October 19, 2021
ASX Release

AUSQUEST LIMITED
ABN 35 091 542 451

LOS OTROS PORPHYRY COPPER PROJECT IN PERU CLEARED FOR DRILLING

~1,200m of Reverse Circulation drilling scheduled to commence in December 2021

AusQuest Limited (ASX: AQD) is pleased to advise that it has received permits to allow drilling operations to commence at its Los Otros Porphyry Copper Project in southern Peru. Los Otros is subject to the Company's Strategic Alliance Agreement (SAA) with a wholly-owned subsidiary of South32 Limited.

A Reverse Circulation (RC) drilling program of between 3-5 holes for ~1,000m and 1,500m has been designed to provide an initial test of a large porphyry copper target that is located close to the Palaeocene Porphyry Copper Belt of southern Peru, which is the major copper producing region in the country.

The prospect is located within 35km of the Cuajone mine (~1.6Bt @ 0.6% Cu), 40km from the Quellaveco deposit (~1.3Bt @ 0.57% Cu), currently being developed by Anglo American, and ~45km from the Toquepala mine (~3Bt @ 0.47% Cu), operated by Southern Copper Ltd.

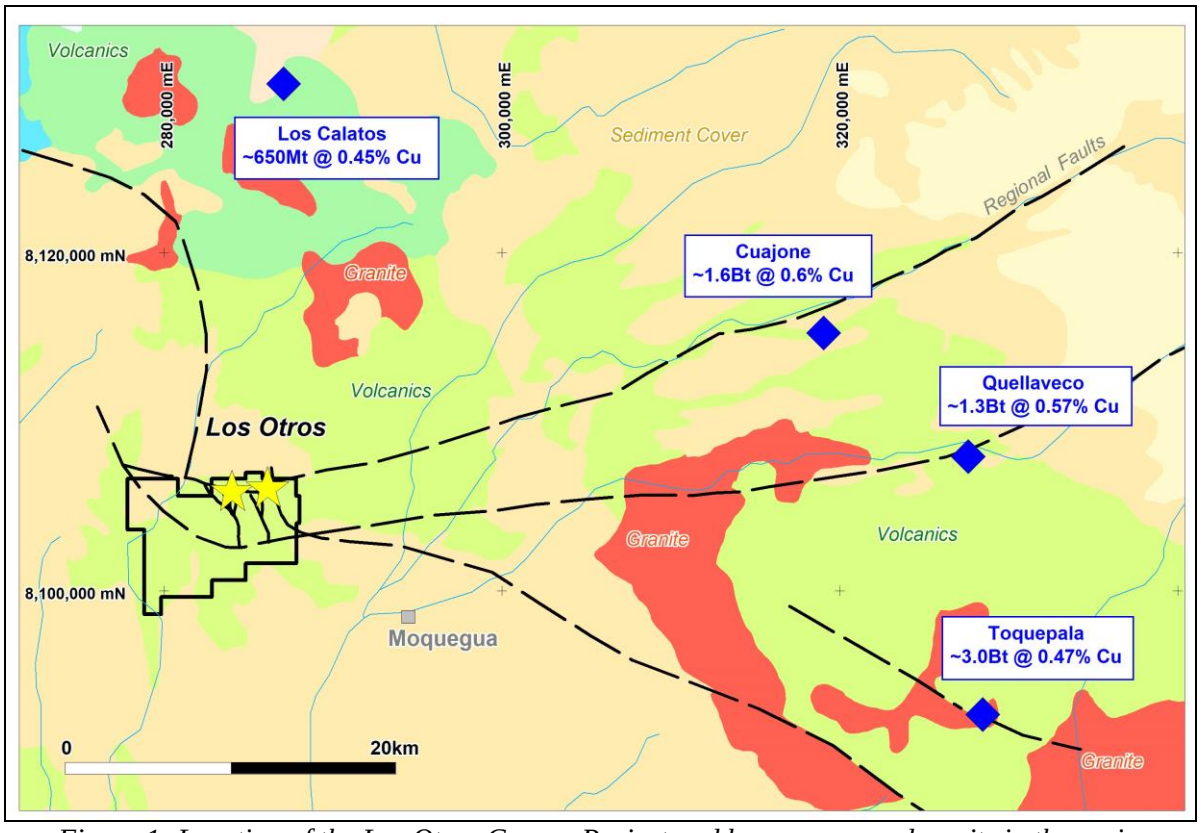


Figure 1: Location of the Los Otros Copper Project and known copper deposits in the region.

The porphyry copper target at Los Otros is associated with an area of advanced argillic alteration (~1km²) that has a Palaeocene age date, similar to the age dates reported for the giant porphyry copper deposits that occur nearby.

Historic geological mapping and sampling by the Company outlined large areas of advanced argillic alteration (possible lithocap) with numerous samples returning anomalous levels of Mo, Bi, As, Sb, Pb, Au, Ag and occasional Cu, suggesting the potential for buried porphyry copper mineralisation (Quarterly Report to ASX September 2017). The alteration and anomalous geochemistry occur marginal to large magnetic bodies that are interpreted to be buried intrusions (possible porphyries) concealed by the overlying volcanic sequences.

Major WNW and NNW structures are also evident in the area with the WNW structures paralleling regional Fault systems which are believed to be closely associated with large porphyry copper deposits in the region.

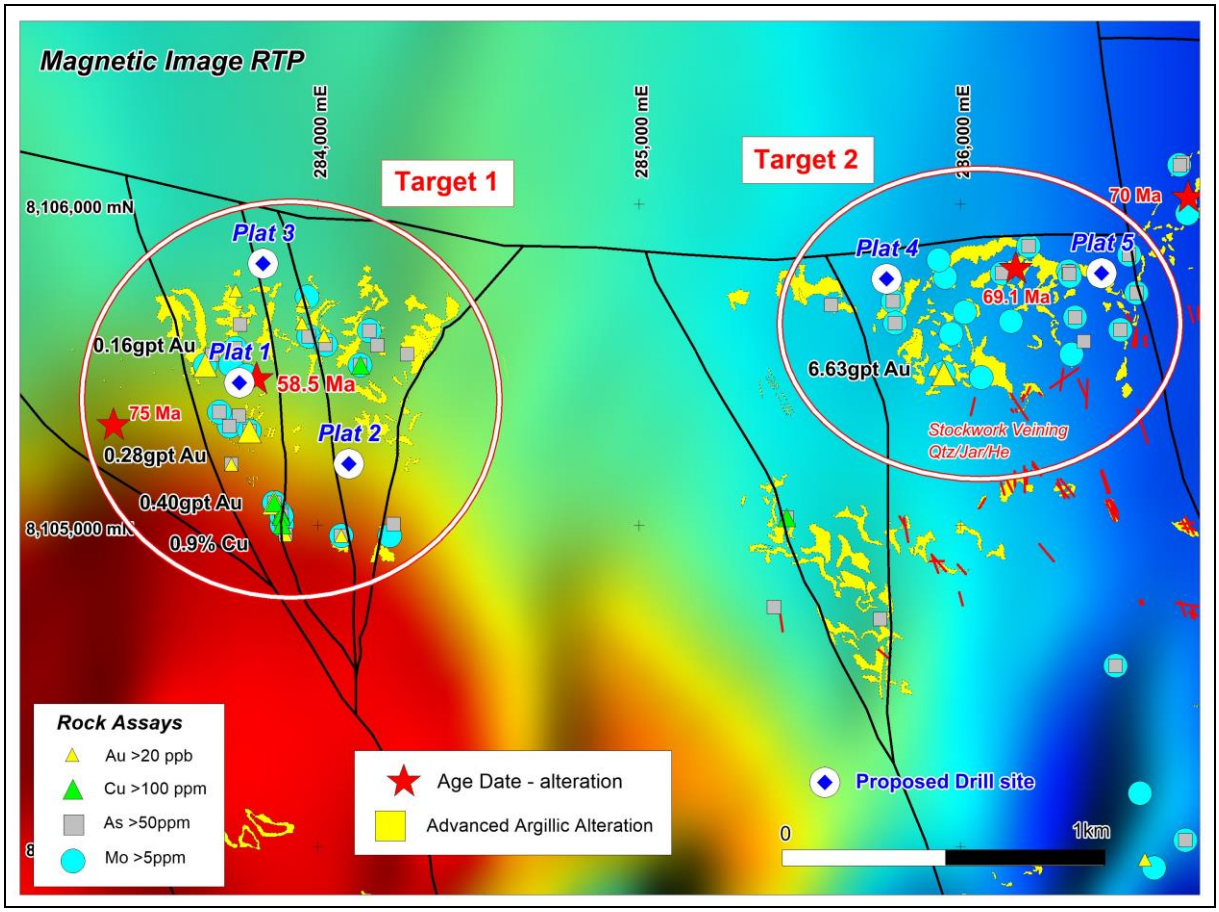


Figure 2: Los Otros Project showing location of planned drill-holes

A drill contract has been finalised with drilling operations expected to commence in December 2021 and take approximately 2-3 weeks to complete. Access preparations are expected to commence in November ahead of drilling.

AusQuest Managing Director Graeme Drew said the Company was looking forward to commencing drilling operations at Los Otros before the end of the year.

"Our team in Peru has already begun preparations for this program, which will be completed with due regard for COVID-19 safety procedures in order to ensure the health and well-being of our employees and contractors," he continued.

"We look forward to advising shareholders when drilling operations have commenced," he added.



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.