

December 15th, 2025

AusQuest and South32 Extend Strategic Alliance

South32 to fund exploration over selected AusQuest Projects for a further two years.

Key Points:

- AusQuest and a wholly-owned subsidiary of South32 Limited (South32) have extended the Strategic Alliance Agreement (SAA) for a further two years to December 2027.
- SAA to remain focused on developing high-potential exploration opportunities in Australia targeting copper, and zinc.
- Exploration Opportunities offered by AusQuest and accepted by South32 will continue to be advanced to the drill-ready stage through exploration funding provided by South32.
- AusQuest will continue to manage the initial programs in consultation with South32 to advance projects to drill-ready status as quickly as possible.
- Once projects become Drill-Ready Opportunities, South32 can elect to earn a 70% interest for a total expenditure of US\$4.5M on each project.
- Four Australian projects are currently Exploration Opportunities under the SAA with further drilling at each being planned over the next 12 to 18 months.
- Under the terms of the SAA, AusQuest receives an administration fee equal to 15% of expenditure on all projects under the SAA.

AusQuest Limited (ASX: AQD; **AusQuest** or **the Company**) is pleased to announce that it has agreed with South32 to extend the existing SAA for a further two years to 31st December 2027, subject to further extension. The SAA was originally established in February 2017.

The SAA established an innovative framework under which AusQuest could use its extensive expertise to target new deposits and mineral provinces with major ore potential, to generate and secure prospective early-stage exploration opportunities which are offered exclusively to South32. The two companies have developed a strong working relationship over the past nine years and will continue to work together to develop a pipeline of high-potential exploration opportunities focussed in Australia.

Targeted commodities in Australia include copper and zinc with potential for associated gold, and silver credits.

Under the SAA, projects secured by AusQuest and offered exclusively to and accepted by South32, undergo a staged evaluation process which sees projects classified as either Exploration Opportunities or Drill-Ready Opportunities. If a project is rejected twice by South32, at either the Exploration or Drill-Ready Opportunity stage, it becomes a rejected

property and will no longer be the subject of the SAA.

For Exploration Opportunities, work programs and budgets to advance each project to a drill-ready stage are agreed by the parties with South32 providing the necessary funds to complete the programs. All funding to advance projects to a drill-ready stage form part of the total earn-in expenditure of US\$4.5M for South32 to acquire a 70% interest in each project.

Once a project is accepted by South32 as a Drill-Ready Opportunity, South32 can elect to earn a 70% interest in the project. AusQuest must prepare a drill program and budget of at least US\$500,000 in value and following agreement on the program, a joint venture may be established, and a Joint Venture Agreement entered into on the key terms and conditions set out in the SAA.

A summary of the key joint venture terms and conditions is appended at the end of this announcement. AusQuest will continue to be the initial operator for each joint venture.

Under the agreed joint venture terms, South32 must contribute a total US\$4.5M to earn a 70% joint venture interest and can earn an 80% interest in each project by completing a pre-feasibility study.

The SAA also includes an arrangement to incentivise AusQuest's project generation activities, with South32 agreeing to pay AusQuest a US\$300,000 Bonus Generation Fee if at least two Exploration Opportunities are accepted by South32 in a calendar year.

AusQuest also receive an administration fee equal to 15% of expenditure on all projects under the SAA to help cover company overhead expenses and assist with the ongoing requirements for project generation studies.

Commenting on the extension of the Strategic Alliance Agreement, AusQuest's Managing Director, Mr Graeme Drew, said:

"This is a great outcome for our shareholders with South32 continuing to back the AusQuest team for a further two years under the Strategic Alliance, which has functioned extremely well since its inception in February 2017. The agreement is structured to enable AusQuest to keep identifying opportunities as well as rewarding the Company for success along the way.

The extension of the SAA is a strong endorsement of AusQuest's credentials and technical skills, and is a vindication of the quality and scale of the projects we have been able to consistently bring to the table over the past nine years.

We continue to be excited about the future and look forward to continuing to work closely with South32 to build a quality pipeline of exploration opportunities in Australia which we hope will deliver significant benefits for both companies, and in particular, to reward our shareholders for their patience and ongoing support."

A handwritten signature in black ink, appearing to read 'G Drew'.

Graeme Drew
Managing Director

COMPETENT PERSON'S STATEMENT

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

FORWARD LOOKING STATEMENT

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

Summary of Key Terms and Conditions of standard Joint Venture Agreement

A summary of the key terms and conditions of the standard Agreement are provided below:

- During the Initial Funding Period (total expenditure of US\$4.5M including funds to reach the Drill-Ready Stage) South32 will sole-fund all Approved Programs and Budgets to earn a 70% interest in the project.
- If South32 elects to withdraw before completion of the Initial Funding Amount within the Initial Funding Period, they will not earn any equity in the project, but will be granted a 0.5% Net Smelter Royalty (NSR) if they have contributed more than US\$1.5M but less than US\$3.0M and 1.0% NSR if they have contributed more than US\$3.0M but less than US\$4.5M (total).
- AusQuest will have the right to buy back the NSR at three-year intervals from the date South32 withdraws from the agreement, on terms to be negotiated between the parties.
- At the completion of the Initial Funding Period, South32 has 60 days within which to elect to earn a further 10% equity in the project by completing a pre-feasibility study at its sole cost. If South32 fails to make that election, the parties must contribute to future expenditure in the proportions 70:30.
- Once the sole funding by South32 has concluded, standard dilution clauses will apply to Participant(s) who elect and/or fail to contribute to an Approved Program and Budget. If a Participant's share falls below 10% it will be deemed to have withdrawn from the Joint Venture and it will revert to a 2.0% NSR.
- A management committee consisting of two representatives from each Participant will be established to oversee joint venture operations until the completion of the Initial Funding Period. Thereafter, AusQuest will be entitled to one representative on the committee and South32 to three. Except for decisions requiring unanimity or a 70% threshold vote, decisions of the committee will be by majority vote with each participant having a vote equal to its interest in the project, save that South32 shall have a voting interest of 51% during the Initial Funding Period.
- AusQuest will be the first operator and will continue as operator until the completion of the second drilling program at which time the Participants will elect the next operator.