

UPDATE ON GEOPHYSICS TARGETS AT ASQ/DEVEX JV IN JULIMAR REGION, WA

ASX Listed DevEx Resources Limited (“DevEx”, ASX: DEV) has today lodged an exploration update for the 50/50 Joint Venture on ASQ’s E70/3405 located along strike from the Chalice Gold Mines Ltd (ASX: CHN) nickel-copper-platinum group elements (Ni-Cu-PGE) Julimar discovery in WA. A full copy of the DevEx announcement is attached.

HIGHLIGHTS OF THE ATTACHED DEVEX ANNOUNCEMENT:

- Several “late-time” conductors defined from the Sovereign Airborne Electromagnetic (AEM) Survey, targeting potential Ni-Cu-PGE mineralisation across the Sovereign Project.
- Three extensive “clusters” of EM conductors – the Kingsley, Mackenzie and Hudson Prospects – identified within the large-scale 6 x 7km Sovereign Magnetic Complex.
- The Sovereign Magnetic Complex is interpreted to be part of the mafic-ultramafic intrusive rocks of the Julimar Complex, where Chalice Gold Mines (ASX: CHN, Chalice) has discovered significant Ni-Cu-PGE mineralisation at its Julimar Project to the south.
- The AEM conductors are seen in the “late-time” channels only, supporting the potential for underlying massive sulphides within the Complex.
- Recent re-assaying of historical drill samples, together with Company rock chip sampling, indicates the potential for an underlying mafic-ultramafic intrusive, with coincident elevated nickel, copper and chromium values.
- A ground moving-loop EM survey is now planned to better define and model these conductors in advance of RC/Diamond drilling planned for late Q4 2020.

DevEx is earning into the non-bauxite rights of E70/3405 by an initial spend of \$3m to earn a 50% interest with a minimum spend of \$250,000. Following the initial spend, ASQ may elect to contribute to further exploration to maintain its 50% interest, or may have DevEx spend an additional \$3m to earn a further 20% interest with ASQ diluting.

This Announcement has been authorised by the board.

For further information regarding Australian Silica Quartz Group Limited, please visit www.asqg.com.au or contact:

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About Australian Silica Quartz Group Limited

SILICA

ASQ has established a range of silica sand and hardrock projects held via exploration licence applications 100% owned by ASQ's subsidiary Australian Silica Quartz Pty Ltd. These projects now consist of 12 granted exploration licences and 8 applications covering approximately 1,500 km² within Western Australia and Queensland.

High grade silica (99.5-99.9% SiO₂) and high purity silica (>99.95% SiO₂) currently have a wide range of applications. All indications suggest the high grade and high purity silica market is currently growing strongly due to greater demand from the PV Solar, TFT glass, Electronics, Flat Glass and Speciality Glass industries. This is reinforced by the level of enquiries received from qualified end user customers the Company has received primarily from China and South East Asia.

SILICA SAND

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

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

In addition to its wholly owned silica exploration projects ASQ has formed a partnership with an existing local sand producer. In 2019 the Company executed a binding terms sheet with Urban Resources Pty Ltd (Urban) to jointly exploit Urban's Silica Sand deposit located in Bullsbrook, Western Australia. Urban has operated the mine for the last six years and produced over 1Mt from the deposit in the 2018/19 financial year. The ASQ/Urban Resources partnership presents the Company with the opportunity to potentially fast track its entry into the DSO silica sand export market. ASQ have completed a JORC 2012 Inferred Mineral Resource on the raw sand at Urban's Maralla Road tenement M70/326 (refer full detail in the 7 May 2019 announcement *Update on Maralla Road Silica Sand Deposit Maiden Resource* and 29 January 2020 announcement *Spiral and Classifier Testwork Results for the M70/326 Silica Sand Products*).

HARDROCK QUARTZ R&D

The Company is undertaking an R&D program aiming to develop a high purity, high value silica quartz product. To this end the Company has secured a number of hardrock quartz tenements and is progressing the research in this area. Assays from rock chip sampling of ASQ's hard rock tenements reported grades of up to 99.993% SiO₂ with processed hard rock samples demonstrating further grade improvement. (refer full detail in 14 December 2017 announcement *Silica Sand and Hardrock Quartz Project Updates*)

ASQ DEVEX 50/50 JV

ASQ has entered into a joint venture with DevEx Resources ("DevEx" ASX:DEV) on its 100% owned E70/3405 tenement located along strike from Chalice Gold Mines ("Chalice" ASX:CHN) nickel copper platinum group elements Julimar discovery in WA. The first \$3M expenditure on the JV area is to be fully funded by DevEx to earn 50%. ASQ has the option to jointly fund future expenditure to maintain 50% share or opt to allow DevEx to fund the next \$3M to earn a further 20% share in non bauxite minerals. The tenement is granted and land access has been established. Work has commenced on this ground to establish prospectivity. (refer full detail in 1 June 2020 announcement *ASQ reaches agreement for funding of exploration on its tenement in Julimar Region, WA*).

BAUXITE JV

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

BAUXITE ROYALTY

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