



Quarterly Report – 30th June 2022

High-impact drilling campaigns underway to test multiple copper-nickel and gold targets in Australia and Peru

HIGHLIGHTS

Australia – Copper, Zinc, Nickel, Gold

- ❑ Strong evidence for Broken Hill Type (BHT) mineralisation, similar to that found in the Cloncurry district of NW Queensland, provided by reconnaissance diamond drilling at the Balladonia Base Metal Project in the Fraser Range region of Western Australia (WA).
- ❑ Strong comparisons with mineralised sequences found at Cannington and Broken Hill were highlighted by the drilling at Balladonia, including widespread iron (Fe), manganese (Mn) and potassium (K) alteration plus highly anomalous lead (Pb), zinc (Zn) and cadmium (Cd) values.
- ❑ 2,045m/3-hole diamond drilling program and DHEM surveys successfully completed at the Hamilton Copper Project in NW Queensland.
- ❑ Strong off-hole conductor closely associated with the mineralised BIF sequence identified at Hamilton North. Further drilling is being considered under the SAA.
- ❑ High-priority drill targets confirmed at the Morrissey Nickel-Copper Project in WA following ground electromagnetic surveys which identified EM targets closely associated with interpreted mafic/ultramafic intrusions similar to those at Julimar. Initial drill testing scheduled for Q3 2022.
- ❑ Ground EM surveys commenced at the Jubilee Lake Nickel-Copper-PGE Project (WA) to identify targets for future drilling.

Peru – Copper-Gold

- ❑ ~3,500m/10-hole Reverse Circulation (RC) drill program commenced at the Parcoy Copper Project to test strong surface copper anomalies that stretch over ~3km of strike. Results are expected during Q3 2022.
- ❑ Permitting for RC drilling (20 holes for ~6,700m) at the Pirata Prospects (Cerro de Fierro) progressed but is taking longer than expected. Drilling now planned to start around the end of Q3 2022.
- ❑ Potential target(s) identified by a combination of ground magnetics and surface sampling over the Playa Kali Project, located along strike from Cerro de Fierro.

Corporate

- The Company's Quarter-end cash position was ~\$4.0 million.

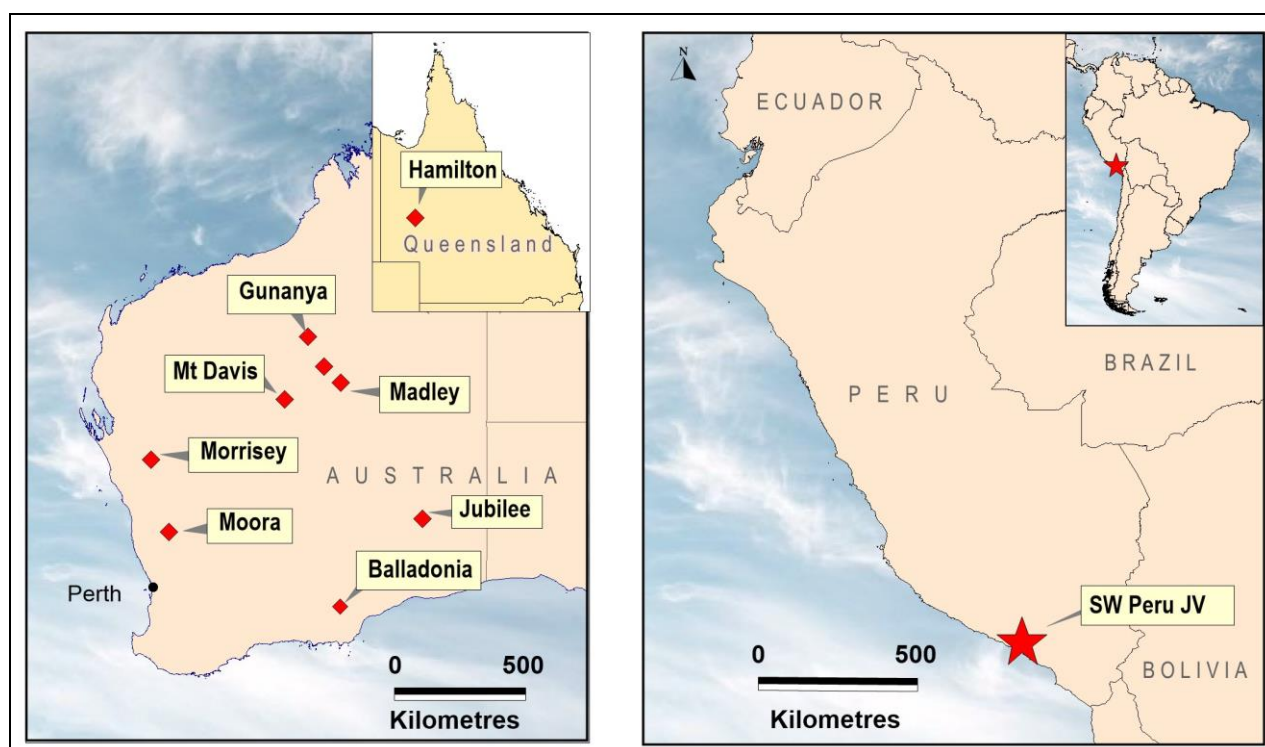


Figure 1: Project Locations – Australia and Peru

OVERVIEW

Major drilling programs commenced during the June Quarter across the Company's projects in Australia and Peru to test a range of high-priority base metal targets under the Strategic Alliance Agreement (SAA) with a wholly-owned subsidiary of South32.

In **Australia**, drilling programs at the Hamilton Copper Project in NW Queensland and the Balladonia Base Metal Project in WA were completed, and drill targets at the Morrisey Nickel-Copper-PGE Project in WA were upgraded, with drilling at this prospect planned to commence in Q3 2022. Ground EM surveys also commenced at the Jubilee Nickel-Copper Project, in WA where a potential new nickel province has been interpreted by the Company's consultants.

In **Peru**, permitting for planned major drilling programs at the Parcoy and Cerro de Fierro Copper Projects was progressed. Access preparations were completed at Parcoy following receipt of the first permits, with RC

drilling (~3,500m) now underway. At Cerro de Fierro, RC drilling (~6,700m) is expected to start around the end of Q3 2022. At least six large-scale porphyry copper and/or manto copper targets will be tested during H2 2022.

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

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

The Hamilton Project is located in north-west Queensland, ~120km south of the world-class Cannington mine and ~70km south of the Osborne copper mine. It consists of two Exploration Licences covering an area of ~520km². Exploration is targeting IOCG (iron oxide, copper, gold) and BHT (Broken Hill type) style mineralisation beneath the extensive cover in the region. Limited historical drilling designed to test magnetic and gravity targets provided evidence for "near-miss" situations which are the focus of the Company's exploration programs. Exploration work at Hamilton is being funded under the SAA.

During the Quarter, a diamond drilling program consisting of three holes for a total of ~2,045m was completed at Hamilton North (two drill-holes) and Hamilton South (one drill-hole) to test gravity targets associated with mineralised banded iron formation (BIF) and iron-calcium alteration (skarns) that had been intersected by earlier drilling (ASX release 27 July).

Assay results for two of the three drill-holes have been received with assays from the third hole not expected until early August. Results received to date appear to have increased the

size of the copper mineralisation footprint at Hamilton North, where down-hole electromagnetic (DHEM) surveys have located a moderate to strong off-hole EM response close to hole HMDDH018 (~50m to 70m away), highlighting potential for a sulphide body within the mineralised BIF sequence (Figure 2).

Down-hole electromagnetic (DHEM) surveys were completed in all three holes drilled, detecting an off-hole response in hole HMDDH018.

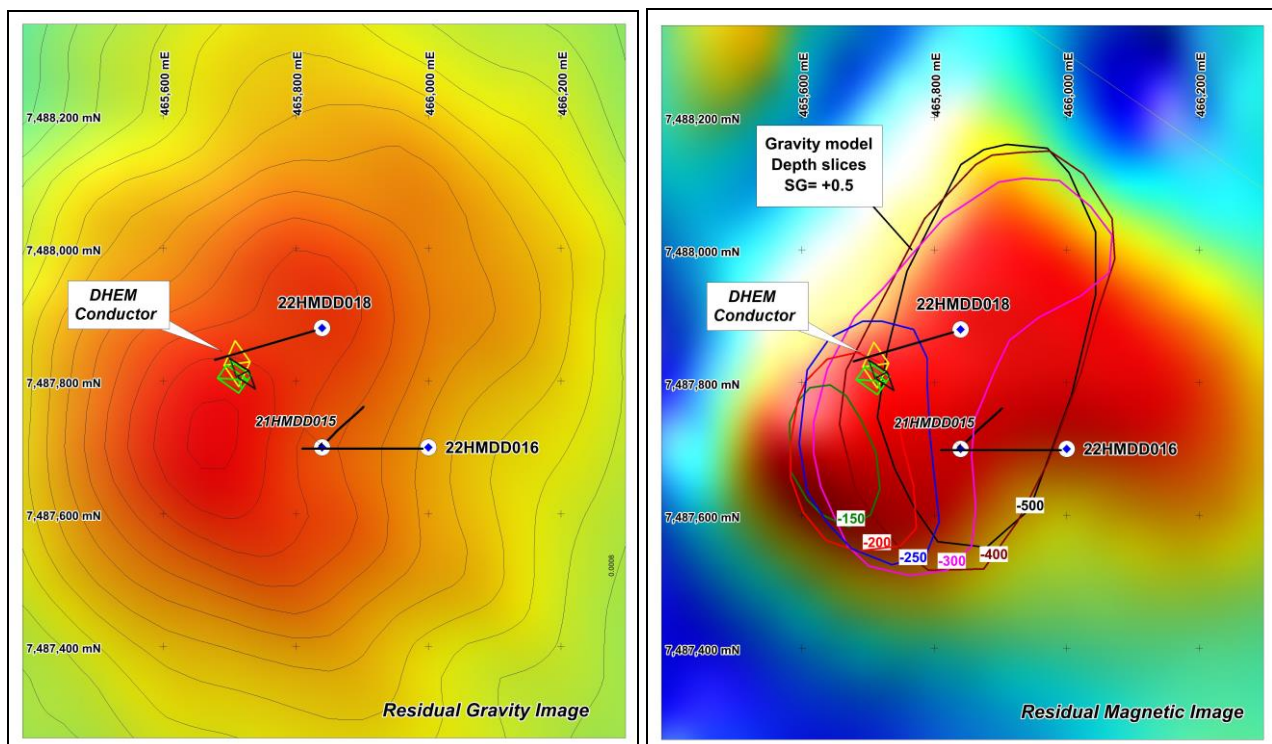


Figure 2: Hamilton North gravity and magnetics showing location of drill-holes and DHEM conductors

At *Hamilton North*, hole HMDDH016 intersected a thick zone of anomalous copper (75m @ 490ppm Cu) associated with high iron values (~20% Fe) from 422m, plus several narrower intervals (7m to ~36m) of similar iron and copper anomalism further down the hole, increasing the size of the mineralisation footprint.

Proterozoic basement in HMDDH016 includes metasediments and amphibolites, which become more carbonate altered down-hole. Mafic rocks containing magnetite and BIF units are more common below 422m and are associated with the anomalous copper values.

HMDDH018, which is located ~200m to the north of hole HMDDH016, appears to have extended the mineralisation footprint further, but assay results for this hole are still pending. Variable carbonate alteration occurs throughout much of the drill-hole, extending from just below the Cambrian cover (at 190m) to the bottom-of-hole at 646m. Several intervals of BIF and/or disseminated magnetite rock are evident within the broader carbonate halo.

Preliminary computer modelling of DHEM results from hole HMDDH018 indicate the presence of at least one conductor, ~100m x

50m in size and with a conductance of ~2,000 to 4,000 Siemens, located south-west of the drill-hole, reflecting a potential sulphide source within the mineralized BIF sequence.

The modelled body appears to be steeply dipping, which is at an angle to the layering intersected by the drill-hole, suggesting possible structural complexities south-west of HMDDH018. Additional drilling will be considered under the SAA to test this target once all assay data have been received and DHEM modelling is finalised.

At *Hamilton South*, drill-hole HMDDH017, which tested a coincident magnetic-gravity response, failed to intersect the cause of the gravity anomaly. Most of the rocks within the drill-hole were either sodically altered or unaltered metasediments and/or mafics, suggesting that the hole has missed the target. Carbonate and potassic alteration which is evident near the bottom of the hole, suggests mineralisation may occur either lateral to, or beneath the current drill-hole. However, the DHEM survey within HMDDH017 did not identify a near-miss situation.

The mineralised BIF sequence at Hamilton appears to be similar in nature to that hosting the Osborne copper-gold deposit (global resource ~36Mt @ 2% Cu and 1g/t Au), located approximately 70km to the north.

The Hamilton Project covers a belt of magnetic rocks extending over a strike length of approximately 30km under Eromanga Basin cover, which is approximately 200m thick. Numerous magnetic targets within this belt have never been tested by drilling.

Balladonia Nickel-Copper Project (100% AQD, subject to SAA)

The Balladonia Project is located ~50km south of the Nova-Bollinger nickel-copper deposit. It consists of seven Exploration Licences (four granted and three applications) covering an area of ~840km² and is located within a structurally complex

region of the Fraser Range Terrane. It is centred above the southern margin of a deep regional gravity anomaly (~30 milligals), which is thought to reflect buried mafic/ultramafic rocks that may be similar to those related to the formation of the Nova deposit. Comparisons with the Eastern Succession in north-west Queensland (east of Mt Isa), where IOCG and BHT deposits are known to occur, are also apparent. Many of the tenements lie within the Dundas Reserve. Exploration work at Balladonia is funded under the SAA.

During the Quarter, diamond drilling comprising five holes for a total of ~1,150m was completed at the Tea Tree and Harms Lake prospects, further enhancing the base metal prospectivity of the area (ASX release 30 June).

The Balladonia Project is subject to the Strategic Alliance Agreement (SAA) with a wholly-owned subsidiary of South32 Limited (South32) and drilling at Tea Tree was partly funded by the Western Australian Government's Exploration Incentive Scheme.

At the ***Tea Tree Prospect***, a total of four diamond holes for ~940m were completed across a NNW trending magnetic/gravity corridor. The holes intersected a sequence of high-grade metamorphic rocks containing banded iron formations (BIFs), garnetiferous quartzites, garnetites and mafic volcanics with zones of red-rock (potassic) alteration within the sequence (Figure 3).

Assay results confirmed the presence of potassic alteration throughout much of the sequence, also identifying iron (Fe) and manganese (Mn) alteration within the garnetiferous quartzites, similar to the alteration recognised within so-called 'lode packages' found in the world-class Cloncurry Belt in NW Queensland which hosts Broken Hill Type (BHT) Pb-Zn-Ag and iron-oxide copper-gold (IOCG) deposits.

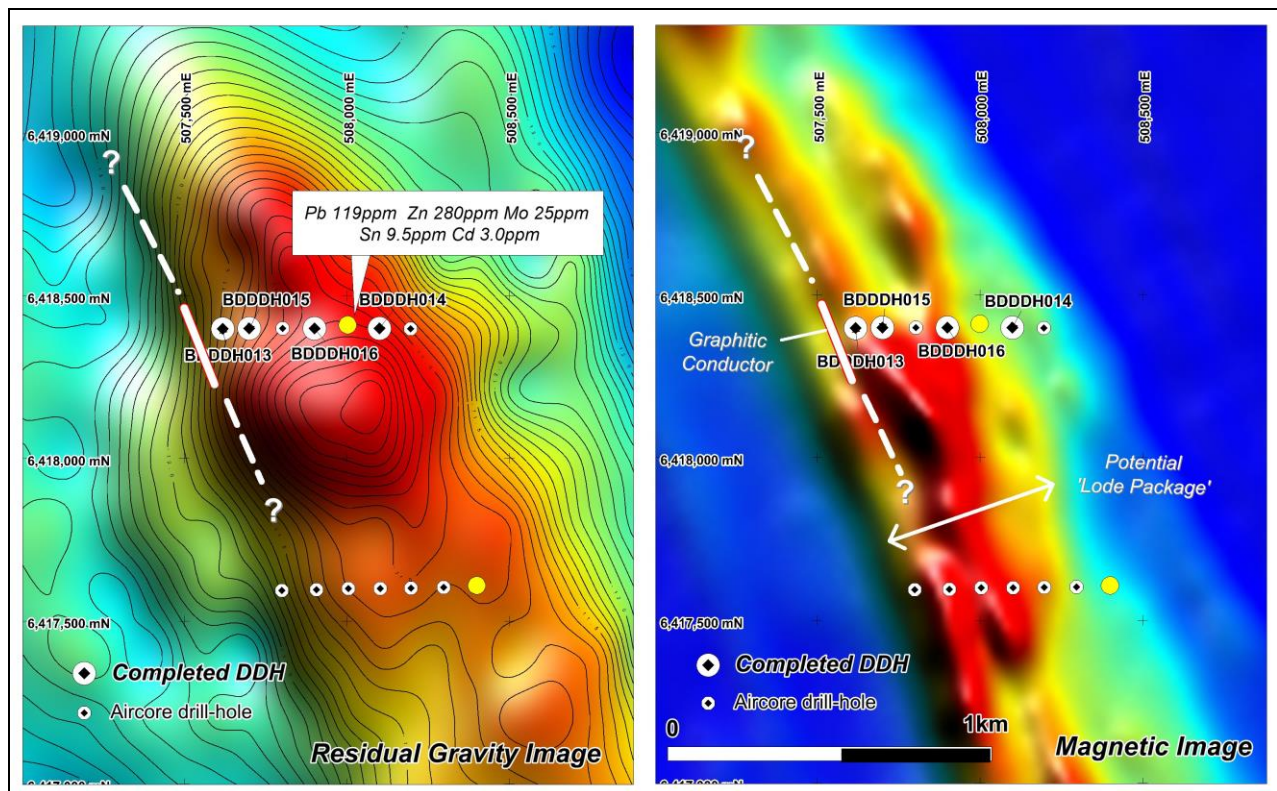


Figure 3: Tea Tree Prospect showing location of drill-holes on magnetic & gravity images.

A BHT alteration index calculated from the assay data (based on a study of the Cannington deposit by S Bodon – PhD thesis, University Tasmania) shows strong BHT alteration throughout most of the drill-holes, supporting the concept that BHT deposits similar to those found in NW Queensland could be present within the Balladonia Project.

The presence of substantial thicknesses (~30-50m) of highly anomalous lead (average 200ppm Pb and up to 420ppm Pb), zinc (average 400ppm Zn and up to 3,170ppm Zn) and cadmium (average 4ppm Cd and up to 20ppm Cd) within the interpreted 'lode package', highlights the potential for base metals within the sequence, and the possibility they may have accumulated along strike in favourable structural settings (Figure 4).

The occurrence of potential 'lode packages' has not previously been recognised in the Fraser Province, and significantly upgrades the base metal prospectivity of this region.

High amplitude magnetic/gravity anomalies within the Balladonia Project are now considered to be high-priority targets for BHT lead-zinc-silver and possibly IOCG mineralisation.

Assay results from drill-hole BDDDH013, which intersected a zone of graphite mineralisation (8m @ 13.5% Total Graphitic Content (TGC) – including 4m @ 20.5% TGC), suggests there is also the potential for a significant graphite discovery in the area.

Petrological examination of the graphite confirmed it is coarse grained with graphite flakes in excess of 6mm in hand specimen. The extent and size of the graphitic unit is unknown as it was only intersected in one of the drill-holes, and there has been no prior exploration for graphite in this area.

Further exploration activities at Balladonia are currently the subject of discussions with South32 under the SAA. Assay results from the Harms Lake prospect are still pending.

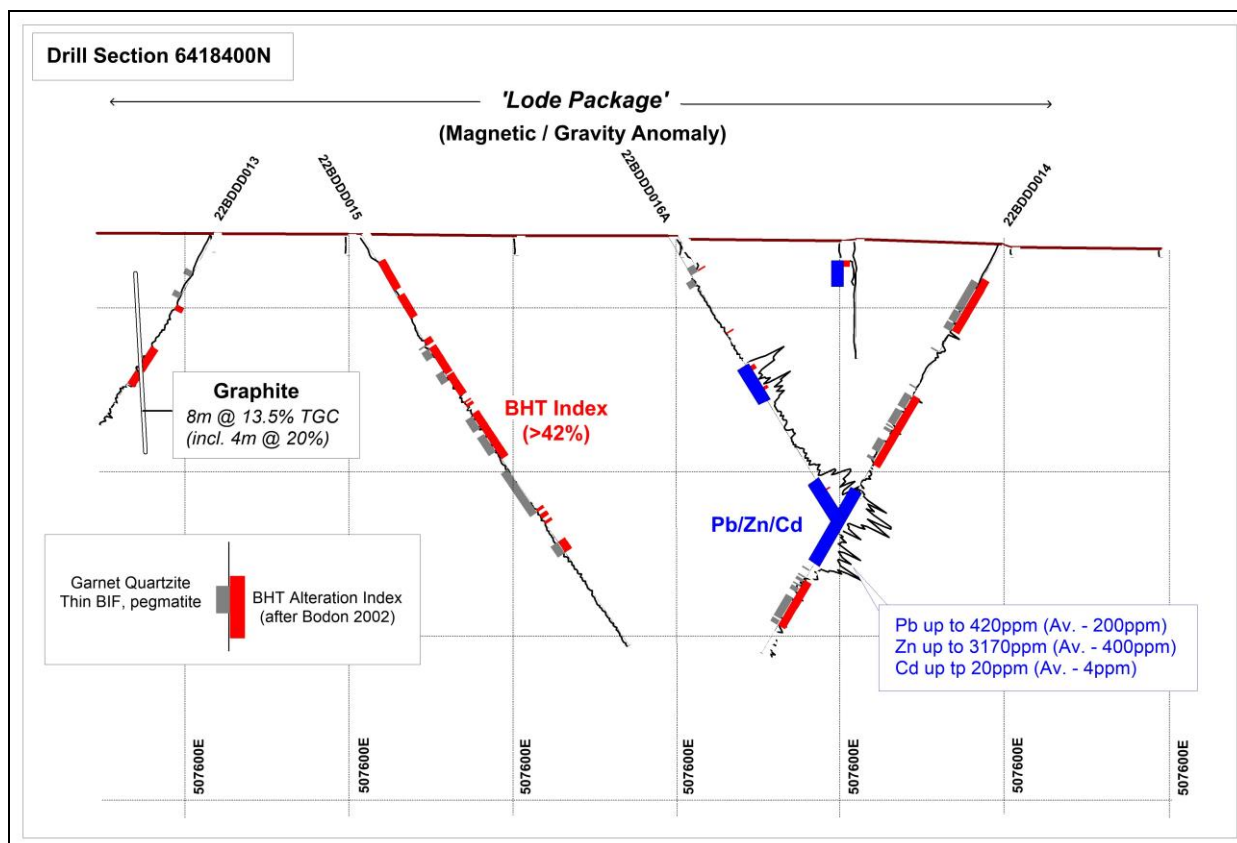


Figure 4: Drill-hole Section 6418400N showing assay results across the magnetic/gravity sequence.

Morrisey Nickel-Copper Project (100% AQD, subject to SAA)

The Morrisey Project is located ~500km north of Perth in Western Australia within the Narryer Terrane, which forms the north-western margin of the Yilgarn Craton. It consists of four granted Exploration Licences (ELs) and one EL applications covering an area of ~1,200km² parallel to the Yilgarn Craton boundary. The area has become the focus of industry attention following the discovery by Chalice Mining of the Julimar nickel-copper-PGE deposit north of Perth, which highlighted the untested nickel-copper-PGE potential of the margin of the Western Yilgarn Craton. Exploration work at Morrisey is funded under the SAA.

During the Quarter, ground-based Moving Loop Transient Electromagnetic (MLTEM) surveys (~15km using a 200m x 200m transmitter loop) upgraded three targets identified by earlier helicopter EM (HEM) surveys. The conductors are all closely associated with strong magnetic anomalies that reflect possible chonolith-type intrusions (horizontal cylindrical bodies) with similar magnetic characteristics to the Gonneville

intrusion that hosts the Ni-Cu-PGE mineralisation discovered by Chalice Mining at the Julimar Project north of Perth (ASX release 18 May).

Modelling of MLTEM data indicates moderate to strong conductances (~600 to 6,000 Siemens), with targets varying in size from 50m x 100m up to 75m x 200m at depths of ~50 to 100m, suggesting they are bedrock responses reflecting possible sulphide mineralisation associated with the interpreted mafic/ultramafic intrusions.

Earlier soil geochemical surveys across the target areas reported anomalous nickel and copper values in the vicinity of the EM responses (December 2021 Quarterly Report), making them priority targets for nickel-copper and PGE mineralisation (Figures 5, 6, 7).

Native Title clearance surveys have been completed and Government approvals obtained in order to prepare access to drill sites for Reverse Circulation (RC) drilling to test the EM and magnetic targets. Access preparation and drilling is expected to start in August subject to rig availability.

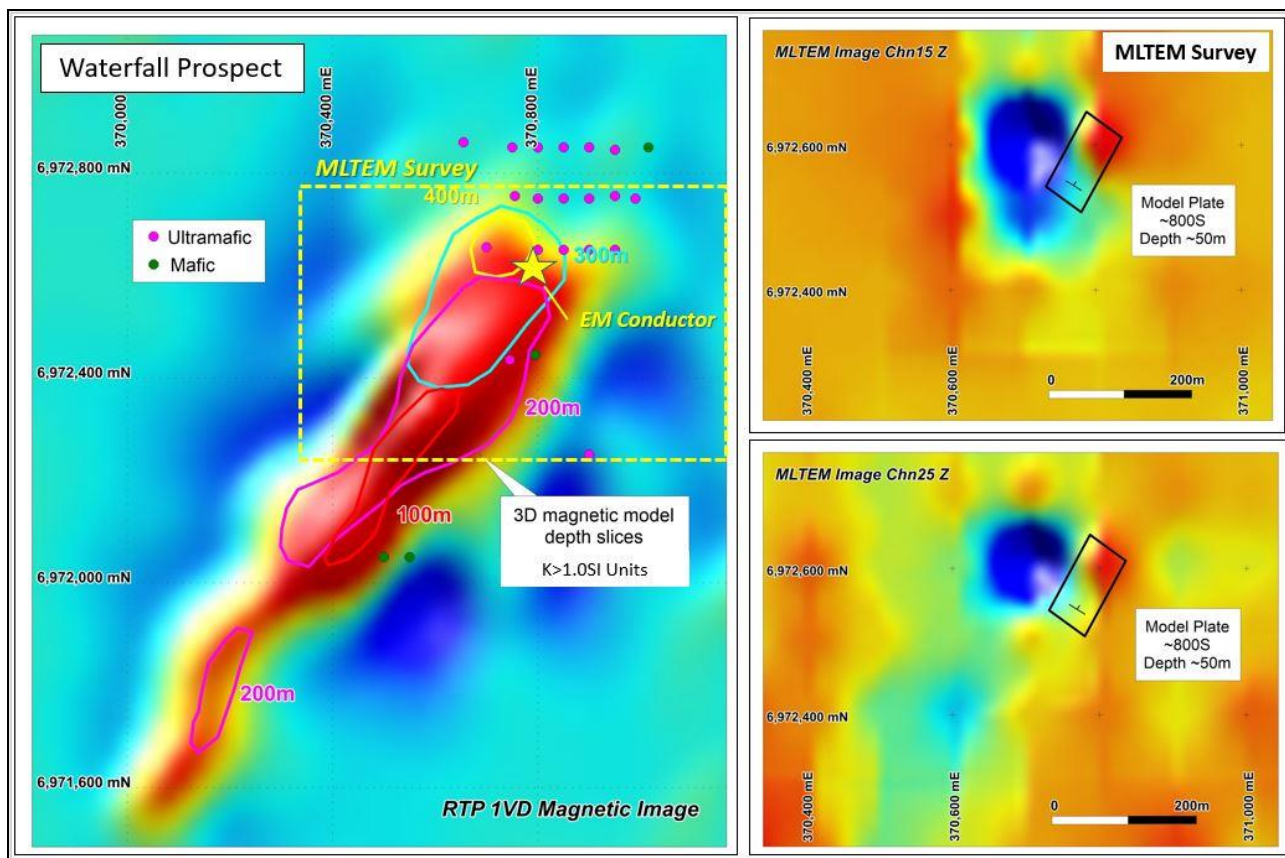


Figure 5: Waterfall prospect showing magnetic data plus EM anomaly/model (RHS) location.

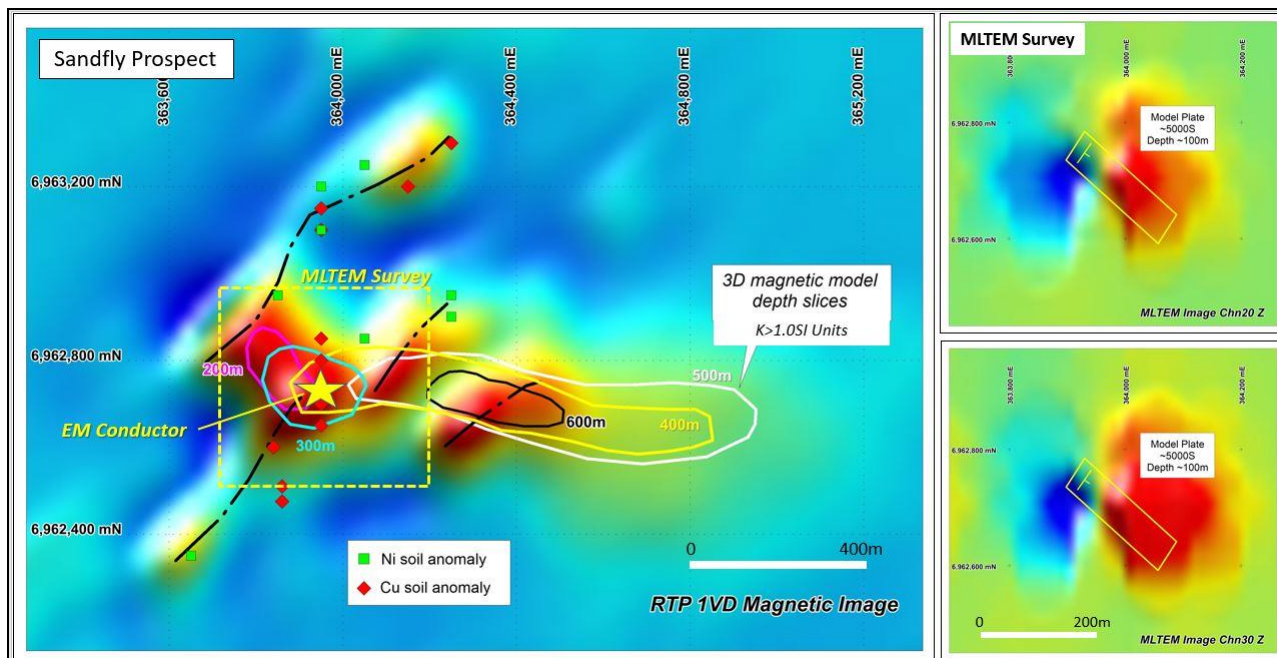


Figure 6: Sandfly prospect showing magnetic data plus EM anomaly/model (RHS) location.

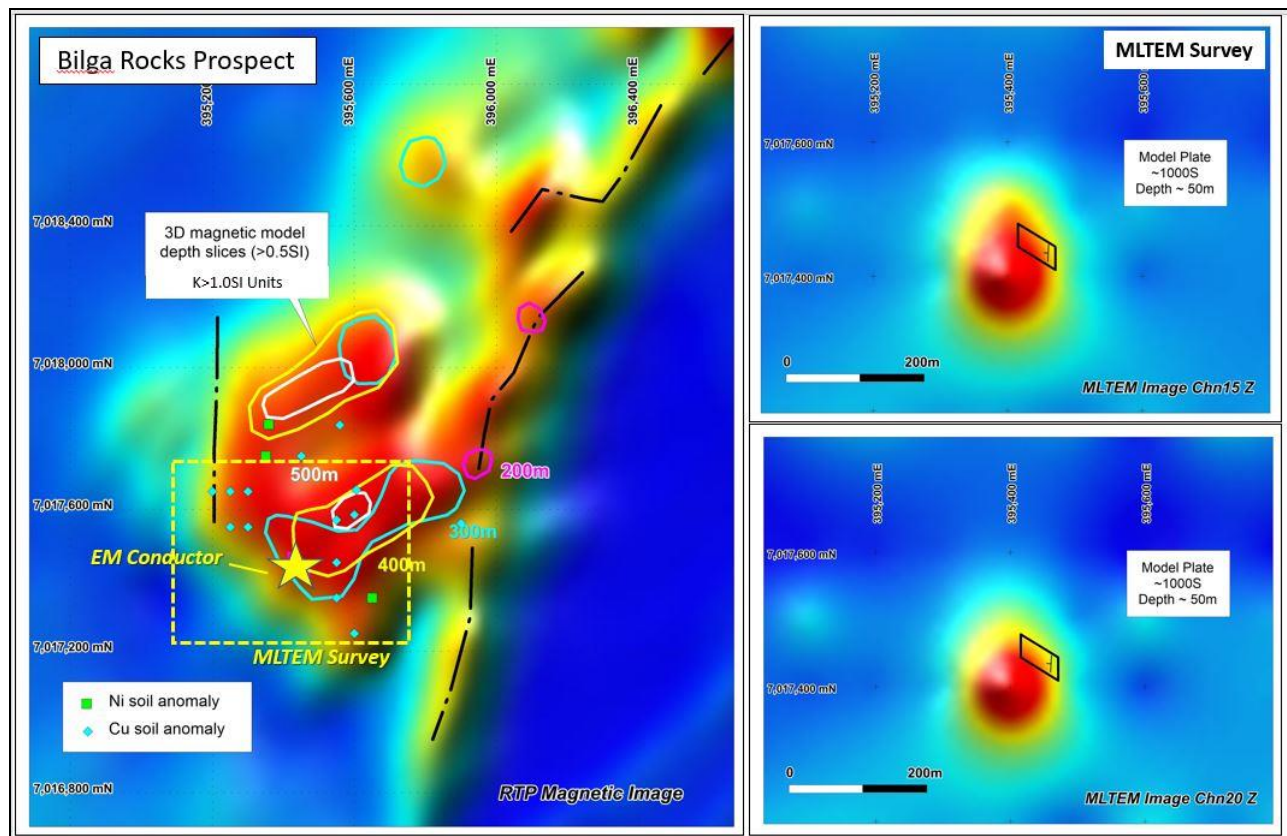


Figure 7: Bilga Rocks prospect showing magnetic data plus EM anomaly/model (RHS) location.

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

The Jubilee Lake Project is located ~500km east of Kalgoorlie in Western Australia, within the northern portion of the Eucla Basin. It consists of one granted Exploration Licence (EL) and five EL applications covering a total area of ~3,200km². The Project is situated within a large flood basalt terrane close to the south-eastern margin of the Yilgarn Craton and is centred over the Rodona Shear, which shows strong evidence as being the key feeder structure to the surrounding flood basalts. Mafic/ultramafic intrusions associated with feeder structures to flood basalt terranes are considered prime targets for Ni-Cu-PGE sulphide deposits, similar to those found at the giant Norilsk deposits in Russia, and more locally at Nebo-Babel (Oz Minerals) and possibly at Nova-Bollinger (IGO), both nearby deposits.

During the Quarter, MLTEM surveys commenced over possible chonolith-type intrusions that extend for ~27km along the Rodona Shear. Survey specifications include 300m x 300m transmitter loops, a line spacing of 600m and a station interval of 100m.

A total of ~60km of MLTEM is planned using a SMARTem receiver and a Jessy Deep Squid sensor with measurements taken in slingram mode to provide first-pass EM coverage across the target intrusions. Surveying is expected to take ~6 weeks to complete (Figure 8).

The Rodona Shear and the interpreted intrusions are clearly evident in the regional aeromagnetic and gravity data with the flood basalts extending over thousands of square kilometres providing an indication of the scale of the magmatic event. Any conductors identified by the EM survey would fast-track the project to the drilling stage.

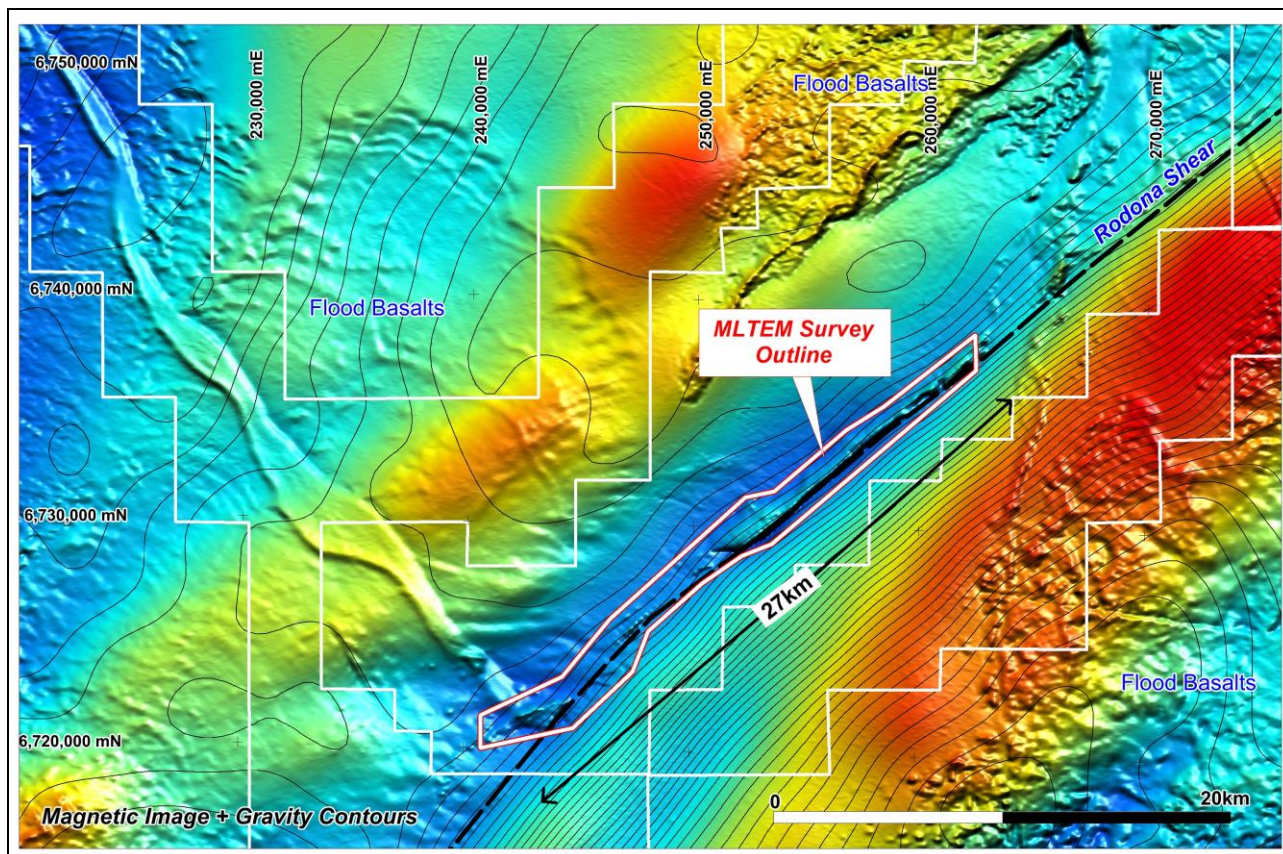


Figure 8: Jubilee Lake magnetics and gravity showing outline of MLTEM survey.

Moora Nickel-Copper Project (100% AQD)

The Moora Project is located ~150km north of Perth, Western Australia, within the Jimpending Metamorphic Belt, which forms the south-western margin to the Yilgarn Craton. It consists of five Exploration Licences and covers an area of ~570km². The area recently became the focus of industry attention following the discovery by Chalice Mining of the Julimar nickel-copper-PGE deposit north of Perth, which highlighted the untested nickel-copper-PGE potential of the margin of the Western Yilgarn Craton.

Ground EM surveys completed during the Quarter to confirm possible shallow EM anomalies identified by the earlier HEM survey, found they were likely caused by mobile cultural features at the time of survey (harvesters/trucks?), not in-ground sources.

Further exploration is being planned over the potential mafic/ultramafic intrusions outlined by gravity and magnetic data, but more detailed field programs require Access and Compensation Agreements to be finalised before this work can commence. High surface conductivities over significant portions of the

target intrusions have negated the use of airborne EM techniques over critical areas, meaning that detailed ground surveys and/or shallow drilling will be required to test these prospects. A draft agreement has been prepared for discussion with selected landowners.

Mt Davis Lead-Zinc-Copper Project (100% AQD)

The Mt Davis Project is located ~180km NNE of Wiluna, Western Australia, along the northern margin of the Earaheedy Basin. It consists of two Exploration Licences and covers an area of ~750km². The project was acquired following the discovery of extensive zinc and copper mineralisation by Rumble Resources at its Chinook Prospect, located on the southern side of the Basin, which showed mineralisation was stratigraphically controlled and located below the Frere Iron Formation. The Mt Davis tenements are believed to contain similar stratigraphy based on regional aeromagnetic data, but occur in an area of greater structural complexity which has recently been reported as an important ingredient in the localisation of base metals at Chinook.

During the Quarter, interpretation of the recently acquired detailed aeromagnetic/radiometric data was used to outline priority target areas for initial ground follow-up. Six areas of immediate interest were defined where both favourable stratigraphy (below the Frere Iron Formation) and large-scale structures are interpreted from the magnetics (Figure 9).

Shallow northerly dipping and gently folded Frere Iron Formation is interpreted throughout

the project area, with large scale NE and NW trending faults disrupting the stratigraphy over a strike length of ~40km.

These structures are considered to be potential feeder faults for base metal (Pb-Zn, Cu) mineralisation similar to that being defined by Rumble Resources on the southern side of the Earraheedy Basin and are considered to reflect priority targets where they intersect the iron formation.

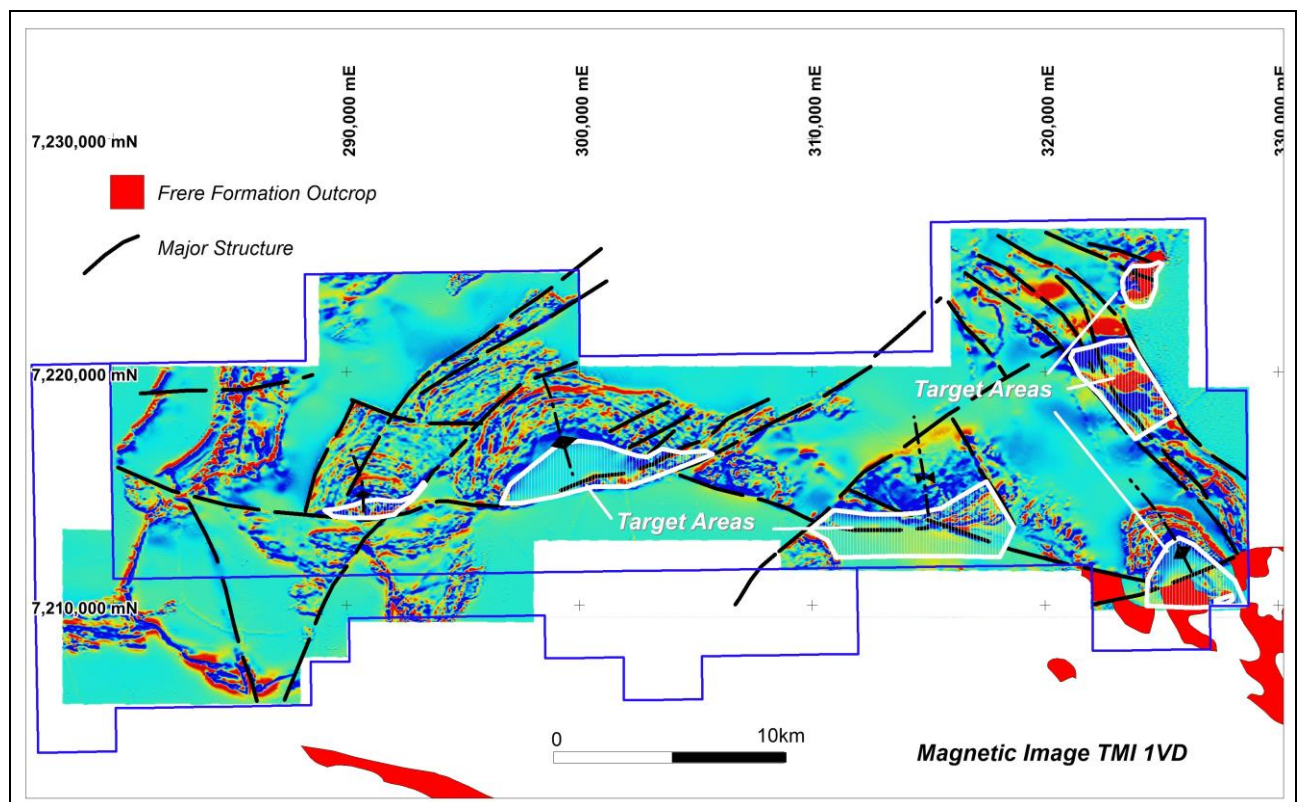


Figure 9: Mt Davis detailed aeromagnetic image showing location of priority target areas.

Recent reports by Rumble Resources on drill results from their Chinook and Tonka prospects, highlight both stratigraphic and structural controls on the extensive mineralisation that is being outlined, with higher grade lead and zinc and some copper reportedly associated with feeder structures.

Initial field reconnaissance within the eastern half of the project area is planned for Q3 2022.

Paterson Gold-Copper Projects (100% AQD)

The Paterson Gold-Copper Projects are located ~250km east of Newman within the

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

The MLTEM survey over the Gunanya magnetic target is still to be scheduled with geophysical survey crews and access to monitors at a premium. A review of the Paterson prospects will be completed before

the end of the year as part of an ongoing process of prioritising projects.

New Opportunities (Australia)

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

The Company's Exploration Licence application near Coober Pedy in South Australia was granted in early July. A final agreement on Native Title issues is expected to be completed over the coming months to allow exploration to commence.

PERU COPPER-GOLD PROJECTS

AusQuest has assembled a strong portfolio of copper-gold prospects along the southern coastal belt of Peru in South America, with numerous targets identified for drilling as possible porphyry copper and/or replacement style (manto) IOCG targets with the size potential being of significance to AusQuest (Figure 10). Peru is one of the world's most prominent destinations for international copper exploration and is considered a prime location for world-class exploration opportunities.

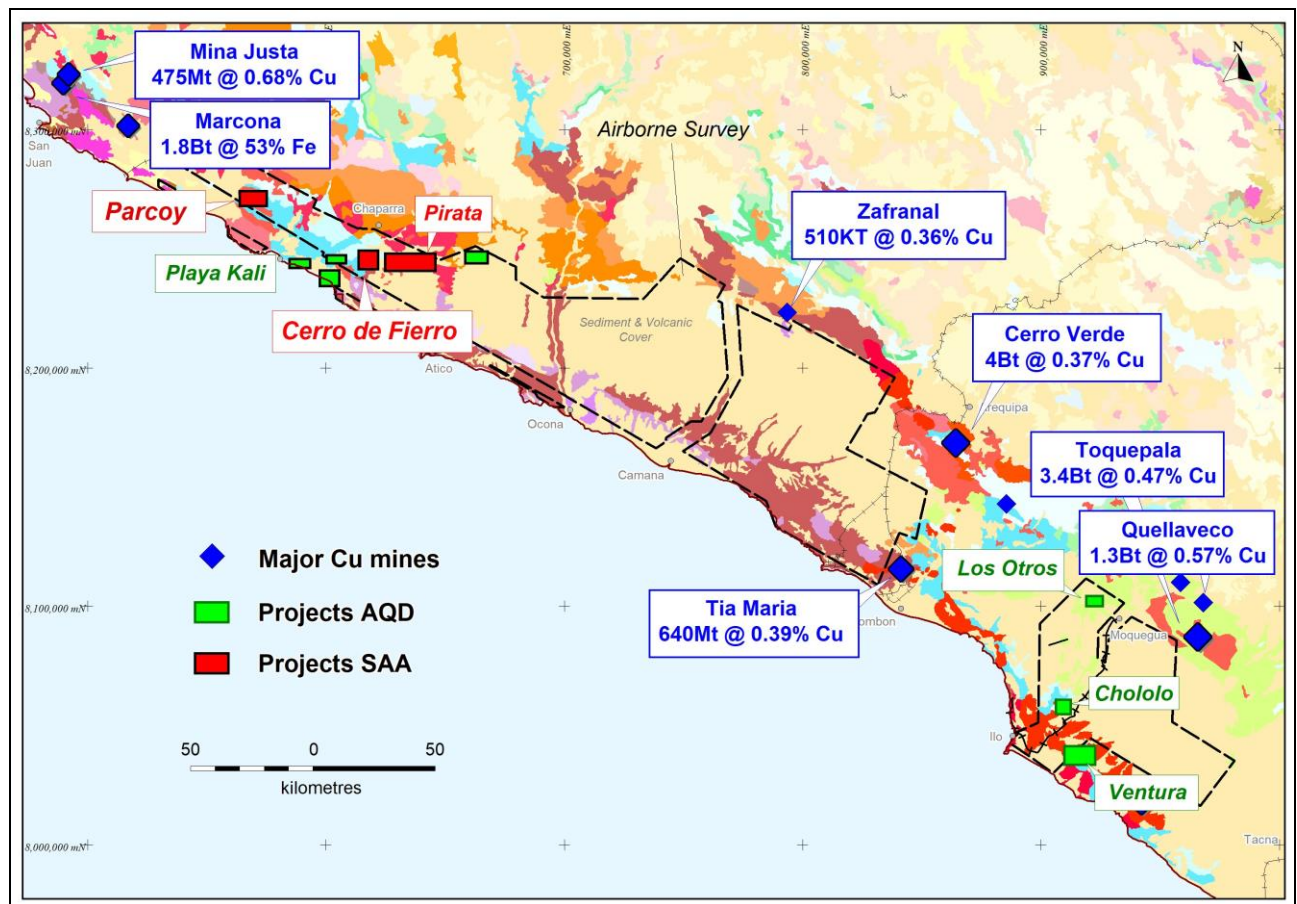


Figure 10: Project Locations – Southern Peru

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

The Cerro de Fierro Project is located at the southern end of a recognised IOCG metallogenic belt in southern Peru. It lies within ~150km of the Mina Justa deposit (~475Mt @ 0.68% Cu), which is being developed by the Marcobre Joint Venture. It is subject to an agreement with South32, which can earn a 70% interest in the project by spending a total of US\$4 million.

Final documentation of environmental and community studies for the upcoming drilling program at the Pirata prospects was submitted to the Government for approval during the Quarter.

We have now been advised that final approvals to allow drilling operations to commence should be received in the August/September period.

The planned drilling program (~6,700m of RC drilling) will test four porphyry copper and/or manto copper targets located to the east of Cerro de Fierro, within a major east-west structural corridor, close to and parallel

with the Coastal Batholith contact (Figure 11). This is considered to be a priority target zone within the Coastal Belt of Peru and Chile.

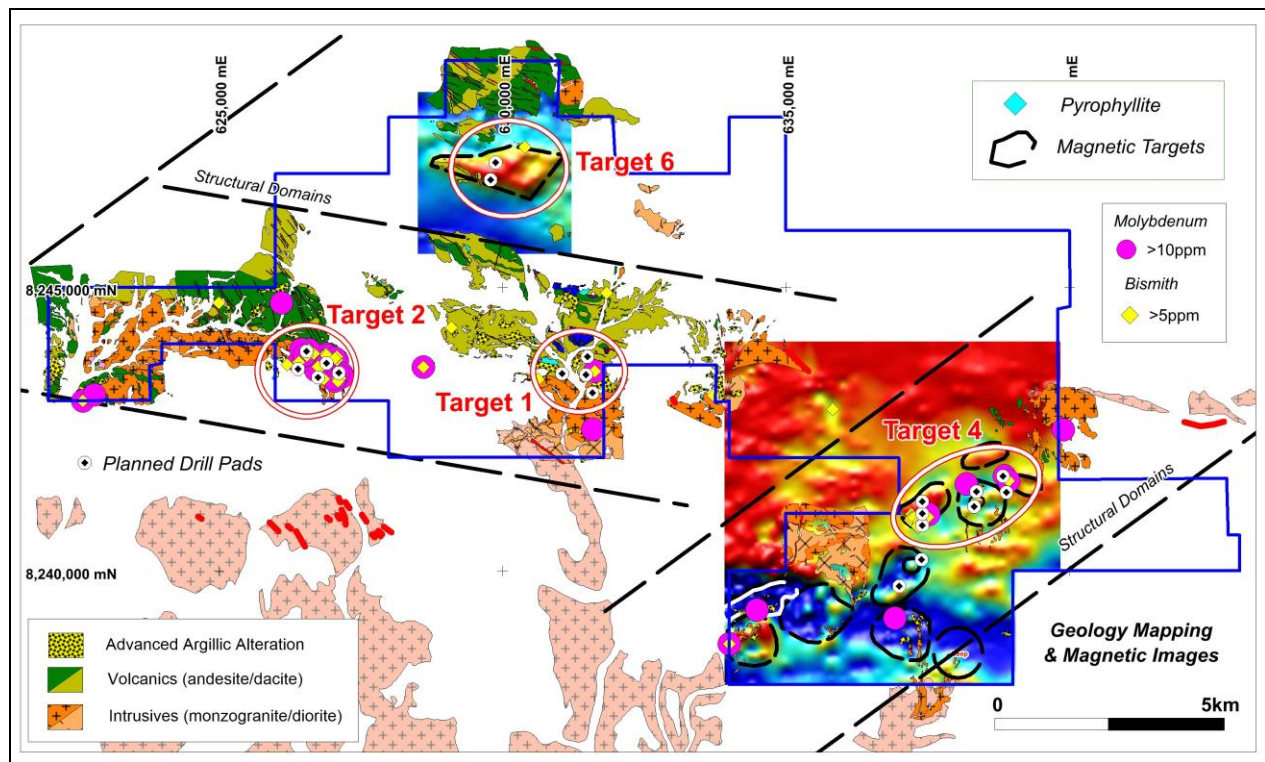


Figure 11: Cerro de Fierro East (Pirata) showing geology, geochem anomalies and planned drilling

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

The Parcoy Project is located near the southern end of a recognised IOCG metallogenic belt in southern Peru. It lies within ~100km of the Mina Justa deposit (~475Mt @ 0.68% Cu), and ~50km north-west of the Company's Cerro de Fierro Project. Geological mapping and rock-chip sampling has identified significant concentrations of copper (+/- gold) at surface, reflecting potential manto-style mineralisation within the volcanic stratigraphy. The project is subject to an agreement with South32, which can earn a 70% interest in the project by spending a total of US\$4.5 million.

During the Quarter, access preparations for drilling were completed following receipt of the required permits from the Peruvian Government. Drilling subsequently commenced in mid-July (ASX release 19 July) and is expected to take approximately 3-4 weeks to complete with samples being sent

to the ALS laboratory in Lima for analysis. Final assay results should be available 4-6 weeks after the completion of drilling.

Drilling in 2021 provided 'proof-of-concept' for manto-style copper mineralisation at Parcoy but did not test the strongest copper anomalies due to poor access into the centre of the target area which has now been rectified.

Drilling in 2022 is designed to test beneath the stronger surface copper anomalism that stretches over a strike length of ~3km within potassically altered andesitic volcanics suggesting that copper mineralisation could be widespread at Parcoy (Figure 12).

The Parcoy Project is located near the southern end of a recognised Iron-Oxide Copper-Gold (IOCG) metallogenic belt in Southern Peru and is located ~100km south of the Mina Justa deposit (~475Mt @ 0.68% Cu), which is being developed by Marcobre SAC.

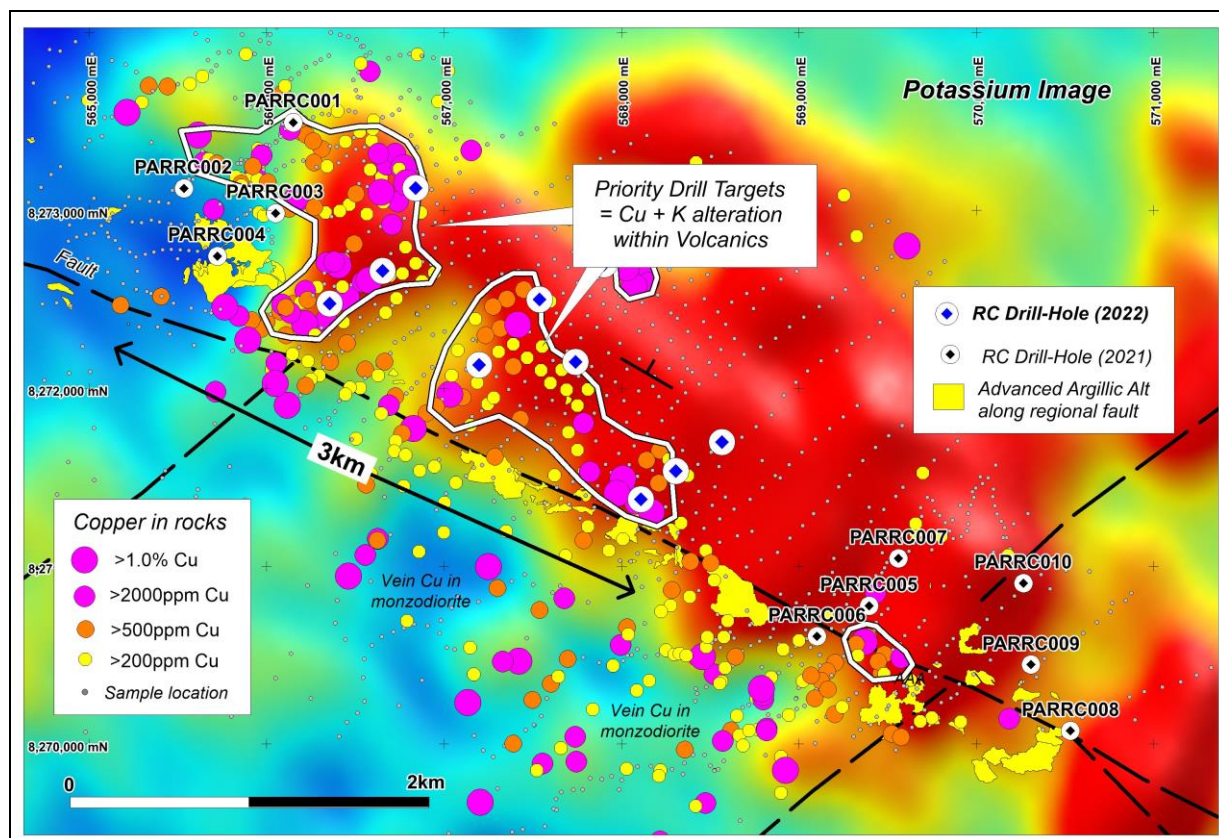


Figure 12: Parcoy Project showing copper anomalies and drill-hole locations.

Los Otros Porphyry Copper Project (100% AQD)

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 Cuacone mine (~1.6Bt @ 0.6% Cu), and 40km from the Quellaveco deposit (~1.3Bt @ 0.57% Cu) currently being developed by Anglo American.

During the Quarter, the Company was advised by South32 that it would not be pursuing the Los Otros opportunity any further due to higher priority projects both within and outside the AusQuest portfolio.

The tenement holding at Los Otros was subsequently rationalised with the two most prospective mineral claims (where the drilling occurred) retained by the Company.

The initial four widely spaced RC drill-holes identified extensive advanced argillic alteration within the area but no obvious target(s) to test beneath the sediment cover where the potential porphyry is thought to occur.

Further exploration work at Los Otros is being considered in light of the project's location – close to the Palaeocene Porphyry Copper Belt of southern Peru – and the presence of other major company titles in the vicinity.

Targeting for a buried porphyry using surface exploration techniques is being considered.

New Opportunities (Peru)

Assessment of new opportunities continued with the aim of having one or all of them included under the SAA in due course. Tenements at Puite and Azucar West were not renewed for the next financial year following a review and prioritisation of the company's projects in southern Peru.

A ground magnetic survey over the Company's Playa Kali prospect identified potential targets in areas of anomalous surface geochemistry, that are similar in nature to targets being drill-tested at the nearby Parcoy and Cerro de Fierro Projects. Playa Kali is located on the coast approximately 20km west

of the Cerro de Fierro Project and ~30km south-east of Parcoy.

Surface mapping/sampling and ground magnetic surveys are being conducted over other mineral claims within the general Cerro de Fierro to Parcoy area, where the Company retains a strong land position, in order to advance them as potential opportunities for the SAA.

CORPORATE

In the June Quarter, the Company invested \$2.9 million in exploration and had approximately \$4.0 million in cash remaining at the end of June. Further funding from South32 to cover agreed work programs (including drilling) over the Strategic Alliance Projects is expected in Q3 2022.

The Company's Cashflow Report (Appendix 5B) for the quarter ended 30 June 2022 is appended to this report. Payments to related parties as shown in Section 6 of this report include director salary and superannuation payments of \$54,750, and payments of \$12,000 for corporate consulting fees to a director.

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

The Company advises there has been no progress in its appeal to the Administrative Judiciary against payments requested by the Ministry of Housing (SBN). The Company

will keep shareholders advised of any significant developments.

KEY ACTIVITIES – SEPTEMBER 2022 QUARTER

- Hamilton (Cu-Au) – Review latest drilling and DHEM results and plan future drilling
- Balladonia (Cu-Au-Ni) – Assess recent drill results and plan future program
- Morrissey (Ni-Cu) – Complete drilling (RC ~1000m) of EM /magnetic targets
- Jubilee Lake (Ni-Cu) – Complete MLTEM survey over potential Ni-Cu targets
- Mt Davis (Zn-Cu-Pb) – Initial field visit and recce sampling of selected target areas
- Peru (Cu-Au) – Complete RC drilling (~3500m) at Parcoy
- Peru (Cu-Au) – Commence access preparation for RC drilling (~6,700m) at Pirata subject to permitting
- Peru (Cu-Au) – Advance new prospects in the Playa Kali – Cerro de Fierro region

Authorised for release on behalf of the Company by:



Graeme Drew
Managing Director

COMPETENT PERSON'S STATEMENT

The details contained in this report that pertain to exploration results are based upon information compiled by Mr Graeme Drew, a full-time employee of AusQuest Limited. Mr Drew is a Fellow of the Australasian Institute of Mining and Metallurgy (AUSIMM) and has sufficient experience in the activity which he is undertaking to qualify as a Competent Person as defined in the December 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (JORC Code). Mr Drew consents to the inclusion in the report of the matters based upon his information in the form and context in which it appears.

FORWARD LOOKING STATEMENT

This report contains forward looking statements concerning the projects owned by AusQuest Limited. Statements concerning mining reserves and resources may also be deemed to be forward looking statements in that they involve estimates based on specific assumptions. Forward-looking statements are not statements of historical fact and actual events and results may differ materially from those described in the forward looking statements as a result of a variety of risks, uncertainties and other factors. Forward looking statements are based on management's beliefs, opinions and estimates as of the dates the forward looking statements are made and no obligation is assumed to update forward looking statements if these beliefs, opinions and estimates should change or to reflect other future developments.

AusQuest Limited: Tenement Schedule as at 30 June 2022

Tenement	Location	Interest Held: Start of Quarter	Interest Held: End of Quarter	Registered Holder
<u>Australia</u>				
E69/3246	WA, Balladonia	100%	100%	AusQuest Ltd.
E69/3558	WA, Balladonia	100%	100%	AusQuest Ltd.
E69/3671	WA, Balladonia	100%	100%	AusQuest Ltd.
E69/3825	WA, Balladonia	100%	100%	AusQuest Ltd.
E69/3932	WA, Balladonia	100%	100%	AusQuest Ltd.
E69/3859	WA, Jubilee Lake	100%	100%	AusQuest Ltd.
E69/3664	WA, Madley	100%	100%	AusQuest Ltd.
E69/3690	WA, Madley	100%	100%	AusQuest Ltd.
E45/5447	WA, Gunanya	100%	100%	AusQuest Ltd.
E70/5383	WA, Morrisey Well	100%	100%	AusQuest Ltd.
E09/2397	WA, Morrisey Well	100%	100%	AusQuest Ltd.
E59/2525	WA, Morrisey Well	100%	100%	AusQuest Ltd.
E59/2526	WA, Morrisey Well	100%	100%	AusQuest Ltd.
E70/5388	WA, Moora	100%	100%	AusQuest Ltd.
E70/5389	WA, Moora	100%	100%	AusQuest Ltd.
E70/5401	WA, Moora	100%	100%	AusQuest Ltd.
E70/5402	WA, Moora	100%	100%	AusQuest Ltd.
E70/5418	WA, Moora	100%	100%	AusQuest Ltd.
E69/3896	WA, Mount Davis	100%	100%	AusQuest Ltd.
E69/3898	WA, Mount Davis	100%	100%	AusQuest Ltd.
EPM 26681	QLD, Hamilton	100%	100%	AusQuest Ltd.
EPM 26682	QLD, Hamilton	100%	100%	AusQuest Ltd.
<u>Peru</u>				
Azucar West E	Moquegua	100%	Nil	Questdor SAC
Cangallo 2	Arequipa	100%	100%	Questdor SAC
Cangallo 3	Arequipa	100%	100%	Questdor SAC
Cerro De Fierro A	Arequipa	100%	100%	Questdor SAC
Cerro De Fierro B	Arequipa	100%	100%	Questdor SAC
Cerro De Fierro C	Arequipa	100%	100%	Questdor SAC
Cerro De Fierro D	Arequipa	100%	100%	Questdor SAC
Cerro De Fierro E	Arequipa	100%	100%	Questdor SAC
Cerro De Fierro F	Arequipa	100%	100%	Questdor SAC
Cerro De Fierro G	Arequipa	100%	100%	Questdor SAC
Cerro De Fierro H	Arequipa	100%	100%	Questdor SAC
Cerro De Fierro I	Arequipa	100%	100%	Questdor SAC
Cerro De Fierro J	Arequipa	100%	100%	Questdor SAC
Cerro De Fierro K	Arequipa	100%	100%	Questdor SAC
Cerro De Fierro L	Arequipa	100%	100%	Questdor SAC
Cerro De Fierro N	Arequipa	100%	100%	Questdor SAC
Cerro De Fierro O	Arequipa	100%	100%	Questdor SAC
Cerro De Fierro P	Arequipa	100%	100%	Questdor SAC
Chololo 1	Moquegua	100%	100%	Questdor SAC
Chololo 2	Moquegua	100%	100%	Questdor SAC
El Sello 01	Arequipa	100%	100%	Questdor SAC
El Sello 02	Arequipa	100%	100%	Questdor SAC
El Sello 04	Arequipa	100%	100%	Questdor SAC
El Toro 01	Arequipa	100%	100%	Questdor SAC
El Toro 02	Arequipa	100%	100%	Questdor SAC
El Toro 03	Arequipa	100%	100%	Questdor SAC
Los Otros 01	Moquegua	100%	Nil	Questdor SAC
Los Otros 02	Moquegua	100%	Nil	Questdor SAC
Los Otros 03	Moquegua	100%	Nil	Questdor SAC
Los Otros 04	Moquegua	100%	Nil	Questdor SAC
Los Otros 05	Moquegua	100%	Nil	Questdor SAC

AusQuest Limited Tenement Schedule as at 30 June 2022 - cont'd

Tenement	Location	Interest Held: Start of Quarter	Interest Held: End of Quarter	Registered Holder
<i>Peru Cont.</i>				
Los Otros 06	Moquegua	100%	Nil	Questdor SAC
Los Otros 07	Moquegua	100%	100%	Questdor SAC
Los Otros 08	Moquegua	100%	100%	Questdor SAC
Pampa De Las Pulgas AF	Moquegua	100%	Nil	Questdor SAC
Pampa De Las Pulgas J	Moquegua	100%	Nil	Questdor SAC
Pampa De Las Pulgas K	Moquegua	100%	Nil	Questdor SAC
Pampa De Las Pulgas O	Moquegua	100%	Nil	Questdor SAC
Pampa De Las Pulgas P	Moquegua	100%	Nil	Questdor SAC
Pampa De Las Pulgas X	Moquegua	100%	Nil	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	100%	100%	Questdor SAC
Parcoy 12	Arequipa	100%	100%	Questdor SAC
Playa Kali 01	Arequipa	100%	100%	Questdor SAC
Playa Kali 04	Arequipa	100%	100%	Questdor SAC
Playa Kali 06	Arequipa	100%	100%	Questdor SAC
Playa Kali 07	Arequipa	100%	100%	Questdor SAC
Playa Kali 08	Arequipa	100%	100%	Questdor SAC
Playa Kali 09	Arequipa	100%	100%	Questdor SAC
Ventura 1	Moquegua	100%	100%	Questdor SAC
Ventura 2	Moquegua	100%	100%	Questdor SAC
Ventura 3	Moquegua/Tacna	100%	100%	Questdor SAC
Ventura 4	Moquegua/Tacna	100%	100%	Questdor SAC
Ventura 5	Moquegua	100%	100%	Questdor SAC
Ventura 7	Moquegua	100%	100%	Questdor SAC
Ventura 8	Moquegua	100%	100%	Questdor SAC

Appendix 5B

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

Name of entity

AUSQUEST LIMITED

ABN

35 091 542 451

Quarter ended ("current quarter")

30 June 2022

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	266	648
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(55)	(210)
	(e) administration and corporate costs	(258)	(905)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	1
1.5	Interest and other costs of finance paid	(2)	(6)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	96	96
1.8	Other (R&D Refund)	958	958
1.9	Net cash from / (used in) operating activities	1,005	582
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(6)	(17)
	(d) exploration & evaluation	(2,903)	(6,703)
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 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	702	4,765
2.6	Net cash from / (used in) investing activities	(2,207)	(1,955)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	24
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other		
	- Lease liability payments	(24)	(115)
3.10	Net cash from / (used in) financing activities	(24)	(91)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	5,164	5,409
4.2	Net cash from / (used in) operating activities (item 1.9 above)	1,005	582
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(2,207)	(1,955)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(24)	(91)
4.5	Effect of movement in exchange rates on cash held	86	79
4.6	Cash and cash equivalents at end of period	4,024	4,024

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	4,024	5,164
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)	4,024	5,164

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	15
6.2	Aggregate amount of payments to related parties and their associates included in item 2	52

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

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

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

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	1,005
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(2,903)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(1,898)
8.4	Cash and cash equivalents at quarter end (item 4.6)	4,024
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	4,024
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	2.12
	<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	N/A	
8.8.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	N/A	

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

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

N/A

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

Compliance statement

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

Date: 29 July 2022

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

Notes

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