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June 2024 Quarterly Activities Report

HIGHLIGHTS

Australia – Copper, Zinc, Nickel, Gold

- ❑ Significant thicknesses of coarse-grained magnetite intersected in multiple drill-holes at the Waterfall Prospect (Morrissey Project).
- ❑ Assays indicate the potential to delineate a magnetite resource capable of producing a premium product (>70% Fe). Davis Tube Recovery (DTR) test work is now underway.
- ❑ At Balladonia, detailed gravity surveys commenced to identify drill targets along the prospective Tea Tree Trend (15km), where strong indications of Broken Hill style mineralisation have been identified by drilling.
- ❑ Electromagnetic (EM) surveys are planned at Balladonia to prioritise VTEM targets ahead of further drilling. Surveys to commence in August.
- ❑ Approvals to further drill test the Latham Prospect (Moora Project) were received, with drilling planned for Q4 2024.

Peru – Copper-Gold

- ❑ At the Cerro de Fierro IOCG prospect, drilling confirmed the continuity of copper (+/- gold) mineralisation across the prospect with evidence for possible better grades at depth. A full review is in progress.
- ❑ Recognition of outcropping manto copper mineralisation at the Playa Kali Project upgraded this area to drill status. Drill planning is underway.
- ❑ Discussions (including site visits) continued with potential joint venture partners over the Company's copper projects in Peru.

Corporate

- ❑ Quarter-end cash position of ~\$1.1 million, with additional funds of \$962,000 received in July for work programs at Balladonia, Morrissey and Moora under the Strategic Alliance Agreement (SAA) with a subsidiary of South32 Ltd (South32).

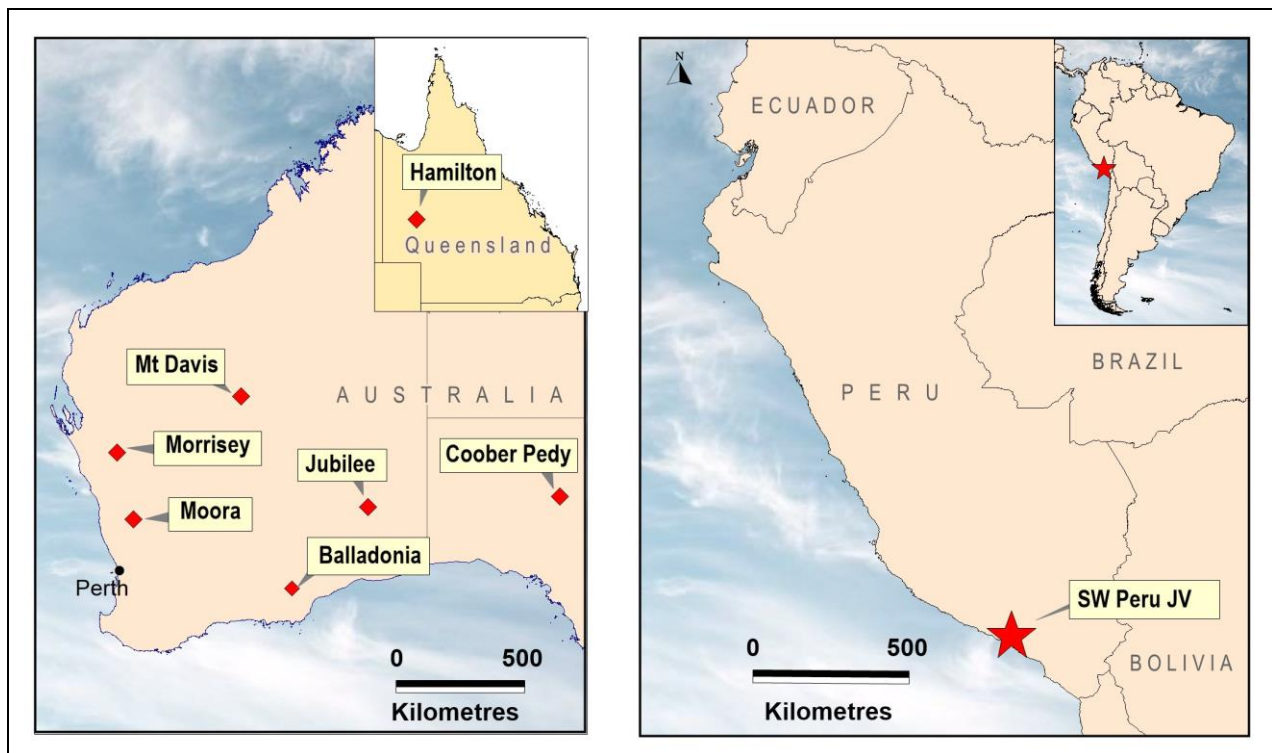


Figure 1: Project Locations – Australia and Peru.

OVERVIEW

During the June Quarter, drilling was completed at the Morrisey Magnetite Project in Western Australia and at the Cerro de Fierro Copper-Gold Project in Peru. Ground geophysical surveys were planned and contractors engaged to allow geophysical surveys to commence at several projects in Q3 2024.

In **Australia**, gravity and electromagnetic surveys are expected to commence at Balladonia in July and August to define targets for Broken Hill Type (BHT) mineralisation that could be drill tested later in the year under the SAA with South32. Geophysical surveys were also planned for the Mt Davis and Coober Pedy Projects as part of the initial assessment of their prospectivity.

In **Peru**, the focus was on permitting for drilling at three of the Company's Copper Projects – Cangallo (completed), Lantana (in progress) Playa Kali (initiated). Discussions continued with major companies who have expressed interest in one or more of the Company's copper projects, with further site visits being planned.

AUSTRALIA – BASE METAL PROJECTS (Copper, Zinc, Nickel & REE)

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

The Balladonia Project is located ~50km south of the Nova-Bollinger nickel-copper deposit. It consists of 10 Exploration Licences (six granted and four applications) covering an area of ~1,200km² and is located within a structurally complex region of the Fraser Range Terrane. Exploration at Balladonia has indicated the potential for multiple mineralisation styles with many potential targets identified. This includes the possibility for nickel and copper mineralisation similar to the Nova deposit as well as iron-oxide copper-gold (IOCG) and Broken Hill Type (BHT) deposits similar to those found in the Eastern Succession (NW Queensland) and in NSW. More recently, the potential for rare earth elements (REE) associated with carbonatite intrusions has also been recognised. Many of the tenements lie within the Dundas Reserve. Exploration work at Balladonia is funded under the SAA.

During the Quarter, plans for a detailed gravity survey (400m x 100m) to test along the Tea Tree Trend (~15km) were finalised. This area had been identified as being highly

prospective for BHT deposits by previous drilling. Drill-holes 23BDDD019 and 23BDDD021, located along the northern portion of the Tea Tree Trend, previously intersected alteration and host rocks similar to those found near the Cannington deposit in NW Queensland and at Broken Hill in NSW.

Gravity surveying (400m x 100m) is also planned to cover strong magnetic anomalies immediately west of Tea Tree which are thought to reflect the same magnetic stratigraphy (banded iron formations (BIF)) as occurs at Tea Tree (Figure 2).

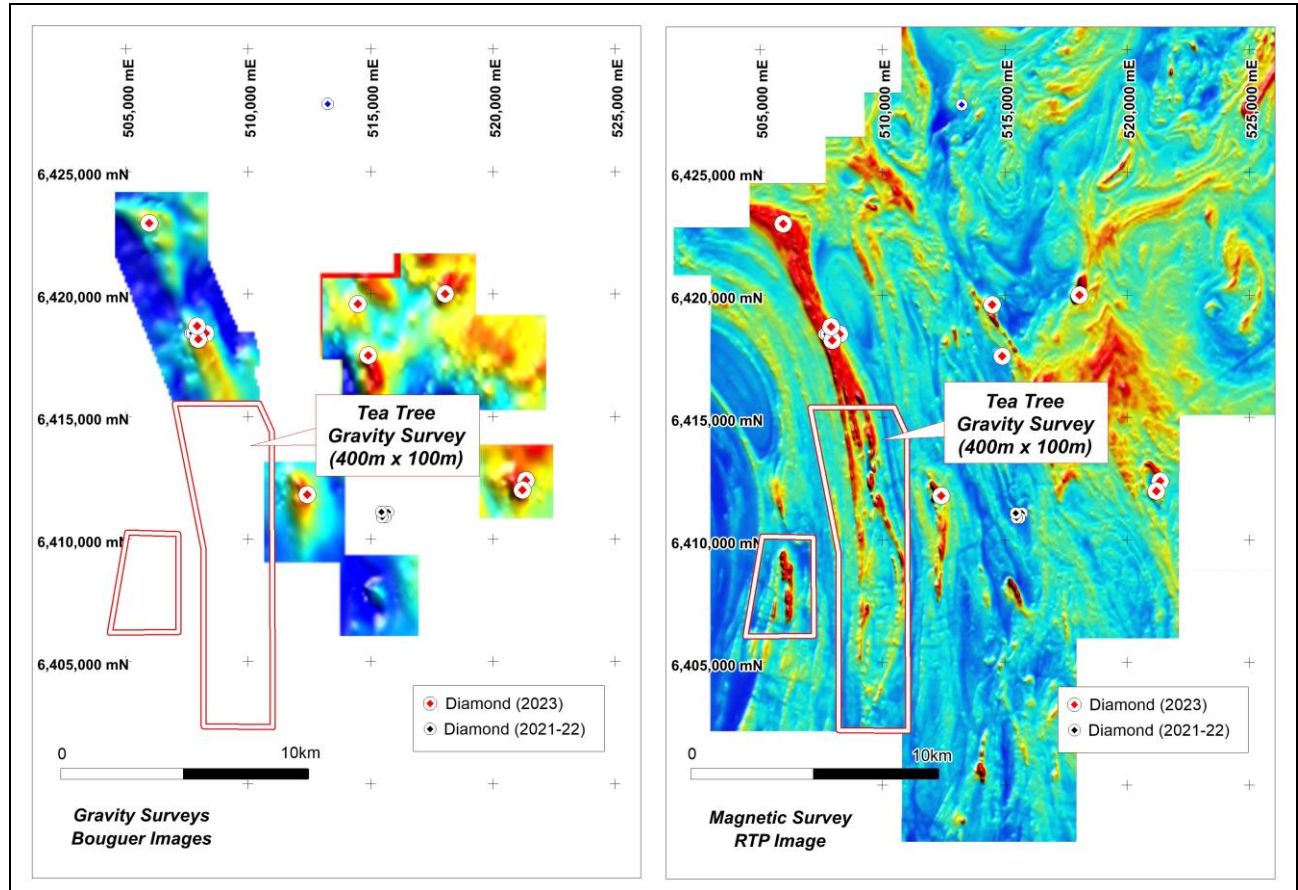


Figure 2: Magnetic and Gravity data over the Balladonia Project showing planned survey outline

Integration of gravity and magnetic data will be undertaken to outline priority target areas for further drilling. Surveys commenced in the second half of July and should be completed in early August.

Ground electromagnetic (EM) surveys were also planned to follow up bedrock conductors located by the VTEM survey completed in Q4 2023. At least eight anomalies will be surveyed. The conductors are discrete in nature and have strong late-time VTEM responses with anomalous time constant

values indicative of possible massive sulphide mineralisation (Figure 3).

Ground EM surveys are scheduled to commence in August and will take several weeks to complete. A reconnaissance field trip to each of the targets failed to find any surface expression to explain the cause of these anomalies.

The results of the ground EM surveys will be used to prioritise targets for future drilling.

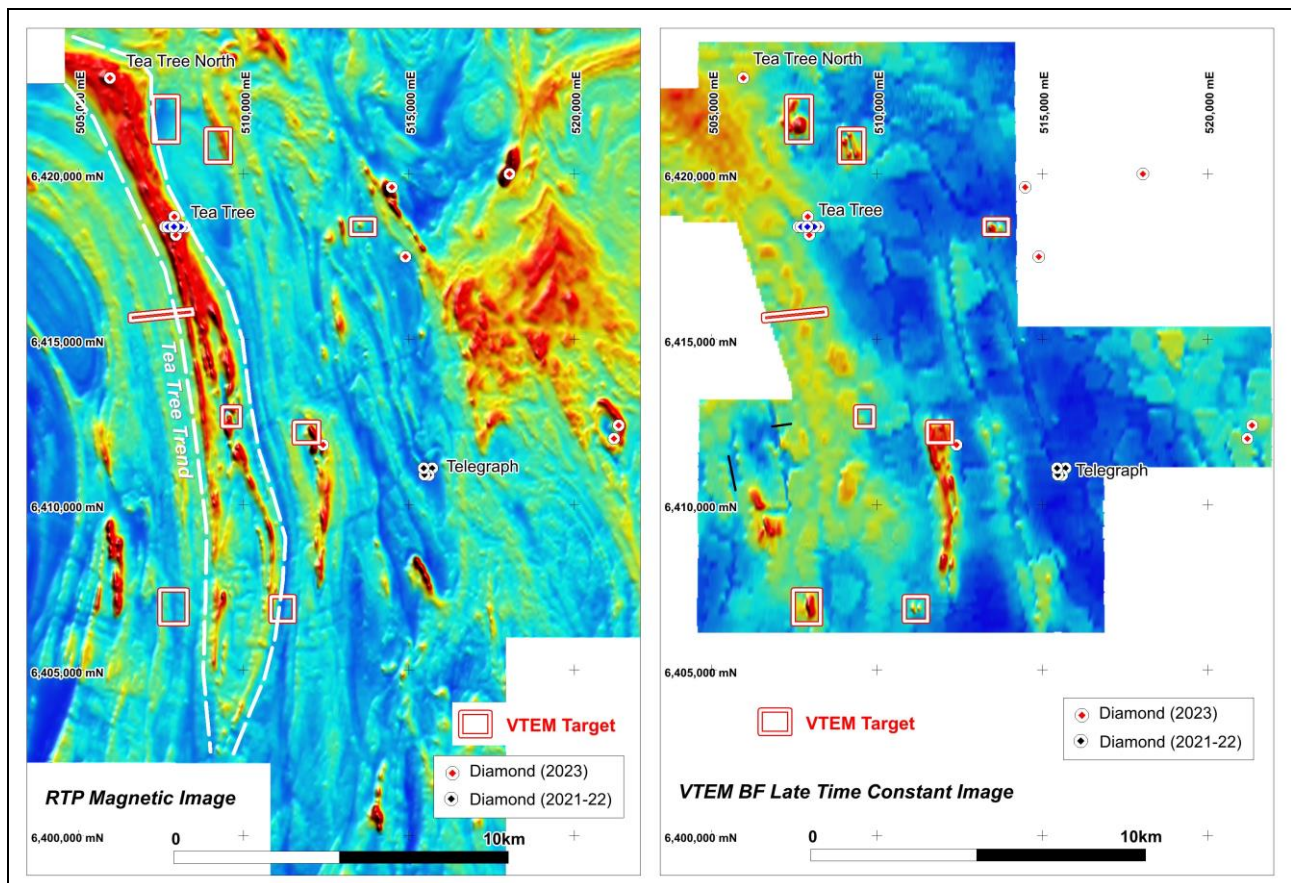


Figure 3: Magnetic and VTEM data over the Balladonia Project showing bedrock conductors planned for ground survey work.

Morrissey Magnetite, Nickel-Copper-PGE Project (100% AQD, subject to SAA)

The Morrissey Project is located ~500km north of Perth in Western Australia within the Narryer Terrane, which forms the north-western margin of the Yilgarn Craton. It consists of four granted Exploration Licences (EL's) covering an area of ~1,000km² parallel to the Yilgarn Craton boundary. The discovery of the Julimar nickel-copper-PGE deposit, north of Perth, highlighted the untested nickel-copper-PGE potential of this Western Yilgarn Craton margin. Exploration work at Morrissey is funded under the SAA. Reconnaissance drilling at Morrissey has intersected magnetite mineralisation with encouraging metallurgical properties.

During the Quarter, Reverse Circulation (RC) drilling was completed over the Waterfall (15 holes/3,060m), Bilga South (1 hole/228m) and Toola (2 holes/362m) prospects, confirming the presence of magnetite mineralisation at Waterfall and Bilga South.

At the Waterfall Prospect, high average iron grades (averaging 22-35% Fe) were recorded within banded iron formation (BIF) over thicknesses up to 116 metres. Low levels of aluminium (0.7-2.7% Al), sulphur (0-1.6% S), and phosphorous (0.03-0.06% P) suggest that the BIF is a relatively clean sediment with only small amounts of deleterious material (ASX release June 12th 2024).

Subsequent petrographic work on selected samples from 12 drill-holes across the Waterfall prospect indicated that the magnetite grains occur within layers with quartz and amphibole as the other main minerals.

Grain sizes vary up to a maximum of 2mm, with magnetite grains having sharp boundaries and internal fractures, which is considered favourable for the separation of magnetite from the other minerals using magnetic separation methods and a grind size of 75 micron (0.075mm) (ASX release 23rd July 2024).

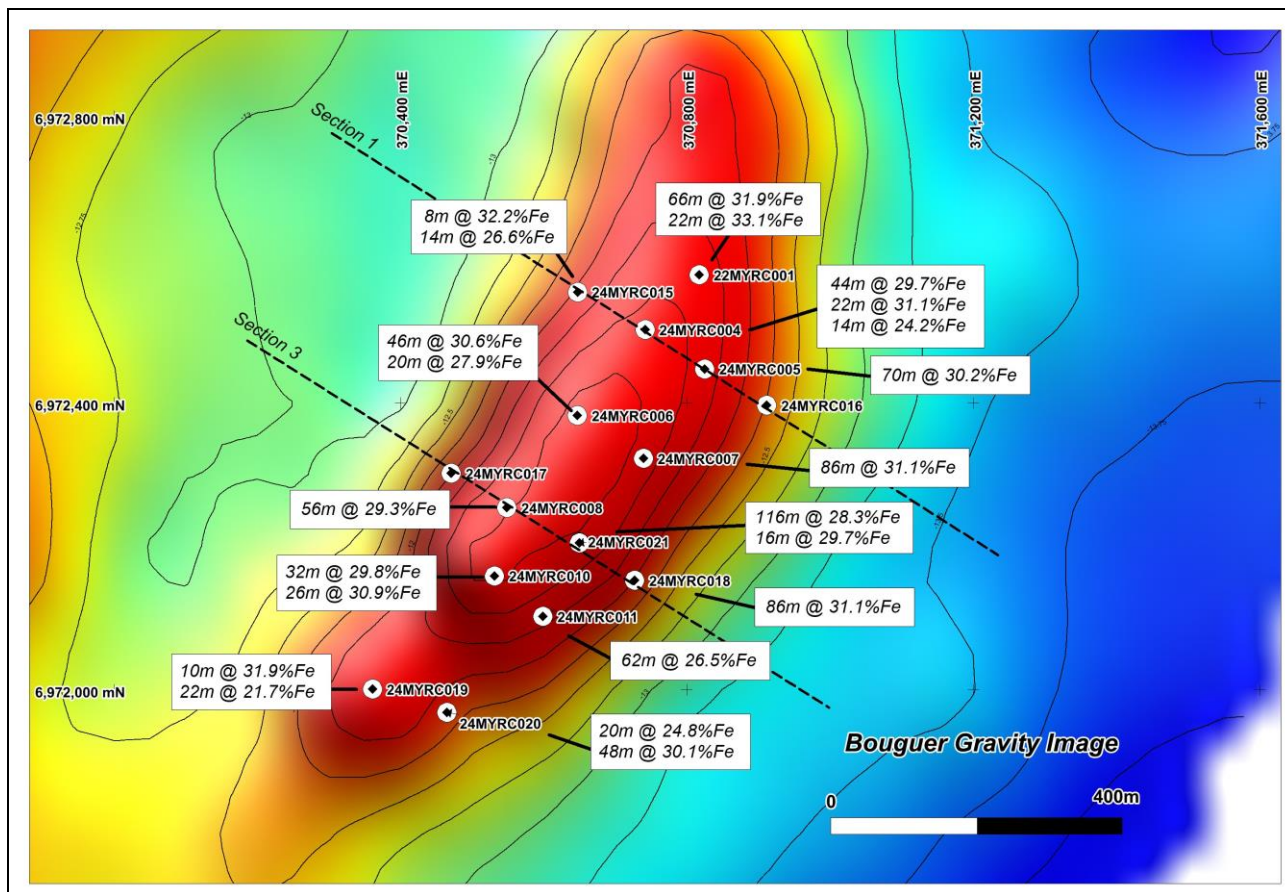


Figure 4: Waterfall Prospect: Gravity image showing the location of RC drill-holes and significant Fe assays. Sections 1 and 3 are presented below as Figures 5 and 6.

Davis Tube Recovery (DTR) test work has been initiated on 95 composite samples (6m-10m composites) from the RC drilling program in order to better understand the potential recoveries and product grades across the Waterfall Prospect that could be produced through beneficiation. The samples were selected on the basis of high Fe assay results (>20% Fe) and high magnetic susceptibility readings (>0.2 SI units).

Results from the DTR test work are expected around the middle of August and will determine the future direction of the project, including drilling priorities. DTR test results from the initial drill-hole (22MYRC001) at Waterfall showed that a premium iron product (>70% Fe) could be produced from the BIF in this area (see ASX release – 24 January 2023).

The BIF at Waterfall has been intersected over a strike length of ~750 metres, with the mineralisation still open in all directions (Figure 4). The mineralisation appears to have a relatively shallow easterly dip (~30 to 45°) and occurs below the depth of oxidation at shallow depths (<50 metres) on most sections drilled (Figures 5 and 6).

Initial RC drilling at the Bilga South and Toola Prospects intersected magnetite mineralisation but with a much finer grain-size, and within more mafic host rocks. Composite samples from the Bilga South drill-hole have been submitted for DTR test work before considering further drilling at this prospect. The results from the Toola Prospect are not considered to be favourable for beneficiation.

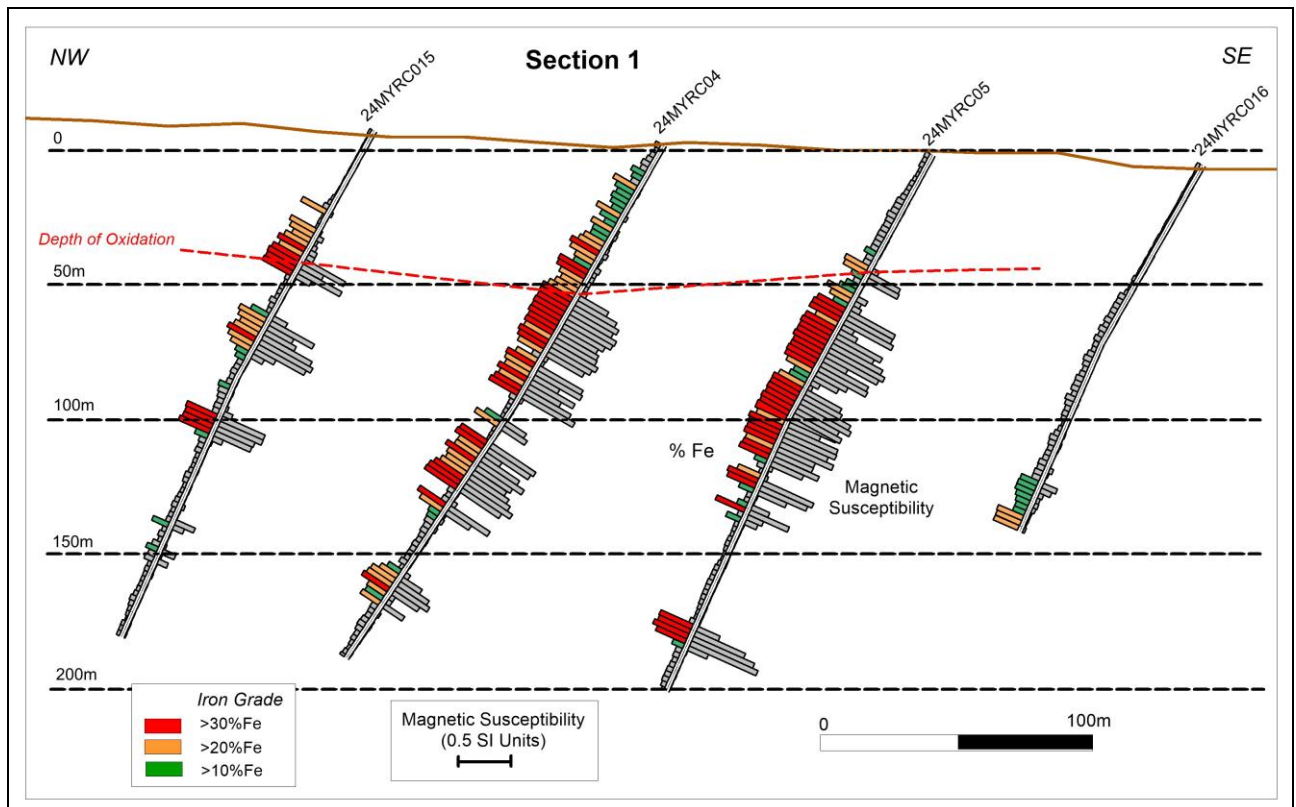


Figure 5: Waterfall Prospect: Section 1 showing down-hole magnetic susceptibility readings to the right and Fe grades on the left of the drill trace. Zones shown in red have Fe grades >30% Fe.

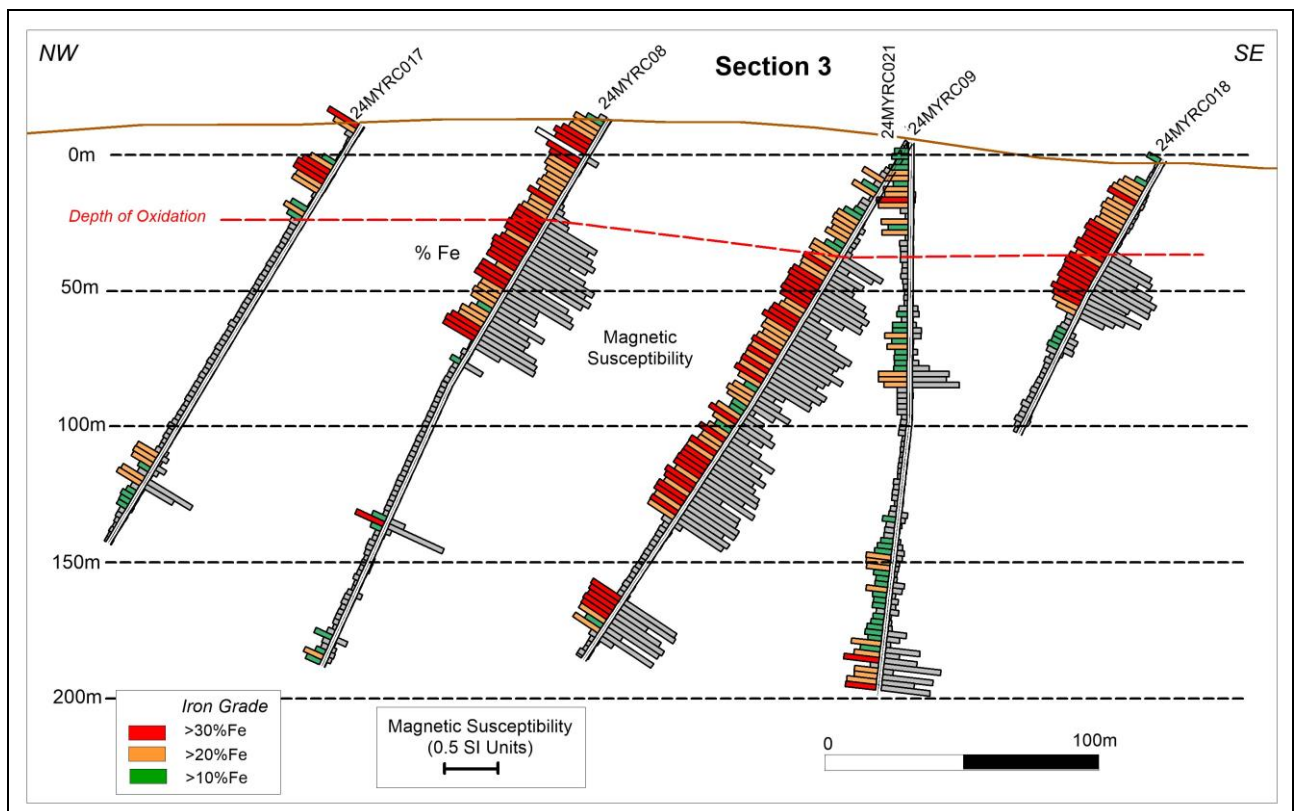


Figure 6: Waterfall Prospect: Section 3 showing down-hole magnetic susceptibility readings to the right and Fe grades on the left of the drill trace. Zones shown in red have Fe grades >30% Fe.

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 three granted Exploration Licences covering a total area of ~1,800km². 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 a 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). Exploration work at Jubilee is funded under the SAA.

No field work was undertaken during the Quarter, pending advice from Central Desert Native Title Services and the Traditional Owners regarding proposed heritage clearance surveys for drilling designed to test the Company's concept of a new nickel-copper province.

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

The Moora Project is located ~150km north of Perth, Western Australia, within the Jimperding Metamorphic Belt, which forms the south-western margin to the Yilgarn Craton. It consists of two Exploration Licences and covers an area of ~370km². The area became the focus of industry attention following the discovery of the Julimar nickel-copper-PGE deposit north of Perth, which highlighted the untested nickel-copper-PGE potential of the Western Yilgarn Craton margin. Exploration work at Moora is funded under the SAA.

An RC drilling program (two holes/~500m) has been planned to test for magnetic ultramafic rocks beneath the gabbro that was intersected by the initial drill program. Fertile ultramafic host rocks at the Julimar deposit, north of Perth, are known to be strongly magnetic, suggesting that similar magnetic

ultramafic rocks within the Latham Intrusion would be priority targets for nickel-copper-PGE mineralisation.

Communications with local landowners have been maintained to facilitate access to the planned drill sites later this year – in Q4 2024.

Hamilton Copper-Gold Project (100% AQD)

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 ~260km². Exploration is targeting iron oxide, copper, gold (IOCG) and Broken Hill Type (BHT) mineralisation beneath the extensive cover in the region. Limited drilling completed to date to test magnetic and gravity targets, provides evidence for “near-miss” situations which are the focus of the Company's exploration.

An application to renew the two Exploration Licences for a further two-year period was submitted to Government – with a response pending.

At least one target has been identified at the Hamilton South prospect, where strong potassic, calcic and iron alteration has defined a magnetic target that was not tested by the original drilling.

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 one Exploration Licence covering an area of ~380km². 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, where mineralisation is stratigraphically controlled and located below the Frere Iron Formation. The Mt Davis tenements are believed to contain similar stratigraphy but in an area of greater structural complexity which has been reported as an important factor in the localisation of higher grades at Chinook.

During the Quarter, a detailed VTEM Max survey over key target areas commenced to help identify potential base metal targets for future exploration, including drilling. The survey is part-funded (50%) under the WA Government's "Co-Funded Geophysics Program".

A total of ~ 900km of VTEM Max is planned (Figure 7), using 200m spaced north-south flight lines, with the EM sensor located below

the helicopter, at a height of ~35 metres above ground level. Final results from this survey should be available in August.

Detailed magnetics acquired by the Company over the Mt Davis Project provided strong evidence for the presence of either structurally disjointed Frere Iron Formation or extensive thick mafic intrusions, or both – which are being targeted for base metals by the VTEM survey.

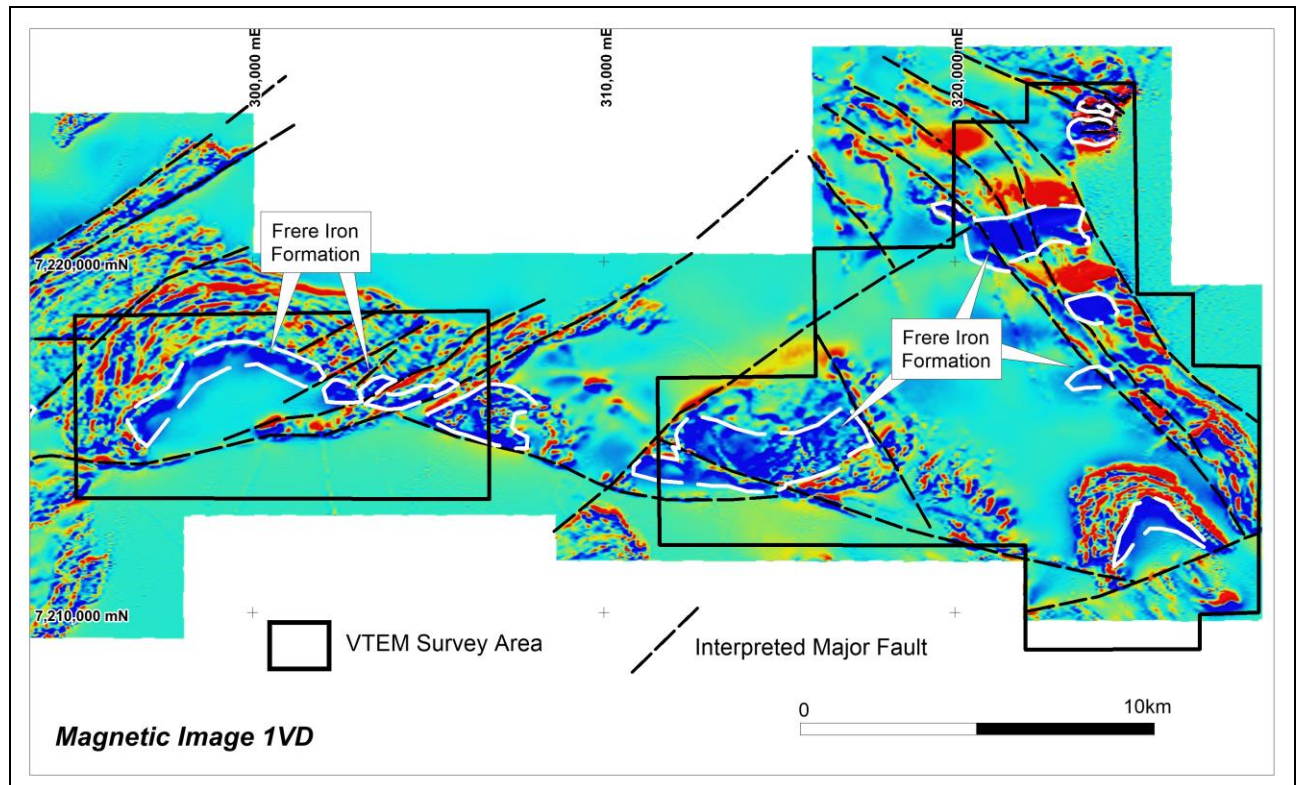


Figure 7: Mt Davis Project: Detailed aeromagnetic image showing location of interpreted Frere Iron Formation and/or mafic intrusions, structures and the VTEM Survey areas.

Coober Pedy Copper-Gold Project (100% AQD)

The Coober Pedy Project is located ~15km SW of the town of Coober Pedy, South Australia, on the north-eastern margin of the Gawler Craton, approximately 100km NW of the Prominent Hill Copper Gold deposit. The Project, which consists of one Exploration Licence covering an area of ~170km², was acquired to explore for IOCG deposits. Regional magnetic and gravity data, plus analytical results from historic drilling (five holes) highlighted at least one drill-hole that is considered to be proximal to IOCG-style mineralisation.

During the Quarter, Native Title clearance was obtained for an in-fill gravity survey over the area where historic drilling had identified potential for nearby copper-gold mineralisation similar to other deposits in the region.

A total of ~600 gravity stations are planned on a 400m x 100m grid, with the survey scheduled to be completed in late August. Gravity data will be integrated with available magnetic data to help identify potential targets for drilling.

New Opportunities (Australia):

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

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 8). Peru is one of the world's most

prominent destinations for copper exploration and is considered a prime location for world-class exploration opportunities.

During the Quarter, the search for new joint venture partners continued with companies reviewing the Cerro de Fierro, Pirata, Cangallo, Parcoy and Playa Kali Projects. Several site visits were also undertaken. Discussions with interested parties are ongoing. If no reasonable offers are received, the Company will consider drilling selected porphyry and manto copper targets as part of its ongoing exploration activities.

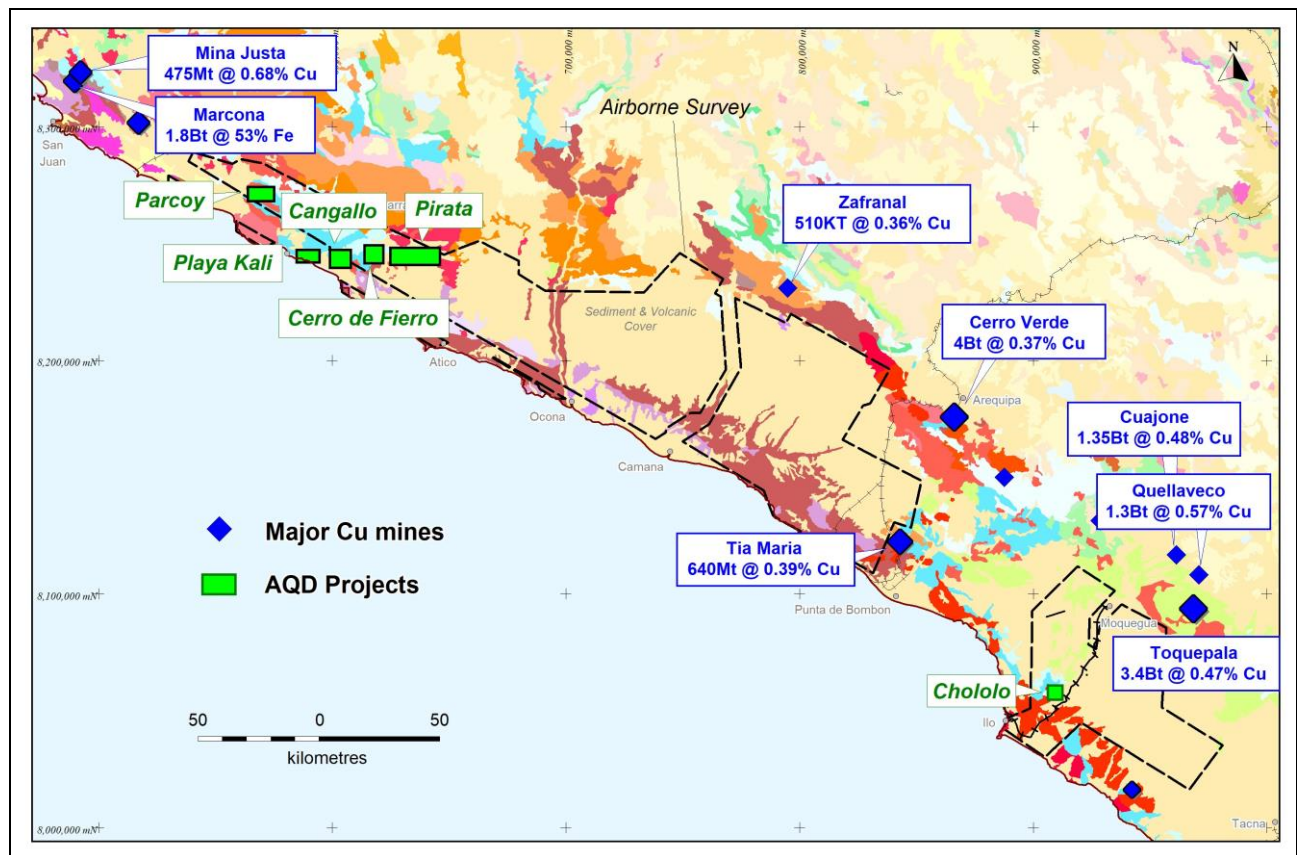


Figure 8: Project Locations – Southern Peru.

Cerro de Fierro Copper Project (100% AQD)

The Cerro de Fierro Project (CDF) 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. Surface indicators of porphyry copper mineralisation have been identified within the Pirata Project area approximately 5km due east of CDF, associated with a major E-W structure that is considered to be a priority

target zone for porphyry copper deposits within the coastal belt of southern Peru.

During the Quarter, an RC drilling program (comprising four holes for a total of 1,012m) was completed to test a recently identified copper-gold structural target that had not been previously drilled. Assay results from this program confirmed the continuity of copper mineralisation across the prospect, returning similar results to those reported from earlier drilling (Figure 9) – (ASX release 18th July 2024).

Several zones of copper (+/- gold and silver) mineralisation were intersected within the

andesitic volcanics in three of the four holes drilled (see Table 1).

Table 1: Significant intersections from the recent RC drilling program

Drillhole	From (m)	To (m)	Interval (m)	Cu %	Au g/t	Ag g/t
CDFRC018	266	276	10	0.32	0.08	1.7
CDFRC019	124	136	12	0.19	0.18	0.6
CDFRC019	216	248	32	0.15	0.08	0.4
CDFRC021	104	132	28	0.21	-	0.8

Drill-holes CDFRC018 and CDFRC019, which were terminated in andesite, showed increasing amounts of alteration and sulphides (chalcopyrite and bornite) below depths of ~200m, suggesting mineralisation may be improving with depth, close to the copper and

gold intersected in CDFDD003 (30m @ 0.43% Cu, 0.16g/t Au; 43m @ 0.43% Cu, 0.35g/t Au; 28m @ 0.42% Cu, 0.15g/t Au and 33m @ 0.24% Cu, 0.13g/t Au) during an earlier phase of drilling.

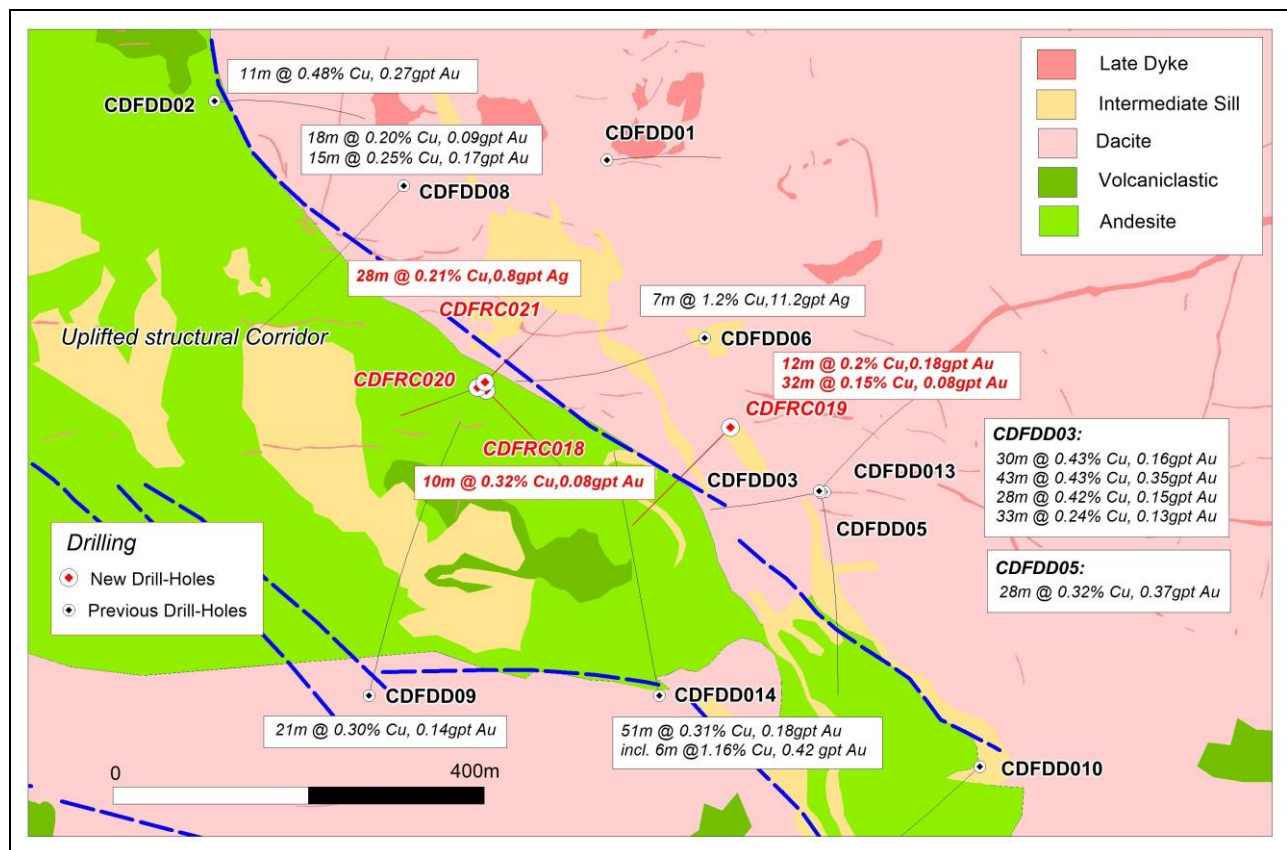


Figure 9: Cerro de Fierro Prospect showing historic diamond drilling results in black and intersections from the current RC drilling program in red.

A compilation of the data collected within the Cerro de Fierro IOCG prospect area has been initiated to better understand the controls on copper and gold mineralisation which are now known to occur over a large area, to help determine the future direction of this prospect.

Drill permitting at the nearby Lantana prospect re-commenced. This prospect is considered to be a high-priority porphyry copper target due to its scale (~2,000m x 800m) and the widespread occurrence of highly anomalous copper values obtained from rock-chip sampling programs (Quarterly Report, March 2023).

Cangallo Copper-Gold Project (100% AQD)

The Cangallo Project is located approximately 20km west of the Company's Cerro de Fierro Project in southern Peru, along the same E-W structures that appear to control the emplacement of potential porphyry copper systems in the area. The tenements, which cover an area of ~ 30km², are located at an elevation of 1,600 metres, ~10km from the coast, close to infrastructure. Geological mapping and rock-chip sampling has identified a partially exposed copper (+/- gold) porphyry system within a large-scale (5km x 2km) caldera-like structure containing extensive colluvial and younger sediment cover.

During the Quarter, detailed geological mapping identified several phases of intrusive diorites, the southern-most being mineralised with surface copper values ranging from 500ppm Cu up to 0.25% Cu over an area of ~400m x 400m.

Areas of relatively intense veining (quartz), which were found to occur within andesitic volcanics marginal to the intrusives, often contain higher copper values (up to 0.65% Cu), with several mineralised samples from narrow porphyritic dykes suggesting the possibility of a buried porphyry copper target(s) beneath the cover sequence surrounding the outcrops (Figure 10).

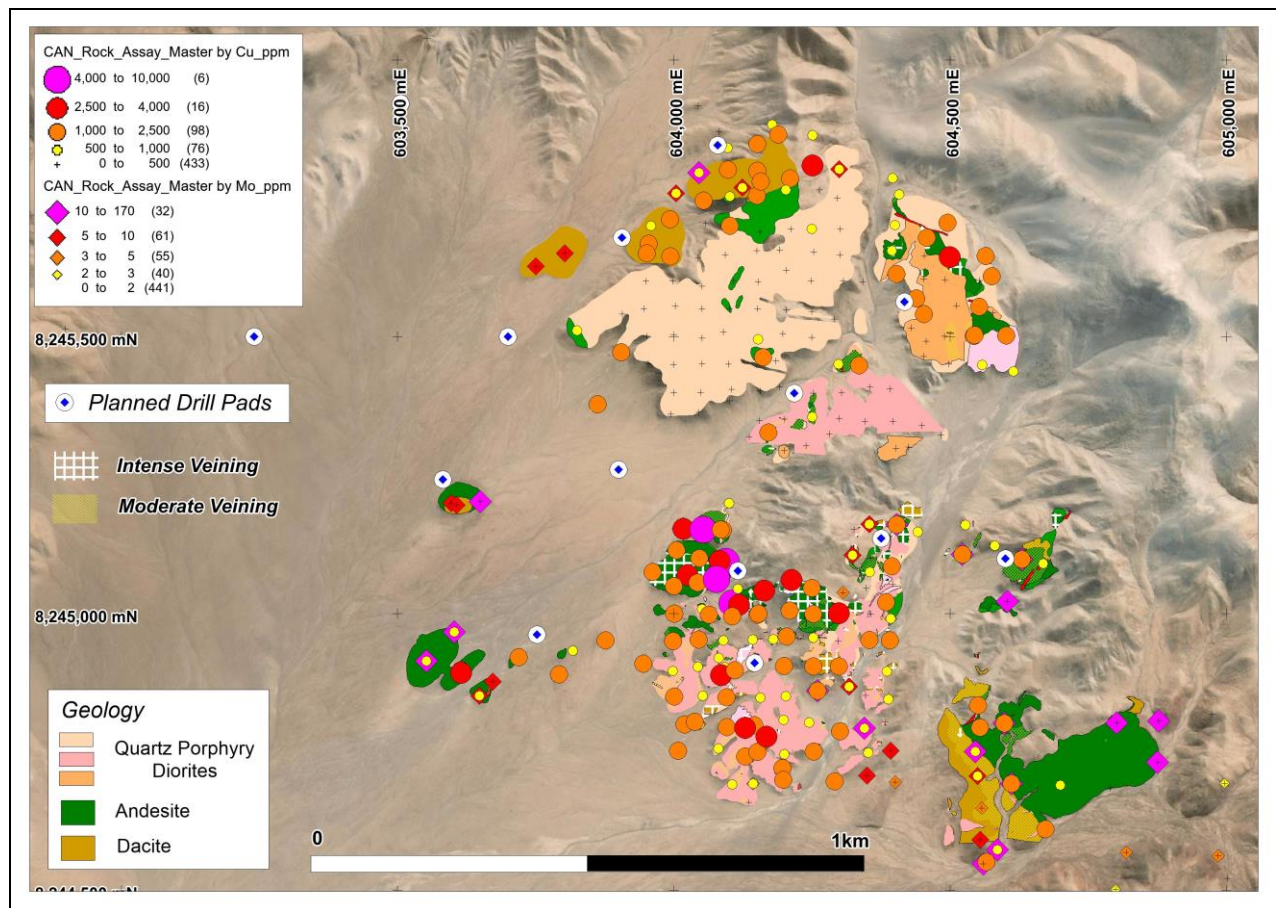


Figure 10: Cangallo Prospect showing geological mapping, surface copper values and permitted drill pads.

Drill permits are now in place to allow drill testing for copper mineralisation beneath the cover sequence and in areas of higher surface copper to commence.

Playa Kali IOCG Project (100% AQD)

The Playa Kali Project is located ~30km east of the town of Chala and ~120km east of the Mina Justa copper deposit (~475Mt @ 0.68% Cu). It consists of four mineral claims

covering an area of ~40km² and was acquired after manto-style mineralisation (including massive magnetite layers with patchy copper and gold values) was located within a sequence of sediments similar to those found in the vicinity of the Marcona and Mina Justa deposits to the north. Geological mapping, rock-chip sampling and ground magnetic surveys have been completed over the tenements, defining target areas for further exploration targeting manto-style copper-gold deposits.

During the Quarter, a reconnaissance site visit located manto (Fe-rich) outcrops closely associated with magnetic responses that were outlined by an earlier ground magnetic survey.

These mantos occur within sediments that underly andesite volcanics, which are thought to be the host sequence for the strong magnetic anomalies that occur several kilometres inland, beneath cover (Figure 11).

Rock-chip sampling within outcropping areas has highlighted anomalous copper values ranging from 250ppm Cu up to 1.0% Cu scattered throughout the area, some closely associated with the outcropping mantos. Anomalous gold values ranging from 25ppb Au up to 210ppm Au, were also found to be concentrated along the coastal areas where the manto outcrops are more prevalent (see Figure 12).

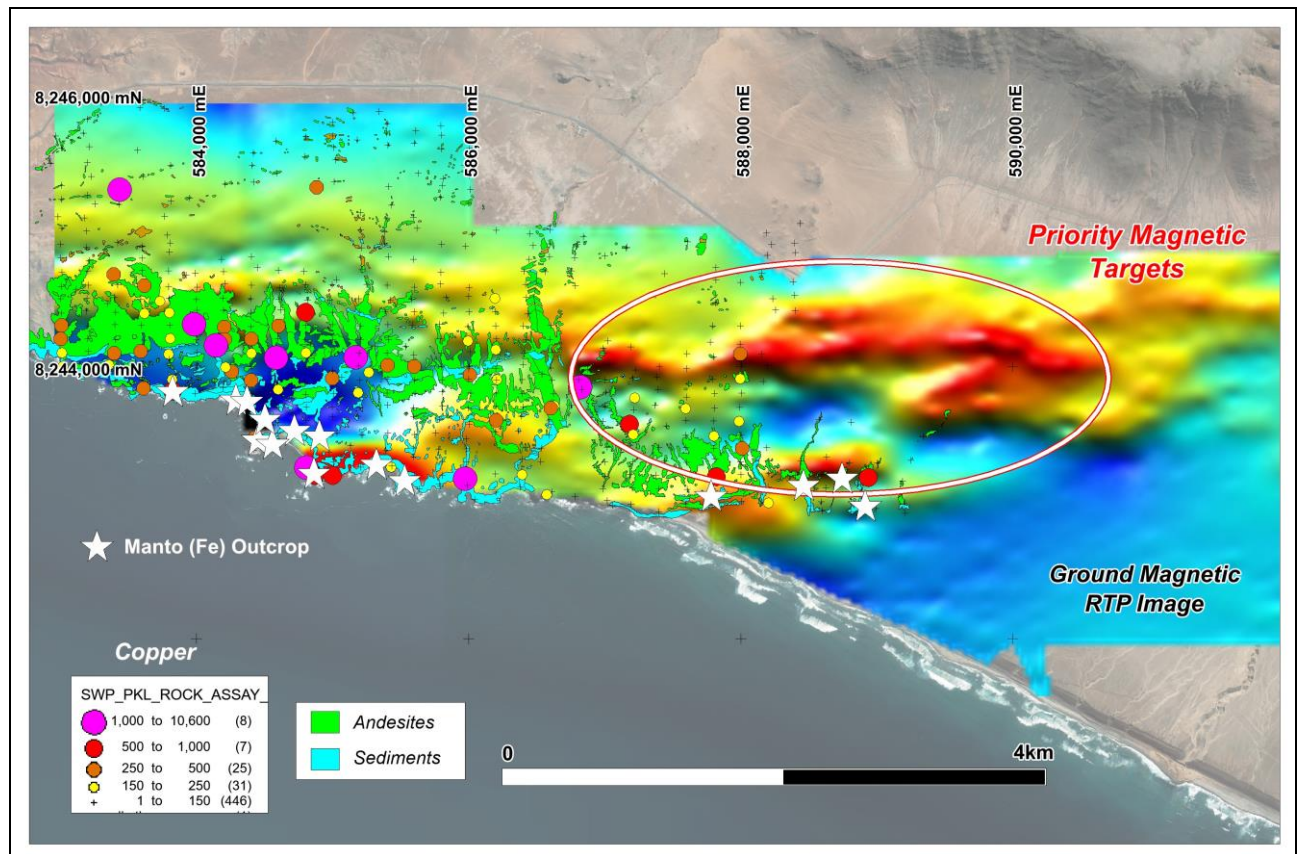


Figure 11: Playa Kali Prospect showing the relationship between manto (Fe rich) outcrops – stratigraphy (sediments in blue, volcanics in green), surface copper and magnetic anomalies.

The coincidence of manto (Fe) outcrop with magnetic responses near the coast suggests the large complex of magnetic anomalies several kilometres inland may reflect stronger manto development with the possibility of copper and/or gold mineralisation being present.

Analogies with the Marcona (Fe) and Mina Justa (Cu/Au) deposits, located ~120km to the north-west, suggest that mantos within volcanics (as at Mina Justa) are more likely to contain copper mineralisation than mantos within sediments (as at Marcona), suggesting the magnetic complex outlined should be

regarded as a high-priority target for ongoing exploration.

Modelling of the ground magnetic data has been initiated to help prioritise targets for further exploration, including drilling.

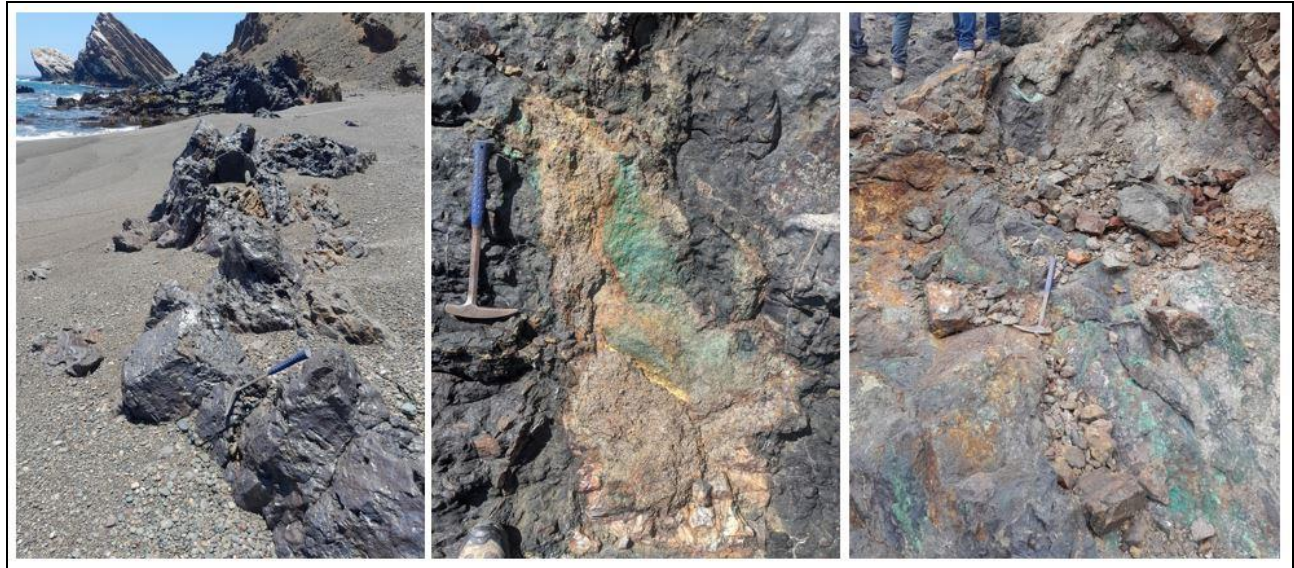


Figure 12: Playa Kali Photos showing manto (Fe rich) outcrops with copper mineralisation (green)

Parcoy IOCG Project (100% AQD)

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.

No field work was undertaken during the Quarter. The Company believes there are copper targets at Parcoy that were not tested by the initial wide-spaced drilling programs and is seeking a joint venture partner to progress this project.

New Opportunities (Peru)

The search for new copper opportunities has been put on hold while the Company seeks suitable partners for its current projects.

CORPORATE

At the end of the June, the Company had approximately \$1.1 million in cash after

investing \$1.556 million in exploration. In early July, the Company received additional funds of \$962,000 (excluding GST) from South32 to cover work programs agreed under the SAA. Further funding under the SAA is anticipated during H2 2024.

The Company's Cashflow Report (Appendix 5B) for the Quarter ended 30 June 2024 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 advises that its appeal to the Administrative Judiciary against payments requested by the Ministry of Housing (SBN) for temporary access to State-Owned land for drilling purposes, is still with the Supreme Court of Peru for leave to appeal on the question of interpretation of the relevant law. The Company continues to monitor the position and will keep shareholders advised of any significant developments.

KEY ACTIVITIES – SEPTEMBER 2024 QUARTER

- Balladonia (Cu-Au-Ni-REE) – Complete gravity and ground EM surveys to define targets for drilling under the SAA.
- Morrisey (Magnetite, Ni-Cu-PGE) – Complete assessment of DTR results at Waterfall, and Bilga South – commence approvals for further drilling.
- Moora (Ni-Cu-PGE) – Complete access preparations for RC drilling of targets in Q4 2024.
- Jubilee Lake (Ni-Cu-PGE) – Continue with heritage clearance protocols for drilling.
- Mt Davis (Cu-Pb-Zn) – Assess VTEM data and follow-up EM targets.
- Coober Pedy (Cu-Au) – Complete gravity survey to identify IOCG drill targets.
- Peru (Cu-Mo-Au) – Continue to advance joint venture possibilities over selected projects.
- Peru (Cu-Mo-Au) – Commence drill permitting for the Playa Kali and Lantana prospects and access planning for Cangallo drilling.

Authorised for release on behalf of the Company by:



Graeme Drew
Managing Director

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COMPETENT PERSON'S STATEMENT

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

FORWARD LOOKING STATEMENT

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

JORC Code, 2012 Edition – Table 1 AusQuest Rock-Chip Sampling at Playa Kali in Peru

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"> 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. 	<ul style="list-style-type: none"> 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 at intervals on an approx. 200m x 100m over areas of sub-crop with random intervals over small isolated areas. Approximately 1.5 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	<ul style="list-style-type: none"> 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). 	<ul style="list-style-type: none"> Not applicable – surface sampling only
Drill sample recovery	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Not applicable – surface sampling only
Logging	<ul style="list-style-type: none"> 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, 	<ul style="list-style-type: none"> Descriptions of the rocks were completed by a project geologist.

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> channel, etc) photography. The total length and percentage of the relevant intersections logged. 	
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> No sub-sampling of rock-chip samples was undertaken Approximately 1.5 kg of rock was collected from each sample site over a radius of ~1 metre to provide a representative sample of the outcrop. The rough grid-based sampling program provided an unbiased sample for lithological and alteration geochemistry.
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 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, Ce, Co, Cr, Cs, Cu, Fe, Ga, Ge, Hf, In, K, La, Li, Mg, Mn, Mo, Na, Nb, Ni, P, Pb, Rb, Re, S, Sb, Sc, Se, Sn, Sr, Ta, Te, Th, Ti, Tl, U, V, W, Y, Zn, Zr. Gold assays are 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-house laboratory QAQC data is reviewed for all assay jobs. Blanks and standards are included with all sample batches.
Verification of sampling and assaying	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Rock-chip sample 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.

Criteria	JORC Code explanation	Commentary
<i>Location of data points</i>	<ul style="list-style-type: none"> • 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. • Specification of the grid system used. • Quality and adequacy of topographic control. 	<ul style="list-style-type: none"> • Sample locations are recorded using GPS to within 5 metres accuracy. • The grid projection used is WGS84 Zone 18S • Topographic control is obtained from GPS readings or topographic maps and is considered adequate for current needs
<i>Data spacing and distribution</i>	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • Rock chip samples were collected on an approximate 200m x 100m grid depending on the extent & size of outcrop. • Approximately 1.5 kg of rock was collected from each sample site over a radius of ~1 metre.
<i>Orientation of data in relation to geological structure</i>	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • The rock-chip sampling is roughly on variable square grids over randomly outcropping areas. It is not considered to provide any sample bias across structures.
<i>Sample security</i>	<ul style="list-style-type: none"> • The measures taken to ensure sample security. 	<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"> • The results of any audits or reviews of sampling techniques and data. 	<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"> • 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. 	<ul style="list-style-type: none"> • The Playa Kali project is located approximately 10km east of the town of Chala in the southern Peru. • The Playa Kali project comprises 4 granted mineral concessions covering an area of 40km². The tenements are held by Questdor which is a 100% owned subsidiary of AusQuest Limited. • There are no major heritage issues to prevent access to the tenements during surface exploration

Criteria	JORC Code explanation	Commentary
		activities. Permits to drill are required including environmental, water and land access involving community consultations.
<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"> No public reporting of exploration data is required in Peru.
<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 Playa Kali Project is targeting manto-style IOCG deposits 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.
<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> <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> 	<ul style="list-style-type: none"> Not applicable – surface sampling only
<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"> Not applicable – surface sampling only.
<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</i> 	<ul style="list-style-type: none"> Not applicable – surface sampling only

Criteria	JORC Code explanation	Commentary
	<i>clear statement to this effect (eg 'down hole length, true width not known').</i>	
<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"> • Sample locations are included on the plan provided in ASX release.
<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"> • Assay ranges are shown on the plan provided in ASX release.
<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 area selected for sampling was defined by geological mapping including the presence outcropping mantos (Fe-rich) and/or skarns. Grid based sampling was used to provide unbiased sampling for lithological and alteration mapping.
<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"> • Further work in this area will be dependent on a full assessment of the available data.

AusQuest Limited: Tenement Schedule as at 30 June 2024

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.
E69/3559	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.
E69/4006	WA, Jubilee Lake	100%	100%	AusQuest Ltd.
E69/4007	WA, Jubilee Lake	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.
E69/3896	WA, Mount Davis	100%	100%	AusQuest Ltd.
EPM 26681	QLD, Hamilton	100%	100%	AusQuest Ltd.
EPM 26682	QLD, Hamilton	100%	100%	AusQuest Ltd.
EL 6798	SA, Coober Pedy	100%	100%	AusQuest Ltd.
<u>Peru</u>				
Cangallo 1	Arequipa	100%	100%	Questdor SAC
Cangallo 2	Arequipa	100%	100%	Questdor SAC
Cangallo 3	Arequipa	100%	100%	Questdor SAC
Cangallo 4	Arequipa	100%	100%	Questdor SAC
Cangallo 5	Arequipa	Nil	100%	Questdor SAC
Cangallo 6	Arequipa	100%	100%	Questdor SAC
Cangallo 9	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 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 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
Cerro De Fierro Q	Arequipa	100%	100%	Questdor SAC
Chololo 1	Moquegua	100%	100%	Questdor SAC
Chololo 2	Moquegua	100%	100%	Questdor SAC
El Sello 04	Arequipa	100%	100%	Questdor SAC

AusQuest Limited Tenement Schedule as at 30 June 2024- cont'd

Tenement	Location	Interest Held: Start of Quarter	Interest Held: End of Quarter	Registered Holder
<i>Peru Cont.</i>				
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
Playa Kali 01	Arequipa	100%	100%	Questdor SAC
Playa Kali 02	Arequipa	100%	100%	Questdor SAC
Playa Kali 03	Arequipa	100%	100%	Questdor SAC
Playa Kali 09	Arequipa	100%	100%	Questdor SAC
Ventura 1	Moquegua	100%	Nil	Questdor SAC
Ventura 5	Moquegua	100%	Nil	Questdor SAC
Ventura 8	Moquegua	100%	Nil	Questdor SAC
Ventura 11	Moquegua	100%	Nil	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 2024

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	103	194
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(46)	(186)
	(e) administration and corporate costs	(114)	(992)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	2	8
1.5	Interest and other costs of finance paid	(2)	(5)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	23	23
1.8	Other	-	-
1.9	Net cash from / (used in) operating activities	(34)	(958)
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	(6)
	(d) exploration & evaluation	(1,556)	(4,430)
	(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	50	1,951
	- R&D Refund	-	870
2.6	Net cash from / (used in) investing activities	(1,506)	(1,615)

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)	(93)
3.10	Net cash from / (used in) financing activities	(23)	(93)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,645	3,733
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(34)	(958)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,506)	(1,615)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(23)	(93)
4.5	Effect of movement in exchange rates on cash held	(12)	3
4.6	Cash and cash equivalents at end of period	1,070	1,070

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	1,070	2,645
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)	1,070	2,645

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	14
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.

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)	(34)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(1,556)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(1,590)
8.4	Cash and cash equivalents at quarter end (item 4.6)	1,070
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	1,070
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	0.67
	<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?	
	<p>Operating costs and overheads vary depending on the level of exploration work completed during each Quarter. During the Quarter the Company had exploration programs underway resulting in a high expenditure for the Quarter. This level of spend is not anticipated in the foreseeable future. Net cash flows from operating activities are also influenced by the level and timing of funding provided under the Company's Strategic Alliance Agreement (SAA) with South32 (S32).</p> <p>Following quarter end the Company received \$962,000 (plus GST) of funding under the Company's Strategic Alliance Agreement (SAA) with South32 (S32).</p>	

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?

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?

The Company expects to be able to continue its exploration activities as the Australian Projects are largely funded by South32 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: 31 July 2024

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.