

8th October 2015
ASX Release

ACCESS PREPARATIONS UNDERWAY FOR MAIDEN PERU DRILLING PROGRAM

Drilling of first large-scale porphyry copper-gold target on track to begin in late October

AusQuest Limited (ASX: AQD) is pleased to advise that access preparations for diamond drilling under its Lana Joint Venture Agreement with Southern Peru Copper Corporation Sucurs del Peru ("Southern") have commenced.

Drilling at the Lana prospect, the first of several large porphyry copper-gold prospects which are scheduled to be drill tested in the south of Peru over the next 12 months, is on track to commence in late October 2015.

The Lana Prospect is located approximately 30km from the coastal town of Atico in the south of Peru and covers a large (~20km²) discrete gravity anomaly (8 milligals), located close to the intersection of major structures interpreted from the Company's aeromagnetic data.

The gravity target is offset from a deeper (~400m) magnetic response, indicating potential for the prospect to host possible buried iron-oxide copper-gold (IOCG) and/or porphyry copper-style mineralisation beneath the sediment cover (*Figure 1*).

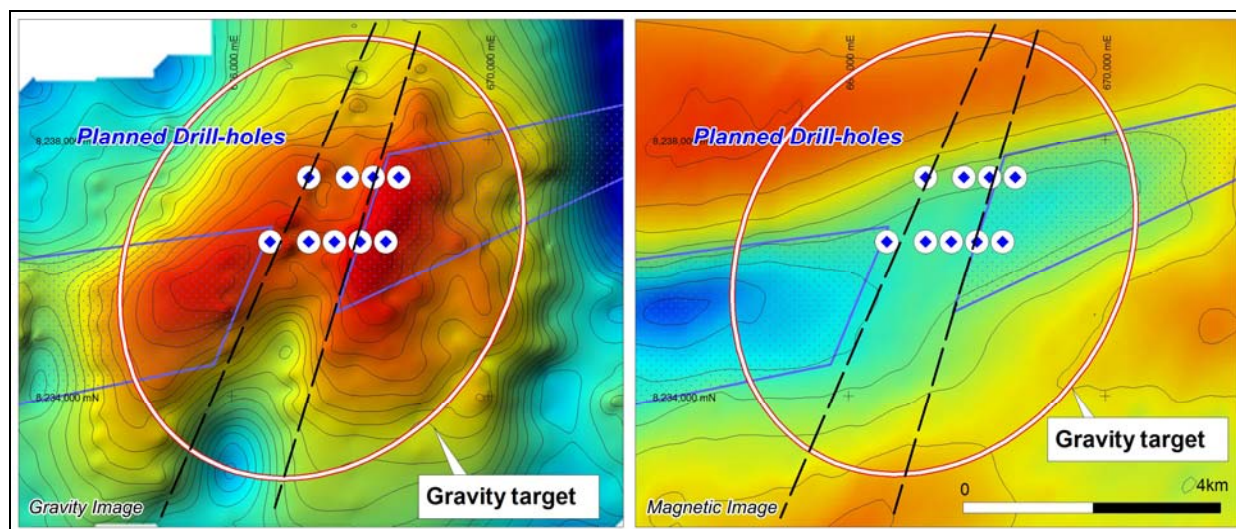


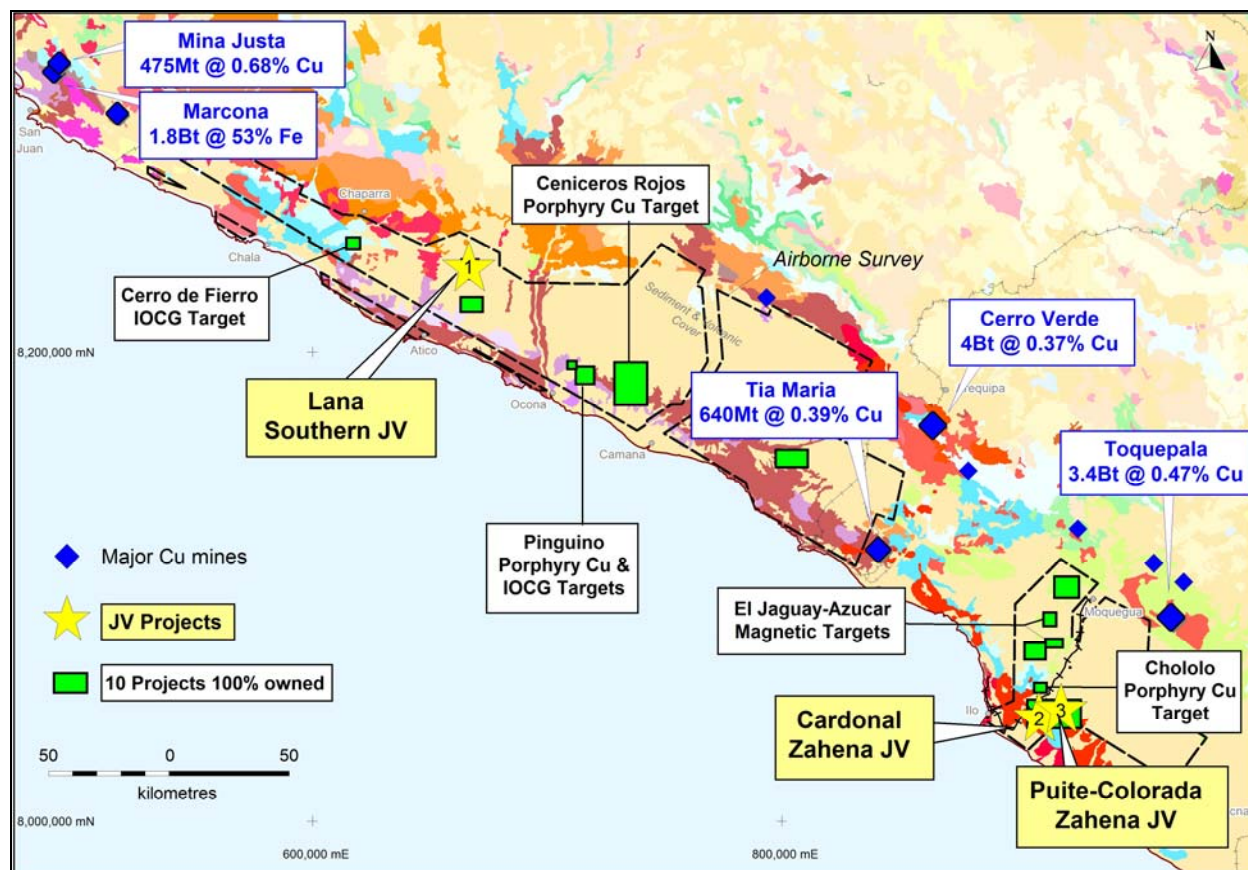
Figure 1: Lana Prospect: Gravity Target showing planned drill-holes

Under the Lana Joint Venture Agreement, Southern is required to complete a minimum 5000m of diamond drilling or spend not less than US\$1.0 million before the first anniversary of the registration date of the agreement (April 9th 2016) to fulfil their obligations.

In order to earn a 70% interest in the Project, Southern must then complete a further 15,000m of drilling and make staged cash payments to AusQuest totalling a further US\$2.925 million over the following 3 year period.

The Company is excited about the commencement of its maiden drilling program in Peru, and looks forward to further drilling operations commencing over its four remaining porphyry copper targets near the port of Ilo, in early 2016.

Graeme Drew
Managing Director



Peru Project and Joint Venture locations

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.