

August 10, 2022

DRILLING COMMENCES AT THE MORRISEY NICKEL-COPPER-PGE PROJECT, WA

- **~1,000m of Reverse Circulation drilling planned to test three EM targets**
- **Targets closely associated with inferred mafic/ultramafic intrusions**
- **Possible similarities to the Gonneville intrusion at Julimar**
- **Program funded under the Strategic Alliance Agreement with South32**

Further to its announcement on August 4th, AusQuest Limited (ASX: AQD) is pleased to advise that Reverse Circulation (RC) drilling has commenced at the Morrisey Nickel-Copper-Platinum Group Element (PGE) Project, located in the Narryer Terrane approximately 500km north of Perth in WA.

The program, comprising ~1,000m of RC drilling, will test electromagnetic (EM) targets closely associated with inferred mafic/ultramafic intrusions that have similar magnetic characteristics to the Gonneville intrusion that hosts the nickel-copper-PGE mineralisation discovered by Chalice Mining (ASX: CHN) at the Julimar Project, north of Perth.

The Morrisey Project is subject to the Strategic Alliance Agreement (SAA) with a wholly-owned subsidiary of South32 Limited (South32).

Modelling of ground EM data outlined conductors with moderate to strong conductance (~600 to 6,000 siemens), at relatively shallow depths (~50 to 100m), which are thought to reflect sulphide mineralisation within the larger magnetic complexes (mafic/ultramafic intrusions). Earlier soil geochemical surveys reported anomalous nickel and copper values in the vicinity of the EM responses, making them priority targets for nickel-copper and PGE mineralisation (*Figures 1, 2, 3*).

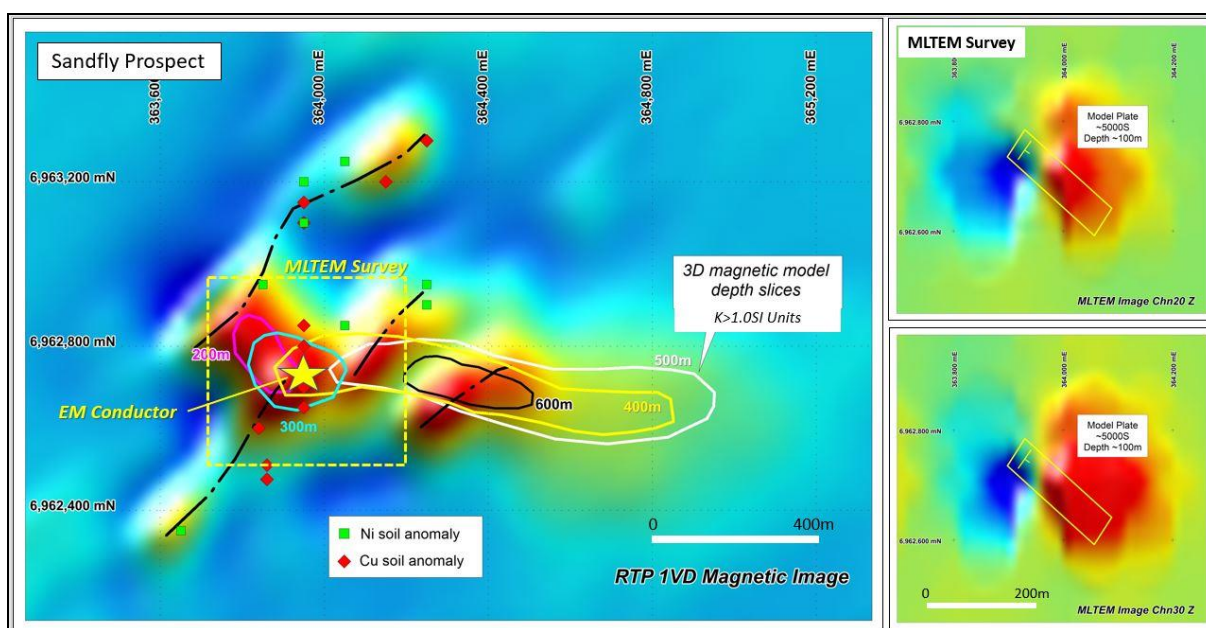


Figure 1: Sandfly prospect showing magnetic data plus EM anomaly/model (RHS) location.

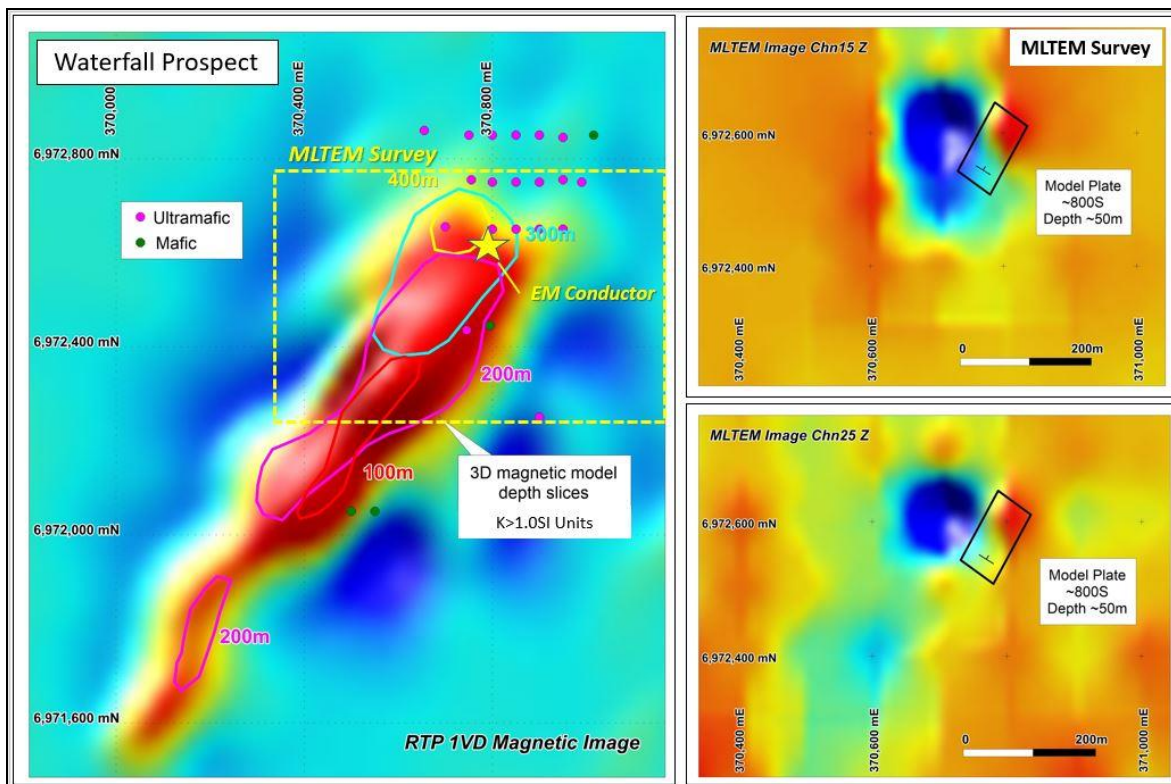


Figure 2: Waterfall prospect showing magnetic data plus EM anomaly/model (RHS) location.

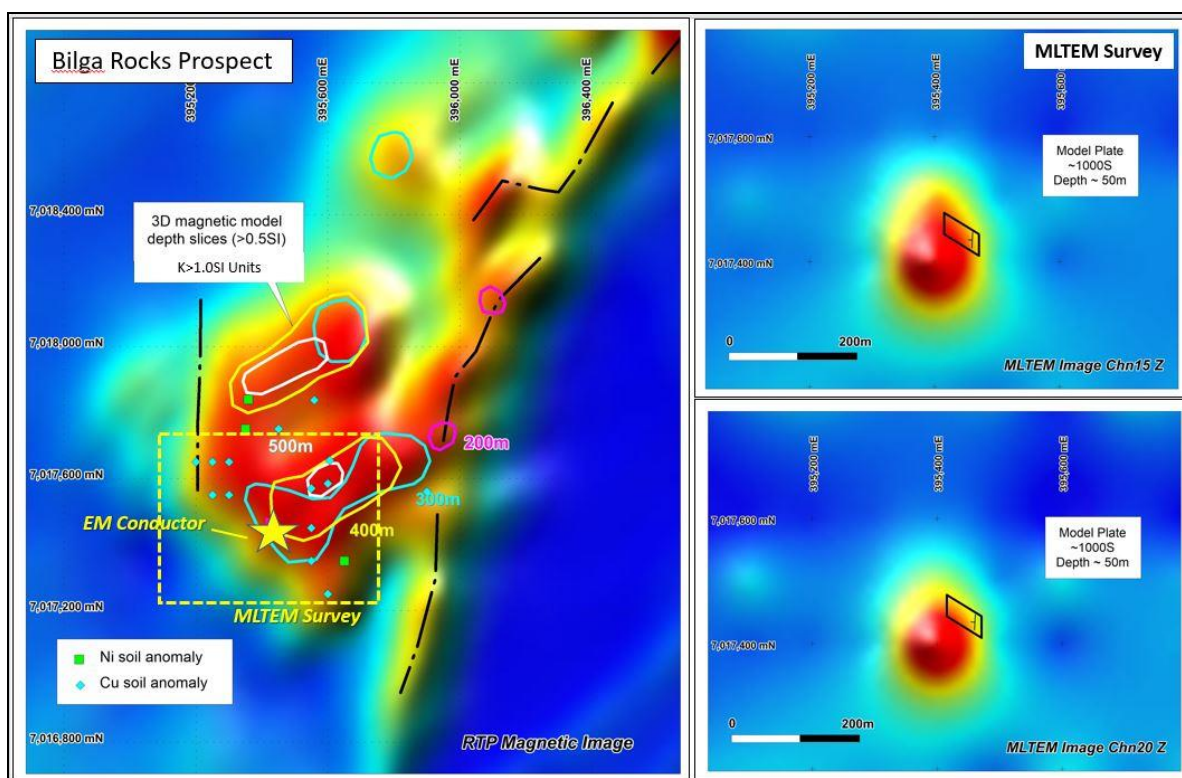


Figure 3: Bilga Rocks prospect showing magnetic data plus EM anomaly/model (RHS) location.

This initial drilling program should take 1-2 weeks to complete with assay data expected 6-8 weeks after the completion of drilling.

The Morrissey Project is located ~500km north of Perth within the Narryer Terrane, which forms the north-western margin of the Yilgarn Craton. The Project consists of four granted

Exploration Licences (ELs) covering an area of ~1,200km² parallel to the Yilgarn Craton boundary.

The area became the focus of industry attention following the discovery by Chalice Mining of the Julimar nickel-copper-PGE deposit north of Perth, which highlighted the untested nickel-copper-PGE potential along the margin of the Western Yilgarn Craton.

AusQuest's Managing Director, Graeme Drew, said the Company was excited to start drilling the Ni-Cu-PGE targets at Morrisey.

"The conductive targets associated with iron-rich mafic/ultramafic rocks and scattered nickel and copper anomalism in soils represent priority targets for the Company," he said.

"We look forward to reporting results of this drilling program as they become available."

A handwritten signature in black ink, appearing to read 'G Drew'.

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.