

AQD - SOUTH32 STRATEGIC ALLIANCE

> A\$10.0M Exploration Spend

**Ten Projects subject to SOUTH32 S.A.A.
Five Projects at Drilling Stage**

\$11.5 MILLION MARKET CAPITALISATION

Forward-Looking Statements

This presentation 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. Data and amounts shown in this presentation relating to capital costs, operating costs and project timelines are internally generated best estimates only. All such information and data is currently under review as part of AusQuest Limited's ongoing development and feasibility studies. Accordingly, AusQuest Limited cannot guarantee the accuracy and/or completeness of the figures or data included in the presentation until the feasibility studies are completed.

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.

JORC – Exploration Targets

It is common practice for a company to comment on and discuss its exploration in terms of target size and type. The information in this presentation relating to exploration targets should not be misunderstood or misconstrued as an estimate of Mineral Resources or Ore Reserves. Hence the terms Resource(s) or Reserve(s) have not been used in this context. The potential quantity and grade is conceptual in nature, since there has been insufficient work completed to define them beyond exploration targets and that it is uncertain if further exploration will result in the determination of a Mineral Resource.

Currency

All dollar amounts shown in this presentation are in Australian dollars unless otherwise stated.

COMPANY BACKGROUND



- Focused on large scale provincial opportunities
- Major base metals targeted - Cu Zn/Pb Ni
- High impact / low overhead exploration
- Significant funding from Major companies (15 years)
- Focused Geography – 2 countries (Aust / Peru)
- Strategic Alliance (South32) to provide funding 2018-19

CAPITAL STRUCTURE



AusQuest Limited

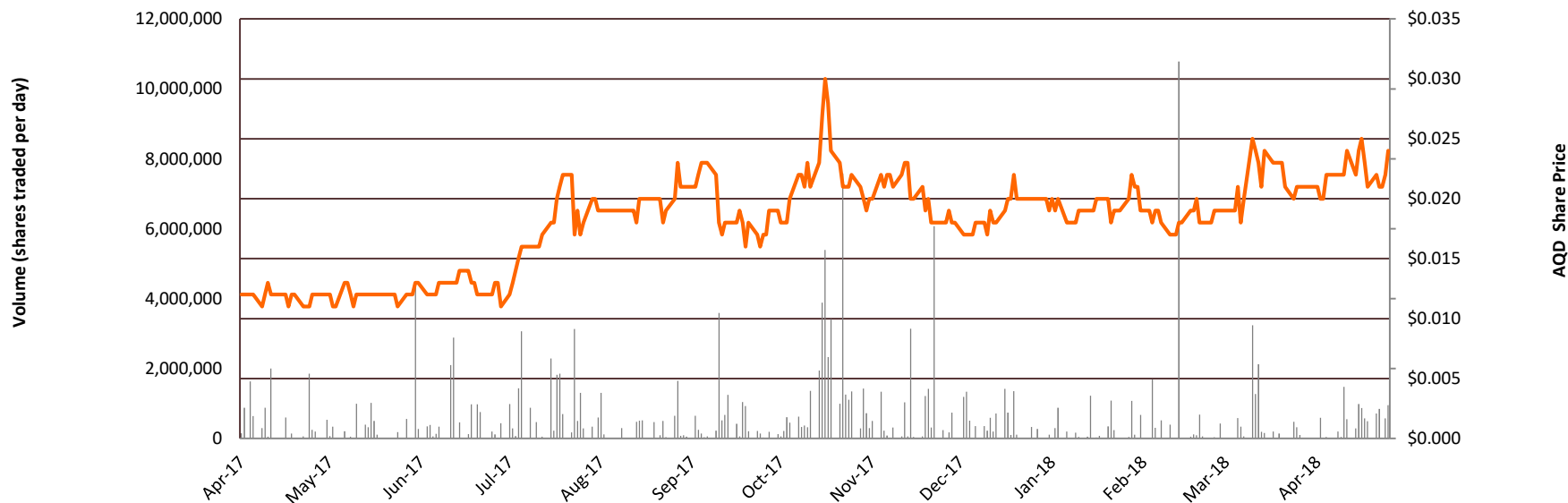
ASX Code	AQD
Shares on Issue	525.5 million
Options on Issue	Nil
Market Cap. (at 2.2 cents)	~\$11.5 million
Cash (March 31)	~\$3.6M
Enterprise Value	\$7.9 million

Significant Shareholder

Chris Ellis (NED)	19.88%
Directors (Incl C.E.)	23.33%
Citicorp Nominees Pty Ltd	2.49%
Top 20 (approx)	45.45%

Directors

Greg Hancock	Non Exec. Chairman
Graeme Drew	Managing Director
Chris Ellis	Non Exec. Director





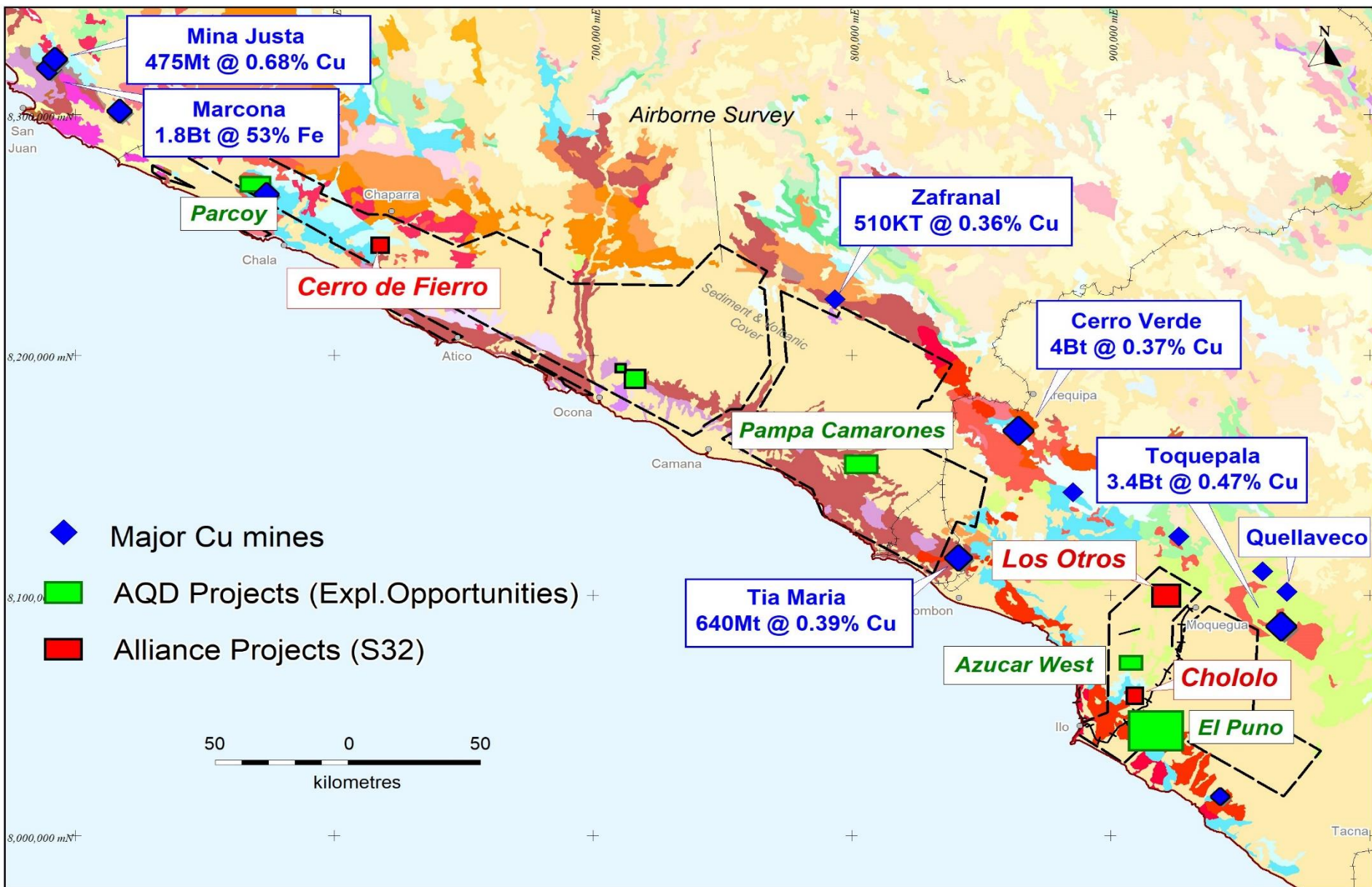
- Strong support for early stage exploration & drilling
- 10 projects funded under S.A. – 5 at drilling stage
- High reward drilling – ‘COMPANY MAKING’ TARGETS
- South32 fund drill targeting (US\$0.5M) of selected prospects & drilling of agreed targets (US\$4.0M for 70%)
- Bonus payments help finance Project Generation
(*US\$0.5M for 3 new opportunities p.a. – US\$1.0M to date*)
- AusQuest manage programs including initial drilling

ALLIANCE PROJECTS - 05/18

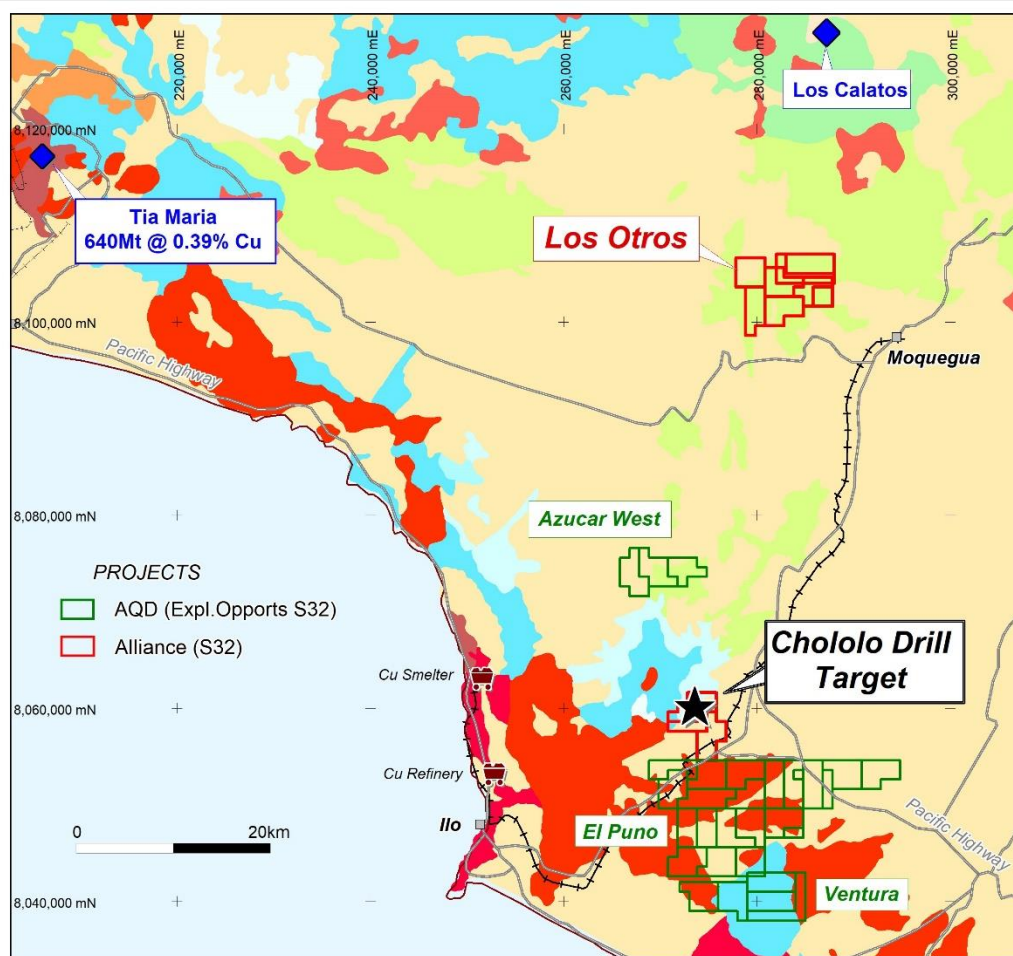


Projects	Location	Target	STATUS	Current Program
Chololo	Peru	Cu	S32 right to earn 70%	<i>DDH drill (9/5000m)</i>
Cerro de Fierro	Peru	Cu-Au	S32 right to earn 70%	<i>DDH drill (7/3000m)</i>
Los Otros	Peru	Cu	S32 Expl. Opportunity	<i>IP Survey – Targeting</i>
Blue Billy JV	WA	Zn	S32 right to earn 70%	<i>RC drill (12/2900m)</i>
Jimberlana	WA	Ni-Cu	S32 Expl. Opportunity	<i>DDH drill (2/700m)</i>
Balladonia	WA	Ni-Cu	S32 Expl. Opportunity	<i>DDH drill (3/1200m)</i>
Caramulla	WA	Ni	S32 Expl. Opportunity	<i>VTEM – Targeting</i>
Tangadee	WA	Zn	S32 Expl. Opportunity	<i>VTEM – Targeting</i>
Yallum Hill	WA	Ni	S32 Expl. Opportunity	<i>VTEM – Targeting</i>
Hamilton	QLD	Cu-Au	S32 Expl. Opportunity	<i>IP Survey –Targeting</i>

PERU PROJECTS – COPPER COUNTRY

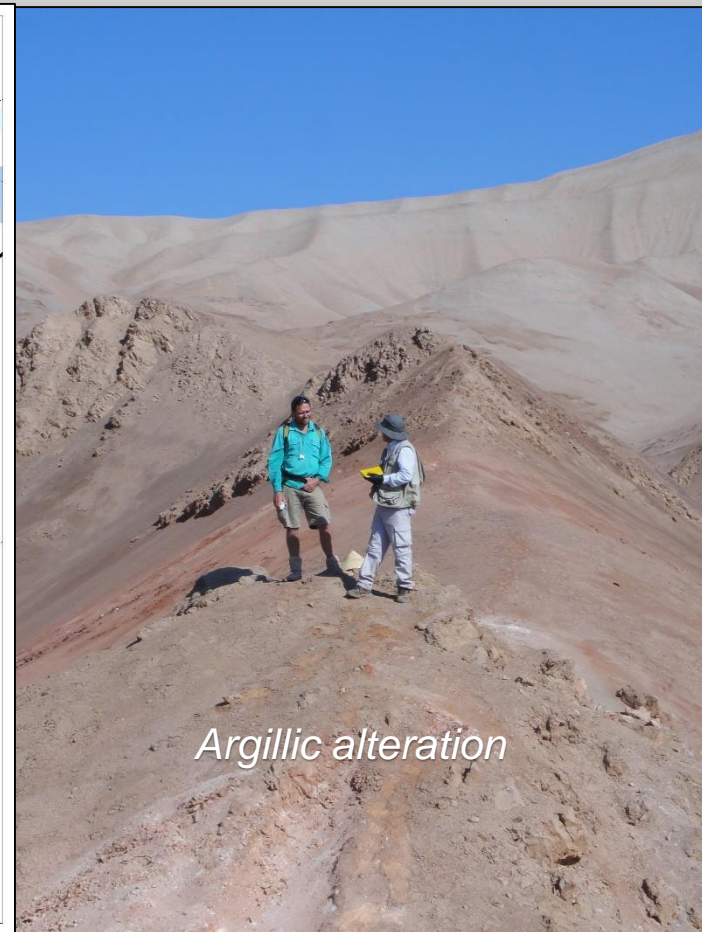
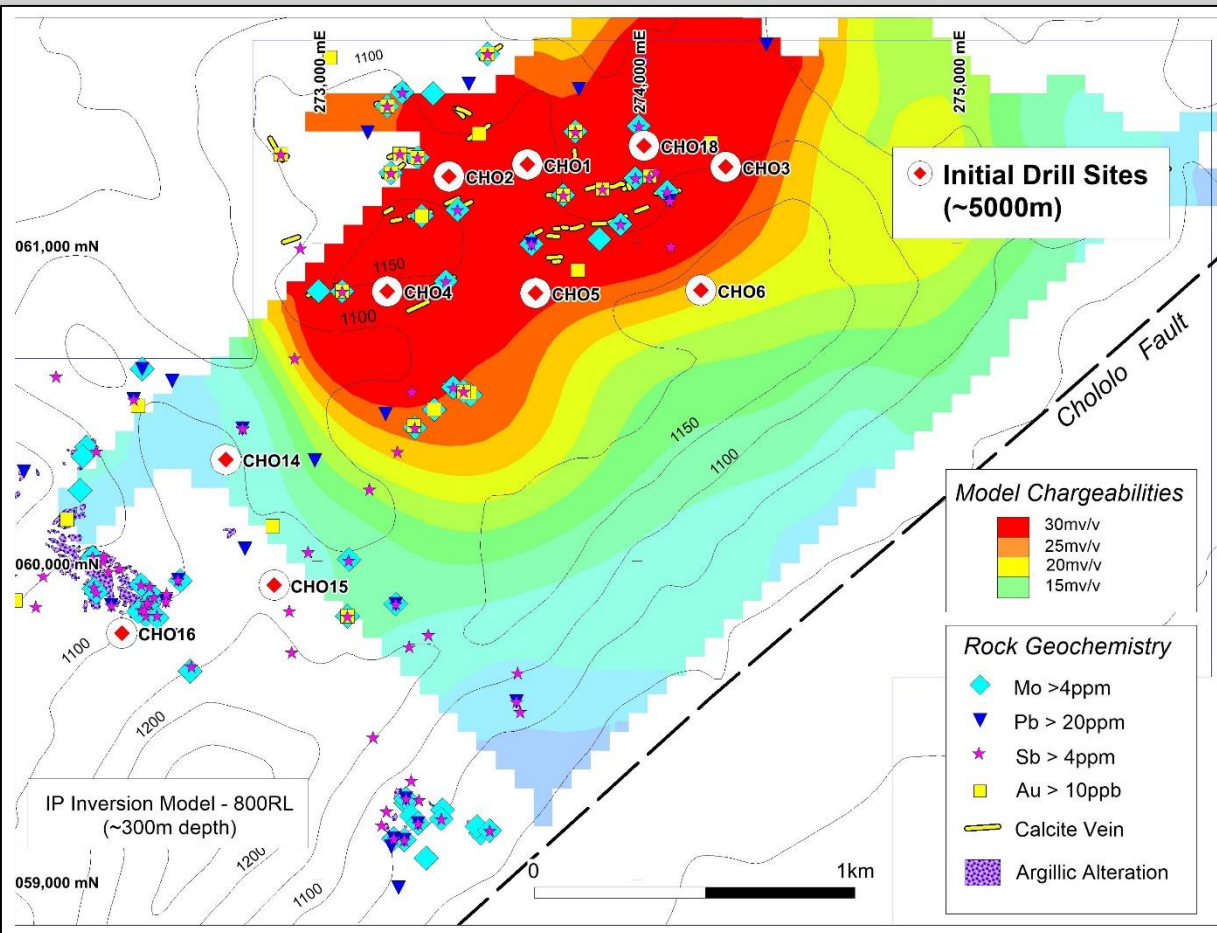


CHOLOLO – NEW PORPHYRY CU DISCOVERY?



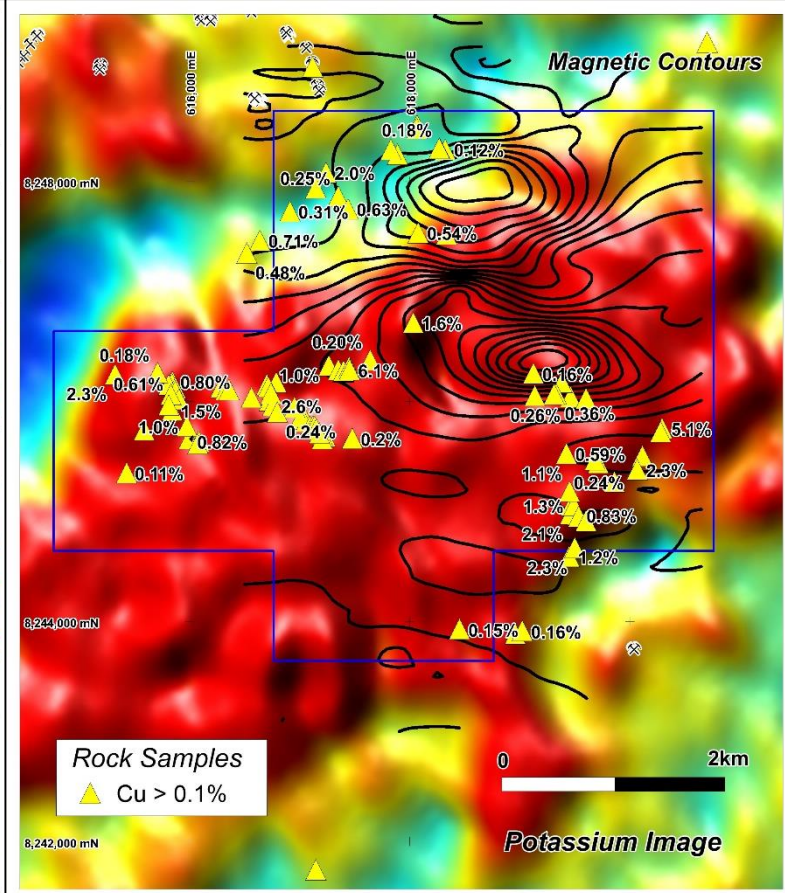
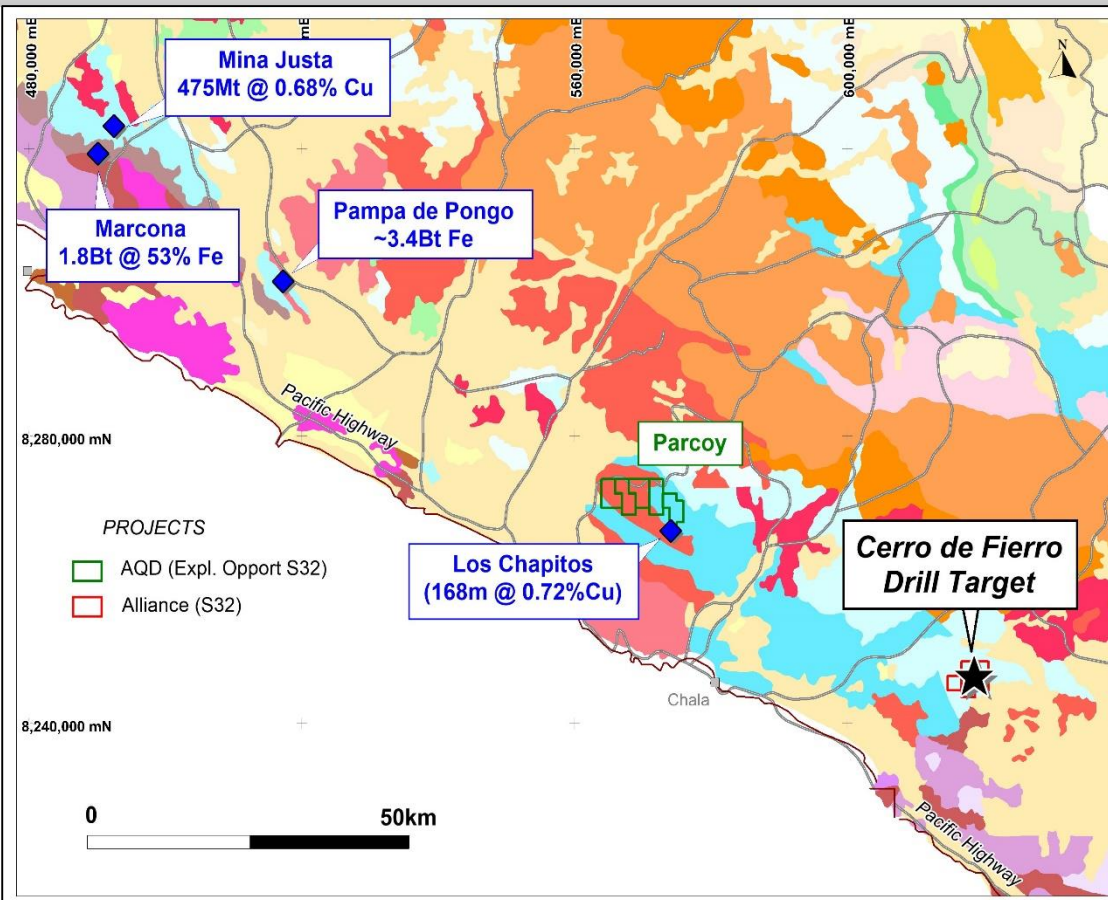
- Close to infrastructure – road, rail, power - 20km from Ilo port – 1100m RL
- **Access preparation in progress – Drilling to start May - ~5000m DDH**

CHOLOLO - NEW PORPHYRY CU DISCOVERY?



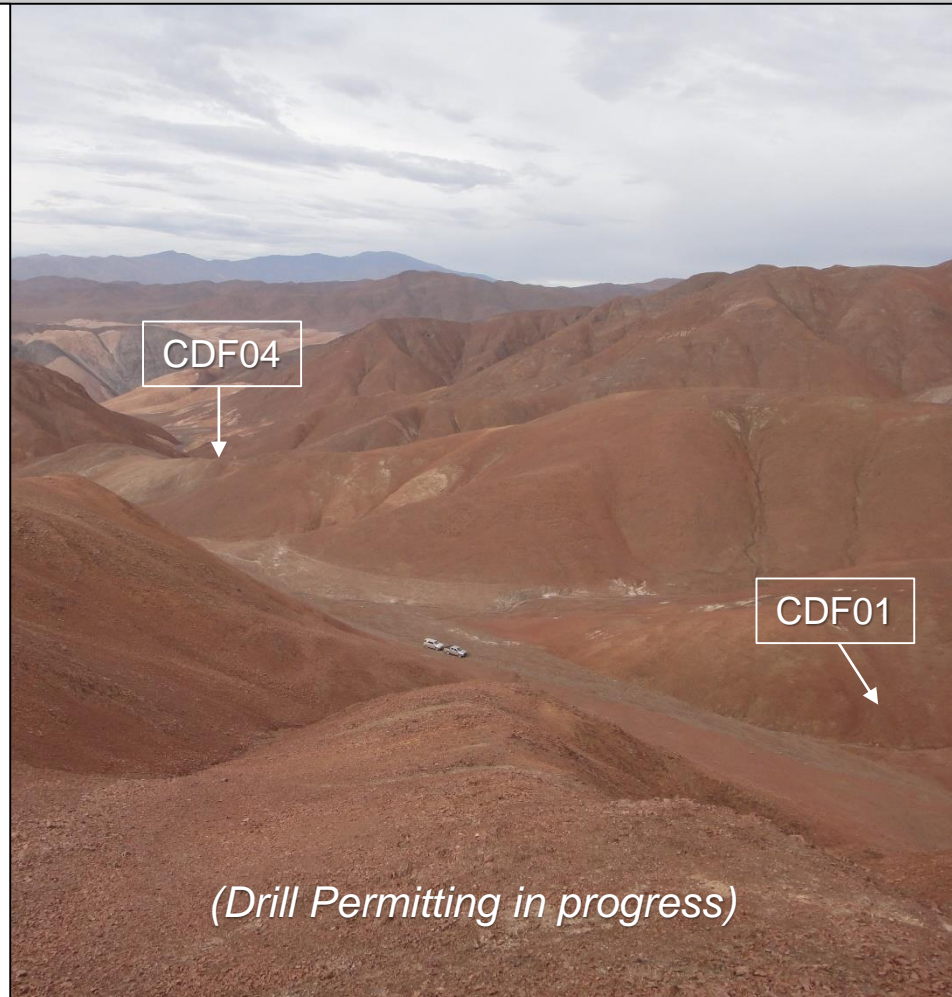
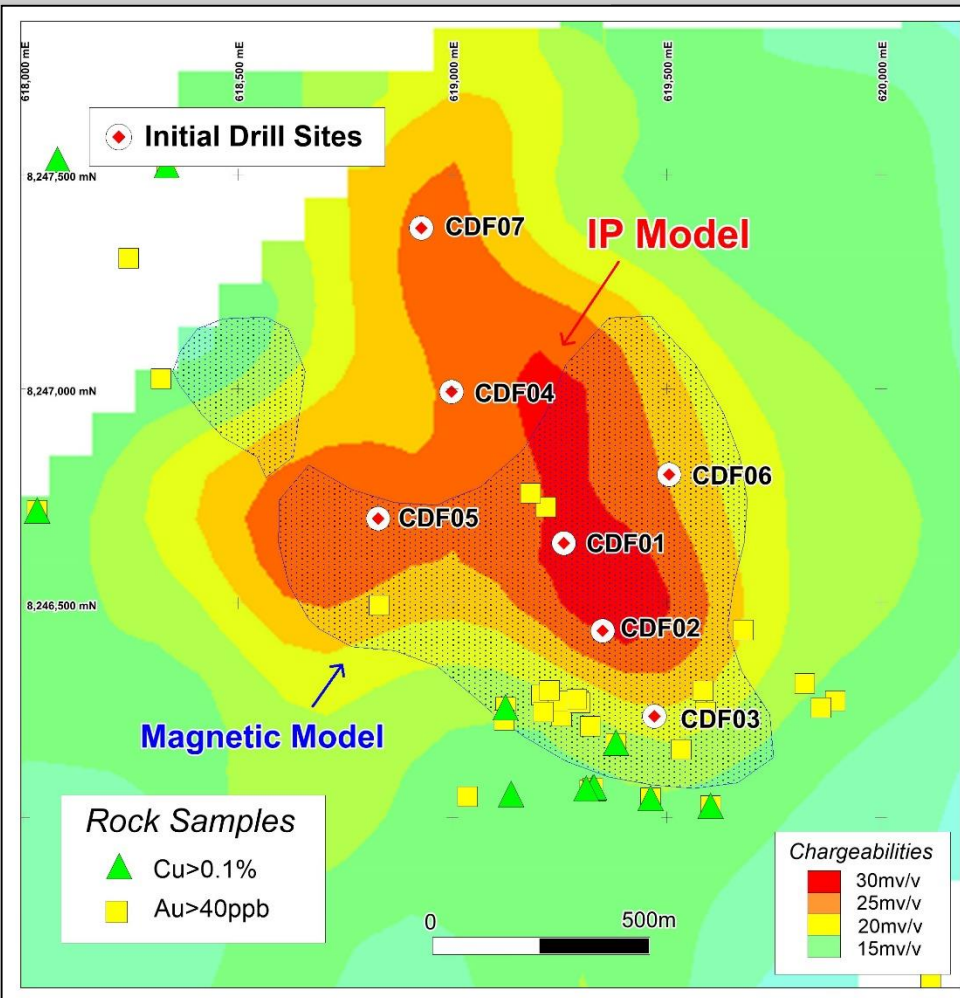
- Strong IP chargeability anomaly coincident with anomalous rock geochemistry
- Possible large (~1.5km²) sulphide halo (+Cu?) associated with buried porphyry
- ***First target to be drilled (~5000m) in Peru under the Strategic Alliance (S32)***

CERRO DE FIERRO – NEW IOCG DISCOVERY?



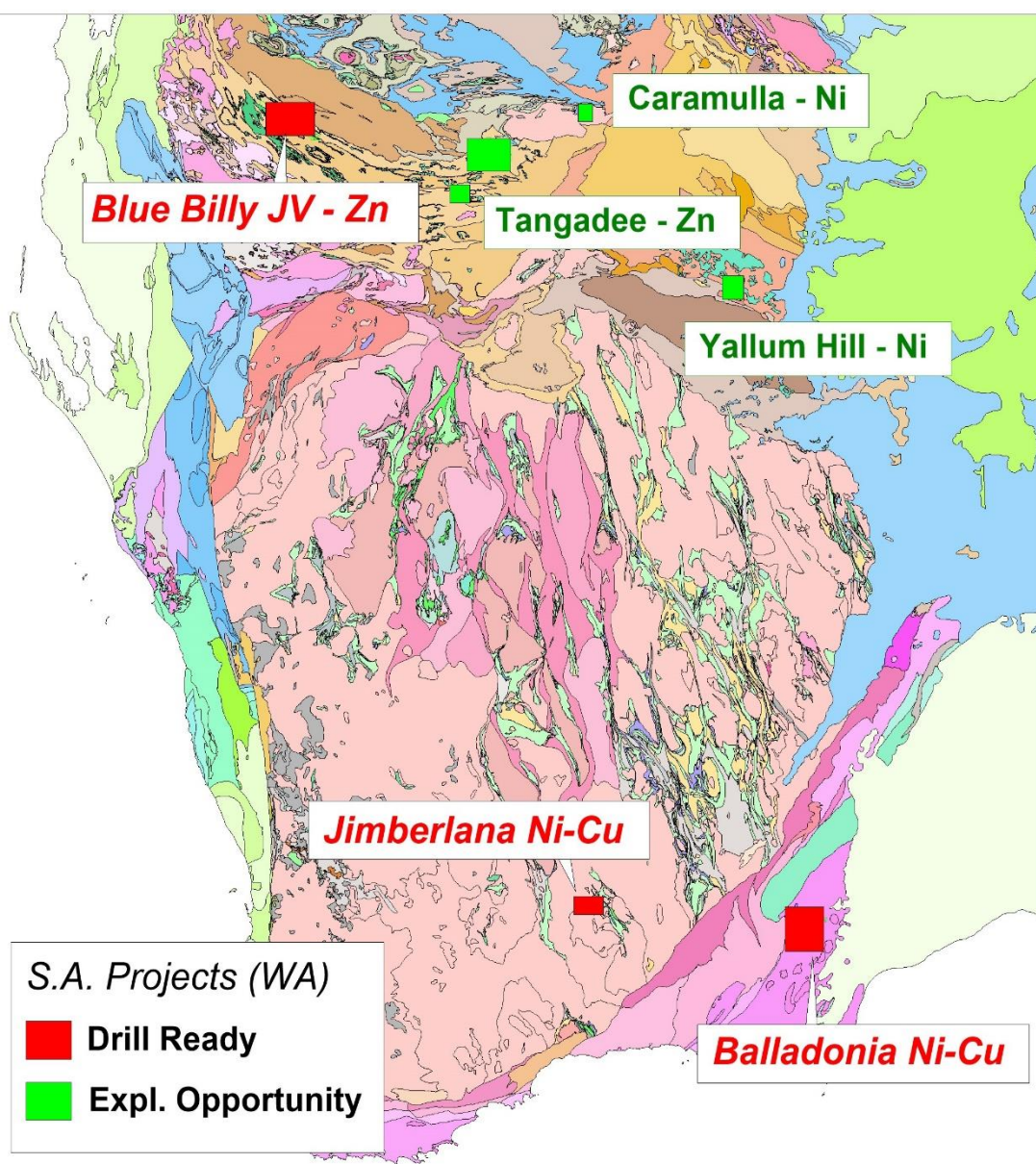
- Close to Marcona (Fe), Mina Justa, Pampa Pongo (Fe-Cu-Au) & Los Chapitos (Cu)
- Magnetic target identified from Company's proprietary airborne data
- Extensive Cu & regional scale potassic alteration implies prospectivity

CERRO DE FIERRO – NEW IOCG DISCOVERY?



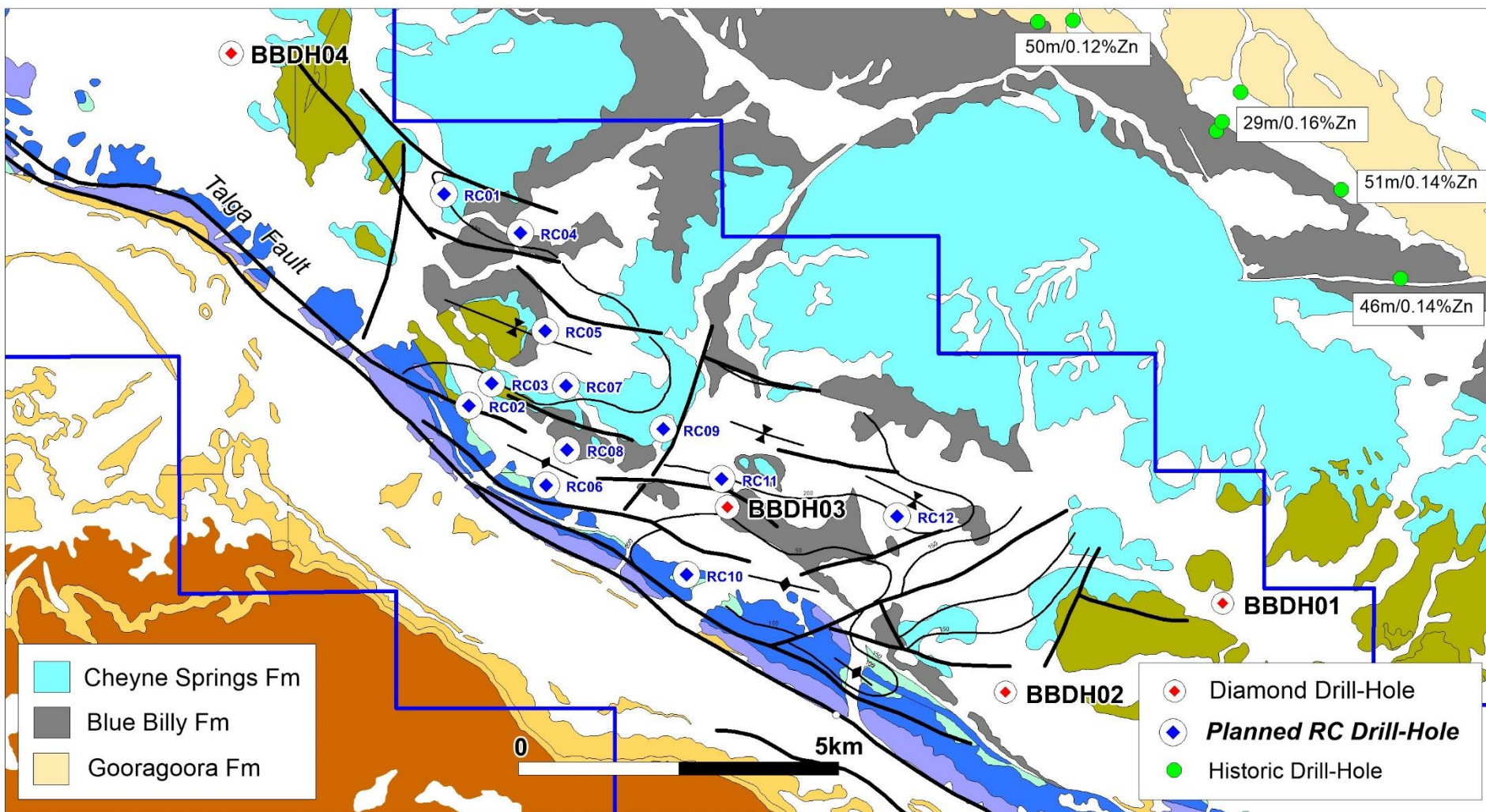
- Large scale IP / magnetic target associated Cu-Au anomalies – IOCG / Manto?
- **Second target to be drilled in Peru (~3000m) under Strategic Alliance (S32)**

AUSTRALIA – PROJECTS (South32)



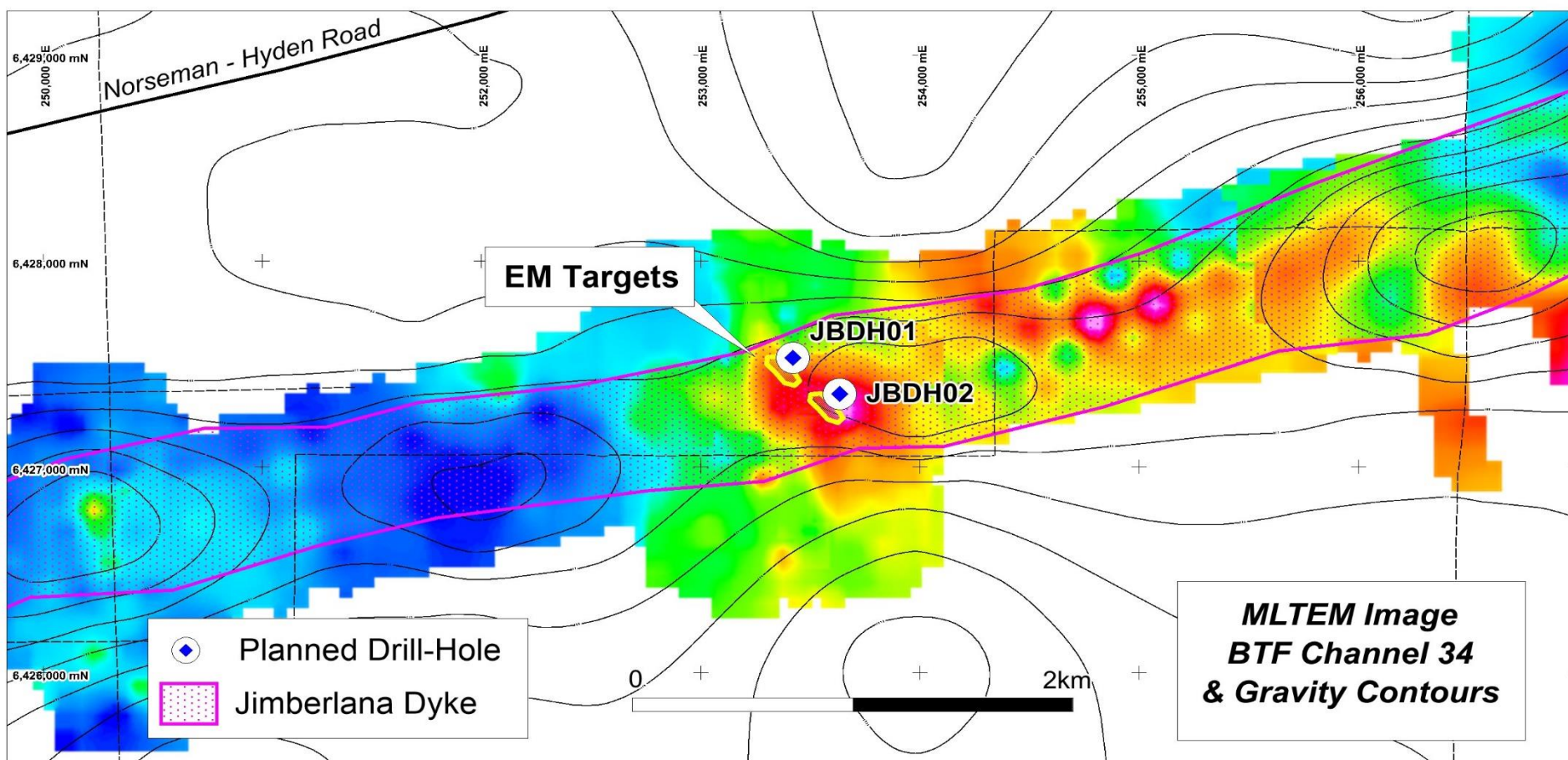
- Focus on **large scale** base metal projects (WA - QLD)
- 7 projects to be tested under Strategic Alliance in **2018**
- **Drilling** of sediment-hosted Zn targets at Blue Billy JV
- **Drilling** of Ni-Cu targets at Balladonia & Jimberlana
- Magmatic Ni-Cu **target definition** at Caramulla and Yallum Hill
- Sediment-hosted Zn **target definition** at Tangadee
- IOCG **target definition** at Hamilton - (NW Qld)

BLUEBILLY JV (South32) – SEDEX ZINC



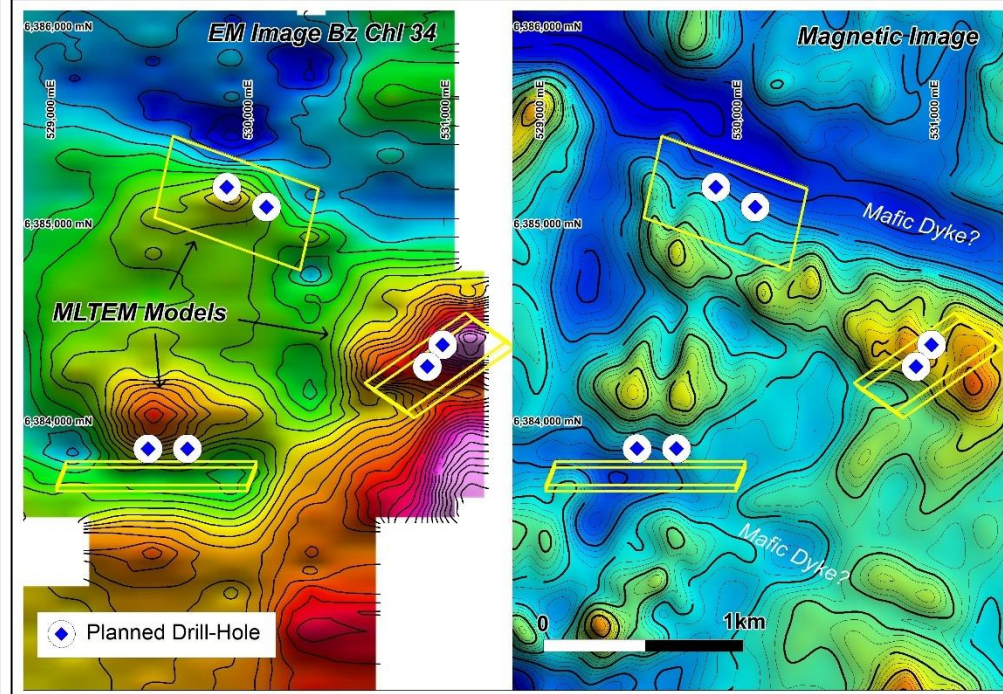
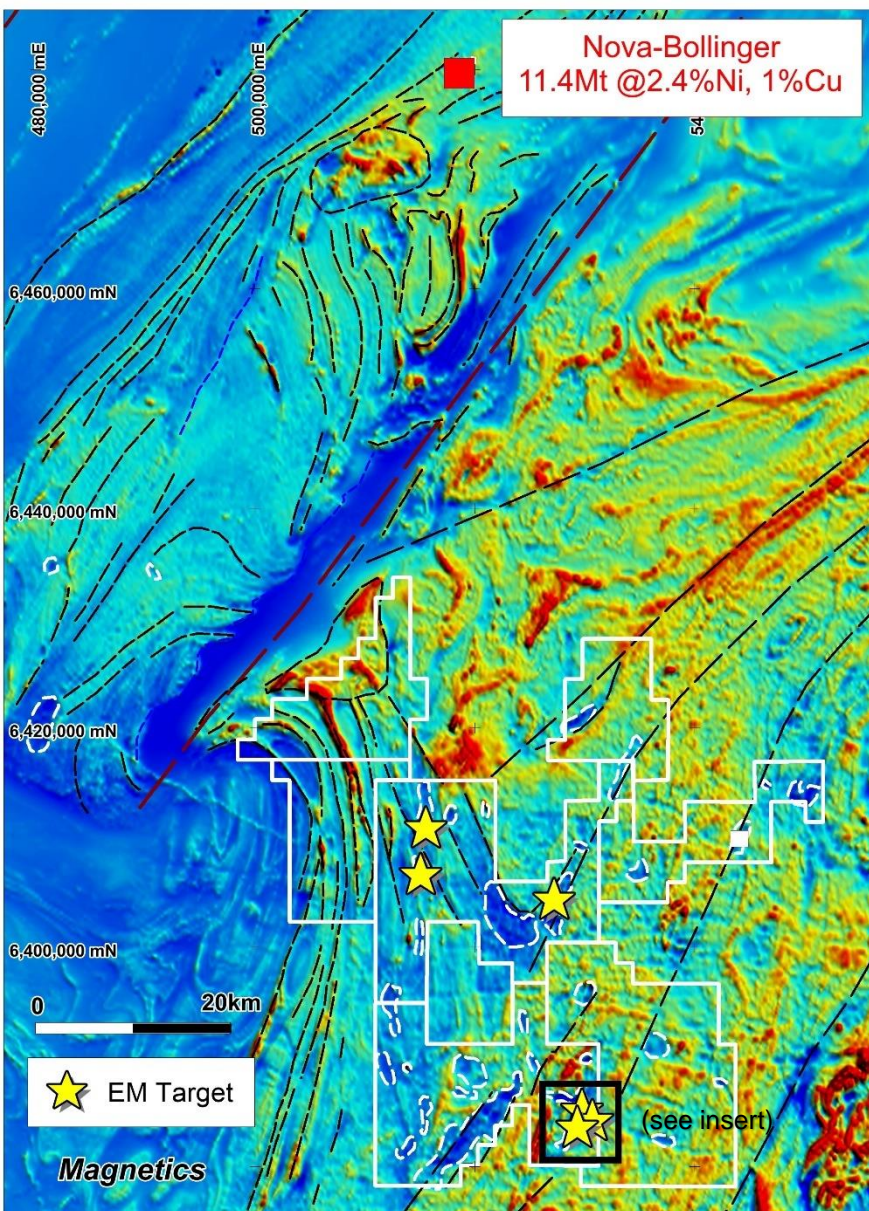
- RC Drilling (~2900m) to test priority structural targets for large scale sediment hosted zinc mineralisation.

JIMBERLANA (South32) NI-CU PROJECT



- Jimberlana Dyke - large (200km x 1-2km) highly fertile (Ni) mafic intrusion
- Priority massive sulphide targets (Ni-Cu) at base of intrusion (< 700m depth)
- Diamond drilling (~700m) to test targets identified by MLTEM surveys

BALLADONIA (South32) Ni-Cu PROJECT



- Large tenement holding (1040km²) in Fraser Range
- Six drill targets identified by EM Surveys
- Diamond (~1200m) & Aircore (~1300m) drilling to test bedrock conductors

DRILLING TO INCREASE IN 2018



Existing Projects	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Project Generation												
Chololo (S32) Cu – Peru		Drill Permitting ✓				Drilling ✓						
Cerro de Fierro (S32) Cu-Au - Peru		Drill Permitting ✓						Drilling ✓				
Blue Billy JV (S32) Zn – WA		Targeting ✓			Access		Drilling ✓					
Balladonia (S32) Ni – WA					Drilling ✓			Access		Drilling ✓		
Jimberlana (S32) Ni –WA					Access		Drilling ✓					

WHY ADD AQD TO YOUR WATCH LIST?



- *High Levels of Activity*
- *Strategic Alliance Funding*
- *Material Opportunities*
- *High leverage – Low EV*
- ★ • *Many Market Catalysts*



CONTACT



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