



Quarterly Report – 31st December 2018

HIGHLIGHTS

Peru – Copper-Gold

- ❑ **Significant copper and gold mineralisation** intersected in initial reconnaissance diamond drilling (7 holes/3,500m) completed in December at the Cerro de Fierro Iron-Oxide Copper-Gold Project (South32 Alliance).
- ❑ Drilling **confirmed the large scale of the mineralised system** with the stronger copper and/or gold values located outboard of the core magnetite/pyrite zone.
- ❑ **Follow-up and in-fill drilling expected to commence in Q2/2019** under the South32 Alliance, following detailed analysis of all drill-hole and surface data.
- ❑ **New tenement applications (eight mineral concessions)** submitted to secure additional magnetic targets in the Cerro de Fierro region.
- ❑ **Copper targets in the Parcoy Project** refined by stream sediment sampling, which outlined prospective areas along the target structure

Australia – Nickel, Copper, Zinc

- ❑ **Two new drilling opportunities (Yallum Hill and Hamilton)** accepted under the SAA, with drilling in both areas expected to be completed around mid-2019.
- ❑ **Two drill-holes planned at Yallum Hill** to test semi-coincident EM and magnetic targets which are thought to have similarities with IOCG deposits in NW Queensland. Native Title clearances have been obtained.
- ❑ **Four drill-holes planned at Hamilton** to test an IP/magnetic/gravity target thought to reflect possible IOCG mineralisation beneath the Cretaceous cover.
- ❑ **Anomalous base metal values intersected in adjacent drill holes** during a program of Aircore drilling completed at Balladonia.

Corporate

- ❑ **Quarter-end cash position of ~\$2.1M** with additional funding from South32 expected for agreed work programmes over Strategic Alliance Projects both in Australia and Peru.

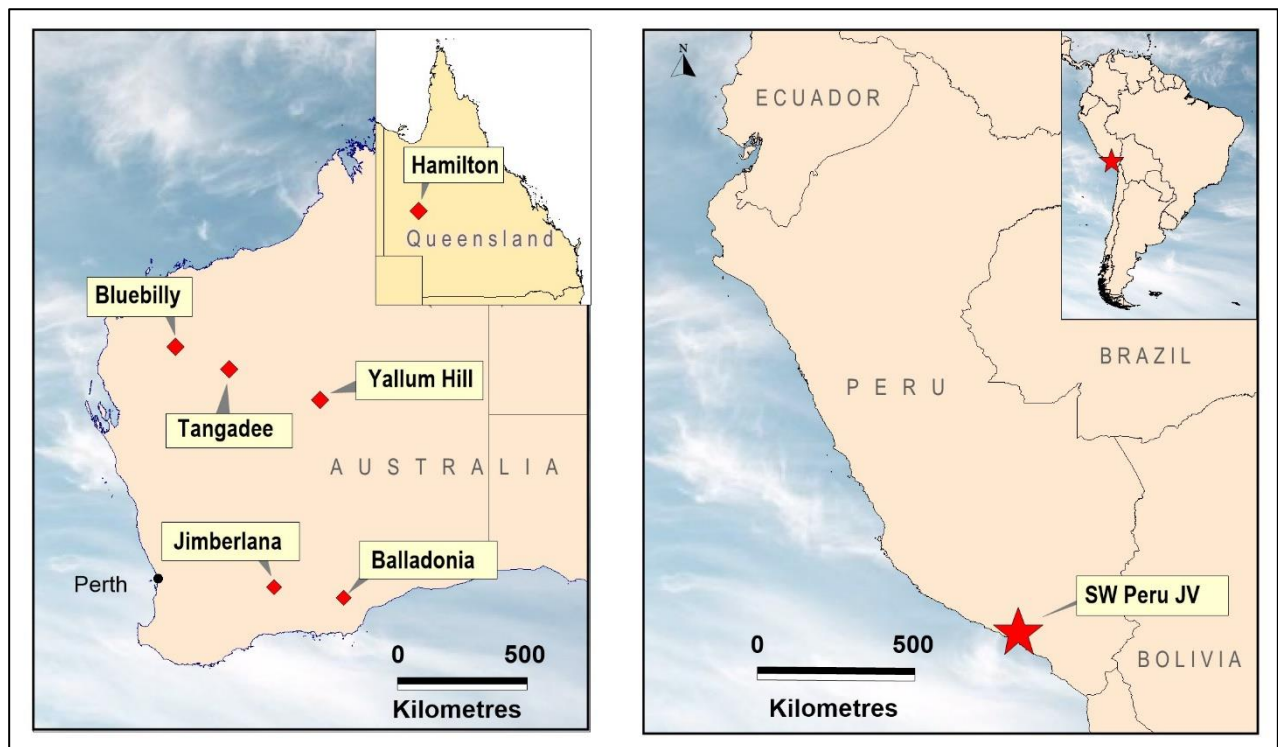


Figure 1: Project Locations – Australia and Peru

OVERVIEW

During the Quarter, the Company's activities were focused on completing drill programs both in Australia and Peru under the Company's Strategic Alliance Agreement (SAA) with diversified global miner South32 (ASX, LSE, JSE: S32; ADR: SOUHY).

In **Peru**, the initial 3,500m diamond drilling program was completed at the Cerro de Fierro Iron-Oxide Copper-Gold Project where significant copper and gold mineralisation was intersected. A full assessment of the Chololo drill results was also completed.

At Parcoy, access preparations for geophysical survey work were initiated and stream sediment sampling undertaken to refine target areas. New tenement applications were submitted to secure additional targets in the Cerro de Fierro area and increase the Company's footprint in this emerging region of IOCG mineralisation.

In **Australia**, geophysical survey work at the Yallum Hill and Hamilton prospects identified new copper drilling opportunities which were proposed and accepted for SAA funding during 2019.

Diamond and Aircore drilling was undertaken at Balladonia late in the Quarter with final drill-holes completed in early January and final assays pending.

Project generation studies identified several new areas of interest, with targets located along structural extensions of the Paterson Range Province secured under title applications

PERU COPPER-GOLD PROJECTS

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

Strategic Alliance Projects (South32)

During the Quarter, an initial diamond drilling program (7 holes/3,500m) was completed at

the Cerro de Fierro Iron-Oxide Copper-Gold (IOCG) prospect in southern Peru, with assay results highlighting a number of significant

copper-gold intersections and confirming potential for a sizeable IOCG system.

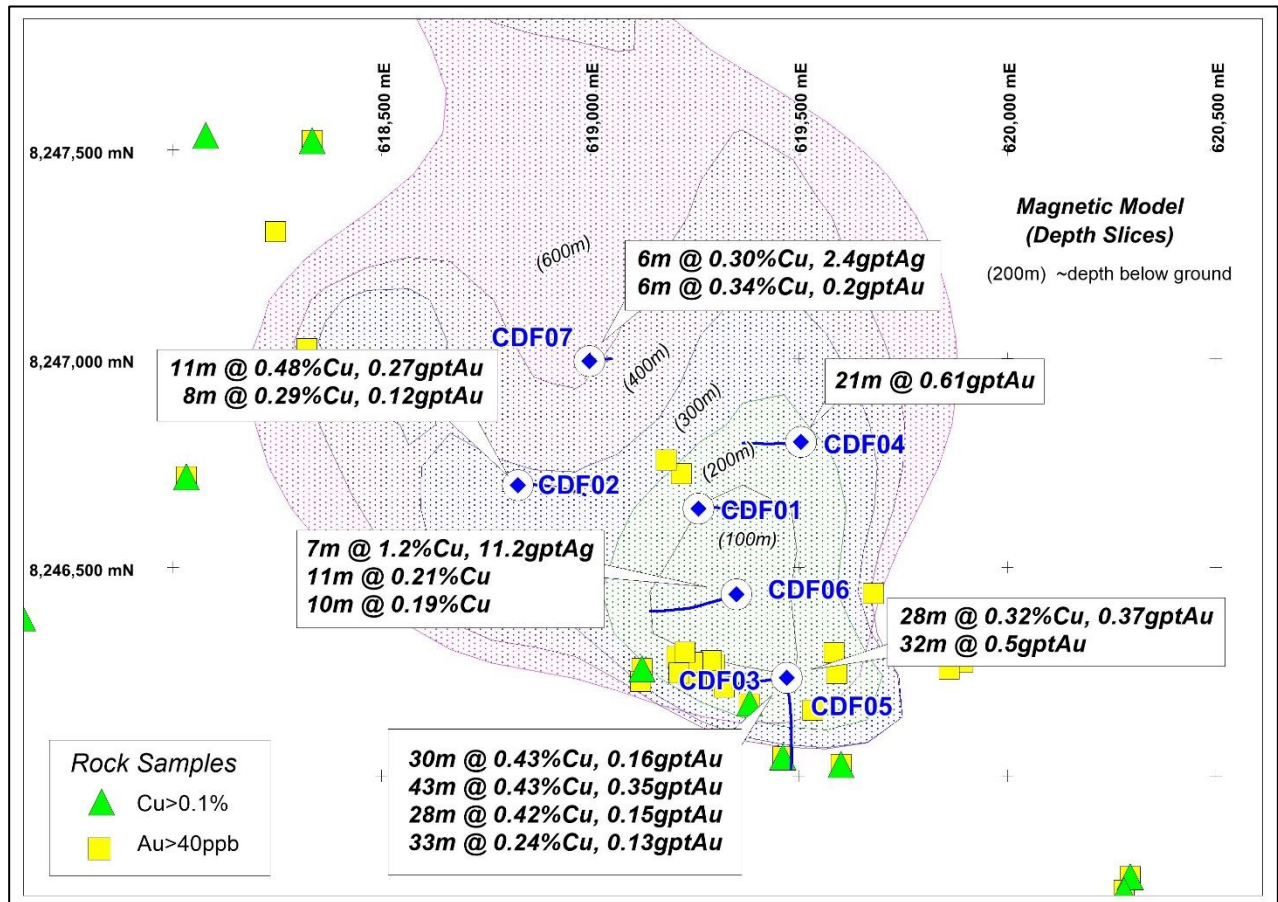


Figure 2: Cerro de Fierro magnetic model showing summary of drill results

Detailed analysis and compilation of available data is currently in progress to outline areas for follow-up and infill drilling. This is expected to be completed during February, with the second phase of drilling expected to start during Q2/2019 following consultation with South32.

The initial drill-holes were widely spaced (250m to 450m apart) and centred on the semi-coincident IP and magnetic anomalies which were considered to be the main targets. Significant assay results from the diamond drilling program as previously released to the ASX are provided in the table below:

Drill-Hole	From (m)	To (m)	Interval (m)	Cu%	Au/gpt	Ag/gpt
CDF02	276	294	18	0.14	0.12	
	333	344	11	0.48	0.27	
	458	466	8	0.29	0.12	
CDF03	198	228	30	0.43	0.16	
	250	293	43	0.43	0.35	
<i>(Incl.</i>	266	276	10	0.93	1.06	
	303	307	4	0.18	0.17	
	320	348	28	0.42	0.15	
<i>(Incl.</i>	330	336	6	1.09	0.4	
	353	369	16	0.15	0.12	
	396	429	33	0.24	0.13	
	482	486	4	0.23	0.13	
CDF04	69	90	21		0.61	

	378	384	6	0.17		
CDF05	93	125	32		0.5	
	130	158	28	0.32	0.37	
	342	348	6	0.21	0.25	
CDF06	191	197	6	0.14		
	205	209	4	0.2		
	272	282	10	0.19		
	345	355	10	0.16		
	460	471	11	0.21		
	499	506	7	1.17		11.2
CDF07	210	216	6	0.17	0.1	
	354	360	6	0.3	0.06	2.4
	390	396	6	0.34	0.17	1.6
	507	513	6	0.13		

NB: Cu grades > 0.1%. Gold grades calculated for Cu intersections. Minimum Intersection – 4 metres. No grades cut.

A preliminary assessment of the assay data suggests that the copper and gold mineralisation intersected in the drilling is closely associated with increased iron-potassium alteration/oxidation within the host volcanic stratigraphy.

While the controls on the shape, size and grade of the mineralisation are yet to be determined, initial indications suggest that the mineralisation is located outboard of a magnetite-pyrite core which was the initial focus for drilling. The initial drill program has not constrained the outer limits of the mineralisation, which remains open in all directions.

A grid based soil sampling program south of the main target has been initiated to help map out the full extent of the copper mineralisation.

Copper minerals observed in the drill core and closely associated with the alteration include

both sulphide (chalcopyrite, bornite, chalcocite?) and oxide (chrysocolla, brochantite?) copper minerals and trace amounts of native copper. The copper mineralisation occurs as disseminations and within small veinlets cutting the host rocks.

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

The strong encouragement received from the initial drilling at Cerro de Fierro has caused a shift in the Company's priorities in Peru with exploration over the next 6 to 12 months to focus on the Cerro de Fierro – Parcoy region in order to more rapidly advance these prospects (*Figure 3*).

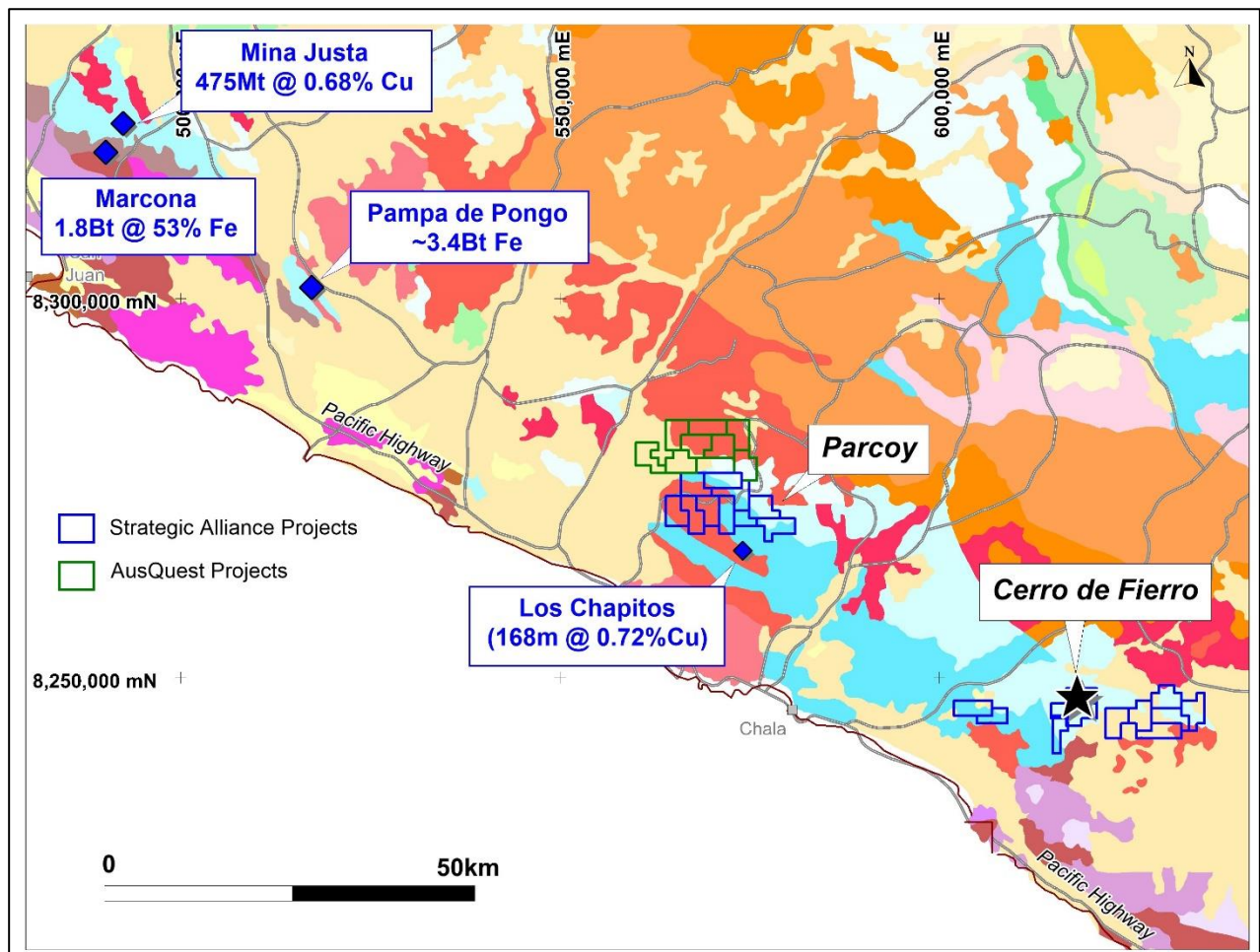


Figure 3: Cerro de Fierro-Parcoy Project locations

At the **Parcoy IOCG Project**, which is located ~50km north of Cerro de Fierro, access preparations are in progress to facilitate a restart of IP geophysical surveying to identify targets for drilling adjacent to the structures that host copper mineralisation to the south-east at Los Chapitos which is held by Camino Resources.

Recent stream sediment sampling coupled with previous mapping and rock-chip sampling in the area has highlighted a 6km section of the structure which appears to be prospective for copper.

Anomalous copper values (>100ppm Cu) with elevated molybdenum (>2ppm Mo) were located down-stream from the structure that is thought to be a strike extension of the copper-

bearing structure identified at Los Chapitos to the south-east.

The proposed coverage of the IP Survey was revised to concentrate on this section of the structure. Surveying is now being planned to start in March 2019 (*Figure 4*).

New tenement applications in the Cerro de Fierro – Parcoy area, based on the Company's proprietary aeromagnetic data, have provided the Company with a strong land position (289km²) in this region (*Figure 3*).

While some of these titles are not yet included under the SAA, funding for exploration at both the Cerro de Fierro and Parcoy prospects will continue to be provided by South32.

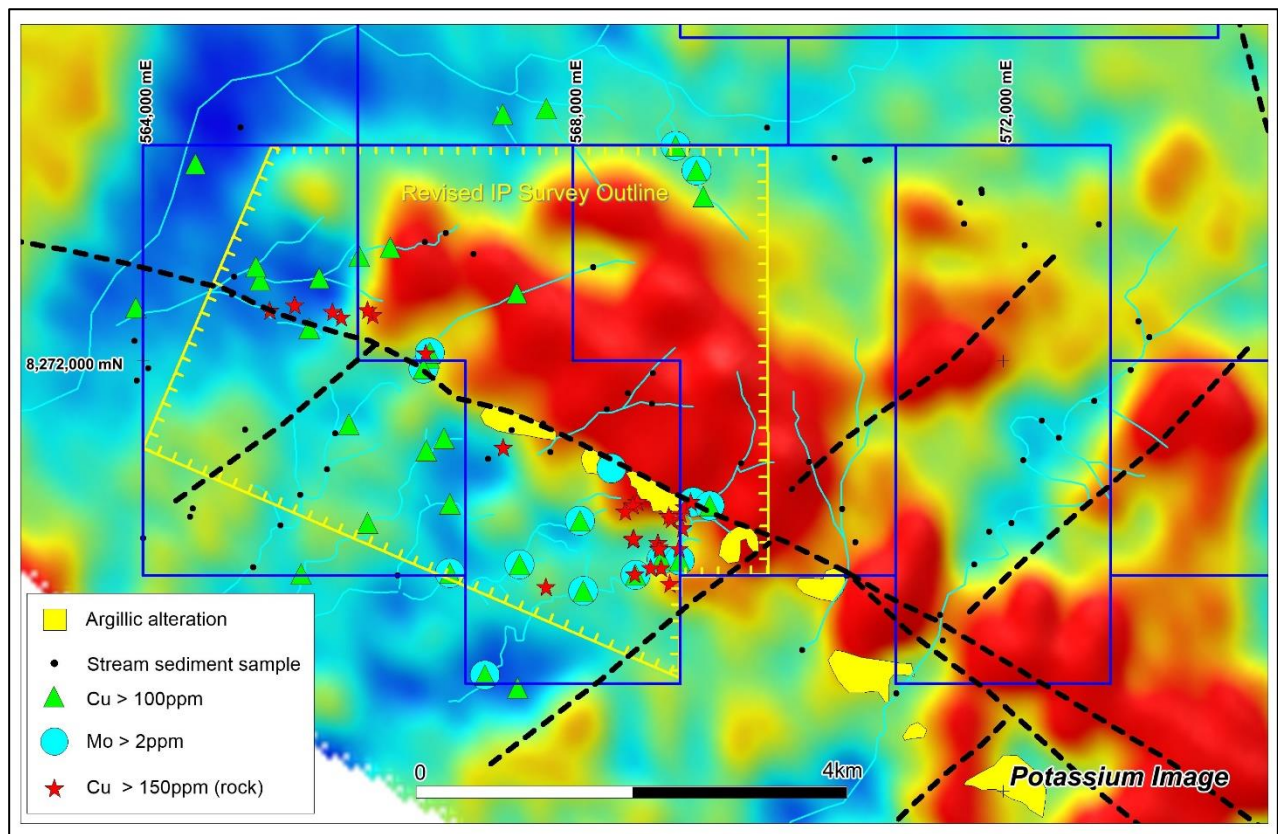


Figure 4: Parcoy Prospect showing stream sediment results and IP Survey coverage

The Company has been advised by South32 that further exploration at the **Chololo Porphyry Copper Project**, located in the south of Peru, will not be funded under the SAA (ASX Release 25th January 2019). This is a result of the prioritisation of projects and a preference to shift the focus of exploration and funding to the northern projects (Cerro de Fierro and Parcoy) following early encouragement from these areas.

During the Quarter, a detailed assessment of the Chololo drilling data was completed indicating a possible buried porphyry beneath Chololo Hill and another further north along the Chololo Fault associated with an untested magnetic and IP target.

Advanced argillic alteration within drill-holes CDDH04, 06 and 09 provided a vector to the buried target beneath Chololo Hill, and modelling of the magnetic and IP data outlined a possible demagnetised zone associated with a moderate IP response along the Chololo Fault that is considered to be a new target for porphyry copper mineralisation in the area.

While these targets have not been taken up by South32 under the SAA, the Company remains committed to advancing the Chololo Project and will in due course seek alternate avenues of funding to complete a second round of drilling which could locate a preserved porphyry copper resource beneath the cover sediments.

Limited mapping and sampling was completed over the extensive argillic alteration at the **Los Otros** prospect in order to confirm a porphyry source for the alteration. Results are being processed.

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

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

The Balladonia Project is located ~50km south of the Nova-Bollinger nickel-copper deposit. It consists of six Exploration Licences covering an area of ~1,040km², within a structurally complex region of the Fraser Range Terrain centred above the southern margin of a deep regional gravity anomaly (~30 milligals), which is thought to reflect buried mafic/ultramafic rocks similar to those

that may be related to the formation of the Nova deposit. Most of the tenements lie within the Dundas Nature Reserve. Exploration work at Balladonia is being funded by South32.

Diamond (3 holes/1,200m) and air-core (26 holes/840m) drilling was completed at Balladonia to provide an initial test of EM targets thought to reflect nickel mineralisation within interpreted mafic intrusions characterised by low magnetic signatures.

Diamond drilling intersected predominantly granitic and felsic rocks with visible iron alteration throughout large portions of the core. Zones of low magnetic susceptibility

were found to coincide with highly altered/oxidised felsic rocks reminiscent of IOCG style alteration. No significant conductors were intersected by the drilling and DHEM surveys failed to locate conductors of interest. Assays are pending.

A limited shallow air-core drilling program aimed at testing broad discrete EM features thought to be caused by localised weathering of the underlying bedrock, possibly reflecting favourable host rocks for nickel mineralisation, was completed over three target areas. Drill lines were either 200m or 400m apart with holes positioned at 100m intervals.

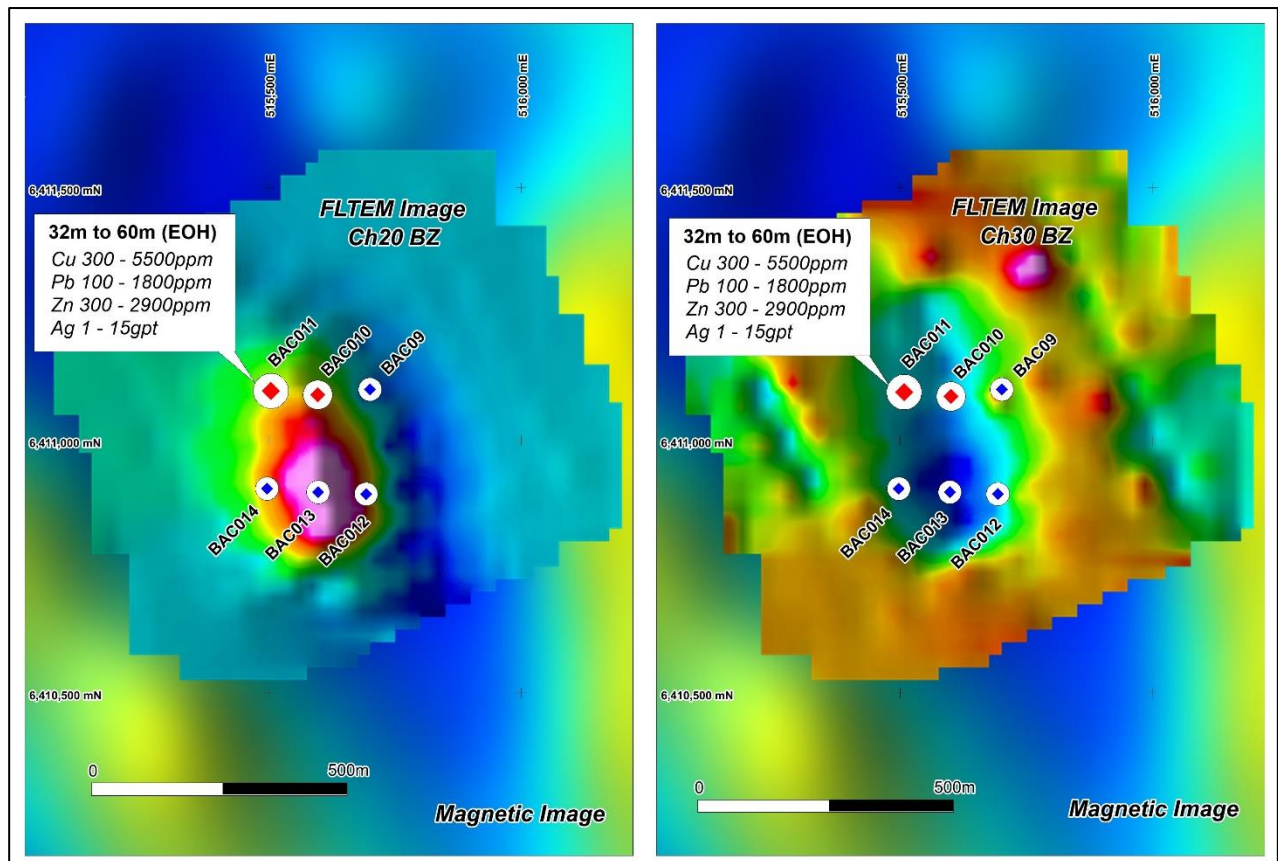


Figure 5: Balladonia air-core drilling results from northernmost target

Anomalous assays reported from adjacent drill-holes (BAC011 and BAC010) within the northernmost target area infer potential for a new base metal target in this area (Figure 5).

The multi-element geochemical signature within drill-hole BAC011 includes anomalous copper (300 to 5500ppm Cu), silver (1 to 15gptAg), lead (100 to 1800ppmPb), and zinc (300 to 2900ppmZn), plus elevated As, Bi, Cd, Co, Cr and Mo within weathered felsic

host rocks with quartz, from 32 metres depth to the end of hole (60 metres).

The full extent of this geochemical anomaly is unknown as drill-hole BAC011 is located on the northernmost drill section. Gold assays have now been requested for selected air-core drill-holes. Further drilling will be planned once a full assessment of the data is completed.

Yallum Hill Copper-Nickel Project (100% AQD subject to SAA)

The Yallum Hill Copper-Nickel Project is located ~350km north-east of Wiluna along the northern margin of the Yilgarn Craton in Western Australia. The tenement covers a distinct magnetic target close to the basal section of a large mafic sill complex. The target is under cover and is thought to reflect either a nickel target within ultramafic rocks at the base of the mafic sill complex, or possible copper mineralisation associated with an iron-rich hydrothermal system (IOCG). Exploration work at Yallum Hill is being funded by South32.

During the Quarter, a proposed drill program (two diamond drill-holes for 900 metres) to test both magnetic and EM targets was

accepted under the SAA (ASX release on 25th January 2019). Drilling is aimed at providing ‘proof of concept’ which will significantly advance the prospectivity of the region for copper-(nickel?) mineralisation if successful (Figure 6).

The Yallum Hill prospect is thought to have similarities to several copper-gold deposits in the Eastern Succession of north-west Queensland with the EM anomaly reflecting possible alteration associated with base metal and magnetite mineralisation below.

A heritage survey was completed in December and Native Title clearance obtained for the drilling which is scheduled to commence early in Q2/2019 subject to rig availability.

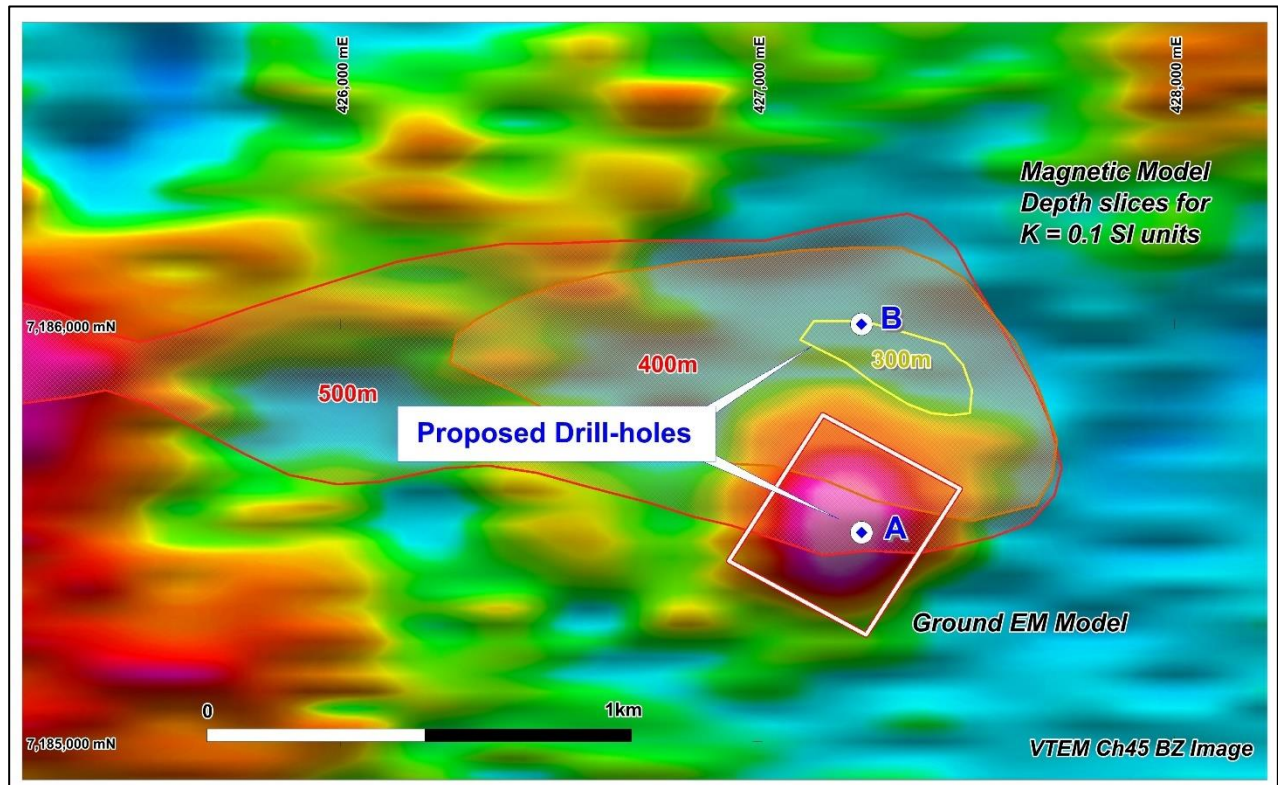


Figure 6: Yallum Hill magnetic and EM models showing proposed drill sites

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

The Hamilton Project is located in north-west Queensland, ~120km south of the world-class Cannington mine. It consists of two Exploration Licence applications covering an area of ~520km². Exploration is targeting Iron-Oxide Copper-Gold (IOCG) mineralisation beneath the extensive cover in the region. Limited historical drilling testing

magnetic and gravity targets has provided evidence for “near-miss” situations which will be the focus of the Company’s exploration programmes. Exploration work at Hamilton is being funded by South32.

During the Quarter, IP surveys were completed over two prospects to test for possible sulphide targets beneath the Eromanga cover sequence in the vicinity of

historical drill-holes that suggest the presence of nearby IOCG-style mineralisation.

A total of 57 kilometres of survey was completed by GRS Pty Ltd using the MIMDAS system, a dipole length of 200m and a line spacing of either 400m or 800m. Highly conductive overburden was encountered in both areas, but the use of noise rejection techniques and remote magnetotelluric reference stations allowed noise and EM coupling effects to be minimised so that bedrock features could be confidently identified.

Modelling of the IP data outlined a relatively strong anomaly beneath the Cretaceous cover (depth ~200m) on the Winton South prospect, north of historical drill-hole WD02009 which

contained the strongest indications of a “near-miss” situation for IOCG mineralisation.

Compilation of data showed the IP target occurs approximately 500m north of a strong magnetic anomaly (which was likely the target of the original drilling) and coincides with a weak but well defined gravity response suggesting a possible IOCG source. The IP target extends over several lines and may reflect sulphide mineralisation associated with the inferred iron oxide alteration.

A drilling program consisting of four holes for ~1,400m to test the IP/ magnetic/ gravity target was accepted under the SAA (ASX release on 25th January 2019). Drilling is being scheduled to commence in Q2/2019 once all necessary access and heritage clearances have been obtained.

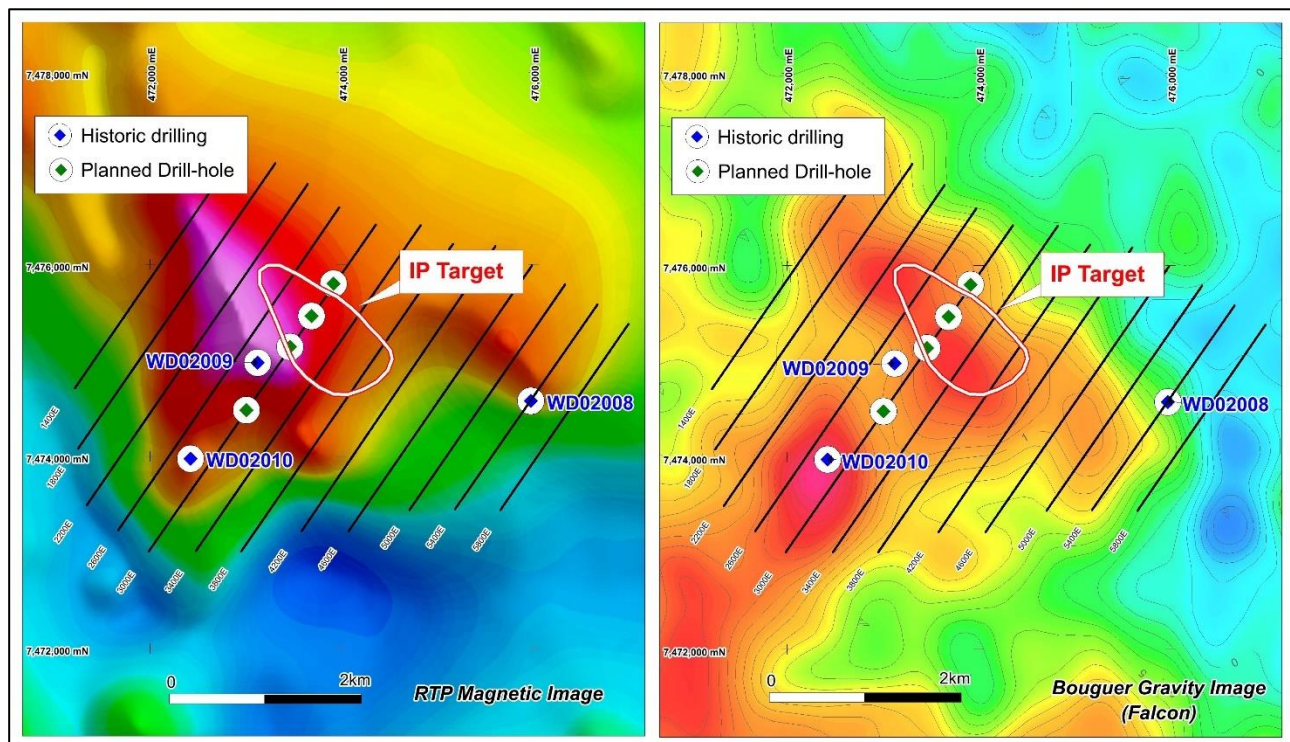


Figure 7: Hamilton magnetics, gravity and IP target showing proposed drill-hole locations

Tangadee Zinc Project (100% AQD subject to SAA)

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

large-scale structures and anomalous geochemistry in the available regional geochemical database, highlighting the potential for sediment-hosted zinc mineralisation. Exploration work at Tangadee is being funded by South32.

VTEM data including conductivity depth inversions (CDIs) were assessed during the Quarter to help identify potential structural

targets for sediment-hosted zinc. Several discrete EM anomalies juxtaposed to regional faults were identified as potential targets for massive sulphide mineralisation.

Conductive marker horizons were also evident in the data, helping map the general geology of the area and provide regional context for the more discrete EM targets. A program of selective ground EM surveying and surface sampling within target areas will be considered under the SAA.

Blue Billy Zinc Project (100% AQD – BBJVA; South32 earning to 70%)

The Blue Billy Zinc Project is located ~100km south-west of Paraburdoo within the Edmund Basin in Western Australia. The tenement covers the down-dip extent of anomalous zinc values (up to 0.5% Zn) found within a pyritic black mudstone similar to host rocks known to contain sedimentary zinc deposits in the Mt Isa-McArthur River District of north-west Queensland. A study of historical exploration data suggests the potential for SEDEX-style zinc mineralisation close to a regional-scale (growth?) fault system down-dip from the anomalous surface zinc occurrences.

During the Quarter, assessment of assay results from the RC drilling program was completed. Drill results did not provide sufficient encouragement to justify ongoing exploration in the area, resulting in the withdrawal of South32 from the Joint Venture (ASX release 2nd January 2019). Tenements will be surrendered.

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

The Jimberlana Project, which is located ~120km west of Norseman between the Lake Johnston and Forrestania Greenstone Belts, consists of one Exploration Licence (130km²) covering the western extension (~20km strike) of the Jimberlana Dyke. Recent research found a strong association between intrusive-related nickel sulphide deposits and the base of dyke-like structures. Jimberlana is a very large, fertile, fractionated dyke known to contain nickel sulphides within its contact zones but has never been drill tested at or close to its basal section.

During the Quarter, down-hole electromagnetic (DHEM) surveys were completed within both diamond drill-holes to search for near-miss situations as drilling had not explained the cause of the EM anomalies.

Assessment of these results failed to identify conductors of interest.

Petrological studies were also completed on core from both drill-holes, providing strong evidence for sulphur saturation of the dyke, confirming its prospectivity for nickel sulphide mineralisation.

The Company has been advised that the Jimberlana Project will not progress into 2019 under the SAA as drill testing of the EM targets did not provide sufficient encouragement to justify ongoing exploration (ASX release 2nd January 2019). The Company is considering its position with regard to the tenement.

NEW OPPORTUNITIES (AUSTRALIA)

As part of the Strategic Alliance with South32, the Company continued its project generation work both within Australia and offshore, in order to provide new base metal (copper, zinc and nickel) opportunities and possible drill-ready targets for consideration under the terms of the SAA.

During the Quarter, four new Exploration Licence Applications (~2,200km²) were submitted in WA to secure targets identified by the Company's consultants along possible structural extensions to the Paterson Province, which has recently become the focus of attention due to exploration success by Rio Tinto and Greatland Gold, coupled with the presence of significant copper deposits at Telfer and Nifty, confirming the excellent (Cu-Au) pedigree of the region.

CORPORATE

At the end of December 2018, the Company's cash position was approximately \$2.1M with additional funding from South32 expected for

agreed work programmes over Strategic Alliance Projects both in Australia and Peru.

Conditions Precedent for the Farm-In/Option Agreement with Westminster Resources Limited over titles in southern Peru, as reported last Quarter, have not as yet been fulfilled. The Company is in communication with Westminster to remedy this situation. The agreement will consolidate the Company's tenement position in the Puite area where previous drilling (2016) indicated potential for a nearby porphyry copper system in areas surrounding the initial drill-holes. Details of the agreement were included in a release to the ASX on 20th August 2018.

KEY ACTIVITIES – MARCH 2019 QUARTER

- Balladonia (Ni-Cu) – Complete assessment of Aircore and diamond drilling results;
- Yallum Hill (Ni-Cu) – Complete access preparations for drilling;

- Hamilton (Cu-Au) – Complete access preparations for drilling;
- Tangadee (Zn) – Identify targets for drill testing;
- Peru (Cu-Au) – Locate and prepare for phase two drilling at Cerro de Fierro;
- Peru (Cu-Au) – Mapping and soil sampling at Cerro de Fierro to extend mineralisation;
- Peru (Cu-Au) – Complete access and commence IP at the Parcoy IOCG prospect;
- Peru (Cu-Au) – Mapping & sampling at Ventura to upgrade targets;
- Australia (Base metals) – Advance new opportunities under the SAA; and
- Peru (Base metals) – Advance new opportunities under the SAA.



Graeme Drew
Managing Director

COMPETENT PERSON'S STATEMENT

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

FORWARD LOOKING STATEMENT

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

AusQuest Limited Tenement Schedule as at 31 December 2018

Tenement	Location	Lease Status	Registered Holder	Interest Held
Australia				
E69/3246	WA, Balladonia	Granted	AusQuest Ltd.	100%
E69/3317	WA, Balladonia	Granted	AusQuest Ltd.	100%
E69/3394	WA, Balladonia	Application	AusQuest Ltd.	100%
E69/3558	WA, Balladonia	Granted	AusQuest Ltd.	100%
E69/3559	WA, Balladonia	Application	AusQuest Ltd.	100%
E69/3415	WA, East Capricorn	Granted	AusQuest Ltd.	100%
E69/3572	WA, East Capricorn	Application	AusQuest Ltd.	100%
E69/3573	WA, East Capricorn	Application	AusQuest Ltd.	100%
E69/3574	WA, East Capricorn	Application	AusQuest Ltd.	100%
E69/3575	WA, East Capricorn	Application	AusQuest Ltd.	100%
E63/1742	WA, Jimberlana	Granted	AusQuest Ltd.	100%
E08/2754	WA, Bluebilly	Granted	AusQuest Ltd.	100%
E08/2904	WA, Bluebilly	Granted	AusQuest Ltd.	100%
E52/3501	WA, Perry Creek	Granted	AusQuest Ltd.	100%
E52/3502	WA, Perry Creek	Granted	AusQuest Ltd.	100%
E52/3585	WA, Perry Creek	Granted	AusQuest Ltd.	100%
E52/3642	WA, Perry Creek	Application	AusQuest Ltd.	100%
E52/3643	WA, Perry Creek	Application	AusQuest Ltd.	100%
E52/3544	WA, Carramulla	Granted	AusQuest Ltd.	100%
E52/3603	WA, Tangadee	Granted	AusQuest Ltd.	100%
E45/5394	WA, Runton	Application	AusQuest Ltd	100%
E45/5395	WA, Runton	Application	AusQuest Ltd	100%
EPM 26681	QLD, Hamilton	Granted	AusQuest Ltd.	100%
EPM 26682	QLD, Hamilton	Granted	AusQuest Ltd.	100%
Peru				
Azucar West 04	Moquegua	Application	Questdor SAC	100%
Azucar West 05	Moquegua	Application	Questdor SAC	100%
Azucar West 06	Moquegua	Application	Questdor SAC	100%
Azucar West 07	Moquegua	Application	Questdor SAC	100%
Azucar West 08	Moquegua	Application	Questdor SAC	100%
Azucar West 09	Moquegua	Application	Questdor SAC	100%
Azucar West 10	Moquegua	Application	Questdor SAC	100%
Azucar West 11	Moquegua	Application	Questdor SAC	100%
Azucar West 12	Moquegua	Application	Questdor SAC	100%
Azucar West C	Moquegua	Granted	Questdor SAC	100%
Azucar West D	Moquegua	Granted	Questdor SAC	100%
Azucar West E	Moquegua	Granted	Questdor SAC	100%
Cangallo 1	Arequipa	Application	Questdor SAC	100%
Cangallo 2	Arequipa	Application	Questdor SAC	100%
Cerro Ardines 01	Arequipa	Application	Questdor SAC	100%
Cerro Ardines 02	Arequipa	Application	Questdor SAC	100%
Cerro Ardines 03	Arequipa	Application	Questdor SAC	100%
Cerro Ardines 04	Arequipa	Application	Questdor SAC	100%
Cerro Ardines 05	Arequipa	Application	Questdor SAC	100%
Cerro Ardines 06	Arequipa	Application	Questdor SAC	100%
Cerro Ardines 07	Arequipa	Application	Questdor SAC	100%
Cerro Ardines 08	Arequipa	Application	Questdor SAC	100%
Cerro Ardines 09	Arequipa	Application	Questdor SAC	100%
Cerro De Fierro A	Arequipa	Granted	Questdor SAC	100%
Cerro De Fierro B	Arequipa	Granted	Questdor SAC	100%
Cerro De Fierro C	Arequipa	Granted	Questdor SAC	100%
Cerro De Fierro D	Arequipa	Application	Questdor SAC	100%
Cerro De Fierro E	Arequipa	Application	Questdor SAC	100%

AusQuest Limited Tenement Schedule as at 31 December 2018 - cont'd

Tenement	Location	Lease Status	Registered Holder	Interest Held
<i>Peru Cont.</i>				
Cerro De Fierro F	Arequipa	Application	Questdor SAC	100%
Cerro De Fierro G	Arequipa	Application	Questdor SAC	100%
Cerro De Fierro H	Arequipa	Application	Questdor SAC	100%
Cerro De Fierro I	Arequipa	Application	Questdor SAC	100%
Cerro De Fierro J	Arequipa	Application	Questdor SAC	100%
Chololo 1	Moquegua	Granted	Questdor SAC	100%
Chololo 2	Moquegua	Granted	Questdor SAC	100%
Chololo 4	Moquegua	Granted	Questdor SAC	100%
Los Otros 01	Moquegua	Granted	Questdor SAC	100%
Los Otros 02	Moquegua	Granted	Questdor SAC	100%
Los Otros 03	Moquegua	Granted	Questdor SAC	100%
Los Otros 04	Moquegua	Granted	Questdor SAC	100%
Los Otros 05	Moquegua	Granted	Questdor SAC	100%
Los Otros 06	Moquegua	Granted	Questdor SAC	100%
Los Otros 07	Moquegua	Granted	Questdor SAC	100%
Los Otros 08	Moquegua	Granted	Questdor SAC	100%
Pampa Camarones 01	Arequipa	Granted	Questdor SAC	100%
Pampa Camarones 02	Arequipa	Granted	Questdor SAC	100%
Pampa Camarones 03	Arequipa	Granted	Questdor SAC	100%
Pampa Camarones 04	Arequipa	Granted	Questdor SAC	100%
Pampa Camarones 05	Arequipa	Granted	Questdor SAC	100%
Pampa Camarones 06	Arequipa	Granted	Questdor SAC	100%
Pampa Camarones 07	Arequipa	Granted	Questdor SAC	100%
Pampa Camarones 08	Arequipa	Granted	Questdor SAC	100%
Pampa De Las Pulgas AD	Moquegua	Granted	Questdor SAC	100%
Pampa De Las Pulgas AE	Moquegua	Granted	Questdor SAC	100%
Pampa De Las Pulgas AF	Moquegua	Granted	Questdor SAC	100%
Pampa De Las Pulgas AH	Moquegua	Granted	Questdor SAC	100%
Pampa De Las Pulgas J	Moquegua	Granted	Questdor SAC	100%
Pampa De Las Pulgas K	Moquegua	Granted	Questdor SAC	100%
Pampa De Las Pulgas L	Moquegua	Granted	Questdor SAC	100%
Pampa De Las Pulgas M	Moquegua	Granted	Questdor SAC	100%
Pampa De Las Pulgas N	Moquegua	Granted	Questdor SAC	100%
Pampa De Las Pulgas O	Moquegua	Granted	Questdor SAC	100%
Pampa De Las Pulgas P	Moquegua	Granted	Questdor SAC	100%
Pampa De Las Pulgas Q	Moquegua	Granted	Questdor SAC	100%
Pampa De Las Pulgas R	Moquegua	Granted	Questdor SAC	100%
Pampa De Las Pulgas S	Moquegua	Granted	Questdor SAC	100%
Pampa De Las Pulgas T	Moquegua	Granted	Questdor SAC	100%
Pampa De Las Pulgas U	Moquegua	Granted	Questdor SAC	100%
Pampa De Las Pulgas VA	Moquegua	Granted	Questdor SAC	100%
Pampa De Las Pulgas W	Moquegua	Granted	Questdor SAC	100%
Pampa De Las Pulgas X	Moquegua	Granted	Questdor SAC	100%
Pampa De Las Pulgas Y	Moquegua	Granted	Questdor SAC	100%
Pampa De Las Pulgas Z	Moquegua	Granted	Questdor SAC	100%
Parcoy 01	Arequipa	Granted	Questdor SAC	100%
Parcoy 02	Arequipa	Granted	Questdor SAC	100%
Parcoy 03	Arequipa	Granted	Questdor SAC	100%
Parcoy 04	Arequipa	Application	Questdor SAC	100%
Parcoy 05	Arequipa	Application	Questdor SAC	100%
Parcoy 06	Arequipa	Application	Questdor SAC	100%
Parcoy 07	Arequipa	Application	Questdor SAC	100%
Parcoy 08	Arequipa	Application	Questdor SAC	100%
Parcoy 09	Arequipa	Application	Questdor SAC	100%

AusQuest Limited Tenement Schedule as at 31 December 2018 - cont'd

Parcoy 10	Arequipa	Application	Questdor SAC	100%
Pinguino 1	Arequipa	Granted	Questdor SAC	100%
Pinguino F	Arequipa	Granted	Questdor SAC	100%
Pinguino G	Arequipa	Granted	Questdor SAC	100%
Pinguino H	Arequipa	Granted	Questdor SAC	100%
Pinguino I	Arequipa	Granted	Questdor SAC	100%
Ventura 1	Moquegua/Tacna	Application	Questdor SAC	100%
Ventura 2	Moquegua	Granted	Questdor SAC	100%
Ventura 3	Moquegua/Tacna	Granted	Questdor SAC	100%
Ventura 4	Moquegua/Tacna	Granted	Questdor SAC	100%
Ventura 5	Moquegua	Granted	Questdor SAC	100%

JORC Code, 2012 Edition – Table 1 report, AirCore Drilling at Balladonia WA - Section 1

Sampling Techniques and Data

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

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> <i>Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</i> <i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i> <i>Aspects of the determination of mineralisation that are Material to the Public Report.</i> <i>In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</i> 	<ul style="list-style-type: none"> All aircore drill samples were collected using a hand held scoop. A full and level scoop was consistently collected for each sample. Samples were composited by sampling the individual 1 metre sample spoils and combining 4 for each composite sample. A bottom hole sample of the freshest material (from 1m to 4m thick) was also collected. All of the hole was sampled including overburden.
Drilling techniques	<ul style="list-style-type: none"> <i>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</i> 	<ul style="list-style-type: none"> The aircore drilling was conducted by Wallis Drilling using a 92mm blade bit to blade refusal No down hole surveys were undertaken All AC drill holes were inclined at -90°
Drill sample recovery	<ul style="list-style-type: none"> <i>Method of recording and assessing core and chip sample recoveries and results assessed.</i> <i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i> <i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i> 	<ul style="list-style-type: none"> Sample recoveries were not measured but sample spoils appeared adequate. The sampling cyclone and buckets were cleaned regularly.
Logging	<ul style="list-style-type: none"> <i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i> <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i> <i>The total length and percentage of the relevant intersections logged.</i> 	<ul style="list-style-type: none"> Aircore drill chips were geologically logged. Qualitative descriptions of colour, grain size, texture and lithology are recorded for each sample. Drill holes are geologically logged in their entirety.
Sub-sampling techniques and	<ul style="list-style-type: none"> <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i> <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet</i> 	<ul style="list-style-type: none"> Not applicable. Aircore samples were not riffle split.

Criteria	JORC Code explanation	Commentary
sample preparation	<p><i>or dry.</i></p> <ul style="list-style-type: none"> For all sample types, the nature, quality and appropriateness of the sample preparation technique. Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. Whether sample sizes are appropriate to the grain size of the material being sampled. 	<ul style="list-style-type: none"> Samples consisted of 4 metre composites. Submitted sample weights vary from 1 to 2 kg. Samples were collected using a scoop from each of the sample spoils.
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established. 	<ul style="list-style-type: none"> Aircore drilling sample analysis was completed by Intertek Genalysis Pty Ltd of Perth W.A. The samples are sorted and dried. The whole sample is crushed then split by riffle splitter to obtain a representative sub-sample which is then pulverized in a vibrating pulveriser. A portion of the pulverized sample is then digested and refluxed using a four acid digest (Hydrofluoric, Nitric, Hydrochloric and Perchloric) which approximates a total digest for most elements. Some refractory minerals are not completely dissolved. Inductively Coupled Plasma Mass Spectroscopy (ICP-MS) is used to measure Ag, Al, As, Ba, Be, Bi, Ca, Cd, Ce, Co, Cr, Cs, Cu, Fe, Ga, Ge, Hf, In, La, Li, Mg, Mn, Mo, Na, Nb, Ni, P, Pb, Rb, Re, S, Sb, Sc, Se, Sn, Sr, Ta, Te, Th, Ti, Tl, U, V, W, Y, Zn, and Zr. No company standards were included in sample batches given reconnaissance nature of program. QAQC reliance was placed on laboratory procedures and laboratory batch standards Analytical data is transferred to the company via email.
Verification of sampling and assaying	<ul style="list-style-type: none"> The verification of significant intersections by either independent or alternative company personnel. The use of twinned holes. Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. Discuss any adjustment to assay data. 	<ul style="list-style-type: none"> Not applicable at this early stage of exploration Not applicable at this early stage of exploration Sampling data is collected in the field and data entry and validation is completed in the office by experienced database personnel assisted by geological staff. No adjustments are made to assay data.
Location of data points	<ul style="list-style-type: none"> Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. Specification of the grid system used. Quality and adequacy of topographic control. 	<ul style="list-style-type: none"> Drill collar positions were recorded with handheld GPS system with expected accuracy of +/- 5m horizontal. This is considered acceptable for broad spaced ground activities. The grid system for the Balladonia Project is GDA94, MGA Zone 51

Criteria	JORC Code explanation	Commentary
		<ul style="list-style-type: none"> Topographic control has not been applied.
<i>Data spacing and distribution</i>	<ul style="list-style-type: none"> <i>Data spacing for reporting of Exploration Results.</i> <i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i> <i>Whether sample compositing has been applied.</i> 	<ul style="list-style-type: none"> Aircore drill section spacings varied from 200 metres to 400 metres with drill holes at 100 metre intervals along lines. Not applicable. Composite sampling has been applied to the aircore drilling with 4 metre composite samples collected.
<i>Orientation of data in relation to geological structure</i>	<ul style="list-style-type: none"> <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i> <i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i> 	<ul style="list-style-type: none"> The orientation of the aircore traverses was considered adequate to provide an initial test of the targets given it is an early stage of exploration Not applicable
<i>Sample security</i>	<ul style="list-style-type: none"> <i>The measures taken to ensure sample security.</i> 	<ul style="list-style-type: none"> Samples are collected into securely tied bags and placed into tied plastic bags for transport to the laboratory. Each sample batch has a sample submission sheet that lists the sample numbers and the work required to be done on each sample. Samples were transported to the laboratory by company personnel. Sample pulps (after assay) are held by the laboratory and returned to the company after 90 days.
<i>Audits or reviews</i>	<ul style="list-style-type: none"> <i>The results of any audits or reviews of sampling techniques and data.</i> 	<ul style="list-style-type: none"> No reviews or audits of the sampling techniques or data have been carried out to date.

Drill-Hole location details

Hole No	Easting	Northing	Projection	Incl	Depth (m)
18BAC001	528501	6404199	GDA94 Z51	90	37
18BAC002	528399	6404195	GDA94 Z51	90	53
18BAC003	528302	6404189	GDA94 Z51	90	24
18BAC004	528201	6404188	GDA94 Z51	90	40
18BAC005	528496	6403801	GDA94 Z51	90	33
18BAC006	528401	6403800	GDA94 Z51	90	61
18BAC007	528297	6403799	GDA94 Z51	90	54

18BAC008	528200	6403804	GDA94 Z51	90	68
18BAC009	515701	6411101	GDA94 Z51	90	7
18BAC010	515600	6411091	GDA94 Z51	90	61
18BAC011	515506	6411097	GDA94 Z51	90	60
18BAC012	515693	6410894	GDA94 Z51	90	30
18BAC013	515598	6410898	GDA94 Z51	90	23
18BAC014	515497	6410905	GDA94 Z51	90	21
18BAC015	515396	6406605	GDA94 Z51	90	9
18BAC016	515300	6406588	GDA94 Z51	90	12
18BAC017	515195	6406599	GDA94 Z51	90	47
18BAC018	515095	6406602	GDA94 Z51	90	49
18BAC019	514995	6406597	GDA94 Z51	90	57
18BAC020	514902	6406597	GDA94 Z51	90	10
18BAC021	515400	6406794	GDA94 Z51	90	20
18BAC022	515304	6406805	GDA94 Z51	90	16
18BAC023	515207	6406803	GDA94 Z51	90	8
18BAC024	515101	6406786	GDA94 Z51	90	6
18BAC025	515003	6406791	GDA94 Z51	90	8
18BAC026	514899	6406804	GDA94 Z51	90	28

Section 2 Reporting of Exploration Results

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

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> • <i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i> • <i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</i> 	<ul style="list-style-type: none"> • The Balladonia tenements are located approximately 140km ESE of Norseman in the Fraser Range Belt of Western Australia. • The Balladonia Project comprises three granted exploration licenses (E69/3246, 3317, 3588) and two applications (E69/3394, 3559). • The tenements are held 100% by AusQuest Limited. • The tenement falls within the Dundas Nature Reserve for which the company has an accepted Conservation Management Plan with DPaW • Aboriginal heritage and flora surveys are routinely completed ahead of ground disturbing activities
Exploration done by other parties	<ul style="list-style-type: none"> • <i>Acknowledgment and appraisal of exploration by other parties.</i> 	<ul style="list-style-type: none"> • Previous exploration in the area has included minor mineral sands and bauxite exploration
Geology	<ul style="list-style-type: none"> • <i>Deposit type, geological setting and style of mineralisation.</i> 	<ul style="list-style-type: none"> • The exploration model is based upon copper and nickel sulphides hosted in mafic rocks of the Albany Fraser Orogen.
Drill hole Information	<ul style="list-style-type: none"> • <i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</i> <ul style="list-style-type: none"> ○ <i>easting and northing of the drill hole collar</i> ○ <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i> ○ <i>dip and azimuth of the hole</i> ○ <i>down hole length and interception depth</i> ○ <i>hole length.</i> • <i>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</i> 	<ul style="list-style-type: none"> • All relevant drill hole data are tabulated above and provided in the ASX release.
Data aggregation methods	<ul style="list-style-type: none"> • <i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</i> • <i>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated</i> 	<ul style="list-style-type: none"> • No data aggregation of intercepts has been undertaken • Assays quoted are all uncut.

Criteria	JORC Code explanation	Commentary
	<p><i>and some typical examples of such aggregations should be shown in detail.</i></p> <ul style="list-style-type: none"> • <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i> 	
<i>Relationship between mineralisation widths and intercept lengths</i>	<ul style="list-style-type: none"> • <i>These relationships are particularly important in the reporting of Exploration Results.</i> • <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i> • <i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</i> 	<ul style="list-style-type: none"> • Assay intervals reported are down-hole lengths. True widths are unknown at this stage.
<i>Diagrams</i>	<ul style="list-style-type: none"> • <i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i> 	<ul style="list-style-type: none"> • Drill holes are shown on appropriate plans and included in the ASX release.
<i>Balanced reporting</i>	<ul style="list-style-type: none"> • <i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i> 	<ul style="list-style-type: none"> • Significant assay results are reported.
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"> • <i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i> 	<ul style="list-style-type: none"> • The relationship between current drill results and previously reported exploration data is discussed in the report.
<i>Further work</i>	<ul style="list-style-type: none"> • <i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> • <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i> 	<ul style="list-style-type: none"> • The locations for future drilling are still to be determined and await a detailed review of the current results.

JORC Code, 2012 Edition – Table 1 report Stream Sediment Sampling – Parcoy Peru

Section 1 Sampling Techniques and Data

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

Criteria	JORC Code explanation	Commentary
<i>Sampling techniques</i>	<ul style="list-style-type: none"> <i>Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</i> <i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i> <i>Aspects of the determination of mineralisation that are Material to the Public Report.</i> <i>In cases where ‘industry standard’ work has been done this would be relatively simple (eg ‘reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay’). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</i> 	<ul style="list-style-type: none"> Stream sediment samples were collected at selected sites along drainages in the survey area. Sample locations were recorded by hand-held GPS. Sample sites were logged by the sampler and recorded on a sampling spread sheet Each sample was collected by digging a 10 to 20 cm deep hole and screening the soil from the bottom of hole to pass a 210 microns (µm) sieve. Approximately 200gm sample was placed in a sample packet and given a unique sample number.
<i>Drilling techniques</i>	<ul style="list-style-type: none"> <i>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</i> 	<ul style="list-style-type: none"> No drilling undertaken
<i>Drill sample recovery</i>	<ul style="list-style-type: none"> <i>Method of recording and assessing core and chip sample recoveries and results assessed.</i> <i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i> <i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i> 	<ul style="list-style-type: none"> No drilling undertaken
<i>Logging</i>	<ul style="list-style-type: none"> <i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i> <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i> <i>The total length and percentage of the relevant intersections logged.</i> 	<ul style="list-style-type: none"> No drilling undertaken
<i>Sub-sampling techniques and sample preparation</i>	<ul style="list-style-type: none"> <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i> <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i> 	<ul style="list-style-type: none"> No sub-sampling was undertaken

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> For all sample types, the nature, quality and appropriateness of the sample preparation technique. Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. Whether sample sizes are appropriate to the grain size of the material being sampled. 	
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established. 	<ul style="list-style-type: none"> Samples were sent to ALS in Lima for analysis Sample preparation included pulverizing to 85% minus 75 microns and digesting sample using 4 acid digest, followed by ICP-MS and /or OES analysis. Standard and duplicate samples are inserted within each sample-run to check on laboratory procedures. In-laboratory QAQC data is reviewed for all assay jobs.
Verification of sampling and assaying	<ul style="list-style-type: none"> The verification of significant intersections by either independent or alternative company personnel. The use of twinned holes. Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. Discuss any adjustment to assay data. 	<ul style="list-style-type: none"> Field sample locations were compiled onto Excel spreadsheets for merging with assay data. Digital data is regularly backed-up on the company's servers.
Location of data points	<ul style="list-style-type: none"> Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. Specification of the grid system used. Quality and adequacy of topographic control. 	<ul style="list-style-type: none"> Sample locations are established with a hand held GPS to +/- 5m accuracy.
Data spacing and distribution	<ul style="list-style-type: none"> Data spacing for reporting of Exploration Results. Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. Whether sample compositing has been applied. 	<ul style="list-style-type: none"> Samples were collected at selected sites along drainages at an approximate 500m spacing which was considered adequate given the general size and scale of copper targets being sought.
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material. 	<ul style="list-style-type: none"> Samples were collected at selected sites along drainages to provide an unbiased coverage.
Sample security	<ul style="list-style-type: none"> The measures taken to ensure sample security. 	<ul style="list-style-type: none"> Samples were securely sealed in the field, followed by packing into larger sealed plastic bags or boxes for

Criteria	JORC Code explanation	Commentary
		transport to the laboratory.
<i>Audits or reviews</i>	<ul style="list-style-type: none"> <i>The results of any audits or reviews of sampling techniques and data.</i> 	<ul style="list-style-type: none"> No audits or reviews have been carried out on the sampling to date.

Section 2 Reporting of Exploration Results

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

Criteria	JORC Code explanation	Commentary
<i>Mineral tenement and land tenure status</i>	<ul style="list-style-type: none"> <i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i> <i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</i> 	<ul style="list-style-type: none"> The Parcoy tenements are located in southern Peru, approximately 20km north of the town of Chala. The Parcoy Project comprises three granted mineral concession and seven under application. The tenements are held 100% by Questdor a wholly owned subsidiary of AusQuest Limited. There are no known impediments to operating in this area at this stage. The Parcoy project is subject to a Strategic Alliance Agreement with South32. A renegotiable surface agreement contract (2yrs) has been signed with the local community to allow access.
<i>Exploration done by other parties</i>	<ul style="list-style-type: none"> <i>Acknowledgment and appraisal of exploration by other parties.</i> 	<ul style="list-style-type: none"> There is no open-file system in Peru to determine previous work undertaken.
<i>Geology</i>	<ul style="list-style-type: none"> <i>Deposit type, geological setting and style of mineralisation.</i> 	<ul style="list-style-type: none"> Large scale porphyry copper-molybdenum deposits and Iron-Oxide Copper-Gold deposits which are known to occur along the coastal belt of southern Peru are the target of this project.
<i>Drill hole Information</i>	<ul style="list-style-type: none"> <i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</i> <ul style="list-style-type: none"> <i>easting and northing of the drill hole collar</i> <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i> <i>dip and azimuth of the hole</i> <i>down hole length and interception depth</i> <i>hole length.</i> <i>If the exclusion of this information is justified on the basis that the information is not</i> 	<ul style="list-style-type: none"> No drilling undertaken

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

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity:

AUSQUEST LIMITED

ABN:

35 091 542 451

Quarter ended ("current quarter")

31 December 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	463	741
1.2 Payments for		
(a) exploration & evaluation	(3,564)	(7,198)
(b) development	-	-
(c) production	-	-
(d) staff costs	(33)	(70)
(e) administration and corporate costs	(332)	(512)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	1
1.5 Interest and other costs of finance paid	7	7
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other :		
Funding received from South 32 under the Strategic Alliance Agreement	2,161	4,564
R&D Refund	-	-
1.9 Net cash from / (used in) operating activities	(1,298)	(2,467)

2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(1)	(7)
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(1)	(7)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	-

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	3,394	4,521
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,298)	(2,467)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1)	(7)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	43	91
4.6	Cash and cash equivalents at end of period	2,138	2,138

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	2,138	3,394
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,138	3,394

6.	Payments to directors of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to these parties included in item 1.2	67
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3	Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	
Payment of director and consulting fees.		

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	-
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	
-	

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$'000	Amount drawn at quarter end \$'000
8.1 Loan facilities (Loan and Convertible Note)	-	-
8.2 Credit standby arrangements	-	-
8.3 South32 Advance facility	US\$1,000,000	Nil
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

South32 Advance facility

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 facility 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 alliance agreement but in any event must be repaid by 31 December 2019. At the date of this report no amount was drawn from this facility.

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	(800)
9.2 Development	-
9.3 Production	-
9.4 Staff costs	(50)
9.5 Administration and corporate costs	(150)
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	(1000)

10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	E69/3361	-	100%	Nil
10.2	Interests in mining tenements and petroleum tenements acquired or increased	E69/3558 Peru: Parcoy 1 to 3 Ventura 3		Nil Nil Nil	100% 100% 100%

Compliance statement

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

Sign here: ...(signed electronically).....

Date: 31 January 2019

Print name: Henko Vos (Company Secretary)

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.