

September 26, 2013
ASX Release

FRASER RANGE NICKEL-COPPER TARGETS READY FOR DRILLING

Key points

- Clearance surveys have been completed over three high priority drill targets identified by fixed loop EM (FLTEM) surveys at the Dundas Project (WA).
- Dundas, which is 100% owned by AusQuest, is located 80km south of the Nova and Bollinger nickel-copper-cobalt deposits (Sirius Resources).
- Drilling operations are planned to commence in Q4 2013.

AusQuest Limited (ASX: AQD) is pleased to advise that site clearance surveys have been completed over three high priority drilling targets at its 100%-owned **Dundas Nickel-Copper Project**, located ~80km south of the Nova and Bollinger nickel-copper-cobalt discoveries in the Fraser Range belt of Western Australia (see *Figure 3 attached*).

Final reports on the clearances are expected shortly which will enable access tracks and drill pads to be prepared and drilling to commence in the fourth Quarter of 2013.

The targets have been defined by a combination of ground-based fixed loop EM (electromagnetic) surveys and soil sampling which upgraded one target where low-level nickel and copper anomalism was found to coincide with the projected surface position of the interpreted conductor.

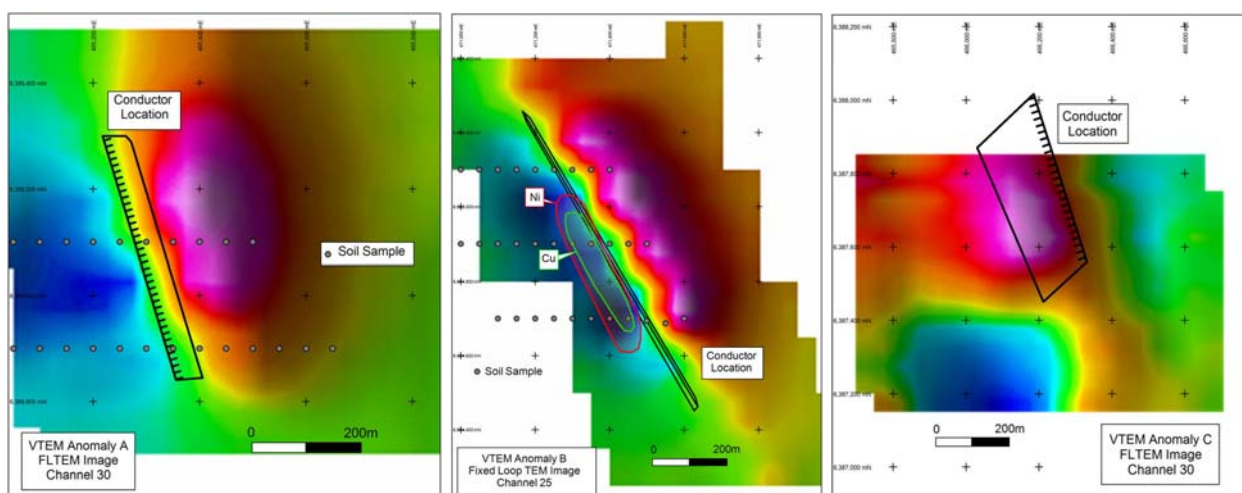


Figure 1: FLTEM Anomalies recommended for drilling

Airborne and ground-based geophysics, together with surface geochemistry, played an important role in the discovery of the Nova nickel-copper-cobalt deposit by Sirius Resources in 2012.

The ground EM surveys identified two strong and one moderate discrete conductor with strike lengths varying from ~400m to 800m and target depths from ~50m to 200m (Figure 1).

The Company’s geochemical database from previous RAB drilling programs has also been interrogated by the Company’s consultants, identifying potential mafic and ultramafic rocks which are the preferred hosts for nickel sulphide mineralisation. The Company’s detailed aeromagnetic data were then used to extrapolate these results between drill sections.

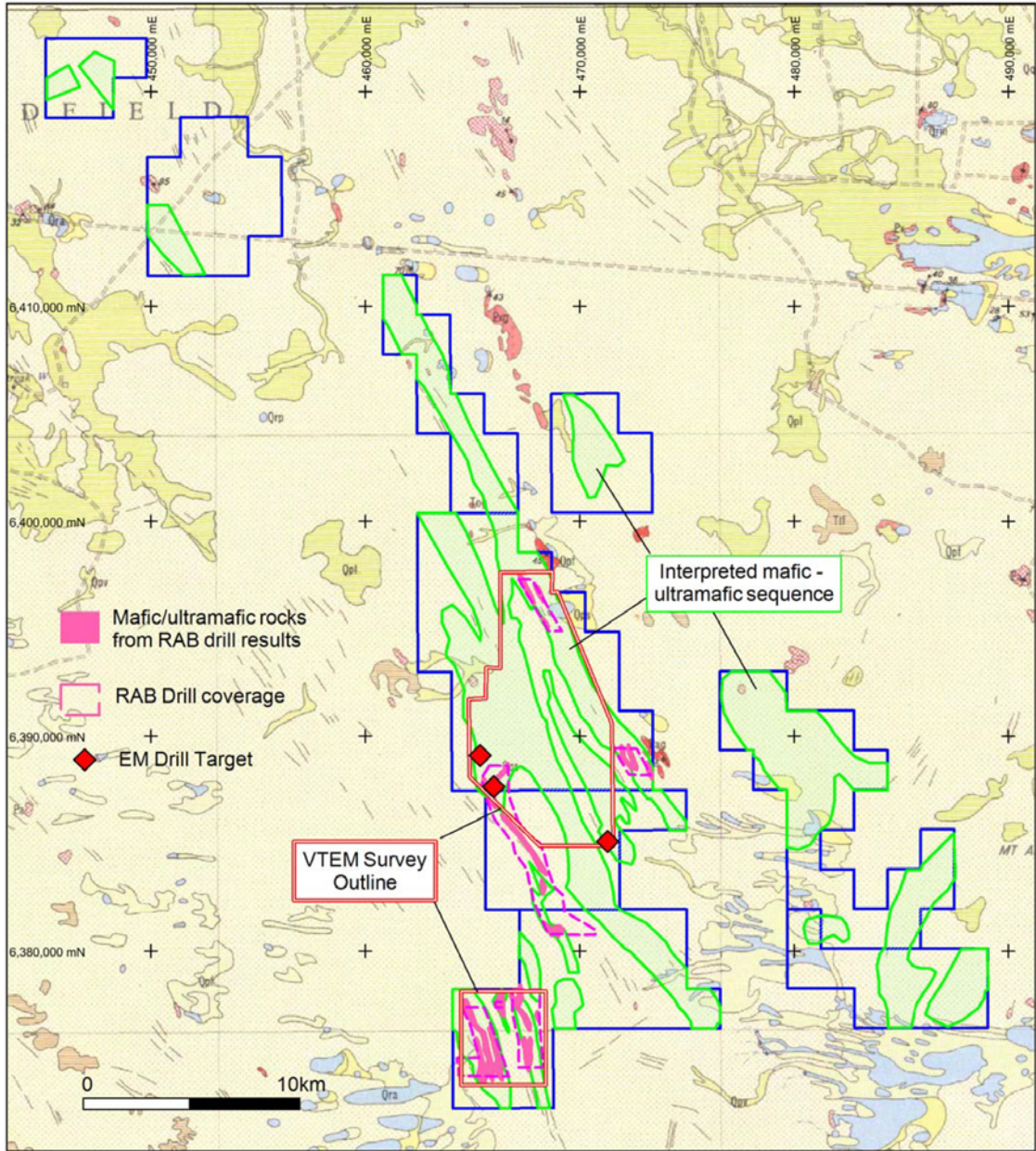


Figure 2: Dundas Summary plan showing extent of prospective stratigraphy

This resulted in a significant strike length of potentially nickel-bearing host rocks being outlined within the Company’s tenement package, which covers an area of ~400km² within the Fraser Range area (Figure 2).

A re-evaluation of the Company’s exploration program showed that significant areas of prospective stratigraphy remain to be tested, given the high nickel-copper prospectivity of the Fraser Range region as evidenced by the Nova discovery.

Further EM surveying is currently being considered to complement the upcoming drilling programme at the Dundas Project.

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.

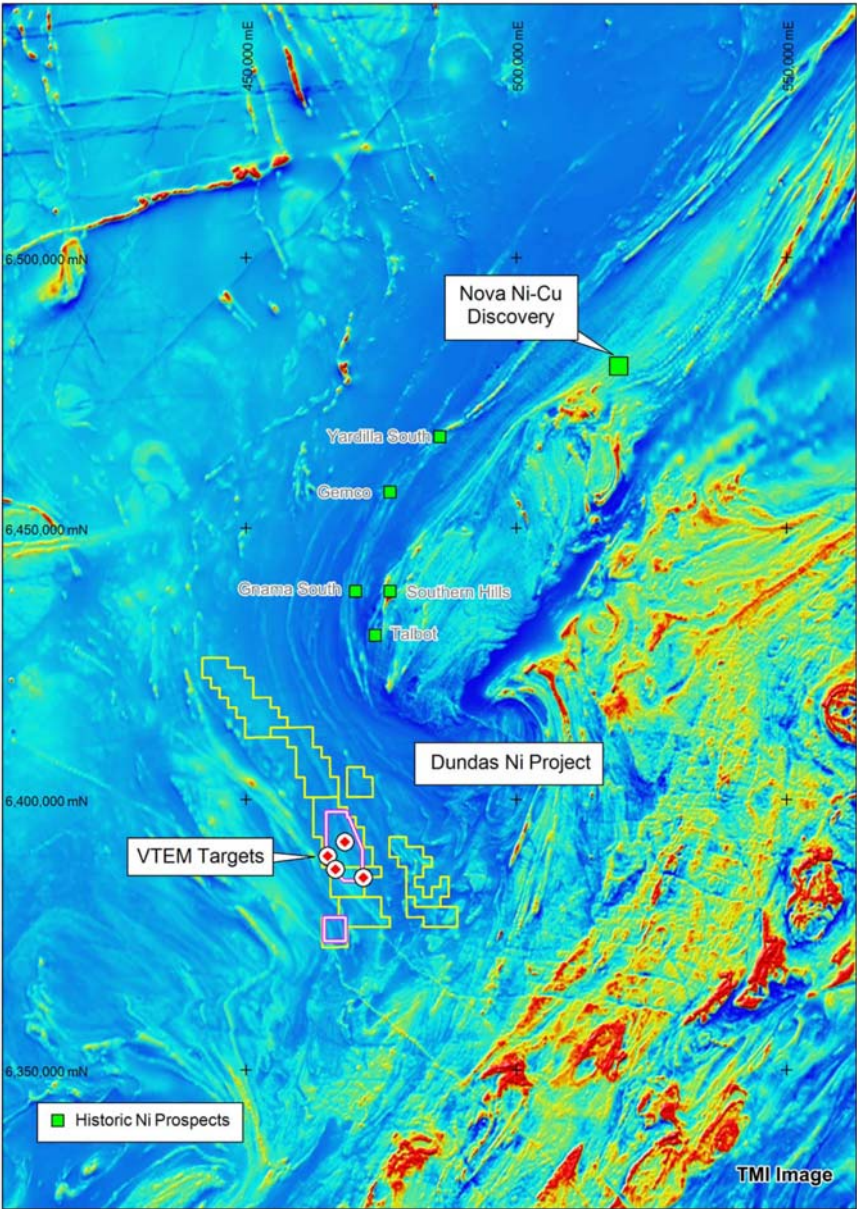


Figure 3: Location of Dundas Nickel Project and VTEM Targets