

January 13th, 2021
ASX Release

DRILLING OF PERU COPPER PROSPECTS SET TO COMMENCE FOLLOWING RECEIPT OF DRILL PERMITS

~5,700m of drilling scheduled to commence in February across two key projects

AusQuest Limited (ASX: AQD) is pleased to advise that it has received drill permits for both the Cerro de Fierro and Parcoy Copper Projects in southern Peru, allowing access preparations to commence at Cerro de Fierro before the end of January and paving the way for a major program of drilling to begin during February.

Both copper projects are subject to the Company's Strategic Alliance Agreement (SAA) with South32 Limited.

At **Cerro de Fierro**, a total of ~4,000m of Reverse Circulation (RC) drilling is planned to test beneath strong copper anomalism ($>1.0\%$ Cu) and associated iron (Fe) and potassic (K) alteration that has been identified by rock-chip sampling to the south of the Company's previous drilling (see ASX announcement, 4 March 2020), suggesting that the copper-bearing andesitic host rocks are at much shallower depth in this area (*Figure 1*).

A drill contract has been finalised with drilling operations expected to commence during February 2021 and take approximately 6 to 8 weeks to complete.

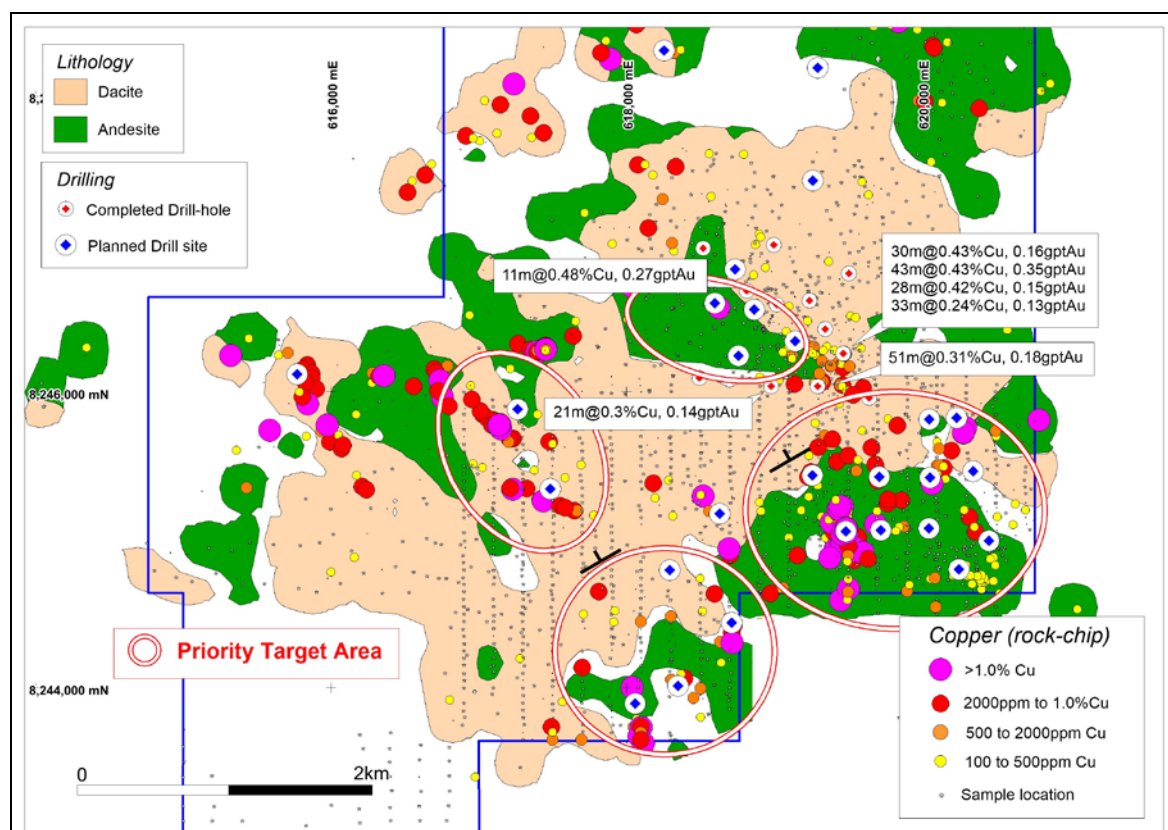


Figure 1: Cerro de Fierro copper distribution showing planned drill-hole locations

Drilling operations at the **Parcoy Copper Project**, which is located approximately 50km north-west of Cerro de Fierro, are planned to commence shortly after completion of the drilling program at Cerro de Fierro.

A minimum of approximately 1,700m of diamond drilling is planned at Parcoy to test two priority target areas that have been identified by the Company's rock-chip and soil sampling programs completed during 2019 and 2020 (see ASX announcement, 11 May 2020) (*Figure 2*).

Copper (+/-gold) anomalies and associated indicator elements (Mo, Bi, Au, Te, Zn, Sb) within the andesitic volcanics have defined targets for the initial 'Proof-of-Concept' drilling which is designed to determine the Project's potential for large-scale, structurally related manto-style copper (+/-gold) mineralisation.

Drilling at Parcoy is expected to take approximately 2 to 3 months to complete.

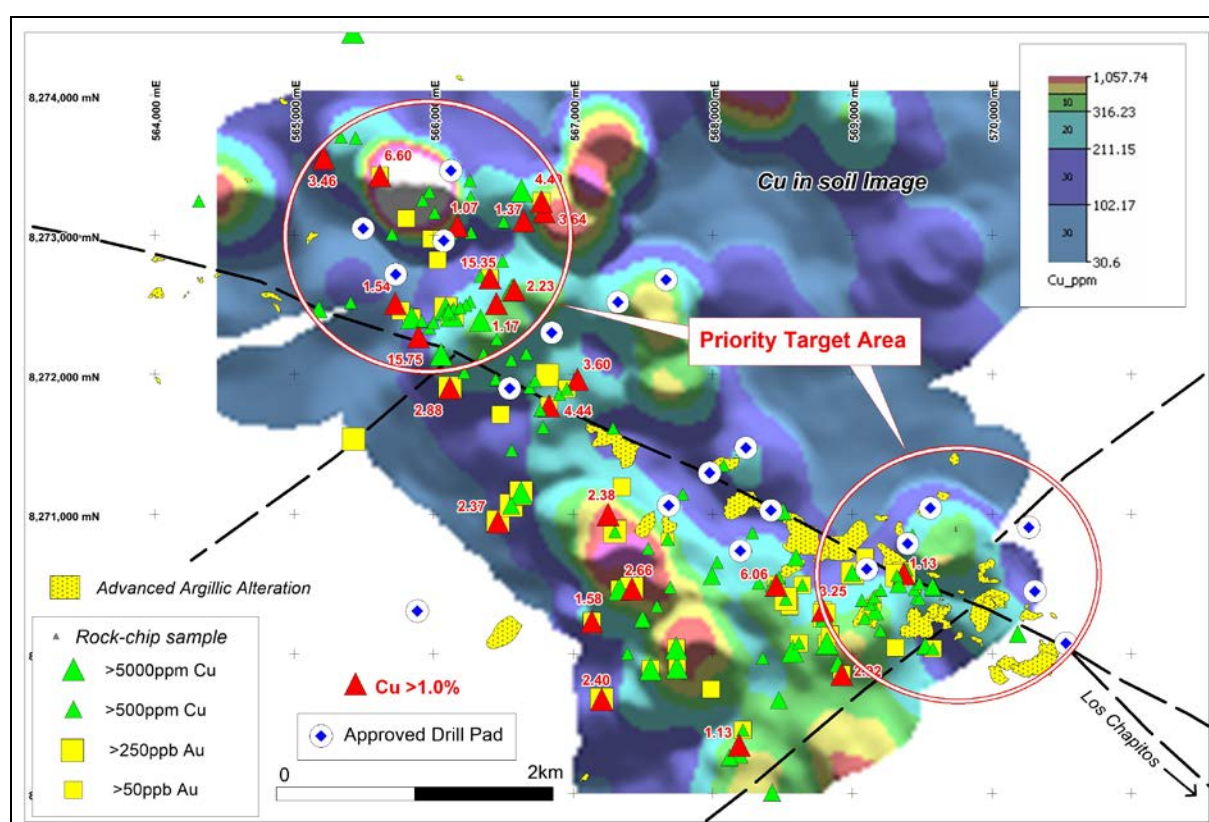


Figure 2: Parcoy copper distribution showing priority drill-hole locations

AusQuest Managing Director Graeme Drew said the receipt of drilling permits for both copper projects was an important milestone, paving the way for drilling to re-commence in Peru.

“We are excited to be drilling again in Peru, especially at Cerro de Fierro where we will be completing our third phase of drilling, having already had considerable success from the initial programs. This next phase of drilling is designed to confirm where we believe the copper is closer to surface and hopefully of slightly higher grade,” he said.

“The RC program will allow us to drill more holes and get better coverage across the prospect than we have managed so far, and should give us a better idea of its overall potential.”

“While COVID-19 is still an issue in Peru, we have developed approved protocols to minimise the risks at our operations,” Mr Drew said. “We continue to monitor advice from the Government and health authorities to ensure the health and well-being of our employees and contractors.”



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.