

October 4, 2018  
ASX Release

## DRILLING COMMENCES AT CERRO DE FIERRO IOCG COPPER-GOLD PROJECT, PERU

Further to its announcement of 28 August, AusQuest Limited (ASX: AQD) is pleased to advise that diamond drilling has now commenced at the Cerro de Fierro Iron-Oxide Copper-Gold (IOCG) Project in southern Peru. The program, comprising seven holes for a total of up to 3,500m, is expected to take approximately two months to complete.

Diamond drilling will test an Iron-Oxide Copper-Gold (IOCG) target reflecting possible manto-style copper (gold) mineralisation defined by a strong IP chargeability anomaly, and a large discrete magnetic response. Previously reported geological mapping and sampling located extensive copper mineralisation proximal to the magnetic/IP target, returning numerous copper values in excess of 0.1% Cu with many in excess of 1% Cu.

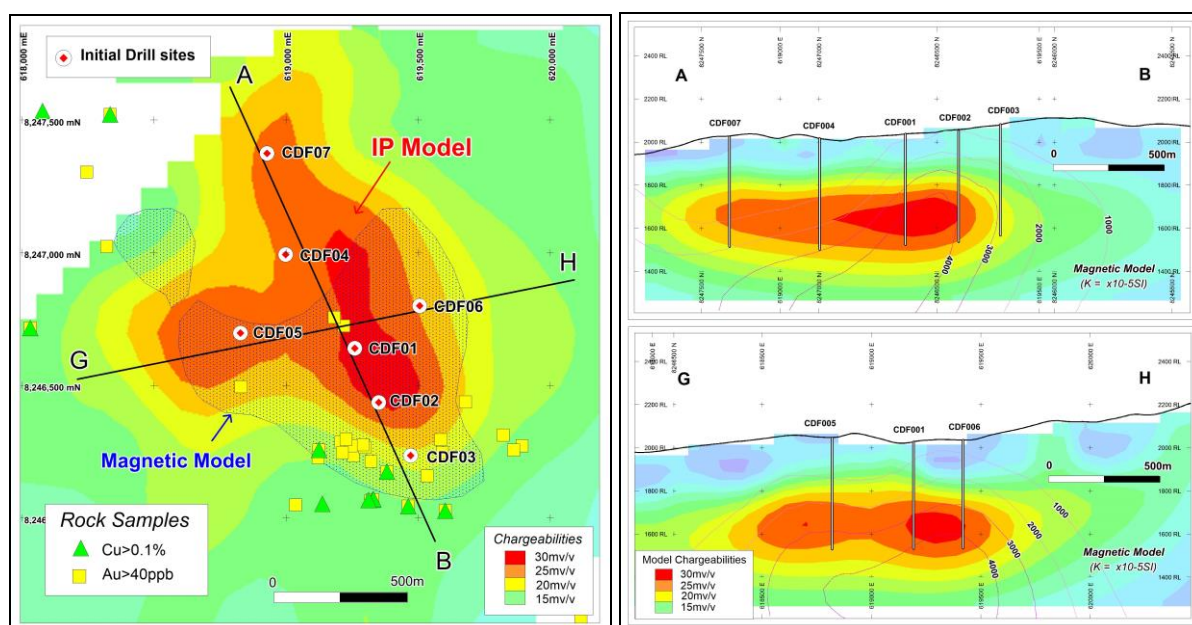


Figure 1: Cerro de Fierro IOCG target showing location of the initial drill holes.

The Cerro de Fierro Project is located at the southern end of a recognised IOCG metallogenic belt in southern Peru. It lies within ~150km of the Mina Justa deposit (~475Mt @ 0.68% Cu), which is being developed by Peruvian mining company Minsur S.A.

The Project is the subject of an agreement with globally diversified mining and metals company South32 (ASX, LSE, JSE: S32; ADR: SOUHY), whereby South32 can earn a 70% interest in the project by spending US\$4.0 million, with the right to earn an additional 10% interest by completing a Pre-Feasibility Study.

AusQuest is the operator during the first phase of drilling.

AusQuest Managing Director Graeme Drew said the diamond drilling program at Cerro de Fierro was the second major drilling program to be undertaken in Peru under the Company's

Strategic Alliance (SAA) with South32, and the third drilling program to commence recently under the SAA - the others being at the Jimberlana nickel project and the Blue Billy zinc project, both in Western Australia.”

“This is an exciting time for our shareholders as we continue to drill-test targets under the SAA that have been identified by our team in Peru and in Western Australia. The targets are all potential company-makers, and we look forward to reporting results of this drilling over the coming weeks and months.”



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.*