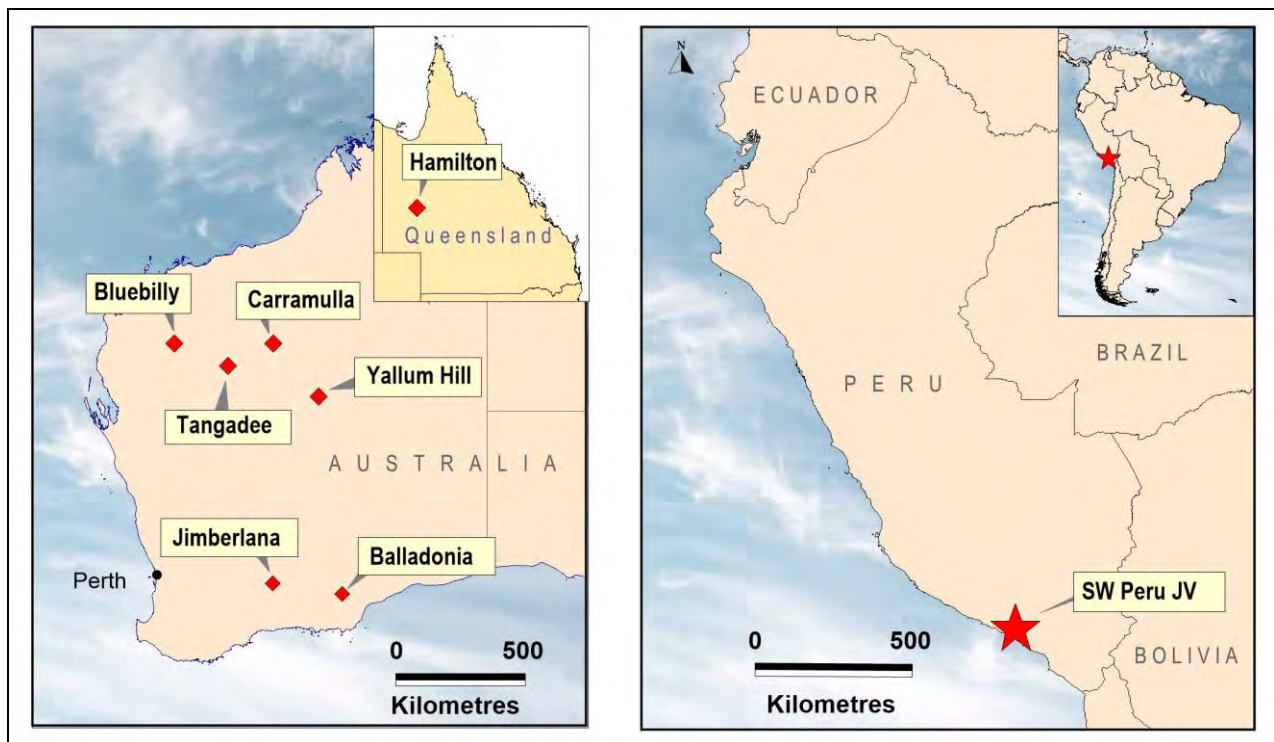


Figure 1: Project Locations – Australia and Peru

OVERVIEW

During the Quarter, another four projects in Australia were accepted as exploration opportunities under the Company's Strategic Alliance Agreement (SAA) with diversified global miner South32 (ASX, LSE, JSE: S32; ADR: SOUHY). This takes the total number of projects under the SAA to 10. Drilling has now been agreed at five of the Alliance projects.

In **Peru**, the main focus for the Quarter was on progressing drill permits for both the Chololo and Cerro de Fierro projects so that drilling operations can commence during the June Quarter 2018. Elsewhere, mapping and sampling continued in order to identify new projects for consideration under the Strategic Alliance. IP surveys to identify drill targets were completed at Los Otros.

In **Australia**, four new base metal exploration opportunities were accepted by

South32 following technical discussions with the Company. Drill proposals were also approved under the SAA for the Blue Billy, Jimberlana and Balladonia projects following a detailed assessment of each project. VTEM surveys were completed over two of the new exploration opportunities, with several targets identified.

PERU COPPER-GOLD PROJECTS

Over the past seven years, AusQuest has assembled a large portfolio of copper-gold prospects along the southern coastal belt of Peru in South America, with targets identified for drilling as possible porphyry copper targets and/or iron-oxide copper-gold (IOCG) targets with the size potential being of significance to AusQuest (Figure 2). Peru is one of the world's most prominent destinations for international copper exploration and is considered to be a prime location for world-class exploration opportunities.



Figure 2: Project Locations Peru

Strategic Alliance Projects (funded by South32)

During the Quarter, drill permitting for the **Chololo Project** was completed with final approvals received from the Ministry of Mines in April.

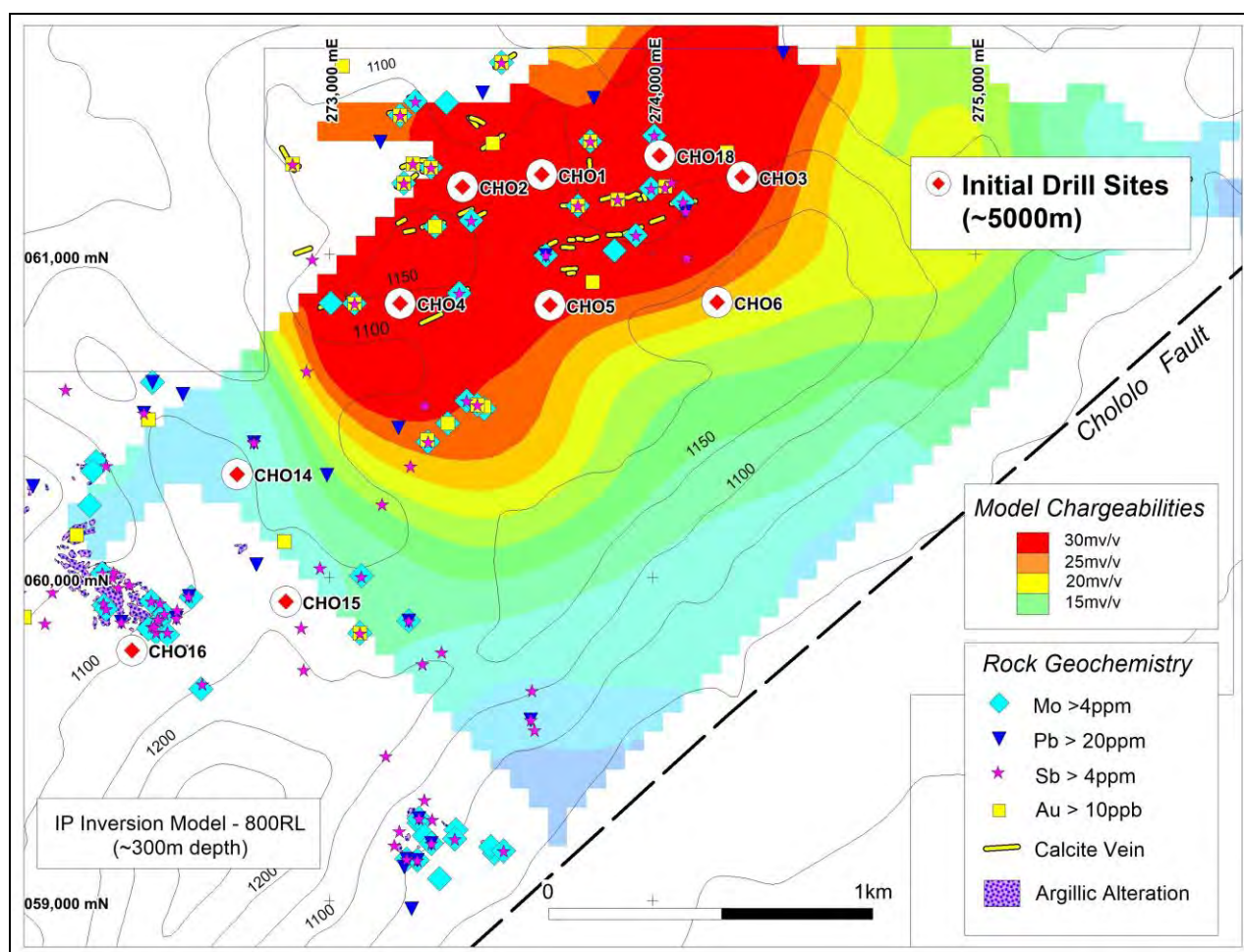
Access preparations will commence at the end of April under a contract with DS Global, with access to the first three drill sites expected to be completed in May to coincide with the SFP Drilling's planned arrival on site.

The programme, of up to 5,000m of diamond drilling, will be an initial test of this potentially large porphyry copper target, with the initial drill holes positioned to test a strong induced polarisation (IP) chargeability anomaly thought to reflect a large-scale pyrite (+/- chalcopyrite) halo associated with

a buried porphyry copper system (Figure 3). Drilling is expected to continue for several months.

The Chololo Project is subject to an agreement with South32, who can earn a 70% interest in the project by spending a total of US\$4.0 million. AusQuest, through its Peruvian subsidiary, will be the operator for the initial drilling programme.

At the **Cerro de Fierro** project, drill permitting was progressed beyond the environmental and community approvals stage and is now awaiting land access approval from the Peruvian government agency, La Superintendencia Nacional de Bienes Estatales (SBN). It is anticipated that final approval could be received in June, enabling drilling operations to follow completion of the initial drill programme at Chololo.



Diamond drilling (up to 3,000m) at Cerro de Fierro is planned to test an Iron-Oxide Copper-Gold (IOCG) target defined by strong IP chargeability responses associated with a large discrete magnetic anomaly thought to reflect possible manto-style copper (gold) mineralisation (*Figure 4*). Previous mapping by the Company has located numerous outcrops with highly anomalous copper values surrounding these geophysical targets.

As with Chololo, this project is subject to an agreement with South32 whereby they can earn a 70% interest by spending a total of US\$4.0 million. AusQuest, through its Peruvian subsidiary, will again be the operator of this drill programme.

The Cerro de Fierro Project is located at the southern end of a recognised IOCG

metallogenic belt in the south of Peru and lies within ~150km of the Mina Justa (~475Mt @ 0.68% Cu) and Pampa de Pongo (945Mt @ 44.7% Fe, 0.12% Cu, 0.09g/t Au) deposits.

At the **Los Otros Project**, wide-spaced IP surveys were completed to test target areas identified by the Company's mapping and sampling programme as being prospective for buried porphyry copper mineralisation.

Three low-order IP chargeability anomalies were identified by the reconnaissance survey, suggesting the potential for possible deep (>400m) mineralisation. Further work at this prospect will be subject to detailed assessment of the data and consideration by the Strategic Alliance.

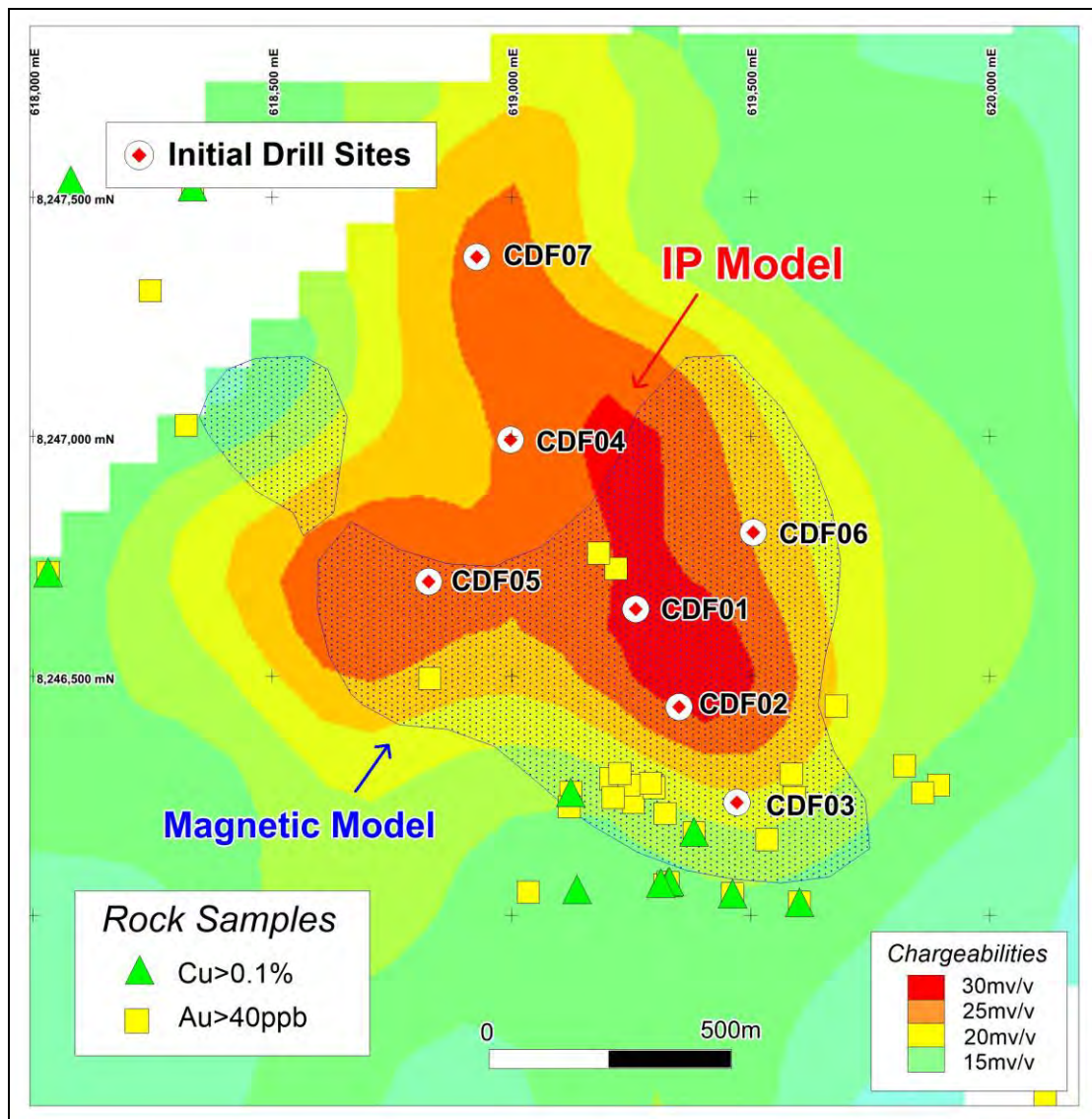


Figure 4: Cerro de Fierro IOCG Target showing planned drill-holes.

New Opportunities Peru – Strategic Alliance (South32)

During the Quarter, reconnaissance mapping and sampling at the Azucar West and Parcoy projects highlighted their potential as possible new exploration opportunities for consideration under the SAA. Site visits by South32 personnel are being organised for mid year to assess these new opportunities.

At **Azucar West**, which is located ~13km north of Cholulu, recognition of alteration within the overlying volcanic sequence has highlighted the possibility of a buried porphyry system in the area. Anomalous molybdenum (Mo), arsenic (As) and bismuth (Bi) suggests that the porphyry could be mineralised.

Eight new tenement applications were submitted to secure areas surrounding the project that are considered prospective based on the Company's proprietary airborne data.

At **Parcoy**, which is located immediately north of the Los Chapitos prospect (where Camino Resources has reported intersections of 168m @ 0.72% Cu and 96.5m @ 0.93% Cu from early drilling), reconnaissance mapping and sampling has confirmed the prospectivity of the area with numerous rock samples returning anomalous Cu (150ppm up to 3.2% Cu) and gold values (50ppb to 1.6ppmAu) associated with alteration and veining within intrusive rocks and volcanics located along WNW trending structures (lineaments) parallel to those hosting the nearby Los Chapitos mineralisation (*Figure 5*).

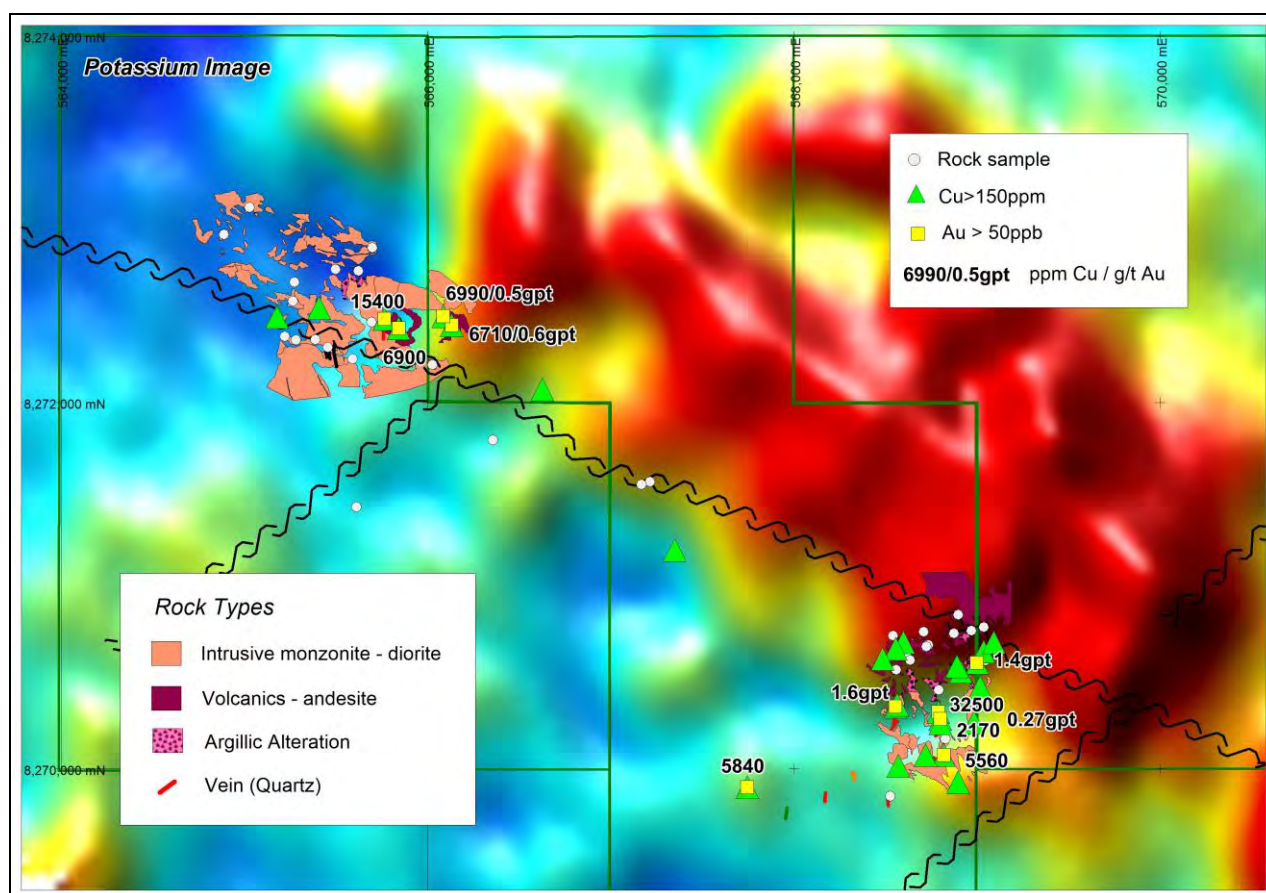


Figure 5: Parcoy Project showing sampling results and the airborne potassium image

Interpretation of the Company's airborne data at Parcoy suggests the possibility of widespread potassium alteration and the potential for manto-style IOCG mineralisation associated with these structures. IP surveys are being planned to identify potential targets for drilling.

Results from the **El Puno** and **Pampa Camarones** projects were also compiled and presented to South32 for consideration under the SAA as possible new exploration opportunities. Site visits have been requested as part of the evaluation process.

AUSTRALIA – BASE METAL PROJECTS (Nickel, Copper, Zinc)

Blue Billy Zinc Project (100% AQD – BBJVA; South32 earning to 70%)

The Blue Billy Zinc Project is located ~100km south-west of Paraburdoo within the Edmund Basin in Western Australia. The tenement covers the down-dip extent of anomalous zinc values (up to 0.5% Zn) found within a pyritic black mudstone similar to host rocks known to contain sedimentary zinc

deposits in the Mt Isa-McArthur River District of north-west Queensland. A study of historical exploration data suggests the potential for SEDEX-style zinc mineralisation close to a regional-scale (growth?) fault system down-dip from the anomalous surface zinc occurrences. All exploration work is being funded by South32 under the Blue Billy Joint Venture (BBJVA.)

During the Quarter, available VTEM data over the Blue Billy target area were re-processed and Conductivity Depth Inversion (CDIs) sections produced. Structural contours to the top of the conductive black shale unit were constructed, outlining several priority structural targets in close proximity to drill-holes BBDDH03 and 04 – which reported the strongest indicators for proximal zinc mineralisation from the initial drilling programme completed last year.

Priority targets include synclinal structures adjacent to faults parallel and/or orthogonal to the Talga Fault system, where the target black (pyritic) shale horizon occurs at relatively shallow depths (50m to 250m). A

programme of Reverse Circulation (RC) drilling (12 holes/~2900m) was designed to test these targets (Figure 6). Native Title clearances will commence in late May once access to the planned drill sites has been checked.

A small stream sediment sampling programme commenced in April to identify the most prospective faults and help prioritise drill sites. Results are pending.

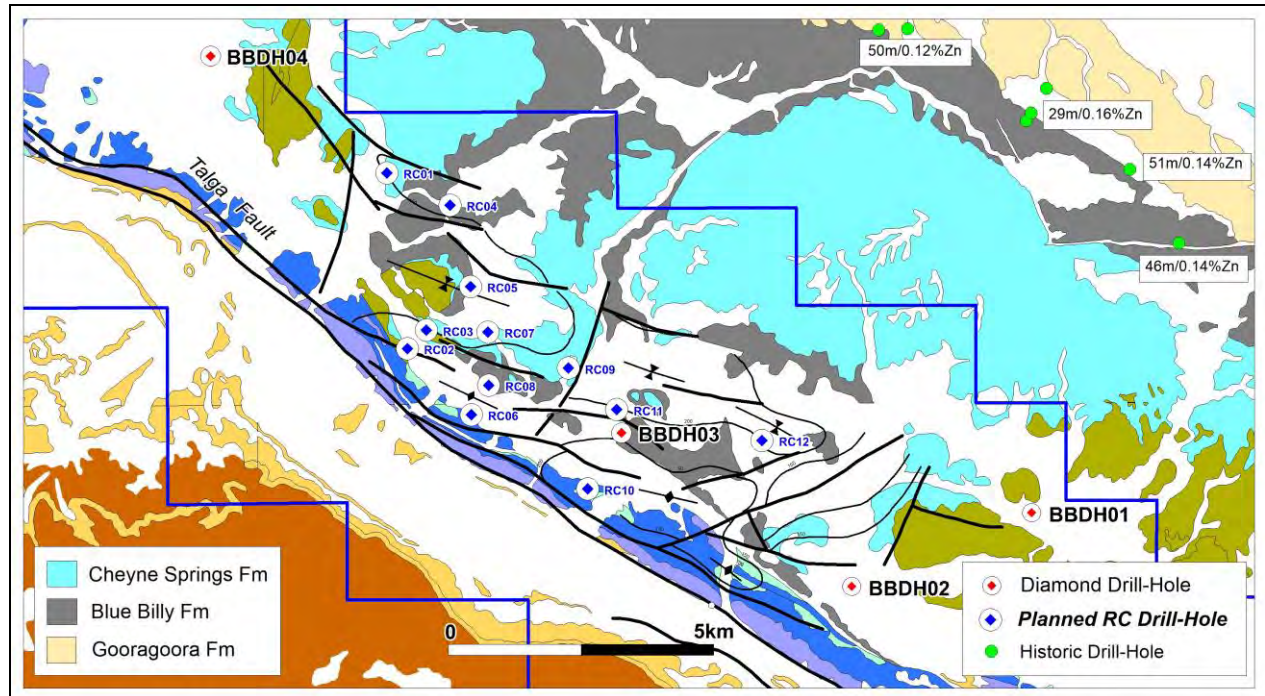


Figure 6: Blue Billy Project showing structural Targets and planned drill-hole locations

Jimberlana Nickel-Copper Project (100% AQD subject to SAA)

The Jimberlana Project, which is located ~120km west of Norseman between the Lake Johnston and Forrestania Greenstone Belts, consists of one Exploration Licence (130km²) covering the western extension (~20km strike) of the Jimberlana Dyke. Recent research has found a strong association between intrusive-related nickel sulphide deposits and the base of dyke-like structures. Jimberlana is a very large, fertile, fractionated dyke known to contain nickel sulphides within its contact zones but has never been drill tested at or close to its basal section. Exploration work at Jimberlana is being funded by South32.

During the Quarter, a proposal to drill test the high-conductivity EM targets (+3,000

siemens) located in the central part of the prospect was agreed with South32. The basal contact of the Jimberlana intrusion is interpreted to be at ~450m at this location.

The bedrock EM targets occur at depths of ~200m and 300m below surface and appear to be associated with cross-cutting structures within the dyke complex. The targets themselves appear to be relatively small but could be indicative of larger targets at depth closer to the base of the dyke (Figure 7).

Two diamond drill holes (~700m) have been planned to test these anomalies for nickel-copper mineralisation. Native Title clearances are being sought to enable target drilling to commence.

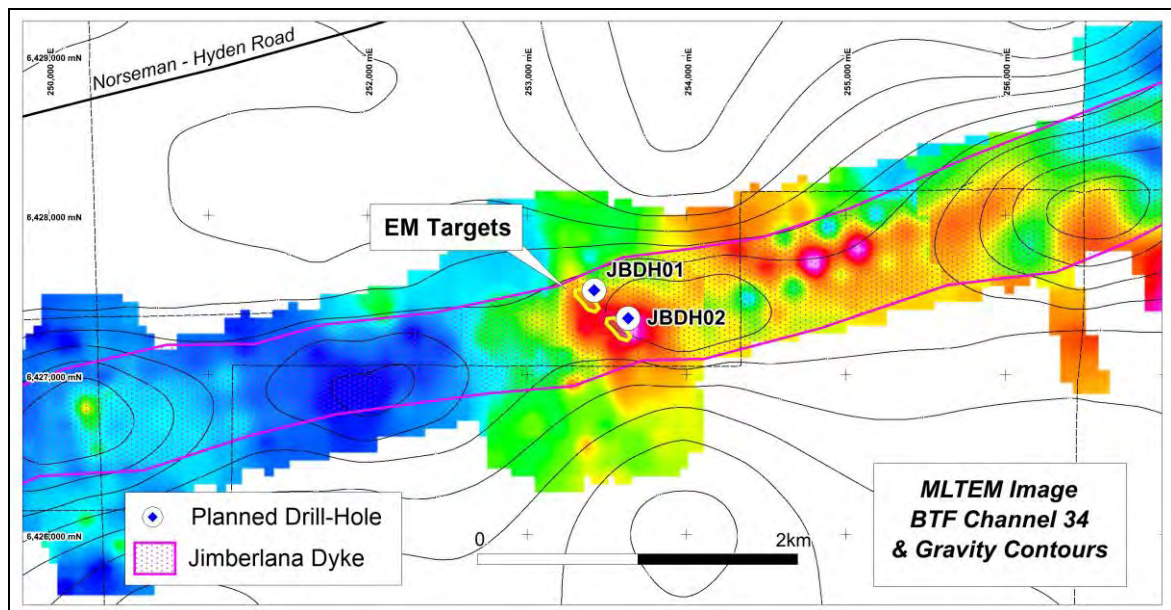


Figure 7: Jimberlana Nickel Project showing planned drill-holes.

Balladonia Nickel-Copper Project (100% AQD subject to SAA)

The Balladonia Project is located ~50km south of the Nova-Bollinger nickel-copper deposit. It consists of six Exploration Licences covering an area of ~1040km², within a structurally complex region of the Fraser Range Terrain centred above the

During the Quarter, a drilling programme to test conductors identified by the reconnaissance EM surveys was agreed with South32. The programme will include both aircore and diamond drilling, depending on the targets being tested.

Three discrete bedrock targets associated with cross cutting dyke-like intrusions that were located during the 2015 EM programme will be tested by diamond drilling (~1,200m) (Figure 8). Weaker EM anomalies identified by the more recent EM surveys will initially be tested by shallow aircore drilling to confirm rock type and geochemical responses associated with these conductors (and their magnetic hosts) before further work is considered.

Numerous mafic intrusions inferred in the magnetic data remain to be tested within the Balladonia area should drilling results provide sufficient encouragement. Two new tenement applications were submitted to

southern margin of a deep regional gravity anomaly (~30 milligals) which is thought to reflect buried mafic/ultramafic rocks similar to those that may be related to the formation of the Nova deposit. Most of the tenements lie within the Dundas Nature Reserve. Exploration work at Balladonia is being funded by South32. cover possible strike extensions of the EM/magnetic targets being tested.

Yallum Hill Nickel-Copper Project (100% AQD subject to SAA)

The Yallum Hill Nickel-Copper Project was originally part of the Glenayle project. It is located ~350km north-east of Wiluna along the northern margin of the Yilgarn Craton in Western Australia. The tenement covers a distinct magnetic target close to the basal section of a large mafic sill complex. The target is under cover and thought to reflect ultramafic rocks that could be prospective for nickel-copper sulphide deposits. Exploration work at Yallum Hill is being funded by South32.

During the Quarter, a programme to test this prospect for massive nickel-copper sulphides was agreed with South32 following their acceptance of this prospect as a new exploration opportunity.

A VTEM survey over the title has been planned and is scheduled to be completed in May.

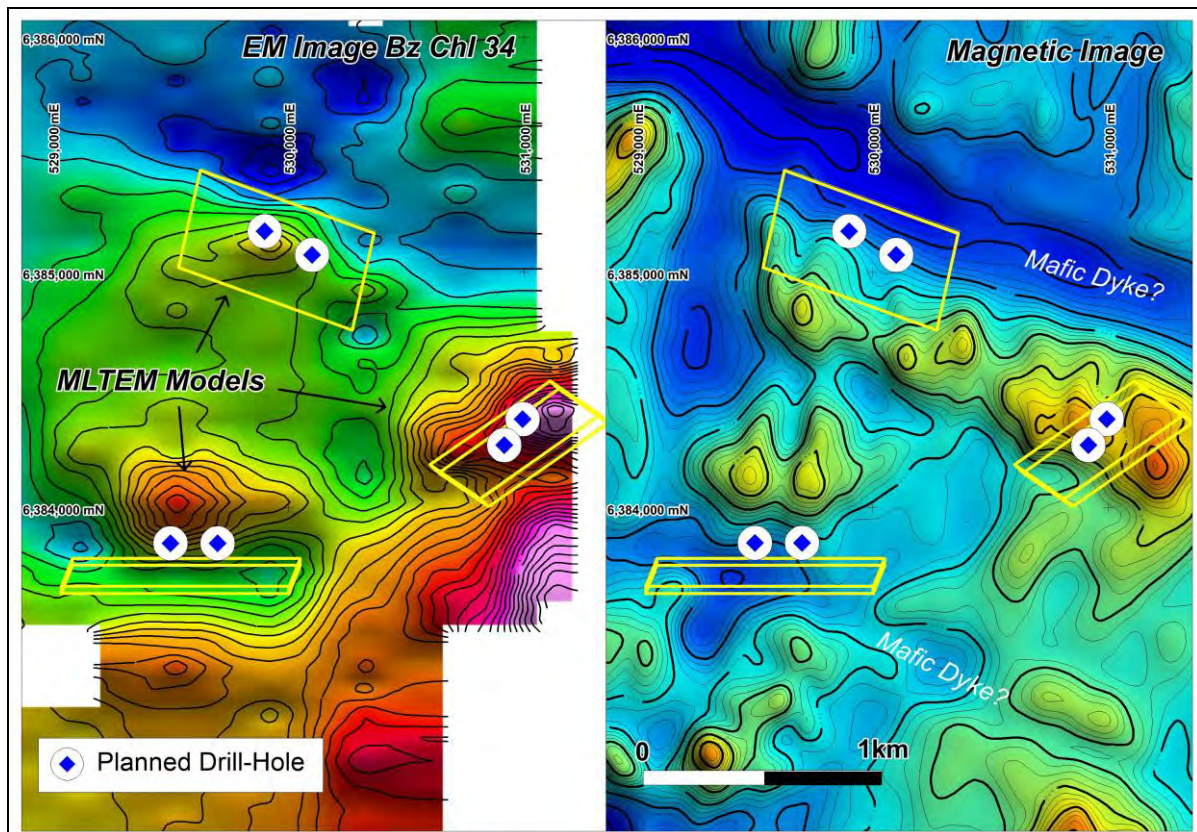


Figure 8: Balladonia Nickel Project showing EM targets and drill-hole locations.

Tangadee Zinc Project (100% AQD subject to SAA)

The Tangadee zinc project is located approximately 150km south-west of Newman within the Edmund Basin of WA. It consists of one exploration licence covering ~280km² in area. Exploration is targeting sediment-hosted zinc mineralisation similar to deposits found in north-west Queensland. The area contains favourable host rocks, prospective large-scale structures and anomalous geochemistry in the available regional geochemical database, highlighting potential for sediment hosted zinc mineralisation. Exploration work at Tangadee is being funded by South32.

During the Quarter, a detailed VTEM survey (~580km) was completed over the tenements to help map the black shale horizons and define potential structural targets for testing. Survey specifications included 400m spaced flight lines and north-south flight lines.

Preliminary results have been received and are being compiled with available geological and geochemical data as well as historic exploration information. Conductivity Depth

inversions will be produced once final corrected VTEM data are available.

Caramulla Nickel-Copper Project (100% AQD subject to SAA)

The Caramulla Project is located approximately 60km east of Newman (WA) immediately east of the Coobina chromite mine. It consists of two Exploration Licences covering an area of ~160km². Exploration is targeting nickel-copper sulphide mineralisation associated with interpreted ultramafic intrusions that occur stratigraphically below a large mafic sill complex that is evident in the regional magnetic data. Exploration work at Caramulla is being funded by South32.

During the Quarter a detailed VTEM survey (~375km; 150m flight line spacing) was completed over the tenements to identify potential targets for drilling. Preliminary results have been received and at least one possible bedrock target has been highlighted by the survey.

Hamilton Copper-Gold Project (100% AQD subject to SAA)

The Hamilton Project is located in north-west Queensland, ~120km south of the world-class Cannington mine. It consists of two Exploration Licence applications covering an area of ~520km². Exploration is targeting Iron-Oxide Copper-Gold (IOCG) mineralisation beneath the extensive cover in the region. Limited historical drilling testing magnetic and gravity targets has provided evidence for “near-miss” situations which will be the focus of the Company’s exploration programmes. Exploration work at Hamilton is being funded by South32.

Initial field checking of this prospect awaits the grant of titles, which is expected within the coming months. Detailed airborne gravity data provided by South32 has been re-processed and compiled with the available magnetic data to help outline key target areas for IP surveying, which will be used to locate targets for drilling. It is anticipated this programme will be undertaken during the September Quarter of 2018, once access has been obtained.

BUSINESS DEVELOPMENT

As part of the Strategic Alliance with South32, the Company continued its project generation studies both within Australia and offshore, in order to provide new base metal (copper, zinc and nickel) opportunities and possible drill-ready targets for consideration under the SAA by South32.

During the Quarter, new tenement applications were submitted both in Peru and Australia.

CORPORATE

At the end of March 2018, the Company’s cash position was approximately A\$3.6 million following the receipt from South32 of a bonus payment (US\$500,000), and funds for ongoing work at the Chololo and Cerro de Fierro projects in Peru (US\$390,000), as well as the Blue Billy, Balladonia, Jimberlana, Caramulla, Tangadee, and Yallum Hill projects in WA (A\$1.9 million).

KEY ACTIVITIES – JUNE 2018 QUARTER

The following activities are planned for the June 2018 Quarter:

- Blue Billy JV (Zn) – Access clearance and commencement of RC drilling operations. Stream sediment sampling along prospective structures.;
- Jimberlana (Ni-Cu) – Heritage clearance and commence drilling of EM targets;
- Balladonia (Ni-Cu) – Diamond drilling of EM targets and Heritage clearance for aircore drilling;
- Yallum Hill (Ni-Cu) – Complete VTEM survey over target area;
- Carramulla (Ni-Cu) – Assess VTEM data and field check results;
- Tangadee (Zn) – Assess VTEM data to identify structural targets for testing;
- Hamilton (Cu-Au) – Initial field reconnaissance and access preparation for IP survey;
- Peru (Cu-Au) – Commence diamond drilling (5,000m) at the Chololo Porphyry Copper prospect;
- Peru (Cu-Au) – Finalise diamond drilling permits for the Cerro de Fierro programme (3,000m);
- Peru (Cu-Au) – Undertake soil sampling at the Ventura prospect;
- Peru (Cu-Au) – Finalise mapping/sampling at Parcoy and initiate IP coverage of target;
- Australia (Base metals) – Advance new opportunities under the SAA; and
- Peru (Base metals) – Advance new opportunities under the SAA.



Graeme Drew
Managing Director

COMPETENT PERSON'S STATEMENT

The details contained in this report that pertain to exploration results are based upon information compiled by Mr Graeme Drew, a full-time employee of AusQuest Limited. Mr Drew is a Fellow of the Australasian Institute of Mining and Metallurgy (AUSIMM) and has sufficient experience in the activity which he is undertaking to qualify as a Competent Person as defined in the December 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (JORC Code). Mr Drew consents to the inclusion in the report of the matters based upon his information in the form and context in which it appears.

FORWARD LOOKING STATEMENT

This report contains forward looking statements concerning the projects owned by AusQuest Limited. Statements concerning mining reserves and resources may also be deemed to be forward looking statements in that they involve estimates based on specific assumptions. Forward-looking statements are not statements of historical fact and actual events and results may differ materially from those described in the forward looking statements as a result of a variety of risks, uncertainties and other factors. Forward looking statements are based on management's beliefs, opinions and estimates as of the dates the forward looking statements are made and no obligation is assumed to update forward looking statements if these beliefs, opinions and estimates should change or to reflect other future developments.

JORC Code, 2012 Edition – Table 1 AusQuest Rock-Chip Sampling Parcoy

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> <i>Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</i> <i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i> <i>Aspects of the determination of mineralisation that are Material to the Public Report.</i> <i>In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</i> 	<ul style="list-style-type: none"> Rock chip sampling comprises the collection of rocks, usually by hammering an outcrop, with samples being of variable size and quality. Sample locations are recorded by hand-held GPS. Reconnaissance sampling is not systematic, with samples of potentially mineralized rock being the main focus of the program.
Drilling techniques	<ul style="list-style-type: none"> <i>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</i> 	<ul style="list-style-type: none"> Not applicable – surface sampling only
Drill sample recovery	<ul style="list-style-type: none"> <i>Method of recording and assessing core and chip sample recoveries and results assessed.</i> <i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i> <i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i> 	<ul style="list-style-type: none"> Not applicable – surface sampling only
Logging	<ul style="list-style-type: none"> <i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i> <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i> <i>The total length and percentage of the relevant intersections logged.</i> 	<ul style="list-style-type: none"> Descriptions of all surface samples are recorded by the project geologist.

Criteria	JORC Code explanation	Commentary
<i>Sub-sampling techniques and sample preparation</i>	<ul style="list-style-type: none"> • <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i> • <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i> • <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i> • <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i> • <i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i> • <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i> 	<ul style="list-style-type: none"> • No sub-sampling of rock-chip samples was undertaken • Approximately 2 kg of rock was collected from each site sampled which is regarded as representative of the outcrop being sampled • Mineralised and altered rocks were the target of this program although background samples from various rock types were also collected
<i>Quality of assay data and laboratory tests</i>	<ul style="list-style-type: none"> • <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i> • <i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i> • <i>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i> 	<ul style="list-style-type: none"> • Rock chip samples are crushed and pulverized to 85% minus 75 microns, then a representative sub-sample is collected for digestion using a 4 acid digest, followed by analysis by ICP-MS and/or AES. Gold are assayed by 30 g fire assay with AAS finish. • In laboratory QAQC data is reviewed for all assay jobs. Blanks and standards are included with all sample batches.
<i>Verification of sampling and assaying</i>	<ul style="list-style-type: none"> • <i>The verification of significant intersections by either independent or alternative company personnel.</i> • <i>The use of twinned holes.</i> • <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i> • <i>Discuss any adjustment to assay data.</i> 	<ul style="list-style-type: none"> • Rock-chip sampling is compiled into Excel spreadsheets for merging with assay data when it becomes available. • Digital data is regularly backed-up on the company's servers.
<i>Location of data points</i>	<ul style="list-style-type: none"> • <i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i> • <i>Specification of the grid system used.</i> • <i>Quality and adequacy of topographic control.</i> 	<ul style="list-style-type: none"> • Sample locations are recorded using GPS to within 5 metres accuracy. • The grid projection used is WGS 84 - Zone 18S • Topographic control is obtained from GPS readings or topographic maps and is considered adequate for current needs
<i>Data spacing and distribution</i>	<ul style="list-style-type: none"> • <i>Data spacing for reporting of Exploration Results.</i> • <i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i> • <i>Whether sample compositing has been applied.</i> 	<ul style="list-style-type: none"> • Rock chip sampling is irregular and based on availability of suitable outcrop.

Criteria	JORC Code explanation	Commentary
<i>Orientation of data in relation to geological structure</i>	<ul style="list-style-type: none"> Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material. 	<ul style="list-style-type: none"> Not applicable to reconnaissance rock chip sampling
<i>Sample security</i>	<ul style="list-style-type: none"> The measures taken to ensure sample security. 	<ul style="list-style-type: none"> Samples are securely tied/sealed in the field, followed by packing into larger sealed plastic bags for transport to the laboratory.
<i>Audits or reviews</i>	<ul style="list-style-type: none"> The results of any audits or reviews of sampling techniques and data. 	<ul style="list-style-type: none"> No audits or reviews have been carried out on the sampling to date.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
<i>Mineral tenement and land tenure status</i>	<ul style="list-style-type: none"> Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area. 	<ul style="list-style-type: none"> The Parcoy project is located approximately 25 km north of the town of Chala in the south of Peru. The Parcoy project comprises 5 mineral concession applications. The tenements are held by Questdor which is a 100% subsidiary of AusQuest Limited. There are no major heritage issues to prevent access to the tenements during surface exploration activities. Permits to drill are required including environmental, water and land access involving community consultations.
<i>Exploration done by other parties</i>	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> No public reporting of exploration data is required in Peru. Camino Resources have reported copper intersections from their Los Chapitos prospect which is located approximately 6km to the south east.
<i>Geology</i>	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. 	<ul style="list-style-type: none"> The deposit styles being explored for are porphyry copper and gold and IOCG manto style deposits, which are large scale disseminated copper (and gold) deposits found within orogenic belts that

Criteria	JORC Code explanation	Commentary
		surround the Pacific Rim. These deposits can be large in size requiring significant drilling to evaluate.
<i>Drill hole Information</i>	<ul style="list-style-type: none"> • A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <ul style="list-style-type: none"> ○ easting and northing of the drill hole collar ○ elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar ○ dip and azimuth of the hole ○ down hole length and interception depth ○ hole length. • If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case. 	<ul style="list-style-type: none"> • Not applicable – surface sampling only
<i>Data aggregation methods</i>	<ul style="list-style-type: none"> • In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. • Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. • The assumptions used for any reporting of metal equivalent values should be clearly stated. 	<ul style="list-style-type: none"> • Not applicable – surface sampling only.
<i>Relationship between mineralisation widths and intercept lengths</i>	<ul style="list-style-type: none"> • These relationships are particularly important in the reporting of Exploration Results. • If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. • If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg ‘down hole length, true width not known’). 	<ul style="list-style-type: none"> • Not applicable – surface sampling only
<i>Diagrams</i>	<ul style="list-style-type: none"> • Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views. 	<ul style="list-style-type: none"> • Sample locations included on plan in ASX release.
<i>Balanced reporting</i>	<ul style="list-style-type: none"> • Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results. 	<ul style="list-style-type: none"> • Assay ranges and highlights provided on the plan in ASX release.

Criteria	JORC Code explanation	Commentary
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"> <i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i> 	<ul style="list-style-type: none"> The area was selected for sampling based on geological and geophysical data interpretations by the company.
<i>Further work</i>	<ul style="list-style-type: none"> <i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i> 	<ul style="list-style-type: none"> Proposals of further work will be determined after a thorough analysis of the data.