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ASX Release

AUSQUEST LIMITED
ABN 35 091 542 451

AUSQUEST COMMENCES NEXT STAGE OF NICKEL-COPPER EXPLORATION IN THE FRASER RANGE, WA

Geochemical sampling to commence over prospective Ni-Cu targets at Balladonia, just 30km from Sirius Resources' Crux and Centauri targets

AusQuest Limited (ASX: AQD) is pleased to advise that the next phase of exploration within its Fraser Range portfolio in WA is underway with a new program of reconnaissance geochemical sampling about to commence over prospective nickel-copper targets within the **Balladonia Project** area.

The Balladonia titles, which are currently awaiting grant, cover an area of approximately 1,150km² within the Fraser Range Province which hosts the Nova-Bollinger nickel-copper deposits located ~50km to the north (*Figure 1*).

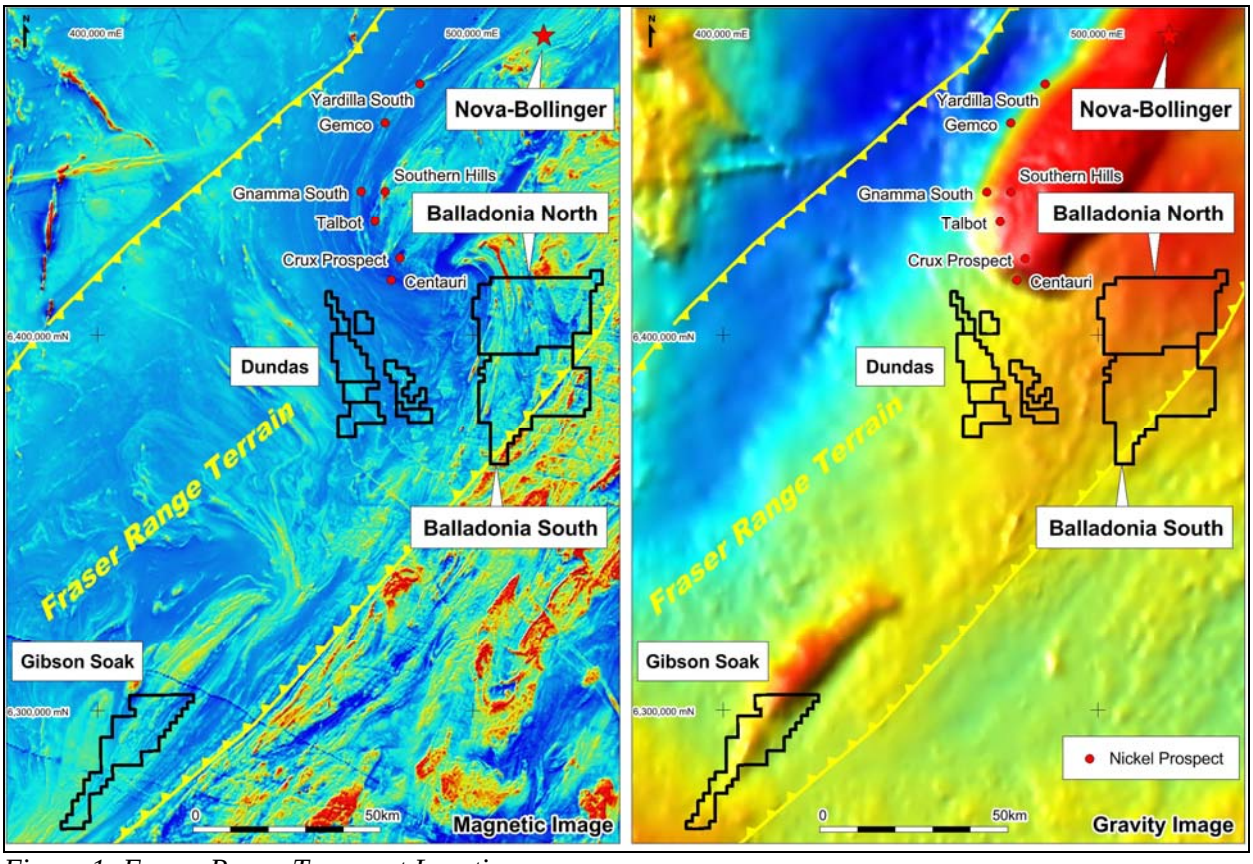


Figure 1: Fraser Range Tenement Locations

The Balladonia Project is located within a structurally complex region of the Fraser Range Terrain, and is centred above the southern margin of a **deep regional gravity anomaly** (~30 milligals) that is thought to reflect buried mafic/ultramafic rocks (intrusions) similar to those that may be related to the formation of the Nova deposit.

Detailed aeromagnetic surveys over the Balladonia tenements have outlined a number of inferred mafic intrusions both parallel to and cross-cutting the general trend of the Fraser Range Belt.

These intrusions are characterised by negative magnetic anomalies similar to those being tested by Sirius at their Crux and Centauri prospects, approximately 30km north-west of the Balladonia title.

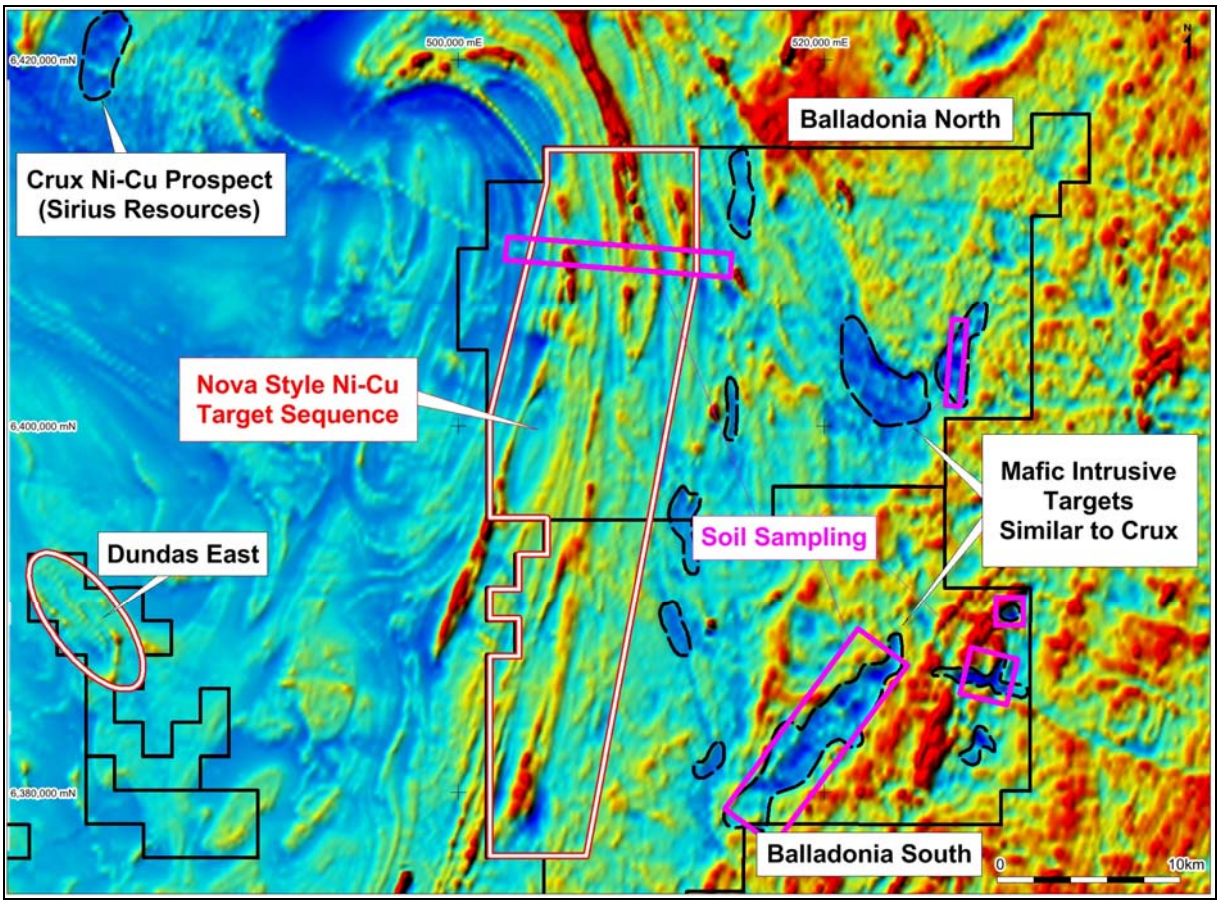


Figure 2: Balladonia Magnetic Image showing priority targets and soil grids

The larger intrusions represent priority nickel-copper exploration targets and will be the subject of the initial reconnaissance sampling programme (*Figure 2*). The Nova-style target sequence outlined along the western margin of the tenements will be tested by an east-west traverse along the old telegraph line, to confirm the presence of mafic host rocks within the sequence, ahead of further sampling and ground EM surveys.

The reconnaissance sampling programme will take approximately two weeks to complete with results expected to be available shortly thereafter. Ground EM surveying and subsequent drilling will be undertaken over defined targets when the tenements are granted and access is approved.

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.