AUSQUEST LIMITED

ASX ANNOUNCEMENT

June 30, 2022

ASSAYS CONFIRM LARGE-SCALE BASE METAL POTENTIAL AT BALLADONIA, WA

- ***Assays support concept of BHT (Broken Hill Type) mineralisation***
- ***Widespread strong Fe, Mn and K alteration evident in all drill-holes***
- ***Similar alteration to the 'lode packages' found in the Cloncurry Belt (Qld)***
- ***Substantial thicknesses (30-50m) of highly anomalous lead, zinc and cadmium***
- ***Graphite in hole BDDH013 (4m @ 20.5% TGC) offers new possibilities***

AusQuest Limited (ASX: AQD) is pleased to advise that the base metal prospectivity of its **Balladonia Base Metal Project** in the Fraser Range region of Western Australia has been upgraded following receipt of assay results from recent drilling at the Tea Tree prospect.

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

Geological logging of drill core and subsequent petrological studies have identified a sequence of high-grade metamorphic rocks containing banded iron formations (BIFs), garnetiferous quartzites, garnetites and mafics with zones of red-rock (potassic) alteration within the sequence defined by detailed magnetic and gravity surveys (*Figure 1*).

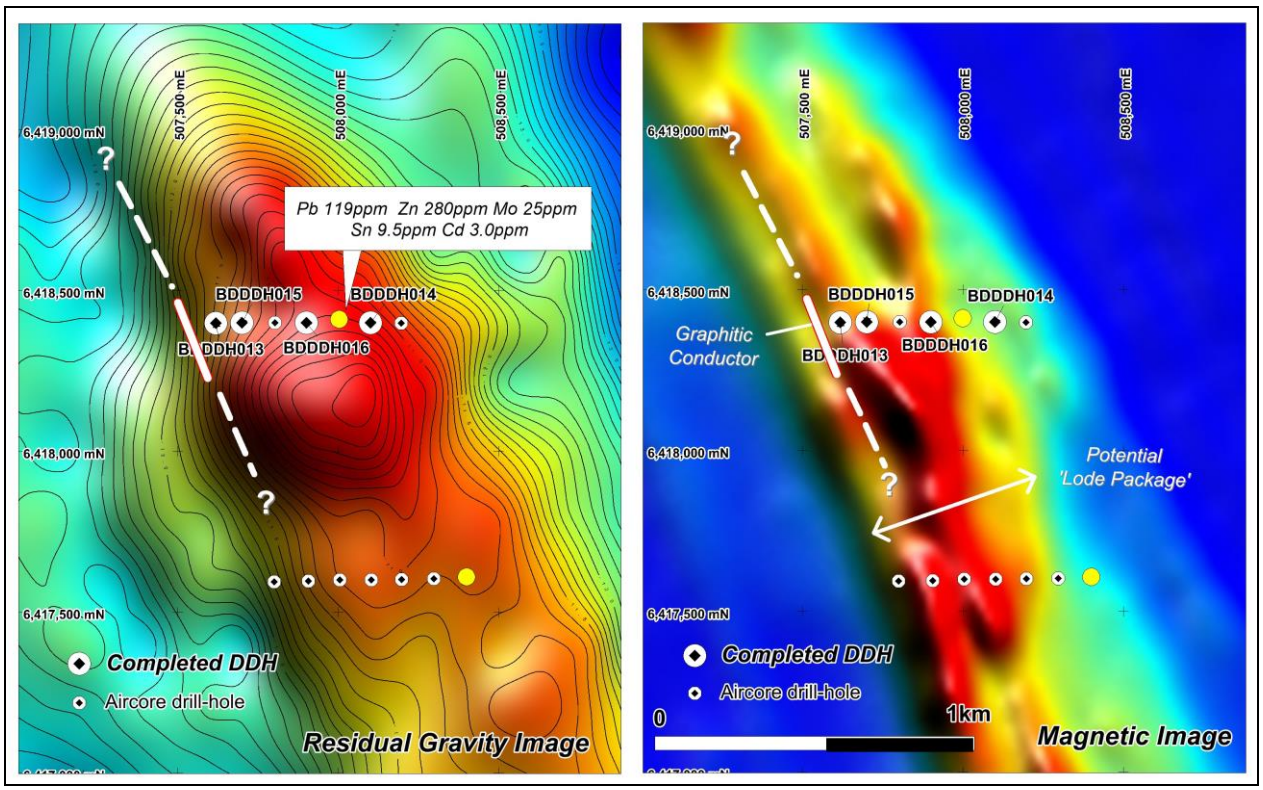

Figure 1: Tea Tree Prospect showing location of drill-holes on magnetic & gravity images.

Assay data have confirmed the presence of potassic alteration throughout much of the sequence while also identifying iron (Fe) and manganese (Mn) alteration within the garnetiferous quartzites, similar to the alteration recognised within so-called 'lode packages' found in the world-class Cloncurry Belt in NW Queensland which hosts Broken Hill Type (BHT) Pb-Zn-Ag and iron-oxide copper-gold (IOCG) deposits.

A BHT alteration index calculated from the assay data (based on a study of the Cannington deposit by S Bodon – PhD thesis, University Tasmania) shows strong BHT alteration throughout most of the drill-holes, supporting the concept that BHT deposits similar to those found in NW Queensland could be present within the Balladonia Project (F*igure 2*).

The presence of substantial thicknesses (~30-50m) of highly anomalous lead (average 200ppm Pb and up to 420ppm Pb), zinc (average 400ppm Zn and up to 3,170ppm Zn) and cadmium (average 4ppm Cd and up to 20ppm Cd) within the interpreted 'lode package', highlights the potential for base metals within the sequence, and the possibility for them to accumulate along strike in favourable structural settings (*Figure 2*).

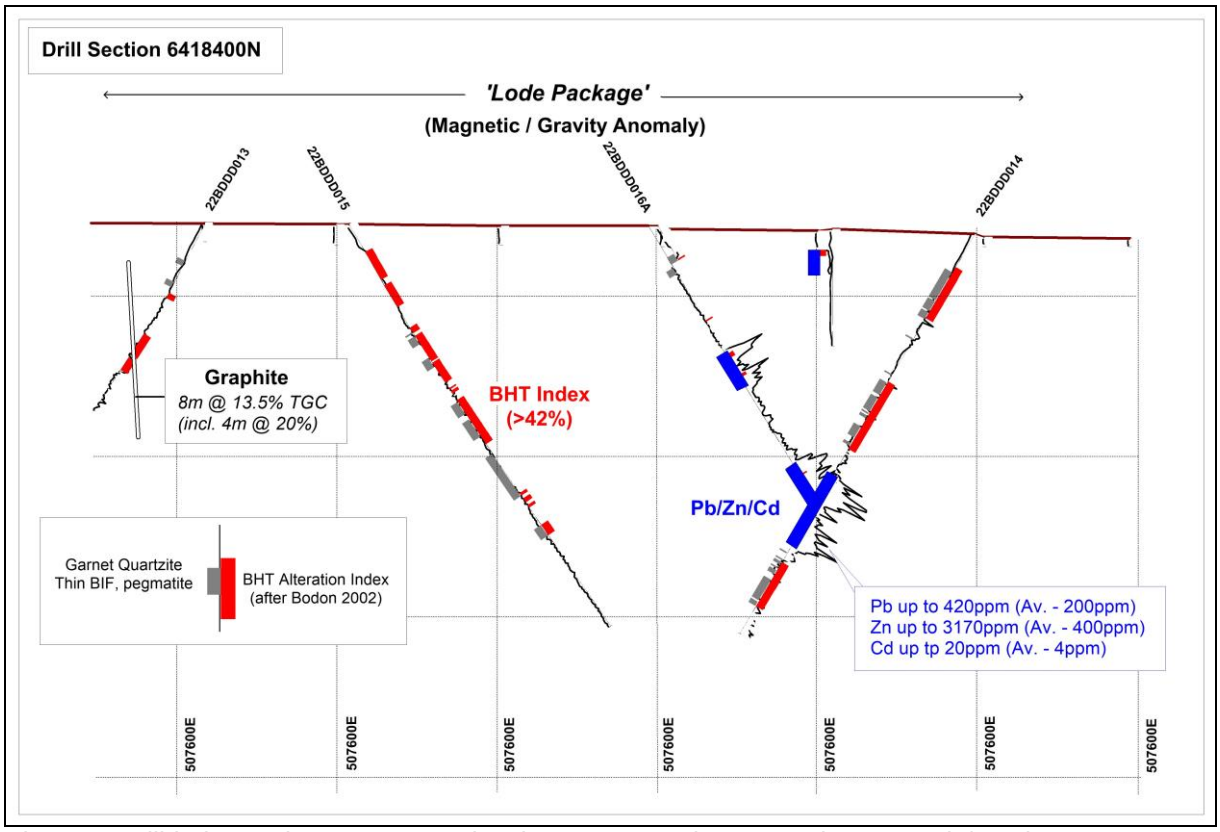

Figure 2: Drill-hole Section 6418400N showing assay results across the magnetic/gravity sequence.

The occurrence of potential 'lode packages' has not previously been recognised in the Fraser Province, and significantly upgrades the base metal prospectivity of this region. High amplitude magnetic/gravity anomalies within the Balladonia Project are now considered to be high-priority targets for BHT lead-zinc-silver and possibly IOCG mineralisation (*Figure 3*).

Of additional interest are the assay results from drill-hole BDDDH013, which intersected a zone of graphite mineralisation (8m @ 13.5% Total Graphitic Content (TGC) – including 4m @ 20.5% TGC) suggesting potential for a significant graphite discovery in the area.

Petrological examination of the graphite has confirmed it is coarse grained with graphite flakes in excess of 6mm in hand specimen. The extent and size of the graphitic unit is

unknown at this stage as it was only intersected in one of the drill-holes, and there has been no prior exploration for graphite in this area.

Further exploration activities at Balladonia are currently the subject of discussions with South32 under the SAA. Assay results from the Harms Lake prospect are still pending.

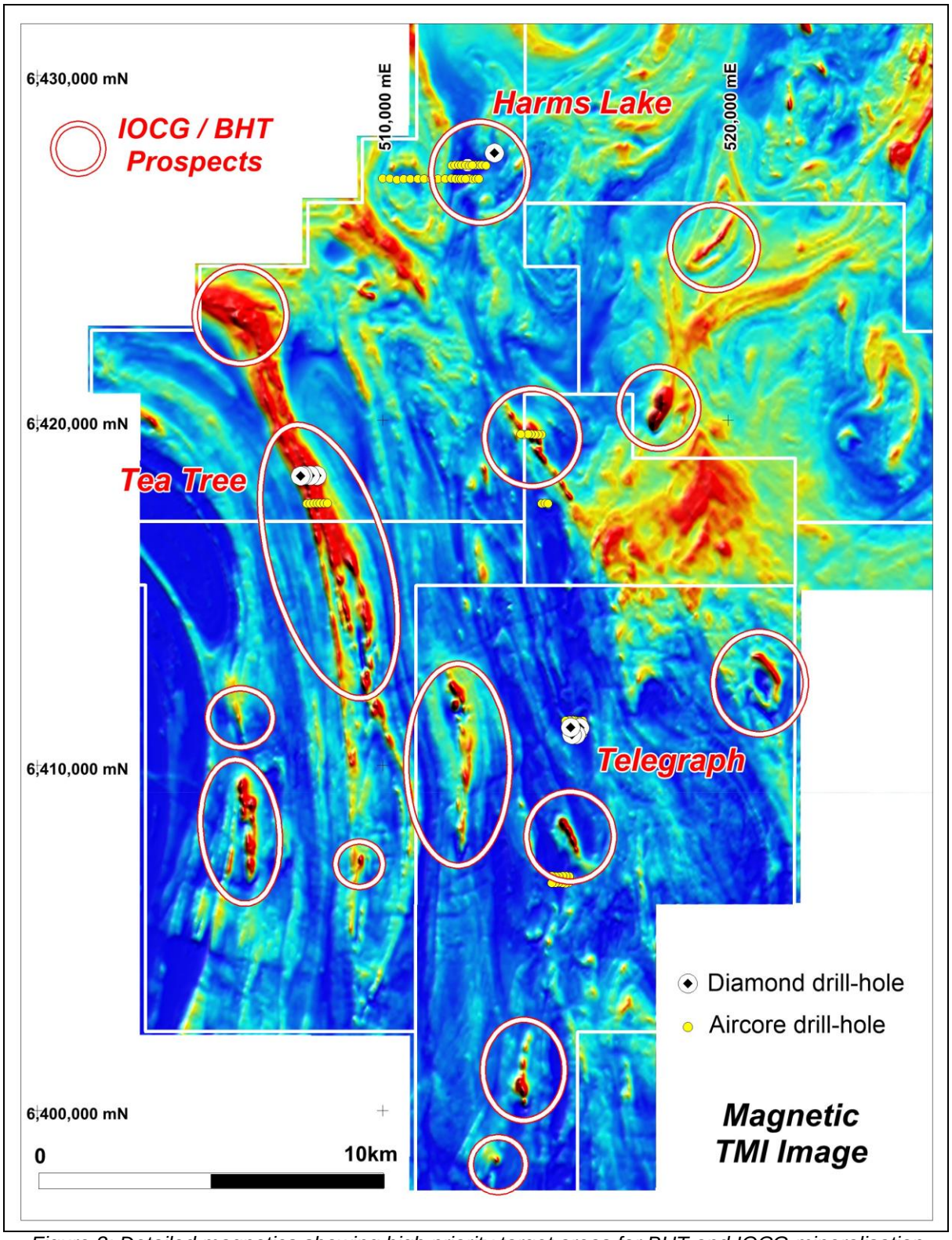

Figure 3: Detailed magnetics showing high priority target areas for BHT and IOCG mineralisation

AusQuest's Managing Director, Graeme Drew, said the assay results from recent drilling at the Tea Tree prospect were encouraging, and had further elevated the base metal prospectivity of the area.

"The concept of 'lode packages' with alteration similar to what we see in the world-class Cloncurry Belt in NW Queensland is an exciting development for the Fraser Province, and opens up some exciting exploration possibilities.

"These results provide a much clearer focus for ongoing exploration in the area where multiple targets have already been defined by our detailed magnetic surveys," he added.

"The possibility of finding another Cannington at Balladonia, or something similar, is a tantalising thought for any company.

"Meanwhile, the identification of a potential graphite discovery has opened up another intriguing growth avenue for the Company with the potential to define a resource considered a distinct possibility given the geological setting in the area."

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.

JORC Code, 2012 Edition – Table 1 report, Diamond Drilling at Balladonia Project May 2022

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• Drill core was sampled at 1 metre intervals. Four metre composite samples were collected from the RC pre-collar samples. • Where HQ and NQ2 core was sampled, core was cut in half with half sent for analysis and half retained for geological and quality control purposes. • Sample intervals were measured by tape from depth intervals shown on core blocks labeled by the drillers, as per standard industry practice.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• Diamond drilling with reverse circulation pre-collars through to bedrock was used for 3 of the 5 holes completed, with mud rotary and coring from surface used for 2 of the 5 holes due to issues with the drill rig's compressor. • HQ and NQ2 drill rods used to produce 63.5mm and 50.6mm diameter core respectively. • Down-hole surveys were read at ~ 30m intervals and the core was oriented using an ACT MK3 orientation device
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative*	• Core recovery was determined by comparing core lengths measured against drilled intervals shown on core blocks and recorded on the logs.

Criteria	JORC Code explanation	Commentary
	nature of the samples. • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• Experienced diamond drillers were engaged to ensure maximum core recovery. • Sample recovery was generally high, negating any sample bias due to recovery.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• Drill core and sample chips were logged by experienced geologists to identify key rock types, alteration and mineralisation styles. • Core logging is qualitative with visual estimates of mineralisation made for later comparison with assay results. • All core was logged and photographed.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Core samples were collected by cutting core in half along its length and sampling over 1 metre intervals. • Reverse Circulation pre-collar samples were collected by collecting a scoop of sample from individual 1 metre samples and compositing them over 4 metre intervals. • The sample sizes are appropriate for the geological materials being sampled.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• Assaying of the drill samples is by standard industry practice. • The samples are sorted and dried. The whole sample is crushed then split by riffle splitter to obtain a representative sub-sample which is then pulverized in a vibrating pulveriser. • A portion of the pulverized sample is then digested and refluxed using a four acid digest (Hydrofluoric, Nitric, Hydrochloric and Perchloric) which approximates a total digest for most elements. Some refractory minerals are not completely dissolved. • Inductively Coupled Plasma Mass Spectroscopy (ICP-MS and/or OES) is used to measure Ag, Al, As, Ba, Be, Bi, Ca, Cd, Ce, Co, Cr, Cs, Cu, Fe, Ga, Ge, Hf, In, La, Li, Mg, Mn, Mo, Na, Nb, Ni, P, Pb, Rb, Re, S, Sb, Sc, Se, Sn, Sr, Ta, Te, Th, Ti, Tl, U, V, W, Y, Zn, and Zr. • Gold values are provided by 25gm fire assay. • Total Graphitic Carbon (TGC) analysis using the C73 / CSA

Criteria	JORC Code explanation	Commentary
		method (Intertek Laboratories) • Prepared Sample standards are inserted by the Company every 20 metres down hole to provide a control on laboratory processes. Data from the laboratory's internal quality procedures (standards, repeats and blanks) and AusQuest (standards, repeats and blanks) are reviewed to check data quality. • Assays are provided by Intertek Genalysis of 311 Kenwick Road Maddington WA which is a certified laboratory for mineral analyses. • Analytical data is transferred to the company via email and by hard copy.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• N/A for this report – Drilling is early-stage testing across stratigraphy to understand geology and implications for base metal prospectivity.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Drill hole collars including elevation are located by hand held GPS to an accuracy of approximately 5m. • Down hole surveys are carried out every ~30m down hole, and at the end of the hole. • All surface location data are in GDA 94 datum, zone 51S.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Angled drill holes were spaced at approximately 200m intervals at the Tea Tree prospect to assess the bedrock geology across a regional magnetic and gravity corridor. Drill hole locations are provided below.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Any bias due to the orientation of the drilling is unknown at this early stage of exploration.
Sample security	• *The measures taken to ensure sample security.*	• Samples are collected into securely tied bags and placed into cable-tied polyweave bags for transport to the laboratory. Each sample batch has a sample submission sheet that lists the sample numbers

Criteria	JORC Code explanation	Commentary
		and the work required to be done on each sample. • Reputable freight companies are used to transport samples to the laboratory. • Sample pulps (after assay) are held by the laboratory and returned to the company after 90 days.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• No reviews or audits of the sampling techniques or data have been carried out to date.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area*	• The Balladonia Project is centered at 6411000N and 515500E (GDA94 Zone 51), approximately 135 km ESE of Norseman in Western Australia. • Tenement holdings include five granted Exploration License's (E69/3246, 3825, 3671, 3558, 3932) and two Exploration License applications (E69/3559, and 3672). • The Balladonia Prospect is subject to a Strategic Alliance Agreement whereby South32 have the right to earn a 70% interest by spending US$4.5M. • Aboriginal heritage surveys are routinely completed ahead of ground disturbing activities.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Limited surface exploration has been completed by other parties. AusQuest is the first exploration company to complete drilling programs within the tenements. • The tenements have been covered by regional government geophysical and geological surveys and partly by regional GSWA geochemical sampling.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The exploration model for the Balladonia Project is based upon copper and nickel sulphides hosted in mafic rocks as is the case within the Fraser Range Belt, and base metal mineralisation in BHT and /or IOCG settings similar to the Eastern Succession in north-west Queensland.

Criteria	JORC Code explanation	Commentary

Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:*
	  ○ *easting and northing of the drill hole collar*
	  ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*
	  ○ *dip and azimuth of the hole*
	  ○ *down hole length and interception depth*
	  ○ *hole length.*
	• *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*
		• All relevant drill hole data are tabulated below and provided in the ASX release.

Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• No weighting or averaging techniques were used.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• Drilling was reconnaissance in nature. The relationship to any mineralization is not known at tis stage.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Drill holes are shown on appropriate plans and included in the ASX release.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• Anomalous ranges of elements are quoted. Drilling still at the reconnaissance stage. • Graphite intersection is a single-hole intercept.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• The relationship between current drill results and previously reported exploration data is presented in the report.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).*	• Further drilling will depend on the assessment of results from this drilling program.

Criteria	JORC Code explanation	Commentary
	• *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	

Diamond drill-hole location details

Hole_No	Prospect	Easting	Northing	RL	Datum	Zone	Azimuth	Inclin	Depth (m)
22BDDD013	Tea Tree	507618	6418397	245	GDA94	51	230	-55	145.6
22BDDD014	Tea Tree	508099	6418396	239	GDA94	51	270	-60	289.9
22BDDD015	Tea Tree	507708	6418402	245	GDA94	51	90	-60	300
22BDDD016	Tea Tree	507895	6418397	244	GDA94	51	90	-60	200
22BDDD017	Harms Lake	513240	6427757	266	GDA94	51	90	-60	140.9