August 17th 2020
ASX Release

DRILLING COMMENCES TO TEST IOCG TARGETS AT HAMILTON COPPER PROJECT, QUEENSLAND

First of several drill programs planned in Australia for second half of 2020 now underway

AusQuest Limited (ASX: AQD) is pleased to advise that Stage 2 drilling has commenced at the **Hamilton Copper Prospect** in north-west Queensland under the Company's Strategic Alliance Agreement (SAA) with South32.

A total of six diamond drill-holes for approximately 1,800m is planned to test for copper mineralisation proximal to earlier drill-holes WD02009, WD02010 and HMDD03, which provided strong indications of nearby copper mineralisation. The Stage 2 program includes wide spaced (~500m) drill-holes designed to test a variety of geological and geophysical targets beneath the Eromanga Basin cover sequence (*Figure 1*).

Drilling is expected to take approximately two weeks to complete with assays available within four weeks of the completion of drilling.

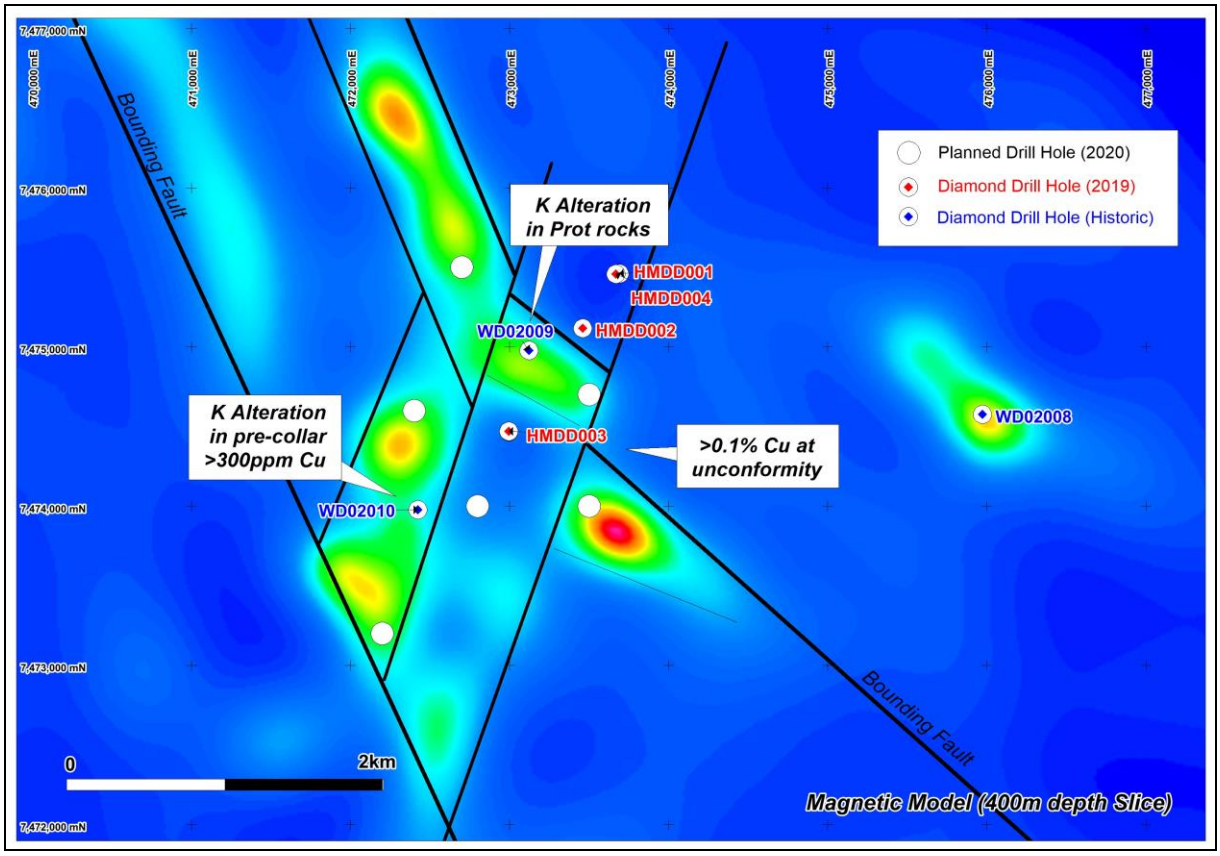


Figure 1: Hamilton Copper Prospect magnetic modelling showing proposed drill sites.

The Hamilton Project is located in north-west Queensland, ~120km south of the world-class Cannington mine, which is owned and operated by South32. Exploration is targeting Iron-Oxide Copper-Gold (IOCG) mineralisation similar to that found at the Ernest Henry mine.

Stage 1 reconnaissance diamond drilling (four holes/1,447m) completed in August last year provided new insights into the prospectivity of this area, identifying several features suggestive of nearby copper mineralisation.

These included potassic alteration in historical drill-holes WD02009 and WD02010, highly anomalous copper values (9m @ 1,100ppm Cu) at the Proterozoic unconformity in drill-hole HMDD03, and widespread magnetite alteration.

Computer modelling of geophysical data identified potential structures and preferred sites for drilling, based on analogies with the Ernest Henry copper deposit ~250km to the north.

AusQuest's Managing Director, Graeme Drew, said the Company was pleased to be drilling again following a period of consolidation of its Australian projects due to COVID-19 restrictions.

"The diamond drill program at Hamilton will be the first of several programs we are aiming to complete during the second half of 2020," he said.

"Heritage surveys at our Tangadee Zinc Prospect have been completed and access into the Gunanya Gold-Copper Project in the Paterson Province of WA has also been confirmed, keeping our plans to complete drill programs in these areas before the end of the year on track."

The Company will continue to monitor advice from Government and health authorities with regard to restrictions imposed by COVID-19, but expects to be able to complete all of these programs while also ensuring the health and well-being of its employees and contractors.



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.