

October 28, 2019
ASX Release

NEW DRILLING PROGRAMS SET TO COMMENCE IN AUSTRALIA AND PERU IN NOVEMBER

AusQuest Limited (ASX: AQD) is pleased to advise that access and site preparation work has commenced for upcoming drilling programs in Australia and Peru.

Drilling is now expected to begin at both the Telegraph Prospect at Balladonia in Western Australia and the Cerro de Fierro Copper Prospect in southern Peru during the second half of November 2019. Both programs are being funded under the Company's Strategic Alliance Agreement (SAA) with South32.

AUSTRALIA:

At the Telegraph Prospect at **Balladonia**, in the Fraser Range area of Western Australia, a program comprising six Reverse Circulation (RC) drill-holes for ~1,600m is scheduled to commence in the second half of November. All access approvals have been obtained and access / site preparation work is underway.

Drilling will test beneath recent air-core drill-holes which intersected anomalous copper (300 to 5,500ppm Cu), silver (1 to 51gpt Ag), lead (150 to 1,800ppm Pb) and zinc (400 to 2,900ppm Zn) values within a deeply weathered (>99m) alteration profile, outlining a base metal target approximately 500m x 200m in size (*Figures 1 and 2*).

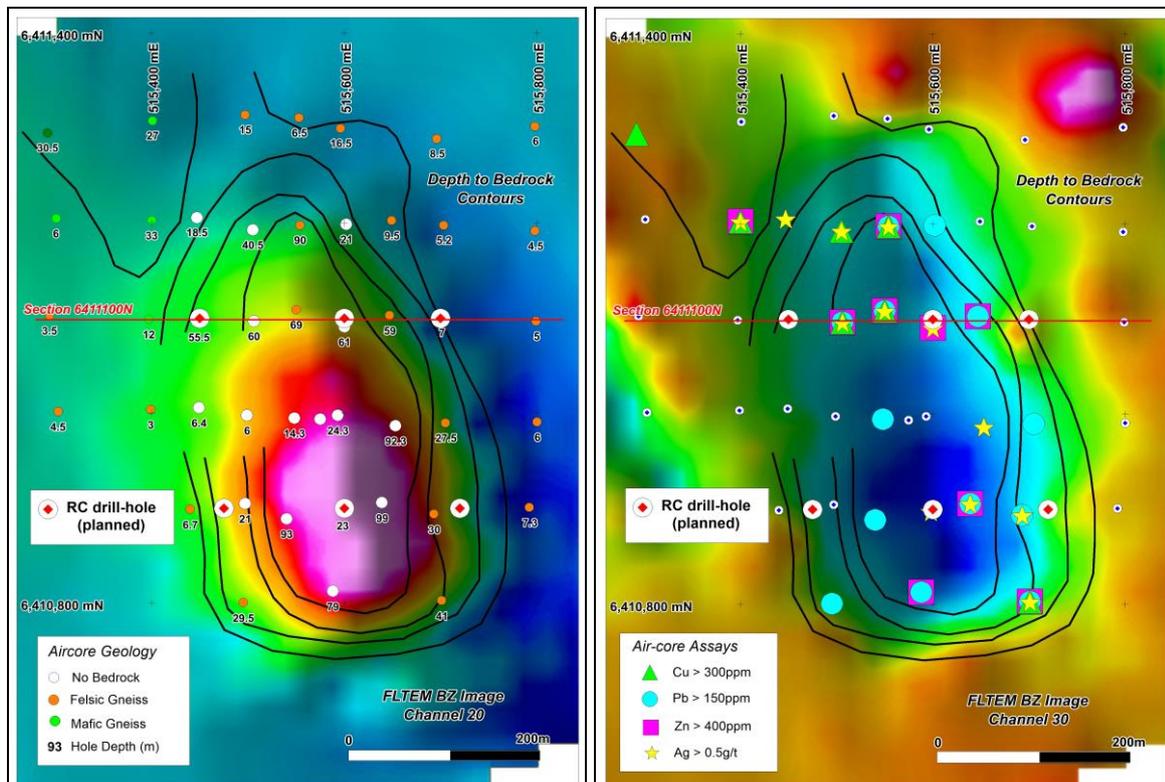


Figure 1: Balladonia Telegraph Prospect – air-core drilling results and depth to bedrock contours.

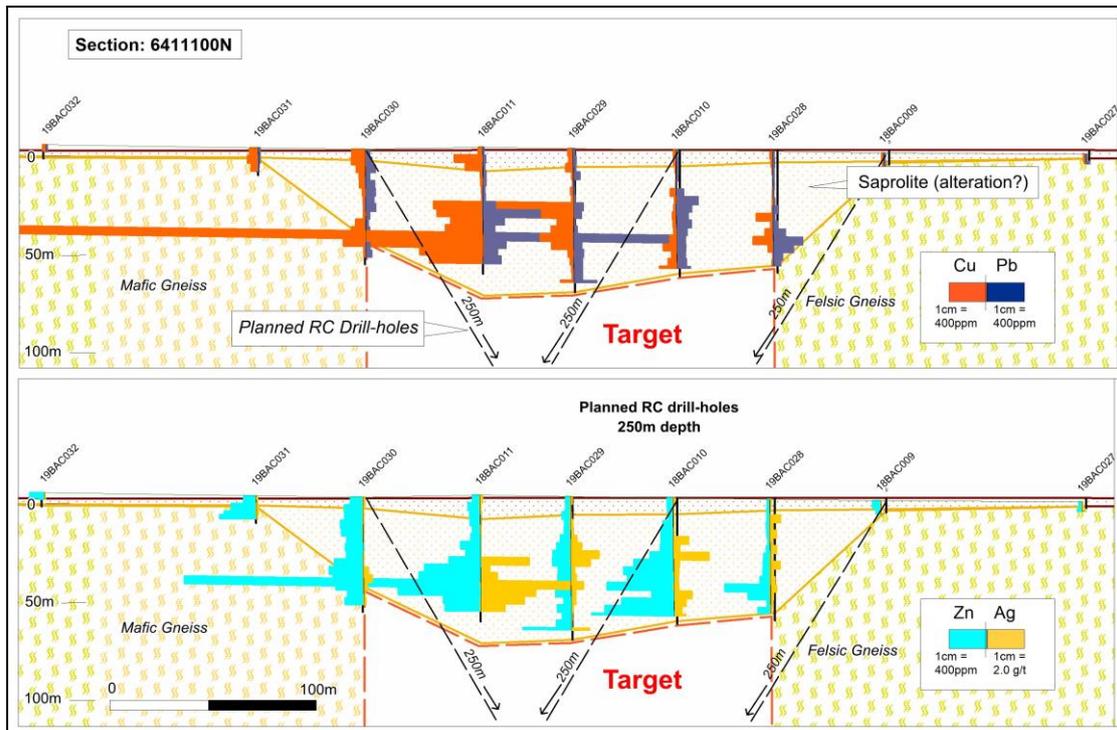


Figure 2: Telegraph Section 6411100N showing air-core results and planned RC drill-holes.

PERU:

In southern Peru, a second round of diamond drilling comprising four drill-holes for ~2,400m is expected to commence at the **Cerro de Fierro Copper Prospect** in the second half of November 2019. A drilling contract has been signed with AK Drilling International S.A., and camp / access preparations have been initiated. Final Government approvals are expected around mid-November.

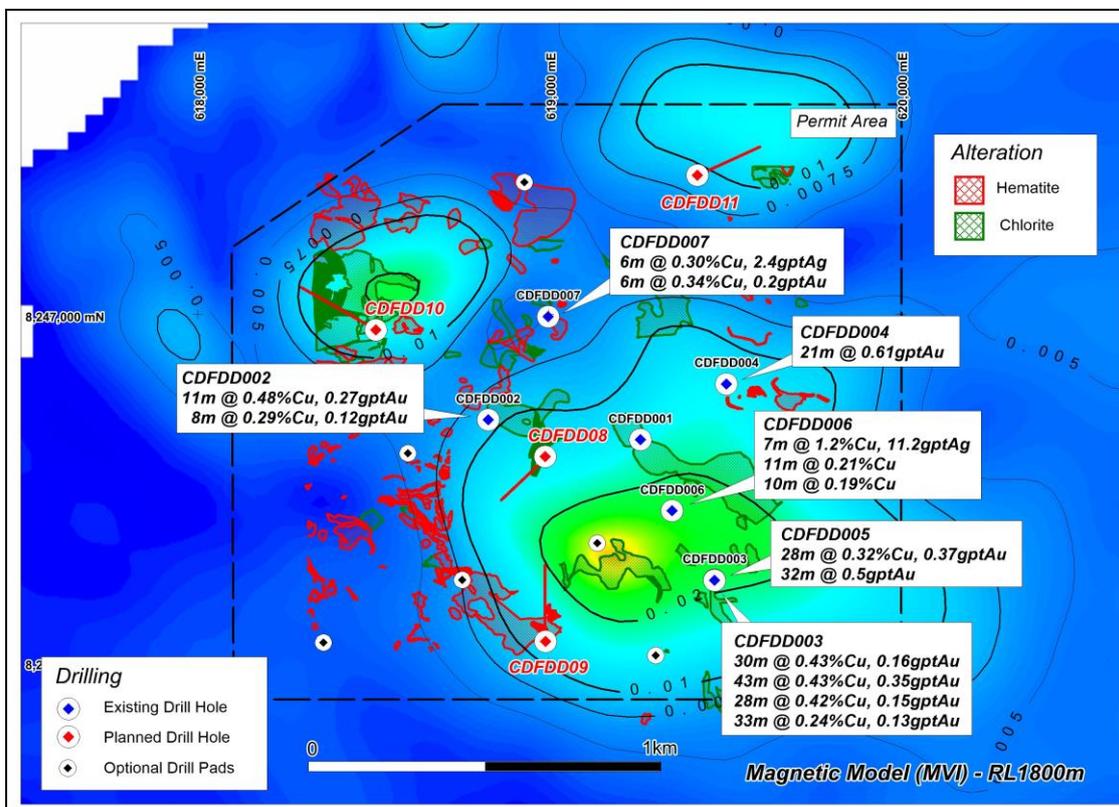


Figure 3: Cerro de Fierro drilling results showing location of planned drill-holes.

Drilling will test for extensions to the copper-gold mineralisation intersected previously in drill-holes CDFDD03, CDFDD06 and CDFDD02, as well as testing new areas of interest with similar geophysical, geochemical and geological indicators (*Figure 3*).

MANAGEMENT COMMENT:

AusQuest's Managing Director, Graeme Drew, said the upcoming drilling programs represented the first time under the SAA with South32 that exploration had progressed to a second phase of drilling based on encouraging assay results received from earlier drilling.

"These projects all represent potential company-makers for AusQuest, and we are excited about what the upcoming drilling programs could deliver," he said.



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.