

September 6, 2022

COPPER TARGET AT HAMILTON TO BE DRILL TESTED

- **Modelling confirms strong off-hole conductor south of hole HMDD018**
- **Target conductance is compatible with a sulphide source**
- **Target drilling expected to commence in October 2022 under the SAA**

AusQuest Limited (ASX: AQD) is pleased to advise that it has reached agreement to drill test a potentially significant new copper target identified at the Hamilton North prospect, part of its Hamilton Copper Project in North-West Queensland.

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

Modelling of down-hole electromagnetic (DHEM) survey results has confirmed the presence of a high-conductance (3,000 to 5,000 Siemens) body approximately 50-75m south of recently completed drill-hole 22HMDD018 at Hamilton North, highlighting the potential for a sulphide body within the mineralised banded iron formation (BIF) sequence.

Drilling at Hamilton North was designed to test a distinct gravity target closely associated with the mineralised BIF sequence and iron-calcium alteration (skarns) intersected by earlier drilling.

Assay results from this drilling confirmed the widespread nature of anomalous copper within the BIF sequence but failed to intersect economic grades (see ASX release 27 July).

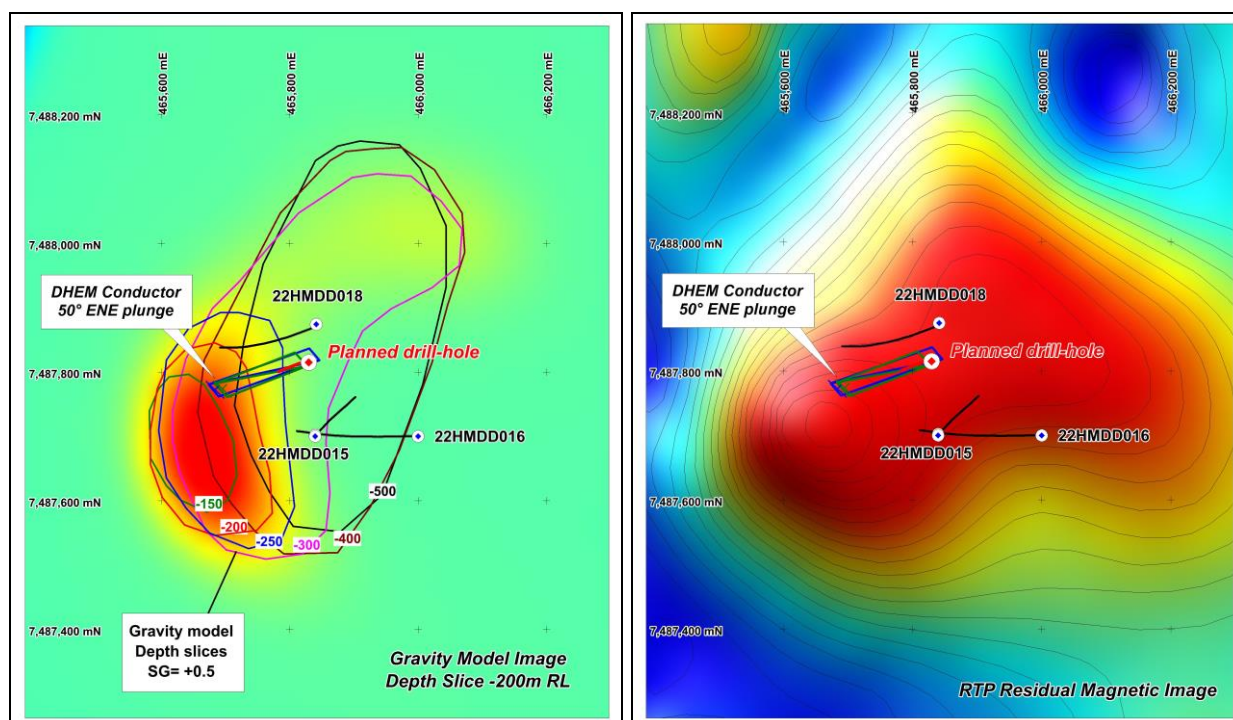


Figure 1: Hamilton North gravity & magnetics showing location of planned drill-hole and DHEM conductor

Geochemical results from drill-hole 22HMDD018 suggest that this hole is close to the northern edge of the system, with stronger indications of copper mineralisation to the south in the direction of the off-hole conductor that was detected by the DHEM survey.

Computer modelling of DHEM results from hole 22HMDDH018 indicate the presence of a conductor ~200m x 50m in size with a conductance of ~3,000 to 5,000 Siemens, reflecting a potential sulphide source within the mineralized BIF sequence. The modelled body appears to be plunging at ~50° to the ENE, roughly parallel to the layering intersected by drilling.

Modelling of down-hole magnetic data collected during the DHEM survey suggests that the conductive target is also strongly magnetic, indicating a close association with the BIF stratigraphy that hosts the copper mineralisation.

Drilling of this off-hole conductor has been agreed under the SAA and a new drill-hole has been designed to test the target. Drilling is expected to commence in late September/early October depending on drill-rig availability.

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

The Hamilton Project covers a belt of magnetic rocks extending over a strike length of approximately 30km under Eromanga Basin cover, which is approximately 200m thick. Numerous magnetic targets within this belt have never been tested by drilling.

AusQuest's Managing Director, Graeme Drew, said the off-hole EM response in hole 22HMDDH018 could provide the key to unlock the potential of the Hamilton North prospect.

"This is the first time that our exploration programs at Hamilton have identified an EM conductor within the mineralised BIF sequence," he said. "Testing targets beneath 200m of cover can be challenging, but the use of down-hole technologies has expanded our exploration coverage around drill-holes, and this time it may have come up trumps. We are looking forward to seeing the outcomes from this drilling program."

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.