November 14th, 2016
ASX Release

NEW COPPER-GOLD TARGET IDENTIFIED IN PERU FOLLOWING REVIEW OF DRILLING

Tenement applications submitted over new porphyry copper target south of Puite

AusQuest Limited (ASX: AQD) is pleased to advise that it has identified a new high-priority porphyry copper target at the Puite prospect in southern Peru after analysing the results of recent reconnaissance drilling at its Pampa de las Pulgas Project.

A review of drilling results from the Puite area located in the south-east corner of the Pampa de las Pulgas Project, suggests that five of the six holes drilled could be located within a halo to porphyry copper mineralisation (*Figure* 1). This assessment is based on the recognition of anomalous pathfinder elements (Mo >10ppm, Bi >10ppm), as well as sodic (increased sodium) and phyllic (increased potassium) alteration with elevated copper (>300ppm Cu).

In light of this assessment, the Company has submitted five new tenement applications to cover an area south of the Puite prospect where data suggests the porphyry copper mineralisation is likely to occur. Additional mapping, sampling and possible IP surveys will be undertaken to prioritise targets ahead of follow-up drilling.

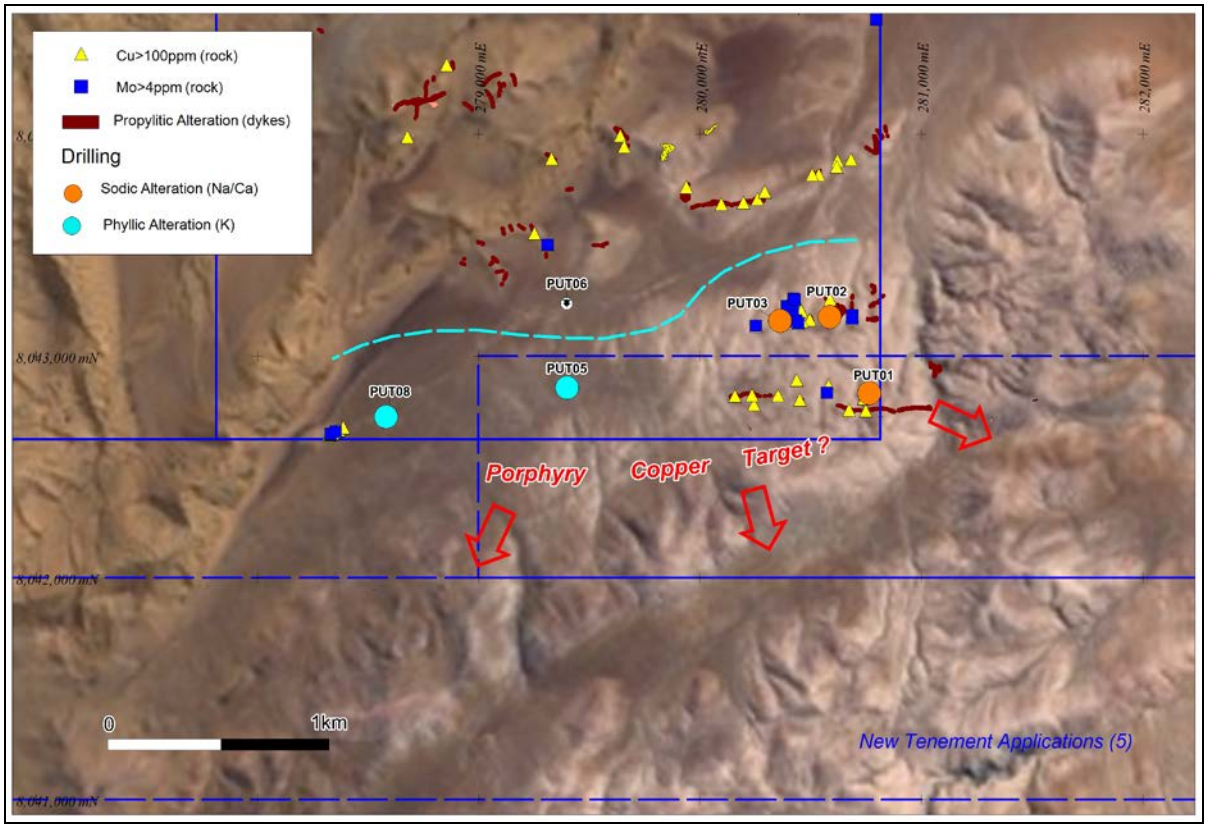

Figure 1: Puite Prospect: interpretation of drill results showing new tenement applications

Confirmation of the porphyry copper potential at Puite is in addition to the previously reported Cerro de Fierro (IOCG) and Chololo (porphyry copper) prospects, which the Company also considers to be large, high priority copper-gold targets.

At the **Cerro de Fierro** prospect, numerous copper values in excess of 0.1% Cu (up to 6.1% Cu) define the outer limits of the target with both rock-chip and geophysical data strongly suggesting the potential for a large (2-3km²) manto-style IOCG target at relatively shallow (<200m) depths (as reported to ASX in the March 2016 Quarterly Report) (*Figure* 2).

At **Chololo**, a preserved lithocap containing high temperature minerals and anomalous levels of Mo >10ppm, As >50ppm, Sb >5ppm and Bi >1ppm suggests the presence of a preserved mineralised porphyry copper system (2-3km²) at depth, approximately 3km north-east of known porphyry copper mineralisation at El Yarral (Ilo Este) (as reported to ASX in the March 2016 Quarterly Report) (*Figure* 3). Neither target has ever been subject to drill testing.

IP surveys are currently planned to further upgrade these prospects by outlining sulphide mineralisation (pyrite, chalcopyrite) in order to optimise drill sites.

AusQuest Managing Director Graeme Drew said the identification of a new high priority copper target at Puite had increased the total number of porphyry copper and/or IOCG targets the Company had identified in southern Peru to three. "The results we have seen to date give us strong encouragement that we are in the right areas and that it is only a matter of time and persistence before we find our first porphyry copper system," he said.

"We are continuing discussions with potential joint venture partners to secure funding to drill test these exciting targets," he said. "We remain optimistic about the possibility to joint venture these prospects and look forward to providing further updates on possible new joint ventures in due course."

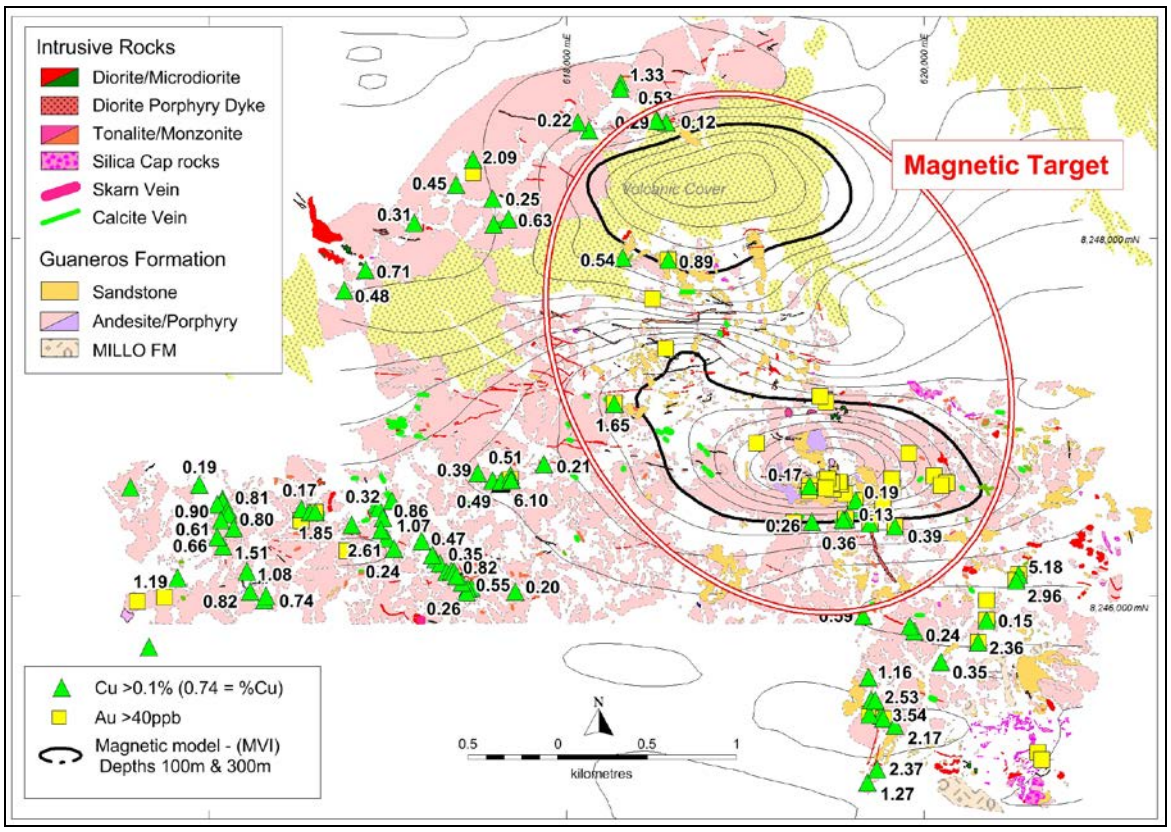

Figure 2: Cerro de Fierro: Iron-Oxide Copper-Gold Target

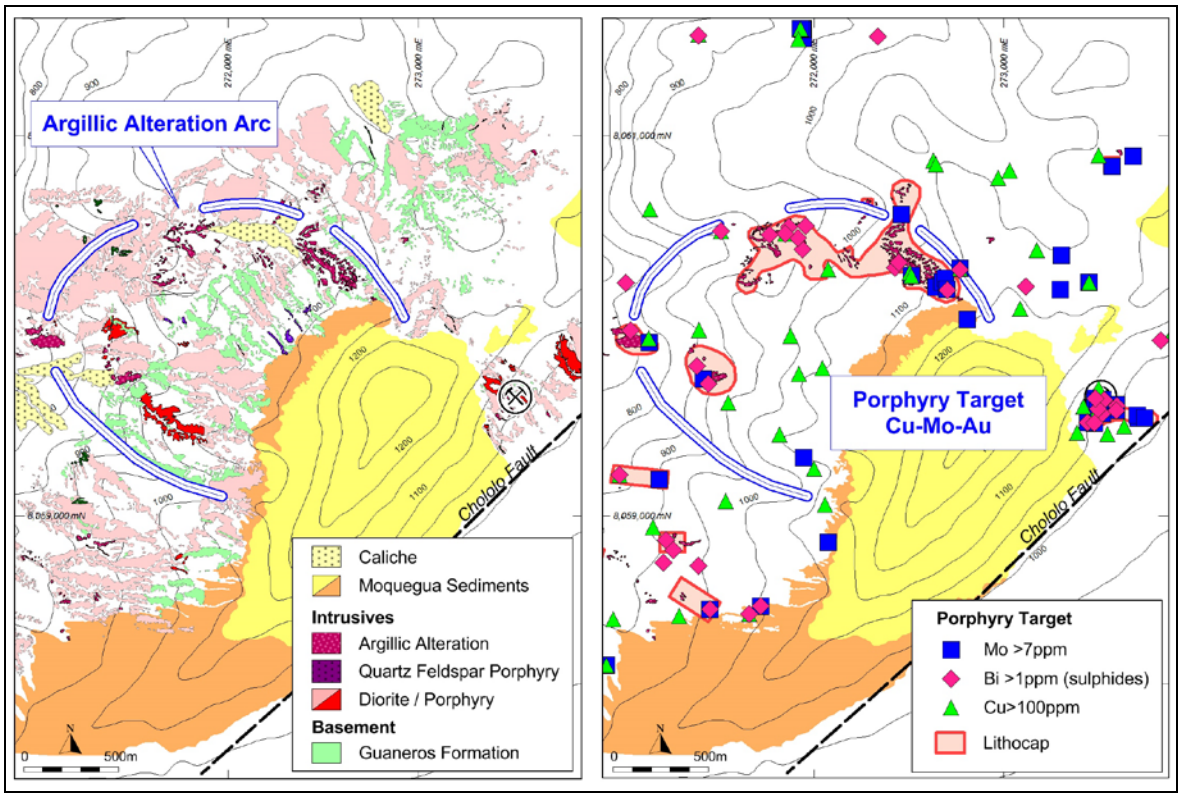

Figure 3:Cholololo: Porphyry Copper-Molybdenum-Gold Target

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.