

# AUSTRALIAN SILICA QUARTZ GROUP LIMITED

## SEPTEMBER 2022 QUARTERLY REPORT



### HIGHLIGHTS

#### KOOLYANOBING METALS PROJECT (KMP)

- ASQ is acquiring exploration ground from a private investor group adjoining current tenements in the highly prospective Koolyanobbing Greenstone Belt to be renamed the Koolyanobbing Metals Project (KMP) totaling 517km<sup>2</sup>
- ASQ considers the project underexplored and prospective for lithium, gold, nickel and copper. Initial exploration underway

#### ALBANY WHITE HILL SILICA SAND PROJECT

- Scoping Study for exports of 0.5 - 1.0 million tonnes per annum is progressing with assessment of metallurgy, infrastructure requirements, approvals timing, and product market conditions.
- JORC Inferred Resource 11.6Mt with >99.9% SiO<sub>2</sub> and <50 ppm Fe<sub>2</sub>O<sub>3</sub>.
- Current efforts focus on the feasibility of slurry pumping the silica sand from the pit to the South Coast Highway for road haulage to Albany Port.

#### SILICA SAND EXPORT JOINT VENTURE WITH URBAN RESOURCES

- MOU Terms Sheet signed with C&D Logistics Group Co., Ltd for export of up to 45,000 tonnes per month of silica sand from Bullsbrook, WA
- ASQ continue to explore alternative export port options as the Kwinana Bulk Terminal currently has no available capacity in 2022

#### JULIMAR ASQ DEVEX 50/50 JV - NICKEL COPPER PGE'S

- Joint Venture partner DevEx have defined thick and extensive differentiated mafic-ultramafic intrusive rocks over a strike length of 12km located on ASQ's E70/3405, between Chalice Mining Ltd's (ASX: CHN) Julimar discovery to the south and Caspin Resources Ltd's (ASX: CPN) Yarawindah Brook Project to the north
- Ground EM will recommence in the December quarter with 2D Seismic also under consideration to model the subsurface intrusion geometry ahead of diamond drilling in the march Quarter
- The extent of the mafic/ultramafic intrusion, together with confirmation of Fe-Ni-Cu sulphide mineralisation, supports the potential for the intrusion to host significant concentrations of Ni-Cu-PGE mineralisation

#### SOUTH STIRLING NICKEL COPPER PROJECT

- ASQ believes the Project has the potential for Ni/Cu magmatic sulphide mineralisation associated with mafic-ultramafic intrusions emplaced into granulite facies country rocks
- Aircore hole SS001 confirms the previous anomalous historic drillhole result and extends the thickness of the anomaly with **12m from 26m @ 0.70% Ni and 0.06% Cu**, within; **21m from 21m @ 0.58% Ni and 0.06% Cu**
- Land access is currently being sought in priority areas

#### FINANCIAL

- Cash at bank at 30 September 2022 was \$4.29m. The Company has no debt and additional assets including two unencumbered rural properties in the Bindoon area of Western Australia valued at \$2.26m.

28 October 2022

**ASX Code: ASQ**  
**AUSTRALIAN SILICA QUARTZ**  
**GROUP LTD**  
**ABN: 72 119 699 982**

#### DIRECTORS:

**Robert Nash**  
Non Executive Chairman  
**Luke Atkins**  
Non Executive Director  
**Neil Lithgow**  
Non Executive Director  
**Pengfei Zhao**  
Non Executive Director

#### CHIEF EXECUTIVE OFFICER AND COMPANY SECRETARY:

Sam Middlemas

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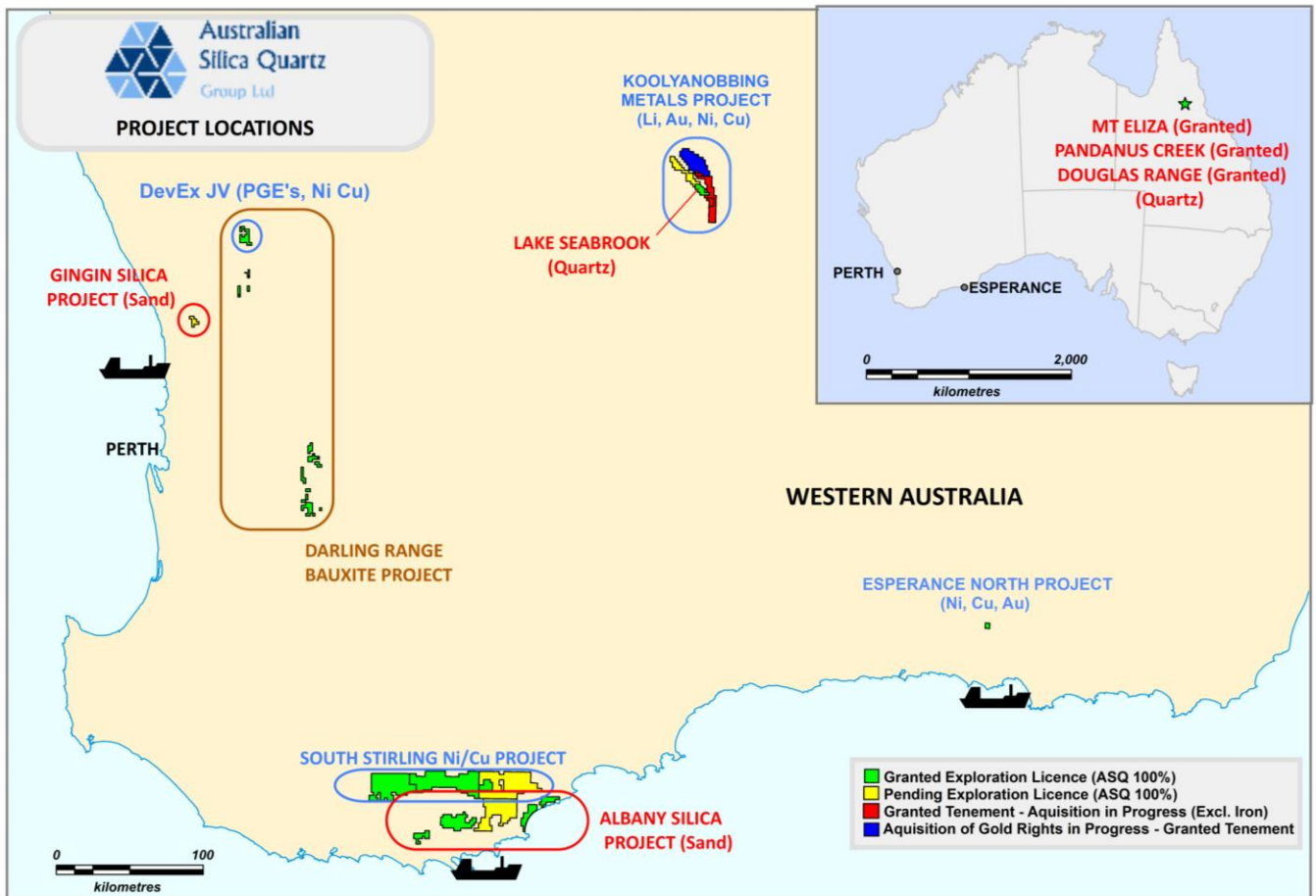


Figure 1: ASQ Project Locations

## KOOLYANOBING METALS PROJECT (KMP)

ASQ is acquiring exploration ground from a private investor group adjoining current ASQ tenements in the highly prospective Koolyanobbing Greenstone Belt with the combined tenure to be renamed the Koolyanobbing Metals Project (KMP). Total KMP lease areas will be 204km<sup>2</sup> of granted tenure and 112km<sup>2</sup> in application with the gold rights to a further 201km<sup>2</sup>, all excluding iron rights.

ASQ considers the project underexplored and prospective for lithium, gold, nickel and copper. Preliminary target generation has been completed, identifying numerous gold, lithium, nickel and copper targets for follow-up. First pass systematic rock chip sampling of the identified outcropping pegmatites has been completed and assays have not returned significant lithium mineralisation. More detailed investigation of the pegmatite geochemistry is required to assess the residual prospectivity of these pegmatites.

374 soil samples have been collected across an area of strong gold anomalism that includes the historic small scale gold mining recorded at the Golden Wishbone Shaft in the late 1930's with 204 ounces produced at an average grade of 18g/t and no modern exploration recorded. Results from this soil sampling are pending. Extensive soil sampling programs targeting gold and base metals are ongoing. Planning is underway to complete ground electromagnetic surveys across a number of targets in the coming months.

Refer full details of the acquisition and KMP exploration targets in *ASQ (2022). ASQ Acquires Li/Au/Ni/Cu Ground. ASX Release 11 August 2022.*

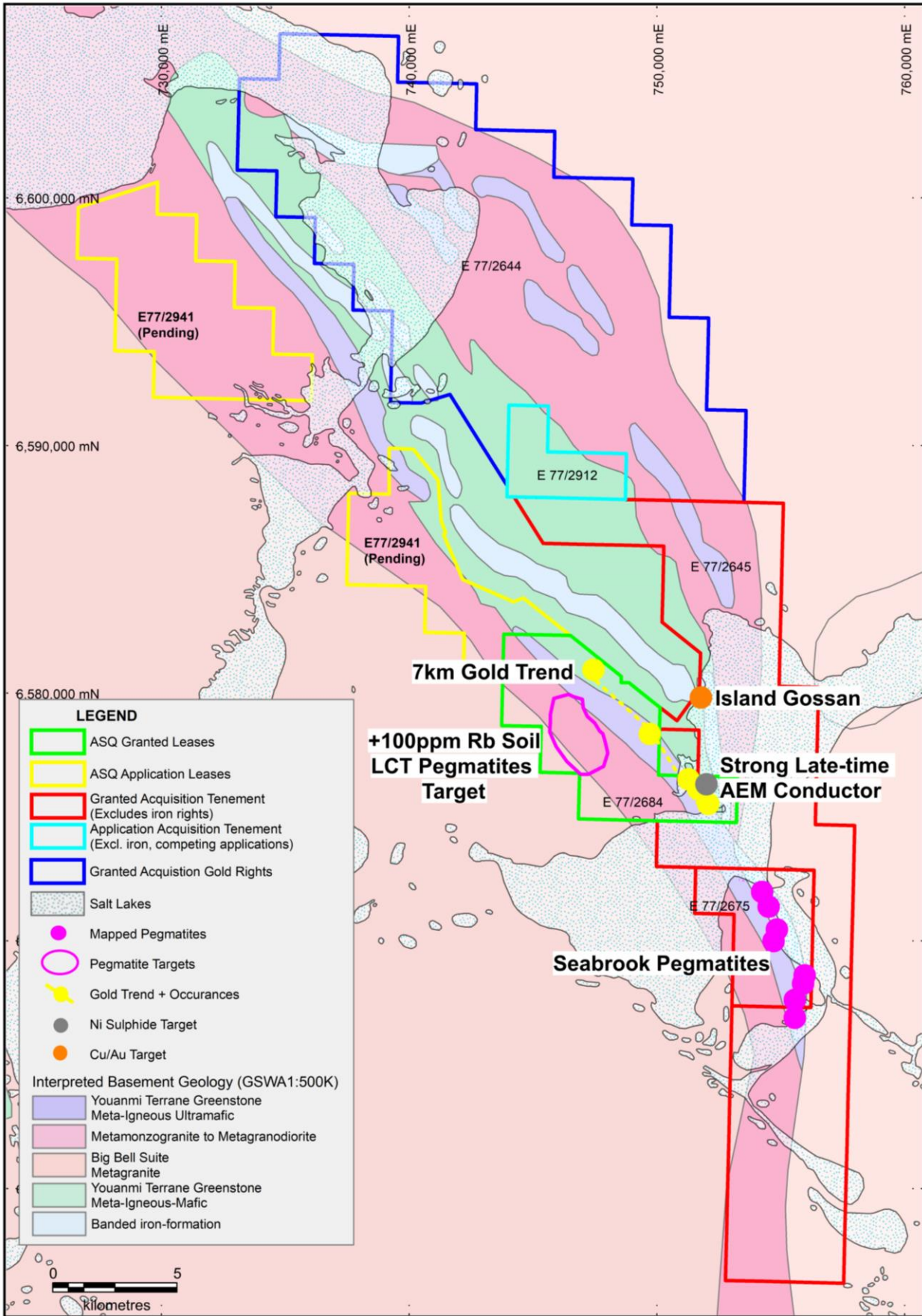


Figure 2: KMP Tenements and Priority Targets

## SILICA SAND PROJECTS – GINGIN & ALBANY

The Gingin Silica Sand Project consists of one application exploration licence located 20km north of Perth, the Albany Silica Sand Project consists of four granted exploration licences and one application exploration licence within 10-80 km of the Port of Albany, the East Esperance Silica Sand Project consists of one granted exploration licences 30-50 km East of the Port of Esperance.

### Albany White Hill Silica Sand Project

The Company has entered into an Exploration and Mining Access agreement (“Access Agreement”) on a private freehold property located 70km east of Albany (See Figure 2). This property was selected following extensive desktop assessment and roadside reconnaissance over +18 months.

The Access Agreement covers an area of 189 Ha located on ASQ’s 100% owned exploration licence E70/5262 and covers access for both exploration and also for mining should the project progress to development. The project area is currently used for tree farming and has been previously cleared of native vegetation.

The Company has completed a Mineral Resource Estimate totalling 11.6 Mt with >99.9% SiO<sub>2</sub> and <50 ppm Fe<sub>2</sub>O<sub>3</sub> and extends over a strike length of 1,650m and has a maximum width of 1,565m (ASQ (2021). Maiden High Grade, Low Iron, Silica Sand Resource. ASX Release 28 January 2021).

Table 1: Albany White Sand Hill Silica Sand Deposit January 2021 Inferred Mineral Resource Estimate

Size Fract	Tonnes Mt	Yield (%)	Fe <sub>2</sub> O <sub>3</sub> ppm	Al <sub>2</sub> O <sub>3</sub> ppm	TiO <sub>2</sub> ppm	CaO ppm	K <sub>2</sub> O ppm	Na <sub>2</sub> O ppm	MgO ppm	ΣOx. %	SiO <sub>2</sub> +LOI %
Fine	8.2	70.6	46	145	410	12	16	19	10	0.07	99.93
Coarse	3.4	29.1	43	137	668	6	12	19	3	0.09	99.91

Metallurgical testwork results indicate the silica sand is readily processed by conventional washing and gravity separation to produce a very high-grade silica sand product that has potential for industries such as general and specialty glass making including solar panel cover glass and optical glass. Other potential applications include foundry and filter sands, electronics component manufacturing and engineered stone manufacturing. The sand is expected to be high yielding with little waste produced (ASQ (2021). Maiden High Grade, Low Iron, Silica Sand Resource. ASX Release 28 January 2021).

A Scoping Study looking at the suitability of the deposit for development into a 0.5 – 1.0 Mtpa export operation is progressing. Preliminary assessment of metallurgy and process plant design, environmental assessment, water supply, the sand market and port access has given the Company confidence that these aspects of the project are achievable within the expected economic and regulatory constraints.

The transport of the sand 15-20km from the deposit to the South Coast Highway for road haulage into the Albany Port requires ongoing further investigation. The Company has completed a desktop scoping study looking at the options for trucking or slurry pumping the sand away from the mining operation. Slurry pumping is currently the preferred option and several routes have been identified. Discussions with the relevant landholders is underway and is the current focus. It is expected that preliminary engineering design on the slurry pumping operation will be completed prior to finalising the Scoping Study outcomes.

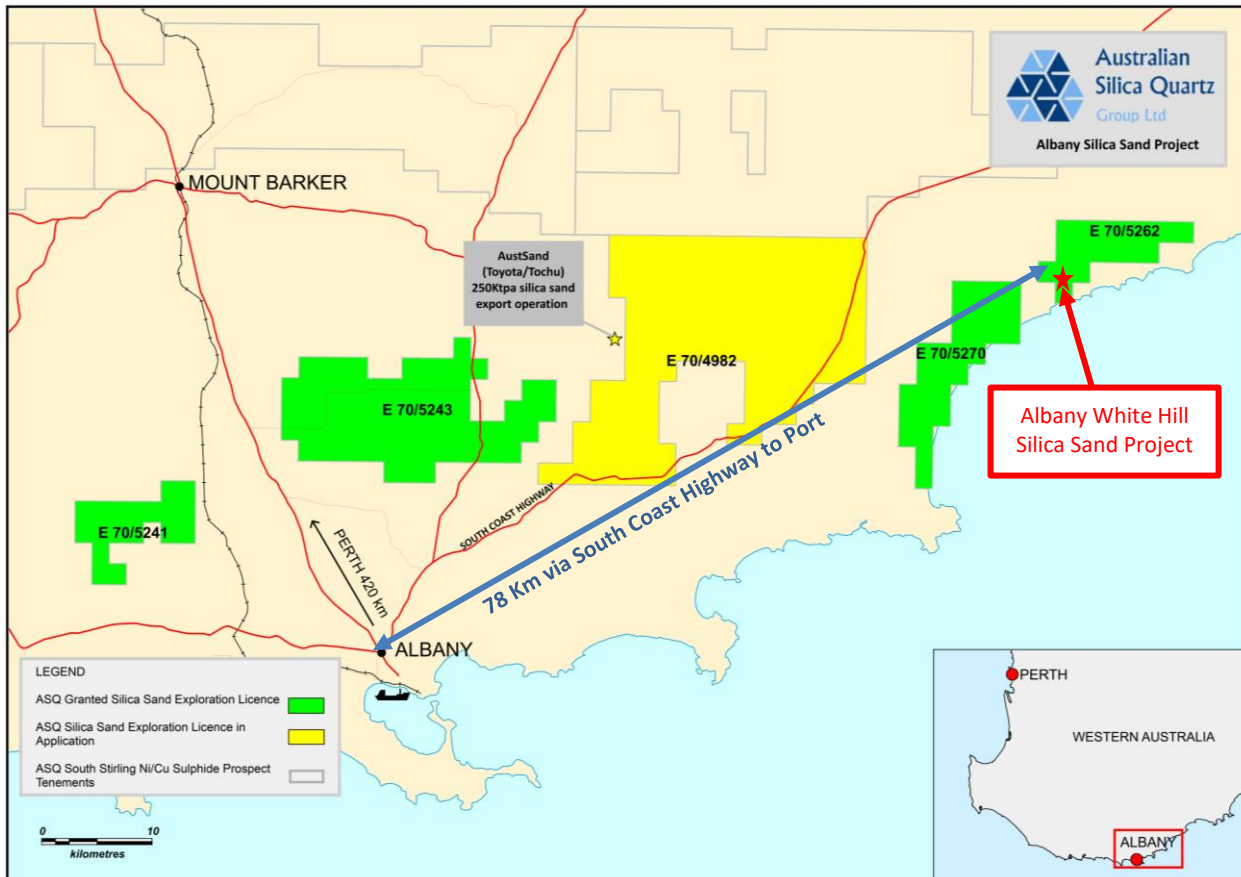


Figure 3: Location of the Albany White Hill Silica Sand Project on E70/5262 east of Albany. ASQ South Stirling Ni-Cu Sulphide tenements shown for context. Other holder tenements not shown.

## ASQ/URBAN RESOURCES BUSINESS VENTURE - SILICA SAND PROJECT

ASQ has entered into a Memorandum of Understanding Terms Sheet (“Terms Sheet”) with C&D Logistics Co., Ltd. (“C&D”) for the offtake and export of silica sand product ASQ-GWSC1.

Chinese company C&D Logistics Co., Ltd. is a subsidiary of *Fortune* Global 500<sup>1</sup> company Xiamen C&D Inc. C&D approached ASQ in 2021 with interest in securing silica sand suitable for supplying the solar glass industry in China.

In 2019 the Company executed a binding terms sheet with Urban to jointly exploit Urban’s Silica Sand deposit located on mining lease M70/326<sup>2</sup> in Bullsbrook, Western Australia. Urban has operated the mine for the last ten years and produced over 1Mt of sand for the domestic market from the deposit in the last two years. Prior to commencing the exports ASQ and Urban will need to finalise a formal joint venture agreement in accordance with the binding 2019 terms sheet.

ASQ have completed a JORC 2012 Inferred Mineral Resource totalling 10.7 million tonnes on the raw sand at Urban’s Maralla Road tenement M70/326 (ASQ (2020). Marella Road Silica Sand Deposit Maiden Resource. ASX release 23 April 2019 & Silica Sand Testwork. ASX Release 29 January 2020).

1. The Fortune Global 500, also known as Global 500, is an annual ranking of the top 500 corporations worldwide as measured by revenue. The list is compiled and published annually by Fortune magazine.
2. Mining lease M70/326 is held by Stefanelli Developments Pty Ltd. An agreement between Urban and Stefanelli grants Urban the exclusive right to conduct mining on M70/326 subject to an owner royalty and options up to 30 June 2022. Negotiations are continuing to extend the agreement for an additional 5 years to 30 June 2027.

ASQ will need to secure bulk export berth access along with near-port stockpile storage facilities. ASQ has been engaged with the Fremantle Port Authority (“FPA”) over several years as the silica sand project developed and the likelihood of achieving sales agreements increased. FPA have recently advised there is no available export capacity. (ASQ (2022). *Update on Kwinana Port Access for Silica Sand Export*. ASX Release 28 April 2022).

ASQ and C&D are working together to explore alternative port options.

## JULIMAR ASQ/DEVEX JOINT VENTURE - NICKEL COPPER PGE’S

DevEx Resources Limited (“DevEx”, ASX: DEV) is currently exploring the western half of the Sovereign mafic-ultramafic intrusion (E70/3405) under an Earn-In Agreement with ASQ. DevEx is earning-in to the non-bauxite rights of the tenement by an initial spend of \$3m to earn a 50%. Once DevEx has earned its initial 50% interest, ASQ may elect to contribute to further exploration to maintain its 50% interest, or opt to allow DevEx to spend an additional \$3m to earn a further 20% interest with ASQ diluting (ASQ (2020). *ASQ Reaches Agreement for Exploration Funding of its Tenement in Julimar Region, WA*. ASX Release 1 June 2020).

E70/3405 and the Sovereign magnetic complex is located along strike from the globally significant Chalice Mining Ltd (ASX: CHN) nickel-copper-platinum group elements (Ni-Cu-PGE) Julimar discovery to the south and the Caspin Resources Ltd (ASX:CPN) Yarawindah Brook Ni-Cu-PGE project to the north (see Figure 4).

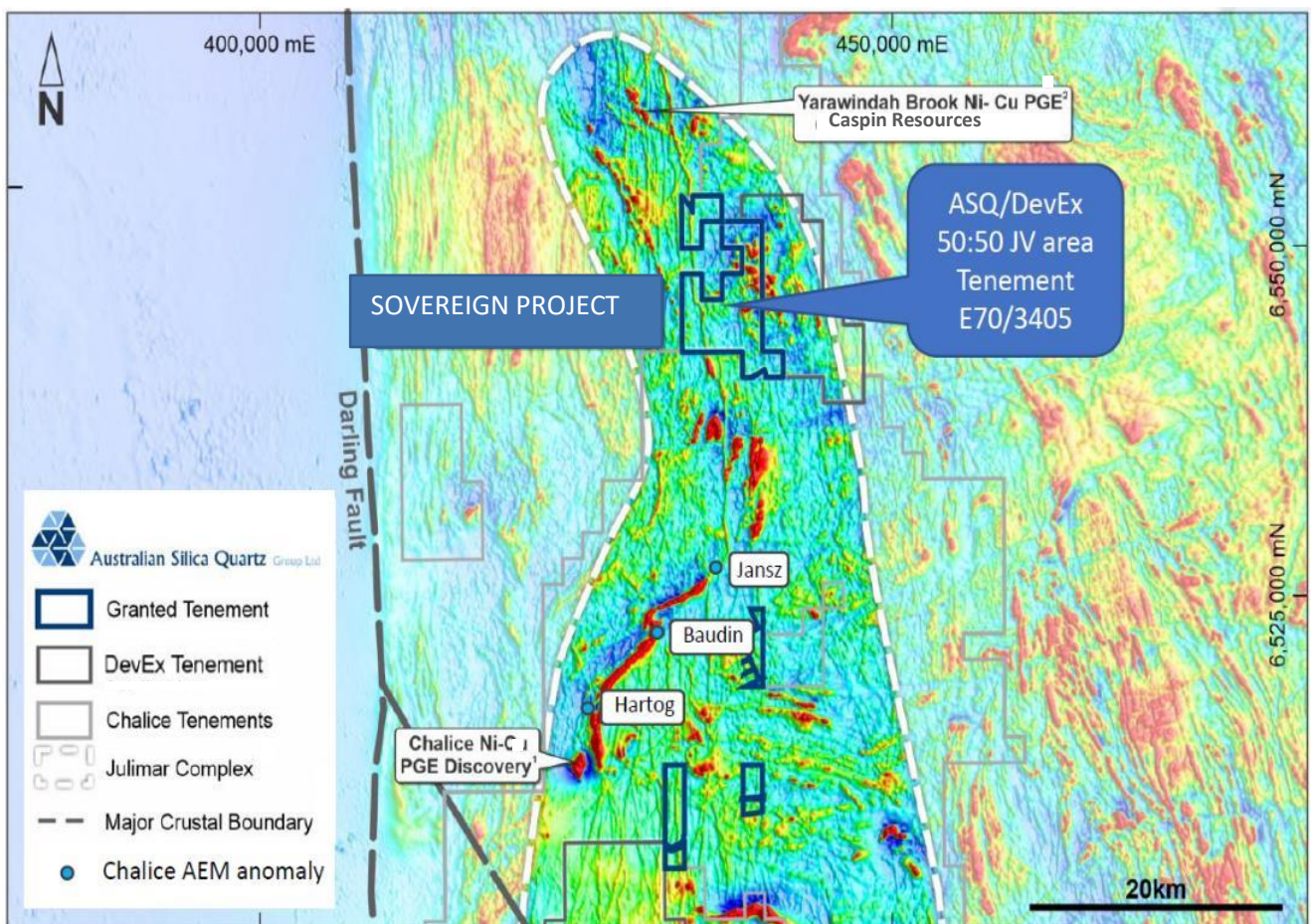


Figure 4: Julimar Complex Sovereign Project with existing Ni-Cu-PGE discoveries on Aeromagnetic RTP image

Three reconnaissance diamond holes completed in 2021 demonstrate a thick sequence of differentiated mafic-ultramafic intrusive rocks extending over the full length of the project. Within this diamond programme, several zones of disseminated (low grade) Ni-Cu sulphide mineralisation, together with

signs of assimilation of the surrounding country, provide an indication of the potential for the intrusion to host concentrations of Ni-Cu-PGE mineralization.

Within the intrusion, several weak mid-time Moving Loop Electromagnetic (MLEM) anomalies show a spatial relationship with the ultramafic portions of the Sovereign intrusion near where reconnaissance diamond drilling identified disseminated Ni-Cu sulphides last year. Other weak mid-time anomalies are also recognised adjacent to several coincident magnetic-gravity anomalies. DevEx is preparing for recommencement of exploration activities at Sovereign focussing on several prospective mafic-ultramafic horizons within the larger Sovereign Mafic-Ultramafic Intrusion. A recent 2D seismic survey undertaken by Chalice Mining Limited at its Gonneville Ni-Cu-PGE deposit to the south has demonstrated the broader capability to map the intrusion at depth. DevEx is currently reviewing the opportunity to utilise 2D seismic to model the sub-surface geometry over the 12km long Sovereign Intrusion and in particular map prospective horizons previously encountered in the DevEx broad spaced diamond drilling.

The 2D seismic has potential to compliment the ongoing ground electromagnetic survey which is scheduled to lead to additional diamond drilling in March quarter 2023.

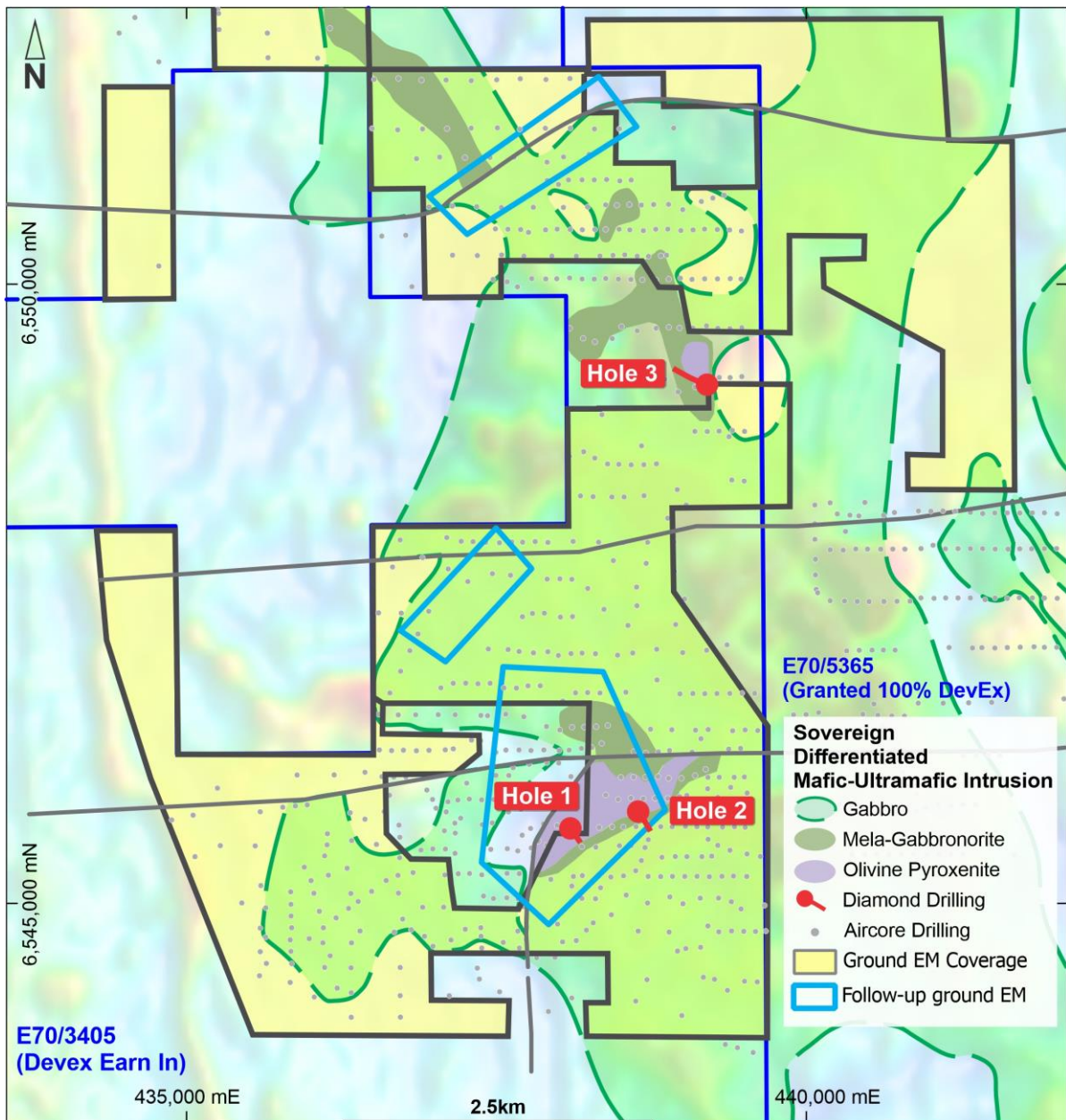


Figure 5: Sovereign Project: Current exploration activity testing the Sovereign Mafic-Ultramafic Intrusion

## SOUTH STIRLING NICKEL COPPER PROJECT – ALBANY FRASER BELT, WESTERN AUSTRALIA

ASQ has secured a strategic landholding position in the Biranup Zone of the Albany-Fraser Orogeny located in the south-west of Western Australia in the shires of Plantagenet and the City of Albany (see Figure 5 & 6) following the identification of an anomalous historic drill hole with elevated Ni, Cu and Cr (ASQ (2020). *Exploration Update. ASX Release 23 September 2020*).

The Company considers the project area has the potential for Nickel-Copper magmatic sulphide mineralisation associated with mafic-ultramafic intrusions emplaced into granulite facies country rocks.

The Company twinned the anomalous historic drillhole completed by Iluka Resources Limited (“Iluka”) by way of a single vertical aircore hole SS001 (Figure 6). The Iluka hole (W00324) returned an end of hole assay of 1.5m at 0.79% Ni, 934 ppm Cu from 28.5m. Iluka recorded the rock type as saprolite suggesting fresh basement rocks had not been reached. ASQ’s SS001 was terminated at 52m due to difficult drilling conditions prior to intersecting fresh basement rock.

The encouraging assay results from SS001 include intersections; **12m from 26m @ 0.70% Ni and 0.06% Cu, within 21m from 21m @ 0.59% Ni and 0.05% Cu** with maximum recorded values of **9,237ppm (0.92% Ni from 28-30m and 1,007ppm Cu from 38-42m** consistent with the previously reported Iluka result. (ASQ (2022) *South Stirling Ni/Cu Project – Positive Drilling Results. ASX Release 11 June 2022*).

Petrography and mineralogy descriptions of selected drill chips show the mineralisation to occur in nickeliferous siderite with common evidence of concentrations of predominantly weathered Ni/Cu/Fe sulphide minerals. The association of siderite with sulphides is thought to be highly unusual and although the exact style of mineralisation is not known, it is likely the mineralised zone represents transported or in situ material formed within a local structural boundary such as the nearby WSW/ENE orientated major fault mapped by the Geological Survey of Western Australia (Figure 6).

The indication that significant concentrations of nickel and copper are present and may be associated with the numerous linear structures found within the project area is encouraging and potentially points to the faults acting as conduits for the movement of metals from any sulphide rich intrusions present within the basement sequence.

ASQ’s drilling was limited to the road reserve due to land access restrictions where it was possible to twin the anomalous Iluka hole. ASQ will continue efforts to establish neighbouring land access in order to further assess this anomaly.

ASQ continues to actively seek joint venture partners for strategic involvement in the South Stirling Project and continues to follow up a number of approaches from major mining companies. With +100km in length of the Albany Fraser Mobile Belt - Biranup Zone secured by +1,600km<sup>2</sup> of 100% owned tenements, the scale and prospectivity of the Project presents a rare opportunity for a motivated group to get involved.



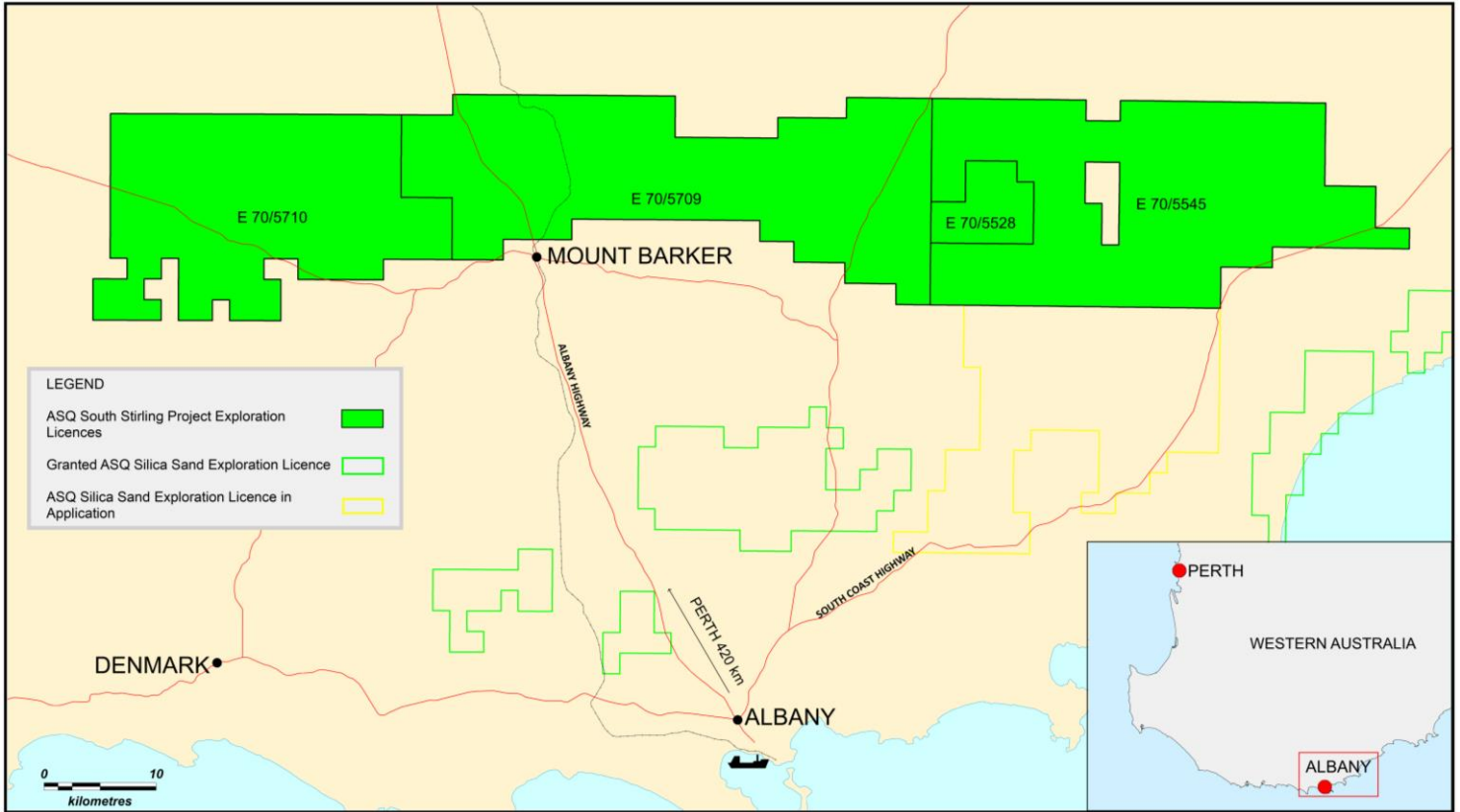


Figure 6: South Stirling Project Location Plan with ASQ silica sand tenements shown for context, (Competitor leases not shown)

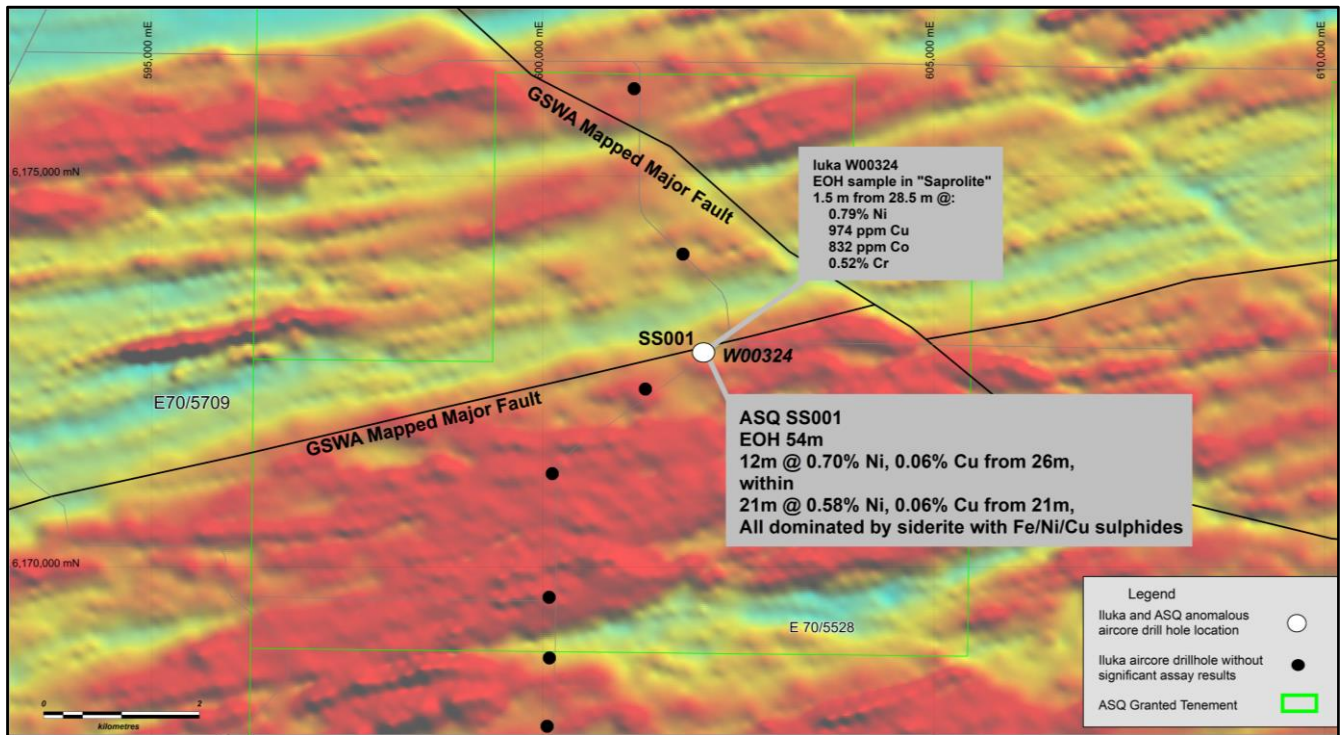


Figure 7: ASQ aircore drill hole SS001 location plan with Historic Iluka drill holes shown on the reduced to pole (RTP) aeromagnetic image (note the mapped Major Faults, locations of these are expected to be approximate)

## HARDROCK SILICA QUARTZ PROJECTS – WESTERN AUSTRALIA AND QUEENSLAND

The Company has one granted exploration licence in Western Australia and three granted exploration permits in Far North Queensland with known quartz occurrences with the potential to contain high purity silica. These leases cover 286km<sup>2</sup> in total.

Testwork of rock chip samples from the Western Australian Lake Seabrook Project has returned grades of 99.98% SiO<sub>2</sub> and ASQ Far North Queensland rock chip sampling on granted tenements has returned results up to 99.99% SiO<sub>2</sub> after acid washing (ASQ (2021). *Hardrock High Purity Quartz and Silica Update – Revised. ASX Release 15 December 2021*).

### High Purity Silica Quartz

A Research and Development program has been underway utilising samples collected from the Company's tenement package. The program involves comparing innovative processing techniques with conventional methods with the aim of producing a high purity product ("HPQ") from ASQ's existing prospects. Testwork to date indicates the innovative processing flowsheet developed by ASQ's HPQ R&D program compares favourably to conventional processing methodology (ASQ (2021). *Hardrock High Purity Quartz and Silica Update – Revised. ASX Release 15 December 2021*). Recent work has focused on the fine tuning of the process parameters and on the commercialisation of the process flowsheet to make it suited to large scale industrial production.

## BAUXITE EXPLORATION ACTIVITIES UNDERTAKEN UNDER THE JOINT VENTURE WITH HD MINING

In 2010 the Company entered into a JV with HD Mining & Investment Pty Ltd (HD Mining) a wholly-owned subsidiary of the Shandong Bureau No1 Institute for Prospecting of Geology & Minerals (Shandong) to explore for bauxite. The JV provides for HD Mining to fund 100% of exploration and feasibility costs for HD Mining to earn:

- (a) a 40% interest in any defined area of exploration on the making a binding commitment by HD Mining to undertake a detailed feasibility study for the commercial mining of the defined area; and
- (b) a further 20% interest in a defined area upon completion of the feasibility study and the making by the JV committee of a decision to commence mining.

The current JV bauxite resource inventory stands at 71.3Mt of Inferred Mineral Resource (refer full detail in the 23 April 2018 Announcement – *48% increase in Bauxite Resource at Ceres Deposit in Darling Range, WA*).

ASQ and HD Mining continue to evaluate the potential for economic development of the Dionysus and the combined Ceres/Athena resource areas (Athena: 36.2Mt, 32.8% available alumina, 2.8% reactive silica, see ASX announcement 15/07/14, Dionysus: 20.3Mt, 32.6% available alumina, 3.4% reactive silica, see ASX announcement 24/03/14, Ceres 21.9Mt, 31.4% available alumina, 3.2% reactive silica (ASQ (2020). *48% increase in Bauxite Resource at Ceres Deposit in Darling Range, WA. ASX Release 23 April 2018*).

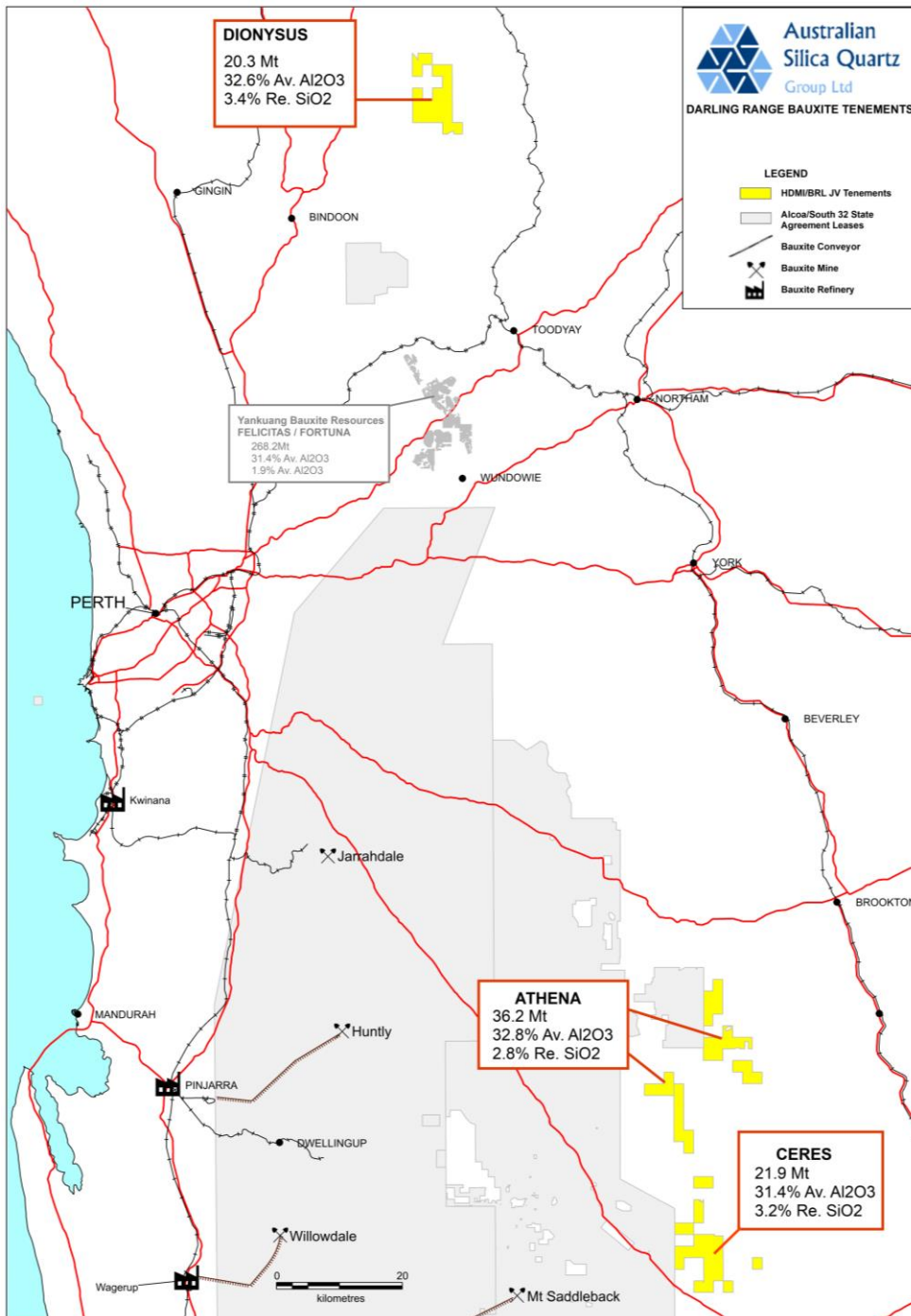


Figure 8: ASQ/HD JV Mining Darling Range bauxite tenement holding and resource locations

## CORPORATE

### Summary of Expenditures for the Quarter

During the Quarter the Company incurred a total net expenditure from operating activities of \$465k. This was made up of \$239k expended on exploration and evaluation activities, \$293k on administrative and corporate costs, offset by receipts from customers and creditors of \$52k, with the balance minor items.

Included in these costs were payments made to Directors of the entity and their associates. These payments were Directors Salaries and Superannuation payments of \$56k, Consulting fees of \$79k, and rental of the Company office of \$12k for the Quarter. All payments were made on an arms length basis.

Further details on Quarterly expenditures are included in the Appendix 5B – Quarterly Cashflow Report attached to this Quarterly Report.

### Cash Position and Shareholder Information

Australian Silica Quartz Group is in a strong financial position with significant cash reserves and no debt. At 30 September 2022, the Company held \$4.296 million in cash.

At 30 September 2022, the Company had 1,275 shareholders and 276,660,377 fully paid ordinary shares on issue with the top 20 shareholders holding 62% of the total issued capital.

The Company has 17,333,333 Performance Rights on issue at 30 September 2022, following shareholder approval in December 2020. These Performance Rights were issued in 2 equal tranches and will convert into 17,333,335 fully paid ordinary shares over the next two years if the performance hurdles are achieved.

### Future Operations

The Board will continue to focus on its Silica and Bauxite Projects, the Koolyanobbing Metals Project, the Julimar ASQ/Devex Joint Venture, and the South Stirling Project and seek to enhance the value of these through exploration and development activities.

The Board will continue to manage the Company in the best manner in which to maximise returns to shareholders.



**Sam Middlemas, CEO, Australian Silica Quartz Group Ltd**

**28 October 2022**

### Competent persons statement

The information in this document that relates to exploration results and mineral resources is based on data collected under the supervision of Mr Nick Algie, in his capacity as Exploration Manager for Australian Silica Quartz Group Limited. Mr Algie is a registered member of the Australian Institute of Mining and Metallurgy (AusIMM) and has sufficient experience that is relevant to the type of deposit and style of mineralisation under consideration to qualify as a competent person under the 2012 edition of the “Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”. Mr Algie consents to the inclusion of the data in the form and context in which it appears.

## SCHEDULE OF MINING TENEMENTS HELD AS AT 28 October 2022 (all 100% owned)

Tenement	Location/ Tenement Name	Status
E70/3405 (a)	Victoria Plains – Darling Range	Granted
E70/3179 (a)	Congelin – Darling Range	Granted
E70/3180 (a)	Dattening – Darling Range	Granted
E70/3890 (a)	Wandering – Darling Range	Granted
E70/5241	Redmond West	Granted
E70/5243	Redmond South	Granted
E70/5262	Cheyne	Granted
E70/5270	Ridgetop	Granted
E70/5528	South Stirling	Granted
E70/5545	South Stirling - East	Granted
E70/5647	Kojarena	Granted
E70/5709	Tenterden	Granted
E70/5710	Kwornicup	Granted
E77/2684	Lake Seabrook	Granted
EPM 26702	Mt Eliza	Granted
EPM 26727	Pandanus Creek	Granted
EPM 26741	Douglas Range	Granted
E63/2206	Esperance North	Granted
E70/4982	Green Range	Application
E70/5144	Warbrook	Application
E77/2941	Lake Deborah	Application

- A) These tenements form the HD Mining & Investments Joint Venture. Under the terms of the Joint Venture, HD Mining is required to fund 100% of all exploration and feasibility costs to earn up to 60% of the bauxite rights. HD Mining is currently working towards obtaining a 40% interest in the bauxite rights on the tenements. This will be triggered if HD Mining enters into a binding commitment to undertake a feasibility study on the tenements. Should HD Mining and ASQ make a decision to mine, HD Mining will earn an additional 20% interest in bauxite rights. ASQ maintains 100% interest in other minerals with DevEx currently earning a 50% interest in the other minerals of E70/3405. At the date of this report ASQ still has 100% interest in bauxite on these tenements.

## SCHEDULE OF INTERESTS IN MINING TENEMENTS HELD AS AT 20 October 2022 (non 100% owned)

### KOOLYANOBING METALS PROJECT ACQUISITION TENEMENTS AND RIGHTS

ASQ is purchasing the acquisition tenements from Netley Minerals Pty Ltd ('Netley' of 'The Vendor'). Under the terms of the acquisition agreement ASQ is to pay The Vendor a non-refundable sum of \$50,000 cash, issue 5,000,000 fully paid ordinary ASQ shares, and Performance Shares to a value of \$500,000 (at the 30 day VWAP share price at the time of reaching the hurdle or a minimum 10c/share) upon the announcement of 50,000 ounces of Gold or Gold equivalent in each of up to 3 minerals (being Gold, Lithium, Copper or Nickel) – a maximum issue of \$1,500,000, and a 1% net smelter royalty in respect of any minerals mined. The Performance Shares will be issued on standard terms in accordance with ASX Guidance Note 19 and Listing Rule Chapter 6 and subject to ASX approval and shareholder approval. The Shares and Performance Shares will be issued following regulatory approvals including ASX Listing rules and shareholder approval to be completed prior to 21 November 2022.

Tenement	Location	Current Holder	Holder on Completion of Acquisition	Rights Acquired by ASQ
E77/2644	Yilgarn - Lake Deborah East	Netley	Netley	Gold
E77/2645	Yilgarn - Lake Seabrook	Netley	ASQG	All minerals excluding iron
E77/2675	Yilgarn	Netley	ASQG	All minerals excluding iron
E77/2912	Yilgarn (Pending)	Netley	ASQG	All minerals excluding iron

## Appendix 5B

### Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Australian Silica Quartz Group Ltd

ABN

72 119 699 982

Quarter ended ("current quarter")

30 September 2022

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	52	52
1.2 Payments for		
(a) exploration & evaluation	(239)	(239)
(b) development	-	-
(c) production	-	-
(d) staff costs	-	-
(e) administration and corporate costs	(293)	(293)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	15	15
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives (R&D Tax Incentive)	-	-
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(465)</b>	<b>(465)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	(1)	(1)
(d) exploration & evaluation	-	-
(e) investments	-	-
(f) other non-current assets	-	-

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(1)</b>	<b>(1)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>-</b>	<b>-</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	4,762	4,762
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(465)	(465)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1)	(1)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-



## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>4,296</b>	<b>4,296</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	276	142
5.2	Call deposits	4,020	4,620
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>4,296</b>	<b>4,762</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>						
6.1	Aggregate amount of payments to related parties and their associates included in item 1	147						
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-						
<p><i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i></p> <p>Item 6 includes amounts paid to directors as follows:</p> <table> <tr> <td>Salary &amp; Super</td> <td>55.5k</td> </tr> <tr> <td>Consulting fee</td> <td>79.0k</td> </tr> <tr> <td>Rent of premises paid to associates</td> <td>12.2k</td> </tr> </table>			Salary & Super	55.5k	Consulting fee	79.0k	Rent of premises paid to associates	12.2k
Salary & Super	55.5k							
Consulting fee	79.0k							
Rent of premises paid to associates	12.2k							

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

<b>7. Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>		
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 <b>Total financing facilities</b>	-	-
7.5 <b>Unused financing facilities available at quarter end</b>		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(465)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(465)
8.4 Cash and cash equivalents at quarter end (item 4.6)	4,296
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	4,296
8.7 <b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	9.2
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A	

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?


Answer: N/A

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

### Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 28 October 2022

Authorised by:   
By the Board

### Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.