

30 August 2005
ASX Release

AUSQUEST CONFIRMS NEW IRON POTENTIAL IN THE PILBARA

AusQuest Limited (ASX: AQD) is pleased to advise that reconnaissance mapping and sampling at the Nameless Iron prospect, 5 kilometres north west of Tom Price in WA, has identified channel fill pisolitic iron mineralisation over a strike length of approximately 15 kilometres.

Chemical analysis of 15 surface pisolite samples collected along the strike length of the channel returned high iron grades (55 to 58% Fe) similar in tenor to iron grades reported from pisolitic deposits mined elsewhere in the Pilbara.

The channel appears to vary in width from 200 metres in the east where it cuts through the Marra Mamba Iron Formation, up to 500 metres over the majority of its strike length. In places detrital iron mineralisation occurs along the margins of the channel.

Wood fragments identified within the pisolitic iron outcrops are diagnostic of channel or valley fill material and confirm correlations being made with the Robe Pisolite.

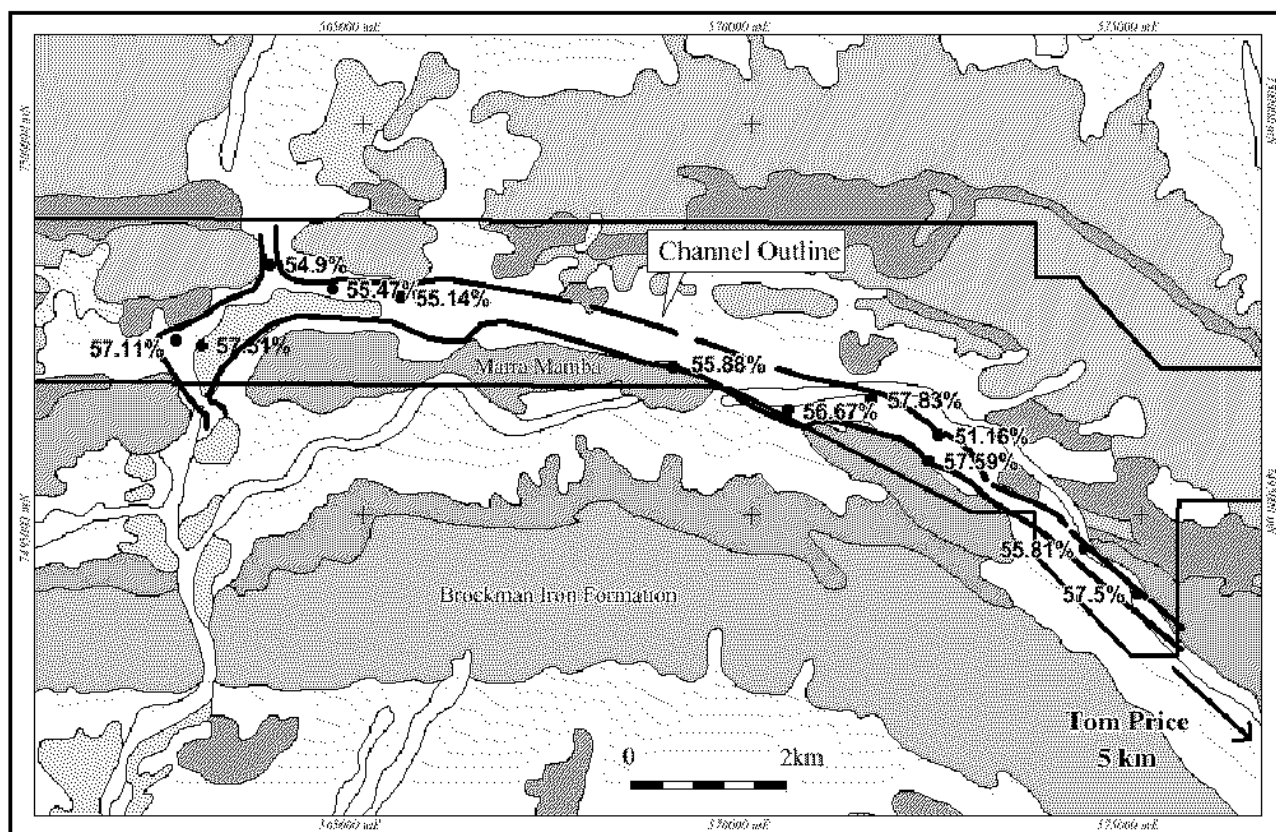
A Heritage agreement has been signed with the Native Title claimants to facilitate grant of the tenement, which is expected around the end of the year.

The company is very encouraged by these results, which have upgraded the exploration potential of this area as part of AusQuest's portfolio of Pilbara iron ore projects, particularly in light of its close proximity to existing infrastructure and iron ore mining operations.

A comprehensive follow-up program of sampling and mapping will commence in late September 2005. Planning is underway to commence a drilling program covering the entire 15km length of the channel as soon as title is granted.

The Company controls up to 50 kilometres of drainage with potential to contain pisolitic iron mineralisation in the Tom Price-Paraburdoo region, and an untested drainage system at Sylvania near Newman.

AusQuest is pursuing an intensive iron ore exploration program in the Pilbara region in parallel with its other nickel, gold and diamond exploration activities.



Nameless Iron Prospect showing the channel outline and iron grades

Graeme Drew

Graeme Drew
Managing Director