

March 10, 2022
ASX Release

NEW ROUND OF DRILLING TO COMMENCE AT BALLADONIA COPPER-NICKEL PROJECT – FRASER RANGE, WA

AusQuest Limited (ASX: AQD) is pleased to advise that it is gearing up to commence a new program of diamond drilling at its **Balladonia Copper-Nickel Project** in the Fraser Range region of Western Australia (WA) after obtaining all necessary clearances and completing site access preparations.

The Balladonia Project is subject to its Strategic Alliance Agreement (SAA) with a wholly-owned subsidiary of South32.

A total of six diamond drill holes for ~1,400 metres is planned to test targets at the Tea Tree and Harms Lake prospects, with funding for this program partly provided by the Government's Exploration Incentive Scheme (EIS).

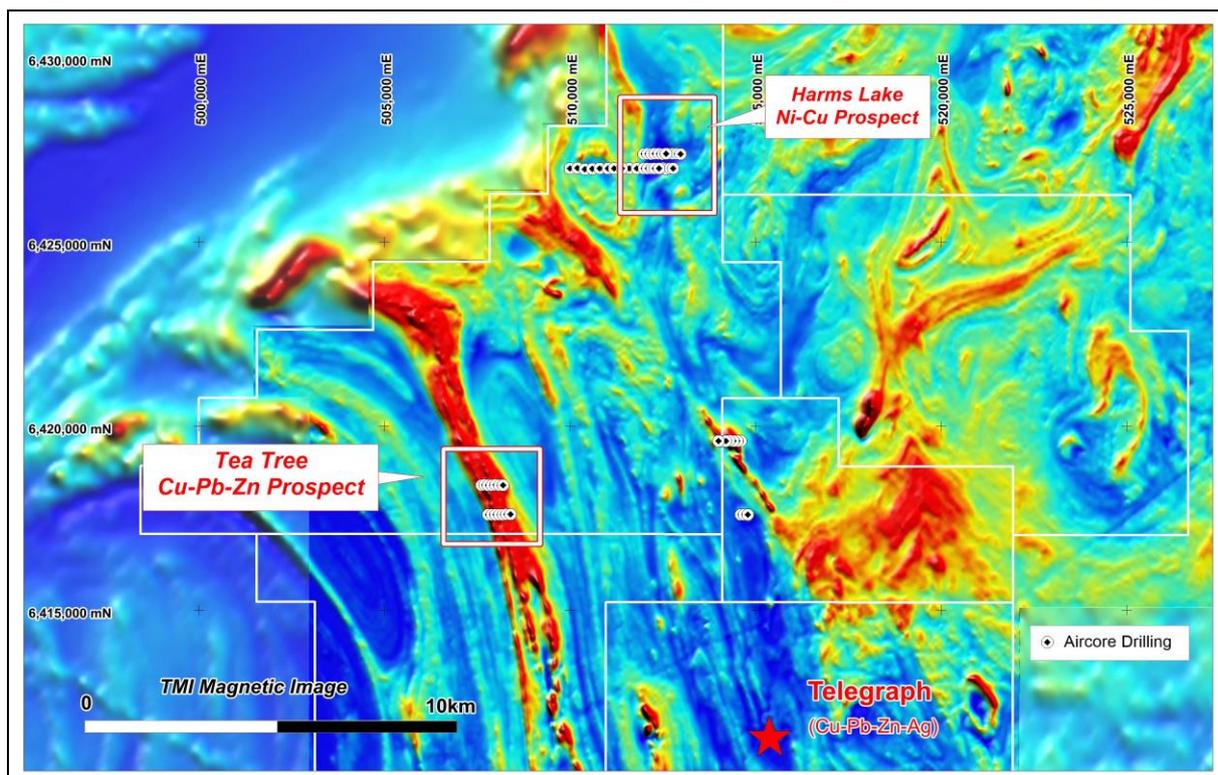


Figure 1: Balladonia Project – TMI image showing location of the Harms Lake & Tea Tree Prospects.

At the Harms Lake Ni-Cu-PGE prospect, two drill-holes are planned to test electromagnetic (EM) targets associated with the mafic/ultramafic intrusion outlined by earlier air-core drilling, while at the Tea Tree Cu-Pb-Zn prospect, four holes will test the base metal potential of an inferred banded iron formation (BIF) sequence containing zones of anomalous base metals (ASX release 23 July 2021), and a strong EM conductor at its western margin (ASX Release 27 January 2022).

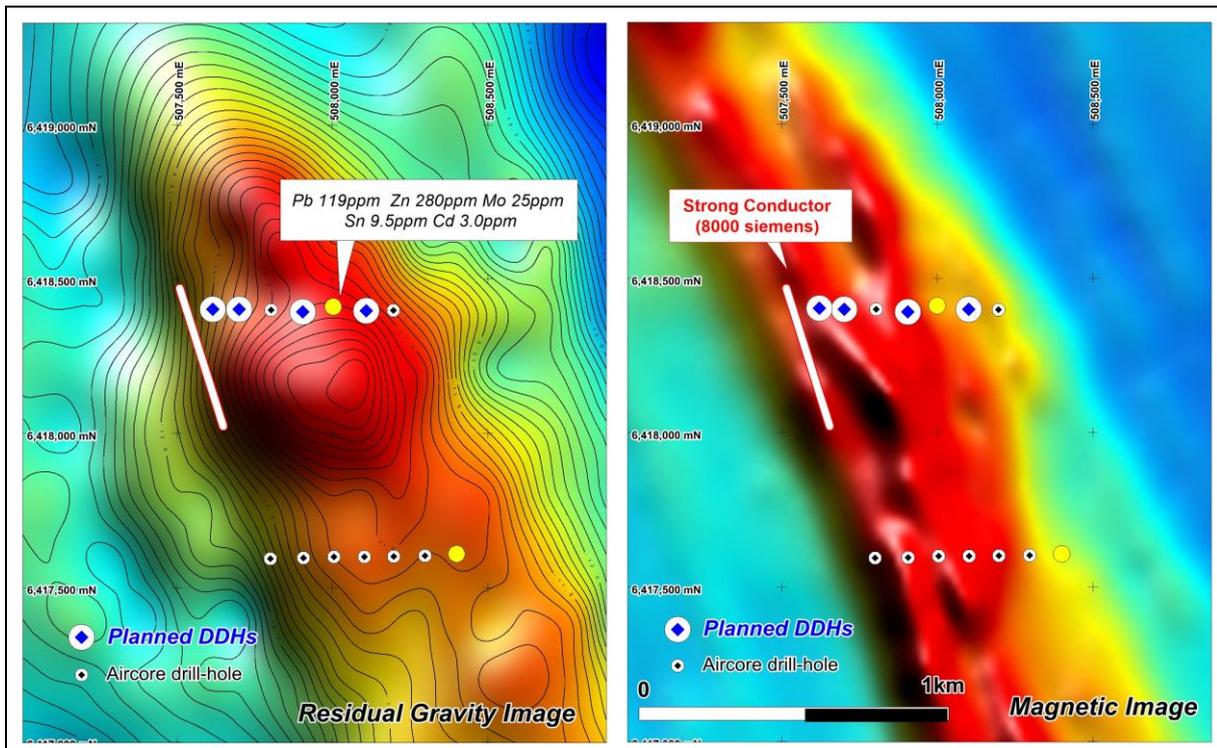


Figure 2: Tea Tree Prospect showing location of planned drill-holes.

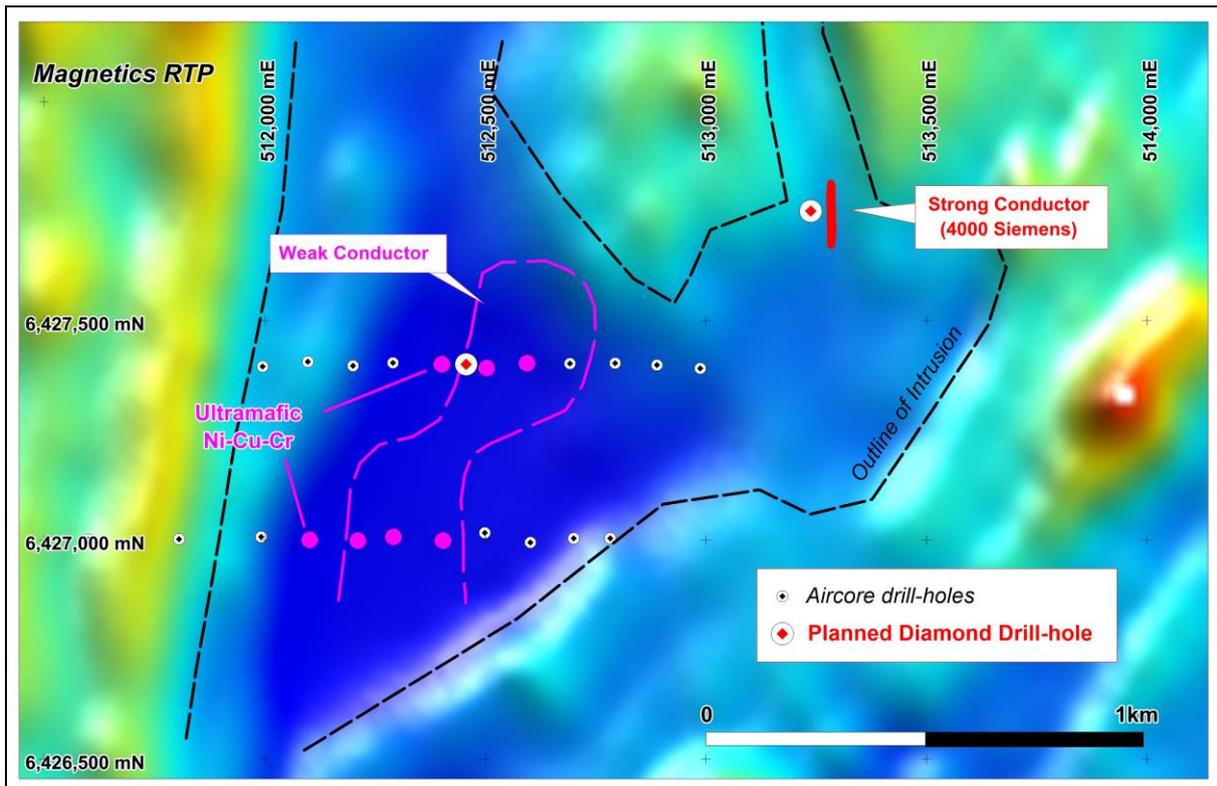


Figure 3: Harms Lake Prospect showing location of planned drill-holes.

Drilling is scheduled to commence in mid-March and will take approximately three weeks to complete. Assays are expected within 8-10 weeks after the completion of drilling.

AusQuest's Managing Director, Graeme Drew, said both targets to be tested at Balladonia had delivered encouraging early-stage results from the limited amount of exploration completed over them to date, making them attracting drill targets.

“A positive outcome from the Tea Tree and/or Harms Lake prospects would start to unlock the base metal potential of this region – which we believe could be significant, based on analogies we have been able to make with the Cloncurry Belt in NW Queensland,” he said.

“We are excited about drilling getting underway and look forward to reporting on results as 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.