January 19, 2022
ASX Release

NEW DISTRICT-SCALE NICKEL-COPPER PROJECT ACCEPTED UNDER STRATEGIC ALLIANCE

EM surveys planned to commence in Q2 2022 to identify drill targets

AusQuest Limited (ASX: AQD) is pleased to advise that its Strategic Alliance partner, a wholly-owned subsidiary of South32 Limited (South32), has accepted the new district-scale **Jubilee Lake Nickel-Copper Project**, located ~500km east of Kalgoorlie in WA, as a new Exploration Opportunity under the Strategic Alliance Agreement (SAA) between the two companies (*Fig 1*).

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.

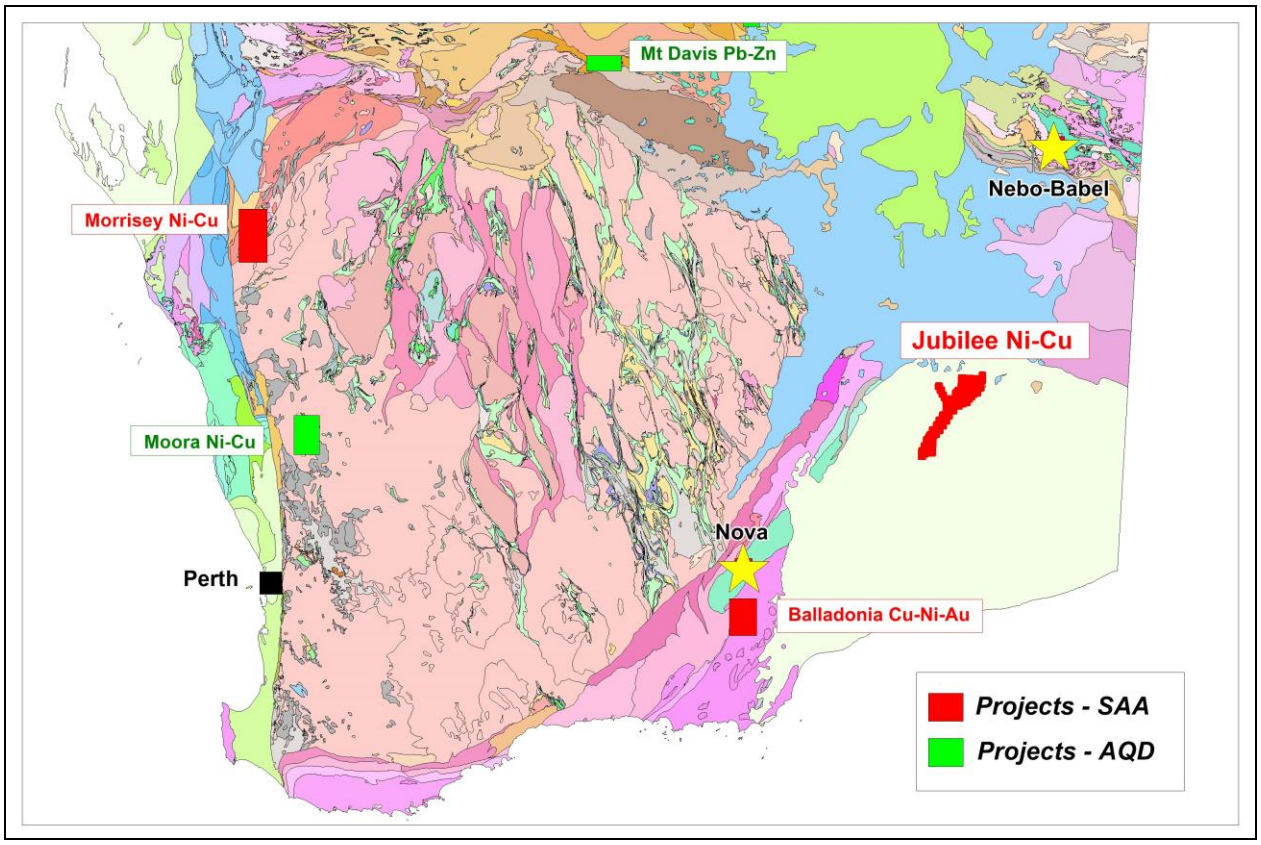

Figure 1: Jubilee Lake Location Plan

The Jubilee Project consists of one granted Exploration Licence and five Exploration Licence applications covering **a total area of ~3,200km²**. The Project is situated within a large flood basalt terrane (>4,000km²), close to the south-eastern margin of the Yilgarn Craton, and is centred over the Rodona Shear which shows strong evidence as being the key feeder structure to the surrounding flood basalts (*Figure 2*).

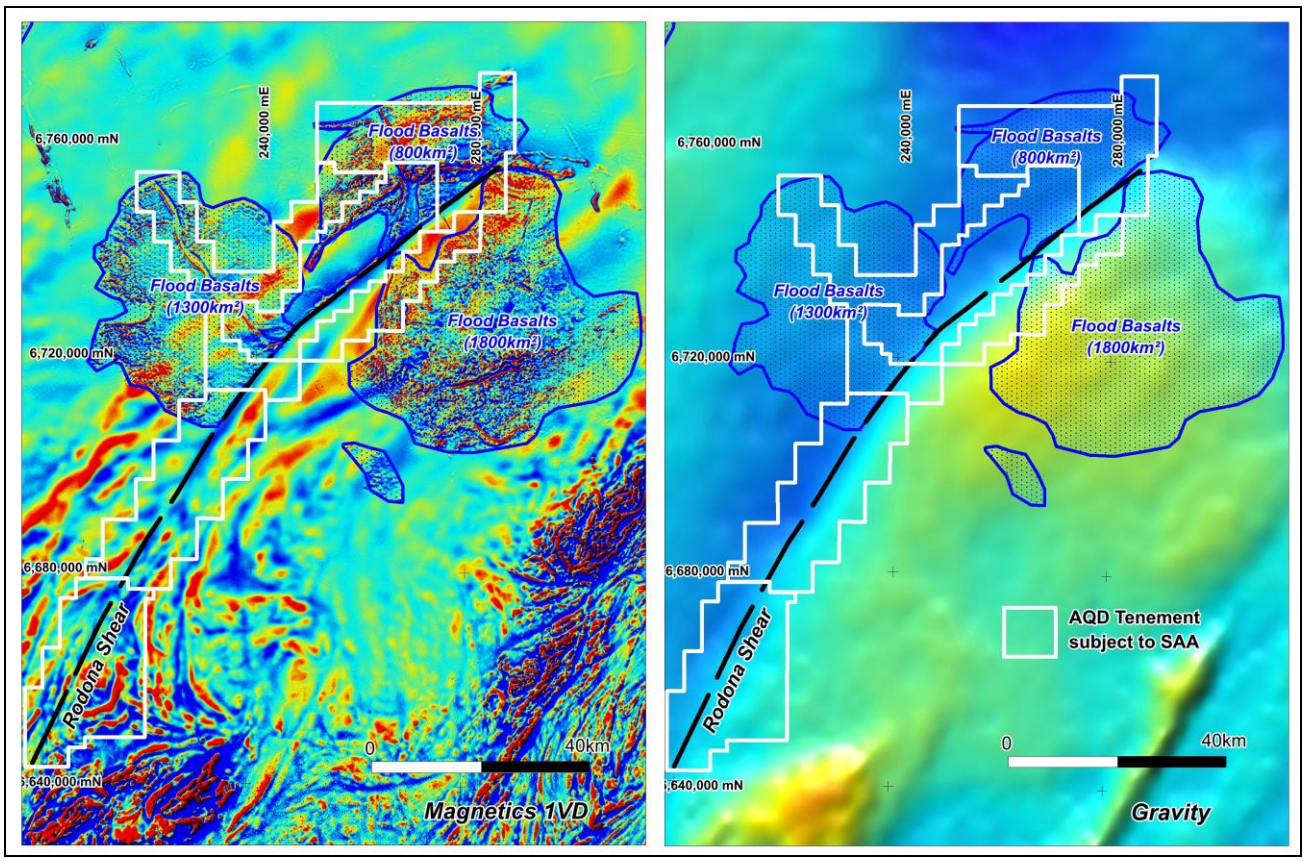

Figure 2: Jubilee Lake Magnetics and Gravity showing the flood basalt terrane and Rodona Shear

The Rodona Shear, which extends over hundreds of kilometres, is a deep-seated fault system which is clearly evident in both the regional magnetic and gravity data.

Mafic/ultramafic intrusions that are associated with feeder structures to flood basalt terranes are considered prime targets for Ni-Cu-PGE sulphide deposits similar to those found at the giant Norilsk deposits in Russia, and more locally at Nebo-Babel (Oz Minerals), located ~300km to the north-east of Jubilee, and possibly at Nova-Bollinger (IGO), ~350km to the south-west.

Modelling of aeromagnetic data over the Jubilee Project has identified a possible chonolith-type intrusion (a horizontal cylindrical body), ~15km in length and coincident with the Rodona Shear, making it a high priority target for Ni-Cu-PGE mineralisation (*Figure 3*).

The targets occur at shallow depths (~50m to 100m below the Eucla Basin sediments) and have limited depth extent (~200m to 300m), suggesting that the prime target zone for nickel sulphide mineralisation (near the base of the inferred chonolith) is within reach of standard electromagnetic (EM) techniques.

A proposal to rapidly advance this Exploration Opportunity to the drilling stage has been accepted under the SAA. EM surveys to locate massive nickel sulphide targets within the interpreted chonolith and feeder intrusions are scheduled to start in Q2 2022.

AusQuest Managing Director Graeme Drew said the inclusion of the province-scale Jubilee Lake Project under the Company's SAA with South32 was an exciting development, adding further depth and momentum to its ongoing exploration programs in Australia, especially for nickel and PGEs.

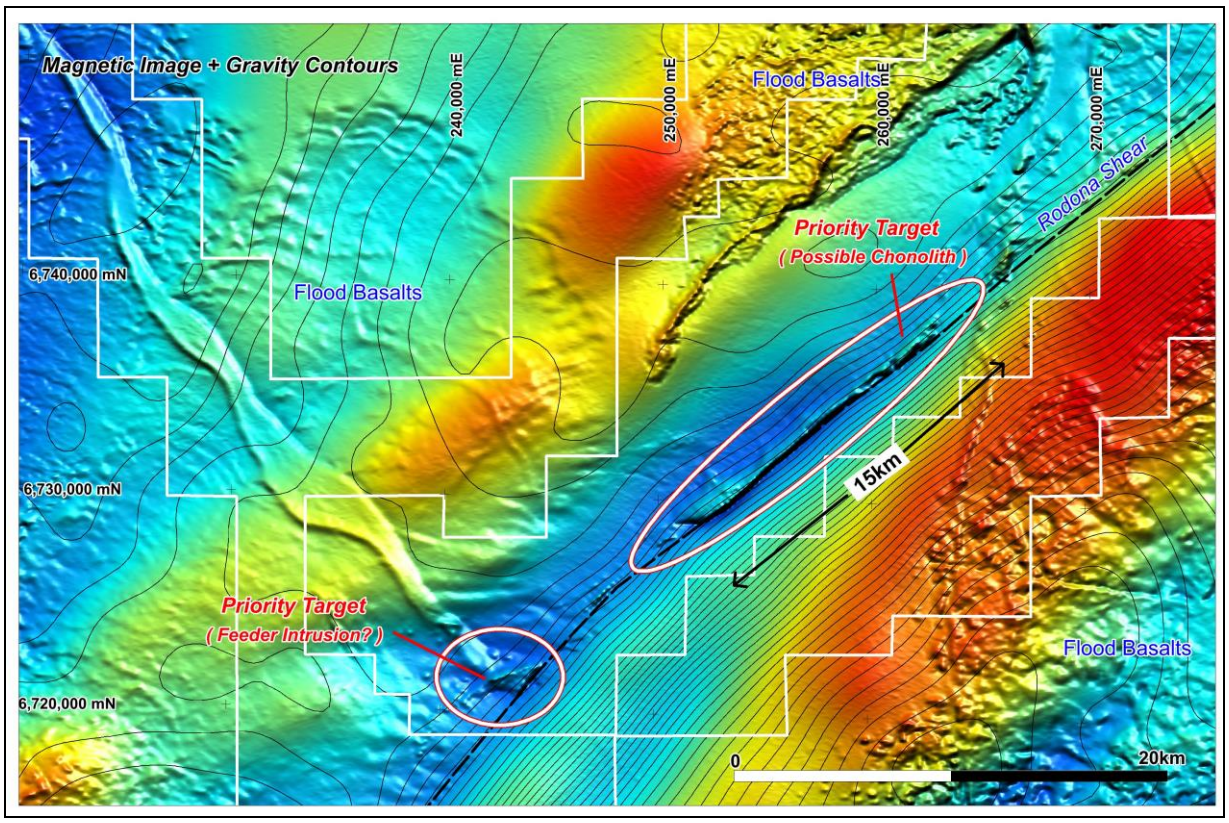

Figure 3: Jubilee Magnetics and Gravity showing priority targets coincident with inferred feeder structure

"The Jubilee Project has compelling targets based on geological analogies that we are able to draw with other major Ni-Cu-PGE provinces around the world," he said.

"We have been searching for similar geological situations for some time and we are excited to have identified this significant opportunity which – with the backing of South32 – will we hope, provide more exciting news for our shareholders.

"We look forward to our program getting started in the near future and reporting on progress as results become available," 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.