

June 22 2020
ASX Release

DRILLING TO RE-COMMENCE AT HAMILTON COPPER PROJECT, QUEENSLAND IN AUGUST

AusQuest Limited (ASX: AQD) is pleased to advise that all access approvals have now been received to enable Stage 2 drilling to commence in August at the **Hamilton Copper Prospect** in north-west Queensland under the Company's Strategic Alliance Agreement (SAA) with South32.

A total of six diamond drill-holes for 1,800m is planned to test for copper mineralisation proximal to drill-holes WD02009, WD02010 and HMDD03, which provided strong indications of nearby copper mineralisation. The Stage 2 drill holes are widely spaced (~500m to 800m apart) and are designed to provide geochemical coverage of a variety of geological and geophysical targets beneath the Eromanga Basin cover sequence (*Figure 1*).

A drilling contract is currently being finalised with drilling scheduled to get underway around the middle of August. Drilling is expected to take approximately two weeks to complete with assays available within four weeks of the completion of drilling.

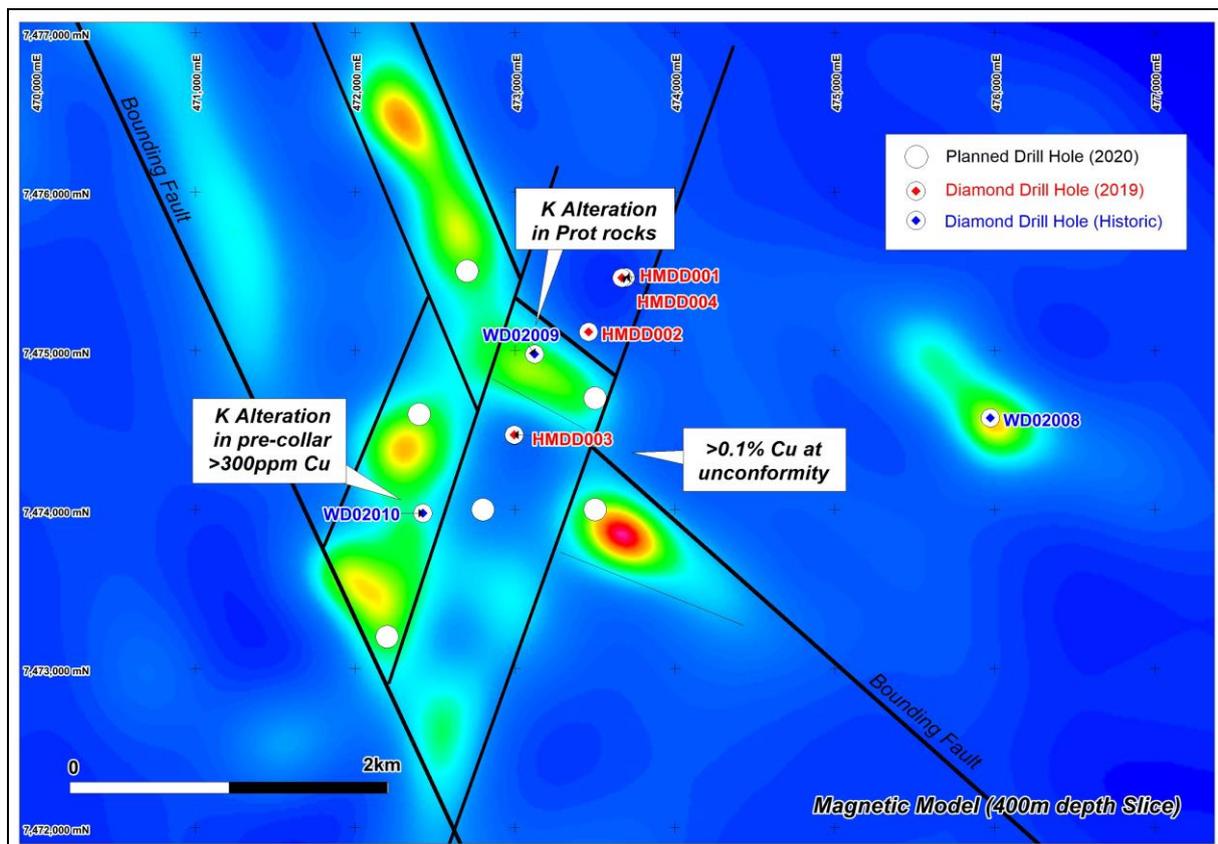


Figure 1: Hamilton Copper Prospect magnetic modelling showing proposed drill sites.

The Hamilton Project is located in north-west Queensland, ~120km south of the world-class Cannington mine which is owned and operated by South32. Exploration is targeting Iron-Oxide Copper-Gold (IOCG) mineralisation similar to that found at the Ernest Henry mine.

Stage 1 reconnaissance diamond drilling (four holes/1,447m) completed in August last year provided new insights into the prospectivity of this area, identifying several features suggestive of nearby copper mineralisation.

These included potassic alteration in historical drill-holes WD02009 and WD02010, highly anomalous copper values (9m @ 1,100ppm Cu) at the Proterozoic unconformity in drill-hole HMDD03, and widespread magnetite alteration.

Computer modelling of geophysical data has helped to identify potential structures and preferred sites for drilling based on analogies with the Ernest Henry copper deposit located ~250km to the north.

AusQuest's Managing Director, Graeme Drew, said the Company was pleased to be moving ahead with planned drilling programs now that restrictions on travel due to the COVID-19 pandemic are in the process of being lifted.

“Drilling at Hamilton is hopefully the first of several drilling programs that the Company is working towards completing during the second half of 2020,” he said. “Heritage surveys required to allow access for drilling at our Tangadee Zinc Prospect and further scout drilling at Balladonia, both in Western Australia, are being commissioned to allow these drill programs to commence.”

The Company continues to monitor advice from Government and health authorities with regard to restrictions imposed by COVID-19, but expects to be able to complete all of these programs while also ensuring the health and well-being of its employees and contractors.



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.