

# AUSTRALIAN SILICA QUARTZ GROUP LIMITED

## AIRCORE DRILLING COMMENCED AT SOVEREIGN PROJECT



ASX Listed DevEx Resources Limited ("DevEx", ASX: DEV) has today lodged an announcement detailing the commencement of aircore drilling of the Sovereign Project.

DevEx are conducting exploration on the Sovereign Project under 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.

DevEx is earning into the non-bauxite rights of E70/3405 by an initial spend of \$3m to earn a 50% interest. 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.

Sam Middlemas, CEO, Australian Silica Quartz Group Ltd

8 February 2021

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**ASX Code: ASQ**  
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## About Australian Silica Quartz Group Limited

### **ASQ DEVEX 50/50 JV (non-dilutable at ASQ's election)**

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. Initial geochemical and geophysical exploration work has returned positive results with the establishment of multiple drill targets. (refer full detail in the 1 June 2020 announcement *ASQ reaches agreement for funding of exploration on its tenement in Julimar Region, WA*, 8 October 2020 announcement *Update on Geophysics Targets at ASQ/DevEx JV in Julimar Region, WA*, 19 August 2020 announcement *Update on ASQ/DevEx 50/50 JV in Julimar Region, WA* and 4 December 2020 announcement *DevEx Exploration Update*)

### **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 9 granted exploration licences and 8 applications covering approximately 1,500 km<sup>2</sup> within Western Australia and Queensland.

High grade silica (99.5-99.9% SiO<sub>2</sub>) and high purity silica (>99.95% SiO<sub>2</sub>) 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.

ASQ is currently working on a Scoping Study for the 11.6Mt Albany White Hill high grade, low iron Silica Sand Project (refer full detail in the 28 January 2020 announcement *High Grade, Low Iron Silica Sand Resource*). The Albany White Hill Project is located on farmland cleared of native vegetation 70 km east north east of the port of Albany.

In addition to its wholly owned silica exploration projects ASQ has reached an agreement 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 last two years. The ASQ/Urban Resources agreement 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*).

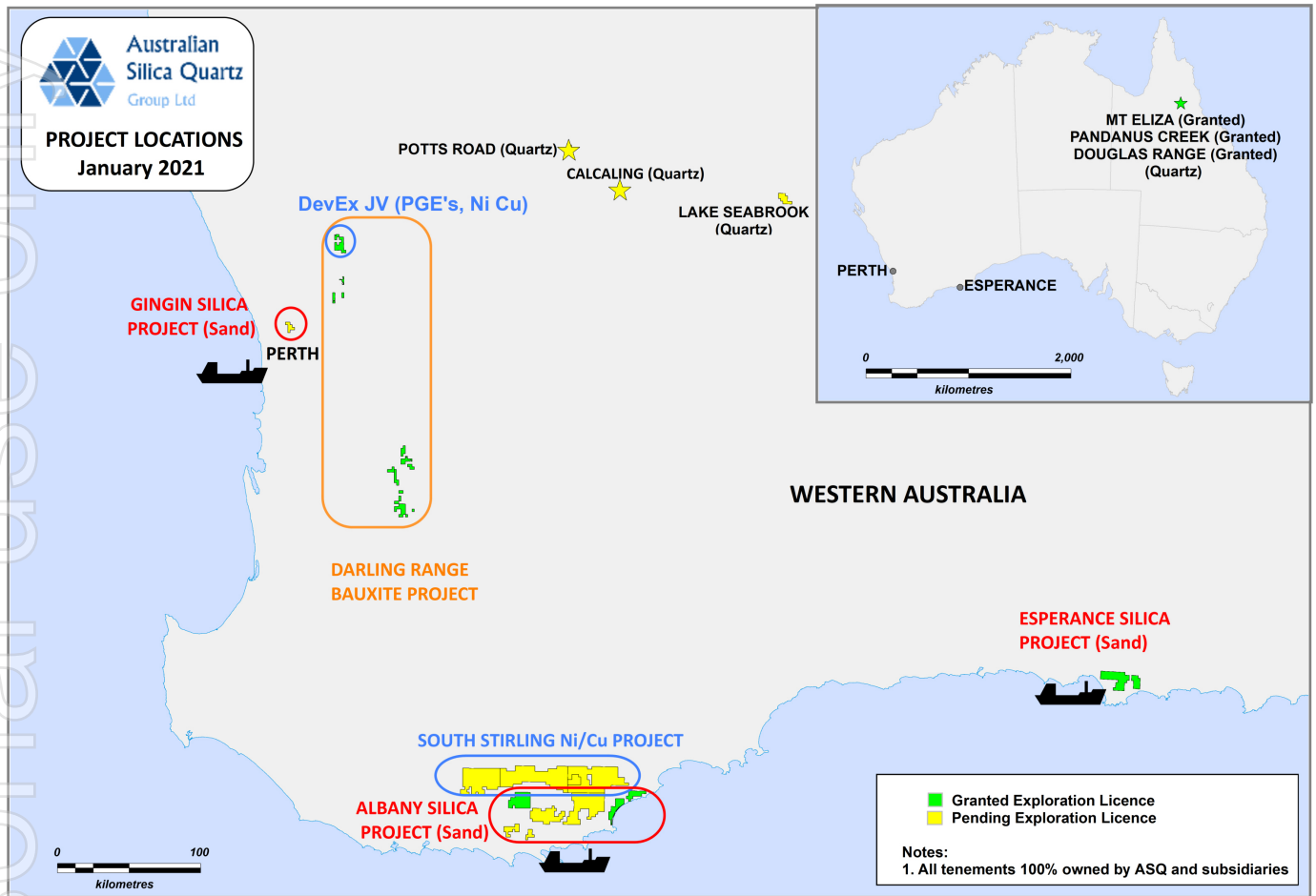
### **HARDROCK QUARTZ R&D**

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 with a research and development project in this area. Assays from rock chip sampling of ASQ's hard rock tenements reported grades of up to 99.993% SiO<sub>2</sub> with processed hard rock samples demonstrating further grade improvement (refer full detail in the 14 December 2017 announcement *Silica Sand and Hardrock Quartz Project Updates*).





**PROJECT LOCATIONS  
January 2021**



**SOUTH STIRLING Ni/Cu PROJECT**

ASQ has established the South Stirling Ni/Cu Project by way of four exploration lease applications lodged covering 1,603 km<sup>2</sup> over the Albany Fraser Mobile Belt, South Western WA where the Company has identified a historic end of hole aircore drilling assay of 1.5m at 0.79% Ni, 934 ppm Cu, 832 ppm Co from 28.5m that was never followed up. ASQ considers the application area has potential for Nickel-Copper magmatic sulphide mineralisation associated with mafic-ultramafic intrusions emplaced into granulite facies country rocks. (refer full detail in the 23 September 2020 announcement *Exploration Update*.)

**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 Bauxite 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 (under current prices of Bauxite this royalty would equate to approx. A\$0.50/tonne)(refer full detail in 30 November 2015 announcement *Final Agreements signed with Yankuang for sale of Joint Venture Interest and Buy Back of Shares*)

## **Maiden drilling program commences at Sovereign Project in the highly prospective Julimar region**

### ***Air-core drilling underway targeting nickel-copper-PGE mineralisation***

DevEx Resources (ASX: DEV; “DevEx” or “the Company”) is pleased to advise that a maiden air-core (AC) drilling program has commenced at its Sovereign Project in the Julimar Region of Western Australia, targeting nickel-copper-platinum group element (PGE) mineralisation.

The Sovereign Project overlies a magnetic complex of rocks that is interpreted to be part of the same mafic-ultramafic intrusive rocks hosting the Julimar Complex, where Chalice Mining Limited (ASX: CHN) has discovered significant Ni-Cu-PGE mineralisation.

DevEx’s drilling will take place directly to the north of Chalice’s Julimar Project and south of Caspin Resources’ (ASX: CPN) Yarawindah Brook Project (Figure 2).

The ~7,000m program, comprising 230 holes, forms part of a substantial, project-wide exploration campaign, and marks the first-ever drilling to be undertaken at depth on the Sovereign Project.

Drilling is designed to test several targets within the 6km x 7km Sovereign Magnetic Complex, where previous assaying of shallow bauxite and rock chip sampling drilling returned multiple areas of anomalous nickel, copper, chromium and PGE results (see ASX Announcement – 19<sup>th</sup> August 2020).

Several areas – including the Kingsley, Hudson and Mackenzie anomalies – include multiple anomalous zones with coincident Cu and Pd+Pt plus supporting Ni and Chromium (Cr) results. The areas coincidentally overlie several late-time airborne EM conductors (Figures 3 and 4), and are considered priority drill targets.

In addition to the drilling program, a partially completed ground-based moving loop electromagnetic (MLEM) survey over several airborne EM targets is planned to re-commence over the coming weeks.

The current drill program will take place over the western half of the Sovereign Magnetic Complex, under an earn-in agreement with Australian Silica Quartz Group Ltd (see ASX Announcement – 1st June 2020).

DevEx recently secured the remaining eastern half of the Sovereign Magnetic Complex following the grant of Exploration Licence E70/5365 (100%). No prior surface exploration has taken place within this newly-granted area; accordingly, the Company has commenced ground-based exploration with the objective of defining future drill targets.



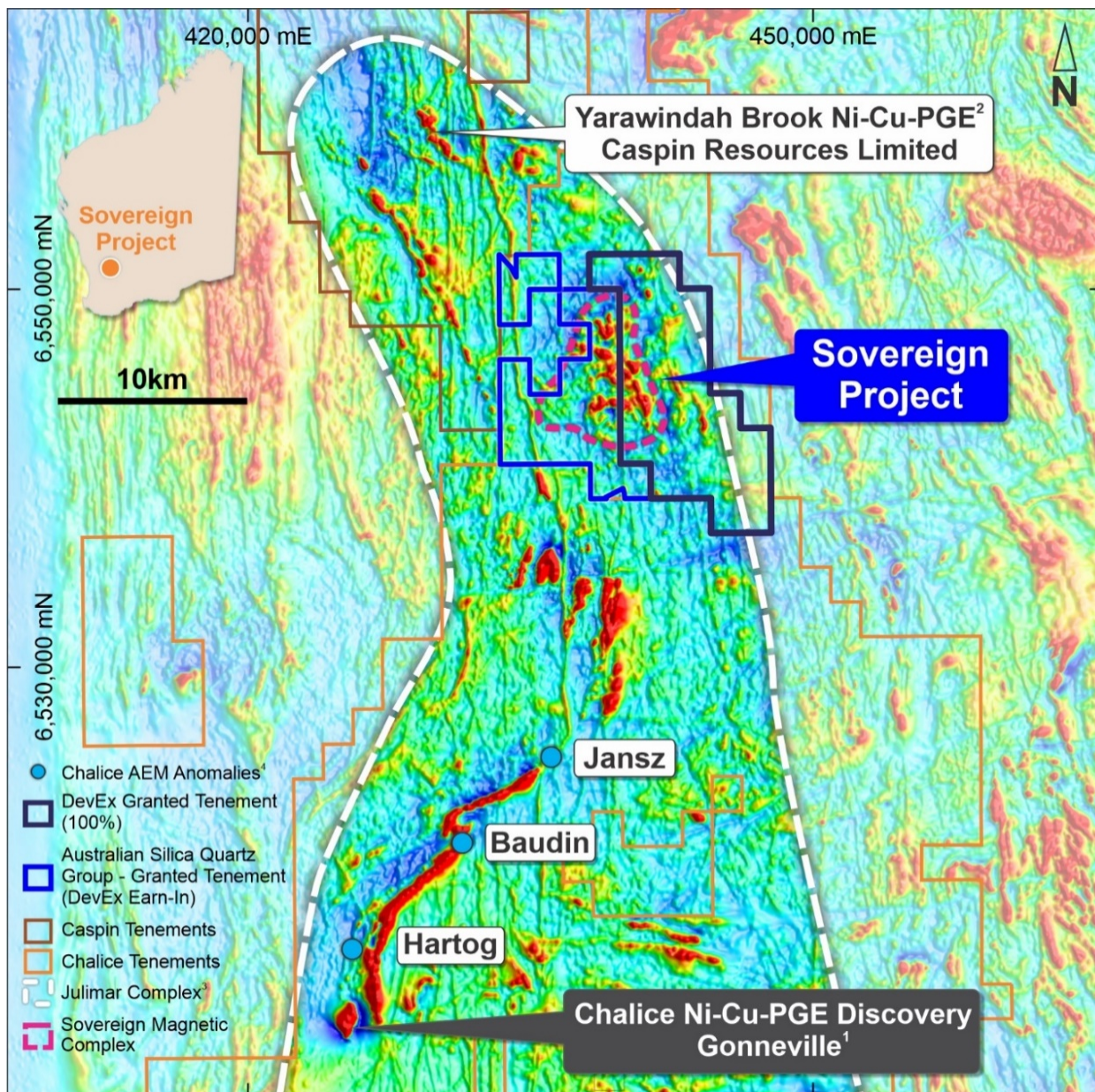


**Figure 1.** Drill rig in operation at the Sovereign Project, Western Australia, targeting nickel-copper-PGE mineralisation.

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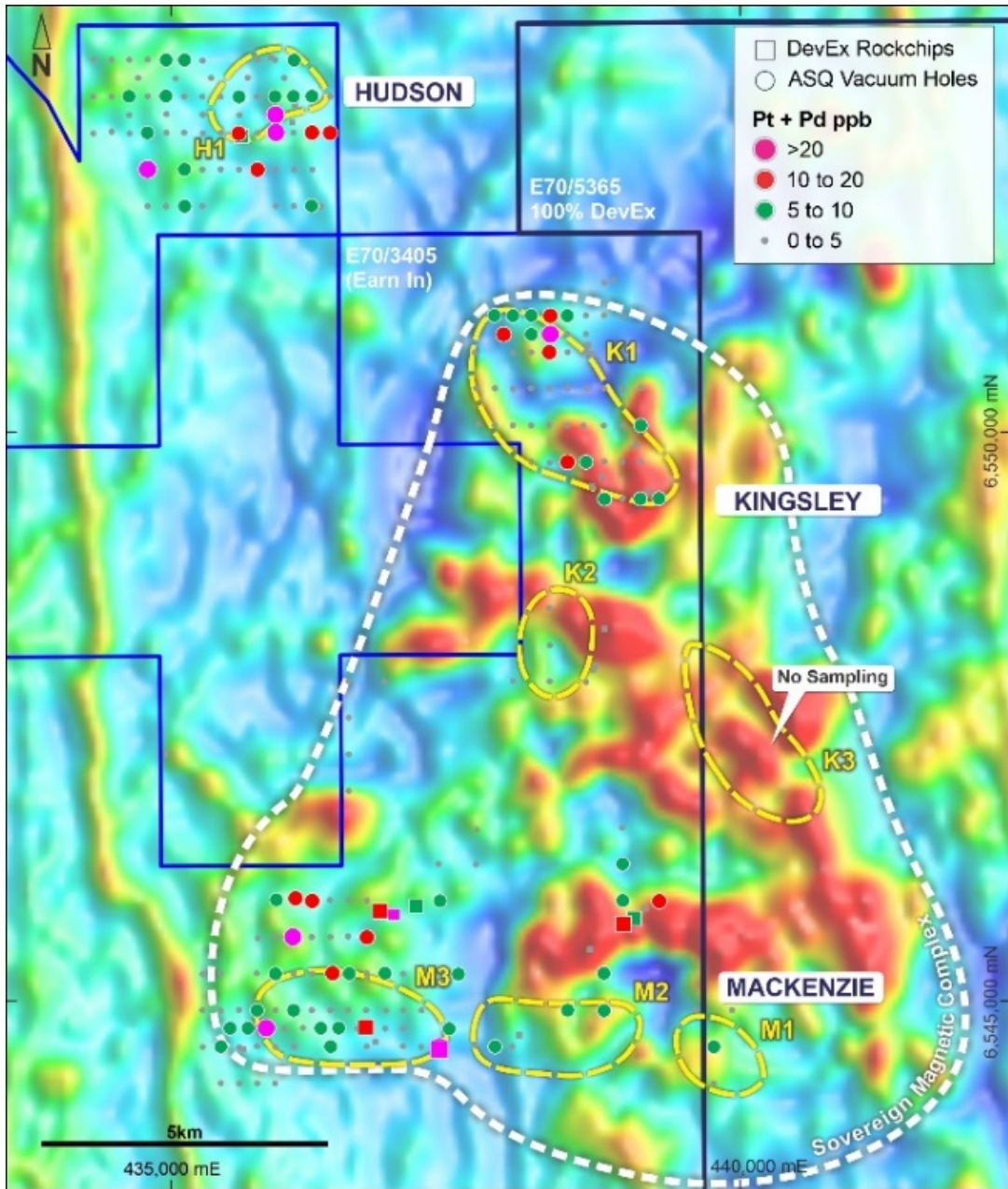


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**Figure 1.** DevEx tenement application and the Australian Silica Quartz Group Ltd ('ASQ') tenement overlying airborne magnetics (RTP) in relation to Chalice Mining Limited's recent high-grade palladium-nickel discovery (ASX: CHN) at the Julimar Project.

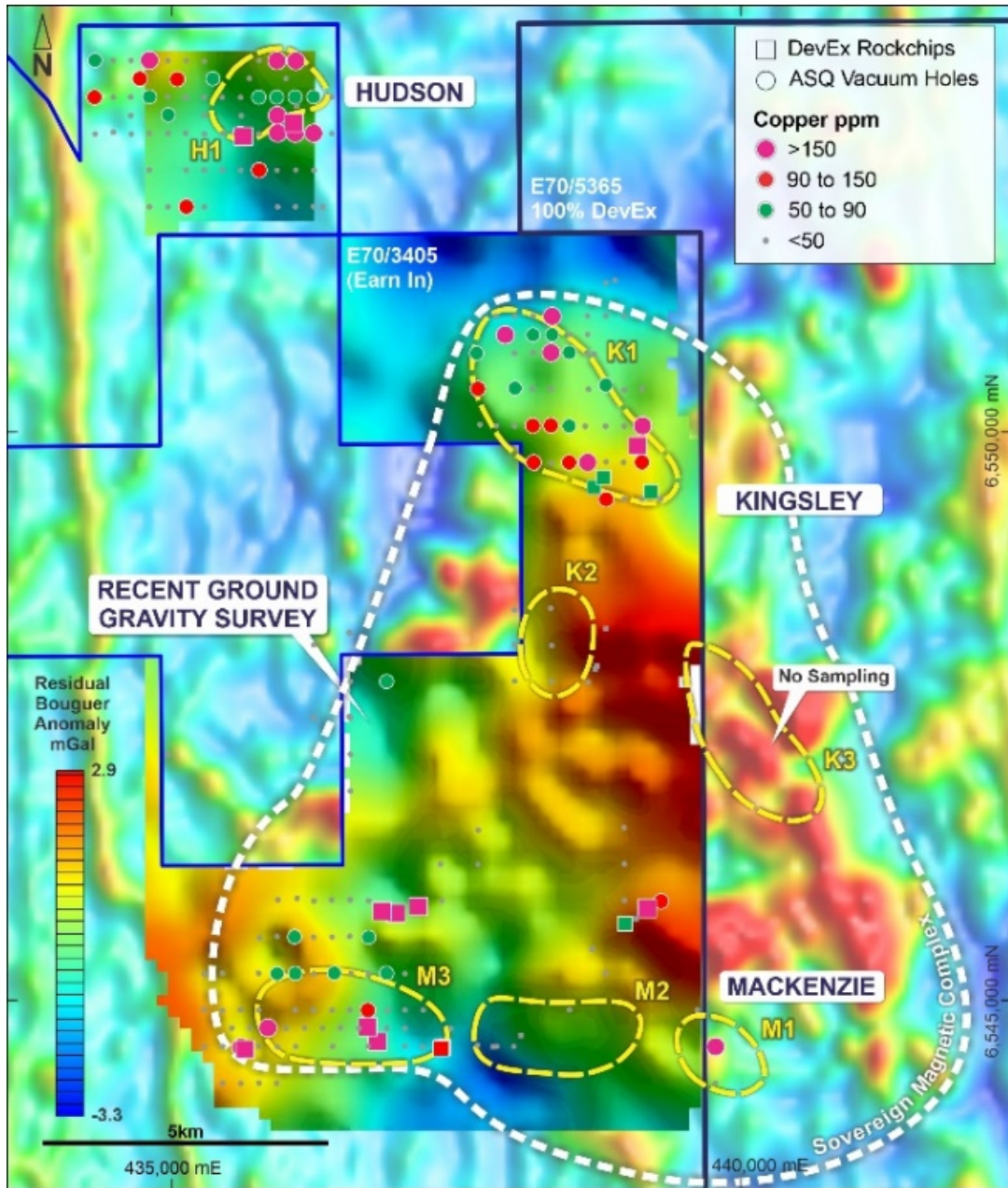




**Figure 2:** Sovereign Magnetic Complex, showing airborne magnetics (RTP) and location of airborne electromagnetic targets (yellow outlines) with **Pt+Pd** analysis of pulps from previous bauxite drilling and rock chip samples.

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**Figure 3:** Ground gravity (Residual Bouguer) over airborne magnetics (RTP) and location of airborne electromagnetic targets (yellow outlines) with **Cu** analysis of pulps from previous bauxite drilling and rock chip samples.



This announcement has been authorised for release by the Board.



**Brendan Bradley**  
Managing Director

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**REFERENCES**

- 1.Chalice Mining Limited (ASX:CHN) ASX announcement “High-Grade Ni-Cu-Pd Sulphide Intersected at Julimar” on 23<sup>rd</sup> March 2020 and “High-grade Ni-Cu-PGEs confirmed in discovery zone at Julimar” on 25<sup>th</sup> May 2020.
- 2.Cassini Resources Limited (ASX:CZI) ASX announcement “Drilling Commencing at Yarrowindah Ni-Cu-PGE Project” on 28<sup>th</sup> May 2020.
- 3.Harrison P. H., 1984. The mineral potential of layered igneous complexes within the Western Gneiss Terrain. In: Professional papers for 1984 of the Geol Surv of W. A. 19. Gov Printing Office, Perth, pp 37–54.
4. Chalice Mining Limited (ASX:CHN) ASX announcement “Major new 6.5km-long EM anomaly identified at Julimar” on 22<sup>nd</sup> September 2020.

**COMPETENT PERSON STATEMENT**

The Information in this report that relates to previous exploration activities within the Julimar Complex is extracted from the ASX announcement titled “DevEx applies for exploration licences in new Julimar Nickel-Copper-PGE region, WA” released on 20<sup>th</sup> April 2020 and “DevEx expands position in Julimar Nickel-Copper-PGE region with strategic farm-in agreement” released on 1<sup>st</sup> June 2020, “New geochemistry results outline Ni-Cu-PGE targets at the Sovereign Project – Julimar region WA” released on 19<sup>th</sup> August 2020 and “Multiple late-time conductors, up to 1km long, identified at the Sovereign Nickel-Copper-PGE Project, WA” released on 8<sup>th</sup> October 2020 and “Exploration Update – WA and NSW Projects” released on 4<sup>th</sup> December 2020, all of which are available on [www.devexresources.com.au](http://www.devexresources.com.au).

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

**FORWARD LOOKING STATEMENT**

This announcement contains forward-looking statements which involve a number of risks and uncertainties. These forward looking statements are expressed in good faith and believed to have a reasonable basis. These statements reflect current expectations, intentions or strategies regarding the future and assumptions based on currently available information. Should one or more of the risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary from the expectations, intentions and strategies described in this announcement. No obligation is assumed to update forward looking statements if these beliefs, opinions and estimates should change or to reflect other future developments.

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