

November 16, 2009  
ASX Release



## **DRILLING UPDATE – PLENTY RIVER PROJECT (NT)**

### ***DRILLING INDICATES POTENTIAL FOR SEDIMENT-HOSTED BASE METAL MINERALISATION: ASSAYS AWAITED AND DHEM SURVEYS UNDERWAY***

AusQuest Limited (ASX: AQD) is pleased to report that the initial drilling program at its 100%-owned **Plenty River Base Metal Project**, located 230km east of Alice Springs, indicates potential for sediment-hosted base metal mineralisation within this unexplored region of the Northern Territory.

Drilling has now been completed at two prospect areas, **White Gums** and **Caroline**, located south and east of recently discovered nickel and copper gossans reported by ASX-listed Mithril Resources Limited (grading up to 8.4% Cu and 2.3% Ni).

At the **White Gums prospect**, four diamond drill holes (for 1,766 metres) were completed to test two coincident magnetic/electromagnetic targets. Drilling intersected a thick sequence (>300m) of deformed sulphide bearing sediments (mainly pyrrhotite, iron-sulphide) containing narrow massive sulphide veinlets in zones up to tens of metres thick.

The occasional narrow vein and/or breccia containing visible galena (lead-sulphide) and minor chalcopyrite (copper-sulphide) provide evidence that base metals are present within the broader system. Core samples have been sent for analysis.

Down Hole Electromagnetic surveys (DHEM) are currently in progress to look for off-hole conductors which may reflect increased base metal sulphide accumulations and provide follow-up drilling targets.

At the **Caroline prospect**, assay results to date have confirmed the presence of a thick sequence (>300 metres) of sulphide-bearing sediments containing zones of elevated base and precious metals. This suggests that favourable host rocks for sediment-hosted base metal deposits may be present in the region.

Thick zones of elevated zinc (150ppm to 350ppm Zn and up to 1,958ppm Zn) and lead (40 to 90ppm Pb) with occasional narrow zones of elevated copper (100ppm to 200ppm Cu, up to 1,800ppm) and gold (10 to 45ppbAu) are reported throughout the sulphidic sediments.

A full assessment of the results and future directions for exploration at the Plenty River Project will be made once all information and assay data are available and have been fully assessed.

The Board remains encouraged by these early results given that this initial drilling program represents the first test of basement stratigraphy in the area.



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.*