

DRILL TARGETS AT HAMILTON COPPER PROJECT UPGRADED BY POSITIVE GRAVITY RESULTS

- *Discrete gravity anomalies coincident with mineralised BIF sequences significantly upgrade copper prospects at Hamilton*
- *Additional drill-holes being considered under the SAA with South32*
- *Drilling scheduled to take place in April-May 2022*

AusQuest Limited (ASX: AQD) is pleased to advise that it has upgraded key drill targets at the Hamilton Copper Project in NW Queensland after receiving positive results from recently completed gravity surveys. The Hamilton Project is subject to the Strategic Alliance Agreement (SAA) with a wholly-owned subsidiary of South32 Limited.

The surveys have revealed anomalous responses over the mineralised banded iron formation (BIF) sequences which are being targeted for further drilling in 2022.

The mineralised BIF at Hamilton appears similar in nature to those hosting the Osborne copper-gold deposit (global resource ~36Mt @ 2% Cu and 1g/t Au), located approximately 70km to the north, which also has an associated gravity response.

A total of 1,375 gravity stations were surveyed on 200m x 100m grids with in-fill to 100m x 100m over the target areas. Residual gravity anomalies of ~1.5 milligals were identified at both the southern and northern prospects, representing areas of potentially thicker BIF where copper mineralisation is more likely to accumulate (*Figures 1 and 2*).

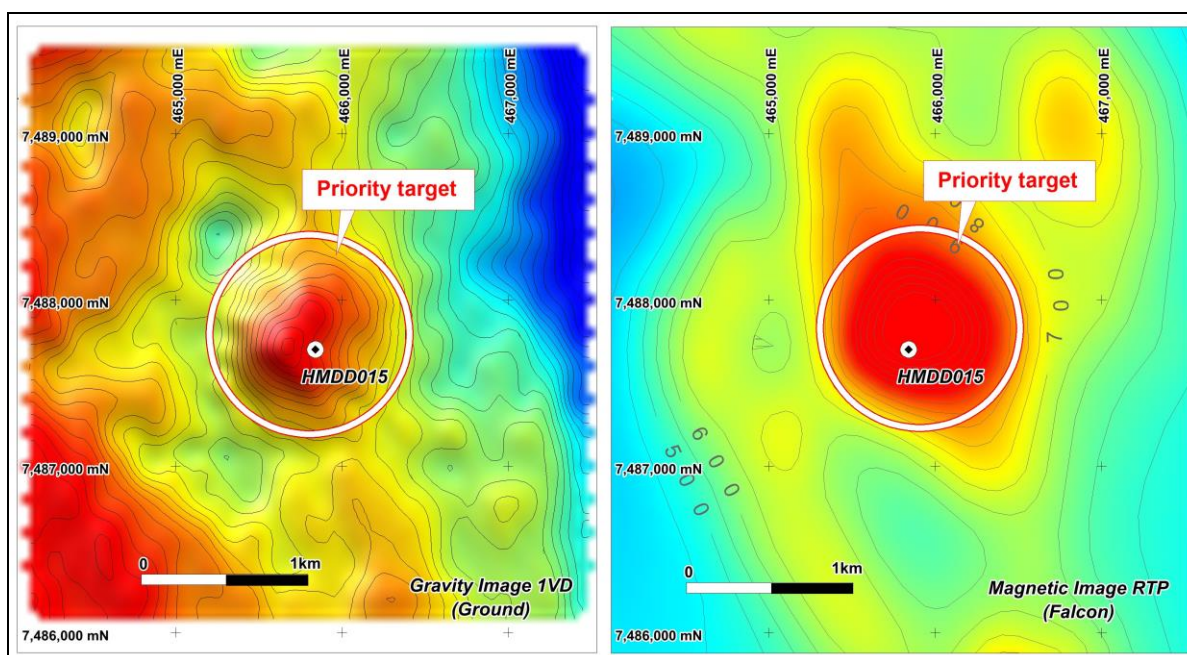


Figure 1: Hamilton North Magnetic and Gravity anomalies and drill-hole location

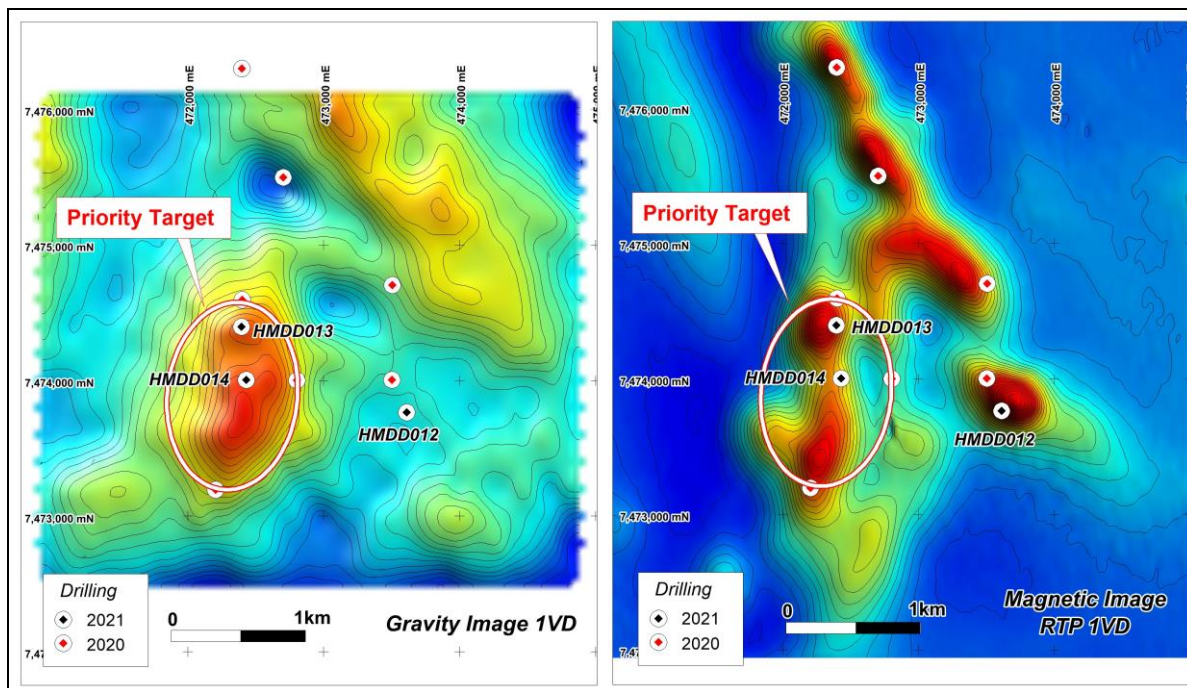


Figure 2: Hamilton South Magnetic and Gravity anomalies and drill-hole locations

Analysis of specific gravity (SG) measurements on drill-core from the Company's earlier drill programs indicates that rocks with high SG (3.15 to 4.2 – i.e., heavy rocks) are characterised by iron-carbonate alteration and/or the presence of BIF which often contains anomalous levels of copper (up to 3,000ppm Cu) and pathfinder elements (ASX release October 12, 2021).

The coincidence of anomalous gravity and magnetic responses significantly upgrades these copper prospects at Hamilton, with additional drill holes now being considered under the SAA as part of the upcoming drill program.

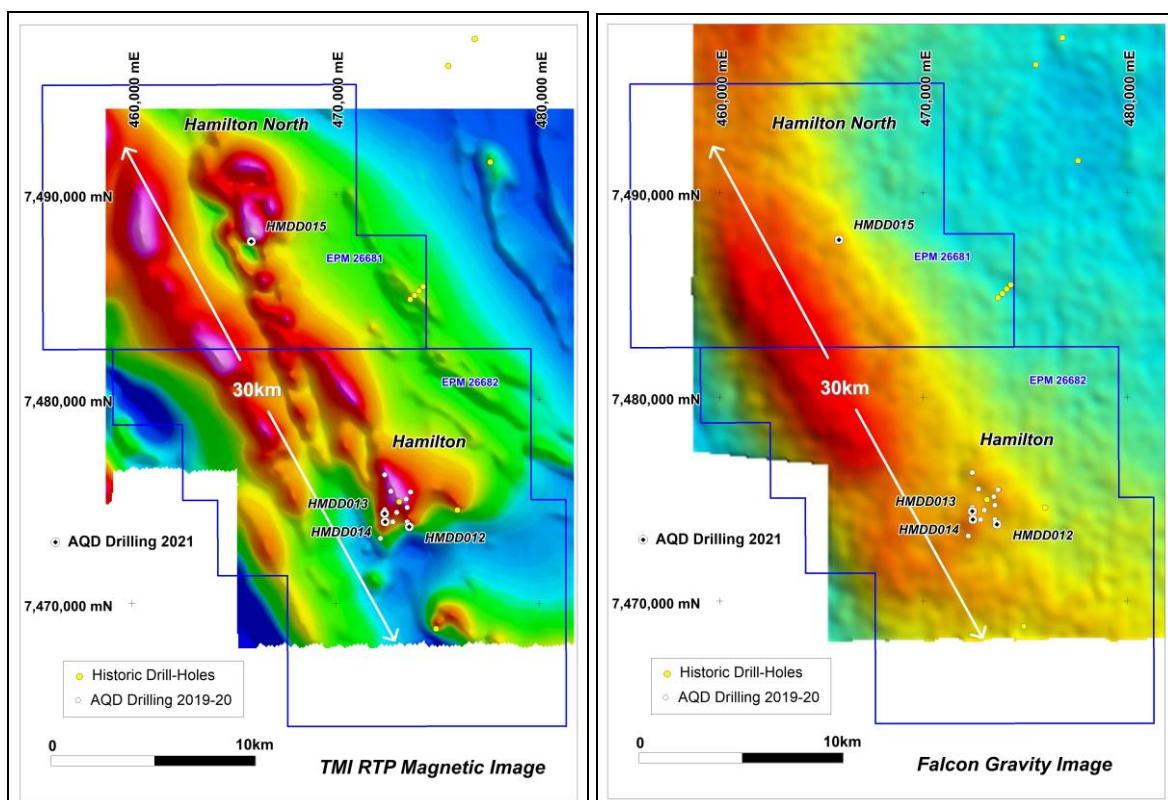


Figure 3: Hamilton Project showing magnetic and gravity targets and drill-holes

Further to the Company's announcement of October 12th 2021, current indications are that drilling at Hamilton will now take place in the April-May 2022 period, following a delay in the program caused by heavy rains in November which affected access to the drill sites. The Company has contracted DRC Drilling to complete the program.

The Hamilton Project covers a belt of magnetic rocks extending over a strike length of approximately 30km from north to south under Eromanga Basin cover, which varies from ~190m thickness in the north to ~220m in the south (*Figure 3*). Numerous magnetic targets within this belt have never been tested by drilling.

AusQuest's Managing Director, Graeme Drew, said the highly encouraging gravity results had significantly upgraded the potential for a large-scale copper-gold discovery at Hamilton, following positive indications from the initial drilling completed in June.

"We are now looking forward to the restart of drilling at Hamilton once the wet season is over and access to the drill sites can be guaranteed," he said.

"The acquisition of gravity data prior to undertaking further drilling has been a real bonus as it has added another dimension to both prospects and provided greater focus for our upcoming drill program."

"April will be upon us in no time and we are now better equipped to test these high-priority targets," he added



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.