

December 29<sup>th</sup>, 2015  
ASX Release



## MAIDEN PERU DRILL PROGRAM COMMENCES

*Drilling of first large-scale porphyry copper-gold target has commenced at Lana*

AusQuest Limited (ASX: AQD) is pleased to advise that diamond drilling under the Lana Joint Venture Agreement with Southern Peru Copper Corporation Sucursal del Peru (“Southern”) has commenced.

Drilling at Lana represents the first of five large porphyry copper-gold prospects in the south of Peru which are scheduled for drill testing before the end of 2016.

A total of 25,000 metres of diamond drilling or expenditure of not less than US\$4.0 million will need to be completed before the end of 2016 to fulfil requirements under the Joint Venture Agreements with both Southern (Lana Project) and Compania Minera Zahena SAC (“Zahena”) for the Puite-Colorada and Cardonal Projects.

The following table summarises the expected drilling program in Peru for 2016:

Joint Venture	Prospect	Drilling	Drill Permit	Drilling Completed by
<i>Lana</i>	Lana	5,000m	Yes	April - 2016
<i>Puite-Colorada</i>	Puite	10,000m	Pending	October - 2016
	Colorada		Pending	October - 2016
<i>Cardonal</i>	Ventana	10,000m	Pending	December - 2016
	Cardonal		Pending	December - 2016

In order to earn a 70% interest in each joint venture project, Southern and Zahena must complete further drilling (Lana – 15,000m; Puite-Colorada and Cardonal – 20,000m each) and make staged cash payments to AusQuest (Lana - US\$2.925M; Puite-Colorada – US\$3.925M and Cardonal – US\$2.875M) over the following 3 year period (for details of the agreements see the Company’s ASX announcement dated February 24<sup>th</sup> 2015)

### **Lana Project:**

Lana is located approximately 30km from the coastal town of Atico in the south of Peru and covers a large (~20km<sup>2</sup>) discrete gravity anomaly (~8 milligals), located close to the intersection of major structures interpreted from the Company’s aeromagnetic data.

The gravity target is offset from a deeper (~400m) magnetic response, indicating potential for the prospect to host possible buried iron-oxide copper-gold (IOCG) and/or porphyry copper-style mineralisation beneath the sediment cover (*Figure 1*).

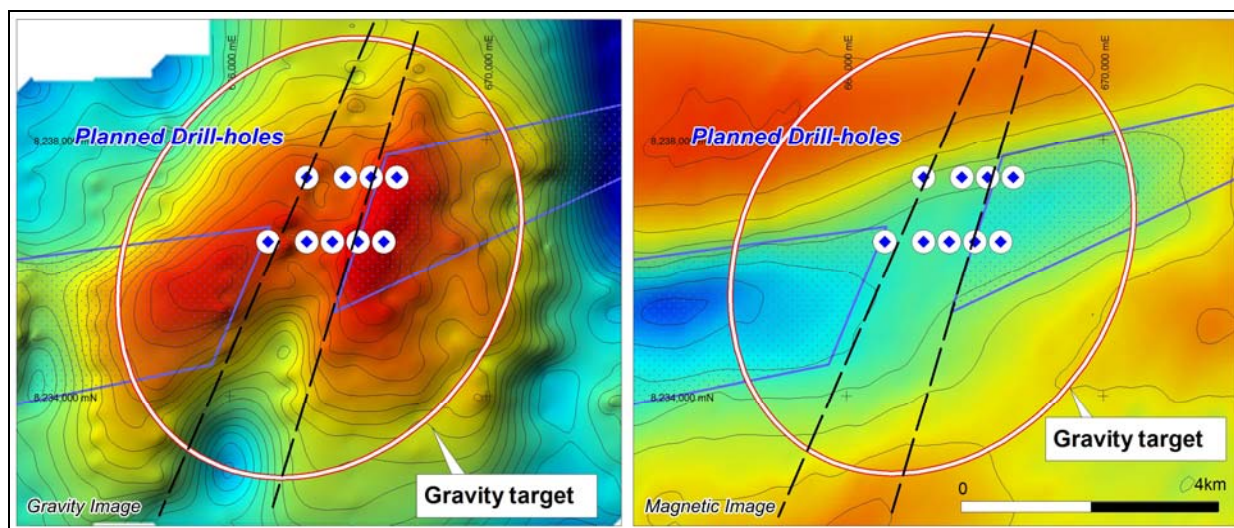


Figure 1: Lana Prospect: Gravity Target showing planned drill-holes

The Company is pleased that its maiden drilling program in Peru has finally commenced and is excited about the year ahead which will see up to 25,000 metres of diamond drilling completed across five of its copper-gold prospects in the south of Peru.

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.*