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ASX Release

AUSQUEST LIMITED
ABN 35 091 542 451

LARGE-SCALE COPPER POTENTIAL CONFIRMED AT PARCOY PROJECT, PERU

- ***'Proof-of-concept' drilling successfully completed***
- ***Strong evidence found for extensive manto-style copper mineralisation***
- ***Further exploration programs being planned under the SAA***

AusQuest Limited (ASX: AQD) is pleased to advise that its maiden drilling program at the Parcoy Copper Project in southern Peru has highlighted the potential for large-scale accumulations of copper mineralisation across the project area.

The recently completed wide-spaced drilling has provided strong evidence for the presence of manto-style (replacement) copper mineralisation within the volcanic sequence, with thick zones (>100m) of anomalous copper (>200ppm Cu) intersected – confirming the migration of copper-bearing fluids within the volcanics over distances of at least 500m from the inferred feeder structure(s) (*Figure 1*).

Copper grades within the mineralised zones average around 0.2% Cu (and up to 1.0% Cu), often associated with elevated silver (up to 7.7g/t Ag) and occasional gold (up to 1.4g/t Au). Only the northern and southern extremities of the prospect have so far been tested by drilling due to access considerations.

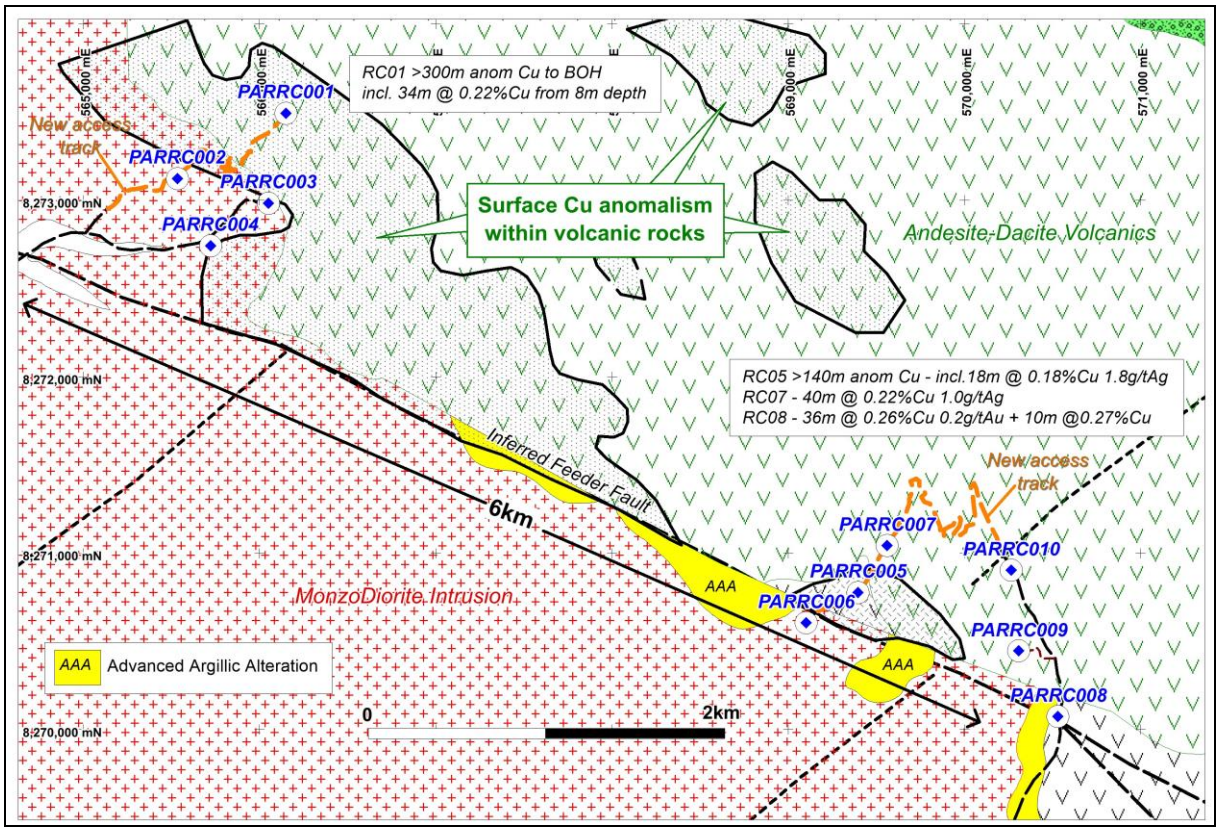


Figure 1: Parcoy Project geology showing drill-hole locations and significant results.

Significant intersections from the current drilling program include:

- PARRC01 – 34m @ 0.22% Cu from 8m
- PARRC05 – 18m @ 0.18% Cu, 1.8g/t Ag from 156m
- PARRC07 – 40m @ 0.22% Cu, 1.0g/t Ag from 266m
- PARRC08 – 10m @0.27% Cu from 262m
- PARRC08 – 36m @ 0.26% Cu from 280m (including 4m @ 0.36% Cu & 1.1g/t Au)

At the *northern end* of the prospect, the copper mineralisation intersected in drill-hole PARRC01 is associated with potassic-iron alteration and appears to be conformable with the shallow north-east dipping (~20°) volcanic strata. The mineralisation is shallow (commencing from a depth of just 8m) with anomalous copper extending to depths of more than 200m, highlighting the potential for significant thicknesses of copper in this area.

Highly anomalous rock-chip samples to the south and east of drill-hole PARRC01 have been significantly upgraded by these results, outlining a high-priority target close to the inferred feeder structure(s) for further exploration (*Figure 2*).

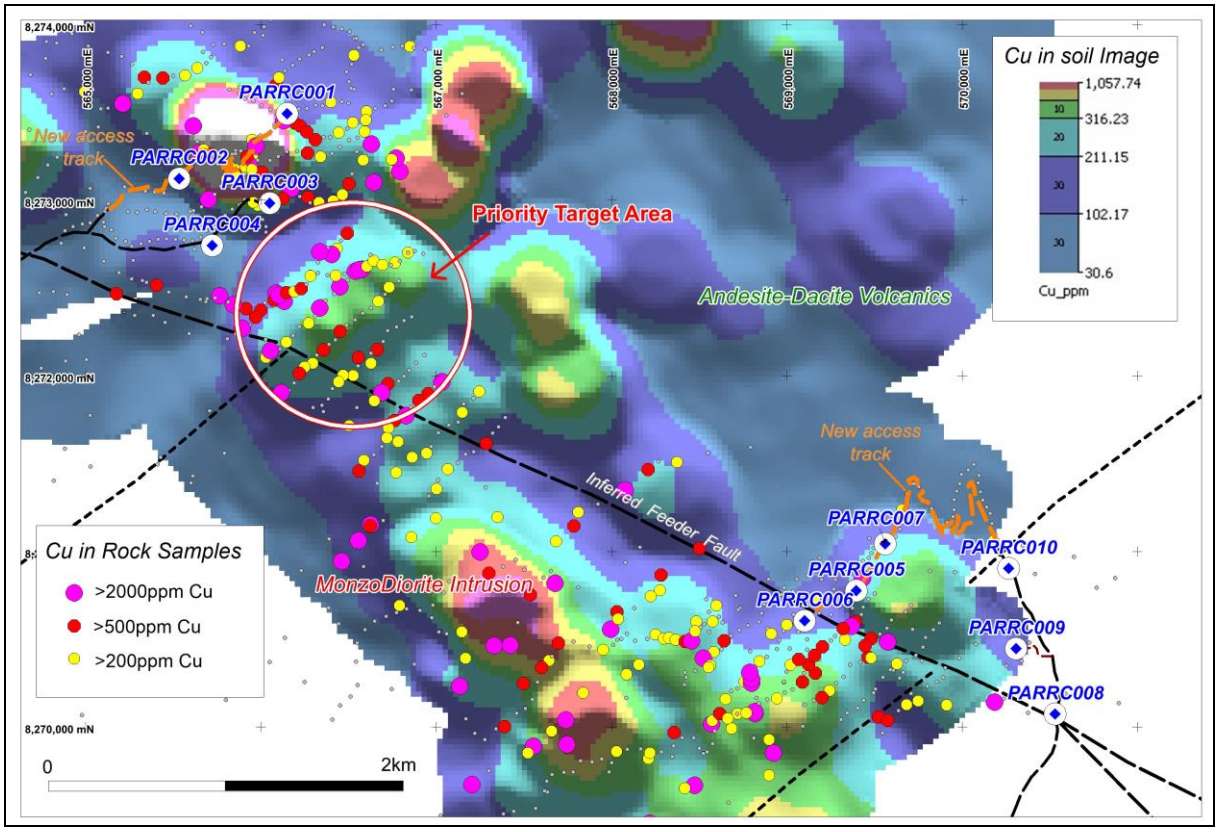


Figure 2: Parcoy Project surface geochemistry (Cu) showing drill-hole locations.

Volcanics intersected in drill-holes PARRC02, PARRC03 and PARRC04 occur close to the intrusive monzodiorite contact and are sodic rather than potassically altered. Copper values within these volcanics are lower than in PARRC01, although several narrow zones (<20m) of anomalous copper (<1,000ppm Cu) with occasional gold values (of up to 0.2g/t Au) were reported in PARRC03. Intrusive rocks intersected below the volcanics are altered (sodic) but so far appear barren of copper.

In the *southern area*, there is strong evidence that copper mineralisation is stratabound, with continuity of anomalous copper values between drill-holes PARRC05 and PARRC07. This

demonstrates the shallow-dipping nature of the mineralisation, which sub-parallels the volcanic layering (*Figure 3*).

Copper in both drill-holes occurs immediately above an approximately 70m thick layer of advanced argillic/sericite alteration (AAA) which occurs at the boundary between potassic altered volcanics above, and sodic altered volcanics below. The AAA zone, which is semi-conformable with volcanic layering, appears to be closely associated with the copper mineralising process and is interpreted as a possible conduit for copper that may be sourced from the inferred feeder structure approximately 500m to the south.

Drill-hole PARRC05, which intersected this fault at depth, reported elevated copper over ~50m, including several narrow zones with copper values of up to 0.5% Cu within the structure (Figure 3). Drill-hole PARRC08, located approximately 1km east of PARRC05, also reported anomalous copper (up to 1.0% Cu) and occasional gold (up to 1.4g/t Au) within the fault zone.

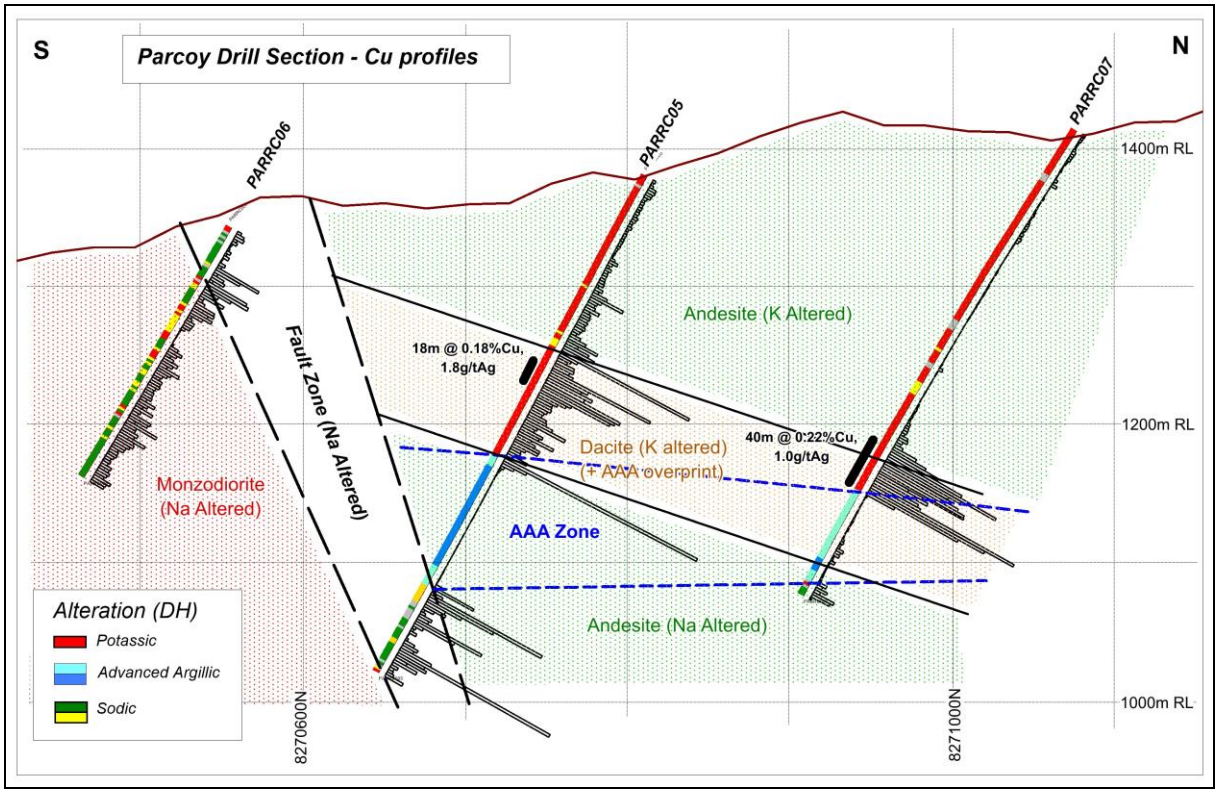


Figure 3: Drill section showing relationship between Lithology-Alteration-Copper within volcanics.

The potential for copper mineralisation within or close to this fault zone was not tested by the current drilling program, which focused on providing 'Proof-of-Concept" for the presence of replacement manto-style mineralisation within the volcanic sequence. It is thought that this mineralisation style provides the best opportunity for a large-scale resource.

While there are good signs for strong copper mineralisation within the volcanic sequence at both the northern and southern drilled areas, these prospects are widely separated (~5km) along the inferred feeder structure. The intervening area contains highly anomalous surface soil and rock-chip copper values. Access into these areas is non-existent at present but is currently under consideration by the SAA to facilitate a more targeted drilling campaign in the future.

Exploration at Parcoy is being undertaken under the Company's Strategic Alliance Agreement (SAA) with a wholly-owned subsidiary of South32 Limited.

The maiden drilling program consisted of 10 wide-spaced Reverse Circulation (RC) drill-holes for a total of 3,080m and provided an initial test of two accessible target areas that were identified by the Company's rock-chip and soil sampling programs completed during 2019 and 2020.

Exploration at Parcoy is targeting replacement-style copper (mantos) within volcanics, similar to other known deposits along the Coastal Belt of South America including Candelaria (~470Mt @ 0.95% Cu) and Mantos Blancos (~500Mt @ 1.0% Cu) in Chile and Mina Justa (~475Mt @ 0.68% Cu) in southern Peru, which is located ~100km north of Parcoy and is currently being developed by the Marcobre Joint Venture.

AusQuest Managing Director Graeme Drew said results from the recent drilling program had confirmed the Company's concept for large-scale manto-style copper mineralisation at Parcoy.

"Our drilling has clearly demonstrated the thick, extensive nature of copper mineralisation within the volcanic sequence, which is similar in many ways to what we have seen at our Cerro de Fierro Project to the south," he said. "Our next challenge is to find where the copper grades are higher (>0.5% Cu) and preferably at relatively shallow depths.

"There are a number of possibilities and strategies that we are discussing with our Strategic Alliance partner before planning the next round of drilling," he added. "We expect to complete this work over the coming weeks and months and will advise shareholders once the next program has been finalised."



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.

JORC Code, 2012 Edition – Table 1 report, Reverse Circulation Drilling at Parcoy in Peru

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• Samples were collected using a tube sampler by spearing into each one metre sample bag and compositing samples on a two-metre basis. • Sample depths were determined by the length of the rod-string and confirmed by counting the number of samples and bags at the drill platform as per standard industry practice. • A ~5kg sample was collected for representivity.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• RC Drilling with a face sampling bit has been used with a hole diameter of approximately 132mm. • Down-hole surveys were undertaken using a Gyro3-193 with measurements every 10m.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• Experienced RC drillers and an appropriate rig were used to provide maximum sample recovery. • Minimal to no water was encountered in all drill holes. • The weight of every bulk 1 metre sample was recorded and checked for sample recovery estimates. Sample recovery was acceptable to industry standard. • The sample weight of every laboratory sample was also collected and weighed on site for future reference. • At this early stage of exploration, it is not known if there is a relationship between sample recovery and assay grade.

Criteria	JORC Code explanation	Commentary
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• RC sample chips were collected into chip trays and are stored for future reference. • RC samples were logged on site during the drilling by experienced geologists to identify key rock types and mineralization styles. • Selected RC meter samples were logged with a hand held XRF and portable XRD unit to confirm visual mineralization and help identify clay mineralization. • Sample logging was qualitative with visual estimates of mineralization made for later comparison with assay results. • All one metre drill samples were logged.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• RC samples were collected every 1 metre into large plastic bags and stored in rows per depth at the drill site. • Samples were collected using a 50mm tube sampler and composited on a two metre basis. • Certified coarse blanks and fine standards are inserted approximately every 35 samples and duplicates taken every 20 samples for quality control purposes. • The sample sizes are considered appropriate for the geological materials sampled.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• Assaying of the drill samples is by standard industry practice. • The samples are sorted, dried, crushed then split to obtain a representative sub-sample which is then pulverized. • A portion of the pulverized sample is digested using a four acid digest (Hydrofluoric, Nitric, Hydrochloric and Perchloric) which approximates a total digest for most elements. Some refractory minerals are not completely dissolved. • Inductively Coupled Plasma Atomic Emission Spectroscopy (ICP-AES) was used to measure Ag, Al, As, Ba, Be, Bi, Ca, Cd, Co, Cr, Cu, Fe, K, La, Li, Mg, Mn, Mo, Na, Ni, P, Pb, S, Sb, Sc, Sn, Sr, Ti V, W, Y, Zn, Zr. • Every 2 metre composite sample is also submitted for Hyperspectral analysis using a TerraSpec instrument and uploaded into the aiSIRIS^{TM} software for mineral

Criteria	JORC Code explanation	Commentary
		identification and spectral output. • Assays are provided by ALS del Peru in Lima which is a certified laboratory for mineral analyses. Analytical data is transferred to the company via email. • Data from the laboratory's internal quality procedures (standards, repeats and blanks) are provided to check data quality. • The Company collects duplicate samples on an approximate 1: 20 basis, and inserts coarse blanks on a 1:30 basis and fine blanks on a 1:35 basis and fine standards are inserted on a 1:35 basis.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• No verification of intersections was undertaken. Drilling was wide spaced and reconnaissance in nature. • All primary sample data is recorded onto a printed sheet on site and uploaded to a site laptop, all geological data is recorded at the drill platform on a site laptop and downloaded daily and onto an external backup. • No adjustments have been made to the assay data.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Drill hole collars including elevation are located by hand held GPS to an accuracy of approximately 5m. • Down hole surveys were carried out using a Gyro3-193 with measurements every 10m down hole. • All surface location data are in WGS 84 datum, UTM zone 18S.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• RC drill-holes were wide spaced between 300m and 1000m apart to define the controls and the scale (outer limits) of the mineralization. No systematic grid drilling of the target has been undertaken. • Samples were composited on a 2 metre basis.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Any bias due to the orientation of the drilling is unknown at this early stage of exploration.
Sample security	• *The measures taken to ensure sample security.*	• Sample security is managed by the operator of the Project. Procedures match with Industry best practice.

Criteria	JORC Code explanation	Commentary
		• Samples are collected into securely tied bags and placed into cable-tied plastic bags for transport to the laboratory. Each sample batch has a sample submission sheet that lists the sample numbers and the work required to be done on each sample. • Samples were transported to the laboratory by company vehicle using trusted company personnel. • Sample pulps (after assay) are held by the laboratory and returned to the company after 90 days.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• No reviews or audits of the sampling techniques or data have been carried out to date.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• The Parcoy project is located approximately 25 km north of the town of Chala in the south of Peru. • The Parcoy project comprises 10 mineral concessions. • The tenements are held by Questdor which is a 100% subsidiary of AusQuest Limited. • There are no major heritage issues to prevent access to the tenements during surface exploration activities. Permits to drill are required including environmental, water and land access involving community consultations. • The Parcoy project is subject to a Strategic Alliance Agreement with South32. • A renegotiable agreement contract (2yrs) has been signed with the local community to allow drilling to proceed.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• No public reporting of exploration data is required in Peru. • Camino Resources have reported copper intersections

Criteria	JORC Code explanation	Commentary
		from their Los Chapitos prospect which is located approximately 6km to the south east.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The deposit styles being explored for are porphyry copper and gold and IOCG manto style deposits, which are large scale disseminated copper (and gold) deposits found within orogenic belts that surround the Pacific Rim. These deposits can be large in size requiring significant drilling to evaluate

Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:*
	  ○ *easting and northing of the drill hole collar*
	  ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*
	  ○ *dip and azimuth of the hole*
	  ○ *down hole length and interception depth*
	  ○ *hole length.*
	• *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*
		• All relevant drill hole data and information are provided below.

Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• Aggregate assay intervals quoted for the RC drill-holes in this report are based on copper assays above 0.1%Cu.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• All intervals reported are down-hole lengths. True widths are unknown at this stage.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• All drill holes are shown on appropriate plans and included in the ASX release.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be*	• At this early stage of drilling, only significant assay results have been reported.

Criteria	JORC Code explanation	Commentary
	practiced to avoid misleading reporting of Exploration Results.	
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• The relationship between current drilling and previously reported exploration data is shown in the report.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Future work programs including drilling will be determined once the current results have been fully assessed.

Drill-hole Details

Hole_ID	Datum	Zone	Easting	Northing	RL	Azimith	Inclination	Depth (m)
PARRC001	WGS84	18s	566150	8273494	1004	90	-60	312.00
PARRC002	WGS84	18s	565534	8273123	866	80	-60	290.00
PARRC003	WGS84	18s	566050	8272985	917	90	-60	318.00
PARRC004	WGS84	18s	565722	8272743	850	150	-60	264.00
PARRC005	WGS84	18s	569395	8270778	1379	210	-60	408.00
PARRC006	WGS84	18s	569102	8270606	1351	210	-60	210.00
PARRC007	WGS84	18s	569561	8271044	1411	210	-60	390.00
PARRC008	WGS84	18s	570530	8270075	1223	270	-60	396.00
PARRC009	WGS84	18s	570308	8270446	1295	220	-60	288.00
PARRC010	WGS84	18s	570265	8270904	1337	220	-60	204.00