

August 20, 2018
ASX Release



AUSQUEST CONSOLIDATES TITLE POSITION AT THE VENTURA PROSPECT IN SOUTHERN PERU

AusQuest Limited (ASX: AQD) is pleased to advise that it has signed a Farm-In/Option Agreement with Westminster Resources Limited (TSX.V:WMR) covering five Mineral Concessions within the Puite-Ventura project area in southern Peru (Figure 1). This agreement consolidates the Company's tenement position in an area where previous drilling by the Company (2016) had indicated potential for a nearby porphyry copper system in areas surrounding the initial drill-holes.

The terms of the Agreement include:

- Phase 1 (18 months): an exploration program at the sole discretion of AusQuest to identify and define potential drill targets. No equity is earned during Phase 1.
- Phase 2 (+18 months): an exploration program comprising a minimum of 3,000m of Diamond and/or Reverse Circulation (RC) drilling to earn a 35% interest in the properties,
- Phase 3 (+3 years): an exploration program comprising an additional 10,000m of Diamond and/or RC drilling or expenditure of US\$2.5 million (whichever occurs first) to earn a 65% interest in the properties, and
- Phase 4: completion of a Pre-Feasibility Study to earn a 75% interest in the properties.

Once AusQuest has earned a 75% interest in the properties it has the right to acquire a 100% interest in the properties by buying the remaining 25% interest held by Westminster at fair market value. The Buyout price will include a net smelter royalty of up to 2%.

AusQuest can elect to form a joint venture at any time after it has earned a 65% interest in the properties by completing the Phase 3 program. If a joint venture is formed both parties will contribute to ongoing expenditures or dilute their interests in the properties via standard industry formulas.

The Agreement contains several Conditions Precedent that need to be fulfilled before it comes into effect. Importantly an agreement between the parties' Peruvian subsidiaries, on the same terms and conditions as above, subject to any changes required under Peruvian Law, must be completed within three months before the Agreement comes into effect. The Subsidiary Agreement is currently being drafted and is expected to be completed within the agreed time frame.

AusQuest's Managing Director Graeme Drew said he was pleased that agreement had been reached with Westminster over these properties as it would allow a more thorough exploration coverage over an area the Company believed had excellent potential to host a new porphyry copper discovery.

"Geological mapping and sampling in the Ventura area including the joint venture properties will commence as soon as the Peruvian agreement has been finalised" he said.

Graeme Drew
Managing Director

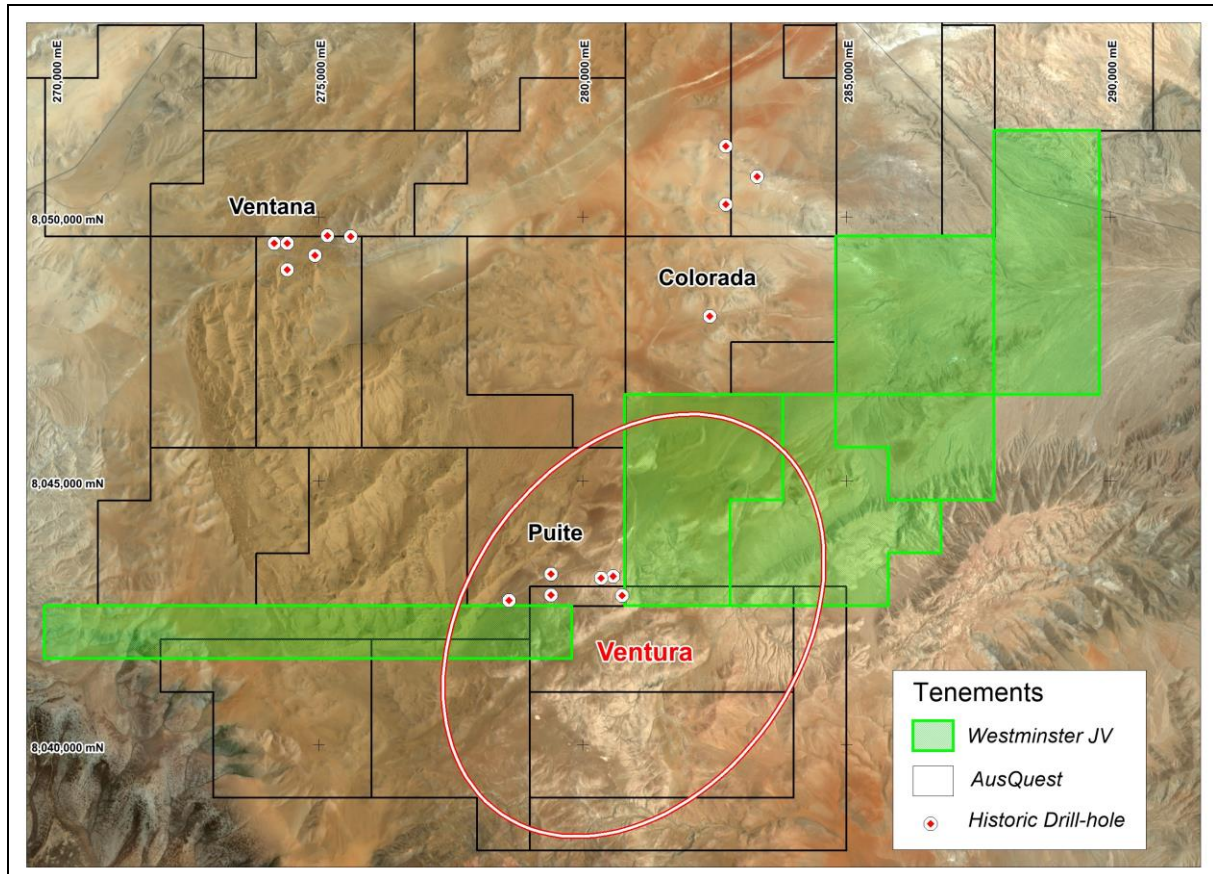


Figure 1: Location of Joint Venture/Option Tenements showing Ventura Prospect

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.