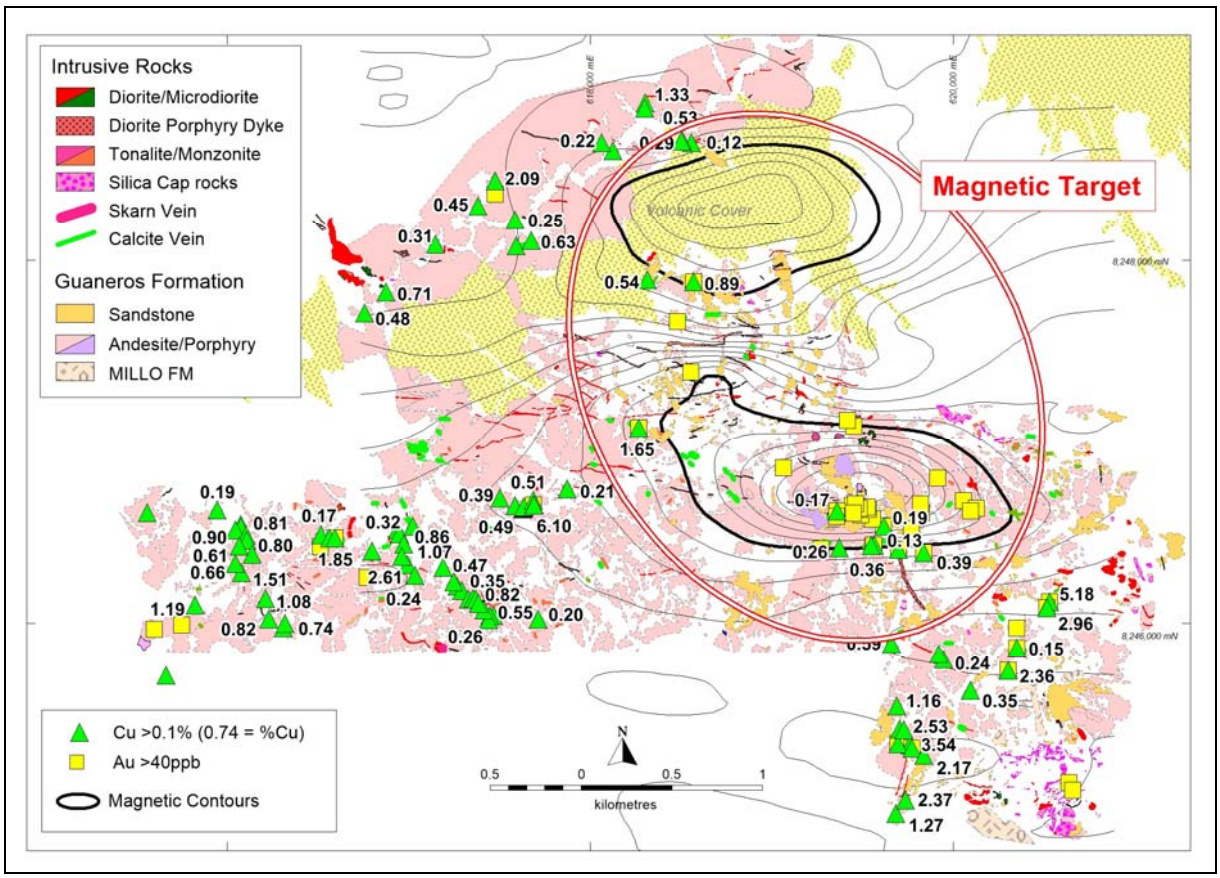
June 1st, 2017
ASX Release

SOUTH32 COMMITS TO THIRD COPPER-GOLD PROJECT IN PERU AS STRATEGIC ALLIANCE ADVANCES

AusQuest Limited (ASX: AQD) is pleased to advise that its Cerro de Fierro Iron-Oxide Copper-Gold (IOCG) Project in southern Peru has been accepted as a new "Exploration Opportunity" by its Strategic Alliance Partner South32, taking the total number of projects under the Strategic Alliance to six (three each in Western Australia and Peru).

South32 will fund drill target definition work at the Cerro de Fierro prospect, expected to commence in July/August 2017.

The agreed programme, including pole-dipole induced polarisation (IP) and ground electromagnetic (EM) surveys, aims to locate and optimise drill sites (sulphide mineralisation) associated with the magnetic target and anomalous copper values located by the Company's sampling programmes.



Cerro de Fierro Prospect showing geology and sampling results

The Cerro de Fierro prospect is located along the coastal belt of south-western Peru, ~30km from the town of Chala and 130km south-east of the Mina Justa copper deposit (approximately 475Mt @ 0.68% Cu).

The prospect was originally identified from the Company's proprietary aeromagnetic data as a potential iron-oxide copper-gold (IOCG) target extending over an area several square kilometres in size within a regional-scale potassic alteration anomaly covering many tens of square kilometres.

Detailed geological mapping and sampling by the Company outlined a thick sequence of shallow dipping andesitic volcanics with minor intercalated sediments and volcaniclastics, as well as numerous rock samples containing highly anomalous copper values (35 samples reported values in excess of 1% Cu).

Detailed analysis of the rock-chip geochemistry identified a range of metal associations and metal patterns suggesting the buried magnetic target could reflect a potential Manto-style IOCG deposit within the volcanic sequence.

The Board of AusQuest is pleased that another of the Company's exploration projects is being supported by the South32 Alliance and looks forward to reporting further results when they become available.



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.