



27th April, 2010
ASX Release

AUSQUEST SECURES NEW NICKEL OPPORTUNITY

FARM-IN AGREEMENT ON STRATEGIC NICKEL SULPHIDE PROJECT NEAR KALGOORLIE

AusQuest Limited (ASX: AQD) (“AusQuest”) is pleased to announce that it has secured a significant new nickel exploration opportunity in Western Australia’s Eastern Goldfields through a Farm-In Agreement with ASX-listed Eldore Mining Corporation Limited (“Eldore”) at the **Wyo Well Nickel Project**.

Located in the Kurnalpi region approximately 60km east of Kalgoorlie, Wyo Well is strategically located in greenstone terrain in close proximity to a number of significant nickel sulphide and nickel laterite mines and prospects (*see Figure 1*).

The world-class Kambalda nickel belt lies to the south, while other nickel mines in vicinity include Silver Swan, Carnilya Hill, Blair, Cawse and Scotia.

Under the agreement, AusQuest can earn up to an 80% unencumbered beneficial interest in the nickel rights for the Wyo Well Project (E28/1294).

At Wyo Well, leached gossanous material occurs at the base of an inferred channel within a komatiitic unit in a geological setting akin to that at the high-grade Silver Swan nickel sulphide mine, which is located approximately 60km WNW of Wyo Well (*see Figure 1*).

The Silver Swan mine produced 1.71 million tonnes at grade of 5.7% nickel to the end 2003 (Mineralisation Deposita, vol.39, no 7, p 679-683).

Limited historic shallow percussion drilling for nickel was undertaken in the vicinity of the prospect area in the early 1970’s. More recent exploration activity includes a ground electromagnetic survey which is not considered to have been effective in exploring the deep, down-plunge part of the inferred channel.

AusQuest’s exploration plans at Wyo Well include drill-testing accompanied by down-hole electromagnetic surveying to locate massive nickel sulphide mineralisation.

For personal use only

Summary of Farm In Agreement

The Farm-In Agreement allows AusQuest to earn up to an 80% unencumbered beneficial interest in the nickel rights for E28/1294 for a total expenditure of AU\$2.0 million. The terms of the agreement are summarised as follows:

- AusQuest may earn a 60% interest in the nickel rights by sole funding A\$1.0 million of exploration expenditure within the first two years of the agreement. A minimum commitment of \$250,000 is to be spent in the first year, after which AusQuest may withdraw without interest.
- If AusQuest fails to provide the full A\$1.0 million funding within the initial two year time frame, it will forfeit its entire interest.
- AusQuest may elect to sole fund an additional A\$1.0 million within the third and fourth years of the agreement in order to earn an additional 20% interest in the nickel rights.

The Board of AusQuest is pleased to have concluded this agreement with EIDore and looks forward to the commencement of drilling at Wyo Well.

The Wyo Well nickel exploration opportunity complements the Company's other recent business development activities, including its recent concluded gold exploration joint venture in West Africa.



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 2004 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.

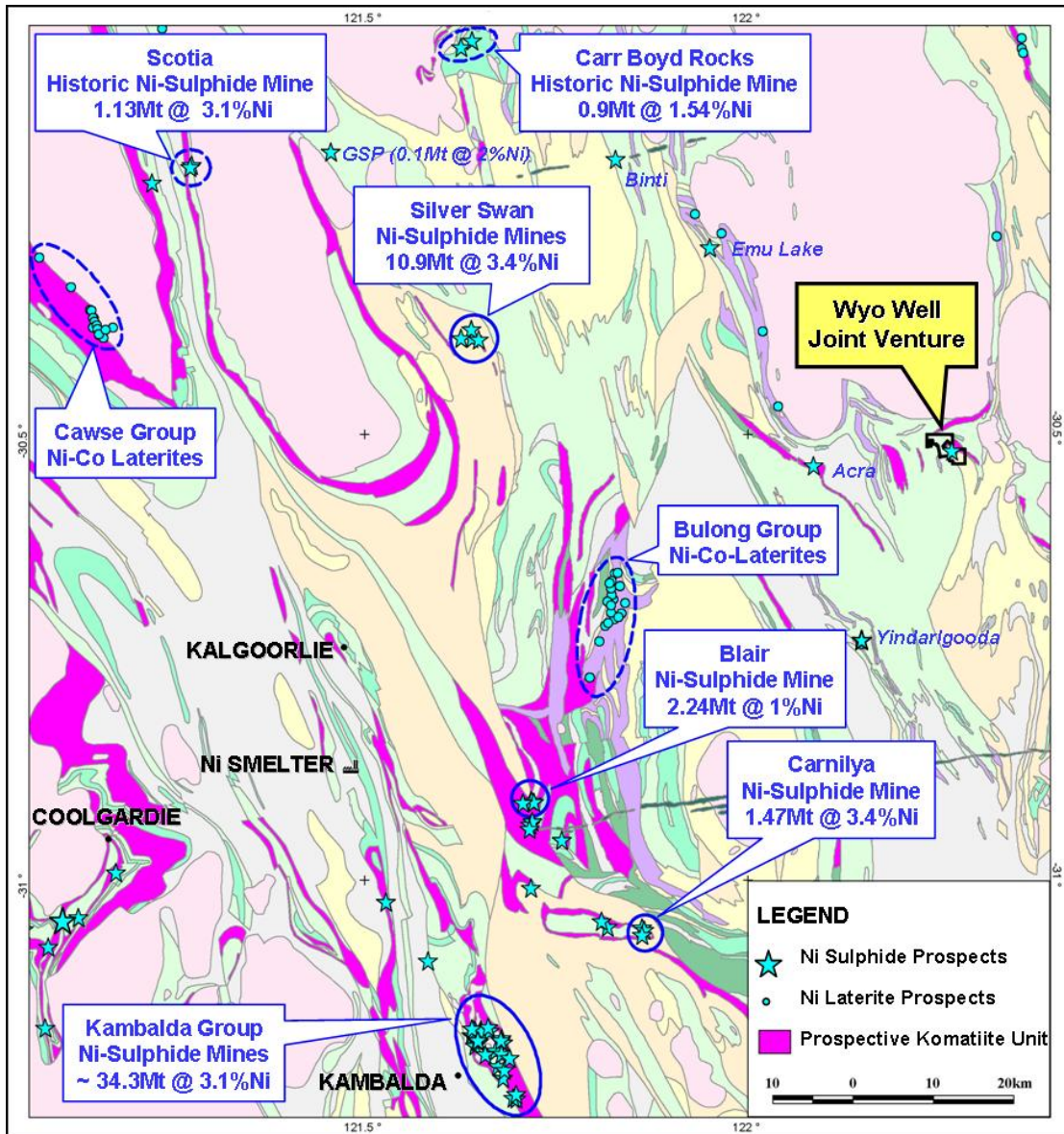


Figure 1: Regional geological setting of the Wyo Well Joint Venture showing location of nickel sulphide and nickel laterite mines and prospects