

April 12, 2022

DRILLING COMMENCES TO TEST PRIORITY TARGETS AT HAMILTON COPPER PROJECT – NW QLD

- **Three diamond holes (~1,850 metres) to test priority gravity targets**
- **Program funded under the Strategic Alliance Agreement with South32**
- **Assay results expected in late May 2022**

Further to its announcement on 31 March 2022, AusQuest Limited (ASX: AQD) is pleased to advise that drilling has now commenced at its **Hamilton Copper Project** in North West Queensland under the Strategic Alliance Agreement (SAA) with a wholly-owned subsidiary of South32.

A total of three diamond drill holes for ~1,850m will test distinct gravity targets closely associated with mineralised banded iron formation (BIF) and iron-calcium alteration (skarns) that were intersected by earlier drilling programs.

The drilling program should take approximately 3-4 weeks to complete with samples to be sent on an ongoing basis to the Intertek Genalysis Laboratory in Townsville for analysis. Final assay results should be available 4-6 weeks after the completion of drilling.

Computer modelling of recently acquired gravity data identified gravity targets associated with the magnetic stratigraphy that had not been tested by previous drilling.

Specific Gravity (SG) and magnetic susceptibility (MS) measurements on drill-core from earlier programs indicated a strong relationship between anomalous copper values (up to 8,000ppm Cu) and rocks with higher density (heavy rocks with SGs >3.3) and higher magnetic susceptibility (strongly magnetic rocks with MS >0.3 SI units).

This highlighted the potential for stronger copper mineralisation to be associated with the newly identified gravity anomalies, further reinforcing their importance as priority drill targets.

The current drill program is designed to test these strong gravity targets at both the Hamilton North (Figures 1 and 2) and Hamilton South prospects (Figures 3 and 4).

The mineralised BIF 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, which also has an associated gravity response.

The 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.

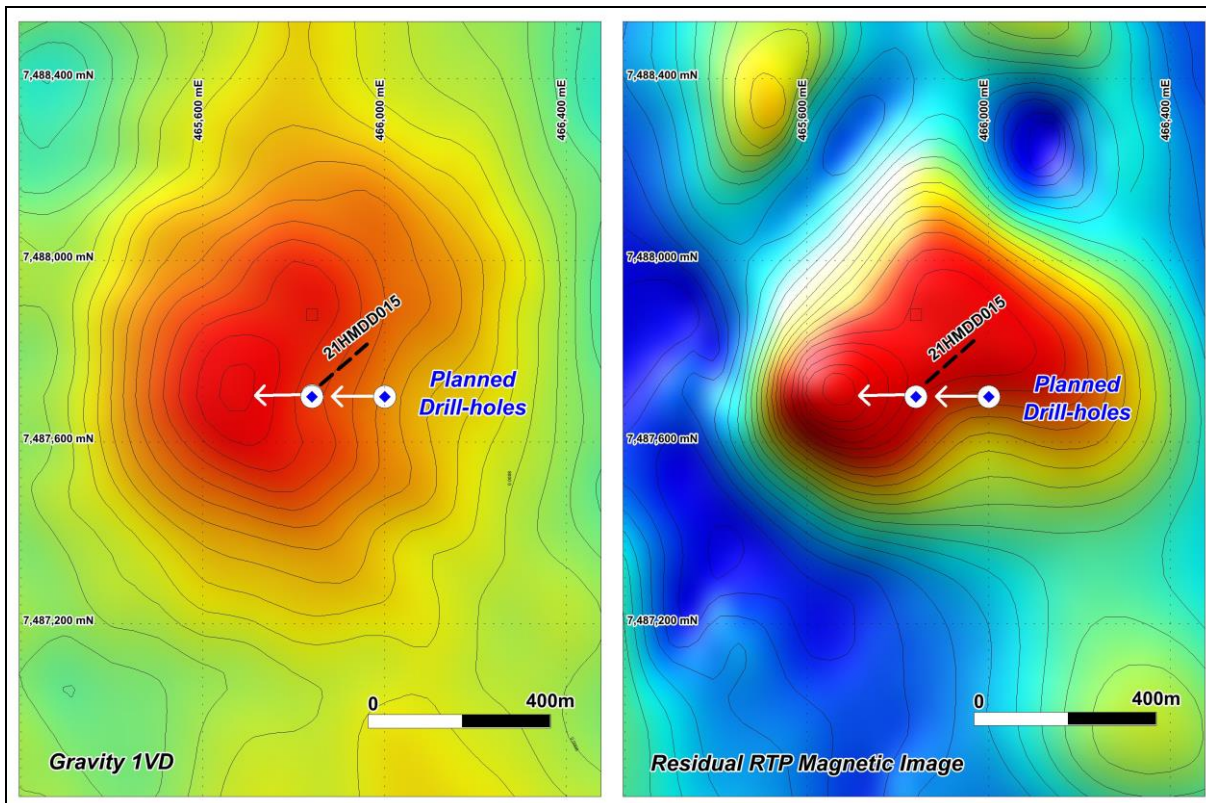


Figure 1: **Hamilton North** showing gravity-magnetic target and location of drill-holes.

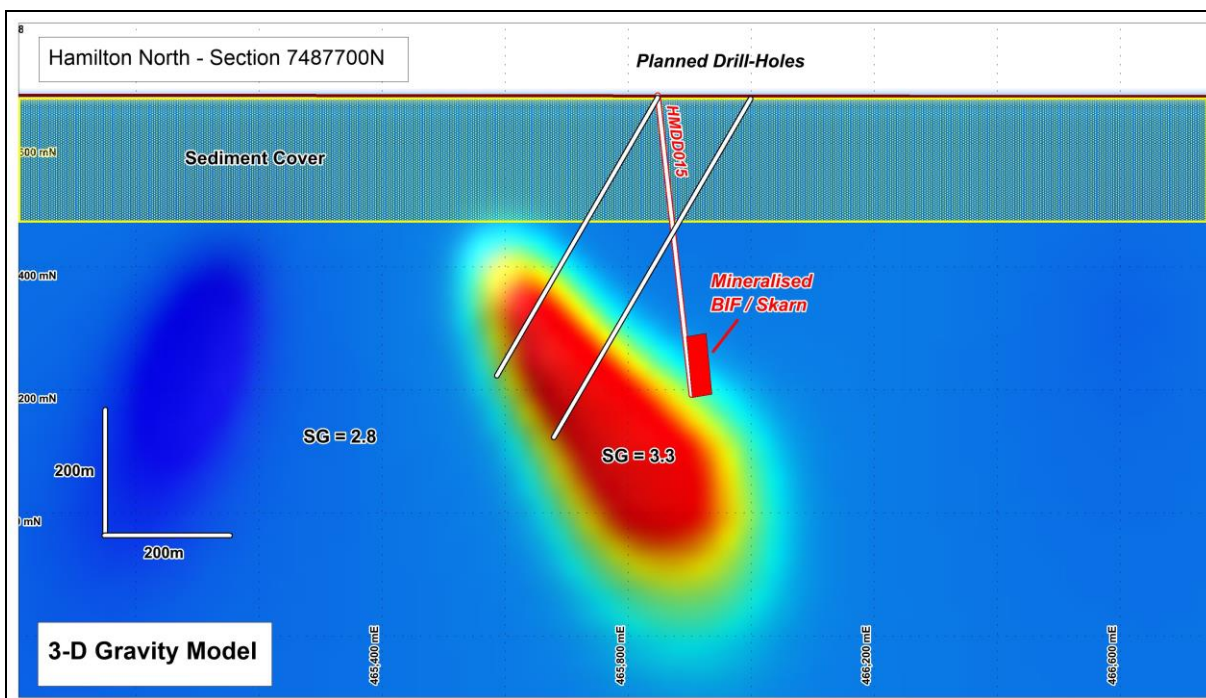


Figure 2: **Hamilton North** Section 7487700N showing gravity model and planned drill-holes.

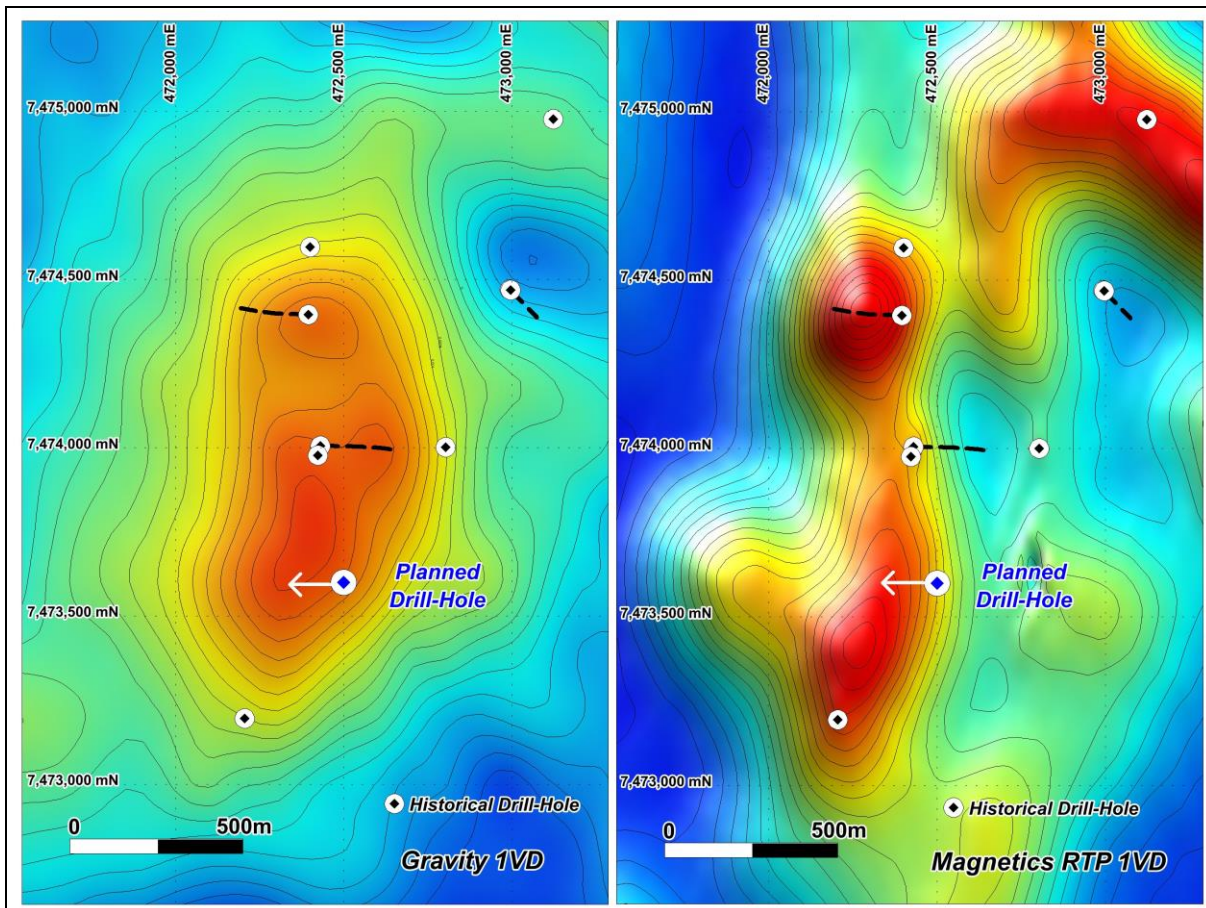


Figure 3: **Hamilton South** showing gravity-magnetic target and location of the drill-hole.

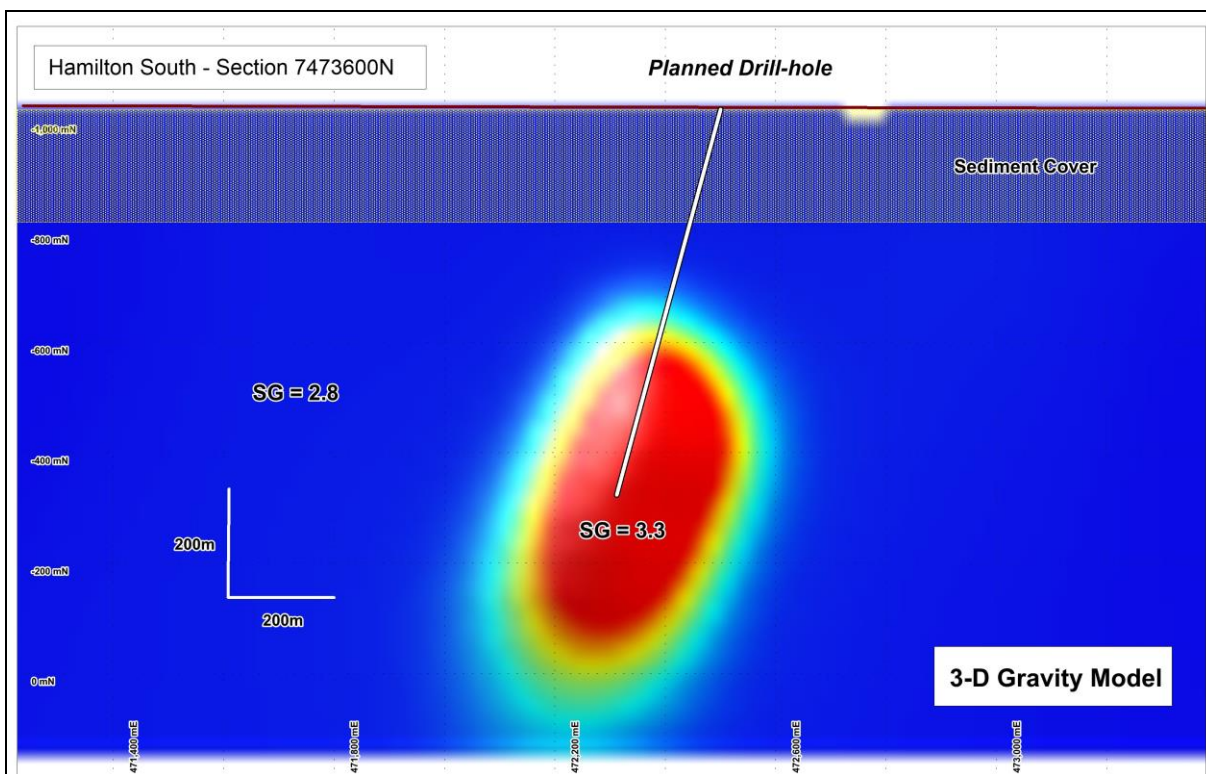


Figure 4: **Hamilton South** Section 7473600N showing gravity model and planned drill-hole.

AusQuest's Managing Director, Graeme Drew, said the upcoming drilling program was designed to follow-up on the highly encouraging gravity results and evaluate the potential for a significant copper-gold discovery at Hamilton.

"We are excited about the potential of this Project and the prospectivity of the broader region, and we are looking forward to reporting the results of the drilling when they are available," he said.

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.