

April 1st, 2019
ASX Release

DRILLING TO COMMENCE AT YALLUM HILL COPPER PROSPECT, WA

AusQuest Limited (ASX: AQD) is pleased to advise that initial diamond drilling to test electromagnetic and magnetic targets at the Yallum Hill Copper Prospect in Western Australia is scheduled to commence around the 6th of April under the Strategic Alliance (SAA) with South32.

The Yallum Hill prospect, which is located ~350km north-east of Wiluna, is part of a regional program to assess the base metal potential of the northern margin of the Yilgarn Craton which is considered to be prospective for copper-gold deposits similar to those found in the Eastern Succession of north-west Queensland (Ernest Henry) as well as possible nickel sulphides associated with the abundant mafic sills in the area.

Modelling of EM and magnetic data collected by the Company over the Yallum Hill prospect has identified possible supergene alteration (a discrete EM target) overlying a strong magnetic anomaly thought to reflect potential underlying base metal (copper, gold) and magnetite mineralisation. While the EM target is relatively small and discrete, the strong magnetic response extends for several kilometres along strike (Figure 1).

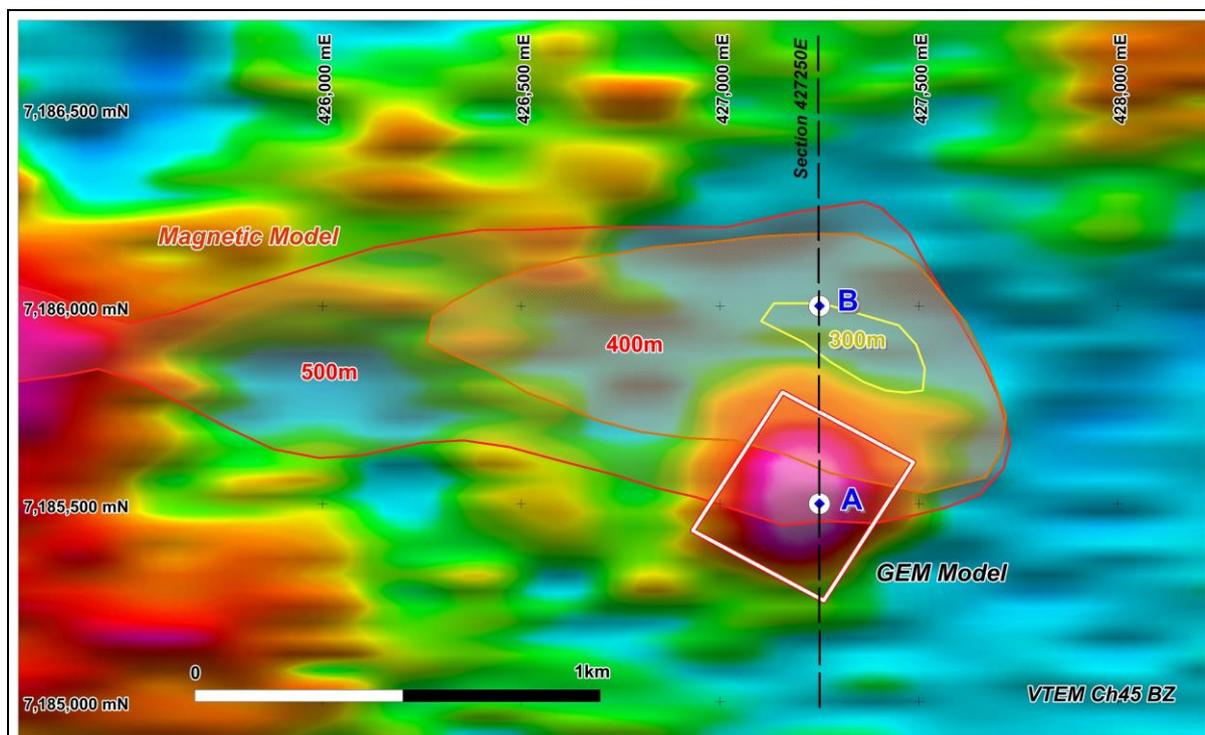


Figure 1: Yallum Hill EM and magnetic models showing planned drill-holes.

Initial drilling, consisting of two diamond drill-holes for a total of ~900m, is aimed at providing ‘proof of concept’, which would significantly increase the prospectivity of the region and upgrade other targets identified by the Company and secured under title. Drilling is expected to take two weeks to complete with assays available approximately four weeks after completion of drilling.

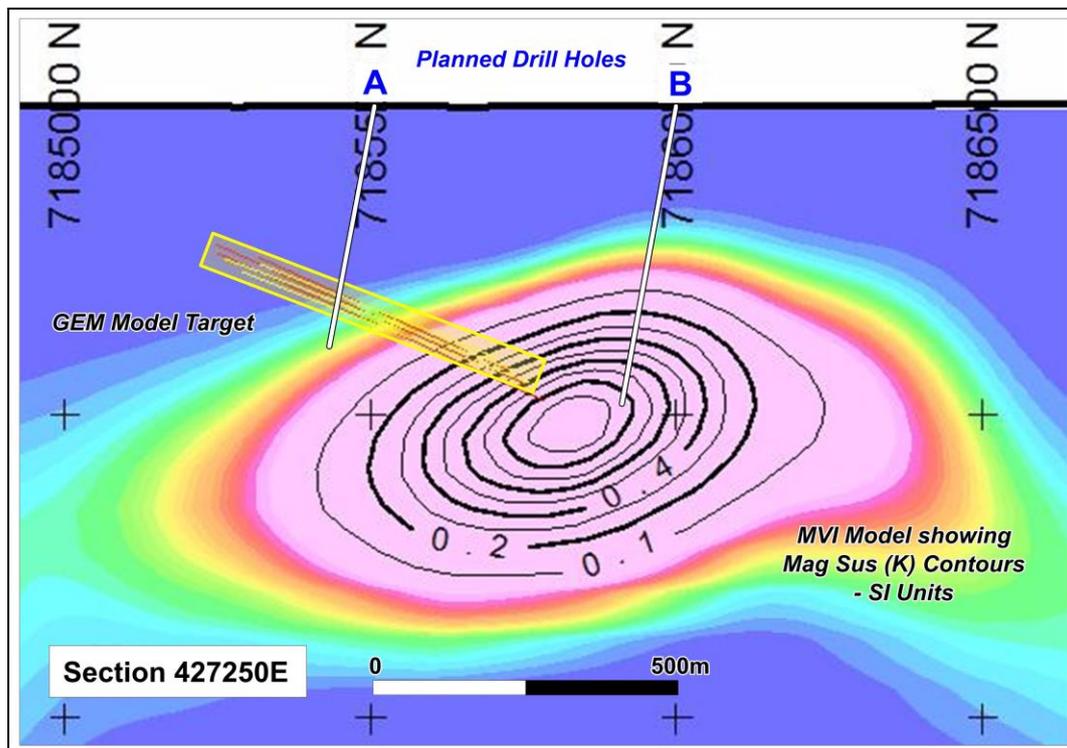


Figure 3: Drill Section 427250E showing drill holes relative to magnetic and EM models

AusQuest Managing Director Graeme Drew said the Company was pleased that its 2019 drilling programme was finally about to commence with drilling at Yallum Hill, the first of several projects to be drill tested in Australia this year under the SAA.

“Approvals for the Hamilton and Balladonia drilling programmes are well advanced, with drilling in both areas expected to commence before mid-year,” he said.

“We are looking forward to another active year of exploration and drilling at our projects in Australia and Peru, with news-flow set to increase over the coming months as programmes get underway.”

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 2012 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.

FORWARD LOOKING STATEMENT

This report contains forward looking statements concerning the projects owned by AusQuest Limited. Statements concerning mining reserves and resources may also be deemed to be forward looking statements in that they involve estimates based on specific assumptions. Forward-looking statements are not statements of historical fact and actual events and results may differ materially from those described in the forward looking statements as a result of a variety of risks, uncertainties and other factors. Forward looking statements are based on management’s beliefs, opinions and estimates as of the dates the forward looking statements are made and no obligation is assumed to update forward looking statements if these beliefs, opinions and estimates should change or to reflect other future developments.