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ASX Release



AUSQUEST REPORTS FURTHER INTERSECTIONS AT ROCKLEA

AusQuest Limited (ASX Code: AQD) today announced assay results from the second phase of scout drilling at its Rocklea Iron Project, located 40 kilometres west of Tom Price in the Pilbara region of Western Australia.

The results continue to highlight substantial thicknesses of pisolitic iron mineralisation within an extensive channel at Rocklea, potentially up to 3.7km long. Further work, including additional drilling, will be required before a resource estimation can be undertaken or an assessment made of the economic potential of the project.

The Phase 2 drilling programme consisted of 22 vertical Reverse Circulation drill holes for a total of 794 metres and included in-fill as well as scout drilling for extensions to the east of the channel iron mineralisation identified in drilling last year.

Assay results from in-fill drilling at the western end of the prospect confirmed the trace of the channel iron mineralisation, outlining a channel approximately **1.7km long, 400 metres wide and varying in thickness from 12 to 40 metres** (based on a 10 metre minimum cumulative thickness of iron pisolite with grades >50%Fe).

The channel to the east of drill hole RC028, requires further drilling, however it appears to extend a **further 2km to the east** beneath the cover of the Hardey River plain. Drill holes RC032, 034, and 035 are believed to have intersected the margins of the channel (see attached plan).

The average iron grade for the western half of the channel is estimated to be approximately 53.8% Fe although higher grade intersections (>55% Fe) are reported from six of the in-fill drill holes. Average alumina levels appear reasonable at less than 3% (2.8% Al₂O₃) but average silica levels are high at 7.6%. Phosphorous content is consistently low (<0.04%).

In places, the channel iron mineralisation is overlain by a calcrete layer which ranges in thickness from zero, where the iron pisolite outcrops at surface, to approximately 20 metres around the margins of the channel.

Assay results from the Phase 1 drilling programme reported in June 2005 have been reassessed in light of the in-fill drilling results and intercepts recalculated using a 50% Fe cut-off grade to provide consistency between the two data sets. A plot showing the cumulative thickness of iron pisolite mineralisation at Rocklea is included with this release.

The next phase of testing at Rocklea, scheduled for later this year, will involve drilling several core holes in selected locations to confirm assay results, as many of the samples assayed may have been affected by high water flows. This will also provide material for initial beneficiation test work if required.

Better intersections from the Phase 2 drilling are presented in table 1 and recalculated intersections from the Phase 1 drilling programme from 2005 are presented in table 2.

Table 1: Assay results from phase 2 drilling - using a 50% Fe cut-off grade

Hole No	Northing	Easting	Depth from	Depth to	Interval (metres)	Fe%	SiO2%	Al2O3%	LOI
RC20	7477240	548276	2m	8m	6	50.8	5.8	2.5	14.0
			10m	20m	10	54.3	4.2	2.7	12.5
(including)			16m	20m	4	55.8	4.2	2.4	11.7
RC21	7477074	548388	14m	18m	4	51.7	7.9	3.0	12.5
			20m	28m	8	53.0	11.0	1.6	10.6
RC22	7477492	548830	0m	8m	8	54.7	5.3	3.0	11.7
			12m	36m	24	53.9	8.9	2.1	10.7
			40m	44m	4	53.8	7.2	2.8	11.4
(Including)			22m	34m	12	56.3	7.1	1.2	10.2
RC23	7477326	548942	0m	4m	4	53.5	5.9	3.0	12.2
			14m	18m	4	51.9	8.9	4.0	11.5
			26m	44m	18	54.9	5.9	3.3	11.1
(including)			28m	36m	8	55.7	6.1	2.5	10.5
RC24	7477161	549053	16m	22m	6	53.0	7.7	2.9	11.6
RC25	7477274	549580	10m	34m	24	56.4	4.8	1.9	11.4
RC26	7477440	549468	18m	30m	12	54.5	7.9	2.1	11.0
			32m	36m	4	51.0	9.1	4.8	11.7
RC27	7477109	549692	22m	42m	20	52.2	8.6	4.1	11.4
(including)			24m	28m	4	55.4	5.4	2.6	11.4
RC28	7476943	549803	8m	30m	22	54.5	8.1	1.9	11.0
(Including)			12m	30m	18	55.1	7.6	1.7	11.0
RC32	7477113	550413	20m	24m	4	51.9	7.6	4.4	12.2
RC34	7477477	551132	0m	12m	12	55.0	4.5	2.2	12.0
(including)			2m	12m	10	55.8	4.1	2.1	11.8
RC35	7476600	550900	14m	18m	4	54.4	8.1	2.4	11.0
			22m	28m	6	52.2	9.3	3.7	11.2

Table 2: Assay results from phase 1 drilling - using a 50% Fe cut-off grade

Hole No	Northing	Easting	Depth from	Depth to	Interval (metres)	Fe%	SiO2%	Al2O3%	LOI
RC01	7477460	548612	0m	10m	10	52.5	8.9	2.1	11.3
			16m	24m	8	53.0	9.9	1.9	11.1
RC02	7477369	548655	8m	40m	32	55.3	7.0	2.2	10.9
(including)			30m	40m	10	57.6	4.4	1.9	10.7
RC03	7477305	548728	4m	10m	6	55.5	5.5	2.5	11.5
			24m	48m	24	56.8	4.4	2.3	11.3
(including)			26m	44m	18	58.0	3.8	1.6	10.9
RC04	7477217	548785	14m	46m	32	55.3	6.2	2.6	11.1
(including)			26m	40m	14	57.9	3.8	2.1	10.6
RC05	7477123	548846	16m	22m	6	54.5	7.6	2.5	10.9
RC07	7477540	549084	0m	4m	4	55.3	5.3	2.8	11.8
			12m	36m	24	53.1	8.3	3.2	11.3
(including)			28m	34m	6	55.3	5.8	2.5	11.5
RC08	7477454	549126	0m	26m	26	55.0	7.1	1.6	11.4
			32m	46m	14	52.0	9.6	3.5	11.4
(including)			4m	10m	6	57.7	3.8	1.2	11.3
			16m	20m	4	57.4	4.4	1.4	11.7
RC09	7477365	549193	2m	6m	4	51.1	7.7	3.4	12.0
			12m	18m	6	52.7	11.2	1.5	10.6
			24m	36m	12	53.2	10.7	1.8	10.7
			40m	46m	6	50.8	8.2	5.7	12.2
RC10	7477274	549243	0m	4m	4	53.2	8.0	3.6	11.1

			6m	34m	28	52.3	8.7	1.6	12.3
			36m	40m	4	53.0	6.0	4.7	12.3
(including)			18m	22m	4	56.8	4.5	1.6	11.5
RC11	7477193	549306	0m	4m	4	52.3	8.3	3.3	11.6
			14m	28m	14	54.7	6.3	2.4	11.7
RC14	7477572	549648	12m	16m	4	52.5	12.1	1.7	10.3
RC15	7477499	549691	8m	12m	4	50.4	7.8	4.7	12.9
			18m	22m	4	56.0	6.8	1.4	10.7
RC16	7477415	549753	30m	34m	4	51.9	8.2	4.4	11.8
RC17	7477343	549818	16m	24m	8	52.4	11.2	2.1	10.8
			26m	32m	6	52.4	11.2	1.9	11.0
RC18	7477259	549873	18m	28m	10	54.5	6.4	3.1	11.6
			30m	36m	6	53.4	9.4	2.1	11.1
			40m	44m	4	50.4	9.1	5.3	12.0
(including)			24m	28m	4	56.0	6.8	1.4	10.7
RC19	7477170	549930	28m	38m	10	54.9	5.8	2.9	11.73
			42m	50m	8	51.4	7.7	5.5	12.1

Note: All holes are vertical. Samples were collected at 2 metre intervals. Samples were dried, pulverised and assayed by X-Ray Fluorescence Spectrometry.

Loss on Ignition (LOI) values reflect the water of crystallisation within the samples.

The Rocklea Project is part of a portfolio of iron ore projects held by AusQuest in the Pilbara region of Western Australia. The Company recently reported initial drilling results from its Nameless Project, located 5km north west of Tom Price, and has also secured a major drainage system (25km in length) immediately south of the Whaleback iron ore mine at Newman in the east Pilbara, where it has identified pisolitic iron mineralisation at surface.



Graeme Drew
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