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ASX Release



## **DRILLING NOW UNDERWAY AT SECOND BASE METAL TARGET**

AusQuest Limited (ASX: AQD) is pleased to provide an update on drilling progress at its 100%-owned **Plenty River Nickel-Copper Project**, located 230km east of Alice Springs in the Northern Territory.

Drilling at the **Caroline** prospect has been completed and samples dispatched for analysis. Drilling has now commenced at the **White Gums** prospect, where the Company is targeting a large geophysical target at depths of 150 to 250 metres below surface.

### **Caroline Prospect**

A total of three diamond drill holes (for 1,407 metres) were completed approximately 400 metres apart to test a coincident magnetic/gravity target located beneath Cretaceous sediments. This represents the first drilling to basement completed within this region which has to date, had very little exploration attention.

Drilling intersected a thick sequence (>300 metres) of finely laminated sulphidic sediments inter-layered with fine-grained felsic volcanic flows and thin carbonate units. Trace amounts of base metals including chalcopyrite (copper-sulphide) +/- galena (lead-sulphide) +/- sphalerite (zinc-sulphide) was observed in the core.

The Company is encouraged by these results as they indicate the possibility for sediment-hosted base metal deposits in this unexplored region.

Down Hole Electromagnetic surveys (DHEM) were completed in two of the drill holes (the third was blocked) with results indicating a conductive target below the end of drill hole CPD001 which was terminated within the laminated sulphidic sediments due to drilling difficulties.

A full assessment of the results and future directions for this prospect will be made once all information and assay data are available and have been assessed.

### **White Gums Prospect**

Drilling at the White Gums Prospect has now commenced. A program of three holes (~1,000 metres) is planned to test a coincident EM/magnetic anomaly which is interpreted as a massive sulphide target. This program is expected to take 2 to 3 weeks to complete.

Computer modelling suggests that the target is relatively large (~600m x 300m) occurring at depths of 150 to 250 metres below surface and plunging to the south east.

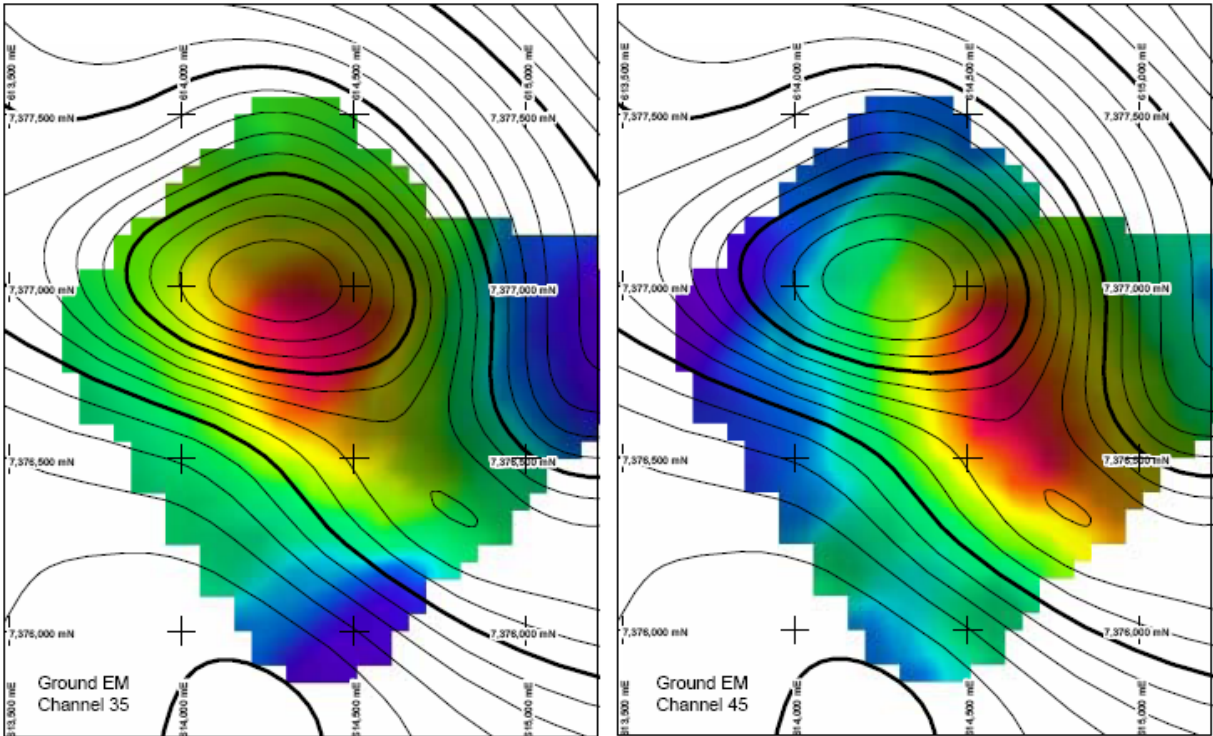
The general lack of outcrop in the area makes it difficult to provide meaningful geological context for this target although results from Mithril Resources' exploration program some 40km to the northwest included highly anomalous copper and nickel values from surface rock-chip sampling.

The Board of AusQuest looks forward to reporting the results from this drilling when they become available.

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.*



Plenty River: White Gums Prospect showing EM image and Magnetic contours