October 7th 2020
ASX Release

AUSQUEST LIMITED
ABN 35 091 542 451

HAMILTON COPPER PROJECT, QUEENSLAND – DRILLING UPDATE

Further to its ASX release of September 9, AusQuest Limited (ASX: AQD) advises that it has now received all assay results from the Stage 2 drilling program at the **Hamilton Copper Project** in north-west Queensland.

The drilling program (comprising seven drill-holes for 2,098m) provided wide-spaced drill coverage around earlier drill-holes WD02009, WD02010 and HMDD03, which displayed strong indications of alteration and potential for nearby copper mineralisation (*Figure 1*).

The holes were designed to test 100 metres of the targeted Proterozoic rocks below the Eromanga Basin sediment cover, in order to provide regional geochemical data over the area containing magnetic targets which are thought to reflect possible Ernest Henry-style mineralisation.

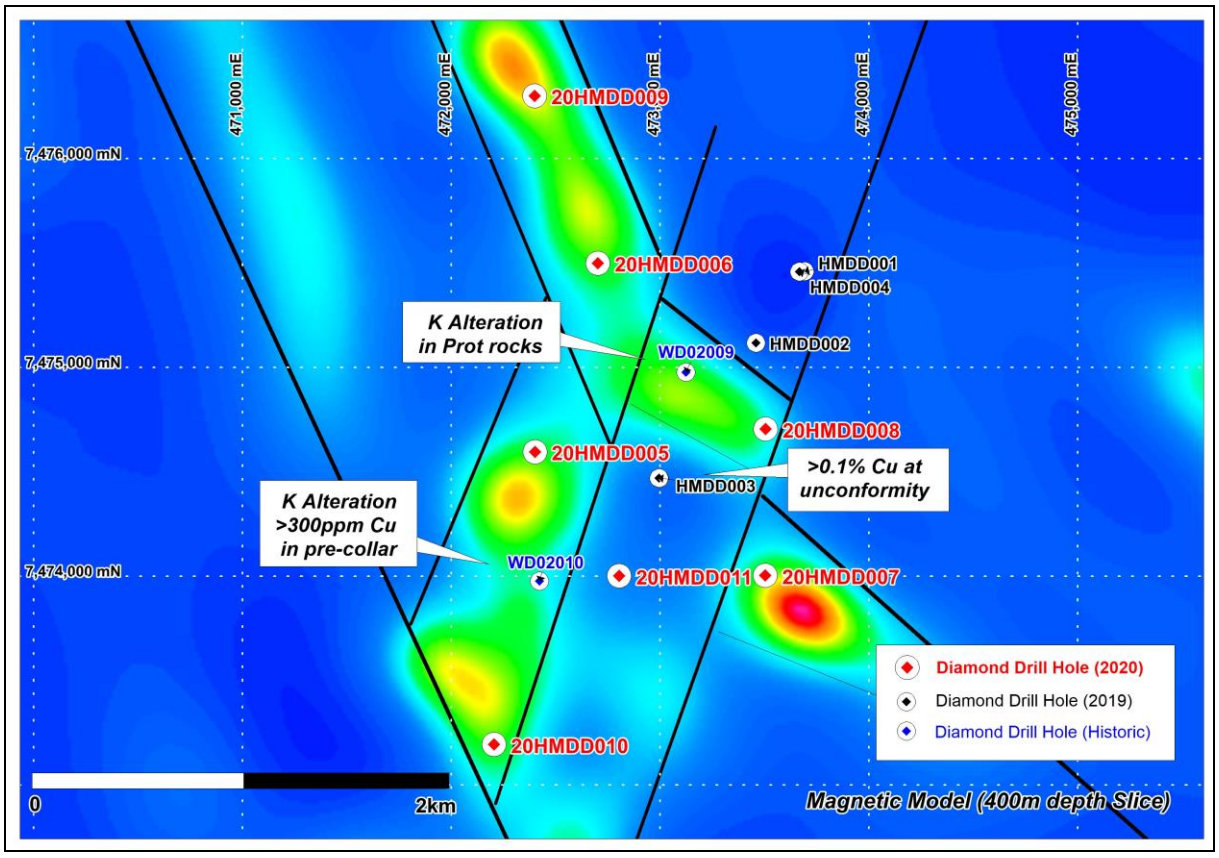

Figure 1: Hamilton Copper Prospect magnetic modelling showing the location of drill-holes.

Preliminary indications from the geochemical data suggest that potassic alteration occurs within drill-holes HMDD05, 07, and 09, which also contain elevated levels of base metals and gold.

These include:

- Copper – 150ppm up to 3,100ppm Cu; lead – 200ppm up to 1050ppm Pb; zinc – 300ppm up to 5000ppm Zn; silver – 0.3gpt up to 1.8gpt Ag (228m to 246m); and elevated gold – 30ppb up to 80ppb Au (255m to 269m) in hole HMDD07;

- Weakly anomalous copper – up to 300ppm Cu and gold – up to 36ppb Au at the bottom of hole HMDD05 (296m to 303m EOH); and

- Elevated gold – 20ppb up to 1.1g/t Au (over a 1m interval) near the bottom of hole HMDD09 (288m to 294m EOH).

The host rocks are generally high grade metamorphic rocks that were probably a mixture of fine and coarse grained sediments (pelites and psammites) and volcanics (amphibolites), which are known to occur throughout much of the region.

Alteration patterns within the drilled area as well as alteration trends within each drill-hole are currently being interpreted using both major and trace element geochemistry to identify potential 'vectors to ore' across the prospect and with depth.

Re-modelling of magnetic data has been initiated to integrate magnetic susceptibility data obtained from measurements on drill-core into the computer inversion modelling, to help improve target definition and outline possible areas requiring further testing.

This assessment process is expected to take several weeks to complete given the complexities of the area and the wide spacing of the drill-holes.

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 targeting Iron-Oxide Copper-Gold (IOCG) mineralisation similar to that found at the Ernest Henry mine forms part of the Strategic Alliance Agreement with South32.

AusQuest's Managing Director, Graeme Drew, said the final results from the drilling should provide a clearer picture of the potential of the Hamilton Project to host copper-gold mineralisation and help to define its most likely location(s) ahead of further possible drilling.

"Preliminary indications suggest we have intersected potassic alteration in several of the drill-holes, which is the first indicator of a potentially mineralised system(s)," he said. "The wide spacing of the holes will be a challenge for pattern recognition, but it also means there is a lot of space to hide a deposit the size of Ernest Henry."

The Company looks forward to reporting on these results in more detail once a more complete assessment has been made.

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.

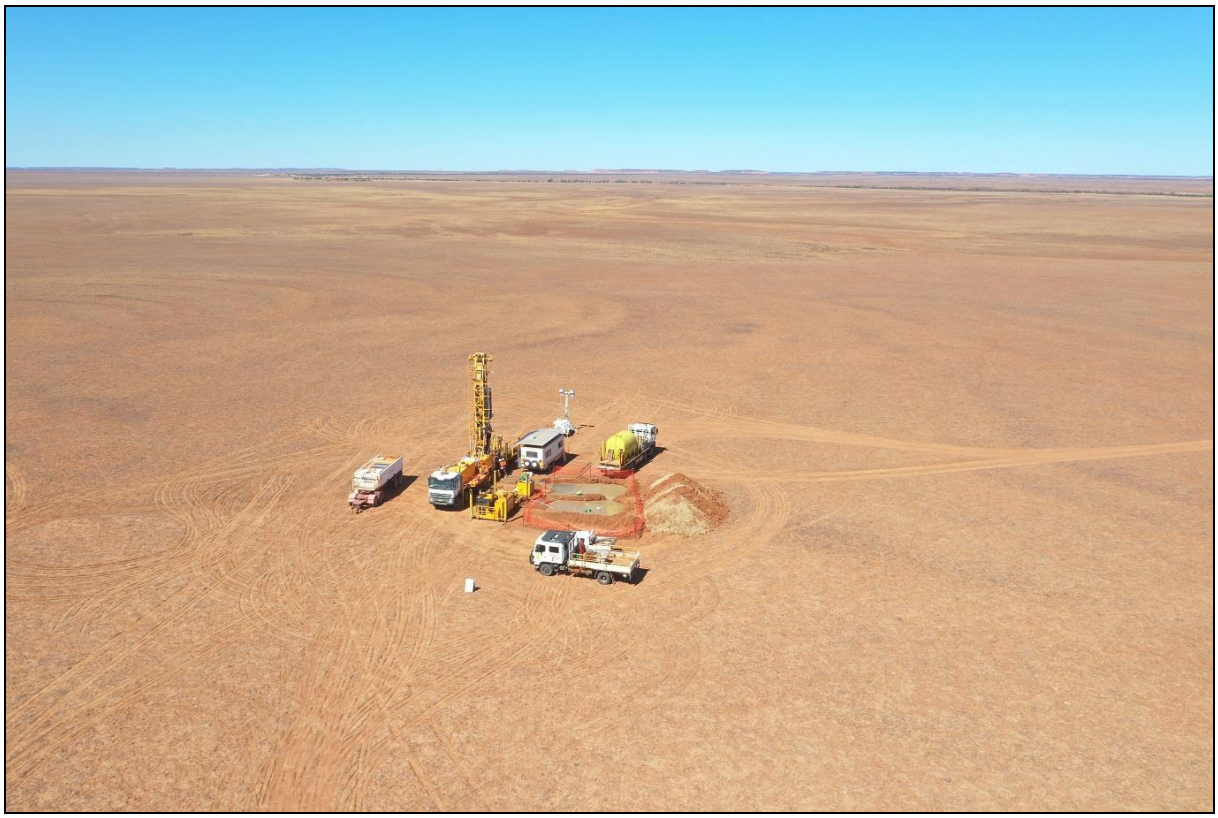

Figure 2: Drilling Operations at Hamilton showing the vast Eromanga Basin cover

JORC Code, 2012 Edition – Table 1 report, Diamond Drilling at Hamilton QLD

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• Drill core was sampled at 1 metre intervals. Two metre composite samples were collected from the rotary mud pre-collar for approx. 20m above the unconformity. • Core was cut in half with half sent for analysis and half retained for geological and quality control purposes • Sample intervals are measured by tape from depth intervals shown on core blocks labeled by the drillers, as per standard industry practice.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• Diamond Drilling with a rotary mud pre-collar through the cover sequence. • NQ2 drill rods were used to produce 50.6mm diameter core. • No down-hole surveys were read. All holes were vertical.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• Core recovery is determined by comparing core lengths measured against drilled intervals shown on core blocks and recorded on the logs. • Experienced diamond drillers are engaged to ensure maximum core recovery. • Sample recovery was high negating any sample bias due to recovery.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.*	• Drill cores were logged by an experienced geologist to identify key rock types, alteration and mineralisation styles. • Core logging is qualitative with visual estimates of mineralisation made for later comparison with assay

Criteria	JORC Code explanation	Commentary
	• *The total length and percentage of the relevant intersections logged.*	results. • All core was logged and photographed.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Samples are collected by cutting the core in half along its length and sampling over 1 metre intervals. In sections where core cannot be cut, representative core chips are collected for assay. • The sample sizes are appropriate for the geological materials being sampled.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• Assaying of the drill samples is by standard industry practice. • The samples are sorted, dried, crushed then split to obtain a representative sub-sample which is then pulverized. • A portion of the pulverized sample is digested using a four acid digest (Hydrofluoric, Nitric, Hydrochloric and Perchloric) which approximates a total digest for most elements. Some refractory minerals are not completely dissolved. • Inductively Coupled Plasma Atomic Emission Spectroscopy (ICP-AES) was used to measure Ag, Al, As, Ba, Be, Bi, Ca, Cd, Co, Cr, Cu, Fe, K, La, Li, Mg, Mn, Mo, Na, Ni, P, Pb, S, Sb, Sc, Sn, Sr, Ti V, W, Y, Zn, Zr. • Assays are provided by Genalysis Intertek Laboratories which is a certified laboratory for mineral analyses. Analytical data is transferred to the company via email. • Data from the laboratory's internal quality procedures (standards, repeats and blanks) are provided to check data quality. • The Company inserts standards approximately every 20m.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage*	• N/A for this report. Drilling is early stage testing to help define and prioritise targets. • No twinned holes were completed. • All data are entered into Excel spreadsheets and stored in

Criteria	JORC Code explanation	Commentary
	(physical and electronic) protocols. • *Discuss any adjustment to assay data.*	the company's database. • No adjustments are made to the assay data.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Drill hole collars including elevation are located by hand held GPS to an accuracy of approximately 5m. • No down hole surveys were carried out. All drill-holes were vertical. • All surface location data are in GDA94 datum, UTM zone 54.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Diamond drill-holes were positioned to provide wide spaced coverage of target areas identified by various geophysical surveys. No systematic drilling of targets has been undertaken.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Bias due to the orientation of the drilling is unknown at this early stage of exploration.
Sample security	• *The measures taken to ensure sample security.*	• Sample security procedures match with Industry best practice. • Samples are collected into securely tied bags and placed into cable-tied plastic bags for transport to the laboratory. Each sample batch has a sample submission sheet that lists the sample numbers and the work required to be done on each sample. • Reputable freight companies are used to transport samples to the laboratory. • Sample pulps (after assay) are held by the laboratory and returned to the company after 90 days.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• No reviews or audits of the sampling techniques or data have been carried out to date.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• The Hamilton project is located approximately 80 km east of the town of Boulia in north-west Queensland. • The project comprises 2 granted Exploration Licences and is subject to the Strategic Alliance Agreement with South32. • There are no major heritage or landowner issues to prevent access to the tenements.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• The only bedrock exploration in this area was completed by BHP who were targeting BHT style mineralization similar to what they had found at Cannington. • Airborne gravity and magnetic surveys and follow-up ground magnetic and gravity were completed over the current Hamilton tenements with drilling to bedrock (total 8 holes) to test anomalies. • One BHP drill-hole intersected potassic alteration suggesting proximity to IOCG mineralization but it was not followed-up. • Other exploration in the area targeted uranium, vanadium, molybdenum and oil within the cover sequence which is not relevant to the current program.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The Hamilton project is targeting IOCG and BHT style deposits. These are large scale base metal deposits which are known to occur within the Proterozoic terrains of the Mt Isa Region.

Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:*
	  ○ *easting and northing of the drill hole collar*
	  ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*
	  ○ *dip and azimuth of the hole*
	  ○ *down hole length and interception depth*
		• All relevant drill hole data and information are provided below.

Criteria	JORC Code explanation	Commentary
	○ *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• No weighting averaging techniques are used. Drilling still reconnaissance in nature.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• No significant base metal grades and widths are reported for the wide spaced drill-holes.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• All drill holes are shown on appropriate plans and included in the ASX release.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• Anomalous ranges of elements are quoted. No grade intersections were reported. • Drilling still at initial target area testing stage.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• The relationship between current drilling and previously reported exploration data is still to be determined once assay data are fully assessed. • Spatial relationships between drill-holes and geophysical data is shown in the release
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Future drilling (if any) will be determined once all results have been assessed in detail.

Drill Hole Table:

Hole_ID	Easting	Northing	RL	Inclination	MR_m	Total_Depth
20HMDD005	472400	7474596	169	90	210	303.4
20HMDD006	472702	7475499	170	90	229.5	317.5
20HMDD007	473503	7474004	170	90	230	300.4
20HMDD008	473504	7474705	171	90	222	297.4
20HMDD011	472803	7474001	168	90	222.3	294.4
20HMDD009	472398	7476300	173	90	202.3	294.4
20HMDD010	472205	7473195	165	90	223.6	291.4