

October 3rd, 2022

DRILLING UNDERWAY TO TEST DHEM TARGET AT HAMILTON

- ***Drilling to test off-hole conductor has commenced at Hamilton North***
- ***The strong conductor is associated with the mineralised BIF sequence***

AusQuest Limited (ASX: AQD) is pleased to advise that drilling (1 hole for 500m) has commenced to test a strong off-hole conductor identified by down-hole electromagnetic (DHEM) surveys at the Hamilton North prospect, part of the Hamilton Copper-Gold Project in North-West Queensland

Previous drilling at this prospect returned highly anomalous copper values within a mineralised banded iron formation (BIF) sequence in several drill-holes, highlighting the potential for copper mineralisation (ASX releases 27 July and 6 September).

Modelling of DHEM data indicates a high-conductance (3,000 to 5,000 Siemens) source occurring ~50-75m south of drill-hole 22HMDD018, which has not been tested by previous drilling. Down-hole three component magnetic data supports a close association with strongly magnetic rocks, highlighting the possibility of a sulphide source within a mineralised BIF sequence.

The mineralised BIF at Hamilton appears to be similar in nature to that hosting the Osborne copper-gold deposit (global Resource of ~36Mt @ 2% Cu and 1g/t Au), located approximately 70km to the north.

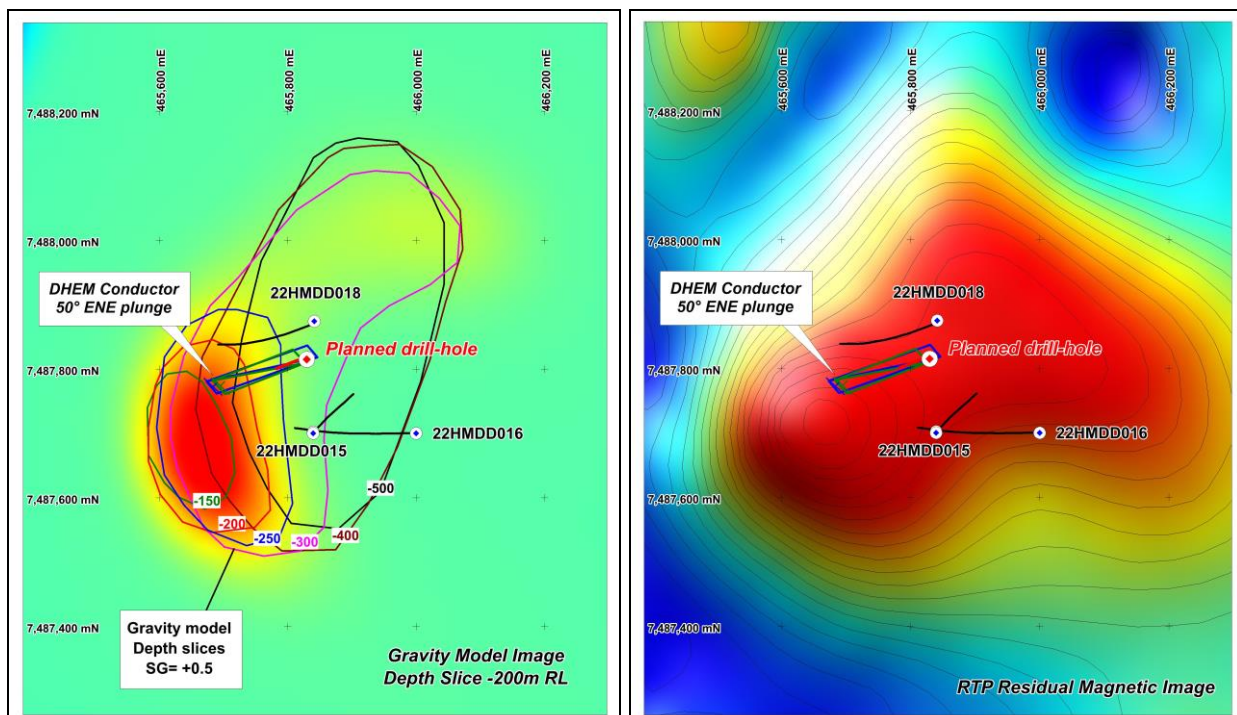


Figure 1: Hamilton North gravity & magnetics showing location of planned drill-hole and DHEM conductor

Drilling is expected to take approximately one to two weeks to complete, with further DHEM surveying to be considered once results of the drilling have been received.

The Hamilton Project forms part of AusQuest's Strategic Alliance Agreement (SAA) with a wholly-owned subsidiary of South32 Limited.

AusQuest's Managing Director, Graeme Drew, said drilling the off-hole EM response could provide the key to unlocking the potential of the Hamilton North prospect.

"This is the first time that our programs at Hamilton have identified an EM conductor within the mineralised BIF sequence," he said. "We look forward to reporting results from this drill-hole when 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.