



Quarterly Report – 31st March 2019

HIGHLIGHTS

Peru – Copper-Gold

- ❑ Discovery of extensive Iron-Oxide Copper-Gold (IOCG) mineralised system confirmed at Cerro de Fierro following analysis of assay data from the recent drilling programme (South32 Alliance).
- ❑ Stratigraphic and structural controls on the copper-(gold) mineralisation recognised in drill core, suggests potential for major extensions to the IOCG system.
- ❑ Additional copper mineralisation located at surface by mapping/sampling programs at Cerro de Fierro, highlighting potential extensions for drill testing.
- ❑ Induced Polarisation (IP) surveys commenced at the Parcoy IOCG prospect, north of Cerro de Fierro, to identify targets for drilling under the Strategic Alliance Agreement (SAA) with South32.

Australia – Nickel, Copper, Zinc

- ❑ Magnetic and EM targets successfully tested by initial drilling (2 holes / 900m) at the Yallum Hill prospect (WA) under the SAA. Assays are pending.
- ❑ Access approvals for drilling at the Hamilton copper prospect (Qld) and the Balladonia copper prospect (WA), both under the SAA, are at an advanced stage with drilling expected to commence in Q2 2019.
- ❑ Further copper opportunities secured under new title applications along interpreted structural extensions to the Paterson Province (WA).

Corporate

- ❑ Quarter-end cash position of ~\$1.85M with additional funding from South32 expected for agreed work programmes over Strategic Alliance Projects both in Australia and Peru.

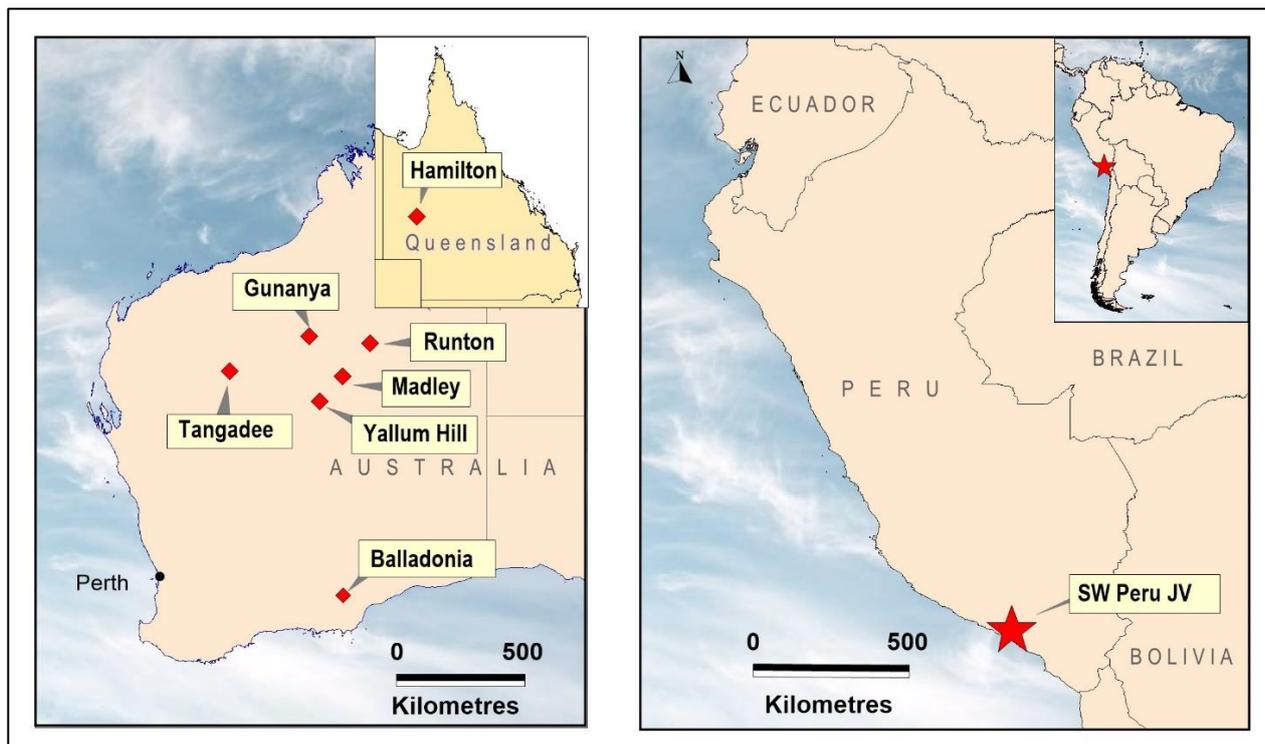


Figure 1: Project Locations – Australia and Peru

OVERVIEW

The key focus of activities during the Quarter was:

- Completing the assessment of results from the initial drill programs in Peru; and
- Obtaining access approvals to allow for planned drilling operations in Australia and further ground surveys in Peru to commence under the Company's Strategic Alliance Agreement (SAA) with globally diversified mining and metals company South32 (ASX, LSE, JSE, ADR).

In **Peru**, the assessment of drill results from the Cerro de Fierro IOCG Project confirmed the discovery of a significant IOCG mineralised system with the potential for significant extensions to the copper-(gold) mineralisation intersected by the initial program. At the Parcoy IOCG project, access preparations were completed and IP geophysical surveys commenced.

The strong encouragement received from drilling at Cerro de Fierro has resulted in a shift in the Company's priorities in Peru, with exploration over the next 6-12 months to

focus on the Cerro de Fierro – Parcoy region in order to more rapidly advance these prospects.

In **Australia**, access approvals were obtained for initial concept drilling at the Yallum Hill prospect (WA), which was completed in April. Access approvals for drilling at the Hamilton Project in Queensland and the Balladonia Project in WA were advanced, with drilling now expected to commence in both areas during the latter half of Q2 2019.

New opportunities in base metals continued to be pursued both within Australia and offshore. A further two Exploration Licence Applications (~1,200km²) were submitted in WA to secure ready to test targets identified by the Company's consultants along possible structural extensions to the Paterson Range region. This takes the Company's area under title in this region (Runton, Madley and Gunanya) to ~2,700km².

The Paterson Range region has recently become the focus of attention due to exploration success by Rio Tinto and Greatland Gold, coupled with the presence of significant copper deposits at Telfer and Nifty, confirming the excellent copper-gold pedigree of the region.

PERU COPPER-GOLD PROJECTS

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

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

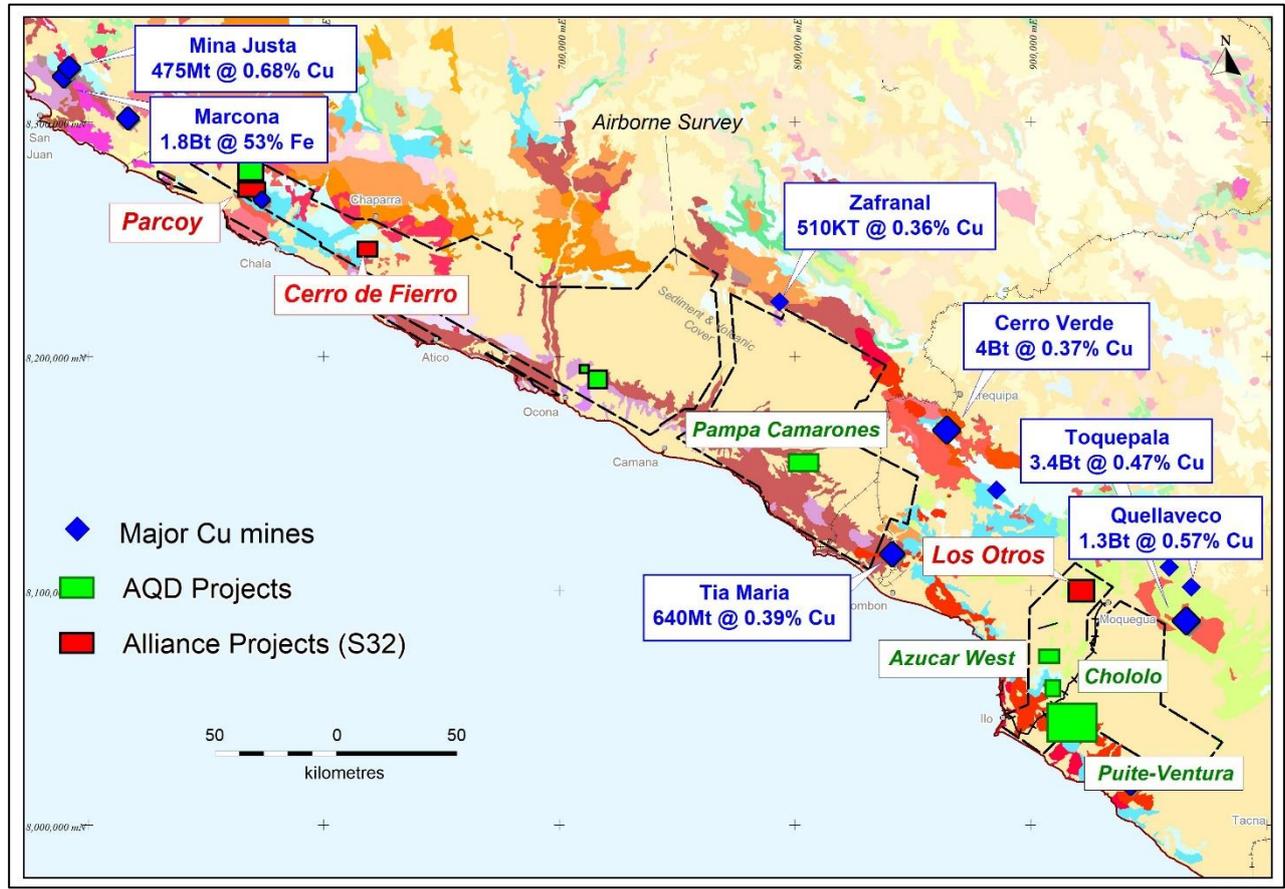


Figure 2: Project Locations – Southern Peru

Cerro de Fierro IOCG (100% AQD – South32 earning to 70%)

During the Quarter, the Company completed a detailed evaluation of assay data received from the initial drilling program at the Cerro de Fierro Project in southern Peru. The review has 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.

A summary of significant assays from the initial drilling program (7 drill-holes/3,500m), as reported to the ASX on the 28th November, 18th December 2018 and 8th April 2019, is shown in Figure 3.

Evaluation of the multi-element geochemical data and re-logging of drill-core highlighted both structural and stratigraphic controls on the distribution of copper (and gold) mineralisation, with copper occurring within both sub-vertical structures (possible feeders) and relatively flat-lying strata (replacement-style mantos) within the volcanic sequence.

Copper occurs dominantly within andesitic volcanics that are overlain by a felsic (dacitic) volcanoclastic sequence of rocks. The mineralised andesite does not outcrop in the area of drilling, occurring at depths ranging from 100m to 300m below ground level within the drilled area (Figure 4).

Copper is strongly associated with invasive hematite and potassic alteration, with the

better copper intersections correlating with local decreases in magnetic properties (susceptibility). The centre of the IOCG system is interpreted to correlate with the

strongest magnetic and IP responses, which correspond to increased magnetite/pyrite content in the drill core.

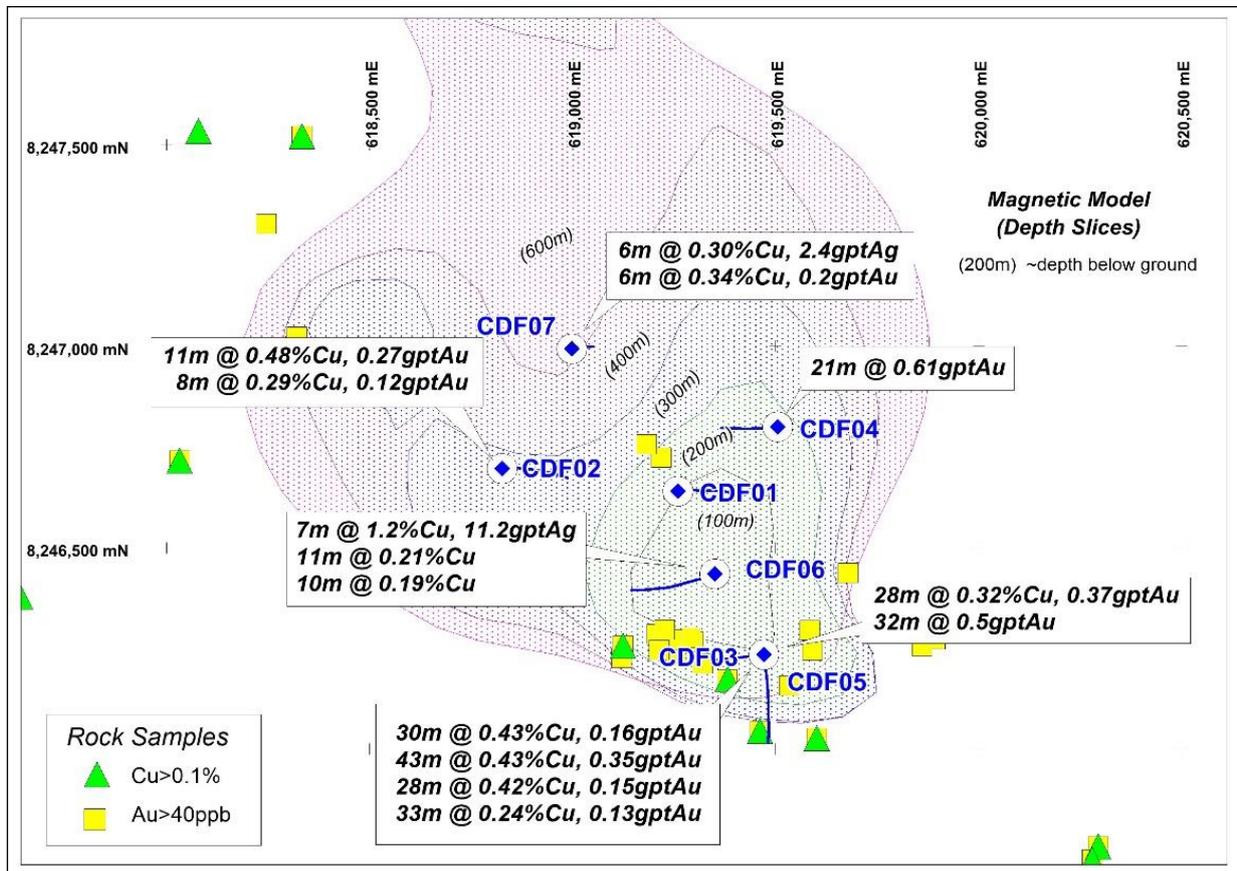


Figure 3: Cerro de Fierro magnetic model showing summary of drill results

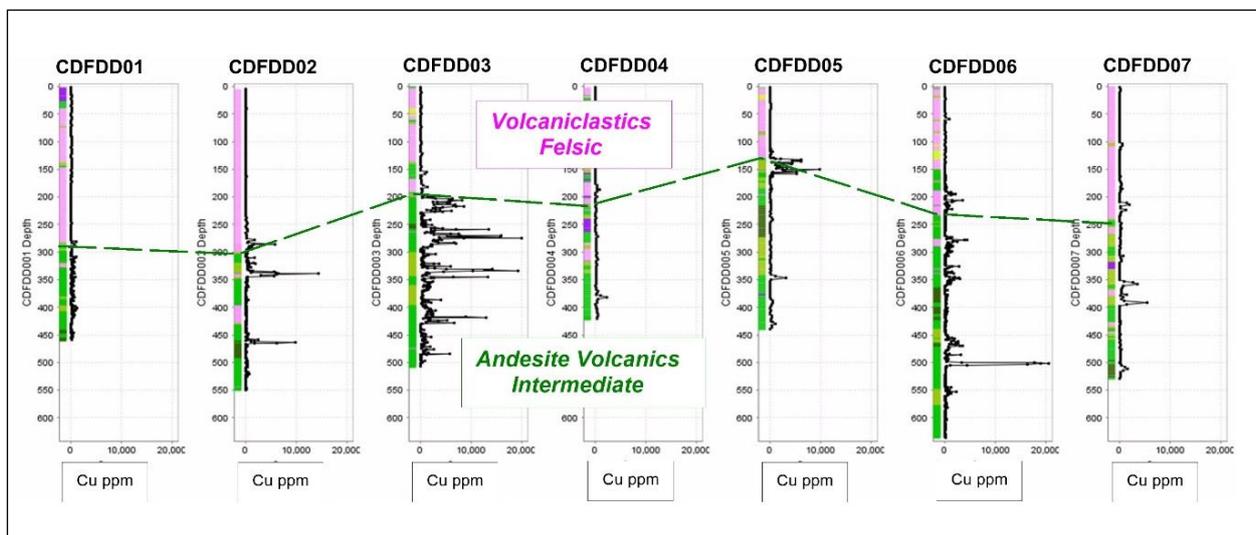


Figure 4: Cerro de Fierro drill-holes showing stratigraphic control on copper mineralisation

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 (up to

~10km²) with correlations between highly anomalous copper assays (>1% Cu) located several kilometres south and west of the original magnetic target (system centre) now possible (Figure 5).

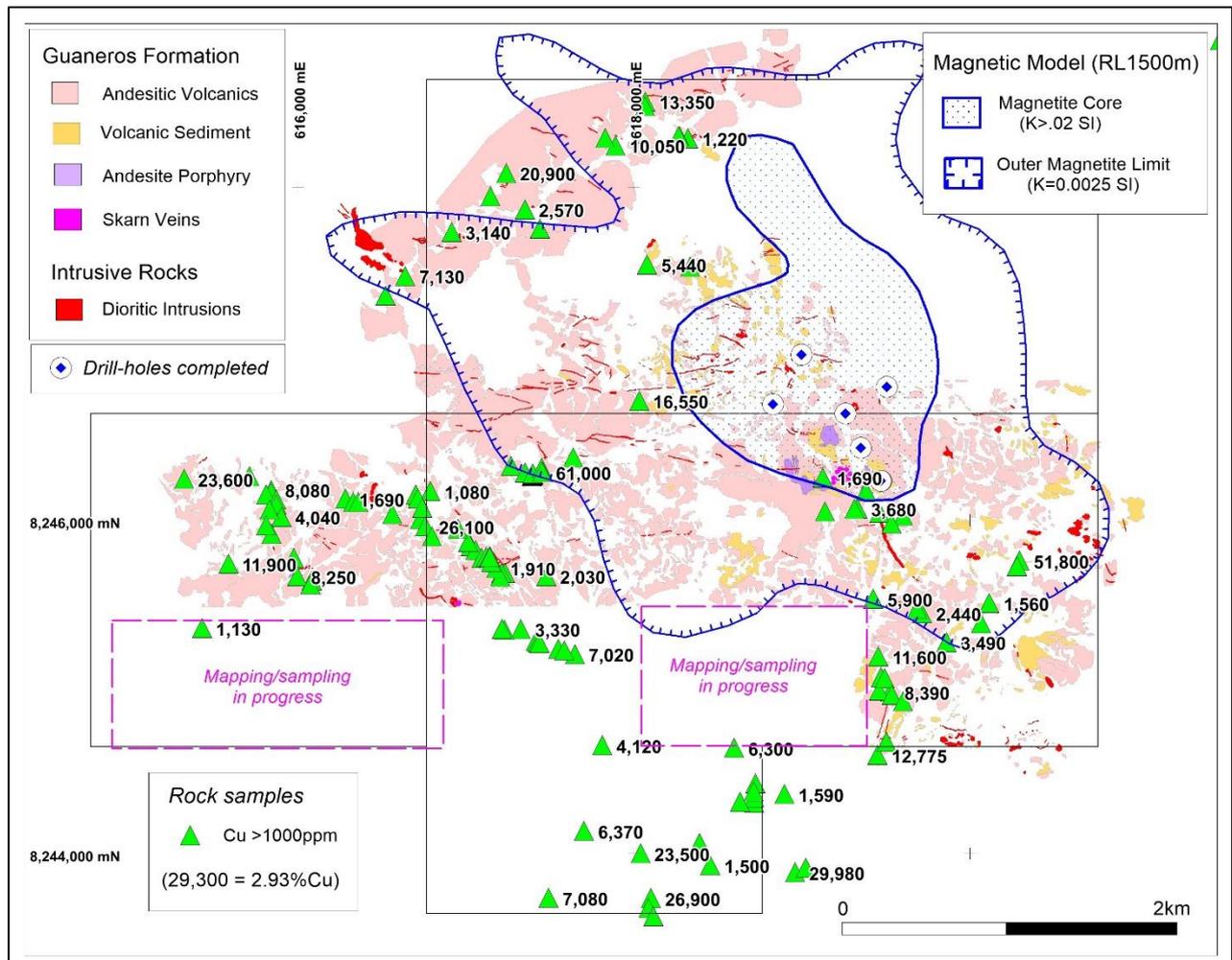


Figure 5: Cerro de Fierro Prospect showing the greater extent of the inferred IOCG system

The occurrence of highly anomalous copper values (>1% Cu) at surface, close to the inferred outer margins of the system, implies that prospective strata should be exposed in these areas, increasing the potential for shallow manto-style copper mineralisation than found in the drilling.

Under the SAA, additional mapping and surface rock-chip sampling is now in progress to define the extent of the IOCG system and the characteristics of copper mineralisation around its inferred system margins. Grid-based soil sampling (100m x 100m) and ground magnetic surveys have also been initiated over the prospect ahead of further drilling, planned for later in 2019.

Initial rock-chip assay results from the in-fill mapping/sampling program have located further high-grade copper values in previously unsampled areas, supporting the

concept of a more extensive IOCG system (Figure 5).

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

Parcoy IOCG Project (100% AQD subject to SAA)

At Parcoy, which is located approximately 50km north of Cerro de Fierro, access preparations were completed and IP geophysical surveying commenced to help identify drill targets associated with structures known to host copper mineralisation to the

south-east at the Los Chapitos prospect (held by Camino Resources).

The location of IP sections was optimised for access and will initially provide coverage at approximate 500m line spacing along a 6km section of the prospective structures, where the Company's surface sampling has highlighted copper anomalism.

Specifications for the pole-dipole IP survey include a dipole size of 200m and dipole separations of $n=1$ to 6, which will provide coverage to ~500m depth. At the time of this report the IP survey is ~30% complete with final processed data pending.

Los Otros Porphyry Copper Project (100% AQD subject to SAA)

At Los Otros, age dating of volcanic samples was undertaken to determine whether the argillic alteration mapped in the area was likely to occur within the Palaeocene Belt which hosts the large porphyry copper deposits in southern Peru (Toquepala, Cerro Verde and Quellaveco).

While not conclusive, age dates of ~70Ma for the volcanic host rocks suggest that the alteration may be of Palaeocene age (~60Ma) and therefore reflect the potential for a Palaeocene porphyry. Dating of the alteration is pending.

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

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

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

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

During the Quarter, a further 40 air-core drill-holes (~1,600m) were approved under the SAA in order to outline the extent of metal anomalism located by the initial reconnaissance air-core drilling program.

The multi-element geochemical signature in drill-hole BAC011, which included anomalous copper (300-5,500ppm Cu), silver (1-15g/t Ag), lead (100-1,800ppm Pb) and zinc (300-2,900 ppm Zn), as reported in the December Quarterly report, will be the main focus of the in-fill drilling program (Figure 5).

A flora survey was completed as part of the access approval process and a Proposal of Work (POW) was submitted to the Department of Mines Industry Regulation and Safety (DMRIS) for approval.

The in-fill drilling program is now expected to commence in June following completion of a Heritage Survey and receipt of all the required approvals.

Additional title applications were submitted to cover possible strike extensions of the base metal mineralisation intersected by the initial drill program.

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

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

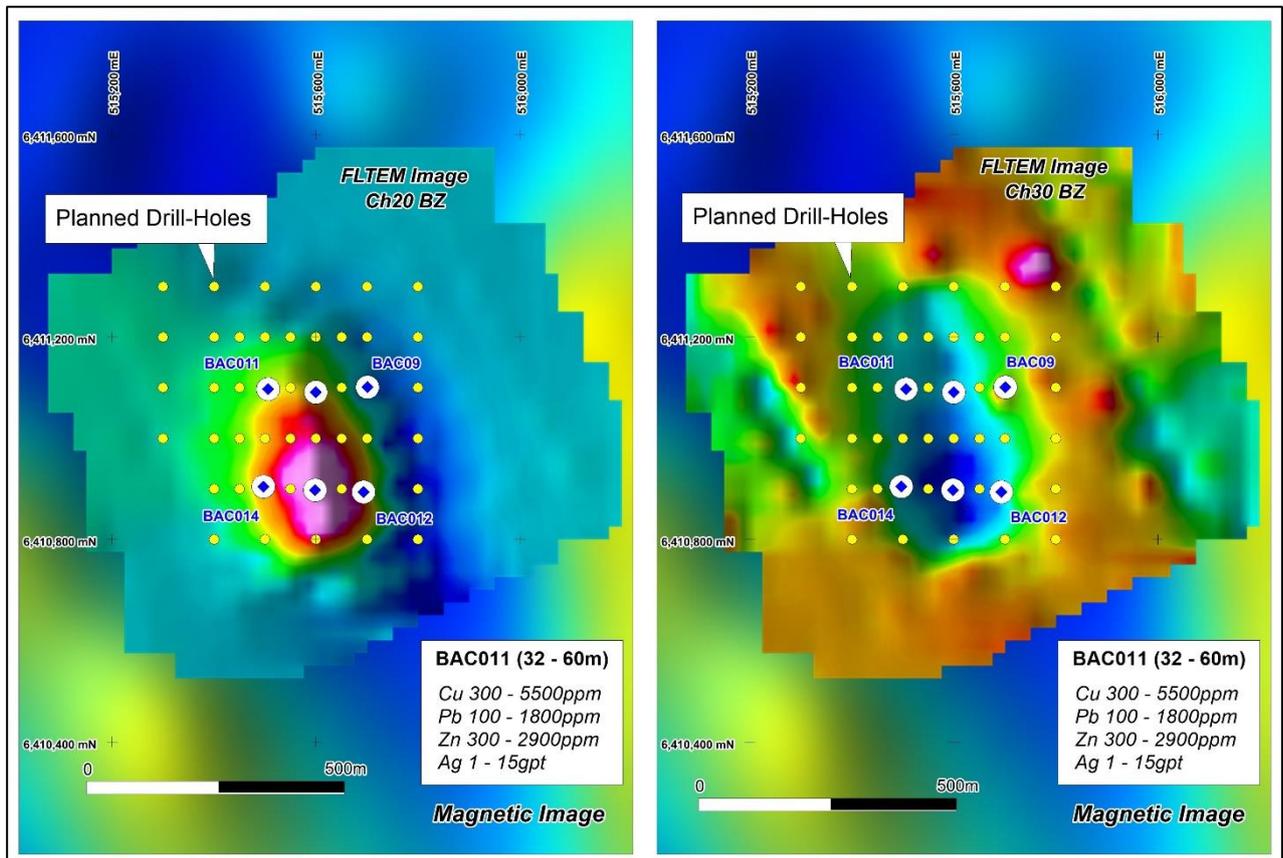


Figure 6: Balladonia Project showing location of planned air-core drilling

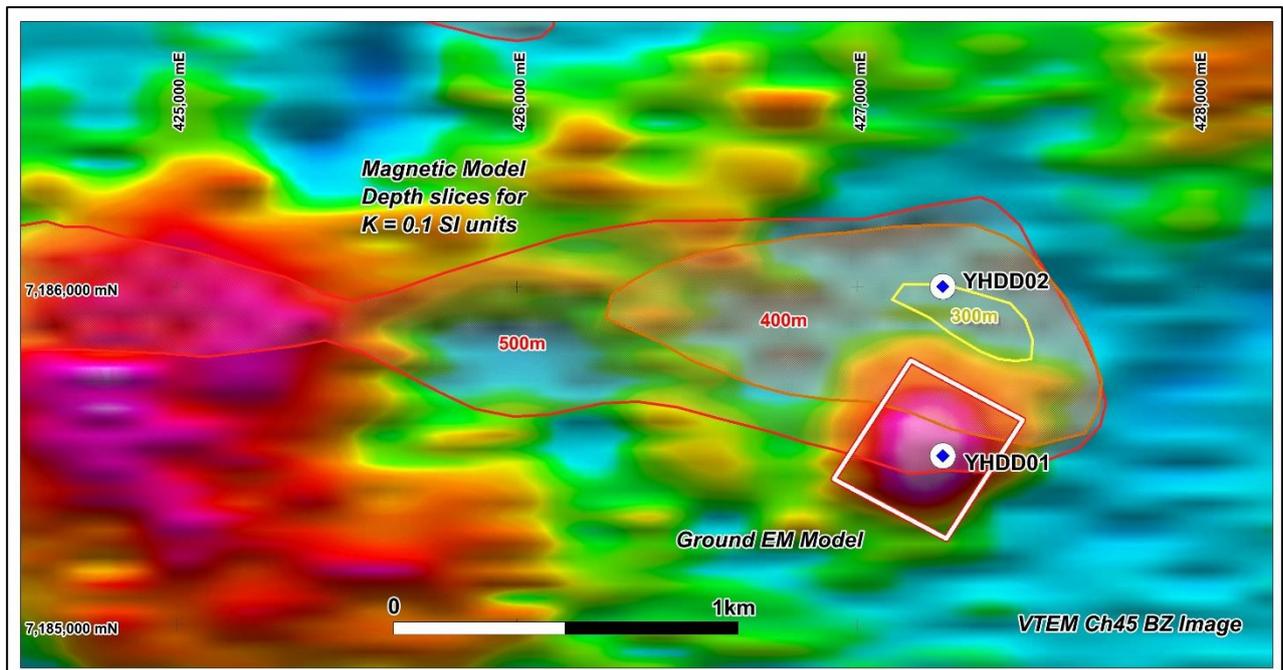


Figure 7: Yallum Hill Project, drill-hole locations

Initial wide-spaced diamond drilling (2 holes / 914m) of the magnetic and EM targets was completed in mid-April. Drilling was designed to provide ‘proof-of-concept’ for possible copper and/or nickel mineralisation along the northern margin of the Yilgarn Craton ahead of further work programs being considered.

Drilling intersected a package of sedimentary rocks intruded by dolerite sills overlying granite basement. Some sediments (dolomites) appear hematite-altered and there is strong magnetite development (alteration or syngenetic?) over ~10 metres near the base of

the sequence, close to the granitic contact. Assays are pending.

Hamilton Copper-Gold Project (100% A/QD subject to SAA)

The Hamilton Project is located in north-west Queensland, ~120km south of the world-class Cannington mine. It consists of two Exploration Licence Applications covering an area of ~520km². Exploration is targeting Iron-Oxide Copper-Gold (IOCG) mineralisation beneath the extensive cover in the region. Limited historical drilling testing magnetic and gravity targets has provided evidence for “near-miss” situations which will be the focus of the Company’s exploration

programmes. Exploration work at Hamilton is being funded by South32.

During the Quarter, a proposal to drill test the IP/magnetic/gravity target highlighted by the Company’s recent IP geophysical survey was approved under the SAA. The initial 4-hole drill program (~1,400m) will test for Iron-Oxide Copper-Gold (IOCG) mineralisation associated with the geophysical target. Historical reconnaissance drilling in the area has provided strong evidence for a “near-miss” situation proximal to drill hole WD02009, which is located close to the planned drill section (Figure 6).

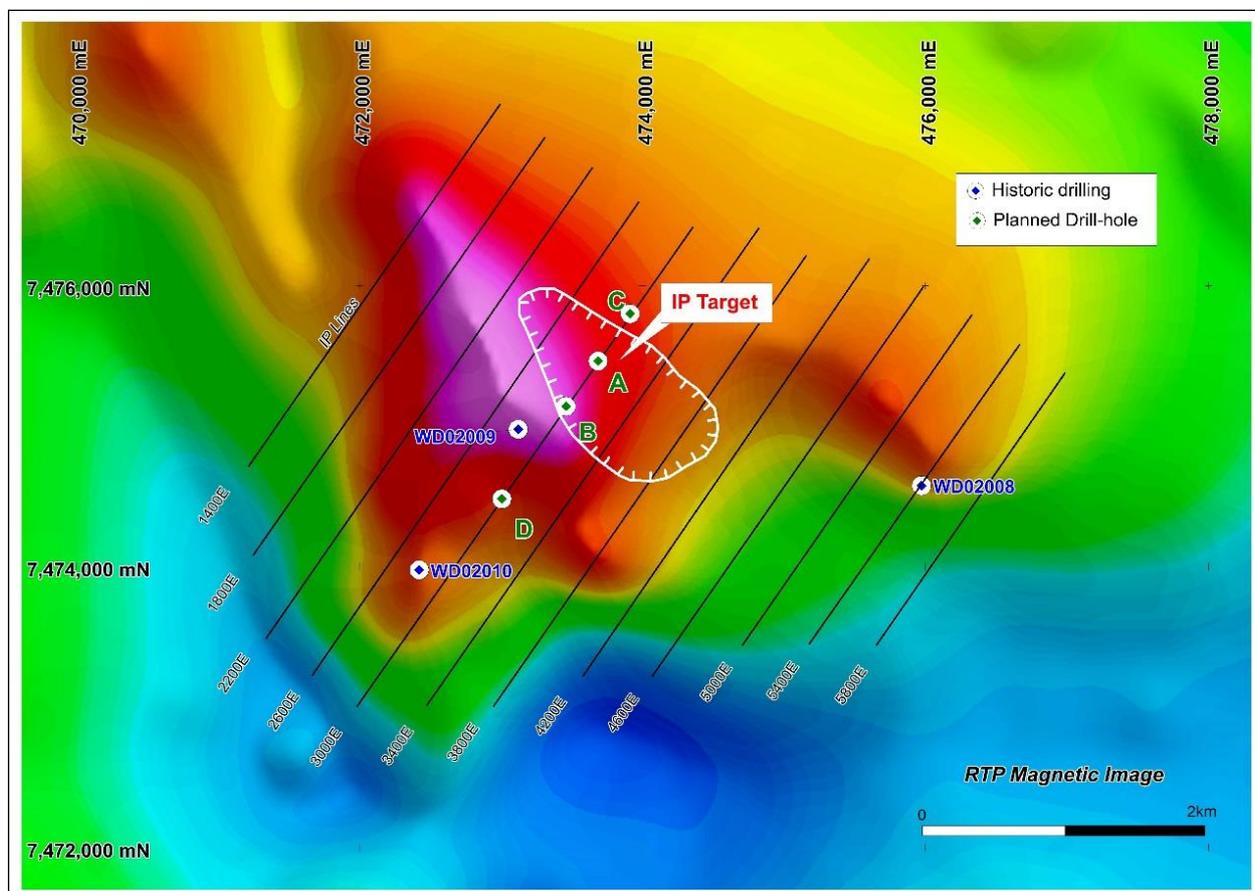


Figure 4: Hamilton Project showing planned drill-holes relative to magnetics and IP

The IP target extends over a strike length of at least 800m and is thought to reflect sulphide mineralisation associated with the inferred iron oxide alteration.

A compensation agreement was finalised with the landowner and documentation was submitted to the Department of Natural Resources, Mines and Energy. Heritage Clearance surveys are scheduled for May and

drilling is expected to commence in June once all necessary approvals have been obtained.

Tangadee Zinc Project (100% A/QD subject to SAA)

The Tangadee Zinc Project is located ~150km south-west of Newman within the Edmund Basin of WA. It consists of one Exploration Licence covering an area of ~280km². Exploration is targeting sediment-hosted zinc

mineralisation similar to deposits found in north-west Queensland. The area contains favourable host rocks, prospective large-scale structures and anomalous geochemistry in the available regional geochemical database, highlighting the potential for sediment-hosted zinc mineralisation. Exploration work at Tangadee is being funded by South32.

Reconnaissance mapping and sampling of targets identified from the VTEM survey is planned for Q2 2019 before further survey work is considered under the SAA.

CORPORATE

At the end of March 2019, the Company's cash position was approximately \$1.85 million with additional funding from South32 expected for agreed work programmes over Strategic Alliance Projects both in Australia and Peru.

Conditions Precedent for the Farm-In/Option Agreement with Westminster Resources Limited over titles in southern Peru, have still not been fulfilled. The Company is considering its position. Details of the agreement were included in a release to the ASX on 20th August 2018.



Graeme Drew
Managing Director

COMPETENT PERSON'S STATEMENT

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

FORWARD LOOKING STATEMENT

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

KEY ACTIVITIES – JUNE 2019 QUARTER

- Balladonia (Ni-Cu) – Complete in-fill aircore drilling around high base metal values;
- Yallum Hill (Ni-Cu) – Complete assessment of drill results for regional prospectivity;
- Hamilton (Cu-Au) – Commence drilling of IOCG target;
- Tangadee (Zn) – Complete site reconnaissance to confirm targets for testing;
- Peru (Cu-Au) – Complete mapping, soil sampling, ground magnetics at Cerro de Fierro;
- Peru (Cu-Au) – Commence preparations for phase two drilling at Cerro de Fierro;
- Peru (Cu-Au) – Complete IP surveying at the Parcoy IOCG prospect;
- Peru (Cu-Au) – Collect samples from Los Otros to confirm age of alteration;
- Australia (Base metals) – Advance new opportunities under the SAA; and
- Peru (Base metals) – Advance new opportunities under the SAA.

AusQuest Limited Tenement Schedule as at 31 March 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%
E69/3415	WA, East Capricorn	Granted	AusQuest Ltd.	100%
E69/3572	WA, East Capricorn	Granted	AusQuest Ltd.	100%
E69/3573	WA, East Capricorn	Granted	AusQuest Ltd.	100%
E69/3574	WA, East Capricorn	Granted	AusQuest Ltd.	100%
E69/3575	WA, East Capricorn	Application	AusQuest Ltd.	100%
E69/3697	WA, East Capricorn	Application	AusQuest Ltd.	100%
E63/1742	WA, Jimberlana	Granted	AusQuest Ltd.	100%
E52/3501	WA, Perry Creek	Granted	AusQuest Ltd.	100%
E52/3502	WA, Perry Creek	Granted	AusQuest Ltd.	100%
E52/3585	WA, Perry Creek	Granted	AusQuest Ltd.	100%
E52/3642	WA, Perry Creek	Application	AusQuest Ltd.	100%
E52/3643	WA, Perry Creek	Application	AusQuest Ltd.	100%
E52/3603	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	Application	Questdor SAC	100%
Azucar West 07	Moquegua	Application	Questdor SAC	100%
Azucar West 08	Moquegua	Application	Questdor SAC	100%
Azucar West 09	Moquegua	Application	Questdor SAC	100%
Azucar West 10	Moquegua	Application	Questdor SAC	100%
Azucar West 11	Moquegua	Application	Questdor SAC	100%
Azucar West 12	Moquegua	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 1	Arequipa	Application	Questdor SAC	100%
Cangallo 2	Arequipa	Application	Questdor SAC	100%
Cerro Ardines 01	Arequipa	Application	Questdor SAC	100%
Cerro Ardines 02	Arequipa	Application	Questdor SAC	100%
Cerro Ardines 03	Arequipa	Application	Questdor SAC	100%
Cerro Ardines 04	Arequipa	Application	Questdor SAC	100%
Cerro Ardines 05	Arequipa	Application	Questdor SAC	100%
Cerro Ardines 06	Arequipa	Application	Questdor SAC	100%
Cerro Ardines 07	Arequipa	Application	Questdor SAC	100%
Cerro Ardines 08	Arequipa	Application	Questdor SAC	100%
Cerro Ardines 10	Arequipa	Application	Questdor SAC	100%
Cerro Ardines 11	Arequipa	Application	Questdor SAC	100%
Cerro De Fierro A	Arequipa	Granted	Questdor SAC	100%

AusQuest Limited Tenement Schedule as at 31 March 2019 - cont'd

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

AusQuest Limited Tenement Schedule as at 31 March 2019 - cont'd

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

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

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

Name of entity:

AUSQUEST LIMITED

ABN:

35 091 542 451

Quarter ended ("current quarter")

31 March 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	49	790
1.2 Payments for		
(a) exploration & evaluation	(633)	(7,831)
(b) development	-	-
(c) production	-	-
(d) staff costs	(33)	(103)
(e) administration and corporate costs	(210)	(708)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	2
1.5 Interest and other costs of finance paid	-	(7)
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other :		
Funding received from South 32 under the Strategic Alliance Agreement	555	5,119
R&D Refund	-	-
1.9 Net cash from / (used in) operating activities	(271)	(2,738)

2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(11)	(18)
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(11)	(18)

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

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,138	4,521
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(271)	(2,738)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(11)	(18)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	(8)	83
4.6	Cash and cash equivalents at end of period	1,848	1,848

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	1,848	2,138
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,848	2,138

6. Payments to directors of the entity and their associates

6.1 Aggregate amount of payments to these parties included in item 1.2

6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

**Current quarter
\$A'000**

63

-

Payment of director and consulting fees.

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

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

South32 Advance facility

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

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	(1200)
9.2 Development	-
9.3 Production	-
9.4 Staff costs	(70)
9.5 Administration and corporate costs	(150)
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	(1420)

Mining exploration entity and oil and gas exploration entity quarterly report

10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	E08/2754 E08/2904 E52/3544	-	100% 100% 100%	Nil Nil Nil
10.2	Interests in mining tenements and petroleum tenements acquired or increased	E69/3572 E69/3573 E69/3574 Peru Azucar West \$, 5 and 12 Parcoy 4 and 5		Nil Nil Nil Nil Nil	100% 100% 100% 100% 100%

Compliance statement

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

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

Date: 30 April 2019

Print name: Henko Vos (Company Secretary)

Notes

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