

June 30, 2020
ASX Release

PATERSON GOLD-COPPER PROJECT ACCEPTED AS A NEW EXPLORATION OPPORTUNITY UNDER SAA

Strategic Alliance exploration programs set to target large-scale gold-copper potential

AusQuest Limited (ASX: AQD) is pleased to advise that, following meetings with its Strategic Alliance partner South32, the **Gunanya Gold-Copper Project** located within the Paterson region of Western Australia has been accepted as a new exploration opportunity under the Strategic Alliance Agreement (SAA) between the companies.

Under the terms of the SAA, South32 has exclusive rights to the Company's projects and can earn a 70% interest in each project by spending a total of US\$4.5 million on exploration, with the right to earn an additional 10% interest by completing Pre-Feasibility Studies.

At the Gunanya Project, the alliance is targeting large-scale gold and copper discoveries similar to those recently discovered at Winu (by Rio Tinto) and Havieron (by Newcrest).

These recent exploration breakthroughs have significantly enhanced the gold and copper pedigree of the Paterson Province, which already hosts the large gold and copper deposits at Telfer and Nifty and is widely regarded as one of Australia's current exploration "hot spots" with activity levels continuing to ramp up.

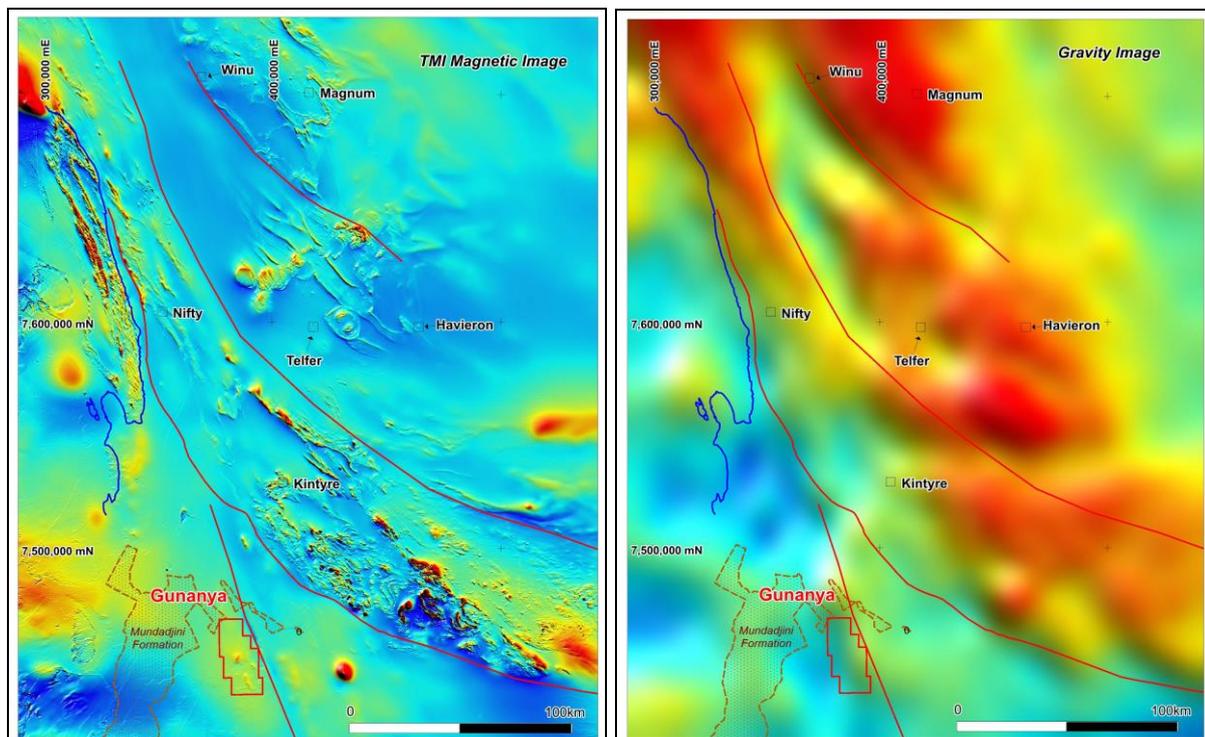


Figure 1: Regional magnetic and gravity images showing location of Gunanya tenement

The Gunanya Project occurs marginal to regional structures (the Madley Fault) extending south from the Nifty copper mine area and includes three discrete magnetic targets that are thought to reflect alteration within flat-lying mudstone sediments (the Mundadjini Formation) that underly the sandstone and glacial cover that outcrops in the area.

Computer modelling of detailed magnetic data acquired over the Gunanya Project infers shallow depths to the targets (50 to 100m) and relatively low magnetic susceptibilities (100 to 1000 x 10⁻⁵ SI units) for the source rocks, similar to susceptibilities implied by the low amplitude magnetic responses associated with the Winu discovery in particular.

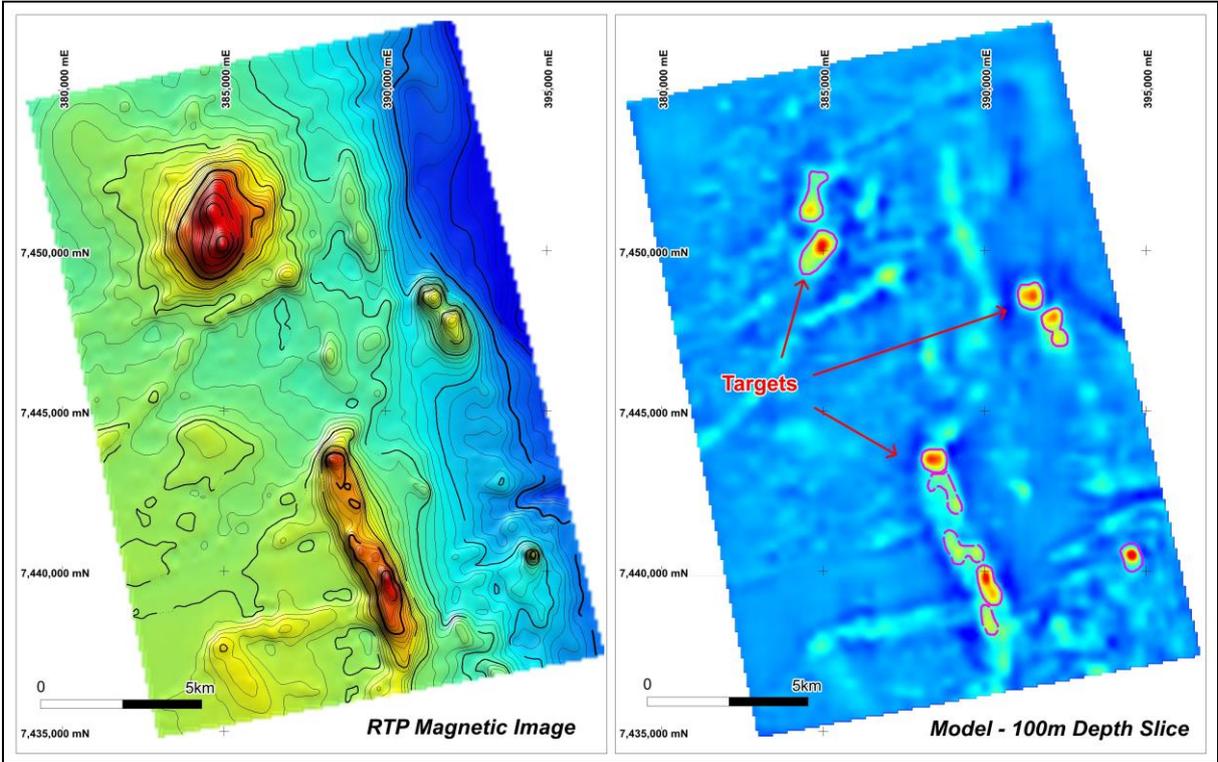


Figure 2: Gunanya Prospect showing magnetic data and model highlighting targets for drilling

The targets are large in size, with modelling suggesting widths of up to one kilometre and strike lengths ranging from one to five kilometres. The targets generally strike NNW parallel to the Madley Fault system, implying possible structural controls on the source of the magnetic anomalies, similar to the controls reported at both Winu and Havieron.

A Reverse Circulation (RC) drilling program is being planned to test these targets below the sandstone/glacial cover. Heritage clearance surveys have been requested in order to provide cleared access for the drilling program.

AusQuest Managing Director Graeme Drew said the inclusion of the Gunanya Project under the Company’s SAA with South32 added further depth and momentum to its ongoing exploration programs across Australia.

“The Gunanya Project has several compelling targets based on analogies that we are able to draw with new discoveries in the Paterson Region from both a gold and a copper perspective,” he said. “Our focus will be on drill-testing these targets as soon as we have all the necessary approvals and clearances to be able to undertake the program.”



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.