AUSQUEST LIMITED

ABN 35 091 542 451

Quarterly Report – 30th June 2023

HIGHLIGHTS

Australia – Copper, Zinc, Nickel, Gold

- Widespread highly prospective host rocks for Broken Hill Type (BHT) mineralisation confirmed by the reconnaissance diamond drilling program (10 holes for 3,677m) at the Balladonia Project in WA's Fraser Range region, which is under the Strategic Alliance Agreement (SAA) with South32.

- A potential 'lode horizon' defined by elevated levels of zinc, lead, cadmium and tin was intersected at the Tea Tree Prospect (Balladonia) providing encouragement and focus for ongoing exploration. Assay results for seven of the ten holes drilled are still pending.

- At the Morrisey Project in WA, modelling of gravity and magnetic data highlighted additional targets for magnetite mineralisation similar to that intersected at the Waterfall Prospect. Drilling is being considered under the SAA.

- Modelling of magnetic / gravity data at the Moora Project indicates the strongly magnetic rocks targeted in the Latham Intrusion (with possible similarities to the Julimar Intrusion) were not intersected by the initial drill program. Further exploration is being planned.

- Planning for the upcoming drill program at the Jubilee Lake Nickel-Copper-PGE Project (WA) continued, with heritage clearance obtained. Drilling is now planned to commence late in Q3 2023.

Peru – Copper-Gold

- Permitting to allow drilling to commence at the Cangallo Porphyry Copper Prospect was advanced, with permits now expected to be received within the next 2-3 months.

- Geological mapping at Pirata Project (Target 7) located copper mineralisation at surface within veined volcanics adjacent to large areas of advanced argillic alteration (lithocap), supporting the concept of nearby porphyry copper mineralisation.

- A detailed review of results from the earlier Cerro de Fierro drilling program highlighted the potential for IOCG mineralisation within structural targets not tested by the original wide-spaced drilling program. New drill permit applications were submitted.

Corporate

- The Company's Quarter-end cash position was ~$3.7 million.

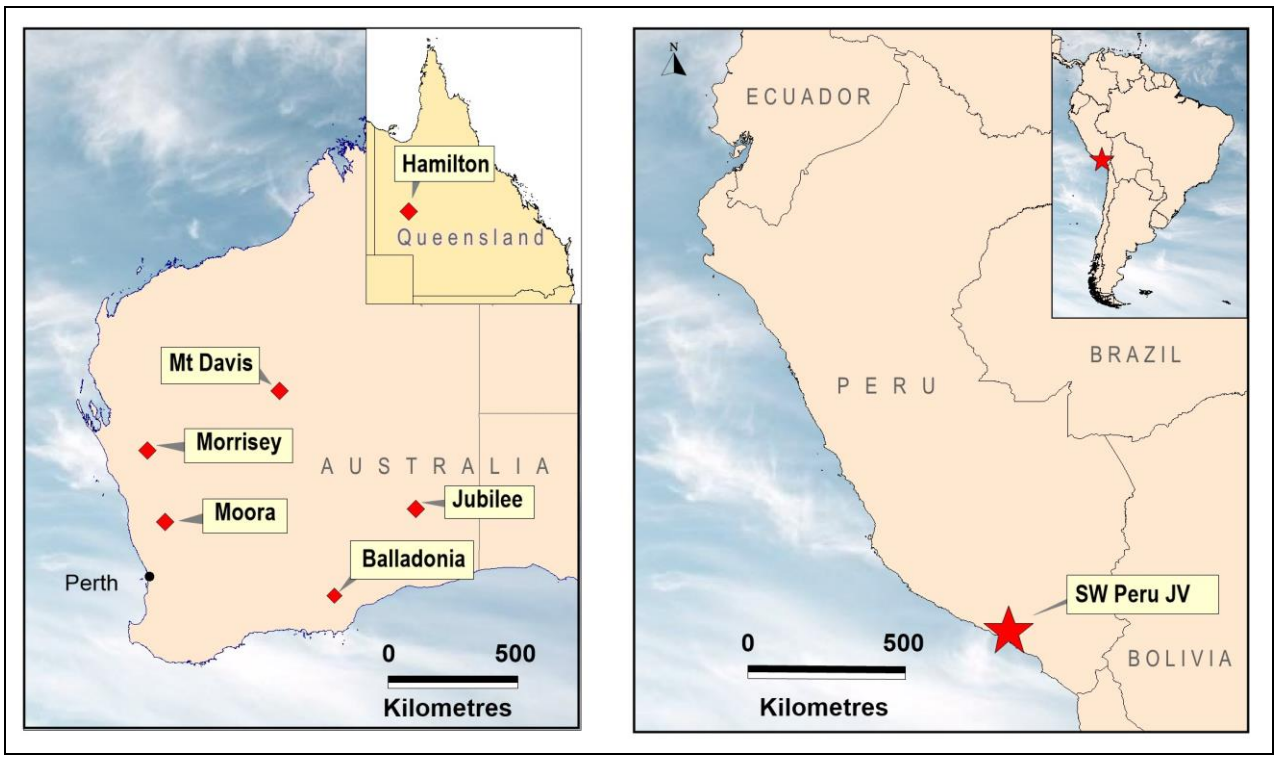

Figure 1: Project Locations – Australia and Peru.

OVERVIEW

During the June Quarter, drilling activity was focused on the Balladonia Project in WA, with Government permits for further drilling in Peru also being advanced.

In **Australia**, the reconnaissance diamond drilling program at Balladonia was successfully completed and cultural heritage clearance was obtained to allow drilling to commence at the Jubilee Lake Nickel Prospect. Interpretation of geophysical survey results over the Moora and Morrisey Projects was completed to identify further targets for future drilling. All of these projects are under the Strategic Alliance Agreement (SAA) with a wholly-owned subsidiary of South32 Limited (South32).

In **Peru,** permit applications for drilling at Cangallo and Cerro de Fierro were submitted. Geological mapping and sampling were completed over Target 7 at Pirata, supporting the potential for nearby porphyry copper mineralisation. The Cerro de Fierro Project is now 100% AusQuest ownership.

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 becoming more apparent. Many of the tenements lie within the Dundas Reserve. Exploration work at Balladonia is funded under the SAA.

During the Quarter, a reconnaissance diamond drilling program (10 holes for 3,677m) designed to provide an initial test of seven Broken Hill Type (BHT) geophysical targets was successfully completed (ASX release 24 July 2023). Drilling included additional drill-holes (three holes for 1,411m) at the Tea Tree Prospect, where previous drill results had

indicated the presence of highly prospective BHT host rocks (Figure 2).

Initial assay data have now been received from the Tea Tree Prospect (three drill-holes) with final assays for the remaining six targets expected before the end of August.

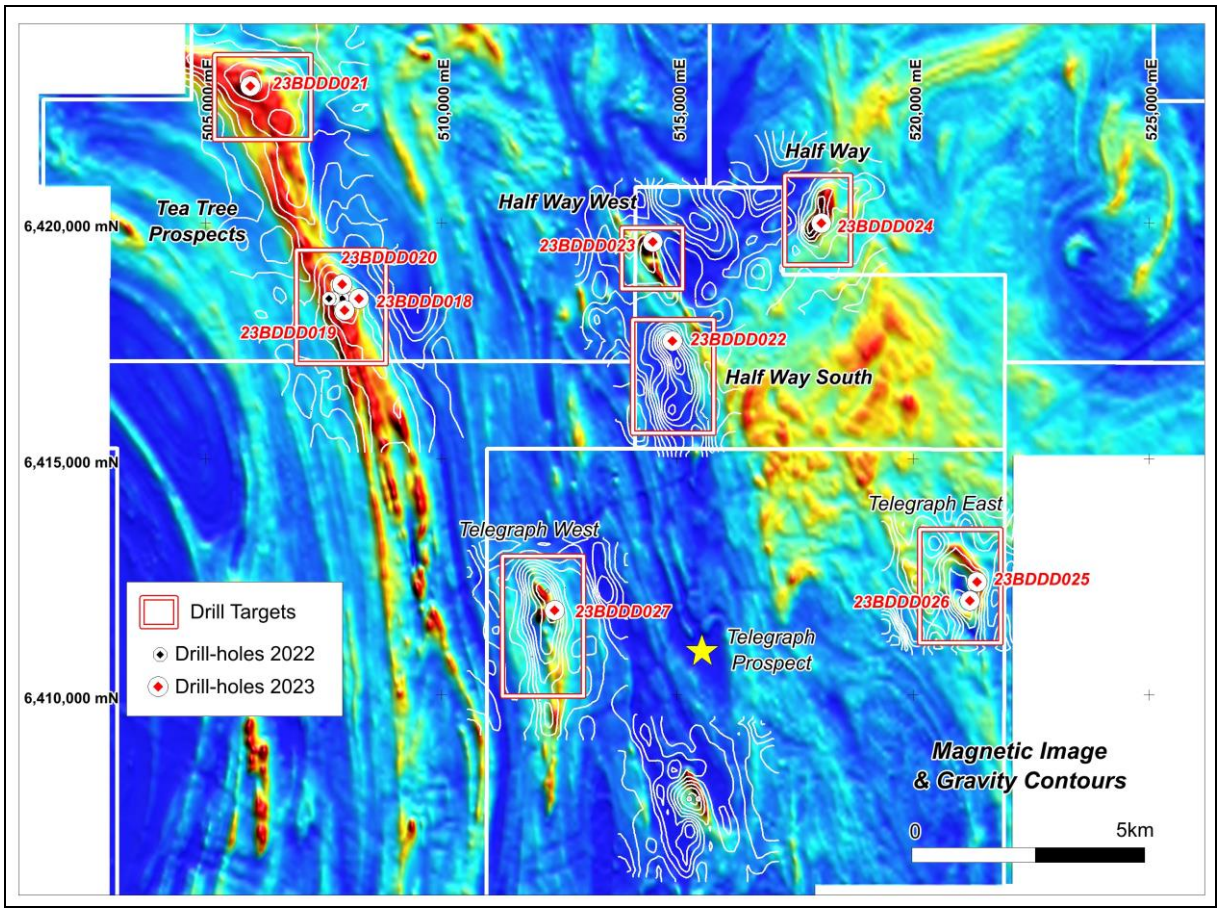

Figure 2: Detailed magnetic and gravity surveys showing the location of drill-holes.

The targets tested were defined by a combination of detailed gravity and magnetic surveys which outlined strong anomalies indicative of prospective host stratigraphy and potential base metal mineralisation similar to that found in the Cloncurry Region of NW Queensland (host to the Cannington deposit) and the Broken Hill area of NSW.

At the Tea Tree Prospect, drilling along strike and beneath the initial drilled section intersected prospective host rocks as defined by the presence of banded iron formations (BIF's) and garnetiferous quartzites.

Preliminary interpretation of the assay data from drill-holes 23BDDD018, 019 and 020 outlined a potential 'lode horizon' (~50m thick) within the prospective host stratigraphy containing elevated values of lead (up to 507ppm Pb), zinc (up to 1,258ppm Zn), cadmium (up to 32ppm Cd) and tin (up to 20ppm Sn) (Figure 3).

The inferred lode horizon – which could contain high-grade base metal mineralisation along its strike length – is interpreted to extend well beyond the limits of the current drill coverage (possibly for kilometres), based on interpretation of the aeromagnetic and gravity data. This provides a strong focus for ongoing exploration for BHT mineralisation in the area.

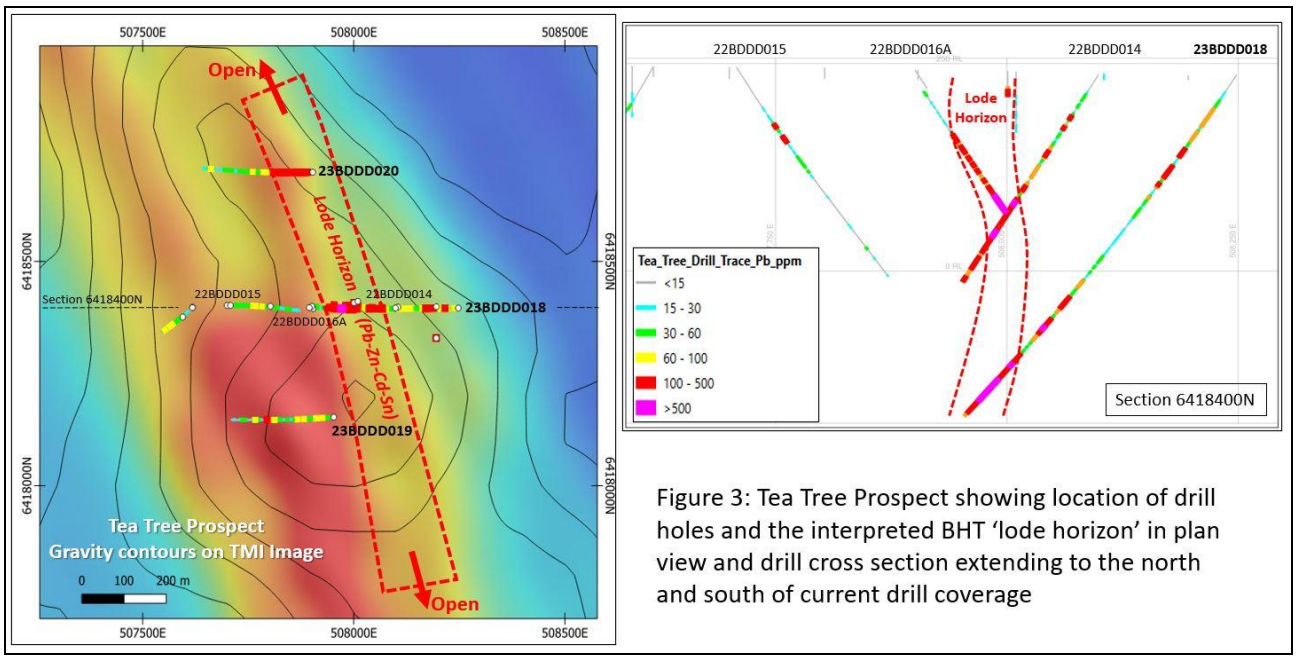

Figure 3: Tea Tree Prospect showing location of drill holes and the interpreted BHT 'lode horizon' in plan view and drill cross section extending to the north and south of current drill coverage

Assay data for drill-holes 23BDDD023 and 024 at the Halfway Prospect, 23BDDD021 at Tea Tree North and 23BDDD027 at Telegraph West are still pending. Significant amounts of BIF stratigraphy were intersected within all these holes, suggesting similarities with the Tea Tree Prospect and potential for prospective host rocks for BHT mineralisation to be widespread within the tenements.

At Telegraph East, drilling (holes 23BDDD025 and 026) intersected a gabbroic (+/- pyroxenite) rock with possible carbonatite affinities that may be related to the carbonatite intrusion intersected at the Telegraph Prospect, located ~5km to the west (ASX release 1 April 2020).

Drilling at the Halfway South Prospect (drill-hole 23BDDD022) also intersected possible carbonatitic rocks, suggesting that they may be more widespread throughout the area than envisaged. Carbonatites can be a source of rare earth metals as well as base metal mineralisation.

A more complete assessment of the potential for carbonatites and associated metals will be undertaken once all assay data are available.

Morrisey Magnetite, Nickel-Copper-PGE Project ***(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) covering an area of ~1,000km² parallel to the Yilgarn Craton boundary. 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. Recent drilling by the Company also highlighted potential for magnetite mineralisation within the project. Exploration work at Morrisey is funded under the SAA.

During the Quarter, computer modelling of gravity and magnetic data was undertaken to prioritise targets for future drilling, following encouraging results from the Company's initial Reverse Circulation (RC) drilling program which highlighted potential for high-grade magnetite in the area as well as possible nickel-copper and PGE mineralisation.

Test results from samples at the Waterfall and Sandfly Prospects showed that the coarse-grained magnetite intersected by drilling was upgradable (Davis Tube – magnetic separation) to a premium product (Fe >71%) using a relatively coarse grind size (ASX release 24 January 2023).

3D modelling of gravity and magnetic data collected over the Waterfall Prospect shows relatively good correlation between the two datasets, outlining a causative body with possible dimensions of ~800m x 200m (Figure 4).

Drill-hole 22MYRC001 which intersected the magnetite mineralisation, occurs on the northern margin of the inferred magnetite body which appears to thicken and shallow to the south-west. Further drilling at the Waterfall Prospect is being considered under the SAA to determine potential size, grade and depth of the magnetite occurrence.

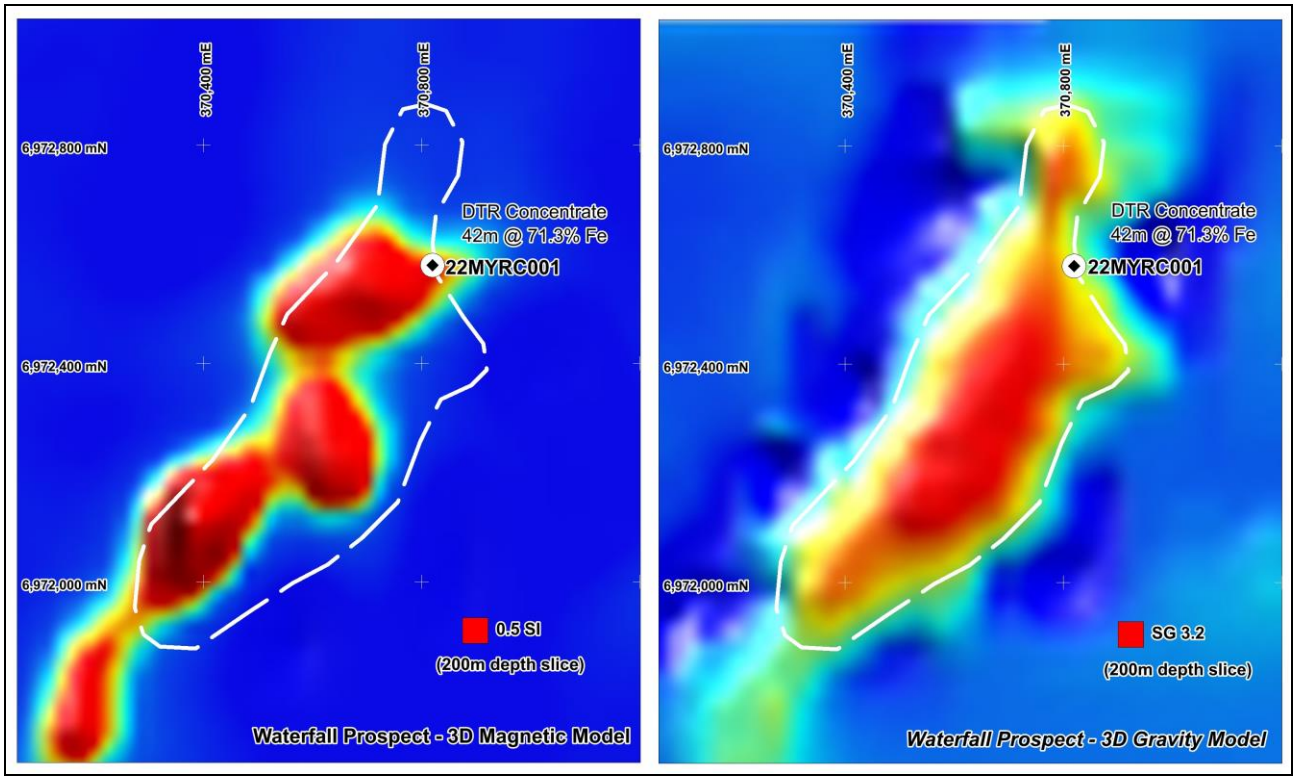

Figure 4: Magnetic and gravity models showing location of drilling and potential outline of magnetite body

Modelling of gravity and magnetic data over similar geophysical targets scattered throughout the tenements was also completed, with strong correlations between magnetic and gravity models at each of the prospects suggesting excellent potential for additional magnetite mineralisation to be found within the area.

Results from a regional soil sampling program (~1,440 samples), designed to search for clusters of lithium-bearing pegmatites within an interpreted regional shear zone, identified at least four areas where in-fill sampling and mapping is required to confirm anomalism and define possible targets for follow-up.

The sample spacing of 800m x 100m is regional in nature and was used as a first-pass guide to identify potential areas of interest in an area where outcrop is very limited. Lithium (Li), caesium (Cs) and tantalum (Ta) values were ratioed against zircon (Zr) to account for background variations due to lithology and regolith changes in order to identify anomalies for follow-up (Figure 5). In-fill sampling and reconnaissance mapping is planned for Q3 2023.

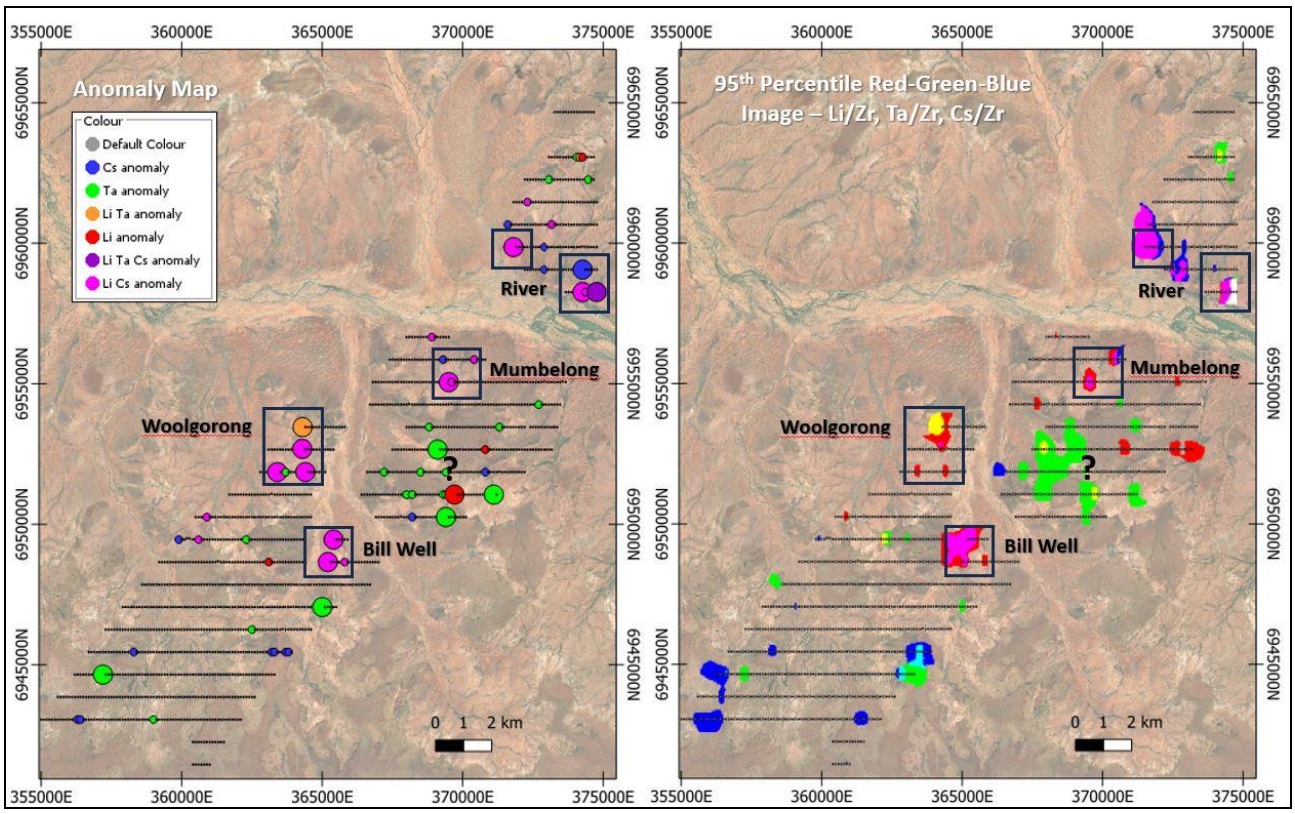

Figure 5: Morrisey soil sampling program showing sample locations and areas for follow-up

Jubilee Lake Nickel-Copper-PGE Project ***(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. Exploration work at Jubilee is funded under the SAA.

During the Quarter, Native Title Heritage clearance was obtained over planned access and a deep diamond drill-hole sited to test a strong EM target located below the interpreted flood basalts. This target is located adjacent to the Rodona Shear, which is thought to represent a major deep-seated feeder structure responsible for at least part of the extensive outpouring of flood basalts in the area.

A drilling contract is currently being finalised with drilling expected to commence late in Q3 2023 to determine the potential for Norilsk style nickel-copper-PGE mineralisation in this area.

Moora Nickel-Copper Project ***(100% AQD, subject to SAA)***

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 three Exploration Licences and covers an area of ~440km². 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. Exploration work at Moora is funded under the SAA.

During the Quarter, computer modelling of magnetic and gravity data over the Latham Intrusion was completed using physical property measurements obtained from the wide-spaced RC drilling (four holes) program for control (ASX release 24 April 2023). The initial drilling program was designed to test for fertile mafic-ultramafic host rocks similar to those found within the Gonneville Intrusion which hosts the nickel-copper-PGE mineralisation at Julimar.

Results of the modelling indicate that more strongly magnetic rock types than those intersected by the initial drilling program (ferro gabbros with magnetic susceptibilities of ~0.04 SI units) must be present within the intrusion to explain the amplitude of the observed magnetic response. No strongly magnetic rocks were intersected by the initial program.

Fertile host rocks for Ni-Cu-PGEs within the Gonneville Intrusion are known to be strongly magnetic, suggesting that stronger magnetic units within the Latham intrusion should be priority targets for Ni-Cu-PGE exploration.

Modelling also suggests that areas beneath the ferro-gabbro unit and/or close to the western and southern contact zones are the most likely places to locate the strongly magnetic units within the intrusion. The basal contact appears to dip either to the north or east with flatter dips associated with the southern contact zone (Figure 6). Further testing of these locations is being planned.

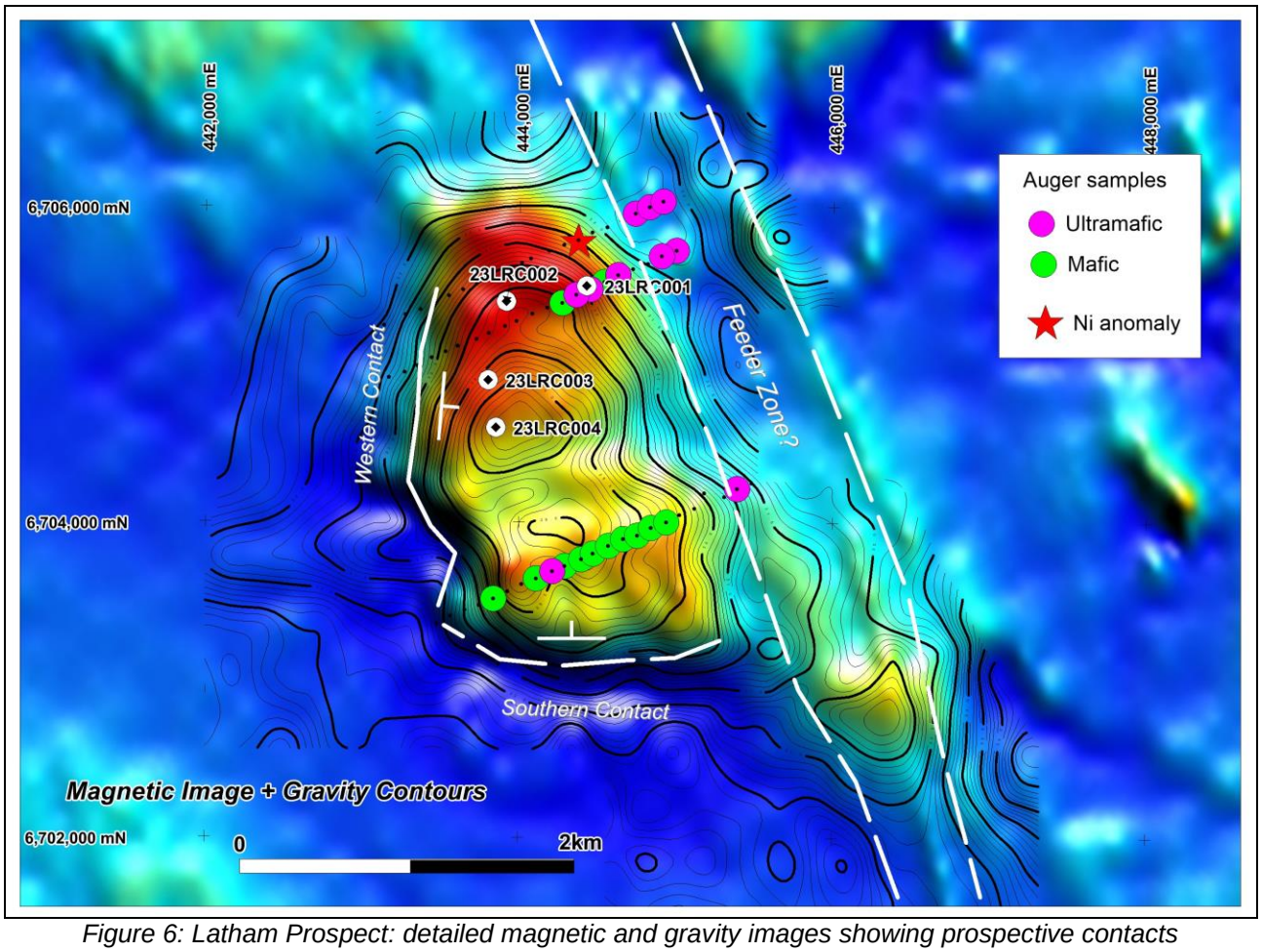

Figure 6: Latham Prospect: detailed magnetic and gravity images showing prospective contacts

Hamilton Copper-Gold Project:

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.

A review of the Company's drilling database was initiated to identify possible near-miss opportunities that may be of interest to other parties, before deciding on further work programs for the project.

Mt Davis Lead-Zinc-Copper Project:

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, where mineralisation is stratigraphically controlled and located below the Frere Iron Formation. The Mt Davis tenements are believed to contain similar stratigraphy but in an area of greater structural complexity which has been reported as an important factor in the localisation of higher grades at Chinook.

No further progress was made on this project during the Quarter due to other higher priority activities. Heritage surveys need to be completed before any planned shallow air-core drilling program can commence.

New Opportunities (Australia):

The proposed gravity survey that covers the Coober Pedy IOCG Project in South Australia has not been initiated due to higher priority activities elsewhere.

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 7). Peru is one of the world's most prominent destinations for copper exploration and is considered a prime location for world-class exploration opportunities.

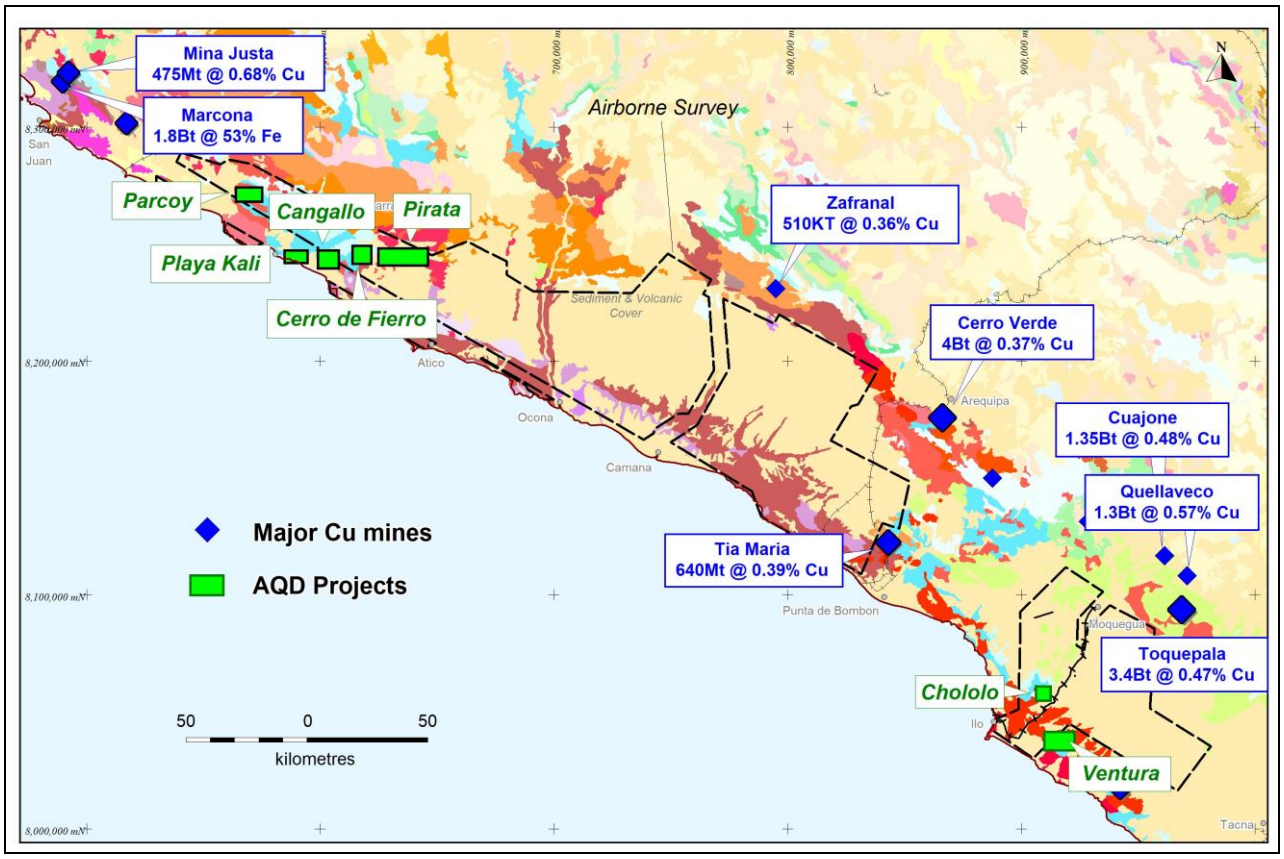

Figure 7: Project Locations – Southern Peru.

Cerro de Fierro Copper Project:

The Cerro de Fierro Project (CDF) 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. Surface indicators of porphyry copper mineralisation have been identified within the Pirata Project area approximately 5km due east of CDF, associated with a major E-W structure that is considered to be a priority target zone within the coastal belt of southern Peru.

Late in the Quarter, the Cerro de Fierro Project was returned 100% to AusQuest with South32 electing to convert their earn-in position (having spent in excess of US$7.0M) to a 1% net smelter returns royalty. A review of the Project's extensive database was initiated to identify key 'drill-ready' targets and possible 'unexplored areas' that were not originally tested by drilling due to potential resource economic requirements imposed under the SAA. The search for a new joint venture partner has been initiated with several parties expressing interest.

Geological mapping over Pirata Target 7 confirmed the presence of advanced argillic alteration (AAA) within a dominantly andesitic volcanic sequence as well as locating further evidence of copper at surface within veined volcanics (Figure 8).

The copper at surface appears to occur marginal to the areas of mapped AAA (lithocap), suggesting that the exposed mineralisation may be reflecting the margins of a porphyry system. The wide-spread nature of the copper anomalism is believed to imply potential for a sizeable system. Further detailed mapping and possible trenching is planned to optimise potential sites for drilling.

The highly anomalous copper values reported from surface samples at this prospect (see Quarterly Report to ASX - March 2023) are considered to be a strong indicator for a mineralised porphyry nearby.

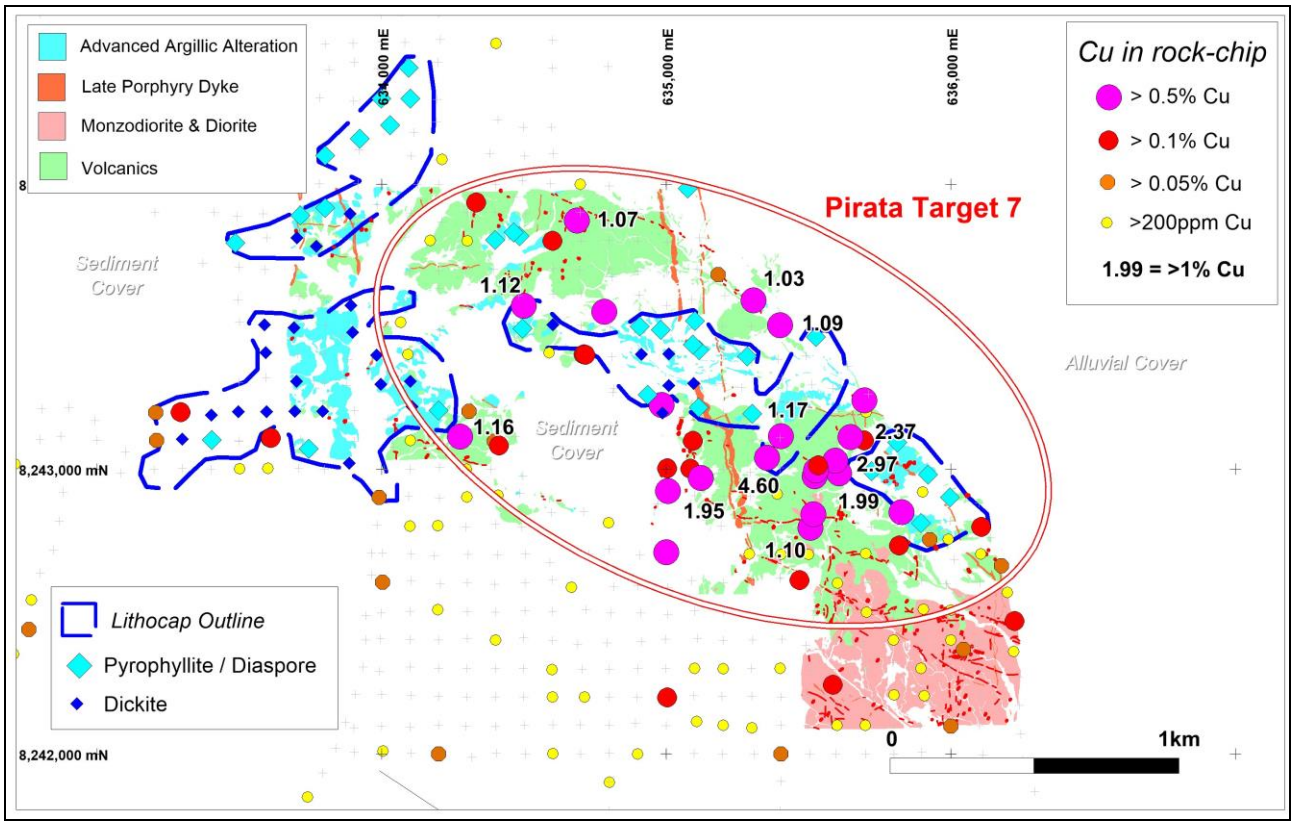

Figure 8: Pirata Target 7 geology showing outline of the lithocap and copper anomalies

A review of the Company's historical drilling data testing a manto-style Iron-Oxide Copper-Gold (IOCG) target located west of Pirata, was initiated by the Company's consultants.

This work identified key areas where drilling failed to test for structurally controlled mineralisation along strike from drill-hole CDFDD003, which intersected several intervals (~30m thick) of copper-gold mineralisation grading ~0.4% Cu and 0.2gpt Au (*historical reports to the ASX containing Cerro de Fierro drill results are listed at the end of this report for reference).

A comparison with the Mina Justa deposit, located ~150km to the north, suggests closer spaced drilling than that originally completed under the SAA is required to test areas with more complex structure.

A target zone approximately 600m x 150m in size has been identified to the north-west of drill-hole CDFDD003 within an uplifted block of andesitic volcanics, which does not appear to have been effectively tested by the original drilling program. Drill holes CDFDD006, 009, and 014 which intersected narrow intervals of anomalous copper are now thought to reflect near miss situations with the central part of the target zone only intersected by hole CDFDD003 (Figure 9).

A limited drill program is being planned to test this structural target, with drill permits being sought for up to five drill sites. Permits are expected to be granted over the coming months.

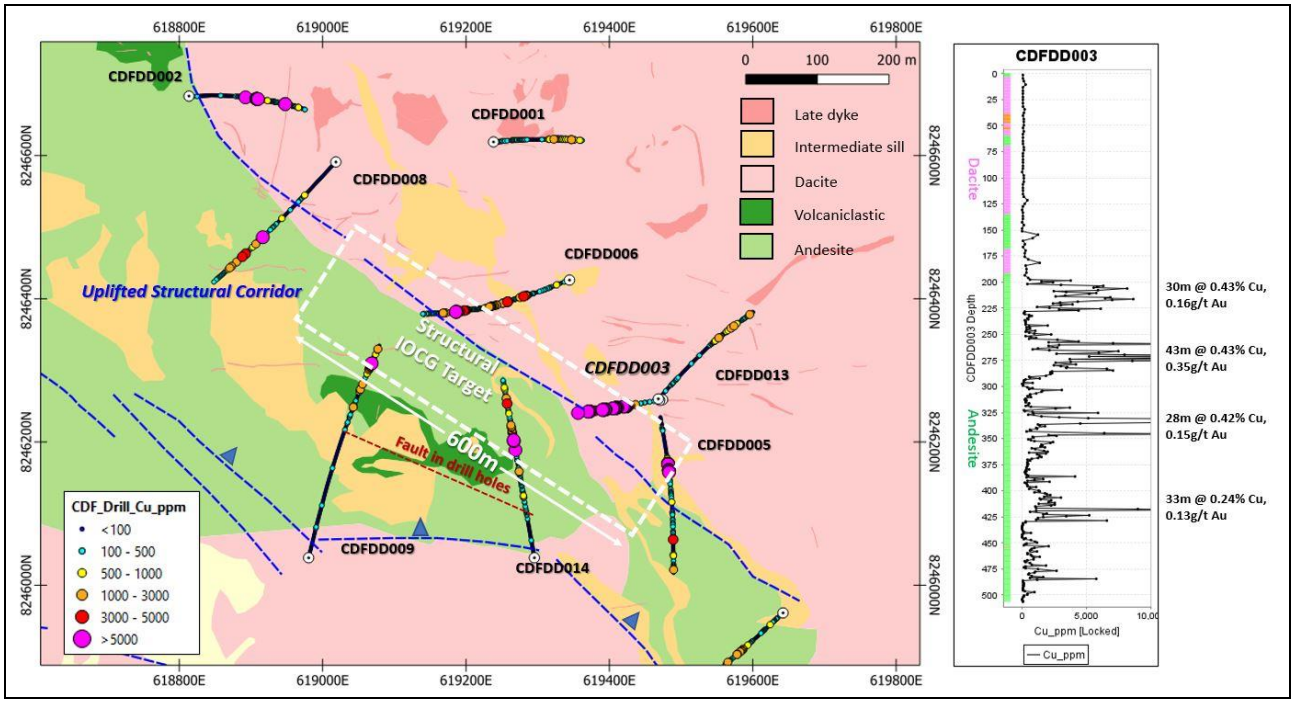

Figure 9: Cerro de Fierro Prospect showing location of structural target and drill-hole locations

Cangallo Copper-Gold Project:

The Cangallo Project is located approximately 20km west of the Company's Cerro de Fierro Project in southern Peru, along the same E-W structures that appear to control the emplacement of potential porphyry copper systems in the area. The tenements, which cover an area of ~ 30km², are located at an elevation of 1,600 metres, ~10km from the coast, close to infrastructure. Geological mapping and rock-chip sampling has identified a partially exposed copper (+/- gold) porphyry system within a large-scale (5km x 2km) caldera-like structure containing extensive colluvial and younger sediment cover.

During the Quarter, a drill program was designed to test for copper mineralisation where geological mapping and sampling has identified potential porphyry copper targets in areas of sub-crop and shallow cover. Highly anomalous copper (up to 0.64% Cu), molybdenum (up to 42ppm Mo) and scattered gold values (up to 2.5g/t Au) within veined and altered (sericite) volcanics and porphyritic rocks indicate the potential for a

nearby porphyry system (see ASX release 30 March 2023).

A total of 17 drill pads and access tracks have been designed to test beneath copper and molybdenum anomalies identified at surface, as well as testing areas with shallow colluvial and sedimentary cover that are thought to hide at least part, if not most of, the porphyry system (Figure 10).

Drill permitting was advanced, with environmental surveys and community consultations completed and a report provided to Government as part of the approval process. It is anticipated that drill permits should be received within the next two-to-three months.

Additional titles were acquired during the Quarter to ensure the Company has coverage over priority target areas associated with this partially exposed porphyry copper system.

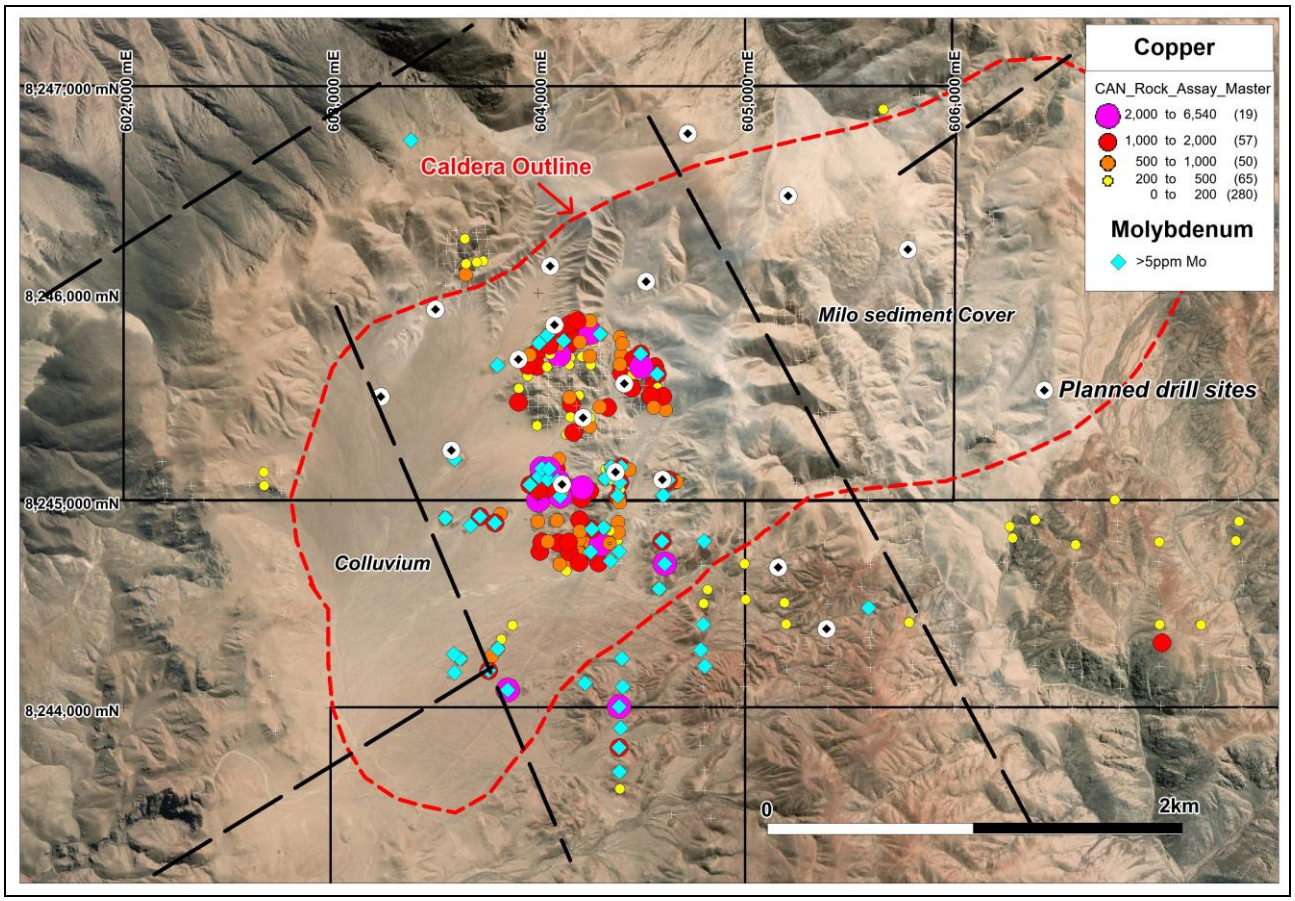

Figure 10: Cangallo Porphyry Prospect showing anomalous Cu and Mo values and planned drill sites

Parcoy IOCG Project:

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.

During the Quarter, track access and drill pads from the earlier drill programs were rehabilitated and a report prepared for Government. Compilation and review of drilling and surface data is in progress ahead of the Company seeking expressions of interest from other parties who may be interested in pursuing this opportunity.

The Company believes there are porphyry copper targets at Parcoy that were not tested by the initial wide-spaced drilling programs, which provided evidence of nearby porphyry

system(s) based on interpretation of the geochemical data.

Tenements were rationalised to retain the high priority target areas.

Los Otros Porphyry Copper Project:

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.

No exploration work was completed at Los Otros during the Quarter. Following a review of data over this project it was decided not to renew the tenements.

New Opportunities (Peru)

Selected tenements at the Playa Kali, El Toro, El Sello and Ventura Projects were not renewed at the end of the Quarter to reduce costs and to ensure all priority copper targets remained under the Company's title.

Systematic rock-chip sampling at the **Ventura Project**, east of Ilo, is planned to upgrade a coherent copper-in-soil anomaly that appears to be associated with stock-work veined volcanics and intrusive rocks in the southern coastal area east of the port of Ilo. This work will be undertaken when priorities allow.

CORPORATE

During the June Quarter, the Company invested $2,236,000 in exploration and had approximately $3.7 million in cash remaining at the end of June. Further funding from South32 to cover agreed work programs over Strategic Alliance Projects is expected in Q3 2023.

The Company's Cashflow Report (Appendix 5B) for the quarter ended 30 June 2023 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, is still with 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 – SEPTEMBER 2023 QUARTER

- Balladonia (Cu-Au-Ni) – Compile and assess assay and geological data obtained from the recent drilling and plan future exploration programs.
- Morrisey (Magnetite, Ni-Cu-PGE) – Complete assessment of geophysical modelling and obtain clearances for drilling of key target(s) for magnetite.
- Morrisey (Li) – Field checking and infill soil sampling of potential lithium targets.
- Jubilee Lake (Ni-Cu-PGE) – Commence drilling to test the deep EM target for Ni-Cu mineralisation within West Officer Basin sediments.
- Moora (Ni-Cu-PGE) – Plan sampling and/or drilling to test key target areas outlined by the modelling of magnetic/gravity data.
- Peru (Cu-Mo-Au) – Complete drill permitting for the Cangallo and Cerro de Fierro Copper Prospects.
- Peru (Cu-Mo-Au) – Seek new joint venture partners to help fund ongoing exploration activities (including drilling) at key prospects.
- Peru (Cu Mo-Au) – Detailed mapping and trenching of critical areas at Target 7 (Pirata) to optimise planning for drilling.

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.

*Announcements to ASX re historic Cerro de Fierro drill results:

29/11/2018 – Copper-Gold Intersected at Cerro de Fierro
19/12/2018 – Additional Copper-Gold Intersections at Cerro de Fierro
08/04/2019 – Potential Copper Extensions at Cerro de Fierro
09/01/2020 – Drilling Update – Cerro de Fierro
10/01/2020 – Clarification of Drilling Update – Cerro de Fierro
05/03/2020 – Drilling Progress at Cerro de Fierro
15/02/2021 – Drilling Commences in Peru
29/03/2021 – Copper Potential Grows in Peru
27/04/2021 – Copper Potential Outlined at Cerro de Fierro

JORC Code, 2012 Edition – Table 1 Report Soil Sampling – Morrisey 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.*	• District scale soil sampling traverses were completed over a 30km long zone considered prospective for lithium pegmatites. Samples were collected at 100m intervals along lines 800m apart. • 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 2mm 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. • No standards or duplicates were supplied. QA/QC provided by laboratory processes. Batch assays checked by ioGas processing of data.
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.*	• Samples were collected on a nominal 100m x 800m grid over the target zone.

Criteria	JORC Code explanation	Commentary
	• *Whether sample compositing has been applied.*	
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.*	• Sample lines were oriented east–west, oblique to the regional northeast structural trend.
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 audit of assay results has been done.

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. • Soils were collected on two granted Exploration Licences E59/2526 and E70/5383. • 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

Criteria	JORC Code explanation	Commentary
		area.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The Morrisey Project is targeting nickel-copper mineralisation in mafic/ultramafic intrusions and lithium in pegmatites 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*	• Soil sample locations are provided in the ASX release.

Criteria	JORC Code explanation	Commentary
	sectional views.	
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.*	• Representative reporting of assay results is included 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.*	• Infill soil sampling and geological prospecting are planned over anomalous areas.

AusQuest Limited: Tenement Schedule as at 30 June 2023

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	100%	100%	AusQuest Ltd.
E69/4007	WA, Jubilee Lake	100%	100%	AusQuest Ltd.
E69/4011	WA, Jubilee Lake	100%	Nil	AusQuest Ltd.
E45/5447	WA, Gunanya	100%	Nil	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.
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	100%	100%	AusQuest Ltd.
Peru				
Cangallo 2	Arequipa	100%	100%	Questdor SAC
Cangallo 3	Arequipa	100%	100%	Questdor SAC
Cangallo 9	Arequipa	Nil	100%	Questdor SAC
Cerro De Fierro A	Arequipa	100%	Nil	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%	Nil	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%	Nil	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
Cerro De Fierro Q	Arequipa	Nil	100%	Questdor SAC
Chololo 1	Moquegua	100%	100%	Questdor SAC
Chololo 2	Moquegua	100%	100%	Questdor SAC
El Sello 01	Arequipa	100%	Nil	Questdor SAC
El Sello 02	Arequipa	100%	Nil	Questdor SAC
El Sello 04	Arequipa	100%	100%	Questdor SAC
El Toro 01	Arequipa	100%	Nil	Questdor SAC
El Toro 02	Arequipa	100%	Nil	Questdor SAC
El Toro 03	Arequipa	100%	Nil	Questdor SAC

AusQuest Limited Tenement Schedule as at 30 June 2023- cont'd

Tenement	Location	Interest Held: Start of Quarter	Interest Held: End of Quarter	Registered Holder
Peru Cont.				
Los Otros 07	Moquegua	100%	Nil	Questdor SAC
Los Otros 08	Moquegua	100%	Nil	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%	Nil	Questdor SAC
Parcoy 06	Arequipa	100%	Nil	Questdor SAC
Parcoy 07	Arequipa	100%	Nil	Questdor SAC
Parcoy 08	Arequipa	100%	Nil	Questdor SAC
Parcoy 09	Arequipa	100%	Nil	Questdor SAC
Parcoy 10	Arequipa	100%	Nil	Questdor SAC
Parcoy 12	Arequipa	100%	Nil	Questdor SAC
Playa Kali 01	Arequipa	100%	100%	Questdor SAC
Playa Kali 02	Arequipa	Nil	100%	Questdor SAC
Playa Kali 03	Arequipa	100%	100%	Questdor SAC
Playa Kali 04	Arequipa	100%	Nil	Questdor SAC
Playa Kali 05	Arequipa	100%	Nil	Questdor SAC
Playa Kali 06	Arequipa	100%	Nil	Questdor SAC
Playa Kali 07	Arequipa	100%	Nil	Questdor SAC
Playa Kali 08	Arequipa	100%	Nil	Questdor SAC
Playa Kali 09	Arequipa	100%	100%	Questdor SAC
Ventura 1	Moquegua	100%	100%	Questdor SAC
Ventura 2	Moquegua	100%	Nil	Questdor SAC
Ventura 3	Moquegua/Tacna	100%	Nil	Questdor SAC
Ventura 4	Moquegua/Tacna	100%	Nil	Questdor SAC
Ventura 5	Moquegua	100%	100%	Questdor SAC
Ventura 6	Moquegua	100%	Nil	Questdor SAC
Ventura 7	Moquegua	100%	Nil	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 June 2023**

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (12 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	383	1,081
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(41)	(212)
	(e) administration and corporate costs	(267)	(798)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	3	13
1.5	Interest and other costs of finance paid	(2)	(7)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	27
1.8	Other (R&D Refund)	950	950
1.9	**Net cash from / (used in) operating activities**	**1,026**	**1,054**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(2)	(15)
	(d) exploration & evaluation	(2,236)	(8,092)
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter $A'000	Year to date (12 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	2,213	6,971
2.6	**Net cash from / (used in) investing activities**	**(25)**	**(1,136)**

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	(23)	(90)
3.10	**Net cash from / (used in) financing activities**	**(23)**	**(90)**

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,746	3,879
4.2	Net cash from / (used in) operating activities (item 1.9 above)	1,026	1,054
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(25)	(1,136)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(23)	(90)
4.5	Effect of movement in exchange rates on cash held	9	26
4.6	**Cash and cash equivalents at end of period**	**3,733**	**3,733**

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	3,733	2,746
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)**	**3,733**	**2,746**

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	27
6.2	Aggregate amount of payments to related parties and their associates included in item 2	41

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)	1,026
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(2,236)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(1,210)
8.4	Cash and cash equivalents at quarter end (item 4.6)	3,733
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	3,733
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	3.09

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: 31 July 2023

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.