



Quarterly Report – 30th June 2020

HIGHLIGHTS

Australia – Copper, Zinc, Nickel, Gold

- ❑ ~1,800m Reverse Circulation (RC) drill program designed to test three priority magnetic targets for copper and gold at the Gunanya Prospect in the Paterson Province of WA agreed under the Company's Strategic Alliance (SAA) with South32.
- ❑ 6-hole/1,800m diamond drill program expected to commence at the Hamilton Iron-Oxide Copper-Gold Project in north-west Queensland under the SAA around mid-August, following receipt of all approvals.
- ❑ 4-hole/1,400m RC drill program planned to commence at the Tangadee Zinc Project in the Edmund Basin of WA under the SAA in late August, following completion of Heritage Clearance surveys in late July.
- ❑ Results from recent drilling at the Telegraph Prospect (Balladonia, WA) indicate the possibility of widespread carbonatite activity and the potential for both base metal (copper, gold, zinc, silver) and rare earth element (REE) resources in the broader Balladonia area.

Peru – Copper-Gold

- ❑ Systematic rock-chip sampling at Cerro de Fierro confirmed that mineralised (copper) andesite intersected at depth by earlier drilling comes to surface in the southern half of the prospect, where RC drilling is planned under the SAA. A permit to drill (20 drill pads) is pending.
- ❑ A drill permit application (20 drill pads) for the Parcoy Copper Project will be lodged in August, with Government approvals expected by year-end. This will enable drilling to commence in late 2020 or early 2021.
- ❑ Exploratory drilling at the Los Otros porphyry copper project agreed in principle under the SAA, with the drill permitting process initiated.

Corporate

- ❑ Quarter-end cash position of ~\$2.7M with additional funding available from South32 for agreed work programs over Strategic Alliance Projects both in Australia and Peru.

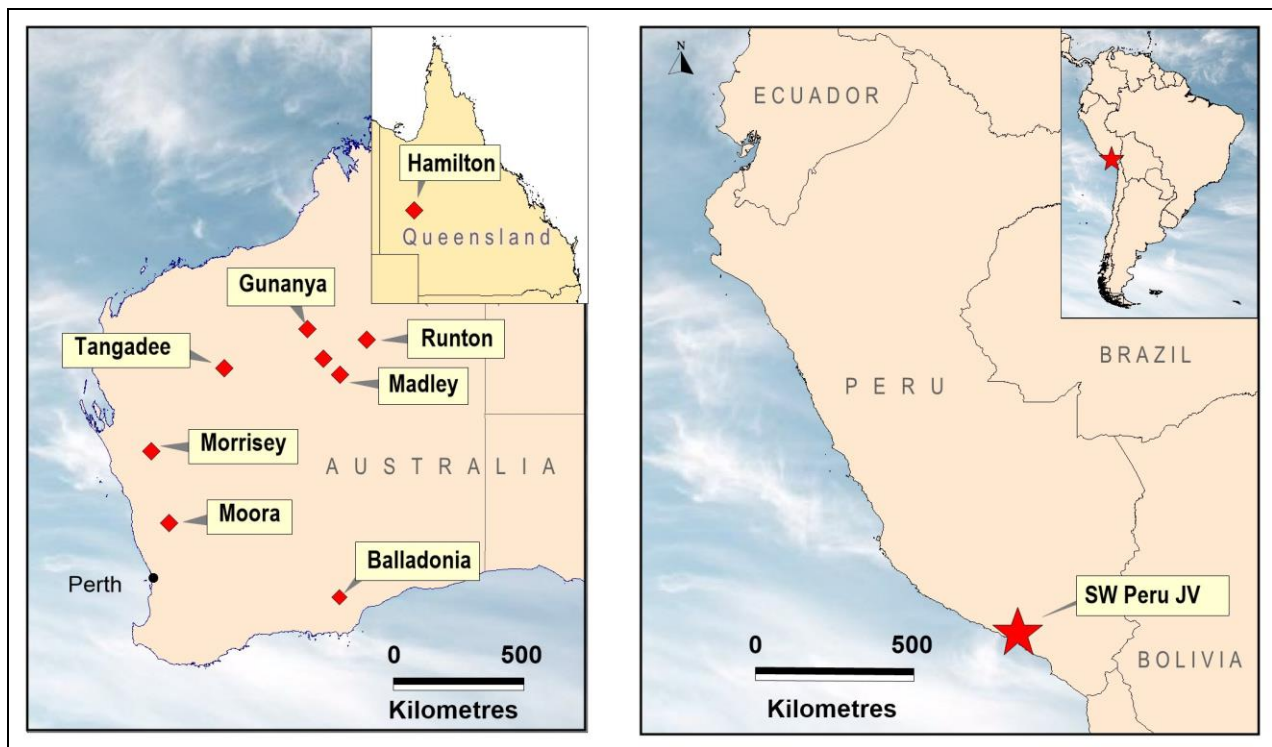


Figure 1: Project Locations – Australia and Peru

OVERVIEW

Exploration activity during the Quarter continued to be affected by the COVID-19 pandemic, which restricted travel between States and access to regions within Western Australia.

The staged lifting of restrictions later in the Quarter has cleared the way for the resumption of exploration activity, however the Company will continue to monitor advice from Government and health authorities with regard to the restrictions imposed by COVID-19 in order to ensure the health and well-being of their employees and contractors.

During the Quarter, the Company's exploration focus turned to projects under the Strategic Alliance with South32 that are located within **Australia** and which could be accessed in the second half of 2020. This has resulted in preparations for drilling being initiated at three projects – the Hamilton Copper-Gold Project in north-west Queensland, the Tangadee Zinc Project in WA and the Gunanya Gold-Copper Project, a new opportunity in the Paterson Province in WA. Recent drilling results for the Telegraph

prospect at Balladonia were also assessed in relation to their regional implications.

In **Peru**, field programs had to be curtailed due to the COVID-19 pandemic; however, rock chip sampling at the Cerro de Fierro Copper-Gold Project was able to continue, albeit at a reduced pace. The drill permitting process for follow-up drilling at Cerro de Fierro and Stage 1 drilling at the Parcoy Copper Project continued, but has been delayed due to Government shut-downs. This situation has now partially changed and the Company remains optimistic that approval for drilling at both projects will be received before the end of 2020, allowing the drill programs to be initiated.

The Company also continued the process of evaluating **new opportunities** with a strong focus on projects within Australia. New tenements applied for during Q1 2020, following the discovery of high-grade Ni-Cu-PGE mineralisation at Julimar north of Perth, continued to be evaluated with early reconnaissance field work planned for Q3 2020.

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

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

The Gunanya Gold-Copper Project is located ~250km north-east of Newman within the Paterson Province of Western Australia. It consists of one Exploration Licence covering an area of ~450km². Exploration is targeting large scale gold-copper mineralisation similar to the recent discoveries at Winu and Havieron. These recent exploration breakthroughs have significantly enhanced the gold and copper pedigree of the Paterson

Province, which already hosts the large gold and copper deposits at Telfer and Nifty, and is widely regarded as one of Australia's current exploration "hot spots" with activity levels continuing to ramp up. Exploration work at Gunanya is being funded by South32.

The Gunanya Project is located marginal to major regional structures (the Madley Fault), extending south from the Nifty copper mine area, and includes at least three discrete magnetic targets that are thought to reflect alteration within flat-lying mudstone sediments (the Mundadjini Formation) that underly the sandstone and glacial cover that outcrops in the area (Figure 2).

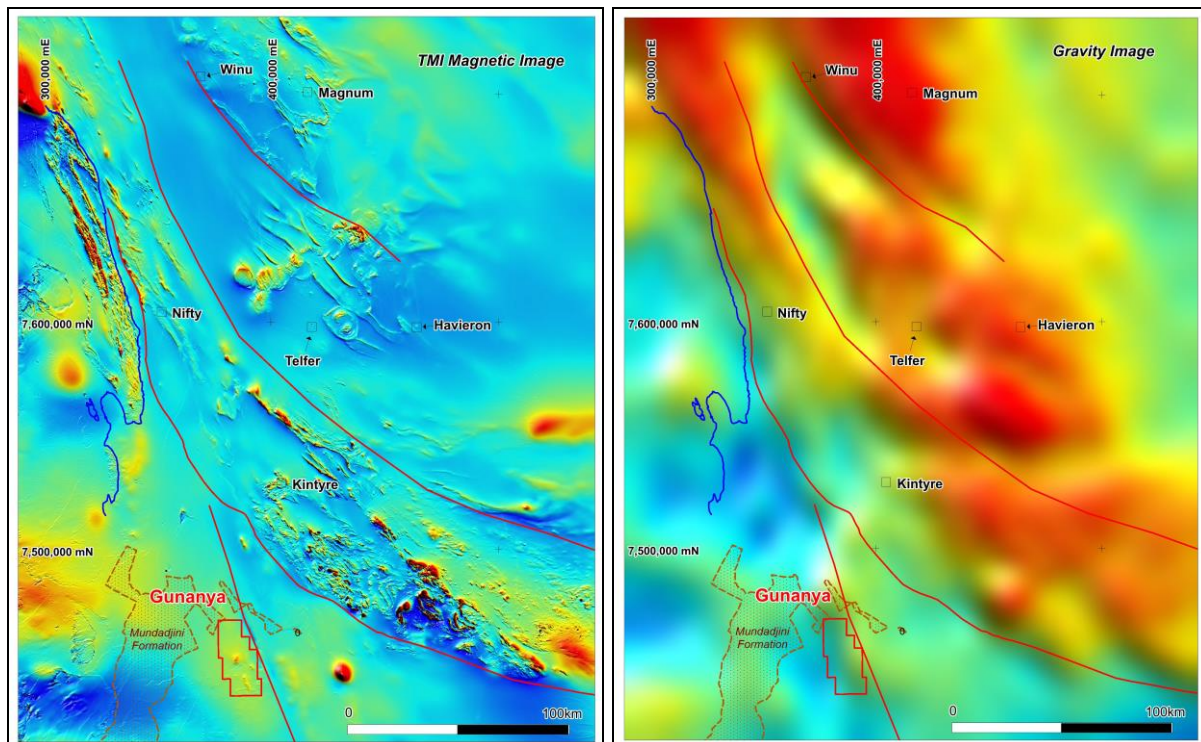


Figure 2: Regional magnetic and gravity images showing the location of the Gunanya tenement

During the Quarter, computer modelling of detailed magnetic data acquired over the Project inferred shallow depths to the targets (50 to 100m) and relatively low magnetic susceptibilities (100 to 1000 x 10⁻⁵ SI units) for the source rocks, similar to the susceptibilities implied by the low amplitude magnetic responses associated with Rio Tinto's Winu discovery.

The targets are large, with widths of up to one kilometre and strike lengths ranging from one to five kilometres. The targets

strike NNW parallel to the Madley Fault system, implying possible structural controls on the source of the magnetic anomalies, similar to the mineralisation controls reported at both Winu and Havieron.

A Reverse Circulation (RC) drilling program consisting of 6 to 9 drill-holes for a total of ~1,800m has been agreed under the SAA to test three of the magnetic targets and determine their potential to host large-scale gold and copper mineralisation (Figure 3).

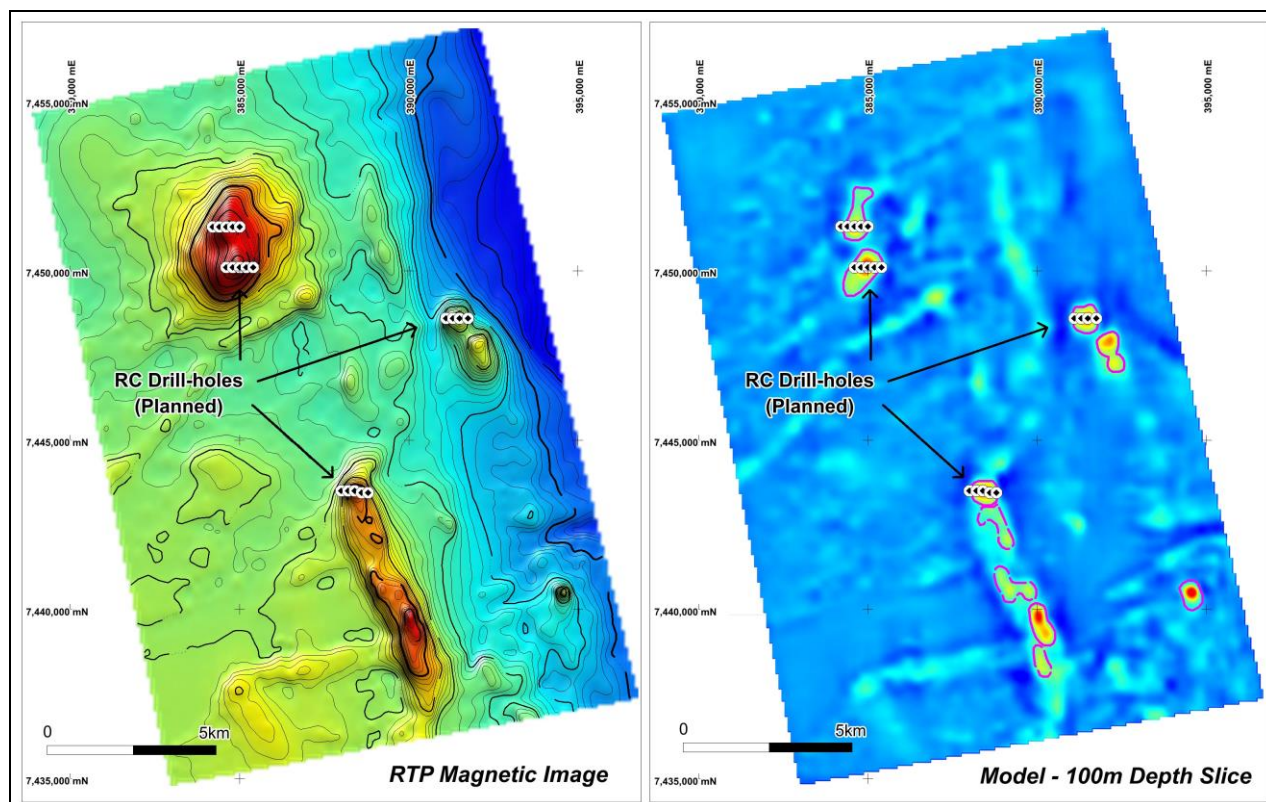


Figure 3: Gunanya Prospect showing planned RC drill-sites relative to magnetic targets

At least two RC drill-holes (200m apart) are planned over each of the three targets with the potential for further drilling to be undertaken subject to results. Drill-holes are planned to ~200m depth.

Heritage Clearance surveys for a total of 19 drill sites are scheduled for late August following an initial access site visit in July. Drilling is being planned for the September/October period, subject to the receipt of all necessary clearances and the availability of drill rigs.

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 Licences covering an area of ~520km². Exploration is targeting Iron-Oxide Copper-Gold (IOCG) mineralisation beneath the extensive cover in the region. Limited historical drilling designed to test magnetic and gravity targets has provided evidence for “near-miss” situations which

will be the focus of the Company’s exploration program. Exploration work at Hamilton is being funded by South32.

During the Quarter, Heritage Surveys were completed and approvals received to allow Stage 2 drilling to commence. A total of six diamond drill-holes for ~1,800m is planned to test for copper mineralisation proximal to drill-holes WD02009, WD02010 and HMDD03, which provided strong indications of nearby copper mineralisation.

The Stage 2 drill-holes are widely spaced (~500m to 800m apart) and are designed to provide geochemical coverage of a variety of geological and geophysical targets beneath the Eromanga Basin cover sequence (Figure 4).

Computer modelling of geophysical data helped to identify potential structures and preferred sites for drilling based on analogies with the Ernest Henry copper deposit, located ~250km to the north.

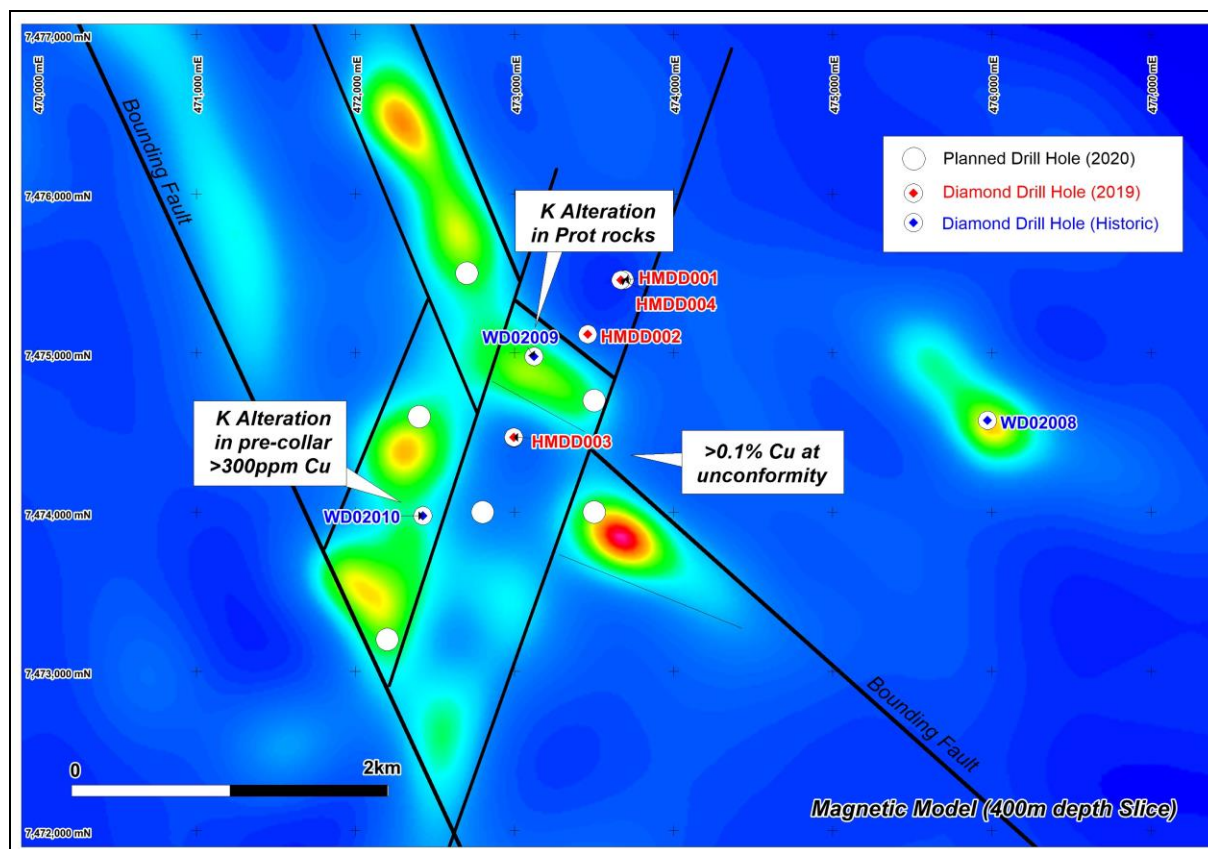


Figure 4: Hamilton Copper Prospect magnetic modelling showing planned drill sites.

Drilling and management contracts were finalised, with operations scheduled to commence around the middle of August. Drilling is expected to take approximately two weeks to complete with assays expected to be available within four weeks of completion of the program.

Tangadee Zinc Project (100% AQD, subject to SAA)

The Tangadee Zinc Project is located ~150km south-west of Newman within the Edmund Basin of WA. It consists of one Exploration Licence covering an area of ~280km². 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 the potential for sediment-hosted zinc mineralisation. Exploration work at Tangadee is being funded by South32.

During the Quarter, a planned drilling program to test for sediment-hosted zinc

mineralisation was agreed under the SAA. Heritage Surveys were completed in July and approvals are now expected by early August to allow drilling to commence shortly thereafter.

The drilling program consists of a minimum of four (and up to eight) wide-spaced Reverse Circulation (RC) drill-holes (~1,400m to 2,400m) to test a large zinc (>1,000ppm Zn)/thallium (>5ppm Tl) soil anomaly that occurs within the core of a mapped synclinal structure adjacent to regional scale faulting (reported in Company's December 2019 Quarterly Report) (Figure 5).

Shallow dips (10° to 20°) recorded in the area suggest that zinc mineralisation should occur at relatively shallow depths within a possible area of several square kilometres, which will be targeted by drilling.

The drill program is expected to take approximately two weeks to complete, with assays available within four weeks of completing the program.

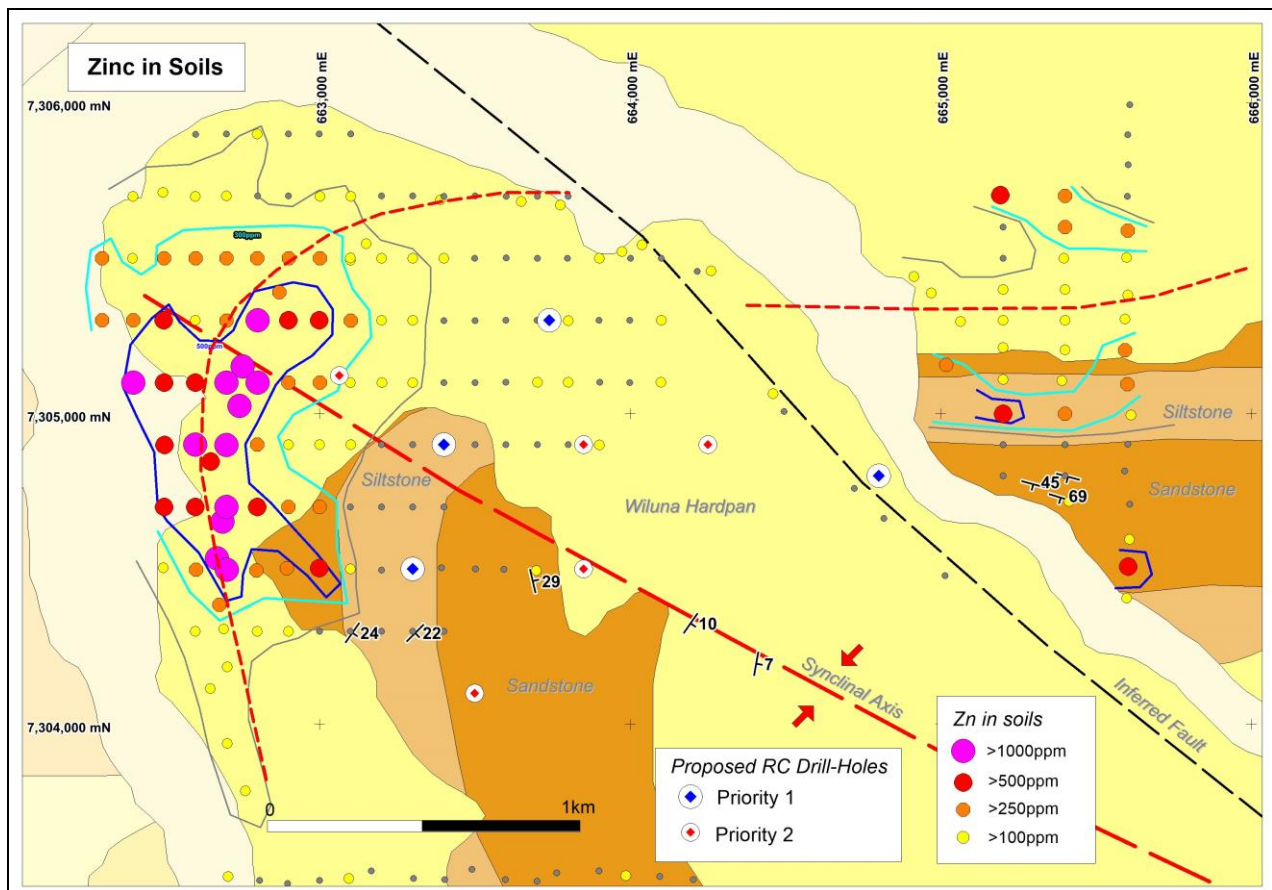


Figure 5: Tangadee Zinc Prospect soil geochemistry showing planned drill sites.

Balladonia Nickel-Copper Project (100% A/QD, subject to SAA)

The Balladonia Project is located ~50km south of the Nova-Bollinger nickel-copper deposit. It consists of eleven Exploration Licences (four granted and seven applications) covering an area of ~2,900km² and is located within a structurally complex region of the Fraser Range Terrain. It is centred above the southern margin of a deep regional gravity anomaly (~30 milligals), which is thought to reflect buried mafic/ultramafic rocks that may be similar to those related to the formation of the Nova deposit. Many of the tenements lie within the Dundas Nature Reserve. Exploration work at Balladonia is being funded by South32.

During the Quarter, assay results from drilling at the Telegraph prospect confirmed the presence of a carbonatite intrusion beneath the silica-clay alteration intersected by earlier air-core and Reverse Circulation (RC) drilling (ASX releases – 7 January 2010, 7 May 2020).

The sovite core of the carbonatite was intersected in three of the four holes drilled, and contains between 20 to 35% CaO and 15 to 25% MgO, as evidenced by alternating layers of carbonate and ultramafic minerals (pyroxene/olivine), indicating the presence of a highly fractionated evolving system that is capable of producing both base metal and rare earth element (REE) concentrations under the right conditions.

The carbonatite has an alteration halo which is overprinted by silica-clay alteration which contains the anomalous base metals (Cu, Pb, Zn, Ag, As, Bi and Mo). A detailed assessment of the geochemical data suggests the source of base metals was not intersected by the diamond drilling.

Down-hole electromagnetic (DHEM) surveys were completed in drill-holes 20BDD010 and 20BDD012 to search for near-miss situations. Modelling of the DHEM data shows a weak to moderate conductor (~100 to 200 siemens) located between the surveyed drill-holes and plunging towards the north-west.

On a regional scale, results from diamond drilling within the Balladonia Project support the possibility of wide-spread carbonatite activity within the region and strengthen comparisons between the Balladonia region in WA and the Eastern Succession of north-west Queensland (east of Mt Isa), where iron-oxide copper-gold (IOCG) and Broken Hill Type (BHT) deposits are known to occur.

A review of available regional data was initiated to identify potential base metal and REE targets within the project area and the broader district.

New Opportunities

Recent results from the Julimar nickel-copper-PGE discovery by Chalice Gold Mines highlight the potential of the South-West Terrane and possibly the Narryer Terrane, which borders the north-west margin of the Yilgarn, to have under-explored potential for nickel-copper deposits associated with the mafic/ultramafic intrusions that occur in these regions.

New tenements secured by AusQuest in these regions are targeting magnetic signatures similar to the ones associated with the Julimar discovery. During the Quarter, Heritage Agreements were finalised to enable the tenements at Moora and Morrissey to be granted. Initial reconnaissance field work in the Morrissey area is planned for Q3 2020.

In the Paterson Region of Western Australia, low-level aeromagnetic surveys were completed over the Madley and Runton Projects to provide detailed data over magnetic anomalies considered to be targets for Winu and/or Havieron-style deposits, and to allow target size and depth to be more accurately determined. The results of these surveys are currently being processed.

The Paterson Region is considered to be highly prospective for copper and gold following the discovery of the Winu and Havieron deposits by Rio Tinto and Greatland Gold (now Newcrest JV), which has further enhanced the already excellent copper-gold pedigree of the region.

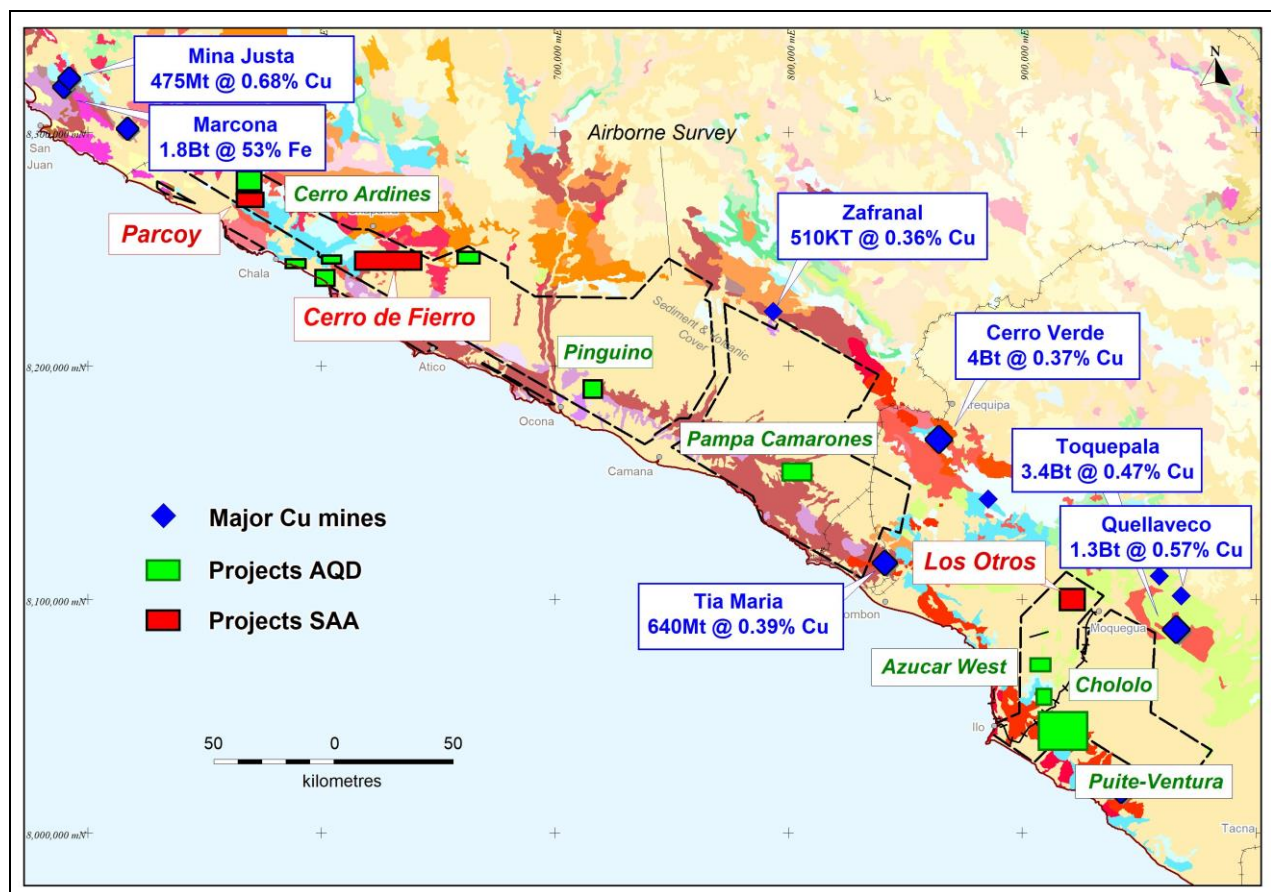


Figure 6: Project Locations – Southern Peru

PERU COPPER-GOLD PROJECTS

AusQuest has assembled a large portfolio of copper-gold prospects along the southern coastal belt of Peru in South America, with numerous targets identified for drilling as possible porphyry copper and/or iron-oxide copper-gold (IOCG) targets with the size potential being of significance to AusQuest (Figure 6). 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.

Cerro de Fierro IOCG (100% AQD – South32 earning to 70%)

The Cerro de Fierro Project is located at the southern end of a recognised Iron-Oxide Copper-Gold (IOCG) metallogenic belt in southern Peru. It lies within ~150km of the Mina Justa deposit (~475Mt @ 0.68% Cu), which is being developed by Peruvian mining company Minsur S.A. It is subject to an agreement with South32, which can earn a 70% interest in the project by spending a total of US\$4.0 million.

During the Quarter, systematic rock-chip sampling (467 samples) on a 200m x 50m grid was completed over the southern half of the Cerro de Fierro Project, confirming that the mineralised (copper) andesites intersected at depth by the Company's earlier drilling programs outcrop in the south, highlighting the potential for shallow copper mineralisation in this area (Figure 7 & 8).

The outcropping andesites are characterised by the same lithological elements and display the same alteration geochemistry (iron (Fe) and potassic (K) alteration) that were found to be strong indicators of copper mineralisation during Stage 1 and Stage 2 drilling to the north (ASX release - 5 March 2020).

The altered andesites outcrop over a relatively large area (~3,000m x 500m) and dip shallowly to the north beneath dacitic volcanics that form an upper limit the mineralisation. The continuity of copper mineralisation from the outcropping andesites in the south to the drilled intersections in the north is unknown but is

considered to be highly likely, defining a large target area for replacement style (manto) copper mineralisation.

An application to increase the number of drill pads at Cerro de Fierro from 20 to 40, and enlarge the Drill Permit Area to the south and west of its current limits, was submitted to Government during Q1 2020 prior to the Government lock-down due to the COVID-19 pandemic. Current indications are that drilling approvals could be provided before the end of the year.

Parcoy IOCG (100% AQD – South32 earning to 70%)

The Parcoy Project is located near the southern end of a recognised Iron-Oxide Copper-Gold (IOCG) metallogenic belt in southern Peru. It lies within ~100km of the Mina Justa deposit (~475Mt @ 0.68% Cu), and ~50km north-west of the Company's Cerro de Fierro Project. It is subject to an agreement with South32, which can earn a 70% interest in the project by spending a total of US\$4.0 million.

No field work was completed during the Quarter due to restrictions imposed because of the COVID-19 pandemic.

Base-line environmental and archaeological surveys which were completed during Q1 2020 as part of the drill permitting process are now expected to be submitted to Government during Q3, as Government Departments are slowly re-opened for business.

A total of 20 drill pads are planned to test high-priority copper (+/- gold) anomalies outlined by soil and rock chip sampling programs which returned numerous copper assays in excess of 1.0% Cu within andesitic volcanics similar to those found at the Company's Cerro de Fierro Project, located ~50km to the south (ASX release 11 May 2020).

The permit applications are being submitted under the Government's new approval system (FTA) for early-stage drill testing of prospects, which is aimed at providing

shorter time frames for the approval process to be completed. The Company is optimistic

that final drill approval will be received before the end of 2020.

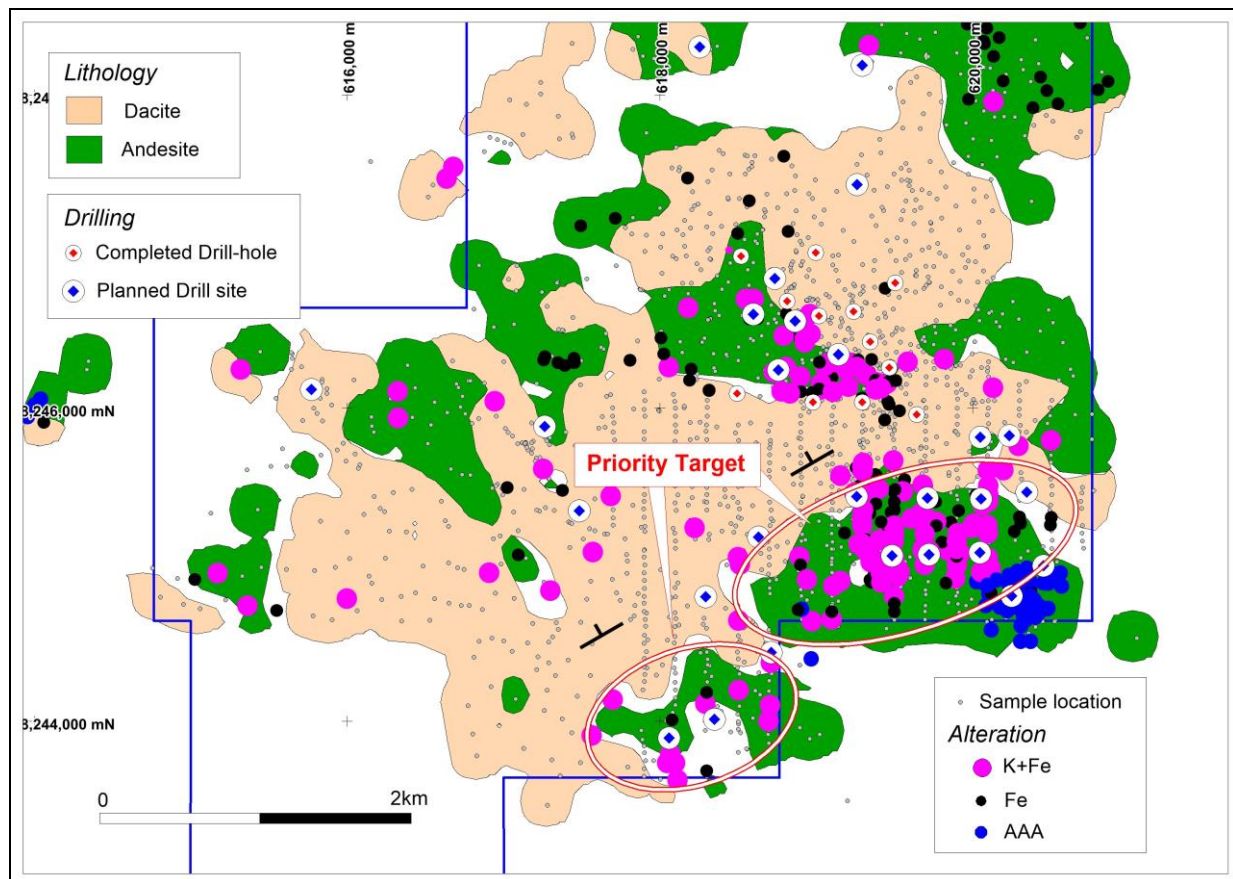


Figure 7: Cerro de Fierro Cu-Au Project showing Lithology & Alteration from rock geochemistry

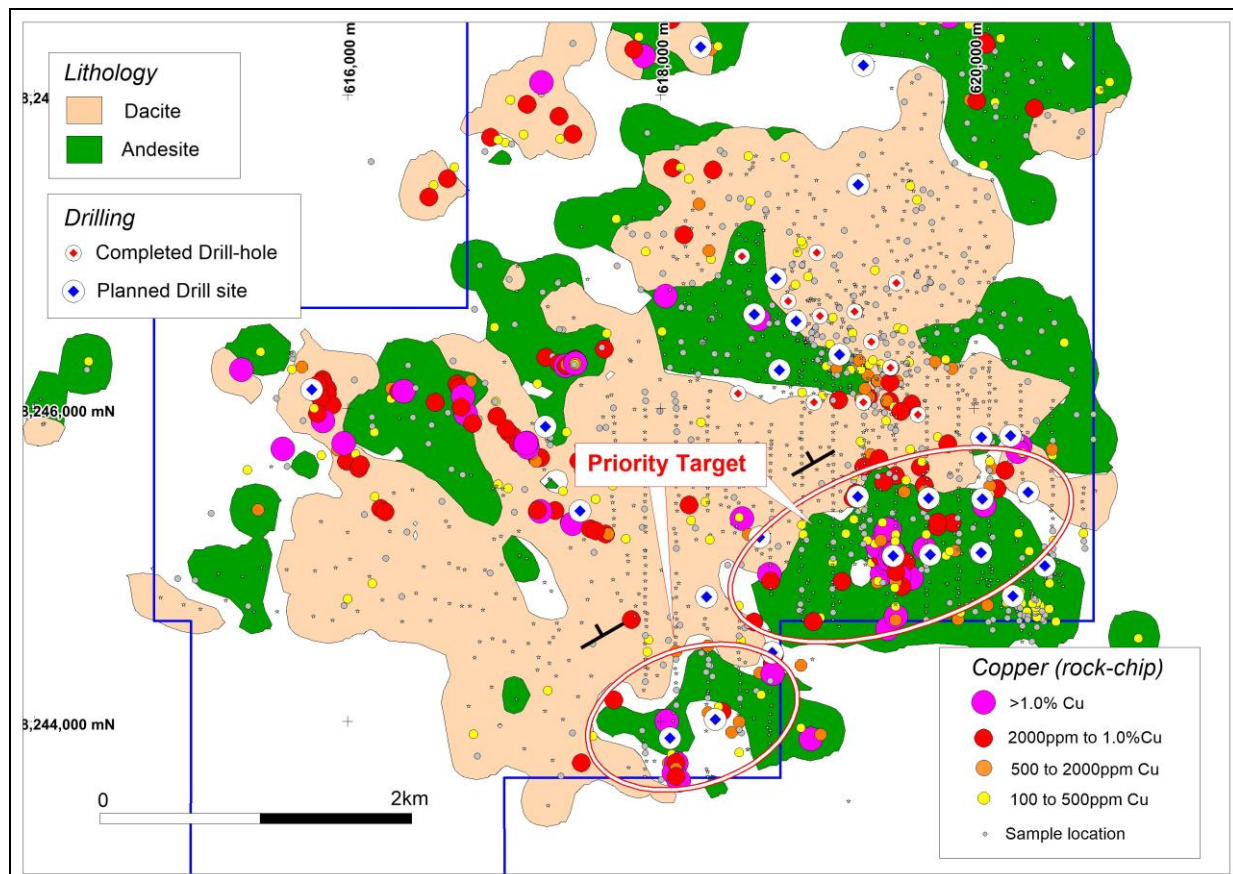


Figure 8: Cerro de Fierro Cu-Au Project showing Lithology & Copper from rock geochemistry

Los Otros Porphyry Copper Project ***(100% AQD, subject to SAA)***

At Los Otros, a review all available data was completed to identify potential targets for drilling associated with the area of advanced argillic alteration (~1km²) that had provided a Palaeocene age date, similar to the age dates reported for the nearby giant porphyry copper deposits.

A drill program to test these targets has been agreed in principle under the SAA, and the drill permitting process initiated. Drilling at Los Otros is not expected until 2021.

New Opportunities

Reconnaissance mapping and sampling of new target areas was suspended due to Government restrictions to help contain the COVID-19 virus outbreak. These programs are expected to be restarted later in the year when it is safer to do so.

CORPORATE

The Company continues to monitor advice from Government and health authorities with regard to restrictions imposed by COVID-19, in order to ensure the health and well-being of its employees and contractors.

During the Quarter the Company invested \$1.11 million in exploration and had approximately \$2.7 million in cash remaining at the end of June, with additional funding from South32 available for agreed work programmes over Strategic Alliance Projects.

The Company's Cashflow Report (Appendix 5B) for the Quarter ended 30 June 2020 is appended to this report. Payments to related parties as shown in sections 6 of this report include director salary and superannuation payments of \$54,750, and payments of \$12,000 for corporate consulting fees to a director.

KEY ACTIVITIES – SEPTEMBER 2020 QUARTER

- Gunanya (Au-Cu) – Complete heritage clearance & start RC drilling of magnetic targets;
- Hamilton (Cu-Au) – Complete Stage 2 diamond drilling program (6 holes/~1,800m);
- Tangadee (Zn) – Complete Stage 1 RC drilling program (4 holes/~1,400m);
- Balladonia (Cu-Au-Ni) – Planning and approvals for future drilling of base metal targets;
- Madley (Cu-Au) – Complete modelling of aeromagnetic data – potential targets Cu-Au;
- Moora (Ni-Cu) – Commence access agreements with local landowners;
- Morrissey (Ni-Cu) – Complete initial field reconnaissance of target areas;
- Peru (Cu-Au) – Continue to progress Drill Permits for Stage 3 drilling at Cerro de Fierro;
- Peru (Cu-Au) – Continue to progress Drill Permits for Stage 1 drilling at Parcoy;
- Peru (Cu-Au) – Commence Drill Permit process for drilling at Los Otros.

Authorised for release on behalf of the Company by:



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.

AusQuest Limited: Tenement Schedule as at 30 June 2020

Tenement	Location	Interest Held: Start of Quarter	Interest Held: End of Quarter	Registered Holder
Australia				
E69/3246	WA, Balladonia	100%	100%	AusQuest Ltd.
E69/3317	WA, Balladonia	100%	100%	AusQuest Ltd.
E69/3558	WA, Balladonia	100%	100%	AusQuest Ltd.
E69/3671	WA, Balladonia	100%	100%	AusQuest Ltd.
E52/3603	WA, Tangadee	100%	100%	AusQuest Ltd.
E45/5394	WA, Runton	100%	100%	AusQuest Ltd
E45/5395	WA, Runton	100%	100%	AusQuest Ltd
E69/3664	WA, Madley	100%	100%	AusQuest Ltd.
E69/3665	WA, Madley	Nil	100%	AusQuest Ltd.
E69/3690	WA, Madley	100%	100%	AusQuest Ltd.
E45/5447	WA, Gunanya	100%	100%	AusQuest Ltd.
EPM 26681	QLD, Hamilton	100%	100%	AusQuest Ltd.
EPM 26682	QLD, Hamilton	100%	100%	AusQuest Ltd.
Peru				
Azucar West 04	Moquegua	100%	100%	Questdor SAC
Azucar West 05	Moquegua	100%	100%	Questdor SAC
Azucar West 06	Moquegua	100%	100%	Questdor SAC
Azucar West 07	Moquegua	100%	100%	Questdor SAC
Azucar West 08	Moquegua	100%	100%	Questdor SAC
Azucar West 09	Moquegua	100%	100%	Questdor SAC
Azucar West 10	Moquegua	100%	100%	Questdor SAC
Azucar West 12	Moquegua	100%	100%	Questdor SAC
Azucar West C	Moquegua	100%	100%	Questdor SAC
Azucar West D	Moquegua	100%	100%	Questdor SAC
Azucar West E	Moquegua	100%	100%	Questdor SAC
Cerro Ardines 01	Arequipa	100%	100%	Questdor SAC
Cerro Ardines 02	Arequipa	100%	100%	Questdor SAC
Cerro Ardines 03	Arequipa	100%	100%	Questdor SAC
Cerro Ardines 06	Arequipa	100%	100%	Questdor SAC
Cerro Ardines 07	Arequipa	100%	100%	Questdor SAC
Cerro Ardines 08	Arequipa	100%	100%	Questdor SAC
Cerro Ardines 10	Arequipa	100%	100%	Questdor SAC
Cerro De Fierro A	Arequipa	100%	100%	Questdor SAC
Cerro De Fierro B	Arequipa	100%	100%	Questdor SAC
Cerro De Fierro C	Arequipa	100%	100%	Questdor SAC
Chololo 1	Moquegua	100%	100%	Questdor SAC
Chololo 2	Moquegua	100%	100%	Questdor SAC
Los Otros 01	Moquegua	100%	100%	Questdor SAC
Los Otros 02	Moquegua	100%	100%	Questdor SAC
Los Otros 03	Moquegua	100%	100%	Questdor SAC
Los Otros 04	Moquegua	100%	100%	Questdor SAC
Los Otros 05	Moquegua	100%	100%	Questdor SAC
Los Otros 06	Moquegua	100%	100%	Questdor SAC
Los Otros 07	Moquegua	100%	100%	Questdor SAC
Los Otros 08	Moquegua	100%	100%	Questdor SAC
Pampa Camarones 01	Arequipa	100%	100%	Questdor SAC
Pampa Camarones 02	Arequipa	100%	100%	Questdor SAC
Pampa Camarones 03	Arequipa	100%	100%	Questdor SAC
Pampa Camarones 04	Arequipa	100%	100%	Questdor SAC
Pampa Camarones 05	Arequipa	100%	100%	Questdor SAC
Pampa De Las Pulgas AF	Moquegua	100%	100%	Questdor SAC
Pampa De Las Pulgas J	Moquegua	100%	100%	Questdor SAC
Pampa De Las Pulgas K	Moquegua	100%	100%	Questdor SAC
Pampa De Las Pulgas O	Moquegua	100%	100%	Questdor SAC

AusQuest Limited Tenement Schedule as at 30 June 2020 - cont'd

Tenement	Location	Interest Held: Start of Quarter	Interest Held: End of Quarter	Registered Holder
<i>Peru Cont.</i>				
Pampa De Las Pulgas P	Moquegua	100%	100%	Questdor SAC
Pampa De Las Pulgas Q	Moquegua	100%	100%	Questdor SAC
Pampa De Las Pulgas R	Moquegua	100%	100%	Questdor SAC
Pampa De Las Pulgas VA	Moquegua	100%	100%	Questdor SAC
Pampa De Las Pulgas W	Moquegua	100%	100%	Questdor SAC
Pampa De Las Pulgas X	Moquegua	100%	100%	Questdor SAC
Pampa De Las Pulgas Y	Moquegua	100%	100%	Questdor SAC
Pampa De Las Pulgas Z	Moquegua	100%	100%	Questdor SAC
Parcoy 01	Arequipa	100%	100%	Questdor SAC
Parcoy 02	Arequipa	100%	100%	Questdor SAC
Parcoy 03	Arequipa	100%	100%	Questdor SAC
Parcoy 04	Arequipa	100%	100%	Questdor SAC
Parcoy 05	Arequipa	100%	100%	Questdor SAC
Parcoy 06	Arequipa	100%	100%	Questdor SAC
Parcoy 07	Arequipa	100%	100%	Questdor SAC
Parcoy 08	Arequipa	100%	100%	Questdor SAC
Parcoy 09	Arequipa	100%	100%	Questdor SAC
Pinguino F	Arequipa	100%	100%	Questdor SAC
Pinguino G	Arequipa	100%	100%	Questdor SAC
Pinguino H	Arequipa	100%	100%	Questdor SAC
Pinguino I	Arequipa	100%	100%	Questdor SAC
Ventura 2	Moquegua	100%	100%	Questdor SAC
Ventura 3	Moquegua/Tacna	100%	100%	Questdor SAC
Ventura 4	Moquegua/Tacna	100%	100%	Questdor SAC
Ventura 5	Moquegua	100%	100%	Questdor SAC

JORC Code, 2012 Edition – Table 1 AusQuest Rock-Chip Sampling Cerro de Fierro

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"> 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. Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. Aspects of the determination of mineralisation that are Material to the Public Report. 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. 	<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. Samples were collected on a rough 200m x 50m grid with location variations due to topography. Approximately 2 kg of rock was collected from each sample site over a radius of ~1 metre to provide a representative sample of the outcrop.
Drilling techniques	<ul style="list-style-type: none"> 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). 	<ul style="list-style-type: none"> Not applicable – surface sampling only
Drill sample recovery	<ul style="list-style-type: none"> Method of recording and assessing core and chip sample recoveries and results assessed. Measures taken to maximise sample recovery and ensure representative nature of the samples. 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. 	<ul style="list-style-type: none"> Not applicable – surface sampling only
Logging	<ul style="list-style-type: none"> 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. Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. The total length and percentage of the relevant intersections logged. 	<ul style="list-style-type: none"> Descriptions of the rocks were completed by a 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 sample site over a radius of ~1 metre to provide a representative sample of the outcrop. • The grid based sampling program provided an unbiased sample for lithological and alteration geochemistry.
<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 to measure Ag, Al, As, Ba, Be, Bi, Ca, Cd, Co, Cr, Cu, Fe, K, La, Li, Mg, Mn, Mo, Na, Ni, P, Pb, S, Sb, Sc, Sn, Sr, Ti V, W, Y, Zn, Zr. • Gold are assayed by 30gm fire assay with AAS finish. • Assays are provided by ALS del Peru in Lima which is a certified laboratory for mineral analyses. Analytical data is transferred to the company via email. • 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> 	<ul style="list-style-type: none"> • Sample locations are recorded using GPS to within 5 metres accuracy. • The grid projection used is WGS84 Zone 18S

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> • <i>Specification of the grid system used.</i> • <i>Quality and adequacy of topographic control.</i> 	<ul style="list-style-type: none"> • 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 samples were collected on a rough 200m x 50m grid. • Approximately 2 kg of rock was collected from each sample site over a radius of ~1 metre.
<i>Orientation of data in relation to geological structure</i>	<ul style="list-style-type: none"> • <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i> • <i>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.</i> 	<ul style="list-style-type: none"> • The grid based rock-chip sampling was oriented at an angle to both structure and stratigraphy.
<i>Sample security</i>	<ul style="list-style-type: none"> • <i>The measures taken to ensure sample security.</i> 	<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"> • <i>The results of any audits or reviews of sampling techniques and data.</i> 	<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"> • <i>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.</i> • <i>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.</i> 	<ul style="list-style-type: none"> • The Cerro de Fierro project is located approximately 30 km east of the town of Chala in the south of Peru. • The Cerro de Fierro project comprises 3 granted mineral concessions. 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. • The Cerro de Fierro project is subject to a Strategic

Criteria	JORC Code explanation	Commentary
		Alliance Agreement with South32.
<i>Exploration done by other parties</i>	<ul style="list-style-type: none"> <i>Acknowledgment and appraisal of exploration by other parties.</i> 	<ul style="list-style-type: none"> No public reporting of exploration data is required in Peru.
<i>Geology</i>	<ul style="list-style-type: none"> <i>Deposit type, geological setting and style of mineralisation.</i> 	<ul style="list-style-type: none"> The Cerro de Fierro project is targeting manto-style IOCG deposit along the coastal belt of southern Peru. These are large scale disseminated copper (and gold) deposits found within orogenic belts that surround the Pacific Rim. The deposits can be areally large requiring significant drilling to evaluate..
<i>Drill hole Information</i>	<ul style="list-style-type: none"> <i>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:</i> <ul style="list-style-type: none"> <i>easting and northing of the drill hole collar</i> <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i> <i>dip and azimuth of the hole</i> <i>down hole length and interception depth</i> <i>hole length.</i> <i>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.</i> 	<ul style="list-style-type: none"> Not applicable – surface sampling only
<i>Data aggregation methods</i>	<ul style="list-style-type: none"> <i>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.</i> <i>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.</i> <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i> 	<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"> <i>These relationships are particularly important in the reporting of Exploration Results.</i> <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i> <i>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’).</i> 	<ul style="list-style-type: none"> Not applicable – surface sampling only

Criteria	JORC Code explanation	Commentary
<i>Diagrams</i>	<ul style="list-style-type: none"> • <i>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.</i> 	<ul style="list-style-type: none"> • Sample locations are included on plan provided in ASX release.
<i>Balanced reporting</i>	<ul style="list-style-type: none"> • <i>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.</i> 	<ul style="list-style-type: none"> • Assay ranges shown on plan provided in ASX release.
<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 selected for sampling had previously been found to contain anomalous Cu values. Grid based sampling was used to provide unbiased sampling for lithological and alteration mapping.
<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"> • A drilling program has been designed to test the down-dip extensions of the surface mineralization.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

AusQuest Limited

ABN

35 091 542 451

Quarter ended ("current quarter")

30 June 2020

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	46	511
1.2	Payments for		
	(a) exploration & evaluation (if expensed)	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(67)	(216)
	(e) administration and corporate costs	(103)	(886)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	2
1.5	Interest and other costs of finance paid	(1)	(6)
1.6	Income taxes refunded	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material):	-	-
	- Funding received from South 32 under the Strategic Alliance Agreement	881	4,817
	- R&D Refund	-	866
	- ATO Stimulus	49	49
1.9	Net cash from / (used in) operating activities	805	5,137
2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(2)	(21)
	(d) exploration & evaluation (if capitalised)	(1,072)	(5,908)
	(e) investments	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
	(f) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(1,074)	(5,929)

3.	Cash flows from financing activities		
3.1	Proceeds from performance shares (excluding convertible debt securities)	-	1,778
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(115)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	1,663

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	3,145	1,817
4.2	Net cash from / (used in) operating activities (item 1.9 above)	805	5,137
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,074)	(5,929)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	1,663

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	(157)	31
4.6	Cash and cash equivalents at end of period	2,719	2,719

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	2,719	3,145
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,719	3,145

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	28
6.2	Aggregate amount of payments to related parties and their associates included in item 2	38

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end	-	
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (Item 1.9)	805
8.2	Capitalised exploration & evaluation (Item 2.1(d))	(1,072)
8.3	Total relevant outgoings (Item 8.1 + Item 8.2)	(267)
8.4	Cash and cash equivalents at quarter end (Item 4.6)	2,719
8.5	Unused finance facilities available at quarter end (Item 7.5)	-
8.6	Total available funding (Item 8.4 + Item 8.5)	2,719
8.7	Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	10

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:

N/A

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

N/A

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

N/A

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 30 July 2020

Authorised by: By the Board

(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.