



Quarterly Report – 31st March 2015

Landmark Quarter for AusQuest - copper-gold joint ventures worth up to US\$26.5M in Peru - new nickel targets at Fraser Range - \$2.86M capital raising

HIGHLIGHTS

PERU – COPPER-GOLD

- ❑ **Three separate joint venture agreements completed** with leading South American copper companies, Zahena SAC and Southern Peru Copper Corporation.
- ❑ Zahena and Southern Copper can **earn up to 70% in all projects** for a structured series of cash option payments to AusQuest totalling ~US\$10M and sole funding 70,000m of drilling worth an estimated US\$16.5M. **Total estimated value: ~US\$26.5M.**
- ❑ **20,000m of Diamond or Reverse Circulation drilling** committed to test **four large porphyry copper-gold targets** within the next 12-18 months, **commencing at the Lana Project in mid-2015.**
- ❑ **New potential porphyry copper system** identified at AusQuest's **100% owned Chololo Prospect**, as the prospectivity of the Company's titles continues to be upgraded.

AUSTRALIA – NICKEL-COPPER

- ❑ **Three priority drilling targets associated with west-north-west trending dykes** identified by ground electromagnetic (EM) surveys at **Balladonia South.**
- ❑ **New tenement applications at Balladonia and Gibson Soak** increase the Company's **strategic footprint** in the Fraser Range nickel-copper province to **~2700km².**
- ❑ **Clearances obtained for RAB/aircore drilling within the Gibson Soak tenement** to test magnetic targets similar to those being tested by Mount Ridley Mines immediately to the north.

WEST AFRICA GOLD

- ❑ **Planned exploration expenditure of up to US\$5.6M in 2015** reported by AusQuest's Joint Venture Partner Ressources Burkinor SARL (a wholly-owned subsidiary of SEMAFO Inc) for the Banfora Gold Joint Venture tenements.
- ❑ The **2015 RC drilling campaign of up to 39,000m** has reportedly commenced with results from the Mouro South prospect expected shortly.

CORPORATE

- ❑ **\$2M successfully raised via a placement** to sophisticated and professional investors together with a **further \$868,265 raised via a Securities Purchase Plan (SPP)** offered to shareholders. All required resolutions to complete the issue of securities were approved at a General Meeting of shareholders held on the 23rd April 2015.
- ❑ The Company's cash position at the end of the March Quarter, including funds raised through the Placement and SPP, was **~\$3.5M, putting AusQuest in a strong financial position** to complete its planned exploration programmes for 2015 and beyond.

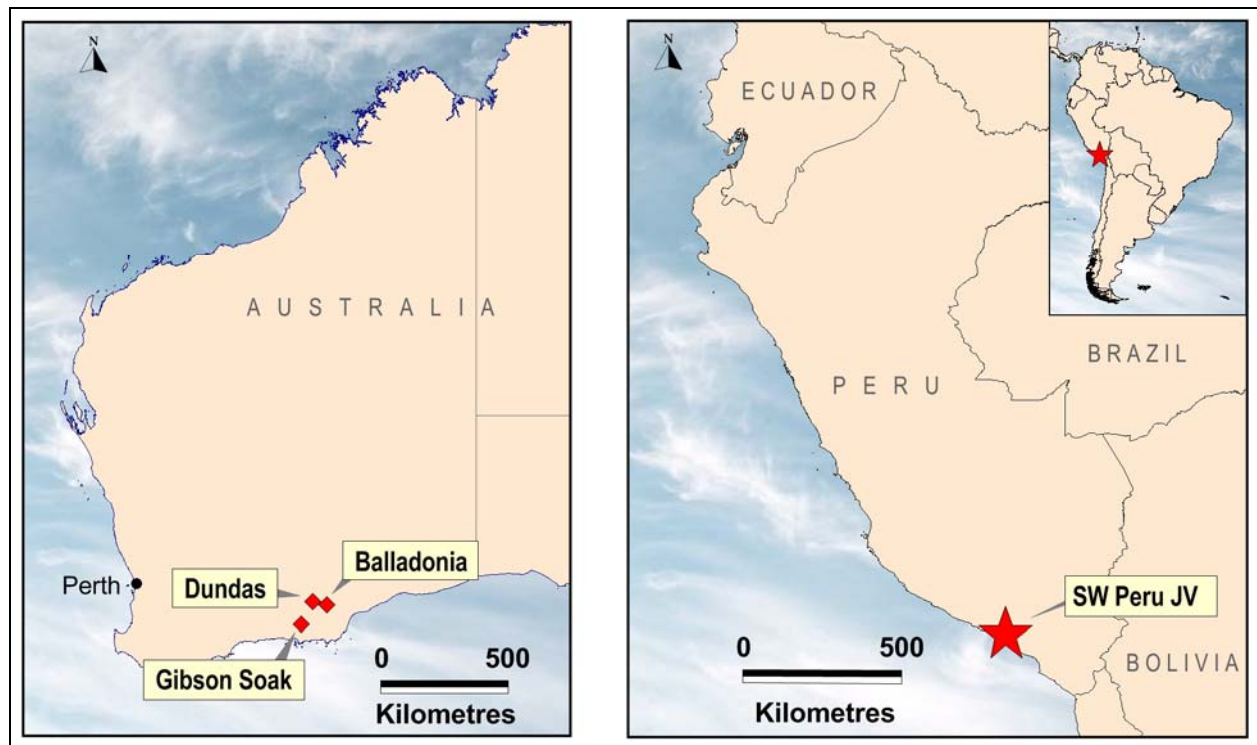


Figure 1: Project Locations – Australia and Peru

OVERVIEW

The March Quarter was an active and successful period for AusQuest during which it made significant progress in advancing both its emerging portfolio of porphyry copper-gold targets in southern Peru and nickel-copper targets in the Fraser Range province in WA.

The combination of landmark, high-value joint venture agreements signed during the Quarter over four of its porphyry copper-gold projects in Peru and a successful capital raising totalling \$2.86 million has ensured that AusQuest is in a strong position to continue to advance towards its core objective of making provincially significant discoveries.

In Peru, joint venture negotiations were completed and agreements signed, giving the Company free-carried exposure to a major copper exploration drilling program in one of the world's most prospective copper regions. Field work continued with the aim of identifying further porphyry copper targets for drill permitting and possible additional joint venture agreements later in 2015.

In the Fraser Range, ground EM surveys were completed within the Dundas and Balladonia tenements to test magnetic and geochemical targets defined by earlier surveys, and identify targets for drilling later in the year. New tenement applications were submitted to secure additional areas believed to be prospective for nickel-copper mineralisation.

In West Africa, the Company's joint venture partner, Burkinor SARL, commenced an RC drilling program which is expected to run for much of 2015 to test of a range of gold targets located throughout the joint venture tenements. Burkinor, a wholly-owned subsidiary of TSX-listed SEMAFO Inc., can earn up to 80% equity in the Banfora projects by spending a total of US\$7.5 million over a three-year period.

PERU COPPER-GOLD JV PROJECTS

(100% AQD, Zahena/Southern earning to 70%)

During the Quarter, the Company announced that it had signed **three landmark joint venture agreements covering four of its**

large-scale porphyry copper-gold targets in southern Peru. These include the Cardonal, Puite-Colorada, and Lana projects (*Figure 2*).

The combined value of the agreements is up to US\$26.5 million (~A\$34 million) in staged option payments to AusQuest (totalling ~A\$12.8 million) and in-ground exploration (drilling) expenditure (totalling an estimated A\$21.2 million). A summary of the commercial terms of the joint ventures for both Compania Minera Zahena SAC (Zahena) and Southern Peru Copper Corporation Sucurs del Peru (Southern) to earn a 70% interest in the projects was included in the Company's release to the ASX on the 24th February 2015.

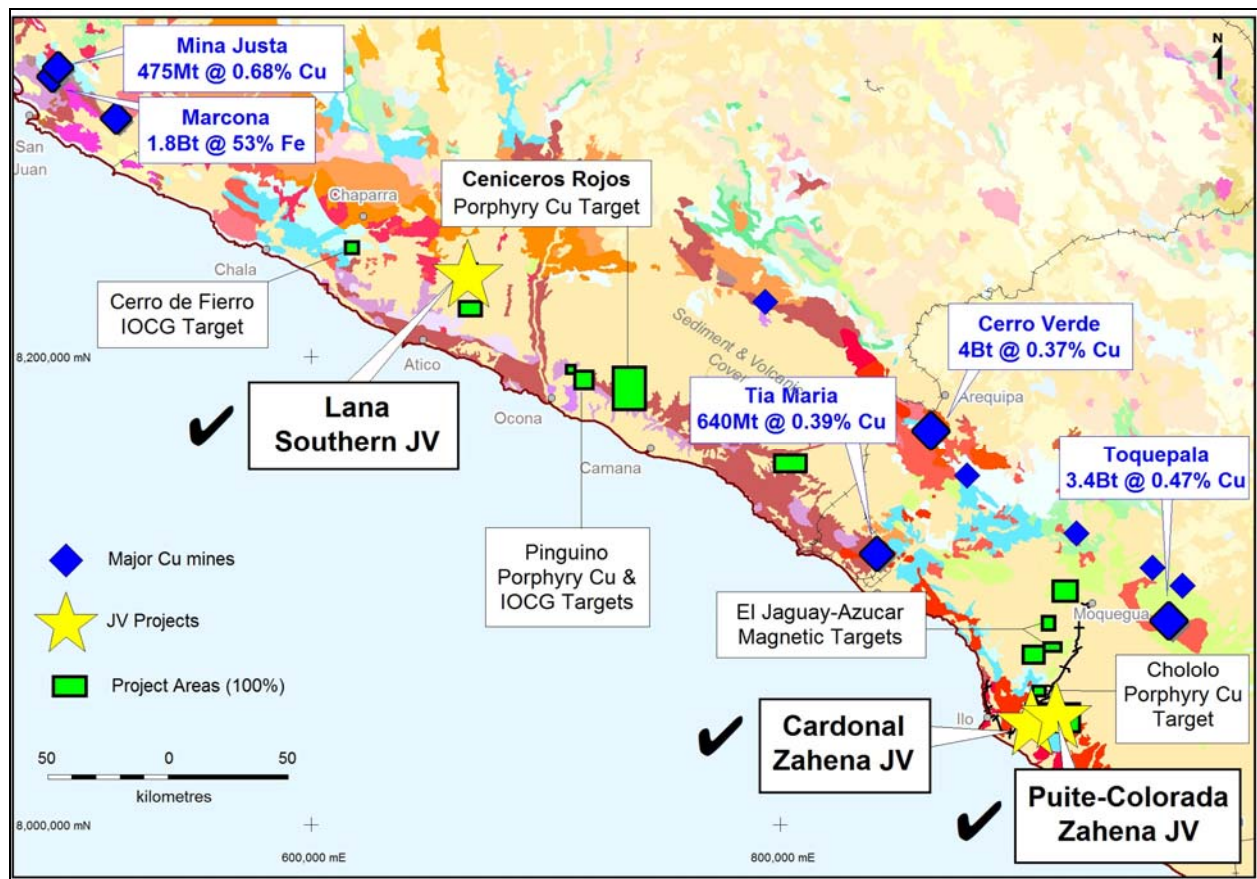


Figure 2: Peru Project and Joint Venture Locations

The joint venture agreements with Zahena and Southern will result in at least 20,000m of RC/diamond drilling being completed across four of the Company's porphyry copper-gold targets (~5000m drilling per target) within the next 12 to 18 months.

Southern and Zahena are leading copper companies in Peru. Southern produces over

300,000 tonnes of copper per annum from its Toquepala and Cuajone mines while Zahena is a major explorer in the region with strong technical expertise in porphyry copper exploration and a number of active exploration joint ventures.

The new joint venture agreements give AusQuest free-carried exposure to one of the

more significant copper exploration programs for a junior explorer to be undertaken in Latin America, while at the same time securing a strong partnership with major companies in the region with the financial and technical expertise to advance a discovery through to development and production.

Projects subject to the new joint ventures have been permitted for either RC or diamond drilling with Zahena advising that it intends to change the drilling method at the Cardonal and Puite prospects from RC to diamond drilling, which will involve a revision to the drill permits already issued.

Drilling at Lana remains unchanged and is expected to be the first prospect tested under the agreement with Southern, commencing around the middle of 2015.

PERU COPPER-GOLD PROJECTS (100% AQD)

Over the past three years, AusQuest has assembled a large portfolio of copper-gold prospects along the southern coastal belt of Peru in South America with targets identified for drilling as possible iron-oxide copper-

gold (IOCG) and/or porphyry copper targets with the size potential to be of significance to AusQuest (Figure 2). Peru is one of the world's most prominent destinations for international copper exploration and is considered to be a prime location for world-class exploration opportunities.

During the Quarter, geological mapping and soil sampling continued within the Chololo tenements located immediately north-east of the Ilo Este prospect, where Latin Resources reported several thick intersections (~200m to 400m) of low-grade copper mineralisation (0.1 to 0.24% Cu) from limited drilling of a porphyry copper system.

Systematic soil sampling on a 100m x 100m grid outlined large areas of anomalous copper (>100ppm up to 1220ppm Cu) and molybdenum (5ppm up to 67ppm Mo) associated with altered diorite and quartz feldspar porphyries intruding the Guaneros Formation volcanics and sediments, suggesting the presence of a buried porphyry system. Highly altered rocks where textures had been obliterated by sericite/alunite alteration were also found scattered across the area (Figure 3).

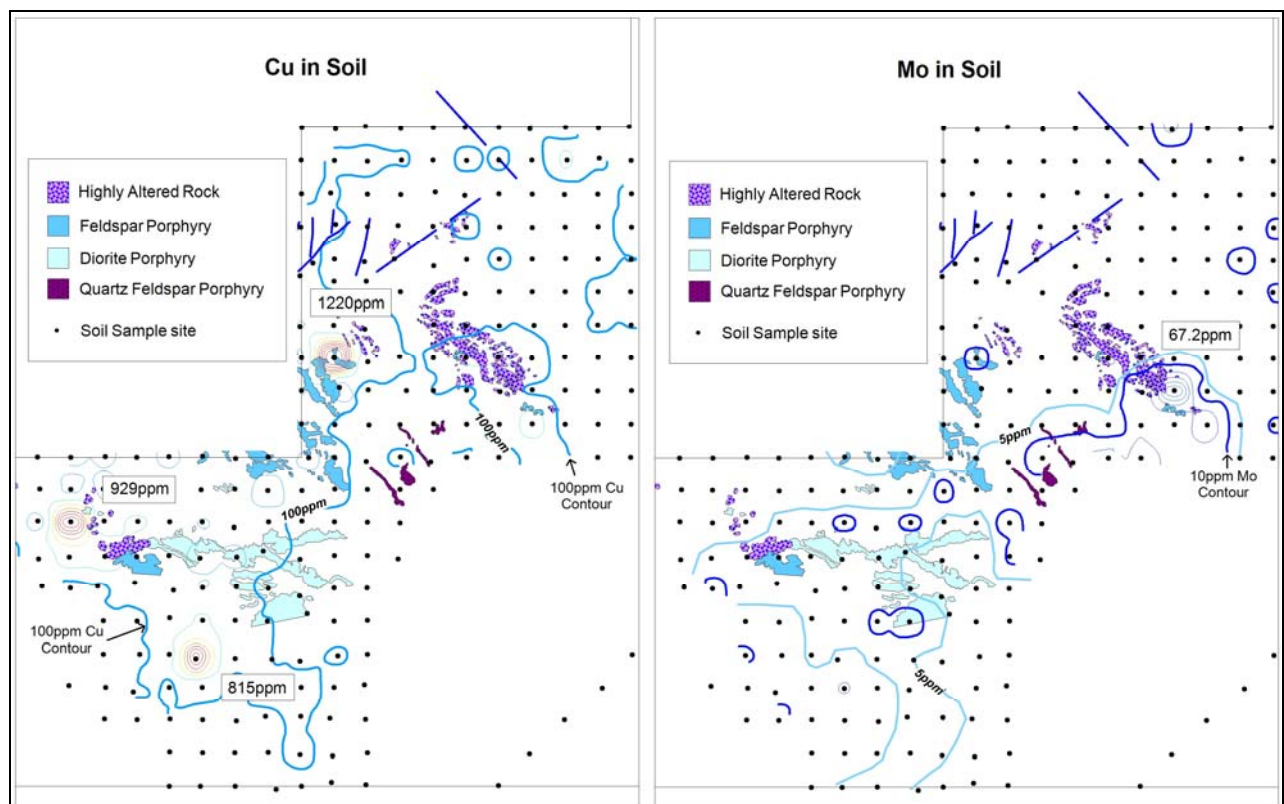


Figure 3: Chololo Prospect - Soil Geochemical (Cu, Mo) results

The Chololo prospect straddles the major north-east trending Chololo fault and occurs at elevations ~300m above those at the neighbouring Ilo Este prospect, suggesting potential for preservation of the upper portion of the porphyry system where higher grade copper mineralisation can often occur.

The Company continues to be encouraged by the results obtained from its Peruvian projects, and plans to continue evaluating its extensive portfolio of large IOCG and/or porphyry copper targets with a view to obtaining drill permits over a further 3 to 4 targets before the end of 2015.

AUSTRALIA – FRASER RANGE PROJECTS (Nickel, Copper)

AusQuest controls approximately 2,700km² of title within the Fraser Range Province of WA, which hosts the Nova-Bollinger nickel-copper deposit discovered by Sirius Resources and the Tropicana gold mine, commissioned recently by Anglo Gold (Figure 4). The region is the focus of high levels of exploration activity by a range of companies and is now considered to be one of the country's premier locations for exploration.

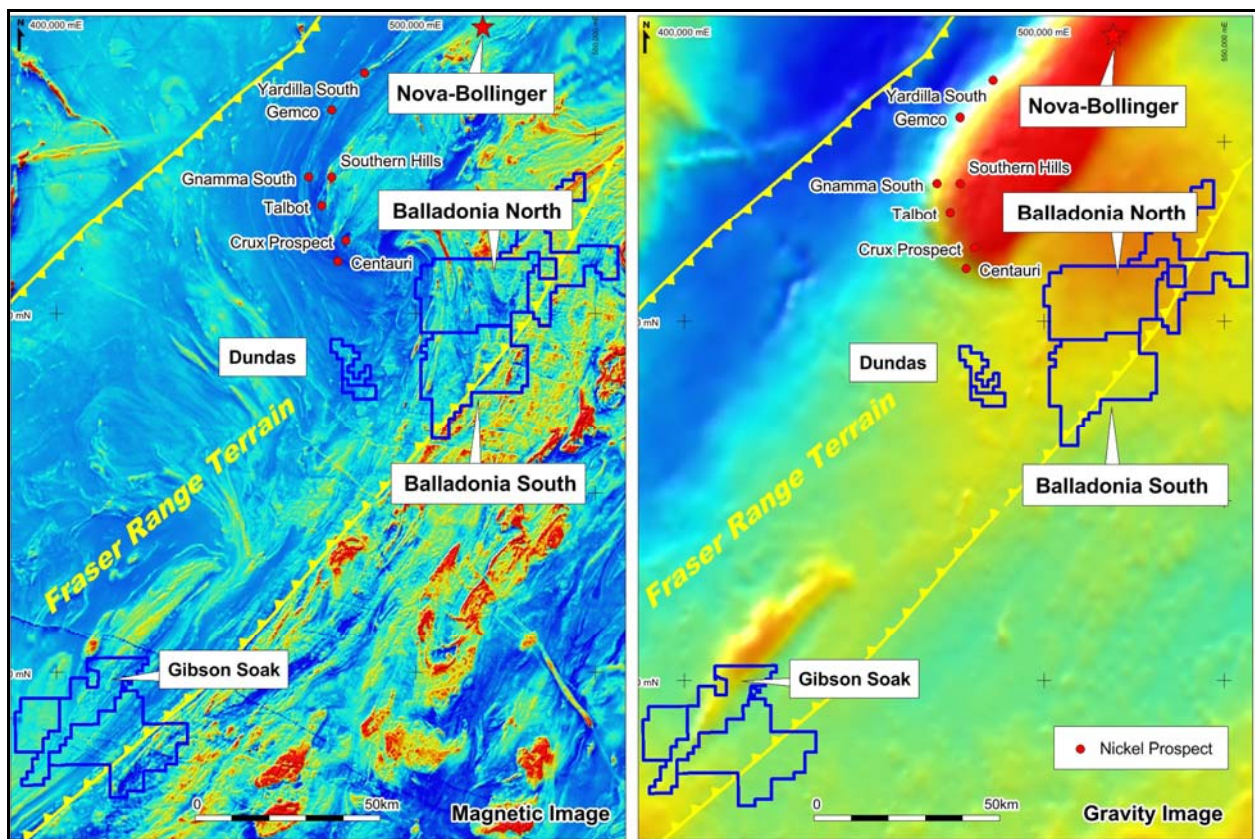


Figure 4: Fraser Range Project Locations

Balladonia Ni-Cu Project (100% AQD)

The Balladonia Project is located ~50km south of the Nova-Bollinger nickel-copper deposit. It consists of three Exploration Licences covering an area of ~1,570km², within a structurally complex region of the Fraser Range Terrain centred above the southern margin of a deep regional gravity anomaly (~30 milligals) which is thought to reflect buried mafic/ultramafic rocks similar

to those that may be related to the formation of the Nova deposit. Much of the tenements occur within the Dundas Nature Reserve.

During the Quarter, moving loop EM surveys (400m line spacing, 200m transmitter loop, 100m stations) identified three moderate-to-strong EM conductors within the Balladonia South tenement, that are associated with dyke-like structures/intrusions representing priority targets for drilling (Figure 5).

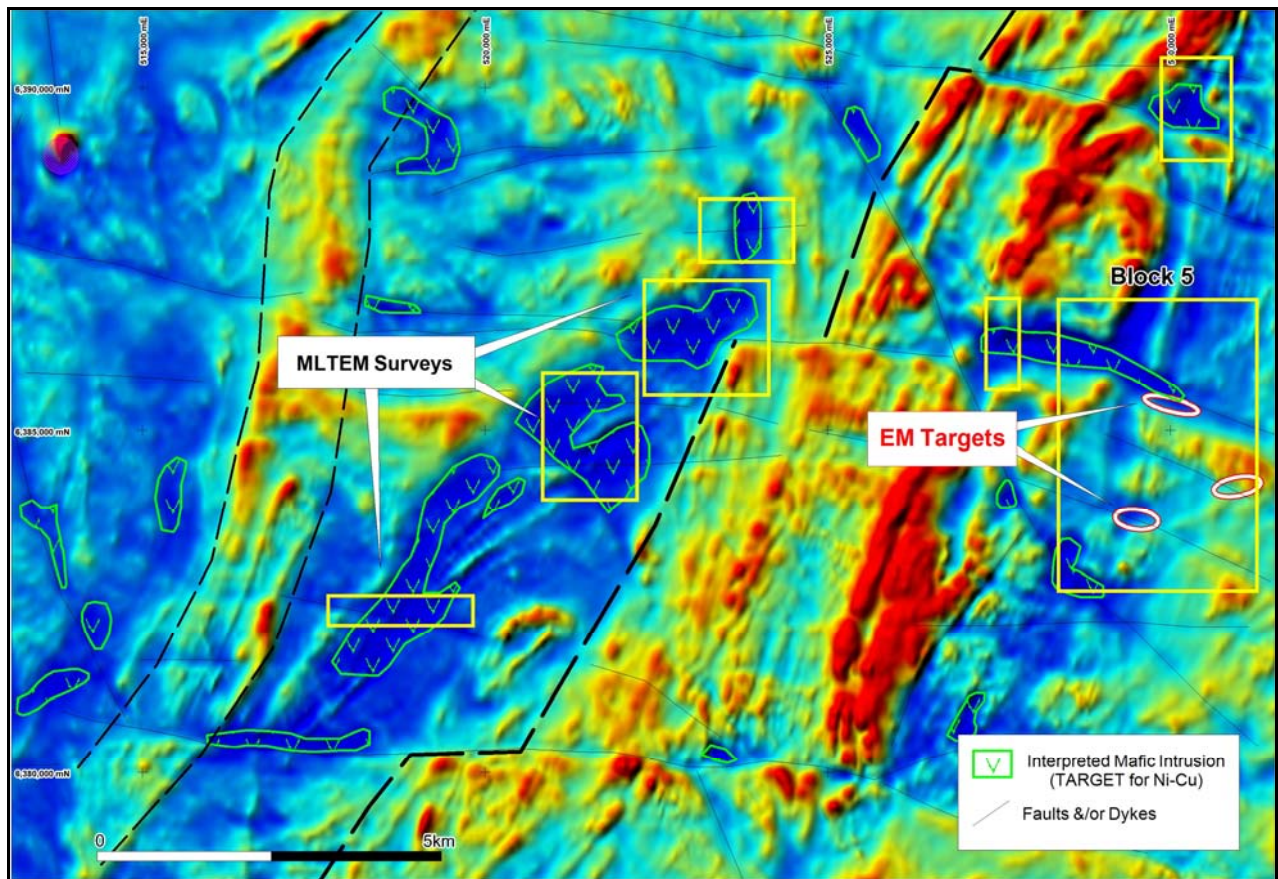


Figure 5: Balladonia South MLTEM Surveys on aeromagnetic image.

The conductors within Block 5 are discrete in nature with probable strike lengths <800m and are characterised by strong late-time responses (to 156.8msec/194.5msec). Preliminary modelling suggests relatively broad, moderately steep dipping targets at depths ranging from 150m to 200m for the two southern anomalies and a southerly dipping plate-like source at depths of ~200m for the northern anomaly (Figure 6).

The EM conductors strike approximately east-west and are spatially associated with west-north-west trending dyke-like structures which are evident as negative magnetic anomalies in the aeromagnetic data, similar to the magnetic response over the Crux intrusion currently being drill tested by Sirius Resources. The dyke structures appear to swell in size (or are disjointed) in the vicinity of the conductors.

EM results from the remaining 5 survey areas failed to identify any conductive targets of interest.

Recent research studies have shown a close association between dyke-like structures and the occurrence of known mafic-hosted nickel (copper) sulphide deposits in Canada and the USA, with an inference that this association could be fundamental to the formation of these types of deposits.

In-fill EM surveying (200m line spacing) is being completed over the three targets to enable better modelling of the EM data to optimise sites ahead of drilling. Native Title and Government approvals will be sought to allow drilling of these targets to be undertaken within Q2/Q3 2015.

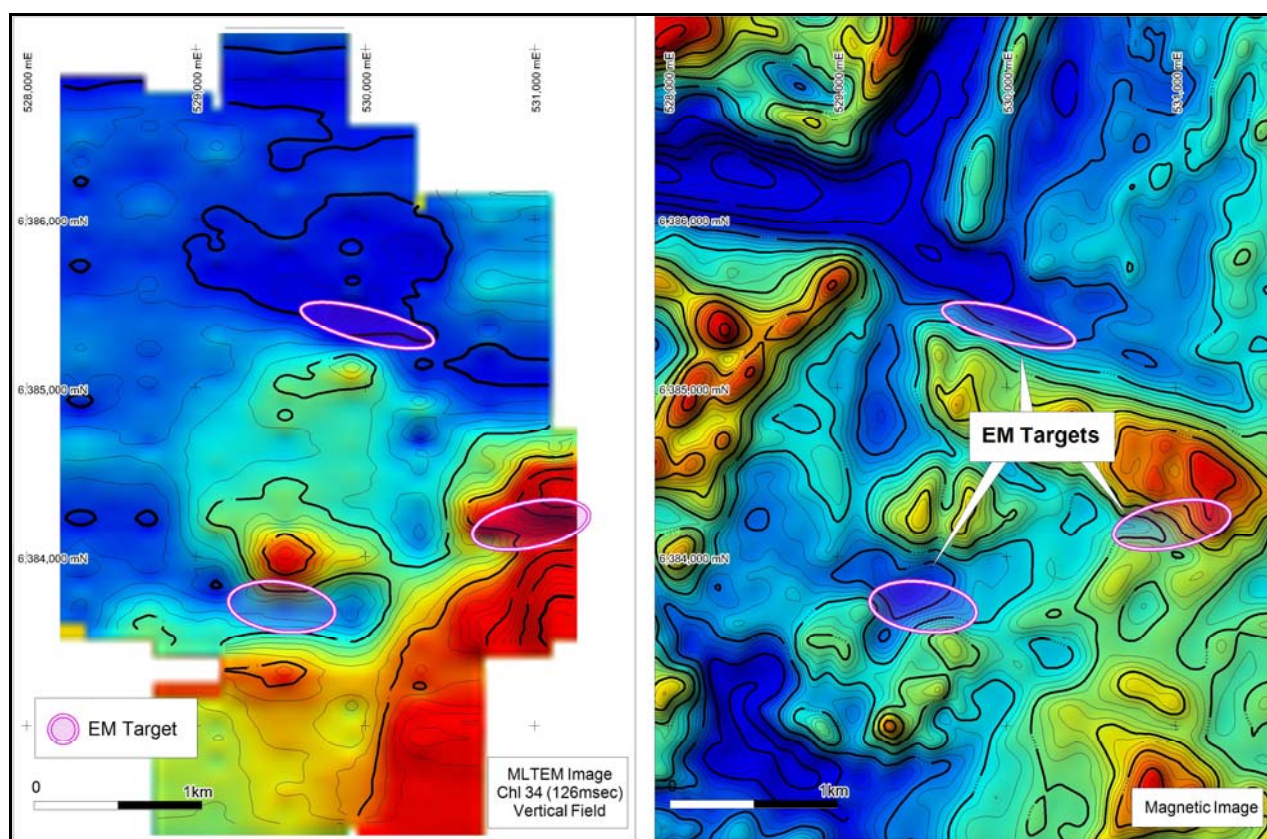


Figure 6: Block 5 EM targets proposed for drilling

Gibson Soak Ni-Cu Project (100% AQD)

The Gibson Soak Project is located ~30km north of the port of Esperance, within the broader Fraser Range terrain. The tenements, which cover an area of ~1,030km², are centred on a regional north-east trending gravity high with similarities to the Fraser Range Complex which hosts the Nova-Bollinger nickel-copper discoveries.

During the Quarter, Mt Ridley Mines reported olivine-bearing mafic-ultramafic intrusions containing disseminated nickel and copper sulphides from shallow aircore drilling within their tenements located immediately north of the Gibson Soak tenement.

A comparison of magnetic and gravity data over the Gibson Soak and Mt Ridley titles clearly shows the continuity of regional structures and broad-scale mafic lithologies that extend across the tenement boundaries.

Aeromagnetic data highlight numerous possible mafic intrusions within the Gibson

Soak tenement, similar to those being tested by Mt Ridley's drilling program. These intrusions, which are characterised by negative and/or low magnetic responses appear to distort magnetic trends and are regarded by the Company as prime targets for nickel-copper exploration (Figure 7).

The Company intends to ramp-up its exploration effort at Gibson Soak in light of the Mt Ridley results, with planning now underway to complete aircore drilling to test for possible mafic intrusive rocks interpreted from the aeromagnetic data.

Much of the Gibson Soak tenement is covered by farm land which requires access agreements to be negotiated before on-ground work can commence. Discussions are continuing.

Two new exploration licence applications were submitted in light of the Mt Ridley results to cover further targets highlighted by the regional aeromagnetic data.

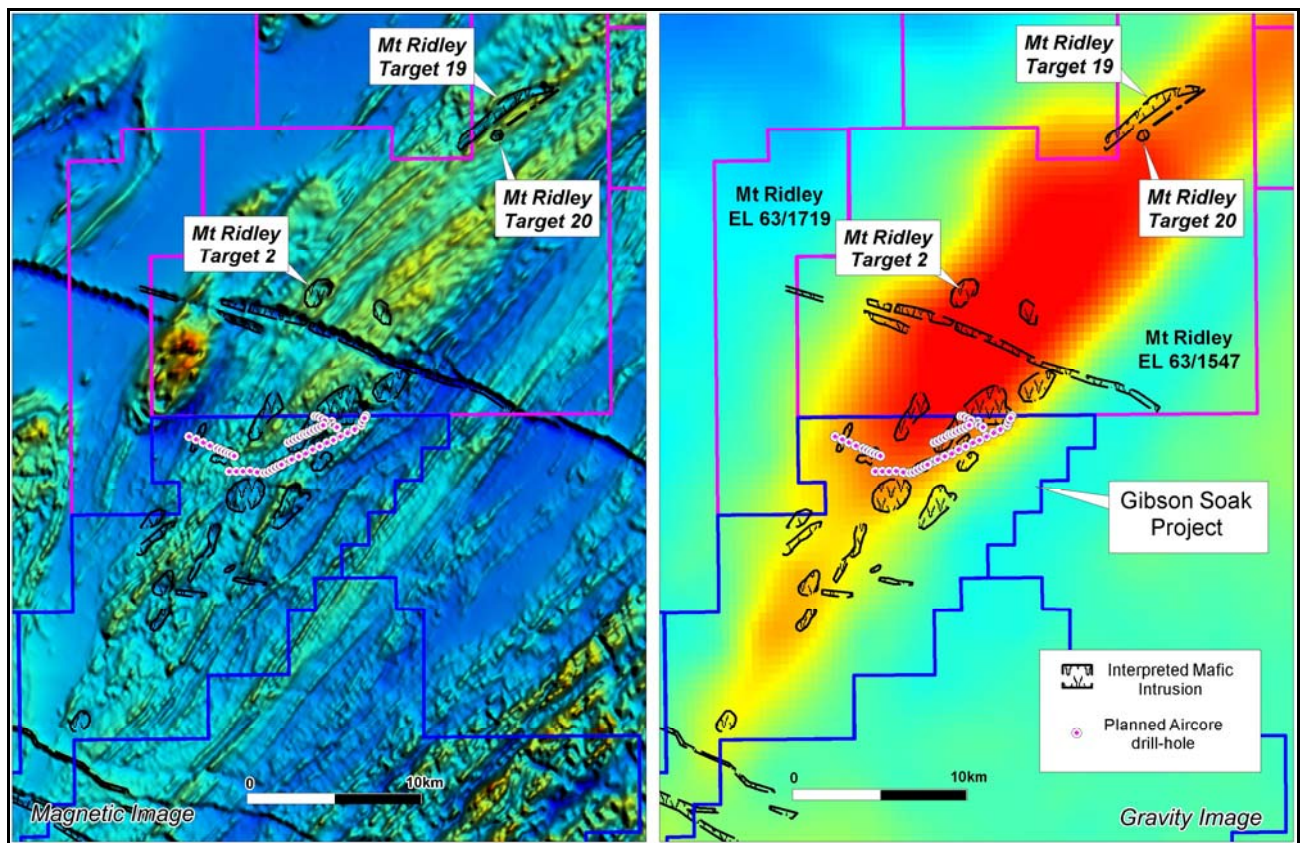


Figure 7: Gibson Soak magnetic and gravity data showing location of planned drilling

Dundas Ni-Cu Project (100% AQD)

The Dundas Project is located ~100km east-southeast of Norseman (WA), and ~80km south-west of the Nova-Bollinger nickel-copper discovery (Sirius Resources). The remaining tenements cover an area of ~90km² within a structurally complex region bordering the south-west margin of the main Fraser Range Complex which hosts the Nova discovery.

Fixed-loop EM surveys were completed over the Dundas East prospect to test targets identified by earlier soil sampling programs which located elevated nickel (>70ppm Ni) and copper (>40ppm Cu) values associated with coincident magnetic/gravity anomalies thought to reflect prospective mafic host rocks.

A weak to moderate mid-time EM response was located on the north-eastern margin of the survey area, parallel to the trend of the magnetic units and coincident with a residual gravity gradient thought to reflect a possible structural contact between sediments to the north-east and more mafic dominated sequences to the south-west (Figure 8).

Modelling of the EM data shows the target is ~600m long, dips ~60° to the south-west and occurs at depths of ~100m. Elevated nickel and copper soil assays partially coincide with the northern half of the anomaly.

Drilling is being planned to test this target once all necessary clearances have been obtained.

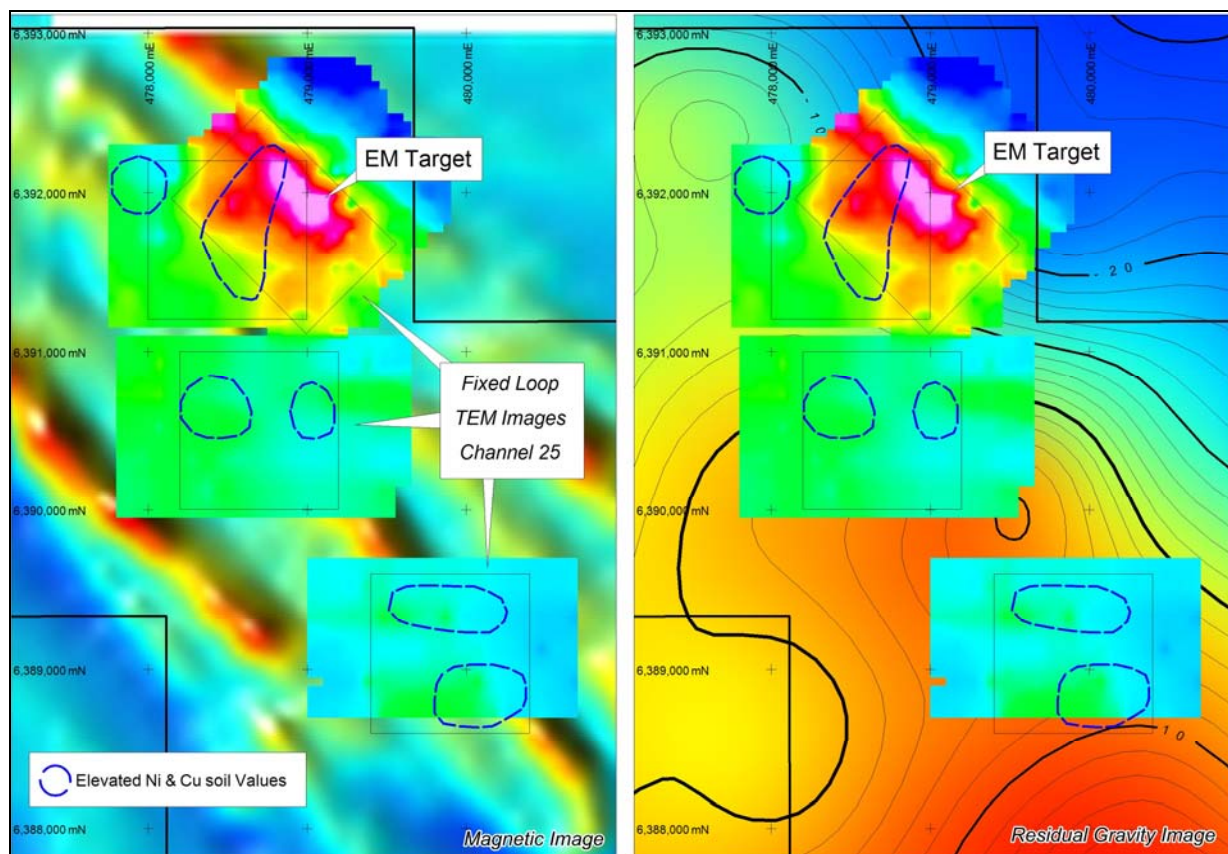


Figure 8: Dundas East Prospect FLTEM target

GOLD – WEST AFRICA

Comoe Project (AQD 100%, Ressources Burkinor SARL earning to 80%)

The Comoe Project is located near the town of Banfora in south-west Burkina Faso, West Africa, within an extensive greenstone belt. The area is relatively unexplored except for extensive historical surface sampling programs and widespread artisanal gold workings along the belt. AusQuest controls approximately 1,150km² of title within the Belt, which is now under a Farm-In and Joint Venture Agreement with Ressources Burkinor SARL, a wholly-owned subsidiary of TSX-listed SEMAFO Inc. Burkinor has the right to earn up to an 80% interest in all the Banfora permits by spending a total of US\$7.5 million over a three-year period. Burkinor are the operators of the JV.

During the Quarter, the Company was advised that an exploration program,

including plans to drill up to 39,000m of Reverse Circulation (RC) and up to 150,000m of shallow auger drilling, had been approved for 2015.

The RC drilling program, which is now underway and is being managed by Burkinor, will provide an initial test of selected gold targets identified from auger sampling completed in 2014, and is planned to cover targets within five of the joint venture tenements (Figure 9).

A significant portion of the drilling will focus on the eastern margin of the Banfora Greenstone Belt within the Kapogouan and Noumoussu tenements and test beneath artisanal gold workings and auger gold anomalies at the Mouro South prospect. The Company was advised that this drilling had commenced in April and expects that assays from the initial drill sections should be available shortly.

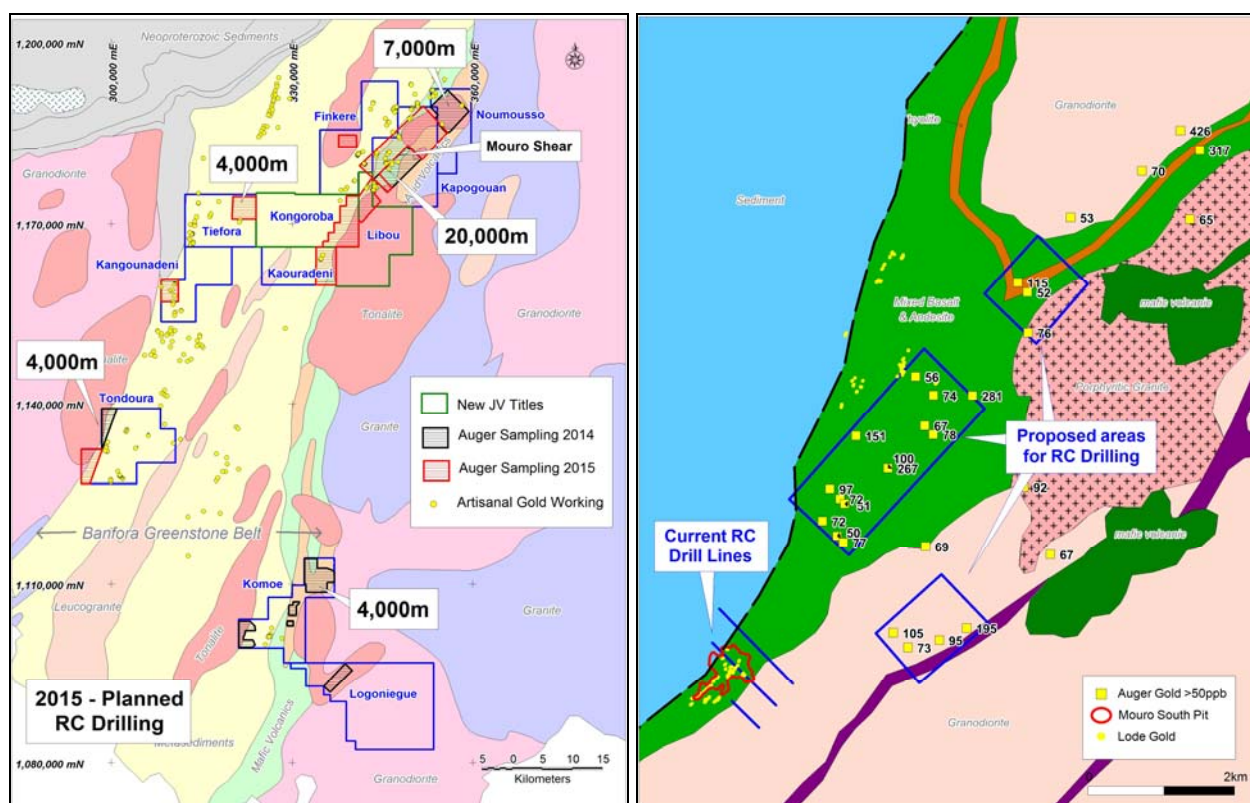


Figure 9: Banfora JV showing proposed RC drill metres and planned RC drilling at Mouro South

Reconnaissance RC drilling (33 holes/4972m) at the Tondoura prospect failed to locate any significant gold values beneath the gold auger anomalies but did report favourable alteration and weak gold anomalism associated with the granite-sediment contact.

At the end of 2014, Burkinor reported it had spent approximately US\$1.8 million on the project and is required to spend a further ~US\$2.2 million to complete its first obligation to earn 65% equity in the project.

BUSINESS DEVELOPMENT

AusQuest continues to look for opportunities both within Australia and offshore with the aim of adding value to the Company, especially in areas of immediate interest. During the Quarter, new nickel exploration opportunities were brought to the Company resulting in several tenement applications being submitted in WA.

Due diligence on these prospects is currently being undertaken by the Company's consultants.

CORPORATE

During the Quarter, the Company successfully completed a capital raising of ~\$2.86 million through a Placement to sophisticated and professional investors (\$2.0 million) and a Securities Purchase Plan (SPP) to shareholders (\$0.86 million). All required resolutions to complete the issue of securities under these schemes were approved at a General Meeting of shareholders held on the 23rd April 2015.

Both the Placement and the SPP were offered on the same terms and conditions which included, in total, the issue of approximately 151 million new securities at 1.9 cents per share with participants also receiving one attaching option exercisable at 3.5 cents on or before 30 April 2018 for every two shares subscribed for in the Placement or SPP. The Company plans to place the shortfall in the SPP (\$131,735) with sophisticated investors, taking the total raising to \$3.0 million.

The funds raised will primarily be used to fund exploration and drilling of nickel-copper targets within the Company's 100%-owned Fraser Range projects, as well as exploration and drill permitting of porphyry

copper-gold targets identified within the Company's portfolio of exploration projects in Peru (that are not already free-carried through initial drilling under joint venture agreements), and for working capital purposes.

The Company's cash position at the end of March is approximately \$3.5 million including the capital raised from the Placement and SPP, putting it in a strong financial position to complete planned exploration programmes for 2015 and beyond.

KEY ACTIVITIES – JUNE 2015 QUARTER

The following activities are planned for the June 2015 Quarter:

- Balladonia (Ni-Cu) – Complete in-fill EM surveys and obtain clearances for drilling;

- Dundas (Ni-Cu) – Obtain clearances for drilling;
- Gibson Soak (Ni-Cu) – Aircore drilling to confirm prospective mafic host rocks for nickel;
- Peru (Cu-Au) – Commence drill permitting for the Chololo porphyry Cu prospect;
- Peru (Cu-Au) – Ground magnetic surveys over new priority targets;
- Peru (Cu-Au) – Mapping/sampling to advance further prospects to drill status; and
- Comoe (Au) – Monitor results from Burkinor JV programs.



Graeme Drew
Managing Director

COMPETENT PERSON'S STATEMENT

The details contained in this report that pertain to exploration results are based upon information compiled by Mr Graeme Drew, a full-time employee of AusQuest Limited. Mr Drew is a Fellow of the Australasian Institute of Mining and Metallurgy (AUSIMM) and has sufficient experience in the activity which he is undertaking to qualify as a Competent Person as defined in the December 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (JORC Code). Mr Drew consents to the inclusion in the report of the matters based upon his information in the form and context in which it appears. The information presented in this report in relation to the Cenicerros Rojos and Dundas Projects is extracted from the ASX announcements dated 25 June and 20 July 2014 titled 'AusQuest Receives First Peru Drill Approval' and 'Fraser Range New Exploration Targets' respectively. The Competent Person responsible for that announcement is Mr. Graeme Drew. The report is stored on the ASX website under ASX- AQD, and on the Company's website at www.ausquest.com.au. AusQuest confirms that it is not aware of any new information or data that materially affects the information included in that announcement.

FORWARD LOOKING STATEMENT

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

JORC Code, 2012 Edition – Table 1 report Soil Sampling – Chololo Peru

Section 1 Sampling Techniques and Data

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

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information. 	<ul style="list-style-type: none"> Soil samples were collected on an approximate 100m x 100m grid over the prospect. Sample locations were recorded by hand-held GPS. Soil sampling holes were logged by the sampler and recorded on a sampling spread sheet Each soil sample was collected by digging a 10 to 20 cm deep hole and screening the soil from the bottom of hole to pass a 210 microns (µm) sieve. Approximately 200gm sample was placed in a sample packet and given a unique sample number.
Drilling techniques	<ul style="list-style-type: none"> Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc). 	<ul style="list-style-type: none"> No drilling undertaken
Drill sample recovery	<ul style="list-style-type: none"> Method of recording and assessing core and chip sample recoveries and results assessed. Measures taken to maximise sample recovery and ensure representative nature of the samples. Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material. 	<ul style="list-style-type: none"> No drilling undertaken
Logging	<ul style="list-style-type: none"> Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. The total length and percentage of the relevant intersections logged. 	<ul style="list-style-type: none"> No drilling undertaken

Criteria	JORC Code explanation	Commentary
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> • If core, whether cut or sawn and whether quarter, half or all core taken. • If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. • For all sample types, the nature, quality and appropriateness of the sample preparation technique. • Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. • Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. • Whether sample sizes are appropriate to the grain size of the material being sampled. 	<ul style="list-style-type: none"> • No sub-sampling was undertaken
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> • The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. • For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. • Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established. 	<ul style="list-style-type: none"> • Soil samples were sent to ALS in Lima for analysis • Sample preparation included pulverizing to 85% minus 75 microns and digesting sample using 4 acid digest, followed by ICP-MS and /or OES analysis. • Standard and duplicate samples are inserted within each sample-run to check on laboratory procedures. • In-laboratory QAQC data is reviewed for all assay jobs.
Verification of sampling and assaying	<ul style="list-style-type: none"> • The verification of significant intersections by either independent or alternative company personnel. • The use of twinned holes. • Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. • Discuss any adjustment to assay data. 	<ul style="list-style-type: none"> • Field sample locations were compiled onto Excel spreadsheets for merging with assay data. • Digital data is regularly backed-up on the company's servers.
Location of data points	<ul style="list-style-type: none"> • Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. • Specification of the grid system used. • Quality and adequacy of topographic control. 	<ul style="list-style-type: none"> • Sample locations are established with a hand held GPS to +/- 5m accuracy.
Data spacing and distribution	<ul style="list-style-type: none"> • Data spacing for reporting of Exploration Results. • Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. • Whether sample compositing has been applied. 	<ul style="list-style-type: none"> • Soil samples were collected on a 100m x 100m grid which was considered adequate given the general size and scale of porphyry copper targets.
Orientation of data	<ul style="list-style-type: none"> • Whether the orientation of sampling achieves unbiased sampling of possible 	<ul style="list-style-type: none"> • Soil samples were collected on a square grid to

Criteria	JORC Code explanation	Commentary
<i>in relation to geological structure</i>	<i>structures and the extent to which this is known, considering the deposit type.</i> <ul style="list-style-type: none"> <i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i> 	provide an unbiased sample.
<i>Sample security</i>	<ul style="list-style-type: none"> <i>The measures taken to ensure sample security.</i> 	<ul style="list-style-type: none"> Samples were securely sealed in the field, followed by packing into larger sealed plastic bags or boxes for transport to the laboratory.
<i>Audits or reviews</i>	<ul style="list-style-type: none"> <i>The results of any audits or reviews of sampling techniques and data.</i> 	<ul style="list-style-type: none"> No audits or reviews have been carried out on the sampling to date.

Section 2 Reporting of Exploration Results

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

Criteria	JORC Code explanation	Commentary
<i>Mineral tenement and land tenure status</i>	<ul style="list-style-type: none"> <i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i> <i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</i> 	<ul style="list-style-type: none"> The Chololo tenement is located in southern Peru, approximately 25km NE of the port of Ilo The Chololo Project comprises two granted mineral concessions and one application. The tenements are held 100% by Questdor a wholly owned subsidiary of AusQuest Limited. There are no known impediments to operating in this area at this stage.
<i>Exploration done by other parties</i>	<ul style="list-style-type: none"> <i>Acknowledgment and appraisal of exploration by other parties.</i> 	<ul style="list-style-type: none"> There is no open-file system in Peru to determine previous work undertaken.
<i>Geology</i>	<ul style="list-style-type: none"> <i>Deposit type, geological setting and style of mineralisation.</i> 	<ul style="list-style-type: none"> Large scale porphyry copper-molybdenum deposits within the coastal belt of southern Peru.
<i>Drill hole Information</i>	<ul style="list-style-type: none"> <i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</i> <ul style="list-style-type: none"> <i>easting and northing of the drill hole collar</i> <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i> <i>dip and azimuth of the hole</i> <i>down hole length and interception depth</i> <i>hole length.</i> 	<ul style="list-style-type: none"> No drilling undertaken

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

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

AUSQUEST LIMITED

ABN

35 091 542 451

Quarter ended ("current quarter")

31 March 2015

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A '000	Year to date (9 months) \$A '000
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for		
	(a) exploration and evaluation	(291)	(923)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(137)	(283)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	5	8
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other	-	-
Net Operating Cash Flows		(423)	(1,198)
Cash flows related to investing activities			
1.8	Payment for purchases of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.9	Proceeds from sale of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	5
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other	-	-
Net investing cash flows		-	5
1.13	Total operating and investing cash flows (carried forward)	(423)	(1,193)

Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	1,375	1,375
1.15	Proceeds from unissued shares, options etc. (SPP application funds received)	33	33
1.16	Proceeds from borrowings	-	750
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (share issue costs)	(107)	(107)
Net financing cash flows		1,301	2,051
Net increase (decrease) in cash held		878	858
1.20	Cash at beginning of quarter/year to date	999	1,019
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter / year to date	1,877	1,877

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A '000
1.23	Aggregate amount of payments to the parties included in item 1.2	50
1.24	Aggregate amount of loans to the parties included in item 1.10	-
1.25	Explanation necessary for an understanding of the transactions Executive directors' salaries, superannuation, consulting fees and rental of office space. Non executive directors have agreed to waive any entitlement to be paid fees until 31 December 2015.	

Non-cash financing and investing activities

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

None.

- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

None.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A '000	Amount used \$A '000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	320
4.2 Development	-
4.3 Production	-
4.4 Administration	150
Total	470

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A '000	Previous quarter \$A '000
5.1 Cash on hand and at bank	1,877	999
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (Money market/Term Deposit)	-	-
Total: cash at end of quarter (item 1.22)	1,877	999

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed				
6.2 Interests in mining tenements acquired or increased				

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference +securities (description)				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	297,503,444	297,503,444		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	111,875,000	111,875,000		
7.5 +Convertible debt securities (description)				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options (description and conversion factor)	9,900,000 68,750,000	- 68,750,000	Exercise price 7 cents 4 cents	Expiry date 30 Nov 2015 30 Nov 2016
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 Debentures (totals only)				
7.12 Unsecured notes (totals only)				

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here:

(Company secretary)

Date: 29 April 2015

Print name: Henko Vos

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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