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April 24th, 2025

AUSQUEST GEARS UP FOR STAGE 2 DRILLING AT THE CANGALLO COPPER-GOLD DISCOVERY IN PERU

- **Access preparations for the Stage 2 RC drilling program completed.**
- **Drilling designed to extend copper-gold intersections and locate porphyry centre.**
- **Drilling scheduled to start in the second half of May when drill rig arrives on site - initial assay results expected in July 2025.**

AusQuest Limited (“AusQuest” or the “Company”) (ASX: AQD) is pleased to advise that access and drill site preparation has been completed at its 100%-owned Cangallo Project in Peru, with Stage 2 Reverse Circulation (RC) drilling now expected to commence in the second half of May due to drill rig availability.

Stage 2 RC drilling (~5,000m) is designed to extend the original copper-gold intersections by re-directing drill-holes from the original drill pads as well as stepping out to the west, south and north to help locate the centre of the porphyry system(s), which is thought to have excellent potential to contain higher copper grades (ASX release 5th March 2025*) (*Figure 1*).

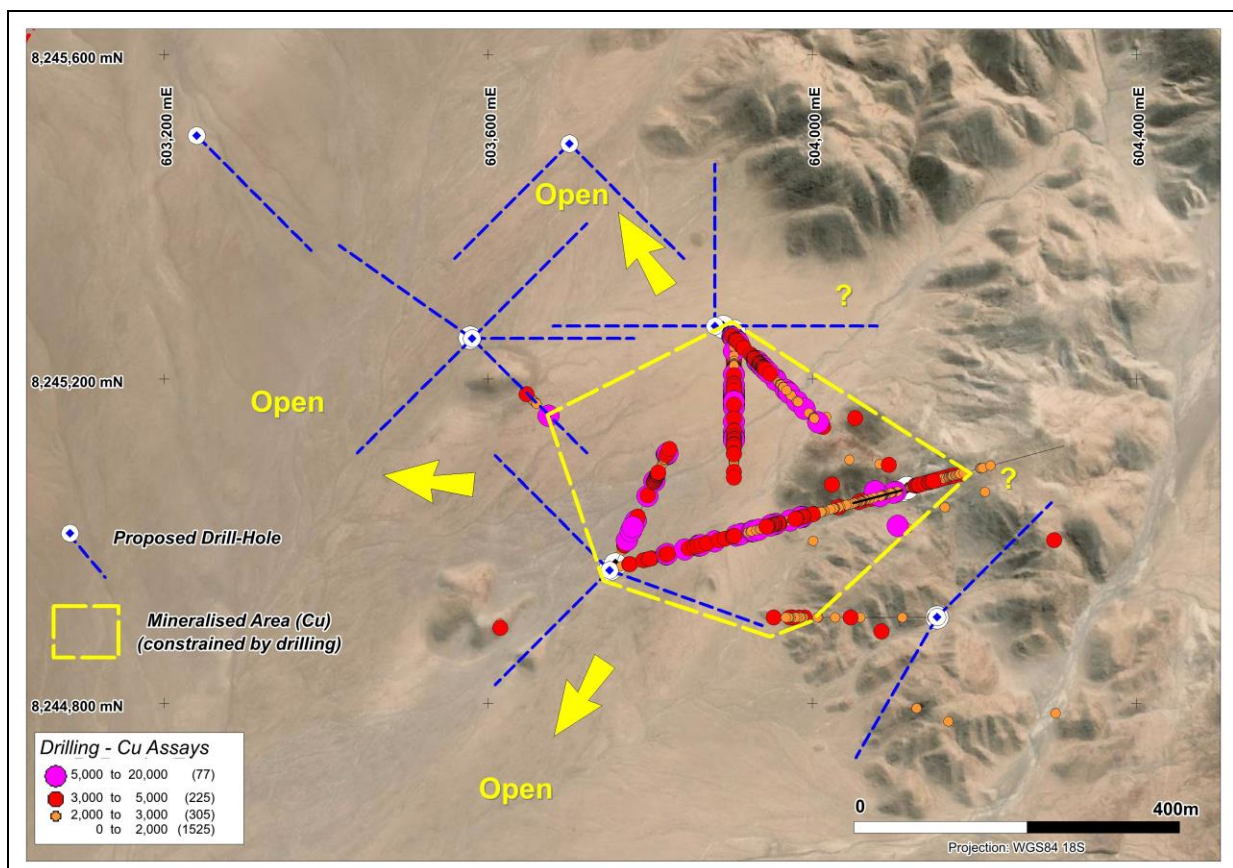


Figure 1: Cangallo Copper Prospect showing planned Stage 2 RC drill-hole locations.



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Commenting on progress being made at Cangallo, AusQuest's Managing Director, Graeme Drew, said:

"The team in Peru has been working hard to be ready for when the drill rig arrives on site. We are very excited about commencing Stage 2 of our drilling program, which we think will add significantly to the copper intersections reported from the maiden drilling program and further enhance the size potential for this new porphyry copper-gold discovery.

"Stage 2 drilling has been designed to help locate the centre of the porphyry system and the possible presence of a supergene blanket, both of which hold excellent potential to contain high copper grades.

"Success will create significant value for our shareholders and mark a transformative period for the Company. We look forward to keeping the market updated on the commencement of drilling."

Cangallo Exploration Results:

The vast majority of the copper and gold mineralisation intersected by the maiden RC drilling program occurs within the volcanic host rocks (andesites and dacites). Copper enrichment, veining and hydrothermal alteration (potassic and sericitic) are widespread, and thought to reflect the margins of a much larger porphyry system that is still to be defined.

Tonalite dykes that were recognised at surface and in the RC drill-holes are considered to be the source of the hydrothermal fluids and base metals, however the small number of dykes is not enough to explain the large amount of alteration and widespread metal distribution that is evident in the drilling, highlighting excellent potential for a large-scale intrusive stock nearby.

The presence of higher copper grades often found within or proximal to these dykes suggests that there is also excellent potential for the large-scale porphyry stock to be more strongly mineralised.

Broad zones of copper mineralisation (up to 304m @ 0.30% Cu and 0.06ppm Au) – in the form of both oxides (malachite, chrysocolla and brochantite) and sulphides (mainly chalcopyrite) – were reported for seven of the eight holes drilled, with the mineralisation starting from near surface and continuing to the end-of-hole in at least six drill-holes.

The depth of oxidation is highly variable, extending to more than 200 metres in several drill-holes. There is strong evidence for supergene processes being active in the area, raising the possibility of an enriched supergene blanket with higher copper grades occurring beneath the shallow cover.

Geological mapping and rock-chip sampling identified a partially exposed copper (+/- gold) porphyry system, within a large-scale (3km x 2km) caldera-like structure containing extensive colluvial and younger sediment cover. The maiden drilling program only tested a very small portion of the Cangallo caldera.

Context:

Peru is the second largest copper producer in the world behind Chile, with around 2.8Mt of copper being mined and processed per annum. The bulk of this production comes from around 10 large copper projects, mainly porphyries, that are located along the Andean Belt that extends from Chile in the south to Ecuador in the north.

Porphyry deposits are typically large (often over 1 billion tonnes of ore), usually open-cuttable with low waste to ore ratios. The shallower parts of these ore bodies are usually

oxide ores that can be processed by heap leach methods, delivering lower development and operational costs.

There are a number of profitable large-scale operations (Cerro Verde, Cuajone, Toquepala, Quellaveco, and new approved developments at Zafranal) located within the Arequipa District where Cangallo is situated, using head grades between 0.20% and 0.40% Cu. These mines have multi-decade mine-lives and are long-lived assets.

The economic viability of the Peruvian resources is often affected by a range of issues including location, altitude, proximity to infrastructure and water, and land usage conflicts with local communities.

The Cangallo Project is particularly well located with respect to the above, being close to significant infrastructure, 25km east of the town of Chala and within 10km of the coast. Community consultation has formed part of the Company's exploration process, with no critical issues identified to date.

Peru is a stable country and the government is supportive of new mine developments as they add significantly to the Peruvian economy and the communities where they are located.



Graeme Drew
Managing Director

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*The Company confirms that it is not aware of any new information or data that materially affects the information in the release of 5th March 2025.

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.



Figure 2: Camp construction completed at the Cangallo Porphyry Copper Project



Figure 3: Access preparation completed at the Cangallo Porphyry Copper Project



Figure 4: Backhoe on site to prepare drill sumps at Cangallo

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