October 26, 2021
ASX Release

AUSQUEST LIMITED
ABN 35 091 542 451

EIS FUNDING SECURED FOR UPCOMING DRILLING AT THE BALLADONIA PROJECT – FRASER RANGE, WA

- ***AusQuest successful in its application for EIS funding to drill at Balladonia.***
- ***Broken Hill Type and/or IOCG mineralisation to be targeted within BIF sequence.***
- ***Strong gravity response over drill target provides further encouragement.***

AusQuest Limited (ASX: AQD) is pleased to advise that its application for funding assistance under the Western Australian Government's 'Exploration Incentive Scheme' (EIS) has been successful, with half of the direct cost ($120,000) of diamond drilling at the Tea Tree Prospect at its Balladonia Project in the Fraser Range region to be covered under the scheme.

Recently completed air-core drilling at the Tea Tree Prospect (see ASX release on 23 July 2021) identified the potential for Broken Hill Type (BHT) and/or iron-oxide copper-gold (IOCG) mineralisation within a thick sequence of strongly magnetic rocks, interpreted to reflect mineralised banded iron formation (BIF) (*Figure 1*).

Similar packages of rocks are found within the Eastern Succession of north-west Queensland (the Mt Isa Region), where a number of BHT and IOCG deposits have been discovered, suggesting the potential for similar style deposits within the Balladonia area.

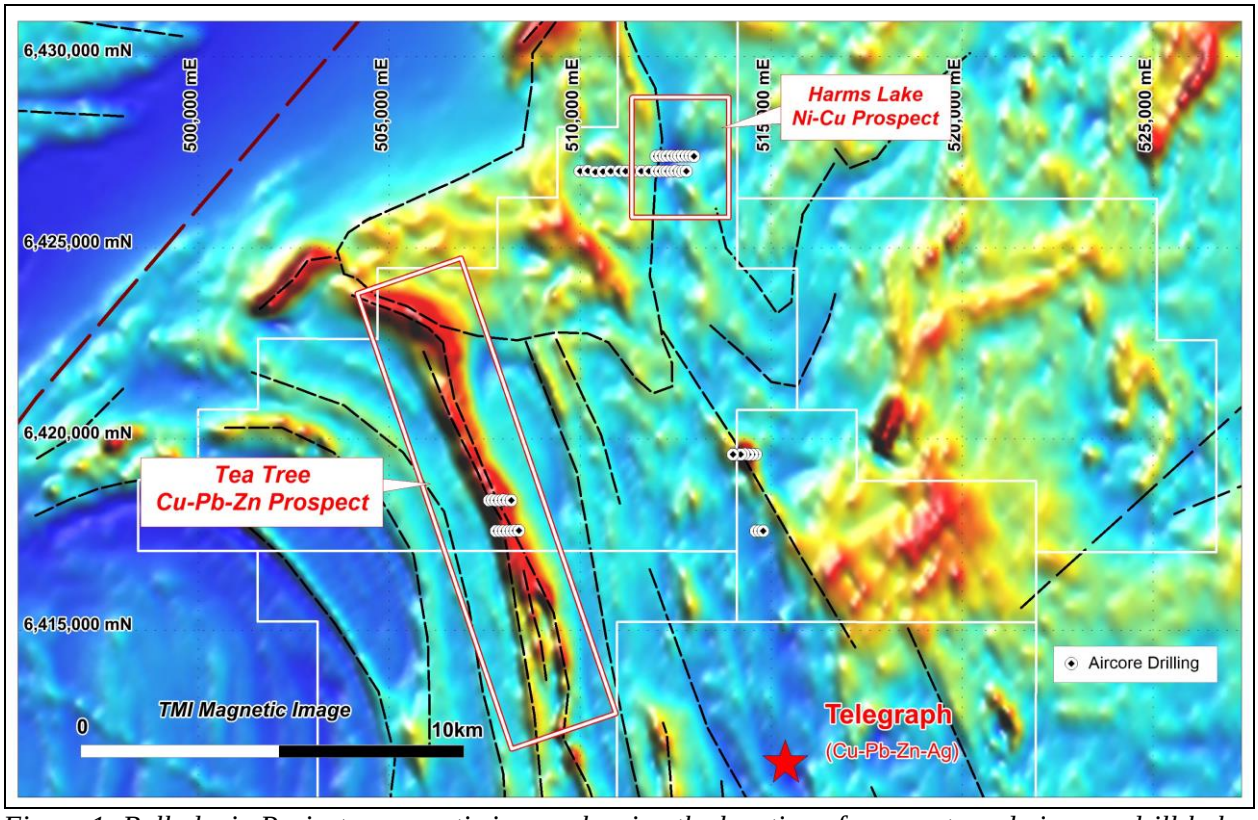


Figure 1: Balladonia Project – magnetic image showing the location of prospects and air-core drill-holes.

A detailed gravity survey (400m x 100m) was subsequently completed over the Tea Tree prospect to define areas of increased thickness and/or structural complexity where mineralisation is most likely to accumulate, along the 10km strike of the BIF sequence.

A moderate-to-strong gravity anomaly (3 milligals) was outlined over the area of increased magnetic response where the initial encouraging air-core drilling results had been obtained, confirming it as a high-priority target for drilling (*Figure 2*).

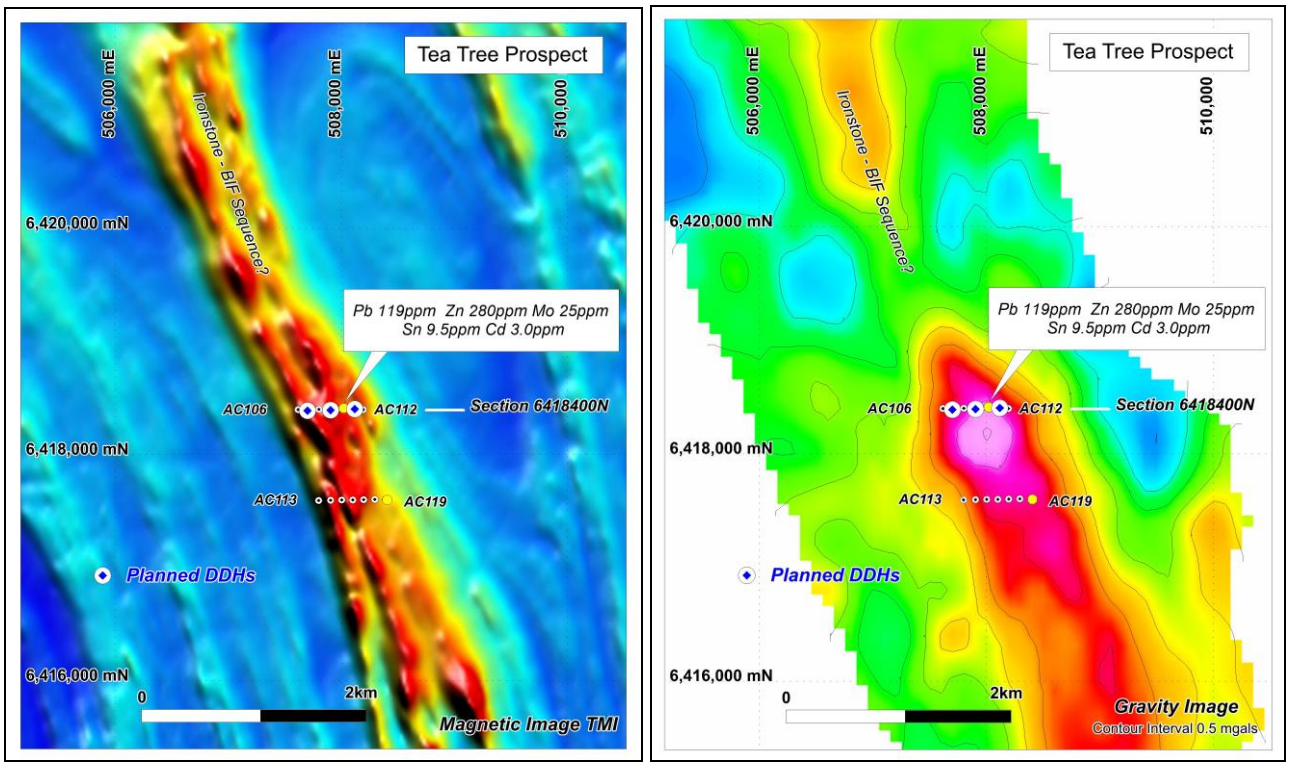


Figure 2: Tea Tree Prospect – magnetic and gravity images showing location of planned drill-holes.

A program of three diamond drill-holes, partly funded by the EIS, is planned for early 2022 once access has been cleared and a suitable drill rig is available.

AusQuest's Managing Director, Graeme Drew, said the upcoming diamond drilling program had the potential to deliver hugely valuable insights into the prospectivity of the Balladonia Project.

"If a mineralised BIF sequence is confirmed, then comparisons that can be made with deposits found in north-west Queensland will come into sharper focus, and this could in turn lead to significant increases in exploration spend and subsequent discoveries," he said

"Exploration in this area is still in its infancy given the extensive cover that hides much of the geology – and the more we learn about the area, the more likely we are to make a discovery."

The Balladonia Project is subject to the Strategic Alliance Agreement (SAA) with a wholly-owned subsidiary of South32.

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.