



# **AUSQUEST LIMITED**

**ABN 35 091 542 451**

## **FINANCIAL REPORT**

**for the financial year ended 30 June 2024**

For personal use only

## Contents

|                                                                                  |    |
|----------------------------------------------------------------------------------|----|
| Corporate Directory.....                                                         | 1  |
| Chairman’s Letter .....                                                          | 2  |
| Directors’ Report .....                                                          | 3  |
| Auditor’s Independence Declaration.....                                          | 23 |
| Independent Auditor’s Report .....                                               | 24 |
| Directors’ Declaration.....                                                      | 28 |
| Financial statements .....                                                       | 29 |
| Consolidated Statement of Profit or<br>Loss and Other Comprehensive Income ..... | 29 |
| Consolidated Statement of Financial Position .....                               | 30 |
| Consolidated Statement of Changes in Equity.....                                 | 31 |
| Consolidated Statement of Cash Flows.....                                        | 32 |
| Notes to the Consolidated Financial Statements.....                              | 33 |
| Consolidated Entity Disclosure Statement .....                                   | 64 |
| Additional securities exchange information.....                                  | 65 |
| Tenements.....                                                                   | 68 |

## Corporate Directory

**Board of Directors** Mr Greg Hancock - *Chairman and Non-Executive Director*  
Mr Graeme Drew - *Managing Director*  
Mr Chris Ellis - *Non-Executive Director*

**Company Secretary** Mr Henko Vos

**Registered Office** C/- Nexia Perth  
Level 3, 88 William Street  
Perth WA 6000  
Telephone: +61 8 9463 2463  
Website: [www.nexia.com.au](http://www.nexia.com.au)

**Corporate Office** 8 Kearns Crescent  
Ardross WA 6153  
Telephone: +61 8 9364 3866  
Facsimile: +61 8 9364 4892  
Website: [www.ausquest.com.au](http://www.ausquest.com.au)

**Auditors** HLB Mann Judd  
Level 4, 130 Stirling Street  
Perth WA 6000

**Share Registry** Automic Pty Ltd  
Level 5, 126 Phillip Street  
Sydney NSW 6000  
Investor Services: 1300 288 664  
General Enquiries: +61 2 9698 5414  
Website: [www.automicgroup.com.au](http://www.automicgroup.com.au)

**Securities Exchange Listing** Australian Securities Exchange  
(Home Exchange: Perth, WA)  
Code: AQD

**Banker** Australia and New Zealand Banking Group  
135 Riseley Street  
Booragoon WA 6154

For personal use only

## Chairmans' Letter

Dear Shareholder

I am pleased to report that AusQuest successfully completed another year of active, targeted and cost-effective exploration activities across our projects in both Australia and Peru.

In dollar terms, these programs were executed at an all-in cost of A\$5.2 million, with the contribution from our Strategic Alliance partner South32 being A\$2.25 million for the Australian projects.

Our strategic goal continues to be the exploration of frontier mineral provinces with a view to making discoveries that would be meaningful to major companies like South32 – and therefore of enormous value to our shareholders.

The results of this work are outlined in detail in the Review of Operations Review, but a brief summary of the key achievements is provided below:

- The Balladonia Project in Western Australia provided further encouragement for the presence of large-scale Broken Hill Type mineralisation, with its associated base metal prospectivity. This was further reinforced with encouraging geophysics (VTEM) providing targets for drilling next year.
- The Morrisey Project in WA also progressed well with further drilling outlining extensive magnetite mineralisation, indicating good scalability, while metallurgical test work highlighted the potential for consistent recoveries. Further work is clearly required but the beginnings of a potential project are emerging.
- Pre-drilling exploration work was conducted on the Jubilee Lake and Moora Projects in WA, ahead of planned drilling within the next 12 months, which will be undertaken as part of the Strategic Alliance Agreement (SAA) with South32.
- On the business development front, the base metal/gold projects at Mt Davis and Coober Pedy were progressed so they might be put forward for consideration as part of the SAA in the near future.
- In Peru, we began the year engaging with a number of international companies with the idea of forming one or more joint ventures. This process has taken considerable time, including a number of site visits. Although several discussions remain ongoing, the Company determined that, once drill permits are approved, we would consider drilling the targets ourselves. The Cangallo Copper Project is likely to be the first of these with Lantana and Playa Kali to follow.

Given the planned programs both in Australia and Peru, AusQuest will generate a significant amount of news-flow in the coming year. We remain suitably funded to deliver a steady pace of exploration activity.

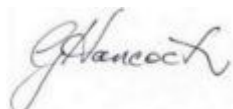
We also continue to enjoy a fruitful and professional relationship with South32 and their personnel. Our Agreement was extended in November 2023 for a further two year period.

In conclusion, I would like to thank our staff and consultants – led by our Managing Director, Graeme Drew – for their efforts throughout the year. It has been a very busy one and I expect that this will not change in 2025.

We all look forward to seeing this effort being rewarded with exploration success, which will in turn be reflected in our share price during the year ahead.

I encourage all shareholders to register on our InvestorHub platform to more easily communicate questions and queries. We aim to deliver a 24-hour turnaround on all questions asked.

Yours faithfully



Greg Hancock  
Chair

## Directors' Report

The Directors of AusQuest Limited ("AQD" or the "Company") herewith submit the financial report of the Company and the entities it controlled ("Group") for year ended 30 June 2024. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

### Board of Directors

The names of directors who held office during the date of this report are as follows. Directors were in office for the entire period unless otherwise stated.

|                 |                        |
|-----------------|------------------------|
| Mr Greg Hancock | Non-Executive Chairman |
| Mr Graeme Drew  | Managing Director      |
| Mr Chris Ellis  | Non-Executive Director |

### Company Secretary

Henko Vos

### Principal Activities

The principal activity of the Group was mineral exploration throughout Australia and Peru.

### Review of Operations

A review of the Group's exploration projects and activities during the year is discussed in the Review of Operations included in this Annual Report.

The profit of the Group after income tax for the year was \$256,727 (2023: profit after tax of \$361,982).

### Changes in state of affairs

During the year ended 30 June 2024 there was no significant change in the state of affairs of the Group other than as referred to in the financial statements or notes thereto.

### Events Occurring after the Reporting Date

On 16 September 2024 the Company issued 1,000,000 to an employee under its Equity Incentive Plan.

Other than the above, there has been no matter or circumstance that has arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs in future financial years.

### Future developments

Disclosure of information regarding the likely developments in the operations of the Group in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the Group. Accordingly, this information has not been disclosed in this report.

### Safety and environmental regulations

The Group is aware of its occupational health and safety and environmental obligations with regard to its exploration activities and ensures that it complies with all regulations when carrying out exploration work.

### Dividends

No dividends were paid or declared since the start of the financial year. No recommendation for the payment of dividends has been made.

### Proceedings on behalf of the Company

No persons have applied for leave pursuant to s.237 of the Corporation Act 2001 to bring, or intervene in, proceedings on behalf of AusQuest Limited.

## Directors' Report

### Information about directors and senior management

The names and particulars of the directors of the Company during or since the end of the financial year and up to the date of this report are noted below. Except where indicated, directors have held office during and since the end of the financial year:

**Greg Hancock BA Econ., BEd Hons.**  
**Non-Executive Director and Chairman**

Greg has had over 25 years' experience in capital markets practicing in the area of corporate finance. He maintains close links with the stockbroking and investment banking community on behalf of the Company.

Directorships held in listed companies over the last three years are as follows:

- BMG Resources Ltd – Feb 2017 – current
- Golden State Mining Limited – Nov 2018 – current
- Cobra Resources PLC – Nov 2018 – current
- Group 6 Metals Ltd – Feb 2019 – current
- Triangle Energy Limited – Feb 2022 - current

**Graeme Drew B.Sc.Hons., FAIMM, MASEG**  
**Managing Director**

Graeme has over 40 years' experience in the exploration industry in Australia and overseas. Prior to co-founding AusQuest Limited he was an Exploration Manager for CRAE and Rio Tinto Exploration Pty Ltd in Western Australia (9 years) and Eastern Australia (4 years). He has wide experience in the search for, and evaluation of, most base and precious metals (notably nickel, copper, gold, uranium, zinc and diamonds). Graeme has developed a passion for the 'big picture' and 'big project' generation which he strongly believes are the building blocks for successful exploration outcomes.

Graeme has held no other directorships in listed companies over the last three years.

**Christopher Ellis B.Sc.Hons.**  
**Non-Executive Director**

Chris is an experienced mining executive with over 30 years' experience in geology, exploration, mine planning and project development in Australia and overseas. He was a founding member and Executive Director of Excel Coal Limited which was the subject of a take-over bid by the US coal giant Peabody Energy Inc, and has held senior positions within Shell Coal's Exploration, BP Coal (London and USA), Agipcoal Australia and the Stratford Joint Venture.

Directorships held in listed companies over the last three years are as follows:

- Group 6 Metals Ltd - 8 November 2012 - current

**Henko Vos**  
**Company secretary**

Mr Vos is a member of the Governance Institute of Australia and Chartered Accountants Australia & New Zealand with more than 20 years' experience working within public practice, specifically within the area of audit and assurance both in Australia and South Africa. He holds similar secretarial roles in various other listed public companies in both industrial and resource sectors. He is a Director of Nexia Perth, a mid-tier corporate advisory and accounting practice.

For personal use only

## Directors' Report

### Directors' meetings

The following table sets out the number of directors' meetings (including meetings of committees of directors) held during the financial year and the number of meetings attended by each director (while they were a director or committee member).

During the financial year 5 board meetings, 2 audit committee meeting and 1 nomination and remuneration committee meeting were held.

| Directors         | Board of Directors |          | Nomination and Remuneration committee |          | Audit committee    |          |
|-------------------|--------------------|----------|---------------------------------------|----------|--------------------|----------|
|                   | Eligible to attend | Attended | Eligible to attend                    | Attended | Eligible to attend | Attended |
| Greg Hancock      | 5                  | 5        | 1                                     | 1        | 2                  | 2        |
| Graeme Drew       | 5                  | 5        | 1                                     | 1        | 2                  | 2        |
| Christopher Ellis | 5                  | 5        | 1                                     | 1        | 2                  | 2        |

### Directors' shareholdings

The following table sets out each director's relevant interest in shares, debentures, and rights or options in shares or debentures of the Company or a related body corporate as at the date of this report.

| Directors    | Fully paid ordinary shares Number | Share options (Unlisted) Number |
|--------------|-----------------------------------|---------------------------------|
| Greg Hancock | 4,586,415                         | 10,000,000                      |
| Graeme Drew  | 19,323,409                        | 20,000,000                      |
| Chris Ellis  | 183,712,800                       | 10,000,000                      |

For personal use only

## Directors' Report

### Review Of Operations

#### HIGHLIGHTS – YEAR IN REVIEW

##### Australia – Copper, Gold, Zinc, Nickel

- ❑ Potential for Broken Hill Type (BHT) mineralisation confirmed by wide-spaced drilling at the Balladonia Project. Gravity surveys have commenced along the Tea Tree Trend to prioritise targets for drilling.
- ❑ At least eight potential massive sulphide and/or graphitic targets defined by a VTEM survey at Balladonia. Ground EM surveys are planned to prioritise targets for drilling.
- ❑ Thick coarse-grained magnetite confirmed in multiple drill-holes at the Morrisey Project, highlighting the potential for a magnetite resource capable of producing a premium product (>70% Fe). Davis Tube Recovery (DTR) test work is underway.
- ❑ Drilling at the Latham Ni-Cu-PGE prospect (Moora Project) planned to commence in Q4 2024 to locate prospective host rocks inferred from earlier soil sampling and magnetic modelling results.

##### Peru – Copper-Gold

- ❑ Permits received for drilling at the Cangallo Porphyry Copper Prospect. A total of 20 drill pads have been sited to test beneath surface copper anomalies and target areas identified beneath the cover.
- ❑ The Lantana Porphyry Copper Prospect was advanced to the drilling stage, with permit applications for 19 drill pads to be submitted. A large-scale (~2km x 1km) porphyry copper (+/- gold) target was defined by highly anomalous copper values at surface (19 samples >1.0% Cu).
- ❑ The identification of copper mineralisation within outcropping mantos (Fe) at Playa Kali upgraded this Project to drill status. Multiple magnetic targets have been defined for drill testing.
- ❑ Discussions (including site visits) continued throughout the year with parties who expressed interest in the Company's copper projects. Discussions are ongoing.

##### Corporate

- ❑ The Strategic Alliance Agreement (SAA) with a wholly-owned subsidiary of South32 Limited (South32) was extended for a further two-year period until December 2025. The SAA remains focused on developing high-potential exploration opportunities in Australia primarily targeting copper, zinc and nickel.

For personal use only



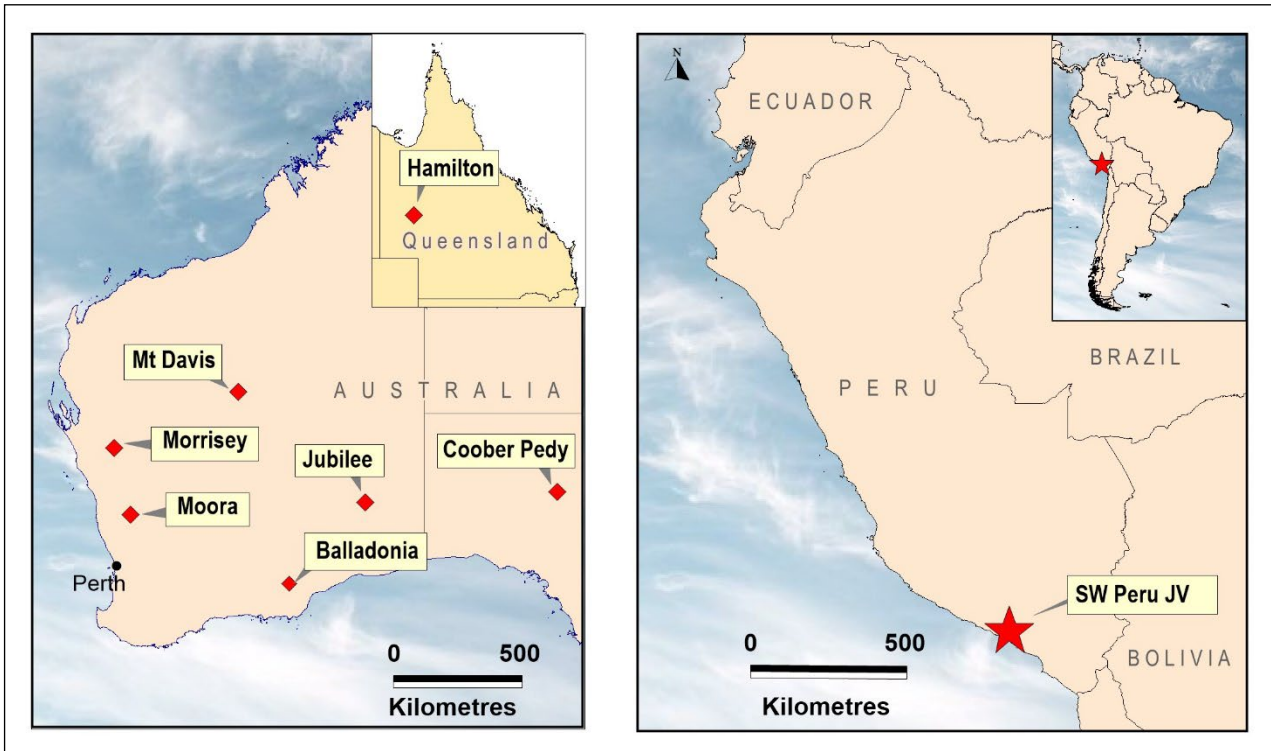


Figure 1: AusQuest Project Locations in Australia and Peru.

**REVIEW OF PROJECTS**

**AUSTRALIA BASE METALS: COPPER, GOLD, ZINC and NICKEL**

AusQuest controls approximately 3,700km<sup>2</sup> of exploration title within Australia – 3,300km<sup>2</sup> within Western Australia (WA), 250km<sup>2</sup> within Queensland (QLD) and 165km<sup>2</sup> in South Australia (SA). Four of the seven projects (Balladonia, Morrisey, Moora and Jubilee) are currently subject to the Strategic Alliance Agreement (SAA) with a wholly-owned subsidiary of South32 Limited (South32), while three (Hamilton, Mt Davis and Coober Pedy) are 100%-owned by AusQuest (Figure 1).

**Balladonia Base Metal Project (AQD 100% subject to SAA)**

The Balladonia Project covers an area of 1,224km<sup>2</sup> and is located ~50km south of the Nova-Bollinger nickel-copper deposit within the Fraser Range region of WA. Exploration results have indicated the potential for multiple mineralisation styles with many potential targets identified, including areas that are prospective for nickel and copper mineralisation similar to the Nova deposit as well as iron-oxide copper-gold (IOCG) and Broken Hill Type (BHT) deposits similar to those found in the Eastern Succession (NW Queensland) and in NSW. More recently, the potential for rare earth elements (REE) associated with carbonatite intrusions has also been recognised.

Wide-spaced regional drilling has confirmed the presence of highly prospective stratigraphy (thin banded iron formation (BIF) and garnetiferous quartzites), allowing comparisons to be made with the geological setting of large-scale base metal deposits in north-west Queensland and at Broken Hill.

Interpretation of geochemical data from the drilling program showed that potassic (K) alteration (sodium (Na) depletion) within the host stratigraphy is associated with anomalous lead values (>100ppm Pb), making it a key proximity indicator for base metal mineralisation.

Drill-holes 23BDDD019 at Tea Tree and 23BDDD021 at Tea Tree North were identified as being the closest drill-holes to possible BHT mineralisation based on the alteration parameters. Both holes have magnetic and gravity targets nearby that have not been tested by drilling.

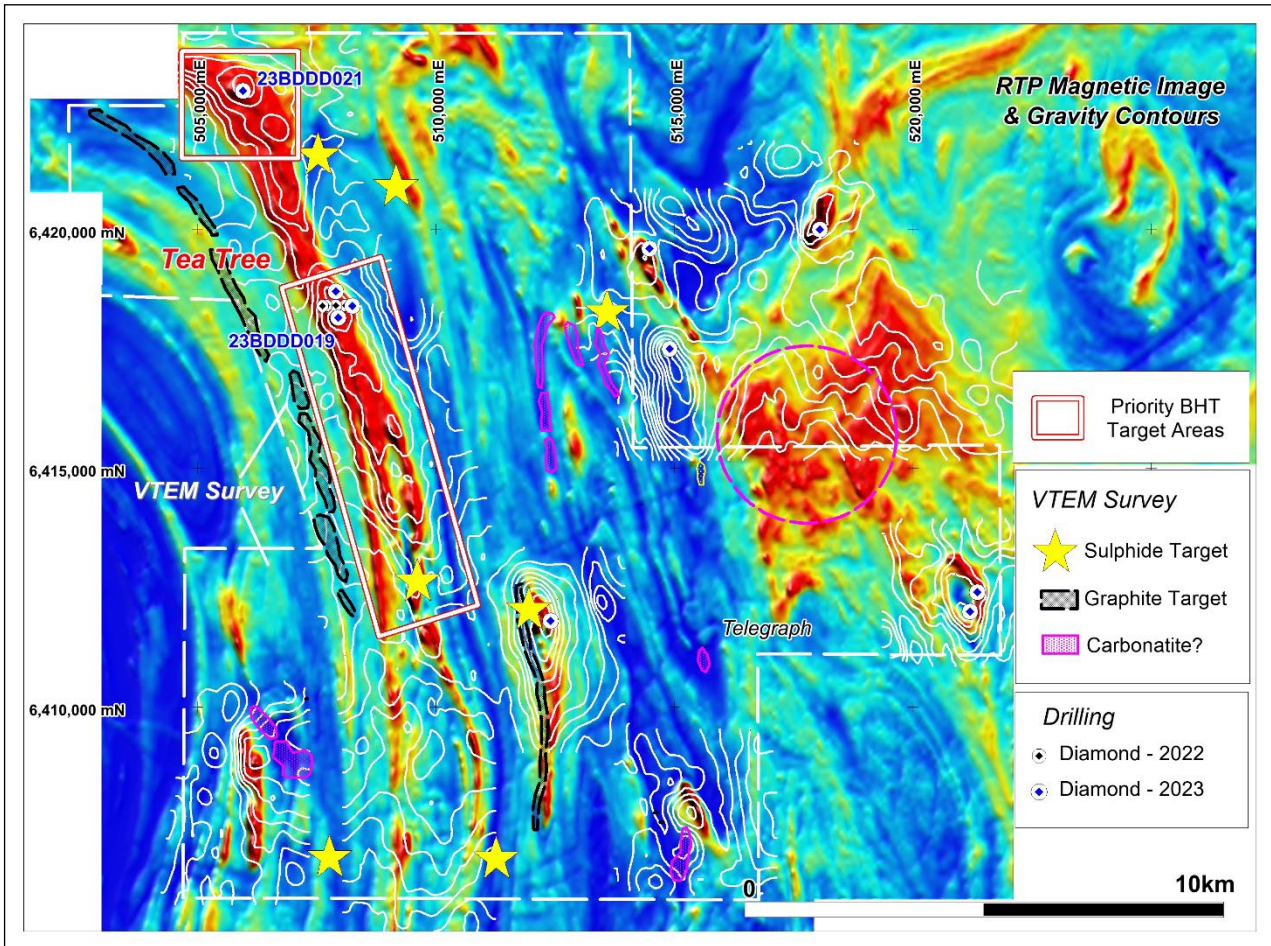


Figure 2: Balladonia Project showing BHT target areas and VTEM targets for follow-up ground surveys.

Exploration for BHT mineralisation at Balladonia will now be focused on the Tea Tree Trend (>20km strike length), where detailed gravity surveys have commenced to help prioritise targets ahead of further drilling (Figure 2).

The drilling program also highlighted the potential for more carbonatite intrusions, suggesting that there could be potential for rare earth elements (REE) in the area. Previous shallow drilling intersected anomalous REEs which may be related to carbonatite intrusive activity.

During the year, a helicopter-borne electromagnetic survey (VTEM) was completed, highlighting at least eight bedrock conductors that may reflect massive sulphide and/or graphitic source rocks.

The conductors are discrete in nature (~200m to 1,000m in length) and have anomalous late-time VTEM responses indicative of strong conductors (Figure 2).

Ground EM surveys are planned to confirm the conductivity, depth and shape of these conductors to help prioritise targets ahead of possible drill testing in 2025.

The Company continues to be encouraged by the results at Balladonia, which suggest a highly prospective region for the discovery of large-scale base metal and possibly rare earth element deposits.

**Morrisey Magnetite Project (100% AQD subject to SAA)**

The Morrisey Project, which covers an area of ~1,000km<sup>2</sup>, is located within the Mid-West Mining District ~170km from the Port of Geraldton in WA.

Reconnaissance drilling completed in 2022 to test magnetic targets intersected coarse-grained magnetite mineralisation at two prospects (Sandfly and Waterfall). Beneficiation test-work showed that a premium iron product (>70% Fe) could be produced from this material.



## Directors' Report

During the year, Reverse Circulation (RC) drilling was completed at three prospects, confirming the presence of magnetite mineralisation at both Waterfall and Bilga South.

At the Waterfall prospect, a total of 15 holes for 3,060m were completed along sections ~150m apart with drill-holes at 100m intervals to assess the continuity of mineralisation. Iron grades averaging 22% -35% Fe were recorded within banded iron formation (BIF) over thicknesses up to 116 metres with low levels of deleterious material (aluminium, sulphur and phosphorous) (Figure 3).

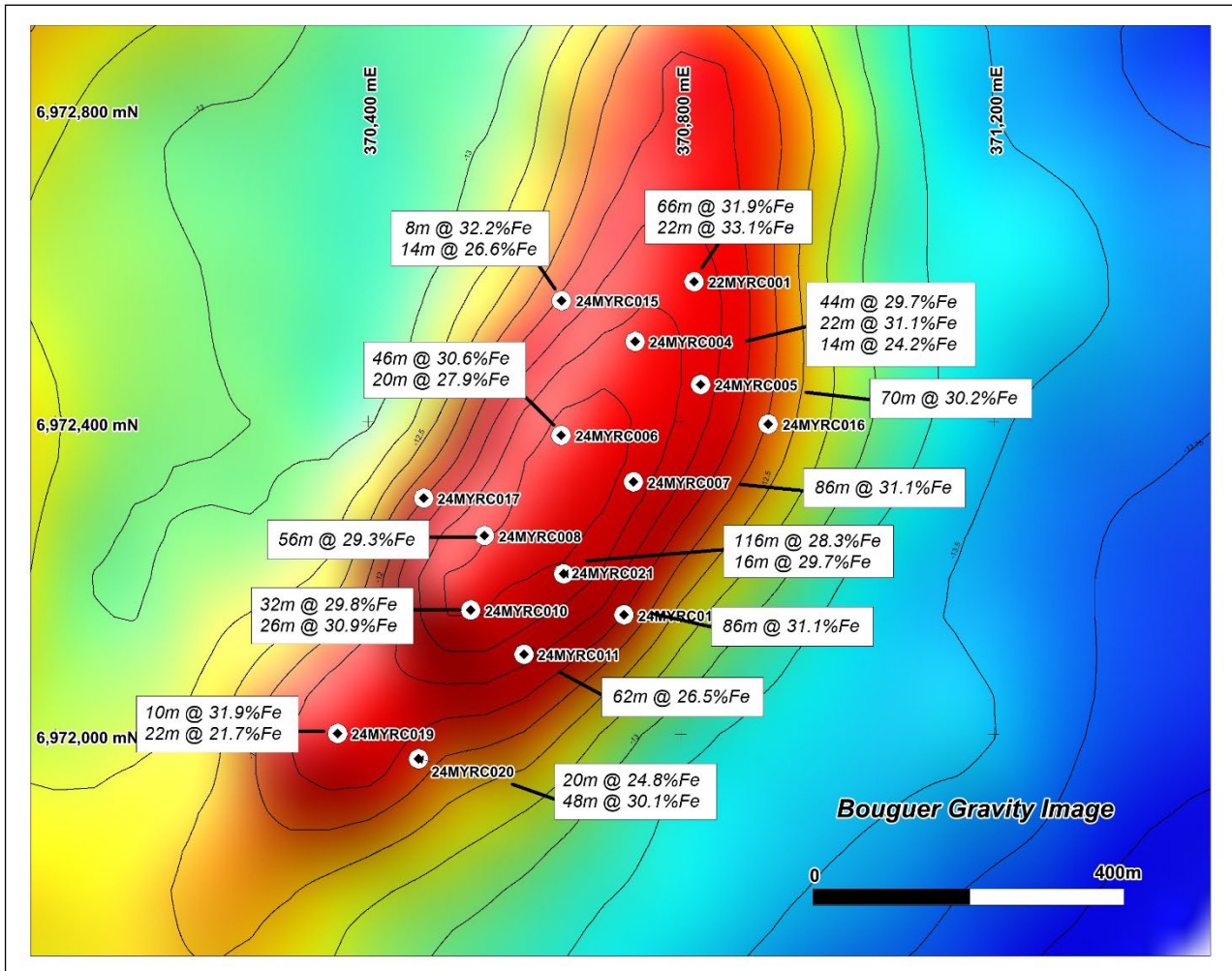


Figure 3: Waterfall Prospect – gravity image showing location of RC drill-holes and significant Fe assays.

Petrographic work on selected samples across the prospect confirmed the coarse-grained nature of the magnetite (up to 2mm) with grains having sharp boundaries and internal fractures, suggesting they should be easy to separate from the other minerals using magnetic separation methods.

Davis Tube Recovery (DTR) test work was initiated on 96 composite drill samples (6m-10m composites) in order to understand potential recoveries and product grades that could be produced through beneficiation. Results from this test work are expected early Q4 2024, which will help determine the future work priorities for the project, including drilling.

The BIF at Waterfall extends over a strike length of at least 750 metres, with the mineralisation open in all directions. The mineralisation has a relatively shallow easterly dip (~30 to 45°) and occurs at shallow depths (<50 metres) on most drilled sections.

RC drilling at the Bilga South (1 hole/228m) and Toola (2 holes/362m) prospects also intersected magnetite but with a finer grain-size, and within mafic host rocks. Composite samples from the initial drill-hole at Bilga South were also submitted for DTR test work.

## Directors' Report

### Jubilee Lake Nickel-Copper-PGE Project (100% AQD subject to SAA)

The Jubilee Lake Project covers an area of ~350km<sup>2</sup> and is located within a large flood basalt terrane approximately 500km east of Kalgoorlie in WA. Mafic/ultramafic intrusions associated with the Rodona Shear are considered prime targets for nickel-copper-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).

During the year, tenements were rationalized to retain all key areas of interest. The Company remains hopeful that heritage clearance surveys will be possible during FY 2025 to enable drilling to commence.

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

The Moora Project, which covers an area of ~570km<sup>2</sup>, is located ~150km north of Perth (WA) within the Jimperding Metamorphic Belt that hosts the Julimar nickel-copper-PGE deposit.

Detailed magnetic and gravity surveys at Moora have outlined potential mafic/ultramafic intrusions with similarities to the Gonneville Intrusion that hosts the mineralisation at Julimar.

During the year, soil sampling over the Latham Intrusion supported the presence of ultramafic host rocks beneath the gabbro intersected by the first round of drilling (2023), as inferred by computer modelling of the magnetic and gravity data.

An RC drilling program (2 holes/~500m) to test beneath the gabbro has been designed and is expected to be completed during Q4 2024 (Figure 4).

The ultramafic host rocks within the Gonneville Intrusion at Julimar are known to be strongly magnetic, suggesting that similar magnetic rock types within the Latham intrusion should be high-priority targets for discovering nickel-copper-PGE mineralisation.

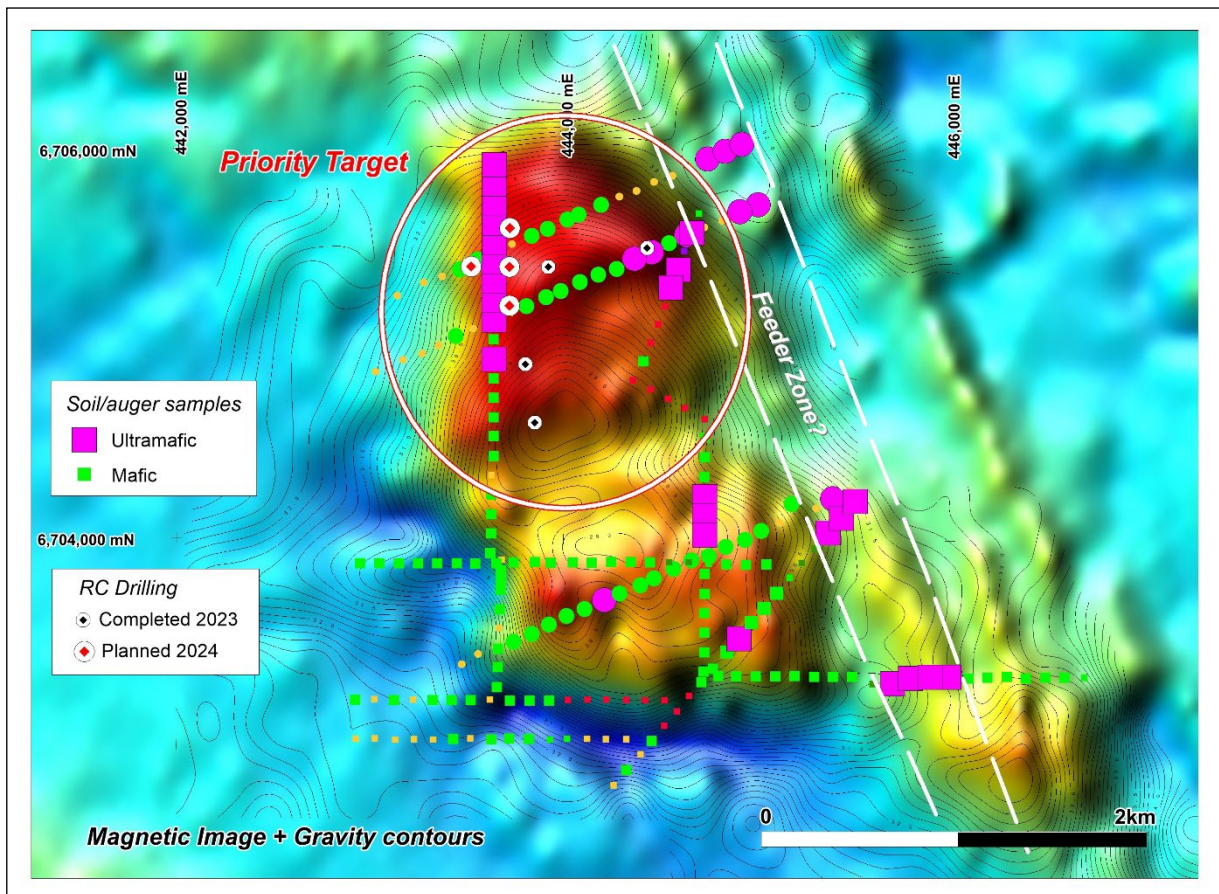


Figure 4: Latham Prospect – magnetics, gravity and surface geochemical responses plus proposed drill sites.



## Directors' Report

### Hamilton Copper Project (AQD 100%)

The Hamilton Project, which covers an area of ~250km<sup>2</sup>, is located in north-west Queensland, ~120km south of the Cannington mine.

Wide-spaced drilling of magnetic and gravity targets in this area has provided evidence for “near-miss” situations for the discovery of Iron Oxide-Copper-Gold (IOCG) mineralisation.

The Project covers a belt of magnetic rocks that extends over a strike length of approximately 30km under Eromanga Basin cover, which is approximately 200m thick. Numerous magnetic targets within this belt have not been tested by drilling.

A review of the Company’s drilling database has highlighted at least one magnetic target at the Hamilton South prospect, within an area of strong potassic, calcic and iron alteration in basement rocks, that has not been tested by drilling.

An application to renew the two Exploration Licences for a further two-year period was submitted to Government. A response is pending.

### Mt Davis Lead-Zinc-Copper Project (AQD 100%)

The Mt Davis Project, which is located ~180km NNE of Wiluna in WA, covers an area of ~380km<sup>2</sup> along the northern margin of the Eoraheedy Basin.

Evidence suggests that the project contains similar stratigraphy to Rumble Resource’s prospect on the southern side of the Basin, where extensive strataform lead, zinc (+/- copper) mineralisation has been discovered below the Frere Iron Formation.

A detailed VTEM Max survey (~1,050km) was completed over key target areas in July 2024 to identify base metal targets for testing (Figure 5). The survey was part-funded (50%) under the WA Government’s “Co-Funded Geophysics Program”.

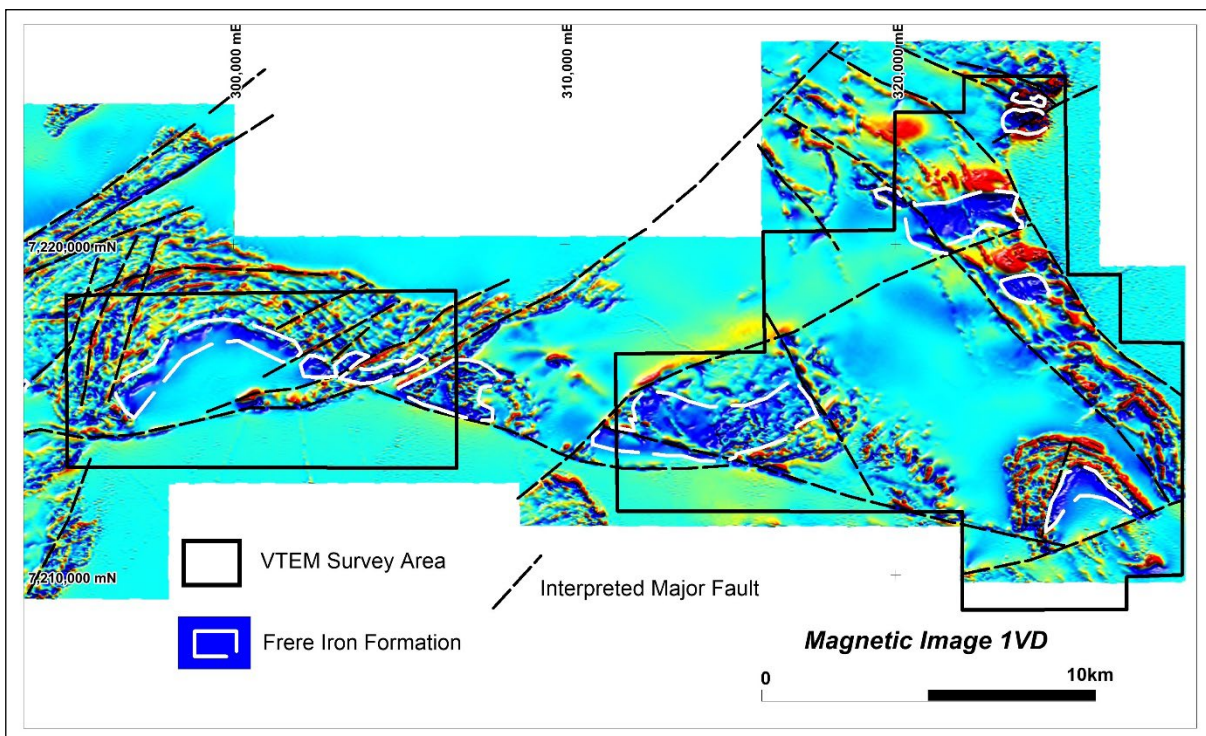


Figure 5: Mt Davis Project showing VTEM Survey relative to inferred locations of the Frere Iron Formation

## Directors' Report

### Coober Pedy Copper-Gold Project (AQD 100%)

The Coober Pedy Project, which covers an area of ~170km<sup>2</sup>, is located ~100km NW of the Prominent Hill Copper Gold deposit in SA. The project sits on the north-eastern margin of the Gawler Craton in a similar geological setting to known IOCG deposits in the region.

Magnetic and gravity data, together with results from wide-spaced historic drilling, have highlighted the possibility of IOCG mineralisation occurring in this area.

A detailed gravity survey has been planned and is expected to be completed late September/early October 2024 to identify targets for drilling. Cover in this area is less than 100m thick.

### New Opportunities and Project Generation (Australia)

The Company continues to undertake project generation studies across Australia, targeting new base metal (copper, zinc and nickel) opportunities for consideration under the SAA.

### PERU: COPPER-GOLD

AusQuest controls ~310km<sup>2</sup> of exploration title within southern Peru – one of the world's most prominent destinations for international copper exploration (Figure 6). Detailed aeromagnetic data acquired by the Company has been used to identify prospective areas for porphyry copper and/or IOCG deposits that are likely to occur beneath the extensive cover in the south of the country.

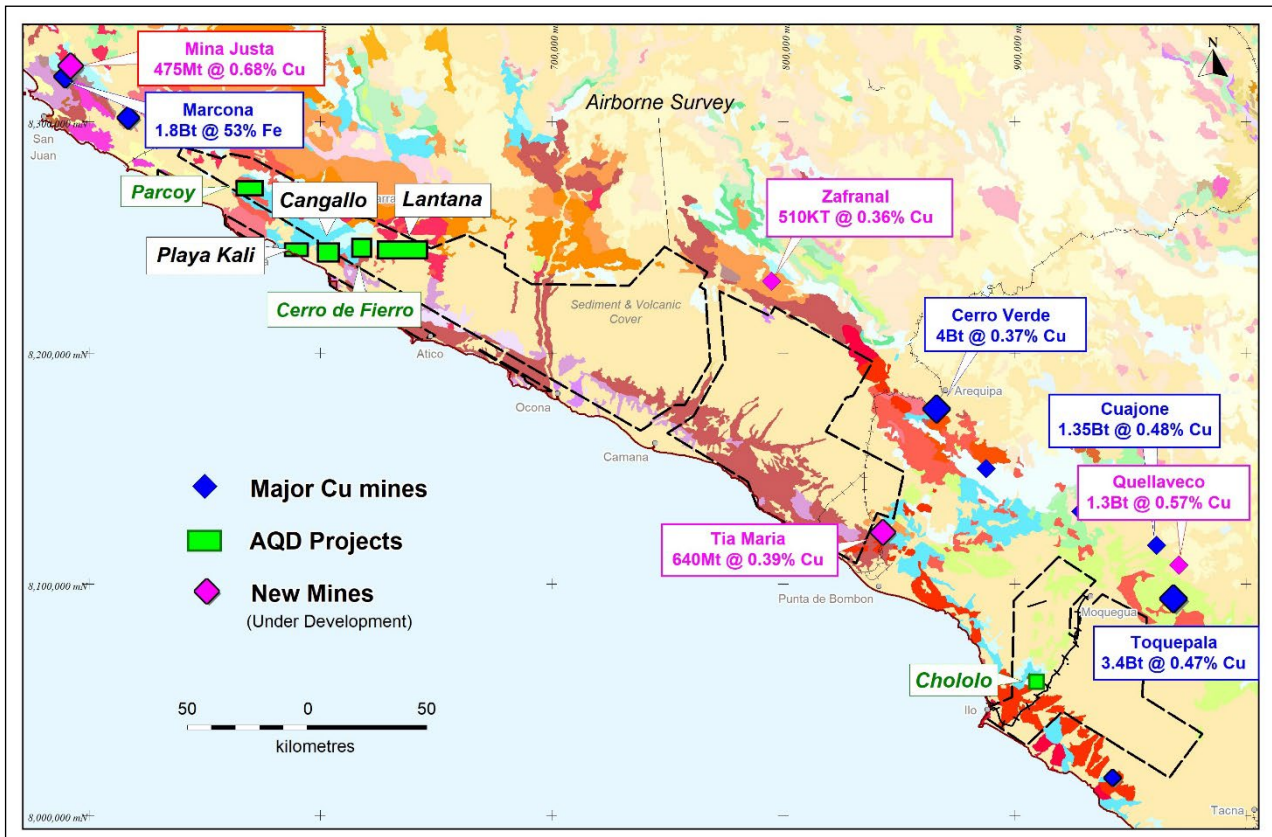


Figure 6: Peru - Project locations in relation to major copper mines and new developments in southern Peru

During the year, a search for joint venture partners was initiated with the aim of more rapidly advancing the Company's Projects.

A number of interested parties have reviewed AusQuest's data and completed site visits - discussions are continuing. All current projects in Peru are 100%-owned by AusQuest.

## Directors' Report

Drill permitting at several prospects is being completed to enable drilling to take place when and if agreements with joint venture partners are finalised.

If no reasonable offers are received, the Company is planning to drill selected porphyry copper and IOCG targets in its own right.

### Cerro de Fierro Copper Project (AQD 100%):

The Cerro de Fierro Project is located in southern Peru ~150km SE of the Mina Justa copper deposit (~475Mt @ 0.68% Cu), which is being developed by the Marcobre Joint Venture.

Exploration within the project area has located widespread copper anomalism at surface related to potential iron-oxide copper-gold (IOCG) and/or porphyry copper systems that are likely to occur within the area.

Drilling to date has intersected sub-economic copper grades in many drill-holes as well as identifying alteration and pathfinder geochemistry that supports the potential of the area to host multiple mineralised systems.

During the year, the Lantana porphyry copper prospect was advanced by further mapping and sampling which identified mineralised intrusive porphyry dykes containing anomalous copper with pathfinder elements also supporting the possibility of nearby porphyry copper mineralisation.

Lantana is now considered a high-priority copper target due to the large scale of the prospect (~2km x 1km), the widespread occurrences of highly anomalous copper (30 samples >0.5% Cu including 19 >1.0% Cu) and molybdenum (25 samples >5ppm Mo up to 77ppm Mo) values located marginal to outcropping lithocaps, and evidence of potential fluid pathways which suggest proximity to a mineralised porphyry (Figure 7).

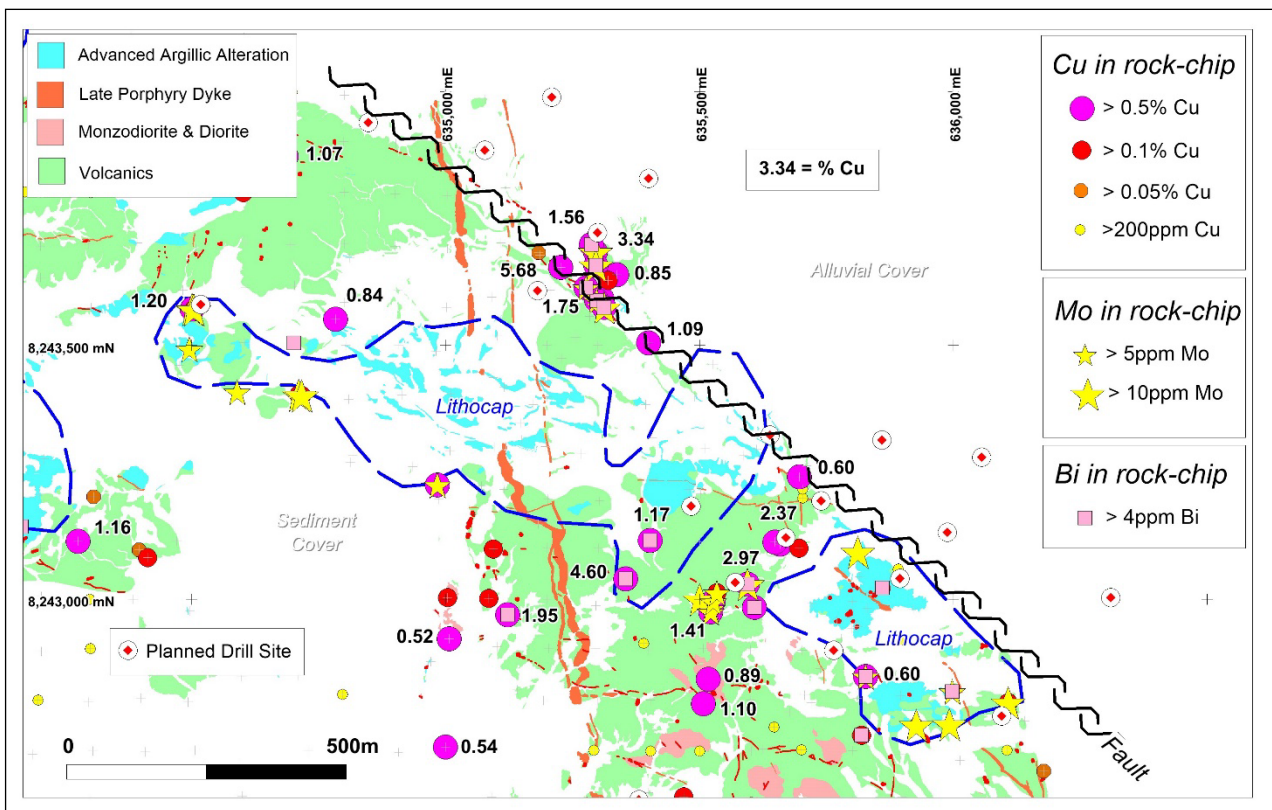


Figure 7: Lantana Porphyry Prospect showing anomalous Cu, Mo and Bi values and planned drill sites.

A drilling program to test the Lantana Porphyry Copper Prospect has been designed and permitting for access and drill pad construction initiated. Approvals are expected in H1 2025.

For personal use only



## Directors' Report

A review of the Company's Iron-Oxide Copper-Gold (IOCG) drilling database identified an untested area along strike from copper-gold mineralisation intersected in drill-hole CDFDD003. An RC drilling program (4 holes for 1,012m) was subsequently completed, confirming the continuity of copper mineralisation across the area, but at grades similar to those reported from earlier drilling.

Results from several of the drill-holes indicate that mineralisation may be improving with depth, highlighting a possible connection with deep magnetic targets (at ~500m depth) to the north which remain untested.

### Cangallo Copper Project (AQD 100%)

The Cangallo Project is located approximately 20km west of the Company's Cerro de Fierro Project, within the same E-W structural corridor that is thought to control the emplacement of potential porphyry copper systems in the region. The tenements cover an area of ~ 40km<sup>2</sup> and are located 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 which contains extensive colluvial and younger sediment cover. Detailed geological mapping and further surface sampling was completed during the year, identifying several phases of intrusive diorites, areas of intense veining (quartz) and narrow porphyritic dykes.

Anomalous copper and molybdenum values (up to 0.64% Cu and 42ppm Mo) are widespread across the prospect, with the most anomalous samples occurring in areas of more intense veining within the volcanics (andesites) marginal to the intrusions, or within the narrow porphyritic dykes, suggesting the possibility of a buried porphyry copper target(s) at shallow depths beneath the cover (Figure 8).

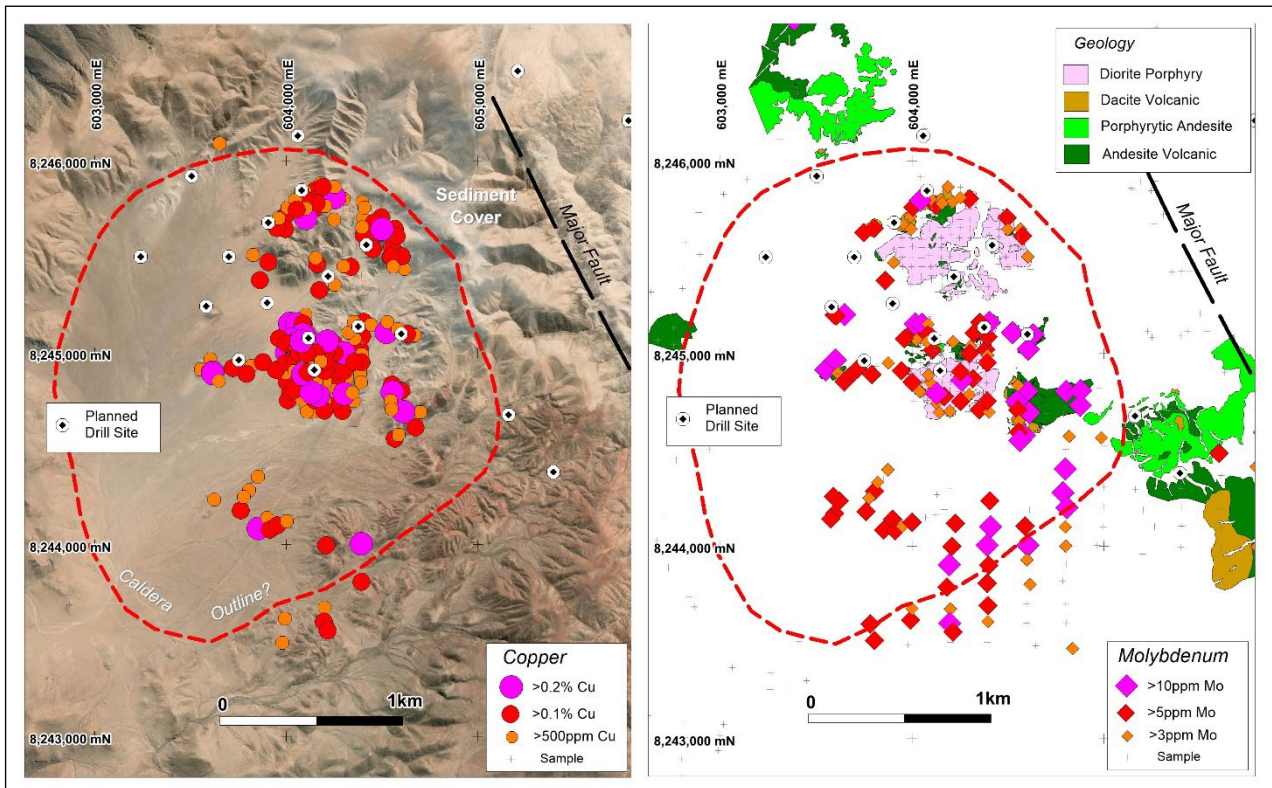


Figure 8: Cangallo Porphyry Prospect showing anomalous Cu and Mo values and planned drill sites.

Sampling of small outcrops within the covered area located anomalous copper and/or molybdenum values which were associated with sericite (potassic) alteration, supporting the presence of porphyry copper mineralisation beneath the cover. A large target area of ~ 2.5km x 1.5km has been defined for initial drill testing.

Drilling permits have been received to allow drill testing of this copper target to commence.



## Directors' Report

### Playa Kali Copper-Gold Project (AQD 100%)

The Playa Kali Project is located ~120km SE of the Mina Justa copper deposit and covers an area of ~40km<sup>2</sup> along the coastline in southern Peru. The project was acquired after manto-style iron and copper mineralisation was located in outcrops at several locations along the coast east of Chala.

Geological mapping, rock-chip sampling and ground magnetic surveys have now been completed defining manto-style copper-gold targets that are considered ready for drilling.

The mantos occur within a sequence of sediments and andesitic volcanics, which is similar to the sequence that hosts the Mina Justa deposit. Rock-chip sampling of manto outcrops highlighted anomalous copper and gold values (ranging from >250ppm Cu up to 1.9% Cu and 25ppb Au up to 3.6gpt Au) where the magnetite has been replaced by sulphides.

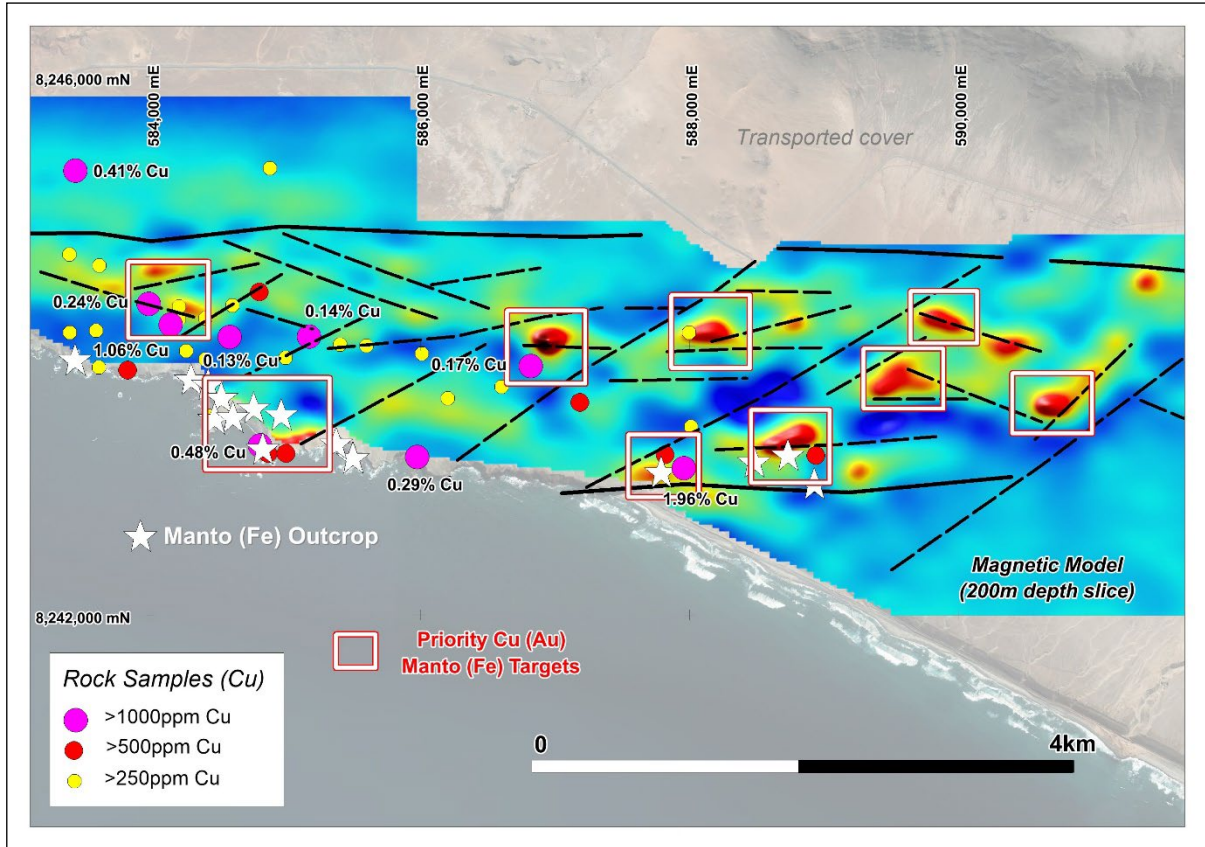


Figure 9: Playa Kali Project showing location of Fe mantos with high Cu values plus priority magnetic targets.

The obvious correlation of ground magnetic anomalies with manto (Fe) outcrops, suggests that magnetic anomalies located elsewhere in the prospect should be high-priority targets for copper and/or gold mineralisation associated with manto development.

A drilling program is being designed and permit applications prepared so that drilling may be completed within the next 12 months.

### Other Opportunities (Peru)

The Company continues to hold title over the Parcoy and Chololo Projects, although exploration work during the year was limited while exploration activities were prioritised at other projects.

### CORPORATE

The Company advises that the appeal to the Administrative Judiciary against payments requested by the Ministry of Housing (SBN) in Peru is ongoing. Further details are provided under Note 22 to the Financial Statements.

For personal use only

## Directors' Report

### Operating and financial risk

The Group's activities have inherent risk and the Board is unable to provide certainty of the expected results of activities, or that any or all of the likely activities will be achieved. The material business risks faced by the Group that could influence the Group's future prospects, and how the Group manages these risks, are provided below.

#### **Operational risk**

The Company may be affected by various operational factors. In the event that any of these potential risks eventuate, the Company's operational and financial performance may be adversely affected. No assurances can be given that the Company will achieve commercial viability through successful exploration outcomes on its tenement holdings. Until the Company is able to realise value from its projects, it is likely to incur ongoing operating losses.

The operations of the Company may be affected by various factors, including failure to locate or identify mineral deposits, failure to achieve predicted grades during exploration, operational and technical difficulties encountered during exploration, lack of infrastructure in the Company's areas of operation, unanticipated metallurgical problems which may affect value of defined resources, increases in the costs of consumables, spare parts, plant and equipment.

Mineral resource estimates are made in accordance with the 2012 edition of the JORC Code. Mineral resources are estimates only. An estimate is an expression of judgement based on knowledge, experience and industry practice. Estimates may alter significantly when new information or techniques become available. Resource estimates can be imprecise and depend on interpretations, which may prove to be inaccurate.

The Company's tenements are at various stages of exploration, and potential investors should understand that mineral exploration is a speculative and high-risk undertaking that may be impeded by circumstances and factors beyond the control of the Company. The Company has exploration tenements in Australia and Peru which operate under different regulatory conditions which may impact on time taken to evaluate projects and may affect the viability of resources found by the Company's exploration programmes.

There can no assurance that exploration of tenements, or any other exploration properties that may be acquired in the future, will result in the discovery of an economic mineral resource. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.

In the event the Company successfully delineates economic deposits on any Tenement, it will need to apply for a mining lease to undertake development and mining on the relevant tenement. There is no guarantee that the Company will be granted a mining lease and if it is granted, it will be subject to conditions which may impact on the financial viability of the project.

#### **Further capital requirements**

The Company's projects may require additional funding in order to progress activities. There can be no assurance that additional capital or other types of financing will be available if needed for further exploration and/or possible development activities or that, if available, the terms of such financing will be favourable to the Company.

#### **Native title and Aboriginal Heritage**

There are areas of the Company's projects over which common law and/or statutory Native Title rights of Aboriginal Australians exist. Where Native Title rights exist, the Company must obtain consent of the relevant Traditional Landowners to progress exploration, development and mining phases of operations. Where there is an Aboriginal Site for the purposes of the Aboriginal Heritage legislation, the Company must obtain consents in accordance with the legislation before any ground disturbing activities can take place. There are no guarantees that a suitable agreement can be reached with the Native Title parties.

#### **The Company's activities are subject to Government regulation and approvals**

The Company is subject to certain Government regulations and approvals. Any material adverse change in government policies or legislation in Australia or Peru that affect mining, processing, development and mineral exploration activities, export activities, income tax laws, royalty regulations, government subsidies and environmental issues may affect the viability and profitability of any planned exploration and/or development of the Company's projects.

## Directors' Report

### **Global conditions**

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration and potential development activities, as well as on its ability to fund those activities. General economic conditions, laws relating to taxation, new legislation, trade barriers, interest and inflation rates, currency exchange controls, national and international political circumstances (including outbreaks in international hostilities, wars, terrorist acts, sabotage, subversive activities, security operations, labour unrest, civil disorder, and states of emergency), natural disasters (including fires, earthquakes and floods), and quarantine restrictions, epidemics and pandemics, may have an adverse effect on the Company's operations and financial performance, including the Company's exploration and development activities, as well as on its ability to fund those activities.

General economic conditions may also affect the value of the Company and its market valuation regardless of its actual performance.

### **Remuneration of directors and senior management**

Information about the remuneration of directors and senior management is set out in the Remuneration Report of this Directors' Report.

### **Share options granted to directors and senior management**

During the year 20,000,000 (5,000,000 each to Messrs Hancock and Ellis and 10,000,000 to Mr Drew) unlisted options were issued to directors of the Group as part of their remuneration and long term incentives. The Company also issued 19,000,000 unlisted options to other key management personnel. These unlisted options have an exercise price of 3.0 cents each and an expiry date of 30 November 2026.

Since the end of the financial year there were no share options granted to any key management personnel of the Group as part of their remuneration.

### **Share options**

#### **Shares under option or issued on exercise of options**

Details of unissued shares or interests under option as at the date of this report are:

| Issuing entity   | Number of shares under option | Exercise price of option | Expiry date of options |
|------------------|-------------------------------|--------------------------|------------------------|
| <b>Unlisted</b>  |                               |                          |                        |
| AusQuest Limited | 19,000,000                    | 5 cents each             | 30-Nov-24              |
| AusQuest Limited | 20,000,000                    | 7.5 cents each           | 30-Nov-24              |
| AusQuest Limited | 20,000,000                    | 3 cents each             | 30-Nov-26              |
| AusQuest Limited | 19,000,000                    | 3 cents each             | 30-Nov-26              |

The holders of such options do not have the right, by virtue of the option, to participate in any share or other interest issue of any other body corporate or registered scheme.

#### **Shares issued on the exercise of options**

There were no shares issued on the exercise of options during or since the end of the financial year.

#### **Share options granted during the year**

The Company issued 20,000,000 (21 November 2023) and 19,000,000 (22 January 2024) unlisted options exercisable on or before 30 November 2026 at \$0.03 per option. The unlisted options were priced using a Black-Scholes pricing model (refer note 17). The Company recognised a share-based payment expense of \$297,560 in the statement of comprehensive income with a corresponding increase in the share-based payments reserve.

#### **Share options that expired/lapsed**

No options expired or lapsed during the financial year.

## Directors' Report

### Indemnification of directors and officers

The Company has agreed to indemnify all the directors of the Company for any liabilities to another person (other than the Company or related body corporate) that may arise from their position as directors of the Company and its controlled entities, except where the liability arises out of conduct involving a lack of good faith.

During the financial year the Company paid a premium in respect of a contract insuring the directors and officers of the Company and its controlled entities against any liability incurred in the course of their duties to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The insurance premiums relate to:

- any loss for which the directors and officers may not be legally indemnified by the Company arising out of any claim, by reason of any wrongful act committed by them in their capacity as a Director or Officer of the Company or any related corporation, first made against them jointly or severally during the year of insurance; and
- indemnifying the Company against any payment which it has made and was legally permitted to make arising out of any claim, by reason of any wrongful act, committed by any Director or Officer in their capacity as a Director or Officer of the Company or any related corporation, first made against the Director or Officer during the period of insurance.

### Non-audit services

There were no non-audit services performed during the year by the auditors (or by another person or firm on the auditor's behalf).

### Auditor's independence declaration

Section 307C of the Corporations Act 2001 requires our auditors, HLB Mann Judd, to provide the directors of the Company with an independence declaration in relation to the audit of the financial report. This independence declaration is included on page 23 of the annual report and forms part of this directors' report for the year ended 30 June 2024.

### Remuneration report (audited)

This report, which forms part of the directors' report, outlines the remuneration arrangements in place for the key management personnel of AusQuest Limited (the "Company") for the financial year ended 30 June 2024.

The information provided in this remuneration report has been audited as required by Section 308(3C) of the Corporations Act 2001.

The remuneration report details the remuneration arrangements for Key Management Personnel ("KMP") who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and the Group, directly or indirectly, including any director (whether executive or otherwise) of the parent Company.

### Group performance and its consequences on shareholder wealth

It is not possible at this time to evaluate the Group's financial performance using generally accepted measures such as profitability and total shareholder return as the Group is focussed on exploration activities with no significant revenue stream. This assessment will be developed as and when the Group moves from explorer to producer.

## Directors' Report

The table below shows the gross revenue, losses and loss per share for the last five years for the Group:

|                           |       | 2024      | 2023      | 2022        | 2021        | 2020      |
|---------------------------|-------|-----------|-----------|-------------|-------------|-----------|
| Revenue and other income  | \$    | 224,547   | 1,120,783 | 744,656     | 1,086,772   | 621,679   |
| Net (loss)/profit         | \$    | (831,799) | 361,982   | (1,457,728) | (1,397,914) | (984,829) |
| Earnings/(Loss) per share | Cents | (0.10)    | 0.04      | (0.18)      | (0.19)      | (0.16)    |
| Share price at year end   | \$    | 0.013     | 0.015     | 0.021       | 0.022       | 0.015     |

The prescribed details for each person covered by this report are detailed below under the following headings:

- key management personnel details;
- remuneration policy and relationship between the remuneration policy and Company performance;
- remuneration of key management personnel;
- key terms of employment contracts;
- key management personnel equity holdings;
- transactions with key management personnel; and
- loans to/from key management personnel.

### Key management personnel details

The key management personnel of AusQuest Limited during the year or since the end of the year were:

|                   |                        |
|-------------------|------------------------|
| Greg Hancock      | Non-Executive Chairman |
| Graeme Drew       | Managing Director      |
| Christopher Ellis | Non-Executive Director |

There were no group executives employed by AusQuest Limited during the year.

### **Remuneration policy and relationship between the remuneration policy and Company performance**

The Board policy for determining remuneration is based on the principle of remunerating directors and senior executives on their ability to add value to the Company (taking into account the Company's strategic plan and operations) whilst also considering market remuneration packages for similar positions within the industry and in consultation with external consultants.

The Board appreciates the interrelationship between this policy and Company performance. It acknowledges that it is in the best interests of shareholders to provide challenging but achievable incentives to reward senior executives for reaching the Company's stated goals. The Board will discuss these issues internally and with candidates prior to engaging additional directors or senior executives in the future.

### **Key management personnel (excluding non-executive directors)**

The Remuneration Committee is responsible for determining the remuneration policies for the Group, including those affecting executive directors and other key management personnel. The Committee may seek appropriate external advice to assist in its decision making. Remuneration policies and practices are directed primarily at attracting, motivating and retaining key management personnel.

The remuneration policy for executive directors and other key management personnel has the following key elements:

- Primary benefits (being salary, fees, bonus and non-monetary benefits)
- Post-employment benefits (being superannuation)
- Equity (being share options granted at the discretion of the Board)
- Other benefits

## Directors' Report

### Non-Executive Directors

The Company's Non-Executive Directors receive only fees (including statutory superannuation) for their services and the reimbursement of reasonable expenses. The fees paid to the Company's Non-Executive Directors reflect the demands on, and responsibilities of these directors. They do not receive any retirement benefits (other than compulsory superannuation).

The Board decides annually the level of fees to be paid to Non-Executive Directors with reference to market standards.

Non-Executive Directors may also receive share options where this is considered appropriate by the Board as a whole and with regard to the stage of the Company's development. Such options vest across the life of the option and are primarily designed to provide an incentive to Non-Executive Directors to remain with the Company.

A Non-Executive Directors' fee pool limit of \$300,000 per annum was approved by the shareholders.

### Key terms of employment contracts

Remuneration and other terms of employment for the Managing Director, Graeme Drew are formalised in a service agreement. Major provisions of this agreement are set out below:

- Term of agreement dated 21 April 2015.
- Base salary reviewed annually, salary of \$200,000 from 1 March 2018 (excluding superannuation entitlements).
- Payment of termination benefit on early termination by the employer, other than for gross misconduct, equal to 3 months' salary, other than if there is a change of control of the Company, which will result in 12 months' salary.
- Notice period of 90 days.

The consulting agreement in place with the Chairman, Greg Hancock is summarised below:

- Term of agreement is renewed annually.
- Fee of \$48,000 (from 1 July 2023).
- No payment of termination benefit.

### Remuneration of key management personnel

|                             | Short-term employee benefits |                      | Post employment benefits | Long term employee benefits | Share-based payment | Total          | Performance Related |
|-----------------------------|------------------------------|----------------------|--------------------------|-----------------------------|---------------------|----------------|---------------------|
|                             | Salary and fees              | Other <sup>(i)</sup> | Super-annuation          | Other                       | Options             |                |                     |
|                             | \$                           | \$                   | \$                       | \$                          | \$                  | \$             | %                   |
| <b>2024</b>                 |                              |                      |                          |                             |                     |                |                     |
| <b>Directors</b>            |                              |                      |                          |                             |                     |                |                     |
| Graeme Drew                 | 200,000                      | -                    | 22,000                   | -                           | 80,000              | 302,000        | -                   |
| Greg Hancock <sup>(i)</sup> | -                            | 48,000               | -                        | -                           | 40,000              | 88,000         | -                   |
| Chris Ellis                 | -                            | -                    | -                        | -                           | 40,000              | 40,000         | -                   |
|                             | <b>200,000</b>               | <b>48,000</b>        | <b>22,000</b>            | <b>-</b>                    | <b>160,000</b>      | <b>430,000</b> | <b>-</b>            |

For personal use only



## Directors' Report

### Remuneration of key management personnel (continued)

|                             | Short-term employee benefits |                      | Post employment benefits | Long term employee benefits | Share-based payment | Total          | Performance Related |
|-----------------------------|------------------------------|----------------------|--------------------------|-----------------------------|---------------------|----------------|---------------------|
|                             | Salary and fees              | Other <sup>(i)</sup> | Super-annuation          | Other                       | Options             |                |                     |
|                             | \$                           | \$                   | \$                       | \$                          | \$                  | \$             | %                   |
| <b>2023</b>                 |                              |                      |                          |                             |                     |                |                     |
| <b>Directors</b>            |                              |                      |                          |                             |                     |                |                     |
| Graeme Drew                 | 200,000                      | -                    | 21,000                   | -                           | -                   | 221,000        | -                   |
| Greg Hancock <sup>(i)</sup> | -                            | 48,000               | -                        | -                           | -                   | 48,000         | -                   |
| Chris Ellis                 | -                            | -                    | -                        | -                           | -                   | -              | -                   |
|                             | <b>200,000</b>               | <b>48,000</b>        | <b>21,000</b>            | -                           | -                   | <b>269,000</b> | -                   |

(i) Mr Hancock received \$48,000 (2023: \$48,000) for corporate advisory services rendered to the Company.

During the year 20,000,000 (5,000,000 each to Messrs Hancock and Ellis and 10,000,000 to Mr Drew) unlisted options were issued to key management personnel as part of their remuneration. The terms and conditions of each grant of options over ordinary shares affecting remuneration of directors in this financial year or future reporting years are as follows:

|                  | No. of options granted | Grant date | Vesting date and exercisable date | Expiry date | Exercise Price \$ | Fair value per option at grant date \$ |
|------------------|------------------------|------------|-----------------------------------|-------------|-------------------|----------------------------------------|
| <b>2024</b>      |                        |            |                                   |             |                   |                                        |
| <b>Directors</b> |                        |            |                                   |             |                   |                                        |
| Greg Hancock     | 5,000,000              | 21-Nov-23  | 21-Nov-23                         | 30-Nov-26   | 0.030             | 0.008                                  |
| Graeme Drew      | 10,000,000             | 21-Nov-23  | 21-Nov-23                         | 30-Nov-26   | 0.030             | 0.008                                  |
| Chris Ellis      | 5,000,000              | 21-Nov-23  | 21-Nov-23                         | 30-Nov-26   | 0.030             | 0.008                                  |

There were no options granted as remuneration to key management personnel exercised during the year.

### Key management personnel equity holdings

#### Fully paid ordinary shares of AusQuest Limited

|                  | Balance at 1 July No. | Balance on appointment No. | Granted as compensation No. | Other movements No. | Balance on resignation No. | Balance at 30 June No. |
|------------------|-----------------------|----------------------------|-----------------------------|---------------------|----------------------------|------------------------|
| <b>2024</b>      |                       |                            |                             |                     |                            |                        |
| <b>Directors</b> |                       |                            |                             |                     |                            |                        |
| Greg Hancock     | 4,586,415             | -                          | -                           | -                   | -                          | 4,586,415              |
| Graeme Drew      | 19,323,409            | -                          | -                           | -                   | -                          | 19,323,409             |
| Chris Ellis      | 183,712,800           | -                          | -                           | -                   | -                          | 183,712,800            |
|                  | <b>207,622,624</b>    | -                          | -                           | -                   | -                          | <b>207,622,624</b>     |

## Directors' Report

### Key management personnel equity holdings (continued)

Options (listed and unlisted) of AusQuest Limited

|                  | Balance at<br>1 July | Granted as<br>compensation | Lapsed   | Balance at<br>30 June | Vested<br>during the<br>year | Vested and<br>exercisable<br>at 30 June |
|------------------|----------------------|----------------------------|----------|-----------------------|------------------------------|-----------------------------------------|
|                  | No.                  | No.                        | No.      | No.                   | No.                          | No.                                     |
| <b>2024</b>      |                      |                            |          |                       |                              |                                         |
| <b>Directors</b> |                      |                            |          |                       |                              |                                         |
| Greg Hancock     | 5,000,000            | 5,000,000 <sup>(i)</sup>   | -        | 10,000,000            | 5,000,000                    | 10,000,000                              |
| Graeme Drew      | 10,000,000           | 10,000,000 <sup>(i)</sup>  | -        | 20,000,000            | 10,000,000                   | 20,000,000                              |
| Chris Ellis      | 5,000,000            | 5,000,000 <sup>(i)</sup>   | -        | 10,000,000            | 5,000,000                    | 10,000,000                              |
|                  | <u>20,000,000</u>    | <u>20,000,000</u>          | <u>-</u> | <u>40,000,000</u>     | <u>20,000,000</u>            | <u>40,000,000</u>                       |

(i) Unlisted options granted to Directors (exercise price of \$0.03 per option, expiry date of 30 November 2026) following shareholder approval on 21 November 2023.

### Transactions with key management personnel

The following transactions occurred with key management personnel:

|                                            | 2024          | 2023          |
|--------------------------------------------|---------------|---------------|
|                                            | \$            | \$            |
| Corporate advisory services <sup>(i)</sup> | <u>48,000</u> | <u>48,000</u> |

(i) The Company entered into a 12 month corporate advisory services agreement with Mr Hancock. Mr Hancock was paid \$48,000 (excluding GST) for services rendered during the 12 month period ending 30 June 2024 (2023: \$48,000 excluding GST). This amount is included as part of Mr. Hancock's remuneration in the table above.

There were no other transactions with key management personnel during the year.

### Receivable from and payable to related parties

The following balances are outstanding at the reporting date in relation to transactions with related parties:

|                                                | 2024         | 2023         |
|------------------------------------------------|--------------|--------------|
|                                                | \$           | \$           |
| Current payables                               |              |              |
| Fee payable to Graeme Drew and related entity  | 18,584       | 18,500       |
| Fee payable to Greg Hancock and related entity | <u>4,000</u> | <u>4,000</u> |

### Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

### (End of remuneration report)

The Directors' Report is signed in accordance with a resolution of directors made pursuant to s.298(2) of the Corporations Act 2001.

On behalf of the directors.



**Graeme Drew**  
Managing Director

17 September 2024, Perth, WA



**AUDITOR'S INDEPENDENCE DECLARATION**

As lead auditor for the audit of the consolidated financial report of AusQuest Limited for the year ended 30 June 2024, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b) any applicable code of professional conduct in relation to the audit.

Perth, Western Australia  
17 September 2024



**M R Ohm**  
Partner

**hlb.com.au**

**HLB Mann Judd ABN 22 193 232 714**

A Western Australian Partnership

Level 4, 130 Stirling Street, Perth WA 6000 / PO Box 8124 Perth BC WA 6849

**T:** +61 (0)8 9227 7500 **E:** mailbox@hlbwa.com.au

Liability limited by a scheme approved under Professional Standards Legislation.

HLB Mann Judd is a member of HLB International, the global advisory and accounting network.

## INDEPENDENT AUDITOR'S REPORT

To the Members of AusQuest Limited

### Report on the Audit of the Financial Report

#### *Opinion*

We have audited the financial report of AusQuest Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group's financial position as at 30 June 2024 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### *Basis for Opinion*

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Material Uncertainty Related to Going Concern*

We draw attention to Note 2(b) in the financial report, which indicates that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

#### *Key Audit Matters*

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

#### **hlb.com.au**

**HLB Mann Judd ABN 22 193 232 714**

A Western Australian Partnership

Level 4, 130 Stirling Street, Perth WA 6000 / PO Box 8124 Perth BC WA 6849

T: +61 (0)8 9227 7500 E: mailbox@hlbwa.com.au

Liability limited by a scheme approved under Professional Standards Legislation.

HLB Mann Judd is a member of HLB International, the global advisory and accounting network.

| Key Audit Matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | How our audit addressed the key audit matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>Exploration and evaluation expenditure</b><br/>Refer to Note 11 in the financial report</p> <p>The Group has capitalised exploration and evaluation expenditure of \$6,441,283 as at 30 June 2024.</p> <p>In accordance with AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i>, the Group capitalises all exploration and evaluation expenditure in respect of each identifiable area of interest, including acquisition costs and measures the asset using the cost model.</p> <p>Our audit focused on the Group’s assessment of the carrying amount of the capitalised exploration and evaluation asset, as this is one of the most significant assets of the Group. We planned our work to address the audit risk that the capitalised expenditure may no longer meet the recognition criteria of the standard. In addition, we considered it necessary to assess whether facts and circumstances existed to suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount.</p> | <p>Our procedures included but were not limited to the following:</p> <ul style="list-style-type: none"> <li>– We obtained an understanding of the key processes associated with management’s review of the exploration and evaluation asset carrying values;</li> <li>– We considered the Directors’ assessment of potential indicators of impairment;</li> <li>– We obtained evidence that the Group has current rights to tenure of its areas of interest;</li> <li>– We ensured there was substantive expenditure planned;</li> <li>– We verified additions to exploration expenditure during the year;</li> <li>– We considered the accounting treatment in relation to exploration partner funding;</li> <li>– We verified amounts received from the Group’s exploration partner and subsequently spent on exploration;</li> <li>– We enquired with management, reviewed ASX announcements and minutes of Directors’ meetings to ensure that the Group had not decided to discontinue exploration and evaluation at its area of interest; and</li> <li>– We examined the disclosures made in the financial report.</li> </ul> |

*Other Information*

The directors are responsible for the other information. The other information comprises the information included in the Group’s annual report for the year ended 30 June 2024, but does not include the financial report and our auditor’s report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

*Responsibilities of the Directors for the Financial Report*

The directors of the Company are responsible for the preparation of:

- (a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and
- (b) the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and

for such internal control as the directors determine is necessary to enable the preparation of:

- (a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- (b) the consolidated entity disclosure statement that is true and correct and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

*Auditor's Responsibilities for the Audit of the Financial Report*

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we

conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## **REPORT ON THE REMUNERATION REPORT**

### *Opinion on the Remuneration Report*

We have audited the Remuneration Report included within the Directors' Report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of AusQuest Limited for the year ended 30 June 2024 complies with Section 300A of the *Corporations Act 2001*.

### *Responsibilities*

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with Section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

*HLB Mann Judd*

**HLB Mann Judd**  
**Chartered Accountants**

**Perth, Western Australia**  
**17 September 2024**



**M R Ohm**  
**Partner**

## Directors' Declaration

1. In the opinion of the Directors of AusQuest Limited (the "Company"):
  - (a) the accompanying financial statements and notes thereto are in accordance with the Corporations Act 2001, Australian Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
    - i. giving a true and fair view of the Group's financial position as at 30 June 2024 and of its performance for the financial year ended on that date; and
    - ii. complying with Australian Accounting Standards, the Corporations Regulations 2001, professional reporting requirements and other mandatory requirements.
  - (b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
  - (c) The information disclosed in the Consolidated Entity Disclosure Statement on page 64 is true and correct.
2. The directors have been given the declarations required by section 295A of the Corporations Act 2001.

This declaration is signed in accordance with a resolution of the Board of Directors.



**Graeme Drew**  
**Managing Director**

Perth, Western Australia  
17 September 2024

For personal use only

## Consolidated Statement of Profit Or Loss and Other Comprehensive Income

For the ended 30 June 2024

|                                                                                                           | Note  | 2024<br>\$       | 2023<br>\$       |
|-----------------------------------------------------------------------------------------------------------|-------|------------------|------------------|
| Revenue                                                                                                   | 4     | 201,943          | 1,094,278        |
| Other income                                                                                              | 4     | 22,604           | 26,505           |
|                                                                                                           |       | <u>224,547</u>   | <u>1,120,783</u> |
| Consultants and employee benefits expenses                                                                |       | 190,968          | 255,759          |
| Occupancy expenses                                                                                        |       | 12,231           | 36,636           |
| Depreciation expense                                                                                      | 10    | 10,009           | 12,506           |
| Depreciation expense of right-of-use asset                                                                | 12    | 86,060           | 85,958           |
| Share-based payments expense                                                                              | 6     | 297,560          | -                |
| Administrative expenses                                                                                   |       | 840,603          | 703,973          |
| Impairment of exploration and evaluation expenditure                                                      | 6, 11 | 473,660          | 604,057          |
| Exploration expenditure (recovered) / expensed                                                            |       | -                | 425              |
| Finance costs                                                                                             |       | 4,565            | 6,886            |
| Interest on lease liability                                                                               |       | 10,469           | 2,320            |
|                                                                                                           |       | <u>1,926,125</u> | <u>1,708,520</u> |
| Loss before income tax expense                                                                            |       | (1,701,578)      | (587,737)        |
| Income tax benefit                                                                                        | 7     | 869,779          | 949,719          |
| Loss for the year after income tax of continuing operations                                               |       | <u>(831,799)</u> | <u>361,982</u>   |
| Gain on disposal of subsidiary                                                                            | 30    | 1,088,526        | -                |
| Profit for the year after income tax                                                                      |       | <u>256,727</u>   | <u>361,982</u>   |
| Other comprehensive income                                                                                |       |                  |                  |
| <i>Items that may be reclassified subsequently to profit or loss</i>                                      |       |                  |                  |
| Exchange gain on translation of foreign operations                                                        |       | 15,610           | 519,838          |
| Other comprehensive income for the year, net of tax                                                       |       | <u>15,610</u>    | <u>519,838</u>   |
| Total comprehensive gain for the year                                                                     |       | <u>272,337</u>   | <u>881,820</u>   |
| (Loss)/Earnings per share                                                                                 |       |                  |                  |
| Basic and diluted (loss)/earnings per share from continuing and discontinued operations (cents per share) | 28    | 0.03             | 0.04             |
| Basic and diluted (loss)/earnings per share from continuing operations (cents per share)                  | 28    | (0.10)           | 0.04             |

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

## Consolidated Statement of Financial Position

As at 30 June 2024

|                                        | Note | 2024<br>\$       | 2023<br>\$       |
|----------------------------------------|------|------------------|------------------|
| <b>Current Assets</b>                  |      |                  |                  |
| Cash and cash equivalents              | 27   | 1,070,206        | 3,733,325        |
| Trade and other receivables            | 8    | 359,690          | 631,136          |
| Unexpended funding                     | 15   | 421,777          | 314,080          |
| Other assets                           | 9    | 53,215           | 35,074           |
| <b>Total Current Assets</b>            |      | <b>1,904,888</b> | <b>4,713,615</b> |
| <b>Non-Current Assets</b>              |      |                  |                  |
| Property, plant and equipment          | 10   | 50,094           | 52,132           |
| Exploration and evaluation expenditure | 11   | 6,441,283        | 4,888,356        |
| Right-of-use asset                     | 12   | 86,061           | -                |
| <b>Total Non-Current Assets</b>        |      | <b>6,577,438</b> | <b>4,940,488</b> |
| <b>Total Assets</b>                    |      | <b>8,482,326</b> | <b>9,654,103</b> |
| <b>Current Liabilities</b>             |      |                  |                  |
| Trade and other payables               | 13   | 451,625          | 1,191,969        |
| Provisions                             | 14   | 145,182          | 147,576          |
| Lease liability                        |      | 89,590           | -                |
| <b>Total Current Liabilities</b>       |      | <b>686,397</b>   | <b>1,339,545</b> |
| <b>Total Liabilities</b>               |      | <b>686,397</b>   | <b>1,339,545</b> |
| <b>Net Assets</b>                      |      | <b>7,795,929</b> | <b>8,314,558</b> |
| <b>Equity</b>                          |      |                  |                  |
| Issued capital                         | 16   | 62,308,182       | 62,308,182       |
| Reserves                               | 18   | 4,508,386        | 5,283,742        |
| Accumulated losses                     |      | (59,020,639)     | (59,277,366)     |
| <b>Total Equity</b>                    |      | <b>7,795,929</b> | <b>8,314,558</b> |

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

For personal use only



## Consolidated Statement of Changes in Equity

For the year ended 30 June 2024

|                                                                | Issued capital    | Share based payment | Foreign currency translation reserve | Accumulated losses  | Total Equity     |
|----------------------------------------------------------------|-------------------|---------------------|--------------------------------------|---------------------|------------------|
|                                                                | \$                | \$                  | \$                                   | \$                  | \$               |
| <b>Balance at 1 July 2023</b>                                  | 62,308,182        | 433,319             | 4,850,423                            | (59,277,366)        | 8,314,558        |
| Loss after income tax for the year - continuing operations     | -                 | -                   | -                                    | (831,799)           | (831,799)        |
| Profit after income tax for the year - discontinued operations | -                 | -                   | -                                    | 1,088,526           | 1,088,526        |
| Other comprehensive income for the year, net of tax            | -                 | -                   | 15,610                               | -                   | 15,610           |
| <b>Total comprehensive income/(loss) for the period</b>        | <b>-</b>          | <b>-</b>            | <b>15,610</b>                        | <b>256,727</b>      | <b>272,337</b>   |
| <i>Transactions with owners in their capacity as owners:</i>   |                   |                     |                                      |                     |                  |
| Issue of shares                                                | -                 | -                   | -                                    | -                   | -                |
| Share issue costs                                              | -                 | -                   | -                                    | -                   | -                |
| Options issued during the period                               | -                 | 297,560             | -                                    | -                   | 297,560          |
| Lapsed options during the period                               | -                 | -                   | -                                    | -                   | -                |
| Disposal of subsidiary                                         | -                 | -                   | (1,088,526)                          | -                   | (1,088,526)      |
|                                                                | <b>-</b>          | <b>297,560</b>      | <b>(1,088,526)</b>                   | <b>-</b>            | <b>(790,966)</b> |
| <b>Balance at 30 June 2024</b>                                 | <b>62,308,182</b> | <b>730,879</b>      | <b>3,777,507</b>                     | <b>(59,020,639)</b> | <b>7,795,929</b> |
| <b>Balance at 1 July 2022</b>                                  | 62,308,182        | 473,319             | 4,330,585                            | (59,679,348)        | 7,432,738        |
| Profit after income tax for the year                           | -                 | -                   | -                                    | 361,982             | 361,982          |
| Other comprehensive income for the year, net of tax            | -                 | -                   | 519,838                              | -                   | 519,838          |
| <b>Total comprehensive income/(loss) for the period</b>        | <b>-</b>          | <b>-</b>            | <b>519,838</b>                       | <b>361,982</b>      | <b>881,820</b>   |
| <i>Transactions with owners in their capacity as owners:</i>   |                   |                     |                                      |                     |                  |
| Options issued during the period                               | -                 | (40,000)            | -                                    | 40,000              | -                |
|                                                                | <b>-</b>          | <b>(40,000)</b>     | <b>-</b>                             | <b>40,000</b>       | <b>-</b>         |
| <b>Balance at 30 June 2023</b>                                 | <b>62,308,182</b> | <b>433,319</b>      | <b>4,850,423</b>                     | <b>(59,277,366)</b> | <b>8,314,558</b> |

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

## Consolidated Statement of Cash Flows

For the year ended 30 June 2024

|                                                                  | Note    | 2024<br>\$         | 2023<br>\$       |
|------------------------------------------------------------------|---------|--------------------|------------------|
| <b>Cash Flows from Operating Activities</b>                      |         |                    |                  |
| Receipts from South32 Group Operations Pty Ltd                   |         | 193,585            | 1,081,204        |
| Government contributions                                         |         | 22,604             | 26,505           |
| Payments to suppliers and employees                              |         | (1,184,081)        | (1,010,420)      |
| Interest received                                                |         | 8,371              | 13,075           |
| Finance costs                                                    |         | (4,565)            | (6,886)          |
| <b>Net (outflow)/cash inflow from operating activities</b>       | 27(ii)  | <b>(964,086)</b>   | <b>103,478</b>   |
| <b>Cash Flows from Investing Activities</b>                      |         |                    |                  |
| Payments for property, plant and equipment                       |         | (6,373)            | (14,633)         |
| Payments for exploration and evaluation                          |         | (4,423,213)        | (8,092,008)      |
| Payment received on grant of farm-in and joint venture interests |         | 1,950,480          | 6,972,020        |
| Research and development tax incentive refund received           |         | 869,779            | 949,719          |
| <b>Net cash outflow from investing activities</b>                |         | <b>(1,609,327)</b> | <b>(184,902)</b> |
| <b>Cash Flows from Financing Activities</b>                      |         |                    |                  |
| Repayment of lease liabilities                                   |         | (93,000)           | (90,000)         |
| <b>Net cash outflow inflow from financing activities</b>         | 27(iii) | <b>(93,000)</b>    | <b>(90,000)</b>  |
| <b>Net decrease in cash and cash equivalents</b>                 |         | <b>(2,666,413)</b> | <b>(171,424)</b> |
| Cash and cash equivalents at the start of the year               |         | 3,733,325          | 3,878,896        |
| Exchange rate adjustment                                         |         | 3,294              | 25,853           |
| <b>Cash and cash equivalents at the end of the year</b>          | 27(i)   | <b>1,070,206</b>   | <b>3,733,325</b> |

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

For personal use only

# Notes to the Consolidated Financial Statements

## 1. General information

AusQuest Limited (the Company) is a public company listed on the Australian Securities Exchange (trading under the code ("AQD")), incorporated in Australia and operating in Australia and Peru.

The financial report covers AusQuest Limited as a consolidated entity consisting of AusQuest Limited and the entities it controlled during the period ("the Group"). The financial report consists of the financial statements, notes to the financial statements and the Directors' declaration. AusQuest Limited is a listed public company limited by shares, incorporated and domiciled in Australia.

The Company's registered office and its principal place of business are as follows:

| Registered Office                                                      | Principal place of business          |
|------------------------------------------------------------------------|--------------------------------------|
| C/- Nexia Perth Pty Ltd<br>Level 3, 88 William Street<br>Perth WA 6000 | 8 Kearns Crescent<br>Ardross WA 6153 |

The Group's principal activities are the exploration for and evaluation of mineral resources in Australia and Peru.

## 2. Material accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### (a) Basis of preparation

The financial statements comprise the consolidated financial statements for the Group. For the purpose of preparing the consolidated financial statements, the Company is a for-profit entity.

The financial report has been prepared on the basis of historical cost. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

#### i. Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with the Corporations Act 2001, Accounting Standards and Interpretations, and complies with other requirements of the law. Accounting Standards include Australian equivalents to International Financial Reporting Standards ('A-IFRS'). Compliance with A-IFRS ensures that the financial statements and notes of the Company and the Group comply with International Financial Reporting Standards ('IFRS').

The financial statements were authorised for issue by the directors on 17 September 2024.

### (b) Going Concern

The 30 June 2024 financial report has been prepared on the going concern basis that contemplates the continuity of normal business activities and the realisation of assets and extinguishment of liabilities in the ordinary course of business. For the year ended 30 June 2024 the Group recorded a net loss of \$831,799 (2023 net profit: \$361,982) from continuing operations and at 30 June 2024 had net working capital of \$1,218,491 (30 June 2023: net working capital of \$3,374,070). The Group also recorded a net cash outflow in operating activities for the year ended 30 June 2024 of \$964,086 (2023: net cash inflow in operating activities of \$103,478).

## Notes to the Consolidated Financial Statements

### 2. Material accounting policies (continued)

#### (b) Going Concern (continued)

The Company also note that the current Strategic Alliance Agreement with S32 was extended to 31 December 2025, which covers Australian exploration and evaluation work following confirmation from S32 in 2023 that it will not fund further exploration work over the Company's current Peruvian projects. The Company remains of the opinion that its Peruvian projects warrant further assessment and plans to continue exploration work on a number of these tenements either in its own right or under agreement with a new party.

Based on the Group's cash flow forecast it is likely that the Group will need to access additional working capital in the next 12 months to advance its exploration projects and to ensure the realisation of assets on an orderly basis and the extinguishment of liabilities as and when they fall due.

The directors are confident that the Group will be successful in raising additional funds through the issue of new equity, should the need arise. The directors are also aware that the Group has the option, if necessary, to defer expenditure or relinquish certain projects and reduce administration costs in order to minimise its capital raising requirements.

Based on these facts, the directors consider the going concern basis of preparation to be appropriate for this financial report. Should the Company be unsuccessful in raising additional funds through the issue of new equity, there is a material uncertainty which may cast significant doubt whether the Group will be able to continue as a going concern and therefore, whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The financial statements do not include any adjustments relative to the recoverability and classification of recorded asset amounts or, to the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

#### (c) Critical accounting estimates

In the application of the Group's accounting policies, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experiences and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis.

Revisions to the accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects the current and future periods.

Refer to Note 3 for a discussion of critical judgements in applying the Group's accounting policies and key sources of estimation uncertainty.

#### (d) Operating segments

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. This includes start up operations which are yet to earn revenues.

Management also considers other factors in determining operating segments such as the existence of a line manager and the level of segment information presented to the Board of Directors.

## Notes to the Consolidated Financial Statements

### 2. Material accounting policies (continued)

#### (d) Operating segments (continued)

Operating segments have been identified based on the information provided to the chief operating decision maker – being the Board of Directors. The Group aggregates two or more operating segments when they have similar economic characteristics, and the segments are similar in the nature of the minerals targeted.

Operating segments that meet the quantitative criteria as prescribed by AASB 8 Operating Segments are reported separately. However, an operating segment that does not meet the quantitative criteria is still reported separately where information about the segment would be useful to users of the financial statements.

Information about other business activities and operating segments that are below the quantitative criteria are combined and disclosed in a separate category for “all other segments”.

#### (e) Financial Instruments

Financial assets and financial liabilities are recognised in the statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

##### (i) *Financial Assets*

Trade receivables are held in order to collect the contractual cash flows and are initially measured at the transaction price (excludes estimates of variable consideration) as defined in AASB 15, as the contracts of the Group do not contain significant financing components. Impairment losses are recognised based on lifetime expected credit losses in profit or loss.

Other receivables are held in order to collect the contractual cash flows and accordingly are measured at initial recognition at fair value, which ordinarily equates to cost and are subsequently measured at cost less impairment due to their short term nature. A provision for impairment is established based on 12-month expected credit losses unless there has been a significant increase in credit risk when lifetime expected credit losses are recognised. The amount of any provision is recognised in profit or loss.

##### (ii) *Financial Liabilities and Equity*

Financial liabilities and equity instruments issued by the Group are classified in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

All other loans including convertible loan notes are initially recorded at fair value, which is ordinarily equal to the proceeds received net of transaction costs. These liabilities are subsequently measured at amortised cost, using the effective interest rate method.

##### (iii) *Financial Liabilities and Equity*

Financial liabilities and equity instruments issued by the Group are classified in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

All other loans including convertible loan notes are initially recorded at fair value, which is ordinarily equal to the proceeds received net of transaction costs. These liabilities are subsequently measured at amortised cost, using the effective interest rate method.

## Notes to the Consolidated Financial Statements

### 2. Material accounting policies (continued)

#### (e) Financial Instruments (continued)

##### (iv) *Effective Interest Rate Method*

The effective interest rate method is a method of calculating the amortised cost of a financial asset or liability and allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash flows through the expected life of the financial asset or liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

#### (f) Cash and cash equivalents

Cash and cash equivalents comprises cash at bank and in hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position. For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

#### (g) Foreign currency translation

Both the functional and presentation currency of AusQuest Limited and its Australian subsidiaries is Australian dollars. All other foreign subsidiaries uses American dollar as their functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance date. All exchange differences in the consolidated financial report are taken to profit or loss with the exception of differences on foreign currency borrowings that provide a hedge against a net investment in a foreign entity. These are taken directly to equity until the disposal of the net investment, at which time they are recognised in profit or loss.

Tax charges and credits attributable to exchange differences on those borrowings are also recognised in equity. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.

The exchange differences arising on the translation are taken directly to the foreign currency translation reserve in equity. On disposal of a foreign entity, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in profit or loss.

#### (h) Revenue and other income

Revenue is recognised when or as the Group transfers control of goods or services to a customer at the amount to which the Group expected to be entitled. If the consideration promised includes a variable amount, the Group estimates the amount of consideration to which it will be entitled.

Revenue is measured at the transaction price received or receivable (which excludes estimates of variable consideration) allocated to the performance obligation satisfied and represents amounts receivable for services provided in the normal course of business, net of discounts, VAT, GST and other sales related taxes. Where the expected period between transfer of a promised service and payment from the customer is one year or less no adjustment for a financing component is made.

Revenue arising from the provision of services is recognised when and to the extent that the customer simultaneously receives and consumes the benefits of the Group's performance or the Group does not create an asset with an alternative use but has an enforceable right to payment for performance completed to date.

## Notes to the Consolidated Financial Statements

### 2. Material accounting policies (continued)

#### (h) Revenue and other income (continued)

##### *Interest*

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

##### *Other revenue*

Other revenue is recognised when it is received or when the right to receive payment is established.

Government assistance revenue is recognised when it is received or when the right to receive payment is established.

#### (i) Income tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Deferred tax is provided on all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised.

However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit. Furthermore, a deferred tax liability is not recognised in relation to taxable temporary differences arising from goodwill.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, branches, associates and joint ventures except where the entity is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with these investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the entity expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the entity intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax is recognised as an expense or income in the statement of profit or loss and other comprehensive income, except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity, or where it arises from the initial accounting for a business combination, in which case it is taken into account in the determination of goodwill or excess.

## Notes to the Consolidated Financial Statements

### 2. Material accounting policies (continued)

#### (i) Income tax (continued)

The Company and its wholly-owned Australian resident entity are part of a tax-consolidated group under Australian taxation law. AusQuest Limited is the head entity in the tax-consolidated group. Tax expense/income, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax-consolidated group are recognised in the separate financial statements of the members of the tax-consolidated group using the 'separate taxpayer within group' approach. Current tax liabilities and assets and deferred tax assets arising from unused tax losses and tax credits of the members of the tax-consolidated group are recognised by the Company (as head entity in the tax-consolidated group).

Amounts are recognised as payable to or receivable by the Company and each member of the Group in relation to the tax contribution amounts paid or payable between the parent entity and the other members of the tax-consolidated group as and when they arise.

The Research and Development (R&D) tax rebate is recognised as income tax benefit upon receipt.

#### (j) Impairment of assets

At each reporting date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### (k) Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is provided on plant and equipment. Depreciation is calculated on a diminishing value basis so as to write off the net cost or other revalued amount of each asset over its expected useful life to its estimated residual value. The estimated useful lives, residual values and depreciation method is reviewed at the end of each annual reporting period.



## Notes to the Consolidated Financial Statements

### 2. Material accounting policies (continued)

#### (k) Property, plant and equipment (continued)

The following estimated useful lives are used in the calculation of depreciation:

| <i>Class of fixed asset</i>             | <i>Depreciation rate (%)</i> |
|-----------------------------------------|------------------------------|
| Fixtures, fittings and office equipment | 10 - 40%                     |
| Computer equipment                      | 20 - 50%                     |
| Field equipment                         | 20 - 40%                     |

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements and plant and equipment under lease are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits/accumulated losses.

#### (l) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

#### (m) Provisions

Provisions are recognised when the Group has a present (legal or constructive) obligation as a result of a past event, it is probable the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received and the amount of the receivable can be measured reliably.

#### (n) Share-based payments

The Group provides benefits to employees (including senior executives) of the Group in the form of share-based payments. The cost of these share-based payments is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value at grant date is measured by use of an appropriate valuation model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the entity's estimate of shares that will eventually vest. For cash-settled share-based payments, a liability equal to the portion of the goods or services received is recognised at the current fair value determined at each reporting date.

## Notes to the Consolidated Financial Statements

### 2. Material accounting policies (continued)

#### (o) Employee benefits

##### *Short-term employee benefits*

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled within 12 months of the reporting date are recognised in current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

##### *Other long-term employee benefits*

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are recognised in non-current liabilities, provided there is an unconditional right to defer settlement of the liability. The liability is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method.

Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

#### (p) Exploration and evaluation assets

Exploration, evaluation and development expenditure incurred may be accumulated in respect of each identifiable area of interest.

These costs are carried forward only if they relate to an area of interest for which rights of tenure are current and in respect of which:

- such costs are expected to be recouped through successful development and exploitation or from sale of the area; or
- exploration and evaluation activities in the area have not, at balance date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active operations in, or relating to, the area are continuing.

Notwithstanding the fact that a decision not to abandon an area of interest has been made, based on the above, the exploration and evaluation expenditure in relation to an area may still be written off if considered appropriate to do so.

Contributions by a farmee in a farm out agreement are offset against the exploration and evaluation assets when spent. The unexpended expenditure from the farmee at reporting date is recorded as a liability in the statement of financial position. Where there is no obligation attached to the contribution received, the excess of cash received over the carrying amount of the exploration project is credited to the statement of profit or loss and other comprehensive income as revenue.

## Notes to the Consolidated Financial Statements

### 2. Material accounting policies (continued)

#### (q) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification. An asset is current when: it is expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current. A liability is current when: it is expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

#### (r) Joint arrangements

##### *Joint operations*

Interests in joint operations are reported in the financial statements by including the entity's share of assets employed in the joint operation, the share of liabilities incurred in relation to the joint operation and the share of any expenses incurred in relation to the joint operation in their respective classification categories.

##### *Joint ventures*

Interests in joint ventures are accounted for under the equity method in the consolidated financial statements and the cost method in the Company's financial statements.

#### (s) Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either in the principal market or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interest. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

#### (t) Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

## Notes to the Consolidated Financial Statements

### 2. Material accounting policies (continued)

#### (u) Issued capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

#### (v) Earnings per share

##### *Basic earnings per share*

Basic earnings per share is calculated by dividing the net profit/loss attributable to the owners of AusQuest Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

##### *Diluted earnings per share*

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

#### (w) New accounting standards and interpretations

##### *Adoption of new and revised standards*

In the year ended 30 June 2024, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company and effective for the current reporting periods beginning on or after 1 July 2023.

As a result of this review, the Directors have determined that there is no material impact of new Standards and Interpretations issued by the AASB that are relevant to the Group and effective for the current reporting periods beginning on or after 1 July 2023.

#### (x) New accounting standards and interpretations not yet adopted

The Directors have also reviewed all Standards and Interpretations issued but not yet mandatory for the year ended 30 June 2024. As a result of this review the Directors have determined that there is no material impact of the Standards and Interpretations issued but not yet mandatory, therefore no change is necessary to Group accounting policies.

## Notes to the Consolidated Financial Statements

### 3. Critical accounting judgements, estimates and assumptions

Judgements made by management in the application of A-IFRS that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next year are disclosed, where applicable, in the relevant note to the financial statements. The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the balance date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

(a) *Exploration and evaluation costs carried forward*

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the Group decides to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors which could impact the future recoverability include the level of proved, probable and inferred mineral resources, future technological changes which could impact the cost of mining, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

To the extent that capitalised exploration and evaluation expenditure is determined not to be recoverable in the future, this will increase losses and reduce net assets in the period in which this determination is made.

In addition, exploration and evaluation expenditure is capitalised if activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves. To the extent that it is determined in the future that this capitalised expenditure should be written off, this will increase losses and reduce net assets in the period in which this determination is made.

(b) *Share-based payments*

The Company makes equity settled share-based payments to certain employees and consultants, which are measured at fair value at the date of grant and expensed on a straight line basis over the vesting period, based on the Company's estimate of shares that will eventually vest. The fair values are determined using an appropriate valuation model. Vesting assumptions are reviewed during each reporting period to ensure they reflect current expectations.

(c) *Loans to controlled entities*

The directors believe that the recoupment by AusQuest Limited of the inter-company receivables from Questdor SAC is dependent on the successful development and commercial exploitation or, alternatively, the sale of the exploration assets held by the controlled entity.

## Notes to the Consolidated Financial Statements

### 4. Operating Segments

AASB 8 requires a 'management approach' under which segment information is presented on the same basis as that used for internal reporting purposes.

Operating segments are now reported in a manner that is consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision-maker has been identified as the Board of Directors of AusQuest Limited.

The following table presents the revenue, results and certain asset and liability information regarding the segment information provided to the Board of Directors for the year ended 30 June 2024.

|                                       | Australia          | South America     | Intersegment Eliminations | Consolidated       |
|---------------------------------------|--------------------|-------------------|---------------------------|--------------------|
|                                       | \$                 | \$                | \$                        | \$                 |
| <b>Consolidated - 2024</b>            |                    |                   |                           |                    |
| <b>Revenue</b>                        |                    |                   |                           |                    |
| Interest revenue                      | 8,358              | -                 | -                         | 8,358              |
| Other revenue                         | 216,189            | -                 | -                         | 216,189            |
| <b>Total revenue</b>                  | <b>224,547</b>     | <b>-</b>          | <b>-</b>                  | <b>224,547</b>     |
| <b>Expenses</b>                       |                    |                   |                           |                    |
| Depreciation                          | (95,407)           | (662)             | -                         | (96,069)           |
| Impairment of exploration expenditure | (262,678)          | (210,982)         | -                         | (473,660)          |
| Other expenses                        | (1,126,474)        | (229,922)         | -                         | (1,356,396)        |
| <b>Total expenses</b>                 | <b>(1,484,559)</b> | <b>(441,566)</b>  | <b>-</b>                  | <b>(1,926,125)</b> |
| <b>Loss before income tax</b>         | <b>(1,260,012)</b> | <b>(441,566)</b>  | <b>-</b>                  | <b>(1,701,578)</b> |
| Income tax benefit                    |                    |                   |                           | 869,779            |
| Gain after disposal of subsidiary     |                    |                   |                           | 1,088,526          |
| <b>Loss after income tax</b>          |                    |                   |                           | <b>256,727</b>     |
| <b>Assets</b>                         |                    |                   |                           |                    |
| Current Assets                        | 1,641,898          | 262,990           | -                         | 1,904,888          |
| Non-Current Assets                    | 27,619,279         | 5,273,277         | (26,315,118)              | 6,577,438          |
| <b>Total Assets</b>                   | <b>29,261,177</b>  | <b>5,536,267</b>  | <b>(26,315,118)</b>       | <b>8,482,326</b>   |
| <b>Liabilities</b>                    |                    |                   |                           |                    |
| Current Liabilities                   | 564,313            | 122,084           | -                         | 686,397            |
| Non-Current Liabilities               | -                  | 26,315,118        | (26,315,118)              | -                  |
| <b>Total Liabilities</b>              | <b>564,313</b>     | <b>26,437,202</b> | <b>(26,315,118)</b>       | <b>686,397</b>     |

For personal use only



## Notes to the Consolidated Financial Statements

### 4. Operating Segments (Continued)

|                                       | Australia          | South America     | Intersegment Eliminations | Consolidated       |
|---------------------------------------|--------------------|-------------------|---------------------------|--------------------|
|                                       | \$                 | \$                | \$                        | \$                 |
| <b>Consolidated - 2023</b>            |                    |                   |                           |                    |
| <b>Revenue</b>                        |                    |                   |                           |                    |
| Interest revenue                      | 13,074             | -                 | -                         | 13,074             |
| Other revenue                         | 1,107,709          | -                 | -                         | 1,107,709          |
| <b>Total revenue</b>                  | <b>1,120,783</b>   | <b>-</b>          | <b>-</b>                  | <b>1,120,783</b>   |
| <b>Expenses</b>                       |                    |                   |                           |                    |
| Depreciation                          | (95,025)           | (3,439)           | -                         | (98,464)           |
| Impairment of exploration expenditure | (334,548)          | (269,509)         | -                         | (604,057)          |
| Other expenses                        | (768,244)          | (237,755)         | -                         | (1,005,999)        |
| <b>Total expenses</b>                 | <b>(1,197,817)</b> | <b>(510,703)</b>  | <b>-</b>                  | <b>(1,708,520)</b> |
| <b>Loss before income tax</b>         | <b>(77,034)</b>    | <b>(510,703)</b>  | <b>-</b>                  | <b>(587,737)</b>   |
| Income tax benefit                    | -                  | -                 | -                         | 949,719            |
| <b>Profit after income tax</b>        | <b>-</b>           | <b>-</b>          | <b>-</b>                  | <b>361,982</b>     |
| <b>Assets</b>                         |                    |                   |                           |                    |
| Current Assets                        | 3,970,725          | 742,890           | -                         | 4,713,615          |
| Non-Current Assets                    | 26,619,927         | 3,682,346         | (25,361,785)              | 4,940,488          |
| <b>Total Assets</b>                   | <b>30,590,652</b>  | <b>4,425,236</b>  | <b>(25,361,785)</b>       | <b>9,654,103</b>   |
| <b>Liabilities</b>                    |                    |                   |                           |                    |
| Current Liabilities                   | 1,217,136          | 122,409           | -                         | 1,339,545          |
| Non-Current Liabilities               | -                  | 25,361,785        | (25,361,785)              | -                  |
| <b>Total Liabilities</b>              | <b>1,217,136</b>   | <b>25,484,194</b> | <b>(25,361,785)</b>       | <b>1,339,545</b>   |

### 5. Revenue

|                                                                    | 2024           | 2023             |
|--------------------------------------------------------------------|----------------|------------------|
|                                                                    | \$             | \$               |
| Funding from South32 Group Operations Pty Ltd recognised as income |                |                  |
| Administration charges (Note 15)                                   | 193,585        | 1,081,204        |
| Interest income                                                    | 8,358          | 13,074           |
|                                                                    | 201,943        | 1,094,278        |
| Government assistance                                              | 22,604         | 26,505           |
|                                                                    | 22,604         | 26,505           |
| <b>Total revenue and other income</b>                              | <b>224,547</b> | <b>1,120,783</b> |

## Notes to the Consolidated Financial Statements

### 6. Profit/(Loss) for the year

|                                  | 2024           | 2023     |
|----------------------------------|----------------|----------|
|                                  | \$             | \$       |
| Exploration expenditure impaired | 473,660        | 604,057  |
| Share-based payments:            |                |          |
| Employee and contractors         | 297,560        | -        |
|                                  | <u>297,560</u> | <u>-</u> |

### 7. Income tax expense

|                                                                                                 | 2024           | 2023           |
|-------------------------------------------------------------------------------------------------|----------------|----------------|
|                                                                                                 | \$             | \$             |
| <b>Tax benefit comprises:</b>                                                                   |                |                |
| Current tax benefit                                                                             | 869,779        | 949,719        |
| Deferred tax expense/(income) relating to the origination and reversal of temporary differences | -              | -              |
| <b>Total tax benefit</b>                                                                        | <u>869,779</u> | <u>949,719</u> |
| <i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>             |                |                |
| Loss from continuing operations before income tax expense                                       | (1,701,578)    | (587,737)      |
| Profit from discontinuing operations before income tax expense                                  | 1,088,526      | -              |
|                                                                                                 | 613,052        | -              |
| <b>Tax at the statutory tax rate of 25% (2023: 25%)</b>                                         | (153,263)      | (146,934)      |
| Effect of net expenses that are not deductible in determining taxable profit                    | 90,838         | -              |
| Effect of net income that is not assessable in determining taxable profit                       |                |                |
| Effect of changes in unrecognised temporary differences                                         | 102,838        | (960,435)      |
| Effect of unused tax losses and tax offsets not recognised as deferred tax assets               |                |                |
| Effect of research and development tax incentive refund                                         | 869,779        | 949,719        |
| Adjustments recognised in the current year in relation to the current tax of previous years     |                |                |
| Adjustments recognised in the current year in relation to the current tax of previous years     | 499,948        | 983,186        |
| Effect of temporary differences that would be recognised directly in equity                     | (268,229)      | 124,183        |
| Effect of disposal of subsidiary                                                                | (272,132)      | -              |
| <b>Income tax benefit</b>                                                                       | <u>869,779</u> | <u>949,719</u> |

The tax rate used in the above reconciliation is the corporate tax rate of 25% (2023: 25%) payable by Australian corporate entities on taxable profits under Australian tax law.

## Notes to the Consolidated Financial Statements

### 7. Income tax expense (continued)

|                                                                                       | 2024             | 2023             |
|---------------------------------------------------------------------------------------|------------------|------------------|
|                                                                                       | \$               | \$               |
| <b>Unrecognised deferred tax assets and liabilities</b>                               |                  |                  |
| The following deferred tax assets and (liabilities) have not been brought to account: |                  |                  |
| Tax losses – revenue                                                                  | 8,585,561        | 8,357,373        |
| Exploration and evaluation assets                                                     | (4,962,405)      | (4,574,174)      |
| Unrealised foreign exchange gain                                                      | -                | -                |
| Other reserves                                                                        | (944,377)        | (1,212,606)      |
| Other temporary differences                                                           | 68,983           | 74,331           |
|                                                                                       | <u>2,747,762</u> | <u>2,644,924</u> |

The above potential tax benefit for tax losses, calculated on the expected future tax rate of 25%, has not been recognised in the statement of financial position. Management has calculated that accounting losses arose in prior periods and therefore consider a reasonable assumption to be that, following submission of the tax returns, tax losses will be available to be utilised in order to offset its assessable income. These tax losses can only be utilised in the future if the continuity of ownership test is passed, or failing that, the same business test is passed.

#### *Relevance of tax consolidation to the Group*

The Company and its wholly-owned Australian resident entities have formed a tax consolidated group and are therefore taxed as a single entity. The head entity within the tax-consolidated group is AusQuest Limited. The members of the tax-consolidated group (incorporated in Australia) are identified at Note 26.

### 8. Trade and other receivables

|                                          | 2024           | 2023           |
|------------------------------------------|----------------|----------------|
|                                          | \$             | \$             |
| <i>Current</i>                           |                |                |
| Security deposits                        | 50,000         | 50,000         |
| Input tax recoverable                    | 207,758        | 558,900        |
| Receivable - GST/IGV                     | 67,359         | -              |
| Other receivables                        | 34,573         | 22,236         |
| <b>Total trade and other receivables</b> | <u>359,690</u> | <u>631,136</u> |

### 9. Other assets

|                           | 2024          | 2023          |
|---------------------------|---------------|---------------|
|                           | \$            | \$            |
| <i>Current</i>            |               |               |
| Prepayments               | 53,215        | 35,074        |
| <b>Total other assets</b> | <u>53,215</u> | <u>35,074</u> |

## Notes to the Consolidated Financial Statements

### 10. Property, Plant and Equipment

|                                                   | 2024                 | 2023                      |
|---------------------------------------------------|----------------------|---------------------------|
|                                                   | \$                   | \$                        |
| Computer equipment - at cost                      | 61,400               | 58,313                    |
| Less: Accumulated depreciation                    | (45,994)             | (42,410)                  |
|                                                   | <u>15,406</u>        | <u>15,903</u>             |
| Field equipment - at cost                         | 217,504              | 210,933                   |
| Less: Accumulated depreciation                    | (193,038)            | (186,521)                 |
|                                                   | <u>24,466</u>        | <u>24,412</u>             |
| Fixtures, fittings and office equipment - at cost | 31,100               | 31,442                    |
| Less: Accumulated depreciation                    | (21,870)             | (20,706)                  |
|                                                   | <u>9,230</u>         | <u>10,736</u>             |
| Low value pool - at cost                          | 12,507               | 12,507                    |
| Less: Accumulated depreciation                    | (11,515)             | (11,426)                  |
|                                                   | <u>992</u>           | <u>1,081</u>              |
| <b>Carrying amount</b>                            | <b><u>50,094</u></b> | <b><u>52,132</u></b>      |
|                                                   |                      | <b>Consolidated Total</b> |
|                                                   |                      | <b>\$</b>                 |
| <b>Consolidated</b>                               |                      |                           |
| Balance at 1 July 2022                            |                      | 30,633                    |
| Additions                                         |                      | 14,633                    |
| Write off                                         |                      | -                         |
| Depreciation expense                              |                      | (12,506)                  |
| Forex                                             |                      | 19,372                    |
|                                                   |                      | <u>52,132</u>             |
| <b>Balance at 30 June 2023</b>                    |                      | <b>52,132</b>             |
| Additions                                         |                      | 6,373                     |
| Write off                                         |                      | -                         |
| Depreciation expense                              |                      | (10,009)                  |
| Forex                                             |                      | 1,598                     |
|                                                   |                      | <u>50,094</u>             |
| <b>Balance at 30 June 2024</b>                    |                      | <b>50,094</b>             |

For personal use only

## Notes to the Consolidated Financial Statements

### 11. Exploration and evaluation expenditure

|                                                                               | 2024             | 2023             |
|-------------------------------------------------------------------------------|------------------|------------------|
|                                                                               | \$               | \$               |
| Balance at beginning of period                                                | 4,888,356        | 3,840,585        |
| Capitalised during the period/year                                            | 4,075,113        | 9,547,735        |
| Impaired during the period/year <sup>(i)</sup>                                | (473,660)        | (604,057)        |
| Grant of farm-in interests in previously capitalised projects <sup>(ii)</sup> | (2,063,784)      | (7,420,053)      |
| Exchange movements                                                            | 15,258           | (475,854)        |
| <b>Balance at end of period</b>                                               | <b>6,441,283</b> | <b>4,888,356</b> |

The recoupment of costs carried forward in relation to areas in the exploration and evaluation phases is dependent on the successful development and commercial exploration or sale of the respective areas.

(i) *Significant impairments to the following projects occurred during the year:*

|                           | 2024           | 2023           |
|---------------------------|----------------|----------------|
|                           | \$             | \$             |
| South West Peru           | 210,982        | 269,509        |
| Other Australian Projects | 262,678        | 334,548        |
| <b>Total Impairment</b>   | <b>473,660</b> | <b>604,057</b> |

The Group has impaired expenditure for those projects and tenement where they have decided not to renew leases. Costs for leases that are under application are allocated to prepaid exploration expenditure, rather than impaired. For the year to 30 June 2024 the Group has impaired \$473,660 (30 June 2023: 604,057) of previously capitalised expenditure incurred. The impairment has been recognised in the statement of profit or loss and other comprehensive income.

(ii) *Grant of farm-in and joint venture interests in previously capitalised projects:*

For the year ended 30 June 2024, the Company received \$2,149,672 (30 June 2023: \$8,024,560) in funding. An amount of \$2,063,784 (30 June 2023: \$7,420,053) has been allocated against capitalised exploration and evaluation expenditures at reporting date (Note 15).

## Notes to the Consolidated Financial Statements

### 12. Right-of-use Asset and Lease Liability

|                                                                               | 2024          | 2023     |
|-------------------------------------------------------------------------------|---------------|----------|
|                                                                               | \$            | \$       |
| <i>(a) Amounts recognised in the balance sheet</i>                            |               |          |
| <b>Right-of-use asset</b>                                                     |               |          |
| Right-of-use asset recognised as at 1 July                                    | -             | 85,958   |
| Add: Rights-of-use asset recognised during the year                           | 172,121       | -        |
| Less: Depreciation                                                            | (86,060)      | (85,958) |
| <b>Balance at end of period</b>                                               | <b>86,061</b> | <b>-</b> |
| <b>Lease liabilities</b>                                                      |               |          |
| Lease liability recognised as at 1 July                                       | -             | 87,680   |
| Add: Lease liability recognised during the year                               | 172,121       | -        |
| Add: Interest                                                                 | 10,469        | 2,320    |
| Less: Payment                                                                 | (93,000)      | (90,000) |
| <b>Balance at end of period</b>                                               | <b>89,590</b> | <b>-</b> |
| Current                                                                       | 89,590        | -        |
| Non-current                                                                   | -             | -        |
| <i>(b) Amounts recognised in the consolidated statement of profit or loss</i> |               |          |
| Depreciation of right-of-use asset                                            | 86,060        | 85,954   |
| Interest expense on lease liabilities                                         | 10,469        | 2,320    |

#### *(c) Leasing activities*

The Group currently holds an office lease that expires on 30 June 2025.

The lease is recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is amortised over the shorter of the asset's useful life and the lease term on a straight-line basis.

#### Initial measurement

Assets and liabilities from a lease are initially measured on a present value basis. The lease liability includes the present value of the fixed payments and variable lease payments that depend on an index, initially measured using the index as at the commencement date (reconciled and adjusted for actual index each year). The lease payments are discounted using the Company's incremental borrowing rate of 8.52%.

The right-of-use asset is measured at cost comprising of the initial measurement of the lease liability.



## Notes to the Consolidated Financial Statements

### 13. Trade and other payables

|                                               | 2024           | 2023             |
|-----------------------------------------------|----------------|------------------|
|                                               | \$             | \$               |
| <i>Current</i>                                |                |                  |
| Trade payables and accruals                   | 411,923        | 1,110,965        |
| Employee liabilities                          | 39,702         | 45,263           |
| Payable - GST/IGV                             | -              | 35,741           |
| <b>Total current trade and other payables</b> | <b>451,625</b> | <b>1,191,969</b> |

The average credit period on purchases and services is 30 days. No interest is charged on the trade payables for the first 30 to 60 days from the date of the invoice. Thereafter, interest may be charged at various penalty rates on the outstanding balance. The Group has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

### 14. Provisions

|                         | 2024           | 2023           |
|-------------------------|----------------|----------------|
|                         | \$             | \$             |
| <i>Current</i>          |                |                |
| Employee benefits       | 145,182        | 147,576        |
| <b>Total provisions</b> | <b>145,182</b> | <b>147,576</b> |

The current provision for employee benefits relates to annual leave and long service leave entitlements.

### 15. Funding receivable / Unexpended funding

|                                                                     | 2024             | 2023             |
|---------------------------------------------------------------------|------------------|------------------|
|                                                                     | \$               | \$               |
| Balance at beginning of period                                      | (314,080)        | 162,617          |
| Funding from strategic alliance and joint venture partner           | 2,149,672        | 8,024,560        |
| Less: Amount spent on exploration and evaluation projects (Note 11) | (2,063,784)      | (7,420,053)      |
| Less: Amount spent on administration (Note 5)                       | (193,585)        | (1,081,204)      |
| <b>Balance at end of period</b>                                     | <b>(421,777)</b> | <b>(314,080)</b> |

The balance at 30 June 2024 represents the funding receivable from South32 Group Operations Pty Ltd at reporting date.

### 16. Issued capital

Movement in ordinary share capital

|                                     | Shares<br>No.      | Shares<br>\$      |
|-------------------------------------|--------------------|-------------------|
| <i>Ordinary Shares – fully paid</i> | 825,149,223        | 62,308,182        |
| Balance at 1 July 2022              | 825,149,223        | 62,308,182        |
| <b>Balance at 30 June 2023</b>      | <b>825,149,223</b> | <b>62,308,182</b> |
| <b>Balance at 30 June 2024</b>      | <b>825,149,223</b> | <b>62,308,182</b> |

There was no movement in ordinary share capital during the financial year ended 30 June 2024.

For personal use only

## Notes to the Consolidated Financial Statements

### 17. Share options

Movement in options over ordinary shares on issue

|                                | Unlisted<br>Options<br>No. |
|--------------------------------|----------------------------|
| Balance at 1 July 2022         | 115,428,575                |
| Expired during the year        | (76,428,575)               |
| <b>Balance at 30 June 2023</b> | <b>39,000,000</b>          |
| Granted during the year        | 39,000,000                 |
| <b>Balance at 30 June 2024</b> | <b>78,000,000</b>          |

(a) Listed Options

At the date of this report the Company holds no listed options.

(b) Unlisted Options

At the date of this report the Company had the following unlisted options:

|                                                         | 2024<br>No. | 2023<br>No. |
|---------------------------------------------------------|-------------|-------------|
| AQDAC: Options Expiring 30-Nov-2024 exercisable \$0.075 | 20,000,000  | 20,000,000  |
| AQDAD: Options Expiring 30-Nov-2024 exercisable \$0.05  | 19,000,000  | 19,000,000  |
| AQDAE: Options Expiring 30-Nov-2026 exercisable \$0.03  | 39,000,000  | -           |

On 7 December 2023, following shareholder approval at the Annual General Meeting held 21 November 2023, the Company issued 20,000,000 unlisted options to directors. These options have an exercise price of 3.0 cents and expire on 30 November 2026 (refer Note 29 for further detail).

On 22 January 2024, the Company issued 19,000,000 unlisted options to employees and contractors under the Company's Long Term Incentive Scheme ("LTIS"). The exercise price of the options under the LTIS was determined by the Directors. The employees eligible to participate in the plan are at the discretion of the directors. The options hold no voting rights and are not transferable. At reporting date no options have been exercised and the employees have not ceased employment (refer Note 29 for further detail).

On 1 March 2023, 76,428,575 free attaching unlisted options issued as part of a Placement announced on 19 February 2021, lapsed unexercised.

Share options issued by the Company carry no rights to dividends and no voting rights.

### 18. Reserves

|                              | 2024<br>\$       | 2023<br>\$       |
|------------------------------|------------------|------------------|
| Foreign currency reserve     | 3,777,507        | 4,850,423        |
| Share-based payments reserve | 730,879          | 433,319          |
|                              | <u>4,508,386</u> | <u>5,283,742</u> |

Movements in reserves during these periods are disclosed in the consolidated statement of changes in equity.

## Notes to the Consolidated Financial Statements

### 18. Reserves (continued)

#### *Foreign currency reserve*

The reserve is used to recognise exchange differences arising from translation of the financial statements of foreign operations to Australian dollars and foreign currency gains and losses on net investments in foreign operations.

#### *Share-based payments reserve*

The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

### 19. Financial instruments

#### **Financial risk management objectives**

- The Company has exposure to the following risks from its use of financial instruments:
- Foreign currency risk
- Liquidity risk
- Interest rate risk
- Capital management

This note presents information about the Group's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital. Further quantitative disclosures are included throughout this note and the financial report.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. Risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

#### **Foreign currency risk**

The Group undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

The carrying amount of the Group's foreign currency denominated financial assets and financial liabilities at the reporting date, expressed in Australian dollars, was as follows:

|              | Assets  |           | Liabilities |         |
|--------------|---------|-----------|-------------|---------|
|              | 2024    | 2023      | 2024        | 2023    |
|              | \$      | \$        | \$          | \$      |
| Consolidated |         |           |             |         |
| US dollar    | 374,035 | 1,414,386 | 122,084     | 605,244 |

#### Foreign currency sensitivity analysis

The sensitivity analyses of the Group's exposure to foreign currency risk at the reporting date has been determined based on a change of 10% in the value of the Australian dollar against the relevant foreign currencies. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates.

## Notes to the Consolidated Financial Statements

### 19. Financial instruments (continued)

At reporting date, if the Australian dollar was 10% stronger and all other variables were constant, the Group's net gain after tax would have increased by \$25,195 (2023: net loss decrease of \$80,914) with a corresponding increase in equity. Where the Australian dollar weakened, there would be an equal and opposite impact on the loss after tax and equity.

#### **Price risk**

The Group is not exposed to any significant price risk.

#### **Interest rate risk**

The Group is exposed to interest rate risk as it places funds at both fixed and floating interest rates. The Group manages this risk by maintaining an appropriate mix between fixed and floating rated products, which also facilitate access to money.

Although some of the Group's assets are subject to interest rate risk, it is not dependent on this income. Interest income is only incidental to the Group's operations and operating cash flows. The Group is not exposed to interest rate risk associated with borrowed funds.

#### Interest rate sensitivity analysis

The sensitivity analyses of the Group's exposure to interest rate risk at the reporting date has been determined based on a change of 50 basis points in interest rates.

At reporting date, if interest rates had been 50 basis points higher and all other variables were constant, the Group's net gain after tax would have increase by \$5,225 (2023: \$18,535) with a corresponding increase in equity. Where interest rates decreased, there would be an equal and opposite impact on the loss after tax and equity.

#### **Credit risk**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

#### **Liquidity risk**

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when they fall due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Liquidity risk management is the responsibility of the Board of Directors, who have built an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements.

The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities, identifying when further capital raising initiatives are required.

The following tables detail the Group's remaining contractual maturity for its non-derivative financial assets and liabilities and have been prepared on the following basis:

- Financial assets - based on the undiscounted contractual maturities including interest that will be earned on those assets except where the Company/Group anticipates that the cash flow will occur in a different period; and
- Financial liabilities - based on undiscounted cash flows on the earliest date on which the Group can be required to pay, including both interest and principal cash flows.

## Notes to the Consolidated Financial Statements

### 19. Financial instruments (continued)

| 2024                         | Rate  | CONSOLIDATED      |                |                    |             |          |                  |
|------------------------------|-------|-------------------|----------------|--------------------|-------------|----------|------------------|
|                              |       | Less than 1 month | 1-3 months     | 3 months to 1 year | 1 - 5 years | 5+ years | Total            |
|                              | %     | \$                | \$             | \$                 | \$          | \$       | \$               |
| <b>Financial assets</b>      |       |                   |                |                    |             |          |                  |
| Non-interest bearing         |       | 756,736           | -              | -                  | -           | -        | 756,736          |
| Variable interest rate       | 0.05% | 1,044,937         | -              | -                  | -           | -        | 1,044,937        |
| Fixed interest rate          | 0.10% | -                 | -              | 50,000             | -           | -        | 50,000           |
|                              |       | <u>1,801,673</u>  | <u>-</u>       | <u>50,000</u>      | <u>-</u>    | <u>-</u> | <u>1,851,673</u> |
| <b>Financial liabilities</b> |       |                   |                |                    |             |          |                  |
| Non-interest bearing         |       | 335,035           | 116,590        | -                  | -           | -        | 451,625          |
| Fixed interest rate          |       | 7,465             | 14,932         | 67,193             | -           | -        | 89,590           |
|                              |       | <u>342,500</u>    | <u>131,522</u> | <u>67,193</u>      | <u>-</u>    | <u>-</u> | <u>541,215</u>   |

| 2023                         | Rate  | CONSOLIDATED      |                |                    |             |          |                  |
|------------------------------|-------|-------------------|----------------|--------------------|-------------|----------|------------------|
|                              |       | Less than 1 month | 1-3 months     | 3 months to 1 year | 1 - 5 years | 5+ years | Total            |
|                              | %     | \$                | \$             | \$                 | \$          | \$       | \$               |
| <b>Financial assets</b>      |       |                   |                |                    |             |          |                  |
| Non-interest bearing         | -     | 921,636           | -              | -                  | -           | -        | 921,636          |
| Variable interest rate       | 0.05% | 3,706,905         | -              | -                  | -           | -        | 3,706,905        |
| Fixed interest rate          | 0.10% | -                 | -              | 50,000             | -           | -        | 50,000           |
|                              |       | <u>4,628,541</u>  | <u>-</u>       | <u>50,000</u>      | <u>-</u>    | <u>-</u> | <u>4,678,541</u> |
| <b>Financial liabilities</b> |       |                   |                |                    |             |          |                  |
| Non-interest bearing         | -     | 1,084,985         | 106,884        | -                  | -           | -        | 1,191,869        |
| Fixed interest rate          | -     | -                 | -              | -                  | -           | -        | -                |
|                              |       | <u>1,084,985</u>  | <u>106,884</u> | <u>-</u>           | <u>-</u>    | <u>-</u> | <u>1,191,869</u> |

#### **Fair value of financial assets and liabilities**

The carrying amount of financial assets and financial liabilities recorded in the financial statements represents their respective net fair values, determined in accordance with the accounting policies disclosed in Note 2. The directors consider that the carrying amount of financial assets and other financial liabilities recorded in the financial statements approximate their net fair values.

#### **Capital management**

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The capital structure of the Group consists of debt and equity, comprising issued capital and reserves, net of accumulated losses. The Group's policy is to use capital market issues to meet the funding requirements of the Group.

There were no changes in the Group's approach to capital management during the year. Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

## Notes to the Consolidated Financial Statements

### 20. Key management personnel disclosure

Details of key management personnel compensation are disclosed in the Remuneration Report which forms part of the Directors' Report and has been audited. The aggregate compensation of the key management personnel is summarised below:

|                                          | 2024           | 2023           |
|------------------------------------------|----------------|----------------|
|                                          | \$             | \$             |
| Short term employee benefits             | 248,000        | 248,000        |
| Post employment benefits                 | 22,000         | 21,000         |
| Share based payments for options granted | 160,000        | -              |
|                                          | <u>430,000</u> | <u>269,000</u> |

### 21. Remuneration of Auditors

During the financial year the following fees were paid or payable for services provided by the auditor of the Company:

|                                              | 2024          | 2023          |
|----------------------------------------------|---------------|---------------|
|                                              | \$            | \$            |
| <i>Audit Services</i>                        |               |               |
| Audit and review of the financial statements | <u>71,413</u> | <u>53,287</u> |

The auditor of AusQuest Limited is HLB Mann Judd.

### 22. Contingent liabilities

#### **Contingent Shares**

At reporting date the Company had contingent shares issues to employee of up to 3,000,000 (2023: Nil) fully paid ordinary shares. The issue of these shares is dependent on certain milestones being reached.

#### **SBN Mineral Concession Challenge - Peru**

As previously reported, the Company, through its wholly owned subsidiary Questdor SAC, received during 2022 a request for payment from the Ministry of Housing (SBN) for access to surface rights over certain State owned land in Peru on which the Company holds mineral concessions (tenements). SBN oversees access to surface rights over certain State-owned lands in Peru. The Company held discussions with its lawyers and the SBN to understand the basis for the payment request and formed the view that the SBN was not legally entitled to payment for temporary surface rights over the lands in question, at that point in time. The Company subsequently commenced the process of challenging the request for payment from the SBN through the Peruvian Administrative Judiciary and understands that other mining companies are also challenging similar payment requests by the SBN. The Company's challenge has moved through the lower courts, which did not fully address the Company's argument at law, and has now progressed to the Supreme Court of Peru for leave to appeal on the question of interpretation of the relevant law. Notwithstanding the Company's strong belief in its legal position, there is no certainty as to how the Judiciary will finally rule on the payment requests by the SBN.

At this point it is not possible to quantify the financial impact should the Company be unsuccessful in its challenge nor the time frame to resolve this issue. The Company understands that the next part of the judicial process, presentation to the Supreme Court, is likely to occur over the next twelve months. Given these uncertainties and the Company's belief that it has strong legal grounds to challenge, the Company did not recognise any liabilities in its statement of financial position for the financial year ended 30 June 2024. The Company continues to monitor the position and will report as required.

The Company confirms that this challenge does not impact the legal rights that the Company holds over its mining concessions in Peru which remain in good standing.

Other than the above, there has been no change in contingent liabilities since the last annual reporting date.



## Notes to the Consolidated Financial Statements

### 22. Commitments

|                                                                         | 2024              | 2023              |
|-------------------------------------------------------------------------|-------------------|-------------------|
|                                                                         | \$                | \$                |
| Capital commitments                                                     |                   |                   |
| Committed at reporting date but not recognised as liabilities, payable: |                   |                   |
| Within one year                                                         | 2,044,404         | 2,034,637         |
| After one year but not more than five years                             | 10,759,606        | 14,450,686        |
| More than five years                                                    | 2,758,154         | -                 |
|                                                                         | <u>15,562,164</u> | <u>16,485,323</u> |

The Company has the ability to relinquish tenements if required or deemed appropriate which will reduce further minimum spending commitments.

### 23. Related parties

#### *Parent entity*

AusQuest Limited is the parent entity.

#### *Subsidiaries*

Interests in subsidiaries are set out in Note 26.

#### *Key management personnel*

Disclosures relating to key management personnel are set out in Note 20 and the remuneration report in the Directors' Report.

#### *Transactions with related parties*

The following transactions occurred with related parties:

|                                            | 2024          | 2023          |
|--------------------------------------------|---------------|---------------|
|                                            | \$            | \$            |
| Corporate advisory services <sup>(i)</sup> | <u>48,000</u> | <u>48,000</u> |

- (i) The Company entered into a 12 month corporate advisory services agreement with Mr Hancock on 1 May 2015 (subsequently extended). Under the agreement Mr Hancock can receive annual fees of up to \$48,000 + GST. Mr Hancock was paid \$48,000 (excluding GST) for services rendered during the 12 month period ending 30 June 2024 (2023: \$48,000 excluding GST). This amount is included as part of Mr Hancock's remuneration in the Remuneration Report.

## Notes to the Consolidated Financial Statements

### 24. Related parties (continued)

#### *Receivable from and payable to related parties*

The following balances are outstanding at the reporting date in relation to transactions with related parties:

|                                                | 2024   | 2023   |
|------------------------------------------------|--------|--------|
|                                                | \$     | \$     |
| Current payables                               |        |        |
| Fee payable to Graeme Drew and related entity  | 18,500 | 18,500 |
| Fee payable to Greg Hancock and related entity | 4,000  | 4,000  |

#### *Loans to/from related parties*

There were no loans to or from related parties at the current and previous reporting date.

#### *Terms and conditions*

All transactions were made on normal commercial terms and conditions and at market rates.

### 25. Parent entity information

|                                                                   | Parent<br>2024   | Parent<br>2023   |
|-------------------------------------------------------------------|------------------|------------------|
|                                                                   | \$               | \$               |
| <i>Statement of profit or loss and other comprehensive income</i> |                  |                  |
| Profit/(loss) after income tax for the year                       | (441,500)        | 1,990,549        |
| <b>Total comprehensive income</b>                                 | <b>(441,500)</b> | <b>1,990,549</b> |
| <i>Statement of financial position</i>                            |                  |                  |
| Total current assets                                              | 1,641,998        | 3,970,725        |
| Total non-current assets                                          | 6,718,595        | 5,560,870        |
| <b>Total assets</b>                                               | <b>8,360,593</b> | <b>9,531,595</b> |
| Total current liabilities                                         | 564,664          | 1,217,037        |
| <b>Total liabilities</b>                                          | <b>564,664</b>   | <b>1,217,037</b> |
| Issued capital                                                    | 62,308,183       | 62,308,183       |
| Share-based payment reserve                                       | 730,879          | 433,319          |
| Accumulated losses                                                | (55,243,133)     | (54,426,944)     |
| <b>Total equity</b>                                               | <b>7,795,929</b> | <b>8,314,558</b> |

#### *Guarantees entered into by the parent entity in relation to the debts of its subsidiaries*

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2024 and 30 June 2023.

#### *Contingent liabilities*

The parent entity had no contingent liabilities as at 30 June 2024 and 30 June 2023.

Included in non-current assets are investments and loans to subsidiaries of \$15,622,616 (2023: \$15,043,969), the recoverability of which is dependent on the successful exploration of the subsidiaries exploration assets.

#### *Capital commitments - Property, plant and equipment*

The parent entity had no capital commitments for property, plant and equipment at 30 June 2024 and 30 June 2023.

## Notes to the Consolidated Financial Statements

### 26. Interest in subsidiaries

| Name                                           | Principal place of business /<br>Country of incorporation | Ownership interest |           |
|------------------------------------------------|-----------------------------------------------------------|--------------------|-----------|
|                                                |                                                           | 2024<br>%          | 2023<br>% |
| Parent Entity                                  |                                                           |                    |           |
| AusQuest Limited <sup>(i)</sup>                | Australia                                                 |                    |           |
| Controlled entities                            |                                                           |                    |           |
| <i>Held directly by AusQuest Limited:</i>      |                                                           |                    |           |
| Fortescue Resources Pty Ltd                    | Australia                                                 | 100%               | 100%      |
| E&A Resources Pty Ltd                          | British Virgin Islands                                    | Deregistered       | 100%      |
| Questdor SAC                                   | Peru                                                      | Deregistered       | 100%      |
| Filigree SARL                                  | Burkina Faso                                              | Deregistered       | 100%      |
| <i>Held through E&amp;A Resources Pty Ltd:</i> |                                                           |                    |           |
| Comoe Exploration SARL                         | Burkina Faso                                              | Deregistered       | 100%      |

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in Note 2:

- (i) AusQuest Limited is the head entity within the tax consolidated group. All the Australian-incorporated companies are members of the tax consolidated group.

### 27. Cash and cash equivalents

- (i) *Cash and cash equivalents*

|                                          | 2024<br>\$       | 2023<br>\$       |
|------------------------------------------|------------------|------------------|
| Cash at bank and on hand                 | 1,070,206        | 3,733,325        |
| <b>Total cash &amp; cash equivalents</b> | <b>1,070,206</b> | <b>3,733,325</b> |

Cash at bank earns interest at floating rates based on daily bank deposit rates.

#### *Reconciliation to the Statement of Cash Flows:*

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash on bank and cash on hand.

For personal use only

## Notes to the Consolidated Financial Statements

### 27. Cash and cash equivalents (continued)

(ii) Reconciliation of (loss)/profit after income tax to net cash used in operating activities:

|                                                                                                               | 2024      | 2023      |
|---------------------------------------------------------------------------------------------------------------|-----------|-----------|
|                                                                                                               | \$        | \$        |
| Reconciliation of cash flows from operating activities with profit from ordinary activities after income tax: |           |           |
| Profit/(Loss) after income tax for the year from continued operations                                         | (831,799) | 361,982   |
|                                                                                                               | (831,799) | 361,982   |
| Adjustment for non-cash items:                                                                                |           |           |
| Depreciation and amortisation                                                                                 | 10,009    | 12,506    |
| Depreciation and interest expense on right-of-use asset                                                       | 96,529    | 88,278    |
| Share-based payment expenses                                                                                  | 297,560   | -         |
| Exploration and evaluation expenditure impaired                                                               | 473,660   | 604,057   |
| R&D tax rebate reclassified as investing activities                                                           | (869,779) | (949,719) |
| Exploration and evaluation expenditure included in investing activities                                       | -         | 425       |
| Disposal of property, plant and equipment                                                                     | -         | 1,355     |
| Foreign exchange differences                                                                                  | (11,017)  | (30,891)  |
|                                                                                                               | (834,837) | 87,993    |
| Change in operating assets and liabilities:                                                                   |           |           |
| (Increase)/decrease in trade and other receivables                                                            | (17,024)  | (3,033)   |
| (Increase)/decrease in other assets                                                                           | 3,293     | (3,269)   |
| (Decrease) in payables                                                                                        | (113,121) | 22,451    |
| Increase in provisions                                                                                        | (2,397)   | (664)     |
|                                                                                                               | (964,086) | 103,478   |

(iii) Changes in liabilities arising from financing activities

|                                    | 2024     | 2023     |
|------------------------------------|----------|----------|
|                                    | \$       | \$       |
| <b>Accrued interest and leases</b> |          |          |
| Opening balance                    | -        | 87,680   |
| Non-cash recognition of lease      | 172,121  | -        |
| Payment of leases                  | (93,000) | (90,000) |
| Lease interest                     | 10,469   | 2,320    |
| Closing balance                    | 89,590   | -        |

For personal use only

## Notes to the Consolidated Financial Statements

### 28. Earnings/(Loss) per share

|                                                                             | 2024<br>\$ | 2023<br>\$ |
|-----------------------------------------------------------------------------|------------|------------|
| Basic (loss)/earnings per share from continuing operations                  | (0.10)     | 0.04       |
| Basic (loss)/earnings per share from continuing and discontinued operations | 0.03       | 0.04       |

|                                                                                                          | 2024<br>\$ | 2023<br>\$ |
|----------------------------------------------------------------------------------------------------------|------------|------------|
| (Loss)/Profit after income tax attributable to the owners of AusQuest Limited from continuing operations | (831,799)  | 361,982    |

|                                            | Number      | Number      |
|--------------------------------------------|-------------|-------------|
| Weighted average number of ordinary shares | 825,149,223 | 825,149,223 |

The options of the Company are an anti-dilutive in nature because the average market price of ordinary shares during the year does not exceed the exercise price of the options. Diluted (loss)/earnings per share have not been calculated as the result does not decrease earnings per share or increase loss per share.

### 29. Share-based payments

#### Employee share options

The Company has an ownership-based compensation arrangement for consultants and employees of the Company.

Each option issued under the arrangement converts into one ordinary share of AusQuest Limited on exercise. No amounts are paid or payable by the recipient on receipt of the option. Options neither carry rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry. The number of options granted is at the sole discretion of the directors.

Incentive options issued to directors (executive and non-executive) are subject to approval by shareholders and attach vesting conditions as appropriate.

#### Share based payment arrangements in existence during year

The following share-based payment arrangements were in existence during the current and comparative reporting years:

| Option series | Number                      | Grant date | Expiry date | Exercise price<br>\$ | Fair value at grant date \$ |
|---------------|-----------------------------|------------|-------------|----------------------|-----------------------------|
| 30-Nov-24     | 20,000,000 <sup>(i)</sup>   | 26-Nov-20  | 30-Nov-24   | 0.075                | 0.009                       |
| 30-Nov-24     | 19,000,000 <sup>(ii)</sup>  | 25-Jan-21  | 30-Nov-24   | 0.050                | 0.013                       |
| 30-Nov-26     | 20,000,000 <sup>(iii)</sup> | 21-Nov-23  | 30-Nov-26   | 0.030                | 0.008                       |
| 30-Nov-26     | 19,000,000 <sup>(v)</sup>   | 15-Jan-24  | 30-Nov-26   | 0.030                | 0.007                       |

(i) Issued on 26 November 2020 following shareholder approval at the Annual General Meeting.

(ii) Issued on 25 January 2021 to employees and contractors under the Company's Long Term Incentive Scheme ("LTIS").

## Notes to the Consolidated Financial Statements

### 29. Share-based payments (continued)

- (iii) Following shareholder approval at the Annual General Meeting held on 21 November 2023, 20,000,000 unlisted options was issued to the directors. These options have an exercise price of 3 cents each and expire on 30 November 2026.
- (iv) On 22 January 2024 the Company issued 19,000,000 unlisted options to employees and contractors under the Company's Long Term Incentive Scheme ("LTIS"). The exercise price of the options under the LTIS was determined by the Directors. The employees eligible to participate in the plan are at the discretion of the directors. The options hold no voting rights and are not transferable. These options are exercisable at 3 cents and expire on 30 November 2026. At reporting date no options have been exercised and the employees have not ceased employment.

The fair value of all the options issued is determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at valuation date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option. The options vest immediately and the Black-Scholes valuation is expensed on grant date.

| Grant Date | Expiry Date | Share price at Grant Date | Exercise Price | Expected Volatility | Risk-free Interest Rate | Fair Value at Grant Date |
|------------|-------------|---------------------------|----------------|---------------------|-------------------------|--------------------------|
| 21-Nov-23  | 30-Nov-26   | 0.012                     | 0.03           | 146%                | 4.09%                   | 0.008                    |
| 15-Jan-24  | 30-Nov-26   | 0.011                     | 0.03           | 145%                | 3.80%                   | 0.007                    |

The expense recognised in the statement of profit or loss and other comprehensive income in relation to share-based payments granted in 2024 is \$297,560 (2023: \$Nil). There were no share based payment options exercised during the financial years ended 30 June 2024 and 30 June 2023.

The following table shows a reconciliation of the outstanding share options granted as share-based payments at the beginning and end of the financial year:

|                                          | 2024                     |                                       | 2023                     |                                      |
|------------------------------------------|--------------------------|---------------------------------------|--------------------------|--------------------------------------|
|                                          | Number of Options<br>No. | Weighted average exercise price<br>\$ | Number of Options<br>No. | Weighted average exercise price<br>% |
| Balance at beginning of period           | 39,000,000               | 0.06                                  | 44,000,000               | 0.06                                 |
| Granted during the period                | 39,000,000               | 0.03                                  | -                        | -                                    |
| Lapsed during the period                 | -                        | -                                     | (5,000,000)              | 0.04                                 |
| Balance at 30 June                       | <b>78,000,000</b>        | <b>0.05</b>                           | <b>39,000,000</b>        | <b>0.06</b>                          |
| Exercisable at end of the financial year | 78,000,000               | 0.05                                  | 39,000,000               | 0.06                                 |
| Weighted average remaining life (years)  |                          | 1.42                                  |                          | 1.42                                 |

For personal use only



## Notes to the Consolidated Financial Statements

### 30. Disposal of subsidiary

During the financial year ended 30 June 2018, the Group discontinued operations in Burkina Faso and disclosed the accounting impact thereof in the June 2018 and June 2019 annual reports.

During the current financial year, the Group closed down its dormant and non operational subsidiaries, E&A Resources Pty Ltd, Comoe Exploration Sarl and Filigree Sarl. This resulted in the Group releasing its previously recognized foreign currency translation reserve balances recognized in equity as realised profit on disposal as noted below.

|                                                    | 2024      | 2023 |
|----------------------------------------------------|-----------|------|
|                                                    | \$        | \$   |
| Other income                                       | -         | -    |
| Foreign exchange realised on disposal              | 1,088,526 | -    |
| Profit before tax expense                          | 1,088,526 | -    |
| Income tax expense                                 | -         | -    |
| Net profit from disposal of subsidiaries           | 1,088,526 | -    |
| Basic/diluted earnings per share (cents per share) | 0.13      | -    |

The was no cash movement in relation to the disposal of the subsidiaries above.

### 31. Subsequent events

On 16 September 2024 the Company issued 1,000,000 to an employee under its Equity Incentive Plan.

Other than the above, there has been no matter or circumstance that has arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs in future financial years.

For personal use only

## Consolidated Entity Disclosure Statement

| Entity Name                 | Entity Type    | % of share capital | Country of incorporation | Australian or Foreign Resident | Tax Residency    |
|-----------------------------|----------------|--------------------|--------------------------|--------------------------------|------------------|
| AusQuest Limited            | Body Corporate | N/A                | Australia                | Australian                     | Australian       |
| Fortescue Resources Pty Ltd | Body Corporate | 100%               | Australia                | Australian                     | Australian       |
| Questdor SAC                | Body Corporate | 100%               | Peru                     | Foreign                        | Australia & Peru |

### Basis of Preparation

This consolidated entity disclosure statement (CEDS) has been prepared in accordance with the *Corporations Act 2001* and includes information for each entity that was part of the consolidated entity as at the end of the financial year in accordance with *AASB 10 Consolidated Financial Statements*.

### Determination of tax residency

Section 295 (3A) of the *Corporation Act 2001* defines tax residency as having the meaning in the Income Tax Assessment Act 1997. The determination of tax residency involves judgement as there are currently several different interpretations that could be adopted, and which could give rise to a different conclusion on residency. In determining tax residency, the Group has applied the following interpretations:

#### *Australian tax residency*

The Group has applied current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance in Tax Ruling TR 2018/5.

#### *Foreign tax residency*

Where necessary, the Group has used independent tax advisers in foreign jurisdictions to assist in determining tax residency and ensure compliance with applicable foreign tax legislation.

#### *Partnerships and Trusts*

Australian tax law does not contain specific residency tests for partnerships and trusts. Generally, these entities are taxed on a flow-through basis, so there is no need for a general residence test. Some provisions treat trusts as residents for certain purposes, but this does not mean the trust itself is an entity that is subject to tax.

For personal use only

## Additional securities exchange information

Additional information required by the Australian Securities Exchange and not shown elsewhere in this report is as follows.

This information is current as at 9 September 2024.

### 1. Registered office and principal administrative office

The address of the registered office in Australia is C/- Nexia Perth, Level 3, 88 William Street, Perth, WA, 6000.  
Telephone + 61 8 9463 2463

The principal administrative office is 8 Kearns Crescent, Ardross, WA, 6153.  
Telephone + 61 8 9364 3866

### 2. Register of securities are held at the following address:

Automic Pty Ltd  
Level 5, 126 Phillip Street  
Sydney NSW 2000  
Investor Services: 1300 288 664  
General Enquiries: +61 2 9698 5414

### 3. Restricted securities

There are no other restricted securities or securities under voluntary escrow at the date of this report.

### 4. On-market buy back

At the date of this report, the Company is not involved in an on-market buy back.

### 5. Shareholdings

#### (a) Distribution of shareholders

| Category (size of holding) | Ordinary shares    | Number of holders | % of Issued Share Capital |
|----------------------------|--------------------|-------------------|---------------------------|
| 1 – 1,000                  | 27,683             | 229               | 0.00%                     |
| 1,001 – 5,000              | 514,012            | 180               | 0.06%                     |
| 5,001 – 10,000             | 930,205            | 118               | 0.11%                     |
| 10,001 – 100,000           | 31,029,990         | 670               | 3.76%                     |
| 100,001 and over           | 792,647,333        | 617               | 96.06%                    |
|                            | <b>825,149,223</b> | <b>1,814</b>      | <b>100.00%</b>            |

#### (b) Less than marketable parcels of shares

The number of shareholdings held in less than marketable parcels is 922 given a share value of 1 cent per share.

#### (c) Voting rights

The voting rights attached to each class of equity security are as follows:

##### Ordinary shares

Each ordinary share is entitled to one vote, and each member present at a meeting or by proxy has one vote based on a conducted poll.

##### Options

Options over ordinary shares do not carry voting rights.

## Additional securities exchange information

### 5. Shareholdings (continued)

#### (d) 20 Largest shareholders – ordinary shares

| Name                                                                            | Number of Ordinary Fully Paid Shares Held | % Held of Issued Ordinary Capital |
|---------------------------------------------------------------------------------|-------------------------------------------|-----------------------------------|
| 1 Chrysalis Investments Pty Ltd                                                 | 174,916,293                               | 21.20%                            |
| 2 Citicorp Nominees Pty Limited                                                 | 40,923,601                                | 4.96%                             |
| 3 Mr John Jeremie White                                                         | 29,308,041                                | 3.55%                             |
| 4 OTS Super Pty Ltd (The Drew Family Super A/C)                                 | 19,323,409                                | 2.34%                             |
| 5 Mrs Vani Shankar Ruttala                                                      | 18,413,764                                | 2.23%                             |
| 6 Mr Leon Serry (Sked Pty Ltd and Citycastle Pty Ltd)                           | 17,833,929                                | 2.16%                             |
| 7 Asuper Pty Ltd (Ashley Super Fund A/C)                                        | 16,000,000                                | 1.94%                             |
| 8 Mrs Browyn Gould (Gould Co Pty Ltd)                                           | 14,435,970                                | 1.75%                             |
| 9 Mr Michael Sherington & Miss Katrina Weier (Sherington Weier Family A/C)      | 13,483,314                                | 1.63%                             |
| 10 HSBC Custody Nominees (Australia) Limited                                    | 12,666,957                                | 1.54%                             |
| 11 Mr James Thornett and Mrs Susan Thornett                                     | 10,961,441                                | 1.33%                             |
| 12 BNP Paribas Nominees Pty Ltd                                                 | 10,249,388                                | 1.24%                             |
| 13 Mr Peter James Walker                                                        | 9,736,842                                 | 1.18%                             |
| 14 Mr Peter Alaric Hayes                                                        | 9,580,000                                 | 1.16%                             |
| 15 Jetosea Pty Ltd                                                              | 7,895,458                                 | 0.97%                             |
| 16 Verguier Pty Ltd                                                             | 7,881,250                                 | 0.96%                             |
| 17 Mr Andrew Richard Jackson Ball                                               | 7,374,484                                 | 0.89%                             |
| 18 Sarelda Pty Ltd (The Sarelda Super Fund A/C)                                 | 7,165,653                                 | 0.87%                             |
| 19 Mr Arnold Getz & Mrs Ruth Getz                                               | 5,192,371                                 | 0.63%                             |
| 20* Khe Sanh Pty Ltd <Trading No 1 A/C>                                         | 5,000,000                                 | 0.61%                             |
| 20* Scintilla Strategic Investments Limited                                     | 5,000,000                                 | 0.61%                             |
| 20* Mr Neil Morrison & Mrs Lynette Esther Morrison <N & L E Morrison Super A/C> | 5,000,000                                 | 0.61%                             |
| 20* Mineral Royalties Online Pty Ltd                                            | 5,000,000                                 | 0.61%                             |
|                                                                                 | <b>453,432,165</b>                        | <b>54.95%</b>                     |

\* Shareholders are ranked equally in terms of number of ordinary fully paid shares held.

#### (e) Substantial holders of fully paid ordinary shares

Substantial shareholders listed in the Company's holding register as at 9 September 2024:

| Name                                                                                | Number of fully paid ordinary shares held | % Held of Issued Ordinary Capital |
|-------------------------------------------------------------------------------------|-------------------------------------------|-----------------------------------|
| 1 Chrysalis Investments Pty Ltd<br>(a company associated with Mr Christopher Ellis) | 174,916,293                               | 21.20%                            |
|                                                                                     | <b>174,916,293</b>                        | <b>21.20%</b>                     |

### 6. Company secretary

The name of the Company secretary is Henko Vos.

### 7. Securities exchange listing

Quotation has been granted for all the ordinary shares of the Company on the Australian Securities Exchange ('AQD').

## Additional securities exchange information

### 8. Unquoted securities

| Terms                                                                          | Unlisted Options  |                   |
|--------------------------------------------------------------------------------|-------------------|-------------------|
|                                                                                | Number            | Number of holders |
| 1 Unlisted options exercisable at 7.5 cents each on or before 30 November 2024 | 20,000,000        | 3                 |
| 2 Unlisted options exercisable at 5 cents each on or before 30 November 2024   | 19,000,000        | 7                 |
| 3 Unlisted options exercisable at 3 cents each on or before 30 November 2026   | 20,000,000        | 3                 |
| 4 Unlisted options exercisable at 3 cents each on or before 30 November 2026   | 19,000,000        | 7                 |
|                                                                                | <b>78,000,000</b> | <b>20</b>         |

### 9. Unquoted equity security holdings greater than 20%

At 9 September 2024, the following held unquoted equity securities greater than 20%:

1. Unlisted options exercisable at 7.5 cents each on or before 30 November 2024:
  - Mr Graeme Drew – 10,000,000 (50%)
  - Mr Greg Hancock – 5,000,000 (25%)
  - Mr Chris Ellis – 5,000,000 (25%)
2. Unlisted options exercisable at 7.5 cents each on or before 30 November 2024 – none.
3. Unlisted options exercisable at 3 cents each on or before 30 November 2026:
  - Mr Graeme Drew – 10,000,000 (50%)
  - Mr Greg Hancock – 5,000,000 (25%)
  - Mr Chris Ellis – 5,000,000 (25%)
4. Unlisted options exercisable at 3 cents each on or before 30 November 2026 – none.

For personal use only

## Tenements

Project Tenements as at 26 August 2024

| Tenement          | Location          | Lease Status | Registered Holder | Interest Held |
|-------------------|-------------------|--------------|-------------------|---------------|
| <b>Australia</b>  |                   |              |                   |               |
| E69/3246          | WA, Balladonia    | Granted      | AusQuest Ltd.     | 100%          |
| E69/3558          | WA, Balladonia    | Granted      | AusQuest Ltd.     | 100%          |
| E69/3559          | WA, Balladonia    | Granted      | AusQuest Ltd.     | 100%          |
| E69/3671          | WA, Balladonia    | Granted      | AusQuest Ltd.     | 100%          |
| E69/3672          | WA, Balladonia    | Application  | AusQuest Ltd.     | 100%          |
| E69/3825          | WA, Balladonia    | Granted      | AusQuest Ltd.     | 100%          |
| E69/3932          | WA, Balladonia    | Granted      | AusQuest Ltd.     | 100%          |
| E69/4186          | WA, Balladonia    | Application  | AusQuest Ltd.     | 100%          |
| E69/4192          | WA, Balladonia    | Application  | AusQuest Ltd.     | 100%          |
| E63/2462          | WA, Balladonia    | Application  | AusQuest Ltd.     | 100%          |
| E69/3859          | WA, Jubilee Lake  | Granted      | AusQuest Ltd.     | 100%          |
| E70/5383          | WA, Morrisey Well | Granted      | AusQuest Ltd.     | 100%          |
| E09/2397          | WA, Morrisey Well | Granted      | AusQuest Ltd.     | 100%          |
| E59/2526          | WA, Morrisey Well | Granted      | AusQuest Ltd.     | 100%          |
| E70/5388          | WA, Moora         | Granted      | AusQuest Ltd.     | 100%          |
| E70/5389          | WA, Moora         | Granted      | AusQuest Ltd.     | 100%          |
| E69/3896          | WA, Mount Davis   | Granted      | AusQuest Ltd.     | 100%          |
| EPM 26681         | QLD, Hamilton     | Granted      | AusQuest Ltd.     | 100%          |
| EPM 26682         | QLD, Hamilton     | Granted      | AusQuest Ltd.     | 100%          |
| EL 6798           | SA, Coober Pedy   | Granted      | AusQuest Ltd.     | 100%          |
| <b>Peru</b>       |                   |              |                   |               |
| Cangallo 1        | Arequipa          | Granted      | Questdor SAC      | 100%          |
| Cangallo 2        | Arequipa          | Granted      | Questdor SAC      | 100%          |
| Cangallo 3        | Arequipa          | Granted      | Questdor SAC      | 100%          |
| Cangallo 4        | Arequipa          | Granted      | Questdor SAC      | 100%          |
| Cangallo 5        | Arequipa          | Granted      | Questdor SAC      | 100%          |
| Cangallo 6        | Arequipa          | Granted      | Questdor SAC      | 100%          |
| Cangallo 7        | Arequipa          | Application  | Questdor SAC      | 100%          |
| Cangallo 9        | Arequipa          | Granted      | Questdor SAC      | 100%          |
| Cangallo 10       | Arequipa          | Application  | Questdor SAC      | 100%          |
| Cerro De Fierro B | Arequipa          | Granted      | Questdor SAC      | 100%          |
| Cerro De Fierro C | Arequipa          | Granted      | Questdor SAC      | 100%          |
| Cerro De Fierro E | Arequipa          | Granted      | Questdor SAC      | 100%          |
| Cerro De Fierro F | Arequipa          | Granted      | Questdor SAC      | 100%          |
| Cerro De Fierro G | Arequipa          | Granted      | Questdor SAC      | 100%          |
| Cerro De Fierro H | Arequipa          | Granted      | Questdor SAC      | 100%          |
| Cerro De Fierro I | Arequipa          | Granted      | Questdor SAC      | 100%          |
| Cerro De Fierro J | Arequipa          | Granted      | Questdor SAC      | 100%          |
| Cerro De Fierro L | Arequipa          | Granted      | Questdor SAC      | 100%          |
| Cerro De Fierro N | Arequipa          | Granted      | Questdor SAC      | 100%          |
| Cerro De Fierro O | Arequipa          | Granted      | Questdor SAC      | 100%          |
| Cerro De Fierro P | Arequipa          | Granted      | Questdor SAC      | 100%          |
| Cerro De Fierro Q | Arequipa          | Granted      | Questdor SAC      | 100%          |
| Chololo 1         | Moquegua          | Granted      | Questdor SAC      | 100%          |
| Chololo 2         | Moquegua          | Granted      | Questdor SAC      | 100%          |
| El Sello 04       | Arequipa          | Granted      | Questdor SAC      | 100%          |

For personal use only



## Tenements

### Project Tenements as at 26 August 2024

| Tenement          | Location | Lease Status | Registered Holder | Interest Held |
|-------------------|----------|--------------|-------------------|---------------|
| <i>Peru Cont.</i> |          |              |                   |               |
| Parcoy 01         | Arequipa | Granted      | Questdor SAC      | 100%          |
| Parcoy 02         | Arequipa | Granted      | Questdor SAC      | 100%          |
| Parcoy 03         | Arequipa | Granted      | Questdor SAC      | 100%          |
| Parcoy 04         | Arequipa | Granted      | Questdor SAC      | 100%          |
| Parcoy 13         | Arequipa | Application  | Questdor SAC      | 100%          |
| Playa Kali 01     | Arequipa | Granted      | Questdor SAC      | 100%          |
| Playa Kali 02     | Arequipa | Granted      | Questdor SAC      | 100%          |
| Playa Kali 03     | Arequipa | Granted      | Questdor SAC      | 100%          |
| Playa Kali 09     | Arequipa | Granted      | Questdor SAC      | 100%          |

For personal use only