

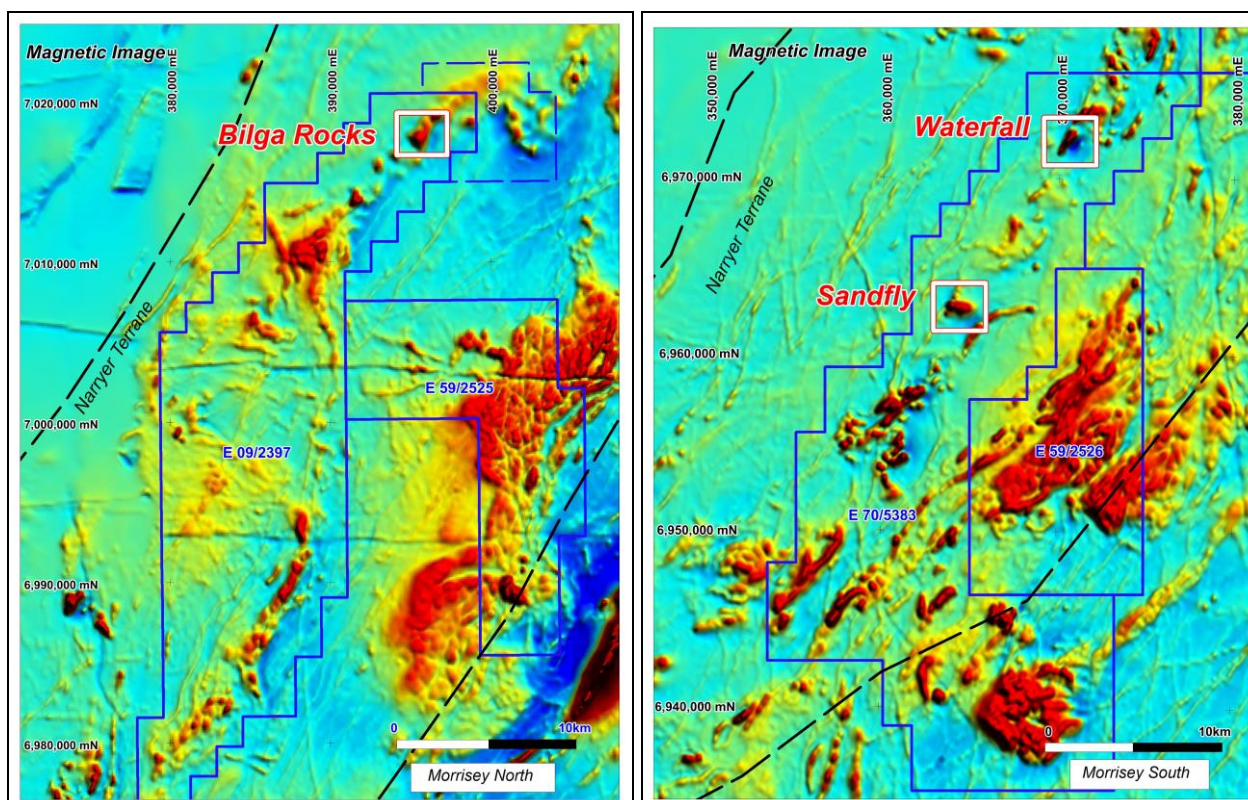
November 18, 2021  
ASX Release

## HIGHLY ANOMALOUS SOIL SAMPLES UPGRADE EM TARGETS AT MORRISEY NI-CU-PGE PROJECT, WA

- *Anomalous copper and/or nickel identified at all three EM targets*
- *PGE analyses requested, with assays pending*
- *New ground EM surveys planned to optimise drill targeting*

AusQuest Limited (ASX: AQD) is pleased to advise that it has upgraded the exploration potential of its **Morrisey Nickel-Copper-PGE Project** located within the Narryer terrane of Western Australia (WA), after receiving highly encouraging results from soil geochemical programs.

Soil sampling conducted over three previously-reported helicopter-borne electromagnetic (HEM) targets (see ASX announcement, 27<sup>th</sup> July 2021) has highlighted the presence of anomalous copper and/or nickel in close proximity to the HEM conductors, significantly upgrading their potential. A total of 698 soil samples were collected on 100m x 50m grids over the three HEM targets, now named the Sandfly, Waterfall and Bilga Rocks prospects (*Figure 1*).



*Figure 1: Morrisey Project regional magnetics showing prospect locations*

The HEM responses are thought to reflect sulphide mineralisation within the large magnetic complexes that outline possible intrusive mafic/ultramafic bodies similar to the those that host the Ni-Cu-PGE mineralisation discovered recently by Chalice Mining at the Julimar Project, north of Perth.



Results from the soil sampling program confirmed the presence of mafic and ultramafic rocks within the targeted magnetic complexes and highlighted anomalous nickel (>60ppm and up to 500ppm Ni) and copper (>50ppm and up to 110ppm Cu) values in the vicinity of the HEM targets.

This suggests excellent potential for base metal sulphides to be associated with the EM conductors (see *Figures 2, 3, 4*).

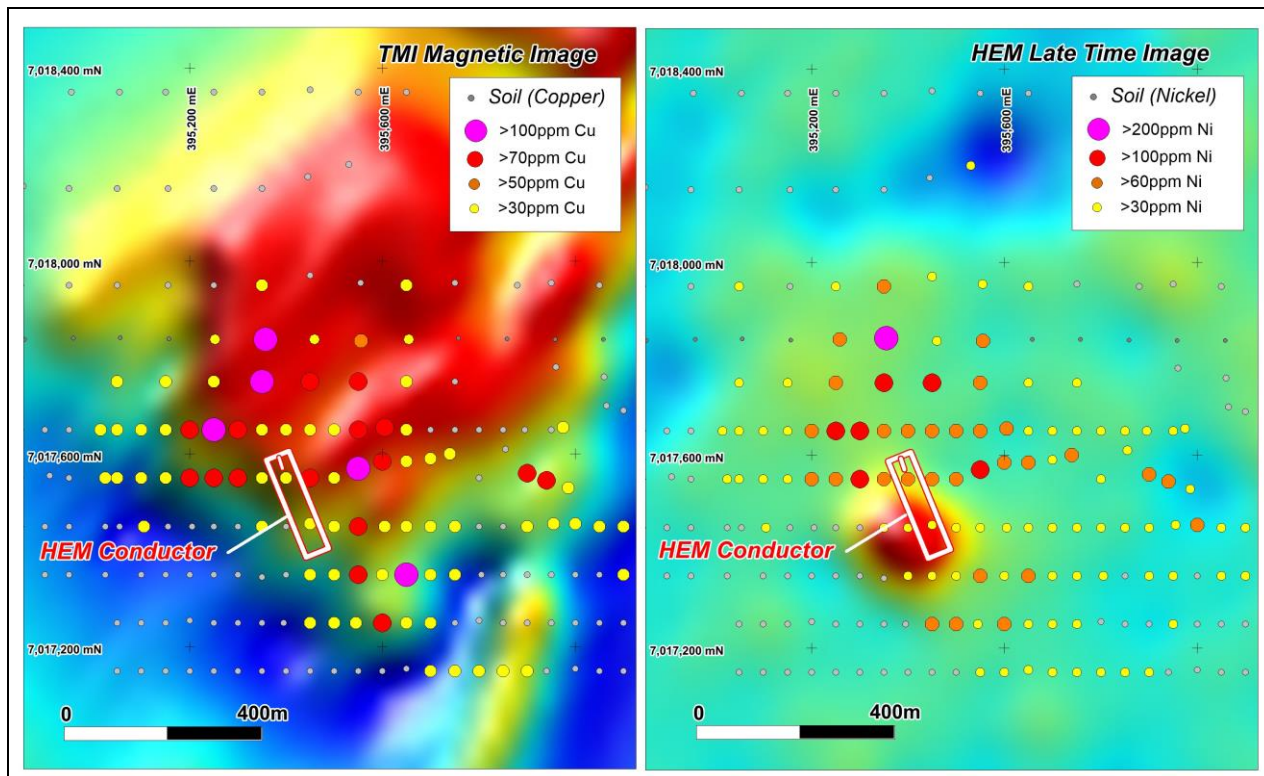


Figure 2: Bilga Rocks Prospect Magnetic and HEM images showing Ni & Cu soil results

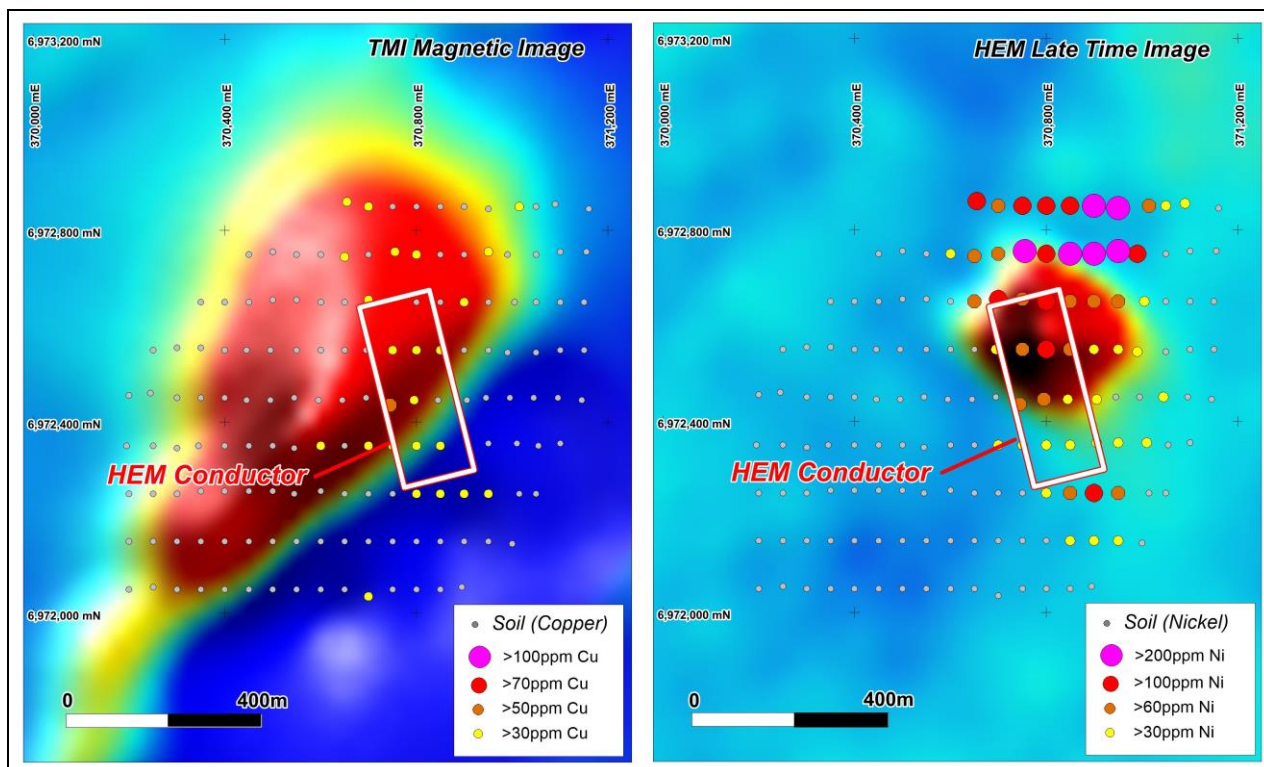


Figure 3: Waterfall Prospect Magnetic and HEM images showing Ni & Cu soil results

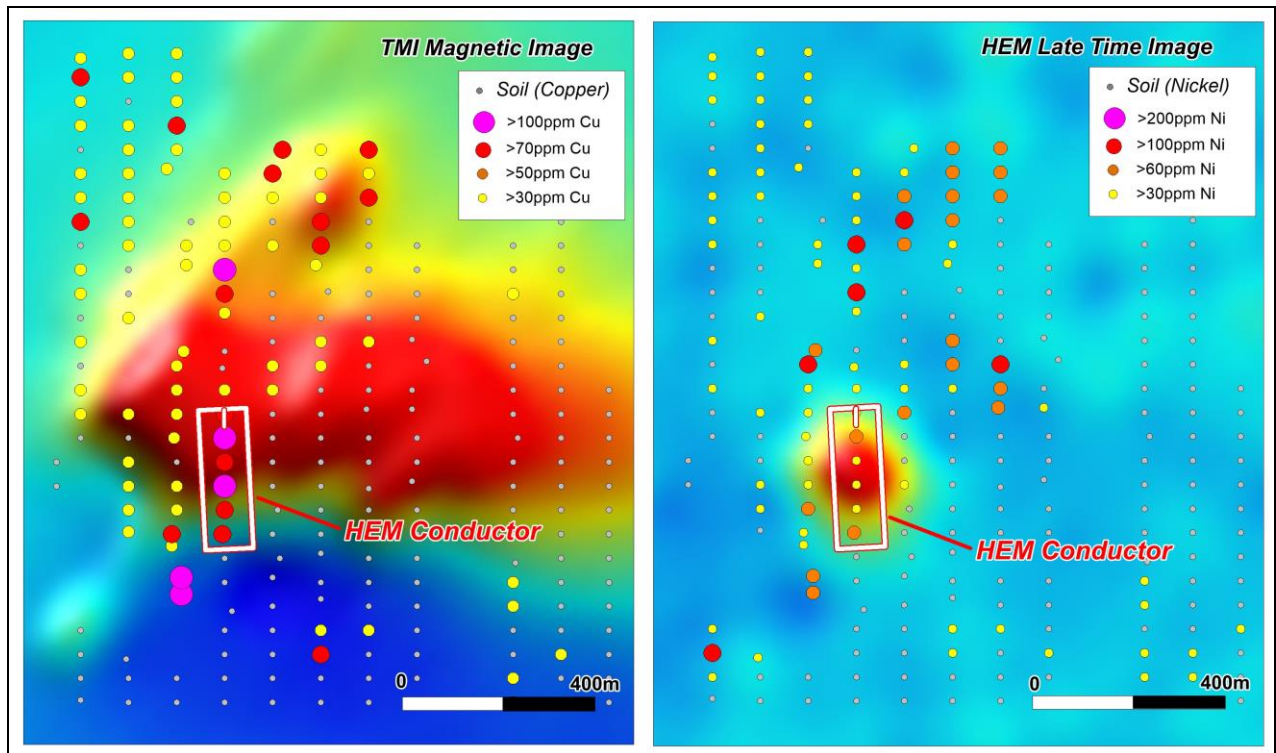


Figure 4: Sandfly Prospect Magnetic and HEM images showing Ni & Cu soil results

Anomalous nickel and/or copper values found within the magnetic complexes but not associated with the conductors are also of interest as they may reflect the potential for disseminated Ni-Cu-PGE mineralisation within the mafic/ultramafic host rocks. Selected PGE analyses for the anomalous samples have been requested with results pending.

Soil results from the Sandfly prospect also reported anomalous molybdenum (>3.0ppm Mo) and arsenic (>6ppm As) values immediately to the west of the HEM target, suggesting the possibility for other styles of mineralisation (iron-oxide copper-gold (IOCG) and Broken Hill Type BHT) at this prospect. Scattered outcrops of banded iron formations (BIF) in the Sandfly area could support this concept.

Ground EM surveys to optimise drill sites within each of the three prospects have been planned and are expected to be completed within the next six weeks, pending crew availability.

The Morrissey Project, which is held under the Strategic Alliance Agreement (SAA) with a wholly-owned subsidiary of South32 Limited, covers an area of ~1,200km<sup>2</sup> and extends for a strike length of ~80km along the north-western margin of the Yilgarn Craton within the high-grade metamorphic Narryer Terrane of WA.

The Project was initially secured to cover magnetic targets indicative of mafic/ultramafic host rocks in a similar tectono-stratigraphic setting to the Julimar (and possibly Nova-Bollinger) discoveries, which highlighted the untested nickel-copper-PGE potential of the new West Yilgarn Ni-Cu-PGE Province (Figure 5).



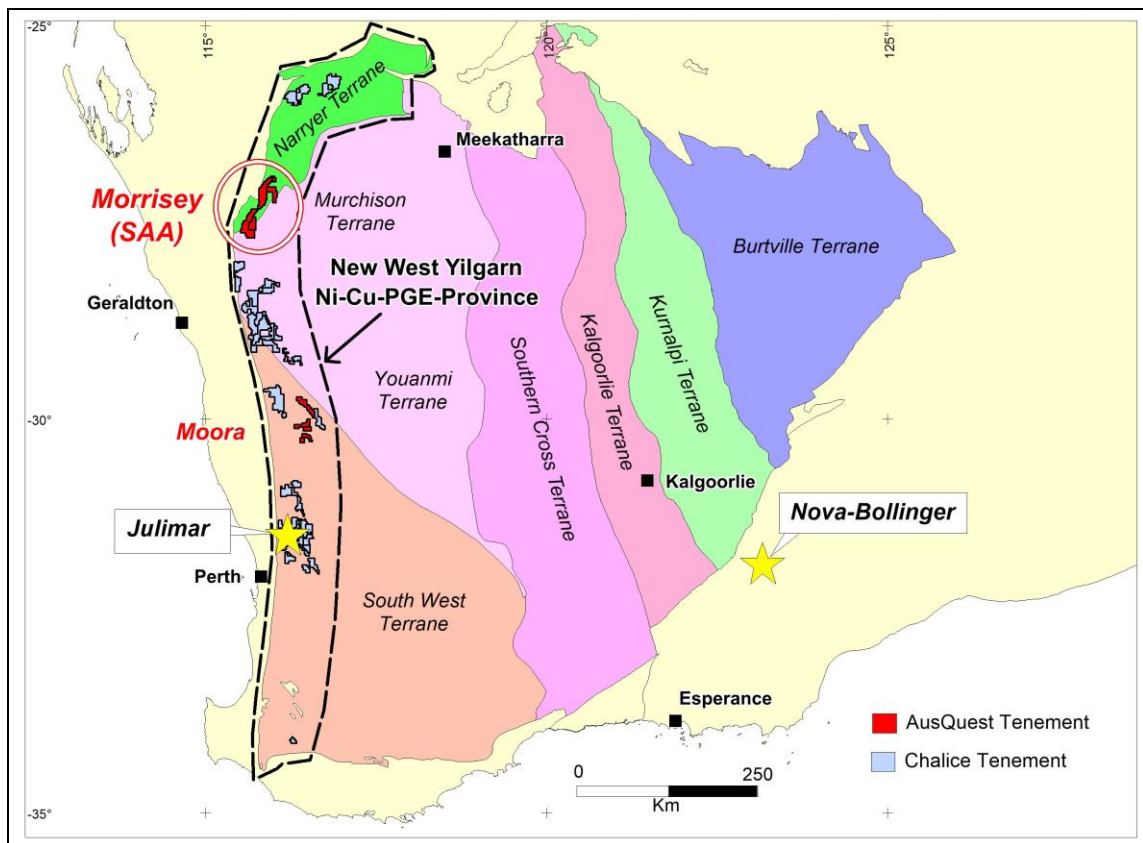


Figure 5: Location of Morrisey Project and newly-defined West Yilgarn Ni-Cu-PGE Province.

AusQuest Managing Director Graeme Drew said the highly encouraging soil sampling results reinforced the significant exploration potential of the Morrisey Project.

“The association of EM targets with anomalous geochemistry and potentially favourable host rocks for Ni-Cu-PGE mineralisation make these compelling targets,” he said.

“We are looking forward to reporting results from the ground EM surveys, which will help us to refine potential drilling locations.”

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 Soil Sampling – Morrissey Ni-Cu-PGE Project

## Section 1 Sampling Techniques and Data

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

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> <li>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.</li> <li>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</li> <li>Aspects of the determination of mineralisation that are Material to the Public Report.</li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>Grid based soil sampling was completed over three target areas identified by HEM Surveys. Samples were collected at 50m intervals along lines 100m apart.</li> <li>Sample locations were recorded by hand-held GPS.</li> <li>Soil sampling sites were logged by the sampler and recorded on a sampling spread sheet</li> <li>Each soil sample was collected by digging a 10 to 20 cm deep hole and screening the material to pass a 400 microns (µm) sieve.</li> <li>Approximately 200g of material was collected in a numbered kraft packet.</li> </ul>
Drilling techniques	<ul style="list-style-type: none"> <li>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).</li> </ul>	<ul style="list-style-type: none"> <li>No drilling undertaken</li> </ul>
Drill sample recovery	<ul style="list-style-type: none"> <li>Method of recording and assessing core and chip sample recoveries and results assessed.</li> <li>Measures taken to maximise sample recovery and ensure representative nature of the samples.</li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>No drilling undertaken</li> </ul>
Logging	<ul style="list-style-type: none"> <li>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.</li> <li>Whether logging is qualitative or quantitative in nature. Core (or costean,</li> </ul>	<ul style="list-style-type: none"> <li>No drilling undertaken</li> </ul>

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> <li>channel, etc) photography.</li> <li>The total length and percentage of the relevant intersections logged.</li> </ul>	
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> <li>If core, whether cut or sawn and whether quarter, half or all core taken.</li> <li>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</li> <li>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</li> <li>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</li> <li>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.</li> <li>Whether sample sizes are appropriate to the grain size of the material being sampled.</li> </ul>	<ul style="list-style-type: none"> <li>No sub-sampling was completed</li> </ul>
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> <li>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</li> <li>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.</li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>The samples were submitted to Intertek Genalysis Maddington, WA, for 48 element suite 4A/MS48</li> <li>Samples were subjected to a multi-acid digest, including Hydrofluoric, Nitric, Perchloric and Hydrochloric acids, in teflon tubes providing close to a total digest for most elements.</li> <li>Samples were analysed (48 elements) by Inductively Coupled Plasma Mass Spectrometry.</li> <li>No standards or duplicates were supplied. QA/QC provided by laboratory processes. Batch assays checked by ioGas processing of data.</li> </ul>
Verification of sampling and assaying	<ul style="list-style-type: none"> <li>The verification of significant intersections by either independent or alternative company personnel.</li> <li>The use of twinned holes.</li> <li>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</li> <li>Discuss any adjustment to assay data.</li> </ul>	<ul style="list-style-type: none"> <li>Field sample locations were compiled onto Excel spreadsheets for merging with assay data.</li> <li>Digital data is regularly backed-up on the company's servers.</li> </ul>
Location of data points	<ul style="list-style-type: none"> <li>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.</li> <li>Specification of the grid system used.</li> <li>Quality and adequacy of topographic control.</li> </ul>	<ul style="list-style-type: none"> <li>Sample locations are established with a handheld GPS to +/- 5m accuracy.</li> </ul>

Criteria	JORC Code explanation	Commentary
<i>Data spacing and distribution</i>	<ul style="list-style-type: none"> <li>• <i>Data spacing for reporting of Exploration Results.</i></li> <li>• <i>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.</i></li> <li>• <i>Whether sample compositing has been applied.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Samples were collected on 100m x 50m grids over three target areas.</li> </ul>
<i>Orientation of data in relation to geological structure</i>	<ul style="list-style-type: none"> <li>• <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i></li> <li>• <i>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.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Sample lines were oriented perpendicular to the strike of the inferred stratigraphy where known.</li> </ul>
<i>Sample security</i>	<ul style="list-style-type: none"> <li>• <i>The measures taken to ensure sample security.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Samples were securely sealed in the field, followed by packing into larger sealed plastic bags or boxes for transport to the assay laboratory.</li> </ul>
<i>Audits or reviews</i>	<ul style="list-style-type: none"> <li>• <i>The results of any audits or reviews of sampling techniques and data.</i></li> </ul>	<ul style="list-style-type: none"> <li>• No audit of assay results has been done.</li> </ul>

## Section 2 Reporting of Exploration Results

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

Criteria	JORC Code explanation	Commentary
<i>Mineral tenement and land tenure status</i>	<ul style="list-style-type: none"> <li>• <i>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.</i></li> <li>• <i>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.</i></li> </ul>	<ul style="list-style-type: none"> <li>• The Morrisey Project is located approximately 150 km north-east of Geraldton in Western Australia.</li> <li>• Tenement holdings consist of three granted Exploration Licences E70/5383, E09/2397, and E59/2525 plus two applications.</li> <li>• Aboriginal heritage surveys are routinely completed ahead of ground disturbing activities.</li> </ul>
<i>Exploration done by other parties</i>	<ul style="list-style-type: none"> <li>• <i>Acknowledgment and appraisal of exploration by other parties.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Previous exploration is very limited and was mainly focused on iron ore and gold targets together with some regional diamond exploration by Stockdale Prospecting and CRA Ltd.</li> <li>• Limited aircore drilling and surface lag sampling was reported by several companies that were targeting magnetic anomalies as possible iron ore or nickel prospects but no RC or diamond drilling has been reported.</li> </ul>

Criteria	JORC Code explanation	Commentary
		<ul style="list-style-type: none"> <li>Detailed aeromagnetic data was acquired over the northern half of EL 70/5383 and the southern part of EL 70/2397 as part of a search for iron ore. This data is being used by the current exploration in the area.</li> </ul>
Geology	<ul style="list-style-type: none"> <li><i>Deposit type, geological setting and style of mineralisation.</i></li> </ul>	<ul style="list-style-type: none"> <li>The Morrissey Project is targeting nickel-copper mineralisation in mafic/ultramafic intrusions within the Narryer Terrane which forms the NW margin of the Yilgarn Craton.</li> </ul>
Drill hole Information	<ul style="list-style-type: none"> <li><i>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:</i> <ul style="list-style-type: none"> <li><i>easting and northing of the drill hole collar</i></li> <li><i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i></li> <li><i>dip and azimuth of the hole</i></li> <li><i>down hole length and interception depth</i></li> <li><i>hole length.</i></li> </ul> </li> <li><i>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.</i></li> </ul>	<ul style="list-style-type: none"> <li>No drilling undertaken</li> </ul>
Data aggregation methods	<ul style="list-style-type: none"> <li><i>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.</i></li> <li><i>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.</i></li> <li><i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i></li> </ul>	<ul style="list-style-type: none"> <li>No drilling undertaken</li> </ul>
Relationship between mineralisation	<ul style="list-style-type: none"> <li><i>These relationships are particularly important in the reporting of Exploration Results.</i></li> <li><i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i></li> <li><i>If it is not known and only the down hole lengths are reported, there should be a</i></li> </ul>	<ul style="list-style-type: none"> <li>No drilling undertaken</li> </ul>



Criteria	JORC Code explanation	Commentary
<i>widths and intercept lengths</i>	<i>clear statement to this effect (eg 'down hole length, true width not known').</i>	
<i>Diagrams</i>	<ul style="list-style-type: none"> <li><i>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.</i></li> </ul>	<ul style="list-style-type: none"> <li>Soil sample locations are provided in the ASX release.</li> </ul>
<i>Balanced reporting</i>	<ul style="list-style-type: none"> <li><i>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.</i></li> </ul>	<ul style="list-style-type: none"> <li>Representative reporting of assay results is included in the ASX release.</li> </ul>
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"> <li><i>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.</i></li> </ul>	<ul style="list-style-type: none"> <li>The area was selected for sampling based on geological and geophysical data interpretations by the company.</li> </ul>
<i>Further work</i>	<ul style="list-style-type: none"> <li><i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i></li> <li><i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i></li> </ul>	<ul style="list-style-type: none"> <li>Ground EM surveys are planned to further advance the prospects tested by soils sampling and outline potential drill targets.</li> </ul>