

July 24th, 2014
ASX Release

AUSQUEST RECEIVES FURTHER PERU DRILLING APPROVAL

Paves the way for drilling of large buried porphyry copper prospect at Puite
Approval for drilling at Lana prospect expected shortly

Further to its announcement of 26 June, AusQuest Limited (ASX: AQD) is pleased to advise that it has now received drilling approval from the Ministry of Energy and Mines (MEM) in Peru for the second of three major porphyry copper-gold prospects identified by the Company for drill testing this year.

The Company has received approval for drilling at the **Puite Prospect**, located ~10km east of Cardonal and ~30km east of the town of Ilo in southern Peru. This follows drilling approval for the 100%-owned Cardonal Prospect, as announced last month.

The Puite Prospect is a large buried porphyry copper gold target under shallow cover, which has been outlined by a combination of surface mapping/sampling, plus ground magnetic and induced polarisation (IP) surveys (*Figure 1*)

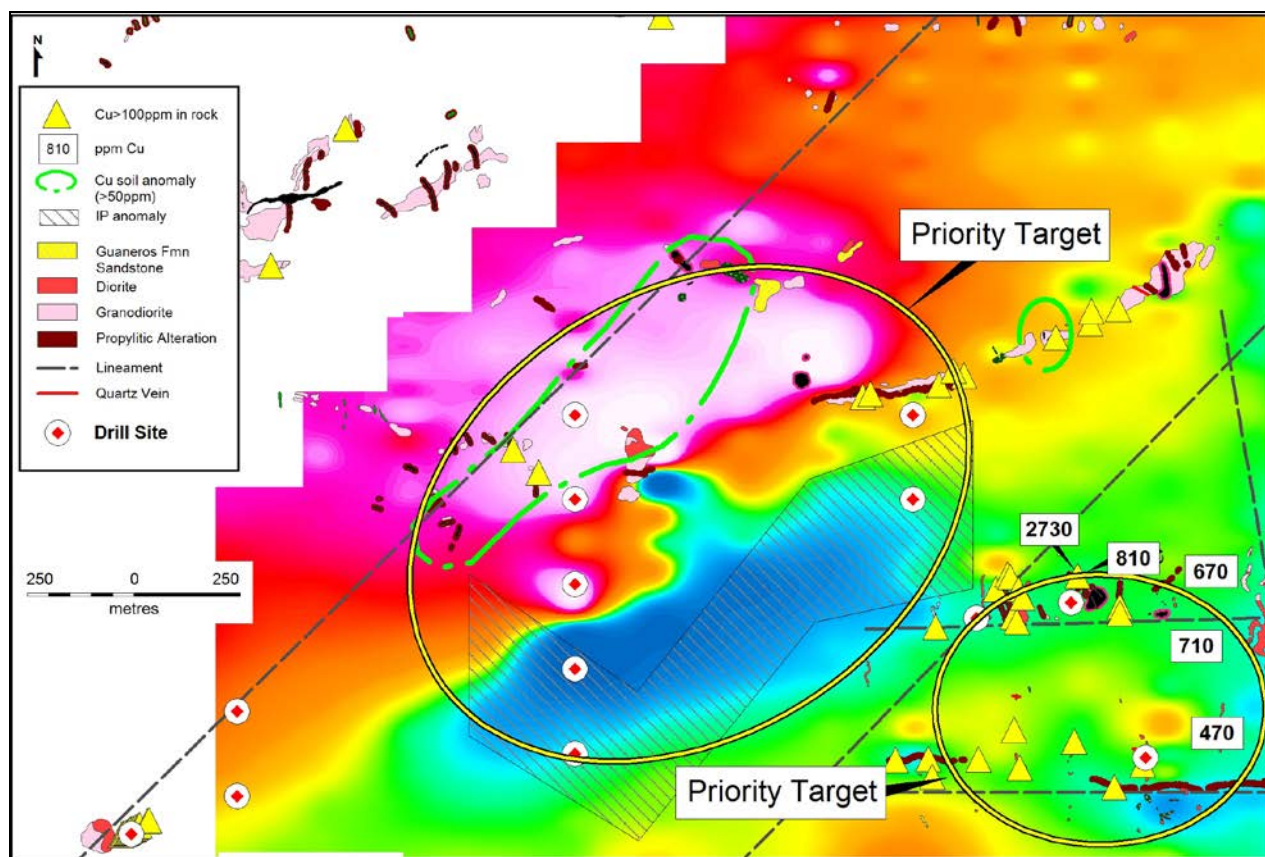


Figure 1: Puite Project showing planned drilling

The Company was originally attracted to the prospect after reconnaissance field work located anomalous copper values (100ppm Cu to 0.27% Cu) within altered diorite dykes and granodiorite, and soil sampling confirmed anomalous copper values (50ppm to 260ppm Cu) along scattered ridges that cross the area.

Subsequent ground magnetic surveys defined a discrete magnetic target ~1km x 1km in size, closely associated with the surface copper anomalism. IP surveys suggested low levels of sulphide mineralisation (<5%) marginal to the magnetic source.

Modelling of the magnetic data indicates target depths are relatively shallow (~25m to 200m), whereas depth estimates for the IP source are a little deeper at ~200m to 300m. Drilling approval at Puite covers 13 drill platforms which will test a range of magnetic, IP and copper targets.

The Company's remaining drilling application at the **Lana** prospect, where a large-scale gravity target has been identified, is now expected to be approved within the coming weeks.

AusQuest's Managing Director, Mr Graeme Drew, said the latest approval brought the Company another step closer to commencing drilling in Peru and would support ongoing discussions with potential joint venture and funding partners.

"The first two prospects to be drilled are high quality copper-gold targets and could identify a new cluster of porphyry copper bodies in an area close to Ilo," Mr Drew said.

Mr Drew said the Company continued to be encouraged by the potential of the region to host major copper and gold resources and was looking forward to the commencement of drilling operations in Peru.



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.