AUSQUEST LIMITED

ABN 35 091 542 451

Quarterly Report – 31st December 2020

HIGHLIGHTS

Australia – Copper, Zinc, Nickel, Gold

- Initial reconnaissance drilling completed at the **Gunanya Project** in the Paterson Province of Western Australia (WA) under the Strategic Alliance Agreement (SAA) with South32 Limited (South32), with Anomaly 2 remaining a potential target for copper-gold mineralisation – similar to other significant mineral occurrences in the district.

- Native Title clearances obtained at the **Hamilton Copper Project** in north-west Queensland, paving the way for diamond drilling (~1,600m to 2,000m) of copper targets to commence under the SAA in mid to late April 2021, following the end of the wet season.

- Heritage clearance survey for a reconnaissance air-core drilling program at **Balladonia** in the Fraser Range Province of WA planned for Q1 2021.

- Mafic-ultramafic lithologies and nickel-copper anomalies identified at the **Morrisey Nickel-Copper Project**, located within the Narryer Terrane of WA.

Peru – Copper-Gold

- Drill permits received for the **Cerro de Fierro** and **Parcoy Copper Projects** in southern Peru. Access preparations scheduled to commence in January 2021 with drilling expected to start in February at Cerro de Fierro.

- ~4,000m of Reverse Circulation (RC) drilling at Cerro de Fierro agreed under the SAA to test strong copper anomalism (>1.0% Cu) outlined by surface rock-chip sampling to the south of previous drill programs.

- Six additional copper targets identified by rock-chip sampling along key structures up to 15km east of the Cerro de Fierro prospect.

- ~1,700m of diamond drilling agreed under the SAA at the Parcoy Project to test beneath extensive strong copper (+/- gold) anomalism for the presence of large-scale structurally related manto-style copper (+/-gold) mineralisation.

- Drill permitting to test the **Los Otros Porphyry Copper Project** progressed with approvals now expected around mid-2021.

Corporate

Quarter-end cash position of ~$1.2 million, excluding $761,000 R&D tax refund received on 7th January 2021 and additional funding from South32 scheduled for payment in Q1 2021 to cover agreed work programs (including drilling) in Peru and Australia.

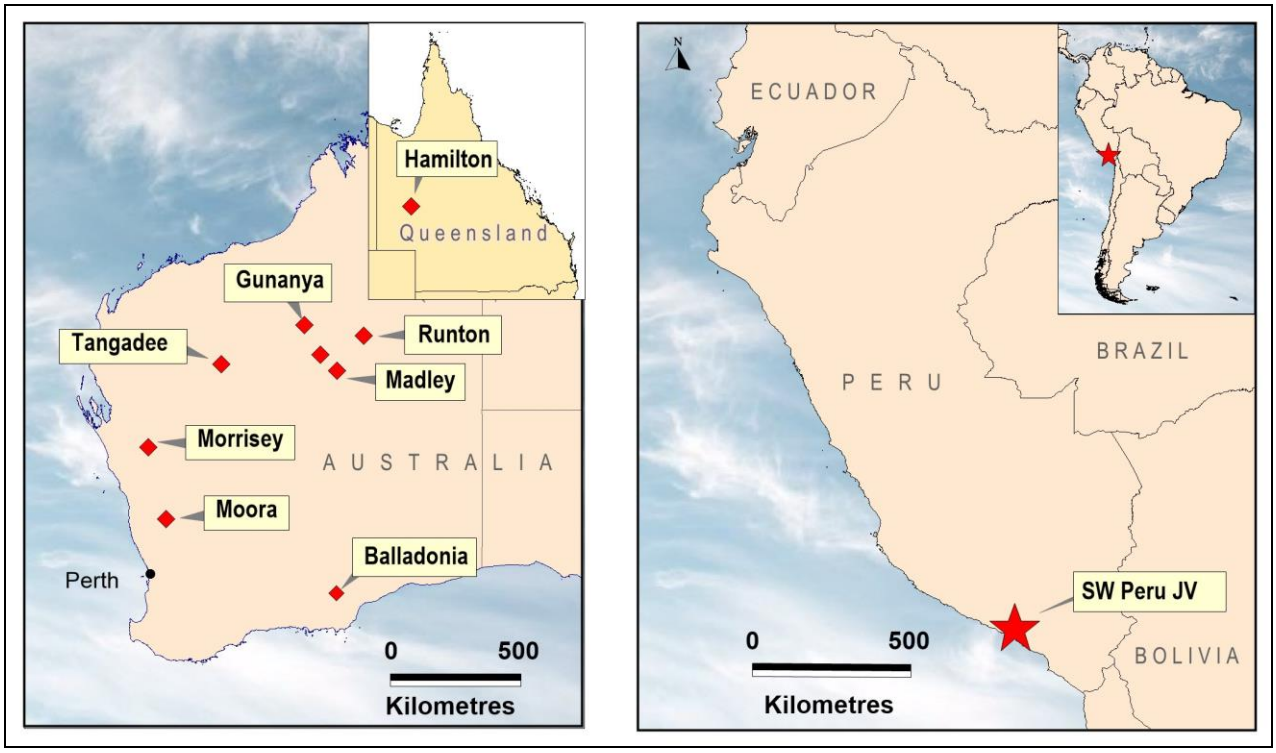


Figure 1: Project Locations – Australia and Peru

OVERVIEW

The key focus of exploration activity during the Quarter was the completion of the drill program at the Gunanya Project in the Paterson Province of Western Australia and obtaining drill permits for several copper projects in Peru to allow drilling under the SAA to re-commence in early 2021.

Results from drilling at the Hamilton Copper-Gold Project in north-west Queensland and the Tangadee Zinc Project in WA were assessed by the Company's consultants, resulting in further drilling being recommended and agreed at Hamilton but titles over the Tangadee Project being relinquished. Planning for further drilling at Balladonia in the Fraser Range Province in WA was also initiated.

New opportunities were assessed in Australia, with the focus on nickel and copper projects around the western margin of the Yilgarn of WA, especially within the Narryer Terrane on the north-western margin of the Yilgarn, following the significant nickel-copper-PGE discovery by Chalice Mining at Julimar which highlighted the prospectivity and under-explored nature of this margin.

In **Peru**, permitting and planning for drill operations at three of the Company's copper projects were progressed during the Quarter with final Government approval for two of the projects received in early January 2021, allowing drilling operations to commence in Q1 2021.

Rock sampling at Cerro de Fierro-East continued under strict COVID-19 protocols, with the aim of defining copper porphyry/manto targets up to 15km east of the main prospect in order to demonstrate the full potential of the area for copper resources.

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

<u>Gunanya Gold-Copper Project</u> (*100% AQD, subject to SAA*)

The Gunanya Gold-Copper Project is located ~250km north-east of Newman within the Paterson Province of Western Australia. Exploration is targeting large scale gold-copper mineralisation similar to the recent discoveries at Winu and Havieron. These recent exploration breakthroughs have significantly enhanced the gold and copper pedigree of the Paterson Province, which already hosts large gold and copper deposits at Telfer and Nifty, and is widely regarded as one of Australia's current exploration "hot spots". Exploration work at Gunanya is being funded under the SAA.

During the Quarter, the initial reconnaissance RC drilling program (7 holes / ~1,916m) was completed to test three magnetic targets in order to determine their potential to host gold and copper mineralisation similar to that found elsewhere in the Paterson region (*Figure 2*).

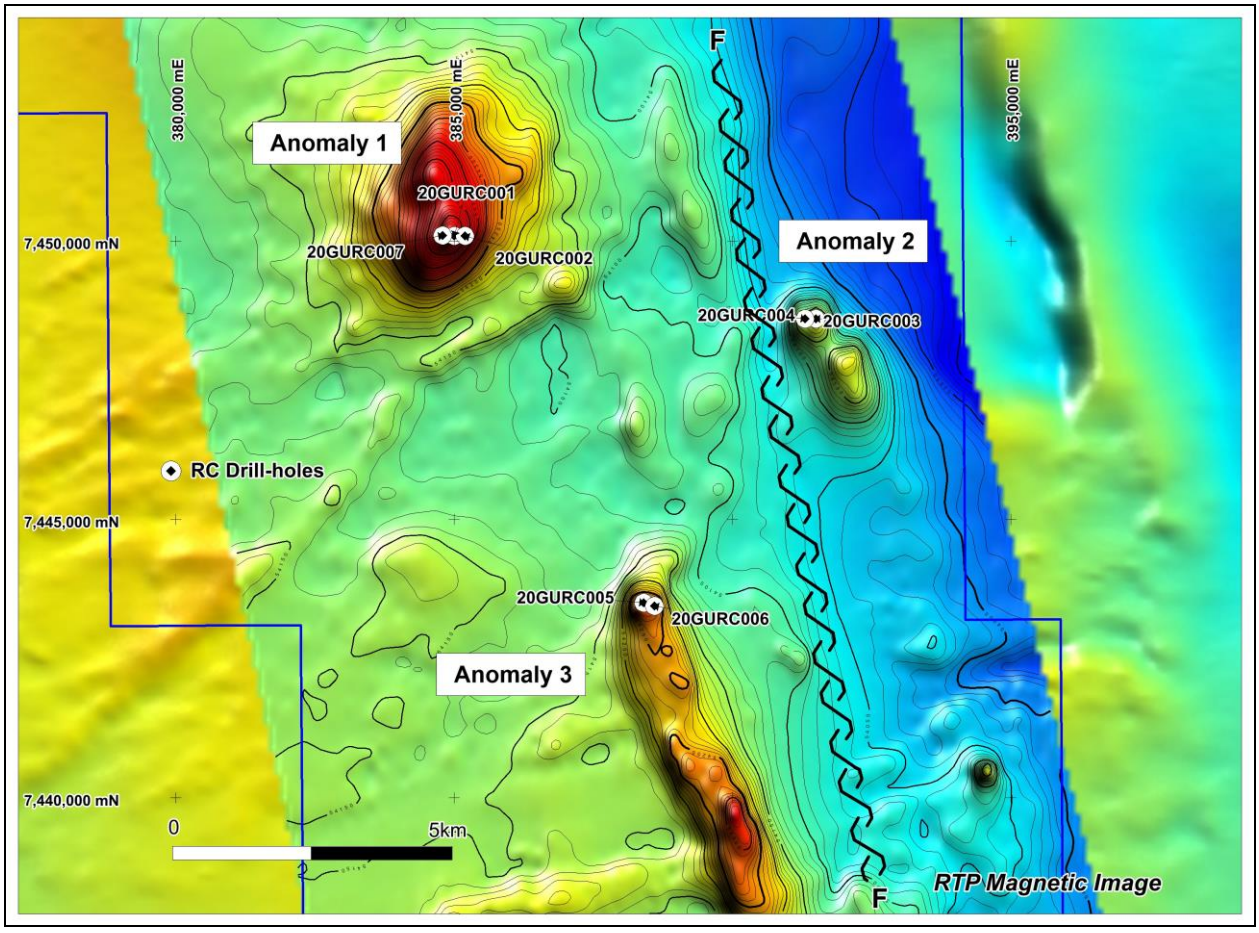


Figure 2: Gunanya Prospect showing RC drill-holes relative to magnetic targets

Of the three targets tested to date, only Anomaly 2 remains a potential target, with favourable host rocks (calcareous siltstones with elevated levels of sulphur – Mundadjini Formation) intersected towards the base of the drill-holes before they had to be terminated due to high water flows. The source of the magnetic response was not intersected by the drilling (*Figure 3*).

Elevated copper values (up to 400ppm Cu) and associated silver (Ag), potassium (K), lead (Pb) and thallium (Tl) were intersected at Anomaly 2 close to the base of the overlying Boondawarri sediments, suggesting the possibility of a nearby source that was not intersected by the current drilling.

The Mundadjini Formation is considered to be the main target horizon at Gunanya, as it is thought to be equivalent to the sediments that host copper and gold mineralisation elsewhere in the Paterson Province.

Magnetic responses at Anomalies 1 and 3 appear to be caused by metamorphic basement rocks containing variable amounts of magnetite within altered metasediments beneath the younger sedimentary cover. Variable amounts of potassic alteration are evident in the basement rocks but there are no obvious signs of mineralisation.

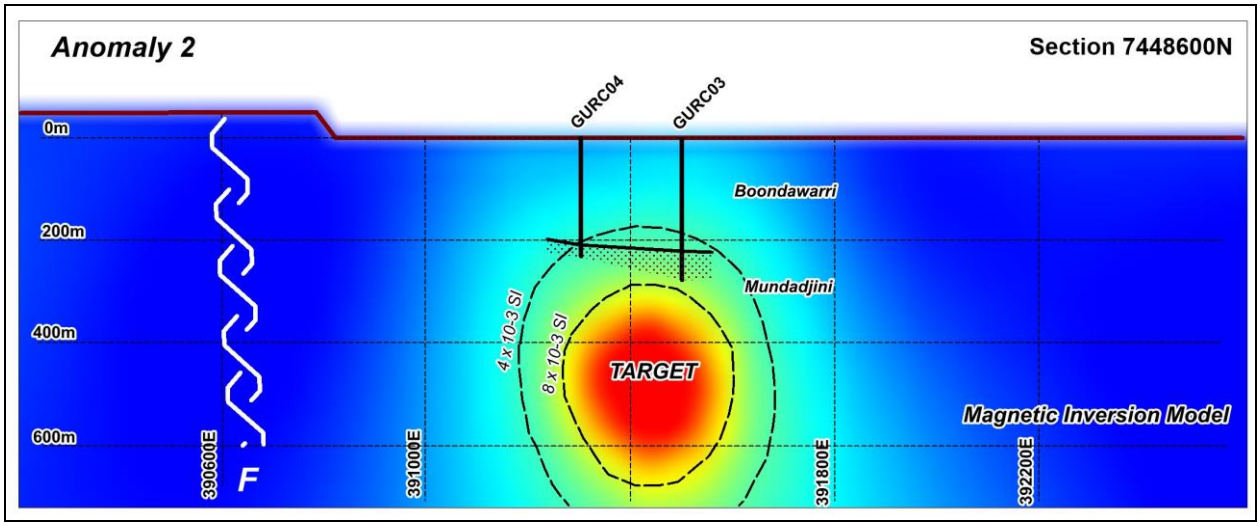


Figure 3: Gunanya Anomaly 2 magnetic inversion model showing drill hole locations

Significant changes in basement depth between Anomalies 2 and 3 (~290m to 90m) suggest that Anomaly 2 occurs within a down-thrown block close to major structures.

Further work in this area is the subject of ongoing discussions under the SAA. Re-modelling of magnetic targets is currently underway in light of the drill results. Technical meetings are scheduled to be held early in 2021 to determine future work programs at Gunanya.

<u>Hamilton Copper-Gold Project</u> (*100% AQD, subject to SAA*)

The Hamilton Project is located in north-west Queensland, ~120km south of the world-class Cannington mine. It consists of two Exploration Licences covering an area of ~520km². Exploration is targeting Iron-Oxide Copper-Gold (IOCG) mineralisation beneath the extensive cover in the region. Limited historical drilling designed to test magnetic and gravity targets has provided evidence for "near-miss" situations which will be the focus of the Company's exploration program. Exploration work at Hamilton is being funded under the SAA.

During the Quarter, results from earlier drilling programs were integrated into the magnetic modelling process in order to better define targets ahead of further drilling in the area.

The results of this work suggested that the quality of available magnetic data was insufficient to plan deeper (~500m) targeted drill-holes.

A detailed aeromagnetic survey (E-W flight lines at 100m spacing) was subsequently flown in January 2021 to provide data to help optimise drill sites. Processed data have now been received and revised modelling is currently underway.

Heritage clearance surveys for the planned drill program were completed in November 2020 to facilitate an early start to the program. Five key target areas were cleared for drilling, with at least three of them planned for testing during the upcoming program (*Figure 4*).

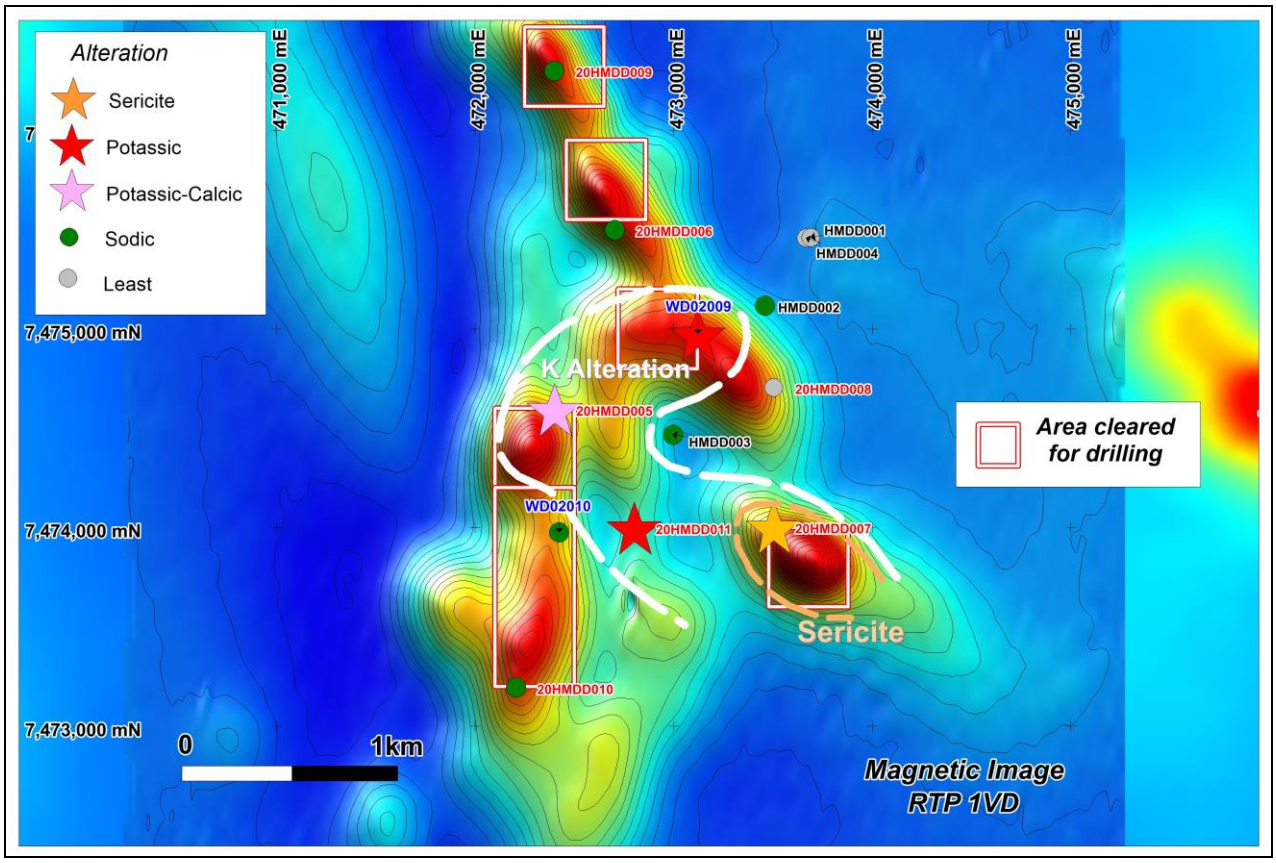


Figure 4: Hamilton prospect magnetic image showing cleared areas for drilling

Drilling to date has provided strong indications of possible IOCG mineralisation similar to that found at the Ernest Henry deposit. A large potassic alteration zone similar in size to that reported at Ernest Henry has been outlined by five of the 13 holes completed to date. Magnetic targets close to drill-holes with the strongest alteration are being targeted as a priority.

<u>Tangadee Zinc Project</u> (*100% AQD, 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 under the SAA.

During the Quarter, results from the recent RC drilling program (five holes/1,352m) designed to test a zinc soil anomaly indicated anomalous levels of zinc (up to 1.3% Zn), with elevated copper, silver, thallium, and gold values, within a thick black mudstone sequence were responsible for the surface anomaly.

The carbonaceous mudstones intersected at Tangadee are similar to those found to the north of the prospect, where historical drilling has reported similar intersections, suggesting that these metalliferous sediments are very extensive.

A review of the regional geology was undertaken and the likelihood of increased zinc grades at a reasonable depth within the current tenements was deemed unlikely. As a result, the tenements were subsequently relinquished.

<u>Balladonia Nickel-Copper Project</u> *(100% AQD, subject to SAA)*

The Balladonia Project is located ~50km south of the Nova–Bollinger nickel-copper deposit. It consists of seven Exploration Licences (three granted and four applications) covering an area of ~1,400km² and is located within a structurally complex region of the Fraser Range Terrain. It is centred above the southern margin of a deep regional gravity anomaly (~30 milligals), which is thought to reflect buried mafic/ultramafic rocks that may be similar to those related to the formation of the Nova deposit. Comparisons with the Eastern Succession of north-west Queensland (east of Mt Isa), where iron-oxide copper-gold (IOCG) and Broken Hill Type (BHT) deposits are known to occur are also apparent. Many of the tenements lie within the Dundas Nature Reserve. Exploration work at Balladonia is being funded under the SAA.

Heritage clearance surveys for a planned air-core drilling program have been delayed until late February 2021 due to the availability of the Traditional Owners. This program will test magnetic targets thought to represent possible IOCG and/or BHT-style deposits similar to those found in the Eastern Succession of NW Queensland (*Figure 5*).

The discovery of anomalous base metals (Cu, Pb, Zn, Ag) at the Company's Telegraph Prospect and the possible association of base metals with carbonatite intrusions, has highlighted the potential for further base metals to be found in this area.

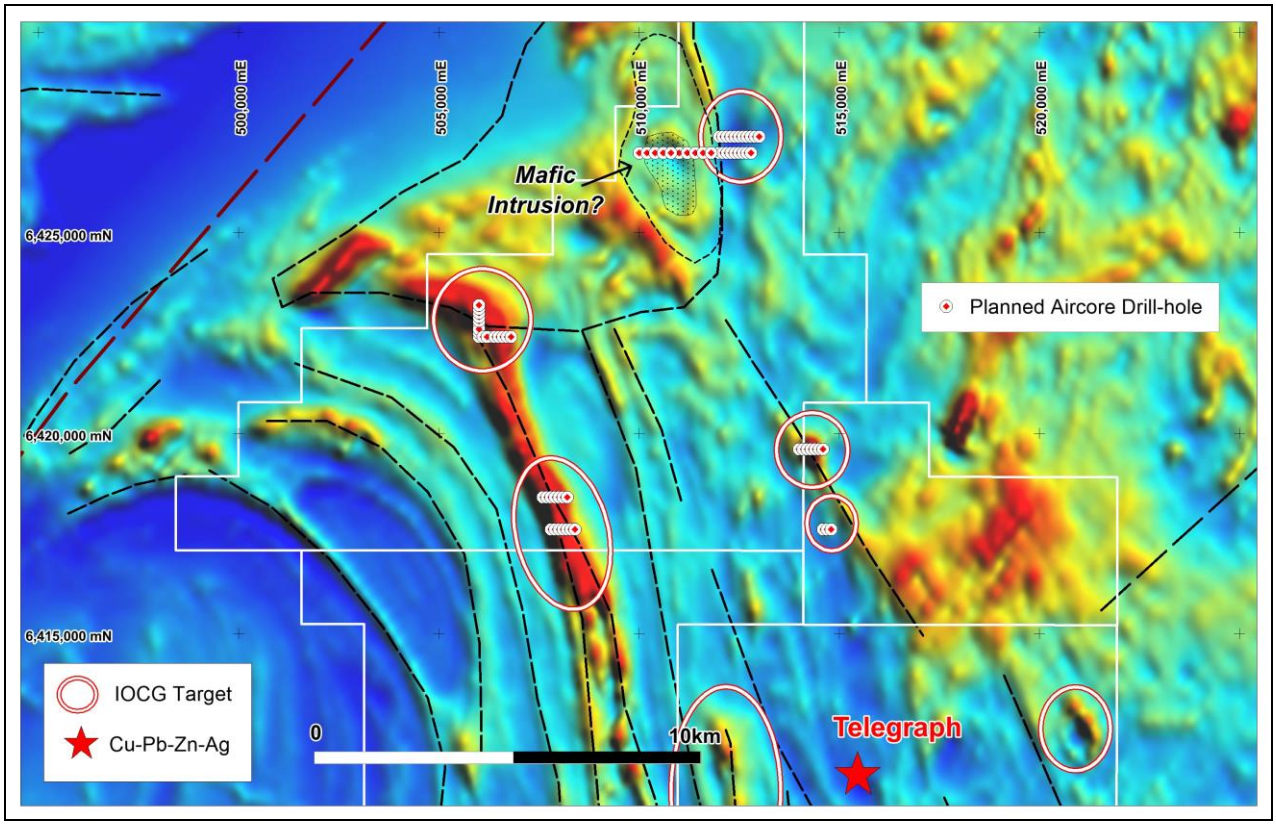


Figure 5: Balladonia Project magnetic image showing targets for air-core drilling

<u>Morrisey Nickel-Copper Project</u> *(100% AQD)*

The Morrisey Project is located ~ 500km north of Perth in Western Australia within the Narryer Terrane, which forms the north-western margin of the Yilgarn Craton. It consists of two Exploration Licence applications covering an area of ~850km² parallel to the Yilgarn Craton boundary. The area recently became the focus of industry attention following the discovery by Chalice Mining of the Julimar nickel-copper-PGE deposit north of Perth, which highlighted the untested nickel-copper-PGE potential of the margin of the Western Yilgarn Craton.

During the Quarter, regional soil sample traverses were completed across areas considered prospective for nickel-copper mineralisation, as defined by the available aeromagnetic data. Areas with strong magnetic relief containing similar responses to those found over mafic-ultramafic intrusions in the Julimar-Yarawindah area were targeted as a matter of priority.

While results are very reconnaissance in nature, they have confirmed the presence of mafic-ultramafic rocks in five of the seven areas sampled, with several nickel-copper anomalies of interest identified for follow-up (*Figure 6*).

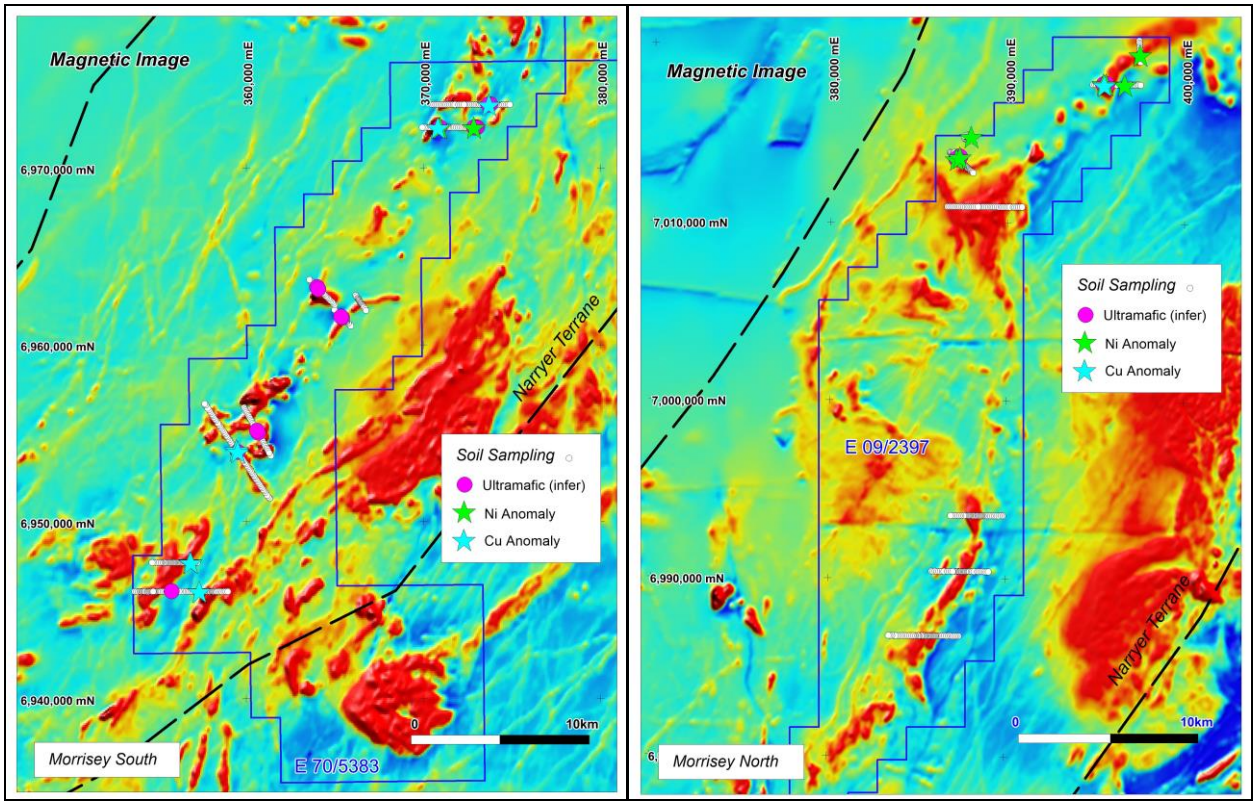


Figure 6: Morrisey Project magnetic image showing location of regional soil sampling

Further ground work in this area awaits tenement grant, which is expected in late Q1 – early Q2 2021.

<u>Moora Nickel-Copper Project</u> ***(100% AQD)***

The Moora Project is located ~150km north of Perth Western Australia within the Jimperding Metamorphic Belt which forms the south-western margin to the Yilgarn Craton. It consists of five Exploration Licences (four granted and one application) and covers an area of ~570km². The area recently became the focus of industry attention following the discovery by Chalice Mining of the Julimar nickel-copper-PGE deposit north of Perth, which highlighted the untested nickel-copper-PGE potential of the margin of the Western Yilgarn Craton.

During the Quarter, four of the five tenement applications were granted and negotiations continued with landowners, in order to gain access to selected properties to enable field work to commence.

It is expected that regional auger sampling over selected targets should commence in Q1 2021, in order to confirm the presence of potential host rocks for nickel-copper mineralisation (mafic-ultramafic rocks), ahead of more substantive exploration programs.

<u>New Opportunities (Australia)</u>

Tenements that make up the **Madley** and **Runton Projects** in the Paterson Region of Western Australia were rationalised to retain priority magnetic targets considered to be similar to responses found over the Winu and

Havieron deposits. Further modelling of the magnetic data has been initiated to better determine depth to targets before further exploration work is considered.

The Paterson Region is considered to be highly prospective for copper and gold following the discovery of the Winu and Havieron deposits by Rio Tinto and Greatland Gold (now Newcrest JV), which has further enhanced the already excellent copper-gold pedigree of the region.

PERU COPPER-GOLD PROJECTS

AusQuest has assembled a strong portfolio of copper-gold prospects along the southern coastal belt of Peru in South America, with numerous targets identified for drilling as possible porphyry copper and/or replacement style (manto) iron-oxide copper-gold (IOCG) targets with the size potential being of significance to AusQuest (Figure 7). 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.

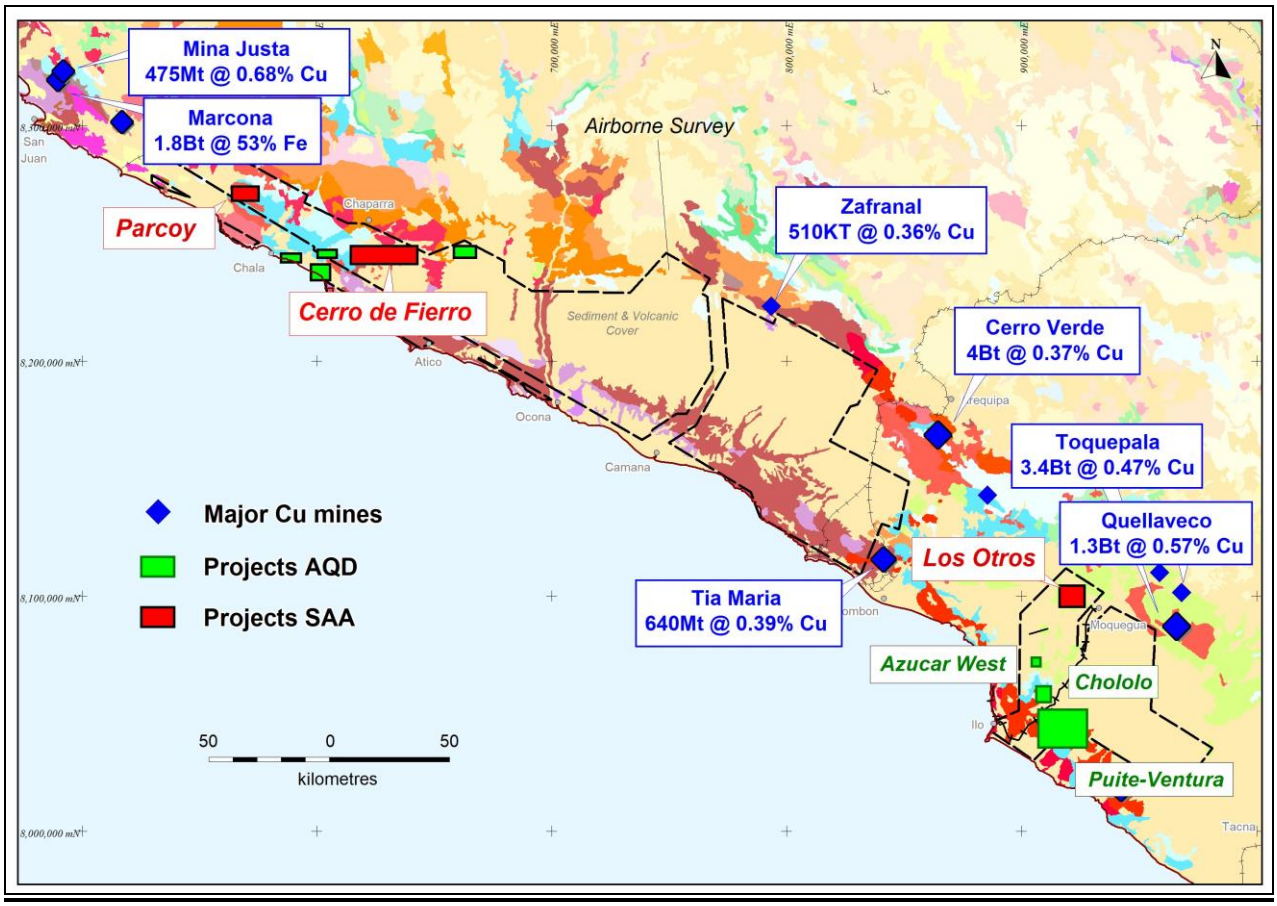


Figure 7: Project Locations – Southern Peru

<u>Cerro de Fierro IOCG</u> *(100% AQD – South32 earning to 70%)*

The Cerro de Fierro Project is located at the southern end of a recognised Iron-Oxide Copper-Gold (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.

During the Quarter, Government permits were received, allowing the Stage 3 drilling program to commence. A total of 20 new drill pads have been approved in an area where extensive copper anomalism (>1.0% Cu) has been identified by surface rock-chip sampling south of the previously reported drilling. Approximately 4,000m of RC drilling (minimum 13 drill-holes) is planned with drill-hole depths ranging from ~200m to 350m depending on results (*Figure 8*).

Access preparations are expected to commence in late January, with drilling to start in early February once sufficient drill pads have been completed to allow for uninterrupted drilling operations. The program is expected to take ~6 to 8 weeks to complete, with assays generally available on a progressive basis.

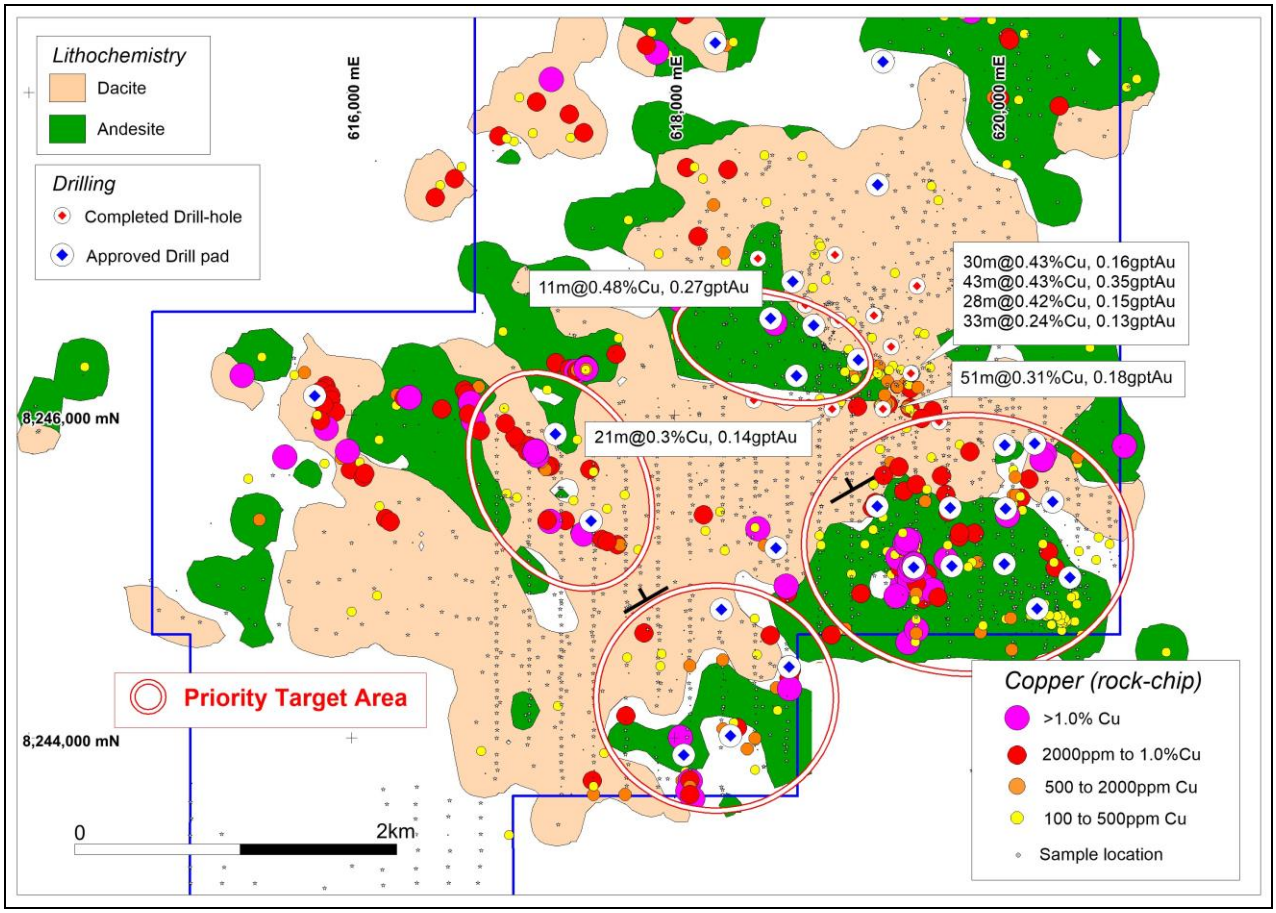


Figure 8: Cerro de Fierro copper distribution showing planned drill-hole locations

Systematic rock-chip sampling to the east of the Cerro de Fierro prospect was completed during the Quarter with a total of ~1280 samples collected and analysed. At least six new copper target areas have been outlined by this program, all focused within and around the regional east-west structural corridor that appears to be associated with the main Cerro de Fierro prospect (*Figure 9*).

Anomalous copper (>200ppm Cu) and/or molybdenum values (>8ppm Mo) within areas of advanced argillic alteration, suggest there is also potential for porphyry-style copper mineralisation as well as manto-style (replacement) copper within the volcanic stratigraphy.

Additional copper targets are likely to be hidden to the east of Cerro de Fierro due to extensive cover in this area. The Company's proprietary aeromagnetic survey data are being used to help identify additional areas of interest ahead of further exploratory work (including drilling) in this area.

While COVID-19 has caused disruptions to exploration activities in Peru, the Company has received Government approval to continue its exploration programs under strict health and safety protocols. This includes drilling operations at our projects.

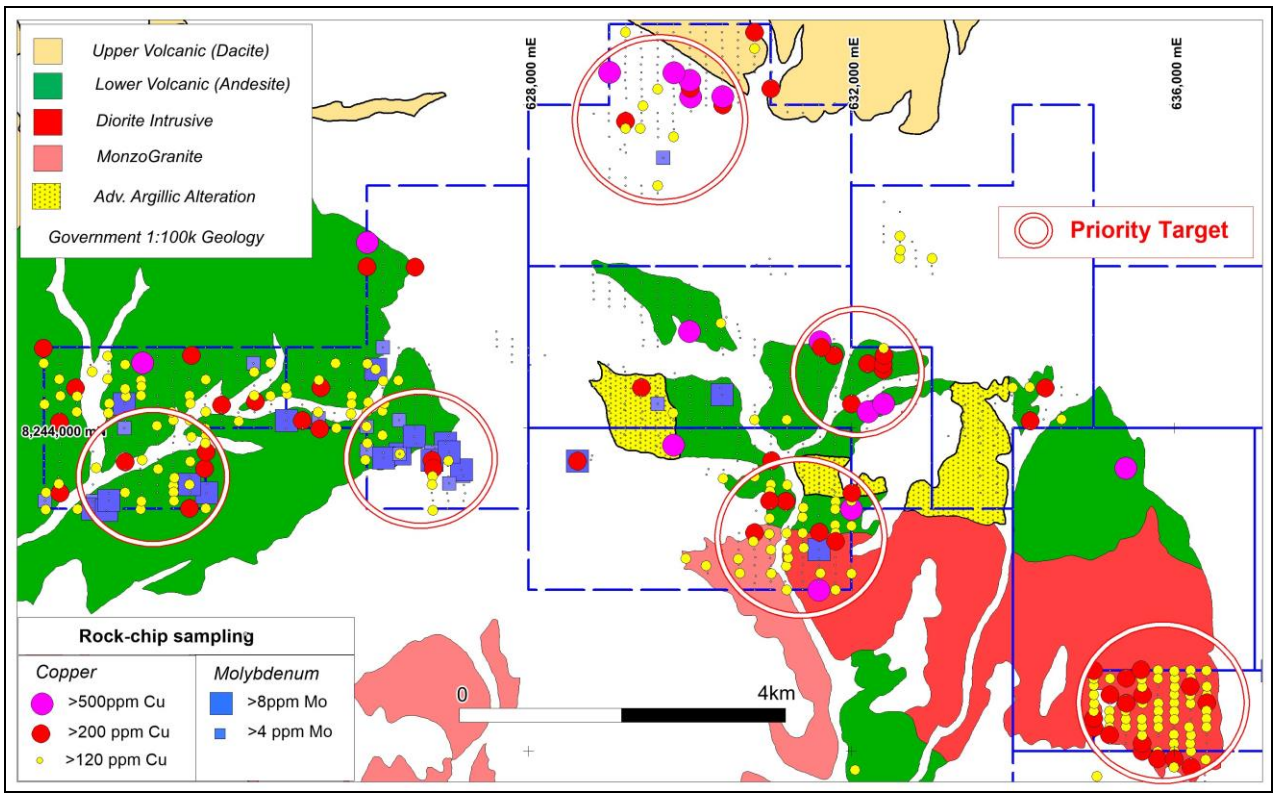


Figure 9: Cerro de Fierro East prospect showing target areas identified by rock-chip sampling

<u>Parcoy IOCG</u> *(100% AQD – South32 earning to 70%)*

The Parcoy Project is located near the southern end of a recognised Iron-Oxide Copper-Gold (IOCG) metallogenic belt in southern Peru. It lies within ~100km of the Mina Justa deposit (~475Mt @ 0.68% Cu), and ~50km north-west of the Company's Cerro de Fierro Project. Geological mapping and rock-chip sampling has identified significant concentrations of copper (+/- gold) at surface, reflecting potential manto-style mineralisation within the volcanic stratigraphy. The project 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.

During the Quarter, Government permits were received to allow the initial drilling program to commence. A total of 20 drill pads have been approved to test priority copper (+/- gold) targets outlined by soil and rock-chip sampling programs which returned numerous copper assays in excess of 1.0% Cu within andesitic volcanics, similar to those found at the Company's Cerro de Fierro Project, located ~50km to the south.

An initial program of ~1,700m diamond drilling (minimum four holes) has been designed to provide 'Proof of Concept' for manto-style copper within the volcanics, and determine the Project's potential for large-scale, structurally related copper (+/-gold) mineralisation (*Figure 10*).

Access preparations are expected to start in late March-early April and take approximately 6 to 8 weeks to complete due to the poor access that currently exists in the area. Drilling is expected to commence in late Q2 2021 and will take 2-3 months to complete.

The Company expects timing of drilling operations at Parcoy and Cerro de Fierro will result in semi-continuous drilling in Peru over at least the next six to nine months.

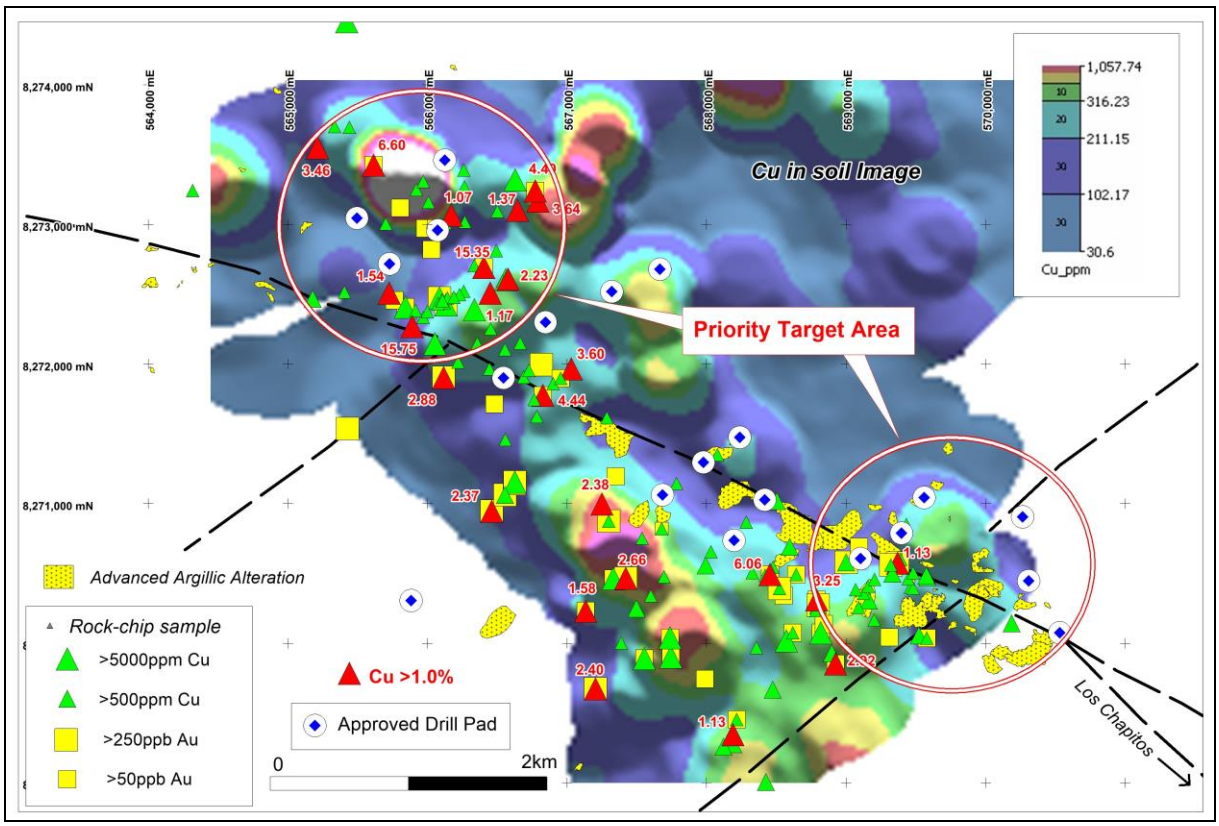


Figure 10: Parcoy copper distribution showing priority drill-hole locations

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

The Los Otros project is located close to the Palaeocene Porphyry Copper Belt of southern Peru which is the major copper producing region in the country. It lies within 35km of the Cuajone mine (~1.6Bt @ 0.6%Cu), and 40km from the Quellaveco deposit (~1.3Bt @ 0.57%Cu) currently being developed by Anglo American. Exploration work at Los Otros is being funded under the SAA.

At Los Otros, permitting to allow drill-testing of a porphyry copper target(s) continued during the Quarter with environmental and archaeological studies now completed and community consultation meetings planned for Q1 2021.

The Company expects the permitting process to be completed around mid-2021, which will allow drilling operations at Los Otros to commence during the second half of 2021.

The porphyry copper target(s) is associated with an area of advanced argillic alteration (~1km²) that appears to have a Palaeocene age date, similar to the age dates reported for the nearby giant porphyry copper deposits.

New Opportunities (Peru)

New tenement applications (three Mineral Concessions) were submitted to consolidate the Company's land position in the Puite-Ventura area, where historical drilling suggests there could be potential for buried porphyry copper mineralisation. A review of available data in the area was initiated ahead of possible further mapping and sampling to identify targets for testing.

CORPORATE

The Company continues to monitor advice from the Government and health authorities with regard to restrictions imposed by COVID-19, in order to ensure the health and well-being of its employees and contractors.

During the Quarter, the Company invested $1.64 million in exploration and had approximately $1.2 million in cash remaining at the end of December. In addition, a $761,000 R&D tax refund was received on the 7th January and additional funding from

South32 to cover agreed work programs (including drilling) over the Strategic Alliance Projects is expected in Q1 2021.

The Company's Cashflow Report (Appendix 5B) for the Quarter ended 31 December 2020 is appended to this report. Payments to related parties as shown in section 6 of this report include director salary and superannuation payments of $54,750, and payments of $12,000 for corporate consulting fees to a director.

KEY ACTIVITIES – MARCH 2021 QUARTER

- Gunanya (Au-Cu) – Complete assessment of results and plan future program;
- Hamilton (Cu-Au) – Planning for Stage 3 drilling to commence in April;
- Balladonia (Cu-Au-Ni) – Complete access and commence reconnaissance air-core drilling;
- Moora (Ni-Cu) – Complete access agreements, start auger sampling over key target areas;
- Morrisey (Ni-Cu) – In-fill sample priority soil anomalies, plan future programs;
- Peru (Cu-Au) – Commence Stage 3 drilling operations at Cerro de Fierro;
- Peru (Cu-Au) – Commence access preparation for initial drill testing at Parcoy;
- Peru (Cu-Au) – Continue drill permit process at Los Otros;
- Peru (Cu-Au) – Compile and plan future programs in the Puite-Ventura area.

Authorised for release on behalf of the Company by:



Graeme Drew
Managing Director

COMPETENT PERSON'S STATEMENT

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

FORWARD LOOKING STATEMENT

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

AusQuest Limited: Tenement Schedule as at 31 December 2020

Tenement	Location	Interest Held: Start of Quarter	Interest Held: End of Quarter	Registered Holder
Australia				
E69/3246	WA, Balladonia	100%	100%	AusQuest Ltd.
E69/3558	WA, Balladonia	100%	100%	AusQuest Ltd.
E69/3671	WA, Balladonia	100%	100%	AusQuest Ltd.
E52/3603	WA, Tangadee	100%	Nil	AusQuest Ltd.
E45/5394	WA, Runton	100%	100%	AusQuest Ltd
E45/5395	WA, Runton	100%	100%	AusQuest Ltd
E69/3664	WA, Madley	100%	100%	AusQuest Ltd.
E69/3665	WA, Madley	100%	100%	AusQuest Ltd.
E69/3690	WA, Madley	100%	100%	AusQuest Ltd.
E45/5447	WA, Gunanya	100%	100%	AusQuest Ltd.
E70/5388	WA, Moora	Nil	100%	AusQuest Ltd.
E70/5401	WA, Moora	Nil	100%	AusQuest Ltd.
E70/5402	WA, Moora	Nil	100%	AusQuest Ltd.
E70/5418	WA, Moora	Nil	100%	AusQuest Ltd.
EPM 26681	QLD, Hamilton	100%	100%	AusQuest Ltd.
EPM 26682	QLD, Hamilton	100%	100%	AusQuest Ltd.
Peru				
Azucar West E	Moquegua	100%	100%	Questdor SAC
Cerro Ardines 12	Arequipa	Nil	100%	Questdor SAC
Cerro De Fierro A	Arequipa	100%	100%	Questdor SAC
Cerro De Fierro B	Arequipa	100%	100%	Questdor SAC
Cerro De Fierro C	Arequipa	100%	100%	Questdor SAC
Chololo 1	Moquegua	100%	100%	Questdor SAC
Chololo 2	Moquegua	100%	100%	Questdor SAC
Los Otros 01	Moquegua	100%	100%	Questdor SAC
Los Otros 02	Moquegua	100%	100%	Questdor SAC
Los Otros 03	Moquegua	100%	100%	Questdor SAC
Los Otros 04	Moquegua	100%	100%	Questdor SAC
Los Otros 05	Moquegua	100%	100%	Questdor SAC
Los Otros 06	Moquegua	100%	100%	Questdor SAC
Los Otros 07	Moquegua	100%	100%	Questdor SAC
Los Otros 08	Moquegua	100%	100%	Questdor SAC
Pampa De Las Pulgas AF	Moquegua	100%	100%	Questdor SAC
Pampa De Las Pulgas J	Moquegua	100%	100%	Questdor SAC
Pampa De Las Pulgas K	Moquegua	100%	100%	Questdor SAC
Pampa De Las Pulgas O	Moquegua	100%	100%	Questdor SAC
Pampa De Las Pulgas P	Moquegua	100%	100%	Questdor SAC
Pampa De Las Pulgas X	Moquegua	100%	100%	Questdor SAC
Pampa De Las Pulgas Y	Moquegua	100%	100%	Questdor SAC
Pampa De Las Pulgas Z	Moquegua	100%	100%	Questdor SAC
Parcoy 01	Arequipa	100%	100%	Questdor SAC
Parcoy 02	Arequipa	100%	100%	Questdor SAC
Parcoy 03	Arequipa	100%	100%	Questdor SAC
Parcoy 04	Arequipa	100%	100%	Questdor SAC
Parcoy 05	Arequipa	100%	100%	Questdor SAC
Parcoy 06	Arequipa	100%	100%	Questdor SAC
Parcoy 07	Arequipa	100%	100%	Questdor SAC
Parcoy 08	Arequipa	100%	100%	Questdor SAC
Parcoy 09	Arequipa	100%	100%	Questdor SAC
Parcoy 10	Arequipa	100%	100%	Questdor SAC

AusQuest Limited Tenement Schedule as at 31 December 2020 - cont'd

Tenement	Location	Interest Held: Start of Quarter	Interest Held: End of Quarter	Registered Holder
Peru Cont.				
Ventura 1	Moquegua	Nil	100%	Questdor SAC
Ventura 2	Moquegua	100%	100%	Questdor SAC
Ventura 3	Moquegua/Tacna	100%	100%	Questdor SAC
Ventura 4	Moquegua/Tacna	100%	100%	Questdor SAC
Ventura 5	Moquegua	100%	100%	Questdor SAC

JORC Code, 2012 Edition – Table 1 Report Soil Sampling – Morrisey Nickel Project

Section 1 Sampling Techniques and Data

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

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *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.*	• Reconnaissance soil sampling was completed along regional lines located kilometres apart. Samples were collected at 50m and 100m intervals along each line. • Sample locations were recorded by hand-held GPS. • Soil sampling sites 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 material to pass a 400 microns (µm) sieve. • Approximately 200g of material was collected in a numbered kraft packet.
Drilling techniques	• *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).*	• No drilling undertaken
Drill sample recovery	• *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.*	• No drilling undertaken
Logging	• *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.*	• No drilling undertaken

Criteria	JORC Code explanation	Commentary
Sub-sampling techniques and sample preparation	• *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.*	• No sub-sampling was completed
Quality of assay data and laboratory tests	• *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.*	• The samples were submitted to Intertek Genalysis Maddington, WA, for 48 element suite 4A/MS48 • Samples were subjected to a multi-acid digest, including Hydrofluoric, Nitric, Perchloric and Hydrochloric acids, in teflon tubes providing close to a total digest for most elements. • Samples were analysed (48 elements) by Inductively Coupled Plasma Mass Spectrometry.
Verification of sampling and assaying	• *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.*	• 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	• *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.*	• Sample locations are established with a handheld GPS to +/- 5m accuracy.
Data spacing and distribution	• *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.*	• Samples were collected on regional lines located kilometres apart at 50m and 100m intervals along each line.
Orientation of data in relation to	• *Whether the orientation of sampling achieves unbiased sampling of possible*	• Sample lines were oriented perpendicular to the

Criteria	JORC Code explanation	Commentary
geological structure	*structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	strike of the inferred stratigraphy.
Sample security	• *The measures taken to ensure sample security.*	• Samples were securely sealed in the field, followed by packing into larger sealed plastic bags or boxes for transport to the assay laboratory.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• 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
Mineral tenement and land tenure status	• *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.* • *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.*	• The Morrisey Project is located approximately 150 km north-east of Geraldton in Western Australia. • Tenement holdings include Exploration Licence applications E70/5383 and E09/2397. • Aboriginal heritage surveys are routinely completed ahead of ground disturbing activities.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Previous exploration is very limited and was mainly focused on iron ore and gold targets together with some regional diamond exploration by Stockdale Prospecting and CRA Ltd. • Limited aircore drilling and surface lag sampling was reported by several companies that were targeting magnetic anomalies as possible iron ore or nickel prospects but no RC or diamond drilling has been reported. • Detailed aeromagnetic data was acquired over the northern half of EL 70/5383 and the southern part of EL 70/2397 as part of a search for iron ore. This data is being used by the current exploration in the area.

Criteria	JORC Code explanation	Commentary
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The Morrisey Project is targeting nickel-copper mineralisation in mafic/ultramafic intrusions within the Narryer Terrane which forms the NW margin of the Yilgarn Craton.

Drill hole Information	• *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:*
	  ○ *easting and northing of the drill hole collar*
	  ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*
	  ○ *dip and azimuth of the hole*
	  ○ *down hole length and interception depth*
	  ○ *hole length.*
	• *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.*
		• No drilling undertaken

Data aggregation methods	• *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.*	• No drilling undertaken
Relationship between mineralisation widths and intercept lengths	• *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').*	• No drilling undertaken
Diagrams	• *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.*	• Soil sediment sample locations are provided in the ASX release.

Criteria	JORC Code explanation	Commentary
Balanced reporting	• *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.*	• Interpretation of the regional soil assay results is provided in the ASX release.
Other substantive exploration data	• *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.*	• The area was selected for sampling based on geological and geophysical data interpretations by the company.
Further work	• *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.*	• Proposals of further work will be done after a thorough analysis of the data is completed.

JORC Code, 2012 Edition – Table 1 AusQuest Rock-Chip Sampling Cerro de Fierro

Section 1 Sampling Techniques and Data

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

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *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.*	• Rock chip sampling comprises the collection of rocks, usually by hammering an outcrop, with samples being of variable size and quality. • Sample locations are recorded by hand-held GPS. • Samples were collected on a rough 200m x 100m grid with location variations due to topography. • Approximately 2 kg of rock was collected from each sample site over a radius of ~1 metre to provide a representative sample of the outcrop.
Drilling techniques	• *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).*	• Not applicable – surface sampling only
Drill sample recovery	• *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.*	• Not applicable – surface sampling only
Logging	• *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.*	• Descriptions of the rocks were completed by a project geologist.

Criteria	JORC Code explanation	Commentary
Sub-sampling techniques and sample preparation	• *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.*	• No sub-sampling of rock-chip samples was undertaken • Approximately 2 kg of rock was collected from each sample site over a radius of ~1 metre to provide a representative sample of the outcrop. • The grid based sampling program provided an unbiased sample for lithological and alteration geochemistry.
Quality of assay data and laboratory tests	• *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.*	• Rock chip samples are crushed and pulverized to 85% minus 75 microns, then a representative sub-sample is collected for digestion using a 4 acid digest, followed by analysis by ICP-MS and/or AES to measure Ag, Al, As, Ba, Be, Bi, Ca, Cd, Co, Cr, Cu, Fe, K, La, Li, Mg, Mn, Mo, Na, Ni, P, Pb, S, Sb, Sc, Sn, Sr, Ti V, W, Y, Zn, Zr. • Gold are assayed by 30gm fire assay with AAS finish. • Assays are provided by ALS del Peru in Lima which is a certified laboratory for mineral analyses. Analytical data is transferred to the company via email. • In laboratory QAQC data is reviewed for all assay jobs. Blanks and standards are included with all sample batches.
Verification of sampling and assaying	• *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.*	• Rock-chip sampling is compiled into Excel spreadsheets for merging with assay data when it becomes available. • Digital data is regularly backed-up on the company's servers.
Location of data points	• *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.*	• Sample locations are recorded using GPS to within 5 metres accuracy. • The grid projection used is WGS84 Zone 18S

Criteria	JORC Code explanation	Commentary
	• *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Topographic control is obtained from GPS readings or topographic maps and is considered adequate for current needs
Data spacing and distribution	• *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.*	• Rock chip samples were collected on a rough 200m x 100m grid. • Approximately 2 kg of rock was collected from each sample site over a radius of ~1 metre.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• The grid based rock-chip sampling was oriented at an angle to both structure and stratigraphy.
Sample security	• *The measures taken to ensure sample security.*	• Samples are securely tied/sealed in the field, followed by packing into larger sealed plastic bags for transport to the laboratory.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• 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
Mineral tenement and land tenure status	• *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.* • *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.*	• The Cerro de Fierro project is located approximately 30 km east of the town of Chala in the south of Peru. • The Cerro de Fierro project comprises 3 granted mineral concessions and 12 mineral concession applications. The tenements are held by Questdor which is a 100% subsidiary of AusQuest Limited. • There are no major heritage issues to prevent access to the tenements during surface exploration activities. Permits to drill are required including environmental, water and land access involving community consultations. • The Cerro de Fierro project is subject to a Strategic

Criteria	JORC Code explanation	Commentary
		Alliance Agreement with South32.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• No public reporting of exploration data is required in Peru.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The Cerro de Fierro project is targeting manto-style IOCG deposit along the coastal belt of southern Peru. These are large scale disseminated copper (and gold) deposits found within orogenic belts that surround the Pacific Rim. The deposits can be areally large requiring significant drilling to evaluate..

Drill hole Information	• *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:*
	  ○ *easting and northing of the drill hole collar*
	  ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*
	  ○ *dip and azimuth of the hole*
	  ○ *down hole length and interception depth*
	  ○ *hole length.*
	• *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.*
		• Not applicable – surface sampling only

Data aggregation methods	• *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.*	• Not applicable – surface sampling only.
Relationship between mineralisation widths and intercept lengths	• *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').*	• Not applicable – surface sampling only

Criteria	JORC Code explanation	Commentary
Diagrams	• *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.*	• Sample locations are included on the plan provided in ASX release.
Balanced reporting	• *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.*	• Assay ranges are shown on the plan provided in ASX release.
Other substantive exploration data	• *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.*	• The area was selected for sampling to cover EW structures that extended from the known mineralization at Cerro de Fierro. Grid based sampling was used to provide unbiased sampling for lithological and alteration mapping.
Further work	• *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.*	• Further work in this area will be dependent on a full assessment of the assay data and compilation with other data sets.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

AUSQUEST LIMITED

ABN	Quarter ended ("current quarter")
35 091 542 451	**31 December 2020**

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (6 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	182	365
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(47)	(91)
	(e) administration and corporate costs	(121)	(382)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	1
1.5	Interest and other costs of finance paid	(1)	(2)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	27	107
1.8	Other (provide details if needed)	-	-
1.9	**Net cash from / (used in) operating activities**	**40**	**(2)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	(2)
	(d) exploration & evaluation	(1,644)	(2,894)
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter $A'000	Year to date (6 months) $A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other:		
	- Funding received from South 32 under the Strategic Alliance Agreement	887	1,484
2.6	**Net cash from / (used in) investing activities**	**(757)**	**(1,412)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
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		
	- Lease liability payments	(14)	(37)
3.10	**Net cash from / (used in) financing activities**	**(14)**	**(37)**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	1,986	2,719
4.2	Net cash from / (used in) operating activities (item 1.9 above)	40	(2)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(757)	(1,412)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(14)	(37)
4.5	Effect of movement in exchange rates on cash held	(31)	(44)
4.6	**Cash and cash equivalents at end of period**	**1,224**	**1,224**

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	1,224	1,986
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)**	**1,224**	**1,986**

6.	**Payments to related parties of the entity and their associates**	**Current quarter $A'000**
6.1	Aggregate amount of payments to related parties and their associates included in item 1	17
6.2	Aggregate amount of payments to related parties and their associates included in item 2	50

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	**-**	**-**

7.5	**Unused financing facilities available at quarter end**	-

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

N/A

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	40
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(1,644)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(1,604)
8.4	Cash and cash equivalents at quarter end (item 4.6)	1,224
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	1,224
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	0.76

Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.

8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:

8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:

Operating costs and overheads vary depending on the level of exploration work completed during each Quarter. Net cash flows from operating activities are also influenced by the level of funding provided under the Company's Strategic Alliance Agreement (SAA) with South32 (S32).

Subsequent to the reporting date, the Company received a R&D Tax Refund (A$761k) and further funds (US$612k) from S32 for ongoing exploration work on SAA projects.

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

At present, the Company has not initiated any fundraising activities. However the Company is confident in securing additional working capital through new equity issue or loans should the need arise in the foreseeable future.

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

The Company expects to be able to continue its exploration activities as they are largely funded by S32 under the SAA. For exploration activities that the Company chooses to undertake itself, the directors are aware that the Group has the option, if necessary, to defer expenditure or to relinquish certain projects or to reduce administration costs in order to minimise cash outflows. The directors are also confident that the Group will be successful in raising additional funds through the issue of new equity, should the need arise.

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

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.

Date: 28 January 2021

Authorised by: By the Board
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow 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 cash flow 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.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.