January 13th, 2022
ASX Release

MAIDEN DRILLING PROGRAM COMMENCES AT LOS OTROS COPPER PROJECT, PERU

~1,200m of Reverse Circulation drilling underway testing large porphyry copper targets

AusQuest Limited (ASX: AQD) is pleased to advise that it has commenced its maiden drilling program at the Los Otros Porphyry Copper Project in southern Peru, which is subject to its Strategic Alliance Agreement (SAA) with a wholly-owned subsidiary of South32 Limited.

The program, comprising ~1,200m of Reverse Circulation (RC) drilling (3-5 holes), will be undertaken as an initial test of a series of large porphyry copper targets located close to the Palaeocene Porphyry Copper Belt of southern Peru, which is the country's major copper producing region.

The program is estimated to take around two weeks to complete with assay results expected to be available approximately six weeks after completion of drilling.

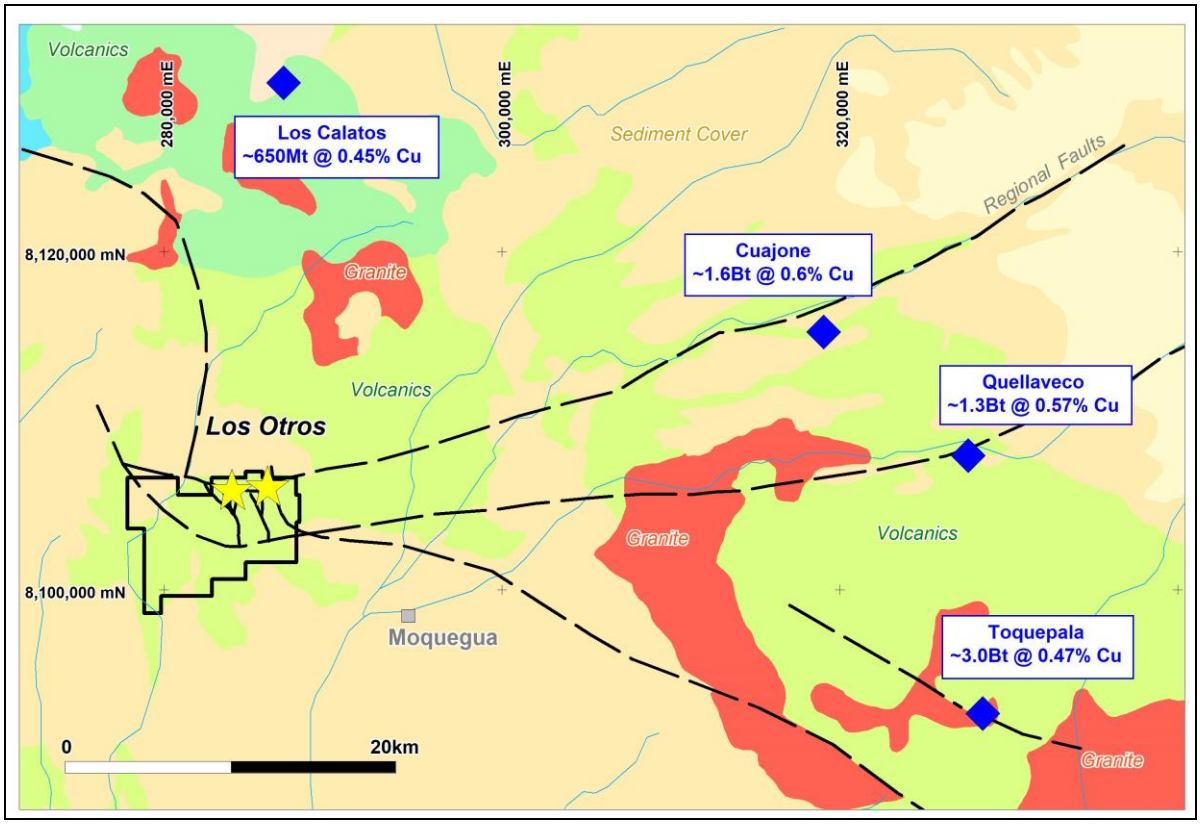


Figure 1: Location of the Los Otros Copper Project and known copper deposits in the region.

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 located nearby.

Historic geological mapping and sampling by the Company has outlined large areas of alteration (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 areas of alteration and anomalous geochemistry are located proximal to large magnetic bodies that are interpreted to be buried intrusions concealed by the overlying volcanic sequences.

Major WNW and NNW structures are evident in the area with the WNW structures running parallel to major regional fault systems which are believed to be closely associated with large porphyry copper deposits in the region.

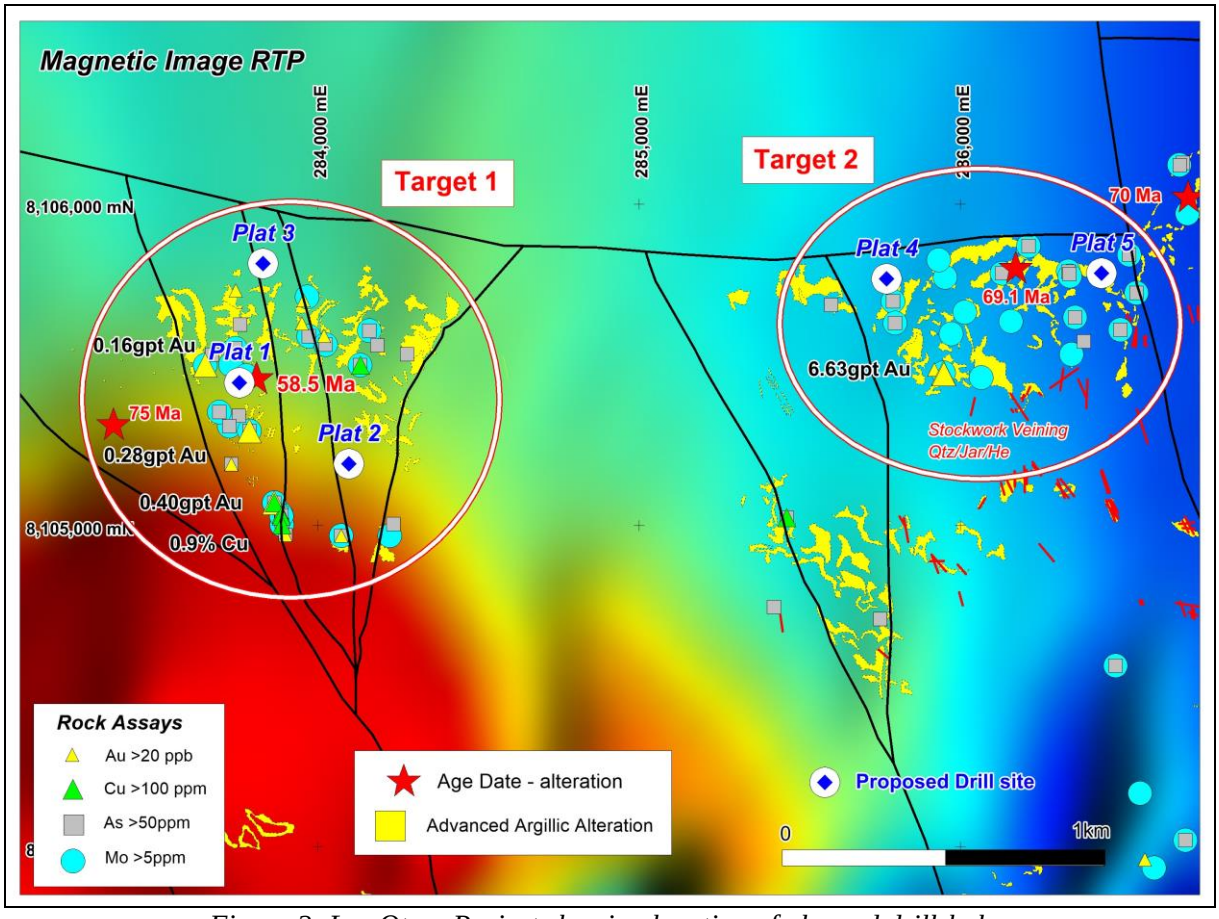


Figure 2: Los Otros Project showing location of planned drill-holes

AusQuest Managing Director Graeme Drew said the start of drilling at Los Otros marked the beginning of a major drilling effort by the Company across key projects in Peru in Australia during the first half of 2022.

"The start of a new drilling program is always an exciting time for our shareholders, especially when we are drilling large new targets in highly prospective regions," he said.

"While the maiden drilling program at Los Otros is reconnaissance in nature, the results could be instrumental in identifying new porphyry copper systems in the region. We look forward to reporting results as soon as 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.