

May 14th 2015
ASX Release



NEW 30KM GOLD TREND DISCOVERED IN WEST AFRICA

Initial drilling by SEMAFO commences to test major new gold anomaly within the Banfora Gold Joint Venture in Burkina Faso – assays awaited

AusQuest Limited (ASX: AQD) is pleased to advise that its joint venture partner at the **Banfora Joint Venture Project** in Burkina Faso, West Africa, SEMAFO INC., has reported the discovery of a significant new gold target, a **30km long auger gold anomaly** known as the Mouro Trend.

The results were included in the attached report which was released overnight by SEMAFO as part of their Quarterly Report to the Toronto Stock Exchange (TSX).

SEMAFO also advised in the report that Reverse Circulation (RC) drilling of gold auger anomalies along the Mouro Trend has commenced with assay results awaited.

The Banfora Joint Venture Agreement provides Ressources Burkinor, a wholly-owned subsidiary of SEMAFO INC., with the right to earn up to an 80% interest in all the Banfora permits by spending a total of US\$7.5 million over a three-year period commencing 1st May 2014.

At the end of 2014, Burkinor reported that it had spent approximately US\$1.8 million on the joint venture with plans to spend up to a further US\$5.6 million in 2015. A major proportion of these funds will be used for RC drilling to test gold targets defined by auger sampling programs.

The Board of AusQuest is highly encouraged by these auger results along the Mouro Trend and looks forward to reporting RC drilling results once they become available.

Graeme Drew
Managing Director

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.

Other Exploration

Exploration – Banfora Property, Burkina Faso

In 2014, we acquired an extensive exploration land holding in the Banfora Gold Belt situated some 200 kilometers south west of Mana through the signature of farm-in agreements on ten permits and the acquisition of five permits. The 15 permits cover a total surface area of 1,600 square kilometers. Under the terms of the agreements signed with junior exploration companies, we have three-year working rights and the option to earn interest up to 90% in the farm-in permits of Banfora.

We have assigned an initial exploration budget of \$6 million to pursue exploration activities on the Banfora properties in 2015. The 140,000-meter auger drill program, which will be carried out over a 400 meter by 25 meter grid, is focusing on the east margin of the Banfora Greenstone Belt, notably on the Mouro Shear trend containing the Mouro South gold workings. Four auger drills are currently in operation on the Yeya I permit and in the north on the Kapogouan, Kongoroba and Dabokuy permits on the Mouro Shear trend.

The 2015 RC drilling program is designed to follow up on gold anomalies identified in the 2014 auger drill program on five permits. In the first quarter, a total of 9,487 meters of RC drilling was completed in 63 holes on the Tondura permit in the south west and on the Kapogouan permit on the Mouro Shear trend. One RC drill rig remains active on the Kapogouan permit. Assay results for the RC holes remain pending.

Banfora Reveals a 30-Kilometer Geochemical Anomaly Trend

Exploration work conducted at Banfora in the first quarter of 2015 was mainly carried out on a property under farm-in agreement with AusQuest Limited and primarily focused on the northeast (NE) group of permits that track the eastern edge of the Banfora Greenstone Belt. As shown in Figure 1, auger sampling results have identified a major NE trending anomaly over a strike length of more than 30 kilometers. The trend, dubbed the Mouro Trend, appears to follow the eastern edge of the belt at the contact with various felsic to intermediate intrusive rocks, and related east-northeast trending splays appear to occur along the main trend. Towards the south, a north-south trending anomalous trend is observed, which also corresponds to a change in the direction of the contact between the granitic intrusive and the sediments. A regional scale deformation zone associated with this contact has also been mapped.

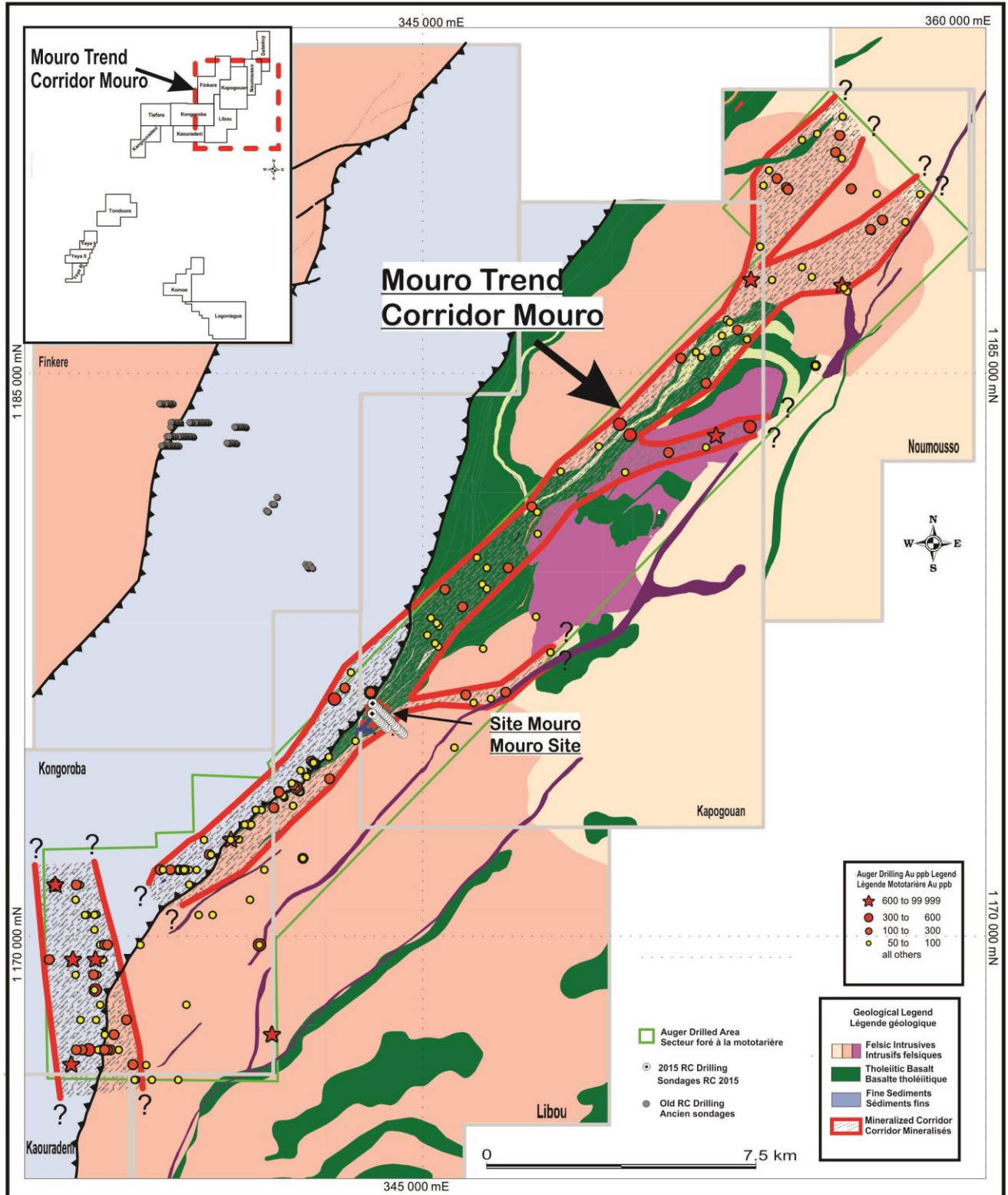
RC drilling along the Mouro Trend commenced on March 1, 2015. To date, 30 holes along two sections (200 meters apart) have been drilled immediately below the artisanal mining area with all assays pending.

We plan to continue drilling along the corridor and its associated splays in order to better understand the controls of the mineralization and identify the most promising areas for follow-up.

Other Exploration (continued)

Exploration – Banfora Property, Burkina Faso (continued)

Figure 1 – Banfora Property



JORC Code, 2012 Edition – Table 1 Auger Sampling Banfora JV (Burkina Faso)

Section 1 Sampling Techniques and Data

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

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> • <i>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.</i> • <i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i> • <i>Aspects of the determination of mineralisation that are Material to the Public Report.</i> • <i>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.</i> 	<ul style="list-style-type: none"> • Auger sampling comprised the collection of two samples – a 2 metre interface laterite-saprolite sample and a 2 metre saprolite sample near the bottom of the hole. • Auger hole locations are recorded by hand-held GPS. • Auger sampling was carried out on linear traverses 400m apart with holes spaced at 25m intervals. • The auger samples are logged by a geologist and entered into a sampling book or onto a sampling sheet.
Drilling techniques	<ul style="list-style-type: none"> • <i>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).</i> 	<ul style="list-style-type: none"> • Auger drilling used a motorized rig on the back of a small 4WD vehicle. • Hole depths varied from ~6 to 8 metres.
Drill sample recovery	<ul style="list-style-type: none"> • <i>Method of recording and assessing core and chip sample recoveries and results assessed.</i> • <i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i> • <i>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.</i> 	<ul style="list-style-type: none"> • High recovery of samples was achieved at all sites. • All samples were reduced to 1kgm in size through controlled sample splitting. • Samples are considered representative for the materials sampled
Logging	<ul style="list-style-type: none"> • <i>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.</i> • <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i> • <i>The total length and percentage of the relevant intersections logged.</i> 	<ul style="list-style-type: none"> • Each auger hole was geologically logged for rock type from the bottom of the hole.

Criteria	JORC Code explanation	Commentary
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • All samples were dry samples. • Sample sizes (1kg) are considered appropriate for the sample type. • Sample reduction was done via sample splitting to make samples as representative as possible. • Two samples – a 2 metre interface laterite-saprolite sample and a 2 metre saprolite sample near the bottom of the hole were generally collected at each site. • No sub-sampling was undertaken.
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • Auger samples were crushed and pulverized to 85% minus 75 microns, then trace level gold was determined by cyanide leach extraction with an AAS finish. • Standard laboratory QAQC controls were applied with data reviewed but Burkina geologists for all assay jobs.
Verification of sampling and assaying	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • Auger sampling locations are compiled into Excel spreadsheets for merging with assay data when it becomes available. • Digital data is regularly backed-up. • No adjustment has been made to assay data.
Location of data points	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • Auger sample sites are located with GPS to within 5 metres accuracy.
Data spacing and distribution	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • Auger sampling was undertaken on a 400m x 25m grid with infill to 200m in selected areas. • This spacing is considered adequate for the type of program completed.
Orientation of data in relation to	<ul style="list-style-type: none"> • Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. 	<ul style="list-style-type: none"> • Sampling on a 400m x 25m grid provides greater coverage along the strike of features targeted.

Criteria	JORC Code explanation	Commentary
<i>geological structure</i>	<ul style="list-style-type: none"> <i>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.</i> 	<ul style="list-style-type: none"> Auger sample lines were oriented across the strike of the expected mineralization.
<i>Sample security</i>	<ul style="list-style-type: none"> <i>The measures taken to ensure sample security.</i> 	<ul style="list-style-type: none"> Samples are securely tied/sealed in the field, followed by packing into larger sealed plastic bags for transport to the laboratory.
<i>Audits or reviews</i>	<ul style="list-style-type: none"> <i>The results of any audits or reviews of sampling techniques and data.</i> 	<ul style="list-style-type: none"> No audits or reviews have been carried out on the sampling to date.

Section 2 Reporting of Exploration Results

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

Criteria	JORC Code explanation	Commentary
<i>Mineral tenement and land tenure status</i>	<ul style="list-style-type: none"> <i>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.</i> <i>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.</i> 	<ul style="list-style-type: none"> The Banfora project is located in south western Burkina Faso approximately 500km south west of Ouagadougou. The Banfora project comprises 9 granted exploration Permits. The tenements are held 100% by AusQuest Limited but they are subject to a Farm-In and Joint Venture Agreement with Burkinor SARL who can earn up to 80% equity by spending US\$7.5 million in 3 years.
<i>Exploration done by other parties</i>	<ul style="list-style-type: none"> <i>Acknowledgment and appraisal of exploration by other parties.</i> 	<ul style="list-style-type: none"> Previous exploration in the area consisting of surface sampling for gold has been compiled by AusQuest and has been used to assist with exploration program planning.
<i>Geology</i>	<ul style="list-style-type: none"> <i>Deposit type, geological setting and style of mineralisation.</i> 	<ul style="list-style-type: none"> The deposit style being explored for is structurally controlled gold within the Birimian Greenstone Belts of West Africa.
<i>Drill hole Information</i>	<ul style="list-style-type: none"> <i>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:</i> <ul style="list-style-type: none"> <i>easting and northing of the drill hole collar</i> <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i> 	<ul style="list-style-type: none"> Auger drillholes were vertical with depths ranging from ~5 to 8 metres. The location of the auger grids is presented in AusQuest's September 2014 Quarterly Report. Significant results are shown as trends on the plans presented in the Quarterly report as determined by

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> ○ <i>dip and azimuth of the hole</i> ○ <i>down hole length and interception depth</i> ○ <i>hole length.</i> ● <i>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.</i> 	qualified Burkinor geologists.
<i>Data aggregation methods</i>	<ul style="list-style-type: none"> ● <i>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.</i> ● <i>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.</i> ● <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i> 	<ul style="list-style-type: none"> ● No weighting or assay cutting has been applied to the data.
<i>Relationship between mineralisation widths and intercept lengths</i>	<ul style="list-style-type: none"> ● <i>These relationships are particularly important in the reporting of Exploration Results.</i> ● <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i> ● <i>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').</i> 	<ul style="list-style-type: none"> ● Auger sampling results are in essence surface sampling results – no relationship with mineralization is known.
<i>Diagrams</i>	<ul style="list-style-type: none"> ● <i>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.</i> 	<ul style="list-style-type: none"> ● Locations of auger sampling grids are provided in the attached announcement.
<i>Balanced reporting</i>	<ul style="list-style-type: none"> ● <i>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.</i> 	<ul style="list-style-type: none"> ● All significant gold trends are reported and shown on the plans in the release.
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"> ● <i>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.</i> 	<ul style="list-style-type: none"> ● The areas were selected for auger drilling based on geological and geophysical data interpretations by Burkinor.
<i>Further work</i>	<ul style="list-style-type: none"> ● <i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> ● <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i> 	<ul style="list-style-type: none"> ● Proposals of further work will depend on an analysis of the data by Burkinor.