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ASX Release



## URANIUM POTENTIAL CONFIRMED AT SYLVANIA

AusQuest Limited (ASX: AQD) advise that recent field reconnaissance to ground check uranium anomalies identified from airborne radiometric data, returned anomalous uranium assays (up to 341ppm U<sub>3</sub>O<sub>8</sub>) within its 100% owned Sylvania Project south of Newman in the east Pilbara region of Western Australia.

At least 70 airborne uranium anomalies have been selected for ground follow-up highlighting potential for uranium mineralisation within fractured granite and in valley calcrete deposits located throughout the area. The Company controls approximately 1800 km<sup>2</sup> of title in this region.

Recent first-pass field reconnaissance completed over 16 of the uranium anomalies returned assay values in excess of 30ppm U<sub>3</sub>O<sub>8</sub> from 40 of the 71 rock-chip samples collected, with 13 samples reporting highly anomalous values ranging from 100ppm to 341ppm U<sub>3</sub>O<sub>8</sub>. Anomalous rare earth elements including cerium (maximum 726ppm) and lanthanum (maximum 175ppm) as well as elevated lead values (maximum 908ppm) are also associated with a number of the uranium anomalies.

The anomalous assays generally occur within ironstones developed over and adjacent to dykes, shears and fractures within granitoid bedrock. However, evidence for secondary remobilisation of uranium is also present with several +100ppm U<sub>3</sub>O<sub>8</sub> values occurring in calcrete and opaline silica outcrops along the axes of palaeo- and present-day drainage systems.

Outcrops of calcrete vary in size from hundreds of metres to several kilometers in length, and are up to a kilometre wide, before disappearing beneath extensive alluvial cover. They are interpreted as valley-fill deposits which elsewhere form the host rocks for calcrete-style uranium deposits such as those developed at Yeelirrie in Western Australia and at Langer Heinrich in Namibia (South West Africa).

No previous drilling for uranium has been carried out within the Company's leases. However, historic exploration immediately to the south of AusQuest's tenements returned a maximum rock-chip value of 0.5% U<sub>3</sub>O<sub>8</sub> within calcreted chlorite-sericite schist at the Jillary West Prospect.

The Company is encouraged by these early results and plans to complete detailed mapping and sampling over the stronger radiometric anomalies ahead of drilling in 2007



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