

September 4th, 2023

FURTHER DRILLING PLANNED AT THE MORRISEY MAGNETITE PROJECT, WA

- **Major RC drilling program (~3,000m) planned for Q4 2023.**
- **Four targets to be tested following encouragement from initial drill results.**

AusQuest Limited (ASX: AQD) is pleased to advise that it is gearing up for a new drilling program at the Morrisey Project in Western Australia to test the full extent of the magnetite occurrence(s) that were located by earlier drilling (see ASX release 20 October 2022 and 24 January 2023).

The upcoming program, which will comprise ~3,000m of Reverse Circulation (RC) drilling, will focus primarily on the Waterfall Prospect, where the initial drill-hole (22MYRC001) intersected coarse grain magnetite over thicknesses in excess of 60 metres. Subsequent test-work demonstrated that this mineralisation could be upgraded to a premium product (>70% Fe) containing very low impurities by simple magnetic separation of a relatively coarse grind size (95% passing 75 microns) of the materials processed.

A total of 20 drill-holes have been designed to provide systematic drill coverage across the Waterfall Prospect, with the main focus being to the south-west of drill-hole MYRC001 where modelling of geophysical data indicates that magnetite is likely to occur at shallower depths and have greater thickness.

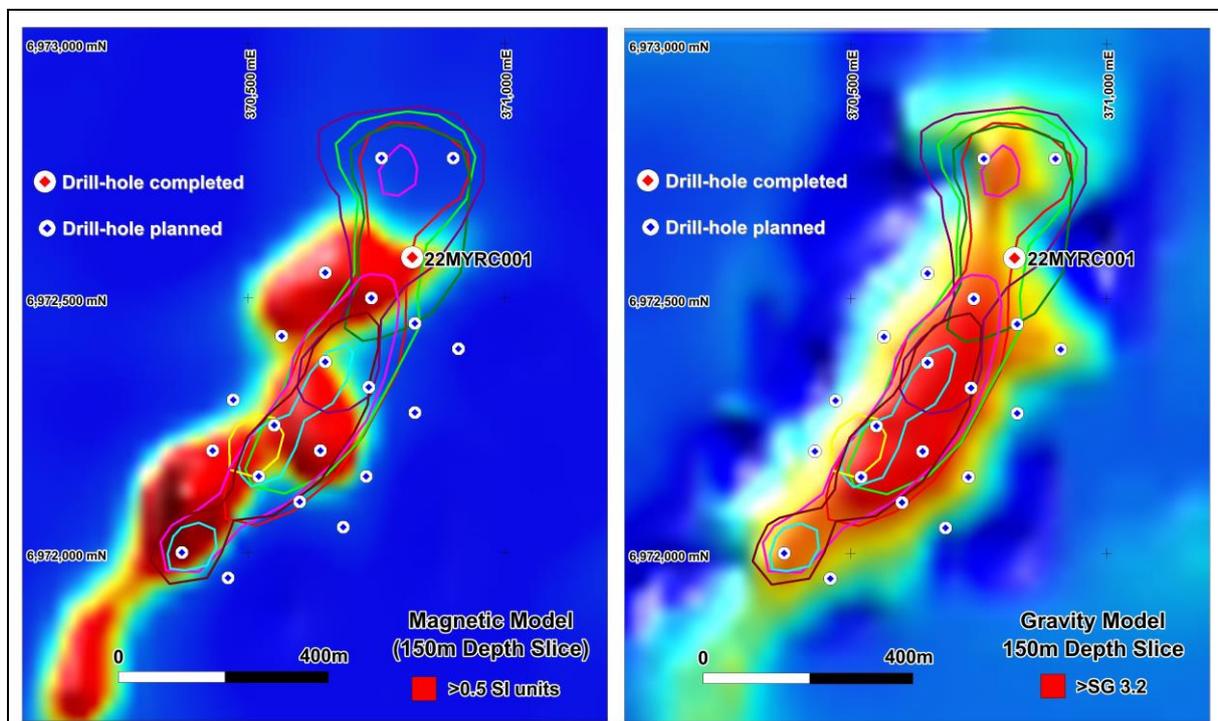


Figure 1 shows the planned drill-holes with respect to both the magnetic and gravity models. The areas shown in red are both strongly magnetic (magnetic susceptibility >0.5 SI units) and have high density (average SGs >3.2), outlining the potential magnetite (Fe) target.

The Company plans to complete Heritage Clearance surveys over each drill site with the number of holes actually drilled being dependent on results as they come to hand. It is expected that a minimum of eight drill-holes will be completed at the Waterfall prospect.

The drill program will also provide an initial test of three other magnetic/gravity targets that are located within the project area to help determine the potential upside for magnetite resources within the broader Morrisey Project.

Heritage clearance surveys have been initiated and are expected to be completed over the coming months to allow drilling operations to commence during Q4 2023.

Initial Davis Tube Recovery (DTR) results for samples from the Waterfall and Sandfly prospects are provided in the table below, demonstrating the high quality of the magnetite discovered by the initial drill program.

Hole ID	From (m)	Length (m)	GRADE	DTR CONCENTRATE GRADES					
			Fe %	Mass Recovery %	Fe %	SiO ₂ %	Al ₂ O ₃ %	S %	P %
MYRC001	102	10	33.73	37.07	70.87	1.58	0.22	0.014	0.005
MYRC001	112	10	32.02	39.48	71.16	1.44	0.03	0.004	0.004
MYRC001	122	10	31.87	39.62	71.03	1.54	0.04	0.004	0.004
MYRC001	132	12	36.03	47.1	71.26	0.98	0.04	0.004	0.005
MYRC002	82	10	33.63	42.56	70.98	1.01	0.43	0.008	0.005
MYRC002	92	8	31.2	40.51	71.75	0.66	0.15	0.01	0.004

The Morrisey Project is located within high-grade metamorphic rocks of the Narryer Terrane, approximately 500km north of Perth in WA, and is subject to the Strategic Alliance Agreement (SAA) with a wholly-owned subsidiary of South32 Limited (South32).

AusQuest's Managing Director, Graeme Drew, said the Morrisey Project represented an exciting exploration opportunity given the previous discovery of magnetite ironstone with the potential to be easily upgraded to a premium product in the heart of the Midwest mining district.

"This is a significant development – especially considering the potential to delineate large tonnages when the scale of the untested magnetic and gravity anomalies is taken into account."

"This drilling program should go a long way towards understanding the potential upside for magnetite resources at Morrisey. Shareholders can look forward to more detailed assessments of the magnetite potential of this project over the coming quarters."



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.