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ASX Release



URANIUM PROGRAM TO COMMENCE AT SYLVANIA

AusQuest Limited (ASX: AQD) advise that, following encouraging results from the detailed helicopter borne radiometric survey within its 100% owned Sylvania Project south of Newman, surface sampling is scheduled to commence in early April.

At least 30 uranium anomalies have been selected for initial ground follow-up. The significant improvement in uranium anomaly definition provided by the low level detailed helicopter survey will allow follow-up mapping and sampling to be focused in the best areas. A total of thirteen areas (80 km²) were surveyed. Uranium anomalies ranging from 3 to 10 times background are evident in these areas.

Strong uranium responses occur both within the granitic bedrock and over calcretes within the main palaeodrainages. Uranium anomalies vary from strong, isolated responses due to small areas of potential mineralisation exposed at surface, to more extensive anomalies (up to 1 km in length) that appear to parallel structures and/or stratigraphy within the bedrock, or correlate with mapped calcretes located within the drainages.

Correlation with available geological data is ongoing and will form the basis for prioritizing anomalies for follow-up. Significant geological information is also evident within the radiometric data and will be used in conjunction with the available geology to help prioritise targets.

Earlier reconnaissance sampling by the Company over several prospects at Sylvania returned anomalous uranium assays (up to 341 ppm U₃O₈) from surface ironstone and calcrete samples (ASX report 20th November 2006) as well as anomalous lead (maximum 908ppm), and rare earth elements including cerium (maximum 726ppm) and lanthanum (maximum 175ppm).

The Company remains encouraged by these results and looks forward to reporting results of the follow-up sampling program when they become available.



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