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ASX Release

AUSQUEST LIMITED
ABN 35 091 542 451

MORRISEY NICKEL-COPPER PROJECT ACCEPTED AS A NEW EXPLORATION OPPORTUNITY UNDER SAA

Strategic Alliance exploration programs set to target nickel-copper-PGE potential

AusQuest Limited (ASX: AQD) is pleased to advise that, following meetings with its Strategic Alliance partner South32, the **Morrisey Nickel-Copper Project** located within the Narryer Terrane, ~500km north of Perth in Western Australia (WA), has been accepted as a new Exploration Opportunity under the Strategic Alliance Agreement (SAA) between the two companies.

Under the terms of the SAA, South32 has exclusive rights to the Company's projects and can earn a 70% interest in each project by spending a total of US$4.5 million on exploration, with the right to earn an additional 10% interest by completing Pre-Feasibility Studies.

At the Morrisey Project, the alliance is targeting nickel-copper-PGE discoveries similar to those found at Nova-Bollinger in the Fraser Range of WA, and more recently at Julimar, north of Perth, which highlighted the untested nickel-copper-PGE potential of the western margin of the Yilgarn Craton.

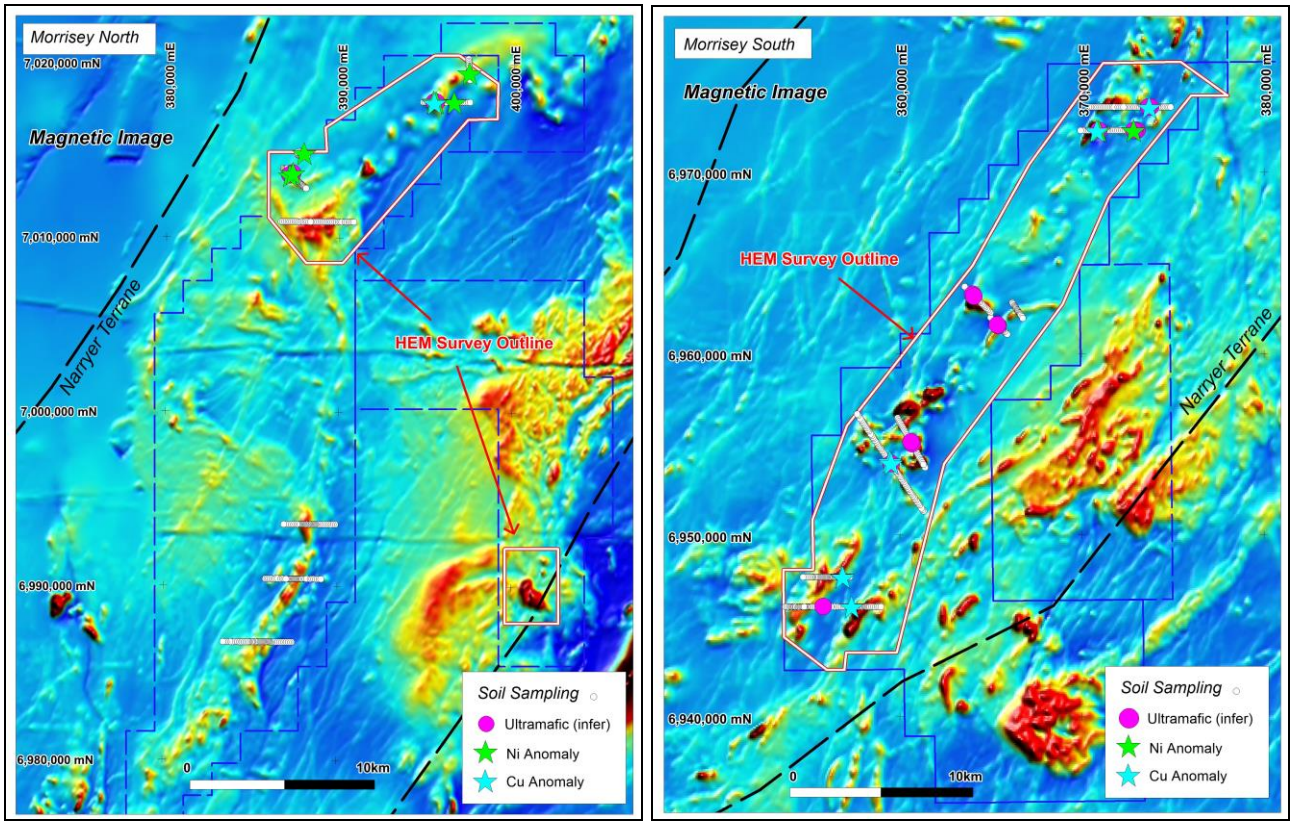


Figure 1: Morrisey magnetic images showing regional soil sampling and HEM Survey outline

The Morrisey Project consists of one granted Exploration Licence and four Exploration Licence Applications covering a total area of ~1,200km² parallel to the Yilgarn Craton boundary (*Figure 1*). It was initially secured to cover magnetic targets indicative of mafic/ultramafic host rocks in a similar tectono-stratigraphic setting to the Julimar (and possibly Nova-Bollinger) discovery.

Regional soil sampling across priority target areas supported the presence of prospective mafic/ultramafic rock types in the area as well as locating several nickel-copper soil anomalies with the potential to reflect nickel sulphide mineralisation (as reported in the Company's December 2020 Quarterly Report).

A proposal to advance this Exploration Opportunity to the drilling stage has been accepted under the SAA. A Helicopter Electromagnetic (HEM) survey to locate potential massive sulphide targets within key target areas has been planned (*Figure 1*), and is scheduled to commence in late May 2021.

AusQuest Managing Director Graeme Drew said the inclusion of the Morrisey Project under the Company's SAA with South32 added further depth and momentum to its ongoing exploration programs in Australia.

"The Morrisey Project has several compelling targets based on analogies that we are able to draw with the new Ni-Cu-PGE discovery at Julimar and the well-known nickel-copper prospectivity of the Fraser Range Belt, which forms the south-eastern margin of the Yilgarn Craton," he said.

"Our focus will be on identifying targets for drilling as soon as we can following the completion of the upcoming HEM surveys," he continued.



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.