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DRILLING CONFIRMS SIGNIFICANT MAGNETITE POTENTIAL AT FERAL PROSPECT AND ZONES OF ALTERATION AT ALKEN PROSPECT IN MID-WEST REGION WA

FERAL PROSPECT

- **3 holes for 541m drilled to follow up on previous high grade magnetite iron ore intersections**
- **Significant wide high grade intersections – 150m @ 39.45% Fe with hole ended in mineralisation**
- **Drill results to be incorporated into maiden JORC Mineral Resource estimate**
- **Previous metallurgical testwork indicates magnetite can upgrade to clean high grade (68% Fe) concentrate at relatively coarse grind (45 micron)**
- **Further Davis Tube Recovery (metallurgical) testwork planned**
- **High grade magnetite mineralisation identified over 5km on key Eastern Limb**

ALKEN PROSPECT

- **36 holes for 1475m drilled to test for direct shipping grade hematite ore (DSO)**
- **Zones of altered Banded Iron Formation drilled however no significant intersections of direct shipping grade hematite ore**
- **Geological review of untested zones covered by native vegetation underway**

WA based resources company Quest Minerals Limited (ASX: QNL) ("Quest" : or "the Company") recently conducted a drilling program at its Perenjori iron ore project with the primary aim of testing the potential for high grade hematite mineralisation of direct shipping grade at the Alken (E70/2858) prospect. Despite intersecting zones of hydrothermally altered Banded Iron Formation at several locations, no significant intersections of high grade hematite were encountered. The Company is currently incorporating the results of the drilling into a geological model in order to investigate if pods of high grade hematite may exist in areas of native vegetation which were not possible to access due to clearing restrictions.

In conjunction with drilling on the Alken prospect, the Company also completed three drillholes at the Feral prospect (E70/2227) designed to follow up and infill previous high grade magnetite intersections. The Company is highly encouraged by the results of this drilling where significant widths of high grade magnetite were intersected (Table 1) which along with previous drilling will be incorporated into the estimation of a maiden Mineral Resource at the project. True widths of mineralisation are estimated at 50% of the downhole intercept.

Hole Number	Northing (m)	Easting (m)	Azimuth	Dip	From (m)	To (m)	Intersection
PJRC052	6753622	438969	240	-53	30	180	**150m @ 39.45% Fe***
PJRC053	6754555	438832	240	-50	91	181	**90m @ 31.7% Fe***
PJRC054	6753992	438918	240	-60	51	181	**130m @ 39.33% Fe***

Table 1 Feral Prospect significant drill hole intersections

* denotes drillhole ended in mineralisation

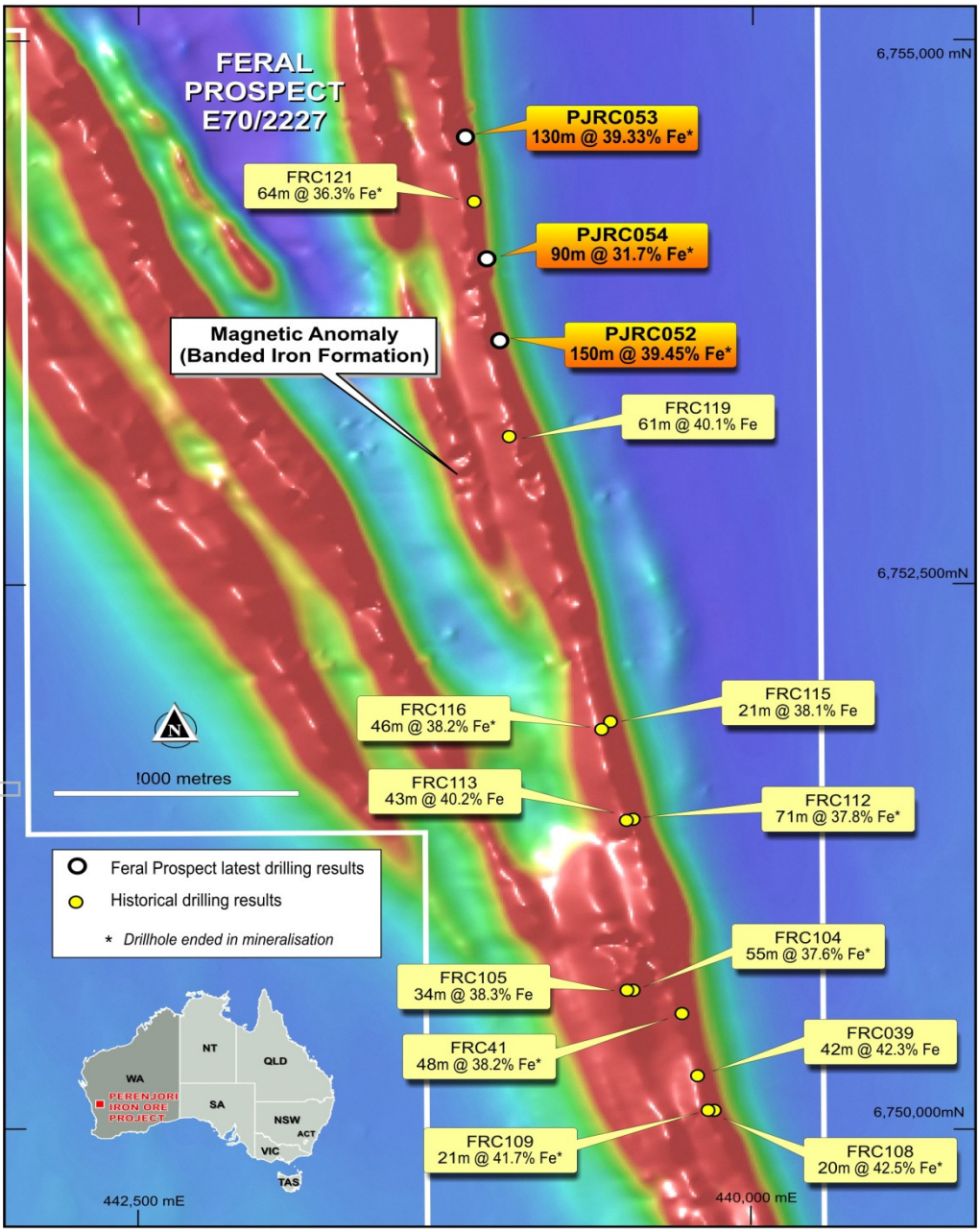

Figure 1 Location of Quest drillholes and selected historical drillholes

Feral Prospect – Eastern Limb

Previous drilling at the Feral prospect in 2007 recognized that significant potential exists to delineate wide zones of high grade magnetite iron ore which is suitable for upgrade to a clean, high grade magnetite concentrate. Metallurgical testing to date consisting of Davis Tube Recovery testwork has shown that at a relatively coarse grind size of 45 micron a concentrate of 68.2% Fe can be obtained with low impurities. The drilling identified that whilst much of the Banded Iron Formation within the Feral prospect contains intersections of high grade magnetite, the greatest widths and grades are located on the Eastern Limb of the Koolanooka synform at Feral. Key characteristics of this zone are –

- **True widths of 40m to 80m over 2km**
- **Strike length of over 5km**
- **Average magnetite iron grades of +39% Fe**
- **Mineralisation open along strike to North and at depth**

Quest believes that the potential exists to further extend the known boundaries of high grade magnetite as all 3 holes in the current program ended in mineralisation due to capacity limitations of the drill rig used. It is also noteworthy that many of the historical holes drilled into the Eastern Limb also ended in mineralisation and the potential exists to better define the true widths.

It is planned to conduct more extensive metallurgical testwork on mineralisation at Feral as the initial testwork indicates that the concentrate produced is comparable to or better than other proposed magnetite operations within the Mid West region.

The recent drilling will also be used in conjunction with extensive historical drilling to complete an initial Mineral Resource estimate at the project which will assist in defining potential development parameters for the project which is favorably located close to existing rail infrastructure in the developing Mid West.

Alken Prospect

Drilling at the Alken prospect (Figure 2) failed to intersect high grade hematite mineralisation of direct shipping grade despite early indications of high grade hematite from surface rock chip sampling. These initial rock chip results are now interpreted to be associated with near surface leaching of silica and the formation of high Fe oxides. Targets generated by a ground based gravity survey were tested and found to be primarily associated with mafic intrusives as well as granite intrusions proximal to the Banded Iron sequence. Drilling did however intersect zones of hydrothermally altered Banded Iron Formation at several locations and the results of this are currently being incorporated into a geological model to investigate if pods of high grade hematite may exist in areas of native vegetation which were not possible to access due to clearing restrictions.

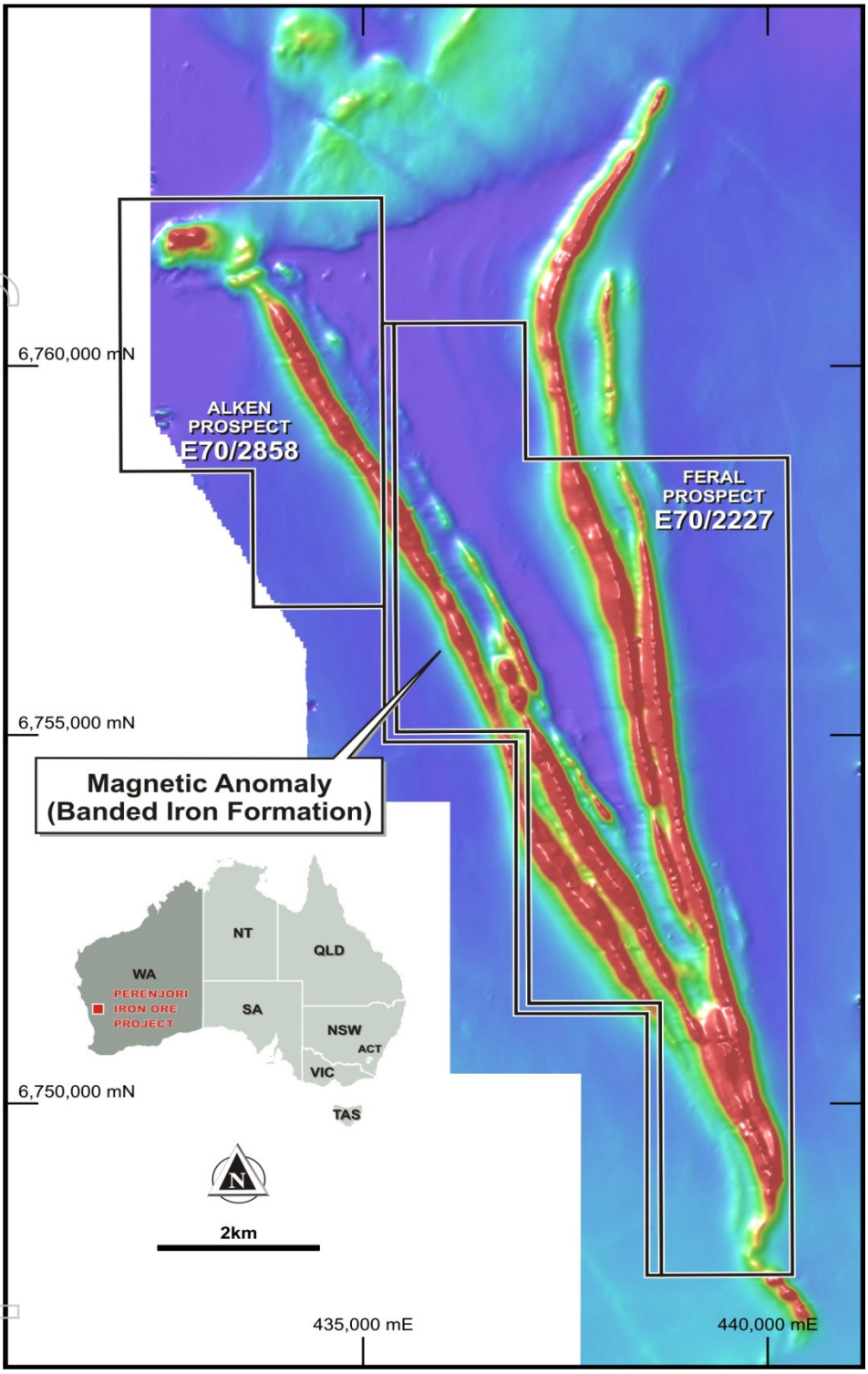

Figure 2 Alken and Feral prospects with high resolution aeromagnetic image highlighting the occurrence of BIF as strong magnetic anomalies in red

PADDY REIDY

CHIEF EXECUTIVE OFFICER

Information in this report that relates to exploration results reflects information compiled by Mr Paddy Reidy, Chief Executive Officer and a full-time employee of the company and a member of the AusIMM. Mr Reidy has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity upon which he is reporting on as a Competent Person as defined in the 2004 Edition of "The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves." Mr Reidy consents to the inclusion in this report of the matters based on the information compiled by him, in the form and context in which it appears.