



## Quarterly Report – 31<sup>st</sup> December 2021

***Strategic Alliance with South32 extended for another two years as AusQuest gears up to drill and explore multiple projects in Australia and Peru in 2022***

### HIGHLIGHTS

#### Corporate

- ❑ AusQuest and a wholly owned subsidiary of South32 (South32) have agreed to further extend their Strategic Alliance Agreement (SAA) for another 2-year period (up to 31<sup>st</sup> December 2023) to continue to develop high-potential exploration opportunities in Australia and Peru.
- ❑ With the extension, Exploration Opportunities offered by AusQuest and accepted by South32 will continue to be advanced with exploration funding provided by South32.
- ❑ The Company's Quarter-end cash position was ~\$4.05 million.

#### Australia – Copper, Zinc, Nickel, Gold

- ❑ Drill targets at the Hamilton Copper Project in NW Queensland were upgraded by positive gravity results which defined discrete anomalies over the mineralised banded iron formations (BIF), similar to those evident at the nearby Osborne copper-gold mine.
- ❑ Further drilling at Hamilton under the SAA with South32 has been scheduled for the April-May period.
- ❑ Additional drill targets were identified at the Tea Tree and Harms Lake prospects at Balladonia in the Fraser Range region of WA. Strong EM conductors will be tested by drilling under the SAA, with the program scheduled to commence in early March.
- ❑ Anomalous nickel and/or copper-in-soil values were found to coincide with Helicopter EM (HEM) targets at the Morrissey Nickel-Copper Project within the Narryer Terrane of WA. Ground EM surveys to optimise drill sites are expected to be completed in March.
- ❑ The Jubilee Lake Nickel-Copper-PGE Project was accepted as a new Exploration Opportunity under the SAA with South32. EM surveys to advance the project to the drilling stage are scheduled to commence in Q2 2022.

## Peru – Copper-Gold

- ❑ Initial drilling under the SAA commenced in January at the Los Otros Project to test large-scale porphyry copper targets. Results are expected by late February 2022.
- ❑ A drilling program to test four large-scale porphyry and/or manto copper targets located east of the Cerro de Fierro prospect was finalised under the SAA. Permitting has commenced, with drilling expected to start in May-June 2022.
- ❑ Copper anomalism has been extended within altered volcanics at the Parcoy Project. Priority targets have been outlined and further drilling is being considered under the SAA.

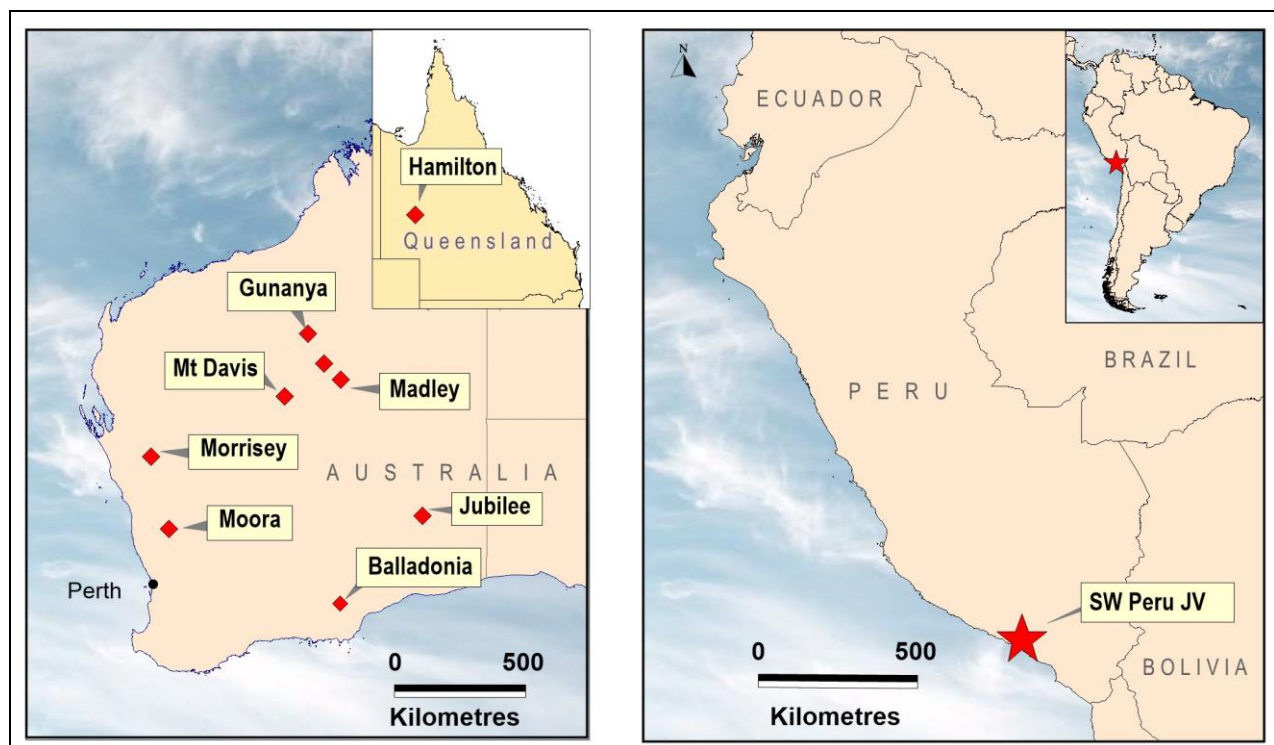


Figure 1: Project Locations – Australia and Peru

## OVERVIEW

During the December Quarter, AusQuest announced the extension of its Strategic Alliance Agreement (SAA) with South32 for a further two-year period, signalling continued expenditure on exploration activities to advance the Company's projects under the SAA.

In **Australia**, the focus turned to new drilling campaigns being planned over three of the Company's Projects. At the Hamilton Copper Project in NW Queensland and the Balladonia Nickel-Copper Project in WA, geophysical surveys identified new targets and/or modified existing ones, ahead of the next round of drilling scheduled to commence at

Balladonia in Q1 2022. At the Morrisey Nickel-Copper Project (WA), EM surveys to optimise drill targets commenced and are now expected to be completed in Q1 ahead of drilling in Q2 2022. A new Exploration Opportunity was accepted under the SAA at the Jubilee Lake Ni-Cu-PGE Project.

In **Peru**, preparations for the maiden drilling program at the Los Otros Porphyry Copper Project were completed, with drilling commencing in January 2022. At the Cerro de Fierro Project, drill programs to test four large-scale porphyry copper and/or manto copper targets were finalised with permitting now underway to allow the commencement of drilling operations around mid-2022. Surface mapping and sampling was completed at

A total of 1,375 gravity stations were surveyed on 200m x 100m grids with in-fill to 100m x 100m over the target areas. Residual gravity anomalies of ~1.5 milligals were identified at both the southern and northern prospects, representing areas of potentially thicker BIF where copper mineralisation is more likely to accumulate (*Figures 3 and 4*) (ASX release 20 December 2021).



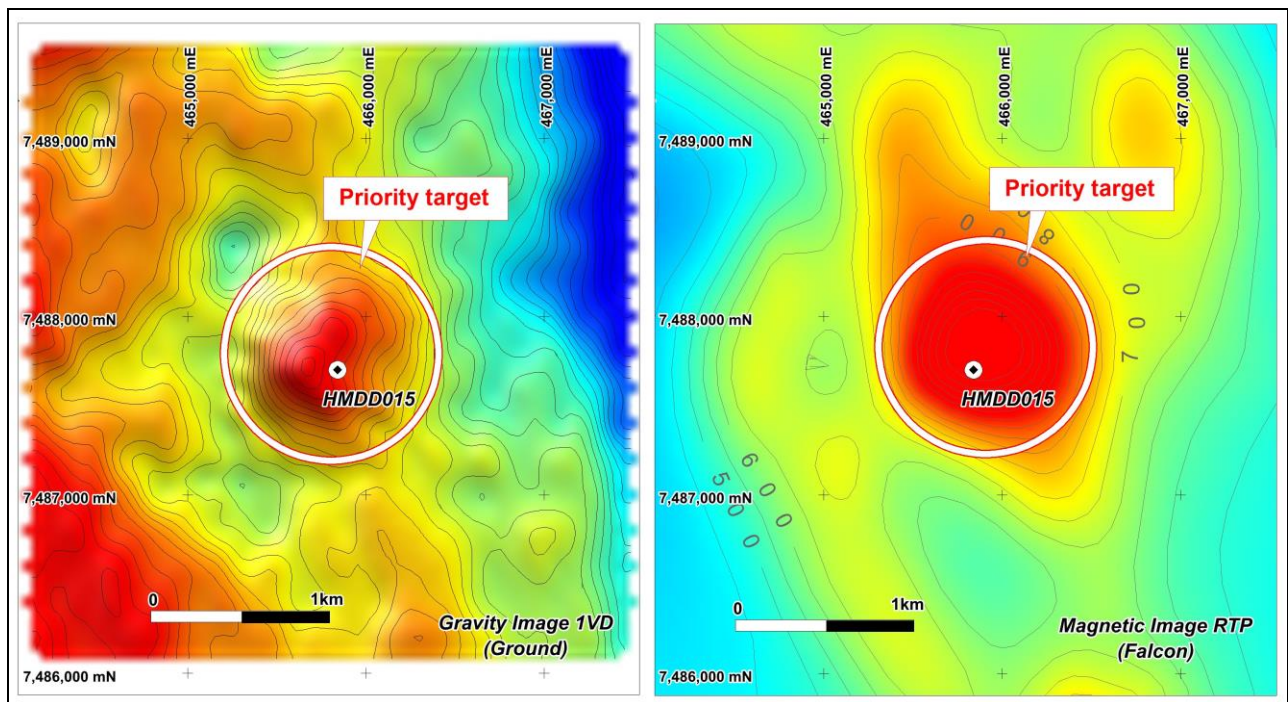


Figure 3: Hamilton North Magnetic and Gravity anomalies and drill-hole location

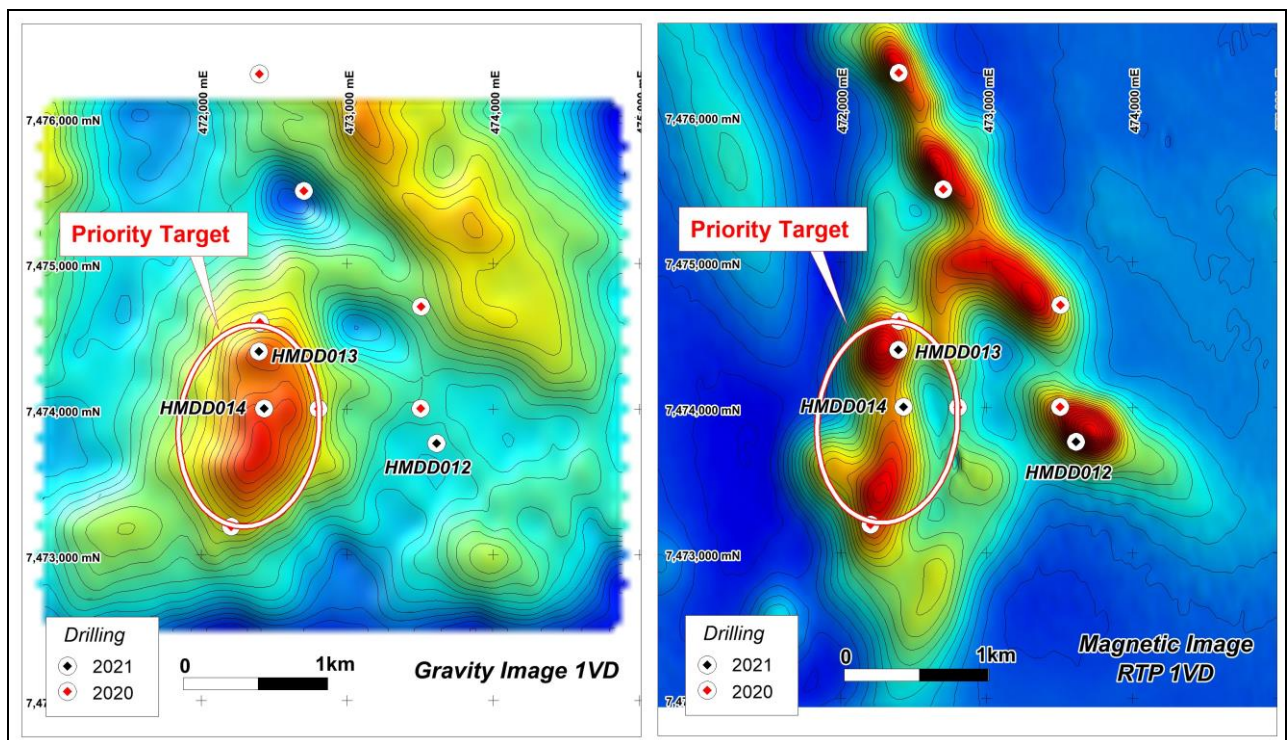


Figure 4: Hamilton South Magnetic and Gravity anomalies and drill-hole locations

Analysis of specific gravity (SG) measurements on drill-core from the Company's drill programs indicates that rocks with high SG (3.15 to 4.2 – i.e., heavy rocks) are characterised by iron-carbonate alteration and/or the presence of BIF, which often contains anomalous levels of copper (up to 3,000ppm Cu) and pathfinder elements.

The coincidence of anomalous gravity and magnetic responses significantly upgrades the copper prospects at Hamilton, with additional drill-holes now being considered under the SAA as part of the upcoming drill program.

The Hamilton Project covers a belt of magnetic rocks extending over a strike length of approximately 30km from north to south under Eromanga Basin cover, which varies



from ~190m thickness in the north to ~220m in the south (*Figure 2*). Numerous magnetic targets within this belt have never been tested by drilling.

### **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 seven Exploration Licences (four granted and three applications) covering an area of ~840km<sup>2</sup> and is located within a structurally complex region of the Fraser Range Terrane. 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. Comparisons with the Eastern Succession in north-west Queensland (east of Mt Isa), where IOCG and BHT deposits are known to occur, are also apparent. Many of the tenements lie within the Dundas Reserve. Exploration work at Balladonia is funded under the SAA.

During the Quarter, moving loop transient electromagnetic (MLTEM) surveys were completed over the Harms Lake and Tea Tree prospects (ASX Release 28 January).

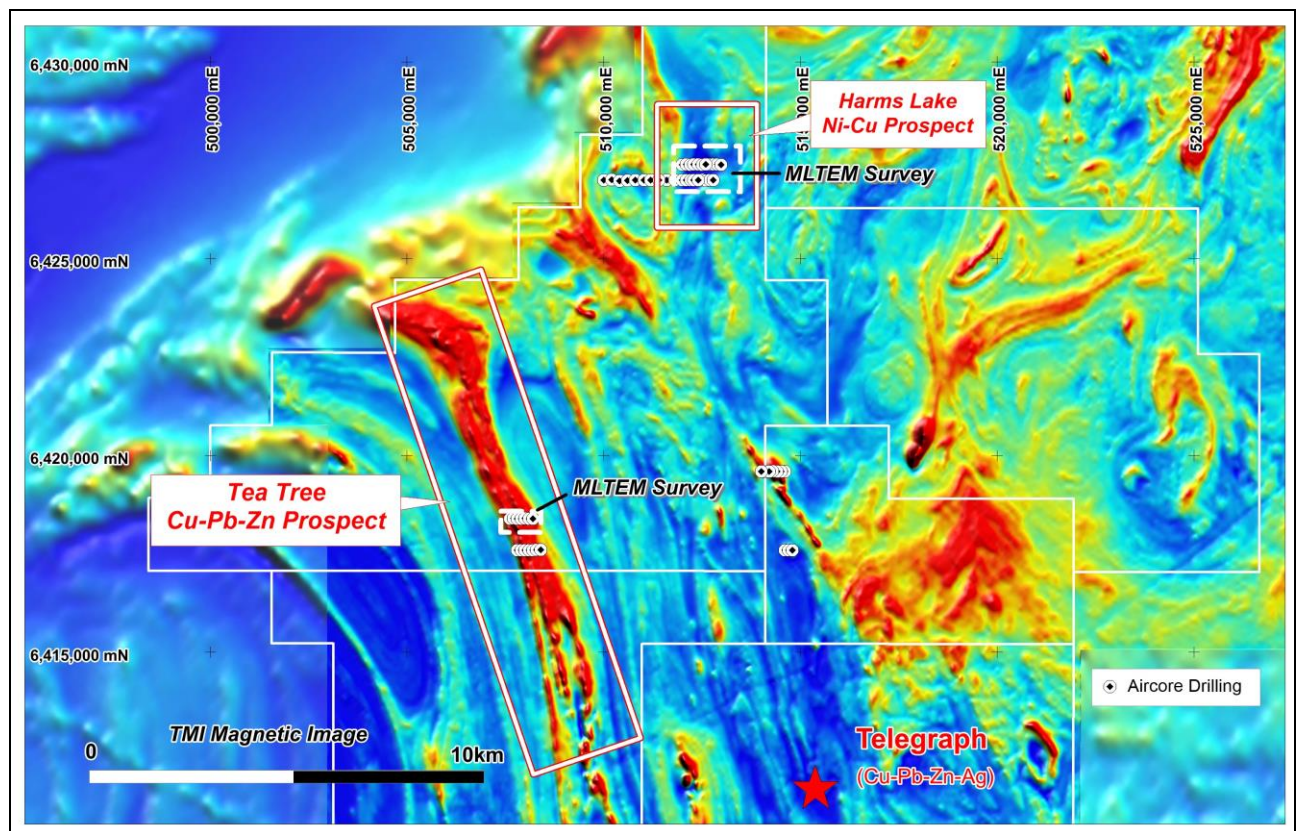


Figure 5: Balladonia Project – TMI image showing location of the Harms Lake & Tea Tree Prospects

The MLTEM survey over the Harms Lake Ni-Cu-PGE prospect was designed to locate possible massive sulphide mineralisation associated with the mafic/ultramafic intrusion outlined by the Company's earlier air-core drill program and detailed aeromagnetic survey (ASX release 23 July 2021).

A total of five lines (60 readings) of MLTEM survey were completed using 200m x 200m transmitter loops and an offset receiving

sensor (B-field Squid sensor) at 100 metre intervals along each grid line.

A shallow (<50m) strong EM conductor (~4000 siemens), approximately 120m x 120m in size, was located along the northernmost grid line, suggesting a possible sulphide source close to the margin of the interpreted intrusion (*Figure 6*).



Weaker conductive responses over the centre of the intrusion are thought to reflect deeper weathering and the possibility of disseminated

to matrix sulphides associated with a more ultramafic portion of the intrusion.

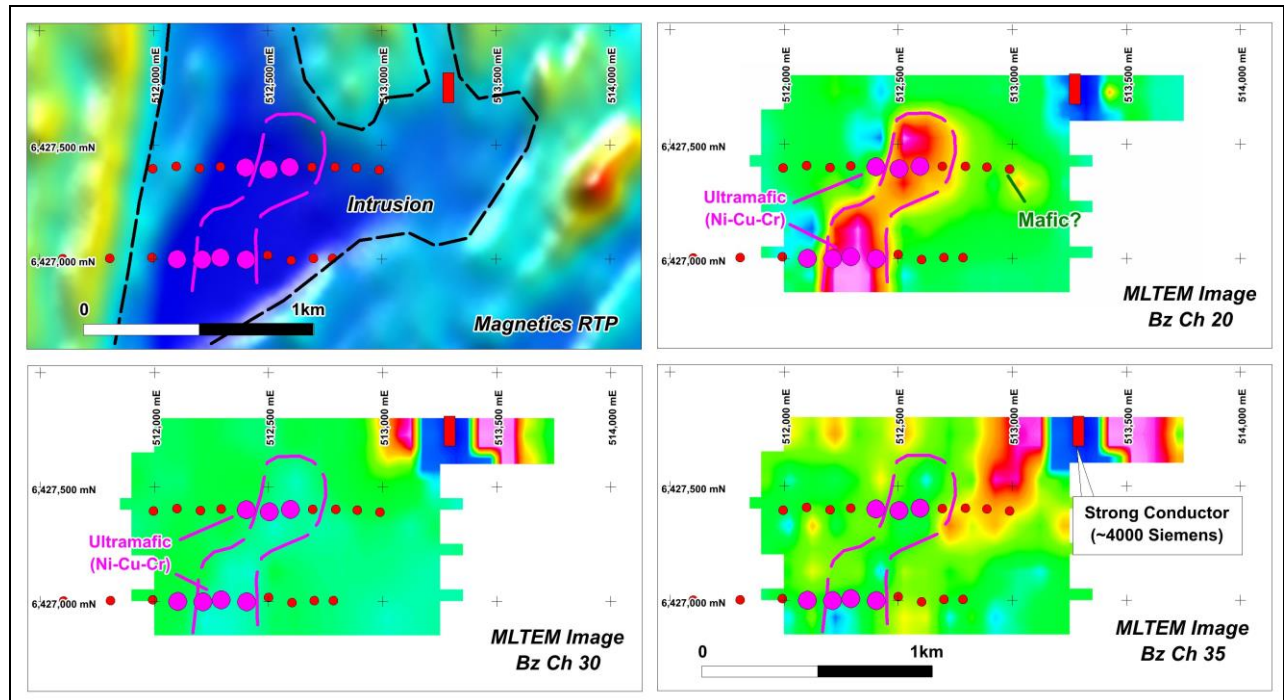


Figure 6: Balladonia Harms Lake Ni-Cu-PGE Project showing magnetic and MLTEM data

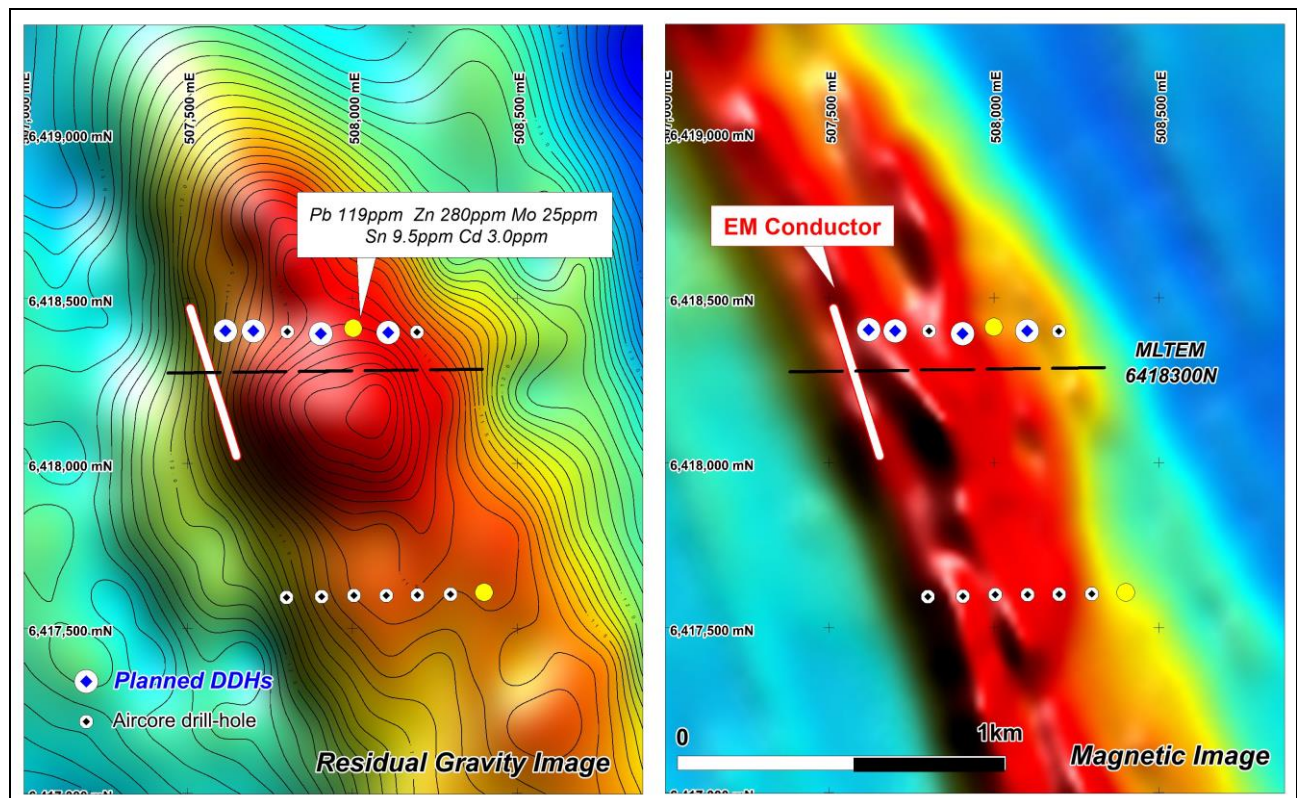


Figure 7: Tea Tree Prospect showing location of EM target and planned drill-holes

At the Tea Tree prospect, a single line of MLTEM was completed along the planned drill section, designed to test a wide zone (~600m) of coincident magnetic and gravity

anomalies thought to reflect possible mineralised BIF stratigraphy similar to that found within the Eastern Succession of north-

west Queensland (Mt Isa Region) where a number of BHT and IOCG deposits occur.

The MLTEM survey identified a strong EM conductor (~8000 siemens; depth ~100 metres) towards the western end of the survey line, suggesting a possible sulphide and/or graphitic source at the margin of the inferred BIF stratigraphy (Figure 7).

While this EM target has not been fully defined, additional drilling to test this target has been included within the planned drill program which is designed to test the base metal potential of the inferred BIF sequence.

Drilling of targets at both the Harms Lake and Tea Tree prospects is scheduled to be completed in March 2022, with assay results expected six to eight weeks after completion of the program.

#### **Morrissey Nickel-Copper Project (100% AQD, subject to SAA)**

The Morrissey Project is located ~500km north of Perth in Western Australia within the Narryer Terrane, which forms the north-western margin of the Yilgarn Craton. It consists of two granted Exploration Licences

(ELs) and three EL applications covering an area of ~1,200km<sup>2</sup> parallel to the Yilgarn Craton boundary. The area recently became the focus of industry attention following the discovery by Chalice Mining of the Julimar nickel-copper-PGE deposit north of Perth, which highlighted the untested nickel-copper-PGE potential of the margin of the Western Yilgarn Craton. Exploration work at Balladonia is funded under the SAA

During the quarter, highly encouraging assay results were received from soil geochemical surveys, significantly upgrading the exploration potential of the EM targets identified by the helicopter EM (HEM) survey (ASX release November 18 2021).

Results from the soil sampling program confirmed the presence of mafic and ultramafic rocks within the targeted magnetic complexes at the Bilga Rocks, Waterfall and Sandfly prospects highlighting anomalous nickel (>60ppm and up to 500ppm Ni) and copper (>50ppm and up to 110ppm Cu) values in the vicinity of the HEM targets, suggesting excellent potential for base metal sulphides associated with the EM conductors (Figures 8, 9, 10).

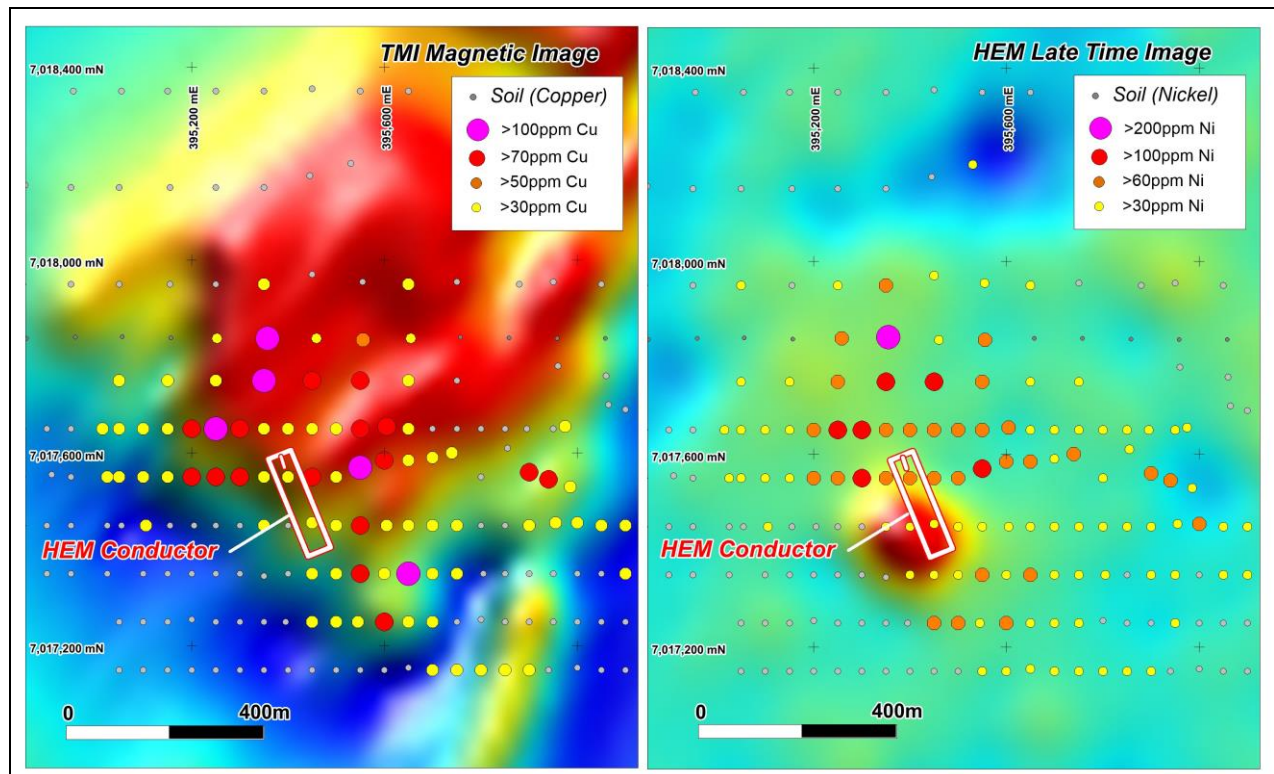


Figure 8: Bilga Rocks Prospect Magnetic and HEM images showing Ni & Cu soil results



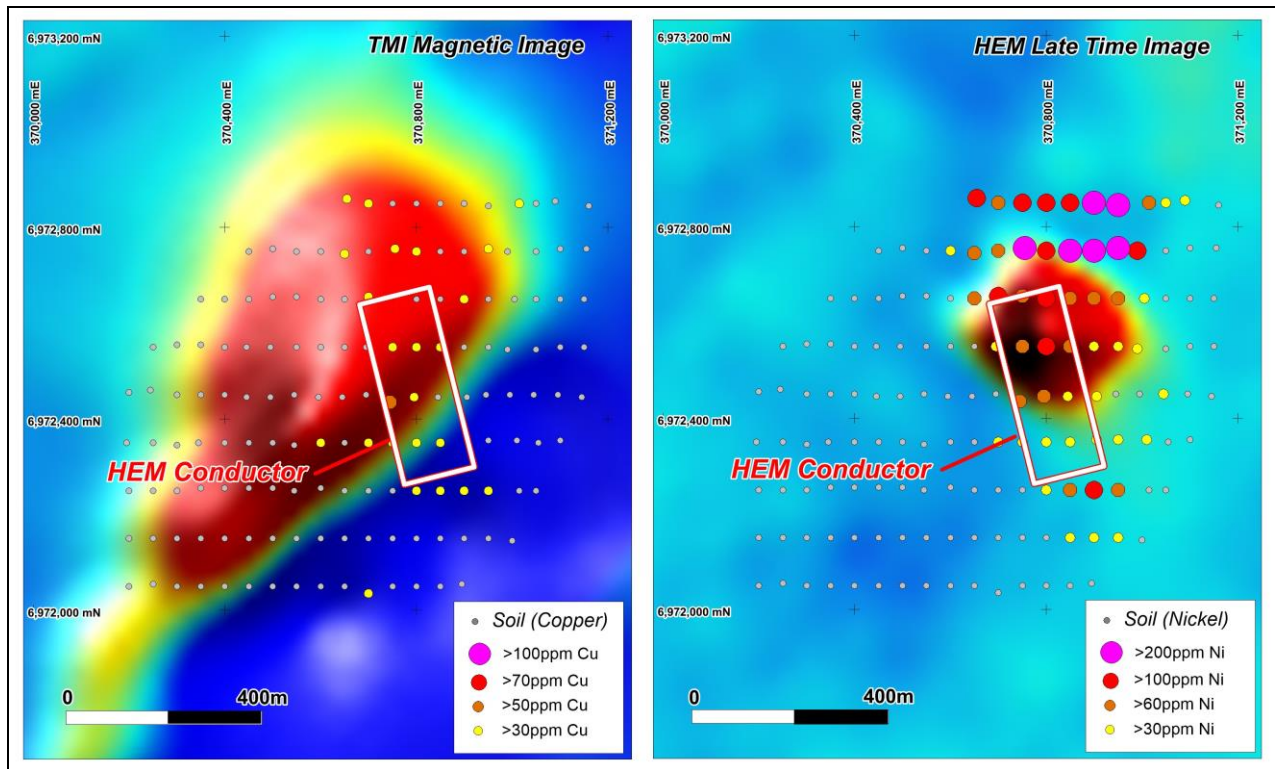


Figure 9: Waterfall Prospect Magnetic and HEM images showing Ni & Cu soil results

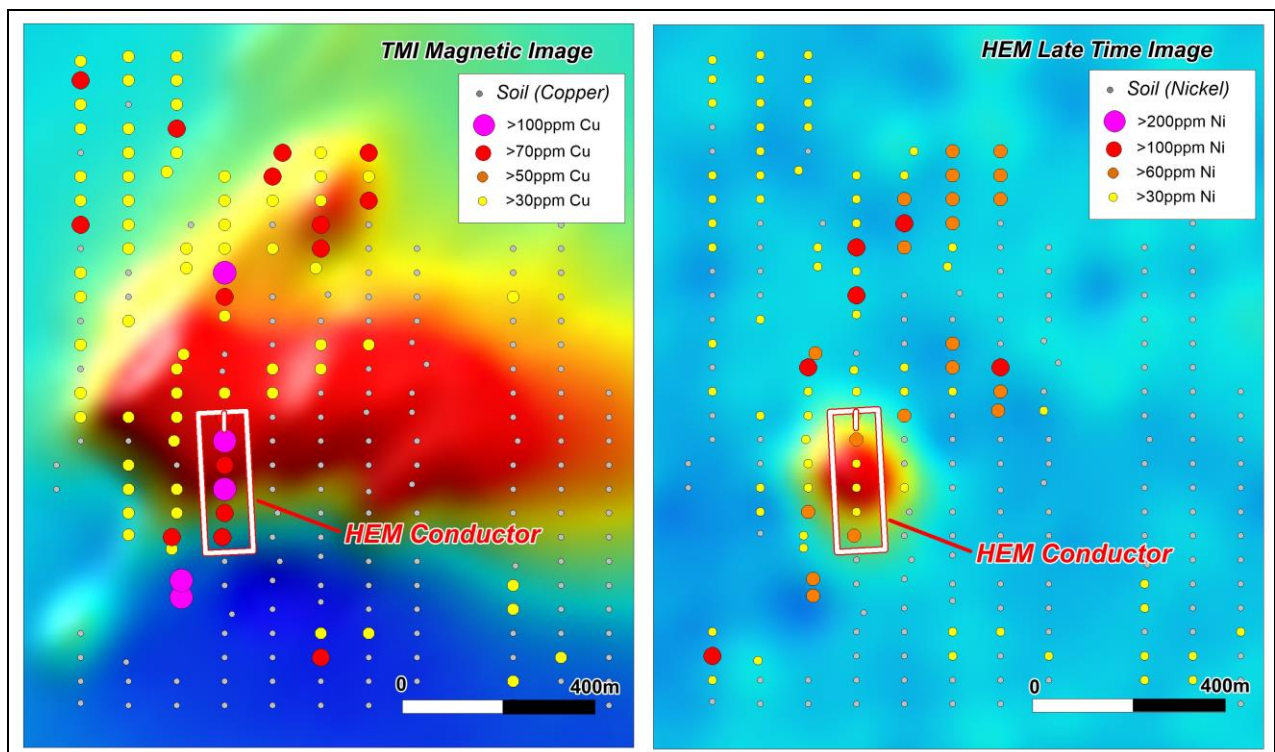


Figure 10: Sandfly Prospect Magnetic and HEM images showing Ni & Cu soil results

Anomalous nickel and/or copper values found within the magnetic complexes, but not associated with the conductors, are also thought to be of interest as they may reflect the potential for disseminated Ni-Cu-PGE mineralisation within the mafic/ultramafic host rocks.

Anomalous molybdenum (>3.0ppm Mo) and arsenic (>6ppm As) values reported from the Sandfly prospect also suggest the possibility of other styles of mineralisation (iron-oxide copper-gold (IOCG) and Broken Hill Type BHT) being present at this prospect. Scattered outcrops of banded iron formations (BIF) in the Sandfly area supports this concept.



Ground MLTEM surveys to optimise drill sites within each of the three prospects are now scheduled for completion in March 2022. Initial drilling over each target is being planned for Q2 2022, subject to obtaining Native Title clearances for access.

The HEM responses are thought to reflect sulphide mineralisation within the large magnetic complexes that outline possible intrusive mafic/ultramafic bodies similar to those that host the Ni-Cu-PGE mineralisation discovered recently by Chalice Mining at the Julimar Project, north of Perth.

### **Jubilee Lake Nickel-Copper-PGE Project (100% AQD, subject to SAA)**

*The Jubilee Lake Project is located ~500km east of Kalgoorlie in Western Australia, within the northern portion of the Eucla Basin. It consists of one granted Exploration Licence (EL) and five EL applications covering a total area of ~3,200km<sup>2</sup>. The*

*Project is situated within a large flood basalt terrane close to the south-eastern margin of the Yilgarn Craton and is centred over the Rodona Shear, which shows strong evidence as being the key feeder structure to the surrounding flood basalts. Mafic/ultramafic intrusions associated with feeder structures to flood basalt terranes are considered prime targets for Ni-Cu-PGE sulphide deposits similar to those found at the giant Norilsk deposits in Russia, and more locally at Nebo-Babel (Oz Minerals) and possibly at Nova-Bollinger (IGO), both nearby deposits.*

During the Quarter the Jubilee Lake Project was accepted as a new Exploration Opportunity under the Company's Strategic Alliance Agreement (SAA) with South32, whereby South32 can earn a 70% interest in the project by spending a total of US\$4.5 million on exploration, with the right to earn an additional 10% interest by completing a Pre-Feasibility Study.

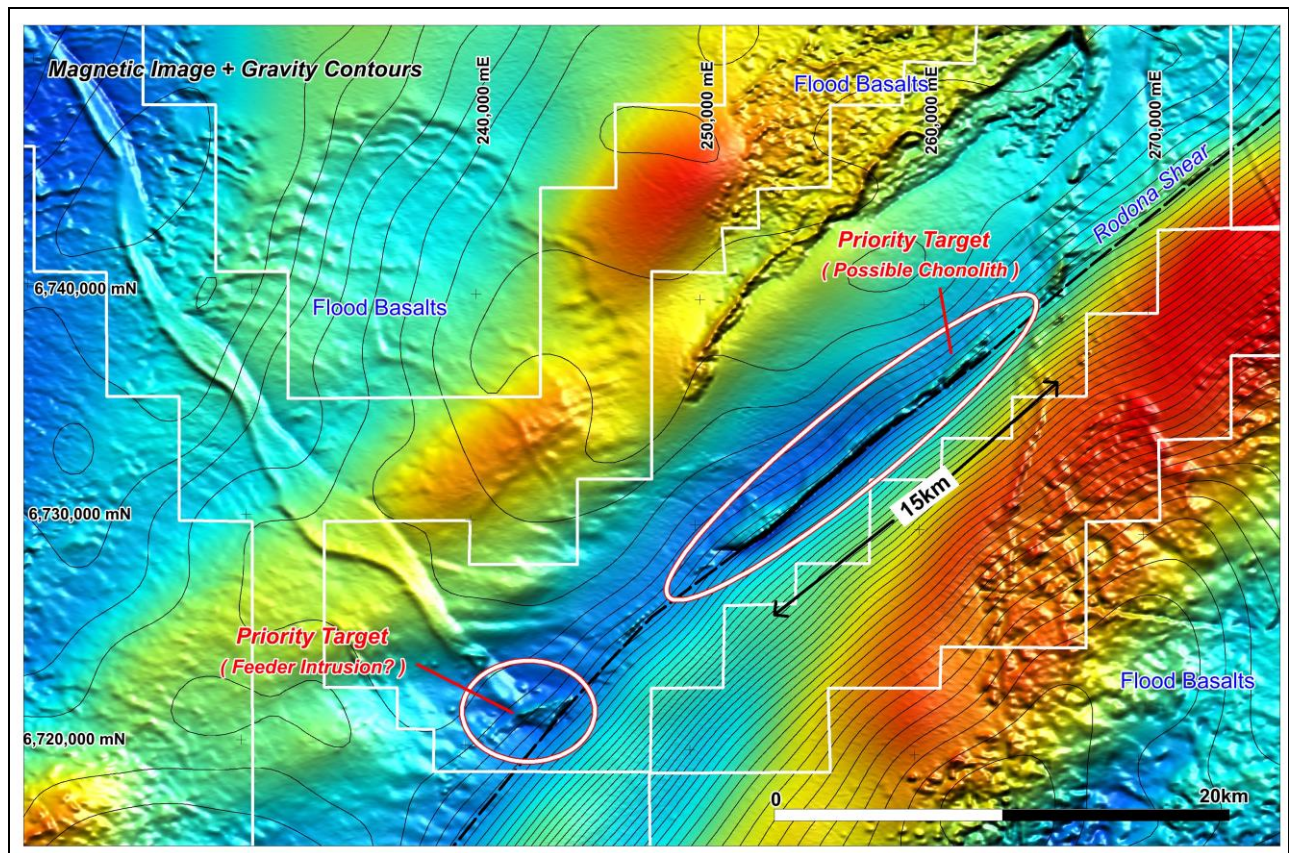


Figure 11: Jubilee Magnetics and Gravity showing priority targets coincident with inferred feeder structure

Interpretation of aeromagnetic data over the Jubilee Project identified the potential for chonolith-type intrusions (a horizontal

cylindrical body), coincident with the Rodona Shear, which appears to be a key feeder structure to the surrounding flood basalts.

The target intrusions occur at shallow depths (~50m to 100m below the Eucla Basin sediments) over a strike length of ~27km, and have limited depth extent (~200m to 300m), suggesting the prime target zone for nickel sulphide mineralisation (near the base of the chonolith) is within reach of standard electromagnetic (EM) techniques (Figure 11).

A proposal to rapidly advance this project to the drilling stage was accepted under the SAA and EM surveys to locate targets for drilling are scheduled to start in Q2 2022.

#### **Moora Nickel-Copper Project (100% AQD)**

*The Moora Project is located ~150km north of Perth, Western Australia, within the Jimperding Metamorphic Belt, which forms the south-western margin to the Yilgarn Craton. It consists of five Exploration Licences and covers an area of ~570km<sup>2</sup>. The area recently became the focus of industry attention following the discovery by Chalice Mining of the Julimar nickel-copper-PGE deposit north of Perth, which highlighted the untested nickel-copper-PGE potential of the margin of the Western Yilgarn Craton.*

During the Quarter, HEM surveys were completed over selected areas to identify potential massive sulphide targets for follow-up. Flight lines were initially flown at 800m line spacing to outline areas where HEM prospecting would be effective. Some key areas were found to be under conductive cover and were not flown in detail. Areas where it was deemed to be suitable for HEM surveying were in-filled at 200m line spacing. A total of 256km of survey was completed.

Preliminary results have been received with several possible targets identified for ground follow-up to confirm that they reflect targets within bedrock or local infrastructure anomalies. Final results are expected in early February, at which time a more complete interpretation will be undertaken.

#### **Paterson Gold-Copper Projects (100% AQD)**

*The Paterson Gold-Copper Projects are located ~250km east of Newman within the Paterson Province of Western Australia. Exploration is targeting large-scale copper-gold mineralisation similar to the recent discoveries at Winu and Havieron. The Paterson Project consists of the Gunanya, Madley and Runton Projects, which are targeting discrete magnetic targets proximal to regional fault systems in the southern half of the province, similar to those at Winu and Havieron.*

The MLTEM survey planned over the magnetic target not tested by earlier RC drilling (see September 2021 Quarterly Report) was delayed due to the availability of geophysical crews and is now expected to be completed in Q2 2022.

#### **New Opportunities (Australia)**

New opportunities continue to be assessed by the Company's consultants.

The Exploration Licence over the Mt Davis Project was granted late in 2021 to enable exploration field work to commence. A detailed aeromagnetic survey is planned for Q2 2022 to provide control for early phase reconnaissance sampling.

The Exploration Licence Application submitted in South Australia is still pending resolution of a Native Title Heritage agreement.

#### **PERU COPPER-GOLD PROJECTS**

*AusQuest has assembled a strong 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 replacement style (manto) IOCG targets with the size potential being of significance to AusQuest (Figure 12). Peru is one of the world's most prominent destinations for international copper exploration and is considered a prime location for world-class exploration opportunities.*



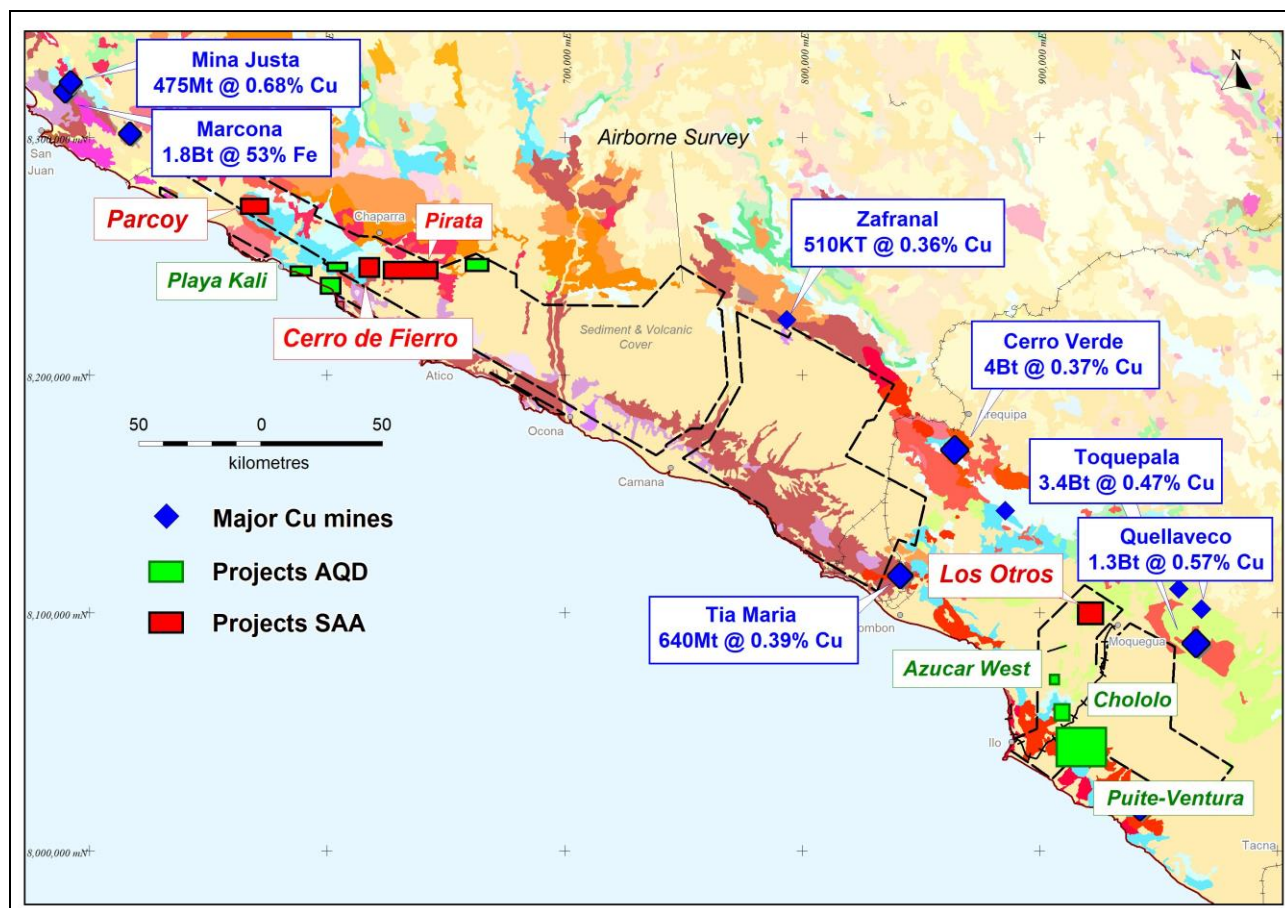


Figure 12: Project Locations – Southern Peru

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

The Cerro de Fierro Project is located at the southern end of a recognised IOCG metallogenic belt in southern Peru. It lies within ~150km of the Mina Justa deposit (~475Mt @ 0.68% Cu), which is being developed by the Marcobre Joint Venture. 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, a recommendation to drill-test four of the porphyry copper and/or manto copper targets within the Pirata project immediately east of Cerro de Fierro was accepted under the SAA. Approvals are now being sought from the Government to prepare access for 20 drill pads located within the priority target areas (Figure 13). Environmental and community studies have commenced.

The four drill targets occur within a major east-west structural corridor, close to and

parallel with the Coastal Batholith contact, which is considered to be a prospective target zone within the Coastal Belt of Peru and Chile.

Targets 1, 2, and 4 contain strong indications of advanced argillic alteration, as defined by anomalous pathfinder elements (Mo >10ppm, Bi >5ppm, Te >5ppm, W >10ppm) and high temperature mineralogy (pyrophyllite – based on Terraspec analysis), representing lithocap environments that are generally in close proximity to the centre of potential porphyry copper systems.

Target 6 is defined by a distinct magnetic anomaly within the volcanic sequence, which is similar to the response associated with copper mineralisation at the Cerro de Fierro prospect. Modelling of the magnetic data indicates a source (magnetic susceptibility – 0.1 SI units) at a depth of ~150m to 200m with a potential size of ~ 1,000m x 300m.

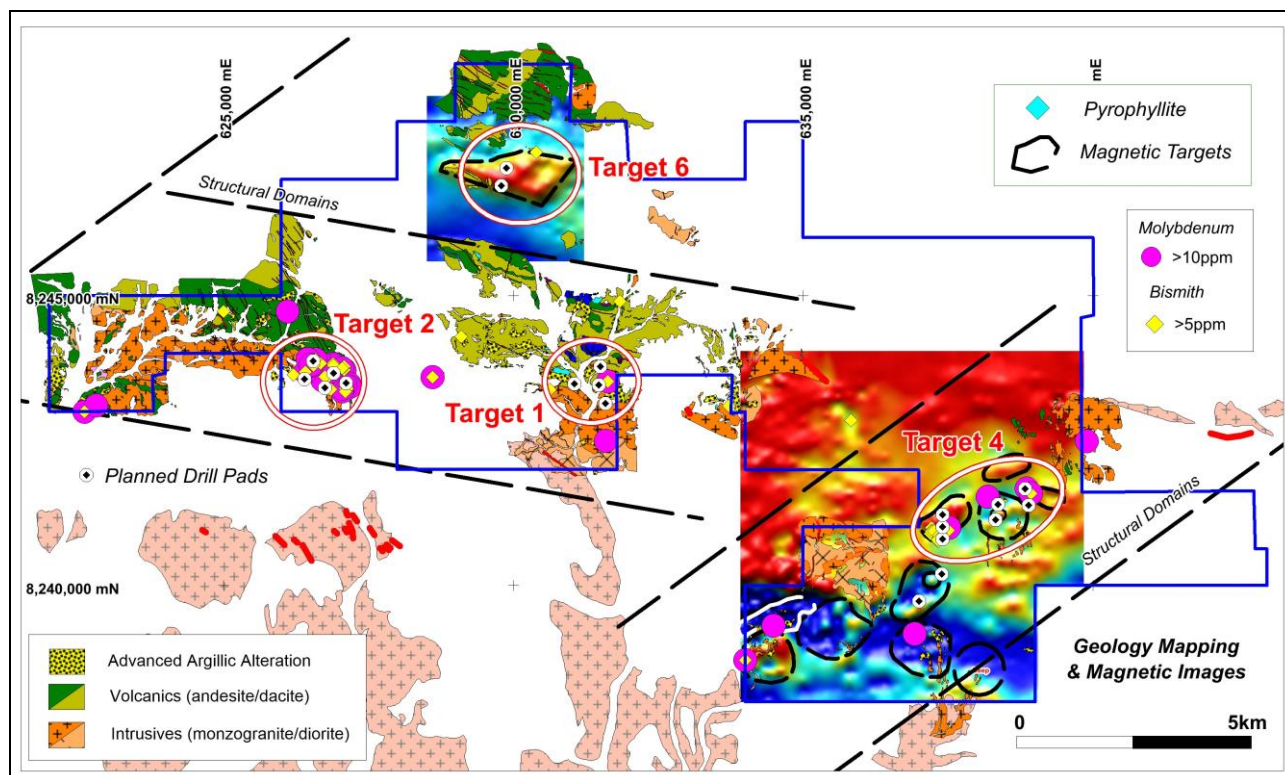


Figure 13: Cerro de Fierro East (Pirata) showing geology, geochem anomalies and planned drill targets

Permitting to allow drilling to commence is expected to be completed during Q2 2022 with drilling set to start around the middle of the year. A drilling contract is currently being finalised.

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

The Parcoy Project is located near the southern end of a recognised 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. Geological mapping and rock-chip sampling has identified significant concentrations of copper (+/- gold) at surface, reflecting potential manto-style mineralisation within the volcanic stratigraphy. The project is subject to an agreement with South32, which can earn a 70% interest in the project by spending a total of US\$4.5 million.

During the Quarter, in-fill surface sampling was completed over the central portion of the prospect to prioritise drill targets within the prospective volcanic sequence. Earlier drilling within this sequence found that anomalous copper was strongly correlated with potassic

alteration in the volcanics and anomalous pathfinder elements (Mo, W, and Bi) within the footwall to the mineralisation (ASX release 9 July 2021).

Results from the surface sampling program indicate similar geochemical relationships across much of the 5km strike length that has been tested by the rock-chip sampling program. A total of 527 samples were collected during the Quarter to complete the sampling coverage, which varies from ~400m x 100m over much of the area to 100m x 100m over anomalous areas.

Strong copper anomalism within potassically altered volcanics was outlined by this survey over a strike length of ~ 3km adjacent to the main regional (feeder) fault system, defining a priority target for replacement (manto) copper mineralisation (Figure 14). Anomalous Mo, W and Bi which occurs adjacent to the anomalous copper suggests possible footwall alteration to the south of, and probably below, the potentially mineralised volcanics similar to that identified by the initial drill program.

Drilling down-dip of the surface copper anomaly is currently being considered under the SAA. Geological mapping indicates that



the volcanics north of the main structure have a relatively shallow (~20°) northerly dip. Permitting for this program should take

approximately three months to complete given initial approval has already been received for RC drilling in this area.

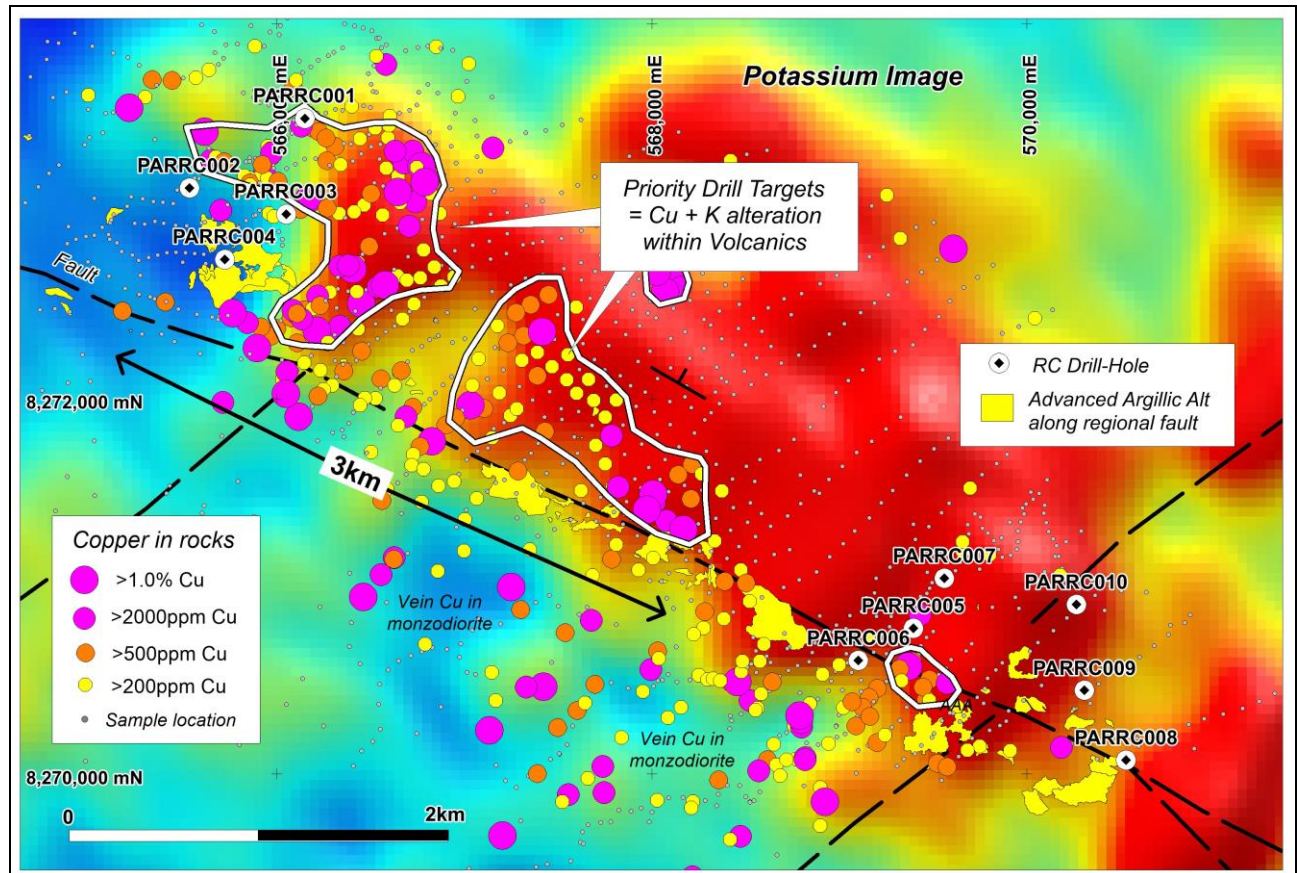


Figure 14: Parcoy Project Potassium image showing priority copper manto targets within volcanics

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

The Los Otros project is located close to the Palaeocene Porphyry Copper Belt of southern Peru, which is the major copper producing region in the country. It lies within 35km of the Cujane mine (~1.6Bt @ 0.6% Cu), and 40km from the Quellaveco deposit (~1.3Bt @ 0.57% Cu) currently being developed by Anglo American. Exploration work at Los Otros is being funded under the SAA.

In mid-January, a reconnaissance drilling program comprising ~1,200m of Reverse Circulation (RC) drilling commenced to provide an initial test of large porphyry copper targets located close to the Palaeocene Porphyry Copper Belt of southern Peru,

which is the country's major copper producing region.

The porphyry copper targets at Los Otros are associated with advanced argillic alteration that has been confirmed to be of a similar age to the giant porphyry copper deposits located nearby.

Historic geological mapping and sampling has outlined large areas of alteration (lithocap) with numerous samples returning anomalous levels of Mo, Bi, As, Sb, Pb, Au, Ag and occasional Cu, suggesting the potential for buried porphyry copper mineralisation (Figure 15).

It is expected that results from this program will be available in late February 2022.

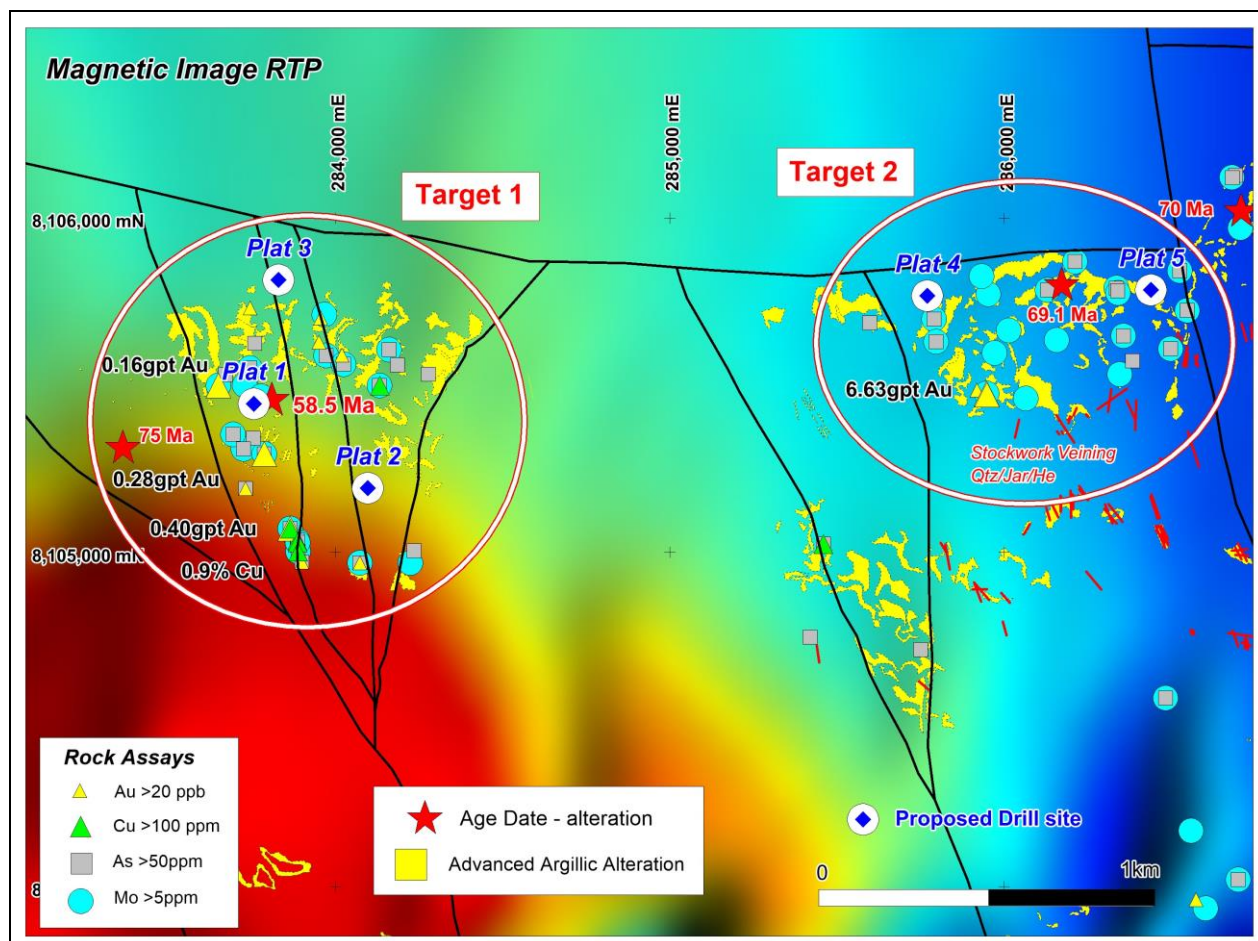


Figure 15: Los Otros Project showing location of planned drill-holes

### **New Opportunities (Peru)**

Geological mapping and soil sampling has been completed over several of the Company's tenements in southern Peru that are not at this stage included under the SAA. Analysis of these data is ongoing to determine the Company's view of the prospectivity of each area sampled, before consideration by South32 under the SAA is recommended.

Projects sampled and being analysed are the Puite-Ventura Project near Ilo and the Playa Kali Project west of Cerro de Fierro. It is expected that recommendations over both areas will be made over the coming months.

### **CORPORATE**

During the Quarter, AusQuest and South32 agreed to further extend the SAA for another 2-year period (up to 31<sup>st</sup> December 2023) to continue to develop high-potential exploration opportunities in Australia and Peru. Exploration Opportunities offered by

AusQuest and accepted by South32 will continue to be advanced through exploration funding provided by South32

In the December Quarter, the Company invested \$1.48 million in exploration and had approximately \$4.05 million in cash remaining at the end of December. Further funding from South32 to cover agreed work programs (including drilling) over the Strategic Alliance Projects is expected in Q1 2022.

The Company's Cashflow Report (Appendix 5B) for the quarter ended 31 December 2021 is appended to this report. Payments to related parties as shown in Section 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.

The Company continues to monitor advice from the 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.

The Company advises there has been no progress in its appeal to the Administrative Judiciary against payments requested by the Ministry of Housing (SBN) in Peru. The Company will keep shareholders advised of any significant developments.

#### **KEY ACTIVITIES – MARCH 2022 QUARTER**

- Hamilton (Cu-Au) – Finalise drilling program over the northern target;
- Balladonia (Cu-Au-Ni) – Commence drilling at the Harms Lake and the Tea Tree prospects;

- Moora (Ni-Cu) – Assess HEM data and ground follow-up over selected targets;
- Morrisey (Ni-Cu) – Complete ground EM surveys and commence preparation for drilling;
- Jubilee Lake (Ni-Cu) – Finalise plans for EM surveying over priority targets;
- Peru (Cu-Au) – Finalise drill program and commence permitting for drilling at Parcoy;
- Peru (Cu-Au) – Continue drill permitting at Cerro de Fierro East (Pirata);
- Peru (Cu-Au) – Complete RC drilling at the Los Otros porphyry copper prospect;
- Peru (Cu-Au) – Assess results from the Puite-Ventura and Playa Kali areas.

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.*

# 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"> <li>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.</li> <li>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</li> <li>Aspects of the determination of mineralisation that are Material to the Public Report.</li> <li>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.</li> </ul> | <ul style="list-style-type: none"> <li>Rock chip sampling comprises the collection of rocks, usually by hammering an outcrop, with samples being of variable size and quality.</li> <li>Sample locations are recorded by hand-held GPS.</li> <li>Both reconnaissance and systematic sampling was completed over the area.</li> <li>Systematic sampling was completed on a rough 400m x 100m grid with infill to 100m x 100m over key areas taking topography into account.</li> <li>Reconnaissance sampling was targeting specific outcrops of alteration and/or mineralization.</li> </ul> |
| Drilling techniques   | <ul style="list-style-type: none"> <li>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).</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <ul style="list-style-type: none"> <li>Not applicable – surface sampling only</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Drill sample recovery | <ul style="list-style-type: none"> <li>Method of recording and assessing core and chip sample recoveries and results assessed.</li> <li>Measures taken to maximise sample recovery and ensure representative nature of the samples.</li> <li>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.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <ul style="list-style-type: none"> <li>Not applicable – surface sampling only</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Logging               | <ul style="list-style-type: none"> <li>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.</li> <li>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</li> <li>The total length and percentage of the relevant intersections logged.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <ul style="list-style-type: none"> <li>Descriptions of all surface samples are recorded by the project geologist.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                |



| Criteria                                              | JORC Code explanation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Commentary                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|-------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <i>Sub-sampling techniques and sample preparation</i> | <ul style="list-style-type: none"> <li>• <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i></li> <li>• <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i></li> <li>• <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i></li> <li>• <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i></li> <li>• <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></li> <li>• <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i></li> </ul> | <ul style="list-style-type: none"> <li>• No sub-sampling of rock-chip samples was undertaken</li> <li>• Approximately 1 to 2 kg of rock was collected from each site sampled which is regarded as representative of the outcrop being sampled</li> <li>• Mineralised and altered rocks plus systematic sampling of the various rock types within the project were targeted by this program.</li> </ul>                                                                                                                                                                                                                                                                                                                                                             |
| <i>Quality of assay data and laboratory tests</i>     | <ul style="list-style-type: none"> <li>• <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i></li> <li>• <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></li> <li>• <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></li> </ul>                                                                                                        | <ul style="list-style-type: none"> <li>• 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.</li> <li>• Gold are assayed by 30gm fire assay with AAS finish.</li> <li>• 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.</li> <li>• In laboratory QAQC data is reviewed for all assay jobs. Blanks and standards are included with all sample batches.</li> </ul> |
| <i>Verification of sampling and assaying</i>          | <ul style="list-style-type: none"> <li>• <i>The verification of significant intersections by either independent or alternative company personnel.</i></li> <li>• <i>The use of twinned holes.</i></li> <li>• <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i></li> <li>• <i>Discuss any adjustment to assay data.</i></li> </ul>                                                                                                                                                                                                                                                                                                                                                                                    | <ul style="list-style-type: none"> <li>• Rock-chip sampling is compiled into Excel spreadsheets for merging with assay data when it becomes available.</li> <li>• Digital data is regularly backed-up on the company's servers.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <i>Location of data points</i>                        | <ul style="list-style-type: none"> <li>• <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></li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | <ul style="list-style-type: none"> <li>• Sample locations are recorded using GPS to within 5 metres accuracy.</li> <li>• The grid projection used is WGS 84 - Zone 18S</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |

| Criteria                                                       | JORC Code explanation                                                                                                                                                                                                                                                                                                                                                                                                                              | Commentary                                                                                                                                                                                                                                     |
|----------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                | <ul style="list-style-type: none"> <li>• <i>Specification of the grid system used.</i></li> <li>• <i>Quality and adequacy of topographic control.</i></li> </ul>                                                                                                                                                                                                                                                                                   | <ul style="list-style-type: none"> <li>• Topographic control is obtained from GPS readings or topographic maps and is considered adequate for current needs</li> </ul>                                                                         |
| <i>Data spacing and distribution</i>                           | <ul style="list-style-type: none"> <li>• <i>Data spacing for reporting of Exploration Results.</i></li> <li>• <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></li> <li>• <i>Whether sample compositing has been applied.</i></li> </ul>                        | <ul style="list-style-type: none"> <li>• Reconnaissance rock chip sampling is irregular and based on availability of suitable outcrop.</li> <li>• Systematic rock-chip sampling used a rough grid which was dependent on topography</li> </ul> |
| <i>Orientation of data in relation to geological structure</i> | <ul style="list-style-type: none"> <li>• <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></li> <li>• <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></li> </ul> | <ul style="list-style-type: none"> <li>• Systematic sampling was roughly orthogonal to structures in the area and was run sub-parallel to valleys and ridges for ease of access.</li> </ul>                                                    |
| <i>Sample security</i>                                         | <ul style="list-style-type: none"> <li>• <i>The measures taken to ensure sample security.</i></li> </ul>                                                                                                                                                                                                                                                                                                                                           | <ul style="list-style-type: none"> <li>• Samples are securely tied/sealed in the field, followed by packing into larger sealed plastic bags for transport to the laboratory.</li> </ul>                                                        |
| <i>Audits or reviews</i>                                       | <ul style="list-style-type: none"> <li>• <i>The results of any audits or reviews of sampling techniques and data.</i></li> </ul>                                                                                                                                                                                                                                                                                                                   | <ul style="list-style-type: none"> <li>• No audits or reviews have been carried out on the sampling to date.</li> </ul>                                                                                                                        |

## 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"> <li>• <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></li> <li>• <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></li> </ul> | <ul style="list-style-type: none"> <li>• The Parcoy project is located approximately 25 km north of the town of Chala in the south of Peru.</li> <li>• The Parcoy project comprises 5 mineral concession applications.</li> <li>• The tenements are held by Questdor which is a 100% subsidiary of AusQuest Limited.</li> <li>• 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.</li> <li>• The Parcoy project is subject to a Strategic Alliance</li> </ul> |



| Criteria                          | JORC Code explanation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Commentary                                                                                                                                                                                                                                                                                                                                                   |
|-----------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | <p>Agreement with South32.</p> <ul style="list-style-type: none"> <li>A renegotiable surface agreement contract (2yrs) has been signed with the local community to allow access.</li> </ul>                                                                                                                                                                  |
| Exploration done by other parties | <ul style="list-style-type: none"> <li>Acknowledgment and appraisal of exploration by other parties.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | <ul style="list-style-type: none"> <li>No public reporting of exploration data is required in Peru.</li> <li>Camino Resources have reported copper intersections from their Los Chapitos prospect which is located approximately 6km to the south east.</li> </ul>                                                                                           |
| Geology                           | <ul style="list-style-type: none"> <li>Deposit type, geological setting and style of mineralisation.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | <ul style="list-style-type: none"> <li>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 surround the Pacific Rim. These deposits can be large in size requiring significant drilling to evaluate.</li> </ul> |
| Drill hole Information            | <ul style="list-style-type: none"> <li>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"> <li>easting and northing of the drill hole collar</li> <li>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</li> <li>dip and azimuth of the hole</li> <li>down hole length and interception depth</li> <li>hole length.</li> </ul> </li> <li>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.</li> </ul> | <ul style="list-style-type: none"> <li>Not applicable – surface sampling only</li> </ul>                                                                                                                                                                                                                                                                     |
| Data aggregation methods          | <ul style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>The assumptions used for any reporting of metal equivalent values should be clearly stated.</li> </ul>                                                                                                                                                                             | <ul style="list-style-type: none"> <li>Not applicable – surface sampling only.</li> </ul>                                                                                                                                                                                                                                                                    |

| Criteria                                                                | JORC Code explanation                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Commentary                                                                                                                                                      |
|-------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <i>Relationship between mineralisation widths and intercept lengths</i> | <ul style="list-style-type: none"> <li>• <i>These relationships are particularly important in the reporting of Exploration Results.</i></li> <li>• <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i></li> <li>• <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></li> </ul> | <ul style="list-style-type: none"> <li>• Not applicable – surface sampling only</li> </ul>                                                                      |
| <i>Diagrams</i>                                                         | <ul style="list-style-type: none"> <li>• <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></li> </ul>                                                                                                                                               | <ul style="list-style-type: none"> <li>• Sample locations included on plan in ASX release.</li> </ul>                                                           |
| <i>Balanced reporting</i>                                               | <ul style="list-style-type: none"> <li>• <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></li> </ul>                                                                                                                                                                                       | <ul style="list-style-type: none"> <li>• Assay ranges and highlights provided on the plan in ASX release.</li> </ul>                                            |
| <i>Other substantive exploration data</i>                               | <ul style="list-style-type: none"> <li>• <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></li> </ul>                           | <ul style="list-style-type: none"> <li>• The area was selected for sampling based on geological and geophysical data interpretations by the company.</li> </ul> |
| <i>Further work</i>                                                     | <ul style="list-style-type: none"> <li>• <i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i></li> <li>• <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></li> </ul>                                                        | <ul style="list-style-type: none"> <li>• Proposals of further work will be determined after a thorough analysis of the data.</li> </ul>                         |



## AusQuest Limited: Tenement Schedule as at 31 December 2021

| Tenement          | Location          | Interest Held:<br>Start of Quarter | Interest Held:<br>End of Quarter | Registered Holder |
|-------------------|-------------------|------------------------------------|----------------------------------|-------------------|
| <b>Australia</b>  |                   |                                    |                                  |                   |
| E69/3246          | WA, Balladonia    | 100%                               | 100%                             | AusQuest Ltd.     |
| E69/3558          | WA, Balladonia    | 100%                               | 100%                             | AusQuest Ltd.     |
| E69/3671          | WA, Balladonia    | 100%                               | 100%                             | AusQuest Ltd.     |
| E69/3825          | WA, Balladonia    | 100%                               | 100%                             | AusQuest Ltd.     |
| E69/3859          | WA, Jubilee Lake  | Nil                                | 100%                             | AusQuest Ltd.     |
| E69/3664          | WA, Madley        | 100%                               | 100%                             | AusQuest Ltd.     |
| E69/3665          | WA, Madley        | 100%                               | Nil                              | AusQuest Ltd.     |
| E69/3690          | WA, Madley        | 100%                               | 100%                             | AusQuest Ltd.     |
| E45/5447          | WA, Gunanya       | 100%                               | 100%                             | AusQuest Ltd.     |
| E70/5383          | WA, Morrisey Well | 100%                               | 100%                             | AusQuest Ltd.     |
| E09/2397          | WA, Morrisey Well | 100%                               | 100%                             | AusQuest Ltd.     |
| E59/2525          | WA, Morrisey Well | 100%                               | 100%                             | AusQuest Ltd.     |
| E59/2526          | WA, Morrisey Well | Nil                                | 100%                             | AusQuest Ltd.     |
| E70/5388          | WA, Moora         | 100%                               | 100%                             | AusQuest Ltd.     |
| E70/5389          | WA, Moora         | 100%                               | 100%                             | AusQuest Ltd.     |
| E70/5401          | WA, Moora         | 100%                               | 100%                             | AusQuest Ltd.     |
| E70/5402          | WA, Moora         | 100%                               | 100%                             | AusQuest Ltd.     |
| E70/5418          | WA, Moora         | 100%                               | 100%                             | AusQuest Ltd.     |
| E69/3896          | WA, Mount Davis   | Nil                                | 100%                             | AusQuest Ltd.     |
| E69/3898          | WA, Mount Davis   | Nil                                | 100%                             | AusQuest Ltd.     |
| EPM 26681         | QLD, Hamilton     | 100%                               | 100%                             | AusQuest Ltd.     |
| EPM 26682         | QLD, Hamilton     | 100%                               | 100%                             | AusQuest Ltd.     |
| <b>Peru</b>       |                   |                                    |                                  |                   |
| Azucar West E     | Moquegua          | 100%                               | 100%                             | Questdor SAC      |
| Cangallo 2        | Arequipa          | 100%                               | 100%                             | Questdor SAC      |
| Cangallo 3        | 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      |
| Cerro De Fierro D | Arequipa          | 100%                               | 100%                             | Questdor SAC      |
| Cerro De Fierro E | Arequipa          | 100%                               | 100%                             | Questdor SAC      |
| Cerro De Fierro F | Arequipa          | 100%                               | 100%                             | Questdor SAC      |
| Cerro De Fierro G | Arequipa          | 100%                               | 100%                             | Questdor SAC      |
| Cerro De Fierro H | Arequipa          | 100%                               | 100%                             | Questdor SAC      |
| Cerro De Fierro I | Arequipa          | 100%                               | 100%                             | Questdor SAC      |
| Cerro De Fierro J | Arequipa          | 100%                               | 100%                             | Questdor SAC      |
| Cerro De Fierro K | Arequipa          | 100%                               | 100%                             | Questdor SAC      |
| Cerro De Fierro L | Arequipa          | 100%                               | 100%                             | Questdor SAC      |
| Cerro De Fierro N | Arequipa          | 100%                               | 100%                             | Questdor SAC      |
| Cerro De Fierro O | Arequipa          | 100%                               | 100%                             | Questdor SAC      |
| Cerro De Fierro P | Arequipa          | 100%                               | 100%                             | Questdor SAC      |
| Chololo 1         | Moquegua          | 100%                               | 100%                             | Questdor SAC      |
| Chololo 2         | Moquegua          | 100%                               | 100%                             | Questdor SAC      |
| El Sello 01       | Arequipa          | 100%                               | 100%                             | Questdor SAC      |
| El Sello 02       | Arequipa          | 100%                               | 100%                             | Questdor SAC      |
| El Sello 04       | Arequipa          | 100%                               | 100%                             | Questdor SAC      |
| El Toro 02        | Arequipa          | 100%                               | 100%                             | Questdor SAC      |
| El Toro 03        | Arequipa          | 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      |

*AusQuest Limited Tenement Schedule as at 31 December 2021 - cont'd*

| Tenement               | Location       | Interest Held:<br>Start of Quarter | Interest Held:<br>End of Quarter | Registered Holder |
|------------------------|----------------|------------------------------------|----------------------------------|-------------------|
| <b>Peru Cont.</b>      |                |                                    |                                  |                   |
| Los Otros 07           | Moquegua       | 100%                               | 100%                             | Questdor SAC      |
| Los Otros 08           | Moquegua       | 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      |
| Pampa De Las Pulgas P  | 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      |
| Parcoy 10              | Arequipa       | 100%                               | 100%                             | Questdor SAC      |
| Parcoy 12              | Arequipa       | 100%                               | 100%                             | Questdor SAC      |
| Playa Kali 01          | Arequipa       | 100%                               | 100%                             | Questdor SAC      |
| Playa Kali 04          | Arequipa       | Nil                                | 100%                             | Questdor SAC      |
| Playa Kali 06          | Arequipa       | 100%                               | 100%                             | Questdor SAC      |
| Playa Kali 07          | Arequipa       | 100%                               | 100%                             | Questdor SAC      |
| Playa Kali 08          | Arequipa       | 100%                               | 100%                             | Questdor SAC      |
| Ventura 1              | Moquegua       | 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      |
| Ventura 7              | Moquegua       | Nil                                | 100%                             | Questdor SAC      |
| Ventura 8              | Moquegua       | Nil                                | 100%                             | Questdor SAC      |

## 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")

**31 December 2021**

| Consolidated statement of cash flows |                                                       | Current quarter<br>\$A'000 | Year to date<br>(6 months)<br>\$A'000 |
|--------------------------------------|-------------------------------------------------------|----------------------------|---------------------------------------|
| <b>1.</b>                            | <b>Cash flows from operating activities</b>           |                            |                                       |
| 1.1                                  | Receipts from customers                               | 113                        | 220                                   |
| 1.2                                  | Payments for                                          |                            |                                       |
|                                      | (a) exploration & evaluation                          | -                          | -                                     |
|                                      | (b) development                                       | -                          | -                                     |
|                                      | (c) production                                        | -                          | -                                     |
|                                      | (d) staff costs                                       | (52)                       | (103)                                 |
|                                      | (e) administration and corporate costs                | (237)                      | (468)                                 |
| 1.3                                  | Dividends received (see note 3)                       | -                          | -                                     |
| 1.4                                  | Interest received                                     | -                          | 1                                     |
| 1.5                                  | Interest and other costs of finance paid              | (2)                        | (3)                                   |
| 1.6                                  | Income taxes paid                                     | -                          | -                                     |
| 1.7                                  | Government grants and tax incentives                  | -                          | -                                     |
| 1.8                                  | Other (R&D Refund)                                    | -                          | -                                     |
| <b>1.9</b>                           | <b>Net cash from / (used in) operating activities</b> | <b>(178)</b>               | <b>(353)</b>                          |
| <b>2.</b>                            | <b>Cash flows from investing activities</b>           |                            |                                       |
| 2.1                                  | Payments to acquire or for:                           |                            |                                       |
|                                      | (a) entities                                          | -                          | -                                     |
|                                      | (b) tenements                                         | -                          | -                                     |
|                                      | (c) property, plant and equipment                     | (1)                        | (1)                                   |
|                                      | (d) exploration & evaluation                          | (1,480)                    | (2,884)                               |
|                                      | (e) investments                                       | -                          | -                                     |
|                                      | (f) other non-current assets                          | -                          | -                                     |



| <b>Consolidated statement of cash flows</b> |                                                                         | <b>Current quarter<br/>\$A'000</b> | <b>Year to date<br/>(6 months)<br/>\$A'000</b> |
|---------------------------------------------|-------------------------------------------------------------------------|------------------------------------|------------------------------------------------|
| 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:                                                                  |                                    |                                                |
|                                             | - Funding received from South 32 under the Strategic Alliance Agreement | 1,005                              | 1,900                                          |
| <b>2.6</b>                                  | <b>Net cash from / (used in) investing activities</b>                   | <b>(476)</b>                       | <b>(985)</b>                                   |

|             |                                                                                         |            |             |
|-------------|-----------------------------------------------------------------------------------------|------------|-------------|
| <b>3.</b>   | <b>Cash flows from financing activities</b>                                             |            |             |
| 3.1         | Proceeds from issues of equity securities (excluding convertible debt securities)       | 24         | 24          |
| 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 | -          | -           |
| 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                                                                                   |            |             |
|             | - Lease liability payments                                                              | (31)       | (64)        |
| <b>3.10</b> | <b>Net cash from / (used in) financing activities</b>                                   | <b>(7)</b> | <b>(40)</b> |

|            |                                                                              |              |              |
|------------|------------------------------------------------------------------------------|--------------|--------------|
| <b>4.</b>  | <b>Net increase / (decrease) in cash and cash equivalents for the period</b> |              |              |
| 4.1        | Cash and cash equivalents at beginning of period                             | 4,723        | 5,409        |
| 4.2        | Net cash from / (used in) operating activities (item 1.9 above)              | (178)        | (353)        |
| 4.3        | Net cash from / (used in) investing activities (item 2.6 above)              | (476)        | (985)        |
| 4.4        | Net cash from / (used in) financing activities (item 3.10 above)             | (7)          | (40)         |
| 4.5        | Effect of movement in exchange rates on cash held                            | (7)          | 24           |
| <b>4.6</b> | <b>Cash and cash equivalents at end of period</b>                            | <b>4,055</b> | <b>4,055</b> |

|            |                                                                                                                                                                             |                                    |                                     |
|------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|-------------------------------------|
| <b>5.</b>  | <b>Reconciliation of cash and cash equivalents</b><br>at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | <b>Current quarter<br/>\$A'000</b> | <b>Previous quarter<br/>\$A'000</b> |
| 5.1        | Bank balances                                                                                                                                                               | 4,055                              | 4,723                               |
| 5.2        | Call deposits                                                                                                                                                               | -                                  | -                                   |
| 5.3        | Bank overdrafts                                                                                                                                                             | -                                  | -                                   |
| 5.4        | Other (provide details)                                                                                                                                                     | -                                  | -                                   |
| <b>5.5</b> | <b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>                                                                                            | <b>4,055</b>                       | <b>4,723</b>                        |

|           |                                                                                         |                                    |
|-----------|-----------------------------------------------------------------------------------------|------------------------------------|
| <b>6.</b> | <b>Payments to related parties of the entity and their associates</b>                   | <b>Current quarter<br/>\$A'000</b> |
| 6.1       | Aggregate amount of payments to related parties and their associates included in item 1 | 17                                 |
| 6.2       | Aggregate amount of payments to related parties and their associates included in item 2 | 50                                 |

*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

|                                                                                                                                                                                                                                                                                                                                                 |                                                         |                                                |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------|------------------------------------------------|
| <b>7. Financing facilities</b><br><i>Note: the term "facility" includes all forms of financing arrangements available to the entity.<br/>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>                                                                                                     | <b>Total facility amount at quarter end<br/>\$A'000</b> | <b>Amount drawn at quarter end<br/>\$A'000</b> |
| 7.1 Loan facilities                                                                                                                                                                                                                                                                                                                             | -                                                       | -                                              |
| 7.2 Credit standby arrangements                                                                                                                                                                                                                                                                                                                 | -                                                       | -                                              |
| 7.3 Other (please specify)                                                                                                                                                                                                                                                                                                                      | -                                                       | -                                              |
| 7.4 <b>Total financing facilities</b>                                                                                                                                                                                                                                                                                                           | -                                                       | -                                              |
| 7.5 <b>Unused financing facilities available at quarter end</b>                                                                                                                                                                                                                                                                                 |                                                         | -                                              |
| 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. |                                                         |                                                |
| N/A                                                                                                                                                                                                                                                                                                                                             |                                                         |                                                |

|                                                                                                                                                                                                                                     |                |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| <b>8. Estimated cash available for future operating activities</b>                                                                                                                                                                  | <b>\$A'000</b> |
| 8.1 Net cash from / (used in) operating activities (item 1.9)                                                                                                                                                                       | (178)          |
| 8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))                                                                                                                                        | (1,480)        |
| 8.3 Total relevant outgoings (item 8.1 + item 8.2)                                                                                                                                                                                  | (1,658)        |
| 8.4 Cash and cash equivalents at quarter end (item 4.6)                                                                                                                                                                             | 4,055          |
| 8.5 Unused finance facilities available at quarter end (item 7.5)                                                                                                                                                                   | -              |
| 8.6 Total available funding (item 8.4 + item 8.5)                                                                                                                                                                                   | 4,055          |
| 8.7 <b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>                                                                                                                                                   | 2.45           |
| <i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i> |                |
| 8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:                                                                                                                                         |                |
| 8.8.1 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?                                                                                   |                |
| N/A                                                                                                                                                                                                                                 |                |
| 8.8.2 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?              |                |
| N/A                                                                                                                                                                                                                                 |                |



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

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

N/A

*Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.*

## 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: 31 January 2022

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.