

AUSTRALIAN SILICA QUARTZ GROUP LIMITED



ASQ COMPLETES DUE DILIGENCE ON KMP PURCHASE

ASQ is pleased to advise that it has now completed the due diligence process on the acquisition of the highly prospective Koolyanobbing Metals Project (KMP) and the payment of \$50,000 has now been made.

ASQ will now manage the KMP and initial exploration has already commenced over the area.

In summary of the ASX announcement made on 11 August 2022, *ASQ Acquires Li/Au/Ni/Cu Ground*:

- Total KMP lease areas will be **204km²** of granted tenure and **112km²** in application with the gold rights to a further **201km²**, all excluding iron rights
- ASQ considers the project underexplored and prospective for **lithium, gold, nickel and copper**
- Preliminary target generation completed, identifying numerous gold, lithium, nickel and copper targets for follow-up
- **Large swarm of outcropping pegmatites identified over a strike of 6km** with associated lithium pathfinder elements anomaly and limited subsequent work completed extending the potential strike over 17km
- 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
- ~800 sample soil sampling program to commence in the next two weeks together with extensive pegmatite outcrop rock chip sampling
- ASQ to pay the vendor \$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) – with a maximum issue of \$1,500,000, and a 1% net smelter royalty in respect of any minerals mined
- ASQ will manage the KMP and commence exploration from the date the cash payment is made upon completion of the due diligence

Competent persons statement

The information in this document that relates to exploration results 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.

This announcement has been approved for release by the Board

26 August 2022

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