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June 11th, 2025

MAJOR DRILLING PROGRAM COMMENCES AT THE MORRISEY MAGNETITE PROJECT, WA

- ~5,000m of RC drilling underway to determine the Project's magnetite potential.
- Magnetic and gravity anomalies similar to Waterfall to be tested by drilling.
- Program funded under the Strategic Alliance Agreement (SAA).

AusQuest Limited ("AusQuest or the Company" – ASX: AQD) is pleased to advise that a new Reverse Circulation (RC) drilling program has commenced at its Morrisey Magnetite Project, located in the Midwest mining district of Western Australia. Drilling will target new magnetic and gravity anomalies similar to those that resulted in the discovery of the magnetite resource at the Waterfall Prospect.

The RC drilling program, which consists of at least 22 holes for a total of ~5,000m, will test at least five new magnetic/gravity targets defined by the Company, to help determine the overall magnetite potential of the area and future commercial possibilities for the Project (*Figure 1*).

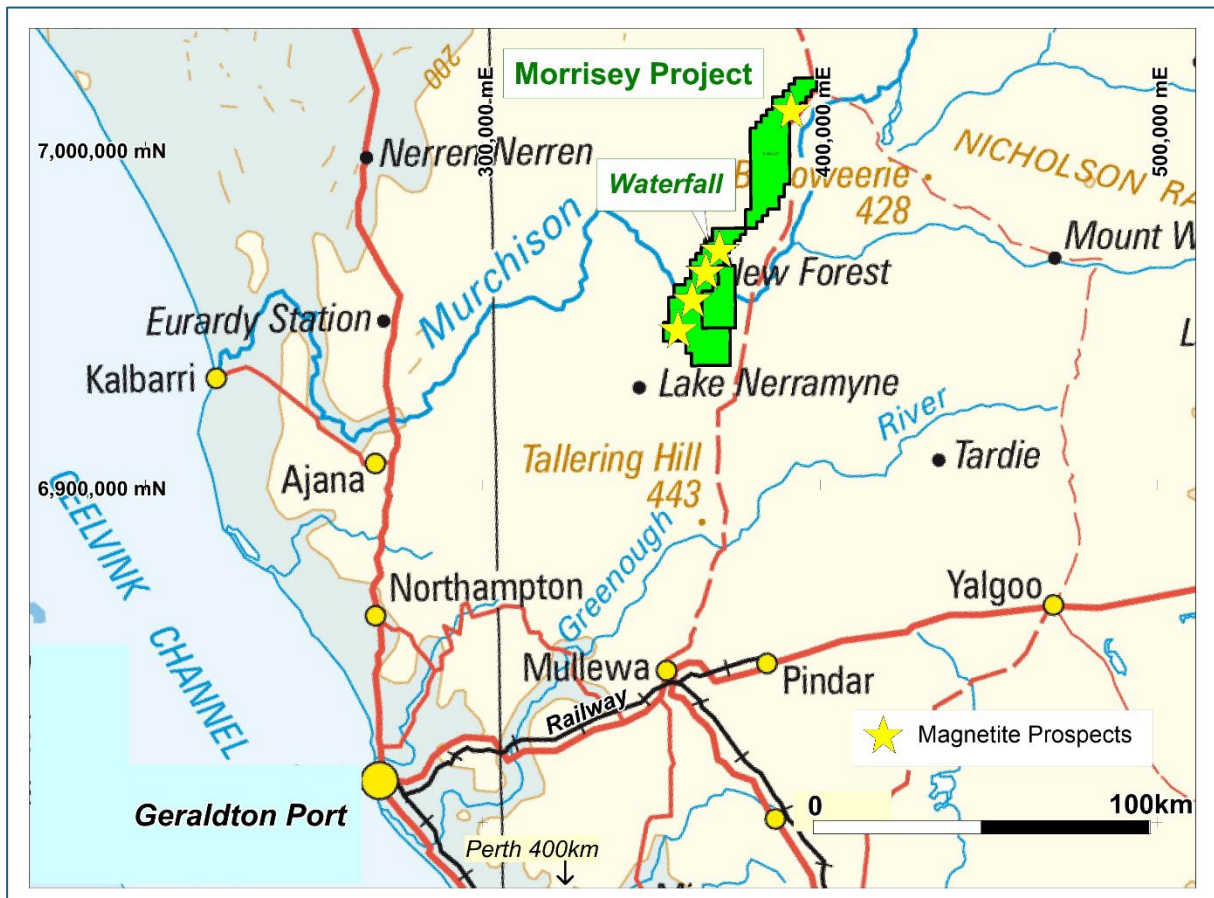


Figure 1: Morrisey Project Location Plan showing prospects to be tested by the RC drilling program



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The drill program is expected to take approximately four weeks to complete, with all magnetite samples to be sent for Davis Tube Recovery (DTR) test work once drilling has been completed, to determine their potential to be upgraded to a premium iron product. The results of this work are expected to be available 6-8 weeks after completion of drilling.

DTR results for drill samples from the Waterfall Prospect (see ASX release 25 November 2024) confirmed that a premium iron product (>70% Fe) could be produced using coarse grind sizes (106µm and 75µm) with excellent magnetite recoveries (~34%), highlighting the commercial potential of the Project (Figure 2).

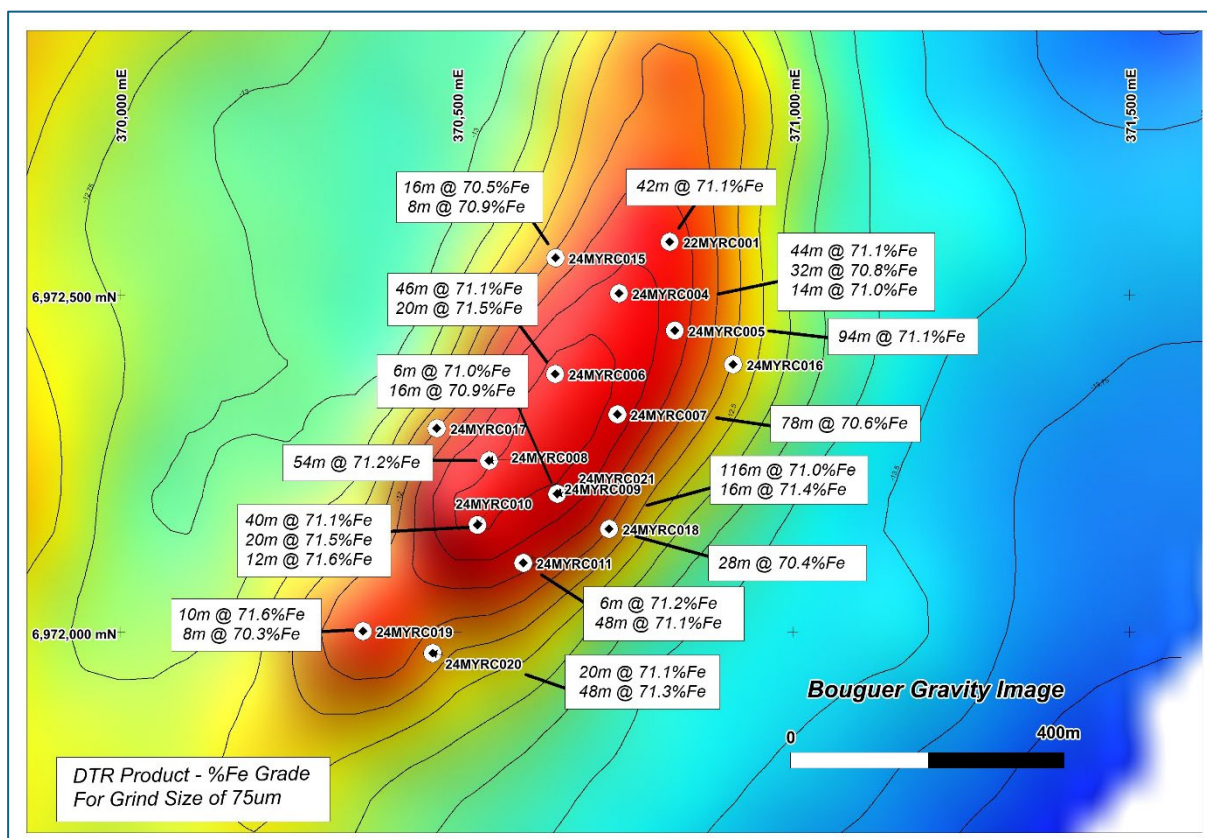


Figure 2: Waterfall Prospect: Gravity image showing location of drill holes and DTR product grades

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

Commenting on the commencement of drilling, AusQuest's Managing Director Graeme Drew said:

"We are pleased to be back drilling again at the Morrisey Magnetite Project.

"Previous drilling at the Waterfall prospect showed us that a high-grade product (>70% Fe) could be produced from the area and we are now looking to add to the Project's resource base by testing at least five other prospects with similar geophysical signatures.

"We look forward to reporting results to our shareholders over the coming weeks and months, as and when they become available," he said.



Graeme Drew

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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.



Figure 3: Reverse Circulation RC Drilling commences at the Morrisey Magnetite Project