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AUSQUEST LIMITED

ABN 35 091 542 451

Quarterly Report – 30th September 2020

HIGHLIGHTS

Australia – Copper, Zinc, Nickel, Gold

- Initial drill testing of several gold-copper targets at the **Gunanya Project** in the Paterson region of Western Australia commenced in mid-October under the Strategic Alliance Agreement (SAA) with South32. Results are pending.
- The Stage 2 drilling program (7 holes/2,098m) designed to provide wide-spaced geochemical coverage over potential copper-gold targets at the **Hamilton Copper Project** in north-west Queensland was successfully completed under the SAA.
- Key parameters (potassic and sericite alteration) for the location of iron-oxide copper-gold (IOCG) mineralisation similar to that found at the Ernest Henry deposit were identified, highlighting priority magnetic targets for further drilling.
- Initial wide-spaced Reverse Circulation (RC) drilling (5 holes/1,352m) to test down-dip from a large surface zinc anomaly at the **Tangadee Zinc Project** in Western Australia was successfully completed under the SAA. Assay results are pending.
- Air-core drilling has been agreed under the SAA to test new base metal targets within the **Balladonia Project** following the discovery of base metals and carbonatite at the Telegraph Prospect.

Peru – Copper-Gold

- Systematic surface rock-chip sampling east of the **Cerro de Fierro IOCG Prospect** outlined additional copper, molybdenum targets for testing, thereby extending the potential mineralised zone at Cerro de Fierro by at least 10km to the east of the prospect.
- Drill permit applications (a total of 40 drill pads) were progressed for both the **Cerro de Fierro** and **Parcoy Copper Projects**, with Government approvals expected by year-end to enable drilling to commence in early 2021.

Corporate

- Quarter-end cash position of ~$2.0M with additional funding available from South32 for agreed work programs over Strategic Alliance Projects both in Australia and Peru.

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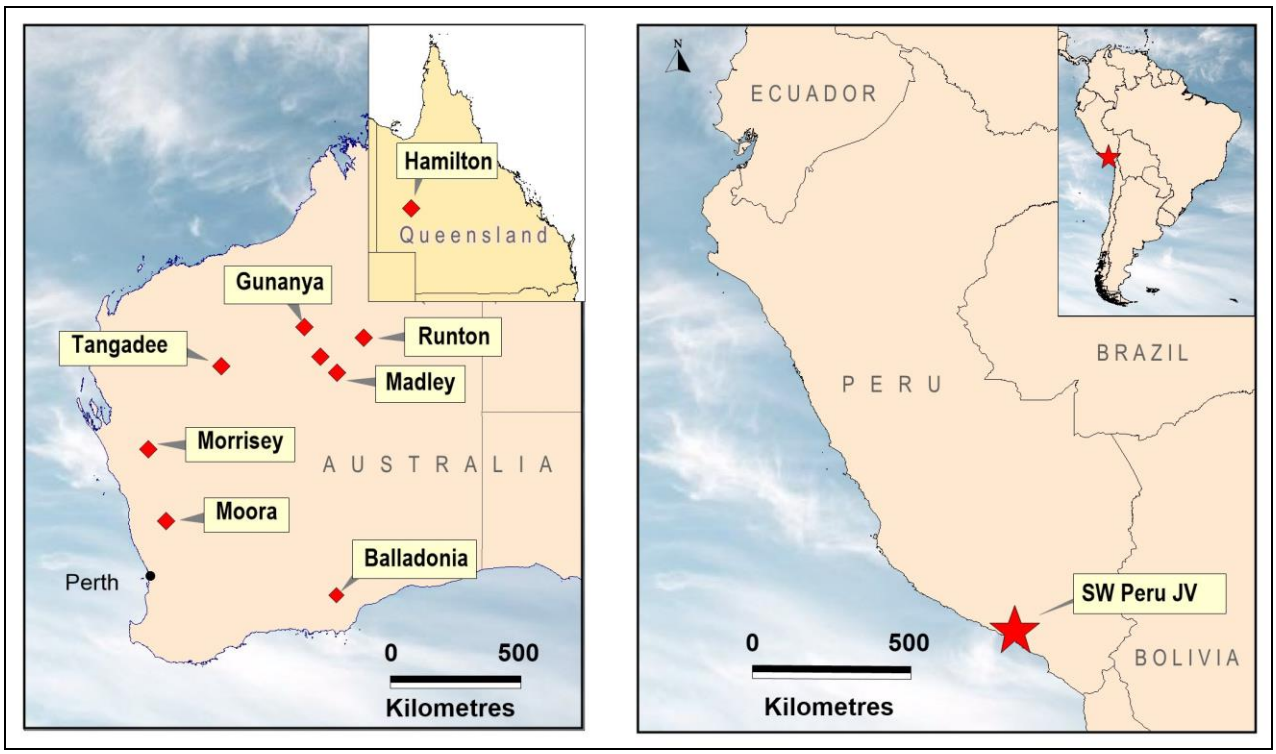


Figure 1: Project Locations – Australia and Peru

OVERVIEW

Exploration activity during the Quarter concentrated on drilling operations at several of the Company's prospects in Western Australia and Queensland which are subject to the Strategic Alliance Agreement (SAA) with South32.

The Company successfully completed drilling programs at the Hamilton Copper-Gold Project in north-west Queensland, the Tangadee Zinc Project in WA, and commenced reconnaissance drilling operations at the Gunanya Gold-Copper Project in the Paterson Province of WA. Evaluation of drill results is ongoing and will be reported once assessments have been completed.

Exploration programs to further evaluate the Balladonia Project were also agreed under the SAA.

New opportunities in Australia continued to be assessed, with targets in the Paterson Province (Madley and Runton) confirmed by detailed aeromagnetic surveys and early reconnaissance over tenements at Morrisey within the Narryer Terrane locating possible host rocks for nickel and copper mineralisation.

The Company is actively pursuing access to tenements in the Moora area that were applied for following the discovery of high-grade Ni-Cu-PGE mineralisation at Julimar north of Perth. Access is being actively sought with landowners to allow exploration activities to commence.

In **Peru**, plans to manage work activities in light of the COVID-19 pandemic were approved by the authorities and field work re-commenced at the Cerro de Fierro Project. Permitting continues to be progressed for additional drilling at the Cerro de Fierro and Parcoy Copper Projects, with an expectation that permits should be forthcoming before the end of the year.

Projects were prioritised during the quarter with lower priority tenements withdrawn in order to maximise resources in key areas around the Cerro de Fierro-Parcoy region and in the south-east of the country.

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

<u>Gunanya Gold-Copper Project</u> (*100% AQD, subject to SAA*)

The Gunanya Gold-Copper Project is located ~250km north-east of Newman within the Paterson Province of Western Australia. It consists of three Exploration Licences – one granted and two applications – covering an area of ~1,200km². Exploration is targeting large scale gold-copper mineralisation similar to the recent discoveries at Winu and Havieron. These recent exploration breakthroughs have significantly enhanced the gold and copper pedigree of the Paterson Province, which already hosts \ large gold and copper deposits at Telfer and Nifty, and is widely regarded as one of Australia's current exploration "hot spots" with activity levels continuing to ramp up. Exploration work at Gunanya is being funded under the SAA.

A Reverse Circulation (RC) drilling program (~1,800m) commenced in mid-October to provide an initial test of three magnetic targets considered to have potential to host large-scale gold and copper mineralisation, similar to that found at Winu (by Rio Tinto) and Havieron (by Newcrest).

The drilling program is expected to take approximately two to three weeks to complete, with drill samples being sent to Perth for analysis. Assays from the drilling should be available approximately four weeks after the program is completed.

The drill-holes are spaced 200m apart and will be drilled to depths of at least 200m to determine the source of the magnetic anomalies. At least two holes are planned to test each of the three targets. Further drilling is possible subject to results and ongoing discussions with South32.

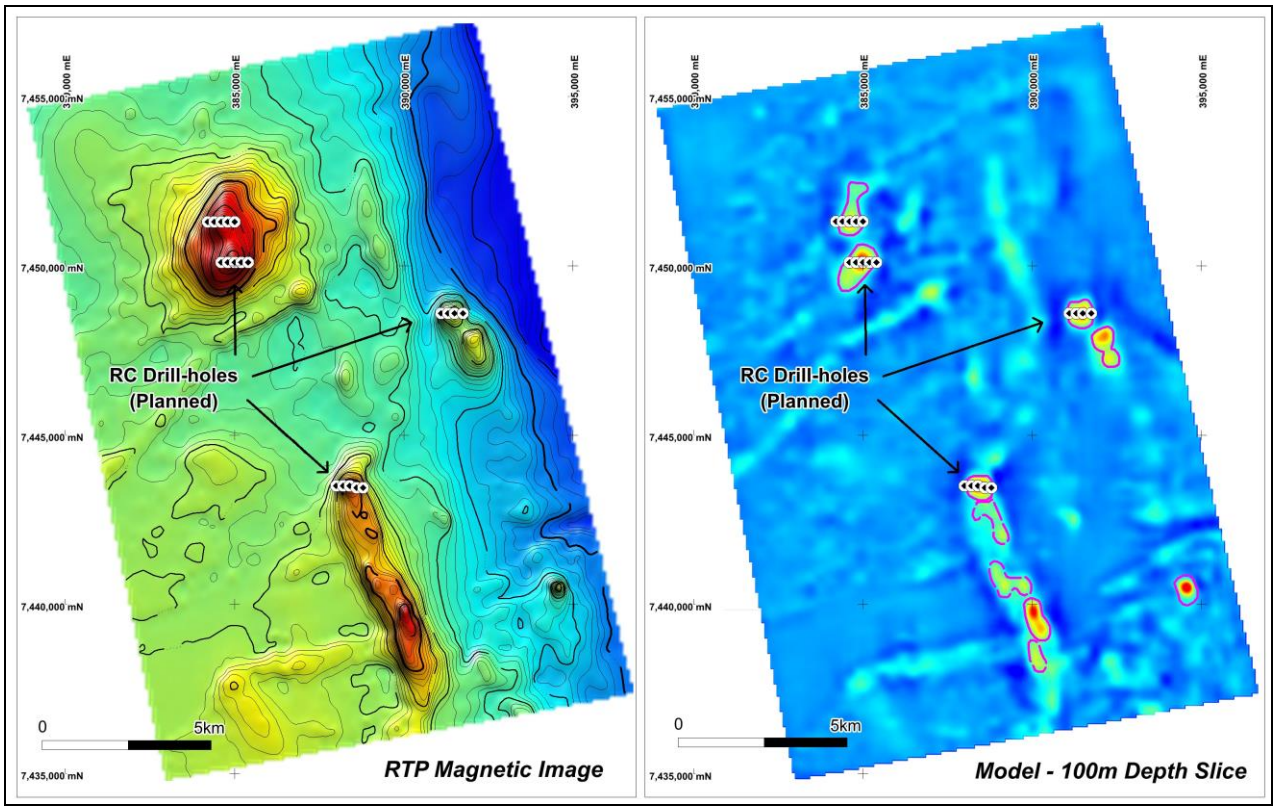


Figure 2: Gunanya Prospect showing planned RC drill-sites relative to magnetic targets

The Gunanya Project is located along a major regional structure (the Madley Fault), which appears to form the southern boundary of the Paterson Province.

The magnetic targets are large in area, and strike in a NNW direction parallel to the Madley Fault system, suggesting a possible structural control on the source of the magnetic anomalies.

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<u>Hamilton Copper-Gold Project</u> (*100% AQD, subject to SAA*)

The Hamilton Project is located in north-west Queensland, ~120km south of the world-class Cannington mine. It consists of two Exploration Licences covering an area of ~520km². Exploration is targeting Iron-Oxide Copper-Gold (IOCG) mineralisation beneath the extensive cover in the region. Limited historical drilling designed to test magnetic and gravity targets has provided evidence for "near-miss" situations which will be the focus of the Company's exploration program. Exploration work at Hamilton is being funded under the SAA.

During the Quarter, diamond drilling (7 holes/2,098m) was completed to provide regional geochemical data over an area containing magnetic targets thought to reflect possible Ernest Henry-style mineralisation. Earlier drill-holes in this area (WD02009, WD02010 and HMDD03) had provided strong indications of alteration and the potential for nearby copper mineralisation beneath the Eromanga Basin sediment cover.

Assay results from the latest drilling program identified key parameters (potassic and sericite alteration) for the location of iron-oxide copper-gold (IOCG) mineralisation similar to that found at the Ernest Henry deposit.

Potassic alteration has now been found in five of the thirteen holes completed to date, with recent drill-hole HMDD07 and historical drill-hole WD2009 providing the strongest evidence for nearby mineralisation. A zone of potassic alteration similar in size to that at Ernest Henry and open to the south-east is inferred by the drilling data (Figure 3).

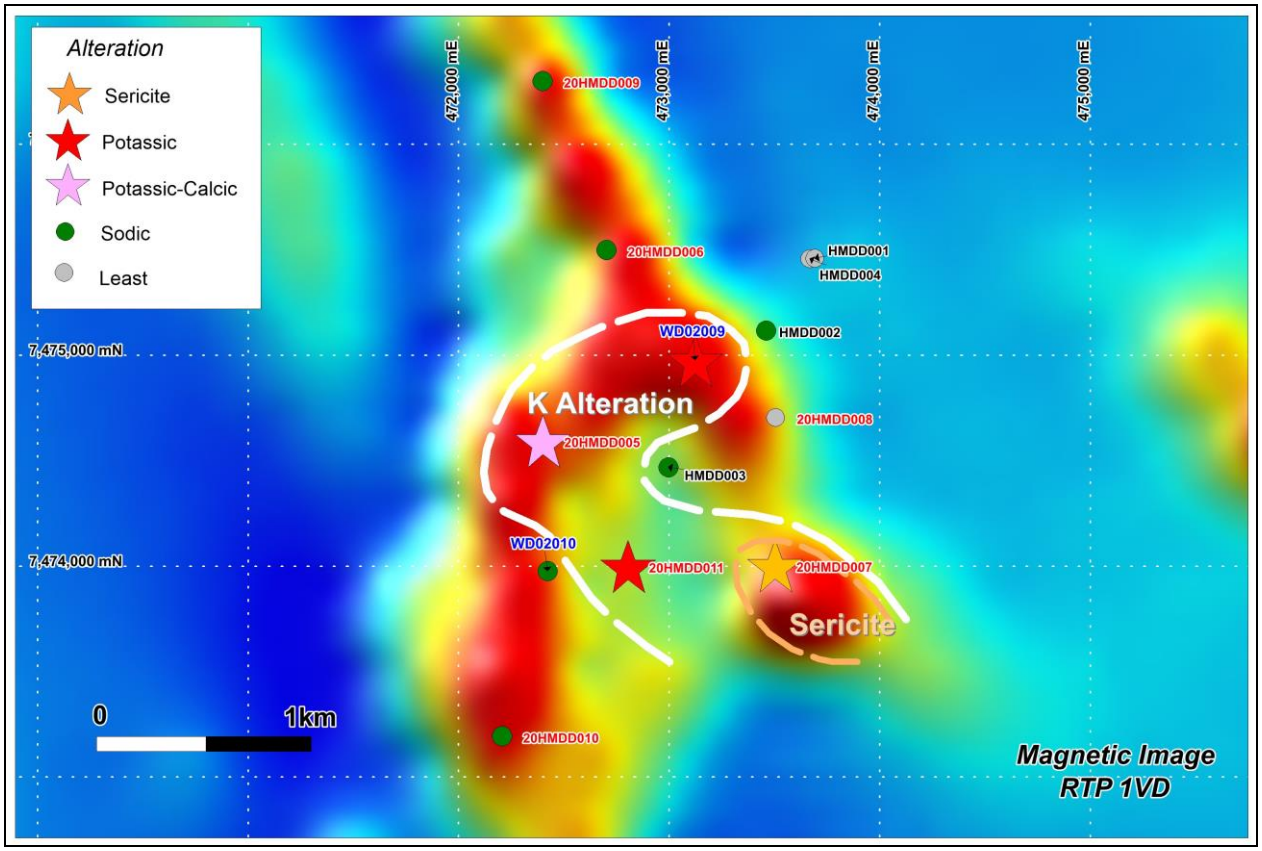


Figure 3: Magnetic image showing drill-hole locations and outline of potassic alteration

Strong sericite alteration with elevated levels of copper (up to 3,100ppm Cu) and gold (up to 80ppb Au) occur within HMDD07, suggesting that this drill-hole is closest to potential mineralisation. Elevated levels of lead, zinc and silver also found within HMDD07 are thought to reflect primary concentrations of metals within the metasedimentary sequence prior to the introduction of copper and gold.

HMDD07 is located on the margin of a discrete magnetic anomaly which has not been tested by drilling. Magnetic susceptibility measurements on core from HMDD07 failed to detect magnetic rocks within the drill-hole, confirming that the source of the magnetic anomaly has not been tested.

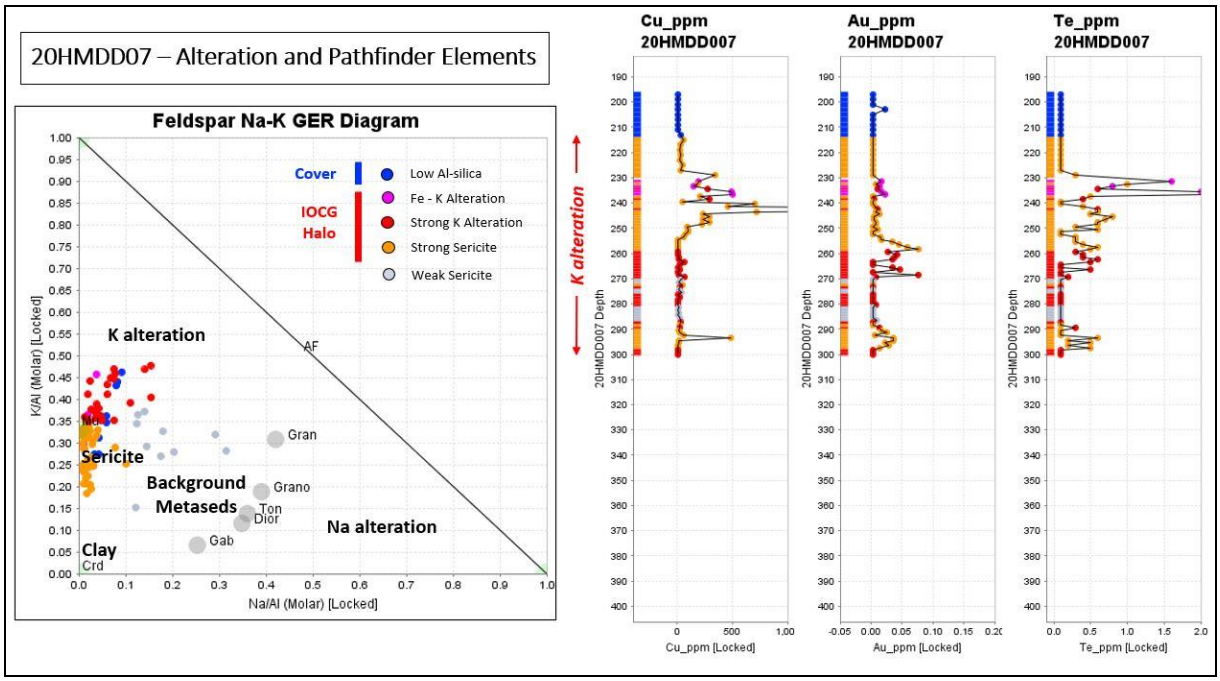


Figure 4: Alteration and pathfinder elements in drill-hole HMDD07

Other drill-holes with potentially significant results include:

- HMDD05, which displays strong potassic-calcic alteration, reflecting alteration similar to that found in the footwall to the Ernest Henry deposit;
- HMDD11, which intersected potassic alteration near the bottom of the hole, suggesting either deeper or laterally offset IOCG mineralisation; and
- HMDD09, which intersected iron and potassic alteration at the bottom-of-hole, associated with elevated gold, including a 1 metre sample containing 1.1g/t Au.

Host rocks beneath the cover sequence are generally high-grade metamorphic rocks that are a mixture of fine and coarse grained sediments (pelites and psammites) and volcanics (amphibolites), which commonly occur throughout much of the region.

Discussions with South32 regarding ongoing work programs at Hamilton under the SAA resulted in general agreement that further drilling is required to assess the potential of this project. Magnetic targets close to drill-holes with the strongest alteration will be targeted as a priority.

Re-modelling of magnetic data was initiated to integrate magnetic susceptibility data obtained from measurements on drill-core into the computer inversion modelling, in order to improve target definition and optimise potential targets for future drilling.

Heritage surveys to obtain Native Title clearances for the additional drill sites are being planned for later this year so that drilling can re-commence in 2021, immediately following cessation of the wet season.

<u>Tangadee Zinc Project</u> (*100% AQD, subject to SAA*)

The Tangadee Zinc Project is located ~150km south-west of Newman within the Edmund Basin of WA. It consists of one Exploration Licence covering an area of ~280km². Exploration is targeting sediment-hosted zinc mineralisation similar to deposits found in north-west Queensland. The area contains favourable host rocks, prospective

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large-scale structures and anomalous geochemistry in the available regional geochemical database, highlighting the potential for sediment-hosted zinc mineralisation. Exploration work at Tangadee is being funded under the SAA.

During the Quarter, Reverse Circulation (RC) drilling (5 holes/1,352m) was completed to test down-dip from a large zinc (>1,000ppm Zn)/thallium (>5ppm Tl) soil anomaly that was considered to be the surface expression of potential sediment-hosted zinc mineralisation similar to that found in north-west Queensland.

Drilling intersected a thick sequence (>200m) of black carbonaceous mudstones containing abundant fine-grained pyrite (iron sulphide), but no obvious visual signs of significant base metal (zinc) mineralisation. Two-metre composite samples were collected from each drill-hole and sent for analysis. Assay results are pending.

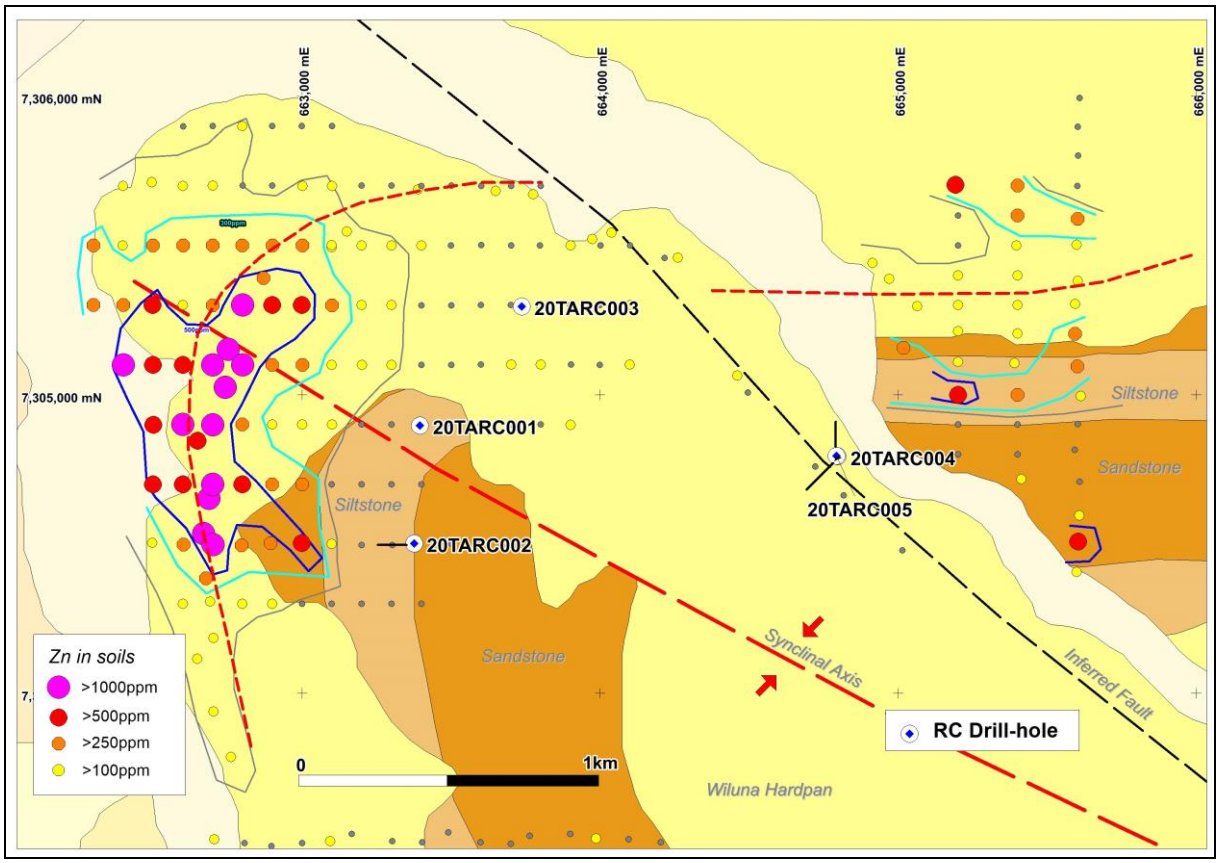


Figure 5: Tangadee Zinc Project soil geochemistry, showing the location of drill holes.

<u>Balladonia Nickel-Copper Project</u> ***(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 (three granted and four applications) covering an area of ~1,400km² and is located within a structurally complex region of the Fraser Range Terrain. It is centred above the southern margin of a deep regional gravity anomaly (~30 milligals), which is thought to reflect buried mafic/ultramafic rocks that may be similar to those related to the formation of the Nova deposit. Many of the tenements lie within the Dundas Nature Reserve. Exploration work at Balladonia is being funded under the SAA.

During the Quarter, a review of the project was completed highlighting a number of similarities between the Balladonia region in WA and the Eastern Succession of north-west Queensland (east of Mt Isa), where iron-oxide copper-gold (IOCG) and Broken Hill Type (BHT) deposits are known to occur.

The discovery of anomalous base metals (Cu, Pb, Zn, Ag) at the Telegraph Prospect (see ASX Release 7 May 2020) and the possible

association of base metals with carbonatite intrusions, highlighted the potential for further base metals to be found in the area.

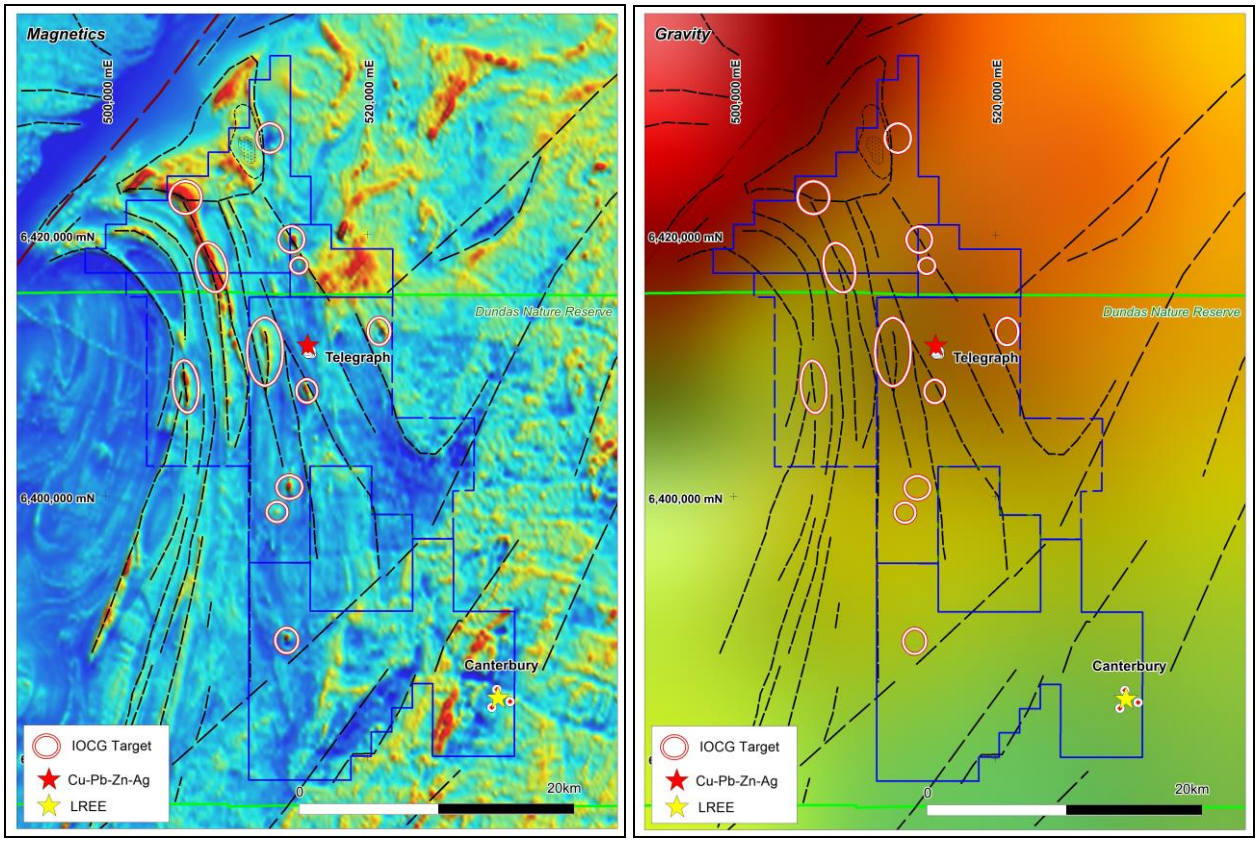


Figure 6: Balladonia Project showing potential targets for air-core drilling

A re-interpretation of the available magnetic data in light of the outcomes of the review outlined above identified a number of discrete magnetic targets that could reflect IOCG or BHT-style mineralisation and a program of shallow air-core drilling to obtain bedrock geochemical data over selected targets has been agreed under the SAA.

Heritage Clearance surveys are being planned to enable drilling of targets to commence around the end of the year.

New Opportunities

Detailed aeromagnetic surveys over the **Madley** and **Runton Projects** in the Paterson Region of Western Australia have identified discrete magnetic targets with similarities to responses found over the Winu and Havieron deposits. Target depths range from approximately 150m to 400m and will be used to prioritise targets ahead of further testing.

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

Tenement applications over nickel-copper prospects north of Perth in the Moora and Narryer regions of Western Australia are still pending grant. Both the **Moora** and **Morrisey** projects are targeting nickel-copper-PGE mineralisation around the western margin of the Yilgarn Craton following the discovery of the Julimar nickel-copper-PGE discovery by Chalice Gold Mines earlier this year.

A brief site visit to the Morrisey tenements within the Narryer Terrane found limited outcrop in the areas considered to be prospective for nickel and copper, although small outcrops of mafic and ultramafic rocks which are potential hosts for nickel and

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copper mineralisation were found in the north of the area.

A reconnaissance soil sampling program has been planned to confirm potential host rocks in a number of the targeted areas.

Discussions with local landowners in the Moora area are underway to provide access and allow field work to commence once the tenements are granted.

PERU COPPER-GOLD PROJECTS

AusQuest has assembled a large portfolio of copper-gold prospects along the southern coastal belt of Peru in South America, with numerous targets identified for drilling as possible porphyry copper and/or iron-oxide copper-gold (IOCG) targets with the size potential being of significance to AusQuest (Figure 6). Peru is one of the world's most prominent destinations for international copper exploration and is considered to be a prime location for world-class exploration opportunities.

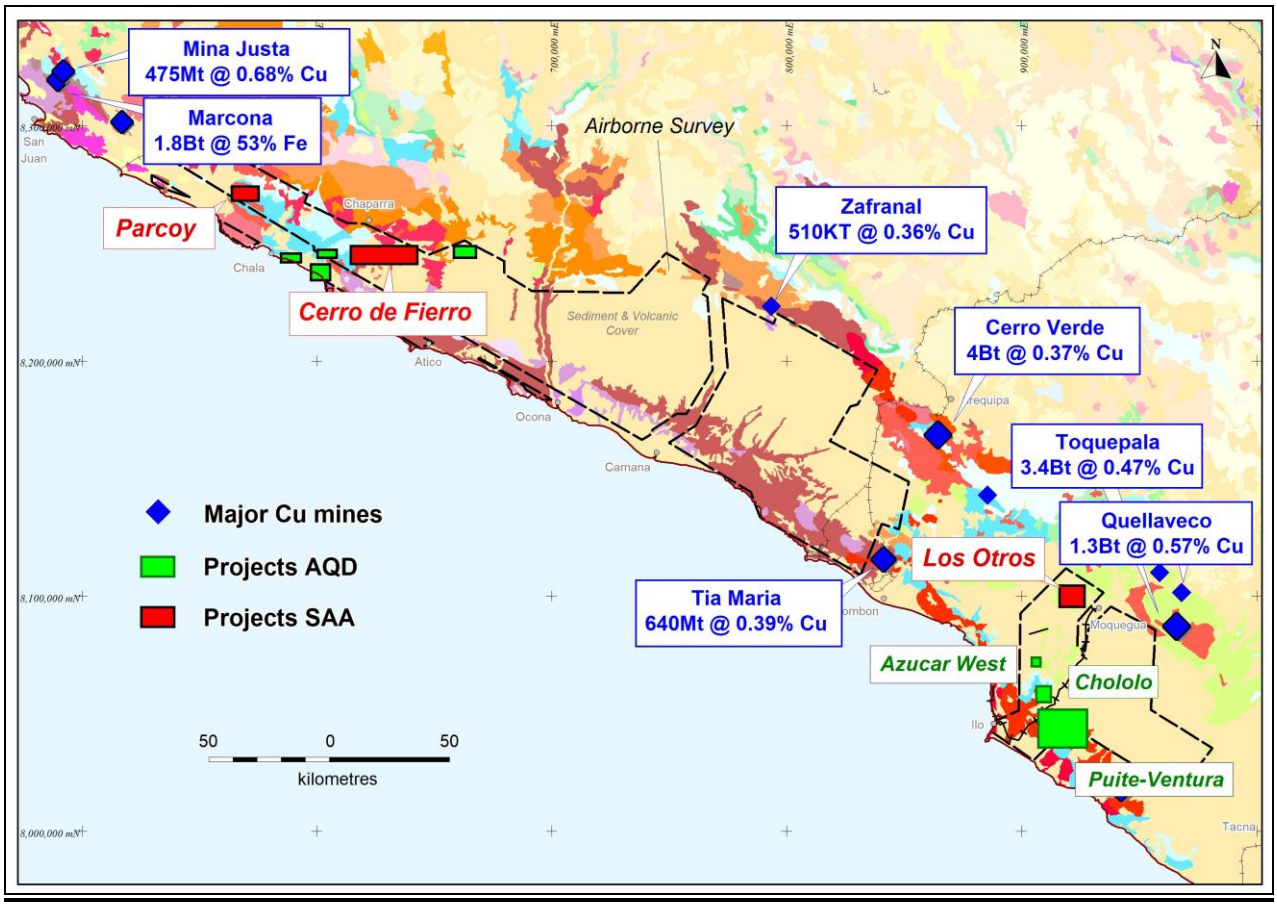


Figure 7: Project Locations – Southern Peru

<u>Cerro de Fierro IOCG</u> ***(100% AQD – South32 earning to 70%)***

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

During the Quarter, systematic rock-chip sampling (~550 samples) on a 200m x 100m grid was completed over outcropping areas to the east of the Cerro de Fierro prospect, to test for potential new copper targets within an interpreted E-W structural corridor that appears to incorporate the copper mineralisation found at Cerro de Fierro. Many of the assay results have been received and are currently being assessed by the Company's consultants.

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Preliminary indications suggest there are several areas of interest along the 10km of strike that has been sampled to date, with anomalous copper (>200ppm Cu) and/or molybdenum values (>8ppm Mo) outlining areas for further exploration (*Figure 8*). As is the case at Cerro de Fierro, the anomalous Mo values are often associated with areas of advanced argillic alteration, suggesting the potential for possible porphyry copper targets, while anomalous copper values within the volcanic stratigraphy are more suggestive of manto-style (replacement) copper mineralisation.

Additional copper targets east of Cerro de Fierro are also likely to be hidden beneath the large areas of cover that occur in this area. The Company's proprietary aeromagnetic survey data is being used to help identify possible areas of interest ahead of further exploratory work (including drilling) in this area. A full assessment will be completed once all final assays are received.

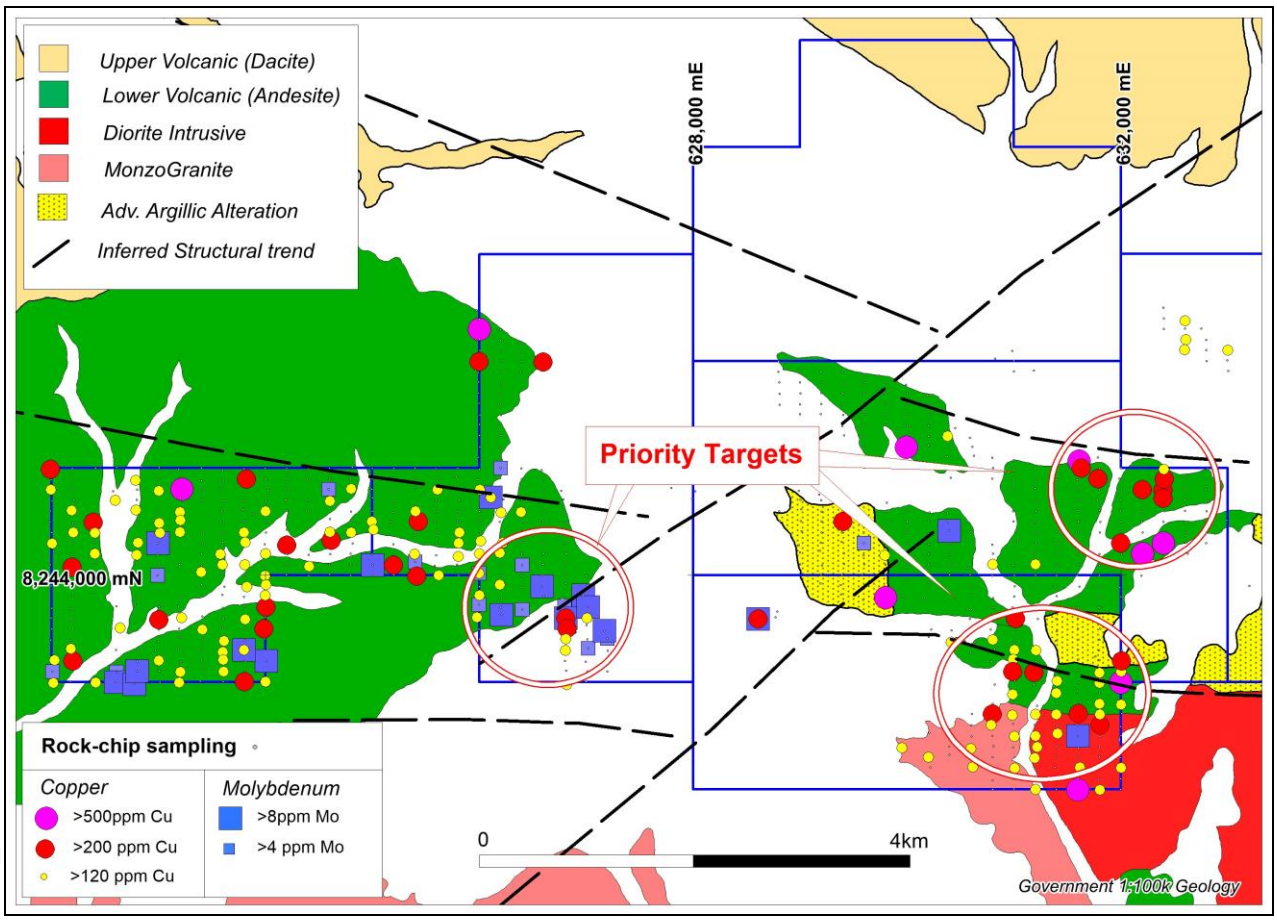


Figure 8: Cerro de Fierro East showing rock sample results and priority targets

Drill permit applications for the Stage 3 drilling program at the Cerro de Fierro prospect (up to a further 20 drill pads) are progressing.

This will allow drill testing of areas where manto-style copper mineralisation (>500ppm Cu and up to more than 1% Cu) has been found at surface (*Figure 9*). Current indications suggest that approvals could be provided by the end of the year, which will allow access preparations for drilling to commence early in 2021.

While COVID-19 has caused disruptions to exploration activities in Peru, the Company has received Government approval to continue its exploration programs under strict health and safety guidelines. Current indications suggest this will also extend to future drilling operations.

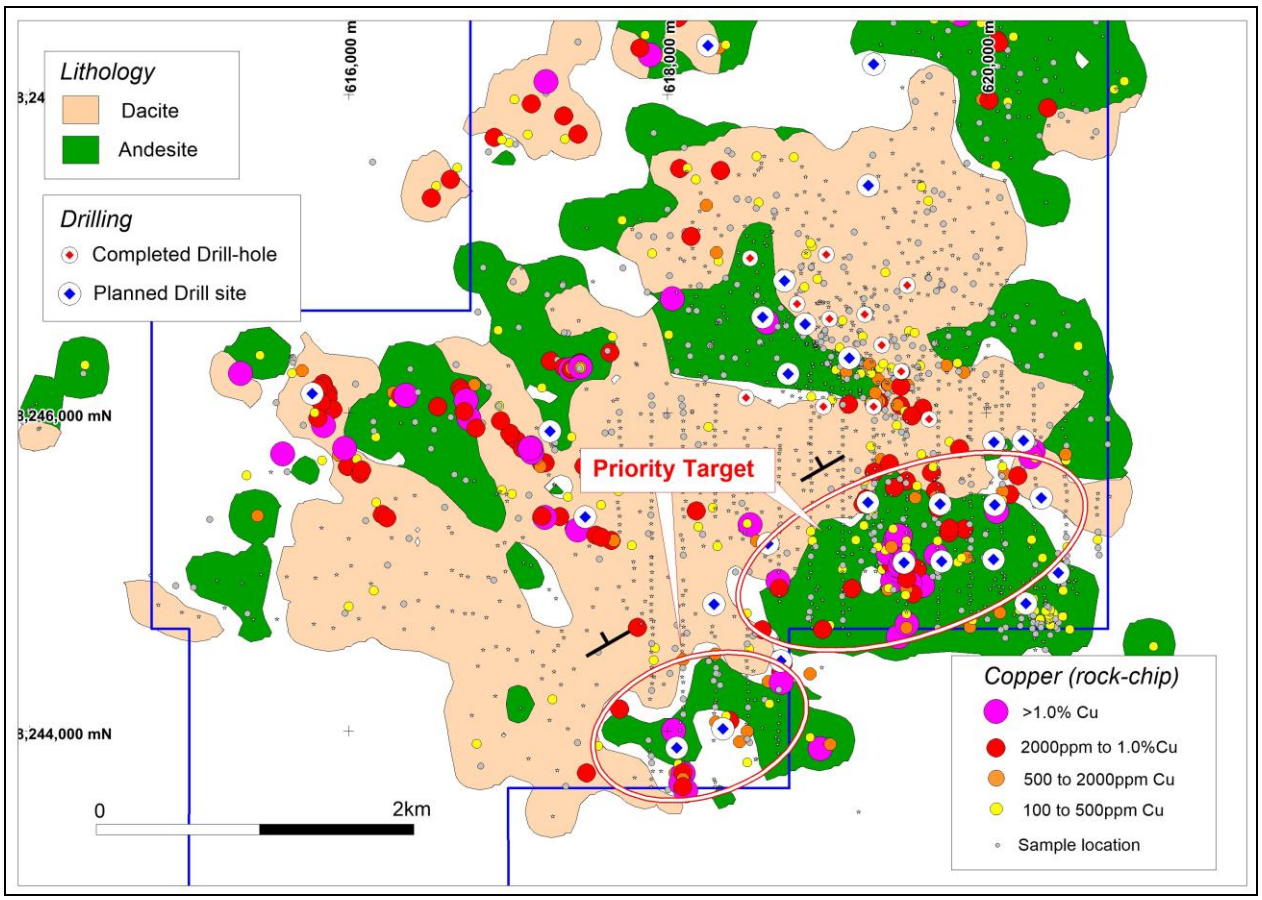


Figure 9: Cerro de Fierro Cu-Au Project showing planned drill sites

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

The Parcoy Project is located near the southern end of a recognised Iron-Oxide Copper-Gold (IOCG) metallogenic belt in southern Peru. It lies within ~100km of the Mina Justa deposit (~475Mt @ 0.68% Cu), and ~50km north-west of the Company's Cerro de Fierro Project. 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$4.0 million.

Drill permit applications were submitted to Government under its new approval system (FTA) for early-stage drill testing of prospects, which is aimed at providing shorter time frames for the approval process to be completed. During the Quarter, the Company completed the community consultation process, which should enable final drill approval to be received around the end of 2020.

A total of 20 drill pads are planned to test the high-priority copper (+/- gold) targets outlined by soil and rock-chip sampling programs which returned numerous copper assays in excess of 1.0% Cu within the andesitic volcanic stratigraphy.

This is similar to the mineralisation found at the Company's Cerro de Fierro Project, located ~50km to the south (ASX release 11 May 2020), and highlights the copper prospectivity of the region which stretches from Mina Justa in the north to at least Cerro de Fierro in the south.

Access preparations for the drilling program could start in early 2021 once the permit is approved.

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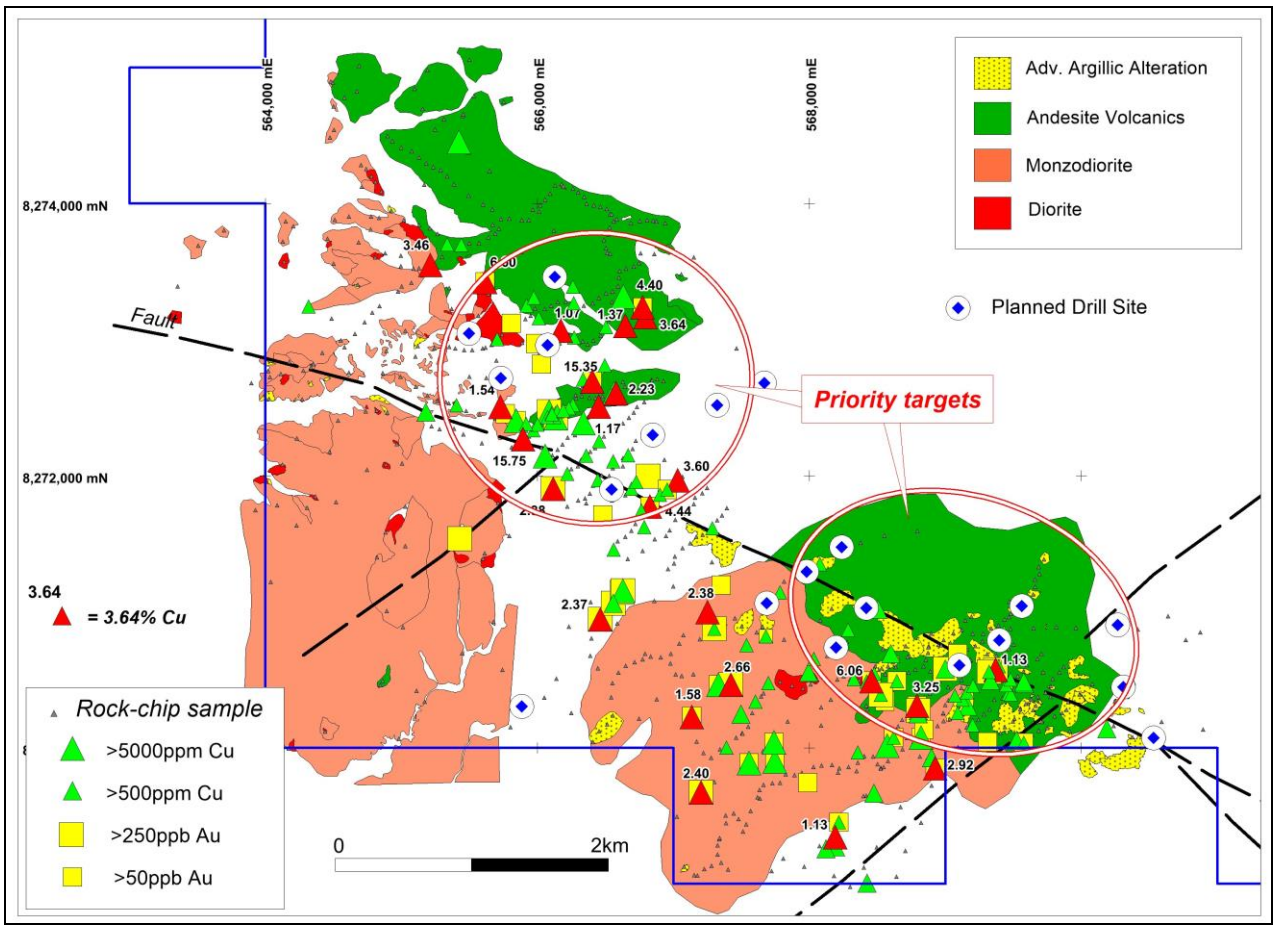


Figure 10: Parcoy Copper Project – planned drill sites

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 Cuajone 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.

At Los Otros, permitting to allow drill-testing of a porphyry copper target(s) commenced during the Quarter with environmental and archaeological studies now underway.

The porphyry copper target(s) is associated with an area of advanced argillic alteration (~1km²) that appears to have a Palaeocene age date, similar to the age dates reported for the nearby giant porphyry copper deposits.

The planned drilling program agreed in principle under the SAA is not expected to commence until around the middle of 2021.

CORPORATE

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

During the Quarter, the Company invested $1.25 million in exploration and had approximately $2.0 million in cash remaining at the end of September, with additional funding from South32 available for agreed work programmes over Strategic Alliance Projects.

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

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KEY ACTIVITIES – DECEMBER 2020 QUARTER

- Gunanya (Au-Cu) – Complete RC drilling of magnetic targets and assess results;
- Hamilton (Cu-Au) – Complete heritage survey for the Stage 3 drilling program;
- Tangadee (Zn) – Complete Assessment of drill results from RC drilling program;
- Balladonia (Cu-Au-Ni) – Complete access for reconnaissance air-core drilling program;
- Moora (Ni-Cu) – Complete access agreements for key areas within the project area;
- Morrisey (Ni-Cu) – Undertake reconnaissance soil sampling over key target areas;
- Peru (Cu-Au) – Progress Drill Permits for Stage 3 drilling at Cerro de Fierro;
- Peru (Cu-Au) – Progress Drill Permits for Stage 1 drilling at Parcoy and Los Otros;
- Peru (Cu-Au) – Complete mapping and rock sampling over Cerro de Fierro east.

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.

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AusQuest Limited: Tenement Schedule as at 30 September 2020

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

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

Tenement	Location	Interest Held: Start of Quarter	Interest Held: End of Quarter	Registered Holder
Peru Cont.				
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 Q	Moquegua	100%	Nil	Questdor SAC
Pampa De Las Pulgas R	Moquegua	100%	Nil	Questdor SAC
Pampa De Las Pulgas VA	Moquegua	100%	Nil	Questdor SAC
Pampa De Las Pulgas W	Moquegua	100%	Nil	Questdor SAC
Pampa De Las Pulgas X	Moquegua	100%	100%	Questdor SAC
Pampa De Las Pulgas Y	Moquegua	100%	Nil	Questdor SAC
Pampa De Las Pulgas Z	Moquegua	100%	Nil	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	Nil	100%	Questdor SAC
Pinguino F	Arequipa	100%	Nil	Questdor SAC
Pinguino G	Arequipa	100%	Nil	Questdor SAC
Pinguino H	Arequipa	100%	Nil	Questdor SAC
Pinguino I	Arequipa	100%	Nil	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

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

Section 1 Sampling Techniques and Data

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

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• Rock chip sampling comprises the collection of rocks, usually by hammering an outcrop, with samples being of variable size and quality. • Sample locations are recorded by hand-held GPS. • Samples were collected on a rough 200m x 100m grid with location variations due to topography. • Approximately 2 kg of rock was collected from each sample site over a radius of ~1 metre to provide a representative sample of the outcrop.
Drilling techniques	• *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).*	• Not applicable – surface sampling only
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• Not applicable – surface sampling only
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• Descriptions of the rocks were completed by a project geologist.

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Criteria	JORC Code explanation	Commentary
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *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.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• No sub-sampling of rock-chip samples was undertaken • Approximately 2 kg of rock was collected from each sample site over a radius of ~1 metre to provide a representative sample of the outcrop. • The grid based sampling program provided an unbiased sample for lithological and alteration geochemistry.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *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.* • *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.*	• Rock chip samples are crushed and pulverized to 85% minus 75 microns, then a representative sub-sample is collected for digestion using a 4 acid digest, followed by analysis by ICP-MS and/or AES to measure Ag, Al, As, Ba, Be, Bi, Ca, Cd, Co, Cr, Cu, Fe, K, La, Li, Mg, Mn, Mo, Na, Ni, P, Pb, S, Sb, Sc, Sn, Sr, Ti V, W, Y, Zn, Zr. • Gold are assayed by 30gm fire assay with AAS finish. • Assays are provided by ALS del Peru in Lima which is a certified laboratory for mineral analyses. Analytical data is transferred to the company via email. • In laboratory QAQC data is reviewed for all assay jobs. Blanks and standards are included with all sample batches.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Rock-chip sampling is compiled into Excel spreadsheets for merging with assay data when it becomes available. • Digital data is regularly backed-up on the company's servers.
Location of data points	• *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.*	• Sample locations are recorded using GPS to within 5 metres accuracy. • The grid projection used is WGS84 Zone 18S

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Criteria	JORC Code explanation	Commentary
	• *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Topographic control is obtained from GPS readings or topographic maps and is considered adequate for current needs
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *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.* • *Whether sample compositing has been applied.*	• Rock chip samples were collected on a rough 200m x 100m grid. • Approximately 2 kg of rock was collected from each sample site over a radius of ~1 metre.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• The grid based rock-chip sampling was oriented at an angle to both structure and stratigraphy.
Sample security	• *The measures taken to ensure sample security.*	• Samples are securely tied/sealed in the field, followed by packing into larger sealed plastic bags for transport to the laboratory.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• No audits or reviews have been carried out on the sampling to date.

Section 2 Reporting of Exploration Results

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

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• The Cerro de Fierro project is located approximately 30 km east of the town of Chala in the south of Peru. • The Cerro de Fierro project comprises 3 granted mineral concessions and 12 mineral concession applications. The tenements are held by Questdor which is a 100% subsidiary of AusQuest Limited. • There are no major heritage issues to prevent access to the tenements during surface exploration activities. Permits to drill are required including environmental, water and land access involving community consultations. • The Cerro de Fierro project is subject to a Strategic

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Criteria	JORC Code explanation	Commentary
		Alliance Agreement with South32.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• No public reporting of exploration data is required in Peru.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The Cerro de Fierro project is targeting manto-style IOCG deposit along the coastal belt of southern Peru. These are large scale disseminated copper (and gold) deposits found within orogenic belts that surround the Pacific Rim. The deposits can be areally large requiring significant drilling to evaluate..

Drill hole Information	• *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:*
	  ○ *easting and northing of the drill hole collar*
	  ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*
	  ○ *dip and azimuth of the hole*
	  ○ *down hole length and interception depth*
	  ○ *hole length.*
	• *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*
		• Not applicable – surface sampling only

Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• Not applicable – surface sampling only.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• Not applicable – surface sampling only

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Criteria	JORC Code explanation	Commentary
Diagrams	• *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.*	• Sample locations are included on the plan provided in ASX release.
Balanced reporting	• *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.*	• Assay ranges are shown on the plan provided in ASX release.
Other substantive exploration data	• *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.*	• The area was selected for sampling to cover EW structures that extended from the known mineralization at Cerro de Fierro. Grid based sampling was used to provide unbiased sampling for lithological and alteration mapping.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Further work in this area will be dependent on a full assessment of the assay data and compilation with other data sets.

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Appendix 5B

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

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Name of entity

AUSQUEST LIMITED

ABN	Quarter ended ("current quarter")
35 091 542 451	**30 September 2020**

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (3 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	183	183
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(44)	(44)
	(e) administration and corporate costs	(261)	(261)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	1	1
1.5	Interest and other costs of finance paid	(1)	(1)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	80	80
1.8	Other (provide details if needed)	-	-
1.9	**Net cash from / (used in) operating activities**	**(42)**	**(42)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(2)	(2)
	(d) exploration & evaluation	(1,250)	(1,250)
	(e) investments	-	-
	(f) other non-current assets	-	-

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Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
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	597	597
2.6	**Net cash from / (used in) investing activities**	**(655)**	**(655)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
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	(23)	(23)
3.10	**Net cash from / (used in) financing activities**	**(23)**	**(23)**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	2,719	2,719
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(42)	(42)

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (3 months) $A'000**
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(655)	(655)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(23)	(23)
4.5	Effect of movement in exchange rates on cash held	(13)	(13)
4.6	**Cash and cash equivalents at end of period**	**1,986**	**1,986**

5.	**Reconciliation of cash and cash equivalents** at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	**Current quarter $A'000**	**Previous quarter $A'000**
5.1	Bank balances	1,986	2,719
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**1,986**	**2,719**

6.	**Payments to related parties of the entity and their associates**	**Current quarter $A'000**
6.1	Aggregate amount of payments to related parties and their associates included in item 1	13
6.2	Aggregate amount of payments to related parties and their associates included in item 2	53

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.

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

7.5	**Unused financing facilities available at quarter end**	-

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

N/A

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(42)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(1,250)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(1,292)
8.4	Cash and cash equivalents at quarter end (item 4.6)	1,986
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	1,986
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	1.54

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.

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?

Answer:

Operating costs and overheads vary depending on the level of exploration work completed during each Quarter. Net cash flows from operating activities are also influenced by the level of funding provided under the Company's Strategic Alliance Agreement (SAA) with South32 (S32).

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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?

Answer:

At present, the Company has not initiated any fundraising activities. However the Company is confident in securing additional working capital through new equity issue or loans should the need arise in the foreseeable future.

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?

Answer:

The Company expects to be able to continue its exploration activities as they are largely funded by S32 under the SAA. For exploration activities that the Company chooses to undertake itself, the directors are aware that the Group has the option, if necessary, to defer expenditure or to relinquish certain projects or to reduce administration costs in order to minimise cash outflows. The directors are also confident that the Group will be successful in raising additional funds through the issue of new equity, should the need arise.

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: 29 October 2020

Authorised by: By the Board
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

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