AUSQUEST LIMITED

ASX ANNOUNCEMENT

April 24th, 2023

INITIAL DRILLING AT THE MOORA NI-CU-PGE PROJECT REVEALS POTENTIAL FOR PROSPECTIVE HOST ROCKS

AusQuest Limited (ASX: AQD) is pleased to advise that it has completed an initial program of wide-spaced Reverse Circulation (RC) drilling (four holes for 786m) at the Latham prospect, part of its Moora Nickel-Copper-PGE Project in WA.

The drilling was designed to test for mafic-ultramafic host rocks associated with the magnetic/gravity response that was identified as a possible analogue to the Gonneville intrusion which hosts the nickel-copper-PGE mineralisation at Julimar.

Drilling intersected mafic intrusive rocks (mainly ferro-gabbro) in all four drill-holes with drill-hole 23LRC02 (the deepest hole at 222m) intersecting evidence of a non-magnetic ultramafic rock unit (contaminated pyroxenite) containing elevated chrome (to 570ppm Cr) and nickel (to 220ppm Ni) values at the bottom of the hole (215m to 222m). This indicates the potential for more ultramafic rock types at depth and/or in locations lateral to the current drilling.

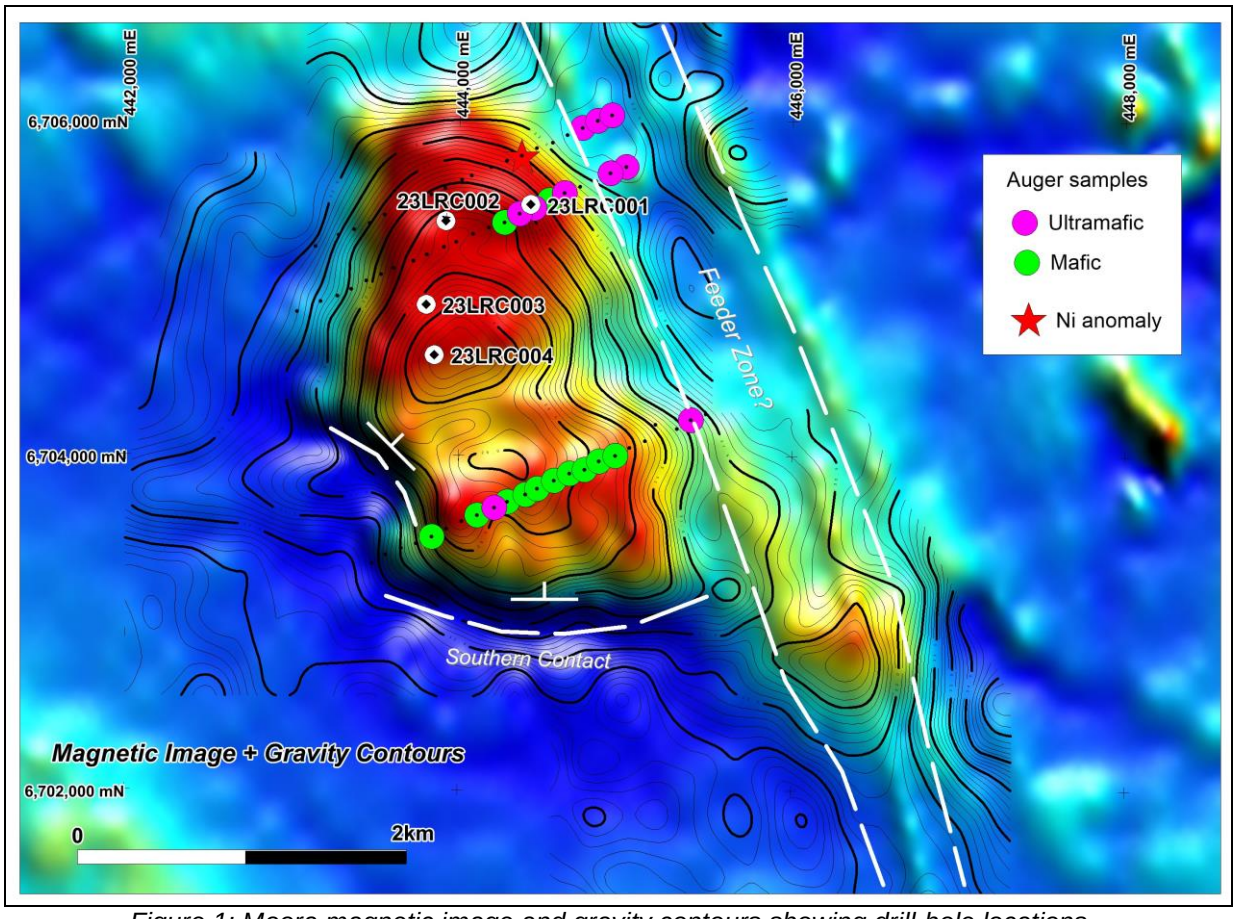

Figure 1: Moora magnetic image and gravity contours showing drill-hole locations

Layering within the inferred fractionated intrusion was difficult to discern, but appears to be thick (>150m) and have flat dips, suggesting that the lower portions of the intrusion, where

Ni-Cu and PGE mineralisation is more likely to accumulate, could be found at the margins of the intrusion where it has been tilted, or within feeder structures (Figure 1).

The ferro-gabbro intersected by the drilling contains magmatic magnetite (explaining the magnetic response) and elevated levels of rare earth elements including cerium (average 240ppm Ce), lanthanum (average 125ppm La) niobium (average 24ppm Nb) and Yttrium (average 54ppm Y), suggesting possible crustal contamination – enhancing the possibility of sulphur saturation within the melt and the potential for nickel-copper sulphides in favourable trap sites near the base of the intrusion.

Modelling of the magnetic and gravity data has been initiated to determine the most likely location of the basal section of the intrusion and possible feeder structures which would be priority targets for Ni-Cu-PGE mineralisation. Preliminary indications suggest the southern contact zone and prominent NNW trending dykes (feeder structures) along the eastern contact of the intrusion are the most likely areas of interest.

AusQuest's Managing Director, Graeme Drew, said the initial phase of drilling provided a significantly improved understanding of the geological environment including potential vectors to targeting nickel-copper-PGE mineralisation in the area.

"While the results were not as anomalous as we had hoped for, there are a number of similar geological settings within our Moora Project that are still to be assessed, and these early results have provided sufficient encouragement to justify ongoing exploration" he said.

Further work on the Moora Project is currently being considered under the Strategic Alliance Agreement with a wholly owned subsidiary of South32.

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.

JORC Code, 2012 Edition – Table 1 Report Soil Sampling – Moora Nickel-Copper Project

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• Reconnaissance RC drilling comprising 4 inclined (-60 deg) holes drilled between 300m and 520m apart and to depths of 180m, 222m, 198m and 186m respectively. • Drill collar locations were recorded by hand held GPS. • RC drilling was used to obtain 1m split samples which were composited over 2m using an onboard cone splitter. • Sample depths were determined by the length of the rod string and confirmed by counting the number of samples and rows as per standard industry practice. • Sample weight of each 2m composite submitted for analysis was approximated 3kg.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• Reverse circulation (RC) drilling with 4.5 inch face sampling bit.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• Experienced RC drillers and an appropriate rig size were used to ensure maximum sample recovery. • Sample quality and recovery was noted for each metre. • At this early stage of exploration it is not possible to identify any relationship between sample recovery and assay grade.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical*	• RC sample chips were logged by an experienced geologist to identify key rock types and mineralisation styles.

Criteria	JORC Code explanation	Commentary
	studies. • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• Sample logging was qualitative with visual estimates of mineral composition made for later comparison with assay results. • All samples were logged.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• RC samples were collected every 1 metre and presented in rows corresponding to sample depth. • Assay samples were collected every 2m utilising a cone spltter on the rig's cyclone to produce a representative composite sample for assay. • Certified standards or blanks were inserted every twentieth sample for initial quality control purposes. • The sample sizes are considered appropriate for the geological materials sampled.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• The sample sizes are considered appropriate for the geological materials sampled. • Assaying of the drill samples is by standard industry practice. • The samples are sorted and dried and the whole sample is crushed then split by riffle splitter to obtain a representative sub-sample which is then pulverized in a vibrating pulveriser. • A portion of the pulverized sample is then digested and refluxed using a four acid digest (hydrofluoric, nitric, hydrochloric and perchloric) which approximates a total digest for most elements. Some refractory minerals are not completely dissolved. • Inductively Coupled Plasma Mass Spectroscopy (ICP-MS) is used to measure Ag, Al, As, Ba, Be, Bi, Ca, Cd, Ce, Co, Cr, Cs, Cu, Fe, Ga, Ge, Hf, In, K, La, Li, Mg, Mn, Mo, Na, Nb, Ni, P, Pb, Rb, Re, S, Sb, Sc, Se, Sn, Sr, Ta, Te, Th, Ti, Tl, U, V, W, Y, Zn, and Zr (48 element suite). • Data from the laboratory's internal quality procedures (standards, repeats and blanks) and AusQuest (standards, repeats and blanks) are reviewed to check data quality. • Assays are provided by Intertek Genalysis, Maddington, WA which is a certified laboratory for mineral analyses. Analytical

Criteria	JORC Code explanation	Commentary
		data is transferred to the company via email and by hard copy.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• No verification of intersections was undertaken, drilling was reconnaissance in nature. • Sample details were compiled into Excel spreadsheets for merging with assay data. • Digital data is regularly backed-up on the company's servers.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Drill hole collar locations were established with a handheld GPS to +/- 5m accuracy. • Due to the reconnaissance nature of the program, down hole surveys were not carried out. • Grid system used is GDA94 Zone 50S.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Drill holes were reconnaissance in nature and designed to test coincident magnetic and gravity anomalies beneath cover. • Drill holes were between 300m and 520m apart.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Any bias due to the orientation of the drilling is unknown at this early stage of exploration.
Sample security	• *The measures taken to ensure sample security.*	• Samples were collected in securely tied bags and placed into cable-tied polywoven for transport to the assay laboratory, accompanied by a sample submission sheet listing sample numbers and required sample preparation and assay procedures. • Reputable companies are used to transport samples to the laboratory. • Sample pulps (after assay) are held by the laboratory and returned to the company after 90 days.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• No audits or reviews have been carried out on the sampling to date.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• The Moora Project is located northwest of Dalwallinu, and approximately 250 km north-east of Perth in Western Australia. • Tenement holdings include Exploration Licences E70/5388, E70/5389, E70/5401, all 100% held by AusQuest Limited. • Access agreements are in place for areas of interest over freehold land. • The tenements are all in good standing. • Aboriginal heritage surveys are completed where required ahead of ground disturbing activities. • The Project is subject to a Strategic Alliance Agreement with a subsidiary of South32
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Previous exploration is very limited and was mainly focused on bauxite and BIF associated magnetite iron ore. • Limited aircore, RC drilling and surface sampling was reported, targeting magnetic anomalies as possible iron ore deposits. • Detailed aeromagnetic data were available over most of EL 70/7389 and the extreme western part of EL 70/5388 as part of the search for iron ore. These data are being used in the current exploration of the area.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The Moora Project is targeting nickel-copper-PGE mineralisation in mafic/ultramafic intrusions within the extreme western part of the Yilgarn Craton.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* ○ *easting and northing of the drill hole collar*	• All relevant drill hole data are provided below.

Criteria	JORC Code explanation	Commentary
	○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* ○ *dip and azimuth of the hole* ○ *down hole length and interception depth* ○ *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• No aggregation techniques have been used on the data.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• No significant base metal intersections obtained, drilling was reconnaissance in nature.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Drill hole locations are shown on an appropriate plan included in the ASX release and a table of collar coordinates is provided below.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• Interpretation of the regional soil assay data is in progress.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• The area was selected for drilling based on the interpretation of magnetic, helicopter EM and gravity data generated by the company.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the*	• Proposals of further work will be prepared after a thorough analysis of the data is completed.

Criteria	JORC Code explanation	Commentary
	main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	

Drilling Details:

Hole_No	Prospect	Easting	Northing	RL (m)	Datum	Zone	Azimuth (deg)	Inc (deg)	RC_Depth (m)
23LRC001	Latham	444425	6705500	286	GDA94	50	270	-60	180
23LRC002	Latham	443915	6705400	287	GDA94	50	270	-60	222
23LRC003	Latham	443800	6704900	288	GDA94	50	270	-60	198
23LRC004	Latham	443850	6704600	289	GDA94	50	270	-60	186