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ASX Release

EM SURVEY UNDERWAY AT JIMBERLANA NICKEL PROSPECT, WA TO IDENTIFY DRILL TARGETS

Exploration activities underway as part of new Strategic Alliance with South32

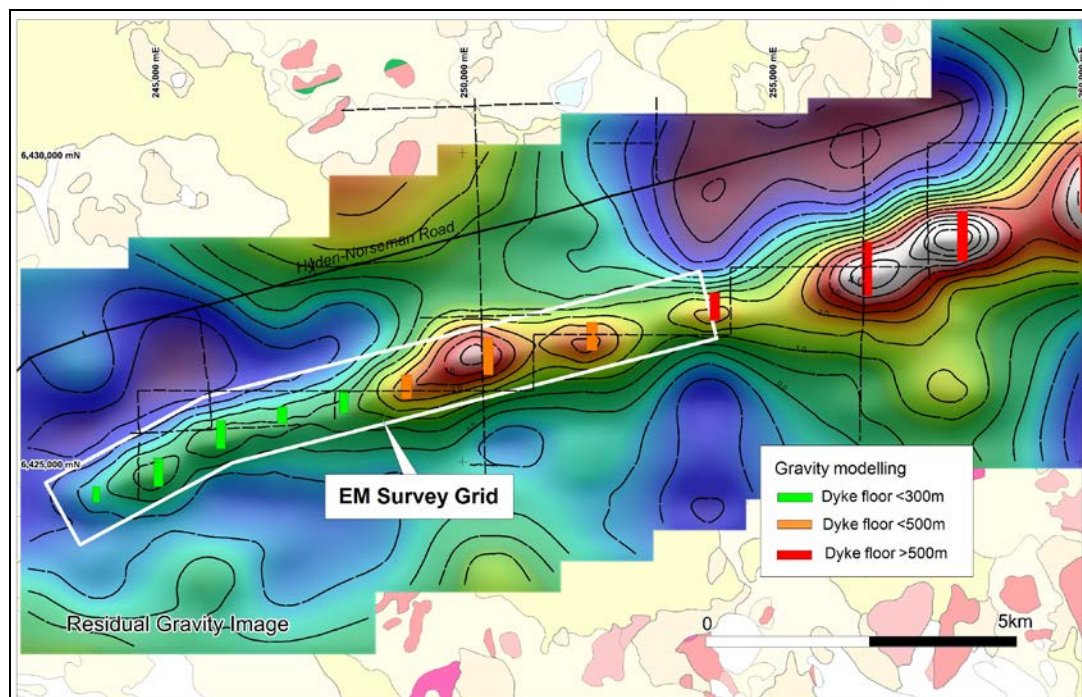
AusQuest Limited (ASX: AQD) is pleased to advise that an electromagnetic (EM) survey has commenced at the Jimberlana Nickel prospect, 130km west of Norseman in WA. The survey, which is designed to identify potential targets for drilling, marks the first exploration program to be undertaken under AusQuest's recently established Strategic Alliance with South32.

The survey is expected to be completed by the end of April with results available shortly thereafter.

The Jimberlana prospect covers the western extension of a large (200km long) fractionated and highly fertile dyke-like intrusion which has the potential to host large-scale accumulations of nickel-copper sulphides near its base, similar to other intrusive-related deposits found worldwide (such as Voisey's Bay and Nova-Bollinger).

Recent research has recognised a strong association between intrusive-related nickel sulphide deposits and horizontal magma flow within dykes, which has the potential to create trap-sites near the base of these structures where massive nickel sulphides can accumulate.

The EM survey will cover a 10km strike length at the western end of the Jimberlana Dyke, where gravity surveys indicate that the basal section or floor of the dyke is at relatively shallow depths (200m to 500m), well within the exploration range of current day EM systems.



Jimberlana Nickel Project: EM Survey outline

All previous exploration over the Jimberlana Dyke for either nickel or Platinum Group Elements (PGEs) has focused on the outer contact zones where nickel-copper sulphides have been intersected, or internal layering within the dyke where fractionation has helped to concentrate PGE mineralisation.

No previous exploration has targeted the floor of the dyke, which is considered to be the most prospective location for massive nickel sulphide mineralisation within this type of intrusion.

The EM survey will utilise 300m x 300m transmitter loops with the Squid sensor located outside the loop to minimise spurious loop effects. The initial survey will be centred over the dyke with traverses running parallel to the strike of the dyke to maximise coverage along the dyke. Follow-up surveys will be required to optimise drill sites where conductors are located within the dyke.

AusQuest's Managing Director, Graeme Drew, said this was the first of several exploration prospects to be tested under the recently signed Strategic Alliance with South32.

"We are looking forward to the opportunity to test this innovative concept for nickel sulphide accumulation within one of Australia's most unique and fertile intrusions," he said.



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.