

28 March 2006  
ASX Release

## NAMELESS IRON ORE TENEMENT GRANTED

The Directors of AusQuest Limited (ASX: AQD) are pleased to announce that Exploration Licence E47/1485 containing the Nameless Iron Ore Prospect, located 5 kilometres north west of Tom Price in the Pilbara region of Western Australia, has now been granted and a drilling contract signed with Drillcorp - Western Deep Hole Pty Ltd to undertake the initial drill testing of the property. It is expected that drilling will commence in April 2006.

The Nameless prospect is subject to Letter of Intent with Hamersley Iron Pty Limited, a member of Rio Tinto Limited ("Rio Tinto") which will allow Rio Tinto to take an equity position in AusQuest, as well as acquire a 60% interest in the project.

The agreement includes the provision of up to \$1.5 million in equity funding and the establishment of a farm-in joint venture with Rio Tinto having the right to acquire a 60% interest in the tenement. The terms of this farm-in agreement include a \$7.5 million payment to AusQuest over 3 years at a minimum rate of \$2 million per annum and Rio Tinto funding exploration to establish a JORC compliant resource.

The Nameless prospect is part of AusQuest's portfolio of iron- and nickel-prospective tenements in the Pilbara region and encompasses a pisolitic iron ore target identified by AusQuest in 2005 in close proximity to Rio Tinto's existing mining operations in the Tom Price area.

Reconnaissance mapping and sampling at the Nameless prospect during 2005, identified channel fill pisolitic iron mineralisation over a strike length of approximately 15 kilometres with widths varying from 200 metres to 500 metres. Promising iron grades (55% to 58% Fe) were returned from 56 surface pisolite rock samples collected over the full strike length of the mapped channel. The mineralisation is similar in style to other pisolitic deposits mined elsewhere in the Pilbara.



Graeme Drew  
**Managing Director**