

March 24, 2022

DRILLING COMMENCES AT BALLADONIA COPPER-NICKEL PROJECT – FRASER RANGE, WA

- **Six diamond drill-holes planned for 1,400 metres**
- **EM targets to be tested at Harms Lake (Ni-Cu-PGE) and Tea Tree (Cu-Pb-Zn)**
- **Drilling funded by Strategic Alliance with South32 and Government EIS**
- **Final assay results expected in May 2022**

AusQuest Limited (ASX: AQD) is pleased to advise that diamond drilling has commenced at the **Balladonia Copper-Nickel Project** in the Fraser Range region of Western Australia (WA), which 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).

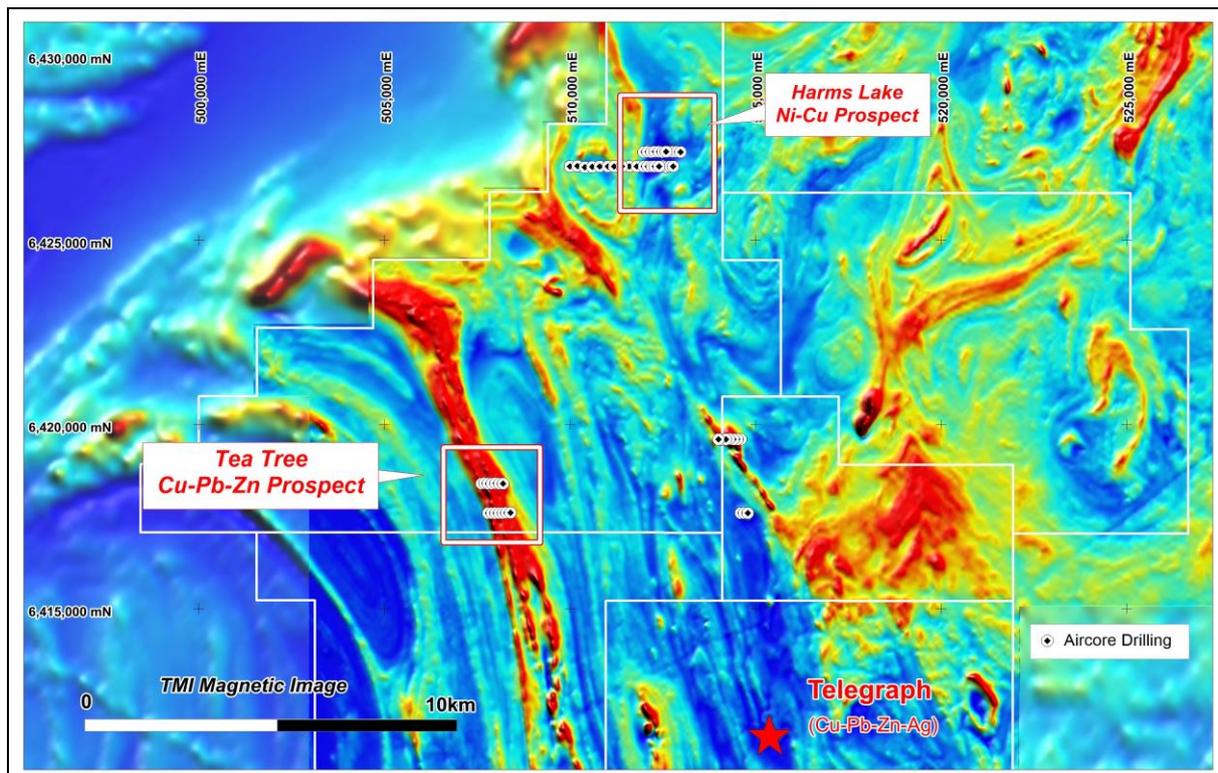


Figure 1: Balladonia Project – TMI image showing location of the Harms Lake & Tea Tree Prospects

At the Harms Lake Ni-Cu-PGE prospect, two drill-holes will test electromagnetic (EM) targets associated with the interpreted mafic/ultramafic intrusion, while at the Tea Tree Cu-Pb-Zn prospect, four holes will test the base metal potential of the inferred banded iron formation (BIF) sequence and a strong EM conductor located at its western margin.

Drilling is expected to take approximately 3-4 weeks to complete with samples sent to Intertek Genalysis in Perth on an ongoing basis. Current indications suggest an 8-10 week turn-around time for final assays to be received.

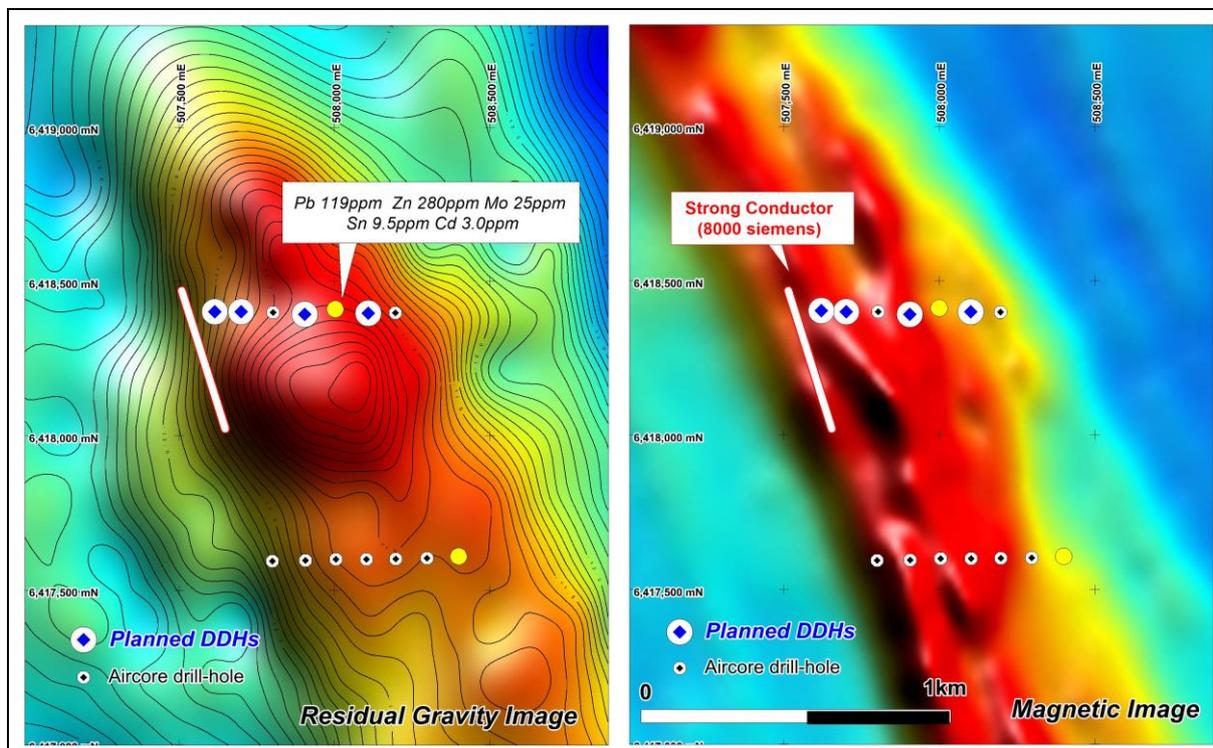


Figure 2: Tea Tree Prospect showing location of planned drill-holes.

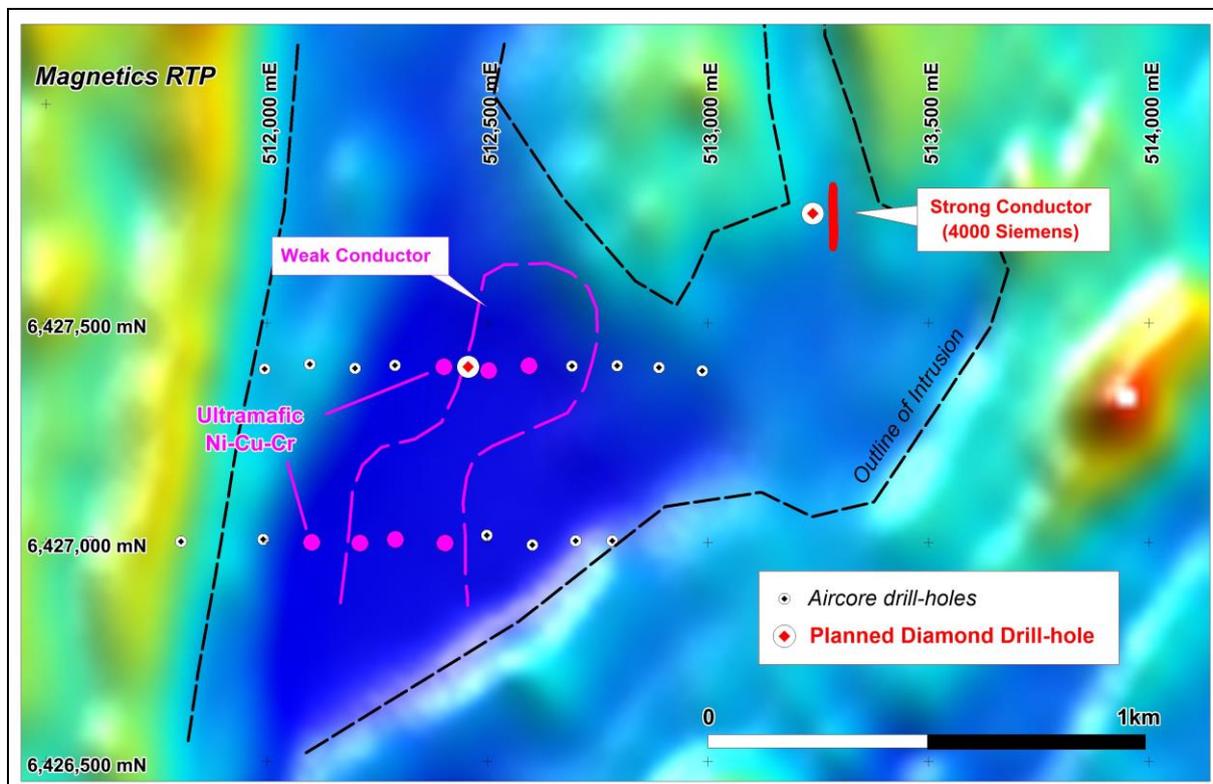


Figure 3: Harms Lake Prospect showing location of planned drill-holes.

AusQuest's Managing Director, Graeme Drew, said the Company was looking forward to seeing the results of the drilling, with both targets having delivered encouraging early-stage results from the limited amount of exploration completed to date.

“A positive outcome from either prospect would significantly change the perception of this area, which has some similarities to both the Fraser Range region next door – which hosts several nickel-copper orebodies – and the Cloncurry Belt in NW Queensland, where several major copper-gold deposits are known to occur.

“We are excited that drilling is now underway and we look forward to reporting on results as they become available.”

A handwritten signature in black ink, appearing to read 'G Drew'.

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.