



**Australian  
Silica Quartz**  
Group Ltd

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**ANNUAL REPORT 2023**



# Corporate Information

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 & COMPANY

### SECRETARY

Sam Middlemas

### CHIEF FINANCIAL OFFICER

Patrick Soh

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## STOCK EXCHANGE LISTING

ASX Code: ASQ

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# Chairman's Letter to Shareholders 2023

Dear Shareholders,

## 2023 FINANCIAL YEAR IN REVIEW

I am pleased to advise that there were no reported injuries to company staff or contractors during the financial year ending 30 June 2023. The Company takes work safety seriously and maintains an ongoing review of Work Health & Safety matters which are a permanent agenda item for consideration at every Board meeting.

During the financial year and since that time, the Company has continued to make progress in relation to a number of its portfolio of projects. In particular, the Company's focus has been on:

- (a) continuing to progress our quartz and silica sand projects, with the primary focus during the year being on the Hard Rock Silica Quartz projects in Queensland and WA, along with the Albany White Hill Silica Sand Project;
- (b) work commenced on the Koolyanobbing Metals Project being prospective for Gold, Copper and Nickel with drilling activities proposed following high priority targets being identified;
- (c) continuing the ongoing work for the marketing and development of the Urban Resources' silica sand deposits in Bullsbrook for export;
- (d) exploration activities with our joint venture partner, DevEx Resources Limited (DevEx), of the Sovereign PGE/Nickel/Copper Prospect;
- (e) continued exploration of the South Stirling Nickel/Copper Project in WA;
- (f) continuation of a Research and Development program to investigate innovative processing techniques to yield high purity silica products from the Company's existing hard rock quartz and silica sand projects; and
- (g) continuing to explore and maintain our bauxite assets held in the joint venture with our long standing and loyal Chinese joint venture partner, HD Mining.

### Silica/Quartz

#### Hard Rock Silica Quartz projects in Queensland

Following a significant growing customer demand for high grade silica sand and particularly hard rock quartz, the Company entered into a Project Development Heads of Agreement (HoA) with Private Equity Partners Pty Ltd (PEP), a wholly owned affiliate of the Quinbrook Infrastructure Partners. As part of the deal PEP has contributed \$1m to the Company to undertake exploration of its Queensland Quartz Hill Project with the aim of establishing a Metallurgical Grade Silicon (MGSi) Quartz Mineral Resource of at least 10Mt, to complete a scoping study and apply for a mining lease. As part of the HoA, PEP may elect to fund a Definitive Feasibility Study on the MGSi Project and may at its election enter into a binding offtake agreement to purchase 10Mt MGSi Quartz over a period not exceeding 31 years at a 10% discount to the prevailing market price for MGSi Quartz.

This is a significant development for the Company and following the receipt of the funds in early July 2023, the drilling programme commenced in August with results anticipated in the December quarter 2023.

#### Albany White Hill Silica Sand Project

At the Albany White Hill Silica Sand Project, where the Company has a defined 11.6 million tonne inferred JORC resource, the Scoping study work continues to define the critical aspects of the project, with an access route to the main highway continuing to be negotiated with landowners before more detailed development work can proceed.

#### Urban Resources' silica sand deposits

The Company has been unable to secure port access required to finalise the agreement with the Chinese major, C&D Logistics Inc., to sell high quality silica sand from the Urban Resources' silica sand deposit in Bullsbrook. Dialogue continues with the Fremantle Port Authority and management of Bunbury Port to seek the necessary access. A number of low volume shipments of washed silica sand sold to a South Korean buyer with delivery via sea container, for which there is increasing buyer interest.

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**Koolyanobbing Metals Project**

Following the completion of the acquisition of the additional exploration licences in early 2023, exploration work commenced on the Koolyanobbing Metals Project (KMP), located 40km northeast of Southern Cross and surrounding the Koolyanobbing Iron Ore Mine. The area covers 54% of the Koolyanobbing Greenstone Belt.

The Company was initially attracted to the area because of its high purity quartz potential, and this remains a focus along with exploration for gold and base metals. Initial exploration work included soil sampling and ground electromagnetic surveys which has identified several gold in soil anomalies and three well defined, late time, conductors leading to drill targets expected to be tested in the coming summer field season.

More detailed information of the Company's project activities is contained in the Review of Operations.

**DevEx Joint Venture: Nickel-Copper-PGE Exploration**

Exploration continued during the financial year under the joint venture agreement with DevEx at the Sovereign Prospect on ASQ's E70/3405 exploration tenement north of Perth, which is along strike from the globally significant Chalice Julimar PGE-Ni-Cu discovery. Exploration by DevEx has defined a layered, differentiated mafic-ultramafic intrusion at Sovereign, extending over 12 kilometres in length. DevEx has now advised that it has spent the initial \$3m to earn its 50% interest in the project, and the Company has elected to contribute to maintain its 50% interest in the project. Discussions between ASQ and DevEx are in progress to determine an exploration plan going forward.

**South Stirling Project: Nickel-Copper Exploration**

A significant tenement holding of 1,603 km<sup>2</sup> over the Albany Fraser Mobile Belt in the southwest of WA was established by the Company in 2020, after an anomalous historic hole with elevated Ni, Cu and Cr was identified. In early 2022, the Company twinned the anomalous hole with very encouraging assay results which are detailed in the Review of Operations contained in this Annual Report.

The Company continues to seek JV parties to fund future exploration activities.

**Hardrock Quartz and R&D Program**

The Company continues its work on a detailed research and development program using samples collected from its existing tenement package for investigating innovative processing techniques that could yield high purity products from high grade silica sand or hard rock quartz material.

The Company has been actively progressing the assessment of the Lake Seabrook hard rock quartz prospect and the Company's Queensland hard rock quartz projects with lab testing and analysis.

**Thank you**

On behalf of the Board, I thank our staff and the CEO, Sam Middlemas, for their ongoing dedication to the Company's operational activities and for keeping our operations lean and efficient. I also personally thank my fellow Board members for their dedication, hard work, counsel and support during the year.

Finally, on behalf of the Board, I thank you, our shareholders, for your continued support of the Company. We remain focused on developing our projects with the aim of building a business that will generate long term shareholder value and returns.

Yours faithfully



Robert Nash  
Chairman

*“Working to identify and unlock those critical mineral resources  
needed to power the world's clean energy transition”*

# Review of Activities

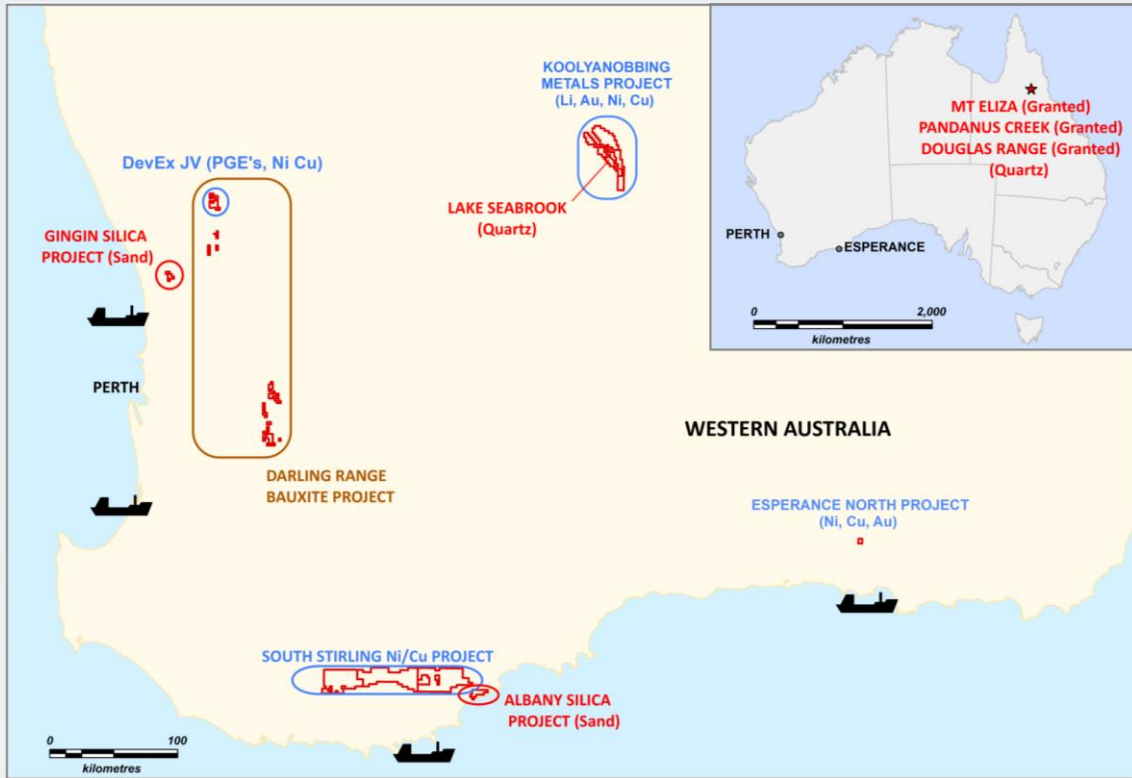


Figure 1: ASQ Project Locations

## SILICA/QUARTZ

Customer enquiries for high grade silica (99.5-99.9% SiO<sub>2</sub>) and high purity silica (>99.95% SiO<sub>2</sub>) remain very strong. These products currently have a wide range of uses and 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.

The Company continues to progress a range of silica sand and hardrock quartz projects held 100% by ASQ's subsidiary Australian Silica Quartz Pty Ltd. These projects consist of 4 granted exploration licences and 1 application covering approximately 360 km<sup>2</sup> within Western Australia and Queensland.

### Hardrock Silica Quartz – Western Australia (Lake Seabrook) and Queensland (Mount Eliza, Douglas Range and Pandanus Creek)

The Company has one granted exploration licence in the Yilgarn region of Western Australia and three granted exploration permits in Far North Queensland covering known quartz deposits with the potential to contain high purity silica.

#### Quartz Hill MGSi Project

ASQ has entered a Memorandum of Understanding with Private Energy Partners Pty Ltd ('PEP'). PEP being the wholly owned affiliate of Quinbrook Infrastructure Partners.

ASQ has received from PEP \$1m as a contribution to the work to be undertaken and PEP will in return receive the offtake of up to 10Mt MGSi Quartz (Metallurgical Grade Silicon Quartz Lump feedstock) from the mine gate at 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;



RC drilling underway at Quartz Hill

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- complete a Scoping Study; and
- apply for a mining lease.

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.

Drilling is underway at Quartz Hill at the time of reporting.

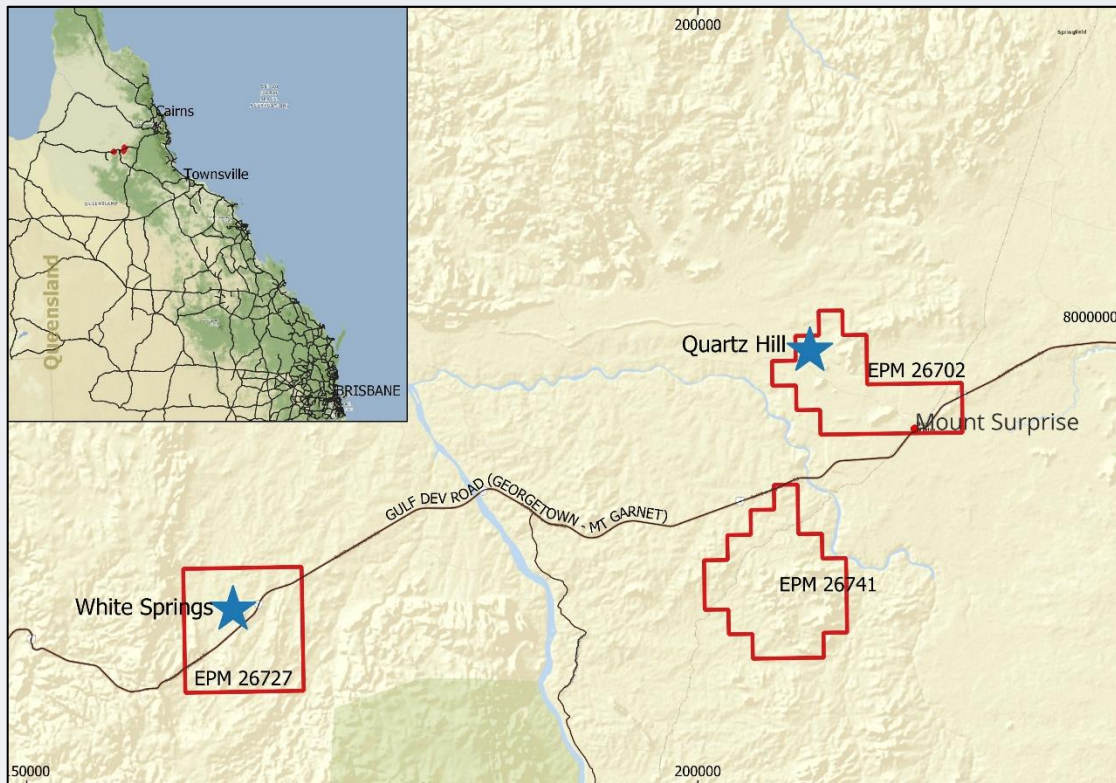


Figure 2: ASQ Queensland Hardrock Quartz Projects – Location Map

#### White Springs High Purity Quartz Project (QLD)

Rock chip samples taken by the Company have returned silica assays to 99.98% SiO<sub>2</sub> demonstrating potential for high purity silica products. A cultural heritage survey undertaken during the reporting period identified the need for further detailed cultural heritage investigation. ASQ plans to progress this during the second half of 2023.

#### R&D Programme

A Research and Development programme 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. 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.



## Albany White Hill Silica Sand Project

### Resource

The Albany White Hill Silica Sand Project consists of an 11.6Mt >99.9% SiO<sub>2</sub> and <50 ppm Fe<sub>2</sub>O<sub>3</sub> Inferred silica sand resource reported in accordance with JORC 2012. ASQ is currently completing a Scoping Study looking at silica sand exports from the Port of Albany of 0.5 - 1.0 million tonnes per annum from the Albany White Hill Silica Sand Project.

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

Size Fraction	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

### Testwork

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.

### Scoping Study

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 silica sand 11-15km from the deposit to the South Coast Highway for road haulage into the Albany Port requires further investigation and land access negotiation. This will need to be completed prior to finalising the Scoping Study outcomes.

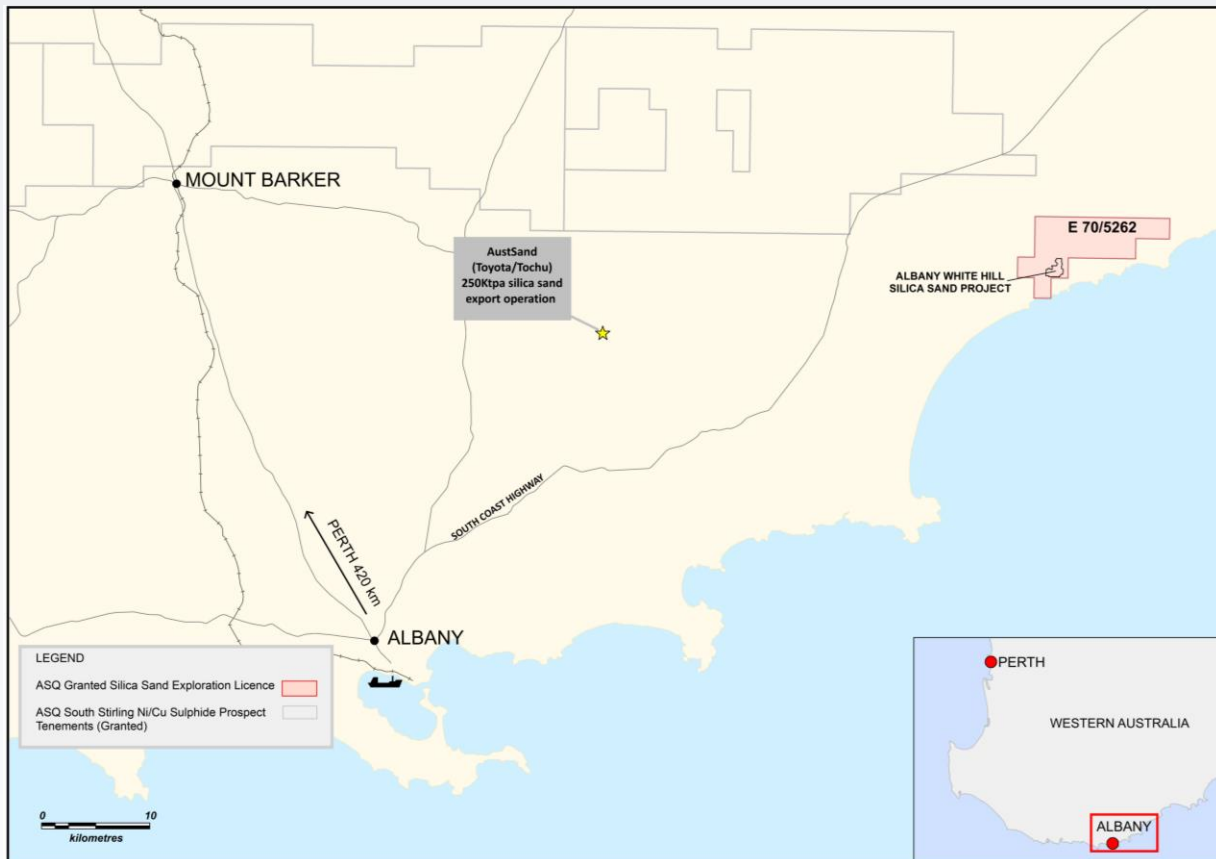


Figure 3: Location of the Albany White Hill Silica Sand Project on E70/5262 east of Albany. ASQ South Stirling Ni-Cu Sulphide tenements shown for context. Other holder tenements not shown.



## ASQ/Urban Resources Business Venture

ASQ continues to market silica sand under a partnership arrangement 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 this mine for the last ten years.

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.

In 2022 ASQ entered into a Memorandum of Understanding Terms Sheet with C&D Logistics Co., Ltd. (C&D) for the offtake and export of silica sand product ASQ-GWSC1 sourced from the Urban Bullsbrook operation subject to ASQ securing port access and all necessary government, statutory, and third party required approvals, consents, agreements and licenses that are required to mine, transport and ship the product.

ASQ has been engaged with the relevant Port Authorities over several years as the silica sand project developed and the likelihood of achieving sales agreements increased. Both the Fremantle Port Authority (Kwinana Port) and the Southern Port Authority (Bunbury Port) have advised there is no available export capacity. ASQ and C&D are working together to explore alternative port options.



*Silica Sand deposit, Bullsbrook*

## NICKEL-COPPER-PGE-GOLD EXPLORATION

### Koolyanobbing Metals Project

The Koolyanobbing Metals Project (KMP) comprises lease areas of 405km<sup>2</sup> granted tenure and 91km<sup>2</sup> in application located 40km north east of Southern Cross and surrounds the Koolyanobbing Iron Ore Mine (Mineral Resources Limited, ASX:MIN).

The KMP will cover 54% of the Koolyanobbing Greenstone Belt and 38km in strike of the crustal scale Koolyanobbing Shear Zone that runs along the western edge of the greenstone package.

ASQ was initially attracted to the area for the high purity quartz potential on E77/2684. This remains a focus for the company at the Lake Seabrook Quartz Project targeting a high-grade feedstock for a processing technology the Company is researching and developing.

ASQ considers the KMP underexplored and prospective for gold, high purity silica in hardrock quartz, nickel, lithium, and copper. Preliminary target generation has been completed, identifying numerous gold, nickel and copper targets for follow-up.

### Late Time Ground EM Conductors Identified

Ground based fixed loop electromagnetic (FLEM) surveys across a number of targets have been finalised and have identified three well defined, late time, fixed loop electromagnetic conductors.

Two conductors, VC4 and VC5, lie within an interpreted mafic/ultramafic volcanic sequence in the underexplored Koolyanobbing Greenstone Belt and are located parallel to and only slightly offset from a 1.5km section of surface gold anomalism within the Golden Wishbone gold trend with values to 0.4ppm Au. The third conductor, Island Gossan Conductor lies within a felsic volcanic unit, in a sequence of banded iron and metamorphosed mafic rocks. Island Gossan Conductor modelled geometry and orientation is consistent with mapped outcropping gossanous material suggesting near surface potential supported by surface historical rock chip values up to 1150ppm Cu and 0.04ppm Au.

Each of the three conductors demonstrate all the consulting geophysicist's target ranking criteria for high priority drill targets. ASQ considers the targets prospective for gold, nickel, and copper. ASQ aims to complete preliminary drill testing in the coming summer field season.

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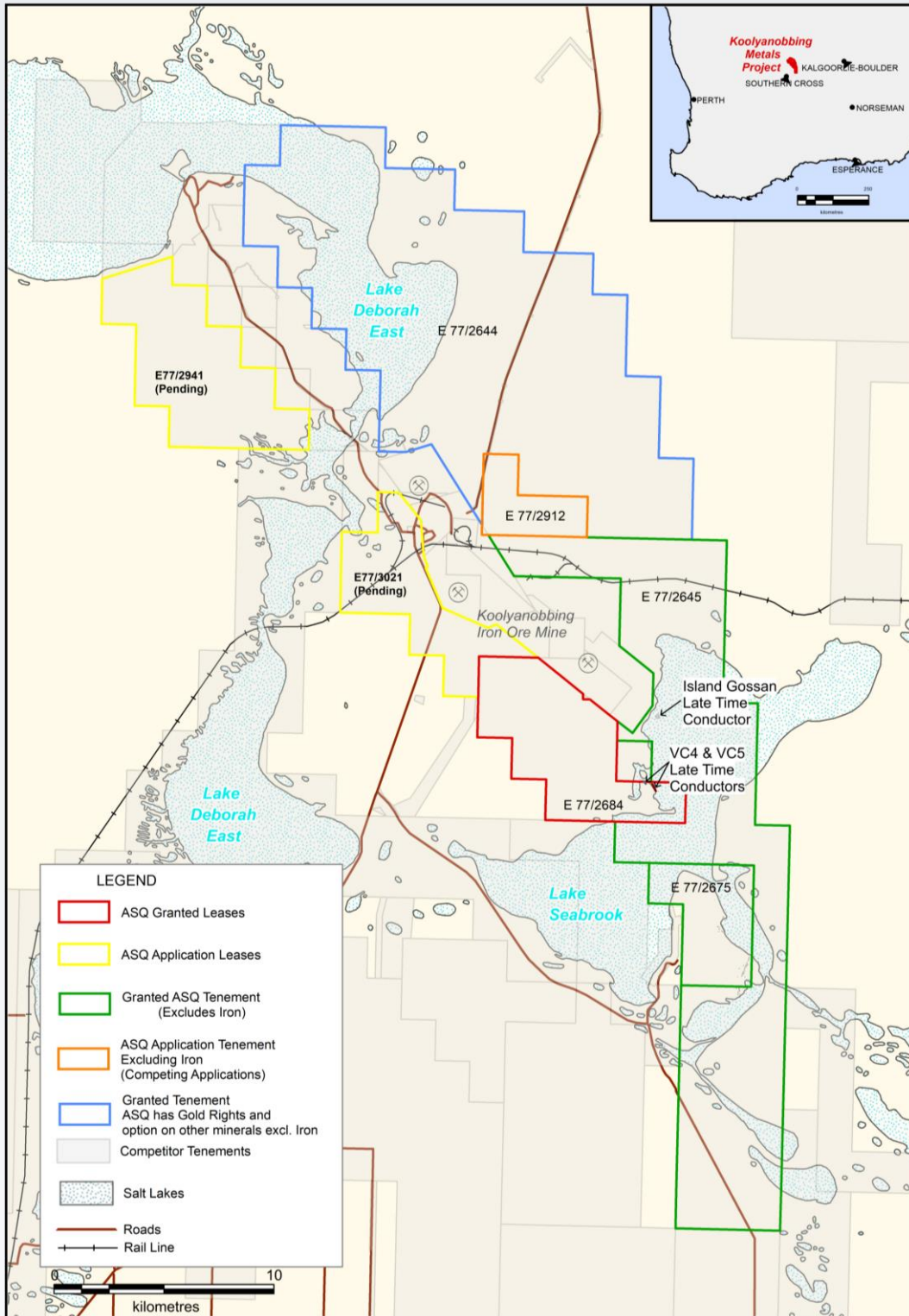


Figure 4: KMP Tenements with ASQ gold anomaly area and the Late Time FLEM Conductors



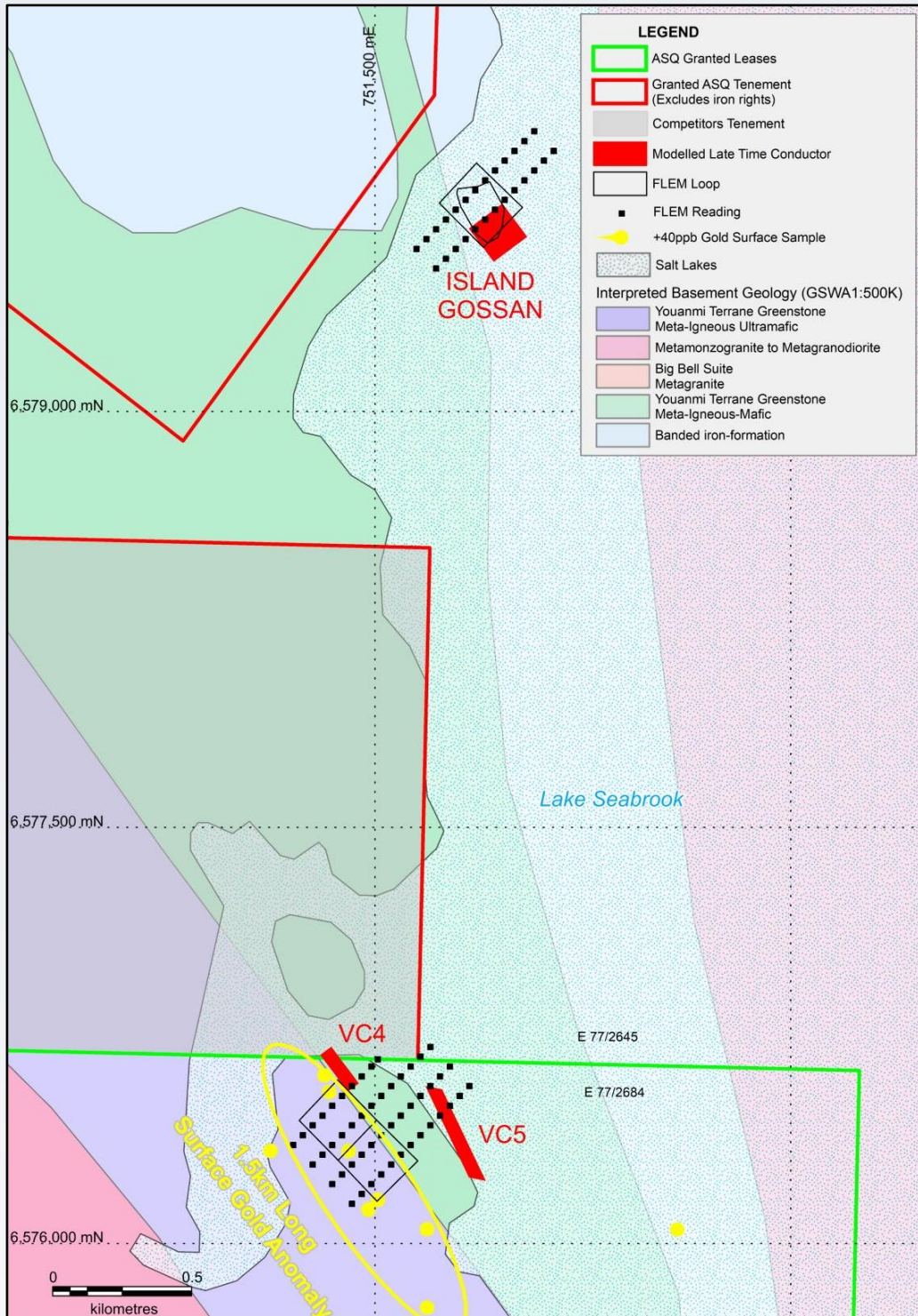


Figure 5: Identified Island Gossan, VC4 & VC5 FLEM late-time conductors

**Gold in Soil Anomalies**

Soil sampling was completed late in 2022 across the Golden Wishbone Gold Trend, 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.

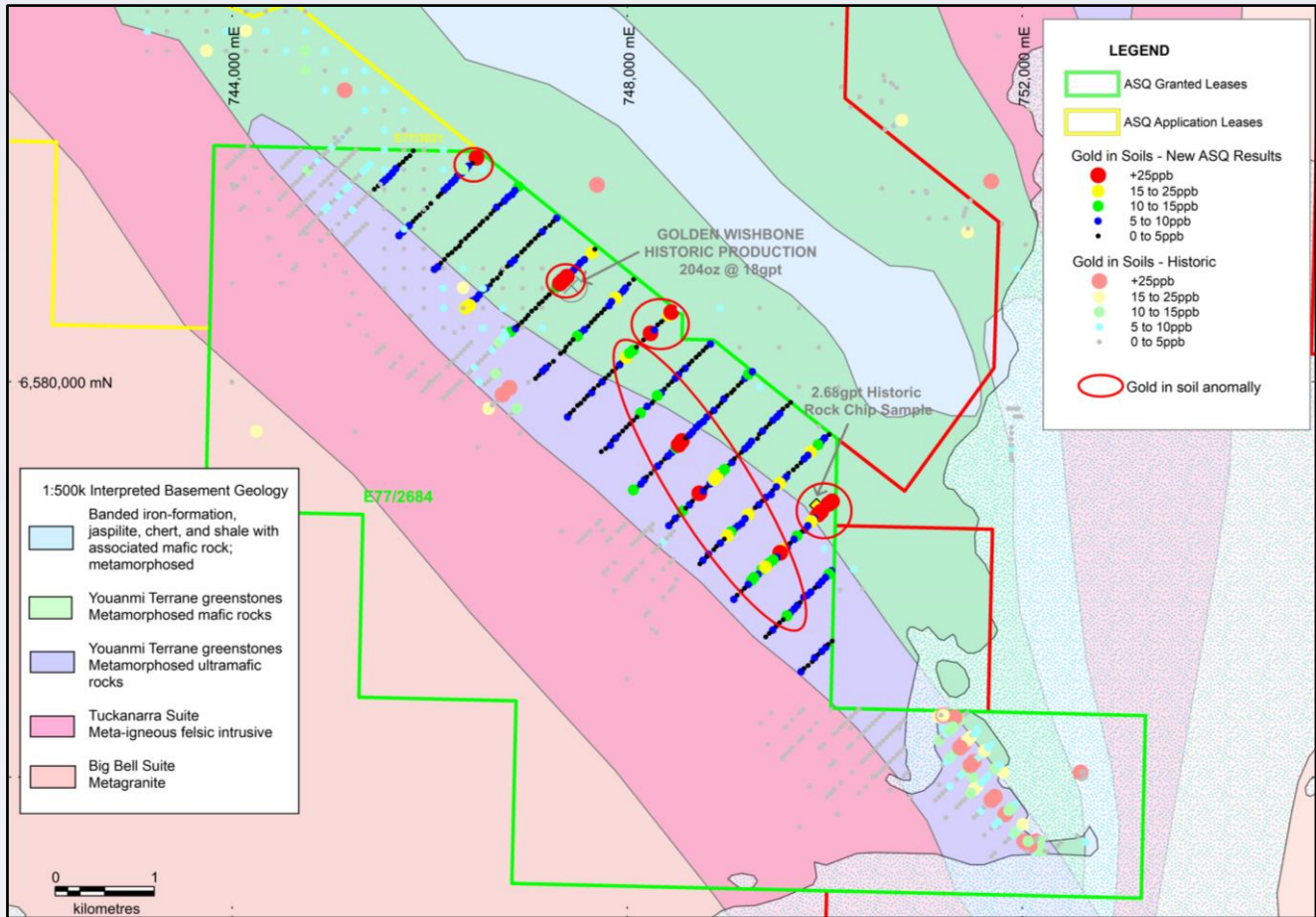


Figure 6: Golden Wishbone Soil Sampling Results

Results from these samples are highly encouraging. ASQ considers background gold in soils to be 1-4ppb with anything over 10ppb Au anomalous. Of the 373 samples assayed, 53 returned results of 10ppb Au or greater and 16 samples had greater than 25ppb Au with a peak result of 88ppb Au (ASQ (2022)).

Infill soil sampling and more detailed regolith and landform mapping in the anomalous areas has been completed with results pending. It is likely that drilling will follow in the coming summer field season.



KMP soil sampling, Koolyanobbing

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### ASQG 50/50 Joint Venture – The Sovereign Ni-Cu-PGE Project

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 has been earning-in to the non-bauxite rights of the tenement by an initial spend of \$3m to earn a 50%. Pursuant to the Earn-In Agreement DevEx gave ASQ written notice during the July quarter of 2023 advising the Stage 1 Earn In Exploration Expenditure of not less than \$3m on E70/3405 had been incurred. ASQ has now elected to contribute to further exploration to maintain its 50% interest.

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) 30km long Julimar Complex discovery to the south and the Caspin Resources Ltd (ASX:CPN) Yarawindah Brook Ni-Cu-PGE project to the north.

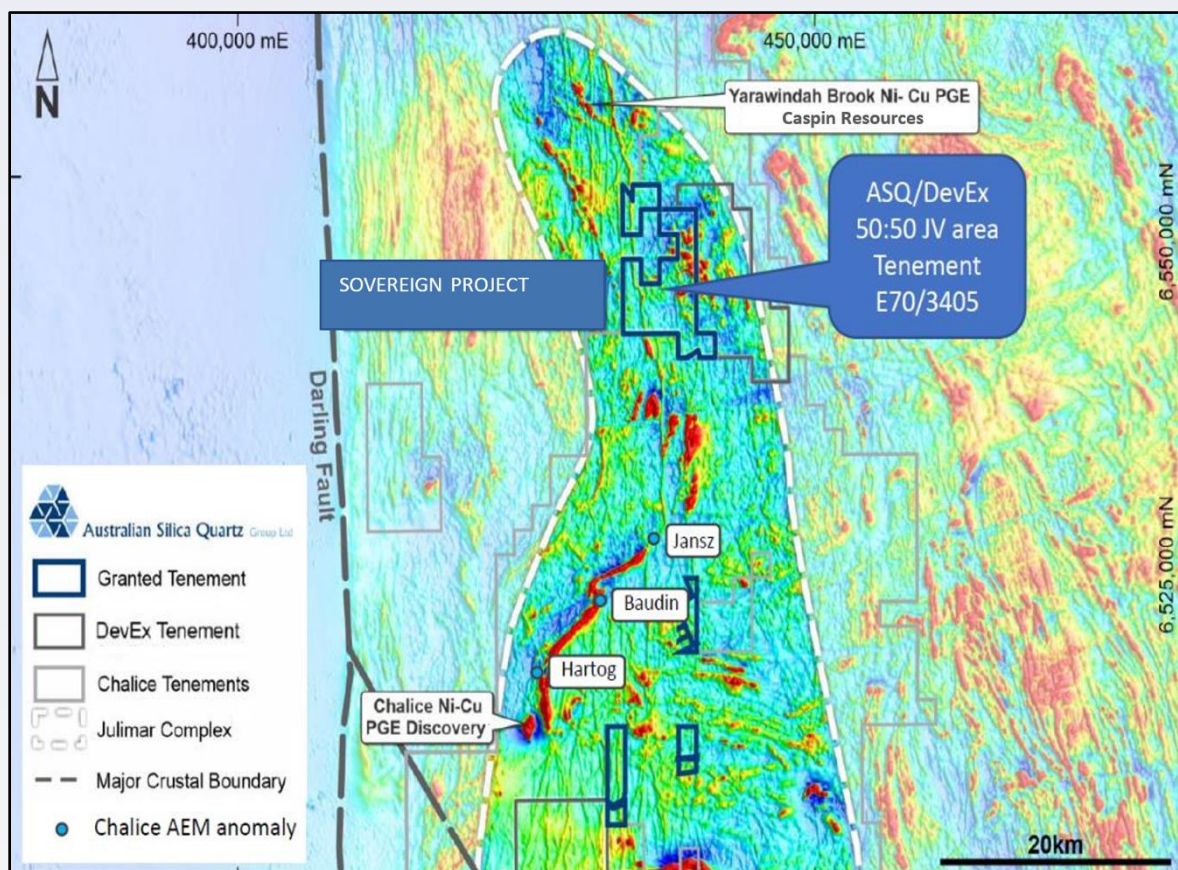


Figure 7: Julimar Complex Sovereign Project with existing Ni-Cu-PGE discoveries on Aeromagnetic RTP image

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 program, 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.

Field activities are on hold pending completion of the current growing season. Discussions between ASQ and DevEx are in progress to determine the exploration plan going forward.

### 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 8 & 9) following the identification of an anomalous historic drill hole with elevated Ni, Cu and Cr.

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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 9). 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.

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 9).

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.

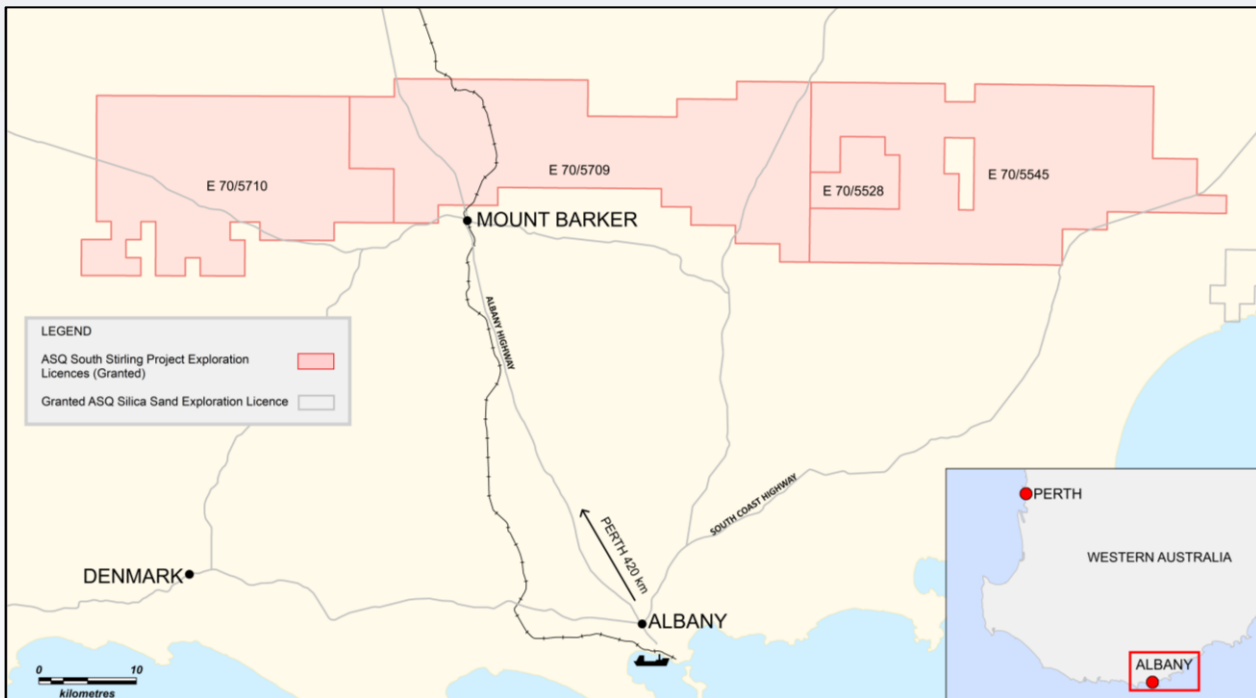


Figure 8: South Stirling Project Location Plan with ASQ silica sand tenements shown for context, (Competitor leases not shown)



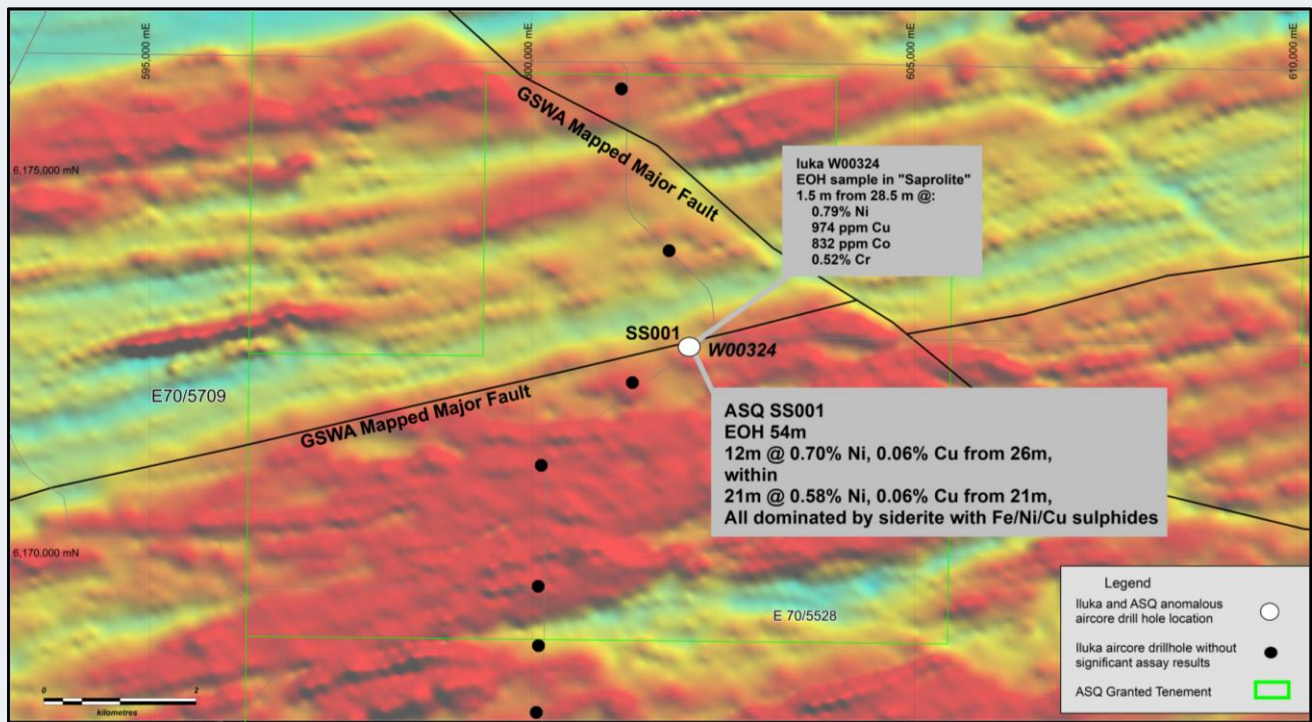


Figure 9: ASQ aircore drill hole SS001 location plan with Historic Iluka drill holes shown on the reduced to pole (RTP) aeromagnetic image (note the mapped Major Faults, locations of these are expected to be approximate)

## BAUXITE

### HD Mining Pty Ltd /ASQ Joint Venture

In 2010 the Company entered into a joint venture 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 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
- 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.

Bauxite exploration activity by the company and joint venture partner on bauxite projects was limited by fiscal restraints within the Shandong Bureau. Some tenements have been granted Retention Status allowing the company to focus the limited joint venture funds on the assessment for development of the Athena, Ceres and Dionysus bauxite resources, which are key projects that form part of the joint venture.

ASQ and its joint venture partner's total bauxite resources stand at 71.3Mt as at 30 June 2023 (refer to Mineral Resources Table 1 for resources details). ASQ considers the current resources have potential for growth and provide opportunities for future domestic and export exploitation.

Key resources, located in the eastern and northern Darling Range, display low reactive silica and high available alumina to reactive silica ratios, making them attractive for refining. The majority of alumina present is the trihydrate mineral gibbsite, which enables cost effective, low temperature extraction.

ASQ bauxite resources are predominantly located on large private land holdings (typically cleared farmland), in proximity to road and rail infrastructure. Bauxite is shallow, typically with less than 2m of loose overburden, requiring limited pre-stripping, attributes that indicate potential to support long life, low cost bauxite operations.

### 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).

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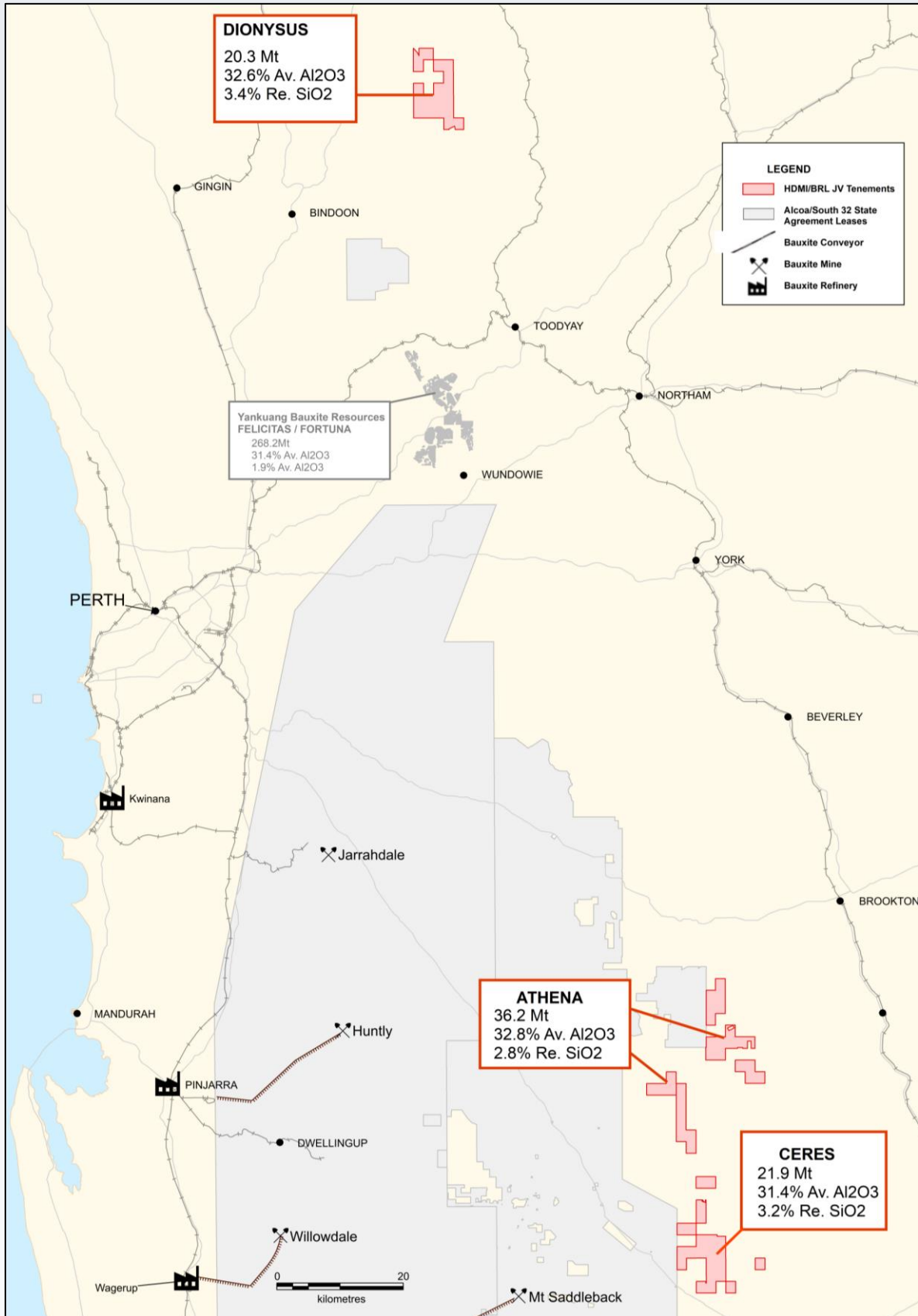


Figure 10: ASQG Darling Range tenement holding and bauxite resource locations



# Mineral Resources and Ore Reserves

The Company has completed an update to its Mineral Resources and Ore Reserves Statement for the twelve months ending June 30, 2023. The Company's total Bauxite Mineral Resources are estimated at 71.3Mt at an average available alumina grade of 32.5% and the Silica Sand Resources total 10.7Mt at an average SiO<sub>2</sub> + LOI grade of 99.92%. The Mineral Resource Statement as at 30 June, 2023 is provided in table 2.

## JORC Code 2012 and ASX Listing Rules Requirements

This annual statement has been prepared in accordance with the 2012 Edition of the 'Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (JORC Code 2012).

There have been no material changes to material projects for the purposes of ASX Listing Rules 5.8 and 5.9 and as such Material Information Summaries or JORC Code 2012 Assessment and Reporting Criteria are not provided with this statement.

The Company advises that this material contains summaries of Exploration Results and Mineral Resources as defined in the JORC Code 2012. JORC compliant Public Reports released to the ASX declaring the exploration results or JORC resources referred to can be viewed on both the ASX and the Company websites, free of charge.

## Governance

The annual audit of resources and reserves is carried out internally by the Company. The Company ensures that the Mineral Resources and Ore Reserves reviews are subject to appropriate internal controls, and in line with the Company's Mineral Resources and Ore Reserves Policy. The estimation procedures are well established and prepared by competent and qualified professionals. All resources are based on well-founded assumptions, and compliant with Joint Ore Reserves Committee (JORC) guidelines.

## 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 styles of mineralisation and types of deposit under consideration and to the activities 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.

## Forward Looking Statements

This report may include forward looking statements. Often, but not always, forward looking statements can generally be identified by the use of forward looking words such as "may", "will", "expect", "intend", "plan", "estimate", "anticipate", "continue", or other similar words and may include, without limitation, statements regarding plans, strategies, and objectives of management. Forward looking statements inherently involve known and unknown risks, uncertainties and other factors that may cause the company's actual results, performance and achievements to differ materially from anticipated results, performance or achievements. Forward looking statements are based on the Company and its management's good faith assumptions relating to the financial, market, regulatory and other relevant environments that will exist and affect the company's business and operations in the future. The Company does not give any assurance that the assumptions on which forward looking statements are based will prove to be correct, or that the Company's business or operations will not be affected in any material manner by these or other factors not foreseen or foreseeable by the Company or management or beyond the Company's control. Accordingly, readers are cautioned not to place undue reliance on forward looking statements.

Table 2: Mineral Resource Statement as at 30 June 2023

BAUXITE		Resources as at June 30 2022					Resources as at June 30 2023				
Deposit	Resource Category	Size	Al <sub>2</sub> O <sub>3</sub> (total)	Al <sub>2</sub> O <sub>3</sub> (available)	SiO <sub>2</sub> (total)	SiO <sub>2</sub> (reactive)	Size	Al <sub>2</sub> O <sub>3</sub> (total)	Al <sub>2</sub> O <sub>3</sub> (available)	SiO <sub>2</sub> (total)	SiO <sub>2</sub> (reactive)
		Mt	%	%	%	%	Mt	%	%	%	%
Athena	Inferred	36.2	41.8	32.8	18.1	2.8	36.2	41.8	32.8	18.1	2.8
Dionysus	Inferred	20.3	42.1	32.6	12.0	3.4	20.3	42.1	32.6	12.0	3.4
Ceres	Inferred	14.8	41.5	31.7	19.5	3.0	14.8	41.5	31.7	19.5	3.0
<b>HDM sub-total</b>		<b>71.3</b>	<b>41.8</b>	<b>32.5</b>	<b>16.7</b>	<b>3.0</b>	<b>71.3</b>	<b>41.8</b>	<b>32.5</b>	<b>16.7</b>	<b>3.0</b>
<b>Total</b>	Measured										
	Indicated Inferred	<b>71.3</b>	<b>41.8</b>	<b>32.5</b>	<b>16.7</b>	<b>3.0</b>	<b>71.3</b>	<b>41.8</b>	<b>32.5</b>	<b>16.7</b>	<b>3.0</b>
<b>Total Bauxite Resources</b>		<b>71.3</b>	<b>41.8</b>	<b>32.5</b>	<b>16.7</b>	<b>3.0</b>	<b>71.3</b>	<b>41.8</b>	<b>32.5</b>	<b>16.7</b>	<b>3.0</b>

SILICA SANDS		Resources as at June 30 2022								
Deposit	Resource Category	Size	SiO <sub>2</sub> <sup>(+LOI)</sup>	Al <sub>2</sub> O <sub>3</sub>	Fe <sub>2</sub> O <sub>3</sub>	CaO	MgO	K <sub>2</sub> O	TiO <sub>2</sub>	LOI
		Mt	%	%	%	%	%	%	%	%
Albany White Hill	Inferred	10.7	99.92	0.01	0.02	0.003	0.002	0.003	0.05	0.07
<b>Total Silica Sand Resources</b>		<b>10.7</b>	<b>99.92</b>	<b>0.01</b>	<b>0.02</b>	<b>0.003</b>	<b>0.002</b>	<b>0.003</b>	<b>0.05</b>	<b>0.07</b>

SILICA SANDS		Resources as at June 30 2023								
Deposit	Resource Category	Size	SiO <sub>2</sub> <sup>(+LOI)</sup>	Al <sub>2</sub> O <sub>3</sub>	Fe <sub>2</sub> O <sub>3</sub>	CaO	MgO	K <sub>2</sub> O	TiO <sub>2</sub>	LOI
		Mt	%	%	%	%	%	%	%	%
Albany White Hill	Inferred	10.7	99.92	0.01	0.02	0.003	0.002	0.003	0.05	0.07
<b>Total Silica Sand Resources</b>		<b>10.7</b>	<b>99.92</b>	<b>0.01</b>	<b>0.02</b>	<b>0.003</b>	<b>0.002</b>	<b>0.003</b>	<b>0.05</b>	<b>0.07</b>

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# Annual Financial Report

For the year ended 30 June 2023

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# Directors' Report

Your directors submit their report on the consolidated entity (referred to hereafter as the Group) consisting of Australian Silica Quartz Group Ltd and the entities it controlled at the end of, or during, the year ended 30 June 2023.

## DIRECTORS

The names and details of the Company's directors in office during the financial year and until the date of this report are as follows. Where applicable, all current and former directorships held in listed public companies over the last three years have been detailed below. Directors were in office for this entire period unless otherwise stated.

## NAMES, QUALIFICATIONS, EXPERIENCE AND SPECIAL RESPONSIBILITIES

### **Robert Nash, B Juris LLB, Public Notary (Non-Executive Chairman)**

Mr Nash is a lawyer by profession and currently practises as a barrister. He is presently retired from the position of Head of WA Navy Reserve Legal Panel. He has served as a council member of the Law Society of Western Australia for 11 years, a Convenor of the Law Society Education Committee and as a member of the Ethics and Professional Conduct Committees.

Mr Nash joined the board before the Company listed in 2008. He was appointed Chairman in August 2013.

Mr Nash has not held any other listed company directorships in the last 3 years.

### **Luke Atkins, LLB (Non-Executive Director)**

Mr Atkins previously practised as a lawyer and was the principal of Atkins and Co Lawyers, a Perth based legal firm which he owned and managed for seven years. Mr Atkins brings to the Company extensive experience in capital raising and public listed companies.

Mr Atkins is currently Chairman of ASX listed Altech Batteries Limited (8 May 2007 to current) and has interests in a number of enterprises including agriculture and property development.

### **Neil Lithgow, MSc, MAusIMM (Non-Executive Director)**

Mr Lithgow is a geologist by profession with over 26 years experience in mineral exploration, economics and mining feasibility studies covering base metals, coal, iron ore and gold.

Mr Lithgow was formerly a non-executive director of Aspire Mining Limited (12 February 2010 to 29 November 2022) and he is a member of the Australian Institute of Mining and Metallurgy.

Mr Lithgow has not held any other listed company directorships in the last 3 years.

### **Pengfei Zhao, B.Sc, GC Min.Econ. (Non-Executive Director) Appointed 9 October 2020**

Mr Pengfei Zhao B.Sc. Grad Cert Mineral Economic, is a director of HD Mining and Investments Pty Ltd, a wholly owned subsidiary of Shandong Bureau No 1 Institute for Prospecting of Geology & Minerals. He has been in charge of financial planning and control, mineral titles and project evaluation for the last 10 years. He is also a manager and director of several proprietary companies with involvement in the areas of mineral exploration, agriculture, entertainment, international trading and investment.

Mr Zhao has not held any other listed company directorships in the last 3 years.

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# Directors' Report cont.

## CHIEF EXECUTIVE OFFICER & COMPANY SECRETARY

Sam Middlemas, B.Com., PGrad DipBus., CA (Chief Executive Officer and Company Secretary)

Sam Middlemas is a Chartered Accountant with over 25 years of commercial experience in the mining and resources sector. Sam was formerly a Non-Executive Director of the ASX Listed Elemental Minerals Limited, including Non-Executive Chairman for 3 years, and formally a Non-Executive Director of the ASX listed Rubicon Resources Limited. He has previously worked or consulted for a number of ASX, TSX and AIM listed Companies, acting in roles including Chief Executive Officer, Non-Executive Director, Chief Financial Officer and Company Secretary to a number of listed public companies over the last 20 years.

He was appointed Company Secretary for Australian Silica Quartz Group Ltd on 6 July 2012, and Chief Executive Officer on 21 October 2015. He also acts as Company Secretary for the ASX listed Ardea Resources Limited.

## Interests in the shares, options and performance rights of the Company and related bodies corporate

As at the date of this report, the interests of the directors and their related bodies corporate in the shares, options and performance rights of Australian Silica Quartz Group Ltd were:

	Performance Rights	Ordinary Shares
Robert Nash	1,000,000	1,245,714
Luke Atkins	2,666,667	26,924,063
Neil Lithgow	1,000,000	22,385,148
Pengfei Zhao	1,000,000	1,000,000

## OPERATING AND FINANCIAL REVIEW

### OPERATING REVIEW

The Company's main activities during the year continued to be focussed on the Silica projects with the Silica Sands around Gingin, Albany and Esperance, and hardrock quartz projects in Queensland and WA. Preliminary exploration work continues on all tenements, and a binding term sheet has been executed with an existing sand producer, Urban Resources Pty Ltd to jointly exploit Urban's silica sand deposit located in Bullsbrook, Western Australia, and an MOU with Private Equity Partners Pty Ltd to explore and develop the Quartz Hill MGSi Project in Queensland.

Work also commenced on the Koolyanobbing Metals Project with a number of targets identified for drilling following positive results from soil samples and Elettromagnetic survey work.

Bauxite exploration continued through the Bauxite managed HD Mining Joint Venture ("HDMI") where Bauxite resources at 30 June 2023 stood at 71.3 million tonnes (see table 1 for resource details).

The Company is also involved in a Joint Venture with ASX Listed Devex Resources Limited on E70/3405 located along strike from the Chalice Gold Mines Ltd (ASX: CHN) globally significant nickel-copper-platinum group elements (Ni-Cu-PGE) Julimar discovery in WA. Devex has now spent the initial \$3m to earn a 50% interest in the tenement (refer further details in Note 17), and the Company has elected to contribute future funds to a 50/50 JV.

There were no significant changes in the nature of the Group's activities during the year.

### FINANCIAL REVIEW

The Group has recorded a loss for the period after income tax for the year ended 30 June 2023 of \$2,247,868 (2022: \$1,778,368 loss).

Included in the operating loss was expenditure on exploration totalling \$1,566,298 compared to \$767,732 in the year ended 30 June 2022. The group does not capitalise exploration expenditure, but writes off the full amount of expenditure incurred each year. Employment Benefits expense was \$228,701 (2022: \$206,310).

The Group earned \$121,186 in interest revenue in the year compared to \$20,604 in 2022, that is largely reflective of the increase in interest rates over the course of the past two financial years. The average rate earned on investments during the year was 3.18%, compared to an average rate of 0.40% in 2022. The Group's cash balances decreased by \$1,800,272 over the course of the year.

The Group ended the financial year with cash reserves of \$2,962,109 (2022: \$4,762,381).

The Cash Flow Statement on page 33 of this Annual Financial Report sets out details of the use of these cash funds and the Group's operating cash flows.

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# Directors' Report cont.

## DIVIDENDS

No dividends were paid or declared during the financial year. No recommendation for payment of dividends has been made.

## SHAREHOLDER RETURNS

	2023	2022
Basic earnings per share (cents)	(0.80)	(0.65)
Diluted earnings per share (cents)	(0.80)	(0.65)

## LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The Company's main focus continues with its work on the Silica projects. It also continues to explore for other commodities through its Koolyanobbing Metals project and within its existing tenements and through the HD Mining Joint Venture, and other Joint Ventures.

## SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Group during the financial year.

## RISK MANAGEMENT

The Board is responsible for ensuring that risks, and also opportunities, are identified on a timely basis and that activities are aligned with the risks and opportunities identified by the Board.

The Company believes that it is crucial for all Board members to be a part of this process, and as such the Board has not established a separate risk management committee.

The Board has a number of mechanisms in place to ensure that management's objectives and activities are aligned with the risks identified by the Board. These include the following:

- Board approval of a strategic plan, which encompasses strategy statements designed to meet stakeholders' needs and manage business risk.
- Implementation of Board approved operating plans and budgets and Board monitoring of progress against these budgets.

## SIGNIFICANT EVENTS AFTER THE BALANCE DATE

No matters or circumstance have arisen since 30 June 2023 which significantly affected or could significantly affect the operations of the consolidated group in future financial years except for the following.

- As announced on 12 July 2023, Australian Silica Quartz Group Ltd ('ASQ') advised receipt of the \$1 million fee from Private Energy Partners Pty Ltd ('PEP') under the Project Development Heads of Agreement on ASQ's 100% owned Quartz Hill MGSi Quartz Project in North Queensland

## ENVIRONMENTAL REGULATION AND PERFORMANCE

The Group is subject to environmental regulation in respect to its exploration activities. The Group aims to ensure the appropriate standard of environmental care is achieved, and in doing so, that it is aware of and is in compliance with all environmental legislation. The directors of the Group are not aware of any breach of environmental legislation for the year under review.

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# Directors' Report cont.

## REMUNERATION REPORT

The remuneration report is set out under the following main headings:

- A Principles used to determine the nature and amount of remuneration
- B Service agreements
- C Details of remuneration
- D Share-based compensation
- E Equity instrument disclosures relating to key management personnel
- F Performance Right holdings
- G Loans to key management personnel
- H Other transactions with key management personnel
- I Additional information

The information provided in this remuneration report has been audited as required by section 308(3C) of the Corporations Act 2001.

### A Principles used to determine the nature and amount of remuneration

#### *Remuneration Policy*

The remuneration policy of the Company has been designed to align director and executive objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives based on key performance areas affecting the Company's financial results. The Board believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best executives and directors to run and manage the Company.

The Board's policy for determining the nature and amount of remuneration for Board members and senior executives of the Company is as follows:

The remuneration policy, setting the terms and conditions for the executive directors and other senior executives, was developed by the Board. All executives receive a base salary, which is based on factors such as responsibilities and experience. The executives of the Company outside the directors are also eligible to participate in the Company's Performance Rights Plan as approved by Shareholders in November 2020. The Board reviews executive packages annually by reference to the Company's performance, executive performance and comparable information from industry sectors and other listed companies in similar industries.

The Board may exercise discretion in relation to approving incentives, bonuses and options. The policy is designed to attract and retain the highest calibre of executives and reward them for performance that results in long-term growth in shareholder wealth.

The Australian based executive directors and executives receive a superannuation guarantee contribution required by the government, which was 10.5% in 2022/2023, and do not receive any other retirement benefits. Board members were awarded Performance Rights that were approved by shareholders at the previous AGMs.

All remuneration paid to directors and executives is valued at the cost to the Company and expensed. Options or rights are valued using the Black Scholes or binomial option pricing methodology.

The Board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The Board determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting (currently \$600,000). Fees for non-executive directors were \$24,000 per annum with additional fees payable for membership of other board related committees. The fees are not linked to the performance of the Group, however, to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the Company. Directors were also issued Performance Rights following approval at the 2020 Annual General Meeting.

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# Directors' Report cont.

## **Company performance, shareholder wealth and directors' and executives' remuneration**

Historically, a number of performance rights have been granted to key management personnel and are linked to the company performance through market based performance conditions. There were no rights issued to employees and consultants during the financial year. Details on the proportion of remuneration is detailed in Part F of the remuneration report.

The following table shows the gross revenue, losses and earnings per share for the current and prior year.

	2023	2022
	\$	\$
Revenue	501,858	479,680
Net (loss)	(2,247,868)	(1,778,368)
Earnings per share (cents)	(0.80)	(0.65)

## **B Service agreements**

The details of service agreements of the key management personnel of Australian Silica Quartz Group Ltd and the Group are as follows:

Contracted key management personnel are engaged on standard commercial terms.

Luke Atkins – Consultancy agreement.

- Term of agreement – Commenced 1 July 2016, subject to a 3 months' written notice period.
- Monthly retainer fee of \$29,000 for providing business and projects counsel and advice to the Company as and when requested.

Sam Middlemas – Chief Executive Officer – Consultancy agreement.

- Term of agreement – Commenced 19 October 2015, subject to a 3 months' written notice period.
- Monthly minimum retainer fee of \$18,480 for providing Chief Executive Officer Services
- Company has provided an interest free loan of \$200,000 to reimburse the purchase of shares in Australian Silica Quartz Group Ltd to be repaid earlier of 10 October 2024, or sale of shares, or within 3 months of Consultancy agreement being terminated.

Contracted key management personnel are engaged on standard commercial terms.

## **C Details of remuneration**

Details of the remuneration of the directors, the key management personnel of the Group (as defined in AASB 124 Related Party Disclosures) and specified executives of Australian Silica Quartz Group Ltd are set out in the following table.

The key management personnel of Australian Silica Quartz Group Ltd and the Group include the directors and company secretary as per page 17 & 18 above.

The Chief Executive Officer has full authority and responsibility for planning, directing and controlling the activities of the Group. The Exploration Manager has authority and responsibility for planning, directing and controlling the exploration activities of the Group. The Chief Financial Officer has responsibility for planning directing and controlling the financial affairs of the Group, as directed by the Board. Given the size and nature of operations of Australian Silica Quartz Group Ltd and the Group, there are no other employees who are required to have their remuneration disclosed in accordance with the Corporations Act 2001.

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# Directors' Report cont.

Key management personnel and other executives of Australian Silica Quartz Group Ltd and the Group

	Short-Term		Consultancy Fees	Post-employment benefits	Share-based Payments		Total	Percentage of remuneration consisting of performance rights
	Salary & Fees	Subsidiary Board and committee fees			Performance Rights			
	\$	\$	\$	\$	\$	\$	%	
<b>2023</b>								
<b>Non-Executive Directors</b>								
Robert Nash	60,000	23,000	-	8,715	35,604	127,319	28%	
Luke Atkins <sup>1</sup>	24,000	23,000	322,000	4,935	94,945	468,880	20%	
Neil Lithgow	24,000	23,000	-	4,935	35,604	87,539	41%	
Pengfei Zhao	24,000	-	-	2,520	35,604	62,124	57%	
<b>Key Management Personnel</b>								
Sam Middlemas <sup>2</sup>	-	-	205,120	-	47,470	252,590	19%	
Nick Algie	286,000	-	-	30,030	47,470	363,500	13%	
Patrick Soh <sup>3</sup>	-	-	63,735	-	11,867	75,602	16%	
<b>Total Remuneration</b>	<b>418,000</b>	<b>69,000</b>	<b>590,855</b>	<b>51,135</b>	<b>308,564</b>	<b>1,437,554</b>	<b>-</b>	
<b>2022</b>								
<b>Non-Executive Directors</b>								
Robert Nash	55,000	22,000	-	7,700	79,789	164,489	49%	
Luke Atkins <sup>1</sup>	22,000	22,000	237,500	4,400	212,771	498,671	43%	
Neil Lithgow	22,000	22,000	-	4,400	79,789	128,189	62%	
Pengfei Zhao	22,000	-	-	2,200	79,789	103,989	77%	
<b>Key Management Personnel</b>								
Sam Middlemas <sup>2</sup>	-	-	189,760	-	106,385	296,145	36%	
Nick Algie	265,650	-	-	26,565	106,385	398,600	27%	
Patrick Soh <sup>3</sup>	-	-	54,142	-	26,597	80,739	33%	
<b>Total Remuneration</b>	<b>386,650</b>	<b>66,000</b>	<b>481,402</b>	<b>45,265</b>	<b>691,505</b>	<b>1,670,822</b>	<b>-</b>	

Notes:

- (1) Mr Atkins receives consulting fees through his related entity Executive Resource Personnel Pty Ltd.
- (2) Mr Middlemas receives consulting fees through his related entity Sparkling Resources Pty Ltd.
- (3) Mr Soh receives consulting fees through his related entity Soh & Associates Pty Ltd.

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# Directors' Report cont.

## D Share-based compensation

Options or performance rights may be issued to directors and executives as part of their remuneration. The options are not issued based on performance criteria, but are issued to certain directors (determined by the Board) and executives of Australian Silica Quartz Group Ltd to increase goal congruence between executives, directors and shareholders. Performance rights are issued with specific performance criteria required to be achieved. The Company does not have a formal policy in relation to the key management personnel limiting their exposure to risk in relation to the securities, but the Board actively discourages key personnel management from obtaining mortgages in securities held in the Company.

The following performance rights were granted to or vested with key management personnel during the past 3 years (Please see section F regarding vesting or expiry of rights):

	Grant Date	Granted Number	Vested Number as at 30 June 2023	Date vesting or vested and exercisable	Expiry Date	Exercise Price (cents)	Value per performance rights	Exercised Number
<b>2021</b>								
Performance Rights								
Tranche 1 <sup>1</sup>	30 Nov 2020	8,666,665	8,666,665	30 Nov 2021	30 Nov 2021	Nil	6.04c	8,666,665
Tranche 2 <sup>2</sup>	30 Nov 2020	8,666,666	Nil	30 Nov 2022	30 Nov 2022	Nil	6.50c	Nil
Tranche 3 <sup>3</sup>	30 Nov 2020	8,666,669	Nil	30 Nov 2023	30 Nov 2023	Nil	6.60c	Nil

### Notes:

- (1) Tranche 1 Performance Rights: upon the Company's Shares reaching a 30 day VWAP which is greater than \$0.1515 per Share anytime during the period from 1 December 2020 to 30 November 2021; and continuous service of the Performance Rights holder in their capacity as a Director or Executive of the Company, or in a role as otherwise agreed by the Board of the Company, from the date of issue of the Performance Rights to 30 November 2021.
- (2) Tranche 2 Performance Rights: upon the Company's Shares reaching a 30 day VWAP which is greater than \$0.17675 per Share anytime during the period from 1 December 2021 to 30 November 2022; and continuous service of the Performance Rights holder in their capacity as a Director or Executive of the Company, or in a role as otherwise agreed by the Board of the Company, from the date of issue of the Performance Rights to 30 November 2022.
- (3) Tranche 3 Performance Rights: upon the Company's Shares reaching a 30 day VWAP which is greater than \$0.202 per Share anytime during the period from 1 December 2022 to 30 November 2023; and continuous service of the Performance Rights holder in their capacity as a Director or Executive of the Company, or in a role as otherwise agreed by the Board of the Company, from the date of issue of the Performance Rights to 30 November 2023.

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# Directors' Report cont.

## E Equity instrument disclosures relating to key management personnel

### (i) Option holdings

There were no options over ordinary shares in the Company held during the financial year by each director of Australian Silica Quartz Group Ltd and other key management personnel of the Group (2022: Nil), including their personally related parties.

No Directors or key management personnel hold options in the Company.

### (ii) Shareholdings

The numbers of shares in the Company held during the financial year by each director of Australian Silica Quartz Group Ltd and other key management personnel of the Group, including their personally related parties, are set out below. There were no shares granted during the reporting period as compensation.

Ordinary shares	Balance at start of the year	Performance Share Vested	Share Purchase Plan	Other changes during the year	Balance at end of the year
<b>2023</b>					
<b>Directors of Australian Silica Quartz Group Ltd</b>					
Robert Nash	1,215,714	-	-	-	1,215,714
Luke Atkins	26,321,604	-	-	500,000	26,821,604
Neil Lithgow	22,385,148	-	-	-	22,385,148
Pengfei Zhao	1,000,000	-	-	-	1,000,000
<b>Other key management personnel of the Company</b>					
Sam Middlemas	11,277,999	-	-	758,573	12,036,572
Nick Algie	2,011,424	-	-	-	2,011,424
Patrick Soh	333,333	-	-	-	333,333
<b>2022</b>					
<b>Directors of Australian Silica Quartz Group Ltd</b>					
Robert Nash	615,714	1,000,000	-	(400,000)	1,215,714
Luke Atkins	23,246,716	2,666,666	-	408,222	26,321,604
Neil Lithgow	21,223,808	1,000,000	-	161,340	22,385,148
Pengfei Zhao	-	1,000,000	-	-	1,000,000
<b>Other key management personnel of the Company</b>					
Sam Middlemas	9,787,346	1,333,333	-	157,320	11,277,999
Nick Algie	638,091	1,333,333	-	40,000	2,011,424
Patrick Soh	-	333,333	-	-	333,333

No other Directors or key management personnel have shareholdings in the Company.

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# Directors' Report cont.

## F Performance Right holdings

The number of performance rights in the Company held during the financial year by each director of Australian Silica Quartz Group Ltd and other key management personnel of the Group, including their personally related parties, are set out below:

	Balance at start of the year	Granted as compensation	Lapsed during the year	Vested and exercised	Balance at end of the year	Unvested
<b>2023</b>						
<b>Directors of Australian Silica Quartz Group Ltd</b>						
Robert Nash	2,000,000	-	-	(1,000,000)	1,000,000	1,000,000
Luke Atkins	5,333,334	-	-	(2,666,667)	2,666,667	2,666,667
Neil Lithgow	2,000,000	-	-	(1,000,000)	1,000,000	1,000,000
Pengfei Zhao	2,000,000	-	-	(1,000,000)	1,000,000	1,000,000
<b>Other key management personnel of the Company</b>						
Sam Middlemas	2,666,667	-	-	(1,333,333)	1,333,334	1,333,334
Nick Algie	2,666,667	-	-	(1,333,333)	1,333,334	1,333,334
Patrick Soh	666,667	-	-	(333,333)	333,334	333,334
<b>2022</b>						
<b>Directors of Australian Silica Quartz Group Ltd</b>						
Robert Nash	3,000,000	-	-	(1,000,000)	2,000,000	2,000,000
Luke Atkins	8,000,000	-	-	(2,666,666)	5,333,334	5,333,334
Neil Lithgow	3,000,000	-	-	(1,000,000)	2,000,000	2,000,000
Pengfei Zhao	3,000,000	-	-	(1,000,000)	2,000,000	2,000,000
<b>Other key management personnel of the Company</b>						
Sam Middlemas	4,000,000	-	-	(1,333,333)	2,666,667	2,666,667
Nick Algie	4,000,000	-	-	(1,333,333)	2,666,667	2,666,667
Patrick Soh	1,000,000	-	-	(333,333)	666,667	666,667

No other Directors or key management personnel have performance rights in the Company.

## G Loans to key management personnel

The Company previously provided an interest free loan of \$200,000 to the Chief Executive Officer, Sam Middlemas to reimburse the purchase of shares in Australian Silica Quartz Group Ltd to be repaid earlier of 10 October 2024, or sale of shares, or within 3 months of Consultancy agreement being terminated. The amount of interest that would have been charged on an arm's-length basis is approximately \$8,000 for the 30 June 2023 financial year.

## H Other transactions with key management personnel

Luke Atkins provided business and projects advice to Australian Silica Quartz Group Ltd during the year under an agreement and was paid a fee of \$322,000 (2022: \$237,500). This amount paid was on arm's-length commercial terms and is included as part of the compensation.

The office premises that the Company rents for its registered office and principal place of business is owned by Non-Executive Director, Luke Atkin's Mother. During the year the Company paid \$50,220 (2022: \$48,995) rent and outgoings on normal commercial terms and conditions.

# Directors' Report cont.

## I Additional information

### DIRECTORS' MEETINGS

During the year the Company held 6 meetings of directors. The attendance of directors at meetings of the Board were:

	Directors meetings		Committee meetings			
	Held	Attended	Audit		Remuneration	
			Held	Attended	Held	Attended
Robert Nash	6	6	2	2	1	1
Luke Atkins	6	6	2	2	1	1
Neil Lithgow	6	6	2	2	1	1
Pengfei Zhao	6	6	N/A	N/A	N/A	N/A

### SHARES UNDER OPTION

There were no options on issue at the end of the financial year and there were no new options issued, or cancelled during the year.

As at 30 June 2023 there were the 8,666,669 (2022 – 17,333,335) performance rights on issue. During the year 8,666,666 performance expired with the VWAP Share price performance hurdle not being achieved.

### INSURANCE OF DIRECTORS AND OFFICERS

During or since the financial year, the Company has paid premiums insuring all the directors of Australian Silica Quartz Group Ltd against costs incurred in defending proceedings for conduct other than:

- (a) a wilful breach of duty; or
- (b) a contravention of sections 182 or 183 of the Corporations Act 2001,

as permitted by section 199B of the Corporations Act 2001. Under the terms and conditions of the insurance contract, the premium paid cannot be disclosed.

### NON AUDIT SERVICES

No non audit services were provided by the entity's auditor, Moore Australia Audit (WA) or associated entities during the year ended 30 June 2023 or 30 June 2022.

### CORPORATE GOVERNANCE

In accordance with ASX Listing Rule 4.10.3 the Company has elected to publish its corporate governance statement on its website. The corporate governance statement can be found at <http://www.asqg.com.au>.

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# Directors' Report cont.

## AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 29.

Signed in accordance with a resolution of the directors.



Robert Nash

Chairman

Perth, 14<sup>th</sup> September 2023

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# Auditor's Independence Declaration



## Moore Australia Audit (WA)

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PO Box 5785, St Georges Terrace, WA 6831

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[www.moore-australia.com.au](http://www.moore-australia.com.au)

## AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF AUSTRALIAN SILICA QUARTZ GROUP LIMITED

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2023, there have been:

- a) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit, and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink, appearing to read 'Su-an-lee Tan'.

SUAN-LEE TAN  
PARTNER

A handwritten signature in black ink, appearing to read 'MOORE AUSTRALIA'.

MOORE AUSTRALIA AUDIT (WA)  
CHARTERED ACCOUNTANTS

Signed at Perth this 14<sup>th</sup> day of September 2023.

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Moore Australia Audit (WA) – ABN 16 874 357 907.

An independent member of Moore Global Network Limited - members in principal cities throughout the world.  
Liability limited by a scheme approved under Professional Standards Legislation.

# Statement of Profit or Loss and Other Comprehensive Income

Year Ended 30 June 2023

	Notes	Consolidated Group	
		2023 \$	2022 \$
Recoupment of exploration costs	4	176,252	185,120
Other income	4	204,420	273,956
Interest income	4	121,186	20,604
Employee benefits expense		(228,701)	(206,310)
Exploration expenses as incurred		(1,566,298)	(767,732)
Consultants fees		(383,267)	(317,693)
Administration expenses		(253,743)	(271,509)
Depreciation and amortisation expense		(9,153)	(3,299)
Share-based payments expense	13	(308,564)	(691,505)
<b>Profit / (loss) before income tax</b>		<b>(2,247,868)</b>	<b>(1,778,368)</b>
Income tax expense	6	-	-
<b>Profit / (loss) for the period</b>		<b>(2,247,868)</b>	<b>(1,778,368)</b>
<b>Other comprehensive income</b>			
Other comprehensive income for the period, net of tax		-	-
<b>Total comprehensive income/(loss) for the period</b>		<b>(2,247,868)</b>	<b>(1,778,368)</b>
Loss for the period is attributable to:			
Owners of Australian Silica Quartz Group Ltd		(2,247,868)	(1,778,368)
<b>Earnings per share</b>			
From continuing operations:			
Basic earnings per share (cents)	25	(0.80)	(0.65)
Diluted earnings per share (cents)	25	(0.80)	(0.65)

The above statements should be read in conjunction with the notes to the financial statements.

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# Statement of Financial Position

At 30 June 2023

	Notes	Consolidated Group	
		2023 \$	2022 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	7	2,962,109	4,762,381
Trade and other receivables	8	1,406,701	176,208
<b>TOTAL CURRENT ASSETS</b>		<b>4,368,810</b>	<b>4,938,589</b>
<b>NON CURRENT ASSETS</b>			
Other financial assets	9	204,000	204,000
Property, plant and equipment	10	2,318,165	2,273,189
<b>TOTAL NON CURRENT ASSETS</b>		<b>2,522,165</b>	<b>2,477,189</b>
<b>TOTAL ASSETS</b>		<b>6,890,975</b>	<b>7,415,778</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	11(a)	220,872	90,598
Unearned revenue	11(b)	1,000,000	-
Provisions	11(c)	58,513	51,917
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,279,385</b>	<b>142,515</b>
<b>TOTAL LIABILITIES</b>		<b>1,279,385</b>	<b>142,515</b>
<b>NET ASSETS</b>		<b>5,611,590</b>	<b>7,273,263</b>
<b>EQUITY</b>			
Contributed equity	12	60,289,696	60,012,065
Reserves	13(a)	2,081,501	1,772,937
(Accumulated losses)	13(b)	(56,759,607)	(54,511,739)
<b>TOTAL EQUITY</b>		<b>5,611,590</b>	<b>7,273,263</b>

The above statements should be read in conjunction with the notes to the financial statements.

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# Statement of Changes in Equity

Year Ended 30 June 2023

Consolidated Group	Notes	Issued Ordinary Capital	Reserves	Accumulated Losses	Total
		\$	\$	\$	\$
<b>Balance at 1 July 2021</b>		59,496,106	1,604,882	(52,733,371)	8,367,617
Loss for the period		-	-	(1,778,368)	(1,778,368)
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		-	-	(1,778,368)	(1,778,368)
Shares issued during the year		523,450	(523,450)	-	-
Share issue costs		(7,491)	-	-	(7,491)
Performance rights value for the period		-	691,505	-	691,505
<b>Balance at 30 June 2022</b>		60,012,065	1,772,937	(54,511,739)	7,273,263
Loss for the period		-	-	(2,247,868)	(2,247,868)
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		-	-	(2,247,868)	(2,247,868)
Shares issued during the year		280,000	-	-	280,000
Share issue costs		(2,369)	-	-	(2,369)
Performance rights value for the period		-	308,564	-	308,564
<b>Balance at 30 June 2023</b>		60,289,696	2,081,501	(56,759,607)	5,611,590

The above statements should be read in conjunction with the notes to the financial statements.

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# Statement of Cash Flow

Year Ended 30 June 2023

	Notes	Consolidated Group	
		2023 \$	2022 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers		251,399	453,966
Payments to suppliers and employees		(861,278)	(763,550)
Payments for exploration expenditure		(1,248,150)	(772,638)
Interest received		114,256	19,716
<b>NET CASH (OUTFLOW) FROM OPERATING ACTIVITIES</b>	24	<b>(1,743,773)</b>	<b>(1,062,506)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payment of security deposit		-	(4,000)
Payments for property, plant and equipment		(54,130)	-
<b>NET CASH (OUTFLOW) FROM INVESTING ACTIVITIES</b>		<b>(54,130)</b>	<b>(4,000)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITY</b>			
Capital raising costs		(2,369)	(7,491)
<b>NET CASH OUTFLOW FROM FINANCING ACTIVITY</b>		<b>(2,369)</b>	<b>(7,491)</b>
<b>NET (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>(1,800,272)</b>	<b>(1,073,997)</b>
Cash and cash equivalents at the beginning of the financial year		4,762,381	5,836,378
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR</b>	7	<b>2,962,109</b>	<b>4,762,381</b>

The above statements should be read in conjunction with the notes to the financial statements.

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# Notes to the Financial Statements

## 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This financial report includes the consolidated financial statements and notes of Australian Silica Quartz Group Ltd and controlled entities ("Consolidated Group" or "Group"). The financial statements were authorized for issue on 14<sup>th</sup> September 2023 by the directors of the Company.

### (a) Basis of preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards and issued by the Accounting Standards Board ("AASB") Interpretations and the Corporations Act 2001. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

#### *Compliance with IFRS*

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards ("AIFRS"). Compliance with AIFRS ensures that the financial report of Australian Silica Quartz Group Ltd complies with International Financial Reporting Standards ("IFRS").

#### *Historical cost convention*

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets and liabilities (including derivative instruments) at fair value through profit or loss, certain classes of property, plant and equipment. The financial report is presented in Australian dollars.

### (b) New, revised and amended accounting standards and interpretations adopted

In the year ended 30 June 2023, the directors have reviewed all the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for the current annual reporting period. The directors have also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the year ended 30 June 2023.

The directors have assessed that the new standards do not materially affect the Group's financial statements for the year ended 30 June 2023 or beyond.

### (c) Principles of consolidation

#### *Subsidiaries*

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Australian Silica Quartz Group Ltd ("Company" or "parent entity") as at 30 June 2023 and the results of all subsidiaries for the year then ended. Australian Silica Quartz Group Ltd and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the consolidated entity. Losses incurred by the consolidated entity are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

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# Notes to the Financial Statements cont.

## *Associates*

Associates are entities over which the consolidated entity has significant influence but not control or joint control. Investments in associates are accounted for using the equity method. Under the equity method, the share of the profits or losses of the associate is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Investments in associates are carried in the statement of financial position at cost plus post-acquisition changes in the consolidated entity's share of net assets of the associate. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. Dividends received or receivable from associates reduce the carrying amount of the investment.

When the consolidated entity's share of losses in an associate equals or exceeds its interest in the associate, including any unsecured long-term receivables, the consolidated entity does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The consolidated entity discontinues the use of the equity method upon the loss of significant influence over the associate and recognises any retained investment at its fair value. Any difference between the associate's carrying amount, fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

### **(d) Interests in joint ventures arrangements**

Joint arrangements represent the contractual sharing of control between parties in a business venture where unanimous decisions about relevant activities are required.

Separate joint venture entities providing joint venturers with an interest to net assets are classified as a joint venture and accounted for using the equity method. Refer to Note 1(c) for a description of the equity method of accounting.

Joint venture operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement. The Group's interests in the assets, liabilities, revenue and expenses of joint operations are included in the respective line items of the consolidated financial statements.

Gains and losses resulting from sales to a joint operation are recognised to the extent of the other parties' interests. When the Group makes purchases from a joint operation, it does not recognise its share of the gains and losses from the joint arrangement until it resells those goods/assets to a third party.

### **(e) Segment reporting**

A business segment is identified for a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different to those of other business segments. A geographical segment is identified when products or services are provided within a particular economic environment subject to risks and returns that are different from those of segments operating in other economic environments.

### **(f) Income tax**

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.



# Notes to the Financial Statements cont.

## (g) Revenue

### *Revenue recognition*

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument.

R&D Tax incentives have been accounted for as government grant revenue. Government grants are recognised at fair value where there is reasonable assurance that the grant will be received and all grant conditions will be met. Where it is expected that a grant will be repaid if certain conditions are met, the liability to repay the grant is recognised as the conditions are met and the liability crystallises.

## (h) Financial Instruments

The Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

The Group subsequently measures all equity investments at fair value. The Group has not elected to present fair value gains and losses on equity investments in OCI, where there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the group's right to receive payments is established.

As per AASB 9, an expected credit loss model is applied, not an incurred credit loss model as per AASB 139. To reflect changes in credit risk, this expected credit loss model requires the Group to account for expected credit loss since initial recognition.

For trade receivables, the Group applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. In measuring the expected credit loss, a provision matrix for trade receivables was used taking into consideration various data to get to an expected credit loss (i.e. diversity of customer base, appropriate groupings of historical loss experience, etc).

## (i) Leases

### *The Group as lessee*

At inception of a contract, the Group assesses if the contract contains a lease or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability are recognised by the Group where the Group is a lessee. However, all contracts that are classified as short-term leases (i.e. a lease with a remaining lease term of 12 months or less) and leases of low-value assets are recognised as an operating expenses on a straight-line basis over the term of the lease.

Initially the lease liability is measured at the present value of the lease payments still to be paid at the commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate.

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# Notes to the Financial Statements cont.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- lease payments under extension options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, any lease payments made at or before the commencement date and any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest. Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

## **(j) Impairment of assets**

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

## **(k) Cash and cash equivalents**

For cash flow statement presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value, and bank overdrafts.

## **(l) Trade and other receivables**

Receivables are recognised and carried at original invoice amount less a provision for expected credit loss (ECL). Bad debts are written-off as incurred.

As per AASB 9, an expected credit loss model is applied, not an incurred credit loss model as per AASB 139. To reflect changes in credit risk, this expected credit loss model requires the Group to account for expected credit loss since initial recognition.

For trade receivables, The Group applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. In measuring the expected credit loss, a provision matrix for trade receivables was used taking into consideration various data to get to an expected credit loss (i.e. diversity of customer base, appropriate groupings of historical loss experience, etc).

# Notes to the Financial Statements cont.

## (m) Property, plant and equipment

### Property

Freehold land and buildings are carried at fair value less, where applicable, any accumulated depreciation and impairment losses. Fair values are based on independent valuations or appraisals obtained periodically or on Directors' valuations during the intervening periods. Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same asset are recognised against revaluation surplus directly in equity; all other decreases are recognised in profit or loss. However, any increase is recognised in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss.

### Plant and equipment

All plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the reporting period in which they are incurred.

### Depreciation

The depreciable amount of all fixed assets excluding freehold land, is depreciated using the reducing balance method to allocate their cost, net of their residual values, over their estimated useful lives. Buildings are depreciated on a straight line basis.

The depreciation rates for each class of depreciable assets are:

Plant & equipment	7-67%	Motor vehicles	25-30%
Buildings	2.5%		

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 1(j)).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement. When revalued assets are sold, it is Group policy to transfer the amounts included in other reserves in respect of those assets to retained earnings.

## (n) Tenement acquisition and exploration costs

Tenement acquisition and exploration costs incurred are written off as incurred.

## (o) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and are paid on normal commercial terms.

## (p) Employee benefits

### (i) Wages and salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits, and annual leave expected to be settled within 12 months of the balance sheet date are recognised in other payables in respect of employees' services up to the balance sheet date and are measured at the amounts expected to be paid when the liabilities are settled.

# Notes to the Financial Statements cont.

## *(ii) Share-based payments*

The Group provides benefits to employees (including directors) of the Group in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ('equity-settled transactions'), refer to Note 26.

The cost of these equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an internal valuation using a Black-Scholes or binomial option pricing model.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('vesting date').

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of options that, in the opinion of the directors of the Group, will ultimately vest. This opinion is formed based on the best available information at balance date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award.

## **(q) Contributed equity**

Ordinary shares are classified as equity

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

The amount expended on the on-market buy-back of shares is debited to the share capital account to the extent of share capital available. Should the amount expended on on-market share buy-backs exceed the amount of available share capital, the remainder will be debited against distributable reserves.

## **(r) Earnings per share**

### *(i) Basic earnings per share*

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

### *(ii) Diluted earnings per share*

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

## **(s) Goods and Services Tax ("GST")**

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

## **(t) New accounting standards for application in future periods**

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2023. These standard are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.



# Notes to the Financial Statements cont.

## (u) Critical accounting estimates and judgements

The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are:

### *Share based payment transactions*

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an internal valuation using a Black-Scholes or binomial option pricing model, using the assumptions detailed in Note 26.

### *Impairment of assets*

The Group assesses impairment at the end of each reporting period by evaluating conditions and events specific to the Group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using estimated net realisable values which incorporate various assumptions such as current indicative values and expected future cash inflows.

## 2 FINANCIAL RISK MANAGEMENT

The Group's activities potentially expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

Risk management is carried out by the full Board of Directors as the Group believes that it is crucial for all Board members to be involved in this process. The Chairman, with the assistance of senior management as required, has responsibility for identifying, assessing, treating and monitoring risks and reporting to the Board on risk management.

### (a) Market risk

#### (i) Foreign exchange risk

As all operations are currently within Australia, the Group is not exposed to material foreign exchange risk.

#### (ii) Price risk

The Group is not exposed to any significant price risk.

#### (iii) Interest rate risk

The Group is exposed to movements in market interest rates on cash and cash equivalents. The Group policy is to monitor the interest rate yield curve out to six months to ensure a balance is maintained between the liquidity of cash assets and the interest rate return. The entire balance of cash and cash equivalents for the Group and the parent entity \$2,962,109 (2022: \$4,762,381) is subject to interest rate risk. The proportional mix of floating interest rates and fixed rates to a maximum of six months fluctuate during the year depending on current working capital requirements. The weighted average interest rate received on cash and cash equivalents by the Group and the parent entity was 3.18% (2022: 0.40%).

### Sensitivity analysis

At 30 June 2023, if interest rates had changed by +/- 80 basis points from the weighted average rate for the year with all other variables held constant, post-tax loss for both the Group and the parent entity would have been \$30,453 lower/higher (2022: \$41,326 lower/higher) as a result of lower/higher interest income from cash and cash equivalents.

### (b) Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Group.

Credit risk is managed through the maintenance of procedures (such procedures include the utilisation of systems for the approval, granting and renewal of credit limits, regular monitoring of exposures against such limits and monitoring of the financial stability of significant customers and counterparties), ensuring to the extent possible, that customers and counterparties to transactions are of sound credit worthiness. Such monitoring is used in assessing receivables for impairment.

Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating, or in entities that the Board has otherwise cleared as being financially sound. Where the Group is unable to ascertain a satisfactory credit risk profile in relation to a customer or counterparty, the risk may be further managed through title retention clauses over goods or obtaining security by way of personal or commercial guarantees over assets of sufficient value which can be claimed against in the event of any default.

# Notes to the Financial Statements cont.

## (c) Liquidity risk

The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and ensuring sufficient cash and marketable securities are available to meet the current and future commitments of the Group. Due to the nature of the Group's activities, being mineral exploration, the Group does not have ready access to credit facilities, with the primary source of funding being equity raisings. The Board of Directors constantly monitor the state of equity markets in conjunction with the Group's current and future funding requirements, with a view to initiating appropriate capital raisings as required.

The financial liabilities of the Group and the parent entity are confined to trade and other payables as disclosed in the Balance Sheet. All trade and other payables are non-interest bearing and due within 12 months of the balance sheet date. Given the relative size of the cash reserves, the Group is not currently exposed to any significant liquidity risk.

## 3 PARENT ENTITY FINANCIAL INFORMATION

### (a) Summary financial information

	2023 \$	2022 \$
Current assets	4,368,810	4,938,589
Non-current assets	3,597,760	3,245,296
Total assets	7,966,570	8,183,885
Current liabilities	279,385	142,515
Total liabilities	279,385	142,515
Net assets	7,687,185	8,041,370
Shareholders' equity		
Contributed equity	60,289,696	60,012,065
Reserves	2,081,501	1,772,937
Accumulated (loss)	(54,684,012)	(53,743,632)
Net equity	7,687,185	8,041,370
(Loss) for the year after tax	(940,380)	(1,171,878)
Total comprehensive (loss)	(940,380)	(1,171,878)

### (b) Guarantees entered into by parent entity

	2023 \$	2022 \$
Unconditional performance bonds issued in relation to credit card and rental obligations	-	-

The Company has no Guarantees in place (2022 - \$Nil).

### (c) Contingent Liabilities of parent entity

Details and estimate of maximum amounts of contingent liabilities for which no provision is included in the accounts are as follows:

	2023 \$	2022 \$
Unconditional performance bonds issued in relation to credit card and rental obligations	-	-

The Company has no contingent liabilities (2022 \$Nil) other than those disclosed in Note 19.

### (d) Contractual commitments for the acquisition of property, plant and equipment

The Company has no contractual commitments for the acquisition of property, plant and equipment (2022: Nil).

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# Notes to the Financial Statements cont.

## 4 REVENUE

	Consolidated Group	
	2023 \$	2022 \$
Reimbursement of exploration costs	176,252	185,120
R&D Refund	136,650	171,625
Other revenue	67,770	102,331
Interest	121,186	20,604
	501,858	479,680

## 5 PROFIT/(LOSS) FOR THE YEAR

### Expenses

	Consolidated Group	
	2023 \$	2022 \$
Lease payments	33,600	32,820
Other administration	220,143	238,689
	253,743	271,509

## 6 INCOME TAX EXPENSE

	Consolidated Group	
	2023 \$	2022 \$
(a) The components of tax expense/(benefit) at 25.0% (2022: 25.0%) comprise:		
Current tax	-	-
Deferred tax	-	-
Income tax expense reported in the statement of profit and loss and other comprehensive income	-	-
(b) Numerical reconciliation of income tax expense/(benefit) to prima facie tax expense/(benefit):		
(loss) before income tax expense/(benefit)	(2,247,868)	(1,778,368)
Prima facie tax expense/(benefit) on profit/(loss) from ordinary activities before income tax at 25.0% (2022: 25.0%)	(561,967)	(444,592)
Add tax effect of:		
- Non-allowable items	77,599	173,212
- Revenue losses not recognised	567,856	455,159
	83,488	183,779
Less tax effect of:		
- Non-assessable items	34,163	42,906
- Deferred tax balances not recognised	49,325	140,873
- Over provision for income tax in prior years	-	-
- Over provision for income tax in prior years – effect of reduction in corporate tax rate	-	-
- Losses recouped not previously recognised	-	-
Income tax expense reported in the statement of profit and Loss and other comprehensive income	-	-
(c) Deferred tax recognised at 25.0% (2022: 25.0%):		
Deferred tax liability:		
Accrued interest	(2,380)	(647)
Deferred tax asset:		
Carry forward revenue losses	2,380	647
Net deferred tax	-	-

# Notes to the Financial Statements cont.

		Consolidated Group	
		2023	2022
		\$	\$
(d)	Deferred tax not recognised at 25.0% (2022: 25.0%):		
	Deferred tax assets:		
	Carry forward losses	13,934,746	13,495,777
	Capital raising and restructuring costs	17,310	25,804
	Property, plant & equipment	-	94,900
	Provisions and accruals	32,015	20,170
		13,984,071	13,636,651

The tax benefits of the above Deferred Tax Assets will only be obtained if:

- (a) the company derives future assessable income of a nature and of an amount sufficient to enable the benefits to be utilised;
- (b) the company continues to comply with the conditions for deductibility imposed by law; and
- (c) no changes in income tax legislation adversely affect the company in utilising the benefits.

## Tax consolidation

### (i) Members of the tax consolidated group

Australian Silica Quartz Group Ltd and its wholly owned Australian resident subsidiaries have formed a tax consolidated group with effect from 10 June 2008. Australian Silica Quartz Group Ltd is the head entity of the tax consolidated group.

### (ii) Tax effect accounting by members of the tax consolidated group

Measurement method adopted under UIG 1052 Tax Consolidated Accounting

The group has applied the Stand-Alone Taxpayer approach in determining the appropriate amount of current and deferred taxes recognised by members of the tax consolidated group. Each entity in the group recognises its own current and deferred tax assets and liabilities, except for any deferred tax assets resulting from unused tax losses and tax credits and any current tax liability. Deferred tax assets resulting from unused tax losses and tax credits and the current tax liability are assumed and recognised by the parent entity. The group has not entered into any tax sharing or funding agreements.

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# Notes to the Financial Statements cont.

## 7 CURRENT ASSETS - CASH AND CASH EQUIVALENTS

	Consolidated Group	
	2023 \$	2022 \$
Cash at bank and in hand	242,109	142,381
Short-term deposits	2,720,000	4,620,000
Cash and cash equivalents as shown in the balance sheet and the statement of cash flows	2,962,109	4,762,381

## 8 CURRENT ASSETS - TRADE AND OTHER RECEIVABLES

	Consolidated Group	
	2023 \$	2022 \$
Trade debtors	1,100,751	10,177
Accrued interest income	9,518	2,588
Prepayments	159,782	163,443
Sundry debtors	136,650	-
	1,406,701	176,208

The class of assets described as "trade and other receivables" is considered to be the main source of credit risk related to the Group.

The consolidated entity did not consider a credit risk on the aggregate balances after reviewing the credit terms of customers based on recent collection practices. As disclosed in Note 23, \$1 million receivable from Private Energy Partners Pty Ltd was received in early July 2023.

	Gross Amount	Past due but not impaired (days overdue)			
		< 30	31-60	61-90	> 90
<b>2023</b>					
Trade and debtors	1,100,751	1,100,751	-	-	-
<b>2022</b>					
Trade and debtors	10,177	10,177	-	-	-

## 9 NON-CURRENT ASSETS - OTHER FINANCIAL ASSETS

	Consolidated Group	
	2023 \$	2022 \$
Loan receivable <sup>1</sup>	200,000	200,000
Security deposit	4,000	4,000
	204,000	204,000

Note (1): Loan to CEO under consulting contract. Refer to Note G in Remuneration Report section of the Directors' Report for the terms of the loan

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# Notes to the Financial Statements cont.

## 10 NON-CURRENT ASSETS - PROPERTY, PLANT AND EQUIPMENT

	Consolidated Group	
	2023 \$	2022 \$
<b>Plant and equipment</b>		
Cost	428,588	374,458
Accumulated depreciation	(370,423)	(361,269)
Net book amount	58,165	13,189
<b>Plant and equipment</b>		
Opening net book amount	13,189	16,488
Depreciation charge	(9,153)	(3,299)
Acquisition	54,129	-
Closing net book amount	58,165	13,189
<b>Motor Vehicles</b>		
Cost	4,787	4,787
Accumulated depreciation	(4,787)	(4,787)
Net book amount	-	-
<b>Property and buildings</b>		
At fair value	2,324,313	2,324,313
Accumulated depreciation	(64,313)	(64,313)
Net book amount	2,260,000	2,260,000
<b>Property and buildings</b>		
Opening net book amount	2,260,000	2,260,000
Closing net book amount	2,260,000	2,260,000
<b>Total Assets</b>		
Cost / fair value	2,757,688	2,703,558
Accumulated depreciation	(439,523)	(430,369)
Net book amount	2,318,165	2,273,189
<b>Total Assets</b>		
Opening net book amount	2,273,189	2,276,488
Depreciation charge	(9,153)	(3,299)
Acquisition	54,129	-
Closing net book amount	2,318,165	2,273,189

### Impairment Losses – Property, Plant & Equipment

No impairments were made during the financial year (2022 - Nil).

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# Notes to the Financial Statements cont.

## 11 CURRENT LIABILITIES

		Consolidated Group	
		2023	2022
		\$	\$
<b>(a)</b>	<b>Trade and other payables</b>		
	Trade payables	45,743	43,738
	GST and tax liabilities	74,283	(10,111)
	Other payables and accruals	100,846	56,971
		220,872	90,598
<b>(b)</b>	<b>Unearned revenue</b>	1,000,000	-
<b>(c)</b>	<b>Provisions</b>		
	Annual and long service leave provisions		
	Opening balance at 1 July	51,917	51,307
	Additional provisions	59,095	27,348
	Amounts used	(52,499)	(26,738)
	Balance at 30 June	58,513	51,917

The provision represents annual leave and long service leave obligations expected to be settled within 12 months of the balance date and are measured at the amounts expected to be paid when the liabilities are settled.

## 12 CONTRIBUTED EQUITY

		2023		2022	
Notes		Number of securities	\$	Number of securities	\$
<b>(a)</b>	<b>Share capital</b>				
	Ordinary shares fully paid	12b, 12d	60,289,696		60,012,065
	Total contributed equity		60,289,696		60,012,065
<b>(b)</b>	<b>Movements in ordinary share capital</b>				
	Beginning of the financial year	276,660,377	60,012,065	267,993,712	59,496,106
	Issued during the financial year:	5,000,000	280,000	8,666,665	523,450
	Less: Transaction costs	-	(2,369)	-	(7,491)
	End of the financial year	281,660,377	60,289,696	276,660,377	60,012,065

### (c) Options

During the year there were no options issued or on issue.

### (d) Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

### (e) Capital risk management

The Group's and the parent entity's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they may continue to provide returns for shareholders and benefits for other stakeholders.

Due to the nature of the Group's activities, being mineral exploration, the Group does not have ready access to credit facilities, with the primary source of funding being equity raisings. Therefore, the focus of the Group's capital risk management is the current working capital position against the requirements of the Group to meet exploration programmes and corporate overheads. The Group's strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required. The working capital position of the Group at 30 June 2023 and 30 June 2022 are as follows:

# Notes to the Financial Statements cont.

	Consolidated Group	
	2023 \$	2022 \$
Cash and cash equivalents	2,962,109	4,762,381
Trade and other receivables	1,406,701	176,208
Trade and other payables	(220,872)	(90,598)
Working capital position	4,147,938	4,847,991

## 13 RESERVES AND ACCUMULATED LOSSES

	Consolidated Group	
	2023 \$	2022 \$
<b>(a) Reserves</b>		
Share-based payments reserve		
Balance at beginning of year	1,772,937	1,604,882
Performance rights vested	-	(523,450)
Performance rights expensed	308,564	691,505
Balance at end of year	2,081,501	1,772,937
<b>(b) Accumulated losses</b>		
Balance at beginning of year	(54,511,739)	(52,733,371)
Net (loss) for the year	(2,247,868)	(1,778,368)
Balance at end of year	(56,759,607)	(54,511,739)

	2023		2022	
	Number of securities	\$	Number of securities	\$
<b>(c) Movements in performance rights</b>				
Beginning of the financial year	17,333,335	1,772,937	26,000,000	1,604,882
2021 Tranche 1 vested <sup>1</sup>	-	-	(8,666,665)	(523,450)
2021 Tranche 2 lapsed <sup>2</sup>	(8,666,666)	-	-	-
2021 Tranche 2 & 3 amortisation <sup>2 &amp; 3</sup>	-	308,564	-	691,505
End of the financial year <sup>3</sup>	8,666,669	2,081,501	17,333,335	1,772,937

Notes:

- (1) Tranche 1 Performance Rights: Vested and issued on the 1 December 2021 following the Company's Shares reaching a 30 day VWAP which is greater than \$0.1515 per Share anytime during the period from 1 December 2020 to 30 November 2021; and continuous service of the Performance Rights holder in their capacity as a Director or Executive of the Company, or in a role as otherwise agreed by the Board of the Company, from the date of issue of the Performance Rights to 30 November 2021.
- (2) Tranche 2 Performance Rights: upon the Company's Shares reaching a 30 day VWAP which is greater than \$0.17675 per Share anytime during the period from 1 December 2021 to 30 November 2022; and continuous service of the Performance Rights holder in their capacity as a Director or Executive of the Company, or in a role as otherwise agreed by the Board of the Company, from the date of issue of the Performance Rights to 30 November 2022.
- (3) Tranche 3 Performance Rights: upon the Company's Shares reaching a 30 day VWAP which is greater than \$0.202 per Share anytime during the period from 1 December 2022 to 30 November 2023; and continuous service of the Performance Rights holder in their capacity as a Director or Executive of the Company, or in a role as otherwise agreed by the Board of the Company, from the date of issue of the Performance Rights to 30 November 2023.

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# Notes to the Financial Statements cont.

## 14 DIVIDENDS

No dividends were paid during the financial year. No recommendation for payment of dividends has been made.

## 15 KEY MANAGEMENT PERSONNEL DISCLOSURES

Refer to the remuneration report contained in the directors' report for details of the remuneration paid or payable to each member of the Group's key management personnel ("KMP") for the year ended 30 June 2023.

The totals of remuneration paid to KMP of the company and the Group during the year are as follows:

	Consolidated Group	
	2023	2022
	\$	\$
Short-term benefits	1,077,855	934,052
Post-employment benefits	51,135	45,265
Share-based payments	308,564	691,505
	1,437,554	1,670,822

The Company has taken advantage of the relief provided by AASB 2008-4 Amendments to Australian Accounting Standard – Key Management Personnel Disclosures by Disclosing Entities and has transferred the detailed remuneration disclosures to the directors' report. The relevant information can be found in sections A-H of the remuneration report on pages 21 to 27.

### Short-term employee benefits

These amounts include fees and benefits paid to the non-executive Chair and non-executive directors as well as all salary, paid leave benefits, fringe benefits, consultancy fees and cash bonuses awarded to executive directors and other KMP.

### Post-employment benefits

These amounts are the current-year's superannuation contributions made during the year.

### Share-based payments

These amounts represent the expense related to the participation of KMP in equity-settled benefit schemes as measured by the fair value of the options, rights and shares granted on grant date.

## 16 OPERATING SEGMENTS

The Consolidated Group has adopted AASB 8 Operating Segments with effect from 1 July 2009. AASB 8 which requires operating segments to be identified on the basis of internal reports about components of the Consolidated Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance. The Consolidated Group operates in one operating segment and one geographical segment, being mineral exploration in Australia. This is the basis on which internal reports are provided to the Directors for assessing performance and determining the allocation of resources within the Consolidated Group.

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# Notes to the Financial Statements cont.

## 17 ASSOCIATES AND JOINT ARRANGEMENTS

### HD Mining & Investment Pty Ltd

The Group has entered into a Farm-in arrangement with HD Mining & Investment Pty Ltd ("HDMI") to carry out exploration on tenements, and if warranted, to develop and exploit the tenements and carry out mining operations for the purpose of deriving production of Bauxite from them. HDMI has agreed to fund all costs to earn up to a maximum of 60% Participating Interest.

### DevEx Resources Limited

The Group has entered into a Farm-in arrangement with DevEx Resources Limited ("DevEx") to carry out exploration on tenements with the following key terms.

- DevEx has the right to earn 50% interest in all non-bauxite rights within the ASQ Tenement by spending up to \$3 million within 3 years from commencement of the agreement. This includes a minimum expenditure requirement of \$250,000 in the first 12 months.
- ASQ retains the bauxite rights for the ASQ Tenement with its existing joint venture partner, HD Mining & Investment Pty Ltd ("HD Mining") ("Bauxite JV").
- Upon DevEx earning its interest in the non-bauxite rights, a joint venture will be formed ("Non-Bauxite JV") and the parties must contribute funds based on their respective interest. Standard dilution clauses will apply to the parties' interests. Should a party's interest dilute to below 10% it shall automatically convert to a 1% net smelter royalty in respect of non-bauxite minerals.
- DevEx will manage exploration for the non-bauxite rights during the earn-in period and any subsequent Non-Bauxite JV.
- The parties may seek to execute a Split Commodities Agreement in the event of inconsistency between the activities of the bauxite rights and the Non-Bauxite JV.

Devex has recently advised that it had spent the initial \$3m and has earned its 50% interest in all non-bauxite rights within the ASQ Tenement. The Company had advised Devex that it will contribute to its 50% of future expenditures and discussions are in progress to determine the exploration plan going forward.

## 18 REMUNERATION OF AUDITORS

		Consolidated Group	
		2023	2022
		\$	\$
<b>(a) Audit services</b>			
	Moore Australia Audit (WA) - audit and review of financial reports	23,564	19,753
	Moore Australia Audit (WA) – other audit services	-	-
	<b>Total remuneration for audit services</b>	<b>23,564</b>	<b>19,753</b>
<b>(b) Non-audit services</b>			
	Moore Australia (WA) – taxation services	-	-
	<b>Total remuneration for other services</b>	<b>-</b>	<b>-</b>

## 19 CONTINGENCIES

On 17 January 2019 the Company announced that it had executed a Term Sheet with Urban Resources for operating a direct shipping ore export venture. Included in the terms of this agreement is a contingent liability that the Company has to issue shares to Urban Resources if the following milestones are achieved.

- commercially profitable shipments of 20,000 tonnes of silica sand from the Urban Resources Bullsbrook mine through the Fremantle Port to an overseas customer being completed. To receive a payment in shares in the Company equivalent to \$250,000 based on the 7 day VWAP on completion of the milestone; and
- commercially profitable shipments of 20,000 tonnes of silica sand through the Albany Port to an overseas customer being completed. To receive a payment in shares in the Company equivalent to \$250,000 based on the 7 day VWAP on completion of the milestone.

Netley acquisition agreement includes in the terms a contingent liability that the Company has to issue up to 1,500,000 performance shares as detailed in Note 26(b). In addition to the Performance Shares ASQ agrees to pay to Netley a 1% net smelter royalty in respect of any minerals mined from the area within the boundaries of the Acquisition Tenements (for the avoidance of doubt excluding quartz and iron) and in respect of gold mined by the Purchaser on E77/2644 ('Royalty') on the terms and conditions set out in the royalty deed.



# Notes to the Financial Statements cont.

## 20 COMMITMENTS

		Consolidated Group	
		2023	2022
		\$	\$
<b>(a)</b>	<b>Exploration commitments</b>		
	The Company has certain commitments to meet minimum expenditure requirements on the mineral exploration assets it has an interest in. Outstanding exploration commitments are as follows:		
	within one year	1,004,544	993,753
	later than one year but not later than five years	1,733,997	2,243,153
	Later than five years	-	-
		<b>2,738,541</b>	<b>3,236,906</b>
<b>(b)</b>	<b>Commercial property lease commitments</b>		
	within one year	13,167	12,249
	later than one year but not later than five years	-	-
	Later than five years	-	-
	Aggregate lease expenditure contracted for at reporting date but not recognised as liabilities	13,167	12,249
	The property lease is cancellable with three months notice and rent payable monthly in advance.		

## 21 RELATED PARTY TRANSACTIONS

The only Related Party transactions were with members of the board and are disclosed in full in the Directors Report.

## 22 SUBSIDIARIES

Name	Country of Incorporation	Date of Incorporation	Class of Shares	Equity Holding	
				2023	2022
				%	%
Darling Range Pty Ltd	Australia	10 June 2008	Ordinary	100	100
Braeburn Resources Pty Ltd	Australia	24 July 2007	Ordinary	100	100
Darling Range South Pty Ltd	Australia	13 November 2008	Ordinary	100	100
Bauxite Resources Pty Ltd	Australia	23 March 2009	Ordinary	100	100
BRL Operations Pty Ltd	Australia	16 February 2009	Ordinary	100	100
BRL Landholdings Pty Ltd	Australia	16 February 2009	Ordinary	100	100
Australian Silica Quartz Pty Ltd	Australia	25 March 2009	Ordinary	100	100
VA Holdings Pty Ltd	Australia	13 February 2009	Ordinary	100	100

## 23 EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

No matters or circumstance have arisen since 30 June 2023 which significantly affected or could significantly affect the operations of the consolidated group in future financial years except for the following.

- As announced on 12 July 2023, Australian Silica Quartz Group Ltd ('ASQ') advised receipt of the \$1 million fee from Private Energy Partners Pty Ltd ('PEP') under the Project Development Heads of Agreement on ASQ's 100% owned Quartz Hill MGSi Quartz Project in North Queensland

# Notes to the Financial Statements cont.

## 24 CASH FLOW STATEMENT

Reconciliation of net profit or loss after income tax to net cash flows from operating activities

	Consolidated Group	
	2023 \$	2022 \$
Net (loss) for the year	(2,247,868)	(1,778,368)
Non cash Items		
Depreciation and amortisation	9,153	3,299
Share-based payments expense	308,564	691,505
Share-based tenement acquisition	280,000	-
	(1,650,151)	(1,083,564)
Movements in working capital, net of effects from purchase of controlled entities		
(Increase) in trade and other receivables	(1,230,493)	(13,144)
Increase in trade and other payables	1,130,275	33,592
Increase in provisions	6,596	610
Net cash (outflow) from operating activities	(1,743,773)	(1,062,506)

## 25 EARNINGS PER SHARE

### (a) Reconciliation of earnings used in calculating earnings per share

	Consolidated Group	
	2023 \$	2022 \$
Profit or loss attributable to the ordinary equity holders of the Company used in calculating basic and diluted earnings per share	(2,247,868)	(1,778,368)

### (b) Weighted average number of shares used as the denominator

	Consolidated Group	
	2023 Number of shares	2022 Number of shares
Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	279,550,788	273,003,757
Weighted average number of dilutive options outstanding	-	-
Weighted average number of ordinary shares outstanding during the year used in calculating dilutive EPS	279,550,788	273,003,757

All performance rights on issue are considered anti-dilutive and have not been included in the calculation of diluted earnings per share.

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# Notes to the Financial Statements cont.

## 26 SHARE-BASED PAYMENTS

### (a) Performance Rights

Market based vesting conditions were valued using a hybrid share option pricing model that simulates the share price of the Company as at the test date using a Monte-Carlo model. For non-market based vesting conditions no discount was made to the underlying valuation model. During the year there were no performance rights granted (2022 – 26,000,000). The ongoing amortisation of SBP expense was \$308,504 (2022: \$691,505) during the year.

The Performance Rights vesting conditions are as follows:

**Tranche 1 Performance Rights:** Vested and issued on the 1 December 2021 upon the Company's Shares reaching a 30 day VWAP which is greater than \$0.1515 per Share anytime during the period from 1 December 2020 to 30 November 2021; and continuous service of the Performance Rights holder in their capacity as a Director or Executive of the Company, or in a role as otherwise agreed by the Board of the Company, from the date of issue of the Performance Rights to 30 November 2021.

**Tranche 2 Performance Rights:** upon the Company's Shares reaching a 30 day VWAP which is greater than \$0.17675 per Share anytime during the period from 1 December 2021 to 30 November 2022; and continuous service of the Performance Rights holder in their capacity as a Director or Executive of the Company, or in a role as otherwise agreed by the Board of the Company, from the date of issue of the Performance Rights to 30 November 2022.

**Tranche 3 Performance Rights:** upon the Company's Shares reaching a 30 day VWAP which is greater than \$0.202 per Share anytime during the period from 1 December 2022 to 30 November 2023; and continuous service of the Performance Rights holder in their capacity as a Director or Executive of the Company, or in a role as otherwise agreed by the Board of the Company, from the date of issue of the Performance Rights to 30 November 2023.

Tranche 2 Performance Rights lapsed during the period without attaining the Performance Rights hurdles.

	Grant Date	Granted Number	Vested Number as at 30 June 2023	Date vesting or vested and exercisable	Expiry Date	Exercise Price (cents)	Value per performance rights	Exercised Number
<b>2021</b>								
Tranche 1	30 Nov 2020	8,666,665	8,666,665	30 Nov 2021	30 Nov 2021	Nil	6.04c	8,666,665
Tranche 2	30 Nov 2020	8,666,666	Nil	30 Nov 2022	30 Nov 2022	Nil	6.50c	Nil
Tranche 3	30 Nov 2020	8,666,669	Nil	30 Nov 2023	30 Nov 2023	Nil	6.60c	Nil

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# Notes to the Financial Statements cont.

## (b) Ordinary Shares and Performance Rights issued to acquire various mining tenements during the year.

On 11 August 2022 the Company announced that it had signed an Acquisition Agreement to acquire tenements and rights from Netley Minerals Pty Ltd ('Netley'). Included in the terms of this agreement was the issue of 5,000,000 shares as a total value of \$280,000 and a contingent liability that the Company is to issue up to 1,500,000 performance shares converting into \$1.5 million worth of fully paid ordinary shares to Netley at the 30 day VWAP price of ASQ shares at the time of the conversion or \$0.10 per share whichever is higher. There are 4 hurdles of which the first 3 hurdles to be achieved will each trigger 1/3 of the Performance Shares to be converted into fully paid ordinary shares. At this stage the probability of meeting the performance criteria is remote and the fair value of the Performance Shares has been assessed as nil.

Hurdles as follows:

- (i) Gold Hurdle – Performance Shares to the maximum value of \$500,000 will vest and be able to be converted into ordinary shares on the delineation of a JORC compliant (2012 edition) Inferred Mineral Resource Estimate of 50,000 ounces of contained gold at a minimum grade of 0.5g/t Au within any one or more of the Tenements comprising the Koolyanobbing Greenstone Belt Project. The number of shares to which the Performance Shares convert will be based off the volume weighted average share price of the Company over 20 consecutive days on which shares are traded, immediately prior to satisfaction of the Gold hurdle or \$0.10 per share, whichever is the higher;
- (ii) Nickel Hurdle – Performance Shares to the maximum value of \$500,000 will vest and be able to be converted into ordinary shares on the delineation of a JORC compliant (2012 edition) Inferred Mineral Resource Estimate of 4.0 Kt of contained nickel at a minimum grade of 0.5% Ni within any one or more of the Tenements comprising the Koolyanobbing Greenstone Belt Project. The number of shares to which the Performance Shares convert will be based off the volume weighted average share price of the Company over 20 consecutive days on which shares are traded, immediately prior to satisfaction of the Nickel hurdle or \$0.10 per share, whichever is the higher;
- (iii) Lithium Hurdle – Performance Shares to the maximum value of \$500,000 will vest and be able to be converted into ordinary shares on the delineation of a JORC compliant (2012 edition) Inferred Mineral Resource Estimate of 1,100 tonnes of contained lithium at a minimum grade of 1.0% Li<sub>2</sub>O within any one or more of the Tenements comprising the Koolyanobbing Greenstone Belt Project. The number of shares to which the Performance Shares convert will be based off the volume weighted average share price of the Company over 20 consecutive days on which shares are traded, immediately prior to satisfaction of the Lithium hurdle or \$0.10 per share, whichever is the higher; and
- (iv) Copper Hurdle – Performance Shares to the maximum value of \$500,000 will vest and be able to be converted into ordinary shares on the delineation of a JORC compliant (2012 edition) Inferred Mineral Resource Estimate of 270 Mlbs of contained copper at a minimum grade of 0.5% Cu within any one or more of the Tenements comprising the Koolyanobbing Greenstone Belt Project. The number of shares to which the Performance Shares convert will be based off the volume weighted average share price of the Company over 20 consecutive days on which shares are traded, immediately prior to satisfaction of the Copper hurdle or \$0.10 per share, whichever is the higher

## 27 Fair Value Measurement

Fair value of freehold land and buildings have been determined as level 2 in the fair value hierarchy. The fair value of property assets adopted at 30 June 2023 is based on an assessment by Directors of the asset's current active open market value.

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# Directors' Declaration

In the opinions of the directors of Australian Silica Quartz Group Ltd (the "Company"):

- (a) the financial statements and notes and the remuneration disclosures that are contained in the Directors' Report, are in accordance with the Corporations Act 2001, including:
  - (i) complying with Australian Accounting Standards and the Corporations Regulations 2001; and
  - (ii) giving a true and fair view of the Company's and the consolidated entity's financial position as at 30 June 2023 and of their performance for the financial year ended on that date;
- (a) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;
- (b) the Directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the chief executive officer and chief financial officer for the financial year ended 30 June 2023; and
- (c) note 1 confirms that the financial statements also comply with the International Reporting Standards as issued by the International Accounting Standards Board.
- (d) This declaration is made in accordance with a resolution of the directors.



**Robert Nash**  
**Chairman**

Perth, 14<sup>th</sup> September 2023

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# Independent Audit Report



## Moore Australia Audit (WA)

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## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AUSTRALIAN SILICA QUARTZ GROUP LIMITED

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Australian Silica Quartz Group Limited (the Company) and its subsidiaries (the "Group"), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion:

- a) the accompanying financial report of the Group is in accordance with the Corporations Act 2001, including:
  - i. giving a true and fair view of the Group's financial position as at 30 June 2023 and of its financial performance for the year then ended; and
  - ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

#### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Independence

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the "Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Moore Australia Audit (WA) – ABN 16 874 357 907.

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# Independent Audit Report cont.



## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AUSTRALIAN SILICA QUARTZ GROUP LIMITED

### Key Audit Matters (Continued)

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Valuation of Property Assets	
<b>Refer to Note 10 Property, Plant and Equipment</b>	
<p>At balance date, the book value of the Company's property assets amounted to \$2.26 million (2022: \$2.26 million).</p> <p>This is considered a key audit matter due to the significance of the asset value and the use of judgement and estimation by management in their impairment assessment.</p> <p>Management's assessment also incorporated an external market appraisal dated August 2021 by a licensed independent valuer and consideration of more current relevant factors and market conditions. The assessment included high level discussions between management and an independent expert that the carrying values are not impaired at balance date.</p>	<p>Our audit procedures included, amongst others:</p> <ul style="list-style-type: none"> <li>• Reviewing minutes of meetings and discussion with management in respect of the properties' condition, their assessed values and assessing the reasonableness of key assumptions and estimation adopted.</li> <li>• We performed online searches of comparable neighbouring properties that were either sold during the year or are currently advertised for sale to attain comfort over the existing book values. Based on our findings and current property profile data sourced from industry publications / websites, there was no indication existing book values were impaired at balance date.</li> <li>• Assessing financial statement disclosures for appropriateness and adequacy</li> </ul>
Share-based payments	
<b>Refer to Remuneration Report, Note 19 Contingencies &amp; Note 26 Share-Based Payments</b>	
<p>During the year ended 30 June 2023, the Group recognised the ongoing amortisation of share-based payments (SBP) amounting to \$308,564 awarded to Key Management Personnel (KMPs) and other parties during the prior financial year.</p> <p>SBP remains a key audit matter due to it being a material transaction, the valuation of which involved several key assumptions and judgements adopted by both management and an independent valuer in the past.</p> <p>The Company also issued 5 million ordinary shares valued at \$280,000 during the year as part consideration for mining tenements acquired. This was expensed to the Statement of Profit or Loss &amp; Other Comprehensive Income as Exploration Expenses in accordance with the Company's accounting policy described in Note 1(n).</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> <li>• Enquiring if there were any changes to the terms and conditions of the SBP to KMPs and obtaining KMP confirmations regarding the amounts expensed.</li> <li>• Reviewing minutes of meetings, ASX announcements, agreements, &amp; considered other transactions undertaken during the year.</li> <li>• Testing the mathematical accuracy of the total SBP expensed during the financial year.</li> <li>• For the SBP related to KMPs, we rechecked the methodology used in the prior year by management &amp; the independent valuer to estimate the fair value of equity instruments issued. This ensured the amounts expensed during the year were consistent with the prior year's valuation model.</li> <li>• Considered the appropriateness of management judgement and estimation in assessing the value of other equities issued as part consideration for tenements acquired at \$Nil value. Rather, this has been disclosed as contingent liabilities.</li> <li>• Assessing financial statement disclosures for appropriateness and adequacy</li> </ul>

# Independent Audit Report cont.



## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AUSTRALIAN SILICA QUARTZ GROUP LIMITED

### Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2023, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

### Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [https://www.auasb.gov.au/admin/file/content102/c3/ar1\\_2020.pdf](https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf). This description forms part of our audit report.

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# Independent Audit Report cont.



## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AUSTRALIAN SILICA QUARTZ GROUP LIMITED

### Report on the Remuneration Report

#### Opinion on the Remuneration Report

We have audited the Remuneration Report as included in the directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of Australian Silica Quartz Group Limited, for the year ended 30 June 2023 complies with section 300A of the *Corporations Act 2001*.

#### Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

A handwritten signature in blue ink, appearing to read 'Suann Lee Tan'.

SUAN LEE TAN  
PARTNER

A handwritten signature in black ink that reads 'MOORE AUSTRALIA'.

MOORE AUSTRALIA AUDIT (WA)  
CHARTERED ACCOUNTANTS

Signed at Perth on the 14<sup>th</sup> day of September 2023

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# ASX Additional Information

Additional information required by Australian Stock Exchange Ltd and not shown elsewhere in this report is as follows, the information is current as at 31 August 2023:

## (a) Voting rights

All ordinary shares (whether fully paid or not) carry one vote per share without restriction.

## (b) Distribution of equity securities

Analysis of numbers of equity security holders by size of holding:

	Ordinary shares	
	Number of holders	Number of shares
1 – 1,000	52	11,733
1,001 – 5,000	106	396,478
5,001 – 10,000	216	1,814,475
10,001 – 100,000	608	22,419,762
100,001 and over	229	257,017,929
	1,211	281,660,377
The number of equity security holders holding less than a marketable parcel of \$500 (based on a 7.3 cents price) of securities are:	203	668,384

## (c) Twenty largest shareholders

Holder name	Listed ordinary shares	
	Number of shares	Percentage of ordinary shares
1. One Managed Invnt Funds Ltd <1 A/C>	44,368,020	15.75%
2. HD Mining & Investment Pty Ltd	19,700,000	6.99%
3. Big Fish Nominees Pty Ltd	18,095,237	6.42%
4. Tailrain Pty Ltd <The Childrens A/C>	17,016,667	6.04%
5. Dilkara Nominees Pty Ltd <Millwood Smith Family A/C>	11,300,000	4.01%
6. Mr Robert Samuel Middlemas	10,379,075	3.69%
7. BNP Paribas Nominees Pty Ltd ACF Clearstream	8,414,262	2.99%
8. Jetosea Pty Ltd	7,142,855	2.54%
9. HSBC Custody Nominees (Australia) Limited	6,829,544	2.42%
10. Mr Gregory Robert Hackshaw	5,149,667	1.83%
11. Netley Minerals Pty Ltd	5,000,000	1.78%
12. Jetosea Pty Ltd	4,562,244	1.62%
13. Spectral Investments Pty Ltd <Lithgow Family A/C>	3,128,571	1.11%
14. Mrs Annette Atkins	2,736,307	0.97%
15. Luke Atkins & Annette Atkins <The Atkins Super Fund>	2,666,666	0.95%
16. Lake McLeod Gypsum Pty Ltd	2,229,512	0.79%
17. Mr Li Wan	2,147,341	0.76%
18. BNP Paribas Noms Pty Ltd <DRP>	2,069,703	0.73%
19. Mr David William Findlay	1,998,815	0.71%
20. Mousetrap Nominees Pty Ltd <Michael Whiting Family A/C>	1,955,195	0.69%
	176,889,681	62.80%

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# ASX Additional Information cont.

## (d) Substantial shareholders

The names of the substantial shareholders who have notified the Company in accordance with section 671B of the Corporations Act 2001 are:

	Number of shares
Sandon Capital Pty Ltd	44,368,020
Neil Lithgow and Controlled entities	20,366,666
Annette Atkins, Talrain Pty Ltd (Childrens A/c) & Associates	19,873,512
HD Mining & Investments Pty Ltd	19,700,000
Talrain Pty Ltd (Childrens A/C) and Luke Atkins	17,016,667
Jetosea Pty Ltd	15,845,430
Dilkara Nominees Pty Ltd (Millwood Smith A/C)	14,516,667

## (e) Schedule of interests in mining tenements (as at 30 August 2023)

ASQG TENEMENTS (100%)

ASQG retain 100% interest in the following tenements (all granted unless marked "Pending")

Tenement	Location	Tenement	Location
Gingin Silica Project		South Stirling Project	
E70/5144	Warbrook (Pending)	E70/5528	South Stirling
Albany Silica Project		E70/5545	South Stirling East
E70/5262	Cheyne	E70/5709	Tenterden
Koolyanobbing Metals Project		E70/5710	Kwornicup
E77/2644	Yilgarn - Lake Deborah East	North Queensland Hardrock Quartz Projects	
E77/2645	Yilgarn - Lake Seabrook	EPM 26702	Mt Eliza
E77/2675	Yilgarn	EPM 26727	Pandanus Creek
E77/2684	Lake Seabrook	EPM 26741	Douglas Range
E77/2912	Yilgarn (Pending)	Esperance North Project	
E77/2941	Lake Deborah (Pending)	E63/2206	Esperance North
E77/3021	Lake Deborah South (Pending)		

## HD MINING & INVESTMENTS JOINT VENTURE TENEMENTS

The JV requires HD Mining 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 40% interest in the bauxite rights on the tenements below. This will be triggered if HD Mining enters into a binding commitment to undertake a feasibility study on the tenements. Should HD Mining and ASQG make a decision to mine, HD Mining will earn an additional 20% interest in bauxite rights. ASQG maintains 100% interest in other minerals. At the date of this report ASQG still has 100% interest in these tenements.

Tenement	Location
Darling Range Tenements (Granted)	
E70/3405	Victoria Plains
E70/3179	Congelin
E70/3180	Dattening
E70/3890	Wandering

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