

November 20, 2007  
ASX Release



## HIGH GRADE MANGANESE DISCOVERED AT TABLE HILL

- **3.9 metres grading 47.5% manganese (Mn) reported from AusQuest's first drill-hole at Table Hill, East Pilbara.**
- **Manganese confirmed as the cause of Geotem Anomaly 1 which was the target of initial drilling.**
- **Potential for manganese mineralisation inferred over 18km<sup>2</sup> based on the extent of Geotem Anomaly 1.**
- **Tenement applications covering an additional 5,000 km<sup>2</sup> submitted to secure all the potential manganese EM targets identified by the Geotem survey.**

AusQuest Limited (ASX: AQD) is pleased to advise that assay results from the first diamond drill hole (THDD01) completed at its Table Hill Project, located 200km south-east of Newman in WA's Pilbara region, have confirmed the presence of a **4 metre thick manganese-rich layer with an average grade (47.5% Mn)** similar to grades being mined by producers in Australia and South Africa.

The manganese mineralization is massive in nature with low impurity levels of iron (<1% Fe) and phosphorous (0.04% P). Analytical results are provided below:

Depth from	Depth to	Interval (m)	Mn %	Fe %	SiO <sub>2</sub> %	Al <sub>2</sub> O <sub>3</sub> %	P %	LOI %
286.8	288.2	1.4	55.9	0.44	4.76	0.9	0.04	13.2
288.2	290.7	2.5	42.9	0.81	21.41	1.9	0.04	11.4

It should be noted that core recovery from the manganese intervals was ~50%, which the Company believes may have understated the reported grades.

Downhole electromagnetic surveys (DHEM) within drill-hole THDD01 have confirmed that the manganese-rich layer is conductive and is the cause of Geotem Anomaly 1.

Conductivity-depth sections produced by Fugro Airborne Geophysics for each flight line over Anomaly 1 clearly show the relationship between the manganese-rich horizon intersected in THDD01 and a flat-lying zone of anomalous conductivity (see Figure 1).

Compilation of these sections indicates the conductive zone forms a laterally extensive sheet-like body (at least 6km x 3km) dipping shallowly to the south, at depths ranging from approximately 120 metres in the north to plus 300 metres in the south.

A review of the Geotem data has highlighted at least three additional areas where extensive sheet-like conductors have been outlined which represent drilling targets for additional manganese mineralisation. New tenement applications (~5,000 km<sup>2</sup>) have been submitted to secure title over these and other areas now believed to be prospective for manganese.

Manganese is used predominantly in the steel making industry, where it is a non-substitutable input. Recent reports indicate the spot price for a premium product (~48% Mn) has increased to over US\$7.00 per dry metric tonne unit (ie approximately US\$350.00 per dry metric tonne). Initial indications from the first drill hole into Anomaly 1 indicate that a high-grade premium product has been discovered at Table Hill.

Manganese is mined by open cut methods in Australia but it is noted that high grade ore (average 48% Mn) is being mined underground in the Kalahari Manganese Field in South Africa, which is reported to be producing approximately 4Mt/year from two underground operations at depths of at least 300 metres below ground.

While the above results are based on one drill hole, the Board is highly encouraged by the tenor of the manganese mineralisation and the potential extent of the mineralisation indicated by the airborne EM data.

An extensive drilling program will be undertaken to test Anomaly 1 and other similar targets once suitable access and site clearance work is completed in early 2008.

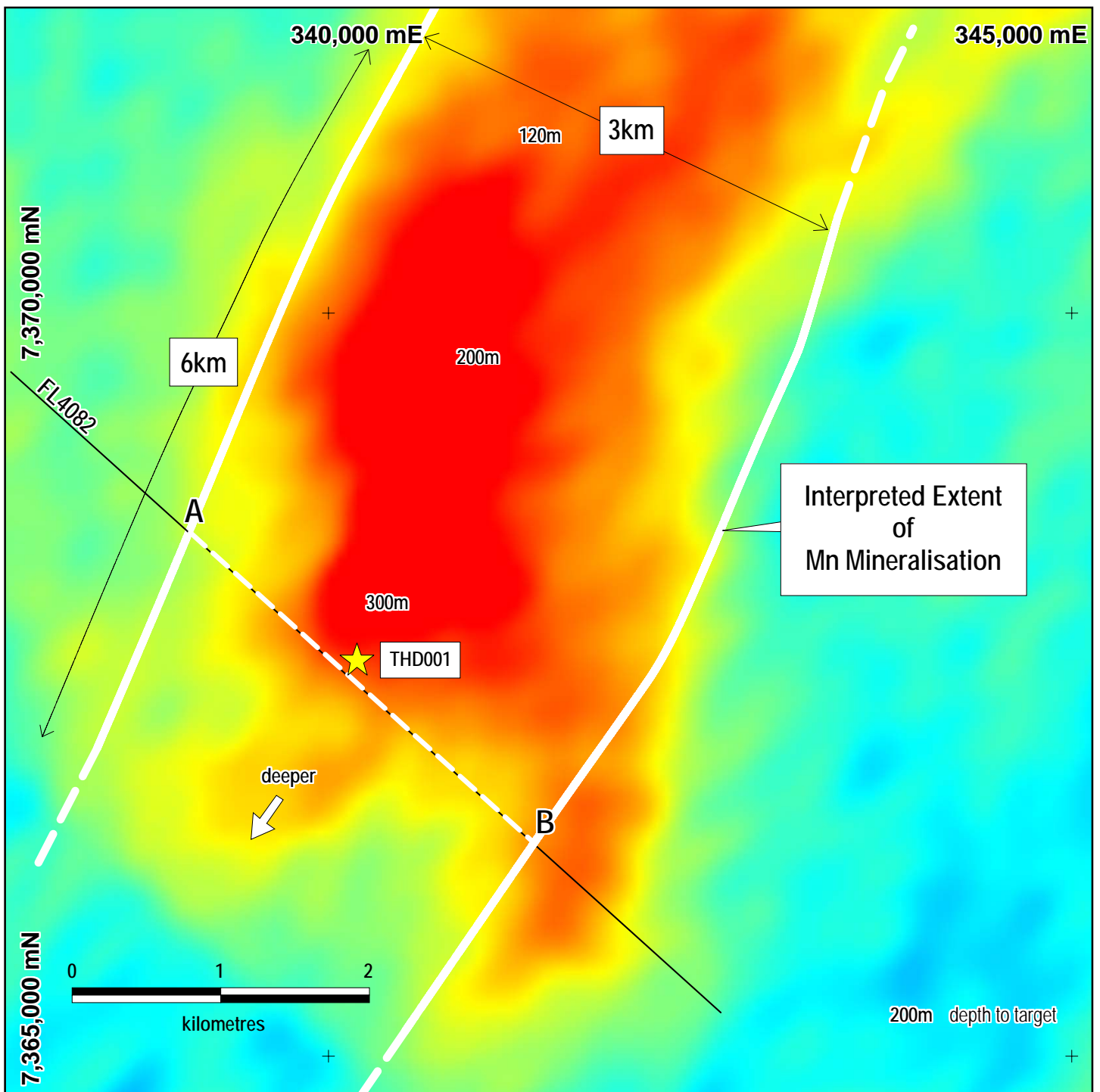


Graeme Drew  
**Managing Director**

**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 2004 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.*

# Table Hill Geotem Anomaly 1



Geotem Image - channel 15

## FL4082 Conductivity - Depth Cross Section

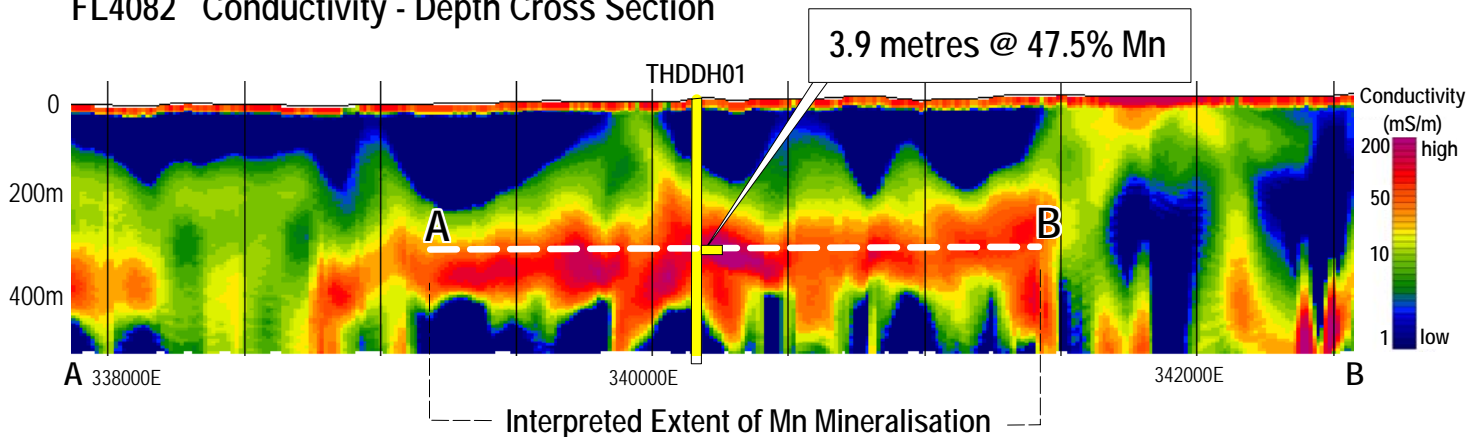


Figure 1