

May 11, 2021
ASX Release

AIRCORE DRILLING COMMENCES TO TEST MAGNETIC TARGETS AT BALLADONIA, WA

AusQuest Limited (ASX: AQD) is pleased to advise that it has commenced a program of air-core drilling at the **Balladonia Copper-Nickel Project** in the Fraser Range region of Western Australia under its Strategic Alliance Agreement (SAA) with a wholly-owned subsidiary of South32.

A total of approximately 60 holes (~2,000m) are planned to provide a geochemical test of five discrete magnetic targets that are thought to reflect possible Iron-Oxide Copper-Gold (IOCG) and/or Broken Hill Type (BHT) deposits, similar to those found in the Eastern Succession of north-west Queensland (*Figure 1*).

Results from earlier diamond drilling (as reported to the ASX in 2020) support the possibility of widespread carbonatite activity within the broader Balladonia region which strengthens comparisons between the Balladonia Region (Fraser Range) and the Eastern Succession of north-west Queensland (east of Mt Isa), where iron-oxide copper-gold (IOCG) and Broken Hill Type (BHT) deposits are known to occur.

The discovery of anomalous base metals (Cu, Pb, Zn, Ag) at the Company's Telegraph Prospect and the possible association of base metals with carbonatite intrusions as found at Telegraph, supports the notion that further base metals should be found in this area.

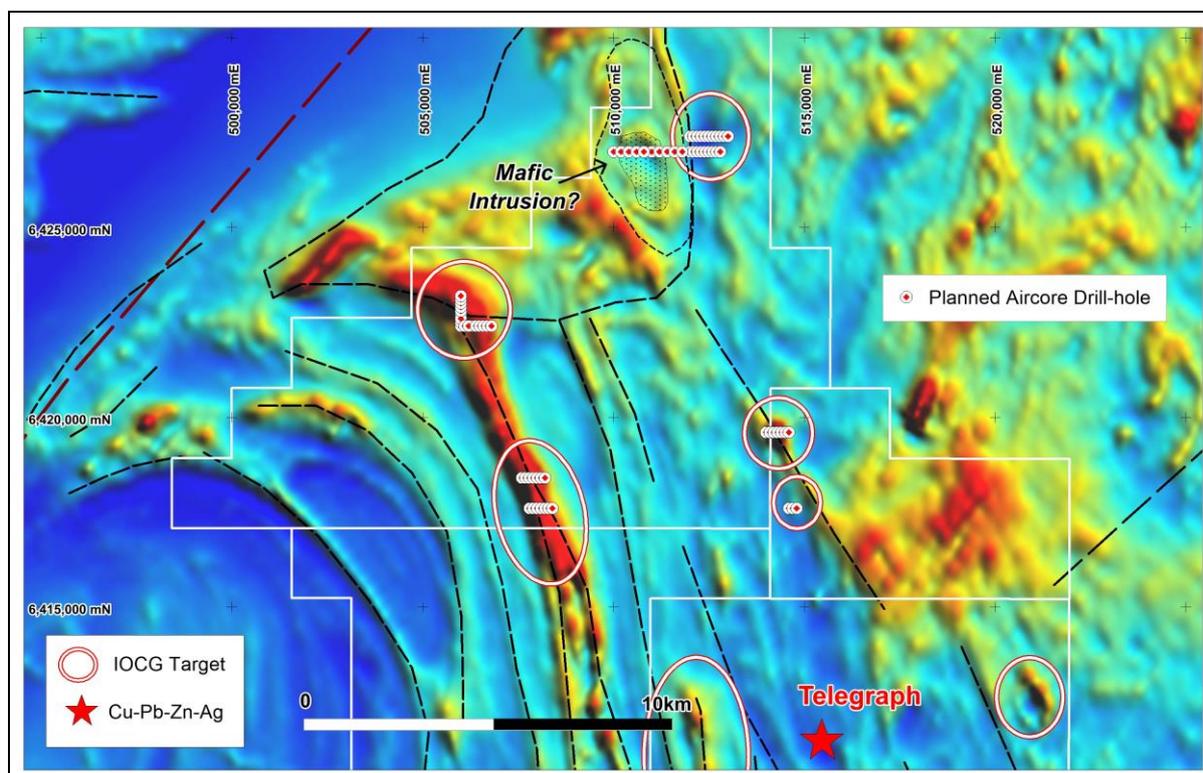


Figure 1: Balladonia Project magnetic image showing targets for air-core drilling

Drilling is expected to take approximately two weeks to complete, with final assays expected within four to six weeks of completion of the program.

AusQuest's Managing Director, Graeme Drew, said the start of air-core drilling was an exciting development after a relatively long hiatus in exploration activity in the area.

"This program is targeting discrete geophysical targets in an area of extensive cover that have never been tested before," he said.

"We are looking forward to seeing what the program will reveal and look forward to reporting on the results when they become available."



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.