AUSQUEST LIMITED

ABN 35 091 542 451

Quarterly Report – 30th September 2022

Multiple large-scale base metal targets being drill-tested in Australia and Peru, with more drilling planned for 2023

HIGHLIGHTS

Australia – Copper, Zinc, Nickel, Gold

- Further drilling planned under the Strategic Alliance with South32 to test for Broken Hill Type (BHT) and/or Cannington-style lead-zinc-silver mineralisation within the Balladonia Project in the Fraser Range region of Western Australia (WA).
- Site clearance and access preparations planned for Q4 2022 with drilling expected to re-commence in Q1 2023, subject to clearances and drill-rig availability.
- Drilling (1 hole/~500m) commenced at the Hamilton Copper Project in NW Queensland to test an off-hole conductor located within the mineralised banded iron formation (BIF) sequence. Results are pending.
- Potential host rocks for nickel-copper-PGE mineralisation confirmed at the Morrisey Project (WA) with the Company's maiden drilling program also reporting highly anomalous iron assays (>30% Fe) over substantial thicknesses (>60m) due to coarsely crystalline magnetite. Beneficiation test work is planned for the iron opportunity.
- Large, deep (~600m) conductive target identified by Electromagnetic (EM) surveys at the Jubilee Lake Nickel-Copper-PGE Project (WA) adjacent to the Rodona Shear zone. Drilling is being planned for H1 2023.
- The first Land Access and Compensation Agreement has been signed to allow initial drilling to be undertaken at the Moora Nickel-Copper-PGE Project north of Perth.

Peru – Copper-Gold

- Zone of anomalous copper at the Parcoy Project extended by wide-spaced Reverse Circulation (RC) drilling over the full strike length (~5km) of the prospect. Alteration patterns point to possible nearby porphyry copper mineralisation.
- Five large porphyry copper targets being drilled for the very first time at the Pirata prospect, to the east of Cerro de Fierro, with a major RC drilling program (~6,700m) currently underway. The program is expected to take ~8 weeks to complete.
- At the Ventura prospect south of Ilo, prospecting identified stockwork veining coincident with copper-in-soil anomalies, highlighting the potential for a new porphyry copper target.

Corporate

- The Company's Quarter-end cash position was ~$5.8 million.

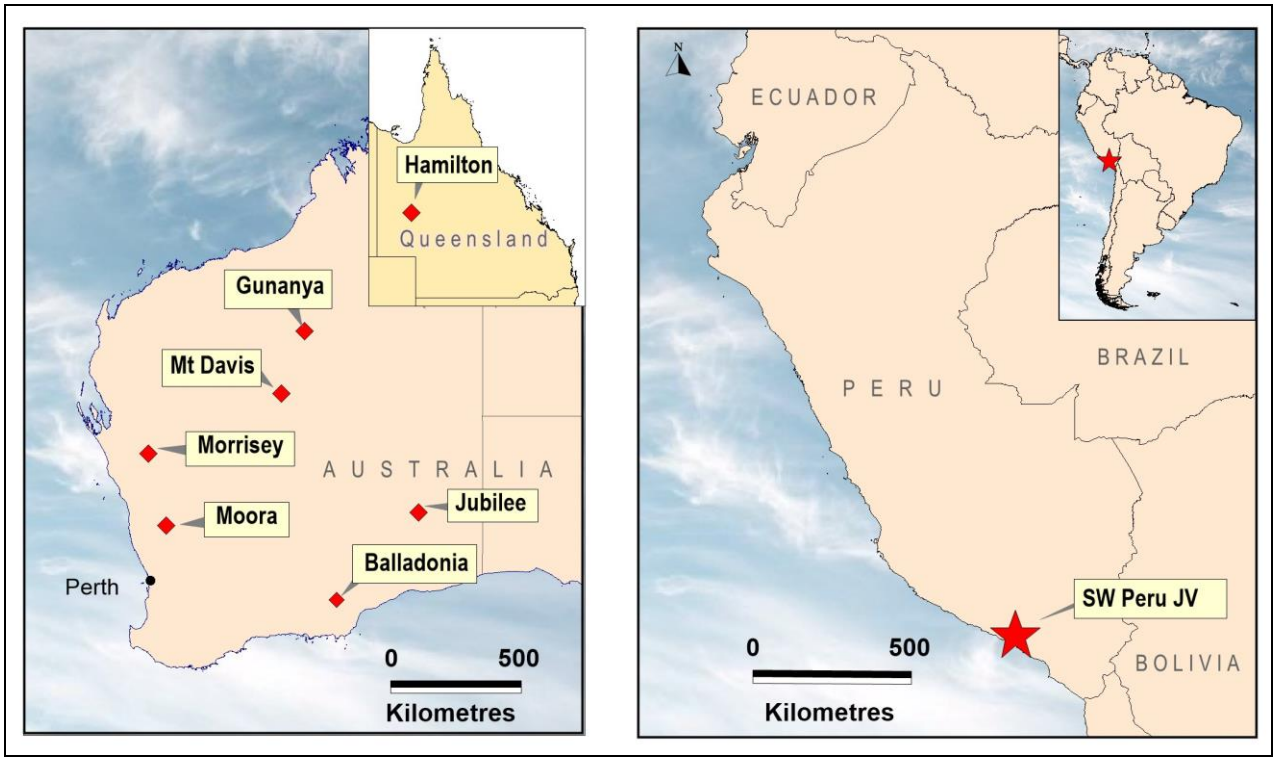

Figure 1: Project Locations – Australia and Peru.

OVERVIEW

Major drilling programs continued throughout the September Quarter across the Company's projects in Australia and Peru, testing a range of high-priority base metal targets under the Strategic Alliance Agreement (SAA) with a wholly-owned subsidiary of South32 Limited (South32).

In **Australia,** drilling programs at the Hamilton Copper Project in NW Queensland and the Morrisey Nickel-Copper-Platinum Group Element (Ni-Cu-PGE) Project in WA were completed, and new drill targets were identified at the Jubilee Lake. Native Title clearance surveys have been planned for Q4 2022 to enable drilling to re-commence at the Balladonia Project and initial target drilling at Jubilee Lake to be completed in H1 2023. Land Access Agreements for the Moora Ni-Cu-PGE Project were also pursued with the first signing late in the Quarter, allowing conditional access for drilling.

In **Peru,** RC drilling at the Parcoy Copper Project was completed and RC drilling commenced at the Cerro de Fierro (Pirata) Copper Project late in the Quarter to test five large-scale porphyry copper and/or manto copper targets, and provide a major step forward in understanding the potential of this region to host significant porphyry copper mineralisation. Drilling is expected to be completed during H2 2022.

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

<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 (five granted and two applications) covering an area of ~840km² and is located within a structurally complex region of the Fraser Range Terrane. 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 in 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 Reserve. Exploration work at Balladonia is funded under the SAA.

Results from the drilling program completed last Quarter (see June 2022 Quarterly Report) were reviewed with South32 personnel, resulting in a recommendation for additional drilling to be undertaken at the Tea Tree Prospect and initial drill testing of priority magnetic targets located at Tea Tree North and at other locations within the Balladonia Project area (*Figure 2*).

Detailed gravity surveys over selected magnetic targets are also planned to prioritise drill targets and optimise drill sites ahead of future drilling.

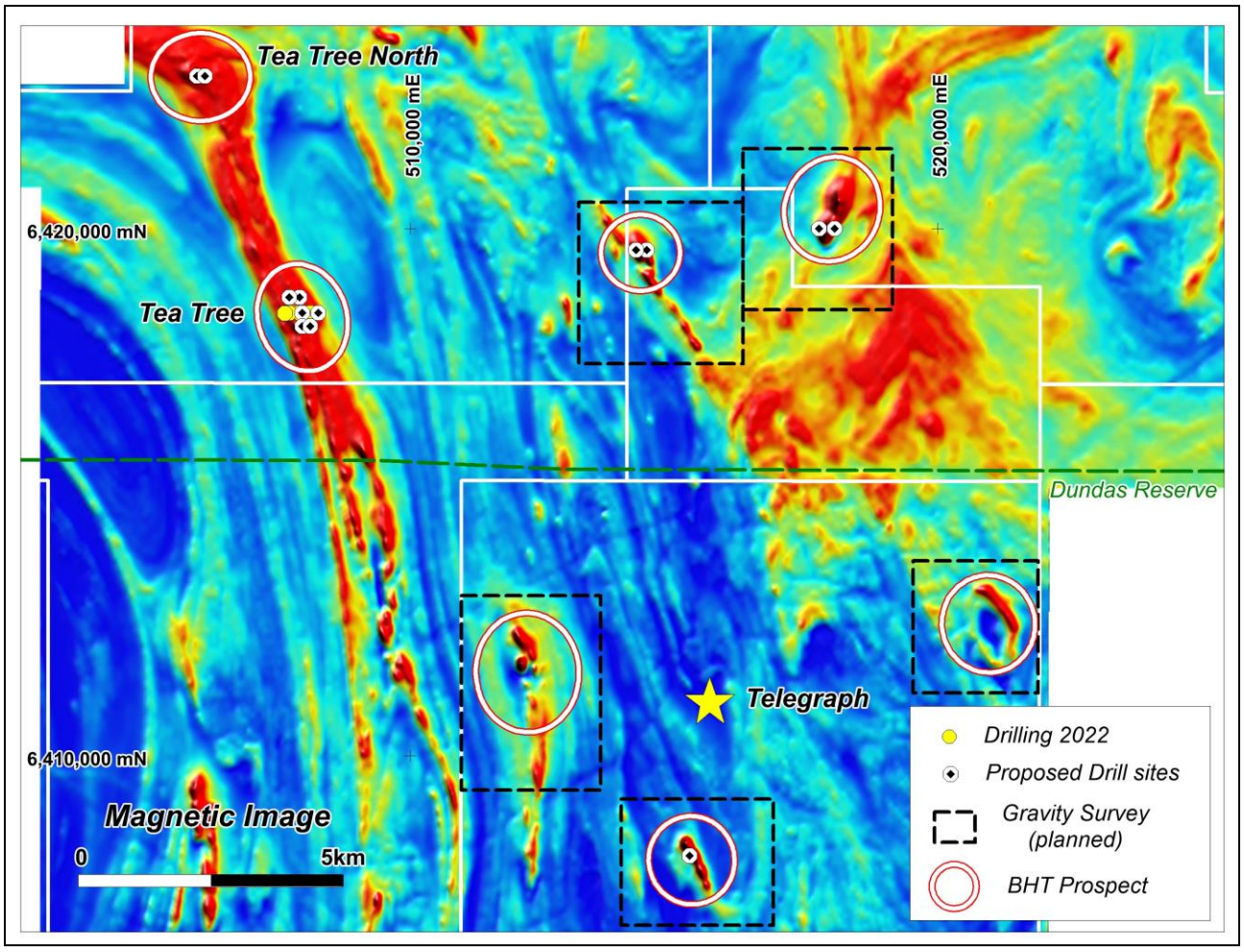

Figure 2: Balladonia Project: Magnetic Image showing BHT prospects and proposed drill sites.

Potential 'lode packages' similar to those found within the Cloncurry Belt of NW Queensland, have now been defined in the Fraser Province for the first time, significantly upgrading the base metal potential of this region.

The presence of thin banded iron formation units (BIFs), garnetiferous quartzites containing potassic (K), iron (Fe) and manganese (Mn) alteration, plus anomalous lead (Pb), zinc (Zn) and cadmium (Cd) values within the sequence, is considered highly encouraging for the discovery of Broken Hill Type (or Cannington style) Pb-Zn-Ag mineralisation.

High amplitude magnetic/gravity anomalies within the Balladonia Project are now considered high-priority targets for BHT (and possibly IOCG) mineralisation and will be the focus of ongoing exploration efforts, including drilling.

Native Title Heritage surveys have been planned and Government approvals will be

sought in Q4 2022 to allow access preparation to be completed ahead of drilling, which is expected to commence during Q1 2023 subject to clearance and drill-rig availability.

A new Conservation Management Plan (CMP) for Exploration Licence EL69/3825 has now been approved by Government, allowing exploration of high-priority magnetic targets within the Dundas reserve to re-commence under agreed guidelines.

<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 and ~70km south of the Osborne copper mine. It consists of two Exploration Licences covering an area of ~520km². Exploration is targeting iron oxide, copper, gold (IOCG) and Broken Hill Type (BHT) mineralisation beneath the extensive cover in the region. Limited historical drilling designed to test magnetic and gravity targets provided evidence for "near-miss" situations which are the focus of the Company's exploration programs. Exploration work at Hamilton is being funded under the SAA.

During the Quarter, modelling of down-hole electromagnetic (DHEM) data confirmed the presence of a high-conductance (3,000 to 5,000 Siemens) body approximately 50-75m south of recently completed drill-hole 22HMDD018 at the Hamilton North prospect, highlighting the potential for a sulphide body within the mineralised banded iron formation (BIF) sequence.

Diamond drilling (1 hole/~500m) to test the off-hole conductor commenced at the end of the Quarter with results from this drill-hole pending as at the date of this report (ASX release 3rd October).

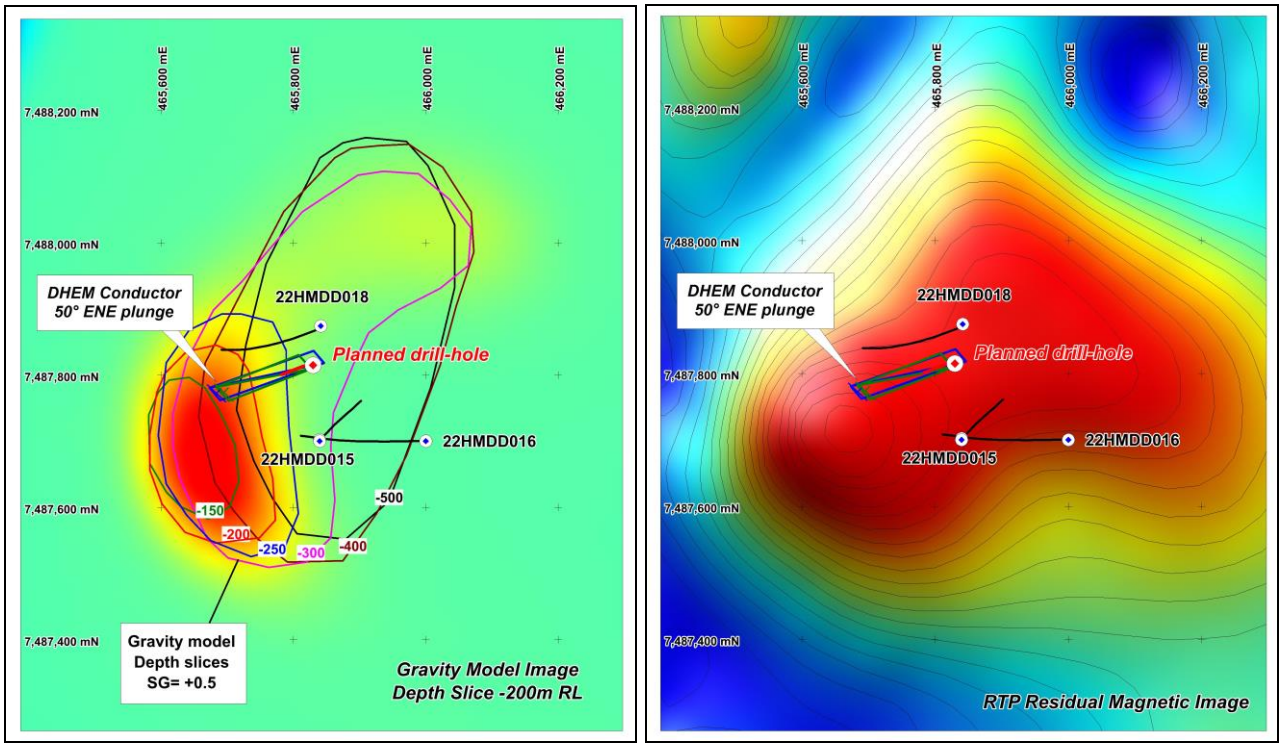

Figure 3: Hamilton North gravity & magnetics showing location of planned drill-hole and DHEM conductor.

The Hamilton Project covers a belt of magnetic rocks extending over a strike length of approximately 30km under Eromanga Basin cover, which is approximately 200m thick. Numerous magnetic targets within this belt have never been tested by drilling.

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

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 four granted Exploration Licences (ELs) and one EL applications covering an

area of ~1,000km² parallel to the Yilgarn Craton boundary. The area has become 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. Exploration work at Morrisey is funded under the SAA.

During the Quarter, initial reconnaissance RC drilling (three holes for 726m) was completed to test discrete EM targets at the Waterfall, Sandfly and Bilga rocks prospects which are closely associated with magnetic anomalies similar to the response over the Gonneville intrusion that hosts Ni-Cu-PGE mineralisation at the Julimar Project, north of Perth.

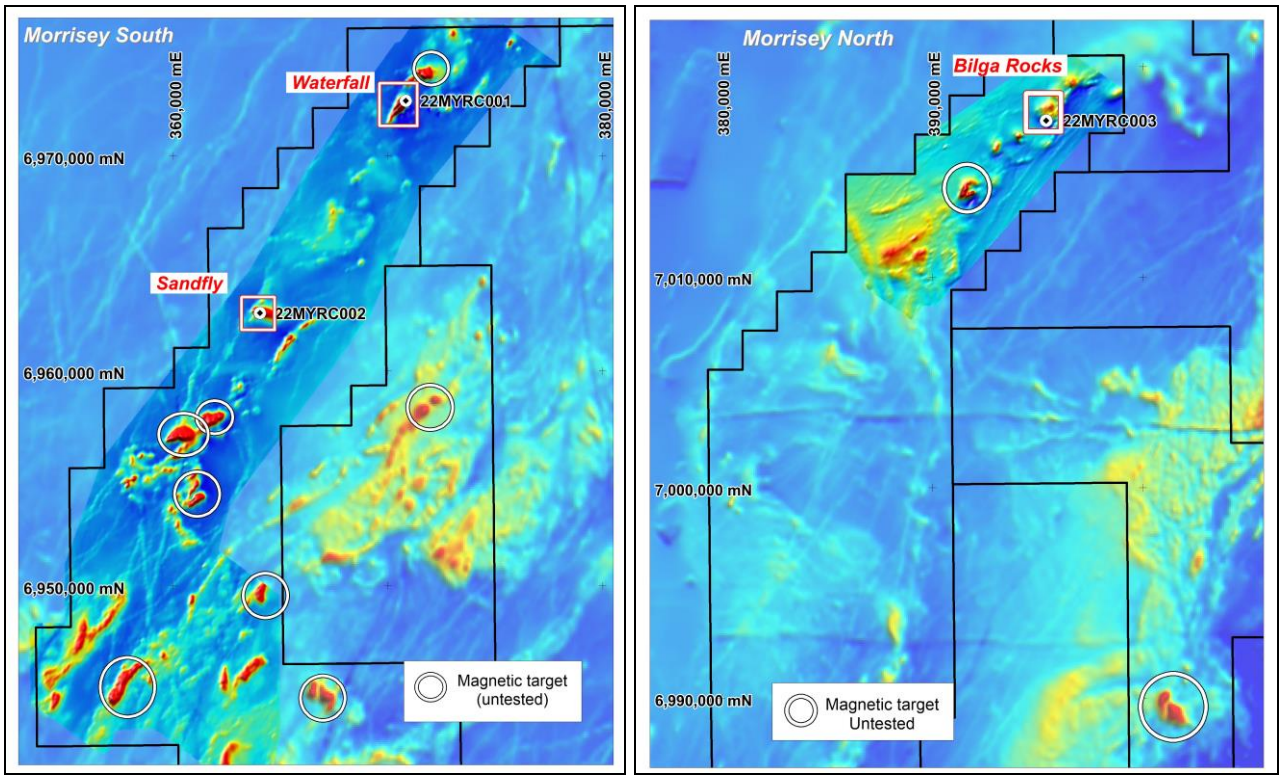

Figure 4: Magnetic images showing magnetic targets and drill-hole locations.

Drilling intersected a mixed sequence of high-grade metamorphic rocks including iron formations, mafic (meta-gabbros) and ultramafic (meta-pyroxenites) units, interleaved within a sequence of granitic gneisses (ASX release – 20th October).

At the Waterfall and Sandfly prospects, sulphide mineralisation (up to 13% S) within and marginal to the iron formations was found to be responsible for the EM anomalies being tested. The sulphide zones varied in thickness from a few metres up to 34 metres and consisted mainly of pyrrhotite and pyrite mineralisation, with no significant base metal anomalism reported.

Narrow (<20m) intervals of ultramafics containing elevated chrome (>1,000ppm Cr), magnesium (>10% Mg) and nickel (up to 1,350ppm Ni) values were also reported at Sandfly and Waterfall, reflecting potential host rocks for Ni-Cu-PGE mineralisation. The extent of these units is unknown given the limited drilling to date but is likely to be more extensive than indicated by the initial drilling.

High iron values (25% to 39% Fe) were also reported in drill-holes 22MYRC001 and 22MYRC002 at the Waterfall and Sandfly prospects respectively, due to significant quantities of coarsely crystalline magnetite within relatively thick (up to 60 metres) metamorphosed iron formations. Beneficiation test work (Davis Tube) has been initiated to see if the magnetite can be easily upgraded by screening and magnetic separation.

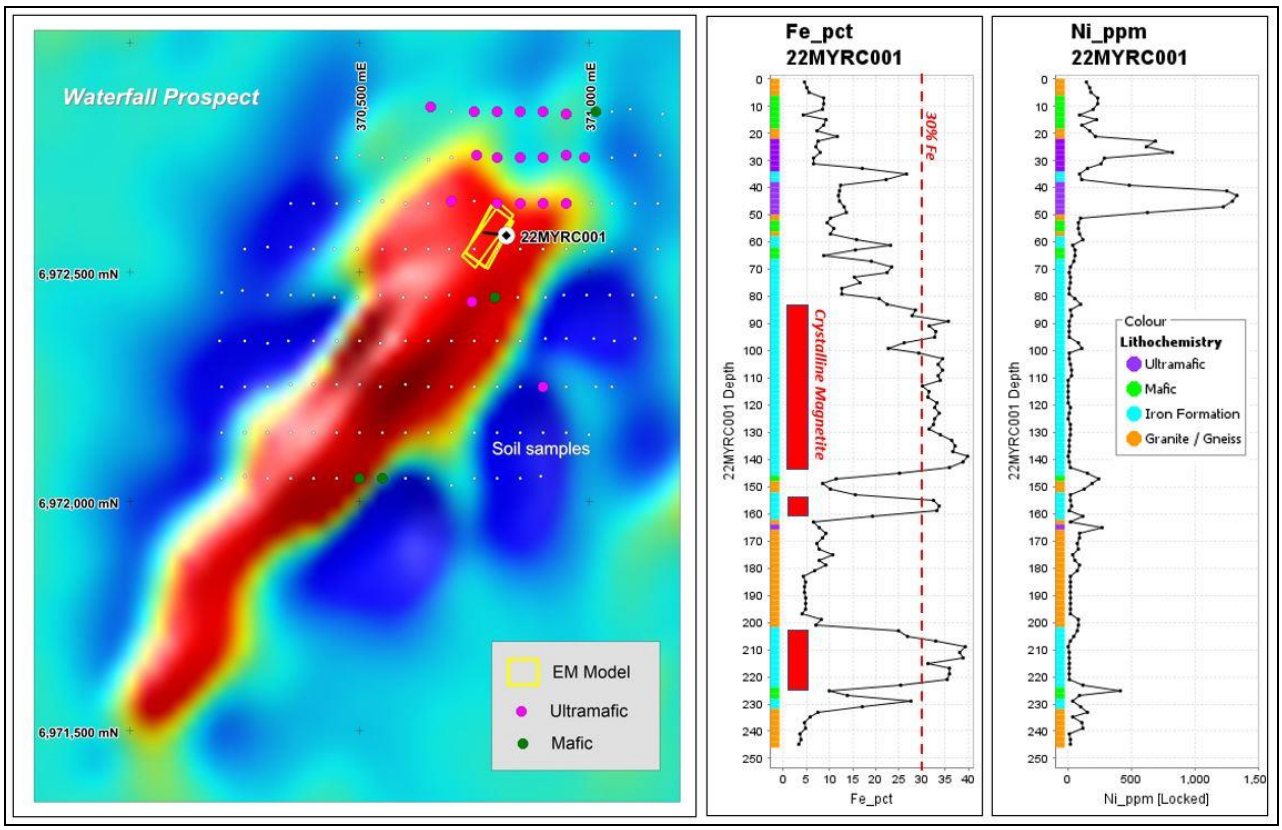

Figure 5: Waterfall prospect showing drill-hole on magnetics and Fe, Ni down-hole assays.

At Bilga Rocks, drill-hole 22MYRC003 intersected a thick body (>120m) of meta-gabbro, which appears to form part of a much larger magnetic complex that extends for several kilometres to the north. The lack of iron formation within this drill-hole suggests that the strong magnetic anomalies north of 22MYRC003 could reflect ultramafic units that were not tested by this program. Trace sulphides (mainly pyrite) reported throughout the meta-gabbro partly explain the EM response that was the initial target of drilling.

Numerous magnetic anomalies evident in the regional magnetic data are now considered to have potential for either magnetite and/or Ni-Cu-PGE mineralisation based on the results of this program. None of these targets have previously been tested by drilling.

<u>Jubilee Lake Nickel-Copper-PGE Project</u>
(100% AQD, subject to SAA)

The Jubilee Lake Project is located ~500km east of Kalgoorlie in Western Australia, within the northern portion of the Eucla Basin. It consists of one granted Exploration Licence (EL) and five EL applications covering a total area of ~3,200km². The Project is situated within a large flood basalt terrane close to the south-eastern margin of the Yilgarn Craton and is centred over the Rodona Shear, which shows strong evidence as being the key feeder structure to the surrounding flood basalts. Mafic/ultramafic intrusions associated with feeder structures to flood basalt terranes are considered prime targets for Ni-Cu-PGE sulphide deposits, similar to those found at the giant Norilsk deposits in Russia, and more locally at Nebo-Babel (Oz Minerals) and possibly at Nova-Bollinger (IGO), both nearby deposits.

During the Quarter, a moving-loop transient-electromagnetic (MLTEM) survey was completed along the Rodona Shear zone to search for potential sulphide mineralisation associated with interpreted intrusions.

A total of ~48 kilometres (398 stations) were completed using 300m x 300m transmitter loops, a line spacing of 600m and station intervals varying from 100m to 300m. Survey specifications also included the use of a Jessy Deep Squid sensor, a SMARTem receiver at a base frequency of 0.25hz, and a sensor offset (150m) from the transmitter loop (slingram mode).

A strong late-time EM response was detected north of, and adjacent to, the Rodona Shear. A combination of Layered Earth and Plate modelling suggests that the response is due to a very large (kms x kms) but not well defined, deep (~600m), flat-lying conductor (>1,000 Siemens) that is interpreted to occur within Neo-Proterozoic sediments (possibly West Officer Basin sediments) that overlie older Proterozoic basement.

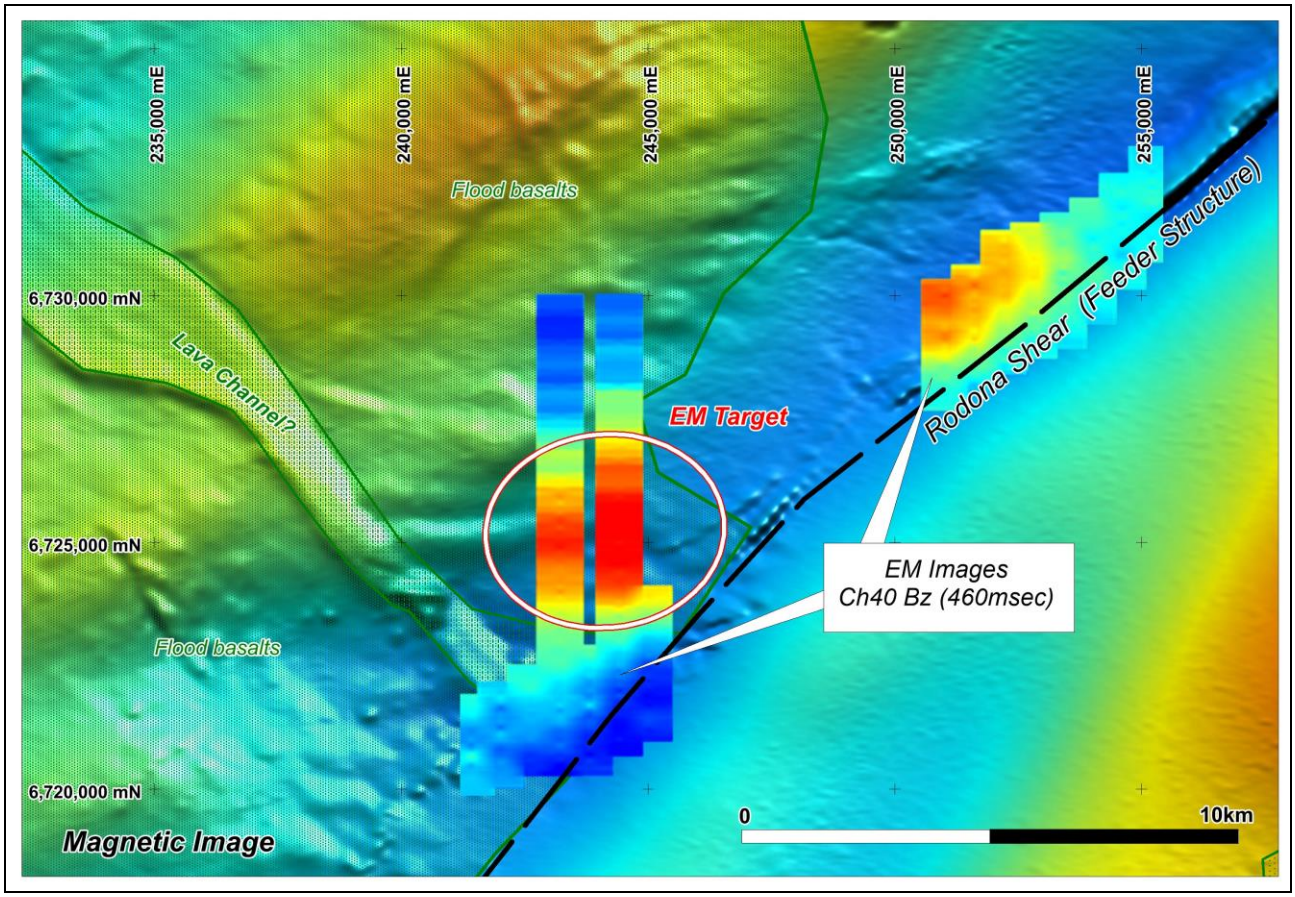

Figure 6: Jubilee Lake prospect showing location of EM target relative to Rodona Shear and flood basalts.

A review of historic logs from oil wells within the West Officer Basin to the north of this prospect indicates that the sedimentary sequence at Jubilee could contain evaporites and carbonate horizons, suggesting a potentially similar geological setting to the Noril'sk District in Russia, where large mafic/ultramafic sills that host the giant Ni-Cu-PGE orebodies occur at depth within a similar, flat-lying sedimentary sequence.

The EM target occurs below an extensive area of flood basalts as outlined by aeromagnetic data and appears to have a spatial relationship with the Rodona Shear Zone, which is considered to be a major deep-seated feeder fault to the extruded basalts.

A proposal to drill test this EM target has been accepted under the SAA and all necessary approvals are now being sought to allow drilling to commence in the first half of 2023.

Moora Nickel-Copper Project *(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 and covers an area of ~570km². The area 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, the first Land Access and Compensation Agreement (LACA) was signed to allow ground work (including drilling) to be undertaken at the Latham

Prospect, where an earlier gravity survey outlined a possible mafic/ultramafic intrusion with similarities to the Gonneville intrusion that hosts the Ni-Cu-PGE mineralisation at Julimar, north of Perth.

Previous helicopter EM and reconnaissance auger sampling at Latham failed to identify a target for drilling, but both surveys were adversely affected by alluvial cover and, in places, high ground water salinity. Targeted drilling to test the Ni-Cu-PGE fertility of the interpreted intrusion is being planned now that land access has been secured.

Negotiations to finalise a second LACA over the Wubin Prospect, where gravity and magnetics have outlined further possible mafic/ultramafic intrusions, are ongoing.

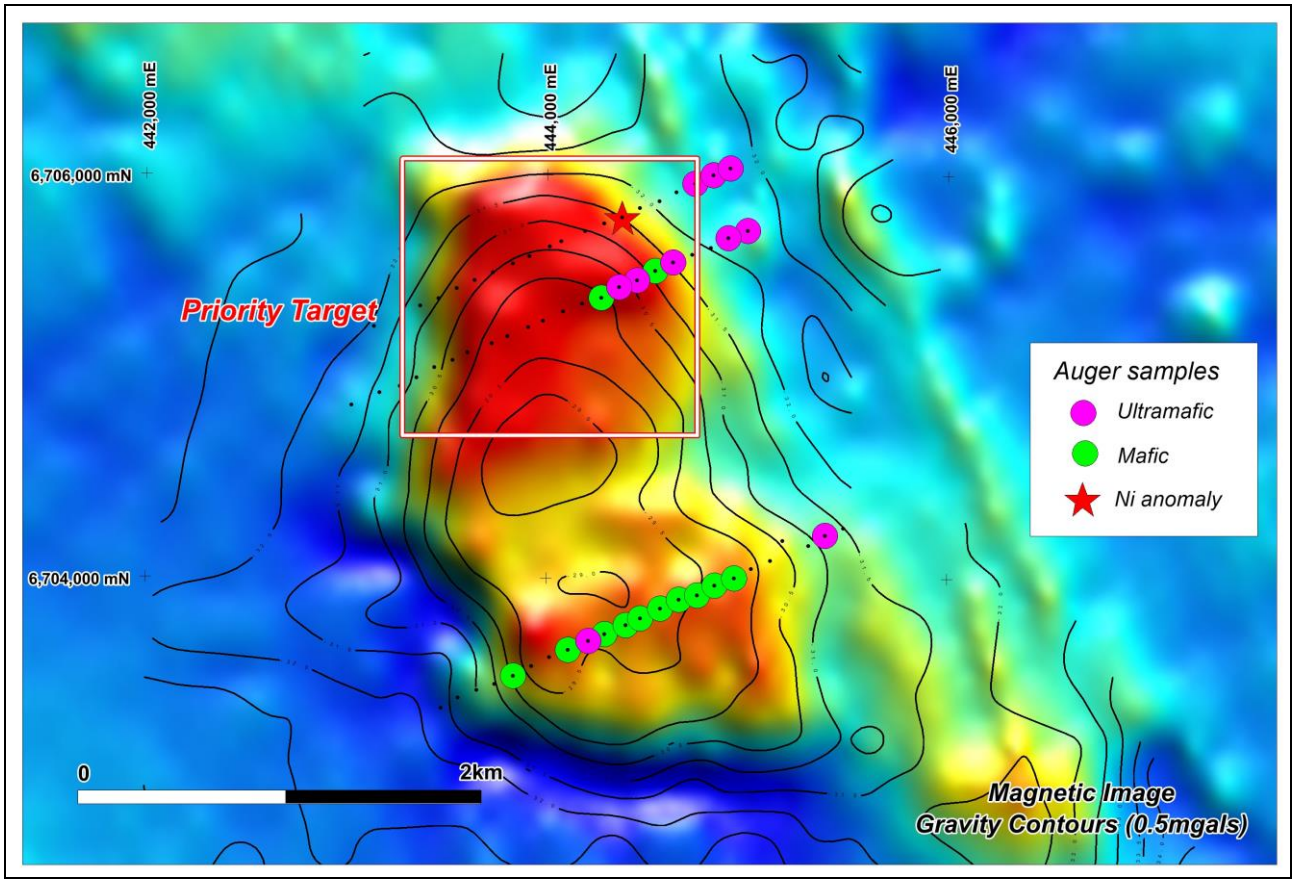

Figure 7: Latham Prospect: showing magnetic and gravity data over interpreted mafic/ultramafic intrusion.

<u>Mt Davis Lead-Zinc-Copper Project</u> *(100% AQD)*

The Mt Davis Project is located ~180km NNE of Wiluna, Western Australia, along the northern margin of the Earaheedy Basin. It consists of two Exploration Licences and covers an area of ~750km². The project was acquired following the discovery of extensive zinc and copper mineralisation by Rumble Resources at its Chinook Prospect, located on the southern side of the Basin, which showed mineralisation was stratigraphically controlled and located below the Frere Iron Formation. The Mt Davis tenements are believed to contain similar stratigraphy based on regional aeromagnetic data but occur in an area of greater structural complexity which has recently been reported as an important ingredient in the localisation of base metals at Chinook.

During the Quarter, a reconnaissance field trip was undertaken with Traditional Owners representing the Birriliburu People, to assess potential target areas in the west of the project and gain a better understanding of operational issues that may affect working in the area.

Frere Iron Formation (FIF) outcrops were located in the north, confirming the presence of prospective stratigraphy, and selective soil sampling (13 samples) was undertaken to

provide an initial test of the sediments within and below the FIF. Assays are awaited.

Paterson Gold-Copper Project (100% AQD)

*The **Gunanya** Gold-Copper Project is located ~250km east of Newman within the Paterson Province of Western Australia. Exploration is targeting discrete magnetic targets proximal to regional fault systems in the southern half of the province, in the search for large-scale copper-gold mineralisation similar to the discoveries at Winu and Havieron.*

A review of the Gunanya prospect is planned as part of an ongoing process of project prioritisation.

New Opportunities (Australia)

New opportunities continue to be assessed by the Company's consultants.

A gravity program designed to outline possible drill targets at the Company's new Coober Pedy Project in South Australia was provided to the Traditional Owners for comment as part of the Heritage Agreement process, which is still pending completion.

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) IOCG targets with the size potential being of significance to AusQuest (Figure 10). Peru is one of the world's most prominent destinations for international copper exploration and is considered a prime location for world-class exploration opportunities.

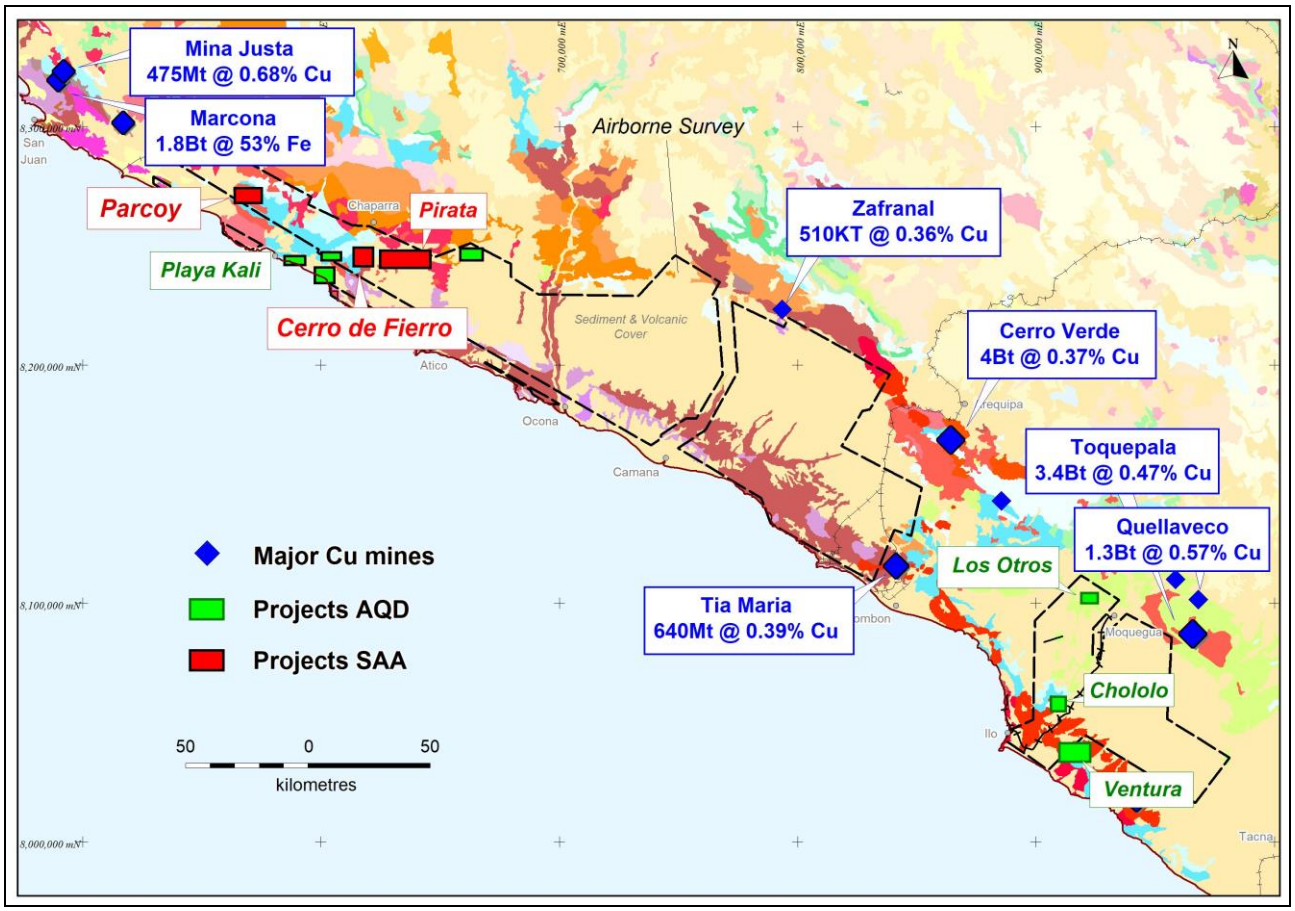

Figure 8: Project Locations – Southern Peru.

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

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 the Marcobre Joint Venture. It

is subject to an agreement with South32, which can earn a 70% interest in the project by spending a total of US$4 million.

During the Quarter, access preparations were completed for a major RC drilling program (20 holes for a total of ~6,700m) designed to test five porphyry copper and/or manto copper targets at the Company's Pirata prospect.

Drilling, which commenced in early October, is expected to take 6-8 weeks to complete with analyses available 4-6 weeks after the completion of drilling (ASX release 7th October).

The targets are located south and east of the Cerro de Fierro Project, within a major east-west structural corridor located close to, and parallel with, the Coastal Batholith contact. This is considered to be a priority target zone within the Coastal Belt of Peru and Chile for major copper deposits.

Strong indications of advanced argillic alteration, as defined by anomalous pathfinder elements (Mo >10ppm, Bi >5ppm, Te >5ppm, W >10ppm) and high temperature mineralogy (pyrophyllite), indicate that each target has preserved areas of litho-cap development often found close to potential porphyry copper systems.

The presence of sporadic copper values of up to 0.8% Cu and distinct magnetic anomalies over several targets have helped to guide the drilling.

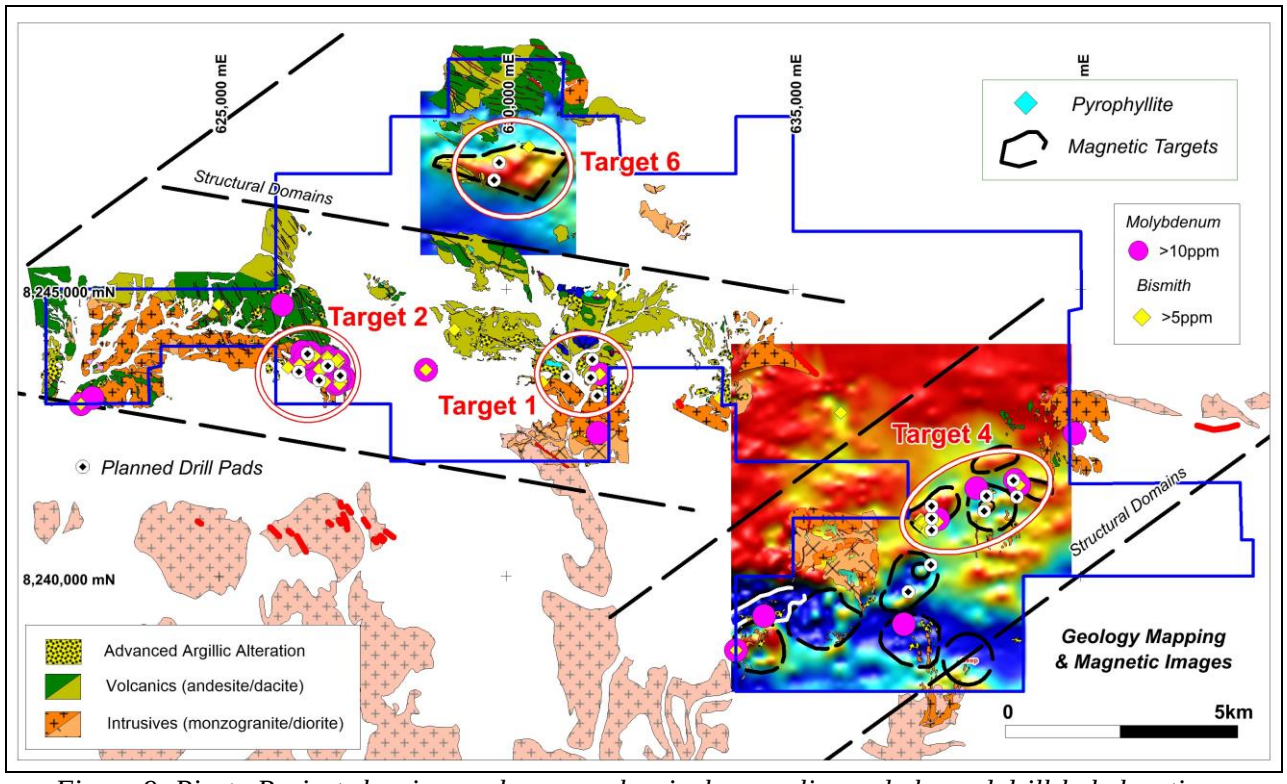

Figure 9: Pirata Project showing geology, geochemical anomalies and planned drill-hole locations.

The Pirata prospects are located east of the Company's Cerro de Fierro Project, where earlier drilling has identified widespread copper mineralisation within volcanic host rocks – highlighting the potential for copper mineralisation within this region.

Results of this drilling program will be made available once assay results have been received.

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

The Parcoy Project is located near the southern end of a recognised 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$4.5 million.

During the Quarter, assay results received from the recently completed RC drilling program (10 holes for 3,387m) extended the zone of anomalous copper mineralisation over the entire ~5km strike length of the prospect (ASX release 5th October).

Anomalous copper values (>400ppm Cu) were intersected over relatively large thicknesses (from ~20m up to >100m) in eight of 10 holes, substantially increasing the size of the copper footprint. Drill-holes were located approximately 300m to 500m apart along three sections located at ~1km intervals across the volcanic sequence.

Higher copper values (ranging from 1,000ppm Cu up to a maximum of 1.02% Cu) were reported but over relatively narrow thicknesses (<15m) that generally averaged ~1,500 to 2,000ppm Cu. Correlation of the more highly anomalous copper intervals is not possible between holes or across sections.

Anomalous gold values (>50ppb Au) were relatively uncommon but did occur in several drill-holes with a best intersection of 12m @ 0.29g/t Au plus 1,500ppm Cu from 174m down-hole in PARRC016, suggesting that gold may be present in specific areas within the Parcoy prospect.

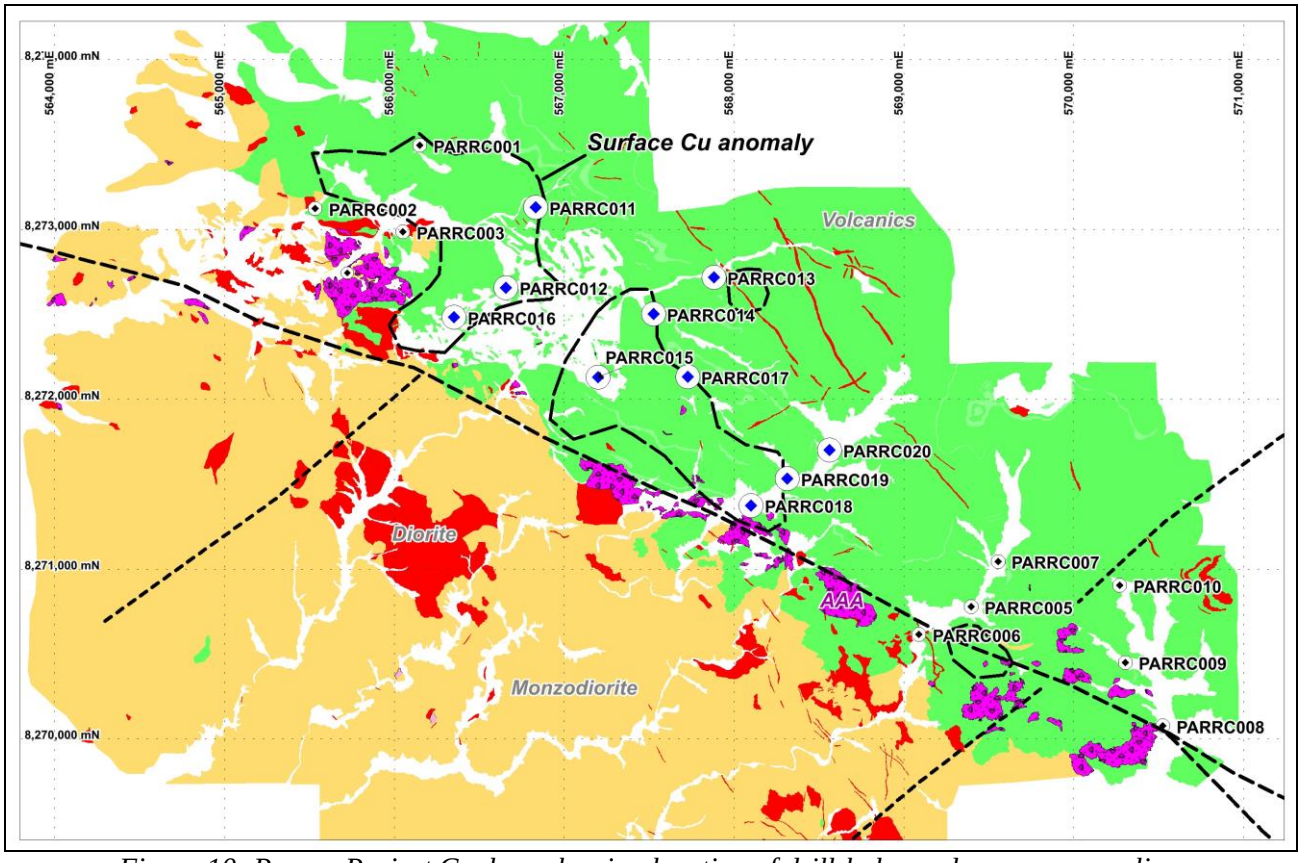

Figure 10: Parcoy Project Geology showing location of drill-holes and copper anomalies

Compilation of assay results with earlier drill results showed that alteration across the drilled sections is consistent with alteration patterns found at the Company's Cerro de Fierro Project and suggests that hot acidic solutions, most likely stemming from undiscovered porphyry copper systems, are responsible for the re-distribution of copper mineralisation throughout this region.

A substantial increase in thickness of the advanced argillic alteration in drill-holes PARRC017 and PARRC018 is thought to

imply proximity to a nearby porphyry copper system.

Further exploration work at this prospect is the subject of ongoing discussions under the SAA.

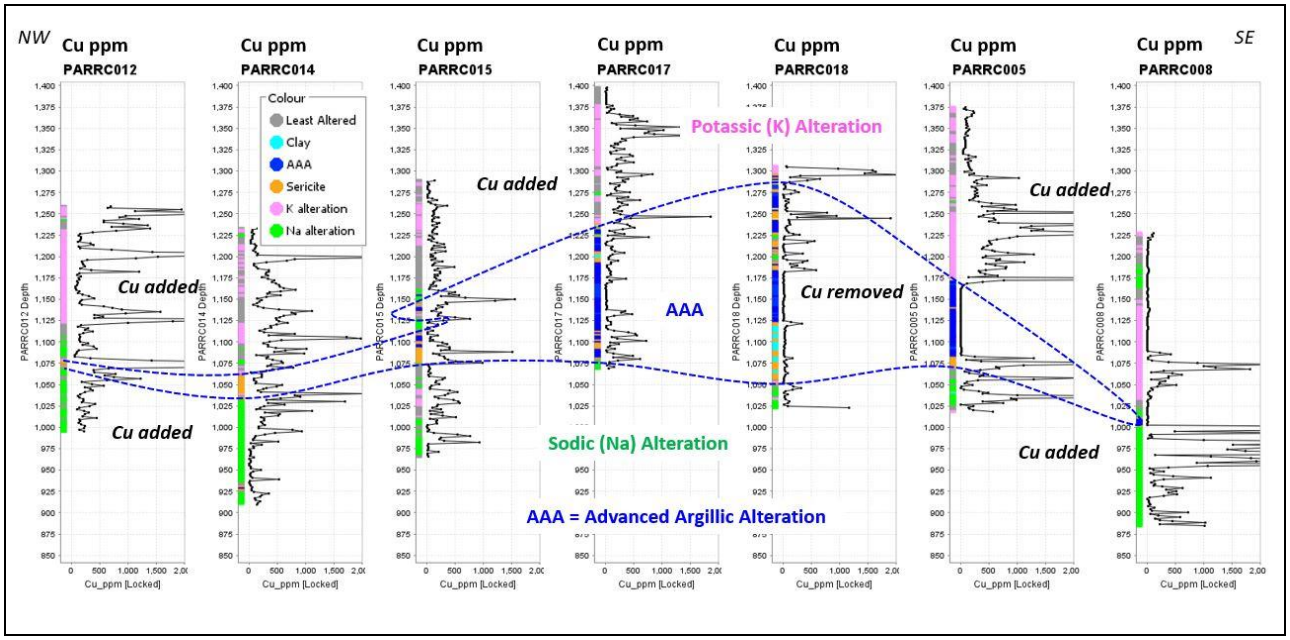

Figure 11: Schematic Long Section showing alteration and wide-spread copper in the volcanics surrounding the AAA zone which is depleted in Cu.

<u>Los Otros Porphyry Copper Project</u> ***(100% AQD)***

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.

During the Quarter, rehabilitation of drill sites and access was completed and a closure report provided to Government.

Further exploration work at Los Otros is being considered in light of the project's location – close to the Palaeocene Porphyry Copper Belt of southern Peru – and the presence of other major company titles in the vicinity.

Targeting for a buried porphyry using surface exploration techniques is being considered.

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

Assessment of new opportunities continued with the aim of having one or all of them included under the SAA in due course.

A site visit to the **Ventura Project** east of Ilo found sub-crop of stock-work veined volcanics and intrusive rocks in an area where a coherent Cu in soil anomaly had been outlined. Further sampling is planned to upgrade this target to the drilling stage before a presentation as a possible new exploration opportunity is made under the SAA.

Limited surface mapping/sampling was undertaken over mineral claims within the general Cerro de Fierro to Parcoy area, as personnel were primarily engaged in drilling activities. The Company retains a strong land position in this area with a view to advancing prospects to the exploration opportunity stage under the SAA. Site visits with South32 personnel are planned for Q4 2022.

CORPORATE

In the September Quarter, the Company invested $1,746,120 in exploration and had approximately $5.8 million in cash remaining at the end of September. Further funding from South32 to cover agreed work programs (including drilling) over the Strategic Alliance Projects is expected in Q4 2022.

The Company's Cashflow Report (Appendix 5B) for the quarter ended 30 June 2022 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.

The Company advises its appeal to the Administrative Judiciary against payments requested by the Ministry of Housing (SBN) for temporary access to State-Owned land for drilling purposes, has now moved through the lower courts, which did not address the Company's argument at law. The appeal will now progress to the Supreme Court of Peru for leave to appeal on the question of interpretation of the relevant law. The Company continues to monitor the position and will keep shareholders advised of any significant developments.

KEY ACTIVITIES – DECEMBER 2022 QUARTER

- Hamilton (Cu-Au) – Review latest drilling results and plan future program
- Balladonia (Cu-Au-Ni) – Complete gravity survey and obtain approvals for drilling in Q1 2023
- Morrisey (Ni-Cu-PGE) – Complete beneficiation tests on magnetite – plan future program
- Jubilee Lake (Ni-Cu) – Complete clearance process for drilling EM target in H1 2023
- Moora (Ni-Cu-PGE) – Complete Land Access Agreements – plan for drilling in Q1 2023
- Peru (Cu-Au) – Review results of RC drilling at Parcoy and plan future program
- Peru (Cu-Au) – Complete RC drilling (~6,700m) at Pirata that is testing five targets.
- Peru (Cu-Au) – Advance new prospects in the Playa Kali – Cerro de Fierro region and at Ventura in the Ilo district.

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 30 September 2022

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.
E69/3825	WA, Balladonia	100%	100%	AusQuest Ltd.
E69/3932	WA, Balladonia	100%	100%	AusQuest Ltd.
E69/3859	WA, Jubilee Lake	100%	100%	AusQuest Ltd.
E69/4006	WA, Jubilee Lake	Nil	100%	AusQuest Ltd.
E69/4007	WA, Jubilee Lake	Nil	100%	AusQuest Ltd.
E69/4011	WA, Jubilee Lake	Nil	100%	AusQuest Ltd.
E69/3664	WA, Madley	100%	Nil	AusQuest Ltd.
E69/3690	WA, Madley	100%	Nil	AusQuest Ltd.
E45/5447	WA, Gunanya	100%	100%	AusQuest Ltd.
E70/5383	WA, Morrisey Well	100%	100%	AusQuest Ltd.
E09/2397	WA, Morrisey Well	100%	100%	AusQuest Ltd.
E59/2525	WA, Morrisey Well	100%	100%	AusQuest Ltd.
E59/2526	WA, Morrisey Well	100%	100%	AusQuest Ltd.
E70/5388	WA, Moora	100%	100%	AusQuest Ltd.
E70/5389	WA, Moora	100%	100%	AusQuest Ltd.
E70/5401	WA, Moora	100%	100%	AusQuest Ltd.
E70/5402	WA, Moora	100%	100%	AusQuest Ltd.
E70/5418	WA, Moora	100%	100%	AusQuest Ltd.
E69/3896	WA, Mount Davis	100%	100%	AusQuest Ltd.
E69/3898	WA, Mount Davis	100%	100%	AusQuest Ltd.
EPM 26681	QLD, Hamilton	100%	100%	AusQuest Ltd.
EPM 26682	QLD, Hamilton	100%	100%	AusQuest Ltd.
EL 6798	SA, Coober Pedy	Nil	100%	AusQuest Ltd.
Peru				
Cangallo 2	Arequipa	100%	100%	Questdor SAC
Cangallo 3	Arequipa	100%	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
Cerro De Fierro D	Arequipa	100%	100%	Questdor SAC
Cerro De Fierro E	Arequipa	100%	100%	Questdor SAC
Cerro De Fierro F	Arequipa	100%	100%	Questdor SAC
Cerro De Fierro G	Arequipa	100%	100%	Questdor SAC
Cerro De Fierro H	Arequipa	100%	100%	Questdor SAC
Cerro De Fierro I	Arequipa	100%	100%	Questdor SAC
Cerro De Fierro J	Arequipa	100%	100%	Questdor SAC
Cerro De Fierro K	Arequipa	100%	100%	Questdor SAC
Cerro De Fierro L	Arequipa	100%	100%	Questdor SAC
Cerro De Fierro N	Arequipa	100%	100%	Questdor SAC
Cerro De Fierro O	Arequipa	100%	100%	Questdor SAC
Cerro De Fierro P	Arequipa	100%	100%	Questdor SAC
Chololo 1	Moquegua	100%	100%	Questdor SAC
Chololo 2	Moquegua	100%	100%	Questdor SAC
El Sello 01	Arequipa	100%	100%	Questdor SAC
El Sello 02	Arequipa	100%	100%	Questdor SAC
El Sello 04	Arequipa	100%	100%	Questdor SAC
El Toro 01	Arequipa	100%	100%	Questdor SAC
El Toro 02	Arequipa	100%	100%	Questdor SAC
El Toro 03	Arequipa	100%	100%	Questdor SAC

AusQuest Limited Tenement Schedule as at 30 September 2022 - cont'd

Tenement	Location	Interest Held: Start of Quarter	Interest Held: End of Quarter	Registered Holder
Peru Cont.				
Los Otros 07	Moquegua	100%	100%	Questdor SAC
Los Otros 08	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
Parcoy 12	Arequipa	100%	100%	Questdor SAC
Playa Kali 01	Arequipa	100%	100%	Questdor SAC
Playa Kali 04	Arequipa	100%	100%	Questdor SAC
Playa Kali 06	Arequipa	100%	100%	Questdor SAC
Playa Kali 07	Arequipa	100%	100%	Questdor SAC
Playa Kali 08	Arequipa	100%	100%	Questdor SAC
Playa Kali 09	Arequipa	100%	100%	Questdor SAC
Ventura 1	Moquegua	100%	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
Ventura 7	Moquegua	100%	100%	Questdor SAC
Ventura 8	Moquegua	100%	100%	Questdor SAC

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	**30 September 2022**

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (3 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	267	267
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(59)	(59)
	(e) administration and corporate costs	(299)	(299)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	2	2
1.5	Interest and other costs of finance paid	(2)	(2)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	27	27
1.8	Other (R&D Refund)	-	-
1.9	**Net cash from / (used in) operating activities**	**(64)**	**(64)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(4)	(4)
	(d) exploration & evaluation	(1,747)	(1,747)
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 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	3,713	3,713
2.6	**Net cash from / (used in) investing activities**	**1,962**	**1,962**

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	(22)	(22)
3.10	**Net cash from / (used in) financing activities**	**(22)**	**(22)**

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	3,879	3,879
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(64)	(64)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	1,962	1,962
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(22)	(22)
4.5	Effect of movement in exchange rates on cash held	40	40
4.6	**Cash and cash equivalents at end of period**	**5,795**	**5,795**

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	5,795	3,879
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)**	**5,795**	**3,879**

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)	(64)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(1,747)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(1,811)
8.4	Cash and cash equivalents at quarter end (item 4.6)	5,795
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	5,795
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	3.2

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?

N/A

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?

N/A

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?
N/A	

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 October 2022

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.