

June 19, 2007
ASX Release



AUSQUEST PROGRESS ON IRON ORE PROJECTS

- **Appointment of Golder Associates Pty Ltd to undertake Rocklea iron ore resource estimate.**
- **High-grade surface channel iron samples (>57% Fe) located within a 4-5km long drainage at Tom Price South, 7km south of the Tom Price mine.**
- **Initial drilling planned at Tom Price South in the second half of 2008.**
- **Drilling also planned at the Nameless Project to test the potential for buried Marra Mamba Iron Formation (historic intercept of 14m @ 56.2% Fe).**

AusQuest Limited (ASX: AQD) is pleased to provide an update on recent progress with its portfolio of iron projects in the Pilbara region of Western Australia. Several positive developments have occurred recently at a number of these projects, potentially enhancing their strategic value to AusQuest.

Rocklea Project

The results of bench-scale metallurgical test-work on core from two holes drilled in 2007 at the **Rocklea Project**, located 40km west of Tom Price, indicate that wet processing can remove moderate amounts of silica and alumina from the more clay-rich material, leading to a potentially saleable product with acceptable levels of silica and alumina (<5% SiO₂, <2.5% Al₂O₃).

The Company was sufficiently encouraged by these results to commission Golder Associates Pty Ltd to undertake a resource estimate on the Rocklea channel iron prospect and advise the Company on its current status with respect to JORC Code compliance. This work is expected to be completed within the next Quarter.

Tom Price South

AusQuest has also completed geological mapping and sampling of a second channel iron prospect, **Tom Price South**, located immediately south (~7km) of the Tom Price open cut operation. High-grade channel iron samples (**12 of the 20 samples assayed >57% Fe**) were located at surface within a drainage approximately **4 to 5km in length and 300 to 500 metres wide** (*see attached figure*).

Initial exploration drilling at this prospect is planned for the second half of 2008 to determine the thickness of the channel iron mineralisation and the resource potential of the prospect.

Exploration drilling is also planned for an area north of the **Paraburdoo airport** where extensive areas of alluvial cover may be concealing channel iron mineralisation. It is expected this programme will follow on from drilling at the Tom Price South prospect.

Nameless Project

At the **Nameless Project**, geological mapping and sampling has confirmed the potential for buried Marra Mamba Iron Formation (MMIF) at the eastern end of the tenement. A review of previous drilling which was designed to test for shallow channel iron mineralisation, revealed a **14 metre intersection grading 56.2% Fe** from MMIF at the bottom of one of the drill-holes.

Exploration drilling in this area is also planned for the second half of 2008, pending clearances and drill rig availability.

Future Drilling Activity

With the increased activity at its Pilbara iron projects and ongoing drilling programs for manganese and IOCG copper-gold, AusQuest will be undertaking significant drilling activity during the second half of 2008 at a number of its major projects (see table below):

Projects	June	July	August	September	October	November
Table Hill (Mn)						
Diamantina (IOCG)						
Tom Price South (Fe)						
Nameless (Fe)						
Paraburdoo Airport (Fe)						

(Times shown in orange are estimates only with drilling at the Company's iron prospects dependant on rig availability)

The Board of AusQuest continues to look forward to reporting results from these drilling programmes as they become available.



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 2004 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.

