



Quarterly Report – 30th September 2014

HIGHLIGHTS

AUSTRALIA – BASE METALS (Nickel, Copper)

- ❑ AusQuest's strategic footprint in the emerging Fraser Range nickel-copper province of WA expanded to 1,850km² with acquisition of a new tenement located ~50km south of the Nova-Bollinger nickel-copper deposit.
- ❑ Reconnaissance geochemical sampling commenced over the Gibson Soak Exploration Licence, located ~30km north of the Port of Esperance, following grant of the title.
- ❑ Reconnaissance geochemical sampling about to commence over possible mafic intrusions within the Balladonia titles which appear similar to those being tested by Sirius at their Crux prospect, ~50km to the west.

PERU – COPPER-GOLD

- ❑ Drilling approval received for nine drill sites at the Lana Project, a large-scale (~20km²) gravity target in southern Peru, bringing to three the number of porphyry or IOCG copper-gold projects now cleared for drilling.
- ❑ Discussions with potential joint venture partners advanced with several parties expressing interest in obtaining access to the Company's projects and data.
- ❑ New porphyry copper targets located at the Colorada prospect and at Chololo, where sericite alteration was identified within volcanic rocks implying proximity to possible nearby porphyry copper mineralisation.

WEST AFRICA GOLD

- ❑ AusQuest's Joint Venture partner, Burkinor SARL, completed auger sampling over seven prospects prior to the wet season, with ~18,000 samples submitted for analysis.
- ❑ Extensive gold auger anomalies (>25ppb Au) located at several prospects within the Kapogouan and Komoe tenements. Further sampling and possible drilling are planned to re-commence at the conclusion of the wet season.

CORPORATE

- ❑ Loan and Convertible Note Agreement for up to \$750,000 secured from AusQuest's major shareholder at a minimum conversion price of 2c, to underpin ongoing exploration. The Loan is interest-free for a period of six months from the date of issue of each Note.

OVERVIEW

During the September Quarter, AusQuest continued to focus its exploration activities on two main areas of interest, the emerging Fraser Range nickel-copper province in WA and an emerging portfolio of porphyry and/or IOCG copper-gold targets in Peru.

The Company increased its strategic exploration footprint in the Fraser Range to ~1,850km² during the Quarter as a result of a key strategic addition to its exploration portfolio. In southern

Peru, drill permits were approved for three of the Company's copper-gold targets and discussions with potential joint venture parties were advanced.

In West Africa, the Company's joint venture partner, Burkinor SARL, continued exploration activities (auger sampling) over the Company's tenements until the onset of the wet season. Burkinor, a wholly-owned subsidiary of TSX-listed SEMAFO Inc, can earn up to 80% equity in the Banfora projects by spending a total of \$7.5 million over a three-year period.

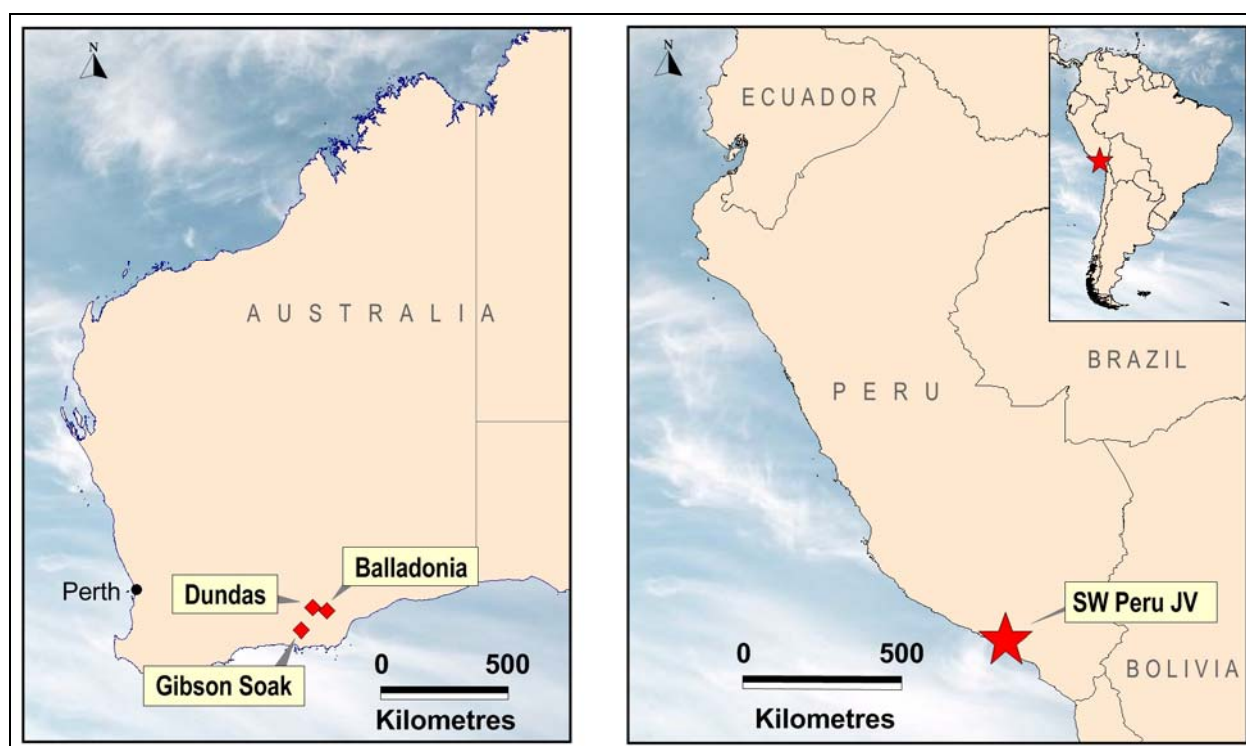


Figure 1: Project Locations – Australia and Peru

AUSTRALIA – FRASER RANGE PROJECTS (Nickel, Copper)

AusQuest controls approximately 1,850km² of title within the Fraser Range Province of WA, which hosts the Nova-Bollinger nickel-copper deposit discovered by Sirius Resources and the Tropicana gold mine, commissioned recently by Anglo Gold (Figure 2). The region is the focus of increased exploration activity by a range of companies and is now considered to be one of the country's premier locations for exploration.

Gibson Soak Ni-Cu Project (100% AQD)

The Gibson Soak Project is located ~30km north of the port of Esperance, within the broader Fraser Range terrain. The tenement, which covers an area of ~380km, is centred on a

regional north-east trending gravity high with similarities to the Fraser Range Complex which hosts the Nova-Bollinger nickel-copper discoveries.

The Gibson Soak tenement was granted on 3rd September 2014. Much of the area is covered by farm-land with very little outcrop to be found; however, the road network is excellent, providing easy access to areas of potential interest.

Field reconnaissance along public roads has already identified the presence of mafic meta-gabbro outcrop within the regional gravity high (15–25 milligals), suggesting similarities to the Fraser Complex which hosts the Nova-Bollinger nickel-copper discoveries (Figure 3).

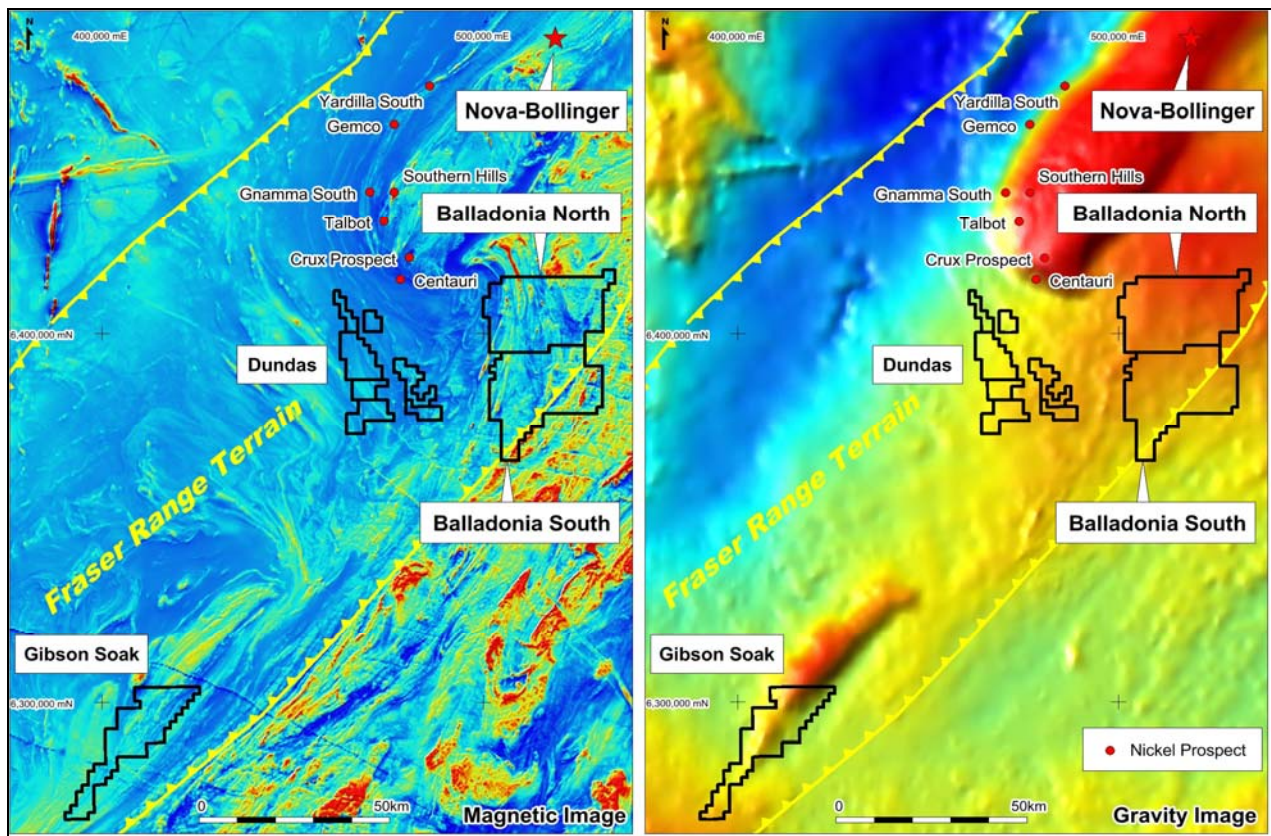


Figure 2: Fraser Range Project Locations

Reconnaissance geochemical sampling along public roads is planned to commence in October to outline areas for more detailed sampling and/or ground EM surveys.

The regional gravity anomaly is approximately 20km x 7km in size within the Company's

tenement, and represents a priority target for Nova look-alikes now that title has been granted.

Negotiations with selected land-owners have commenced to enable detailed ground-based surveys to be undertaken over farm-land.

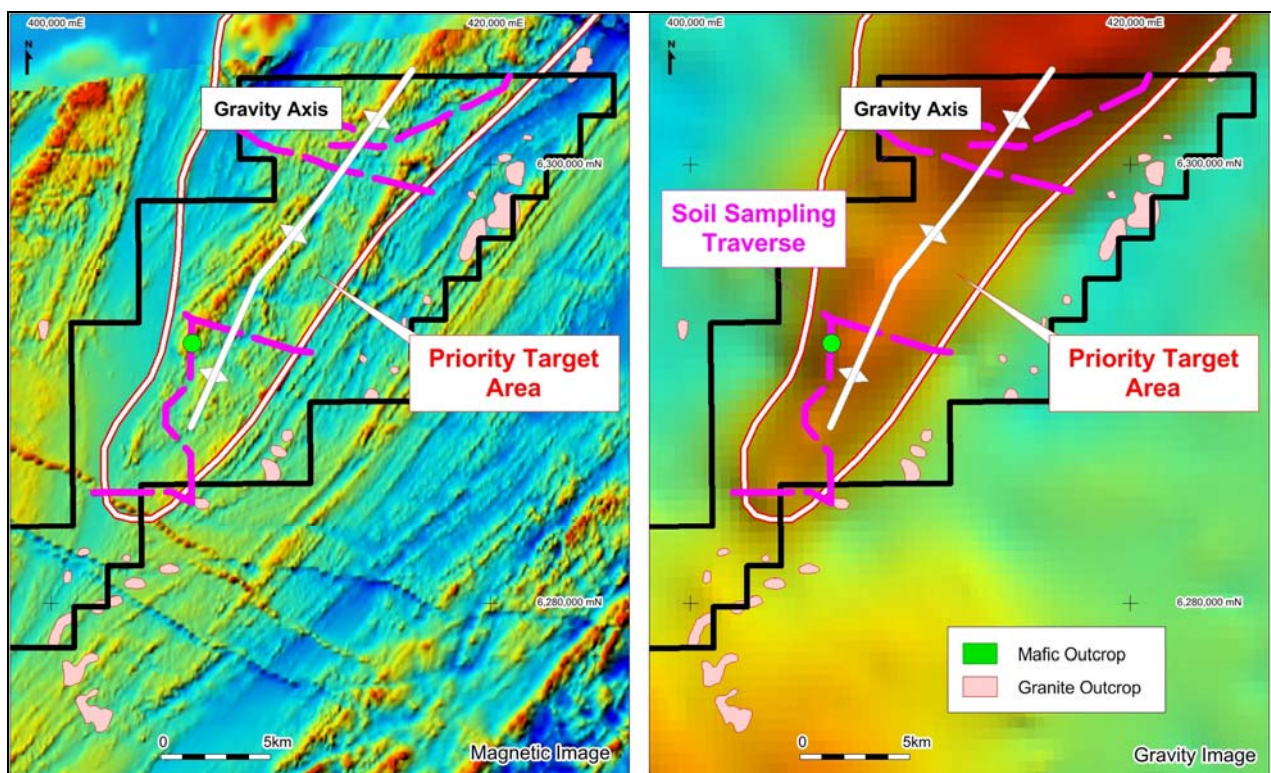


Figure 3: Gibson Soak Magnetic and Gravity Images showing soil sampling traverses

Balladonia Ni-Cu Project (100% AQD)

The Balladonia Project is located ~30km east of the Dundas project and ~50km south of the Nova-Bollinger nickel-copper deposit. It consists of two Exploration Licence applications covering an area of ~1,150km², within a structurally complex region of the Fraser Range Terrain and centred above the southern margin of a deep regional gravity anomaly (~30 milligals) which is thought to reflect buried mafic/ultramafic rocks similar to those that may be related to the formation of the Nova deposit. The tenements occur within the Dundas Nature Reserve and are expected to be granted within the coming months.

Detailed aeromagnetic surveys over the Balladonia tenements have outlined a number of inferred mafic intrusions both parallel to and cross-cutting the general trend of the Fraser Range Belt (Figure 4).

These intrusions are characterised by negative magnetic anomalies similar to those being tested by Sirius at their Crux and Centauri prospects, located approximately 30km north-west of the Balladonia title.

The larger intrusions represent priority nickel-copper exploration targets and will be the subject of an initial reconnaissance sampling programme.

The Nova-style target sequence outlined along the western margin of the tenements will be tested by an east-west traverse along the old telegraph line. Further sampling and ground EM surveys will be undertaken once tenements are granted and access approved.

The reconnaissance sampling programme which was to commence in October has been delayed by heavy rains in the area and is now planned to commence in November. This work will take approximately two weeks to complete with results expected shortly thereafter.

Dundas Ni-Cu Project (100% AQD)

The Dundas Project is located ~100km east-southeast of Norseman (WA), and ~80km south-west of the Nova-Bollinger nickel-copper discovery (Sirius Resources). The tenements cover an area of ~350km² within a structurally complex region bordering the south-west margin of the main Fraser Range Complex which hosts the Nova discovery.

Ground electromagnetic (EM) surveys over the Dundas East prospect were postponed until initial target identification within the Company's new tenements in the Fraser Range had been completed and nickel-copper targets prioritised.

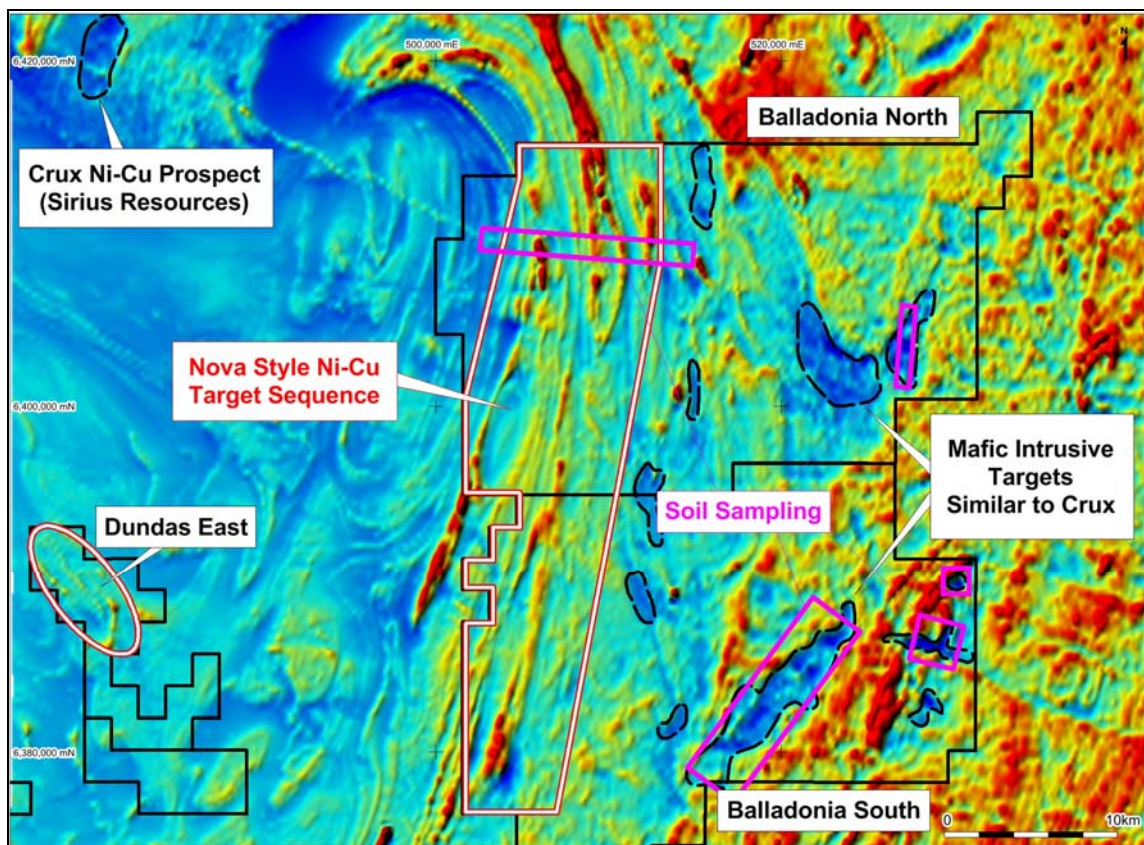


Figure 4: Balladonia Magnetic Image showing priority targets and areas for soil sampling

PERU COPPER-GOLD PROJECTS (100% AQD)

Over the past three years, AusQuest has assembled a large portfolio of copper-gold prospects along the southern coastal belt of Peru in South America with up to eight targets identified for drilling as possible iron-oxide copper-gold (IOCG) and/or porphyry copper

targets with the size potential to be of significance to AusQuest (Figure 5). 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.

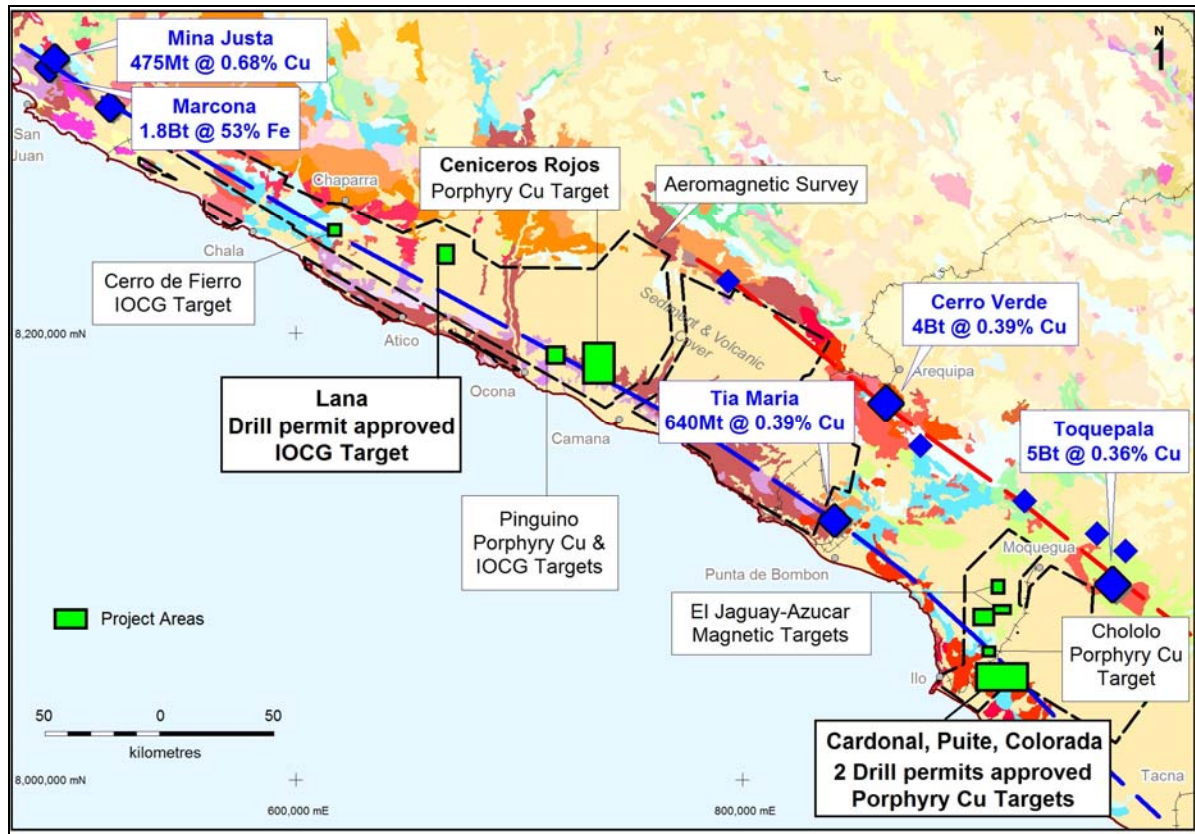


Figure 5: Peru Project Locations

During the Quarter, a drilling permit for the Lana Project (nine drill sites) was received from the Ministry of Energy and Mines (MEM), clearing the way for drill testing of this large scale (~20km²) gravity target, and bringing to three the number of projects now cleared for drilling in southern Peru.

The Lana Project is located approximately 30km from the coastal town of Atico in southern Peru and covers a large (~20km²) discrete gravity anomaly (8 milligals), located close to the intersection of major structures interpreted from the Company's aeromagnetic data.

The gravity target is offset from a deep (~400m) magnetic response, suggesting potential for buried IOCG and/or porphyry copper style mineralisation beneath the sediment cover (Figure 6).

During the Quarter, the Company also continued to expand its copper-gold portfolio in Peru through ongoing regional and generative project exploration activities.

At the Colorada Prospect, which is located ~40km from the port of Ilo, mapping and sampling south of mineralised epithermal veins previously located in the area, identified numerous NNW trending diorite dykes containing anomalous copper values (>100ppm Cu) and intruding basement granites, suggesting potential for buried porphyry copper mineralisation offset from the main area of veining.

A reconnaissance site visit to the Chololo prospect, which is located immediately north-east of the Ilo Este prospect currently being drilled by Latin Resources (Figure 7), identified alteration and surface geochemistry indicative of nearby porphyry copper mineralisation.

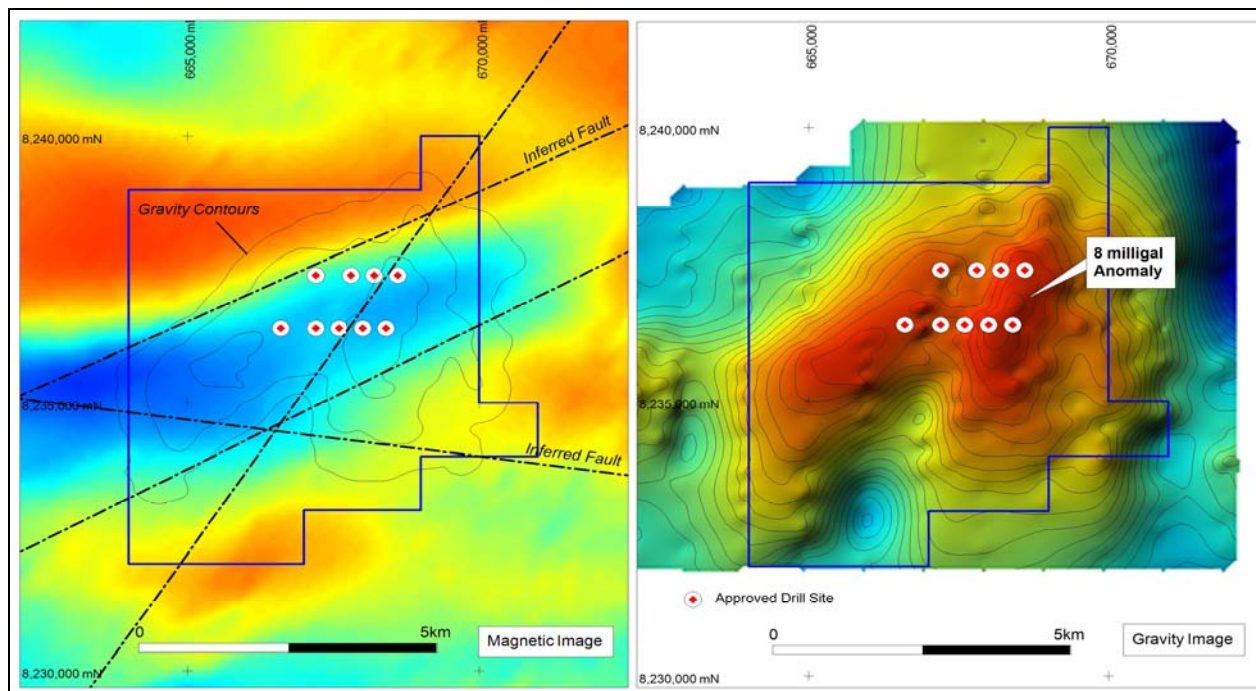


Figure 6: Lana Gravity target Permitted Drill-sites

The Chololo prospect straddles a major NE trending fault and occurs at elevations ~300m above that of the neighbouring Ilo Este prospect, suggesting good potential for the upper parts of a porphyry copper system being preserved within the Company's title.

Sericite alteration found within volcanic rocks in close proximity to anomalous rock samples (Cu>100ppm, Mo >10ppm) is considered a good indicator of proximity to the centre of a porphyry system. A programme of mapping and systematic sampling is planned to commence in the December Quarter to identify areas for possible future drilling.

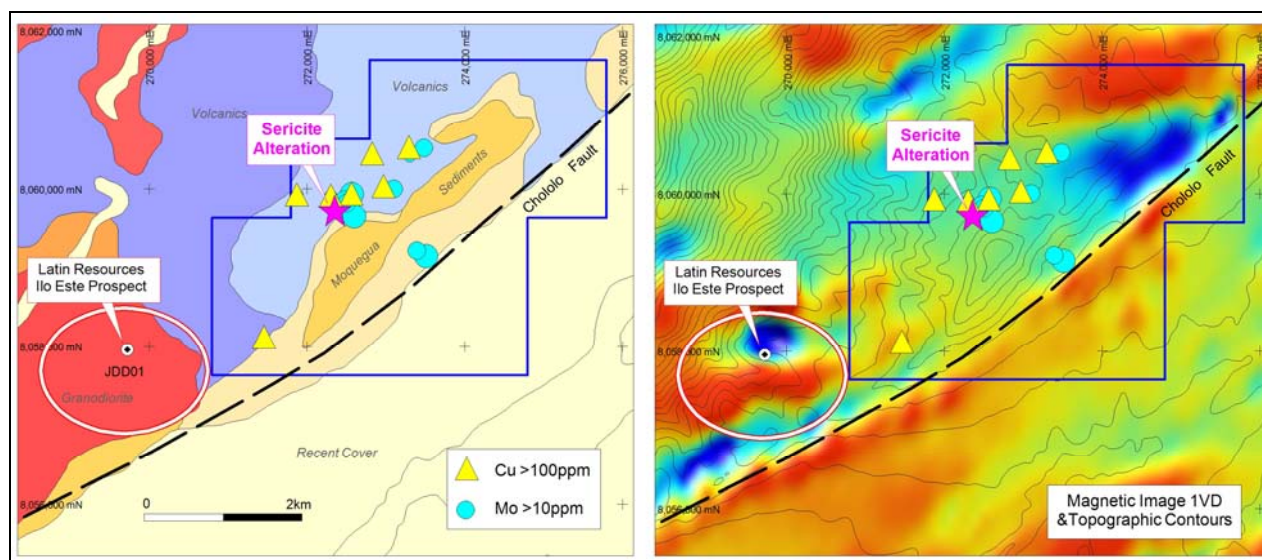


Figure 7: Chololo Porphyry Copper Prospect

Discussions with potential joint venture partners have advanced with several parties expressing interest in obtaining access to the Company's projects and data.

The Company is aiming to secure a suitable partner to help fund upcoming drill programmes that have already received approval from Government, by exchanging equity in the

projects for a work commitment and ongoing evaluation of the projects.

The Company continues to be encouraged by the results obtained to date from its Peruvian projects, and plans to continue exploration for large-scale IOCG and/or porphyry copper targets within the covered areas of southern Peru.

GOLD – WEST AFRICA

Comoe Project (AQD 100%, Burkinor SARL earning to 80%)

The Comoe Project is located near the town of Banfora in south-west Burkina Faso, West Africa, within an extensive greenstone belt. The area is relatively unexplored except for extensive historical surface sampling programs and widespread artisanal gold workings along the belt. AusQuest controls approximately 1,150km² of title within the Belt, which is now under a Farm-In and Joint Venture Agreement with Burkinor SARL, a wholly-owned subsidiary of TSX-listed SEMAFO Inc. Burkinor has the right to earn up to an 80% interest in all the Banfora permits by spending a total of US\$7.5 million over a three-year period. Burkinor are the operators of the JV.

During the Quarter, Burkinor reported that exploration over the project continued until mid-August when activities were suspended due to the

onset of the wet season. A total of 9,200 auger holes for 61,142m (average depth ~6.5m) have now been completed over seven prospects since the commencement of the joint venture five months ago.

Auger traverses are nominally 400m apart with holes spaced at 25m intervals. Geological logging of samples from this program along with geological mapping within priority areas is helping to prioritise targets for further sampling and/or drilling.

Burkinor reported that anomalous gold assays (25ppb to >500ppb Au) in weathered bedrock had been returned from 6 of the 7 prospects tested, with many of the gold anomalies interpreted to extend over several kilometres in length (Figure 8). Further auger sampling is planned after the completion of the wet season, with Burkinor also intending to complete reconnaissance Reverse Circulation (RC) drilling traverses over selected prospects during the next field season.

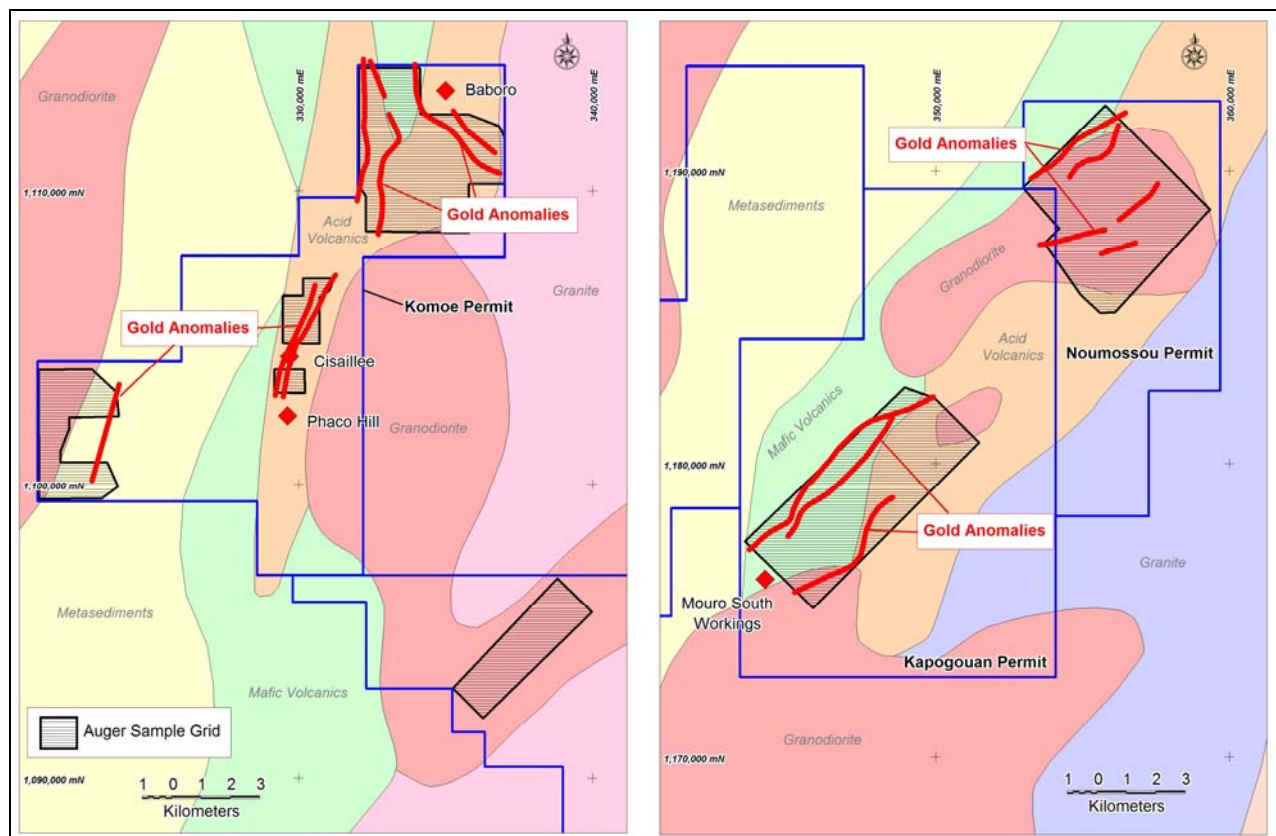


Figure 8: Banfora JV gold auger anomalies reported by Burkinor

BUSINESS DEVELOPMENT

AusQuest continues to look for opportunities both within Australia and offshore with the aim of adding value to the Company, especially in areas of immediate interest to the Company.

CORPORATE

During the Quarter, the Company secured funding of up to \$750,000 from its major shareholder by executing a Loan and Convertible Note Agreement, subject to shareholder approval at the Company's Annual General Meeting to be held on or about the 26th November 2014.

The additional funds, together with existing cash reserves of \$650,000 as at the end of September 2014, will enable AusQuest to continue to advance its prospective WA nickel projects and Peru copper projects well into 2015.

Under the terms of the Agreement, the loan may be requested in up to three advances of \$250,000, each with the conversion price for AusQuest shares set at a minimum price of 2 cents. The Loan is interest-free for a period of six months from the date of issue of each Note.



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. The information presented in this report in relation to the Cenicerros Rojos and Dundas Projects is extracted from the ASX announcements dated 25 June and 20 July 2014 titled 'AusQuest Receives First Peru Drill Approval' and 'Fraser Range New Exploration Targets' respectively. The Competent Person responsible for that announcement is Mr. Graeme Drew. The report is stored on the ASX website under ASX- AQD, and on the Company's website at www.ausquest.com.au. AusQuest confirms that it is not aware of any new information or data that materially affects the information included in that announcement.

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.

A summary of the terms for the Loan and Convertible Note Agreement was reported to the ASX on 6th October 2014.

The funding arrangement represents a strong vote of confidence from the Company's major shareholder, underpinning ongoing exploration efforts and avoiding the need to undertake a dilutive capital raising at a low point in the market.

KEY ACTIVITIES – DECEMBER 2014 QUARTER

The following activities are planned for the December 2014 Quarter:

- Balladonia (Ni-Cu) – Reconnaissance sampling, possible ground EM surveys;
- Gibson Soak (Ni-Cu) – Reconnaissance sampling – Access agreements with land owners;
- Peru (Cu-Au) – Drill preparations for Cardonal, Puite and Lana;
- Peru (Cu-Au) – Mapping/sampling at the Chololo prospect;
- Comoe (Au) – Monitor results from Burkinor JV programs.

JORC Code, 2012 Edition – Table 1 report Auger Sampling Banfora (Burkina Faso)

Section 1 Sampling Techniques and Data

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

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> <i>Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</i> <i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i> <i>Aspects of the determination of mineralisation that are Material to the Public Report.</i> <i>In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</i> 	<ul style="list-style-type: none"> Auger sampling comprised the collection of two samples – a 2 metre interface laterite-saprolite sample and a 2 metre saprolite sample near the bottom of the hole. Auger hole locations are recorded by hand-held GPS. Auger sampling was carried out on linear traverses 400m apart with holes spaced at 25m intervals. The auger samples are logged by a geologist and entered into a sampling book or onto a sampling sheet.
Drilling techniques	<ul style="list-style-type: none"> <i>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</i> 	<ul style="list-style-type: none"> Auger drilling used a motorized rig on the back of a small 4WD vehicle. Hole depths varied from ~6 to 8 metres.
Drill sample recovery	<ul style="list-style-type: none"> <i>Method of recording and assessing core and chip sample recoveries and results assessed.</i> <i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i> <i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i> 	<ul style="list-style-type: none"> High recovery of samples was achieved at all sites. All samples were reduced to 1kgm in size through controlled sample splitting. Samples are considered representative for the materials sampled
Logging	<ul style="list-style-type: none"> <i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i> <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i> <i>The total length and percentage of the relevant intersections logged.</i> 	<ul style="list-style-type: none"> Each auger hole was geologically logged for rock type from the bottom of the hole.

Criteria	JORC Code explanation	Commentary
<i>Sub-sampling techniques and sample preparation</i>	<ul style="list-style-type: none"> • <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i> • <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i> • <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i> • <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i> • <i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i> • <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i> 	<ul style="list-style-type: none"> • All samples were dry samples. • Sample sizes (1kg) are considered appropriate for the sample type. • Sample reduction was done via sample splitting to make samples as representative as possible. • Two samples – a 2 metre interface laterite-saprolite sample and a 2 metre saprolite sample near the bottom of the hole were generally collected at each site. • No sub-sampling was undertaken.
<i>Quality of assay data and laboratory tests</i>	<ul style="list-style-type: none"> • <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i> • <i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i> • <i>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i> 	<ul style="list-style-type: none"> • Auger samples were crushed and pulverized to 85% minus 75 microns, then trace level gold was determined by cyanide leach extraction with an AAS finish. • Standard laboratory QAQC controls were applied with data reviewed but Burkina geologists for all assay jobs.
<i>Verification of sampling and assaying</i>	<ul style="list-style-type: none"> • <i>The verification of significant intersections by either independent or alternative company personnel.</i> • <i>The use of twinned holes.</i> • <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i> • <i>Discuss any adjustment to assay data.</i> 	<ul style="list-style-type: none"> • Auger sampling locations are compiled into Excel spreadsheets for merging with assay data when it becomes available. • Digital data is regularly backed-up on the company's servers. • No adjustment has been made to assay data.
<i>Location of data points</i>	<ul style="list-style-type: none"> • <i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i> • <i>Specification of the grid system used.</i> • <i>Quality and adequacy of topographic control.</i> 	<ul style="list-style-type: none"> • Auger sample sites are located with GPS to within 5 metres accuracy.
<i>Data spacing and distribution</i>	<ul style="list-style-type: none"> • <i>Data spacing for reporting of Exploration Results.</i> • <i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i> • <i>Whether sample compositing has been applied.</i> 	<ul style="list-style-type: none"> • Auger sampling was undertaken on a 400m x 25m grid with infill to 200m in selected areas. • This spacing is considered adequate for the type of program completed.
<i>Orientation of data in relation to</i>	<ul style="list-style-type: none"> • <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i> 	<ul style="list-style-type: none"> • Sampling on a 400m x 25m grid provides greater coverage along the strike of features targeted.

Criteria	JORC Code explanation	Commentary
<i>geological structure</i>	<ul style="list-style-type: none"> <i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i> 	<ul style="list-style-type: none"> Auger sample lines were oriented across the strike of the expected mineralization.
<i>Sample security</i>	<ul style="list-style-type: none"> <i>The measures taken to ensure sample security.</i> 	<ul style="list-style-type: none"> Samples are securely tied/sealed in the field, followed by packing into larger sealed plastic bags for transport to the laboratory.
<i>Audits or reviews</i>	<ul style="list-style-type: none"> <i>The results of any audits or reviews of sampling techniques and data.</i> 	<ul style="list-style-type: none"> No audits or reviews have been carried out on the sampling to date.

Section 2 Reporting of Exploration Results

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

Criteria	JORC Code explanation	Commentary
<i>Mineral tenement and land tenure status</i>	<ul style="list-style-type: none"> <i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i> <i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</i> 	<ul style="list-style-type: none"> The Banfora project is located in south western Burkina Faso approximately 500km south west of Ouagadougou. The Banfora project comprises 9 granted exploration Permits. The tenements are held 100% by AusQuest Limited but they are subject to a Farm-In and Joint Venture Agreement with Burkinor SARL who can earn up to 80% equity by spending US\$7.5 million in 3 years.
<i>Exploration done by other parties</i>	<ul style="list-style-type: none"> <i>Acknowledgment and appraisal of exploration by other parties.</i> 	<ul style="list-style-type: none"> Previous exploration in the area consisting of surface sampling for gold has been compiled by AusQuest and has been used to assist with exploration program planning.
<i>Geology</i>	<ul style="list-style-type: none"> <i>Deposit type, geological setting and style of mineralisation.</i> 	<ul style="list-style-type: none"> The deposit style being explored for is structurally controlled gold within the Birimian Greenstone Belts of West Africa.
<i>Drill hole Information</i>	<ul style="list-style-type: none"> <i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</i> <ul style="list-style-type: none"> <i>easting and northing of the drill hole collar</i> <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i> 	<ul style="list-style-type: none"> Auger drillholes were vertical with depths ranging from ~5 to 8 metres. The location of the auger grids is presented in AusQuest's September 2014 Quarterly Report. Significant results are shown as trends on the plans presented in the Quarterly report as determined by

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> ○ <i>dip and azimuth of the hole</i> ○ <i>down hole length and interception depth</i> ○ <i>hole length.</i> ● <i>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</i> 	qualified Burkinor geologists.
<i>Data aggregation methods</i>	<ul style="list-style-type: none"> ● <i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</i> ● <i>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i> ● <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i> 	<ul style="list-style-type: none"> ● No weighting or assay cutting has been applied to the data.
<i>Relationship between mineralisation widths and intercept lengths</i>	<ul style="list-style-type: none"> ● <i>These relationships are particularly important in the reporting of Exploration Results.</i> ● <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i> ● <i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</i> 	<ul style="list-style-type: none"> ● Auger sampling results are in essence surface sampling results – no relationship with mineralization is known.
<i>Diagrams</i>	<ul style="list-style-type: none"> ● <i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i> 	<ul style="list-style-type: none"> ● Locations of auger sampling grids are provided in the Company's Quarterly report.
<i>Balanced reporting</i>	<ul style="list-style-type: none"> ● <i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i> 	<ul style="list-style-type: none"> ● All significant gold trends are reported and shown on the plans in the Quarterly report.
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"> ● <i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i> 	<ul style="list-style-type: none"> ● The areas were selected for auger drilling based on geological and geophysical data interpretations by Burkinor.
<i>Further work</i>	<ul style="list-style-type: none"> ● <i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> ● <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i> 	<ul style="list-style-type: none"> ● Proposals of further work will depend on an analysis of the data by Burkinor.

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

AUSQUEST LIMITED

ABN

35 091 542 451

Quarter ended ("current quarter")

30 September 2014

Consolidated statement of cash flows

		Current quarter \$A '000	Year to date (3 months) \$A '000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for		
	(a) exploration and evaluation	(356)	(356)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(89)	(89)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	2	2
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other	-	-
Net Operating Cash Flows		(443)	(443)
Cash flows related to investing activities			
1.8	Payment for purchases of:		
	(a)prospects	-	-
	(b)equity investments	-	-
	(c) other fixed assets	-	-
1.9	Proceeds from sale of:		
	(a)prospects	-	-
	(b)equity investments	-	-
	(c)other fixed assets	5	5
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other – Proceeds from Semafo Inc joint venture	68	68
Net investing cash flows		73	73
1.13	Total operating and investing cash flows (carried forward)	(370)	(370)

Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from unissued shares, options etc	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (share issue costs)	-	-
Net financing cash flows		-	-
Net increase (decrease) in cash held		(370)	(370)
1.20	Cash at beginning of quarter/year to date	1,019	1,019
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter / year to date	649	649

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A '000
1.23	Aggregate amount of payments to the parties included in item 1.2	59
1.24	Aggregate amount of loans to the parties included in item 1.10	-
1.25	Explanation necessary for an understanding of the transactions Executive directors' salaries, superannuation, consulting fees and rental of office space. Non executive directors have agreed to waive any entitlement to be paid fees until 31 December 2014.	

Non-cash financing and investing activities

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

None.

- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

None.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A '000	Amount used \$A '000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	320
4.2 Development	-
4.3 Production	-
4.4 Administration	150
Total	470

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A '000	Previous quarter \$A '000
5.1 Cash on hand and at bank	649	1,019
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (Money market/Term Deposit)	-	-
Total: cash at end of quarter (item 1.22)	649	1,019

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed				
6.2 Interests in mining tenements acquired or increased	E 63/1672		Nil	100%

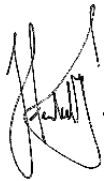
Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference +securities (description)				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	+Ordinary securities	297,503,444	297,503,444		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5	+Convertible debt securities (description)				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Options (description and conversion factor)	9,900,000 68,750,000	- 68,750,000	Exercise price 7 cents 4 cents	Expiry date 30 Nov 2015 30 Nov 2016
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	Debentures (totals only)				
7.12	Unsecured notes (totals only)				

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here:

(Company secretary)

Date: 28 October 2014

Print name: Henko Vos

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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