AusQuest Limited

ABN 35 091 542 451

Annual Report for the financial year ended 30 June 2017

Contents

Corporate directory

Board of Directors

Mr Greg Hancock	Non-Executive Chairman
Mr Graeme Drew	Managing Director
Mr Chris Ellis	Non-Executive Director

Company Secretary

Mr Henko Vos

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Auditors

HLB Mann Judd
Level 4, 130 Stirling Street
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Share Registry

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Securities Exchange

Australian Securities Exchange
(Home Exchange: Perth, WA) Code: AQD

Bankers

Australian and New Zealand Bank
135 Riseley Street
Booragoon WA 6154

Dear Shareholder,

At the risk of using some well-worn clichés commonly found in Chairman's Letters, 2017 marked an important turning point for AusQuest which has transformed the Company's current position in the junior exploration market and, more importantly, its outlook both in the short and medium term!

When I sat down to pen last year's Chairman's Letter, the Company had two projects in Peru where we were confident of attracting a joint venture partner; we were contemplating further work on nickel targets in Western Australia; and we were in joint venture talks with several parties.

From that point onwards, discussions evolved fairly rapidly – resulting in the Strategic Alliance Agreement with the diversified global miner South32 which we unveiled in February this year.

This Alliance represents a significant step-change for the Company, at a number of levels.

<u>Firstly</u>, the Alliance commenced with four (now five) exploration opportunities identified (namely our Fraser Range and Jimberlana projects in Western Australia and the Chololo, Los Otros and, more recently, Cerro de Fierro projects in Peru), plus a Joint Venture over the Blue Billy Zinc Project in WA.

This resulted in an immediate injection of A$2 million into the Company under the Alliance formula, which increased exploration activity across all projects and saw the first round of drilling commencing at the Blue Billy Project in August 2017. This program was still in progress at the time of finalising this report.

In the Fraser Range, EM surveys identified four areas at Balladonia which require follow-up work through in-fill geophysics to confirm drill targets. At Jimberlana, EM surveys identified several targets within and marginal to the dyke which are being assessed with the possibility of a drilling proposal being developed and put forward to South32.

In Peru, IP surveys were carried out at Chololo and Cerro de Fierro to identify drilling targets. Results for Chololo were positive with a recommended drilling program being put forward to South32. Results at Cerro de Fierro are still being assessed, but the initial indications are encouraging.

At Los Otros, mapping and sampling has outlined areas with excellent potential which will likely be the subject of IP surveying for target definition.

The significant increase in exploration activity since the formation of the Alliance – much of which is still in progress – should generate a healthy news-flow for the Company in the months ahead.

<u>Secondly</u>, one of the key purposes of forming the Alliance was the ongoing generation of new project opportunities in parallel with increased exploration activities across those already selected. The concept is to ensure that the group continues to generate projects that are compatible with the needs of a major mining company.

Accordingly, the existing consulting team has increased their hours and additional consultants have been secured to facilitate project generation. We are working hard to ensure that several new projects become part of the Alliance activity during 2018.

<u>Thirdly</u>, none of this is possible without adequate funding. Prior to the formation of the Alliance, the Company faced seemingly never-ending equity dilution to secure funds to explore its projects and unearth their potential. Under the Alliance, dilution occurs only at the project level and not across all shares.

The Alliance Agreement contains formulae whereby AusQuest receives a bonus payment (US$500,000) if South32 accepts three new exploration opportunities in a year. It also allows for ongoing funds to be provided to advance Alliance projects to drill-ready status and further payments to the Company if this can be achieved for less than US$500,000 expenditure.

These funding formulae are an important aspect of the Alliance agreement, as they help ensure that project generation is properly resourced and that additional projects continue to be generated for the Alliance.

So, in summary, I think it’s fair to say that a great deal has been achieved in a relatively short space of time. We are now far better funded, we are actively exploring a range of projects with a major committed partner, and we have an Alliance structure which fosters project generation on a global basis.

The Alliance is set in place for three years, which should offer significant upside exploration exposure for our shareholders. We remain highly leveraged to any exploration success as all of our initiatives are focused on Tier-1 projects of significant size.

I would like to conclude by expressing my sincere thanks to my fellow directors for their efforts during the year; to our staff and consultants, who have worked tirelessly to deliver results on time and create new opportunities; and, last but not least, to our shareholders for their continued support.

Against the backdrop of an improved environment for commodities and the exploration sector generally, we are all looking forward to a very active and productive year ahead.

Yours faithfully

Greg Hancock
Chairman

Operations Review – 2017 Annual Report

Highlights – Year in Review

Corporate

- In February 2017, AusQuest entered into a Strategic Alliance Agreement with a leading diversified global miner South32 to develop a pipeline of high-potential exploration opportunities both in Australia and internationally.
- Six of AusQuest's projects are currently being explored under the Alliance (three in Australia and three in Peru), with drilling underway at the Blue Billy Zinc Project in WA – which is the subject of the first farm-in joint venture with South32.
- At the date of this report, total funds of ~US$2.5M (AU$3.2M) have so far been received from South32 to cover the costs of target drilling at the Blue Billy Zinc prospect and exploration to identify drill targets at the other five Alliance projects.

Peru: Copper-Gold

- Strong Induced Polarisation (IP) responses were identified at the Chololo Project, reflecting possible sulphide mineralisation associated with a large porphyry copper target. Drilling has been recommended to South32.
- Strong evidence for a buried porphyry copper system was identified at the Los Otros Project by the Company's mapping and sampling programme. Target definition work will be planned in conjunction with South32 to advance the prospect to the drilling stage.
- IP surveys over the Cerro de Fierro Iron-Oxide Copper-Gold (IOCG) Project were commissioned to define targets for drilling following its acceptance by South32 as a new "Exploration Opportunity".
- New tenement applications were submitted to secure potential targets located south of the Puite prospect which were identified following a review of the Puite drilling results.

Australia: Base Metals (Nickel-Copper, Zinc)

- At the Jimberlana Nickel Project, several targets have been identified by electromagnetic (EM) surveys indicating the possibility of sulphide mineralisation (Ni, Cu) within the dyke intrusion. A drilling proposal will be prepared for consideration by South32.
- At the Balladonia Nickel Project (South32 Strategic Alliance), EM surveys completed to date have identified four targets for follow-up within interpreted mafic intrusions located south of the Nova-Bollinger nickel-copper deposit.
- The inaugural diamond drilling program under the South32 Strategic Alliance commenced in August 2017 at the Blue Billy Zinc Joint Venture Project in WA. Drilling (comprising four holes/3,100m) will test the stratigraphy for sediment-hosted zinc deposits similar to those found in NW Queensland.

OVERVIEW

The 2017 financial year heralded a watershed development for AusQuest, with the signing of a Strategic Alliance Agreement with the diversified global miner South32 (ASX, LSE, JSE: S32; ADR: SOUHY) under which the two companies agreed to work together to develop a pipeline of high-potential exploration opportunities both in Australia and internationally.

The Strategic Alliance Agreement established an innovative framework under which AusQuest will draw on its extensive expertise to generate and secure early-stage exploration opportunities to be offered exclusively to South32 in return for funding to advance selected projects to the drilling stage, and further funding under agreed joint venture terms to drill-test targets.

Exploration programs for nickel and zinc in WA and copper in Peru commenced towards the end of the financial year (in April) with the first drilling programme under the Alliance commencing in August 2017.

In **Peru**, IP surveys were commissioned at both the Chololo Porphyry Copper and the Cerro de Fierro IOCG Projects to identify targets for drilling. At Chololo, the IP survey resulted in a drilling recommendation being submitted to South32, while at Cerro de Fierro the survey was still in progress at the time of writing. Mapping and sampling at the Los Otros Porphyry Copper Project confirmed its prospectivity, with further work now being planned to advance this prospect to drill status. Work was limited at the Company's other prospects, with most efforts directed towards the Alliance projects.

In **Australia**, ground geophysical surveys (EM) were initiated under the Alliance over projects at Jimberlana (Ni), Gibson Soak (Ni) and Balladonia (Ni), successfully locating bedrock conductors in two of the three areas surveyed. At the Blue Billy Zinc Joint Venture Project, preparations for drilling were completed and the inaugural drilling programme under the Alliance commenced in August.

Project generation activities gathered pace towards the end of the financial year to ensure that further opportunities are provided to the Strategic Alliance for consideration. The focus of this work is on base metal exploration opportunities, with scale being a key factor to consider before presenting any opportunities to South32.

In **West Africa**, the withdrawal of Ressources Burkinor SARL from the Banfora Joint Venture agreement resulted in the Company's exit from Burkina Faso to focus its resources in Australia and Peru. Subsequent to year end, the Company closed down its operations in Filigree SARL and Comoe Exploration SARL in Burkina Faso.

REVIEW OF PROJECTS

<u>PERU: COPPER-GOLD</u>

Over the past six years AusQuest has assembled a world-class exploration opportunity in Peru, South America – one of the world's most prominent destinations for international copper exploration.

Detailed aeromagnetic data acquired by the Company in 2011 has been used to identify prospective areas for porphyry copper and/or iron-oxide copper-gold (IOCG) deposits beneath extensive cover in the south of Peru. A combination of geological mapping and sampling, together with ground-based geophysical surveys, are being used to identify targets for drilling.

Three of the Company's projects – Chololo, Los Otros and Cerro de Fierro – were selected by South32 as 'exploration opportunities' under the Strategic Alliance Agreement, with additional work required to locate targets for drilling. Two of the projects are located in the Moquegua-Ilo region in southern Peru, while the third (Cerro de Fierro) is located south-east of the Mina Justa copper deposit, ~400km to the north of Ilo.

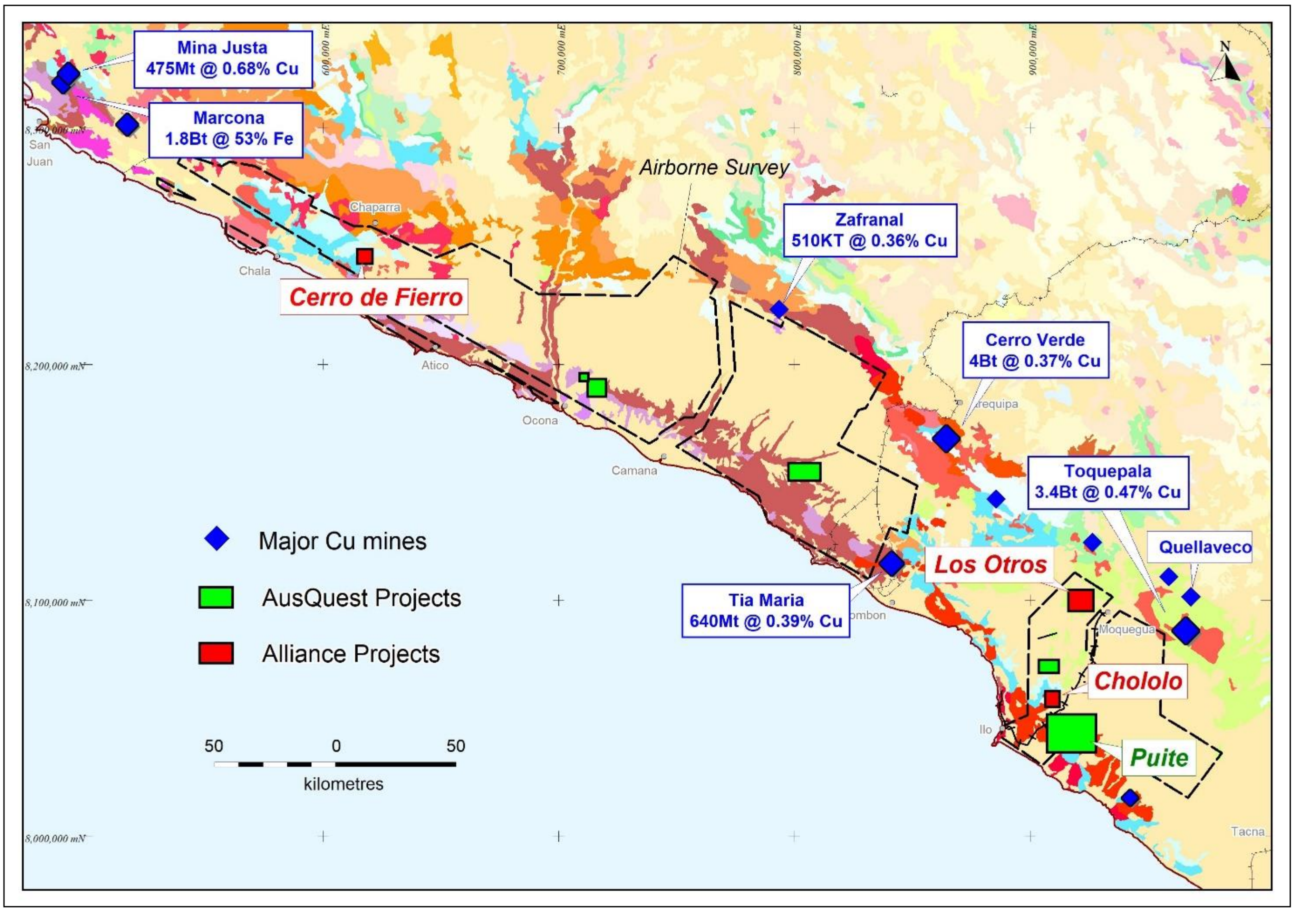

Figure 1: Project Locations Peru

Induced Polarisation (IP) surveys were commissioned at both the Chololo and Cerro de Fierro Projects to identify sulphide mineralisation associated with the porphyry copper and iron-oxide copper-gold (IOCG) targets inferred from mapping and sampling completed by the Company.

At Chololo, strong IP chargeability anomalies were located on the north-western side of the Chololo Fault suggesting the potential for a large buried porphyry system in the area (*Figure 2*). Computer modelling confirmed the large target size (several km²) and strength of the response (>20mv/v), and indicated target depths varying from ~100m to 400m.

The IP anomalies are thought to reflect a large-scale pyrite (+/- chalcopyrite) halo associated with a buried porphyry copper system. Geological mapping and sampling within the target area is being used to help prioritise drill-hole locations.

A drilling proposal to test the IP anomaly and surrounding targets at Chololo is currently being considered by South32.

At the Cerro de Fierro Project, IP and electromagnetic (EM) surveys were in progress at the time of this report. These surveys are designed to identify drill targets associated with the buried magnetic target thought to reflect a potential Manto-style IOCG deposit within the volcanic sequence.

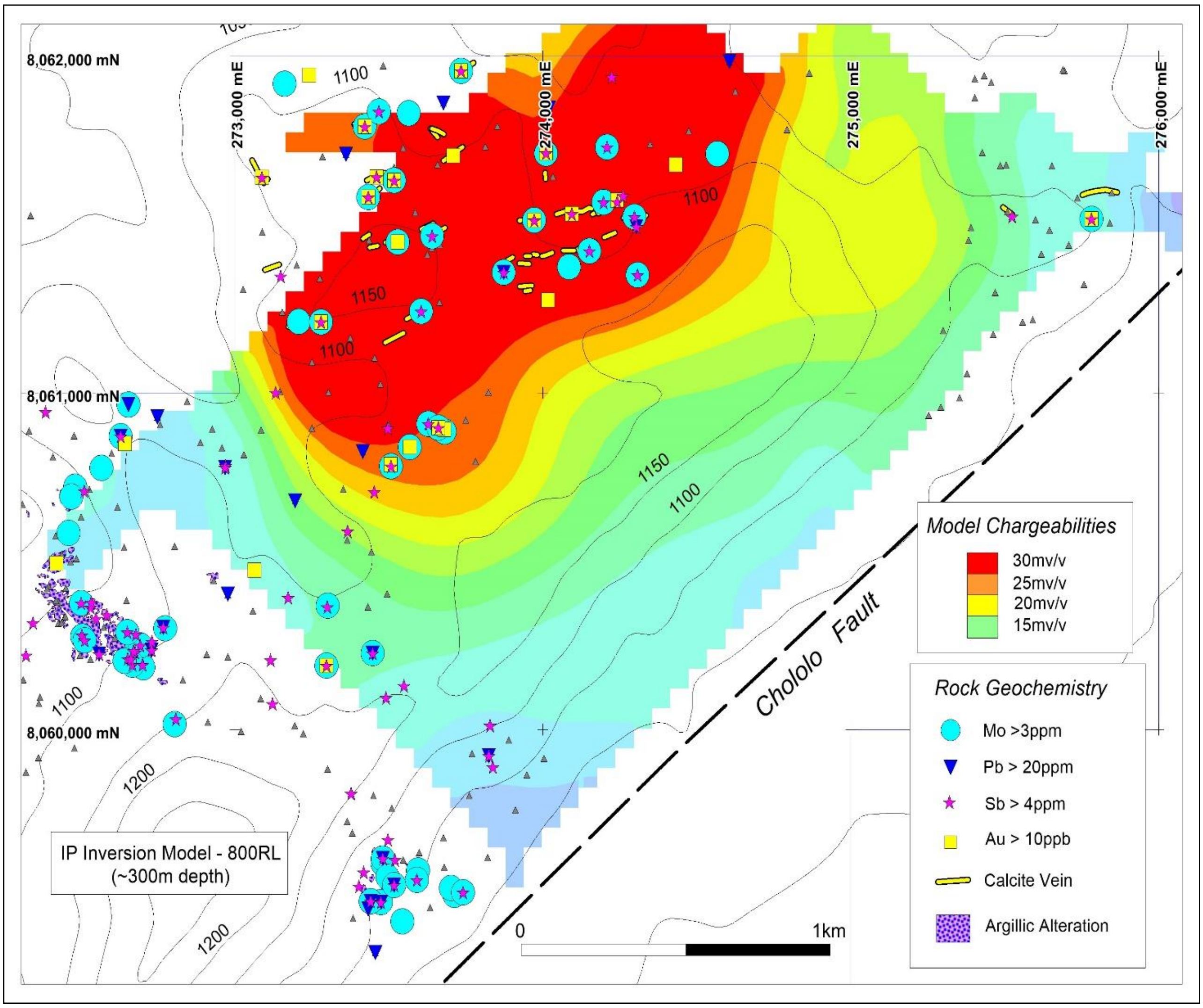

Figure 2: Chololo Project - IP Target and surface geochemistry.

The magnetic target was originally identified from the Company's proprietary aeromagnetic data as a potential IOCG target, several square kilometres in size, within a regional-scale potassic alteration halo. Highly anomalous copper values located by the Company's mapping and sampling programmes suggest the target could be mineralised (*Figure 3*).

Preliminary IP data indicate anomalous chargeabilities are associated with at least part of the magnetic target. Computer modelling of the magnetic and IP data is currently underway. A proposal to drill test targets identified by these surveys awaits completion of the surveys and a full assessment of the results.

At the Los Otros Project, traverse mapping and sampling funded by the Alliance has identified large areas of advanced argillic alteration with anomalous geochemistry, suggesting the potential for a porphyry copper system at depth. Areas of alteration appear to flank magnetic anomalies, suggesting they could be associated with buried dioritic(?) intrusion located beneath the volcanic cover.

Silica veins associated with the alteration contain anomalous levels of Mo, Bi, As, Sb, Pb, Au and occasional Cu, suggesting that the buried target(s) may be mineralised. More detailed mapping and sampling together with reconnaissance IP surveys are being considered to help locate targets for future drilling.

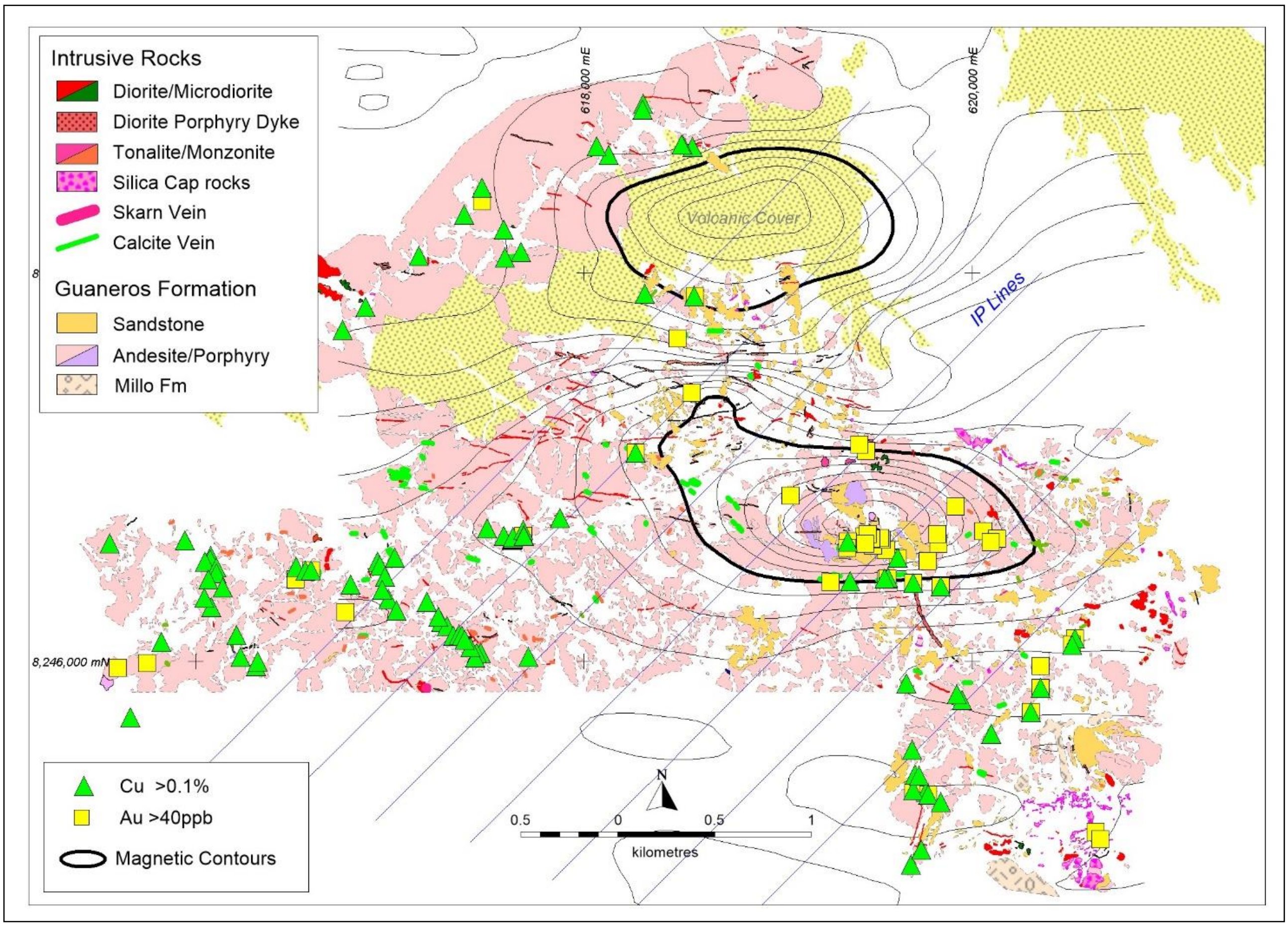

Figure 3: Cerro de Fierro Project - Manto target showing IP Survey lines

Project Generation (Peru)

As part of the Strategic Alliance Agreement, the Company continued to work on its early-stage exploration projects in order to upgrade them to Opportunity and/or Drill-Ready status before presentation to South32 for consideration.

New titles (~50km²) were secured over the ground south of the Puite prospect, where earlier drilling had suggested the potential for nearby porphyry copper mineralisation. Mapping and sampling over selected targets in this area returned anomalous soil assay results (Cu, Mo, Au and As), supporting the concept of buried mineralisation.

Further sampling is planned before this area is considered as a possible exploration opportunity under the Strategic Alliance. The Puite prospect is located ~30km due east of the port of Ilo and ~10km from the coast, and includes large areas of cover.

A review of the Company's remaining projects in southern Peru resulted in several projects being downgraded and title relinquished so that resources could be focused within the highest priority areas.

<u>AUSTRALIA BASE METALS: NICKEL-COPPER ZINC</u>

During the year, the Company accelerated its exploration programs for nickel-copper and zinc in WA after signing the Strategic Alliance Agreement with South32. These included the Fraser Range and Jimberlana Nickel-Copper Projects in the south of WA and the Blue Billy Zinc Joint Venture Project within the Edmund Basin east of Carnarvon in WA (*Figure 4*).

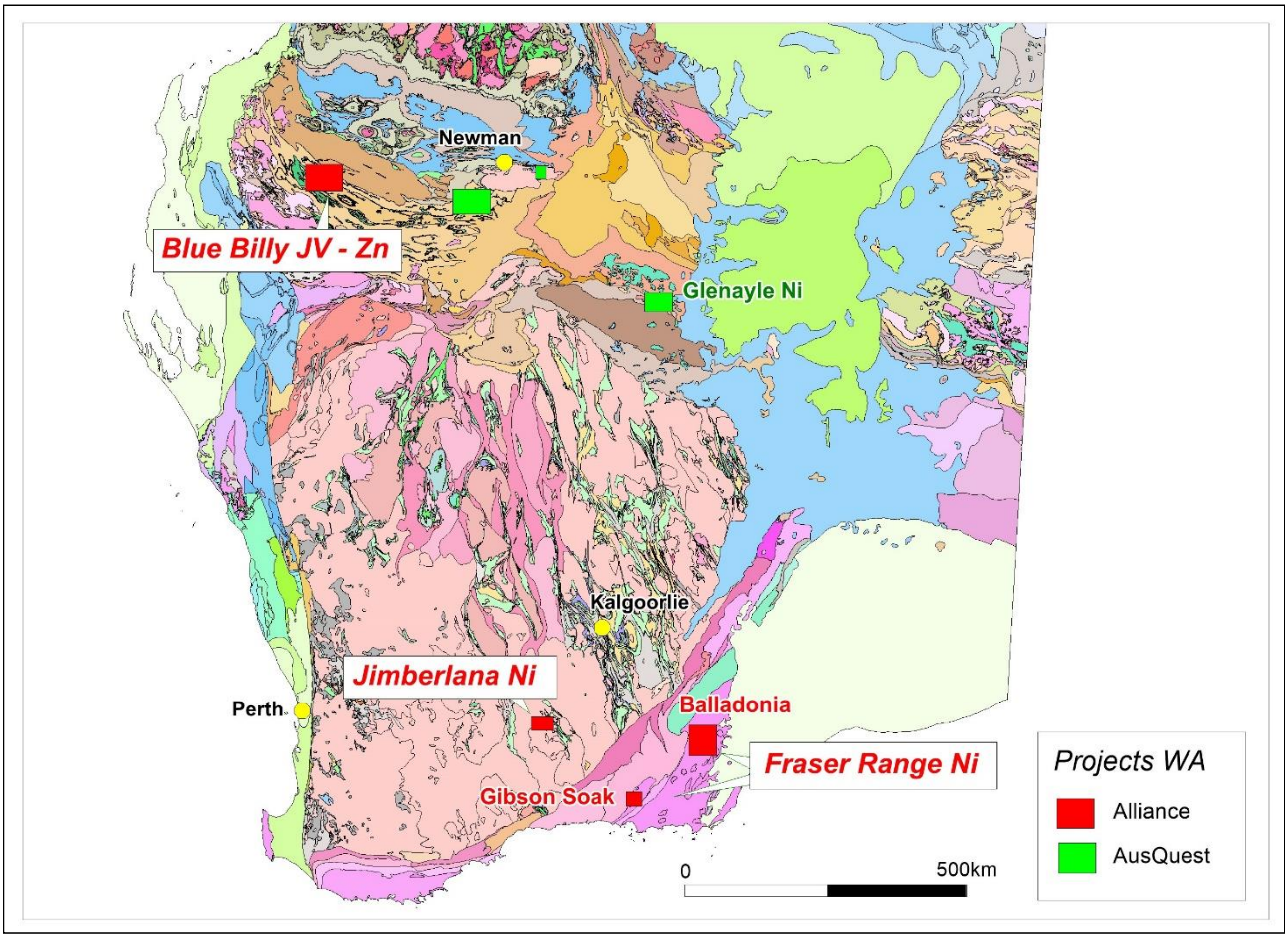

Figure 4: Project Locations in Western Australia

Fraser Range Nickel-Copper Projects

Balladonia

The Balladonia Project (~940km²) is located ~50km south of the Nova-Bollinger nickel-copper deposit and is centred over the southern margin of a deep regional gravity anomaly (~30 milligals), which is thought to reflect buried mafic/ultramafic rocks similar to those that may be related to the formation of the Nova-Bollinger deposit.

Reconnaissance EM surveys were commissioned late in the year to test up to 12 interpreted gabbroic intrusions for the presence of massive nickel sulphide mineralisation. The targeted intrusions occur beneath extensive cover, are relatively strike extensive, and appear to be associated with regional deep-seated north-east and north-west trending structures that cross-cut the area.

EM survey results to date have highlighted at least four areas where in-fill surveys are required to better define targets ahead of possible drilling (*Figure 5*). A drilling proposal will be prepared and submitted to South32 once all surveys have been completed and results fully assessed.

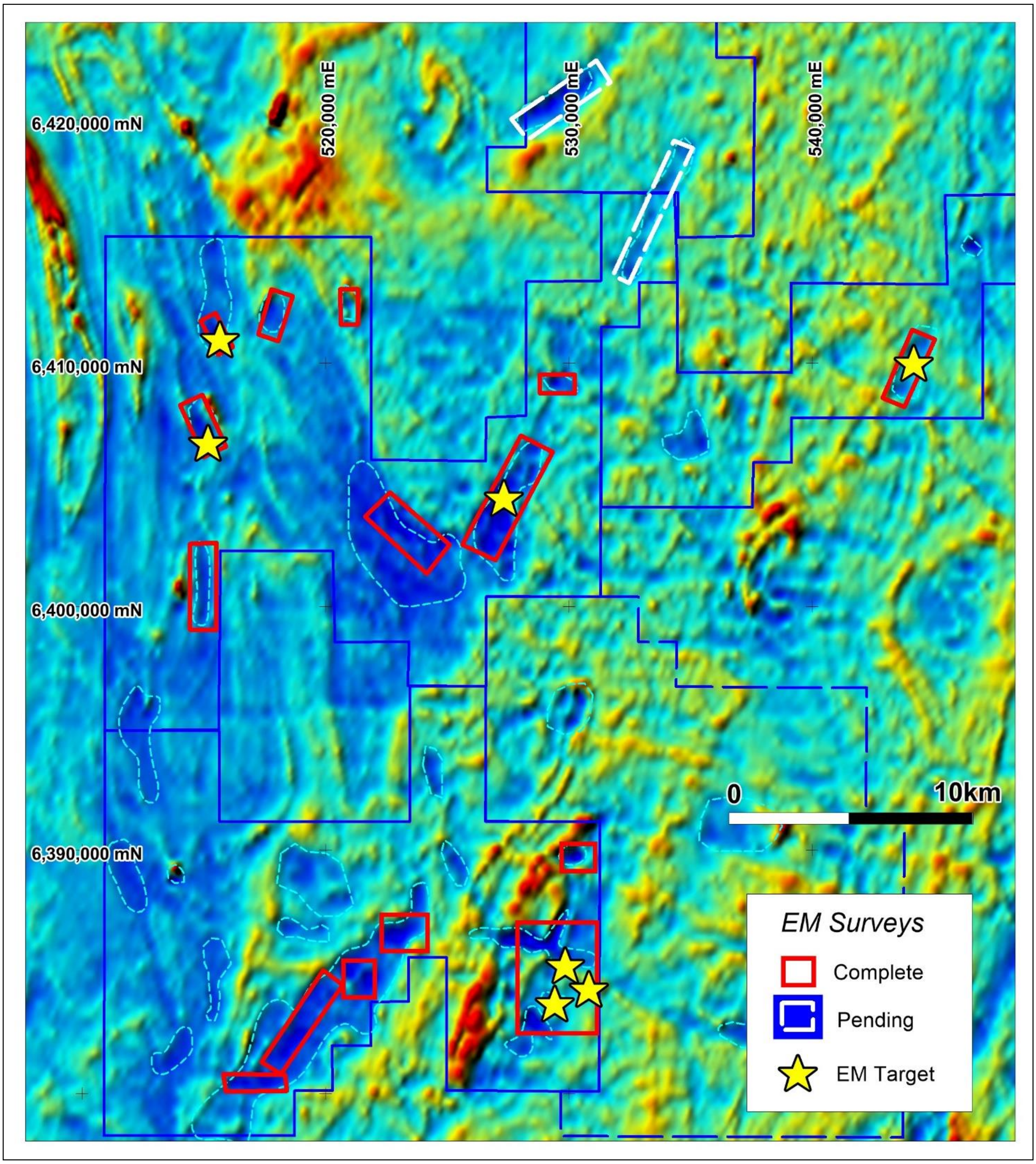

Figure 5: Balladonia Project – EM Survey grids showing location of potential conductors

Gibson Soak

The Gibson Soak Project (~250km²), which is located ~30km north of the port of Esperance in WA, was the subject of reconnaissance EM surveys over interpreted gabbroic intrusions located within a north-east trending gravity ridge thought to represent a possible offshoot of the Fraser Range Complex.

No target of potential interest was located by the surveys. All targets surveyed occur within Vacant Crown Land (VCL) in the northern half of the tenement, with the remaining targets located on farm-land requiring access approval. Subsequent to year end the title was relinquished.

Jimberlana Nickel-Copper Project

The Jimberlana Project (~130km²) is located ~120km west of Norseman between the Lake Johnston and Forrestania Greenstone Belts. The tenements cover the western extension of the Jimberlana Dyke, where gravity data suggests that its basal section comes close to surface (~200m to 700m).

Research suggests a strong association between intrusive-related nickel sulphide deposits and the basal section of dyke-like structures. The Jimberlana Dyke is a very large (200km long), fertile (contains nickel sulphides), fractionated intrusion which has never been tested for nickel sulphides near its base.

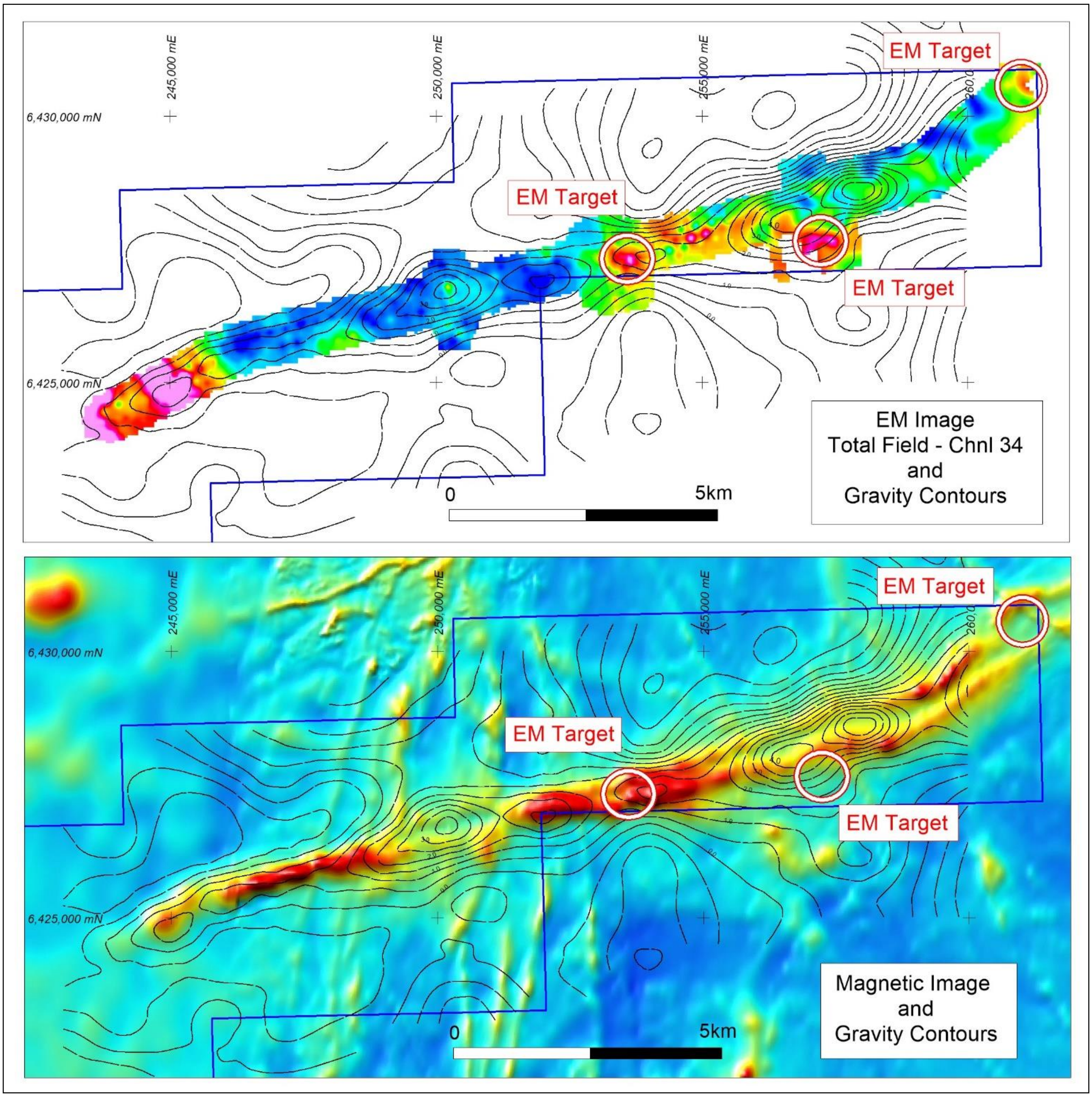

Figure 6: Jimberlana Project – HPEM image showing EM targets

During the year, High Power electromagnetic (HPEM) surveys were completed along the dyke's 20km strike length within the Company's tenement, to provide a rapid test for massive sulphides near the interpreted base of the intrusion (*Figure 6*). Detailed in-fill EM surveys were initiated in areas where conductive responses were evident in the reconnaissance EM data to define targets for drilling.

Preliminary results indicate at least two late-time moderate to high-conductivity bedrock targets (>3000 siemens) occur within the eastern half of the dyke complex, with a third target apparently marginal to the inferred trace of the dyke. Modelling of the EM data will be completed before a drilling proposal to test these targets is presented to South32 for consideration.

Blue Billy Zinc Joint Venture Project

The Blue Billy Zinc Project, which is located ~150km south-west of Paraburdoo within the Edmund Basin in the Pilbara region of Western Australia, is subject to the Blue Billy Joint Venture Agreement under which South32 may spend US$4.0 million to earn a 70% interest in the project.

The tenement covers the down-dip extent of anomalous zinc values (up to 0.5% Zn) found within a pyritic black mudstone sequence similar to host rocks known to contain sedimentary zinc deposits in the Mt Isa-McArthur River District of north-west Queensland.

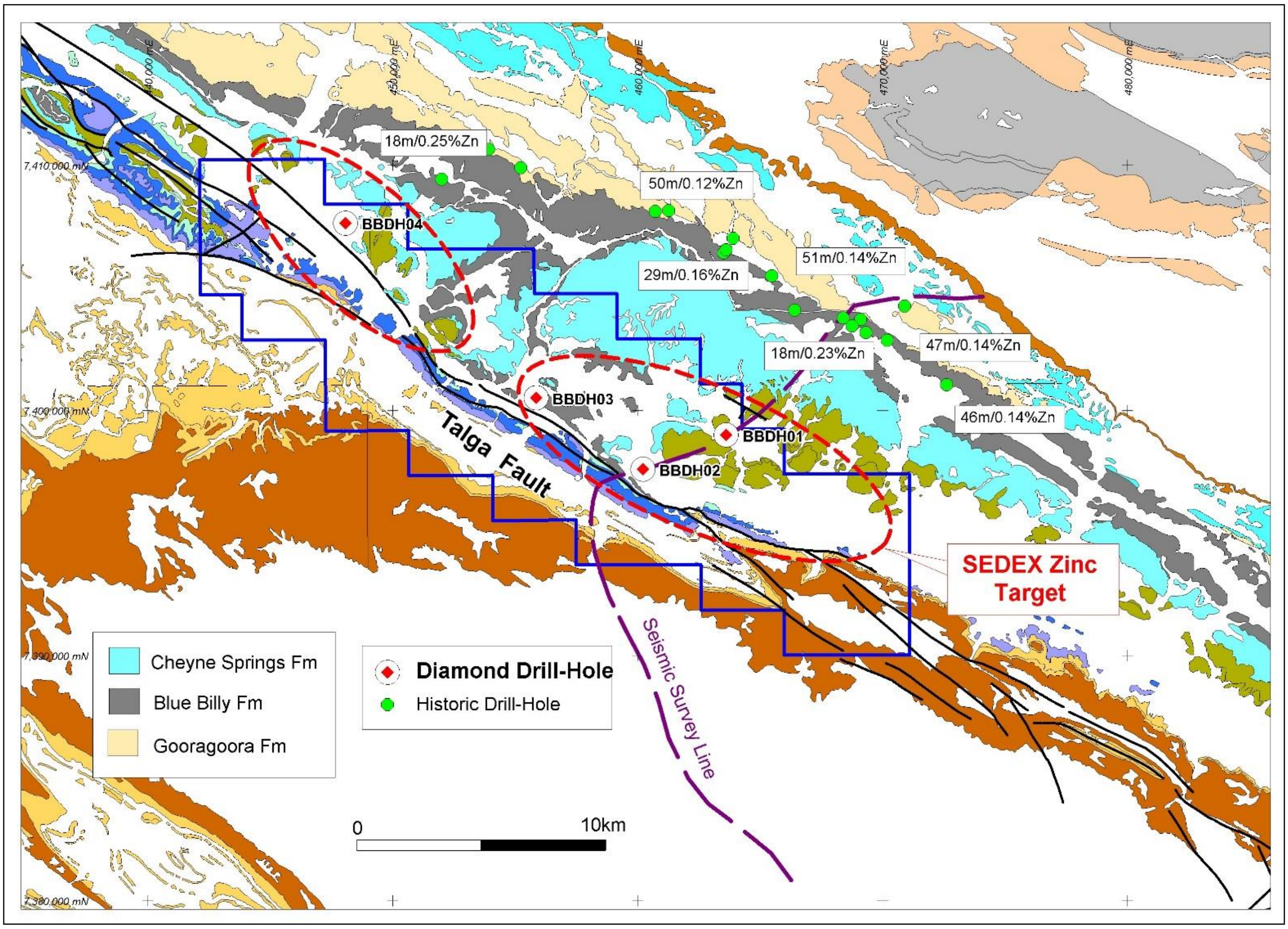

Figure 7: Blue Billy Joint Venture Project – Drill hole Locations

During the year, seismic data from a Government-sponsored regional traverse that crosses the project, was reprocessed and interpreted to outline possible thickness variations within the Blue Billy Formation and to locate potential growth faults within the sediments that could act as conduits for mineralising fluids.

Seismic interpretation suggested that the thickness of the Blue Billy Formation may increase close to the Talga Fault, where the largest fault movements can also be inferred. Seismic patterns reflecting possible alteration and/or poorly layered sediments appear to correlate with fault structures suggesting possible fluid activity marginal to these structures.

The initial drilling program is designed to test where the target stratigraphy (Blue Billy Formation – pyritic black shales) is in close proximity to the Talga Fault, and down-dip from anomalous zinc values (up to 0.5% Zn) found near-surface (*Figure 7*).

The diamond drill holes are broadly spaced (~4km to 10km apart) along the Talga Fault to help identify potential vectors to mineralisation. Diamond drilling (four holes/~3,100m) commenced in August, and is expected to be completed around the end of September 2017.

Project Generation (Australia)

As part of the Strategic Alliance with South32, the Company has also increased its project generation work in Australia and is actively exploring for new base metal (Cu, Zn and Ni) opportunities for the Alliance.

The Company's Glenayle Nickel-Copper Project, which is located ~350km north-east of Wiluna along the northern margin of the Yilgarn Craton in Western Australia, covers the basal section of a large mafic sill complex where available regional data suggest there may be ultramafic rocks that could be prospective for nickel-copper mineralisation. HPEM surveys to test the magnetic targets are in the planning stage.

Title applications were submitted over two additional areas in WA where base metal prospectivity is considered to be of interest.

CORPORATE

During the year, AusQuest announced that it had entered into a Strategic Alliance Agreement with South32. Projects secured by AusQuest and offered exclusively to and accepted by South32 will undergo a staged evaluation process which will see projects classified as either Exploration Opportunities or Drill-Ready Opportunities. Funding provided by South32 will be used to advance opportunities to the drilling stage, or drill-test defined targets under agreed joint venture terms.

South32 can earn a 70% interest in each joint venture by completing expenditure of US$4 million, and can earn a further 10% interest by completing a Pre-Feasibility Study. Prior to completing expenditure of US$4.0 million, South32 will earn no interest in the projects, but will earn a 0.5% NSR for expenditure of between US$1.5 million and US$3.0 million, and a 1.0% NSR for expenditure of between US$3.0 million and US$4.0 million.

At the date of this report, total funds of ~US$2.5M (AU$3.2M) have so far been received from South32 to cover the costs of target drilling at the Blue Billy Zinc prospect and exploration to identify drill targets at the other five Alliance projects.

The Company believes that the Strategic Alliance with South32 opens up an exciting new era for AusQuest, working alongside a large diversified miner and leveraging our skills as an explorer targeting provincial-scale discoveries to increase the value of the Company.

For further details of the agreement, refer to the Company's ASX announcements on 20 February and 20 March 2017.

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.

The directors of AusQuest Limited herewith submit the annual financial report of the Company and the entities it controlled ("Group") for the financial year ended 30 June 2017. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

Information about directors and senior management

The names and particulars of the directors of the Company during or since the end of the financial year and up to the date of this report are noted below. Except where indicated, directors have held office during and since the end of the financial year:

Greg Hancock **BA Econs., BEd Hons.,F.Fin**
Non-Executive Director and Chairman

Greg has had over 25 years' experience in capital markets practicing in the area of corporate finance. He maintains close links with the stockbroking and investment banking community on behalf of the Company.

Directorships held in listed companies over the last three years are as follows:

- Norsve Resources PLC – December 2012 - current
- Zeta Petroleum PLC – April 2015 – current
- Strata-X Energy Limited – July 2015 – current
- BMG Resouces Ltd – Feb 2017 – current

Graeme Drew **B.Sc.Hons., FAIMM, MASEG**
Managing Director

Graeme has over 40 years' experience in the exploration industry in Australia and overseas. Prior to co-founding AusQuest Limited he was an Exploration Manager for CRAE and Rio Tinto Exploration Pty Ltd in Western Australia (9 years) and Eastern Australia (4 years). He has wide experience in the search for, and evaluation of, most base and precious metals (notably nickel, copper, gold, uranium, zinc and diamonds). Graeme has developed a passion for the 'big picture' and 'big project' generation which he strongly believes are the building blocks for successful exploration outcomes.

Graeme has held no other directorships in listed companies over the last three years.

Christopher Ellis **B.Sc.Hons.**
Non-Executive Director

Chris is an experienced mining executive with over 30 years' experience in geology, exploration, mine planning and project development in Australia and overseas. He was a founding member and Executive Director of Excel Coal Limited which was the subject of a take-over bid by the US coal giant Peabody Energy Inc, and has held senior positions within Shell Coal's Exploration, BP Coal (London and USA), Agipcoal Australia and the Stratford Joint Venture.

Chris was appointed a Non-Executive Director of King Island Scheelite Limited on 8 November 2012. Chris has held no other directorships in listed companies over the last three years.

John Ashley **B.Sc.Hons.,M.Sc., FAIMM, MSEG, MASEG, MAIG**
Non-Executive Director *(retired on 8 July 2016)*

John is a former director of Southern Geoscience Consultants (SGC), which he established in 1985, and is a former director of Aerodata Holdings and Conquest Mines NL (unlisted). John has over 4 decades experience as a geophysicist in the exploration industry with government agencies, exploration companies, and consulting companies and has worked in many countries.

John has held no other directorships in listed companies over the last three years.

Company secretary

Henko Vos

Mr Vos is a member of the Governance Institute of Australia and Certified Practicing Accountants Australia with more than 15 years' experience working within public practice, specifically within the area of audit and assurance both in Australia and South Africa. He holds similar secretarial roles in various other listed public companies in both industrial and resource sectors. He is an employee of Nexia Perth, a mid-tier corporate advisory and accounting practice.

Directors' shareholdings

The following table sets out each director's relevant interest in shares, debentures, and rights or options in shares or debentures of the Company or a related body corporate as at the date of this report.

Directors	Fully paid ordinary shares Number	Share options Number
Greg Hancock	4,586,415	4,000,000
Graeme Drew	13,553,966	11,500,000
Chris Ellis	82,813,586	12,473,684

Remuneration of directors and senior management

Information about the remuneration of directors and senior management is set out in the Remuneration Report of this Directors' Report.

Share options granted to directors and senior management

Since the end of the financial year there were no share options granted to any Key Management Personnel of the Group as part of their remuneration.

Principal activities

The principal activity of the Group was mineral exploration throughout Australia, Africa and Peru.

Review of operations

A review of the Group's exploration projects and activities during the year is discussed in the Operations Review included in this Annual Report.

The loss of the Group after income tax for the year was $7,192,145 (2016: $7,943,167).

Changes in state of affairs

During the financial year there was no significant change in the state of affairs of the Group other than as referred to in the financial statements or notes thereto.

Subsequent events

Subsequent to year end, the Company closed down its operations in Filigree SARL and Comoe Exploration SARL in Burkina Faso. These were not assessed as discontinued operations at 30 June 2017.

There has not been any other matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Future developments

Disclosure of information regarding the likely developments in the operations of the Group in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the Group. Accordingly, this information has not been disclosed in this report.

Safety and environmental regulations

The Company is aware of its occupational health and safety and environmental obligations with regard to its exploration activities and ensures that it complies with all regulations when carrying out exploration work.

Dividends

No dividends were paid or declared since the start of the financial year. No recommendation for the payment of dividends has been made.

Proceedings on behalf of the Company

No persons have applied for leave pursuant to s.237 of the Corporation Act 2001 to bring, or intervene in, proceedings on behalf of AusQuest Limited.

Share options

Shares under option or issued on exercise of options

Details of unissued shares or interests under option as at the date of this report are:

Issuing entity	Number of shares under option	Class of shares	Exercise price of option	Expiry date of options
Listed				
AusQuest Limited (AQDOA)	78,946,976	Ordinary	3.5 cents each	30 Apr 2018
Unlisted				
AusQuest Limited	30,000,000	Ordinary	5 cents each	30 Nov 2020

The holders of such options do not have the right, by virtue of the option, to participate in any share or other interest issue of any other body corporate or registered scheme.

Shares issued on the exercise of options

No shares were issued during the year on the exercise of options.

Share options that expired/lapsed

68,750,000 free-attaching listed options with an exercise price of 4 cents each lapsed unexercised on 30 November 2016. No other share options expired or lapsed during or since the end of the financial year.

Directors' meetings

The following table sets out the number of directors' meetings (including meetings of committees of directors) held during the financial year and the number of meetings attended by each director (while they were a director or committee member).

During the financial year, 6 board meetings , 2 audit committee meetings, and 1 nomination and remuneration committee meeting were held.

Directors	Board of Directors		Nomination and Remuneration committee		Audit committee	
	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended
Greg Hancock	6	6	1	1	2	2
Graeme Drew	6	6	1	1	2	2
Christopher Ellis	6	6	1	1	2	2
John Ashley[(i)]	1	1	n/a	n/a	n/a	n/a

(i) John Ashley retired on 8 July 2016

Indemnification of officers and auditors

During or since the end of the financial year the Company has given an indemnity or entered into an agreement to indemnify, or paid or agreed to pay insurance premiums as follows:

- except as may be prohibited by the Corporations Act 2001 a Director or Officer of the Company shall be indemnified out of the property of the Company against any liability incurred by him in his capacity as Director or officer of the Company or any related corporation in respect of any act or omission whatsoever and howsoever occurring or in defending any proceedings, whether civil or criminal.

Since the beginning of the financial year the Company has paid insurance premiums of $34,197 (2016: $33,823) in respect of directors and officers liability and corporate reimbursement, for directors and officers in the Company.

The insurance premiums relate to:

- any loss for which the directors and officers may not be legally indemnified by the Company arising out of any claim, by reason of any wrongful act committed by them in their capacity as a Director or Officer of the Company or any related corporation, first made against them jointly or severally during the year of insurance; and

- indemnifying the Company against any payment which it has made and was legally permitted to make arising out of any claim, by reason of any wrongful act, committed by any Director or Officer in their capacity as a Director or Officer of the Company or any related corporation, first made against the Director or Officer during the period of insurance.

Non-audit services

There were no non-audit services performed during the year by the auditors (or by another person or firm on the auditor's behalf).

Auditor's independence declaration

Section 307C of the Corporations Act 2001 requires our auditors, HLB Mann Judd, to provide the directors of the Company with an independence declaration in relation to the audit of the annual report. This independence declaration is included on page 22 of the financial report and forms part of this directors' report for the year ended 30 June 2017.

Remuneration report (audited)

This report, which forms part of the directors' report, outlines the remuneration arrangements in place for the key management personnel of AusQuest Limited (the "Company") for the financial year ended 30 June 2017.

The information provided in this remuneration report has been audited as required by Section 308(3C) of the Corporations Act 2001.

The remuneration report details the remuneration arrangements for Key Management Personnel ("KMP") who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and the Group, directly or indirectly, including any director (whether executive or otherwise) of the parent Company.

The prescribed details for each person covered by this report are detailed below under the following headings:

- key management personnel details;
- remuneration policy and relationship between the remuneration policy and Company performance;
- remuneration of key management personnel;
- key terms of employment contracts;
- key management personnel equity holdings;
- loans to key management personnel; and
- other transactions with key management personnel of the Group.

Key management personnel details

The key management personnel of AusQuest Limited during the year or since the end of the year were:

Greg Hancock	Non-Executive Chairman
Graeme Drew	Managing Director
Christopher Ellis	Non-Executive Director
John Ashley	Non-Executive Director (retired 8 July 2016)

There were no group executives employed by AusQuest Limited during the year.

Remuneration policy and relationship between the remuneration policy and Company performance

The Board policy for determining remuneration is based on the principle of remunerating directors and senior executives on their ability to add value to the Company (taking into account the Company's strategic plan and operations) whilst also considering market remuneration packages for similar positions within the industry and in consultation with external consultants.

The Board appreciates the interrelationship between this policy and Company performance. It acknowledges that it is in the best interests of shareholders to provide challenging but achievable incentives to reward senior executives for reaching the Company's stated goals. The Board will discuss these issues internally and with candidates prior to engaging additional irectors or senior executives in the future.

Key management personnel (excluding non-executive directors)

The Remuneration Committee is responsible for determining the remuneration policies for the Group, including those affecting executive directors and other key management personnel. The Committee may seek appropriate external advice to assist in its decision making. Remuneration policies and practices are directed primarily at attracting, motivating and retaining key management personnel.

The remuneration policy for executive directors and other key management personnel has the following key elements:

- Primary benefits (being salary, fees, bonus and non-monetary benefits)
- Post-employment benefits (being superannuation)
- Equity (being share options granted at the discretion of the Board)
- Other benefits

<u>Non-Executive Directors</u>
The Company's Non-Executive Directors receive only fees (including statutory superannuation) for their services and the reimbursement of reasonable expenses. The fees paid to the Company's Non-Executive Directors reflect the demands on, and responsibilities of these directors. They do not receive any retirement benefits (other than compulsory superannuation).

The Board decides annually the level of fees to be paid to Non-Executive Directors with reference to market standards.

Non-Executive Directors may also receive share options where this is considered appropriate by the Board as a whole and with regard to the stage of the Company's development. Such options vest across the life of the option and are primarily designed to provide an incentive to Non-Executive Directors to remain with the Company.

A Non-Executive Directors' fee pool limit of $300,000 per annum was approved by the shareholders at the Annual General Meeting on 18 November 2008 but is not currently being utilised as all Non-Executive Directors elected to forego their directors fees with effect from 1 January 2013 until further notice in order to assist in preserving the cash levels of the Group.

Key terms of employment contracts

Remuneration and other terms of employment for the Managing Director, Graeme Drew are formalised in a service agreement. Major provisions of this agreement are set out below:

- Term of agreement – two years commencing 25 November 2015.
- Base salary reviewed annually, currently at $150,000 (excluding superannuation entitlements)
- Payment of termination benefit on early termination by the employer, other than for gross misconduct, equal to 3 months' salary, other than if there is a change of control of the Company, which will result in 12 months' salary.
- Notice period of 90 days.

Remuneration of key management personnel

	Short-term employee benefits		Post employment benefits	Other long term employee nenefits	Share-based payment		
	Salary and fees	Other(i)	Super-annuation		Options	Total	Performance related
	$	$	$	$	$	$	%
2017							
<u>Directors</u>							
Graeme Drew	79,909	-	7,591	-	-	87,500	-
John Ashley	-	-	-	-	-	-	-
Greg Hancock(i)	-	16,664	-	-	-	16,664	-
Chris Ellis	-	-	-	-	-	-	-
	79,909	16,664	7,591	-	-	104,164	-
2016							
<u>Directors</u>							
Graeme Drew	136,986	-	13,014	-	80,000	230,000	-
John Ashley	-	-	-	-	32,000	32,000	-
Greg Hancock(i)	-	24,996	-	-	32,000	56,996	-
Chris Ellis	-	-	-	-	32,000	32,000	-
	136,986	24,996	13,014	-	176,000	350,996	-

(i) Mr Hancock received $16,664 (2016: $24,996) for corporate advisory services rendered to the Company.

There were no options granted as remuneration to key management personnel which were granted, exercised or lapsed during the year.

Key management personnel equity holdings

Fully paid ordinary shares of AusQuest Limited

	Balance at 1 July No.	Balance on appointment No.	Granted as compensation No.	Purchased during the year No.	Balance on resignation No.	Balance at 30 June No.
2017						
Directors						
Greg Hancock	4,586,415	-	-	-	-	4,586,415
Graeme Drew	11,612,466	-	-	1,941,500	-	13,553,966
John Ashley(i)	12,348,209	-	-	-	(12,348,209)	-
Chris Ellis	82,813,586	-	-	-	-	82,813,586
	111,360,676	-	-	1,941,500	(12,348,209)	100,953,967

(i) Mr Ashley retired from the Board on 8 July 2016.

Options (listed and unlisted) of AusQuest Limited

	Balance at 1 July No.	Balance on appointment / (resignation) No.	Granted as compen-sation No.	Exercised No.	Net other change (i) No.	Balance at 30 June No.	Vested during year No.	Vested and exercisable at 30 June No.
2017								
Directors								
Greg Hancock	5,250,000	-	-	-	(1,250,000)	4,000,000	-	4,000,000
Graeme Drew	13,000,000	-	-	-	(1,500,000)	11,500,000	-	11,500,000
John Ashley (ii)	6,638,290	(6,638,290)	-	-	-	-	-	-
Chris Ellis	20,973,684	-	-	-	(8,500,000)	12,473,684	-	12,473,684
	45,861,974	(6,638,290)	-	-	(11,250,000)	27,973,684	-	27,973,684

(i) Free-attaching listed options with an exercise price of 4 cents each lapsed unexercised on 30 November 2016.
(ii) Mr Ashley retired from the Board on 8 July 2016.

Transactions with related parties

The following transactions occurred with related parties:

	2017 $	2016 $
Rent of premises(i)	3,542	42,715
Corporate advisory services(ii)	16,664	24,996
Convertible note and interest accrued(iii)	768,288	750,000

(i) In 2016, office premises were rented by the Company for the financial year from Asuper Pty Ltd, an entity associated with former director Mr John Ashley, for a total amount of $42,715 excluding GST. The Company continued with the lease agreement post Mr Ashley retirement from the Board on 8 July 2016.

(ii) The Company entered into a 12 month corporate advisory services agreement with Mr Hancock on 1 May 2015 (subsequently extended). Under the agreement Mr Hancock can receive annual fees of up to $25,000 + GST. Mr Hancock was paid $16,664 (excluding GST) for services rendered during the 12 month period ending 30 June 2017 (2016: $24,996 excluding GST). This amount is included as part of Mr. Hancock's remuneration in the table above.

(iii) On 3 October 2016, the Company executed a Convertible Note Agreement ("the Loan") with Mr Chris Ellis for a total loan facility of $750,000 to help fund the Company's working capital. The Loan, which was fully drawn down by the Company on that date, has a maturity date of 3 April 2018 (18 months) and may be converted into ordinary shares of the Company at the election of the Company. The Loan is interest free for six months and thereafter accrues interest at 10% per annum. The Company accordingly accrued $18,288 in interest payable on the Loan at reporting date.

There were no other transactions with key management personnel during the year.

Receivable from and payable to related parties
The following balances are outstanding at the reporting date in relation to transactions with related parties:

	Consolidated	
	2017 $	2016 $
Current payables:		
Payable to Chris Ellis	33,117	-
Payable to Graeme Drew and related entity	21,551	9,051
Payable to Greg Hancock and related entity	2,291	2,291
Payable to John Asley and related entity	-	3,896

Loans to/from related parties
Other than the convertible note payable to Chris Ellis of $750,000 (2016: nil), there were no loans to or from related parties at the current and previous reporting date.

(End of remuneration report)

The Directors' Report is signed in accordance with a resolution of directors made pursuant to s.298(2) of the Corporations Act 2001.

On behalf of the directors

GDrew

Graeme Drew
Managing Director

25 September 2017
Perth, WA

HLB Mann Judd

Accountants | Business and Financial Advisers

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial report of AusQuest Limited for the year ended 30 June 2017, I declare that to the best of my knowledge and belief, there have been no contraventions of:

a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b) any applicable code of professional conduct in relation to the audit.

Perth, Western Australia	**M R Ohm**
25 September 2017	**Partner**

HLB Mann Judd (WA Partnership) ABN 22 193 232 714

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HLB Mann Judd

Accountants | Business and Financial Advisers

INDEPENDENT AUDITOR'S REPORT

To the members of AusQuest Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of AusQuest Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2017, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the Group's financial position as at 30 June 2017 and of its financial performance for the year then ended; and

b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

Without modifying our opinion, we draw attention to Note 1 in the annual financial report, which indicates the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report**.**

HLB Mann Judd (WA Partnership) ABN 22 193 232 714

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Key Audit Matter	How our audit addressed the key audit matter
Carrying amount of exploration and evaluation Note 11 of the financial report	
The Group has capitalised exploration and evaluation of $3,650,791 as at 30 June 2017. Our audit procedures determined that the carrying value of exploration and evaluation was a key audit matter as it was an area which required the most audit effort, required the most communication with those charged with governance and was determined to be of key importance to the users of the financial statements.	Our procedures included but were not limited to the following: - We obtained an understanding of the key processes associated with management's review of the exploration and evaluation asset carrying values; - We considered the Directors' assessment of potential indicators of impairment; - We obtained evidence that the Group has current rights to tenure of its areas of interest; - We examined the exploration budget for 2017/18 and discussed with management the nature of planned ongoing activities; - We reviewed additions to exploration expenditure during the year; - We enquired with management, reviewed ASX announcements and minutes of Directors' meetings to ensure that the Group had not decided to discontinue exploration and evaluation at its area of interest: and - We examined the disclosures made in the financial report.

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2017, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the remuneration report

We have audited the remuneration report included in the directors' report for the year ended 30 June 2017.

In our opinion, the remuneration report of AusQuest Limited for the year ended 30 June 2017 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

M R Ohm
Partner

Perth, Western Australia
25 September 2017

AusQuest Limited
Directors' declaration
30 June 2017

1) In the directors' opinion:

   a) the attached financial statements notes thereto comply with the Corporations Act 2001, the Australian Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

      (i) comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in Note 2 to the financial statements;

      (ii) give a true and fair view of the Group's financial position as at 30 June 2017 and of its performance for the financial year ended on that date; and

   b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

2) The directors have been given the declarations required by section 295A of the Corporations Act 2001.

This declaration is signed in accordance with a resolution of the Board of Directors.

On behalf of the directors

Graeme Drew
Managing Director

25 September 2017
Perth, WA

AusQuest Limited
Consolidated statement of profit or loss and other comprehensive income
For the year ended 30 June 2017

	Note	Consolidated 2017 $	2016 $
Continuing operations			
Revenue	5	681,973	19,490
Expenses			
Consultants and employee benefits expenses		(106,947)	(145,462)
Occupancy expenses		(95,364)	(92,795)
Share-based payment expenses	29	(32,599)	(298,500)
Impairment of exploration and evaluation expenditure	11	(7,263,512)	(7,135,904)
Other expenses	6	(565,071)	(494,156)
Total expenses		(8,063,493)	(8,166,817)
Loss before income tax	6	(7,381,520)	(8,147,327)
Income tax benefit	7	189,375	204,160
Loss for the year after income tax		(7,192,145)	(7,943,167)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Exchange gain on translation of foreign operations		36,909	420,114
Other comprehensive income for the year, net of tax		36,909	420,114
Total comprehensive loss for the year		(7,155,236)	(7,523,053)
Loss per share			
Basic and diluted (cents per share)	28	(1.44)	(1.60)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

AusQuest Limited
Consolidated statement of financial position
As at 30 June 2017

	Note	Consolidated 2017 $	Consolidated 2016 $
Assets			
Current assets			
Cash and cash equivalents	27	1,694,181	810,546
Trade and other receivables	8	95,950	131,437
Other assets	9	147,874	31,792
Total current assets		1,938,005	973,775
Non-current assets			
Property, plant and equipment	10	21,993	23,290
Exploration and evaluation	11	3,650,791	9,944,550
Total non-current assets		3,672,784	9,967,840
Total assets		5,610,789	10,941,615
Liabilities			
Current liabilities			
Trade and other payables	12	388,279	169,600
Borrowings	13	750,000	-
Provisions	14	46,058	71,878
Unexpended funding	15	848,952	-
Total current liabilities		2,033,289	241,478
Total liabilities		2,033,289	241,478
Net assets		3,577,500	10,700,137
Equity			
Issued capital	16	56,786,891	56,770,891
Reserves	17	3,564,657	3,511,149
Accumulated losses		(56,774,048)	(49,581,903)
Total equity		3,577,500	10,700,137

The above statement of financial position should be read in conjunction with the accompanying notes

AusQuest Limited
Consolidated statement of changes in equity
For the year ended 30 June 2017

Consolidated	**Issued capital $**	**Share-based payment reserve $**	**Foreign currency translation reserve $**	**Accumulated losses $**	**Total $**
Balance at 1 July 2016	56,770,891	230,000	3,281,149	(49,581,903)	10,700,137
Loss after income tax for the year	-	-	-	(7,192,145)	(7,192,145)
Other comprehensive gain for the year, net of tax	-	-	36,909	-	36,909
Total comprehensive loss for the year	-	-	36,909	(7,192,145)	(7,155,236)
Transactions with owners in their capacity as owners:					
Issue of shares	16,000	-	-	-	16,000
Options issued during the year	-	16,599	-	-	16,599
Balance at 30 June 2017	56,786,891	246,599	3,318,058	(56,774,048)	3,577,500

Consolidated	**Issued capital $**	**Share-based payment reserve $**	**Foreign currency translation reserve $**	**Accumulated losses $**	**Total $**
Balance at 1 July 2015	56,702,391	230,360	2,861,035	(41,869,096)	17,924,690
Loss after income tax for the year	-	-	-	(7,943,167)	(7,943,167)
Other comprehensive income for the year, net of tax	-	-	420,114	-	420,114
Total comprehensive loss for the year	-	-	420,114	(7,943,167)	(7,523,053)
Transactions with owners in their capacity as owners:					
Issue of shares	68,500	-	-	-	68,500
Options issued during the year	-	230,000	-	-	230,000
Lapsed options during the year	-	(230,360)	-	230,360	-
Balance at 30 June 2016	56,770,891	230,000	3,281,149	(49,581,903)	10,700,137

The above statement of changes in equity should be read in conjunction with the accompanying notes

AusQuest Limited
Consolidated statement of cash flows
For the year ended 30 June 2017

	Note	Consolidated 2017 $	Consolidated 2016 $
Cash flows from operating activities			
Receipts from a joint venture partner		742,573	-
Payments to suppliers and employees		(789,875)	(651,428)
Interest received		4,540	17,815
Net cash used in operating activities	27	(42,762)	(633,613)
Cash flows from investing activities			
Payments for property, plant and equipment		(5,163)	(392)
Payments for exploration and evaluation		(1,771,686)	(1,424,334)
Payment received on grant of farm-in and joint venture interests		1,761,034	264,645
Research and development tax incentive refund received		189,375	204,160
Proceeds from disposal property, plant and equipment		-	1,800
Net cash from/(used in) investing activities		173,560	(954,121)
Cash flows from financing activities			
Proceeds from convertible note		750,000	-
Net cash from financing activities		750,000	-
Net increase/(decrease) in cash and cash equivalents		880,798	(1,587,734)
Cash and cash equivalents at the beginning of the financial year		810,546	2,395,546
Exchange rate adjustment		2,837	2,734
Cash and cash equivalents at the end of the financial year	27	1,694,181	810,546

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. General information

AusQuest Limited (the Company) is a public company listed on the Australian Securities Exchange (trading under the symbol ("AQD"), incorporated in Australia and operating in Australia, Africa and Peru.

The Company's registered office and its principal place of business are as follows:

Registered Office	**Principal place of business**
C/- Nexia Perth Pty Ltd	8 Kearns Crescent
Level 3, 88 William Street	ARDROSS WA 6153
Perth WA 6000	

The Group's principal activities are the exploration for and evaluation of mineral resources in Australia, Africa and Peru.

Note 2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with the Corporations Act 2001, Accounting Standards and Interpretations, and complies with other requirements of the law. Accounting Standards include Australian equivalents to International Financial Reporting Standards ('A-IFRS'). Compliance with A-IFRS ensures that the financial statements and notes of the Company and the Group comply with International Financial Reporting Standards ('IFRS').

The financial statements were authorised for issue by the directors on 25 September 2017.

Basis of preparation

The financial statements comprise the consolidated financial statements for the Group. For the purpose of preparing the consolidated financial statements, the Company is a for-profit entity.

The financial report has been prepared on the basis of historical cost. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

Going concern

The 30 June 2017 financial report has been prepared on the going concern basis that contemplates the continuity of normal business activities and the realisation of assets and extinguishment of liabilities in the ordinary course of business. For the year ended 30 June 2017 the Group recorded a net loss of $7,192,145 (2016 net loss: $7,943,167) and at 30 June 2017 had a net working capital deficit of $95,284 (30 June 2016: surplus of $732,297).

The net working capital deficit of $95,284 at 30 June 2017 includes a convertible note payable to a director which the Company is seeking to settle or partially settle via conversion into ordinary shares. Such a conversion would be subject to shareholder approval which the Board is confident will be obtained at the Company's next general meeting (likely November 2017).

Based on the Group's cash flow forecast it is likely that the Group will need to access additional working capital in the next 12 months to advance its exploration projects and to ensure the realisation of assets on an orderly basis and the extinguishment of liabilities as and when they fall due.

The directors are confident that the Group will be successful in raising additional funds through the issue of new equity, should the need arise. The directors are also aware that the Group has the option, if necessary, to defer expenditure or relinquish certain projects and reduce administration costs in order to minimise its capital raising requirements.

Based on these facts, the directors consider the going concern basis of preparation to be appropriate for this financial report. Should the Company be unsuccessful in obtaining the relevant shareholder approval for the convertible note conversion or in raising additional funds through the issue of new equity, there is a material uncertainty which may cast significant doubt whether the entity will be able to continue as a going concern and therefore, whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The financial statements do not include any adjustments relative to the recoverability and classification of recorded asset amounts or, to the amounts and classification of liabilities that might be necessary should the entity not continue as a going concern.

Note 2. Significant accounting policies (continued)

Critical accounting estimates

In the application of the Group's accounting policies, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experiences and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis.

Revisions to the accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects the current and future periods.

Refer to Note 3 for a discussion of critical judgements in applying the Group's accounting policies and key sources of estimation uncertainty.

Adoption of new and revised accounting standards

Standards and Interpretations applicable to 30 June 2017
In the year ended 30 June 2017, the directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group and effective for the current annual reporting period.

As a result of this review, the directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Group and, therefore, no material change is necessary to Group accounting policies.

Standards and Interpretations in issue not yet adopted
The directors have also reviewed all Standards and Interpretations in issue but are not yet adopted for the year ended 30 June 2017. As a result of this review the directors have determined that the following Standards and Interpretations may have an effect on the Group accounting policies in future financial periods, namely:

- AASB 15 Revenue
- AASB 9 Financial Instruments
- AASB 16 Leases

The Company has elected not to early adopt these Standards and Interpretations. Whilst the Group have not quantified the effect of application on future periods, it is not expected to be material.

Other than the above, the directors have determined that there is no material impact of the Standards and Interpretations in issue not yet adopted on the Company and, therefore, no material change is necessary to Group accounting policies.

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 24.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) referred to as 'the Group' in these financial statements.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full.

Note 2. Significant accounting policies (continued)

Basis of consolidation (continued)

Subsidiaries are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group.

Control exists where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing when the Group controls another entity.

Business combinations have been accounted for using the acquisition method of accounting.

The consideration transferred for the acquisition of a subsidiary comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group.

The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition-related costs are expenses as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

Operating segments

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. This includes start up operations which are yet to earn revenues.

Management also considers other factors in determining operating segments such as the existence of a line manager and the level of segment information presented to the Board of Directors.

Operating segments have been identified based on the information provided to the chief operating decision maker – being the Board of Directors. The Group aggregates two or more operating segments when they have similar economic characteristics, and the segments are similar in the nature of the minerals targeted.

Operating segments that meet the quantitative criteria as prescribed by AASB 8 Operating Segments are reported separately. However, an operating segment that does not meet the quantitative criteria is still reported separately where information about the segment would be useful to users of the financial statements.

Information about other business activities and operating segments that are below the quantitative criteria are combined and disclosed in a separate category for “all other segments”.

Cash and cash equivalents

Cash comprises cash at bank and in hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position. For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

Note 2. Significant accounting policies (continued)

Trade and other receivables

Trade receivables are measured on initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method, less any allowance for impairment. Trade receivables are generally due for settlement within periods ranging from 15 days to 30 days.

Impairment of trade receivables is continually reviewed and those that are considered to be uncollectible are written off by reducing the carrying amount directly. An allowance account is used when there is objective evidence that the Group will not be able to collect all amounts due according to the original contractual terms. Factors considered by the Group in making this determination include known significant financial difficulties of the debtor, review of financial information and significant delinquency in making contractual payments to the Group. The impairment allowance is set equal to the difference between the carrying amount of the receivable and the present value of estimated future cash flows, discounted at the original effective interest rate. Where receivables are short-term discounting is not applied in determining the allowance.

The amount of the impairment loss is recognised in the statement of profit or loss and other comprehensive income within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of profit or loss and other comprehensive income.

Foreign currency translation

Both the functional and presentation currency of AusQuest Limited and its Australian subsidiaries is Australian dollars. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance date.

All exchange differences in the consolidated financial report are taken to profit or loss with the exception of differences on foreign currency borrowings that provide a hedge against a net investment in a foreign entity. These are taken directly to equity until the disposal of the net investment, at which time they are recognised in profit or loss.

Tax charges and credits attributable to exchange differences on those borrowings are also recognised in equity. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

The functional currency of the foreign operations, E&A Resources Pty Ltd , Filigree SARL, Comoe Exploration SARL and Questdor SAC is United States dollars (US$). As at the balance date the assets and liabilities of these subsidiaries are translated into the presentation currency of AusQuest Limited at the rate of exchange ruling at the balance date and their statements of profit or loss and other comprehensive income are translated at the weighted average exchange rate for the year.

The exchange differences arising on the translation are taken directly to the foreign currency translation reserve in equity. On disposal of a foreign entity, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in profit or loss.

Revenue recognition

Revenue is recognised when it is probable that the economic benefit will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Interest
Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue
Other revenue is recognised when it is received or when the right to receive payment is established.

Note 2. Significant accounting policies (continued)

Income tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Deferred tax is provided on all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised.

However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit. Furthermore, a deferred tax liability is not recognised in relation to taxable temporary differences arising from goodwill.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, branches, associates and joint ventures except where the entity is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with these investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the entity expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the entity intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax is recognised as an expense or income in the statement of profit or loss and other comprehensive income, except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity, or where it arises from the initial accounting for a business combination, in which case it is taken into account in the determination of goodwill or excess.

The Company and its wholly-owned Australian resident entity are part of a tax-consolidated group under Australian taxation law. AusQuest Limited is the head entity in the tax-consolidated group. Tax expense/income, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax-consolidated group are recognised in the separate financial statements of the members of the tax-consolidated group using the ‘separate taxpayer within group’ approach. Current tax liabilities and assets and deferred tax assets arising from unused tax losses and tax credits of the members of the tax-consolidated group are recognised by the Company (as head entity in the tax-consolidated group).

Amounts are recognised as payable to or receivable by the Company and each member of the Group in relation to the tax contribution amounts paid or payable between the parent entity and the other members of the tax-consolidated group as and when they arise.

The Research and Development (R&D) tax rebate is recognised as income tax benefit upon receipt.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification. An asset is current when: it is expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

Note 2. Significant accounting policies (continued)

Current and non-current classification

A liability is current when: it is expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Impairment of assets

At each reporting date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is provided on plant and equipment. Depreciation is calculated on a diminishing value basis so as to write off the net cost or other revalued amount of each asset over its expected useful life to its estimated residual value. The estimated useful lives, residual values and depreciation method is reviewed at the end of each annual reporting period.

The following estimated useful lives are used in the calculation of depreciation:

Class of fixed asset	*Depreciation rate (%)*
Fixtures, fittings and office equipment	10 - 40%
Computer equipment	20 - 50%
Field equipment	20 - 40%

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements and plant and equipment under lease are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits/accumulated losses.

Note 2. Significant accounting policies (continued)

Financial instruments issued by the Company

Debt and equity instruments
Debt and equity instruments are classified as either liabilities or as equity in accordance with the substance of the contractual arrangement.

Transaction costs on the issue of equity instruments
Transaction costs arising on the issue of equity instruments are recognised directly in equity as a reduction of the proceeds of the equity instruments to which the costs relate. Transaction costs are the costs that are incurred directly in connection with the issue of those equity instruments and which would not have been incurred had those instruments not been issued.

Exploration and evaluation assets

Exploration, evaluation and development expenditure incurred may be accumulated in respect of each identifiable area of interest.

These costs are carried forward only if they relate to an area of interest for which rights of tenure are current and in respect of which:
(i) such costs are expected to be recouped through successful development and exploitation or from sale of the area; or
(ii) exploration and evaluation activities in the area have not, at balance date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active operations in, or relating to, the area are continuing.

Notwithstanding the fact that a decision not to abandon an area of interest has been made, based on the above, the exploration and evaluation expenditure in relation to an area may still be written off if considered appropriate to do so.

Contributions by a farmee in a farm out agreement are offset against the exploration and evaluation assets when spent. The unexpended expenditure from the farmee at reporting date is recorded as a liability in the statement of financial position. Where there is no obligation attached to the contribution received, the excess of cash received over the carrying amount of the exploration project is credited to the statement of profit or loss and other comprehensive income as revenue.

Joint arrangements

Joint operations
Interests in joint operations are reported in the financial statements by including the entity's share of assets employed in the joint operation, the share of liabilities incurred in relation to the joint operation and the share of any expenses incurred in relation to the joint operation in their respective classification categories.

Joint ventures
Interests in joint ventures are accounted for under the equity method in the consolidated financial statements and the cost method in the Company's financial statements.

Impairment of non-financial assets

Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Note 2. Significant accounting policies (continued)

Share-based payments

The Group provides benefits to employees (including senior executives) of the Group in the form of share-based payments. The cost of these share-based payments is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value at grant date is measured by use of the Black and Scholes option pricing model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the entity's estimate of shares that will eventually vest.

For cash-settled share-based payments, a liability equal to the portion of the goods or services received is recognised at the current fair value determined at each reporting date.

Provisions

Provisions are recognised when the Group has a present (legal or constructive) obligation as a result of a past event, it is probable the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received and the amount of the receivable can be measured reliably.

Employee benefits

Short-term employee benefits
Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled within 12 months of the reporting date are recognised in current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits
The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are recognised in non-current liabilities, provided there is an unconditional right to defer settlement of the liability. The liability is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method.

Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- rom the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either in the principal market or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interest. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Note 2. Significant accounting policies (continued)

Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

The fair value of the liability portion of a convertible note is determined using a market interest rate for an equivalent non-convertible note. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or maturity of the note. The remainder of the proceeds is allocated to the conversion option. This is recognised and included in shareholders' equity, net of income tax effects.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Earnings per share

Basic earnings per share
Basic earnings per share is calculated by dividing the net profit/loss attributable to the owners of AusQuest Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Note 3. Critical accounting judgements, estimates and assumptions

Judgements made by management in the application of A-IFRS that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next year are disclosed, where applicable, in the relevant note to the financial statements. The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the balance date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

Impairment
The Group assesses impairment at each reporting date by evaluating conditions specific to the Group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. During the year the Company impaired all of its West African tenements and did not renew a number of its Peruvian tenements. Impairment charges of $5,995,553 and $870,835 were recognised for these tenements respectively. The Group also recognised impairment charges of $397,124 on its Australian tenements.

Other than exploration and evaluation expenditure impaired totalling $7,263,512 (2016: $7,135,904) during the year, no other impairment loss was recorded in the current financial year. Refer Note 4 (Operating Segment) and Note 11 (Exploration and Evaluation) for further detail on the impairment charges.

Exploration and evaluation costs carried forward
The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the Group decides to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors which could impact the future recoverability include the level of proved, probable and inferred mineral resources, future technological changes which could impact the cost of mining, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

To the extent that capitalised exploration and evaluation expenditure is determined not to be recoverable in the future, this will increase losses and reduce net assets in the period in which this determination is made.

In addition, exploration and evaluation expenditure is capitalised if activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves. To the extent that it is determined in the future that this capitalised expenditure should be written off, this will increase losses and reduce net assets in the period in which this determination is made.

Loans to controlled entities
The directors believe that the recoupment of the inter-company receivables from AusQuest Limited to E&A Resources Pty Ltd, Filigree SARL and Questdor SAC is dependent on the successful development and commercial exploitation or, alternatively, the sale of the exploration assets held by the controlled entities.

Note 4. Operating segments

AASB 8 requires a ‘management approach’ under which segment information is presented on the same basis as that used for internal reporting purposes.

Operating segments are now reported in a manner that is consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision-maker has been identified as the Board of Directors of AusQuest Limited.

The following table presents the revenue, results and certain asset and liability information regarding the segment information provided to the Board of Directors for the year ended 30 June 2017.

Note 4. Operating segments (continued)

Operating segment information

Consolidated - 2017	Australia $	Africa $	South America $	Intersegment eliminations / unallocated $	Total $
Revenue					
Interest revenue	4,473	-	-	-	4,473
Other revenue	677,500	-	-	-	677,500
Total revenue	681,973	-	-	-	681,973
Expenses					
Depreciation	(6,256)	-	(204)	-	(6,460)
Impairment of exploration expenditure	(513,749)	(5,995,553)	(754,210)	-	(7,263,512)
Other expenditure	(590,053)	(1,908)	(201,560)	-	(793,521)
Total expenses	(1,110,058)	(5,997,461)	(955,974)	-	(8,063,493)
Loss before income tax	(428,085)	(5,997,461)	(955,974)	-	(7,381,520)
Income tax benefit					189,375
Loss after income tax					(7,192,145)
Assets					
Non-current assets	7,399,562	-	2,396,781	(6,123,559)	3,672,784
Segment assets	9,223,299	33,473	2,477,576	(6,123,559)	5,610,789
Total assets					5,610,789
Liabilities					
Segment liabilities	1,963,180	5,679,030	4,532,335	(10,141,256)	2,033,289
Total liabilities					2,033,289

Consolidated - 2016	Australia $	Africa $	South America $	Intersegment eliminations / unallocated $	Total $
Revenue					
Interest revenue	17,781	-	-	-	17,781
Other revenue	1,709	-	-	-	1,709
Total revenue	19,490	-	-	-	19,490
Expenses					
Depreciation	(9,146)	-	(300)	-	(9,446)
Impairment of exploration expenditure	(3,693,804)	(3,442,100)	-	-	(7,135,904)
Other expenditure	(882,146)	(8,098)	(131,223)	-	(1,021,467)
Total expenses	(4,585,096)	(3,450,198)	(131,523)	-	(8,166,817)
Loss before income tax benefit	(4,565,606)	(3,450,198)	(131,523)	-	(8,147,327)
Income tax benefit					204,160
Loss after income tax benefit					(7,943,167)
Assets					
Non-current assets	13,897,320	6,283,540	2,556,942	(12,769,962)	9,967,840
Segment assets	14,782,173	6,350,169	2,579,235	(12,769,962)	10,941,615
Total assets					10,941,615
Liabilities					
Segment liabilities	210,089	5,849,690	3,577,839	(9,396,140)	241,478
Total liabilities					241,478

Note 5. Revenue

	Consolidated 2017 $	Consolidated 2016 $
Funding from South32 Group Operations Pty Ltd recognised as income:		
Blue Billy project[(a)]	586,291	-
Administration charges	91,209	-
Interest income	4,473	17,781
Other income	-	1,709
	681,973	19,490

(a) refer to Note 11(ii) - *Grant of farm-in and joint venture interests in previously capitalised projects for the 2016-2017 financial year.*

Note 6. Loss for the year

Loss for the year includes the following expenses:

	Consolidated 2017 $	Consolidated 2016 $
Exploration expenditure expensed	77,603	-
Depreciation	6,460	9,446
Share-based payments:		
Consulting services	32,599	68,500
Director options	-	230,000
	32,599	298,500

Note 7. Income tax expense

	Consolidated 2017 $	Consolidated 2016 $
Tax benefit comprises:		
Current tax benefit	189,375	204,160
Deferred tax expense/(income) relating to the origination and reversal of temporary differences	-	-
Total tax benefit	189,375	204,160
Numerical reconciliation of income tax expense and tax at the statutory rate		
Loss before income tax expense	(7,381,520)	(8,147,327)
Tax at the statutory tax rate of 27.5% (2016: 28.5%)	(2,029,918)	(2,321,988)
Effect of net expenses that are not deductible in determining taxable profit	1,915,092	2,009,112
Effect of changes in unrecognised temporary differences	21,493	(3,345)
Effect of unused tax losses and tax offsets not recognised as deferred tax assets	93,333	316,221
Effect of research and development tax incentive refund	189,375	204,160
Income tax benefit	189,375	204,160

The tax rate used in the above reconciliation is the corporate tax rate of 27.5% (2016: 28.5%) payable by Australian corporate entities on taxable profits under Australian tax law.

Note 7. Income tax expense (continued)

	Consolidated 2017 $	Consolidated 2016 $
Unrecognised deferred tax assets and liabilities		
The following deferred tax assets and (liabilities) have not been brought to account:		
Tax losses – revenue	10,315,694	10,584,835
Exploration and evaluation assets	(4,928,890)	(6,028,890)
Unrealised foreign exchange gain	(418,223)	(487,389)
Other temporary differences	93,870	105,660
	5,062,451	4,174,216
Deferred tax assets not recognised in equity – share issue costs	39,793	71,891

The above potential tax benefit for tax losses has not been recognised in the statement of financial position. These tax losses can only be utilised in the future if the continuity of ownership test is passed, or failing that, the same business test is passed.

Relevance of tax consolidation to the Group
The Company and its wholly-owned Australian resident entities have formed a tax-consolidated group and are therefore taxed as a single entity. The head entity within the tax-consolidated group is AusQuest Limited. The members of the tax-consolidated group (incorporated in Australia) are identified at Note 25.

Note 8. Current assets - trade and other receivables

	Consolidated 2017 $	Consolidated 2016 $
Security deposits	50,000	50,000
Other debtors - unsecured	37,222	56,616
Goods and Services Tax recoverable	8,728	24,821
	95,950	131,437

Note 9. Current assets - Other assets

	Consolidated 2017 $	Consolidated 2016 $
Prepayments	41,485	31,792
Other assets(i)	106,389	-
	147,874	31,792

(i) During the year, the Company paid $106,389 in relation to rates and rents on application of tenement licences. This amount is refundable should title not be granted.

Note 10. Non-current assets - property, plant and equipment

	Consolidated 2017 $	Consolidated 2016 $
Fixtures, fittings and office equipment - at cost	18,020	18,020
Less: Accumulated depreciation	(15,639)	(15,296)
	2,381	2,724
Computer equipment - at cost	24,909	21,499
Less: Accumulated depreciation	(17,003)	(14,615)
	7,906	6,884
Field equipment - at cost	185,924	185,989
Less: Accumulated depreciation	(177,090)	(174,204)
	8,834	11,785
Low value pool - at cost	58,812	57,038
Less: Accumulated depreciation	(55,940)	(55,141)
	2,872	1,897
Carrying amount	21,993	23,290

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	**Total $**
Balance at 1 July 2015	32,400
Additions	392
Disposals	(56)
Depreciation expense	(9,446)
Balance at 30 June 2016	23,290
Additions	5,163
Disposals	-
Depreciation expense	(6,460)
Balance at 30 June 2017	21,993

Note 11. Non-current assets - exploration and evaluation

	Consolidated 2017 $	2016 $
Exploration and evaluation phase - at cost	3,650,791	9,944,550

Consolidated	**Total $**
Balance at 1 July 2015	15,649,086
Capitalised during the year	1,337,398
Impaired during the year [(i)]	(7,135,904)
Grant of farm-in and joint venture interests in previously capitalised projects[(ii)]	(264,645)
Exchange movements	358,615
Balance at 30 June 2016	9,944,550
Capitalised during the year	1,841,318
Grant of joint venture interest in previously capitalised project[(ii)]	(65,073)
Impaired during the year [(i)]	(7,263,512)
Grant of farm-in interests in previously capitalised projects[(ii)]	(912,082)
Exchange movements	105,590
Balance at 30 June 2017	3,650,791

(i) Significant impairments to the following projects occurred during the year:

	2017 $	2016 $
Dundas	-	3,630,606
West Africa[a]	5,995,553	3,442,100
South West Peru[b]	870,835	-
Gibson Soak	-	63,198
Other Australian Projects	397,124	-
Balance at 30 June 2017	7,263,512	7,135,904

[a] The Company's joint venture partner, Burkinor SARL, advised on 3 February 2017 that all "second exceptional renewals" of titles (those held for more than 12 years) have been refused by the Burkina Faso authorities and have either not been renewed or have been returned to its original owners. Consequently, previously capitalised exploration and development costs associated with these tenements totalling $5,995,553 have been impaired at reporting date. The impairment has been recognised in the statement of profit or loss and other comprehensive income.

[b] On 21 September 2016 the Company announced that its partner in the Cardonal and Puite-Colorada Joint Ventures in the Ilo area of southern Peru, Compania Minera Zahena SAC ("Zahena"), has given notice of their intention to withdraw from the joint ventures in October 2016. Following the termination of the joint ventures, all drilling and assay data revert to AusQuest who retained 100 per cent ownership of these projects. The termination of the Joint Venture agreements did not, in the opinion of the directors, change the carrying values of the capitalised exploration and evaluation costs of these tenements at that point in time.

Subsequent to the above, the Group decided not to renew a number of its Peruvian tenements and consequently impaired $870,835 of previously capitalised expenditure incurred on those tenements. The impairment has been recognised in the statement of profit or loss and other comprehensive income.

(ii) Grant of farm-in and joint venture interests in previously capitalised projects:

2015-2016 financial year:
The Group entered into four separate farm-in and joint venture agreements with Compania Minera Zahena SAC ("Zahena") and Southern Peru Copper Corporation Sucursal del Peru ("Southern"). Under the terms of the agreements these entities can earn up to an 70% interest in four copper-gold projects through a structured series of cash option payments and sole-funding exploration expenditures. Terms of these agreements were announced on the ASX platform on 24 February 2015 and 8 July 2015. This joint venture was subsequently terminated on 21 September 2016 as explained above.

The Group received option payments under these agreements of US$190,000 (A$264,645) during the 2016 financial year.

Note 11. Non-current assets - exploration and evaluation (continued)

(ii) Grant of farm-in and joint venture interests in previously capitalised projects (continued):

2016-2017 financial year:
On 20 February 2017 the Company announced that it had entered into a strategic alliance agreement with South32 Group Operations Pty Ltd ("South32") to develop a pipeline of high-potential exploration opportunities. The terms of the agreement allows South32 the ability to accept exploration opportunities offered by the Company which in turn entitles the Company to receive an initial payment of US$250,000 per opportunity accepted (and up to a maximum of US$500,000) to advance these to drill-ready stage. Once a project reaches the drill-ready stage and becomes a drill ready opportunity, a joint venture is be formed in which South32 can earn a 70% interest by incurring expenditures of US$4,000,000. On execution of a joint venture agreement the Company is also entitled to receive a second payment equal to US$500,000 less the total of the initial payment.

The terms of the agreement make provision for a US$500,000 bonus generation fee in the event:

(a) The Company offers South32 three or more exploration opportunities (other than those already identified in the 2016-2017 financial year) within a calendar year; or

(b) Three joint ventures for the existing projects have been executed included the Blue Billy project.

At reporting date, six exploration opportunity projects and a joint venture project (being the Blue Billy joint venture project) had been identified and accepted by South32. In line with the terms of the agreement and subsequent approved work programs, the Company received $1,852,243 in funding of which $912,082 has been allocated against capitalised exploration and evaluation expenditures at reporting date. (refer Note 15).

The Company also received a no-obligation cash contribution of US$500,000 from South32 in relation to the Blue Billy project. The contribution received has been allocated to reduce the carrying amount of the Blue Billy project of $65,073. The excess of of the cash received over the carrying amount of Blue Billy of $586,291 is recognised as revenue in the statement of profit or loss and other comprehensive income. (refer Note 5).

Note 12. Current liabilities - trade and other payables

	Consolidated	
	2017	**2016**
	$	**$**
Trade and other payables	388,279	169,600

The average credit period on purchases and services is 30 days. No interest is charged on the trade payables for the first 30 to 60 days from the date of the invoice. Thereafter, interest may be charged at various penalty rates on the outstanding balance. The Group has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

Note 13. Borrowings

	Consolidated	
	2017	**2016**
	$	**$**
Convertible note	750,000	-

The Company executed a Loan and Convertible Note Agreement ("Agreement") on 5 October 2016 with Mr Chris Ellis, a director and substantial shareholder of the Company for a total loan facility of $750,000.

Note 13. Borrowings (continued)

Key terms under the convertible note included:

- The conversion of the convertible note to the Company's shares is subject to shareholder approval, for the purposes of Listing Rule 10.11;
- The conversion price has been set at the lower of 2 cents per share or the 5-day Value Weighted Average Price (VWAP) immediately prior to the conversion;
- The Loan matures 18 months after execution of the Agreement, and if the convertible note has not been converted to shares by that date, it must be repaid in cash. The Loan must also be repaid on 20 business days' notice in the case of an event of default by the Company including material breach and insolvency events;
- Conversion to shares is solely at the election of the Company, provided shareholder approval has been obtained; and
- Interest on the Loan will be accrued at 10% per annum commencing six months after the date of the advance, if the Company has not converted the convertible note to shares within six months of the date of issue. All interest accrued is payable in cash.

The Company recognised the convertible note as a current liability on the basis that it will have to settle the loan in cash or if converted, it having a contractual obligation to issue a variable number of shares.

As part of the strategic alliance with South32 Group Operations Pty Ltd, South32 also provided the Company with a US$1,000,000 unsecured, interest-free cash advance facilty to help fund project generation activities as and when required. Money drawn down from this facility can be repaid during the term of the Strategic Aliance Agreement but in any event must be repaid by 31 December 2019. At reporting date, no amount was drawn from this facility.

Note 14. Current liabilities - provisions

	Consolidated	
	2017	**2016**
	$	**$**
Employee benefits	46,058	71,878

The current provision for employee benefits relates to long service leave entitlements.

Note 15. Unexpended funding

	Consolidated	
	2017	**2016**
	$	**$**
Balance at beginning of the year	-	-
Funding from strategic alliance and joint venture partner	1,852,243	-
Less: Amount spent on exploration and evaluation projects	(912,082)	-
Less: Amount spent on administration (Note 5)	(91,209)	-
Balance at the end of the year	848,952	-

During the year, the Company received funding from South32 Group Operations Pty Ltd for each of the five exploration opportunities projects under the strategic alliance agreement and under the Blue Billy joint venture. The balance represents the unexpended amount at reporting date (refer Note 11).

Note 16. Equity - issued capital

	Consolidated		Consolidated	
	2017 Shares No.	2016 Shares No.	2017 $	2016 $
Ordinary shares - fully paid	500,897,392	499,397,392	56,786,891	56,770,891

Movements in ordinary share capital

Details	Shares No.	$
Balance at 1 July 2015	495,897,392	56,702,391
Issue of shares (consulting services)[(i)]	3,500,000	68,500
Balance at 30 June 2016	499,397,392	56,770,891
Issue of shares (consulting services)[(ii)]	1,500,000	16,000
Balance at 30 June 2017	500,897,392	56,786,891

(i) Issue of shares (consulting services)

The Company issued 3,500,000 ordinary shares during the 2015/2016 financial year in lieu of cash payments for consulting services rendered to the Group. 500,000 shares were issued on 10 September 2015, 2,000,000 shares on 1 December 2015 and 1,000,000 shares on 14 March 2016. All shares were issued at the prevailing market rates on the dates of the Company entering into the relevant consulting agreement for a combined value of $68,500. Consulting expenses to the same value were recognised in the statement of profit or loss and other comprehensive income.

(ii) Issue of shares (consulting services)

The Company issued 1,500,000 ordinary shares during the 2016/2017 financial year in lieu of cash payments for consulting services rendered to the Group. 500,000 shares were issued on 6 October 2016 and 1,000,000 shares on 13 June 2017. All shares were issued at the share price at the date the share-based payment arrangement was entered into. Consulting expenses to the same value were recognised in the statement of profit or loss and other comprehensive income.

Ordinary shares
Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital. On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Note 16. Equity – listed options

Movements in listed options over ordinary shares on issue

Details	Listed options (AQDO) No.	Listed options (AQDOA) No.	Listed options Total No.
Balance at 1 July 2015	68,750,000	78,946,976	147,696,976
Issued during the year	-	-	-
Balance at 30 June 2016	68,750,000	78,946,976	147,696,976
Expired during the year	(68,750,000)	-	(68,750,000)
Balance at 30 June 2017	-	78,946,976	78,946,976

Note 16. Equity – listed options (continued)

Listed options
During the 2014 financial year, a total of 68,750,000 free attaching listed options were issued (on a 1:2 basis) and allotted as part of the Company's Placement and Share Purchase Plan. The options were granted quotation on ASX under the code AQDO. The options, exercisable at 4 cents each, expired unexercised on 30 November 2016.

During the 2015 financial year, a total of 78,976,976 free attaching listed options were issued (on a 1:2 basis) and allotted as part of the Company's Placement and Share Purchase Plan. These options are exercisable at 3.5 cents each on or before 30 April 2018 and have granted quotation on ASX under the code AQDOA.

Share options issued by the Company carry no rights to dividends and no voting rights.

Note 17. Equity - reserves

	Consolidated	
	2017	**2016**
	$	**$**
Foreign currency reserve	3,318,058	3,281,149
Share-based payments reserve	246,599	230,000
	3,564,657	3,511,149

Movements in reserves during these periods are disclosed in the consolidated statement of changes in equity.

Foreign currency reserve
The reserve is used to recognise exchange differences arising from translation of the financial statements of foreign operations to Australian dollars and foreign currency gains and losses on net investments in foreign operations.

Share-based payments reserve
The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

Note 18. Financial instruments

Financial risk management objectives

The Company has exposure to the following risks from its use of financial instruments:

- Foreign currency risk
- Liquidity risk
- Interest rate risk
- Capital management

This note presents information about the Group's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital. Further quantitative disclosures are included throughout this note and the financial report.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. Risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

Foreign currency risk
The Group undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

Note 18. Financial instruments (continued)

Foreign currency risk (continued)
The carrying amount of the Group's foreign currency denominated financial assets and financial liabilities at the reporting date, expressed in Australian dollars, was as follows:

	Assets		Liabilities	
	2017	**2016**	**2017**	**2016**
Consolidated	**$**	**$**	**$**	**$**
US dollars	848,721	136,534	919,060	31,389

Foreign currency sensitivity analysis
The sensitivity analyses of the Group's exposure to foreign currency risk at the reporting date has been determined based on a change of 10% in the value of the Australian dollar against the relevant foreign currencies. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates.

At reporting dated, if the Australian dollar was 10% stronger and all other variables were constant, the Group's net loss after tax would have decreased by $7,034 (2016: $10,514) with a corresponding increase in equity. Where the Australian dollar weakened, there would be an equal and opposite impact on the loss after tax and equity.

Price risk
The Group is not exposed to any significant price risk.

Interest rate risk
The Group is exposed to interest rate risk as it places funds at both fixed and floating interest rates. The Group manages this risk by maintaining an appropriate mix between fixed and floating rated products, which also facilitate access to money.

Although some of the Group's assets are subject to interest rate risk, it is not dependent on this income. Interest income is only incidental to the Group's operations and operating cash flows. The Group is not exposed to interest rate risk associated with borrowed funds.

Interest rate sensitivity analysis
The sensitivity analyses of the Group's exposure to interest rate risk at the reporting date has been determined based on a change of 50 basis points in interest rates.

At reporting dated, if interest rates had been 50 basis points higher and all other variables were constant, the Group's net loss after tax would have decreased by $8,499 (2016: $4,053) with a corresponding increase in equity. Where interest rates decreased, there would be an equal and opposite impact on the loss after tax and equity.

Credit risk
Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Liquidity risk
Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when they fall due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Liquidity risk management is the responsibility of the Board of Directors, who have built an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements.

The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities, identifying when further capital raising initiatives are required.

Note 18. Financial instruments (continued)

Liquidity risk (continued)
The following tables detail the Group's remaining contractual maturity for its non-derivative financial assets and liabilities and have been prepared on the following basis:
- Financial assets - based on the undiscounted contractual maturities including interest that will be earned on those assets except where the Company/Group anticipates that the cash flow will occur in a different period; and
- Financial liabilities - based on undiscounted cash flows on the earliest date on which the Group can be required to pay, including both interest and principal cash flows.

2017	**CONSOLIDATED**					
	Less than 1 month $	**1-3 months $**	**3 months to 1 year $**	**1 - 5 years $**	**5+ years $**	**Total $**
Financial assets						
Non-interest bearing	50,386	-	-	-	-	50,386
Variable interest rate	1,689,745	-	-	-	-	1,689,745
Fixed interest rate	-	-	50,000	-	-	50,000
	1,740,131	-	50,000	-	-	1,790,131
Financial liabilities						
Non-interest bearing	1,067,169	170,062	-	-	-	1,237,231
Fixed interest rate	-	-	750,000	-	-	750,000
	1,067,169	170,062	750,000	-	-	1,987,231

2016	**CONSOLIDATED**					
	Less than 1 month $	**1-3 months $**	**3 months to 1 year $**	**1 - 5 years $**	**5+ years $**	**Total $**
Financial assets						
Non-interest bearing	81,394	-	-	-	-	81,394
Variable interest rate	810,589	-	-	-	-	810,589
Fixed interest rate	-	-	50,000	-	-	50,000
	891,983	-	50,000	-	-	941,983
Financial liabilities						
Non-interest bearing	169,600	-	-	-	-	169,600
	169,600	-	-	-	-	169,600

Fair value of financial assets and liabilities
The carrying amount of financial assets and financial liabilities recorded in the financial statements represents their respective net fair values, determined in accordance with the accounting policies disclosed in Note 2. The directors consider that the carrying amount of financial assets and other financial liabilities recorded in the financial statements approximate their net fair values.

Capital management
The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The capital structure of the Group consists of equity only, comprising issued capital and reserves, net of accumulated losses. The Group's policy is to use capital market issues to meet the funding requirements of the Group.

There were no changes in the Group's approach to capital management during the year. Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

Note 19. Key management personnel disclosures

Details of key management personnel compensation are disclosed in the Remuneration Report which forms part of the Directors' Report and has been audited. The aggregate compensation of the key management personnel is summarised below:

	Consolidated	
	2017	**2016**
	$	**$**
Short term employee benefits	79,909	136,986
Post employment benefits	7,591	13,014
Share based payments (options granted)	-	176,000
Other benefits	16,664	24,996
	104,164	350,996

Note 20. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by the auditor of the Company:

	Consolidated	
	2017	**2016**
	$	**$**
Audit services		
Audit or review of the financial statements	35,750	35,000

The auditor of AusQuest Limited is HLB Mann Judd.

Note 21. Contingencies

In the opinion of the directors, there were no material contingent liabilities as at 30 June 2017 and no contingent liabilities have arisen in the interval between the period end and the date of this financial report.

At reporting date the Company had contingent share issues to consultants of up to 17,500,000 (2016: 21,000,000) fully paid ordinary shares. The issue of these shares are staged over a period of up to four years and is dependent on certain agreed project and/or Joint Venture milestones being reached.

Note 22. Commitments

	Consolidated	
	2017	**2016**
	$	**$**
Capital commitments		
Committed at reporting date but not recognised as liabilities, payable:		
Within one year	777,367	1,104,928
After one year but not more than five years	4,274,469	4,821,711
More than 5 years	1,656,000	1,452,000
	6,707,836	7,378,639

Capital commitments includes minimum expenditures and rent payable under granted tenements. Certain of these commitments will be paid for by the Company's joint-venture partners. The Company also has the discretion to surrender one or more of these tenements and thereby avoid payment of these commitments.

Lease commitments - operating		
Committed at reporting date but not recognised as liabilities, payable:		
Within one year	56,666	56,666

The Company entered into an operating lease for its office premises at 8 Kearns Crescent, Ardross.

Note 23. Related party transactions

Parent entity
AusQuest Limited is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in Note 25.

Key management personnel
Disclosures relating to key management personnel are set out in Note 19 and the remuneration report in the Directors' Report.

Transactions with related parties
The following transactions occurred with related parties:

	Consolidated	
	2017	**2016**
	$	**$**
Rent of premises(i)	3,542	42,715
Corporate advisory services(ii)	16,664	24,996
Convertible note and interest accrued(iii)	768,288	750,000

i. In 2016, office premises were rented by the Company for the financial year from Asuper Pty Ltd, an entity associated with former director Mr John Ashley, for a total amount of $42,715 excluding GST. The Company continued with the lease agreement post Mr Ashley retirement from the Board on 8 July 2016.

ii. The Company entered into a 12 month corporate advisory services agreement with Mr Hancock on 1 May 2015 (subsequently extended). Under the agreement Mr Hancock can receive annual fees of up to $25,000 + GST. Mr Hancock was paid $16,664 (excluding GST) for services rendered during the 12 month period ending 30 June 2017 (2016: $24,996 excluding GST). This amount is included as part of Mr. Hancock's remuneration in the Remuneration Report.

iii. On 3 October 2016, the Company executed a Convertible Note Agreement ("the Loan") with Mr Chris Ellis for a total loan facility of $750,000 to help fund the Company's working capital. The Loan, which was fully drawn down by the Company on that date, has a maturity date of 3 April 2018 (18 months) and may be converted into ordinary shares of the Company at the election of the Company. The Loan is interest free for six months and thereafter accrues interest at 10% per annum. The Company accordingly accrued $18,288 in interest payable on the Loan at reporting date.

There were no other transactions with key management personnel during the year.

Receivable from and payable to related parties
The following balances are outstanding at the reporting date in relation to transactions with related parties:

	Consolidated	
	2017	**2016**
	$	**$**
Current payables:		
Payable to Chris Ellis	33,117	-
Payable to Graeme Drew and related entity	21,551	9,051
Payable to Greg Hancock and related entity	2,291	2,291
Payable to John Ashley and related entity	-	3,896

Loans to/from related parties
Other than the convertible note payable to Chris Ellis of $750,000 (2016: nil), there were no loans to or from related parties at the current and previous reporting date.

Terms and conditions
All transactions were made on normal commercial terms and conditions and at market rates.

Note 24. Parent entity information

Set out below is the supplementary information about the parent entity.

	Parent 2017	Parent 2016
Statement of profit or loss and other comprehensive income	$	$
Loss after income tax for the year	(7,155,236)	(5,348,877)
Other comprehensive income	-	-
Total comprehensive loss	(7,155,236)	(5,348,877)
Statement of financial position		
Total current assets	1,823,736	884,853
Total non-current assets	3,716,944	10,025,373
Total assets	5,540,680	10,910,226
Total current liabilities	1,963,180	210,089
Total non-current liabilities	-	-
Total liabilities	1,963,180	210,089
Equity		
Issued capital	56,786,891	56,770,891
Share-based payment reserve	246,599	230,000
Accumulated losses	(53,455,990)	(46,300,754)
Total equity	3,577,500	10,700,137

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries
The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2017 and 30 June 2016.

Contingent liabilities
The parent entity had no contingent liabilities as at 30 June 2017 and 30 June 2016.

Included in non-current assets are investments and loans to subsidiaries of $2,440,941 (2016: $8,423,023), the recoverability of which is dependent on the successful exploitation of the subsidiaries exploration assets.

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment at 30 June 2017 and 30 June 2016.

Note 25. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in Note 2:

Name	Principal place of business / Country of incorporation	Ownership interest 2017 %	Ownership interest 2016 %
Parent Entity			
AusQuest Limited (i)	Australia	-	-
Controlled entities			
Held directly by AusQuest Limited:			
Fortescue Resources Limited	Australia	100%	100%
E&A Resources Pty Ltd	British Virgin Islands	100%	100%
Questdor SAC	Peru	100%	100%
Filigree SARL	Burkina Faso	100%	100%
Held through E&A Resources Pty Ltd:			
Comoe Exploration SARL	Burkina Faso	100%	100%

(i) AusQuest Limited is the head entity within the tax consolidated group. All the Australian-incorporated companies are members of the tax consolidated group.

Note 26. Events after the reporting year

Subsequent to year end, the Company closed down its operations in Filigree SARL and Comoe Exploration SARL in Burkina Faso. These were not assessed as discontinued operations at 30 June 2017.

There has not been any other matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Note 27. Cash and cash equivalents

	Consolidated 2017 $	Consolidated 2016 $
Cash at bank and on hand	1,694,181	810,546

Cash at bank earns interest at floating rates based on daily bank deposit rates.

Reconciliation to the Statement of Cash Flows:
For the purposes of the statement of cash flows, cash and cash equivalents comprise cash on bank and cash on hand.

Note 27. Cash and cash equivalents (continued)

Reconciliation of loss after income tax to net cash used in operating activities:

	Consolidated 2017 $	Consolidated 2016 $
Loss after income tax for the year	(7,192,145)	(7,943,167)
Adjustments for:		
Depreciation and amortisation	6,460	9,446
Net gain on disposal of plant and equipment	-	(1,745)
Share-based payment expenses	32,599	298,500
Exploration and evaluation expenditure impaired	7,263,512	7,135,904
Previously capitalised project offset against income from joint venture partner	65,073	-
R&D tax rebate reclassified as investing activities	(189,375)	(204,160)
Exploration and evaluation expenditure included in investing activities	77,603	-
Operating profit/(loss) before working capital changes	63,727	(705,222)
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	13,545	(50,224)
(Increase)/decrease in other assets	(116,082)	10,129
Increase in payables	21,868	98,275
(Decrease)/increase in provisions	(25,820)	13,429
Net cash used in operating activities	(42,762)	(633,613)

Note 28. Loss per share

	Consolidated 2017 Cents	Consolidated 2016 Cents
Basic loss per share	(1.44)	(1.60)

	2017 $	2016 $
Loss after income tax attributable to the owners of AusQuest Limited	(7,192,145)	(7,943,167)

	Number	Number
Weighted average number of ordinary shares used in calculating basic loss per share	499,813,830	497,757,666

Diluted loss per share has not been calculated as the result does not increase loss per share.

Note 29. Share-based payments

Equity-settled payments
During the year the Company settled payment for certain consulting services received through the issue of ordinary shares.

The Company issued 1,500,000 ordinary shares during the year in lieu of cash payments for consulting services rendered to the Group. 500,000 shares were issued on 6 October 2016 and 1,000,000 shares on 13 June 2017. All shares were issued at the share price at the date the share-based payment arrangement was entered into. Consulting expenses to the same value were recognised in the statement of profit or loss and other comprehensive income.

Employee share options
The Company has an ownership-based compensation arrangement for consultants and employees of the Company.

Each option issued under the arrangement converts into one ordinary share of AusQuest Limited on exercise. No amounts are paid or payable by the recipient on receipt of the option. Options neither carry rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry. The number of options granted is at the sole discretion of the directors.

Incentive options issued to directors (executive and non-executive) are subject to approval by shareholders and attach vesting conditions as appropriate.

Share based payment arrangements in existence during year

The following share-based payment arrangements were in existence during the current and comparative reporting years:

Option series	Number	Grant date	Expiry date	Exercise price $	Fair value at grant date $
30 Nov 2015	2,900,000(i)	30 Nov 2012	30 Nov 2015	0.07	0.025
30 Nov 2015	7,000,000(i)	02 Dec 2013	30 Nov 2015	0.07	0.023
30 Nov 2020	22,000,000(ii)	25 Nov 2015	30 Nov 2020	0.05	0.008
30 Nov 2020	6,000,000(iii)	01 Dec 2015	30 Nov 2020	0.05	0.009
30 Nov 2020	2,000,000(iv)	13 June 2017	30 Nov 2020	0.05	0.008

(i) These options expired during the 2016 financial year.

(ii) Following shareholder approval at the Annual General Meeting held on 25 November 2015, 22,000,000 unlisted options was issued to the directors. These options have an exercise price of 5 cents each and expire on 30 November 2020.

(iii) On 1 December 2015 the Company issued 6,000,000 unlisted options to employees and contractors under the Company's Long Term Incentive Scheme ("LTIS"). The exercise price of the options under the LTIS was determined by the Directors. The employees eligible to participate in the plan are at the discretion of the directors. The options hold no voting rights and are not transferable. At reporting date no options have been exercised and the employees have not ceased employment.

(iv) On 13 June 2017 the Company issued 2,000,000 unlisted options to a contractor on the same terms as those granted to employees and other contractors on 1 December 2015. The options hold no voting rights and are not transferable.

The fair value of the all the options issued is determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at valuation date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option. The Black-Scholes valuation is expensed over the vesting period of the particular options.

The expense recognised in the statement of profit or loss and other comprehensive income in relation to share-based payments granted in 2017 is $32,599 (2016: $298,500). There were no options exercised during the financial years ended 30 June 2016 and 30 June 2017.

Note 29. Share-based payments (continued)

The table below summarises the model inputs for the options granted during the year and valued using the Black-Scholes option pricing model:

Inputs into the model	Option series: 30 Nov 2020 (June 2017 issue)
Grant date share price (cents)	1.3 cents
Exercise price (cents)	5.0 cents
Expected volatility	136%
Option life	3.5 years
Dividend yield	-
Risk-free interest rate	1.76%

The following table shows a reconciliation of the outstanding share options granted as share-based payments at the beginning and end of the financial year:

	2017		2016	
	Number of Options	Weighted average exercise price $	Number of Options	Weighted average exercise price $
Balance at beginning of the financial year	28,000,000	0.05	9,900,000	0.07
Granted during the financial year	2,000,000	0.05	28,000,000	0.05
Lapsed during the financial year	-	-	(9,900,000)	0.07
Balance at end of the financial year (i)	30,000,000	0.05	28,000,000	0.05
Exercisable at end of the financial year	30,000,000	0.05	28,000,000	0.05

(i) Balance at end of the financial year
The share options outstanding at the end of the financial year had a weighted average remaining contractual life of 3.42 years (2016: 4.42 years).

AusQuest Limited
Additional securities exchange information

Additional information required by the Australian Securities Exchange and not shown elsewhere in this report is as follows. This information is current as at 31 August 2017.

1. Registered office and principal administrative office

The address of the registered office in Australia is C/- Nexia Perth, Level 3, 88 William Street, Perth, WA, 6000.
Telephone + 61 8 9463 2463

The principal administrative office is 8 Kearns Crescent, Ardross, WA, 6153.
Telephone + 61 8 9364 3866

2. Register of securities are held at the following address:

Advanced Share Registry Services
110 Stirling Highway
Nedlands WA 6009
Telephone + 61 8 9389 8033

3. Shareholdings

a. Distribution of shareholders

Category (size of holding)	Ordinary shares	Number of holders
1 – 1,000	24,402	219
1,001 – 5,000	687,504	232
5,001 – 10,000	1,213,013	152
10,001 – 100,000	31,214,402	696
100,000 and over	467,758,071	490
Total shareholding	500,897,392	1,789

b. Less than marketable parcels of shares

The number of shareholdings held in less than marketable parcels is 817 given a share value of 2.1 cents per share.

c. Distribution of listed optionholders ("AQDOA")

Category (size of holding)	Listed options	Number of holders
1 – 1,000	-	-
1,001 – 5,000	-	-
5,001 – 10,000	-	-
10,001 – 100,000	3,065,311	74
100,000 and over	75,881,665	95
Total shareholding	78,946,976	169

d. Voting rights

The voting rights attached to each class of equity security are as follows:

Ordinary shares

Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has vote on a show of hands.

Options

Options over ordinary shares do not carry voting rights.

e. 20 Largest shareholders – ordinary shares

	NAME	Number of Ordinary Fully Paid Shares Held	% Held of Issued Ordinary Capital
1	Chrysalis Investments Pty Ltd	82,813,586	16.53%
2	Mr Graeme Drew & Mrs Barbara J Drew	13,553,966	2.71%
3	ASuper Pty Ltd / Mrs Nova V Ashley	12,777,579	2.55%
4	Merrill Lynch (Aust) Nominees P/L	11,274,070	2.25%
5	Hamersley Holdings Limited	10,500,000	2.10%
6	Mr James Thornett	7,332,109	1.46%
7	Sarelda Pty Ltd (The Sarelda Super Fund A/C)	7,165,653	1.43%
8	Buckland Capital Pty Ltd (D Millar S/F A/C)	7,025,000	1.40%
9	Exploration Capital Partners	6,933,356	1.38%
10	Novasc Pty Ltd (Bellis Australia S/F A/C)	6,889,636	1.38%
11	Citicorp Nominees Pty Limited	6,712,343	1.34%
12	Invia Custodian Pty Limited (R&G Chadwick A/C)	6,230,000	1.24%
13	Stadjoy Pty Ltd	6,000,000	1.20%
14	Mr John Dobson (OCS Superannuation Fund A/C)	5,000,000	1.00%
15	Mr Micheal James Sherington & Miss Katrina Louise Weier	4,682,437	0.94%
16	Mr Gregory George Hancock	4,586,415	0.92%
17	Mr Peter James Walker	4,289,474	0.86%
18	Scintilla Strategic Investments Limited	4,275,000	0.85%
19	Mineral Royalties Online Pty Ltd	4,000,000	0.80%
20	Bnp Paribas Noms Pty Ltd	3,978,345	0.79%
	TOTAL	216,018,969	43.13%

f. 20 Largest shareholders – listed options (AQDOA)

	NAME	Number of Listed Options Held	% Held of Listed Options
1	JP Morgan Nominees Australia Ltd	10,217,895	12.94%
2	Chrysalis Investments Pty Ltd	8,473,684	10.73%
3	Jetosea Pty Ltd	4,895,264	6.20%
4	Buckland Capital Pty Ltd	4,000,000	5.07%
5	Exploration Capital Partners 2014 Ltd Partnership	3,466,678	4.39%
6	Berenes Nominees Pty Ltd (Berenes Super Fund)	2,890,001	3.66%
7	BNP Paribas Noms Pty Ltd	2,570,000	3.26%
8	BT Portfolio Services Ltd (Warrell Holdings S/F A/C)	2,500,000	3.17%
9	Dr Hossein Sabet	2,100,000	2.66%
10	Stadjoy Pty Ltd	1,809,475	2.29%
11	Iris Sydney Holdings Pty Ltd	1,614,737	2.05%
12	Mr Graeme Drew & Mrs Barbara J Drew	1,500,000	1.90%
13	ASuper Pty Ltd / Mrs Nova V Ashley	1,315,790	1.67%
14	Mr Gokahn Omer Anayurt	1,300,000	1.65%
15	CS Fourth Nominees Pty Ltd (HSBC CUST Nom Au Ltd 11 A/c)	1,000,000	1.27%
16	Jayleaf Holdings Pty Ltd	1,000,000	1.27%
17	Rare Earths & Minerals Pty Ltd	1,000,000	1.27%
18	Ms Paola Andrea Barrena	1,000,000	1.27%
19	Dixtru Pty Ltd	950,000	1.20%
20	Nishhtha Pty Ltd	850,000	1.08%
		54,453,524	69.00%

g. Substantial shareholders

Substantial shareholders listed in the Company's holding register as at 31 August 2017:

NAME		Number of fully paid ordinary shares held	Number of listed options held	Number of unlisted options held
1	Chrysalis Investments Pty Ltd (a company associated with Mr C Ellis)	82,813,586	8,473,684	4,000,000
		82,813,586	8,473,684	4,000,000

4. Company secretary

The name of the Company secretary is Henko Vos.

5. Securities exchange listing

Quotation has been granted for all the ordinary shares and listed options of the Company on the Australian Securities Exchange ('AQD').

6. Unquoted securities

Terms		Unlisted Options	
		Number	Number of holders
1	Unlisted options exercisable at 5 cents each on or before 30 November 2020	30,000,000	9
		30,000,000	9

7. Unquoted equity security holdings greater than 20%

At 31 August 2017 Mr Drew (Executive Director) was the only holder of unquoted equity securities greater than 20%, with a holding of 10,000,000.

8. Restricted securities

There are no restricted securities or securities under voluntary escrow at the date of this report.

9. On-market buy back

At the date of this report, the Company is not involved in an on-market buy back.

Project Tenements as at 20 September 2017

State	Tenement	Name	Status	Sub-Blocks	Area (km^2)	Grant Date	Expiry Date	Current Commitment ($)
AUSTRALIA								
BALLADONIA								
WA	E69/3246	Balladonia - 1	granted	89	257	20/01/2015	19/01/2020	89,000
WA	E69/3317	Balladonia - 2	granted	100	289	16/07/2015	15/07/2020	100,000
WA	E69/3361	Balladonia East	granted	75	217	16/11/2015	15/11/2020	75,000
WA	E69/3394	Balladonia South East	application	96	279	-	-	-
EAST CAPRICORN								
WA	E69/3415	Yallum Hill	granted	24	71	4/07/2016	3/07/2021	23,000
WA	E69/3358	Lake Buggan	granted	81	226	10/11/2015	9/11/2020	81,000
JIMBERLANA								
WA	E63/1742	Jimberlana West	granted	44	128	4/11/2015	3/11/2020	44,000
BLUE BILLY								
WA	E08/2754	Blue billy	granted	79	248	22/02/2016	21/02/2021	79,000
WA	E08/2904	Blue billy 2	application	194	609	-	-	-
PERRY CREEK								
WA	E52/3501	Perry Creek 1	application	194	608	-	-	-
WA	E52/3502	Perry Creek 2	application	121	379	-	-	-
CARRAMULLA								
WA	E52/3544	Carramulla	application	40	125	-	-	-

SOUTH AMERICA

Country	Project Name	Applications	No. Granted	Area (km^2)
PERU	Cerro De Fierro	-	3	22
PERU	Pinguino	-	5	49
PERU	Azucar West	-	3	28
PERU	Pampa Del Pulgas	-	21	187
PERU	Chololo	1	2	24
PERU	Los Otros	3	5	65
PERU	Pampa Camarones	-	8	67
PERU	La Grande	5	0	45