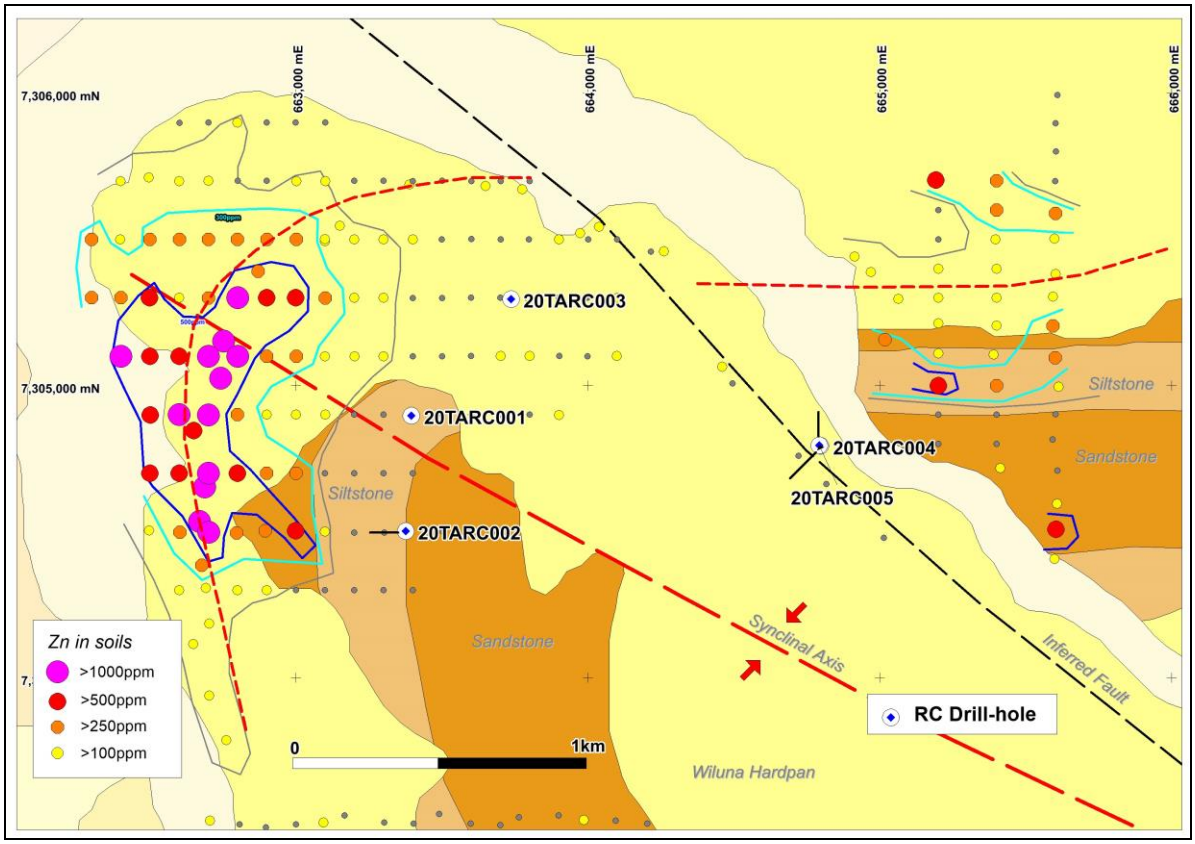
November 17, 2020
ASX Release

TANGADEE ZINC PROJECT, WA – DRILLING UPDATE

Further to its ASX release of September 18, AusQuest Limited (ASX: AQD) advises that it has now completed an assessment of the final assay data received from the recently completed Reverse Circulation (RC) drilling program (5 holes/1,352m) at the Tangadee Zinc Project in Western Australia, under its Strategic Alliance Agreement (SAA) with South32.



Tangadee Zinc Project soil geochemistry, showing the location of drill holes.

The assay results clearly indicate that the drilling successfully intersected down-dip extensions of the surface zinc soil anomaly. Thick sections of the black mudstone were found to contain anomalous levels of zinc (up to 1.3% Zn), copper (up to 0.23% Cu), silver (up to 17gpt Ag) and thallium (up to 17ppm Tl), along with elevated gold values (up to 0.177gpt Au) throughout parts of the sequence.

Anomalous base metal intervals are provided in Table 1 below.

The anomalous base metal intersections are partly associated with elevated levels of molybdenum (Mo), vanadium (V), sulphur (S), and phosphorous (P) which are commonly found within black carbonaceous sediments that are favourable host rocks for sediment-hosted zinc mineralisation.

The carbonaceous mudstones intersected at Tangadee are similar to those found in the north of the prospect where historical drilling has reported similar intersections of zinc, silver and copper. This suggests that the metalliferous sediments in this region could be very extensive, extending over a strike length of at least 20km.

Targeting for increased grades within the carbonaceous sediments is currently being considered under the Strategic Alliance Agreement (SAA) with South32 before a decision is made on the future of this project.

Drill Hole	From (m)	to (m)	Interval (m)	Zn%	Cu %	Ag gpt	Tlppm	Au (ppb)
20TARC01	120	142	22	0.86	0.12	10	14	38
20TARC02	82	100	18	0.82	0.12	10	14	37
20TARC04	126	150	24	0.69	0.09	8.4	13	30
20TARC05	152	198	46	0.84	0.11	10	14	52
20TARC05	236	248	12	0.64	0.08	7.6	12	35

Table 1: Anomalous base metal intersections at Tangadee

AusQuest's Managing Director Graeme Drew said the wide-spaced drilling at Tangadee had provided further insight into the prospectivity of the region, even though the drilling had not been successful at this stage in identifying targets where higher metal grades were more likely to occur.

"Exploration for sediment-hosted zinc within the Edmund Basin is still in its infancy and remains an elusive target," he said. "Technical meetings under the SAA to discuss these results are scheduled for December, at which time a decision on the future of this project will be made."

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.

JORC Code, 2012 Edition – Table 1 report, RC Drilling at the Tangadee Project

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• Samples were collected at 2m intervals from a cone splitter mounted on the cyclone. • Sample depths were determined by the length of the rod-string and confirmed by counting number of samples and rows as per standard industry practice. • A ~3kg sample was collected for representivity.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• RC Drilling with a face sampling bit has been used with a hole diameter of approximately 132mm. • No down-hole surveys were undertaken.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• Experienced RC drillers and an appropriate rig size were used to provide maximum sample recovery. • At this early stage of exploration, it is not known if there is a relationship between sample recovery and assay grade.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.*	• RC sample chips were logged by an experienced geologist to identify key rock types and mineralization styles. • Sample logging was qualitative with visual estimates of mineralization made for later comparison with assay results.

Criteria	JORC Code explanation	Commentary
	• *The total length and percentage of the relevant intersections logged.*	• All samples were logged.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• RC samples were collected every 2 metres using a cone splitter and presented in rows corresponding to sample depth. • Assay samples were collected from the cone splitter on the rig's cyclone to produce a representative sample for assay. • Certified standard or blanks were inserted every twentieth sample for initial quality control purposes. • The sample sizes are considered appropriate for the geological materials sampled.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• Assaying of the drill samples will be by standard industry practice. • The samples are sorted and dried. The whole sample is crushed then split by riffle splitter to obtain a representative sub-sample which is then pulverized in a vibrating pulveriser. • A portion of the pulverized sample is then digested and refluxed using a four acid digest (Hydrofluoric, Nitric, Hydrochloric and Perchloric) which approximates a total digest for most elements. Some refractory minerals are not completely dissolved. • Inductively Coupled Plasma Mass Spectroscopy (ICP-MS) is used to measure Ag, Al, As, Ba, Be, Bi, Ca, Cd, Ce, Co, Cr, Cs, Cu, Fe, Ga, Ge, Hf, In, La, Li, Mg, Mn, Mo, Na, Nb, Ni, P, Pb, Rb, Re, S, Sb, Sc, Se, Sn, Sr, Ta, Te, Th, Ti, Tl, U, V, W, Y, Zn, and Zr. • A 25g fire assay is used for Au assays • Data from the laboratory's internal quality procedures (standards, repeats and blanks) and AusQuest (standards, repeats and blanks) are reviewed to check data quality. • Assays are provided by Intertek Genalysis of 15 Davison St, Maddington, WA which is a certified laboratory for mineral analyses. Analytical data is transferred to the company via email and by hard copy.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.*	• Drilling was reconnaissance in nature with holes separated by more than 400 metres. No significant grade intersections were reported. • All data are digital and stored on the Company's server.

Criteria	JORC Code explanation	Commentary
	• *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Drill hole collars including elevation are located by hand held GPS to an accuracy of approximately 5m. • No down hole surveys were carried out. • All surface location data are in GDA 94 datum, zone 51S.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Drill holes were reconnaissance in nature and designed to assess prospectivity of the target stratigraphy. • Drill hole spacings varied from ~400m up to 1000m
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Any bias due to the orientation of the drilling is unknown at this early stage of exploration.
Sample security	• *The measures taken to ensure sample security.*	• Samples were collected into securely tied bags and placed into cable-tied plastic bags for transport to the laboratory. Each sample batch has a sample submission sheet that lists the sample numbers and the work required to be done on each sample. • Reputable freight companies are used to transport samples to the laboratory. • Sample pulps (after assay) are held by the laboratory and returned to the company after 90 days.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• No reviews or audits of the sampling techniques or data have been carried out to date.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• The Tangadee Project is centered at ~7305000N and 670000E (GDA94 Zone 50), approximately 150 km south west of Newman in Western Australia. • Tenement holdings include granted Exploration Licence E52/3603. • The Tangadee Project is subject to a Strategic Alliance Agreement with South32 who can earn 70% by spending US$4.0M. • Aboriginal heritage surveys are routinely completed ahead of ground disturbing activities
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Previous exploration by Rio Tinto between 1998 and 2001 included stream and rock-chip sampling, IP Surveys over two target areas and 10 RC drill holes testing a variety of anomalies within the Kiangi Creek Formation. Anomalous Zn was found but deemed too low to be of interest. Periodic work by other companies is not considered to be effective over the areas the Company is exploring.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The Tangadee project is targeting sediment hosted zinc mineralisation similar to NW Queensland. Black shale horizons within the Kiangi Creek Formation within the Edmund Basin in WA are the target horizons

Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:*
	  ○ *easting and northing of the drill hole collar*
	  ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*
	  ○ *dip and azimuth of the hole*
	  ○ *down hole length and interception depth*
	  ○ *hole length.*
	• *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*
		• All relevant drill hole data are provided below.

Criteria	JORC Code explanation	Commentary
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• No data aggregation of intercepts has been undertaken. Assays quoted are all uncut.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• Assay intervals reported are down-hole lengths. True widths are unknown at this stage
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Drill holes are shown on appropriate plans and included in the ASX release
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• Significant early stage assay results are reported.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• The relationship between current drill results and previously reported exploration data is presented in the report.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Further work has not been determined at this stage and will be dependent on final assessment of results from the current drilling program.

Drilling Details:

Hole	East	North	RL (m)	Datum	Zone	Azimuth	Inclination	Total Depth (m)
20TARC001	663396	7304896	487	WGS_84	50	0	-90	298
20TARC002	663376	7304502	500	WGS_84	50	270	-70	340
20TARC003	663737	7305295	468	WGS_84	50	0	-90	196
20TARC004	664796	7304793	467	WGS_84	50	0	-50	238
20TARC005	664793	7304795	467	WGS_84	50	135	-60	280