



Australian Silica Quartz Group Ltd

ABN 72 119 699 982

INTERIM FINANCIAL REPORT

FOR THE HALF-YEAR ENDED 31 DECEMBER 2025

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the Annual Report for the period ended 30 June 2025 and any public announcements made by Australian Silica Quartz Group Ltd during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

Directors' Report

Your directors submit their report on the consolidated entity (referred to hereafter as the Group) consisting of Australian Silica Quartz Group Ltd (ASQ) and the entities it controlled at the end of, or during, the half-year ended 31 December 2025.

DIRECTORS

The names of the Company's directors who held office at the end of the half-year are as follows.

Robert Nash – Non Executive Chairman

Neil Lithgow – Non Executive Director

Luke Atkins – Non Executive Director

Pengfei Zhao – Non Executive Director (resigned 2 January 2026)

REVIEW OF OPERATIONS

BUSINESS DIRECTION AND BOARD STRATEGY

During the half-year ending 31 December 2025 the Company's main focus has been the exploration of hard rock silica quartz projects in Far North Queensland and WA along with gold exploration in WA within the Koolyanobbing Metals Project.

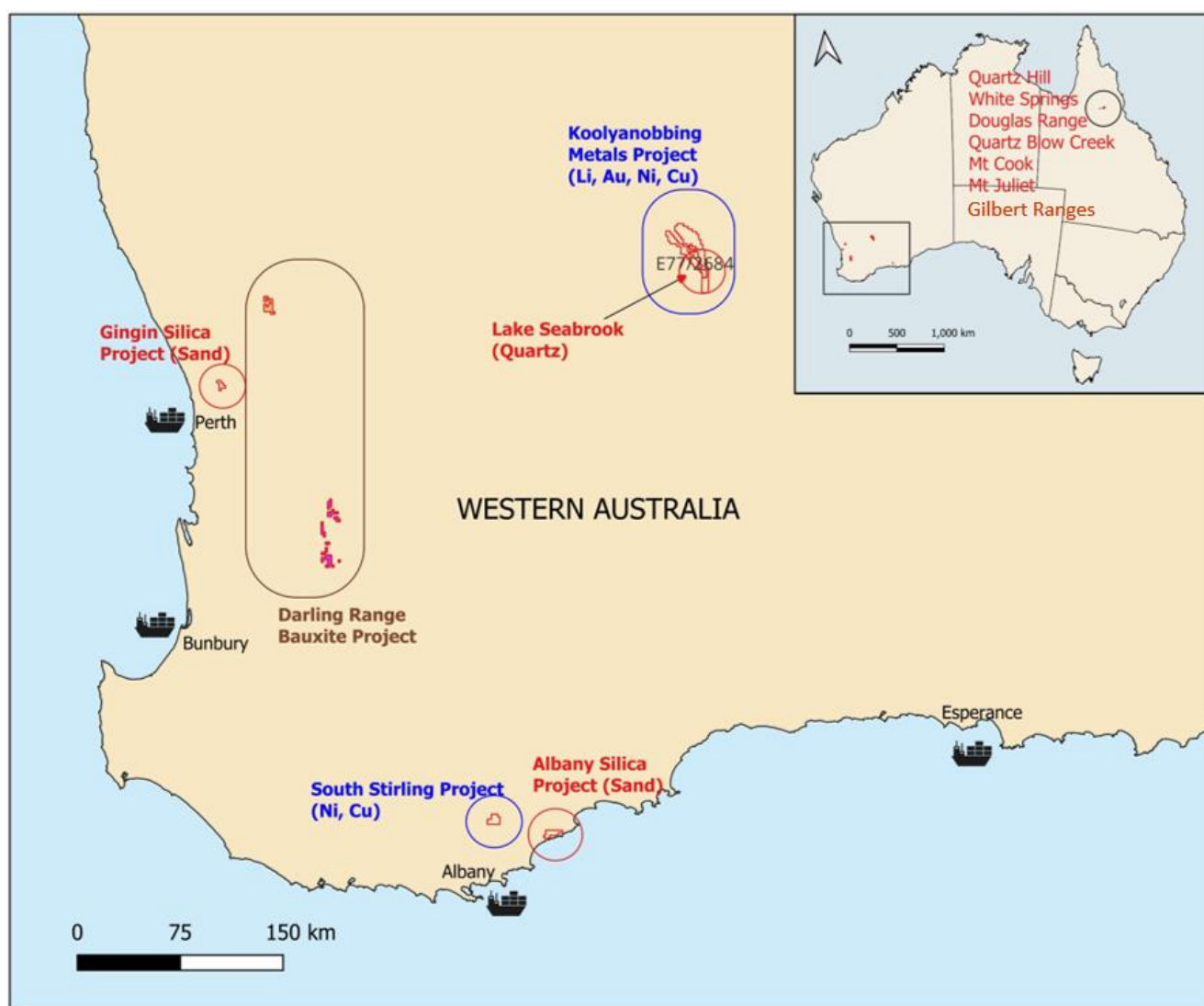


Figure 1: ASQ Project Locations

Directors' Report cont.

HIGH PURITY SILICA – HARDROCK QUARTZ PROJECTS (QLD and WA)

The Company has one granted exploration licence in Western Australia and six granted and one application exploration permit in Far North Queensland with known quartz occurrences having the potential to contain silica products ranging from metallurgical grade to high purity silica. These leases cover 348km² in total.

MGSI QUARTZ EXPLORATION PROJECTS (QLD)

At the recently established Gilbert Ranges Project, ASQ is targeting metallurgical grade silicon quartz.

MGSi quartz is defined as lump quartz feedstock suitable for the manufacture of metallurgical grade silicon. High grade quartz is required by the solar silicon manufacturing industry as a precursor feedstock to produce MGSi.

The Gilbert Ranges Project is located 290km west of Townsville in Far North Queensland with reasonable access via the Kennedy Developmental Road and local well-formed gravel roads with the final stretch on graded cattle station roads. The project is strategically located within trucking range of both the major bulk export port at Townsville as well as the nearby proposed Lansdown Critical Minerals Processing facilities.

ASQ identified the Gilbert Ranges location following regional reconnaissance and satellite imagery assessment which suggested large scale quartz occurrences were present. This theory has been confirmed on the ground and by rock chip results.

Quartz occurrences in the permit area are common however the initial focus is on the area sampled where creek lines and small bluffs expose heavily sericite altered, silica rich, metamorphic rocks that on the south facing flanks of a large-scale ridge with exposed outcrops revealing large scale volumes of quality quartz.

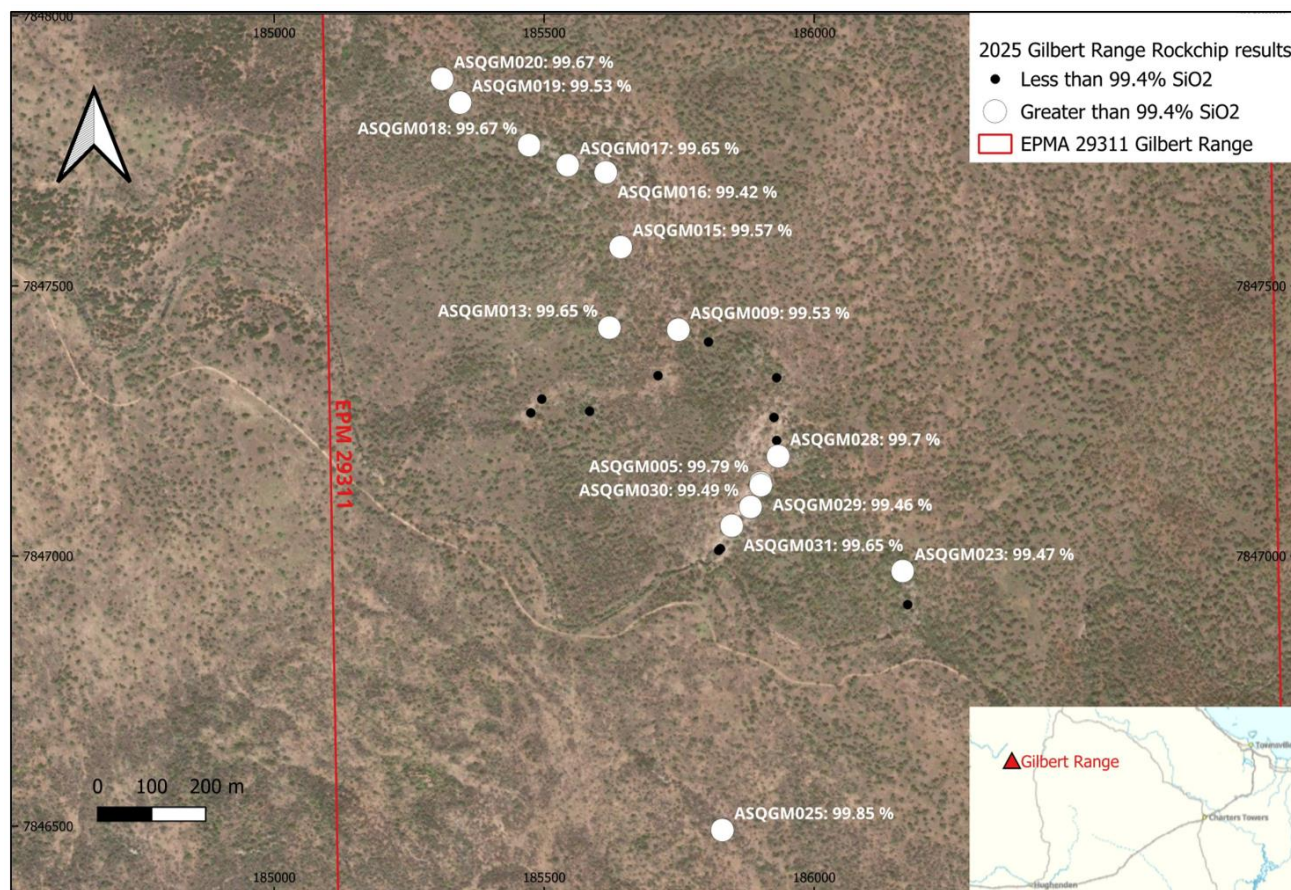


Figure 2: Gilbert Ranges MGSi Quartz Rock Chip Results (SiO₂ percentage)

Late in 2025 ASQ collected 26 rock chip samples over an area covering 1.4km x 1.0km by way of a granted interim Prospecting Permit. Results are highly encouraging with mineralisation in multiple zones along a 1.3km section of hillside. 15 of the 26 rock chip samples recorded >99.4% SiO₂ with consistently low iron and alumina concentrations. The best sample was ASQGM025 with 99.85% SiO₂, 0.11% Al₂O₃ and 0.03% Fe₂O₃ (ASQ (2026). *Encouraging Hardrock Quartz Results. ASZ Release 22 January 2026*).

Once EPM 31299 is granted and land access agreements have been established, ASQ plans to progress exploration at Gilbert Ranges with detailed mapping and sampling. MGSi quartz market considerations will be assessed and if justified, drilling with the aim of establishing a mineral resource estimate will be undertaken.

Directors' Report cont.

ASQ continues to hold the Quartz Hill MGSi Project, located 300km northwest of Townsville in Far North Queensland, containing the 17.3Mt MGSi quartz at 99.04% SiO₂ JORC 2012 resource. MGSi quartz export market assessments are underway.

Table 1: 2023 Quartz Hill Mineral Resource Estimate

Class	December 2023 Mineral Resource Estimate (98% SiO ₂ Cut-off)								
	Total Mineral Resource								
	Tonnage Mt	SiO ₂ %	Al ₂ O ₃ %	CaO %	Fe ₂ O ₃ %	MgO %	Na ₂ O %	TiO ₂ %	ΣOxides %
Indicated	7.6	99.09	0.67	0.005	0.16	0.008	0.02	0.03	0.91
Inferred	9.7	99.00	0.73	0.009	0.17	0.012	0.03	0.03	1.00
Total	17.3	99.04	0.70	0.007	0.17	0.010	0.03	0.03	0.96

Note:

All Mineral Resources figures reported in the table above represent estimates at December 2023. Mineral Resource estimates are not precise calculations, being dependent on the interpretation of limited information on the location, shape and continuity of the occurrence and on the available sampling results. The totals contained in the above table have been rounded to reflect the relative uncertainty of the estimate. Rounding may cause some computational discrepancies.

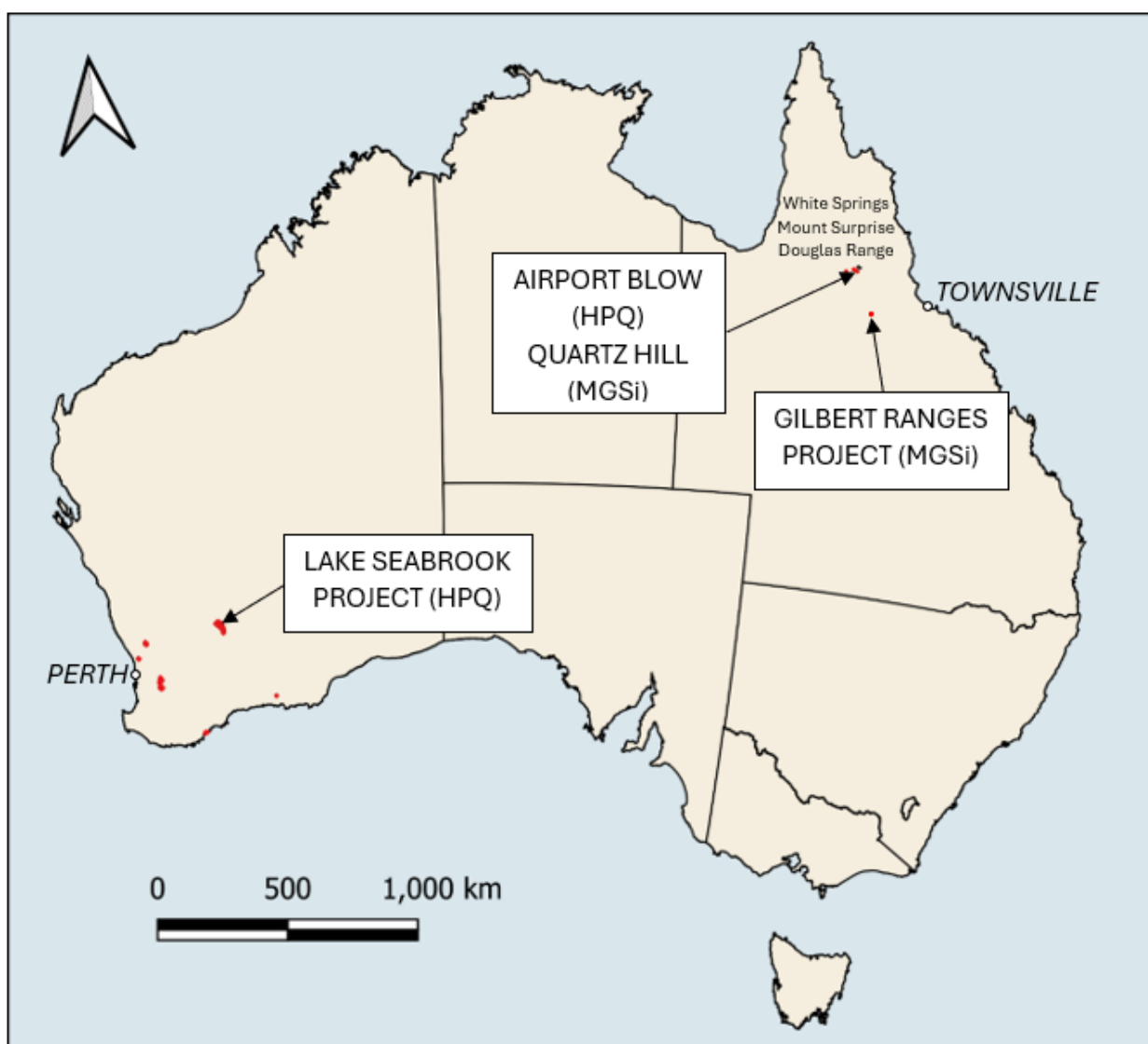


Figure 3: ASQ Hardrock Quartz Projects – Location Map

Directors' Report cont.

HIGH PURITY QUARTZ PROJECTS – RESEARCH AND DEVELOPMENT

Rock chip samples taken by the Company across its High Purity Quartz (HPQ) focused leases have returned silica assays to 99.99% SiO₂ after acid washing demonstrating potential for high purity silica products (ASQ (2021). *Hardrock High Purity Quartz and Silica Update – Revised*. ASX Release 15 December 2021).

ASQ is continuing to work on detailed high purity quartz (HPQ) metallurgical trials using the ASQ flowsheet developed as a part of the Company's ongoing Research and Development Program.

The aim of this work is to demonstrate quartz sampled from ASQ tenements is suitable for Crucible Grade HPQ production and to refine a processing flowsheet that could be effective in producing Crucible Grade HPQ.

High-purity silica is a high-grade (>99.99%) silicon dioxide (SiO₂), raw ingredient used for semiconductors in electronics, computer processors, photovoltaics (solar panels), optical fibres, high performance ceramics and specialty glass applications. High purity silica is most likely to be produced from deposits of very chemically clean hard rock quartz.

Solar silicon manufacturing relies on ultra-pure silica crucibles made from HPQ of differing grades for the different crucible layers. Current market price of processed crucible grade HPQ powder on the Shanghai Metal Market ranges from US\$2,200/t to US\$9,500/t.

Table 2: Typical HPQ Crucible Grades and Composition by layer

Layer	Al (ppm)	Fe (ppm)	Ca (ppm)	Na (ppm)
Inner (40%)	≤ 12	≤ 0.7	≤ 0.5	≤ 0.7
Middle (30%)	≤ 15	≤ 1.0	≤ 1.0	≤ 1.0
Outer (30%)	≤ 20	≤ 1.5	≤ 1.5	≤ 1.5

Source: [Shanghai Metal Market](#)

ASQ have completed purification trials of a representative sample from the Airport Blow quartz occurrence in Far North Queensland. These trials comprised 27 physical and chemical treatment stages and was performed by an independent research laboratory in China. The treatments included hot chlorination, a technique that is not commercially available at laboratories in Australia. The final product analysis was carried out by a commercial laboratory in Perth (ASQ (2026). *Encouraging Hardrock Quartz Results*. ASZ Release 22 January 2026).

Table 3: Chemical Analysis of Airport Blow sample following purification trials in China

	Easting	Northing	Al	Fe	Ca	Na	Σ Impurities	SiO ₂
Units	GDA94 Zone 55		ppm	ppm	ppm	ppm	ppm	%
Purified Airport Blow Sample	212754	7992477	17.3	5.0	12.2	9.3	60.5	99.994

Samples from ASQ's Lake Seabrook HPQ Project have yielded 99.993% SiO₂ quartz powder after treatment at a commercial laboratory in Perth using a simplified 9 stage purification flowsheet developed by ASQ without the use of hot chlorination or hydrofluoric acid leaching (ASQ (2026). *Encouraging Hardrock Quartz Results*. ASZ Release 22 January 2026).

Table 4: Chemical Analysis of Lake Seabrook sample following simplified purification trials in Perth

	Easting	Northing	Al	Fe	Ca	Na	Σ Impurities	SiO ₂
Units	GDA94 Zone 50		ppm	ppm	ppm	ppm	ppm	%
Subsample A	172143	6578322	31.5	0.9	11.7	10.8	69.9	99.993
Subsample B			34.4	0.4	12.2	11.5	74.9	99.993

Whilst the achieved quartz purities are not yet crucible grade which starts at around 99.997% SiO₂, ASQ is targeting improved product purity with adjustments to the flowsheet with the aim of meeting crucible grade product.

ASQ plans to continue with metallurgical trials in 2026.

Directors' Report cont.

GOLD TARGETS - KOOLYANOBING METALS PROJECT (KMP)

The Koolyanobbing Metals Project (KMP) comprises lease areas of 408km² granted tenure and 91km² in applications overlying portions of the Koolyanobbing Shear Zone and Koolyanobbing Greenstone Belt (ASQ (2022). *ASQ Acquires Li/Au/Ni/Cu Ground. ASX Release 11 August 2022*).

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.

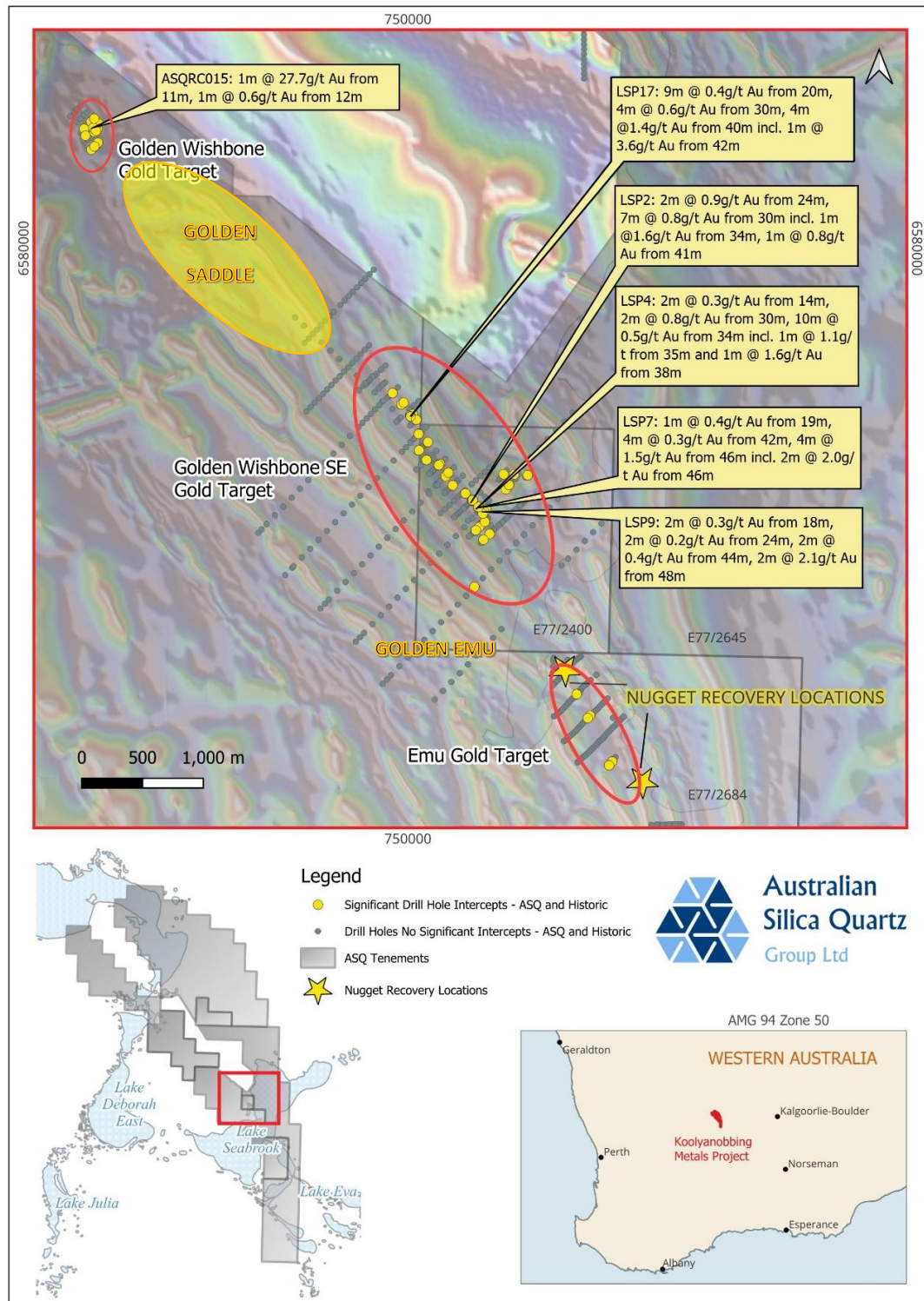


Figure 4: KMP Tenements with ASQ gold anomaly area and selected ASQ and Historic intercepts plus the gold nugget recovery locations

Directors' Report cont.

PLANNED EXPLORATION

The compilation and interpretation of the airborne magnetics dataset has been completed. A demagnetised unit interpreted as a mafic metavolcanic/amphibolite unit can be traced sandwiched between highly magnetic BIF's from Golden Wishbone in the north extending down through the main mineralised zone at Golden Wishbone SE and further south to the mineralised drill holes and recovered nuggets at the EMU target carrying on under lake Seabrook to connect with a zone of anomalous gold in soils on the peninsula within E77/2675 over a total length of 13km. This lithological unit has had little to no drill testing outside of the main three target areas (Golden Wishbone, Golden Wishbone SE and EMU). Around 70% of the unit's strike length is untested with drilling.

ASQ plans to focus on an area with limited historical work between Golden Wishbone and Golden Wishbone SE known as the Golden Saddle with soil sampling over interpreted cross cutting structures and fold hinges expected to provide potential targeting for drill testing.

ASQ plans to drill test the area of 20.8g of nuggets were recovered at the Golden Emu location where fresh metasedimentary and intrusive rocks sub-crop throughout the zone (ASQ (2025). *Koolyanobbing Gold Projects – Exploration Update, ASX release 31 March 2025*).

JOINT VENTURE FUNDING PARTNER SOUGHT

ASQ is actively seeking a partner to assist with the ongoing exploration of the KGB gold prospects. Opportunities considered include parties contributing project funding, operating joint venture partners or outright purchase. Interested parties are invited to contact the Company.

No other exploration was carried out on the KMP Metals Project during the reporting period.

SILICA SAND PROJECTS – GINGIN & ALBANY

The Gingin Silica Sand Project consists of one application exploration licence located 20km north of Perth, the Albany Silica Sand Project consists of one granted exploration licence 80 km east of the Port of Albany.

ALBANY WHITE HILL SILICA SAND PROJECT

The Company has completed a Mineral Resource Estimate on a property 70km east of Albany totalling 11.6 Mt with >99.9% SiO₂ and <50 ppm Fe₂O₃ and extends over a strike length of 1,650m and has a maximum width of 1,565m (ASQ (2021). *Maiden High Grade, Low Iron, Silica Sand Resource. ASX Release 28 January 2021*).

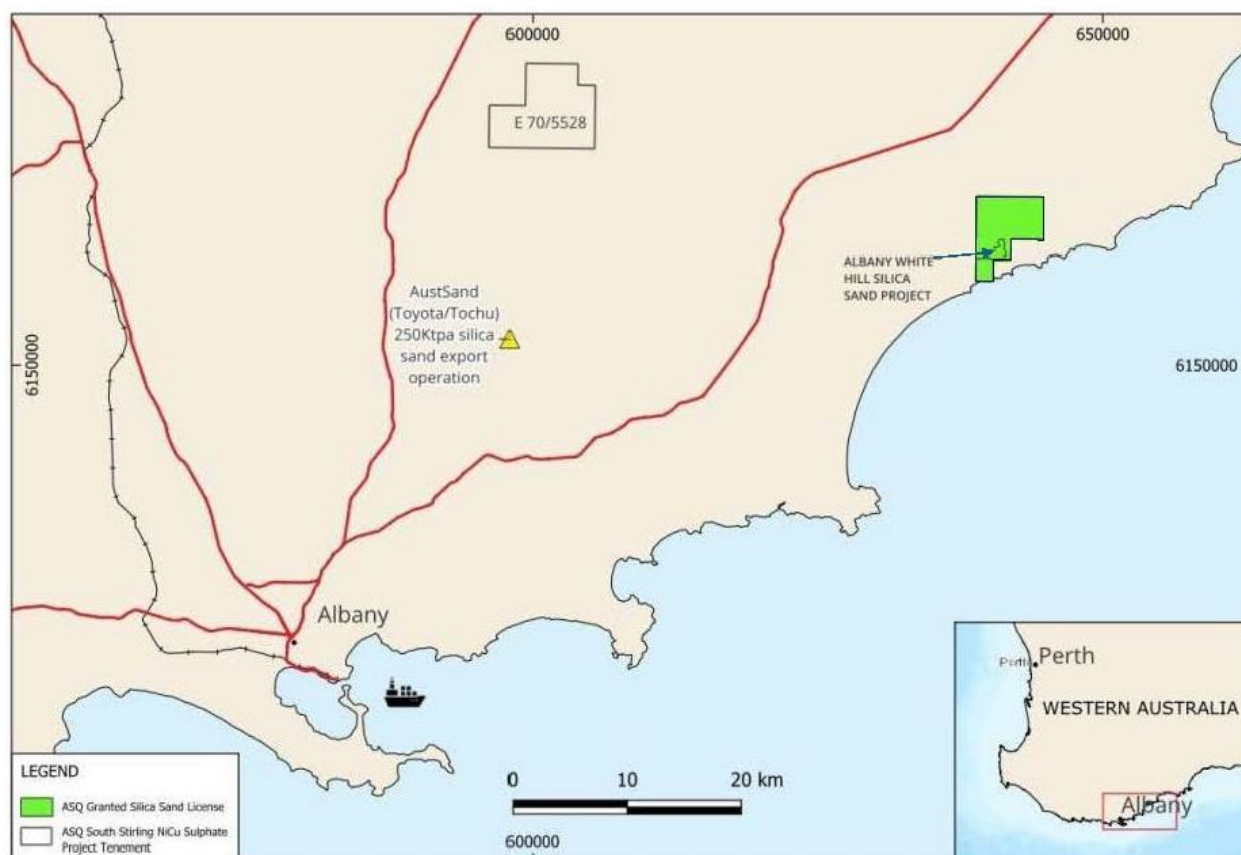


Figure 5: Location of the Albany White Hill Silica Sand Project on E70/5262 east of Albany. ASQ South Stirling Ni-Cu Sulphide tenement shown for context. Other holder tenements not shown

Directors' Report cont.

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 (ASQ (2021). *Maiden High Grade, Low Iron, Silica Sand Resource*. ASX Release 28 January 2021).

Table 5: Albany White Sand Hill Silica Sand Deposit January 2021 Inferred Mineral Resource Estimate

Size Fraction	Tonnes Mt	Yield (%)	Fe ₂ O ₃ ppm	Al ₂ O ₃ ppm	TiO ₂ ppm	CaO ppm	K ₂ O ppm	Na ₂ O ppm	MgO ppm	ΣOx. %	SiO ₂ +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

A Scoping Study looking at the suitability of the deposit for development into a 0.5 – 1.0 Mtpa export operation is progressing, however priority is being given to identifying an offtake partner over the development of the project. 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. Work is also progressing on reducing the levels of TiO₂ in the resource.

The transport of the sand 15-20km from the deposit to the South Coast Highway for road haulage into the Albany Port is also the subject of ongoing further investigation. No other exploration was carried out on the Albany White Hill Sand Project during the reporting period.

BAUXITE EXPLORATION ACTIVITIES UNDERTAKEN UNDER THE JOINT VENTURE WITH HD MINING

In 2010 the Company entered into a JV 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) 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
- (b) 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.

The current JV bauxite resource inventory stands at 71.3Mt of Inferred Mineral Resource (refer full detail in the 23 April 2018 Announcement – *48% increase in Bauxite Resource at Ceres Deposit in Darling Range, WA*).

ASQ and HD Mining continue to evaluate the potential for economic development of the Dionysus and the combined Ceres/Athena resource areas (Athena: 36.2Mt, 32.8% available alumina, 2.8% reactive silica, see ASX announcement 15/07/14, Dionysus: 20.3Mt, 32.6% available alumina, 3.4% reactive silica, see ASX announcement 24/03/14, Ceres 21.9Mt, 31.4% available alumina, 3.2% reactive silica (ASQ (2020). *48% increase in Bauxite Resource at Ceres Deposit in Darling Range, WA*. ASX Release 23 April 2018).

No other exploration was carried out on the bauxite Projects during the reporting period.

Directors' Report cont.

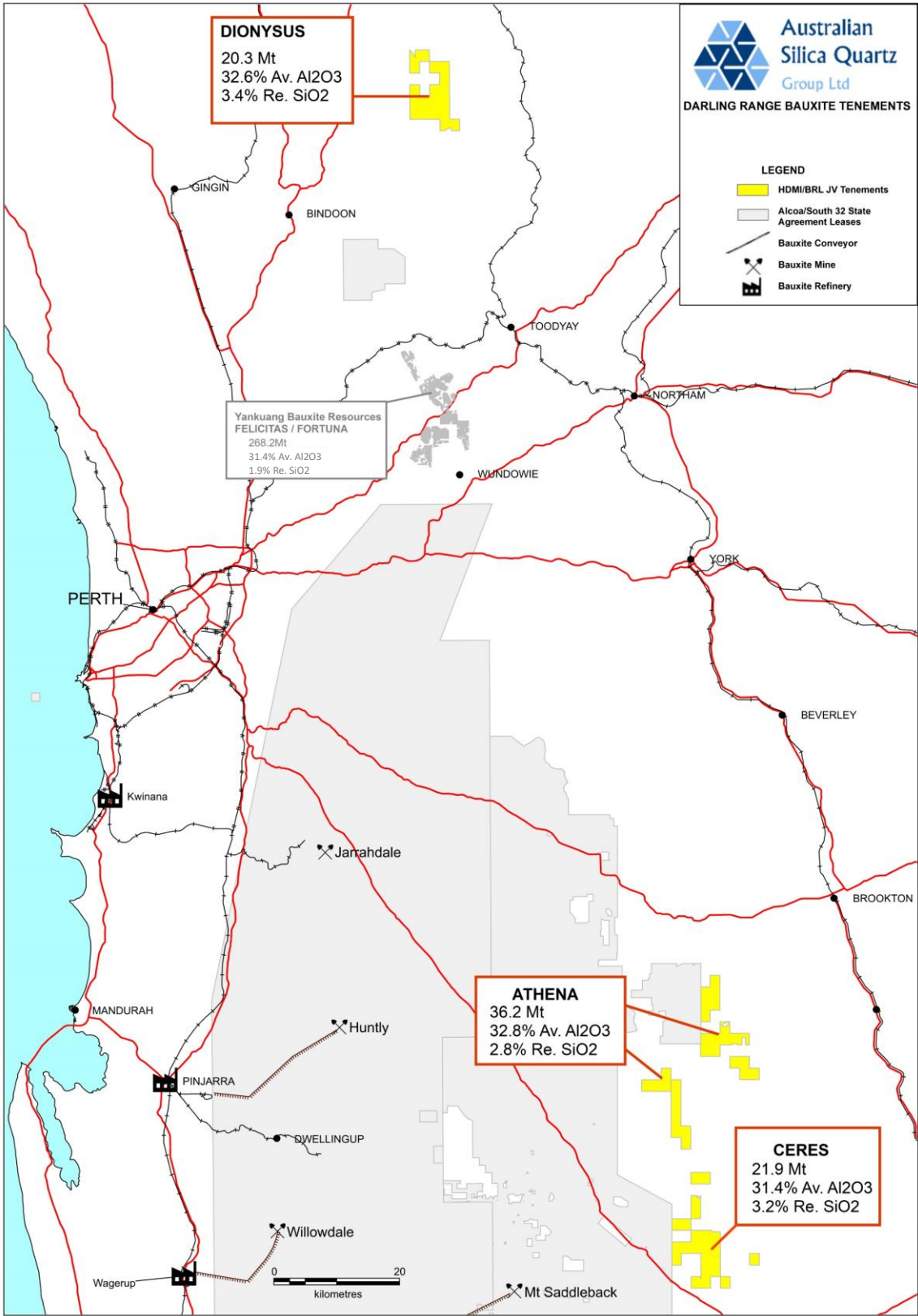


Figure 3: ASQ/HD JV Mining Darling Range bauxite tenement holding and resource locations

Directors' Report cont.

CORPORATE

Australian Silica Quartz Group is in a sound financial position with significant cash reserves and no debt. At 31 December 2025, the Group held \$1.28m in cash. It also had one unencumbered rural broadacre property in the Bindon area of Western Australia independently valued in August 2024 at \$2.5m.

At 31 December 2025, the Group had 1,080 shareholders and 281,860,377 fully paid ordinary shares on issue with the top 20 shareholders holding 55% of the total issued capital. There were no movements in Share Capital during the half year.

The Group has 8,666,669 Tranche 3 Performance Rights on issue at 31 December 2025 which were approved by shareholders at the AGM in November 2023. During the half-year 8,666,666 November 2023 Tranche 2 Performance Rights lapsed after failing to achieve the performance hurdles. The Company also has 1,500,000 Performance Shares on issue.

The Board will continue to focus on the Koolyanobbing Metals Project, its Silica and Bauxite Projects, and seek to enhance the value of these through exploration and development activities.

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 14 for the half-year ended 31 December 2025.

Signed in accordance with a resolution of the directors.



Robert Nash
Chairman

Perth, 26 February 2026

Competent Persons Statement

The information in this report that relates to the bauxite and silica sand resource base as a whole and the silica sand product specifications and testwork, was compiled by Nick Algie. Mr Algie is a qualified geologist and a full time employee of ASQ. He is a shareholder in ASQ and is entitled to participate in ASQ's employee performance plan, details of which are included in ASQ's 2025 Remuneration Report. Mr Algie is a member of the Australian Institute of Mining and Metallurgy, and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking 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 has consented to the inclusion in this report of material in the form and context in which it appears.

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

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2025, 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 review.



NEIL PACE
PARTNER



MOORE AUSTRALIA AUDIT (WA)
CHARTERED ACCOUNTANTS

Signed at Perth this 26th day of February 2026.

Statement of Profit or Loss and Other Comprehensive Income

Half-Year Ended 31 December 2025

	Notes	Consolidated Group	
		31 December 2025 \$	31 December 2024 \$
Continuing operations			
Recoupment of exploration costs	2	57,923	187,742
Other income	2	24,243	18,216
Interest income	2	2,172	32,893
Employee benefits expense		(110,638)	(144,781)
Exploration expenses as incurred	3	(330,630)	(744,672)
Administration expenses		(323,622)	(389,005)
Depreciation and amortisation expense		(3,995)	(6,465)
Gain on sale of property	5	354,234	-
Share-based payments expense		(130,960)	(283,630)
Loss before income tax		(461,273)	(1,329,702)
Income tax expense		-	-
Loss after income tax expense for the half-year		(461,273)	(1,329,702)
Other comprehensive income			
Other comprehensive income for the period, net of tax		-	-
Total comprehensive loss for the period		(461,273)	(1,329,702)
Loss for the half-year is attributable to:			
Owners of Australian Silica Quartz Group Ltd		(461,273)	(1,329,702)
Earnings per share			
From continuing operations:			
Basic earnings per share (cents)		(0.16)	(0.47)
Diluted earnings per share (cents)		(0.16)	(0.47)

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

Statement of Financial Position

At 31 December 2025

	Notes	Consolidated Group	
		31 December 2025	30 June 2025
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents		1,281,379	836,759
Trade and other receivables		80,796	92,184
TOTAL CURRENT ASSETS		1,362,175	928,943
NON CURRENT ASSETS			
Other financial assets		215,500	213,000
Property, plant and equipment		2,548,602	3,272,597
TOTAL NON CURRENT ASSETS		2,764,102	3,485,597
TOTAL ASSETS		4,126,277	4,414,540
CURRENT LIABILITIES			
Trade and other payables		74,404	53,773
Provisions		68,551	47,132
TOTAL CURRENT LIABILITIES		142,955	100,905
TOTAL LIABILITIES		142,955	100,905
NET ASSETS		3,983,322	4,313,635
EQUITY			
Contributed equity	6	60,299,561	60,299,561
Reserves		3,656,781	3,525,821
Accumulated losses		(59,973,020)	(59,511,635)
TOTAL EQUITY		3,983,322	4,313,747

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

Statement of Changes in Equity

Half-Year Ended 31 December 2025

Consolidated Group	Issued Ordinary Capital	Reserves	Accumulated Losses	Total
	\$	\$	\$	\$
Balance at 1 July 2024	60,299,561	3,103,958	(57,590,163)	5,813,356
Loss for the period	-	-	(1,329,702)	(1,329,702)
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	(1,329,702)	(1,329,702)
Performance rights value for the period	-	283,630	-	283,630
Balance at 31 December 2024	60,299,561	3,387,588	(58,919,865)	4,767,284
Balance at 1 July 2025	60,299,561	3,525,821	(59,511,747)	4,313,635
Loss for the period	-	-	(461,273)	(461,273)
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	(461,273)	(461,273)
Performance rights value for the period	-	130,960	-	130,960
Balance at 31 December 2025	60,299,561	3,656,781	(59,973,020)	3,983,322

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

Statement of Cash Flow

Half-Year Ended 31 December 2025

	Consolidated Group	
	31 December 2025	31 December 2024
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	70,108	152,359
Payments to suppliers and employees	(400,833)	(580,273)
Payments for exploration expenditure	(297,794)	(706,501)
Interest received	1,405	36,207
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	(627,114)	(1,098,208)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for security deposit	(2,500)	-
Proceeds from sale of property	1,074,234	-
NET CASH INFLOW FROM INVESTING ACTIVITIES	1,071,734	-
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	444,620	(1,098,208)
Cash and cash equivalents at the beginning of the half-year	836,759	2,397,542
CASH AND CASH EQUIVALENTS AT THE END OF THE HALF-YEAR	1,281,379	2,397,542

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

Notes to the Financial Statements

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES

This interim 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 authorised for issue by the directors of the Company.

Basis of preparation

This general purpose interim financial report has been prepared in accordance with requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of the Group. As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this interim financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2025, together with any public announcements made during the following half-year. The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements.

The Group has considered the implications of new or amended Accounting Standards, but determine that their application to the Financial Statements is either not relevant or not material.

2. REVENUE

	Consolidated Group	
	31/12/2025 \$	31/12/2024 \$
Reimbursement of exploration costs – Other	57,923	63,907
Reimbursement of exploration costs – MGSi Quartz Project ¹	-	123,835
Other revenue	24,243	18,216
Interest	2,172	32,893
	84,338	238,851

Note 1: As announced on 12 July 2023, Australian Silica Quartz Group Ltd received a \$1 million fee from Private Energy Partners Pty Ltd under the Project Development Heads of Agreement on ASQ's 100% owned Quartz Hill MGSi Quartz Project in North Queensland. This amount represents the remaining portion of the fee that had been expended to 31 December 2024.

3. PROFIT/(LOSS) FOR THE HALF-YEAR

Expenses

	Consolidated Group	
	31/12/2025 \$	31/12/2024 \$
Exploration expenditure	330,630	620,837
Exploration expenditure – MGSi Quartz Project (See Note 2)	-	123,835
Total exploration expenditure	330,630	744,672
Lease payments	17,682	17,682

4. 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.

Notes to the Financial Statements cont.

5. DISPOSAL OF PROPERTY

During the interim period, the Group disposed of one of its rural freehold land and buildings.

The property was sold on 22 December 2025 for a total consideration of \$1,100,000. The sale resulted in a net gain of \$354,234, which has been recognised in the Statement of Profit or Loss and Other Comprehensive Income under "Gain on sale of property".

	Consolidated Group	
	31/12/2025 \$	31/12/2024 \$
Cash consideration received	1,100,000	-
Less: Carrying amount of net assets disposed	(720,000)	-
Less: Selling costs	(25,766)	-
Net gain on disposal before income tax	354,234	-

The property was previously classified as Property, Plant and Equipment under AASB 116. Management determined that the sale met the criteria for recognition during the period as the control of the asset had transferred to the purchaser and the Group retained no further involvement in the property.

6. CONTRIBUTED EQUITY

		31/12/2025		30/06/2025	
	Notes	Number of securities	\$	Number of securities	\$
(a) Share capital					
Ordinary shares fully paid	5b		60,299,561		60,299,561
Total contributed equity			60,299,561		60,299,561
(b) Movements in ordinary share capital					
Beginning of the period		281,860,377	60,299,561	281,860,377	60,299,561
End of the period		281,860,377	60,299,561	281,860,377	60,299,561

(c) 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.

(d) Share Based Payments

During the financial period 8,666,666 Nov 2024 Tranche 2 Performance Rights lapsed. As at the date of this report the following Performance Rights issued to Directors and Staff were on issue at 31 December 2025:

8,666,669 Nov 2023 Tranche 3 Performance Rights

The Performance Rights shall vest as follows:

Tranche 2 Performance Rights: upon the Company's Shares reaching a 30 day VWAP which is greater than 6.7 cents per share, in the period from 10 December 2024 to 10 December 2025; 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 10 December 2025.

Tranche 3 Performance Rights: upon the Company's Shares reaching a 30 day VWAP which is greater than 7.3 cents per share, in the period from 10 December 2025 to 10 December 2026; 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 10 December 2026.

Notes to the Financial Statements cont.

(d) Share Based Payments (continued)

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 is 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:

- (a) 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;
- (b) 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;
- (c) 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% Li₂O 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
- (d) 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

7. 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.

- (a) 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
- (b) 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 6(d). 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.

8. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

There have been no events that have arisen since 31 December 2025 which have significantly affected, or may significantly affect the operations of the Group, the result of those operations, or the state of affairs of the Group in subsequent financial years.

Directors' Declaration

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

1. the financial statements and notes as set on pages 15 to 21, are in accordance with the Corporations Act 2001, including:
 - a. complying with Accounting Standard AASB 134: Interim Financial Reporting; and
 - b. giving a true and fair view of the Company's and the consolidated entity's financial position as at 31 December 2025 and of their performance for the half-year ended on that date;
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



Robert Nash
Chairman

Perth, 26 February 2026

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF AUSTRALIAN SILICA QUARTZ GROUP LTD

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Australian Silica Quartz Group Limited (the company) and its controlled entities (the group or consolidated entity), which comprises the consolidated statement of financial position as at 31 December 2025, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, the consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of material accounting policies and other explanatory information and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the company is not in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2025 and of its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001.

Basis for Conclusion

We conducted our review in accordance with Auditing Standards on Review Engagements *ASRE 2410: Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Responsibility of the Directors for the Half-Year Financial Report

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

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF AUSTRALIAN SILICA QUARTZ GROUP LTD (CONTINUED)**

Auditor's Responsibility

Our responsibility is to express a conclusion on the financial report based on our review. ASRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the financial report is not in accordance with the *Corporations Act 2001* including:

- a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2025 and its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134: *Interim Financial Reporting and the Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



NEIL PACE
PARTNER



MOORE AUSTRALIA AUDIT (WA)
CHARTERED ACCOUNTANTS

Signed at Perth this 26th February 2026