

Sept 21st, 2016
ASX Release



UPDATE ON PERU COPPER-GOLD JOINT VENTURES

AusQuest Limited (ASX: AQD) advises that its partner in the Cardonal and Puite-Colorada Joint Ventures in the Ilo area of southern Peru, Compania Minera Zahena SAC (“Zahena”), has given notice of its intention to withdraw from the joint ventures in October 2016.

Diamond drilling is ongoing and will continue in line with the minimum expenditure requirements under the agreements. Following the termination of the joint ventures, all drilling and assay data revert to AusQuest which will retain 100 per cent ownership of these projects.

At the conclusion of the joint ventures, Zahena will have completed 21 drill-holes for a total of ~12,500m with four holes completed at the Cardonal and Colorada prospects, six holes at Puite and seven holes at Ventana, with total expenditure levels in excess of those required under the terms of the agreements (US2.5 million).

AusQuest remains encouraged by the results it has seen to date from the projects and plans to continue its strategy of attracting joint venture partners to its 100%-owned projects in Peru, which will now include those in the Ilo area.

AusQuest Managing Director Mr Graeme Drew said the Company intended to complete a full analysis of drilling data from the current round of drilling and incorporate this information with its existing surface sampling and geophysical data to identify new targets.

“The results we have seen to date have given us sufficient encouragement that we are relatively close to a potential porphyry copper system to push ahead with the next phase of exploration,” he said.

“We intend to do that with the assistance of a new joint venture partner following the conclusion of the current arrangements,” he said. “We have had a high level of interest in our 100 per cent owned projects, and we look forward to providing further updates on possible new joint ventures in due course.”



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.