

June 16th, 2015
ASX Release

FRASER RANGE DRILL TARGETS CONFIRMED

- **Three high-priority drill targets confirmed at Balladonia South**
- **Strong EM conductors appear to be associated with mafic dykes**
- **Six drill sites optimised by computer modelling of MLTEM data**
- **Drill clearance surveys are in progress: final approvals expected in July**

AusQuest Limited (ASX: AQD) is pleased to advise that it has defined three high priority conductive targets from successful in-fill ground EM surveys within its 100%-owned Balladonia South tenement in the Fraser Range region of WA (*Figure 1*), with preparations now underway for drilling to commence in the second half of this year.

The targets appear to be closely associated with cross-cutting mafic intrusive dykes. This association is believed to significantly upgrade the potential for sulphide mineralisation being found within or near the base of a mafic intrusion, which is the preferred location for concentrations of nickel-copper sulphides within mafic-hosted systems.

Computer modelling of the moving loop TEM (MLTEM) data has optimised six drill sites to test these targets.

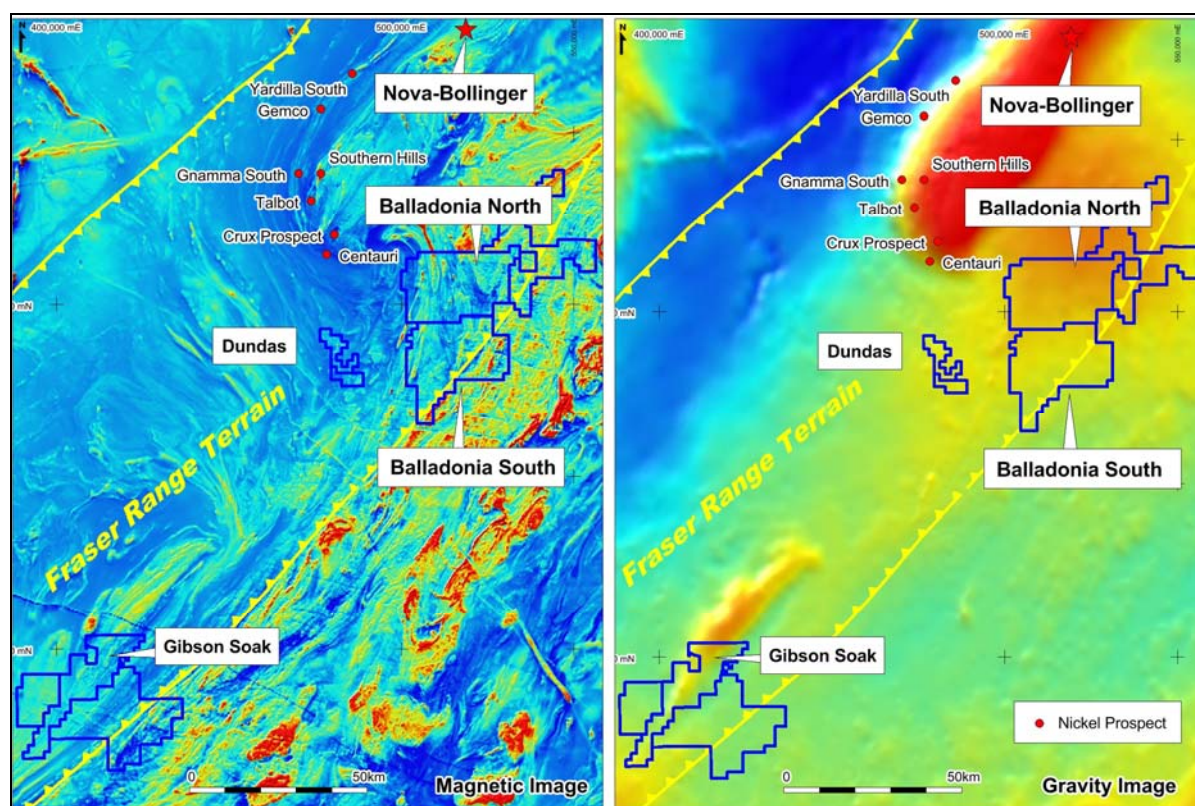


Figure 1: Fraser Range Tenement Locations

The Company is currently seeking clearance from Government and Native Title Holders to prepare access for drilling. It is expected that approvals should be received during July 2015, clearing the way for drilling to commence in the following months.

The EM conductors identified within the Balladonia South tenement are located ~40km south-east of Sirius Resources' Crux prospect and are associated with negative magnetic anomalies similar to the responses over the Crux intrusion where "Nova-style host rocks containing disseminated and matrix sulphides" have been reported.

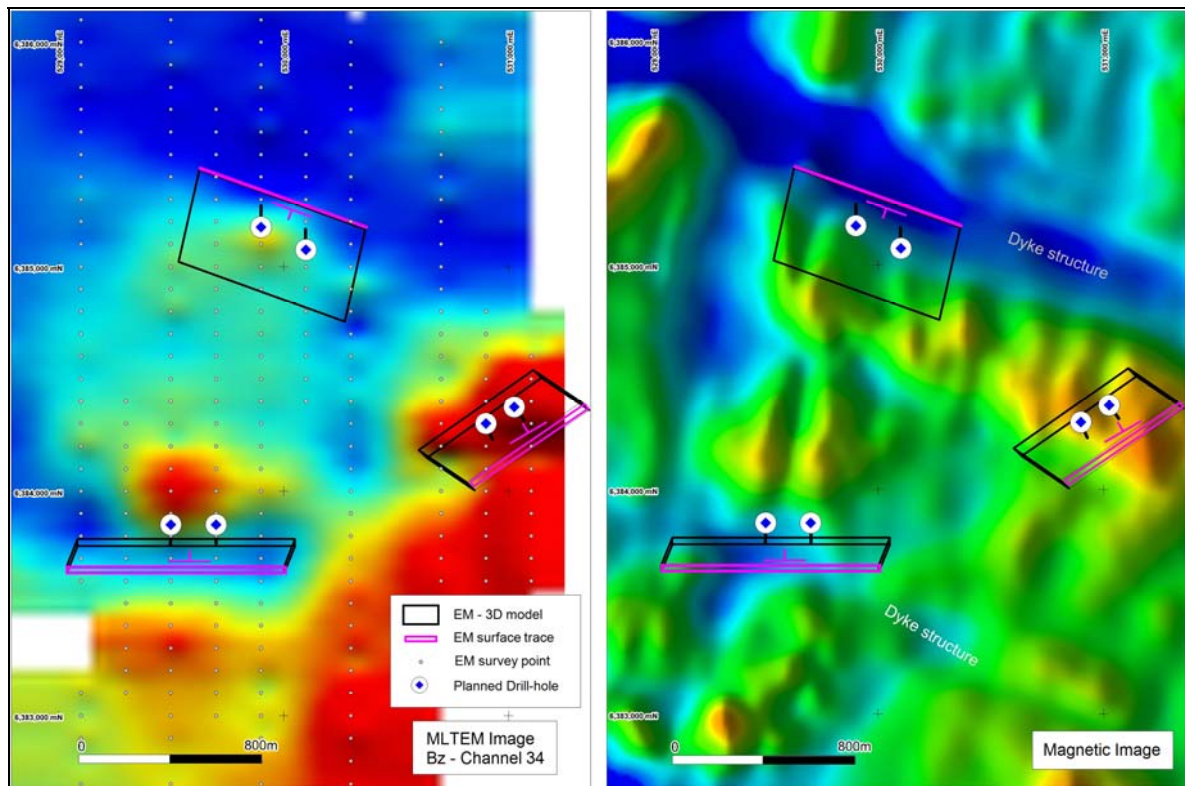


Figure 2: Magnetic and MLTEM Images (Channel 34) showing planned drill targets

The negative magnetic anomalies that partly coincide with the EM conductors reflect cross-cutting mafic (ultramafic?) dykes of variable width (up to 300m), suggesting the EM targets could reflect sulphide mineralisation associated with these intrusions (*Figure 2*).

The three EM targets display moderate-to-strong late-time (156.8 to 194.5msec) responses, typical of sulphide mineralisation. Computer modelling suggests discrete plate-like targets of variable thickness, with strike lengths <800m, moderate conductance, and target depths ranging from 125m to 250m.

The Company plans to drill these targets as soon as clearances have been obtained and weather conditions allow, given that the targets are located within the Dundas Nature Reserve.

The Company continues to focus its exploration efforts within the Fraser Range area of WA as well as defining further drill targets within its extensive portfolio of copper-gold projects in southern Peru.

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 2012 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.

FORWARD LOOKING STATEMENT

This report contains forward looking statements concerning the projects owned by AusQuest Limited. Statements concerning mining reserves and resources may also be deemed to be forward looking statements in that they involve estimates based on specific assumptions. Forward-looking statements are not statements of historical fact and actual events and results may differ materially from those described in the forward looking statements as a result of a variety of risks, uncertainties and other factors. Forward looking statements are based on management's beliefs, opinions and estimates as of the dates the forward looking statements are made and no obligation is assumed to update forward looking statements if these beliefs, opinions and estimates should change or to reflect other future developments.