

December 18, 2017  
ASX Release



## **NEW AGREEMENTS SIGNED TO PROGRESS DRILLING OF COPPER PROJECTS IN PERU**

*AusQuest to receive US\$500,000 bonus payment under Strategic Alliance Agreement.*

AusQuest Limited (ASX: AQD) is pleased to advise that it has signed new agreements with its Strategic Alliance partner South32 (ASX: S32) to undertake drilling programmes at the Chololo and Cerro de Fierro Copper Projects in southern Peru, bringing the number of projects that have progressed to the drilling stage since the Strategic Alliance commenced in February 2017 to three.

Under the terms of the Strategic Alliance Agreement (SAA), a Bonus Generation Fee of US\$500,000 is now due and payable to AusQuest.

Under the Agreements, South32 can spend US\$4.0 million on each project to earn a 70% interest with the right to earn a further 10% interest by completing Pre-Feasibility Studies. Drill permitting is now in progress at both sites.

At the Chololo Project, located ~30km from the port of Ilo in southern Peru, diamond drilling (up to 5,000m) will test a large-scale porphyry copper target identified by IP surveys over areas where porphyry style alteration and anomalous chemistry have been defined (ASX releases 6 July and 21 September).

At the Cerro de Fierro Project, located ~150km south of the Mina Justa (~475Mt @ 0.68% Cu) deposit, diamond drilling (up to 3000m) will test a large-scale Iron-Oxide Copper-Gold (IOCG) target identified by the Company's aeromagnetic survey and confirmed by mapping, sampling and IP surveys (ASX releases 9 October and 2 November).

AusQuest Managing Director Graeme Drew said the completion of agreements to drill large-scale copper and gold targets at both the Chololo and Cerro de Fierro Prospects was a significant development for the Company, with both projects having company-making potential.

"The US\$500,000 bonus provided by South32 will be a welcome addition to help identify further opportunities for the Alliance," he said.



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.*