April 3rd 2013
ASX Release

AUSQUEST LIMITED
ABN 35 091 542 451

PRIORITY NICKEL TARGETS IDENTIFIED AT DUNDAS

VTEM survey locates strong conductors ~80km south of Nova

Key Points

- **Two strong and two moderate conductors identified by VTEMMax survey.**
- **Strong conductors have a strike length of ~400m and are located close to anomalous nickel surface geochemistry.**
- **Analysis of the data suggests the potential for a sulphide source at relatively shallow depths.**
- **Ground EM surveys and surface geochemistry to commence in late April to refine targets for drilling this year.**

AusQuest Limited (ASX: AQD) is pleased to announce that it has identified up to four priority targets for nickel exploration from a recently completed VTEMMax survey at its 100%-owned **Dundas Project**, located ~80km south of the world-class Nova nickel-copper discovery (Figure 1).

The VTEM survey (~320kms) was designed to test for massive sulphide mineralisation in proximity to broad zones of anomalous nickel and copper geochemistry outlined by a prior regional surface sampling program.

The survey has identified two strong and two moderate conductors for immediate follow-up at Dundas (see Figure 2 attached).

The two strongest anomalies (A & B) appear limited in strike length (~400 metres), although conductor 'B' is not fully defined. The conductors occur close to anomalous surface nickel geochemistry and are closely associated with domal and/or intrusive structures interpreted from the Company's detailed aeromagnetic data.

The limited strike extent and high conductance inferred for both conductors suggests a probable sulphide source at relatively shallow depths (<100 metres).

Conductors C and D are less conductive but appear to be more closely associated with the anomalous nickel surface geochemistry as well as the interpreted domal and/or intrusive structures.

Ground EM surveys and detailed surface geochemical programs have been designed to further evaluate these targets and optimise sites for future drilling. This work will commence as soon as a suitable geophysical crew is available (probably in late April) and will take several weeks to complete.

The Company looks forward to reporting on results of this survey 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.

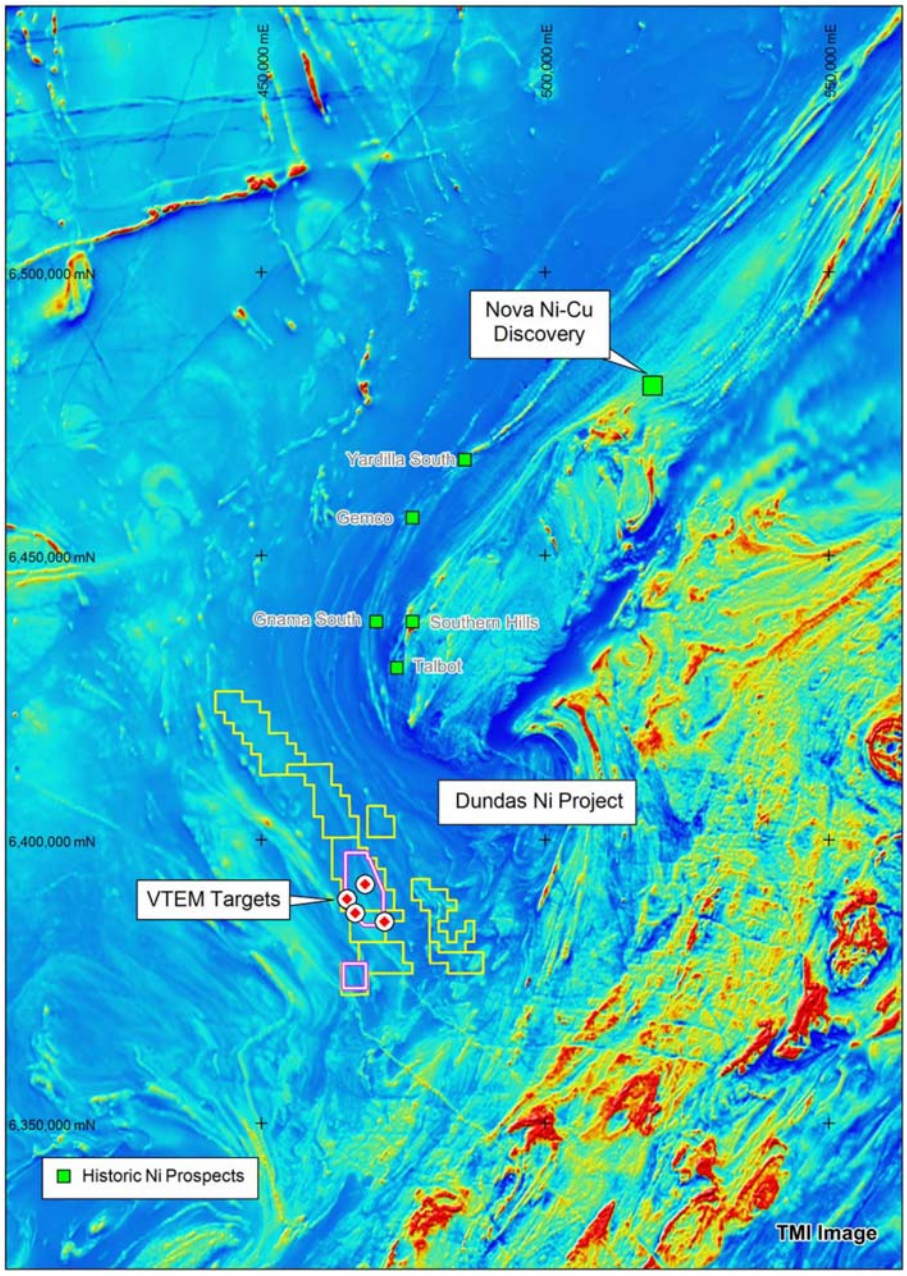

Figure 1: Location of Dundas Nickel Project 80km south of Nova.

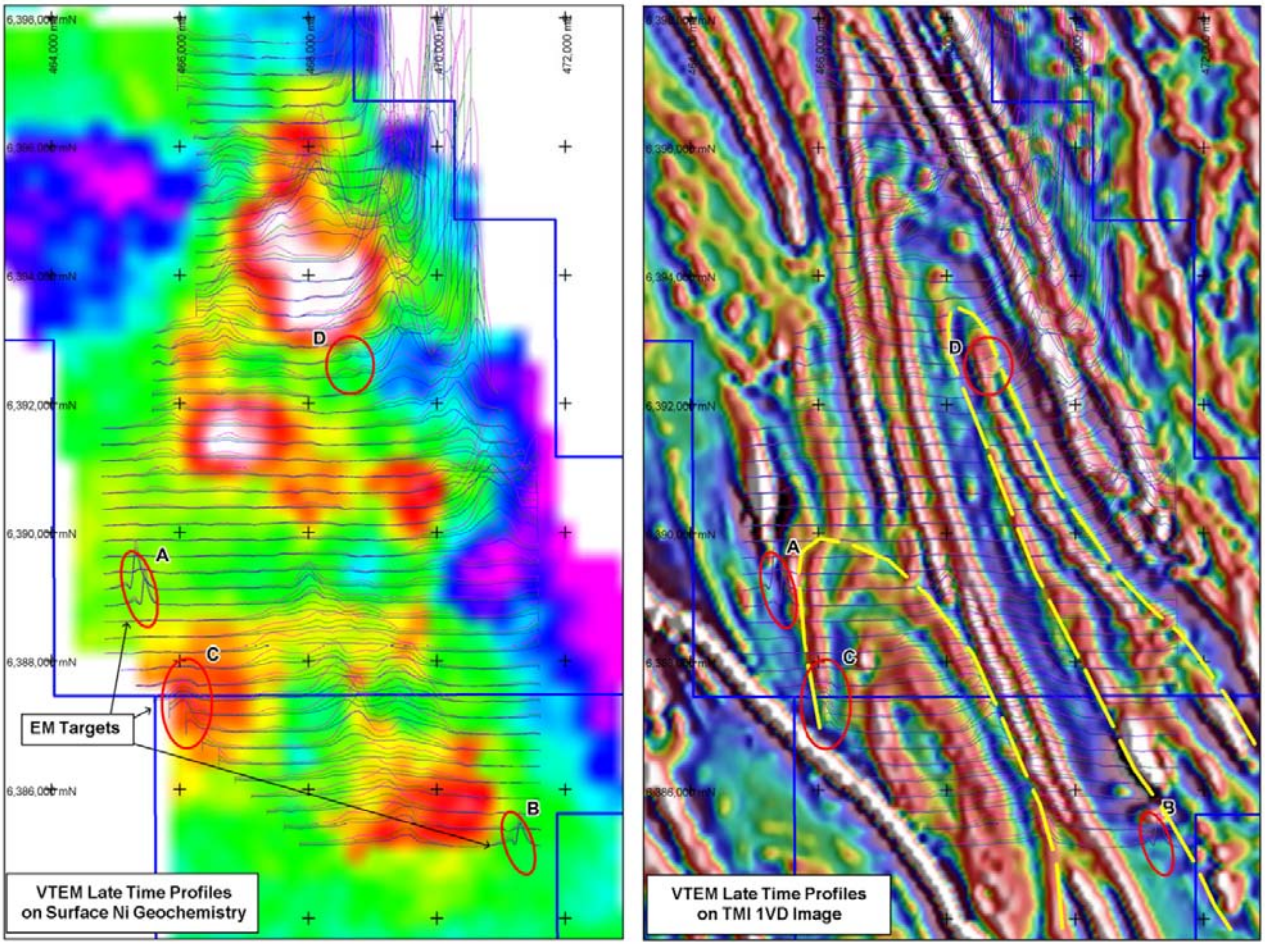

Figure 2: Dundas VTEM Survey showing EM Targets