

July 11th, 2022

MAJOR NEW DRILLING PROGRAM SET TO COMMENCE AT THE PARCOY COPPER PROJECT, PERU

- *Ten RC drill-holes (~3,500m) planned to test strong copper anomalism*
- *Program funded under the Strategic Alliance Agreement with South32*
- *Assay results expected in late August 2022*

AusQuest Limited (ASX: AQD) is pleased to advise that it is gearing up to commence a new program of Reverse Circulation (RC) drilling at its **Parcoy Copper Project** in Southern Peru, under the Strategic Alliance Agreement (SAA) with a wholly-owned subsidiary of South32.

Access preparations have been completed and drilling is scheduled to commence in July, with the program expected to comprise a total of 10 RC drill-holes for ~3,500m. The drilling is designed to test beneath strong surface copper anomalism that stretches over a strike length of ~3km within the andesitic volcanics.

The target, which is located adjacent to an interpreted feeder structure, is thought to reflect manto style (replacement) copper mineralisation similar to that found at the nearby Mina Justa deposit, which is being developed by Marcobre SAC.

Drilling in 2021 provided 'proof-of-concept' for manto-style copper at Parcoy (see ASX Release 9 July 2021) but did not test the strongest copper anomalies due to poor access into the centre of the target area. New access roads have now been prepared with drill collars located on the top of ridges to enable testing of the full stratigraphic section (*Figure 1*).



Figure 1: Planned drill pad and access at Parcoy.

The drilling program should take approximately 3-4 weeks to complete with samples being sent to ALS Laboratory in Lima for analysis. Final assay results should be available 4-6 weeks after the completion of drilling.

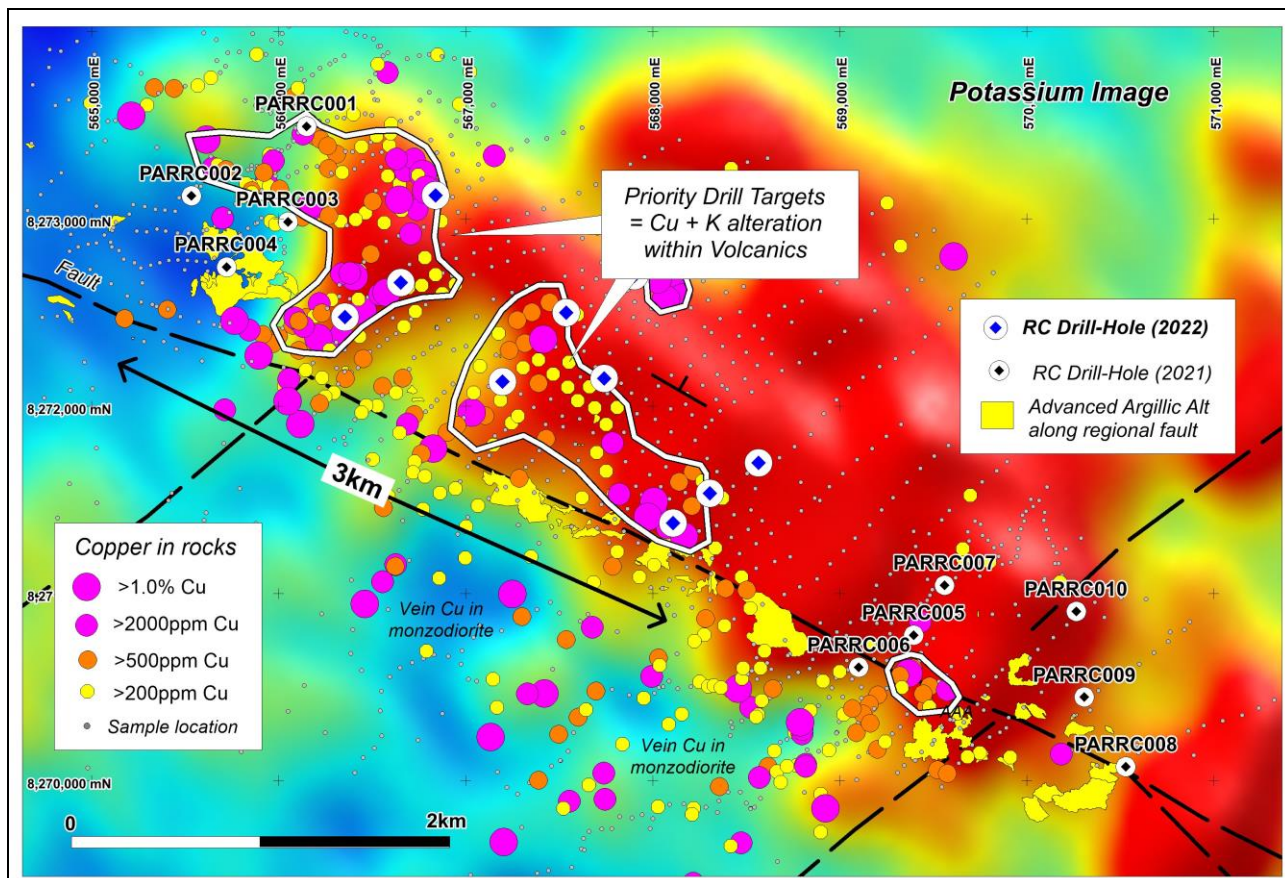


Figure 2: Parcoy Project showing copper anomalies and drill-hole locations.

The Parcoy Project is located near the southern end of a recognised IOCG metallogenic belt in Southern Peru. It lies within ~100km of the Mina Justa deposit (~475Mt @ 0.68% Cu), and ~50km north-west of the Company's Cerro de Fierro Project. Geological mapping and rock-chip sampling has identified significant concentrations of copper (+/-gold) at surface, reflecting potential manto-style (replacement) mineralisation within the volcanic stratigraphy (Figure 2).

The maiden drilling program in 2021 identified an association between copper and potassic alteration in the volcanics with anomalous pathfinder elements (Mo, W, and Bi) in the footwall, supporting the concept of manto copper mineralisation at Parcoy.

AusQuest's Managing Director, Graeme Drew, said the upcoming drilling program was expected to provide a comprehensive test of the potential to delineate a Tier-1 resource at Parcoy.

"Permitting has taken some time to complete but we are now at the point where drilling is imminent," he said. "We are excited about the potential for discovery at Parcoy and look forward to drilling commencing very shortly."



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.