

January 31st, 2023

MAJOR DRILLING PROGRAM PLANNED FOR BALLADONIA, WA TO TARGET LARGE-SCALE BASE METAL POTENTIAL

- **Major diamond drilling program (4,800m) planned for Q1-Q2 2023**
- **Eight priority gravity/magnetic targets to be tested for base metals**
- **Follow-up drilling to further test the Tea Tree base metal prospect**
- **Balladonia forms part of the Strategic Alliance Agreement with South32**

AusQuest Limited (ASX: AQD) is pleased to advise that a major drilling program to test eight Broken Hill Type (BHT) targets within the **Balladonia Base Metal Project** in the Fraser Range region of Western Australia, has been agreed under the Strategic Alliance Agreement (SAA) with a wholly-owned subsidiary of South32 Limited (South32).

Drill targets have been defined by a combination of detailed gravity and magnetic surveys which have outlined strong anomalies indicative of potential 'lode packages' and possible base metal mineralisation similar to that found within the Cloncurry Belt of NW Queensland (which hosts the Cannington deposit) and in the Broken Hill area of NSW (Figures 1 & 2).

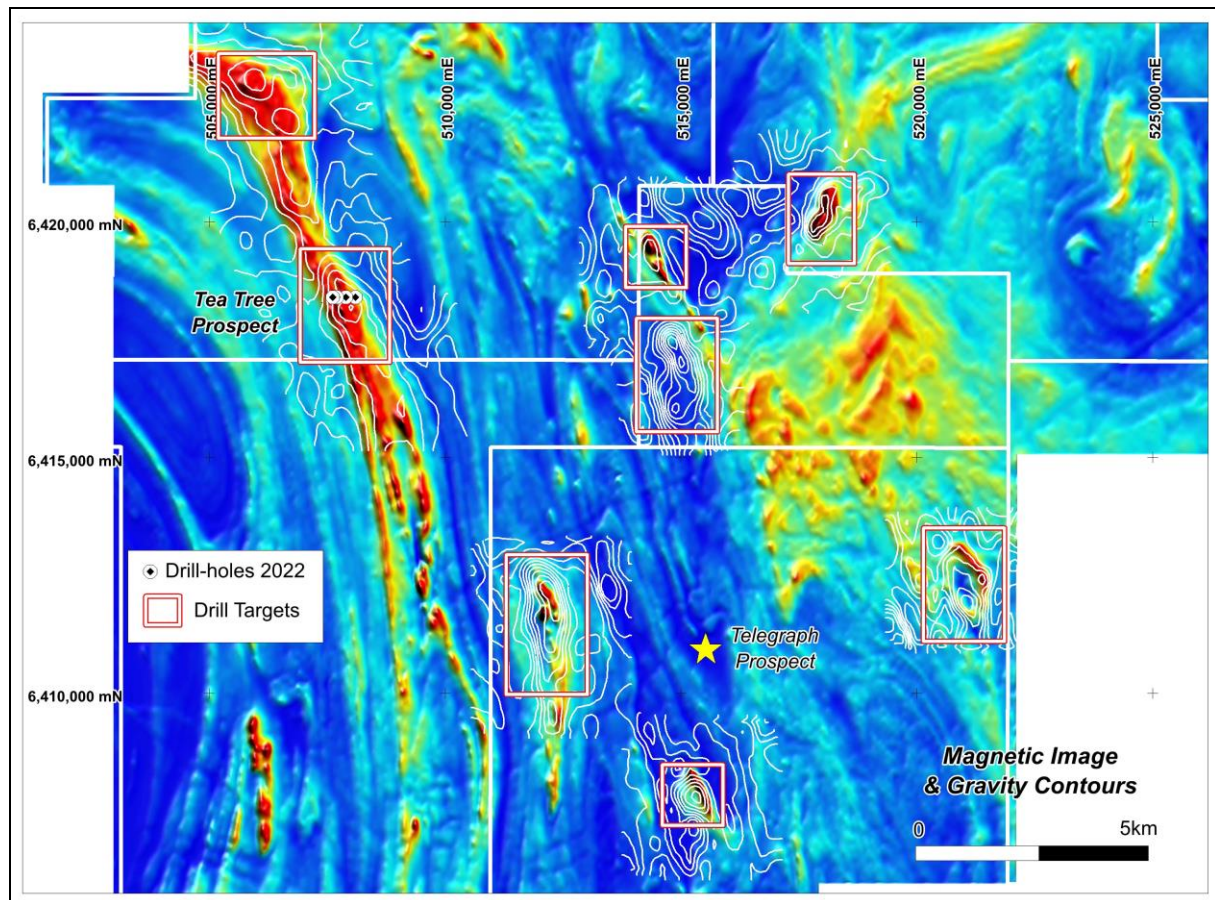


Figure 1: Detailed magnetic and gravity surveys showing priority drilling targets.

Initial diamond drilling at the Tea Tree prospect (ASX release 30 June 2022), which was designed to determine the geology responsible for gravity and magnetic anomalies in the area, confirmed the presence of highly prospective stratigraphy (thin banded iron formations (BIFs) - garnetiferous quartzites), alteration (potassic, iron and manganese) and anomalous lead, zinc and cadmium values, similar to signatures associated with base metal mineralisation found at Cannington and possibly Broken Hill.

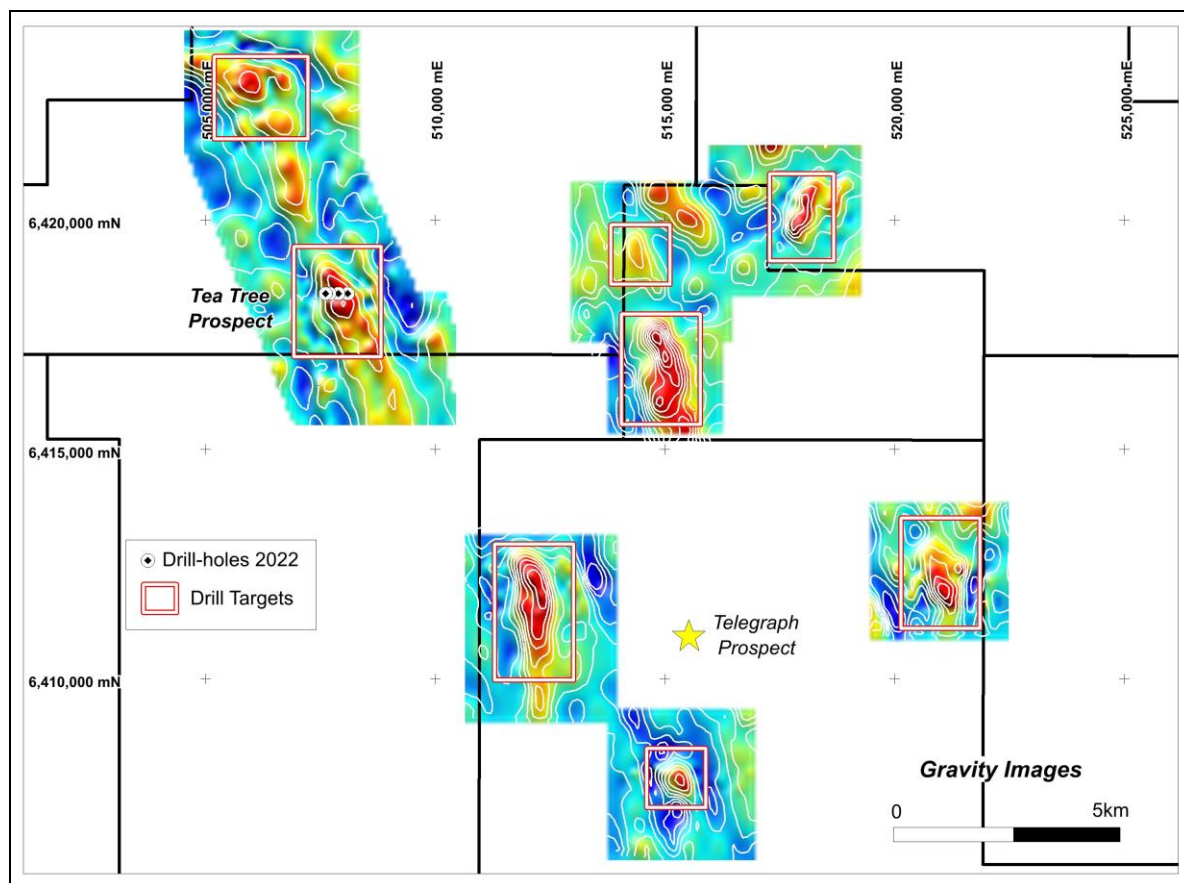


Figure 2: Detailed gravity surveys showing priority targets for drilling.

A minimum drill program consisting of 13 drill holes for a total of ~4,800m is planned with the potential for additional drilling pending results from the initial drill-holes. Drilling is expected to commence in late March 2023 once all necessary approvals have been obtained, and will take several months to complete.

AusQuest's Managing Director, Graeme Drew, said: "The concept of 'lode packages' with alteration similar to what we see in the world-class Cloncurry Belt in NW Queensland, and in the Broken Hill area of NSW, is an exciting development for the Fraser Province, and opens up some significant new exploration possibilities.

"We are excited about the upcoming drill program and look forward to advising shareholders regarding the commencement of drilling operations in due course," he said.



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.