AUSQUEST LIMITED

ASX ANNOUNCEMENT

September 21, 2023

DISTRICT-SCALE PROSPECTIVITY FOR LARGE-SCALE BROKEN HILL TYPE DISCOVERIES CONFIRMED AT BALLADONIA, WA

- ***Final assays received from recent 10-hole reconnaissance drill program.***
- ***Widespread prospective host rocks for BHT mineralisation confirmed.***
- ***Numerous target areas prioritised for further exploration.***
- ***Plus, possible rare earth potential associated with carbonatite activity.***

Further to its announcement of 24 July, AusQuest Limited (ASX: AQD) is pleased to advise that final assay results from the reconnaissance diamond drilling program at the Balladonia Base Metal Project have been received, indicating that prospective host rocks for Broken Hill Type (BHT) mineralisation are more extensive than first thought, suggesting a district-scale opportunity for the discovery of base metals at Balladonia.

The reconnaissance drilling program (10 holes for a total of 3,677m) was designed to further test the Tea Tree prospect, as well as provide an initial single drill-hole test of six magnetic/gravity targets located across the area, to confirm the presence of BHT stratigraphy and/or mineralisation, so that ongoing exploration activities can be focused on the highest priority targets (*Figure 1*).

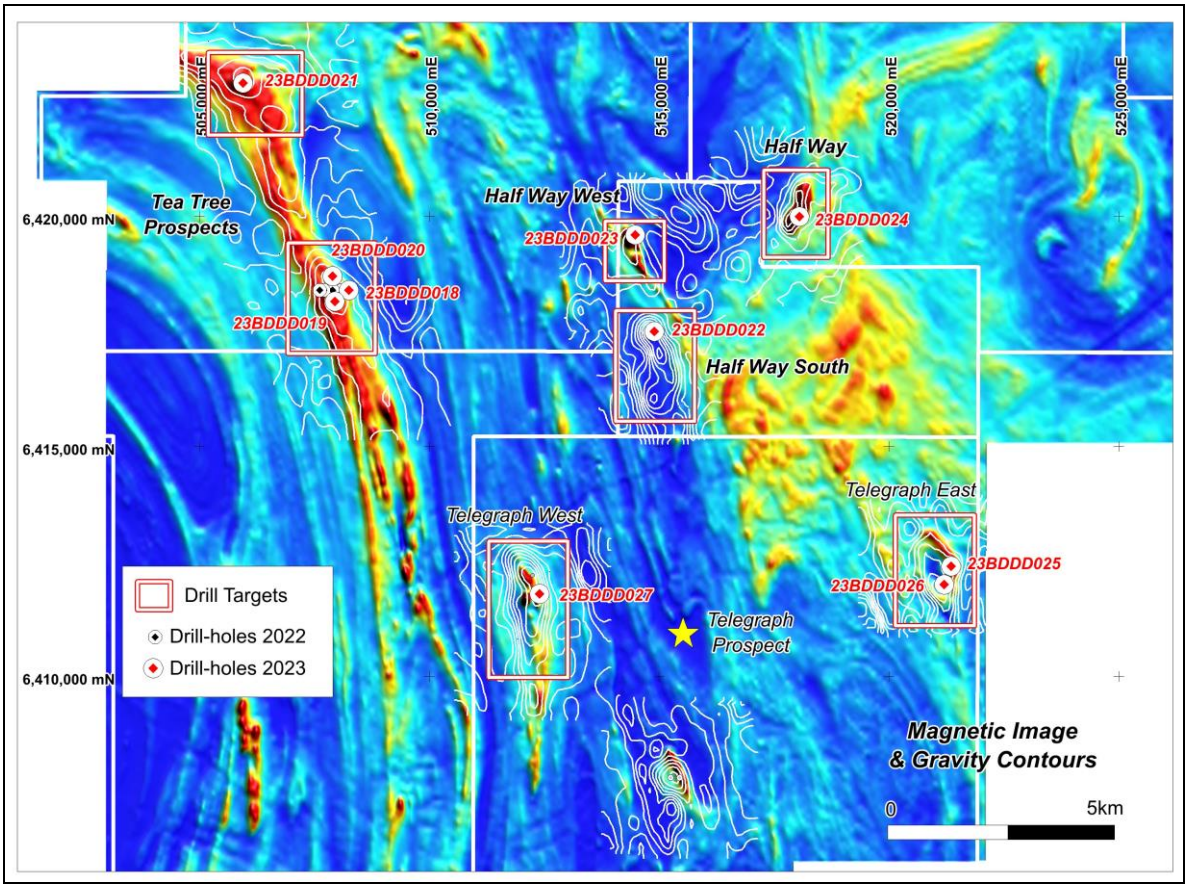

Figure 1: Balladonia Project showing prospect and drill-hole locations on magnetic data.

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Previous assessment of geochemical data from drilling at the Tea Tree prospect identified a potential 'lode horizon' defined by elevated values of lead (Pb), zinc (Zn), cadmium (Cd) and tin (Sn). These elevated geochemical indicators occurred within non to weakly magnetic mafic gneisses adjacent to iron formations (IF – quartz-garnet-magnetite rocks) that are key indicators of prospectivity within the broader prospective host stratigraphy which can also be defined by anomalous phosphorous (P) with high iron (Fe) and/or manganese (Mn) values.

Alteration within the host stratigraphy is variable with enrichment in potassium (K) being a key indicator of proximity to mineralisation. At Tea Tree, potassic alteration is associated with anomalous lead values (>100ppm Pb) within the gneisses as well as quartz-garnet-magnetite rocks, with results from drill-hole 23BDDD019 suggesting that stronger mineralisation should occur to the south and east of the recent drilling (*Figure 2*).

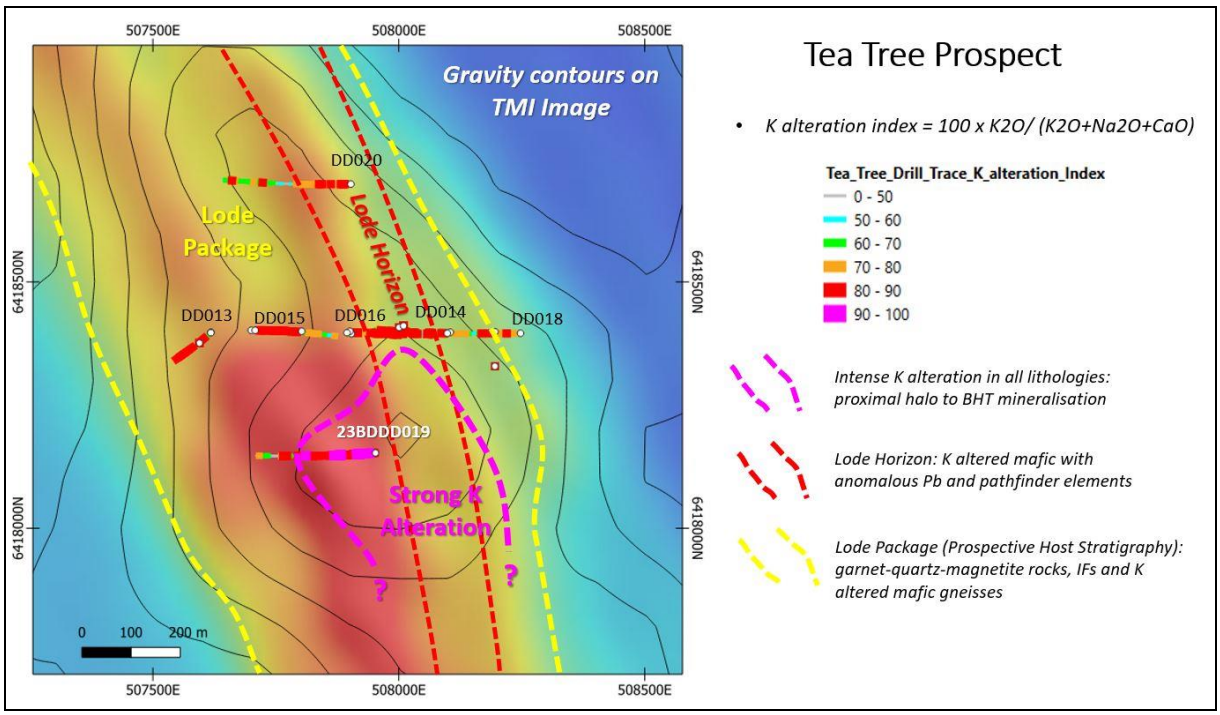

Figure 2: Tea Tree Prospect showing outline of prospective host rocks, lode horizon and potassic alteration as defined by drill-hole geochemistry overlying a magnetic image plus gravity contours.

The IFs within the prospective host stratigraphy can be traced for tens of kilometres north and south of the Tea Tree prospect, as well as at other locations across the project area using detailed aeromagnetic data. Lower magnetic zones associated with the IFs are also considered potential targets for BHT mineralisation, based on the geochemical relationships highlighted by the Tea Tree drilling.

Interpretation of the regional aeromagnetic data indicates that the prospective host rocks extend for up to 15km south and 5km north of Tea Tree. Numerous targets associated with the IF stratigraphy have been outlined for follow-up testing based on the relationships identified at the Tea Tree prospect (*Figure 3*).

Drilling at *Tea Tree North* (23BDDD021) intersected IF containing anomalous Mn (up to 1.5%) with elevated Pb (up to 70ppm) and Sn (up to 3ppm) values in the adjacent gneisses, highlighting similarities with the Tea Tree sequence. Strong potassic alteration within both the IFs and the adjacent gneisses suggests good potential for BHT mineralisation nearby.

The single drill-hole test at Tea Tree North did not adequately test this prospect, with much of the core also showing layering sub-parallel to the core axis, indicating that the drill-hole did not effectively cross-cut the target stratigraphy. In general, dip directions throughout the

project area are steep and difficult to predict given the lack of outcrop and the uncertainty based on interpretation of the magnetic data.

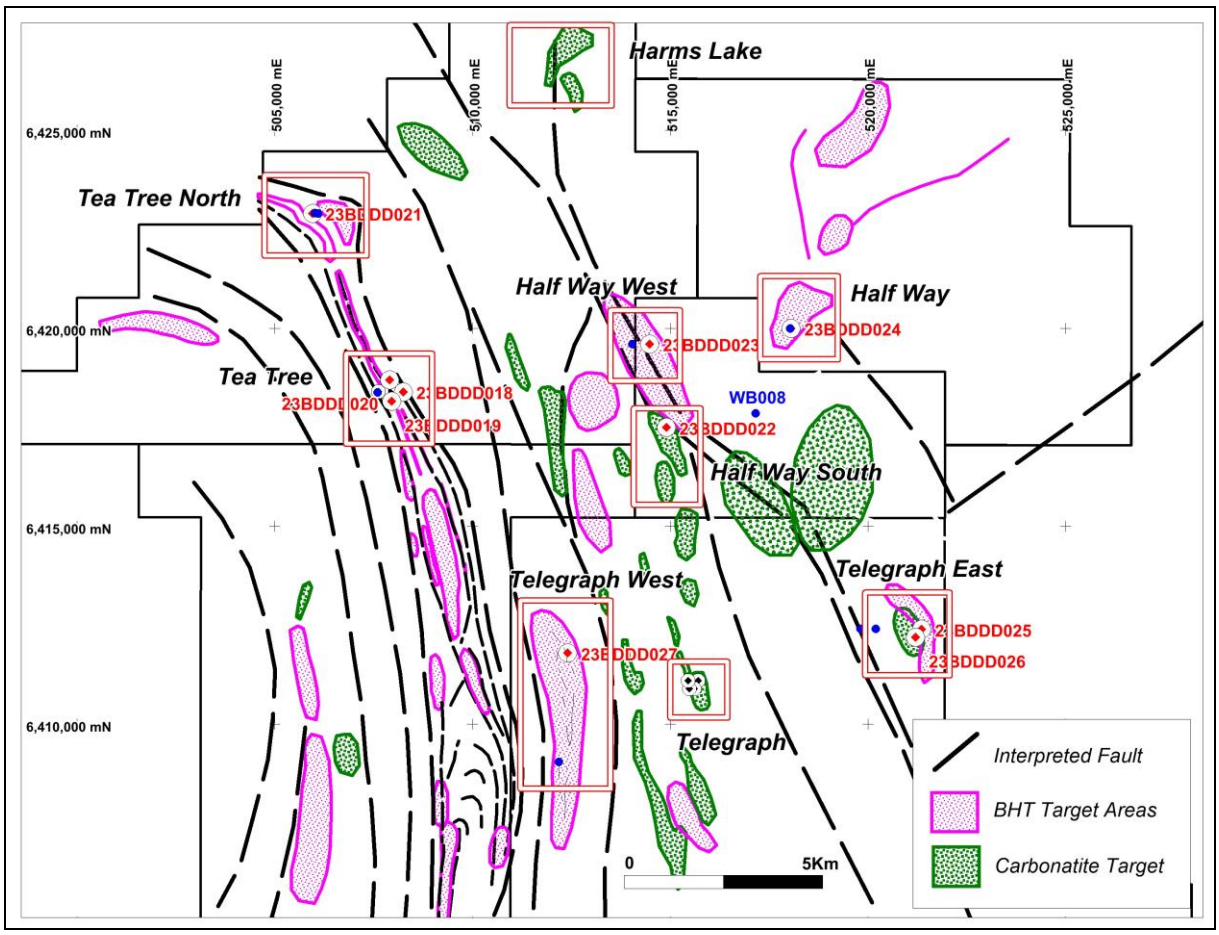

Figure 3: Balladonia Project showing BHT target areas and carbonatite targets as interpreted from magnetic data and current drill-hole locations and prospects.

Drilling at the *Telegraph West* prospect (23BDDD027), which is located ~8km south-east of Tea Tree, intersected several IFs containing anomalous P (up to 1.2%) and Mn (up to 2%) with anomalous Pb values (up to 100ppm) within the adjacent gneisses, highlighting similarities with Tea Tree stratigraphy and suggesting strong prospectivity for BHT mineralisation. The magnetic/gravity target extends over a strike length of ~5km and contains discrete magnetic anomalies which will be used to guide further exploration.

At the *Halfway* prospect, drill-hole 23BDDD024 intersected multiple IFs, explaining the strength of the magnetic and gravity anomalies. The IFs occur within a sequence of felsic and mafic gneisses and appear to be less altered and deformed than IF sequences at other prospects. Low levels of base metal anomalism (up to 40ppm Pb) that occur within potassic altered gneisses below the IFs again suggest the presence of a prospective host stratigraphy, but potential mineralisation is likely to be more distal than at other prospects.

Drilling (23BDDD023) at the *Halfway West* prospect was designed to test a discrete magnetic / gravity target located along an interpreted regional structure. IFs with anomalous P (up to 0.68%) and Mn (up to 1.6%) were intersected in the upper part of the drill-hole with anomalous Pb (up to 120ppm), Sn (up to 12ppm), Zn (up to 1560ppm) and Cd (up to 13ppm) occurring within potassic altered gneisses above and below the IFs, suggesting the presence of prospective host stratigraphy similar to that identified at the Tea Tree prospect.

High levels of calcium (up to 10% Ca) and magnesium (up to 6% Mg) occur within the IFs and gneisses at Halfway West, suggesting possible Ca-Mg alteration overprinting the prospective stratigraphy in this area. This may be related to nearby calc-alkaline and/or carbonatite intrusive activity as implied by results from drilling at *Halfway South* and the earlier recognition of a carbonatite intrusion at the Telegraph prospect, ~8km to the south.

At *Halfway South*, drill-hole 23BDDD022 intersected a possible carbonatite intrusion, as evidenced by high calcium levels (up to 20% Ca) within a pyroxenitic host rock from surface to ~208m down-hole, with iron-rich amphibolite occurring below. The presence of several thin dykes (<2m) with elevated rare earth elements (up to 450ppm Ce and 210ppm La) and a narrow zone (<5m) containing anomalous base metals (up to 41gpt Ag, 1,060ppm Cu, 1,500ppm Pb, 1,450ppm Zn) that occur within the pyroxenite suggests that there may be potential for base metals and/or rare earths associated with these interpreted intrusions.

Drilling (23BDDD025 and 026) at the *Telegraph East* prospect appears to support the presence of carbonatitic intrusions in the area, with both drill-holes intersecting metagabbro containing elevated levels of calcium (up to 8% Ca). Drill-hole 23BDDD025 may have also intersected the prospective host stratigraphy for BHT mineralisation based on the geochemistry, but this is still to be confirmed. No significant metals were reported from this drill-hole.

A review of assay results from shallow drill-holes in the general area of the inferred carbonatites revealed an isolated drill-hole (WB008) with highly anomalous rare earth elements (cerium 1,746ppm, lanthanum 1,034ppm and Yttrium 118ppm) from a 4m composite sample within saprolitic clays overlying the bedrock. Drill samples from a 28m section of this drill-hole have been retrieved and are being re-assayed for a more complete range of rare earth elements before any additional work is considered.

The Balladonia Project, which is located in the Fraser Range region of Western Australia, is subject to the Strategic Alliance Agreement (SAA) with a wholly-owned subsidiary of South32 Limited.

AusQuest's Managing Director, Graeme Drew, said: *"These assay results continue to provide us with significant encouragement that we are in a highly prospective area for the discovery of large-scale BHT base metal deposits (and possibly rare earth element mineralisation), and we are now looking to significantly improve our targeting based on the understanding these results are providing."*

"The geological comparisons made with productive base metal regions in NW Queensland and Broken Hill are still strong, but now there is the added possibility of finding rare earths associated with carbonatite activity."

"Further exploration at Balladonia is currently the subject of discussions with South32," 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.

JORC Code, 2012 Edition – Table 1 report, Diamond Drilling at Balladonia Project September 2023

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.*	• Drill core was sampled at 1 metre intervals. • Four metre composite samples were collected from the RC pre-collar samples and a shallow RC drill-hole sited to find drilling water. • Where HQ and NQ2 core was sampled, core was cut in half with half sent for analysis and half retained for geological and quality control purposes. • Sample intervals were measured by tape from depth intervals shown on core blocks labeled by the drillers, as per standard industry practice.
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).*	• Diamond drilling with reverse circulation pre-collars through to bedrock was used for all of the holes completed. • HQ and NQ2 drill rods used to produce 63.5mm and 50.6mm diameter core respectively. • Down-hole surveys were read at ~ 30m intervals and the core was oriented using an ACT MK3 orientation device
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*	• Core recovery was determined by comparing core lengths measured against drilled intervals shown on core blocks and recorded on the logs. • Experienced diamond drillers were engaged to ensure maximum core recovery.

Criteria	JORC Code explanation	Commentary
	whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	• Sample recovery was generally high, negating any sample bias due to recovery.
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.* • *The total length and percentage of the relevant intersections logged.*	• Drill core and sample chips were logged by experienced geologists to identify key rock types, alteration and mineralisation styles. • Core logging is qualitative with visual estimates of mineralisation made for later comparison with assay results. • All core was logged and photographed.
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.*	• Core samples were collected by cutting core in half along its length and sampling over 1 metre intervals. • Reverse Circulation pre-collar samples were collected by collecting a scoop of sample from individual 1 metre samples and compositing them over 4 metre intervals. • The sample sizes are appropriate for the geological materials being 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 is 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 and/or OES) 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. • Gold values are provided by 25gm fire assay. • Prepared Sample standards are inserted by the Company every 20 metres down hole to provide a control on laboratory processes. Data from the laboratory's internal quality procedures (standards,

Criteria	JORC Code explanation	Commentary
		repeats and blanks) and AusQuest (standards, repeats and blanks) are reviewed to check data quality. • Assays are provided by Intertek Genalysis of 311 Kenwick Road 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.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Drilling is early-stage testing across stratigraphy and geophysical targets to understand geology and implications for base metal prospectivity of the region.
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. • Down hole surveys are carried out every ~30m down hole, and at the end of the hole. • 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.*	• Angled drill holes were spaced at approximately 200m intervals at the Tea Tree prospect to assess the bedrock geology across a regional magnetic and gravity corridor. Elsewhere magnetic/gravity targets were generally tested by a single drill-hole. • Drill hole locations are provided below.
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 however layering is consistently at a low angle to the core axis due to generally steep dips in the area.
Sample security	• *The measures taken to ensure sample security.*	• Samples are collected into securely tied bags and placed into cable-tied polyweave 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

Criteria	JORC Code explanation	Commentary
		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 Balladonia Project is centered at 6411000N and 515500E (GDA94 Zone 51), approximately 135 km ESE of Norseman in Western Australia. • Tenement holdings include five granted Exploration License's (E69/3246, 3825, 3671, 3558, 3932) and two Exploration License applications (E69/3559, and 3672). • The Balladonia Prospect is subject to a Strategic Alliance Agreement whereby South32 have the right to earn a 70% interest by spending US$4.5M. • Aboriginal heritage surveys and fauna – Flora surveys are routinely completed ahead of ground disturbing activities.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Limited surface exploration has been completed by other parties. AusQuest is the first exploration company to complete drilling programs within the tenements. • The tenements have been covered by regional government geophysical and geological surveys and partly by regional GSWA geochemical sampling.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The exploration model for the Balladonia Project is based upon copper and nickel sulphides hosted in mafic rocks as is the case within the Fraser Range Belt, and base metal mineralisation in BHT and /or IOCG settings similar to the Eastern Succession in north-west Queensland and at Broken Hill in NSW..

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*
		• All relevant drill hole data are tabulated below and provided in the ASX release.

Criteria	JORC Code explanation	Commentary
	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.*	
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 weighting or averaging techniques were used.
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').*	• Drilling was reconnaissance in nature. The relationship to any mineralization is not known 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.*	• Anomalous ranges of elements are quoted. Drilling still at the reconnaissance stage.
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 drilling will depend on the assessment of results from this drilling program.

Diamond drill-hole location details

Hole_No	Prospect	Easting	Northing	RL	Datum	Zone	Azimuth	Inc	Depth (m)
23BDDD018	Tea Tree	508248	6418396	238	GDA94	51	269	-60	504
23BDDD019	Tea Tree	507953	6418153	237	GDA94	51	266	-60	444.6
23BDDD020	Tea Tree	507903	6418699	247	GDA94	51	269	-60	462.7
23BDDD021	Tea Tree North	505950	6422900	248	GDA94	51	276	-61	396.8
23BDDD022	Half Way South	514898	6417498	276	GDA94	51	268	-60	291.9
23BDDD023	Half Way West	514479	6419601	278	GDA94	51	223	-60	346.2
23BDDD024	Half Way	518047	6419999	269	GDA94	51	269	-60	399.1
23BDDD025	Telegraph East	521350	6412399	243	GDA94	51	89	-61	286.9
23BDDD026	Telegraph East	521199	6412200	242	GDA94	51	270	-60	150.6
23BDDD027	Telegraph West	512403	6411804	262	GDA94	51	270	-60	393.8
WB008	Halfway South	517152	6417857	263	GDA94	51	0	-90	48