

June 8, 2021
ASX Release

MAJOR HELICOPTER EM SURVEY COMMENCES AT MORRISEY NICKEL-COPPER-PGE PROJECT WA

Strategic Alliance exploration programs underway targeting nickel-copper-PGE potential similar to that found at Nova-Bollinger and Julimar

AusQuest Limited (ASX: AQD) is pleased to advise that an extensive helicopter-borne electromagnetic (HEM) survey has commenced at its **Morrisey Nickel-Copper-PGE Project** in Western Australia, under the Strategic Alliance Agreement (SAA) with a wholly-owned subsidiary of South32 Limited.

Approximately 2,260km of HEM will be surveyed over three priority target areas targeting nickel-copper-PGE sulphide mineralisation similar to that found at Nova-Bollinger in the Fraser Range of Western Australia (WA) and, more recently, at Julimar, north of Perth – which highlighted the untested nickel-copper-PGE potential of the western margin of the Yilgarn Craton (*Figure 1*).

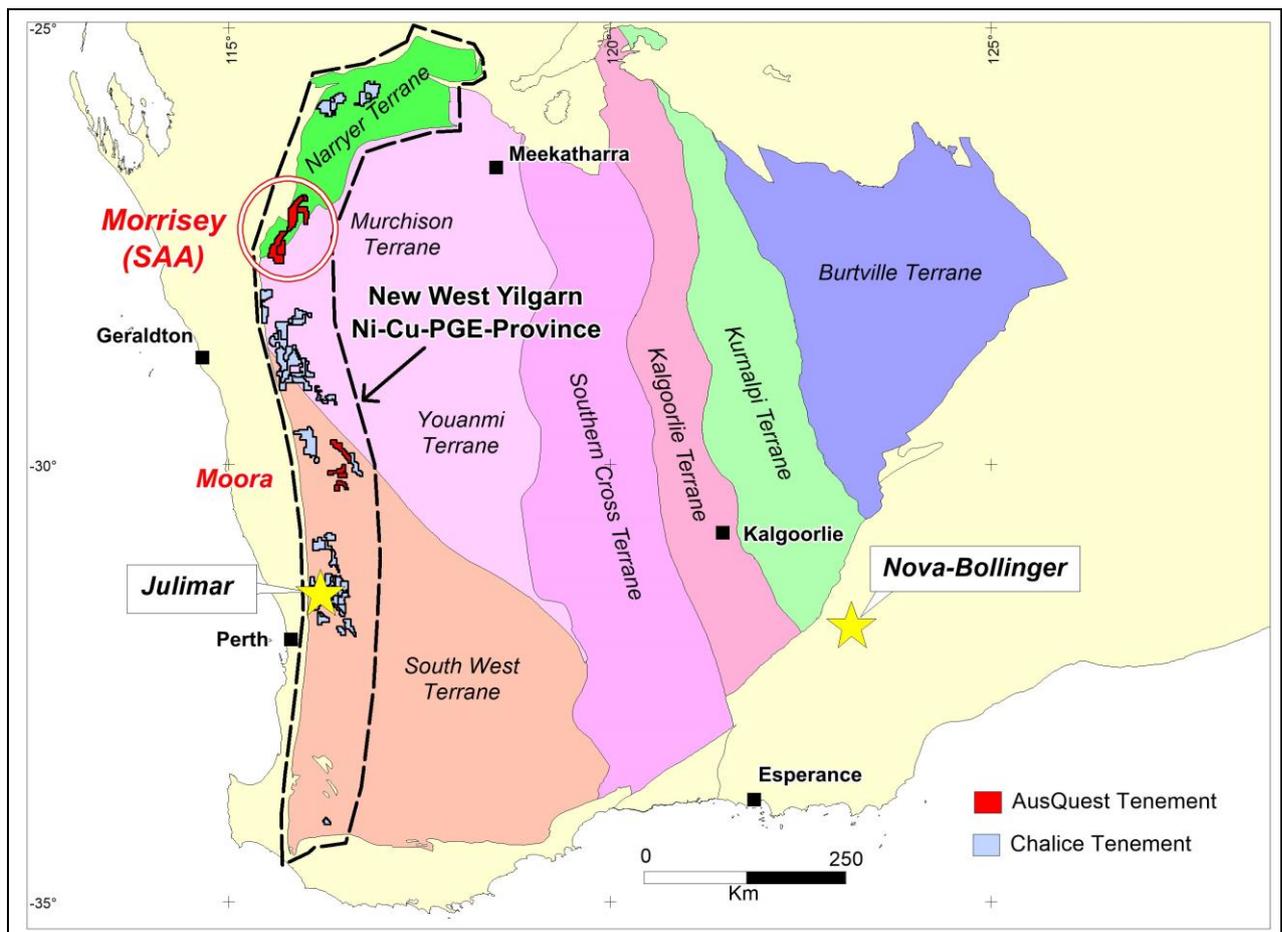


Figure 1: Location of Morrisey Project in relation to newly-defined West Yilgarn Ni-Cu-PGE Province.

The Morrisey Project covers an area of ~1,200km² and extends for a strike length of ~80km along the north-western margin of the Yilgarn Craton within the high grade metamorphic Narryer Terrane of WA. The Project was initially secured to cover magnetic targets indicative of mafic/ultramafic host rocks in a similar tectono-stratigraphic setting to the Julimar (and possibly Nova-Bollinger) discoveries.

Regional soil sampling across the priority target areas indicates the presence of prospective mafic/ultramafic rock types in the area, as well as several nickel-copper soil anomalies with the potential to reflect nickel sulphide mineralisation (as reported in the Company’s December 2020 Quarterly Report) (see *Figure 2*).

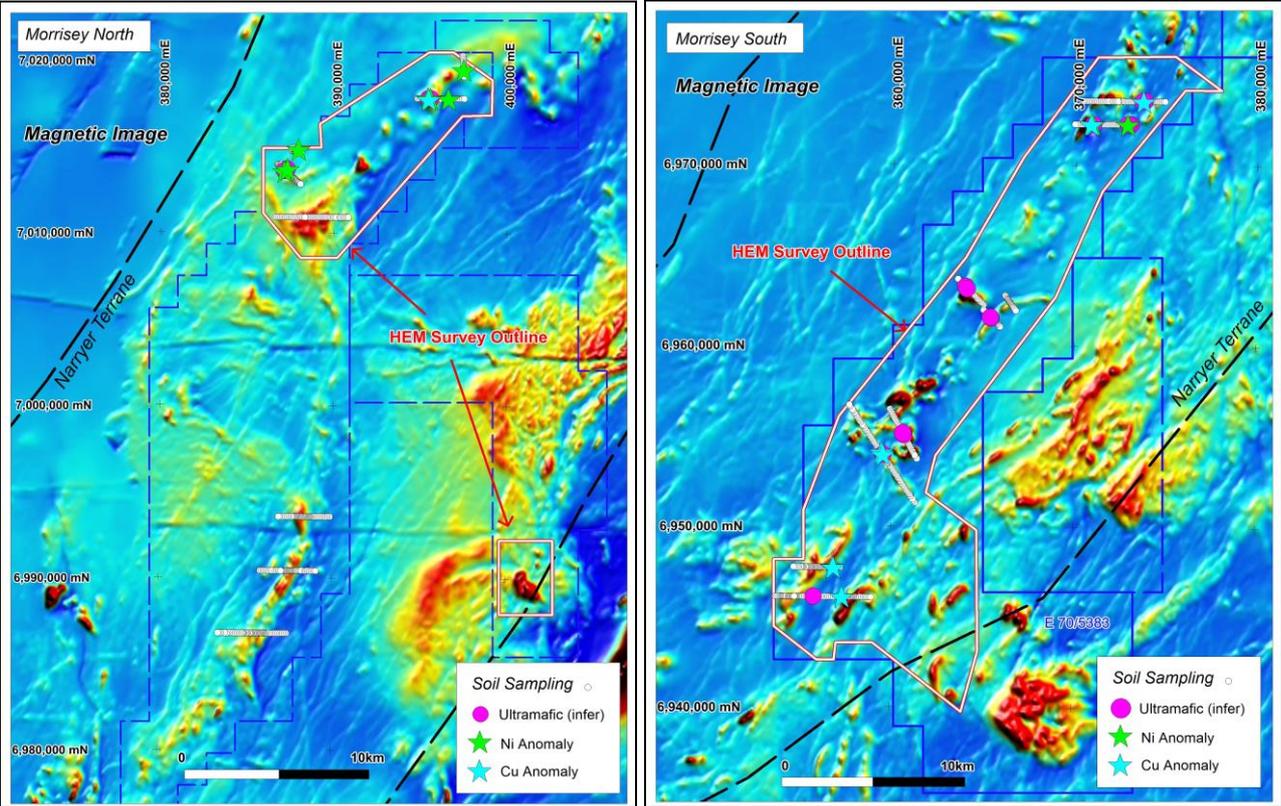


Figure 2: Morrisey magnetic images showing regional soil sampling and HEM Survey outline.

The HEM survey will be conducted by NRG Australia using the Xcite HEM system along flight lines 150m apart. The survey should take approximately 2 weeks to complete, with final processed data available within four weeks of completing the survey.

AusQuest Managing Director Graeme Drew said the data from the HEM survey would allow the Strategic Alliance to vector in to potential drilling locations.

“The Morrisey Project already has several compelling targets based on analogies that we are able to draw with the new Ni-Cu-PGE discovery at Julimar and the well-known nickel-copper prospectivity of the Fraser Range Belt, where discoveries were made using the electromagnetic method,” he said.

“Our focus will be to identify targets for drilling as soon as we can following the completion of the HEM survey,” he continued.



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.