

AUSTRALIAN SILICA QUARTZ GROUP LIMITED

ASQ FINALISES EXCLUSIVE RIGHTS TO 10MT QUARTZ OFFTAKE



HIGHLIGHTS

- ASQ is pleased to announce that it has entered into a binding Project Development Heads of Agreement with Private Energy Partners Pty Ltd ('PEP') (a wholly owned affiliate of Quinbrook Infrastructure Partners) on ASQ's 100% owned Quartz Hill MGSi Quartz Project in North Queensland
- \$1m to be paid to ASQ as a fee for the exclusive right to purchase 10 million tonnes of MGSi Quartz (Metallurgical Grade Silicon Quartz Lump feedstock) from the mine gate
- The Agreement provides for the following:
 - PEP will receive a 10% discount to the prevailing MGSi Quartz market price or such price that would constitute a fair market return to ASQ (whichever is the greater)
 - ASQ will use the funds received to undertake:
 - an exploration drilling programme at Quartz Hill with the aim of establishing JORC 2012 MGSi Quartz mineral resource of at least 10Mt
 - a Scoping Study and apply for a mining lease within a period of 1 year from the signing of the Agreement
 - At the conclusion of the Scoping Study, PEP, at its election, may fund a Definitive Feasibility Study on the MGSi Project
 - PEP, at its election, may then enter into a Binding Offtake Agreement to purchase 10Mt MGSi Quartz over a period not exceeding 31 years
 - PEP's critical minerals team have made an exploratory visit to Quartz Hill as part of the Due Diligence Process and met ASQ's management team prior to the Agreement being signed
 - Drilling of the Quartz Hill scheduled for mid 2023



Quartz Hill

EPM 26702

(ASQ 100%)

7 July 2023

ASX Code: ASQ

**AUSTRALIAN SILICA QUARTZ
GROUP LTD**

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Non Executive Chairman

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Non Executive Director

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Australian Silica Quartz Group Limited (ASX:ASQ, 'ASQ' or the 'Company') has three granted exploration permits in North Queensland with known quartz occurrences with the potential to contain high grade and high purity silica.

Testwork of rock chip samples from North Queensland on granted tenements has returned results up to 99.99% SiO₂ after acid washing (ASQ (2021). *Hardrock High Purity Quartz and Silica Update – Revised*. ASX Release 15 December 2021).

The Queensland quartz projects have been a focus for the Company in 2023. Within the three granted, 100% ASQ owned, exploration permits are a number of significant quartz occurrences. The most advanced of these prospects are known as White Springs and Quartz Hill.

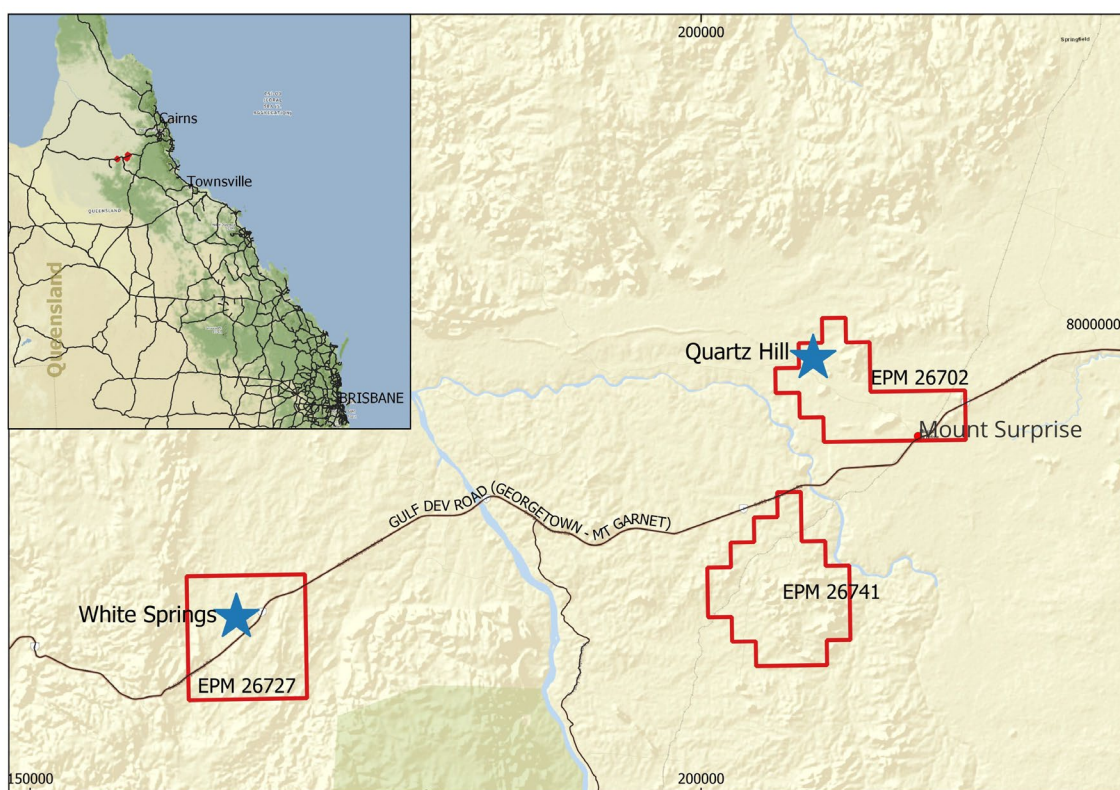


Figure 1 – ASQ Queensland Hardrock Quartz Projects – Locality Map

Quartz Hill Metallurgical Grade Quartz Project

Quartz Hill is one of several large masses of epithermal quartz within EPM 26702, 10km north west of Mt Surprise in Far North Queensland. ASQ and PEP consider Quartz Hill to have potential as a source of lump quartz feedstock for silicon metal production.

Current Work Programs

Heritage Surveys of have been completed at Quartz Hill ahead of the drilling program planned for mid 2023.

This announcement has been approved for release by the Board

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.

The Information in this report that relates to Exploration Results for the ASQ hard rock quartz projects is extracted from the ASX announcements titled "Hardrock High Purity Quartz and Silica Update – Revised" released on 15 December 2021 which is available at www.asqg.com.au.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.