

AUSTRALIAN SILICA QUARTZ GROUP LIMITED



HARD ROCK SILICA QUARTZ – QUEENSLAND PROJECTS CLARIFICATION

This Announcement seeks to clarify and update the ASQ Announcement made on 27 April 2022 headed “Hard Rock Silica Quartz – Queensland Projects Update” following discussions with the ASX.

1. ASQ advises that the counterparty to its MOU identified as a Global Investor is Quinbrook Infrastructure Partners Pty Ltd.
2. Additional disclosures follow to confirm the statement that previous explorers have reported a historic resource 14Mt in accordance with JORC 2004 at 99% SiO₂ for Quartz Hill. ASQ has not been able to verify this historical resource. It has not been reported in accordance with JORC 2012 and readers are cautioned that the Competent Person has not done sufficient work to classify the historical resource in accordance with the JORC 2012 Code and it is uncertain that following further work the historical estimate will be able to be reported in accordance with the 2012 JORC Code.

This announcement has been approved for release by the Board



*White Springs
Quartz
Occurrence in
Far North
Queensland
(ASQ 100%)*

1 May 2023

**ASX Code: ASQ
AUSTRALIAN SILICA QUARTZ
GROUP LTD**

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Previous explorers Solar Quartz Technologies Pty Ltd (formerly Auzsolar Pty Ltd) (“**SQT**”) reported a May 2012 dated historical resource estimate (“**Resource**”) of 14Mt in accordance with JORC 2004 at 99% SiO₂ for Quartz Hill. ASQ received a copy of the Resource Report from a former SQT consultant.

The Resource was given a category of Inferred which is consistent with the current JORC 2012 Code of the Inferred mineral resource estimation category.

The Resource is material to ASQ as it was based on the Quartz Hill quartz occurrence which is the subject of the recently announced MOU with Quinbrook Infrastructure Partners Pty Ltd.

ASQ considers the Resource to have a high level of uncertainty due to a number of factors as follows:

- ASQ has been unable to verify the accuracy of the May 2012 Resource Estimation Report.
- The Resource was based on surface sampling and geological inspection. Subsurface geology was not verified by drilling. It was assumed that the observed quartz outcrop extends vertically to a depth of 100m which has not been verified by drilling.
- The Resource employed an overly simple sectional method of estimation based on surface observations.
- The grade applied to the Resource was derived from 12 surface samples collected at 100m spacings along the ridge of the hill with no sampling on the flanks of the hill or at depth. There is a chance that atmospheric conditions have leached the surface material improving the quality and that the subsurface material is lower quality.
- No consideration has been given to potential mining methods. The Resource assumes there are no mining or processing issues that would reduce the quantity of quartz available.

ASQ has collected a number of surface samples with results pending and is not aware of any more recent estimates or data relevant to the Resource.

The reader is cautioned that the presence of rock types within Quartz Hill other than the good quality quartz observed at surface would have a significant negative effect on the tonnage of quartz reported in the Resource.

ASQ has undertaken several site visits and has verified that Quartz Hill is an extensive mass of apparently uniform epithermal quartz with dimensions consistent to those reported in the Resource.

This resource estimate has not been reported in accordance with JORC 2012 and readers are cautioned that the Competent Person has not done sufficient work to classify the historical resource in accordance with the JORC 2012 Code and it is uncertain that following further work the historical estimate will be able to be reported in accordance with the 2012 JORC Code.

ASQ considers that a drilling, sampling and analysis program will be required to assess the continuity of geology and grade at depth in order to verify the Resource and, if appropriate information is generated, complete an updated mineral resource estimation in accordance with the 2012 JORC code. This work is currently being planned. A heritage survey has been completed subject to final reporting. Additionally an environmental permitting application and negotiation of a land access agreement will be required before commencement. These are in progress and it is expected that the work will be undertaken in the second half of 2023.

References

Wilson, I.J.M. *Project Report and Resource Estimation for Auzsolar Pty Ltd*. May 2012

Competent persons statement

The Competent Person for this report is 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 confirms the information in this document that relates to the historical Quartz Hill mineral resource estimation is an accurate representation of the available data and studies relating to Quartz Hill.