

19th July, 2022

MAJOR DRILLING PROGRAM UNDERWAY AT PARCOY, PERU

- **Ten RC drill-holes (~3,500m) planned to test strong copper anomalism**
- **Program funded under the Strategic Alliance Agreement with South32**
- **Assay results expected by late August 2022**

Further to its announcement on July 11th, AusQuest Limited (ASX: AQD) is pleased to advise that Reverse Circulation (RC) drilling (10 holes for ~3,500m) has now commenced at the **Parcoy Copper Project** in Southern Peru. The project is subject to the Strategic Alliance Agreement (SAA) with a wholly-owned subsidiary of South32.

Drilling is designed to test beneath strong surface copper anomalism that stretches over a strike length of ~3km within andesitic volcanics that are potassically altered – an indication that manto-style copper mineralisation could be widespread at Parcoy.

The Parcoy Project is located near the southern end of a recognised Iron-Oxide Copper-Gold (IOCG) metallogenic belt in Southern Peru and is located ~100km south of the Mina Justa deposit (~475Mt @ 0.68% Cu), which is being developed by Marcobre SAC.

Drilling in 2021 provided 'proof-of-concept' for manto-style copper at Parcoy but did not test the strongest copper anomalies due to poor access into the centre of the target area.

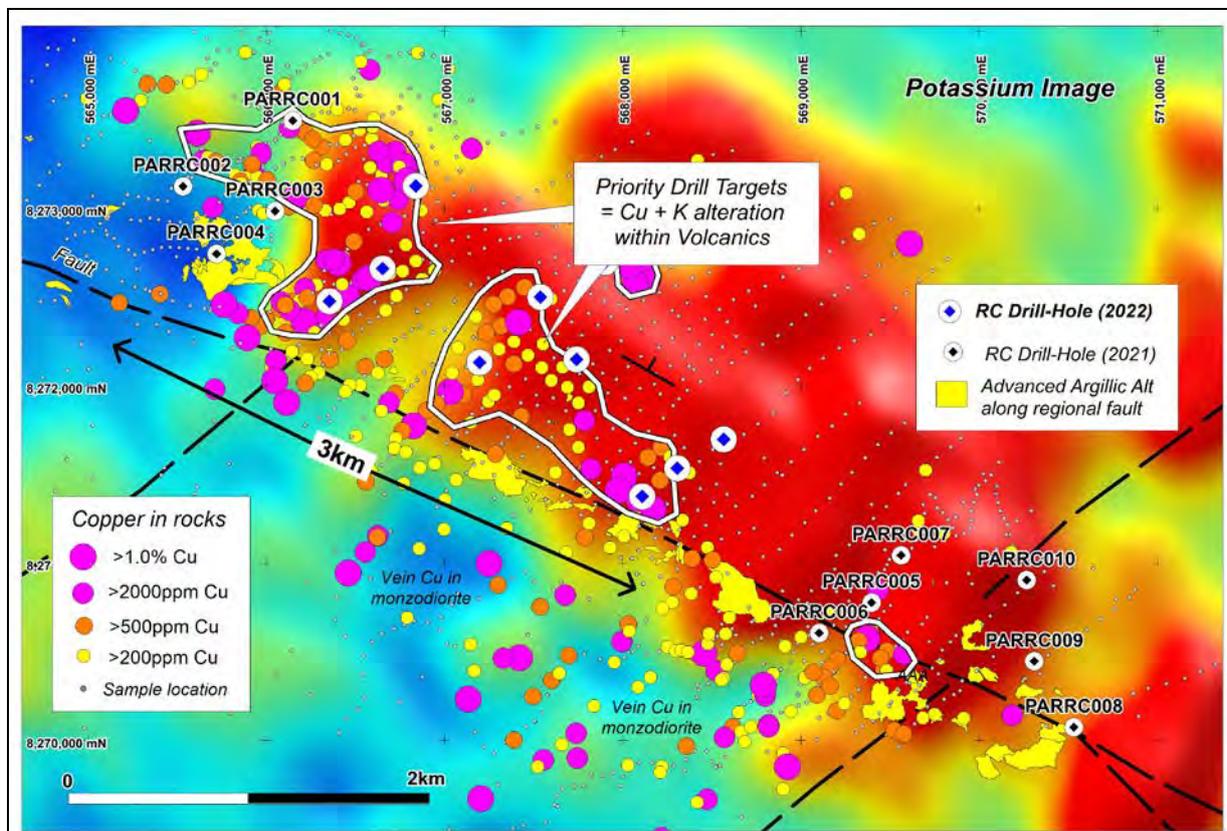


Figure 1: Parcoy Project showing copper anomalies and drill-hole locations.

Drilling should take approximately 3-4 weeks to complete with samples sent to ALS in Lima for analysis. Final assay results should be available 4-6 weeks after the completion of drilling.

AusQuest's Managing Director, Graeme Drew, said the Company was excited to be drilling again in Peru.

"We have a number of quality porphyry-copper and manto-copper targets that we are planning to drill test over the coming months, which should provide us with a good indication of the potential for a large-scale copper discovery on our ground" he said.

"The current drilling program at Parcoy is part of a much larger program of up to 10,000m of RC drilling that will be completed in Peru over the coming months, with extensive drilling also planned at our Cerro de Fierro Project (Pirata)."

"Any one of the targets has the potential to add significant value to the Company, should we be successful" he added.

A handwritten signature in black ink, appearing to read 'G Drew'.

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.