



**Australian Silica Quartz** Group Ltd

## SHARE PURCHASE PLAN COMPLETED HEAVILY OVERSUBSCRIBED

Australian Silica Quartz Group Limited ("ASQ") is pleased to announce that the Share Purchase Plan ("SPP") closed on Friday 23<sup>rd</sup> October at 5.00pm WST heavily oversubscribed. In accordance with the SPP Offer Booklet, the SPP provided Eligible shareholders with the opportunity to subscribe for up to \$30,000 of new fully paid ordinary shares at an issue price of 7 cents per share, capped at \$1.5 million.

All funds received after the closing date will be returned in full to the applicant and will not qualify for allocation of shares under the SPP.

The board has resolved that in respect of applications for up to and including \$10,000 worth of shares, the applied for shares will be allocated in full.

Otherwise, in accordance with the discretion of the board under the terms and conditions of the SPP, the board has determined that scale backs will be applied having regard to the number of shares held by the applicant as at 23 October 2020 and the number of shares being applied for under the SPP. Where scale backs are applied, the applicant will in all cases be allocated not less than \$10,000 worth of shares.

The new shares will be issued on 28<sup>th</sup> October 2020 and any scale back funds will be returned to shareholders forthwith in accordance with the terms and conditions of the SPP offer booklet.

The Board would like to thank its shareholders for the support for the SPP following the Placement. These funds will leave the Company with a cash position of approximately \$6.5m with a revised issued capital of 267.9 million shares.

This Announcement has been authorised by the board.

**For further information regarding Australian Silica Quartz Group Limited, please visit [www.asqg.com.au](http://www.asqg.com.au) or contact:**

### **Australian Silica Quartz Group:**

Sam Middlemas  
Chief Executive Officer  
Tel +61 8 9200 8200

26 October 2020



**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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Automic Group

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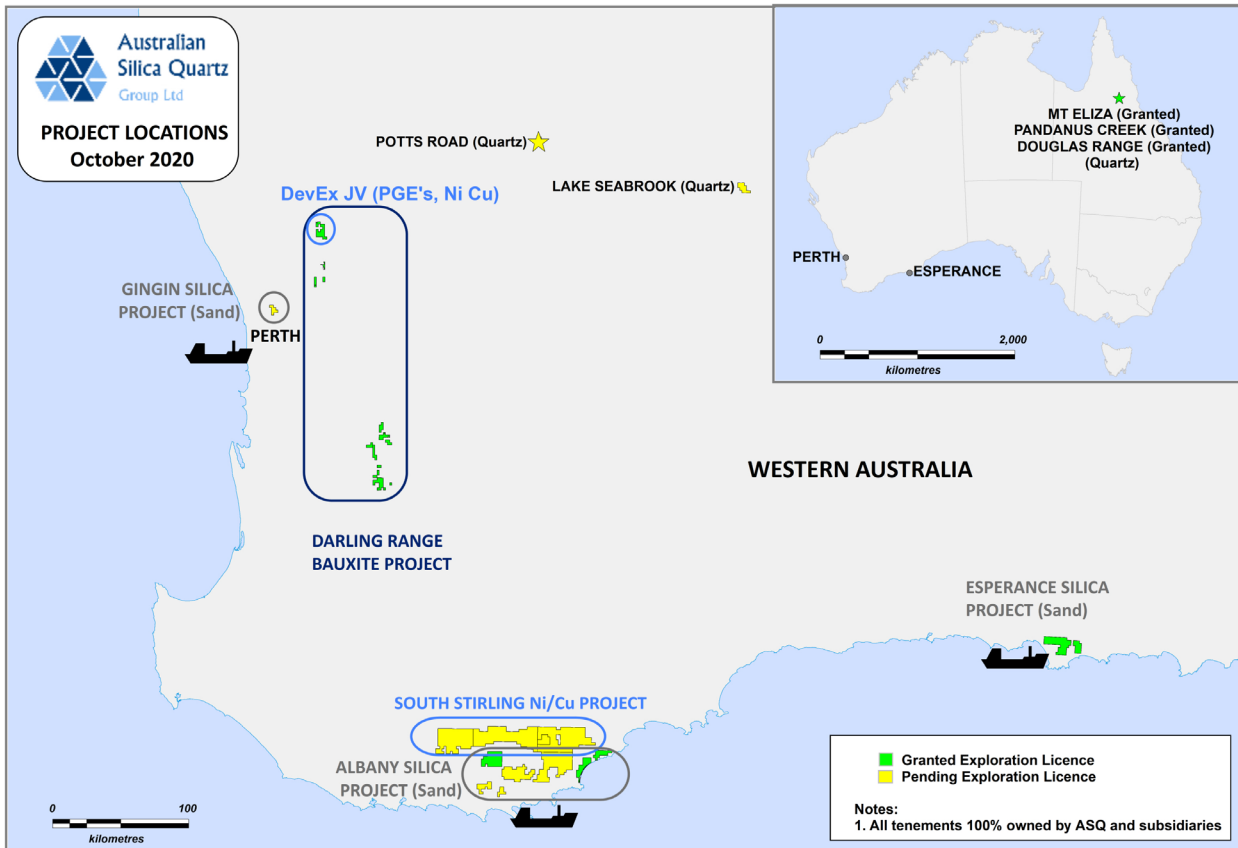
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## About Australian Silica Quartz Group Limited



### ASQ DEVEX 50/50 JV (non dilutable at ASQ's election)

ASQ has entered into a joint venture with DevEx Resources ("DevEx" ASX:DEV) on its 100% owned E70/3405 tenement located along strike from Chalice Gold Mines ("Chalice" ASX:CHN) nickel copper platinum group elements Julimar discovery in WA. The first \$3M expenditure on the JV area is to be fully funded by DevEx to earn 50%. ASQ has the option to jointly fund future expenditure to maintain 50% share or opt to allow DevEx to fund the next \$3M to earn a further 20% share in non bauxite minerals. Initial geochemical and geophysical exploration work has returned positive results with the establishment of multiple drill targets. (refer full detail in the 1 June 2020 announcement *ASQ reaches agreement for funding of exploration on its tenement in Julimar Region, WA*, 8 October 2020 announcement *Update on Geophysics Targets at ASQ/DevEx JV in Julimar Region, WA*, and 19 August 2020 announcement *Update on ASQ/DevEx 50/50 JV in Julimar Region, WA*).

### SILICA

ASQ has established a range of silica sand and hardrock projects held via exploration licence applications 100% owned by ASQ's subsidiary Australian Silica Quartz Pty Ltd. These projects now consist of 12 granted exploration licences and 8 applications covering approximately 1,500 km<sup>2</sup> within Western Australia and Queensland.

High grade silica (99.5-99.9% SiO<sub>2</sub>) and high purity silica (>99.95% SiO<sub>2</sub>) currently have a wide range of applications. All indications suggest the high grade and high purity silica market is currently growing strongly due to greater demand from the PV Solar, TFT glass, Electronics, Flat Glass and Speciality Glass industries. This is reinforced by the level of enquiries received from qualified end user customers the Company has received primarily from China and South East Asia.

### SILICA SAND

ASQ's high grade silica sand projects are located in the regions of Albany, Gingin and Esperance in the south west of Western Australia.

In the shorter term these projects potentially present the opportunity for the company to produce a washed DSO silica sand product with longer term potential to enter the higher value higher grade silica sand market with a niche processed product.

In addition to its wholly owned silica exploration projects ASQ has reached an agreement with an existing local sand producer. In 2019 the Company executed a binding terms sheet with Urban Resources Pty Ltd (Urban) to jointly exploit Urban's Silica Sand deposit located in Bullsbrook, Western Australia. Urban has operated the mine for the last six years and produced over 1Mt from the deposit in last two years. The ASQ/Urban Resources agreement presents the Company with the opportunity to potentially fast track its entry into the DSO silica sand export market. ASQG have completed a JORC 2012 Inferred Mineral Resource on the raw sand at Urban's Maralla Road tenement M70/326 (refer full detail in the 7 May 2019 announcement *Update on Maralla Road Silica Sand Deposit Maiden Resource* and 29 January 2020 announcement *Spiral and Classifier Testwork Results for the M70/326 Silica Sand Products*).

#### *HARDROCK QUARTZ R&D*

The Company is undertaking an R&D program aiming to develop a high purity, high value silica quartz product. To this end the Company has secured a number of hardrock quartz tenements and is progressing with a research and development project in this area. Assays from rock chip sampling of ASQ's hard rock tenements reported grades of up to 99.993% SiO<sub>2</sub> with processed hard rock samples demonstrating further grade improvement. (refer full detail in the 14 December 2017 announcement *Silica Sand and Hardrock Quartz Project Updates*)

#### *SOUTH STIRLING Ni/Cu PROJECT*

ASQ has established the South Stirling Ni/Cu Project by way of four exploration lease applications lodged covering 1,603 km<sup>2</sup> over the Albany Fraser Mobile Belt, South Western WA where the Company has identified a historic end of hole aircore drilling assay of 1.5m at 0.79% Ni, 934 ppm Cu, 832 ppm Co from 28.5m that was never followed up. ASQ considers the application area has potential for Nickel-Copper magmatic sulphide mineralisation associated with mafic-ultramafic intrusions emplaced into granulite facies country rocks. (refer full detail in the 23 September 2020 announcement *Exploration Update*.)

#### *BAUXITE JV*

ASQ has a joint venture with HD Mining & Investments Pty Ltd (HDM). HDM is currently working towards obtaining a 40% interest in the bauxite rights of several tenements under the joint venture which are wholly owned by ASQ. Exploration activities are fully funded by HDM. Should HDM and ASQ make a subsequent decision to mine, then HDM will earn an additional 20% interest in bauxite rights on the tenements. ASQ maintains 100% interest in all other minerals. A ninety five million tonne Bauxite JORC resource has been identified under this JV. (refer Company Annual Financial Report for 2020 - Mineral Resources and Ore Reserves section)

#### *BAUXITE ROYALTY*

Following the sale of the Bauxite Resources Joint Venture Bauxite Project to Yankuang Group a royalty on future bauxite sales from the project of 0.9% of FOB price payable to ASQ was negotiated. The Yankuang Group bauxite project contains in excess of 300 million tonnes in the world class bauxite region in the Darling Range, Western Australia. ASQ is entitled to a royalty of 0.9% of the FOB price on the first 100 million tonnes mined (under current prices of Bauxite this royalty would equate to approx. A\$0.50/tonne)(refer full detail in 30 November 2015 announcement *Final Agreements signed with Yankuang for sale of Joint Venture Interest and Buy Back of Shares*)

### **Competent Persons Statement**

The information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Nick Algie, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Algie is a full-time employee of the Company. Mr Algie has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Algie consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.