ASX ANNOUNCEMENT

March 30th, 2023

EXPOSED PORPHYRY COPPER SYSTEM DISCOVERED ON NEWLY-ACQUIRED TENEMENTS IN PERU

- ***Exposed porphyry copper system identified close to infrastructure***
- ***Highly anomalous Cu, Mo (+/-Au) values in sericite altered surface samples***
- ***Extensive cover also suggests the potential for buried copper mineralisation***

AusQuest Limited (ASX: AQD) is pleased to advise that it has successfully acquired tenements over a partially exposed copper (+/- gold) porphyry system in southern Peru. The project is located within 10km of the coast, close to the Panamerican Highway and approximately 25km east of the town of Chala.

The **Cangallo Prospect**, which has not previously been explored, was originally identified by the Company's proprietary regional aeromagnetic/radiometric survey and was acquired recently when the area became available for pegging.

Geological mapping and rock-chip sampling of limited sub-crop has confirmed the presence of highly anomalous copper (up to 0.64% Cu), molybdenum (up to 42ppm Mo) and scattered gold values (up to 2.5g/t Au) within multiple-veined and altered (sericite) volcanics and porphyritic rocks, indicating the presence of a partially exposed porphyry system.

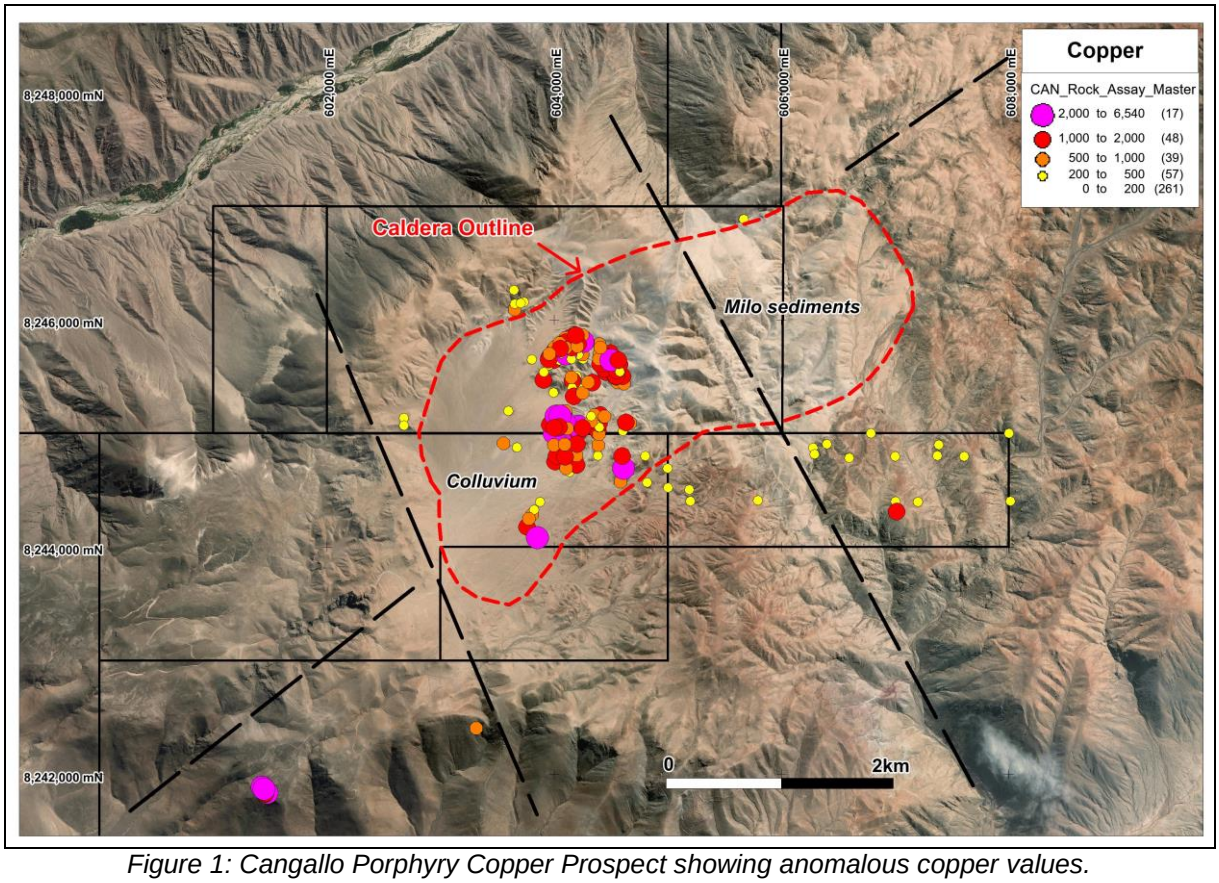

Figure 1: Cangallo Porphyry Copper Prospect showing anomalous copper values.

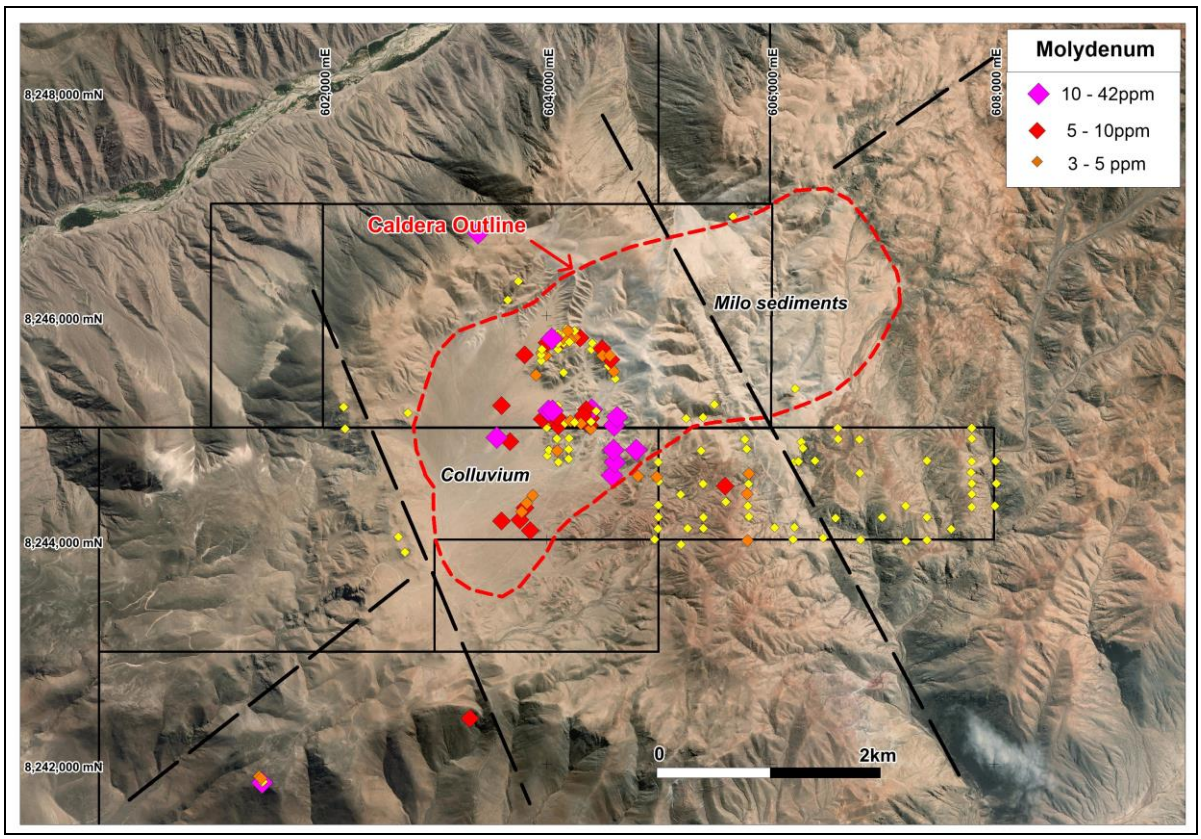

Figure 2: Cangallo Porphyry Copper Prospect showing anomalous molybdenum values.

Satellite imagery suggests that the porphyry system occurs within a large-scale caldera structure (~5km x 2km) at the intersection of regional NE and NW trending faults. Extensive thin cover (colluvium and/or Milo Formation sediments) within the inferred caldera is believed to mask the full-scale potential of the porphyry system, with minor sub-crops within covered areas also containing sericite altered volcanics and highly anomalous copper and molybdenum values (plus other pathfinder elements).

AusQuest's Managing Director, Graeme Drew, said the discovery of a partially exposed porphyry copper system in an area with excellent infrastructure attributes, close to the Panamerican Highway, was a real surprise for the Company as it was thought that all exposed porphyries, especially in Peru, would have been found by now.

"The size of the potential caldera structure supports the idea that we are only seeing a small portion of the porphyry system at surface, and there could well be greater rewards under the thin cover that surrounds the copper-anomalous sub-crops," he said. "We are looking forward to getting on the ground to explore this exciting project as soon as we can."

Next Steps:

- Design drilling program to test below high surface copper values and below cover.
- Initiate the drill permitting process to obtain clearances for drilling.
- Complete drilling program once permits have been obtained.

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.

JORC Code, 2012 Edition – Table 1 AusQuest Rock-Chip Sampling at Cangallo in Peru

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• Rock chip sampling comprises the collection of rocks, usually by hammering an outcrop, with samples being of variable size and quality. • Sample locations are recorded by hand-held GPS. • Samples were collected at intervals varying from 50m x 50m over small areas of outcrop up to approx. 200m x 100m over large areas of sub-crop with random intervals over small isolated areas. • Approximately 1.5 kg of rock was collected from each sample site over a radius of ~1 metre to provide a representative sample of the outcrop.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• Not applicable – surface sampling only
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• Not applicable – surface sampling only
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean,*	• Descriptions of the rocks were completed by a project geologist.

Criteria	JORC Code explanation	Commentary
	channel, etc) photography. • *The total length and percentage of the relevant intersections logged.*	
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• No sub-sampling of rock-chip samples was undertaken • Approximately 1.5 kg of rock was collected from each sample site over a radius of ~1 metre to provide a representative sample of the outcrop. • The rough grid based sampling program provided an unbiased sample for lithological and alteration geochemistry.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• Rock chip samples are crushed and pulverized to 85% minus 75 microns, then a representative sub-sample is collected for digestion using a 4 acid digest, followed by analysis by ICP-MS and/or AES to measure Ag, Al, As, Ba, Be, Bi, Ca, Cd, Ce, Co, Cr, Cs, Cu, Fe, Ga, Ge, Hf, In, K, La, Li, Mg, Mn, Mo, Na, Nb, Ni, P, Pb, Rb, Re, S, Sb, Sc, Se, Sn, Sr, Ta, Te, Th, Ti, Tl, U, V, W, Y, Zn, Zr. • Gold assays are by 30gm fire assay with AAS finish. • Assays are provided by ALS del Peru in Lima which is a certified laboratory for mineral analyses. Analytical data is transferred to the company via email. • In-house laboratory QAQC data is reviewed for all assay jobs. Blanks and standards are included with all sample batches.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Rock-chip sample locations are compiled into Excel spreadsheets for merging with assay data when it becomes available. • Digital data is regularly backed-up on the company's servers.

Criteria	JORC Code explanation	Commentary
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Sample locations are recorded using GPS to within 5 metres accuracy. • The grid projection used is WGS84 Zone 18S • Topographic control is obtained from GPS readings or topographic maps and is considered adequate for current needs
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Rock chip samples were collected at variable spacings from 50m x 50m up to 200m x 100m depending on the extent & size of outcrop. • Approximately 1.5 kg of rock was collected from each sample site over a radius of ~1 metre.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• The rock-chip sampling is roughly on variable square grids over randomly outcropping areas. It is not considered to provide any sample bias across structures.
Sample security	• *The measures taken to ensure sample security.*	• Samples are securely tied/sealed in the field, followed by packing into larger sealed plastic bags for transport to the laboratory.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• No audits or reviews have been carried out on the sampling to date.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• The Cangallo project is located approximately 25km east of the town of Chala in the southern Peru. • The Cangallo project comprises 2 granted mineral concessions and 7 mineral concession application. The tenements are held by Questdor which is a 100% owned subsidiary of AusQuest Limited. • There are no major heritage issues to prevent access to the tenements during surface exploration

Criteria	JORC Code explanation	Commentary
		activities. Permits to drill are required including environmental, water and land access involving community consultations.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• No public reporting of exploration data is required in Peru.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The Cangallo Project is targeting Porphyry Copper deposits along the coastal belt of southern Peru. These are large scale disseminated copper (and gold) deposits found within orogenic belts that surround the Pacific Rim. The deposits can be areally large requiring significant drilling to evaluate.

Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:*
	  ○ *easting and northing of the drill hole collar*
	  ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*
	  ○ *dip and azimuth of the hole*
	  ○ *down hole length and interception depth*
	  ○ *hole length.*
	• *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*
		• Not applicable – surface sampling only

Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• Not applicable – surface sampling only.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a*	• Not applicable – surface sampling only

Criteria	JORC Code explanation	Commentary
	clear statement to this effect (eg 'down hole length, true width not known').	
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Sample locations are included on the plan provided in ASX release.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• Assay ranges are shown on the plan provided in ASX release.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• The area was selected for sampling to cover outcropping areas within an interpreted large caldera-like structure that was originally identified by the company's airborne survey.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Further work in this area will be dependent on a full assessment of the assay data and compilation with other data sets.