



## Quarterly Report – 30<sup>th</sup> June 2015

### HIGHLIGHTS

#### **Peru – Copper-Gold**

- ❑ Existing Zahena Joint Venture expanded to cover a new porphyry copper target identified outside the original Cardonal Joint Venture tenements.
- ❑ Untested porphyry system identified at the Chololo prospect with adjoining tenement secured under option to provide complete coverage of the newly identified target. Discussions commenced with potential joint venture parties.
- ❑ Good progress made towards commencing drilling operations at the Lana Prospect under the joint venture with Southern Peru Copper Corporation Sucursal del Peru. Initial option payment of US\$70,000 received.

#### **Australia – Nickel-Copper**

- ❑ Three high priority drilling targets associated with west-north-west trending dykes confirmed at Balladonia South, with final access approval awaited ahead of drilling.
- ❑ The Company's strategic footprint in the Fraser Range was increased to ~2900km<sup>2</sup> with a new application at Balladonia. A further three Exploration Licences were granted.
- ❑ Additional magnetic targets outlined within the Gibson Soak area with clearances obtained to commence aircore drilling once ground conditions are favourable.

#### **West Africa – Gold**

- ❑ Extensive gold auger anomalism (up to 30km at Mouro South) reported by the Company's partner, Ressources Burkinor SARL, over the Banfora Gold Joint Venture tenements.
- ❑ Narrow (1-3m) intersections of anomalous gold (0.4-9.0g/t Au) reported from initial wide-spaced RC drill sections testing beneath gold auger anomalies. A best result of 5m @ 2.58g/t Au was reported from the K1 prospect (Komoe permit).
- ❑ 23,126m of drilling (154 holes) completed to end of June with assays pending for ~20% of the samples from the Komoe title.

#### **Corporate**

- ❑ \$2.4M cash at the end of the Quarter, putting AusQuest in a strong position to complete its planned exploration programmes for 2015 and beyond.

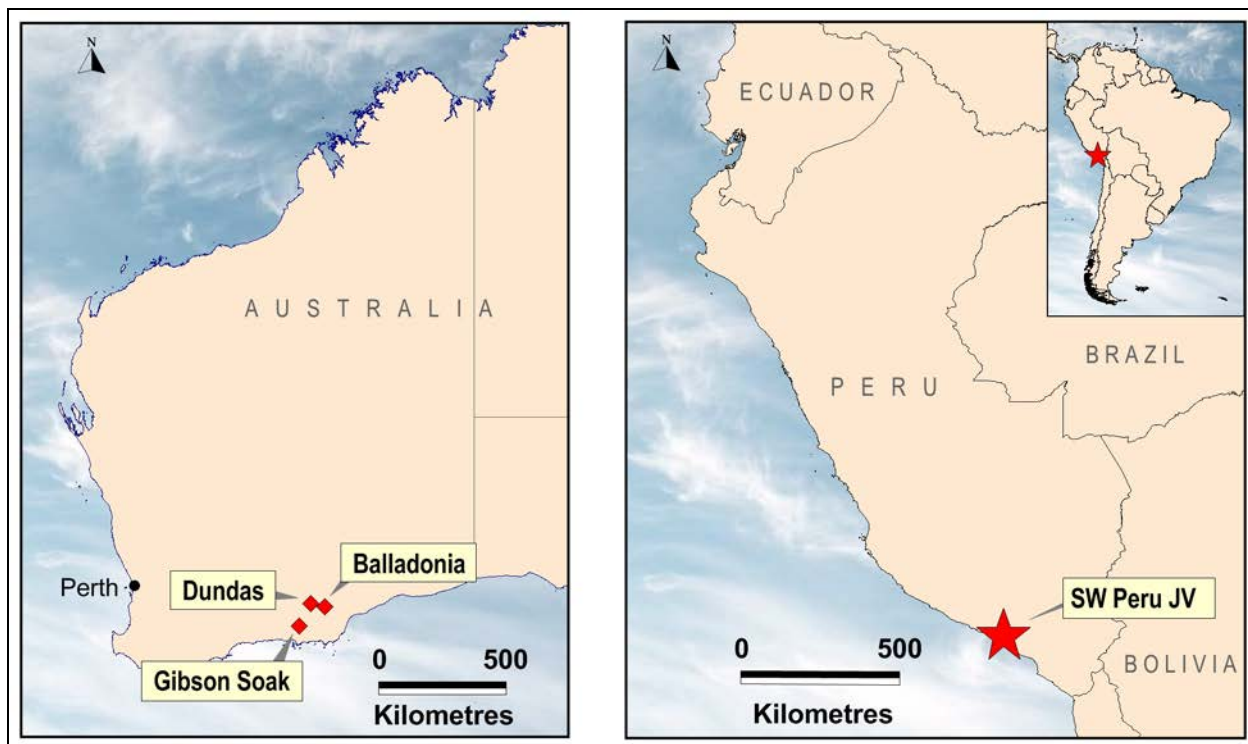


Figure 1: Project Locations – Australia and Peru

## OVERVIEW

AusQuest continued to make strong progress during the June Quarter, both with its emerging portfolio of porphyry copper-gold targets in the south of Peru and with its nickel-copper targets in the Fraser Range province in WA (Figure 1).

In Peru, negotiations were completed with the Company's joint venture partner Zahena SAC to extend the area of the original Cardonal Joint Venture agreement by increasing the initial cash payments and providing extra drill metres for the project. Elsewhere, field work progressed to identify additional porphyry copper targets for drill permitting and possible additional joint venture negotiations later in 2015.

At the Chololo prospect, detailed mapping and sampling confirmed the presence of a new porphyry copper target which will be the subject of joint venture discussions over the coming months.

In the Fraser Range region of WA, drill targets were confirmed at the Company's Balladonia Project by in-fill electromagnetic

(EM) surveys and access approvals were sought from the appropriate authorities. Additional targets were outlined in the Gibson Soak area north-east of Esperance after further encouraging results were reported by Mt Ridley Mines from its projects located immediately to the north. Access approvals for the initial aircore drilling program at Gibson Soak were obtained with drilling ready to start once ground conditions permit.

In West Africa, the Company's joint venture partner, Burkinor SARL, advised that the first phase of RC drilling designed to test the extensive gold-auger anomalies would continue until the start of the wet season (late July), at which time a full assessment of results would be made. A total of 154 drill-holes for 23,126m had been completed to the end of June.

Burkinor, a wholly-owned subsidiary of TSX-listed SEMAFO Inc., can earn up to 80% equity in the Banfora projects by spending a total of US\$7.5 million over a three-year period.

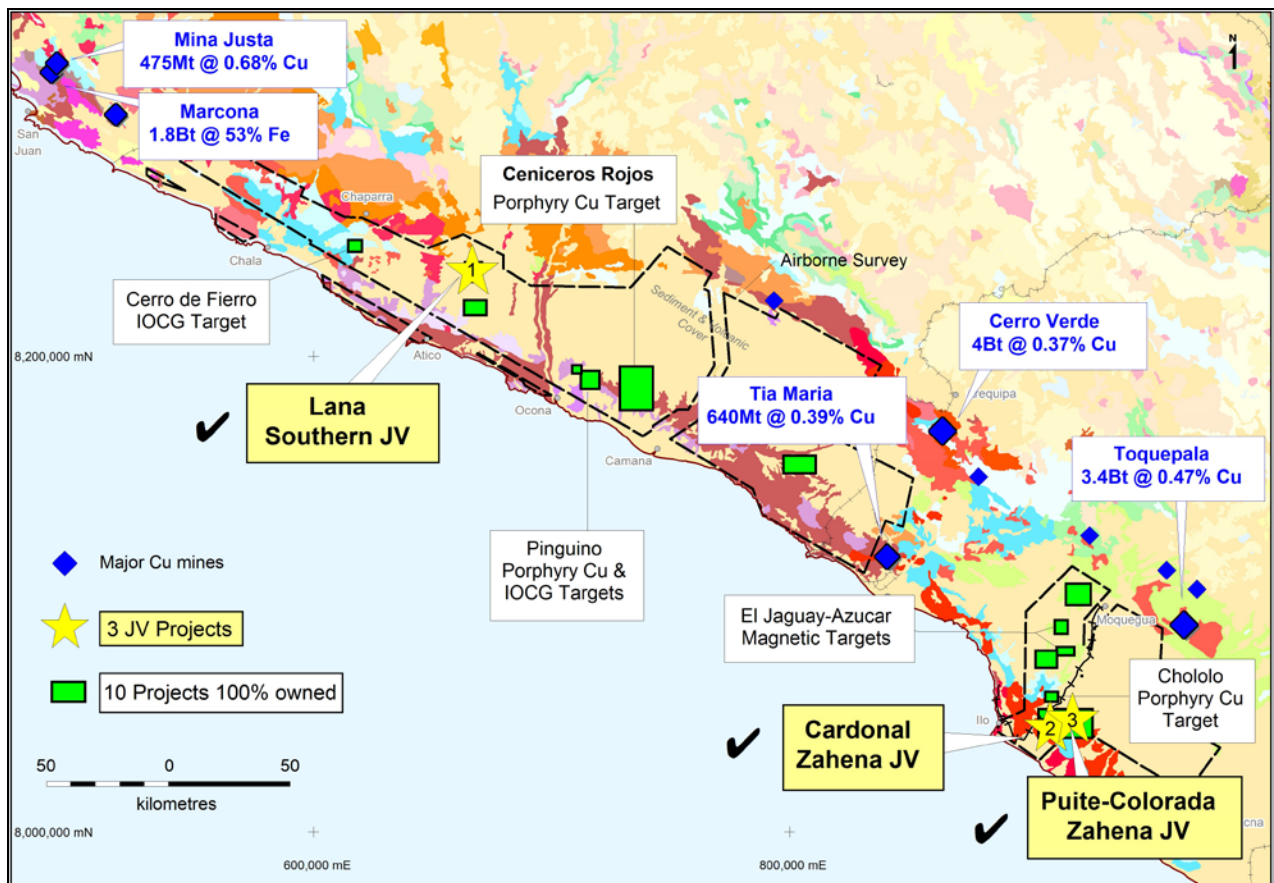


Figure 2: Peru Project and Joint Venture Locations

## PERU COPPER-GOLD JV PROJECTS

(100% AQD, JV partners earning to 70%)

During the Quarter, the Company announced that it had completed a fourth joint venture agreement in Peru by extending the Cardonal Joint Venture Agreement with Zahena SAC.

This followed the signing of the three original Peru joint venture agreements in February 2015 (as announced to the ASX on 26<sup>th</sup> February 2015), and means that a fifth porphyry copper-gold target will be tested by drilling over the next 12 to 18 months (Figure 2).

The inclusion of an additional three mineral concessions that are contiguous with the original Cardonal Agreement area (Figure 3) resulted in several substantive changes to the original joint venture agreement signed earlier in the year. These changes included:

- an increase in the upfront cash payment from US\$70,000 to US\$120,000;

- an increase in metres drilled (Diamond or Reverse Circulation) during the first 12 months from 5,000m to 10,000m (with 5,000m committed); and
- an increase in the total metres to be drilled over the four-year period from 20,000m to 30,000m. The value of the Amended Cardonal Agreement is estimated to be approximately US\$10 million (~A\$13 million).

Prospectivity of these contiguous titles was first recognised when new roadworks in the area exposed copper mineralisation that had been hidden by the extensive cover.

This takes the combined value of the agreements negotiated so far in Peru up to US\$28 million (~A\$37 million), including staged option payments to AusQuest over four year periods (totalling ~A\$13 million) and in-ground exploration (drilling) expenditure totalling an estimated A\$24 million.

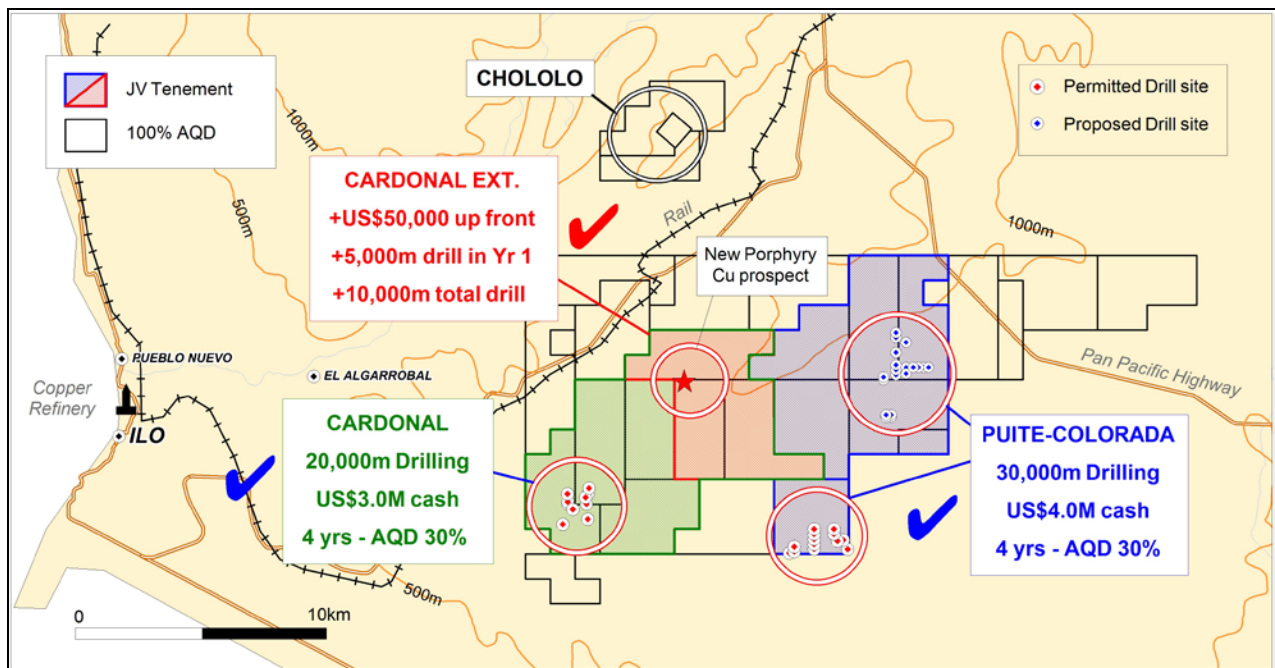


Figure 3: Joint Ventures in the south of Peru showing locations of Porphyry Copper targets

The Company's other joint venture partner, Southern Peru Copper Corporation Sucursal del Peru ("Southern"), has advised that good progress is being made towards commencement of drilling operations at the Lana prospect. Contractors for access preparations and drilling have been secured with the last permit involving an easement for the access road still pending. Final documentation for this easement will be submitted to the Mines and Energy Ministry (MEM) by the end of July.

The initial option payment of US\$70,000 for the Lana project was received from Southern during the Quarter.

Drilling of four porphyry copper targets within the Amended Cardonal and Puite-Colorada Joint Venture areas is now expected to start late 2015/ early 2016. Zahena SAC has advised that, due to the preferred change in drilling method from Reverse Circulation (RC) to Diamond drilling, additional permits/approvals were needed.

Zahena has also advised that a water permit has already been obtained, and a revised community approval process involving a community meeting is planned for late July. Current expectations are that access preparations should be able to commence in

the Puite-Colorada and/or Cardonal areas during September/October 2015, with drilling to follow shortly thereafter.

### PERU COPPER-GOLD PROJECTS (100% AQD)

*Over the past four years, AusQuest has assembled a large portfolio of copper-gold prospects along the southern coastal belt of Peru in South America with targets identified for drilling as possible porphyry copper targets and/or iron-oxide copper-gold (IOCG) targets with the size potential to be of significance to AusQuest (Figure 2). Peru is one of the world's most prominent destinations for international copper exploration and is considered to be a prime location for world-class exploration opportunities.*

During the Quarter, detailed geological mapping, rock and soil sampling programs were completed over the Chololo prospect highlighting an untested porphyry copper system with anomalous copper (Cu) and molybdenum (Mo) at surface implying the potential for buried mineralisation.

The prospect is located along the Chololo Fault immediately north-east of the Ilo Este prospect, where Latin Resources has reported several thick intersections (~200m to 400m)



of low-grade copper mineralisation (0.1 to 0.24% Cu) from limited drilling of the nearby porphyry system.

Detailed mapping at Chololo has identified various alteration types within the intrusive dioritic rocks, ranging from sub-propylitic to advanced argillic alteration. The buried

porphyry is defined by an arc of intermediate to advanced argillic alteration which is believed to be a window into a mineralised porphyry system at depth (*Figure 4*). The alteration arc ascribes an area greater than 3km<sup>2</sup>, providing an initial indication of the potential size of the system.

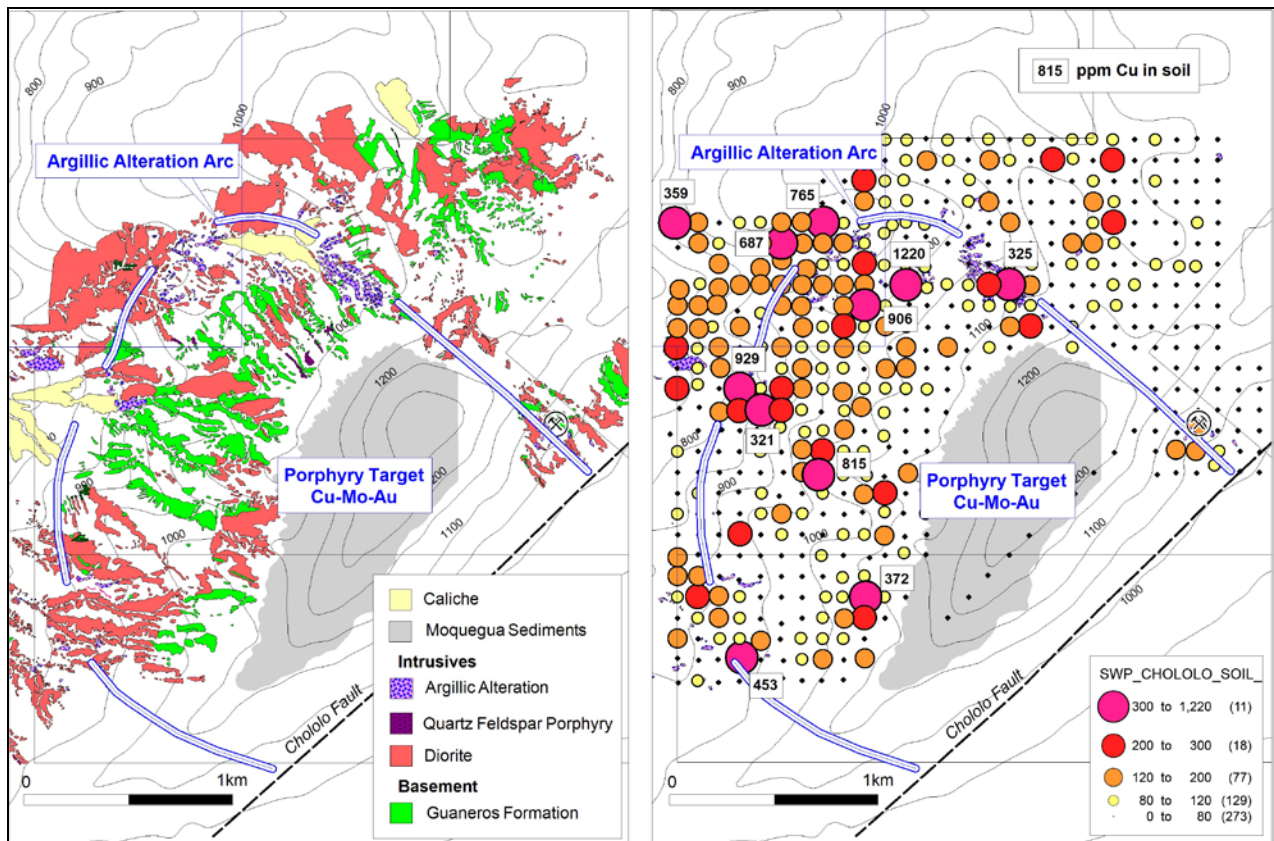


Figure 4: Chololo Porphyry Copper Prospect showing geology and copper soil geochemistry.

The inferred porphyry intrudes rocks of the Guaneros Formation, a mixed sequence of volcanics and sediments, and appears to be unconformably overlain by Moquegua sediments, which may have helped preserve the vertical extent of the porphyry from erosion.

Systematic soil sampling was extended to cover an adjoining tenement that was secured during the Quarter under an option agreement involving an initial payment of US\$30,000 and a further payment of US\$60,000 in 12 months, to obtain 100% ownership of the property. A portion of the potential porphyry is believed to occur within this title.

Soil sampling results show broadly coincident anomalous copper (100ppm to 1220ppm) and molybdenum (8ppm to 306ppm) patterns with anomalous gold (20ppb to 815ppb), mainly concentrated in the north-west corner of the grid at lower elevations (~200m), suggesting possible vertical as well as lateral controls on the distribution of metals (*Figure 5*).

Anomalous pathfinder elements such as lead (Pb – 25ppm to 1070ppm) and zinc (Zn – 100ppm to 1820ppm) plus tin, tungsten and iron – which often occur in the outer zones of a porphyry system – are strongly correlated in the soil geochemical data and appear displaced from the anomalous Cu, Mo and Au which normally occur in the core of the system.

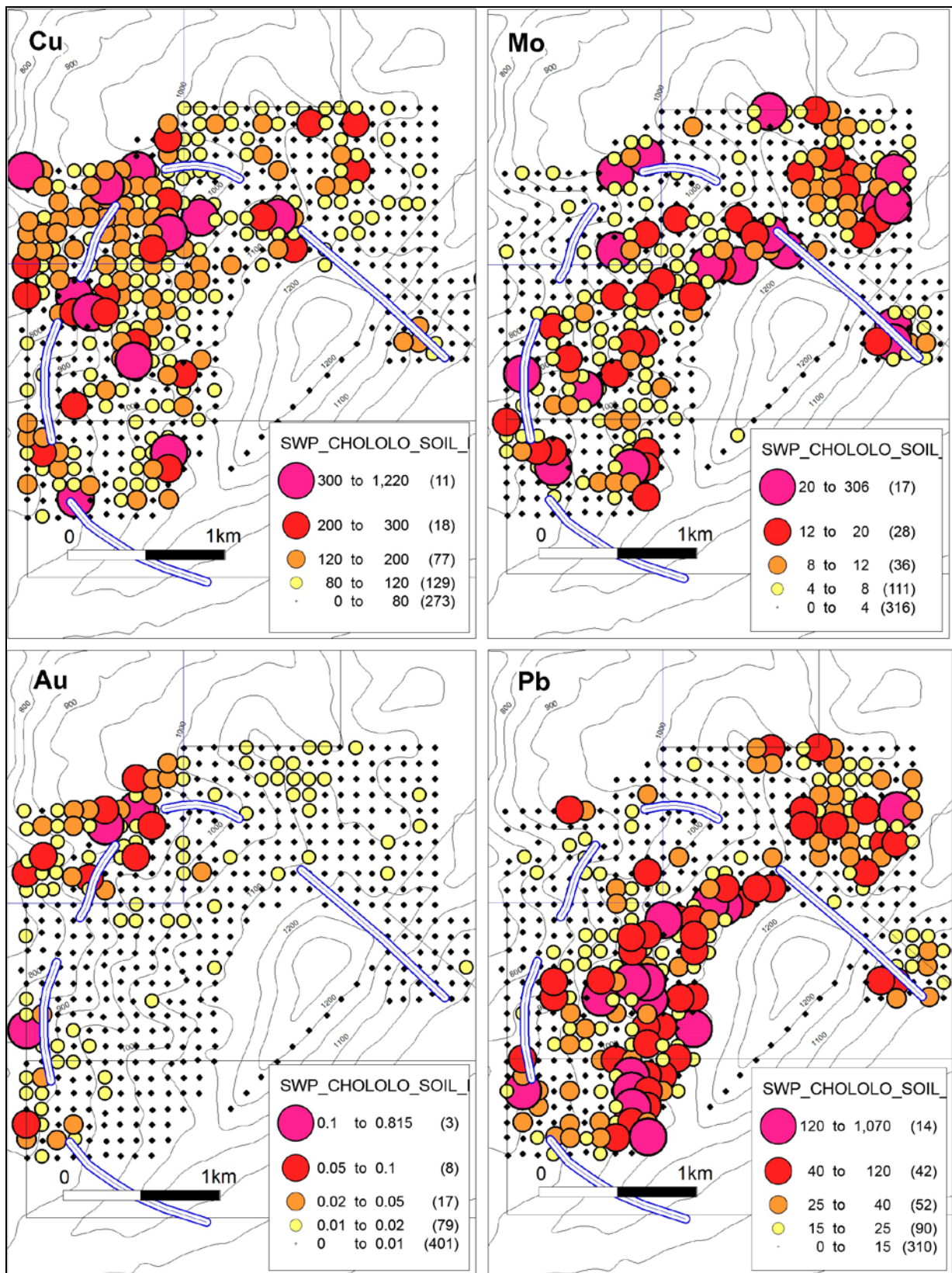


Figure 5: Chololo Porphyry Copper Prospect showing soil Geochemistry.

Initial discussions with potential joint venture parties were initiated for the Chololo prospect, with a high degree of interest shown by several parties. Site visits are being planned.

Ground magnetic surveys were completed over two areas within the Pampa de Las Pulgas concessions where potential porphyry targets under cover had been inferred by interpretation of the Company's aeromagnetic data. Final processing of results is awaited.



The Company continues to be encouraged by the results obtained from its Peruvian projects, and plans to continue evaluating its extensive portfolio of large porphyry copper and/or IOCG targets with a view to advancing further prospects to the drilling stage before the end of 2015.

## AUSTRALIA – FRASER RANGE PROJECTS (Nickel, Copper)

*AusQuest controls approximately 2,900km<sup>2</sup> of title within the Fraser Range Province of WA, which hosts the Nova–Bollinger nickel-copper deposit discovered by Sirius Resources and the Tropicana gold mine, commissioned recently by Anglo Gold (Figure 6). The region is the focus of high levels of exploration activity by a range of companies and is considered to be one of the country’s premier locations for exploration.*

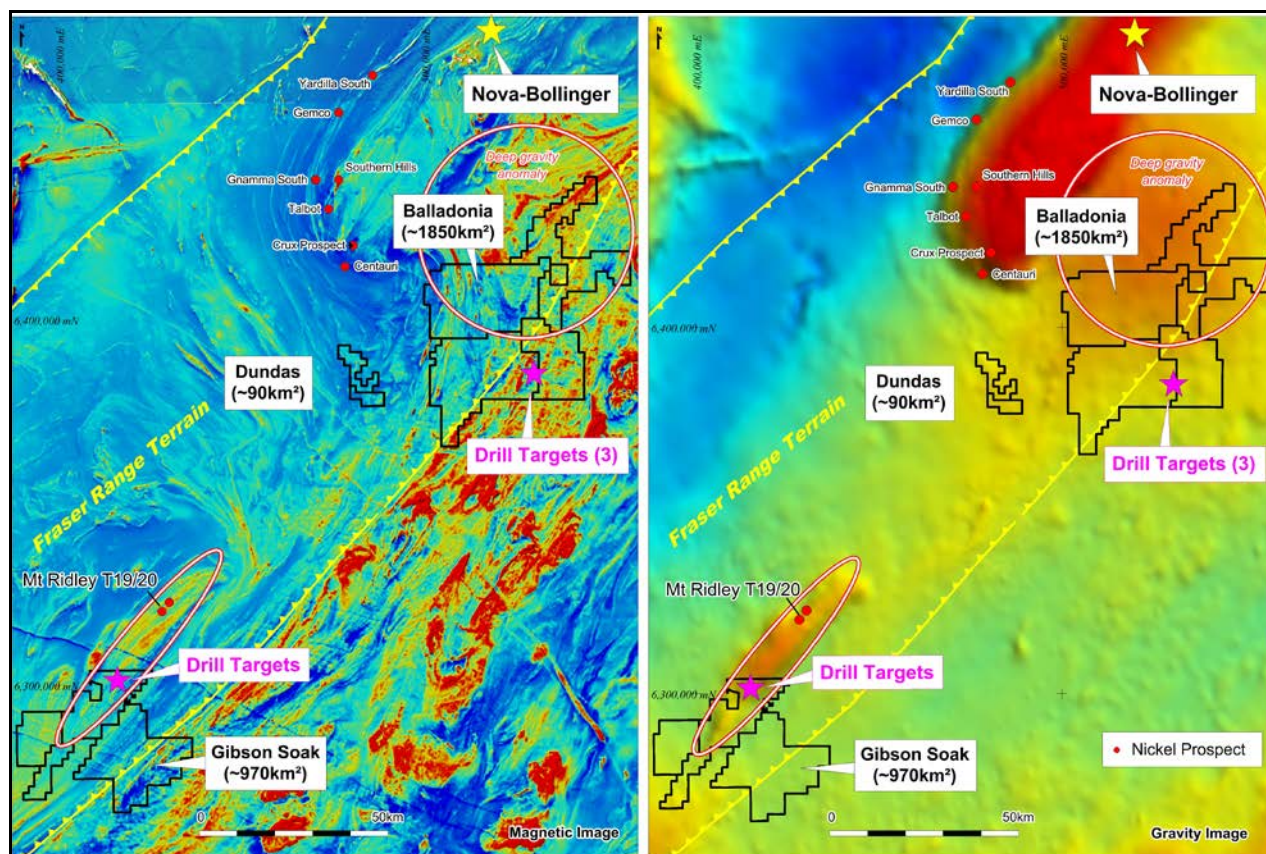


Figure 6: Fraser Range Projects showing current target locations.

### **Balladonia Ni-Cu Project (100% AQD)**

*The Balladonia Project is located ~50km south of the Nova–Bollinger nickel-copper deposit. It consists of four Exploration Licences covering an area of ~1,850km<sup>2</sup>, within a structurally complex region of the Fraser Range Terrain centred above the southern margin of a deep regional gravity anomaly (~30 milligals) which is thought to reflect buried mafic/ultramafic rocks similar to those that may be related to the formation of the Nova deposit. Most of the tenements lie within the Dundas Nature Reserve.*

During the Quarter, three high priority conductive targets (Boorara, Gardner and

Canterbury) were confirmed by in-fill ground EM surveys within the Balladonia South tenement. A new Exploration Licence application was also submitted to cover potential strike extensions of these targets which are being prepared for drilling.

The orientation of the EM targets suggests a close association with cross-cutting mafic intrusive structures, upgrading the potential for sulphide mineralisation to be discovered within or near the base of a mafic intrusion, which is the preferred location for concentrations of nickel-copper sulphides within mafic-hosted systems (Figure 7). Computer modelling of the moving loop TEM (MLTEM) data optimised six drill sites to test these anomalies. The three EM targets

display moderate-to-strong late-time (156.8 to 194.5msec) responses, typical of sulphide mineralisation. Modelling suggests discrete plate-like targets of variable thickness, with

strike lengths <800m, moderate conductance, and target depths ranging from 125m to 250m.

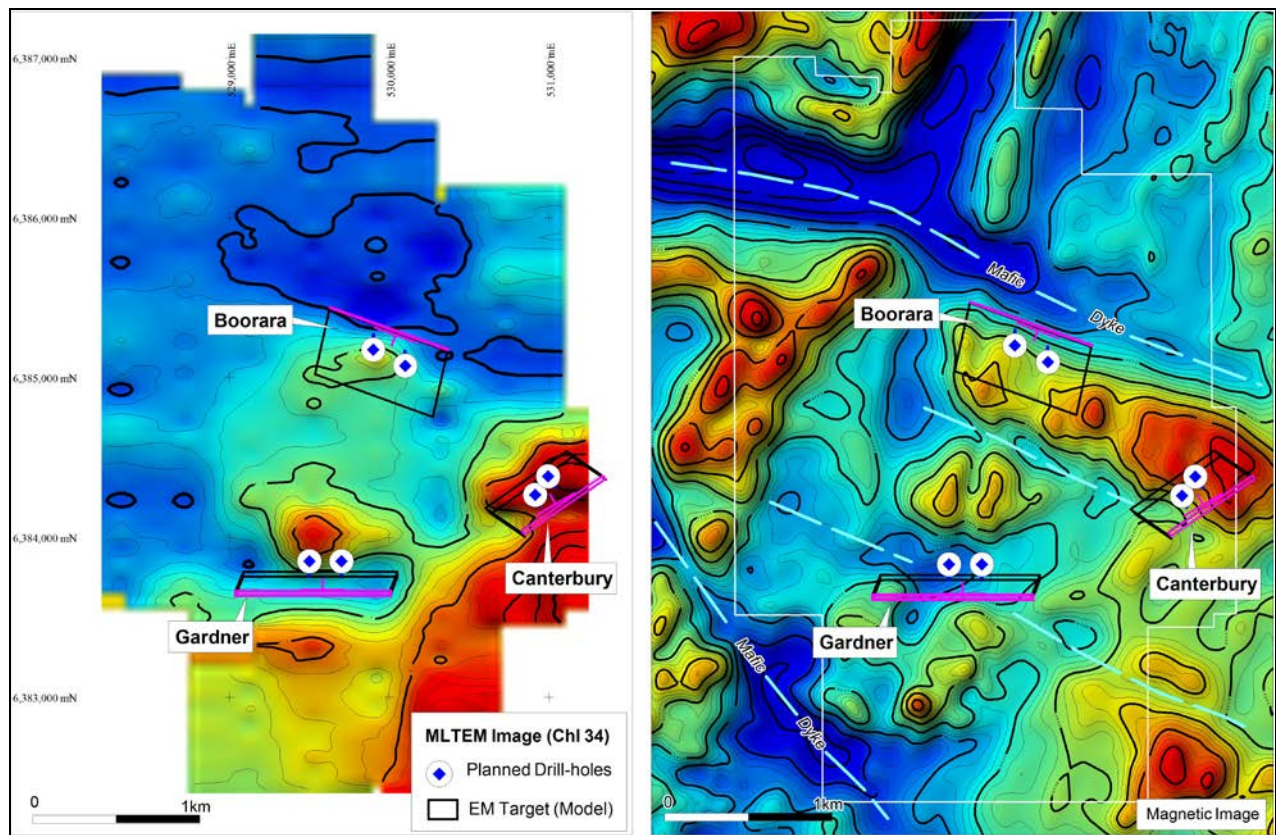


Figure 7: Balladonia South proposed drill targets

Access clearance surveys (Native Title Heritage and Flora surveys) for the proposed drill program were completed in June, with a final report on the Flora survey pending. The Company plans to commence drilling operations when clearances have been obtained and weather conditions allow, given that the targets are all located within the Dundas Nature Reserve.

**Gibson Soak Ni-Cu Project (100% AQD)**

The Gibson Soak Project is located ~30km north of the port of Esperance, within the broader Fraser Range terrain. The

tenements, which cover an area of ~960km<sup>2</sup>, are centred on a regional north-east trending gravity high with similarities to the Fraser Range Complex which hosts the Nova-Bollinger nickel-copper discoveries.

The prospectivity of the Gibson Soak area has been enhanced by recent reports from Mount Ridley Mines confirming prospective nickel host rocks at their Target 19 prospect, immediately to the north of the Company’s titles (Figure 6). Available aeromagnetic data over this target provides a clear outline of the mafic intrusive being tested, and the magnetic response associated with the target.



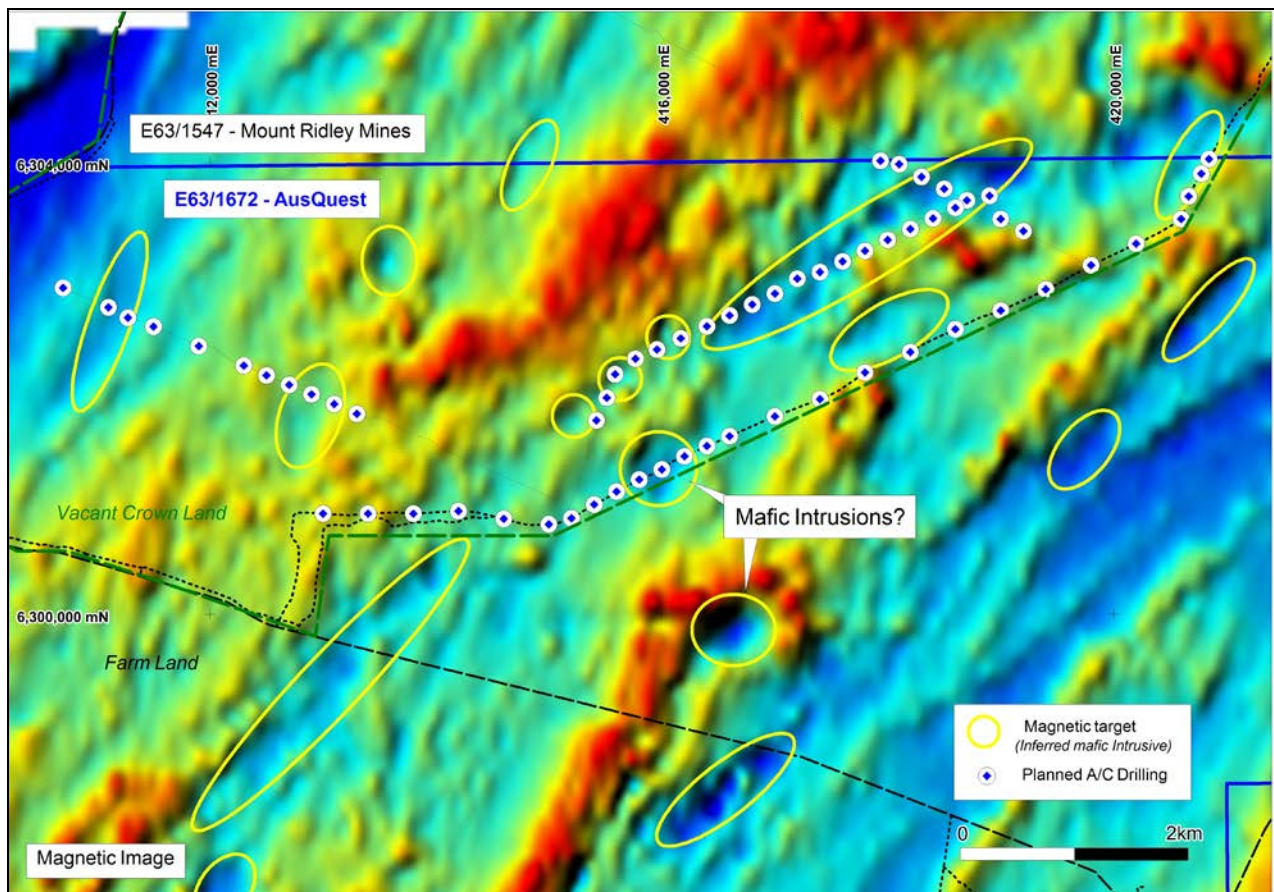


Figure 8: Gibson Soak proposed aircore drilling

During the Quarter, Native Title clearance was obtained for an aircore drilling program along old tracks to test similar magnetic targets south of the Mt Ridley title, and approval received from the Department on Minerals and Energy to complete the drilling. The Company plans to commence drill operations as soon as ground conditions are favourable (Figure 8).

The Company's two new Exploration Licences in the Gibson Soak area (Figure 6) were granted during the Quarter with interpretation of aeromagnetic data identifying additional targets as potential host rocks for nickel. Aircore drilling over selected targets is being planned before more systematic exploration coverage is initiated.

Much of the Gibson Soak tenement is covered by farm land which requires access agreements to be negotiated before on-ground work can commence. Many of the targets identified occur on farm-land, although a number also cross public roadways. Meetings with the local shire are being sought as well as ongoing discussions

with landowners in order to obtain access for drilling.

### **Dundas Ni-Cu Project (100% AQD)**

The Dundas Project is located ~100km east-southeast of Norseman (WA), and ~80km south-west of the Nova-Bollinger nickel-copper discovery (Sirius Resources). The remaining tenements cover an area of ~90km<sup>2</sup> within a structurally complex region bordering the south-west margin of the main Fraser Range Complex which hosts the Nova discovery.

Native Title Heritage and Flora surveys were completed during the Quarter to obtain access for drilling across an EM target associated with elevated soil geochemical values (>70ppm Ni and >40ppm Cu) and coincident magnetic/gravity anomalies. A final report on the Flora survey is pending.

### **GOLD – WEST AFRICA**

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

The Comoe Project is located near the town of Banfora in south-west Burkina Faso, West Africa, within an extensive greenstone belt. The area is relatively unexplored except for extensive historical surface sampling programs and widespread artisanal gold workings along the belt. AusQuest controls approximately 1,150km<sup>2</sup> of title within the Belt, which is now under a Farm-In and Joint Venture Agreement with Ressources Burkinor SARL, a wholly-owned subsidiary of TSX-listed SEMAFO Inc. Burkinor has the right to earn up to an 80% interest in all the Banfora permits by spending a total of US\$7.5 million over a three-year period. Burkinor are the operators of the JV.

During the Quarter, Ressources Burkinor SARL reported that it had outlined an extensive gold auger anomaly (>30km) known as the Mouro Trend within joint venture tenements along the eastern margin of the Banfora Greenstone Belt.

Initial Reverse Circulation (RC) drilling (85 holes/12,785m) has now been completed along eight drill sections spaced between 200m and 600m apart, to provide a first pass test over selected portions of this gold auger anomaly, including the historical workings at Mouro South (Figure 9). Drill-holes were generally spaced 60m apart, inclined at 50° and drilled to ~150m down-hole to provide complete coverage across the anomalous surface gold zones.

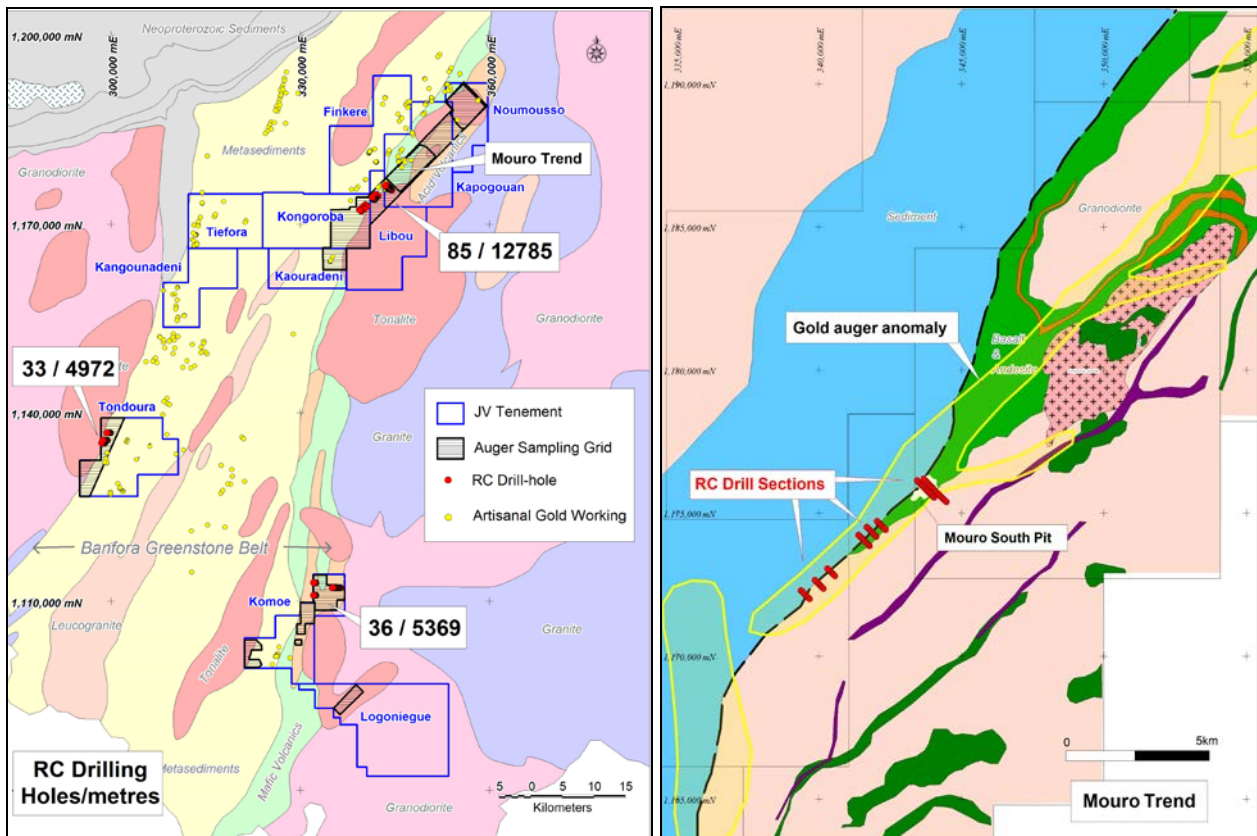


Figure 9: Banfora JV showing location of drilling and auger sampling completed

Initial RC drill sections were also completed over two prospects located within the Komoe tenement to the south, the K1 prospect where two reconnaissance RC section lines (2km apart) were completed for a total of 14 drill-holes and 2104m, and the Baboro prospect where one RC section for 22 drill-holes and 3628m was completed.

Narrow intersections (1m to 3m) of anomalous gold (0.4 up to 9.0g/t Au) have so far been reported from this program and will be the subject of a detailed assessment and reporting by Burkinor over the coming months. A best result of 5m @ 2.58g/t Au was reported from the K1 prospect (Komoe permit) with assays for approximately 20% of samples within the Komoe tenement still pending.



Grid based (400m x 25m) auger drilling continued throughout the Quarter with a further 80,227m and 9831 holes drilled (2015 totals – 18,307 holes/153,662m) over prospects within the Komoe, Kaouradeni, Kapogouan-Noumousso, and Finkere tenements.

The Company has been advised that Burkinor plans to suspend further work programs for at least the period of the wet season to provide the opportunity to evaluate and assess the multitude of results that have been collected so far under the joint venture.

At the end of June/July 2015, it is estimated that Burkinor will have spent in excess of the US\$4.5 million required to earn their 65% interest in the joint venture tenements. Formal notification of joint venture expenditure is expected shortly. Burkinor is required to spend a total of US\$7.5 million to earn an 80% equity in the project.

## **BUSINESS DEVELOPMENT**

AusQuest continues to look for opportunities both within Australia and offshore to add value to the Company, especially in areas of immediate interest. New nickel exploration opportunities within WA are currently under consideration, having been secured by new tenement applications during the Quarter.

## **CORPORATE**

The Company's cash position at the end of June is approximately \$2.4 million, putting it

in a good financial position to complete planned exploration programmes for 2015 and beyond.

## **KEY ACTIVITIES – SEPTEMBER 2015 QUARTER**

The following activities are planned for the September 2015 Quarter:

- Balladonia (Ni-Cu) – Finalise clearances and prepare for drilling;
- Dundas (Ni-Cu) – Finalise clearances for drilling;
- Gibson Soak (Ni-Cu) – Aircore drilling to test potential for nickel, subject to ground conditions;
- Peru (Cu-Au) – Initiate JV negotiations over Chololo porphyry Cu prospect;
- Peru (Cu-Au) – Commencement of access and drill operations within JV properties;
- Peru (Cu-Au) – Mapping/sampling to advance further prospects to drill status; and
- Comoe (Au) – Monitor results from Burkinor JV program.



Graeme Drew  
Managing Director

## **COMPETENT PERSON'S STATEMENT**

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

## **FORWARD LOOKING STATEMENT**

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

# JORC Code, 2012 Edition – Table 1 report, RC Drilling in Banfora (West Africa) - Section 1 Sampling Techniques and Data

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

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> <li>• <i>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.</i></li> <li>• <i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i></li> <li>• <i>Aspects of the determination of mineralisation that are Material to the Public Report.</i></li> <li>• <i>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.</i></li> </ul>	<ul style="list-style-type: none"> <li>• RC drill-cutting samples were collected at 1m intervals, riffle-split with multistage riffle-splitter to produce a 2kg sample which was sent for analysis, with the rest of the cutting stored on site for reference.</li> <li>• At the laboratory each 1m (2 kg) riffle-split sample is dried, crushed to -10 mesh (1.5mm) and quartered to produce a first split of crushed material. This material is then pulverized to minus 200 mesh and quartered to get a second 50gm split which is fire-assayed with an Atomic Absorption finish.</li> </ul>
Drilling techniques	<ul style="list-style-type: none"> <li>• <i>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).</i></li> </ul>	<ul style="list-style-type: none"> <li>• RC Drilling with a face sampling hammer has been used, with a hole diameter of approximately 133.4 mm . (5 ¼’)</li> <li>• Down hole surveys were undertaken in each hole using a Trimble real-time differential gyro probe</li> <li>• All RC drill holes were inclined at 50°</li> </ul>
Drill sample recovery	<ul style="list-style-type: none"> <li>• <i>Method of recording and assessing core and chip sample recoveries and results assessed.</i></li> <li>• <i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i></li> <li>• <i>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.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Estimates of sample loss are judged by the size of sample provided and recorded by the on-site geologist on the drill log.</li> <li>• Wet and/or dry samples are recorded on the log.</li> <li>• Experienced RC drillers and appropriate rig and compressor matching are used to provide maximum sample recovery and where possible, a dry sample.</li> <li>• At this early stage of exploration, it is not known if there is a relationship between sample recovery and assay grade.</li> </ul>
Logging	<ul style="list-style-type: none"> <li>• <i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation,</i></li> </ul>	<ul style="list-style-type: none"> <li>• RC sample chips are logged by experienced geologists to identify key rock types and mineralization types and styles.</li> </ul>



Criteria	JORC Code explanation	Commentary
	<p><i>mining studies and metallurgical studies.</i></p> <ul style="list-style-type: none"> <li>• <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i></li> <li>• <i>The total length and percentage of the relevant intersections logged.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Sample logging is qualitative with visual estimates of mineralization only.</li> <li>• All samples are logged.</li> </ul>
<b>Sub-sampling techniques and sample preparation</b>	<ul style="list-style-type: none"> <li>• <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i></li> <li>• <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i></li> <li>• <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i></li> <li>• <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i></li> <li>• <i>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.</i></li> <li>• <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i></li> </ul>	<ul style="list-style-type: none"> <li>• RC samples are collected every meter from the cyclone and passed through a multi-stage riffle splitter, to produce a 2kg sample.</li> <li>• No wet samples were returned from this drilling with an auxiliary booster used where necessary to keep all samples dry</li> <li>• Duplicate samples for each 1m sample were collected and stored on site to check on representivity of assay results if required.</li> <li>• The sample sizes are considered appropriate for the geological materials sampled.</li> </ul>
<b>Quality of assay data and laboratory tests</b>	<ul style="list-style-type: none"> <li>• <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i></li> <li>• <i>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.</i></li> <li>• <i>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.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Analysis of the drill samples is by standard industry practice.</li> <li>• At the laboratory each 1m (2 kg) riffle-split sample is dried, crushed to -10 mesh (1.5mm) and quartered to produce a first split of crushed material. This material is then pulverized to minus 200 mesh and quartered to get a second 50gm split which is fire-assayed with an Atomic Absorption finish.</li> <li>• Data from the laboratory's internal quality procedures (standards, repeats and blanks) are reviewed to check data quality and re-assays requested if variations are unacceptable.</li> <li>• Assays have been provided by both ALS Laboratories in Ouagadougou and SEMAFO's in-house laboratory which are certified laboratories for mineral analyses.</li> <li>• Analytical data is transferred to the company via email.</li> </ul>
<b>Verification of sampling and assaying</b>	<ul style="list-style-type: none"> <li>• <i>The verification of significant intersections by either independent or alternative company personnel.</i></li> <li>• <i>The use of twinned holes.</i></li> <li>• <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i></li> <li>• <i>Discuss any adjustment to assay data.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Significant intersections are reviewed and checked by senior staff.</li> <li>• No twinned holes were used.</li> <li>• All data are entered into an Access Database importing directly the lab CSV files.</li> <li>• No adjustments have been made to the assay data.</li> </ul>
<b>Location of data points</b>	<ul style="list-style-type: none"> <li>• <i>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.</i></li> </ul>	<ul style="list-style-type: none"> <li>• The drill hole collars are positioned by hand held GPS to an accuracy of approximately 5m.</li> <li>• All surface data is in the Universal Mercator WGS84 datum, UTM</li> </ul>

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> <li>• <i>Specification of the grid system used.</i></li> <li>• <i>Quality and adequacy of topographic control.</i></li> </ul>	<p>zone 30 northern Hemisphere.</p> <ul style="list-style-type: none"> <li>• A Trimble real-time differential survey was performed after the completion of each drill-hole to accurately track the hole position.</li> </ul>
<i>Data spacing and distribution</i>	<ul style="list-style-type: none"> <li>• <i>Data spacing for reporting of Exploration Results.</i></li> <li>• <i>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.</i></li> <li>• <i>Whether sample compositing has been applied.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Drill holes were positioned 60m apart and inclined at 50° to provide overlap along the section drilled.</li> <li>• Drill sections are variably spaced (200m to 400m) and are not sufficient to establish a Resource estimate.</li> <li>• No sample compositing was done.</li> </ul>
<i>Orientation of data in relation to geological structure</i>	<ul style="list-style-type: none"> <li>• <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i></li> <li>• <i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Drill sections were positioned orthogonal to the known strike of the rocks and structures.</li> </ul>
<i>Sample security</i>	<ul style="list-style-type: none"> <li>• <i>The measures taken to ensure sample security.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Samples are collected into securely tied bags and placed into tied rice bags for transport to the laboratory. Each sample batch has a sample submission sheet that lists the sample numbers and the work required to be done on each sample.</li> <li>• Reputable freight companies are used to transport samples to the laboratory.</li> <li>• Sample pulps (after assay) are held by the laboratory and returned to the company after 90 days.</li> </ul>
<i>Audits or reviews</i>	<ul style="list-style-type: none"> <li>• <i>The results of any audits or reviews of sampling techniques and data.</i></li> </ul>	<ul style="list-style-type: none"> <li>• No reviews or audits of the sampling techniques or data have been carried out to date.</li> </ul>



## Drill-Hole location details

HoleID	East	North	Azm	Incln	Depth(m)
BRC15-001	299030	1135201	270	50	150
BRC15-002	298970	1135201	270	50	150
BRC15-003	298910	1135201	270	50	150
BRC15-004	298850	1135201	270	50	150
BRC15-005	298790	1135201	270	50	150
BRC15-006	298730	1135201	270	50	150
BRC15-007	298670	1135201	270	50	150
BRC15-008	298610	1135201	270	50	150
BRC15-009	298550	1135201	270	50	150
BRC15-010	298490	1135201	270	50	150
BRC15-011	299381	1135601	270	50	150
BRC15-012	299321	1135601	270	50	150
BRC15-013	299261	1135601	270	50	156
BRC15-014	299201	1135601	270	50	150
BRC15-015	299141	1135601	270	50	156
BRC15-016	299081	1135601	270	50	159
BRC15-017	299021	1135601	270	50	153
BRC15-018	298961	1135601	270	50	150
BRC15-019	298901	1135601	270	50	150
BRC15-020	298841	1135601	270	50	148
BRC15-021	298781	1135601	270	50	150
BRC15-022	298721	1135601	270	50	150
BRC15-023	298661	1135601	270	50	150
BRC15-024	299861	1136801	270	50	150
BRC15-025	299801	1136801	270	50	150
BRC15-026	299741	1136801	270	50	150
BRC15-027	299681	1136801	270	50	150
BRC15-028	299621	1136801	270	50	150

HoleID	East	North	Azm	Incln	Depth(m)
BRC15-029	299561	1136801	270	50	150
BRC15-030	299501	1136801	270	50	150
BRC15-031	299441	1136801	270	50	150
BRC15-032	299381	1136801	270	50	150
BRC15-033	299321	1136801	270	50	150
BRC15-034	344471	1175385	315	50	57
BRC15-035	344467	1175388	315	50	150
BRC15-036	344428	1175427	315	50	150
BRC15-037	344383	1175466	315	50	150
BRC15-038	344344	1175506	315	50	150
BRC15-039	344299	1175552	315	50	150
BRC15-040	344258	1175594	315	50	150
BRC15-041	344214	1175638	315	50	150
BRC15-042	344173	1175680	315	50	150
BRC15-044	344087	1175768	315	50	150
BRC15-045	344050	1175806	315	50	150
BRC15-046	344007	1175850	315	50	153
BRC15-047	343964	1175895	315	50	150
BRC15-049	343916	1175937	315	50	159
BRC15-050	343877	1175979	315	50	150
BRC15-051	343836	1176022	315	50	150
BRC15-052	343793	1176066	315	50	150
BRC15-053	343753	1176106	315	50	150
BRC15-054	343711	1176147	315	50	150
BRC15-055	343668	1176193	315	50	150
BRC15-056	344031	1175542	315	50	153
BRC15-057	343987	1175583	315	50	150
BRC15-058	343945	1175625	315	50	150

HoleID	East	North	Azm	Incln	Depth(m)
BRC15-059	343904	1175666	315	50	150
BRC15-060	343862	1175707	315	50	150
BRC15-061	343818	1175753	315	50	150
BRC15-062	343777	1175796	315	50	150
BRC15-063	343736	1175838	315	50	150
BRC15-064	343694	1175883	315	50	150
BRC15-065	343651	1175924	315	50	150
BRC15-066	343608	1175965	315	50	150
BRC15-067	343566	1176007	315	50	150
BRC15-068	343523	1176050	315	50	150
BRC15-069	343481	1176092	315	50	150
BRC15-070	343438	1176134	315	50	150
BRC15-071	342248	1174501	315	50	150
BRC15-072	342205	1174543	315	50	150
BRC15-073	342163	1174585	315	50	150
BRC15-074	342120	1174628	315	50	150
BRC15-075	342078	1174670	315	50	150
BRC15-076	342036	1174713	315	50	150
BRC15-077	342333	1174416	315	50	150
BRC15-078	342290	1174458	315	50	150
BRC15-079	342007	1174175	315	50	150
BRC15-080	341965	1174218	315	50	150
BRC15-081	341922	1174260	315	50	150
BRC15-082	341880	1174303	315	50	150
BRC15-083	341838	1174345	315	50	150
BRC15-084	341795	1174387	315	50	150
BRC15-085	341753	1174430	315	50	145
BRC15-086	341710	1174472	315	50	150

HoleID	East	North	Azm	Incln	Depth(m)
BRC15-087	341668	1174515	315	50	150
BRC15-088	341767	1173850	315	50	150
BRC15-089	341724	1173892	315	50	150
BRC15-090	341682	1173935	315	50	150
BRC15-091	341640	1173977	315	50	150
BRC15-092	341597	1174020	315	50	150
BRC15-093	341555	1174062	315	50	150
BRC15-094	341512	1174105	315	50	150
BRC15-095	341470	1174147	315	50	150
BRC15-096	341427	1174189	315	50	150
BRC15-097	341385	1174232	315	50	150
BRC15-098	340466	1172888	315	50	150
BRC15-099	340423	1172931	315	50	150
BRC15-100	340381	1172973	315	50	150
BRC15-101	340339	1173016	315	50	150
BRC15-102	340296	1173058	315	50	150
BRC15-103	340508	1172846	315	50	150
BRC15-104	340550	1172804	315	50	150
BRC15-105	340061	1172441	315	50	150
BRC15-106	340019	1172484	315	50	150
BRC15-107	339977	1172526	315	50	150
BRC15-108	339934	1172569	315	50	150
BRC15-109	339892	1172611	315	50	150
BRC15-110	339849	1172654	315	50	150

HoleID	East	North	Azm	Incln	Depth(m)
BRC15-111	340104	1172399	315	50	175
BRC15-112	340146	1172357	315	50	150
BRC15-113	339575	1172082	315	50	150
BRC15-114	339617	1172040	315	50	150
BRC15-115	339660	1171997	315	50	150
BRC15-116	339405	1172252	315	50	150
BRC15-117	339363	1172294	315	50	150
BRC15-118	339532	1172125	315	50	150
BRC15-119	339490	1172167	315	50	150
BRC15-120	339448	1172209	315	50	150
BRC15-121	332430	1111000	270	50	150
BRC15-122	332370	1111000	270	50	150
BRC15-123	332310	1111000	270	50	150
BRC15-124	332250	1111000	270	50	150
BRC15-125	332190	1111000	270	50	150
BRC15-126	332130	1111000	270	50	150
BRC15-127	332070	1111000	270	50	150
BRC15-128	332430	1113000	270	50	150
BRC15-129	332370	1113000	270	50	150
BRC15-130	332310	1113000	270	50	150
BRC15-131	332250	1113000	270	50	150
BRC15-132	332190	1113000	270	50	154
BRC15-133	332130	1113000	270	50	150
BRC15-134	332070	1113000	270	50	150

HoleID	East	North	Azm	Incln	Depth(m)
BRC15-135	336310	1112200	270	50	150
BRC15-136	336250	1112200	270	50	150
BRC15-137	336190	1112200	270	50	150
BRC15-138	336130	1112200	270	50	150
BRC15-139	336070	1112200	270	50	150
BRC15-140	336010	1112200	270	50	150
BRC15-141	335950	1112200	270	50	150
BRC15-142	335890	1112200	270	50	150
BRC15-143	335830	1112200	270	50	150
BRC15-144	335770	1112200	270	50	150
BRC15-145	335710	1112200	270	50	150
BRC15-146	335650	1112200	270	50	150
BRC15-147	335590	1112200	270	50	150
BRC15-148	335530	1112200	270	50	150
BRC15-149	335470	1112200	270	50	150
BRC15-150	335410	1112200	270	50	150
BRC15-151	335350	1112200	270	50	150
BRC15-152	335290	1112200	270	50	150
BRC15-153	335230	1112200	270	50	148
BRC15-154	335170	1112200	270	50	117
BRC15-155	335110	1112200	270	50	150
BRC15-156	335050	1112200	270	50	150



## Section 2 Reporting of Exploration Results

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

Criteria	JORC Code explanation	Commentary
<b>Mineral tenement and land tenure status</b>	<ul style="list-style-type: none"> <li>• <i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i></li> <li>• <i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</i></li> </ul>	<ul style="list-style-type: none"> <li>• The Banfora project is located in south western Burkina Faso approximately 500km south west of Ouagadougou.</li> <li>• The Banfora project comprises 11 granted exploration Permits.</li> <li>• The tenements are held 100% by AusQuest Limited but they are subject to a Farm-In and Joint Venture Agreement with Burkinor SARL who can earn up to 80% equity by spending US\$7.5 million in 3 years.</li> </ul>
<b>Exploration done by other parties</b>	<ul style="list-style-type: none"> <li>• <i>Acknowledgment and appraisal of exploration by other parties.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Previous exploration in the area consisting of surface sampling for gold has been compiled by AusQuest and has been used to assist with exploration program planning.</li> </ul>
<b>Geology</b>	<ul style="list-style-type: none"> <li>• <i>Deposit type, geological setting and style of mineralisation.</i></li> </ul>	<ul style="list-style-type: none"> <li>• The deposit style being explored for is structurally controlled gold within the Birimian Greenstone Belts of West Africa.</li> </ul>
<b>Drill hole Information</b>	<ul style="list-style-type: none"> <li>• <i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</i> <ul style="list-style-type: none"> <li>○ <i>easting and northing of the drill hole collar</i></li> <li>○ <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i></li> <li>○ <i>dip and azimuth of the hole</i></li> <li>○ <i>down hole length and interception depth</i></li> <li>○ <i>hole length.</i></li> </ul> </li> <li>• <i>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.</i></li> </ul>	<ul style="list-style-type: none"> <li>• All relevant drill hole data are tabulated above and provided in the ASX release.</li> <li>• RL data was provided by a Trimble real-time differential survey performed within each drill-hole.</li> </ul>
<b>Data aggregation methods</b>	<ul style="list-style-type: none"> <li>• <i>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.</i></li> <li>• <i>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.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Intercept length-weighted averages and uncut grades are used in reporting drill hole intercepts.</li> <li>• A lower cut-off grade of 0.6g/t Au is used for intervals reported.</li> </ul>

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> <li><i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i></li> </ul>	
<i>Relationship between mineralisation widths and intercept lengths</i>	<ul style="list-style-type: none"> <li><i>These relationships are particularly important in the reporting of Exploration Results.</i></li> <li><i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i></li> <li><i>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').</i></li> </ul>	<ul style="list-style-type: none"> <li>Assay intervals reported are down-hole lengths. True widths are unknown at this stage.</li> </ul>
<i>Diagrams</i>	<ul style="list-style-type: none"> <li><i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i></li> </ul>	<ul style="list-style-type: none"> <li>Drill holes are shown on appropriate plans and included in the ASX release.</li> </ul>
<i>Balanced reporting</i>	<ul style="list-style-type: none"> <li><i>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.</i></li> </ul>	<ul style="list-style-type: none"> <li>Significant assay results are reported.</li> </ul>
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"> <li><i>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.</i></li> </ul>	<ul style="list-style-type: none"> <li>The relationship between current drill results and previously reported exploration data is discussed in the report.</li> </ul>
<i>Further work</i>	<ul style="list-style-type: none"> <li><i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i></li> <li><i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i></li> </ul>	<ul style="list-style-type: none"> <li>The locations for future drilling are still to be determined and await a detailed review of the current results.</li> </ul>

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

## Section 1 Sampling Techniques and Data

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

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> <li>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.</li> <li>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</li> <li>Aspects of the determination of mineralisation that are Material to the Public Report.</li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>Soil samples were collected on an approximate 100m x 100m grid over the prospect.</li> <li>Sample locations were recorded by hand-held GPS.</li> <li>Soil sampling holes were logged by the sampler and recorded on a sampling spread sheet</li> <li>Each soil sample was collected by digging a 10 to 20 cm deep hole and screening the soil from the bottom of hole to pass a 210 microns (<math>\mu\text{m}</math>) sieve.</li> <li>Approximately 200gm sample was placed in a sample packet and given a unique sample number.</li> </ul>
Drilling techniques	<ul style="list-style-type: none"> <li>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).</li> </ul>	<ul style="list-style-type: none"> <li>No drilling undertaken</li> </ul>
Drill sample recovery	<ul style="list-style-type: none"> <li>Method of recording and assessing core and chip sample recoveries and results assessed.</li> <li>Measures taken to maximise sample recovery and ensure representative nature of the samples.</li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>No drilling undertaken</li> </ul>
Logging	<ul style="list-style-type: none"> <li>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.</li> <li>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</li> <li>The total length and percentage of the relevant intersections logged.</li> </ul>	<ul style="list-style-type: none"> <li>No drilling undertaken</li> </ul>



Criteria	JORC Code explanation	Commentary
<i>Sub-sampling techniques and sample preparation</i>	<ul style="list-style-type: none"> <li>• <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i></li> <li>• <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i></li> <li>• <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i></li> <li>• <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i></li> <li>• <i>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.</i></li> <li>• <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i></li> </ul>	<ul style="list-style-type: none"> <li>• No sub-sampling was undertaken</li> </ul>
<i>Quality of assay data and laboratory tests</i>	<ul style="list-style-type: none"> <li>• <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i></li> <li>• <i>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.</i></li> <li>• <i>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.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Soil samples were sent to ALS in Lima for analysis</li> <li>• Sample preparation included pulverizing to 85% minus 75 microns and digesting sample using 4 acid digest, followed by ICP-MS and /or OES analysis.</li> <li>• Standard and duplicate samples are inserted within each sample-run to check on laboratory procedures.</li> <li>• In-laboratory QAQC data is reviewed for all assay jobs.</li> </ul>
<i>Verification of sampling and assaying</i>	<ul style="list-style-type: none"> <li>• <i>The verification of significant intersections by either independent or alternative company personnel.</i></li> <li>• <i>The use of twinned holes.</i></li> <li>• <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i></li> <li>• <i>Discuss any adjustment to assay data.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Field sample locations were compiled onto Excel spreadsheets for merging with assay data.</li> <li>• Digital data is regularly backed-up on the company's servers.</li> </ul>
<i>Location of data points</i>	<ul style="list-style-type: none"> <li>• <i>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.</i></li> <li>• <i>Specification of the grid system used.</i></li> <li>• <i>Quality and adequacy of topographic control.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Sample locations are established with a hand held GPS to +/- 5m accuracy.</li> </ul>
<i>Data spacing and distribution</i>	<ul style="list-style-type: none"> <li>• <i>Data spacing for reporting of Exploration Results.</i></li> <li>• <i>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.</i></li> <li>• <i>Whether sample compositing has been applied.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Soil samples were collected on a 100m x 100m grid which was considered adequate given the general size and scale of porphyry copper targets.</li> </ul>
<i>Orientation of data</i>	<ul style="list-style-type: none"> <li>• <i>Whether the orientation of sampling achieves unbiased sampling of possible</i></li> </ul>	<ul style="list-style-type: none"> <li>• Soil samples were collected on a square grid to</li> </ul>

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

## Section 2 Reporting of Exploration Results

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

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

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> <li>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.</li> </ul>	
Data aggregation methods	<ul style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>The assumptions used for any reporting of metal equivalent values should be clearly stated.</li> </ul>	<ul style="list-style-type: none"> <li>No drilling undertaken</li> </ul>
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> <li>These relationships are particularly important in the reporting of Exploration Results.</li> <li>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</li> <li>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').</li> </ul>	<ul style="list-style-type: none"> <li>No drilling undertaken</li> </ul>
Diagrams	<ul style="list-style-type: none"> <li>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</li> </ul>	<ul style="list-style-type: none"> <li>Soil sample locations are provided with the ASX announcement.</li> </ul>
Balanced reporting	<ul style="list-style-type: none"> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>Representative reporting of assay results is included in the announcement.</li> </ul>
Other substantive exploration data	<ul style="list-style-type: none"> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>The area was selected for sampling based on reconnaissance geological mapping which identified the potential for a porphyry copper deposit along the Chololo Fault.</li> </ul>
Further work	<ul style="list-style-type: none"> <li>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</li> <li>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</li> </ul>	<ul style="list-style-type: none"> <li>Proposals of further work will follow after a thorough analysis of the data.</li> </ul>



# Appendix 5B

## Mining exploration entity quarterly report

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

Name of entity

AUSQUEST LIMITED

ABN

35 091 542 451

Quarter ended ("current quarter")

30 June 2015

### Consolidated statement of cash flows

	Current quarter \$A '000	Year to date (12 months) \$A '000
<b>Cash flows related to operating activities</b>		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for		
(a) exploration and evaluation	(650)	(1,573)
(b) development	-	-
(c) production	-	-
(d) administration	(296)	(579)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	8	16
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other	-	-
<b>Net Operating Cash Flows</b>	<b>(938)</b>	<b>(2,136)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(6)	(6)
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	5
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other	-	-
<b>Net investing cash flows</b>	<b>(6)</b>	<b>(1)</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(944)</b>	<b>(2,137)</b>

	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	1,592	3,000
1.15	Proceeds from unissued shares, options etc.	-	-
1.16	Proceeds from borrowings	-	750
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (share issue costs)	(129)	(236)
	<b>Net financing cash flows</b>	<b>1,463</b>	<b>3,514</b>
	<b>Net increase (decrease) in cash held</b>	<b>519</b>	<b>1,377</b>
1.20	Cash at beginning of quarter/year to date	1,877	1,019
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter / year to date</b>	<b>2,396</b>	<b>2,396</b>

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

		Current quarter \$A '000
1.23	Aggregate amount of payments to the parties included in item 1.2	49
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Executive directors' salaries, superannuation and rental of office space.

Non executive directors have agreed to waive any entitlement to be paid fees until 31 December 2015.

**Non-cash financing and investing activities**

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

None.

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

None.

## Financing facilities available

Add notes as necessary for an understanding of the position.

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

## Estimated cash outflows for next quarter

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

## Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A '000	Previous quarter \$A '000
5.1 Cash on hand and at bank	2,396	1,877
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (Money market/Term Deposit)	-	-
<b>Total: cash at end of quarter</b> (item 1.22)	<b>2,396</b>	<b>1,877</b>

## Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements acquired or increased	E69/3317 E63/1732 E63/1733	Nil Nil Nil	100% 100% 100%



## Issued and quoted securities at end of current quarter

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

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 <b>Preference +securities</b> (description)				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>+Ordinary securities</b>	495,897,392	495,897,392		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	86,518,948	86,518,948		
7.5 <b>+Convertible debt securities</b> (description)				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 <b>Options</b> (description and conversion factor)	9,900,000 68,750,000 78,946,976	- 68,750,000 78,946,976	<i>Exercise price</i> 7.0 cents 4.0 cents 3.5 cents	<i>Expiry date</i> 30 Nov 2015 30 Nov 2016 30 April 2018
7.8 Issued during quarter	78,946,976	78,946,976	<i>Exercise price</i> 3.5 cents	<i>Expiry date</i> 30 April 2018
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 <b>Debentures</b> (totals only)				
7.12 <b>Unsecured notes</b> (totals only)				

## Compliance statement

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



Sign here:

(Company secretary)

Date: 30 July 2015

Print name: Henko Vos

## Notes

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

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