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April 22nd, 2024

SECOND STAGE DRILLING COMMENCES AT MORRISEY MAGNETITE PROJECT, WA

- **~3,000m RC drill program underway to test resource size potential.**
- **Program funded under Strategic Alliance Agreement.**

AusQuest Limited (ASX: AQD) is pleased to advise that it has commenced drilling at the Morrisey Project, located ~500km north of Perth in Western Australia, to test the potential size and scale of selected magnetite occurrence(s) that were identified by earlier drilling (see ASX release 20 October 2022 and 24 January 2023).

Drilling is expected to take ~3 weeks to complete with assay results available within 3-4 weeks of completing the program.

The program (comprising ~3,000m of Reverse Circulation (RC) drilling) will initially focus on the Waterfall Prospect, where drill-hole 22MYRC001 intersected coarse grain magnetite over thicknesses of more than 60 metres which subsequent test-work (Davis Tube Recovery) confirmed could produce a premium grade product (>70% Fe) with very low impurities.

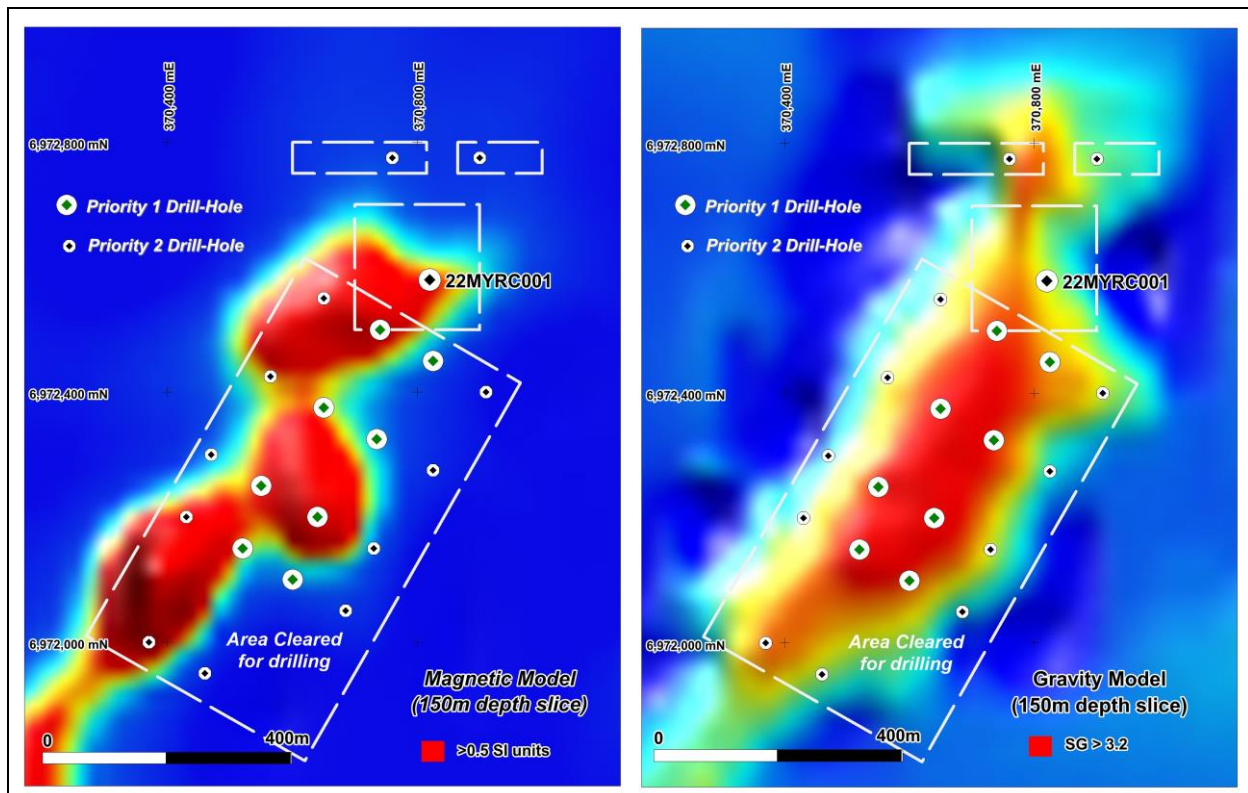


Figure 1. Planned RC drill-holes at the Morrisey Project relative to both the magnetic and gravity models. The areas shown in red are both strongly magnetic (magnetic susceptibility >0.5 SI units) and have high density (average SGs >3.2), outlining the potential magnetite (Fe) target.

The initial eight holes at Waterfall have been designed to determine the potential size and extent of the mineralisation. Computer modelling of magnetic and gravity data indicates that magnetite is likely to occur at shallower depths and have greater thickness to the south-west of the discovery drill-hole (22MYRC001), where the current drilling is focused.

Drill sections have been positioned at ~150m intervals with drill-holes every 100m to provide sufficient overlap between holes to enable the continuity of mineralisation to be assessed. Drill-holes will be inclined at 60° to grid-west and drilled to ~225m depth pending drilling conditions and visual assessment of the samples.

The current program will also provide an initial test of magnetic/gravity targets at the Bilga South (one drill-hole) and Toola (two drill-holes) prospects, located ~40km to the north and north-east of Waterfall, which display similar magnetic and gravity signatures to those found at Waterfall. A positive result from either one of these prospects would significantly increase the resource potential for magnetite within the broader Morrisey Project area.

The Morrisey Project is located within high-grade metamorphic rocks of the Narryer Terrane, approximately 120km north of Mullewa in WA, and is subject to the Strategic Alliance Agreement with a wholly-owned subsidiary of South32 Limited.

AusQuest's Managing Director, Graeme Drew, said the Company was very pleased to launch its second drilling campaign at Morrisey, given the project could represent a significant new iron exploration opportunity within the heart of the Midwest mining district.

"Previous test-work results confirmed that the magnetite intersected by our initial drill program could easily be upgraded to a premium product (>70% Fe). Now with the current drilling, we are chasing size and depth to the mineralisation," he said.

"Shareholders can look forward to more detailed assessments of the magnetite potential at Morrisey over the coming weeks and months."



Graeme Drew
Managing Director

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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.