

12<sup>th</sup> June 2015  
ASX Release



## **NEW PERU COPPER JOINT VENTURES ADVANCING TOWARDS MAIDEN DRILLING**

- *All three recent joint venture agreements now registered on public registry*
- *Drilling preparations well advanced: expected to commence at the Lana prospect in the next two months*
- *Additional JV discussions initiated on 100%-owned projects*

AusQuest Limited (ASX: AQD) is pleased to advise that its newly established copper-gold exploration joint ventures in southern Peru are progressing well and advancing towards the commencement of maiden drilling programs, anticipated to begin next quarter.

All three joint venture agreements, which were concluded earlier this year with the two major copper companies operating in Peru – Southern Peru Copper Corporation (“Southern”) and Compania Minera Zahena SAC (“Zahena”) – have now been registered on the public registry, allowing preparations for initial drilling at each of the four large porphyry copper targets to move forward.

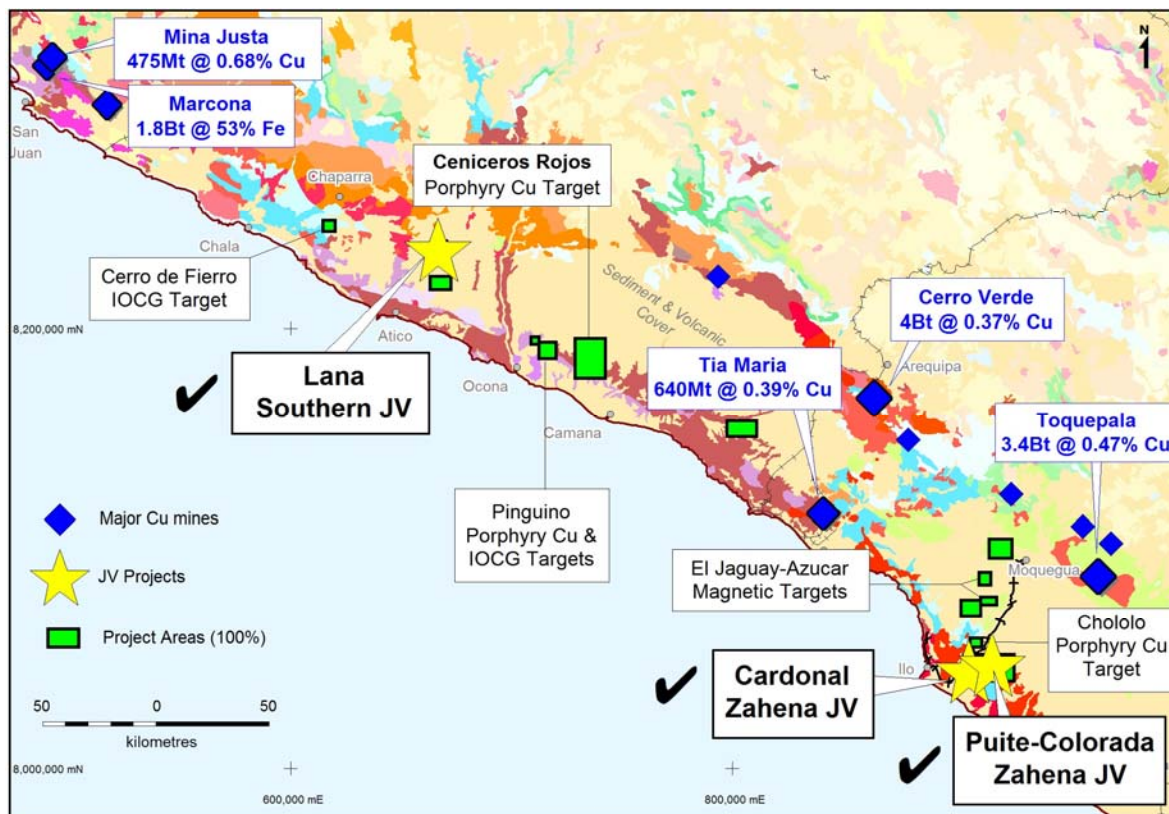
Under the agreements, both Southern and Zahena can earn a 70% equity in the joint venture project(s) for a structured series of cash option payments to AusQuest (totalling ~US\$10M) and sole funding 70,000m of drilling worth an estimated US\$16.5M, amounting to a total estimated value across the joint ventures of US\$26.5M (~A\$34M). Details of each agreement were reported to the ASX on 24<sup>th</sup> February 2015.

Southern has advised that preparations for initial diamond drilling at the Lana copper prospect are well advanced, including the provision of water, and planning for access preparations are underway. Drilling at Lana is expected to commence within the next couple of months.

Under the Cardonal and Puite-Colorada Joint Ventures, Zahena has advised that it is in the process of upgrading the proposed drilling program from Reverse Circulation (RC) to diamond core drilling to provide a more complete assessment of the targets to be tested. Revised permit applications to allow for this change have been submitted to the relevant Government departments.

Zahena expect drilling to commence at these projects within the next 2-3 months, subject to final approval of their revised drilling permits which will allow for up to 20 diamond drill-holes to be completed within each project.

Having recently returned from a site visit to southern Peru, AusQuest’s Managing Director Graeme Drew said: “Preparations for drilling on our joint venture prospects appear to be well advanced and on track to commence next quarter. Shareholders can look forward to an exciting and busy second half of 2015 with plenty of news flow as drilling gets underway. We will update shareholders and the market when the first of these programs is about to commence.”



*Peru Project and Joint Venture locations*

### **AusQuest Projects (100%)**

The Company is now focused on advancing its 100%-owned prospects in southern Peru through to drilling and possible joint venture.

Detailed mapping and surface sampling has been completed at the Chololo prospect, where the Company believes it has identified a large porphyry copper target adjacent to the Chololo Fault. Data compilation and assessment of results is expected to be completed in early July, and will be used to facilitate joint venture negotiations.

Preliminary discussions have already been initiated with several companies, indicating a high level of interest in this prospect which the Company believes will form part of an ongoing pipeline of porphyry copper targets to be drilled under future joint venture arrangements.

Geological mapping and sampling coupled with geophysical surveys will be undertaken over the coming months to advance at least two additional prospects in southern Peru to the drilling stage.

The Board of AusQuest is encouraged by the progress being made in southern Peru and looks forward to reporting on future developments as they occur.

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.*