AusQuest Limited

ABN 35 091 542 451

Annual Report for the financial year ended 30 June 2019

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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AusQuest Limited
Chairman's letter

Dear Shareholder,

The past year has been another very busy and productive one for AusQuest, with key activities including drill testing of a broad range of targets in Peru and Australia and the successful generation of a series of new targets in both countries. Most of this work has taken place under our Strategic Alliance Agreement (SAA) with leading global miner, South32 Ltd.

The key exploration highlight of the year was the very positive results generated by the initial seven-hole diamond drilling program at the Cerro de Fierro prospect in southern Peru, which resulted in the discovery of an extensive IOCG system with significant size potential.

Follow-up surface sampling undertaken since December 2018 has confirmed the need for further drilling, and I am pleased to report that a second phase of drilling has now been agreed with South32 and is planned to commence before the end of calendar year 2019.

Further drilling at Cerro de Fierro is also planned in 2020 to test a range of strong copper anomalies that have been outlined by surface sampling. Timing for this additional drilling is yet to be finalised as it depends on the receipt of additional permit approvals from the Peru Government. This process is currently underway and we expect that permits will be approved in time to allow this drilling to commence in late Q2 2020.

During the year, the Company completed an initial drill test of five projects under the SAA. Follow-up drilling at two of these projects (Cerro de Fierro and Balladonia) has now been agreed with South32, which reflects the interest generated by the initial drilling results.

Exploration work completed across all projects under the SAA has seen a total expenditure of approximately $7 million for the 2019 financial year. Shareholders should note that, under the terms of the SAA, all drilling programmes to date have been planned and supervised by AusQuest – which has meant that our management and consulting teams have had a very busy year.

In addition, while this process has been occurring, business development has also continued in order to ensure that a steady flow of quality exploration projects is delivered to the Strategic Alliance. Although activity levels in this area were a little subdued this financial year due to our efforts being concentrated on evaluating the current SAA projects, new projects were generated both in Australia and Peru with a view to advancing their exploration credentials to the SAA. Project generation continues to be the lifeblood of the SAA.

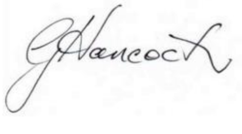
In Australia, new tenements were acquired in the Paterson Province of Western Australia, where recent announcements by Rio Tinto (at its Winu Project) and Greatland Gold (at its Havieron Project) have highlighted the substantial exploration potential of this region, and in Peru new tenements were acquired to secure additional areas based on the knowledge gained from our successful projects.

I am also pleased to report that, from our perspective, the level and quality of engagement with South32 throughout the year has been of a very high standard, and our team has worked extremely hard to deliver positive results both for the Alliance and for our shareholders.

On your behalf, I would like to thank our Managing Director, Graeme Drew, and our team of consultants that strongly support him, for their hard work and dedication during the year.

We are all looking forward to the period of significant activity which lies in front of us over the coming months and the news flow that this should generate. I invite shareholders to follow our progress on our website or the ASX announcements platform.

Yours faithfully



Greg Hancock
Chairman

Operations Review – 2019 Annual Report

Highlights – Year in Review

Peru – Copper-Gold

- Discovery of Iron-Oxide Copper-Gold (IOCG) mineralisation at the **Cerro de Fierro Project** confirmed by significant copper and gold intersections from the initial diamond drilling program.
- The potential size of the IOCG system at Cerro de Fierro continues to increase (to >10km²), based on drill-hole and new surface data which returned strong copper values several kilometres from the inferred centre of the system.
- Second phase of drilling at Cerro de Fierro approved under the Strategic Alliance Agreement (SAA) with South32, expected to commence in the December 2019 Quarter.
- New copper (+/- gold) targets outside the current Drill Permit Area to be planned for drill testing once new approvals have been received. This drilling is expected to commence in Q2/2020.
- Priority target areas for copper identified at the **Parcoy Project**, located ~50km north of Cerro de Fierro.

Australia – Nickel, Copper, Zinc

- Highly anomalous copper, lead, zinc and silver values within deeply weathered (possible alteration) bedrock reported from air-core drilling at the **Balladonia Project** in the Fraser Range region of WA.
- Deep Reverse Circulation (RC) drilling planned in the second half of 2019 to test for base metal mineralisation within the underlying bedrock.
- Sulphide mineralisation outlined by strong IP responses at the **Hamilton Project** in north-west Queensland, indicating potential for base metals beneath the Cretaceous cover.
- Diamond drilling (4 holes/~1,400m) commenced in August to test the IP/magnetic/gravity target, with results expected in early October.
- New copper exploration opportunities secured in the Paterson Province (WA), where the recent discoveries at Winu (Rio Tinto) and Havieron (Greatland Gold) have significantly increased the prospectivity of this region.

Corporate

- Cash position of ~$1.8 million at the end of June 2019.
- South32 has provided funding under the Strategic Alliance Agreement for agreed work programmes over projects both in Australia and Peru. Total funding of $6.8 million received during FY2019 under the SAA.

OVERVIEW

During the 2019 financial year, six of the Company's projects – two in Peru and four in Australia – were drill tested under the Strategic Alliance Agreement (SAA) with diversified global miner, South32, in the search for Tier-1 mineral discoveries.

This phase of early-stage drilling was successful at two projects, the Cerro de Fierro Project in southern Peru and the Balladonia Project in the Fraser Range Region of Western Australia – both of which are the subject of planned further drilling under the SAA.

Results from the Chololo prospect in Peru were also considered encouraging by the Company's consultants, and this project is now 100% owned by the Company. However, early-stage drilling results from the Blue Billy, Jimberlana and Yallum Hill Projects in WA have failed to provide sufficient encouragement for their continued evaluation and the titles were relinquished.

The SAA established an innovative framework under which AusQuest draws 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.

In **Peru**, initial drilling results from the Cerro de Fierro IOCG Project confirmed its potential to become a new copper (+/- gold) discovery for the Strategic Alliance. Further surveys including rock and soil sampling increased the potential size of the IOCG system to >10km² with copper targets now outlined several kilometres from the interpreted centre of the system.

A second phase of diamond drilling is planned for later in 2019, and new approvals are being sought to increase the size of the permitted drilling area to enable testing of the new copper targets to be undertaken.

In **Australia**, shallow air-core drilling at the Balladonia Project returned highly anomalous base metal values within weathered (altered) bedrock during a program designed to test one of the electromagnetic (EM) targets in the area. Deeper drilling to test for base metal mineralisation below the air-core drilling results is planned for later in 2019. Drilling at the Company's Hamilton Copper Project in NW Queensland commenced in August 2019.

Project generation activities continued in Australia and Peru during the financial year to ensure that further opportunities are provided to the Strategic Alliance for consideration.

New Exploration Licence Applications (~2,700km²) were submitted to secure a variety of targets within the Paterson Province of Western Australia, where recent exploration success by Rio Tinto (at Winu) and Greatland Gold (at Havieron) highlighted the excellent copper-gold prospectivity of the region.

In Peru, new tenements were acquired covering additional targets in the Cerro de Fierro and Parcoy regions, where the Company's current exploration programs are focused.

Reconnaissance soil sampling programs have been designed to upgrade other Company projects ahead of presentation to South32 as potential areas of interest.

REVIEW OF PROJECTS

PERU: COPPER-GOLD

AusQuest has assembled a world-class exploration portfolio 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 (*Figure 1*).

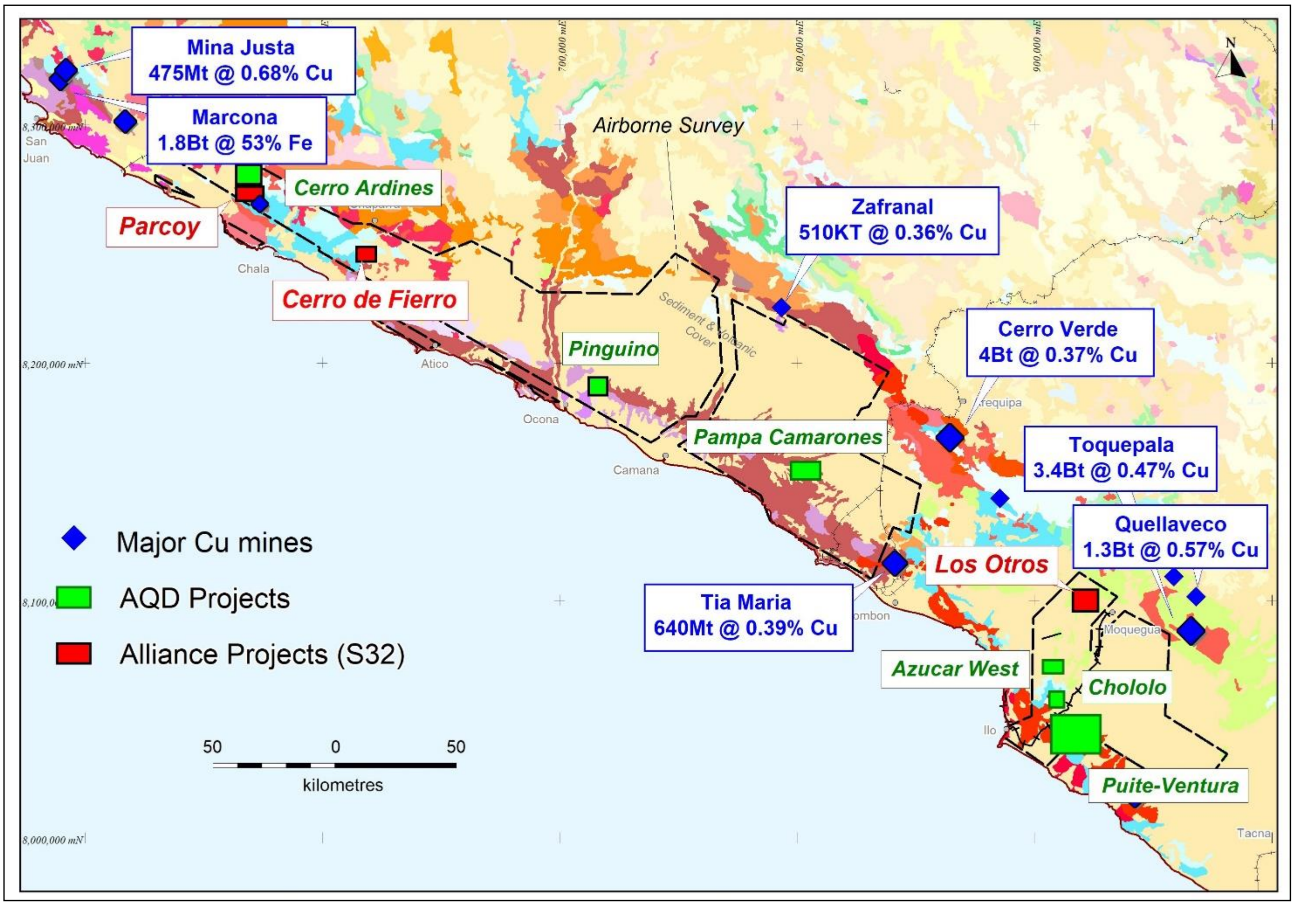


Figure 1: Peru Project Locations

During the financial year, initial drilling was completed at two of the Company's projects under the SAA with South32, with target definition work ongoing at the Parcoy IOCG Project to identify new prospects for drill testing.

Drilling at the **Cerro de Fierro Prospect** confirmed the discovery of an extensive Iron-Oxide Copper-Gold (IOCG) mineralised system, with strong potential for significant extensions to the copper-gold mineralisation intersected by the initial drilling program.

A total of seven diamond drill-holes for 3,500m were completed during the first phase of drilling with an additional four drill-holes for ~2,400m planned for late 2019 to further evaluate the prospect. A summary of significant copper and gold assays from the initial drilling program and planned drill sites are shown in *Figure 2*.

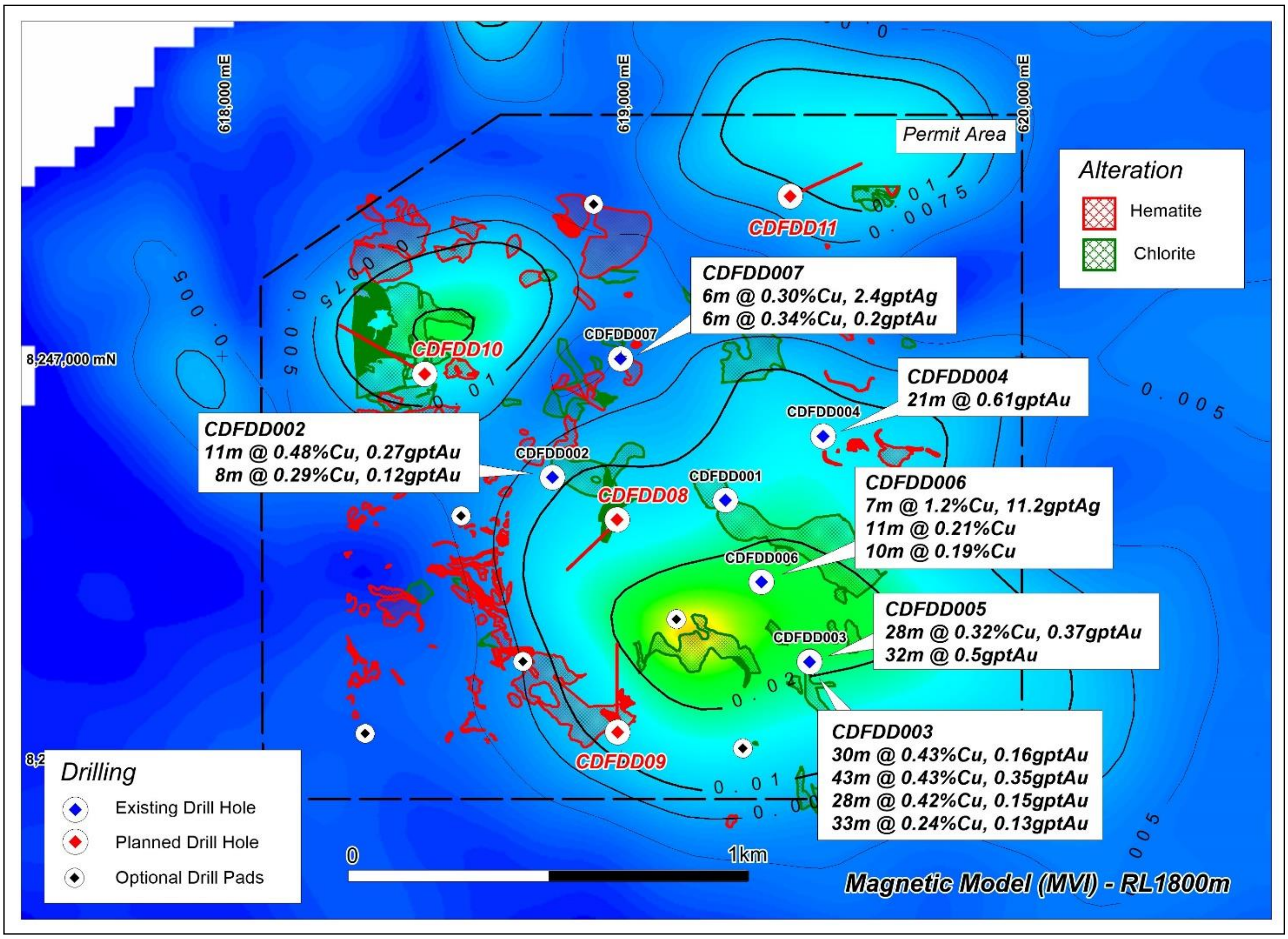


Figure 2: Cerro de Fierro drilling results and location of planned drill-holes relative to the magnetic model

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. Results from the initial program have not constrained the outer limits of the mineralisation, which remains open in all directions.

Evaluation of the drill-hole geochemical and geological data highlighted both structural and stratigraphic controls on the copper (and gold) mineralisation, which occurs in sub-vertical structures (possible feeders, breccias) and relatively flat-lying strata (replacement-style mantos) within the andesitic volcanics.

Copper mineralisation occurs at depths ranging from 100m to 300m within the drilled area, and is strongly associated with invasive hematite and potassic alteration, with the stronger copper values also coinciding with decreases in magnetite content.

The recognition of flat-lying stratigraphic and sub-vertical structural controls on the copper mineralisation represents an important development in the Company's understanding of the prospect, significantly increasing the potential size of the IOCG system (>10km²) with correlations between highly anomalous copper assays (>1% Cu) located several kilometres south and west of the original magnetic target (the system centre) now possible.

Geological mapping and sampling (both soil and rock-chip) undertaken subsequent to the drilling program has helped outline a number of highly anomalous target areas across the prospect, providing further evidence for an extensive copper-bearing IOCG system that is much larger than the original aeromagnetic response targeted by the initial drilling.

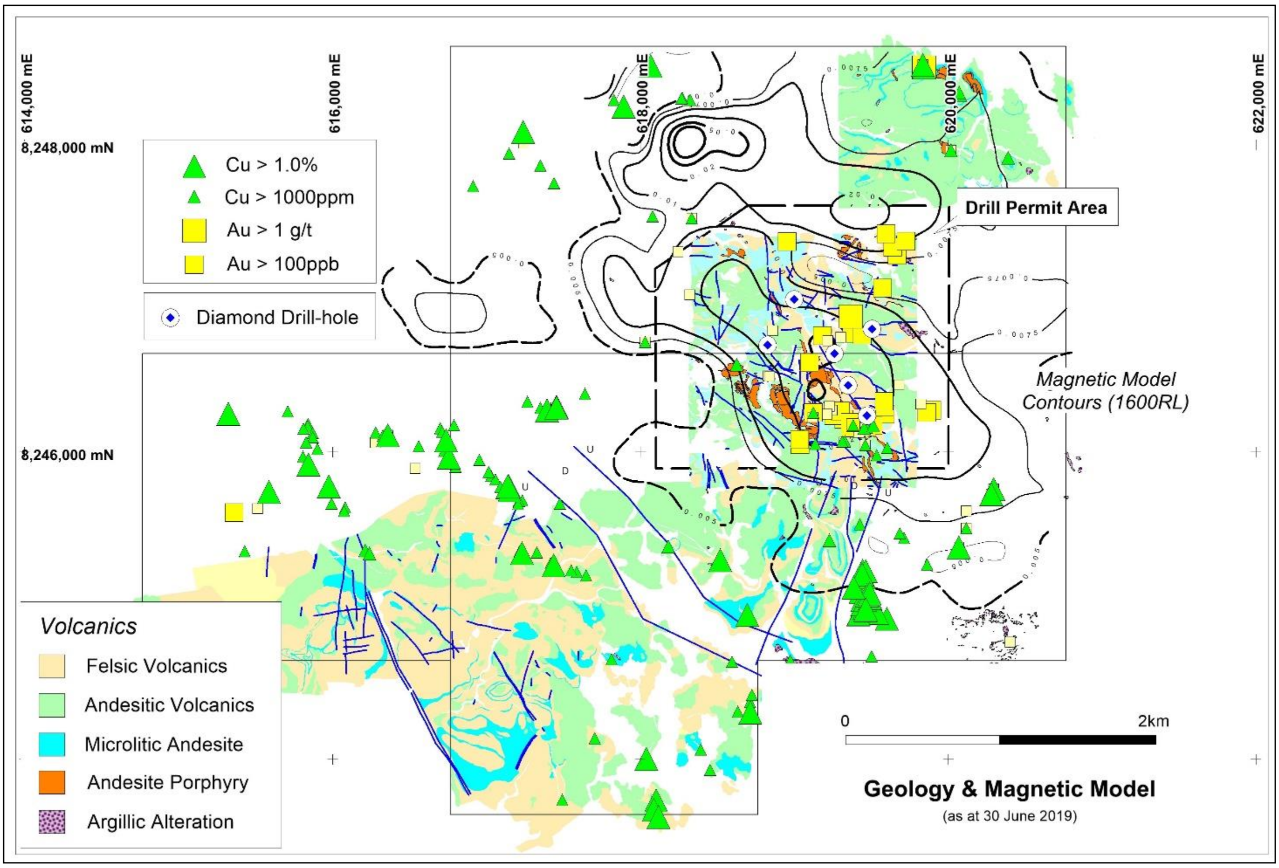


Figure 3: Cerro de Fierro Prospect geology showing magnetic model and Cu/Au rock assays

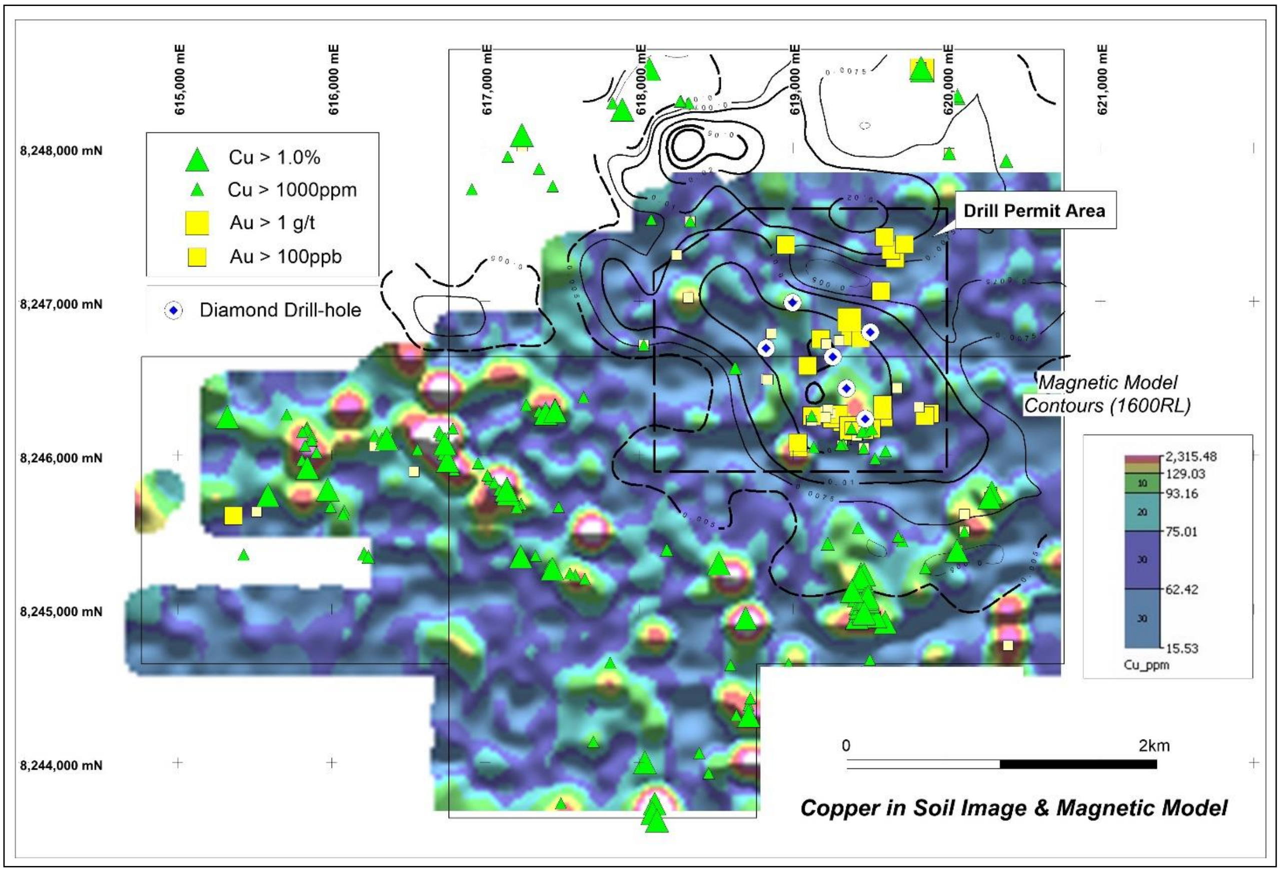


Figure 4: Cerro de Fierro Prospect showing copper in soils and Cu/Au rock assays relative to magnetic model

Structures identified by the mapping program will help guide further drilling in the area, as they are considered to be a major control for this style of mineralisation.

Computer modelling of ground magnetic data acquired during the year supports the increase in target size, with areas of lower magnetic susceptibility – considered to be prospective for copper mineralisation – extending several kilometres away from the main magnetic response (*Figure 3*).

Compilation of the available data is continuing with the definition of further drill targets considered to be a priority under the SAA with South32. The current drill permit allows for additional drilling within the Permit Area, but targets outside this area require additional Government approvals. Further environmental studies have been initiated to help facilitate the approvals process in these areas.

The extensive and highly anomalous copper (0.1 to 5% Cu) and gold (0.05 to 7.8g/t Au) values outlined by surface sampling programs continue to provide strong evidence for the potential of the Cerro de Fierro Project (*Figure 4*). which is located at the southern end of a recognised IOCG metallogenic belt in southern Peru, within ~150km of the Mina Justa deposit (~475Mt @ 0.68% Cu), currently being developed by Peruvian mining company Minsur S.A.

At the **Parcoy IOCG Project**, which is located approximately 50km north of Cerro de Fierro, induced polarisation (IP) and stream sediment sampling surveys were completed during the year to identify targets associated with prospective structures known to host copper mineralisation ~6km to the south-east at the Los Chapitos prospect, owned by Camino Resources.

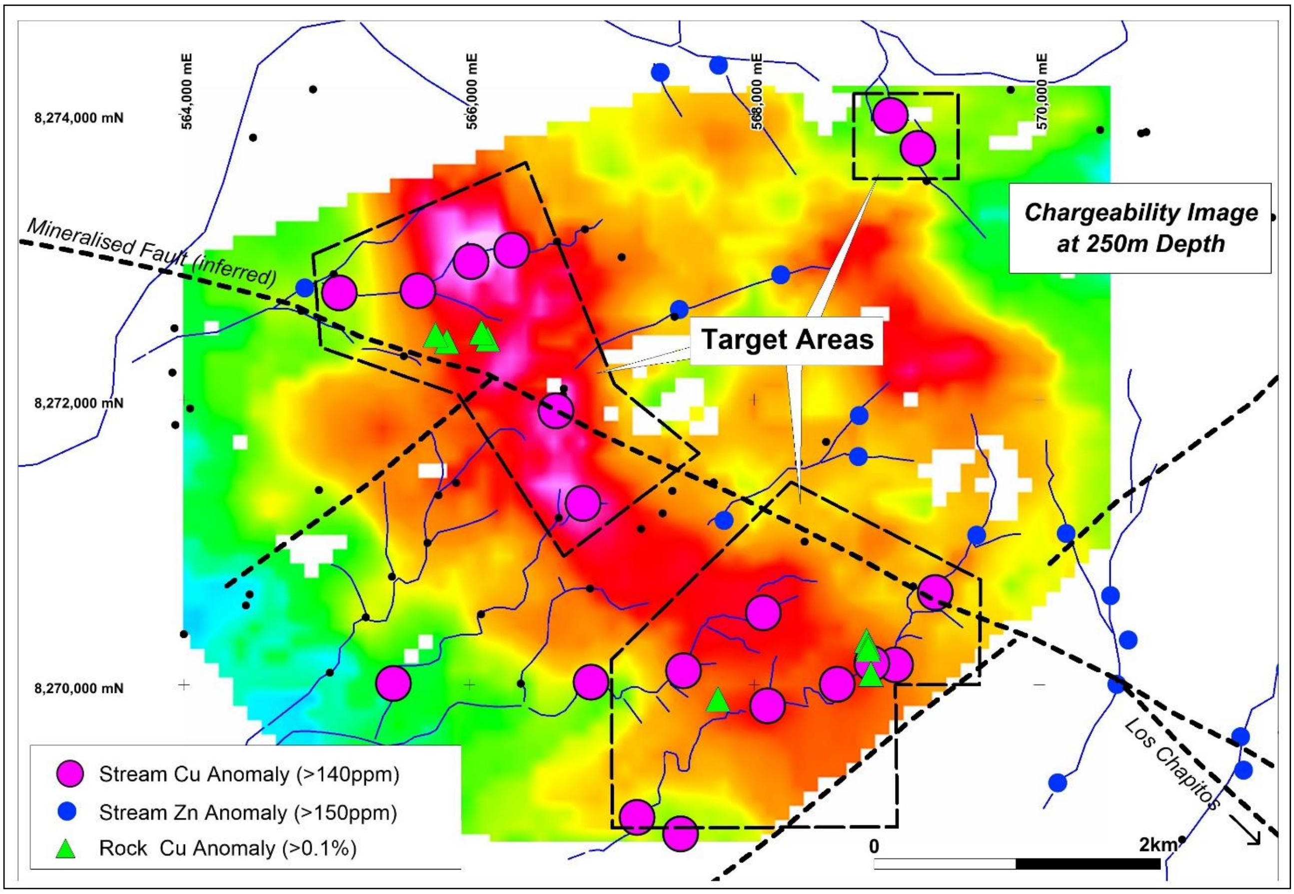


Figure 5: Parcoy IOCG Prospect showing IP and stream sediment Cu - Zn anomalies

Extensive areas of anomalous copper (>140ppm Cu) identified by the stream sediment sampling program coincide with weak-to-moderate IP chargeability anomalies extending over a 6km section of the prospective structure, where possible manto-style copper mineralisation could occur (*Figure 5*). Systematic soil sampling and geological mapping has commenced to help outline targets for possible drilling under the SAA.

At the **Los Otros Project**, large areas of advanced argillic alteration (lithocap) containing anomalous levels of Mo, Bi, As, Sb, Pb, Au, Ag and occasional Cu, suggest the potential for buried porphyry copper mineralisation close to the Palaeocene Porphry Copper Belt that hosts the giant copper deposits (Toquepala, Cerro Verde and Quellaveco) in southern Peru.

Previous wide-spaced ground geophysical (IP) surveys failed to locate an obvious drill target associated with this alteration. Sampling to confirm the age of the alteration was subsequently initiated to determine if it is comparable to the age of the giant porphyry copper deposits nearby, before considering further survey options. Results from this work are awaited.

During the year, wide-spaced reconnaissance drilling was also completed at the **Chololo Porphyry Copper Prospect** in southern Peru, where advanced argillic alteration intersected in several drill-holes suggested to the Company's consultants the potential for a buried porphyry copper target to be located nearby. Geometric and mineralogical vectors determined from the drilling suggested the presence of a buried target beneath Chololo Hill.

While this target was not accepted by South32 under the SAA, the Company remains committed to the Chololo Project and is seeking alternate avenues of funding to complete further drilling at the prospect. Titles over the prospect have been retained.

New Opportunities and Project Generation (Peru)

The Company plans to increase its project generation work within southern Peru over the coming 12 months, looking for new copper opportunities for consideration under the SAA. Reconnaissance surface sampling programs are being planned over several of the Company's 100%-owned projects to de-risk them by outlining areas of surface anomalism (Cu, Mo, Pb, Zn and Au) before advancing them towards the drilling stage.

AUSTRALIA BASE METALS: NICKEL-COPPER, ZINC

During FY2019, the Company completed first-phase drilling at four of its projects, with results from the Balladonia Project in the Fraser Range Region of WA providing significant encouragement for further drilling under the SAA with South32. Drill testing at the Hamilton Project in north-west Queensland also commenced in August 2019.

Early-stage drilling results from the Blue Billy, Jimberlana, Yallum Hill and Caramulla Projects in WA failed to provide sufficient encouragement for their continued evaluation and the titles were subsequently relinquished.

Balladonia Nickel-Copper Project

The Balladonia Project (covering an area of ~1,200km²) is located ~50km south of the Nova-Bollinger nickel-copper deposit within the Fraser Range region of Western Australia. During the year, initial drill testing of several EM targets was completed with results from the Telegraph Prospect providing significant encouragement for further drilling.

A second phase of shallow air-core drilling over the Telegraph Prospect successfully outlined a base metal target ~500m x 200m in size.

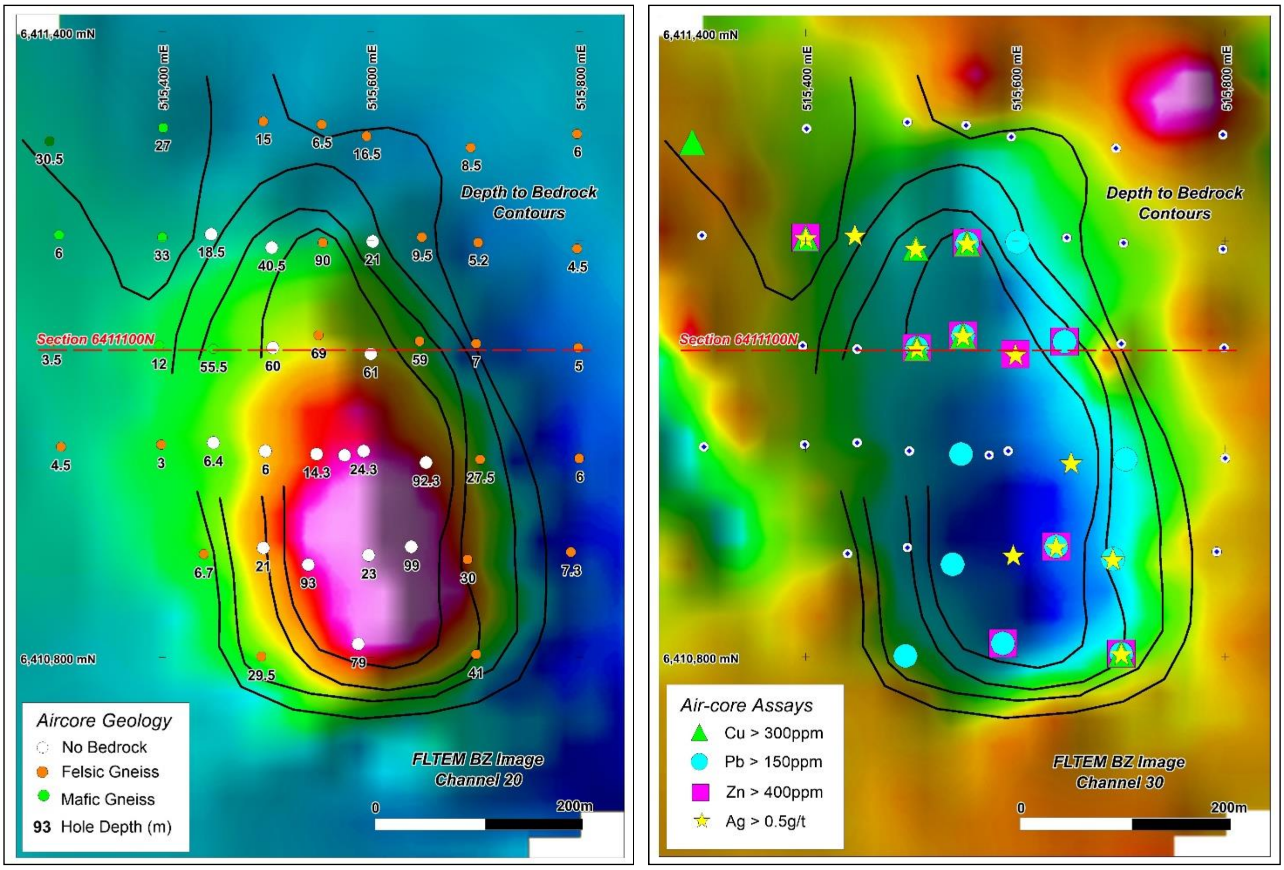


Figure 6: Balladonia Telegraph Prospect - Air-core drilling results and depth to bedrock contours

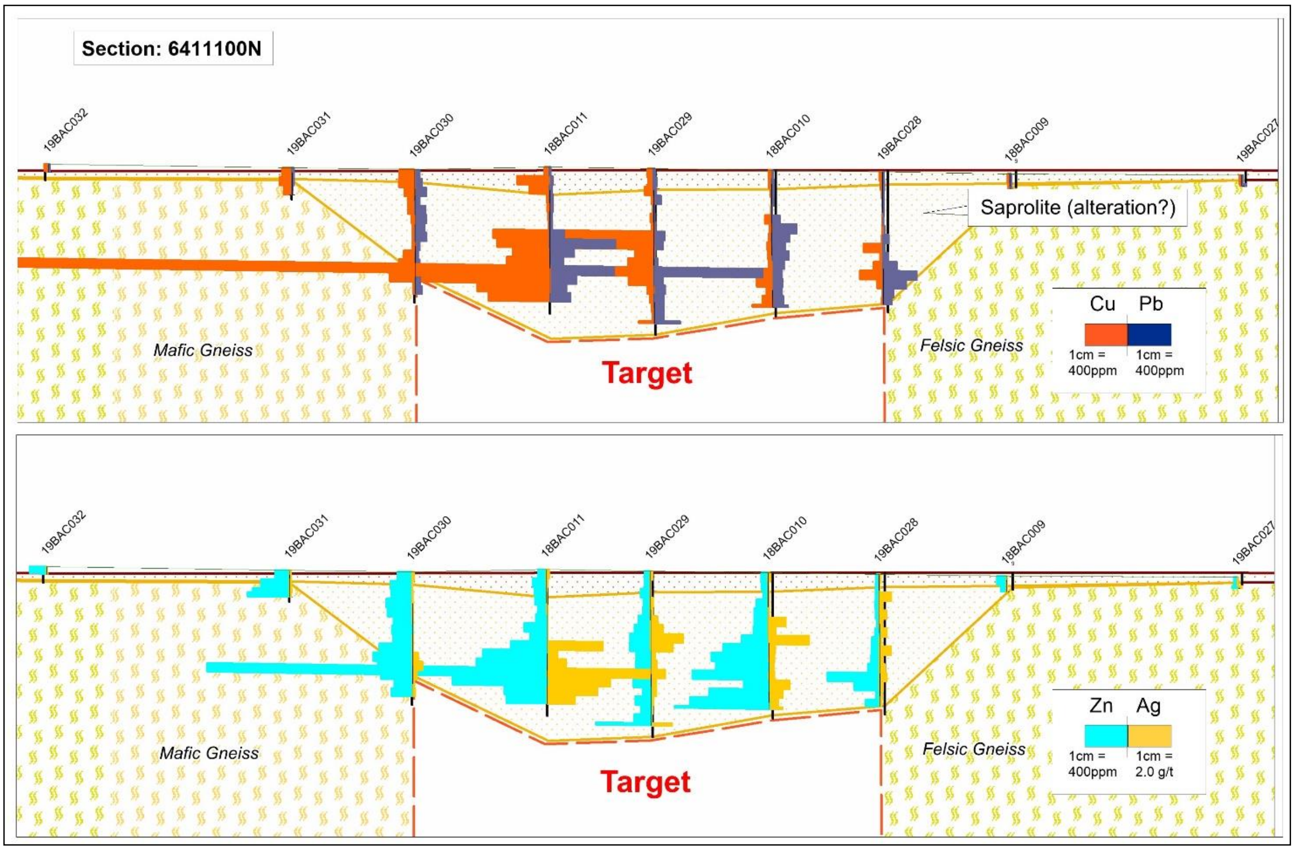


Figure7: Balladonia Telegraph Prospect – Section 6411100N showing air-core assay results

Anomalous copper (300 to 5,500ppm Cu), silver (1 to 51gpt Ag), lead (150 to 1,800ppm Pb) and zinc (400 to 2,900ppm Zn) values within the saprolite (alteration) zone, coupled with anomalous pathfinder elements (Sn, As, Se, Mo, Tl, Bi) and light rare earths (Ce, La) suggests the potential for a base metal source (possibly volcanogenic massive sulphides or VMS) beneath the current level of drilling.

Drill-hole depths were highly variable, ranging from ~5m over the unaltered basement gneisses and up to a maximum of 99m within the highly weathered (altered) bedrock that is interpreted to occur above the target.

A program of Reverse Circulation (RC) drilling is planned to test for base metal sulphides beneath the alteration under the SAA. Drilling is expected to commence in the second half of 2019. The regional implications of the drilling results are being assessed.

Hamilton Copper Project

The Hamilton Project is located in north-west Queensland, ~120km south of the Cannington mine. Limited historical drilling of magnetic and gravity targets in this area provided evidence for "near-miss" situations for Iron-Oxide Copper-Gold (IOCG) mineralisation beneath the cover sequence.

IP surveys were completed over two prospects during the year, locating possible sulphide mineralisation beneath the Eromanga cover sequence at the Winton South prospect, approximately 500m north of historical drill-hole WD02009 which contained the strongest indications of a "near-miss" for IOCG mineralisation.

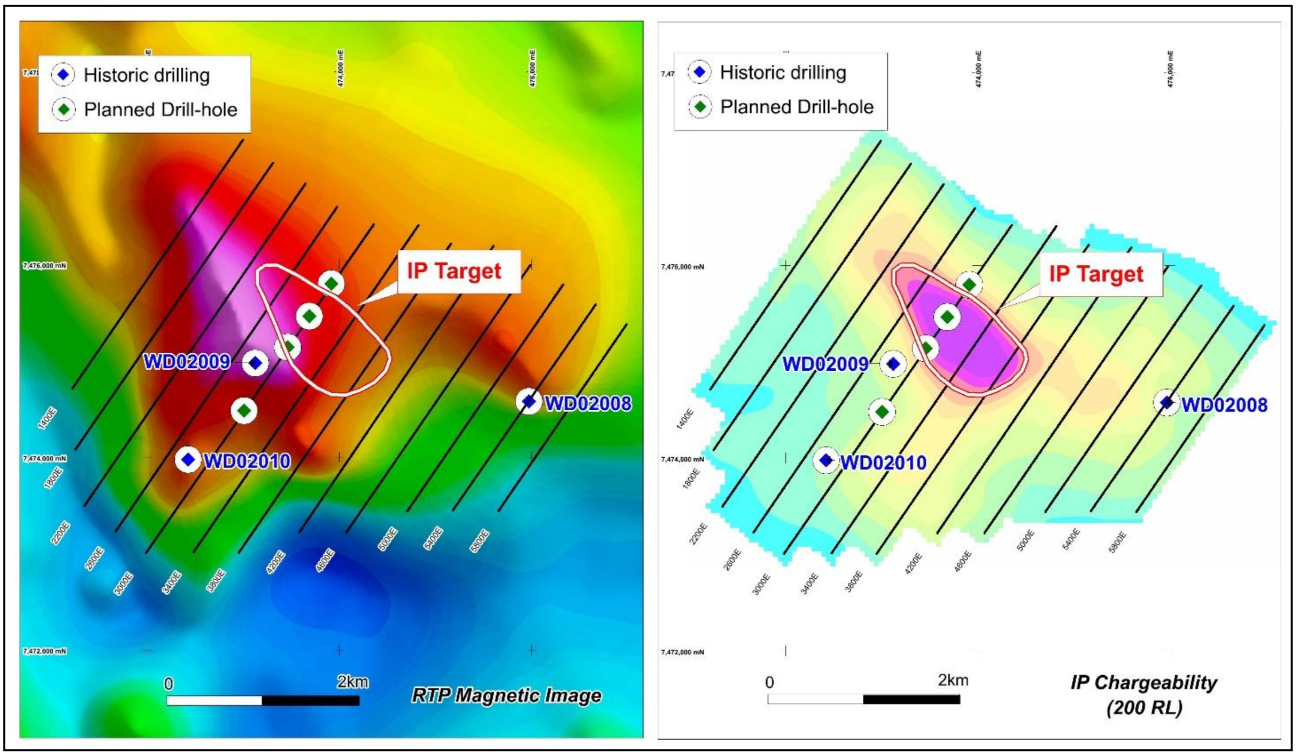


Figure 8: Hamilton Winton South Prospect showing locations of proposed drill-holes

The Cretaceous cover, which is ~200m thick, is highly conductive making recognition of bedrock IP responses difficult in this area. However, modelling of the MIMDAS IP data outlined a strong chargeability response extending over at least 800m which is interpreted to reflect sulphide mineralisation beneath the cover that could be associated with a possible IOCG target.

The IP anomaly also coincides with a weak but well-defined gravity response and is located marginal to the strong magnetic complex originally targeted by the historical drilling, supporting a possible IOCG source. A drilling program consisting of four holes for ~1,400m to test the IP/ magnetic/ gravity target commenced in August under the SAA, after all necessary approvals had been received. Results are expected in October.

Tangadee Zinc Project

The Tangadee Zinc Project is located ~150km south-west of Newman within the Edmund Basin of Western Australia. The area contains favourable host rocks, prospective large-scale structures and anomalous geochemistry, suggesting the potential for sediment-hosted zinc mineralisation similar to that found in north-west Queensland.

Interpretation of earlier VTEM survey data identified possible structural targets for sediment-hosted zinc and several discrete EM anomalies juxtaposed to regional faults which reflect potential targets for massive sulphide mineralisation.

A site visit with Traditional Owners during the year obtained approval for reconnaissance mapping and sampling programs designed to test the key target areas and identify targets for drilling. Soil and rock-chip sampling is scheduled to be completed during the September 2019 Quarter.

New Opportunities and Project Generation (Australia)

The Company continues to undertake project generation studies across Australia targeting new base metal (copper, zinc and nickel) opportunities and possible drill-ready targets for consideration under the SAA, using both in-house and external consultants.

At the Company's **Perry Creek Zinc Project**, located ~95km south-west of Newman in WA, key tenements were granted during the year, allowing a regional stream sampling program to be completed to assess the potential of the area for sediment-hosted zinc deposits. Results from this program are pending.

Six new Exploration Licence Applications (~2,700km^2) were submitted to secure base metal targets in the **Paterson Province** of WA, where recent discoveries by Rio Tinto (Winu) and Greatland Gold (Havieron), have added to the region's excellent copper-gold pedigree.

Land Access Agreements were finalised with Traditional Owners, indicating that the tenements should be granted by the end of 2019, allowing field work to commence in 2020. All projects contain discrete magnetic targets within sedimentary sequences considered to be similar to those hosting the new copper and gold discoveries in the region.

CORPORATE

The Company's cash position at the end of June 2019 was ~ $1.8 million. South32 has continued to provide funding under the Strategic Alliance Agreement for agreed work programmes over Strategic Alliance Projects both in Australia and Peru.

During FY2019, AusQuest received a total of A$6.8 million under the SAA to evaluate ten of the Company's projects – six in Australia and four in Peru – including initial drilling programs at six projects.

The $750,000 Loan and Convertible Note provide to the Company in 2016 by Mr Christopher Ellis, a Director and substantial shareholder of the Company, has now been fully converted to shares in the Company following approval by shareholders at the Company's Annual General Meeting in November 2018.

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 2019. 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:

- Zeta Petroleum PLC – April 2015 – current
- Strata-X Energy Limited – July 2015 – current
- BMG Resouces Ltd – Feb 2017 – current
- Golden State Mining Limited – Nov 2018 - current
- Cobra Resources PLC – Nov 2018 – current
- King island Scheelite Ltd –Feb 2019 - 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.

Henko Vos
Company secretary

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	10,000,000
Chris Ellis	124,694,939	4,000,000

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

During the year and 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 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 $275,633 (2018: profit after tax of $767,788).

Changes in state of affairs

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

Subsequent events

There has not been any 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 Group 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
Unlisted				
AusQuest Limited	39,500,000	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

There were no shares issued on the exercise of options during or since the end of the financial year.

Share options granted during the year

There were no shares options granted during or since the end of the financial year.

Share options that expired/lapsed

No 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 5 board meetings , 1 audit committee meeting, 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	5	5	1	1	1	1
Graeme Drew	5	5	1	1	1	1
Christopher Ellis	5	5	1	1	1	1

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 $52,142 (2018: $41,218) 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 financial report. This independence declaration is included on page 21 of the annual report and forms part of this directors' report for the year ended 30 June 2019.

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 2019.

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;
- transactions with key management personnel; and
- loans to/from key management personnel.

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

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 directors 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

Non-Executive Directors

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 dated 21 April 2015.
- Base salary reviewed annually, increased from $136,986 to $200,000 on 1 March 2018 (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.

The consulting agreement in place with the Chairman, Greg Hancock is summarised below:

- Term of agreement is renewed annually.
- Fee of $48,000 from 1 July 2018.
- No payment of termination benefit.

Remuneration of key management personnel

	Short-term employee benefits		Post employment benefits	Other long term employee benefits	Share-based payment		
	Salary and fees	Other(i)	Superannuation		Options	Total	Perfomance related
	$	$	$	$	$	$	%
2019							
Directors							
Graeme Drew	200,000	-	19,000	-	-	219,000	-
Greg Hancock(i)	-	48,000	-	-	-	48,000	-
Chris Ellis	-	-	-	-	-	-	-
	200,000	48,000	19,000	-	-	267,000	
2018							
Directors							
Graeme Drew	157,991	-	15,009	-	-	173,000	-
Greg Hancock(i)	-	24,996	-	-	-	24,996	-
Chris Ellis	-	-	-	-	-	-	-
	157,991	24,996	15,009	-	-	197,996	

(i) Mr Hancock received $48,000 (2018: $24,996) for corporate advisory services rendered to the Company.

There were no options granted as remuneration to key management personnel during the year.

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

There were no options expired 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.	Other movements No.	Balance on resignation No.	Balance at 30 June No.
2019						
Directors						
Greg Hancock	4,586,415	-	-	-	-	4,586,415
Graeme Drew	13,553,966	-	-	-	-	13,553,966
Chris Ellis	104,455,634	-	-	20,239,305 (i)	-	124,694,939
	122,596,015	-	-	20,239,305	-	142,835,320

(i) Conversion of a Convertible Note following shareholder approval at the AGM held on 21 November 2018.

Options (listed and unlisted) of AusQuest Limited

	Balance at 1 July No.	Balance on appointment / (resignation) No.	Granted as compen-sation No.	Exercised No.	Balance at 30 June No.	Vested during year No.	Vested and exercisable at 30 June No.
2019							
Directors							
Greg Hancock	4,000,000	-	-	-	4,000,000	-	4,000,000
Graeme Drew	10,000,000	-	-	-	10,000,000	-	10,000,000
Chris Ellis	4,000,000	-	-	-	4,000,000	-	4,000,000
	18,000,000	-	-	-	18,000,000	-	18,000,000

Transactions with key management personnel

The following transactions occurred with key management personnel:

	2019 $	2018 $
Corporate advisory services[(i)]	48,000	24,996
Convertible note and interest accrued[(ii)]	20,247	384,540

(i) 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 $48,000 (excluding GST) for services rendered during the 12 month period ending 30 June 2019 (2018: $24,996 excluding GST). This amount is included as part of Mr. Hancock's remuneration in the table above.

(ii) 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, had a maturity date of 3 April 2018 (18 months). On 4 October 2017, the Company announced that the maturity date of the convertible note has been extended to 30 November 2018. On 23 November 2017, the Company issued 21,642,048 ordinary shares at $0.02 per share to partly convert $432,841 of the convertible note as approved by shareholders at the Company's AGM on 22 November 2017. The Loan was interest free for six months and thereafter accrued interest at 10% per annum. The Company accordingly accrued $87,628 (2018: $67,381) in interest payable on the Loan at reporting date. On 19 October 2018, the Company announced changes to the interest repayment terms. The amended terms allowed interest payable under the Agreement to be payable in cash or in conversion shares, at the election of the Company. On 22 November 2018, the Company issued 20,239,305 ordinary shares at $0.02 per share to fully convert $317,159, being the remaining balance of the convertible note plus interest of $87,628, as approved by shareholders at the Company's AGM on 21 November 2018.

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 2019 $	 2018 $
Current payables:		
Interest on Convertible Note payable to Chris Ellis	-	67,381
Fee payable to Graeme Drew and related entity	18,250	18,250
Fee payable to Greg Hancock and related entity	4,693	2,291

Loans to/from related parties

Other than the convertible note payable to Chris Ellis which was fully converted into ordinary shares during the year (2018: payable of $317,159), 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

Graeme Drew
Managing Director

24 September 2019
Perth, WA

HLB MANN JUDD
ADVISORY AND ACCOUNTING

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial report of AusQuest Limited for the year ended 30 June 2019, 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	**B G McVeigh**
24 September 2019	**Partner**

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HLB MANN JUDD
ADVISORY AND ACCOUNTING

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 2019, 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, and 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 2019 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

We draw attention to Note 2 in the financial report, which indicates that a material uncertainty exists 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.

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Key Audit Matter	How our audit addressed the key audit matter
Exploration and evaluation expenditure Note 11 in the financial report	
The Group has capitalised exploration and evaluation expenditure of $4,765,916 as at 30 June 2019. In accordance with AASB 6 *Exploration for and Evaluation of Mineral Resources*, the Group capitalises all exploration and evaluation expenditure in respect of each identifiable area of interest, including acquisition costs and measures the asset using the cost model. Our audit focussed on the Group's assessment of the carrying amount of the capitalised exploration and evaluation asset, as this is one of the most significant assets of the Group. We planned our work to address the audit risk that the capitalised expenditure may no longer meet the recognition criteria of the standard. In addition, we considered it necessary to assess whether facts and circumstances existed to suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount.	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 reviewed additions to exploration expenditure during the year; - We considered the accounting treatment in relation to exploration partner funding; - We verified amounts received from the Group's exploration partner and subsequently spent on exploration; - We verified the completeness of amounts recognised as income in relation to the Group's exploration partner contracts; - 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 2019, 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.

HLB MANN JUDD
ADVISORY AND ACCOUNTING

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included within the directors' report for the year ended 30 June 2019.

In our opinion, the Remuneration Report of AusQuest Limited for the year ended 30 June 2019 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

B G McVeigh
Partner

Perth, Western Australia
24 September 2019

AusQuest Limited
Directors' declaration
30 June 2019

1) In the directors' opinion:

   a) the attached financial statements notes thereto comply with the Corporations Act 2001, 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 2019 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

Managing Director

24 September 2019
Perth, WA

AusQuest Limited
Consolidated statement of profit or loss and other comprehensive income
For the year ended 30 June 2019

	Note	Consolidated 2019 $	Consolidated 2018 $
Continuing operations			
Revenue	5	923,545	2,156,489
Expenses			
Consultants and employee benefits expenses		(208,406)	(160,503)
Occupancy expenses		(169,004)	(108,263)
Share-based payment expenses	6	(73,000)	(114,330)
Impairment of exploration and evaluation expenditure	11	(743,169)	(754,926)
Other expenses	6	(719,255)	(494,456)
Finance costs		(26,941)	(54,924)
Total expenses		(1,939,775)	(1,687,402)
(Loss)/Profit before income tax	6	(1,016,230)	469,087
Income tax benefit	7	748,829	314,591
(Loss)/Profit for the year after income tax of continuing operations		(267,401)	783,678
Loss after tax from discontinued operations	30	(8,232)	(15,890)
(Loss)/Profit for the year after income tax		(275,633)	767,788
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Exchange gain on translation of foreign operations		455,161	157,830
Other comprehensive income for the year, net of tax		455,161	157,830
Total comprehensive income for the year		179,528	925,618
(Loss)/Earnings per share			
Basic and diluted (loss)/earnings per share (cents per share)	28	(0.05)	0.15
Basic and diluted (loss)/earnings per share from continuing operations (cents per share)	28	(0.05)	0.15

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 2019

	Note	Consolidated 2019 $	Consolidated 2018 $
Assets			
Current assets			
Cash and cash equivalents	27	1,816,388	4,520,934
Trade and other receivables	8	362,413	171,643
Other assets	9	203,743	130,928
Total current assets		2,382,544	4,823,505
Non-current assets			
Property, plant and equipment	10	52,992	47,773
Exploration and evaluation	11	4,765,916	4,055,120
Total non-current assets		4,818,908	4,102,893
Total assets		7,201,452	8,926,398
Liabilities			
Current liabilities			
Trade and other payables	12	374,879	1,064,333
Borrowings	13	-	317,159
Provisions	14	120,160	116,094
Unexpended funding	15	997,888	2,377,602
Total current liabilities		1,492,927	3,875,188
Total liabilities		1,492,927	3,875,188
Net assets		5,708,525	5,051,210
Equity			
Issued capital	16	57,731,440	57,253,653
Reserves	17	4,258,978	3,803,817
Accumulated losses		(56,281,893)	(56,006,260)
Total equity		5,708,525	5,051,210

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 2019

Consolidated	**Issued capital $**	**Share-based payment reserve $**	**Foreign currency translation reserve $**	**Accumulated losses $**	**Total $**
Balance at 1 July 2018	57,253,653	327,929	3,475,888	(56,006,260)	5,051,210
Loss after income tax for the year	-	-	-	(275,633)	(275,633)
Other comprehensive income for the year, net of tax	-	-	455,161	-	455,161
Total comprehensive income for the year	-	-	455,161	(275,633)	179,528
Transactions with owners in their capacity as owners:					
Issue of shares	477,787	-	-	-	477,787
Balance at 30 June 2019	57,731,440	327,929	3,931,049	(56,281,893)	5,708,525

Consolidated	**Issued capital $**	**Share-based payment reserve $**	**Foreign currency translation reserve $**	**Accumulated losses $**	**Total $**
Balance at 1 July 2017	56,786,891	246,599	3,318,058	(56,774,048)	3,577,500
Profit after income tax for the year	-	-	-	767,788	767,788
Other comprehensive income for the year, net of tax	-	-	157,830	-	157,830
Total comprehensive income for the year	-	-	157,830	767,788	925,618
Transactions with owners in their capacity as owners:					
Issue of shares	466,762	-	-	-	466,762
Options issued during the year	-	81,330	-	-	81,330
Balance at 30 June 2018	57,253,653	327,929	3,475,888	(56,006,260)	5,051,210

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 2019

	Note	Consolidated 2019 $	Consolidated 2018 $
Cash flows from operating activities			
Receipts from South32 Group Operations Pty Ltd		920,067	2,149,806
Payments to suppliers and employees		(1,232,774)	(720,093)
Interest received		2,502	3,508
Finance costs		(6,695)	-
Net cash (used in)/from operating activities	27(ii)	(316,900)	1,433,221
Cash flows from investing activities			
Payments for property, plant and equipment		(19,397)	(39,845)
Payments for exploration and evaluation		(9,149,356)	(5,284,879)
Payment received on grant of farm-in and joint venture interests		5,929,509	6,363,972
Research and development tax incentive refund received		748,829	314,591
Net cash (used in)/ from investing activities		(2,490,415)	1,353,839
Cash flows from financing activities			
Proceeds from issue of shares		-	921
Net cash from financing activities	27(iii)	-	921
Net (decrease)/increase in cash and cash equivalents		(2,807,315)	2,787,981
Cash and cash equivalents at the beginning of the financial year		4,520,934	1,694,181
Exchange rate adjustment		102,769	38,772
Cash and cash equivalents at the end of the financial year	27(i)	1,816,388	4,520,934

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 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 24 September 2019.

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 2019 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 2019 the Group recorded a net loss of $275,633 (2018 net profit: $767,788) and at 30 June 2019 had a net working capital of $889,617 (30 June 2018: net working capital of $948,317). The Group also recorded a net cash used in operating activities for the year ended 30 June 2019 of $316,900 (2018: net cash generated from operating activities of $1,433,221).

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 raising additional funds through the issue of new equity, there is a material uncertainty which may cast significant doubt whether the Group 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 Group 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 standards

In the year ended 30 June 2019, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company and effective for the current reporting periods beginning on or after 1 July 2018.

As a result of this review, the Group has initially applied AASB 9 and AASB 15 from 1 July 2018.

Due to the transition methods chosen by the Group in applying AASB 9 and AASB 15, comparative information throughout the interim financial statements has not been restated to reflect the requirements of the new standards.

AASB 9 Financial Instruments

AASB 9 replaces AASB 139 Financial Instruments: Recognition and Measurement and makes changes to a number of areas including classification of financial instruments, measurement, impairment of financial assets and hedge accounting model.

Financial instruments are classified as either held at amortised cost or fair value.

Financial instruments are carried at amortised cost if the business model concept can be satisfied.

All equity instruments are carried at fair value and the cost exemption under AASB 139 which was used where it was not possible to reliably measure the fair value of an unlisted entity has been removed. Equity instruments which are non-derivative and not held for trading may be designated as fair value through other comprehensive income (FVOCI). Previously classified available-for-sale investments, now carried at fair value are exempt from impairment testing and gains or loss on sale are no longer recognised in profit or loss.

The AASB 9 impairment model is based on expected loss at day 1 rather than needing evidence of an incurred loss, this is likely to cause earlier recognition of bad debt expenses. Most financial instruments held at fair value are exempt from impairment testing.

The Group has applied AASB 9 with the effect of initially applying this standard recognised at the date of initial application, being 1 July 2018 and has elected not to restate comparative information. Accordingly, the information presented for 30 June 2018 has not been restated.

There is no material impact to profit or loss or net assets on the adoption of this new standard in the current or comparative periods.

Note 2. Significant accounting policies (continued)

Adoption of new and revised standards (continued)

AASB 15 Revenue from Contracts with Customers

AASB 15 replaces AASB 118 Revenue and AASB 111 Construction Contracts and related interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards.

AASB 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised, including in respect of multiple element arrangements. The core principle of AASB 15 is that it requires identification of discrete performance obligations within a transaction and associated transaction price allocation to these obligations. Revenue is recognised upon satisfaction of these performance obligations, which occur when control of goods or services is transferred, rather than on transfer of risks or rewards. Revenue received for a contract that includes a variable amount is subject to revised conditions for recognition, whereby it must be highly probable that no significant reversal of the variable component may occur when the uncertainties around its measurement are removed.

The Group has adopted AASB 15 using the modified retrospective method of adoption (without practical expedients) with the effect of initially applying this standard recognised at the date of initial application, being 1 July 2018. Accordingly, the information presented for 30 June 2018 has not been restated. The effect of the application of AASB 15 has been applied to all contracts at date of initial application.

There is no material impact to profit or loss or net assets on the adoption of this new standard in the current or comparative periods.

Standards and Interpretations in issue not yet adopted

The Directors have also reviewed all of the new and revised Standards and Interpretations in issue not yet adopted for the year ended 30 June 2019.

As a result of this review the Directors have determined that AASB 16 Leases may have an effect on the application in future periods.

AASB 16 Leases

AASB 16 replaces AASB 117 Leases and sets out the principles for the recognition, measurement, presentation and disclosure of leases.

AASB 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligations to make lease payments. A lessee measures right-of-use assets similarly to other non-financial assets (such as property, plant and equipment) and lease liabilities similarly to other financial liabilities. As a consequence, a lessee recognises depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows applying AASB 107 Statement of Cash Flows. AASB 16 substantially carries forward the lessor accounting requirements in AASB 117 Leases. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

AASB 16 is effective from annual reporting periods beginning on or after 1 January 2019. A lessee can choose to apply the Standard using a full retrospective or modified retrospective approach.

The directors do not believe that this revised standard will have a material impact on the Group and therefore, no material change is necessary to Group accounting policies.

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.

Note 2. Significant accounting policies (continued)

Operating segments (continued)

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".

Financial Instruments

Financial assets and financial liabilities are recognised in the statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Applicable to 30 June 2019

(i) Financial Assets

Trade receivables are held in order to collect the contractual cash flows and are initially measured at the transaction price (excludes estimates of variable consideration) as defined in AASB 15, as the contracts of the Group do not contain significant financing components. Impairment losses are recognised based on lifetime expected credit losses in profit or loss.

Other receivables are held in order to collect the contractual cash flows and accordingly are measured at initial recognition at fair value, which ordinarily equates to cost and are subsequently measured at cost less impairment due to their short term nature. A provision for impairment is established based on 12-month expected credit losses unless there has been a significant increase in credit risk when lifetime expected credit losses are recognised. The amount of any provision is recognised in profit or loss.

(ii) Financial Liabilities and Equity

Financial liabilities and equity instruments issued by the Group are classified in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

All other loans including convertible loan notes are initially recorded at fair value, which is ordinarily equal to the proceeds received net of transaction costs. These liabilities are subsequently measured at amortised cost, using the effective interest rate method.

(iii) Effective Interest Rate Method

The effective interest rate method is a method of calculating the amortised cost of a financial asset or liability and allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash flows through the expected life of the financial asset or liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Applicable to 30 June 2018

(i) Financial Assets

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.

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Note 2. Significant accounting policies (continued)

Financial Instruments (continued)

Applicable to 30 June 2018 (continued)

(i) Financial Assets (continued)

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.

(ii) Financial Liabilities and Equity

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.

Cash and cash equivalents

Cash and cash equivalents 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.

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.

Note 2. Significant accounting policies (continued)

Revenue recognition

Applicable to 30 June 2019

Revenue is measured at the transaction price received or receivable (which excludes estimates of variable consideration) allocated to the performance obligation satisfied and represents amounts receivable for services provided in the normal course of business, net of discounts, VAT, GST and other sales related taxes. As the expected period between transfer of a promised service and payment from the customer is one year or less then no adjustment for a financing component has been made.

Revenue arising from the provision of services is recognised when and to the extent that the customer simultaneously receives and consumes the benefits of the Group’s performance or the Group does not create an asset with an alternative use but has an enforceable right to payment for performance completed to date.

Applicable to 30 June 2018

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.

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.

Note 2. Significant accounting policies (continued)

Income tax (continued)

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.

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.

Note 2. Significant accounting policies (continued)

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.

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.

Note 2. Significant accounting policies (continued)

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.

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.

Note 2. Significant accounting policies (continued)

Employee benefits (continued)

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.

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.

Note 2. Significant accounting policies (continued)

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 its Peruvian and Australian tenements. Impairment charges of $139,132 and $604,037 were recognised for these tenements respectively.

Other than exploration and evaluation expenditure impaired totalling $743,169 (2018: $754,926) during the year, no other impairment loss was recorded in the current financial year. Refer Note 4 (Operating Segments) 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.

Note 3. Critical accounting judgements, estimates and assumptions (continued)

Exploration and evaluation costs carried forward (continued)

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.

Share-based payments
The Company makes equity settled share-based payments to certain employees and consultants, which are measured at fair value at the date of grant and expensed on a straight line basis over the vesting period, based on the Company's estimate of shares that will eventually vest. The fair values are determined using the Black Scholes Option Pricing Model or the Cox, Ross and Rubinstein Binomial Option Pricing Model. Vesting assumptions are reviewed during each reporting period to ensure they reflect current expectations.

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

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 2019.

Note 4. Operating segments (continued)

Operating segment information

Consolidated - 2019	Australia $	South America $	Discontinued Operations $	Intersegment eliminations $	Total $
Revenue					
Interest revenue	2,475	-	-	-	2,475
Other revenue	920,055	1,015	-	-	921,070
Total revenue	922,530	1,015	-	-	923,545
Expenses					
Depreciation	(12,012)	(2,166)	-	-	(14,178)
Impairment of exploration expenditure	(604,037)	(139,132)	-	-	(743,169)
Other expenditure	(870,108)	(312,320)	(8,232)	-	(1,190,660)
Total expenses	(1,486,157)	(453,618)	(8,232)	-	(1,948,007)
Loss before income tax	(563,627)	(452,603)	(8,232)	-	(1,024,462)
Income tax benefit					748,829
Loss after income tax					(275,633)
Assets					
Non-current assets	9,357,585	9,865,099	-	(14,403,776)	4,818,908
Segment assets	11,106,179	10,488,303	10,746	(14,403,776)	7,201,452
Total assets					7,201,452
Liabilities					
Segment liabilities	1,433,056	12,752,418	34,727	(12,727,274)	1,492,927
Total liabilities					1,492,927

Consolidated - 2018	Australia $	South America $	Discontinued Operations $	Intersegment eliminations $	Total $
Revenue					
Interest revenue	3,440	-	-	-	3,440
Other revenue	2,153,049	-	-	-	2,153,049
Total revenue	2,156,489	-	-	-	2,156,489
Expenses					
Depreciation	(11,562)	(361)	-	-	(11,923)
Impairment of exploration expenditure	(551,164)	(203,762)	-	-	(754,926)
Other expenditure	(832,309)	(88,244)	(15,890)	-	(936,443)
Total expenses	(1,395,035)	(292,367)	(15,890)	-	(1,703,292)
Loss before income tax	761,454	(292,367)	(15,890)	-	453,197
Income tax benefit					314,591
Loss after income tax					767,788
Assets					
Non-current assets	8,162,821	5,048,932	-	(9,108,860)	4,102,893
Segment assets	12,446,490	5,570,602	18,166	(9,108,860)	8,926,398
Total assets					8,926,398
Liabilities					
Segment liabilities	3,450,729	7,807,439	32,955	(7,415,935)	3,875,188
Total liabilities					3,875,188

Note 5. Revenue

	Consolidated 2019 $	Consolidated 2018 $
Funding from South32 Group Operations Pty Ltd recognised as income:		
Bonus generation fee	-	1,290,801
Excess funding from South32 (Note 15)	-	379,438
Administration charges (Note 15)	729,657	452,792
Funding against written off exploration expenditure (Note 15)	190,398	32,160
Interest income	2,475	3,440
Other income	1,015	-
Loss on sale of assets	-	(2,142)
	923,545	2,156,489

Note 6. (Loss)/Profit for the year

(Loss)/Profit for the year includes the following expenses:

	Consolidated 2019 $	Consolidated 2018 $
Exploration expenditure expensed	46,988	-
Depreciation	14,178	11,923
Share-based payments:		
Consulting services	73,000	33,000
Director options	-	-
Employees and contractors	-	81,330
	73,000	114,330

Note 7. Income tax expense

	Consolidated 2019 $	Consolidated 2018 $
Tax benefit comprises:		
Current tax benefit	748,829	314,591
Deferred tax expense/(income) relating to the origination and reversal of temporary differences	-	-
Total tax benefit	748,829	314,591
Numerical reconciliation of income tax expense and tax at the statutory rate		
(Loss)/Profit before income tax expense	(1,016,230)	469,087
Tax at the statutory tax rate of 27.5% (2018: 27.5%)	**(279,463)**	**128,999**
Effect of net expenses that are not deductible in determining taxable profit	160,434	(110,999)
Effect of changes in unrecognised temporary differences	(41,969)	(18,000)
Effect of unused tax losses and tax offsets not recognised as deferred tax assets	160,998	-
Effect of research and development tax incentive refund	748,829	314,591
Income tax benefit	748,829	314,591

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

Note 7. Income tax expense (continued)

	Consolidated	
	2019	2018
	$	$
Unrecognised deferred tax assets and liabilities		
The following deferred tax assets and (liabilities) have not been brought to account:		
Tax losses – revenue	9,704,245	10,049,966
Exploration and evaluation assets	(4,998,038)	(4,933,271)
Unrealised foreign exchange gain	(498,722)	(490,254)
Other temporary differences	(3,627)	49,807
	4,203,858	5,062,451
Deferred tax assets not recognised in equity – share issue costs	-	12,986

The above potential tax benefit for tax losses has not been recognised in the statement of financial position. Management has calculated that accounting losses arose in prior periods and therefore consider a reasonable assumption to be that, following submission of the tax returns, tax losse will be available to be utilised in order to offset its assessable income. 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	
	2019	2018
	$	$
Security deposits	50,000	50,000
Other debtors - unsecured	3,508	230
Input tax recoverable	308,905	121,413
	362,413	171,643

Note 9. Current assets - Other assets

	Consolidated	
	2019	2018
	$	$
Prepayments	74,271	130,928
Other assets	129,472	-
	203,743	130,928

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

	Consolidated 2019 $	2018 $
Fixtures, fittings and office equipment - at cost	16,775	16,175
Less: Accumulated depreciation	(14,409)	(14,087)
	2,366	2,088
Computer equipment - at cost	49,403	49,403
Less: Accumulated depreciation	(30,743)	(22,225)
	18,660	27,178
Field equipment - at cost	211,931	192,981
Less: Accumulated depreciation	(181,419)	(176,264)
	30,512	16,717
Low value pool - at cost	13,602	13,602
Less: Accumulated depreciation	(12,148)	(11,812)
	1,454	1,790
Carrying amount	52,992	47,773

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 2017	21,993
Additions	39,845
Write off	(2,142)
Depreciation expense	(11,923)
Balance at 30 June 2018	47,773
Additions	19,397
Write off	-
Depreciation expense	(14,178)
Balance at 30 June 2019	52,992

Note 11. Non-current assets - exploration and evaluation

	Consolidated	
	2019	**2018**
	$	**$**
Exploration and evaluation phase - at cost	4,765,916	4,055,120

Consolidated	**Total $**
Balance at 30 June 2018	4,055,120
Capitalised during the year	8,727,796
Impaired during the year [(i)]	(743,169)
Grant of farm-in interests in previously capitalised projects[(ii)]	(7,270,222)
Exchange movements	(3,609)
Balance at 30 June 2019	4,765,916
Balance at 1 July 2017	3,650,791
Capitalised during the year	5,818,431
Impaired during the year [(i)]	(754,926)
Grant of farm-in interests in previously capitalised projects[(ii)]	(4,807,572)
Exchange movements	148,396
Balance at 30 June 2018	4,055,120

The recoupment of costs carried forward in relation to areas in the exploration and evaluation phases is dependent on the successful development and commercial exploration or sale of the respective areas.

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

	Consolidated	
	2019	**2018**
	$	**$**
South West Peru[a]	139,132	203,762
Other Australian Projects[a]	604,037	551,164
Balance at 30 June 2019	743,169	754,926

[a] The Group has impaired expenditure for those projects and tenement where they have decided not to renew leases and/or the lease is still under application. For the year to 30 June 2019 the Group has impaired $743,169 (30 June 2018: $754,926) of previously capitalised expenditure incurred on those. 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:

For the year ended 30 June 2019, the Company received $6,810,563 (30 June 2018: $7,200,612) in funding. An amount of $7,270,222 (30 June 2018: $4,807,572) has been allocated against capitalised exploration and evaluation expenditures at reporting date (Note 15).

Note 12. Current liabilities - trade and other payables

	Consolidated	
	2019	2018
	$	$
Trade and other payables and accruals	346,382	863,531
GST/VAT payables	28,497	200,802
	374,879	1,064,333

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	
	2019	2018
	$	$
Convertible note	-	317,159

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.

The original 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.

On 4 October 2017, the Company announced that the maturity date of the convertible note has been extended from 5 April 2018 to 30 November 2018. On 23 November 2017, the Company issued 21,642,048 ordinary shares at $0.02 per share to partly convert $432,841 of the convertible note as approved by shareholders at the Company's AGM on 22 November 2017.

On 19 October 2018 the Company announced changes to the interest repayment terms. The amended terms allowed interest payable under the Agreement to be payable in cash or in conversion shares, at the election of the Company.

On 22 November 2018, the Company issued 20,239,305 ordinary shares at $0.02 per share to fully convert $317,159, being the remaining balance of the convertible note plus interest of $87,628, as approved by shareholders at the Company's AGM on 21 November 2018.

Facilities
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 (30 June 2018: Nil).

Note 14. Current liabilities - provisions

	Consolidated	
	2019	2018
	$	$
Employee benefits	120,160	116,094

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

Note 15. Unexpended funding

	Consolidated	
	2019	2018
	$	$
Balance at beginning of the year	2,377,602	848,952
Funding from strategic alliance and joint venture partner	6,810,563	7,200,612
Less: Amount spent on exploration and evaluation projects (Note 11)	(7,270,222)	(4,807,572)
Less: Amount spent on administration (Note 5)	(729,657)	(452,792)
Less: Excess funding recognised (Note 5)	-	(379,438)
Less: Funding against written off exploration expenditure (Note 5)	(190,398)	(32,160)
Balance at the end of the year	997,888	2,377,602

The balance represents the unexpended funding received from South32 Group Operations Pty Ltd at reporting date.

Note 16. Equity - issued capital

	Consolidated		Consolidated	
	2019	2018	2019	2018
	Shares No.	Shares No.	$	$
Ordinary shares - fully paid	549,305,061	525,565,756	57,731,440	57,253,653

Movements in ordinary share capital

Details	Shares No.	$
Balance at 1 July 2017	500,897,392	56,786,891
Issue of shares (consulting services) (i)	3,000,000	33,000
Issue of shares (part conversion of a convertible note) (ii)	21,642,048	432,841
Listed options exercised – 3 May 2018	26,316	921
Balance at 30 June 2018	525,565,756	57,253,653
Issue of shares (consulting services) (iii)	3,500,000	73,000
Issue of shares (part conversion of a convertible note) (iv)	20,239,305	404,787
Balance at 30 June 2019	549,305,061	57,731,440

Note 16. Equity - issued capital (continued)

(i) Issue of shares (consulting services)

The Company issued 3,000,000 ordinary shares during the 2017/2018 financial year in lieu of cash payments for consulting services rendered to the Group. 3,000,000 shares were issued on 11 January 2018. 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.

(ii) Issue of shares (part conversion of a convertible note)

On 23 November 2017, the Company issued 21,642,048 ordinary shares on part conversion of a convertible note as approved by shareholders at the Company's AGM on 22 November 2017. The deemed conversion price was $0.02 per share.

(iii) Issue of shares (consulting services)

The Company issued 3,500,000 ordinary shares during the 2018/2019 financial year in lieu of cash payments for consulting services rendered to the Group. 1,000,000 shares were issued on 11 September 2018, 2,000,000 shares on 22 November 2018 and 500,000 shares on 30 May 2019. 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.

(iv) Issue of shares (part conversion of a convertible note)

On 22 November 2018, the Company issued 20,239,305 ordinary shares on full conversion of a convertible note plus interest of $87,628 as approved by shareholders at the Company's AGM on 21 November 2018. The deemed conversion price was $0.02 per share. Refer note 13 for further detail.

Note 16. Equity – listed options

Movements in listed options over ordinary shares on issue

Details	**Listed options (AQDOA) No.**
Balance at 1 July 2017	78,946,976
Exercised during the year	(26,316)
Expired during the year	(78,920,660)
Balance at 30 June 2018	-
Exercised during the year	-
Expired during the year	-
Balance at 30 June 2019	-

Listed options

During the 2015 financial year, a total of 78,946,976 free attaching listed options were issued (on a 1:2 basis) and allotted as part of the Company's Placement and Share Purchase Plan. The options were granted quotation on ASX under the code AQDOA. These options were exercisable at 3.5 cents each. During the 2018 financial year, 26,316 of these options were exercised and converted into ordinary shares. The remaining balance of 78,920,660, expired unexercised on 30 April 2018.

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

Note 17. Equity - reserves

	Consolidated	
	2019	2018
	$	$
Foreign currency reserve	3,931,049	3,475,888
Share-based payments reserve	327,929	327,929
	4,258,978	3,803,817

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.

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	
	2019	2018	2019	2018
Consolidated	$	$	$	$
US dollars	1,680,093	1,838,036	755,684	1,157,708

Note 18. Financial instruments (continued)

Foreign currency risk (continued)

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 date, if the Australian dollar was 10% stronger and all other variables were constant, the Group's net profit after tax would have decreased by $92,441 (2018: net profit decrease of $68,033) with a corresponding increase in equity. Where the Australian dollar weakened, there would be an equal and opposite impact on the profit 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 date, if interest rates had been 50 basis points higher and all other variables were constant, the Group's net profit after tax would have increased by $9,070 (2018: $22,556) with a corresponding increase in equity. Where interest rates decreased, there would be an equal and opposite impact on the profit 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.

2019			**CONSOLIDATED**			
	Less than 1 month $	**1-3 months $**	**3 months to 1 year $**	**1 - 5 years $**	**5+ years $**	**Total $**
Financial assets						
Non-interest bearing	314,805	-	-	-	-	314,805
Variable interest rate	1,814,004	-	-	-	-	1,814,004
Fixed interest rate	-	-	50,000	-	-	50,000
	2,128,809	-	50,000	-	-	2,178,809
Financial liabilities						
Non-interest bearing	1,266,427	106,341	-	-	-	1,372,768
Fixed interest rate	-	-	-	-	-	-
	1,266,427	106,341	-	-	-	1,372,768

2018			**CONSOLIDATED**			
	Less than 1 month $	**1-3 months $**	**3 months to 1 year $**	**1 - 5 years $**	**5+ years $**	**Total $**
Financial assets						
Non-interest bearing	131,283	-	-	-	-	131,283
Variable interest rate	4,511,294	-	-	-	-	4,511,294
Fixed interest rate	-	-	50,000	-	-	50,000
	4,642,577	-	50,000	-	-	4,692,577
Financial liabilities						
Non-interest bearing	3,335,620	106,315	-	-	-	3,441,935
Fixed interest rate	-	-	317,159	-	-	317,159
	3,335,620	106,315	317,159	-	-	3,759,094

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 debt and equity, comprising loan from a director, 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	
	2019 $	2018 $
Short term employee benefits	248,000	182,987
Post employment benefits	19,000	15,009
	267,000	197,996

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	
	2019 $	2018 $
Audit services		
Audit and review of the financial statements	37,546	37,000

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 2019 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 11,000,000 (2018: 14,500,000) 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	
	2019 $	2018 $
Capital commitments		
Committed at reporting date but not recognised as liabilities, payable:		
Within one year	1,460,605	1,296,643
After one year but not more than five years	7,433,589	7,404,571
More than 5 years	-	1,656,000
	8,894,194	10,357,214

Capital commitment includes minimum expenditures and rent payable under granted tenements. Certain amounts 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.

	2019 $	2018 $
Lease commitments - operating		
Committed at reporting date but not recognised as liabilities, payable:		
Within one year	87,000	87,000

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	
	2019	**2018**
	$	**$**
Corporate advisory services(i)	48,000	24,996
Convertible note and interest accrued(ii)	20,247	384,540

(i) 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 $48,000 (excluding GST) for services rendered during the 12 month period ending 30 June 2019 (2018: $24,996 excluding GST). This amount is included as part of Mr. Hancock's remuneration in the Remuneration Report.

(ii) 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, had a maturity date of 3 April 2018 (18 months). On 4 October 2017, the Company announced that the maturity date of the convertible note has been extended to 30 November 2018. On 23 November 2017, the Company issued 21,642,048 ordinary shares at $0.02 per share to partly convert $432,841 of the convertible note as approved by shareholders at the Company's AGM on 22 November 2017. The Loan was interest free for six months and thereafter accrued interest at 10% per annum. The Company accordingly accrued $87,628 (2018: $67,381) in interest payable on the Loan at reporting date. On 19 October 2018, the Company announced changes to the interest repayment terms. The amended terms allowed interest payable under the Agreement to be payable in cash or in conversion shares, at the election of the Company. On 22 November 2018, the Company issued 20,239,305 ordinary shares at $0.02 per share to fully convert $317,159, being the remaining balance of the convertible note plus interest of $87,628, as approved by shareholders at the Company's AGM on 21 November 2018.

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	
	2019	**2018**
	$	**$**
Current payables:		
Interest payable to Chris Ellis	-	67,381
Fee payable to Graeme Drew and related entity	18,250	18,250
Fee payable to Greg Hancock and related entity	4,693	2,291

Loans to/from related parties
Other than the convertible note payable to Chris Ellis which was fully converted into ordinary shares during the year (2018: payable of $317,159), 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	
	2019	**2018**
Statement of profit or loss and other comprehensive income	**$**	**$**
Profit after income tax for the year	179,528	925,618
Other comprehensive income	-	-
Total comprehensive income	179,528	925,618
Statement of financial position		
Total current assets	1,748,593	4,283,668
Total non-current assets	5,392,987	4,218,271
Total assets	7,141,580	8,501,939
Total current liabilities	1,433,055	3,450,729
Total non-current liabilities	-	-
Total liabilities	1,433,055	3,450,729
Equity		
Issued capital	57,731,440	57,253,653
Share-based payment reserve	327,929	327,929
Accumulated losses	(52,350,844)	(52,530,372)
Total equity	5,708,525	5,051,210

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 2019 and 30 June 2018.

Contingent liabilities
The parent entity had no contingent liabilities as at 30 June 2019 and 30 June 2018.

Included in non-current assets are investments and loans to subsidiaries of $10,439,179 (2018: $5,164,310), 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 2019 and 30 June 2018.

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 2019 %	Ownership interest 2018 %
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

There has not been any 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

(i) Cash and cash equivalents

	Consolidated 2019 $	Consolidated 2018 $
Cash at bank and on hand	1,816,388	4,520,934
	1,816,388	4,520,934

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)

(ii) Reconciliation of (loss)/profit after income tax to net cash used in operating activities:

	Consolidated 2019 $	Consolidated 2018 $
(Loss)/Profit after income tax for the year from continued operations	(267,401)	783,678
Loss after income tax for the year from discontinued operations	(8,232)	(15,890)
	(275,633)	767,788
Adjustments for:		
Depreciation and amortisation	14,178	11,923
Share-based payment expenses	73,000	114,330
Exploration and evaluation expenditure impaired	743,169	754,926
R&D tax rebate reclassified as investing activities	(748,829)	(314,591)
Plant and equipment written off	-	2,142
Exploration and evaluation expenditure included in investing activities	46,988	-
Operating (loss)/profit before working capital changes	(147,127)	1,336,518
Change in operating assets and liabilities:		
Increase in trade and other receivables	(32,556)	(46,480)
(Increase)/decrease in other assets	(62,059)	98,345
Decrease in payables	(79,224)	(25,198)
Increase in provisions	4,066	70,036
Net cash (used in)/from operating activities	(316,900)	1,433,221

(iii) Changes in liabilities arising from financing activities

	Consolidated 2019 $	Consolidated 2018 $
Convertible note and accrued interest		
Opening balance	384,540	750,000
Interest accrued	20,247	67,381
Part conversion into ordinary shares	(404,787)	(432,841)
Net cash (used in)/from financing activities	-	-
Closing balance	-	384,540

Note 28. (Loss)/Earnings per share

	Consolidated 2019 Cents	Consolidated 2018 Cents
Basic (loss)/earnings per share from continuing and discontinued operations	(0.05)	0.15
Basic (loss)/earnings per share from continuing operations	(0.05)	0.15

	Consolidated 2019 $	Consolidated 2018 $
(Loss)/Profit after income tax attributable to the owners of AusQuest Limited	(275,633)	767,788
	Number	**Number**
Weighted average number of ordinary shares	515,351,647	515,351,647

The options of the Company have an anti-dilutive in nature as the average market price of ordinary shares during the year does not exceed the exercise price of the options. Diluted (loss)/earnings per share have not been calculated as the result does not decrease earnings per share or 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 3,500,000 ordinary shares during the 2018/2019 financial year in lieu of cash payments for consulting services rendered to the Group. 1,000,000 shares were issued on 11 September 2018, 2,000,000 shares on 22 November 2018 and 500,000 shares on 30 May 2019. All shares were issued at the share price at the date the share-based payment arrangement was entered into. Consulting expenses of $73,000 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 2020	22,000,000 (i)	25 Nov 2015	30 Nov 2020	0.05	0.008
30 Nov 2020	6,000,000 (ii)	01 Dec 2015	30 Nov 2020	0.05	0.009
30 Nov 2020	2,000,000 (iii)	13 June 2017	30 Nov 2020	0.05	0.008
30 Nov 2020	9,500,000 (iv)	18 Dec 2017	30 Nov 2020	0.05	0.009

(i) 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.

(ii) 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.

(iii) 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.

(iv) On 18 December 2017, the Company issued 9,500,000 unlisted options to employees and contractors under the Company's Long Term Incentive Scheme ("LTIS"). The exercise price of the options of $0.05 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.

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 options vest immediately and the Black-Scholes valuation is expensed on grant date.

There were no options granted to directors, employees or contractors. The expense recognised in the statement of profit or loss and other comprehensive income in relation to share-based payments granted in 2019 was nil (2018: $81,330). There were no share based payment options exercised during the financial years ended 30 June 2018 and 30 June 2019.

Note 29. Share-based payments (continued)

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:

	2019		2018	
	Number of Options	Weighted average exercise price $	Number of Options	Weighted average exercise price $
Balance at beginning of the financial year	39,500,000	0.05	30,000,000	0.05
Granted during the financial year	-	0.05	9,500,000	0.05
Lapsed during the financial year	-	-	-	-
Balance at end of the financial year (i)	39,500,000	0.05	39,500,000	0.05
Exercisable at end of the financial year	39,500,000	0.05	39,500,000	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 1.42 years (2018: 2.42 years).

Note 30. Discontinued operations

A discontinued operation is a component of the Group’s business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:
– represents a separate major line of business or geographic area of operations; or
– is part of a single coordinated plan to dispose of a separate major line of business or geographic area of operations.

When an operation is classified as a discontinued operation, the comparative statement of profit or loss and other comprehensive loss is re-presented as if the operation had been discontinued from the start of the comparative year.

During the year ended 30 June 2018, the Company closed down its operations in Filigree SARL and Comoe Exploration SARL in Burkina Faso. The comparative consolidated statement of profit or loss and other comprehensive income has been restated to show the discontinued operation separately from continuing operations.

A. Results of discontinued operations

	30 June 2019 $	30 June 2018 $
Revenue	-	-
Administration costs	(8,232)	(15,890)
Loss before tax expense	(8,232)	(15,890)
Income tax expense	-	-
Net loss from discontinued operations	(8,232)	(15,890)
Basic/diluted loss per share (cents per share)	(0.00)	(0.00)

B. Cash flows from discontinued operations

	30 June 2019 $	30 June 2018 $
Net cash from operating activities	-	14,326
Net cash used in investing activities	-	-
Net cash used in financing activities	-	-
Net cash inflow for the year	-	14,326

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 2019.

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

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

5. Shareholdings

a. Distribution of shareholders

Category (size of holding)	Ordinary shares	Number of holders
1 – 1,000	25,050	221
1,001 – 5,000	603,596	207
5,001 – 10,000	1,062,695	135
10,001 – 100,000	29,351,056	654
100,000 and over	518,262,664	515
Total shareholding	549,305,061	1,732

b. Less than marketable parcels of shares

The number of shareholdings held in less than marketable parcels is 883 given a share value of 1.4 cents per share.

c. Voting rights

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

<u>Ordinary shares</u>

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.

<u>Options</u>

Options over ordinary shares do not carry voting rights.

d. 20 Largest shareholders – ordinary shares

	NAME	Number of Ordinary Fully Paid Shares Held	% Held of Issued Ordinary Capital
1	Chrysalis Investments Pty Ltd	124,694,939	22.7%
2	ASuper Pty Ltd / Mrs Nova V Ashley	14,211,000	2.59%
3	Mr Graeme Drew & Mrs Barbara J Drew	13,553,966	2.47%
4	Citicorp Nominees Pty Limited	10,318,638	1.88%
5	Altor Capital Management Pty Ltd <Altor Alpha Fund A/C>	9,251,111	1.68%
6	Mr Micheal James Sherington & Miss Katrina Louise Weier	7,791,065	1.42%
7	Mr James Thornett and Susan Thornett	7,332,109	1.33%
8	Mr Peter James Walker	7,289,474	1.33%
9	Sarelda Pty Ltd <The Sarelda Super Fund A/C>	7,165,653	1.30%
10	Invia Custodian Pty Limited <R&G Chadwick A/C>	6,230,000	1.13%
11	Buckland Capital Pty Ltd (D Millar S/F A/C)	6,000,000	1.09%
12	Stadjoy Pty Ltd (Bradam Trading A/C)	6,000,000	1.09%
13	Novasc Pty Ltd (Bellis Australia S/F A/C)	5,915,952	1.08%
14	Jetosea Pty Ltd	5,685,484	1.04%
15	Mineral Royalties Online Pty Ltd	5,000,000	0.91%
16	Mr Gregory George Hancock	4,586,415	0.83%
17	Antico Holdings Pty Ltd (Gole Super Fund A/C)	4,262,030	0.78%
18	Bnp Paribas Noms Pty Ltd	4,113,902	0.75%
19	Prisap Pty Ltd <Innes Super Fund A/C>	3,761,552	0.68%
20	Mrs Courtney Jane Sutherland	3,674,407	0.67%
	TOTAL	256,837,697	46.75%

e. Substantial shareholders

Substantial shareholders listed in the Company's holding register as at 31 August 2019:

	NAME	Number of fully paid ordinary shares held	Number of unlisted options held
1	Chrysalis Investments Pty Ltd (a company associated with Mr C Ellis)	124,694,939	4,000,000
		124,694,939	4,000,000

6. Company secretary

The name of the Company secretary is Henko Vos.

7. Securities exchange listing

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

8. Unquoted securities

	Terms	Unlisted Options	
		Number	Number of holders
1	Unlisted options exercisable at 5 cents each on or before 30 November 2020	39,500,000	10
		39,500,000	10

9. Unquoted equity security holdings greater than 20%

At 31 August 2019 Mr Drew (Executive Director) was the only holder of unquoted equity securities greater than 20%, with a holding of 10,000,000.

AusQuest Limited
Tenements

Project Tenements as at 31st August 2019

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%
E69/3671	WA, Balladonia	Application	AusQuest Ltd.	100%
E69/3672	WA, Balladonia	Application	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	Granted	AusQuest Ltd.	100%
E52/3643	WA, Perry Creek	Granted	AusQuest Ltd.	100%
E52/3736	WA, Perry Creek	Application	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%
E69/3664	WA. Madley	Application	AusQuest Ltd.	100%
E69/3665	WA. Madley	Application	AusQuest Ltd.	100%
E69/3690	WA. Madley	Application	AusQuest Ltd.	100%
E45/5447	WA, Gunanya	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	Granted	Questdor SAC	100%
Azucar West 05	Moquegua	Granted	Questdor SAC	100%
Azucar West 06	Moquegua	Granted	Questdor SAC	100%
Azucar West 07	Moquegua	Granted	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	Granted	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 02	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 10	Arequipa	Application	Questdor SAC	100%
Cerro Ardines 11	Arequipa	Application	Questdor SAC	100%
Cerro Ardines 12	Arequipa	Application	Questdor SAC	100%
Cerro De Fierro A	Arequipa	Granted	Questdor SAC	100%
Cerro De Fierro B	Arequipa	Granted	Questdor SAC	100%

Project Tenements as at 4th September 2019 (continued)

Tenement	Location	Lease Status	Registered Holder	Interest Held
Peru (contd.)				
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%
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%
Cerro De Fierro K	Arequipa	Application	Questdor SAC	100%
Chololo 1	Moquegua	Granted	Questdor SAC	100%
Chololo 2	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 De Las Pulgas AF	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 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 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	Granted	Questdor SAC	100%
Parcoy 05	Arequipa	Granted	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%
Parcoy 10	Arequipa	Application	Questdor SAC	100%

Project Tenements as at 4th September 2019 (continued)

Tenement	Location	Lease Status	Registered Holder	Interest Held
Peru (contd.)				
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%