AUSTRALIAN SILICA QUARTZ GROUP LIMITED

WHITE SWAN KAOLIN – TRIAL SHIPMENT MOU

Highlights

- **Non-binding Memorandum of Understanding (MOU) signed with Guangdong Xianghe Kaolin Technology Co., Ltd (KBC) for a trial shipment of White Swan kaolin for evaluation at KBC's plant in China.**
- **MOU details commercial parameters of any offtake to be negotiated.**
- **ASQ trade delegation travelled to China and inspected KBC's facilities prior to signing the MOU.**
- **Two containers of White Swan kaolin totaling 40 tonnes, packed and sealed for shipment to KBC.**
- **Trial shipment expected to arrive at Nansha Port, China, in the second half of December 2026.**
- **KBC Managing Director to visit White Swan Kaolin Project early in the New Year**

The trial shipment is intended to allow KBC to carry out processing trials and evaluation of White Swan kaolin. The MOU does not oblige either party to enter into an ongoing supply agreement, and any such agreement remains subject to successful evaluation and agreement on commercial terms.



White Swan Kaolin packed for shipping to KBC

25 November 2026

ASX Code: ASQ

AUSTRALIAN SILICA QUARTZ GROUP LTD

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Australian Silica Quartz Group Limited (ASX: ASQ) is pleased to announce that its wholly owned subsidiary, Australian Kaolin Pty Ltd (AKL), has entered into a non-binding Memorandum of Understanding (MOU) with Guangdong Xianghe Kaolin Technology Co., Ltd (KBC) for a trial shipment of raw kaolin from the White Swan Kaolin Project near Esperance, Western Australia.

The MOU follows the Company's announcement "White Swan Bulk Sample Ready for Customer Evaluation", released on 20 October 2026.

Comment from ASQ CEO Sam Middlemas:

"Signing this MOU and sending the first containers of direct shipping ore (DSO) White Swan kaolin to KBC is an important step in our offtake program. Our delegation inspected KBC's facilities before signing, and we look forward to the shipment arriving in China later this year.

The trial shipment will allow KBC to evaluate the material in its plant. Further evaluation and agreement on commercial terms are required before any ongoing DSO supply arrangement could be finalised."

Trial Shipment MOU with KBC

During the Company's marketing visit to southern China in early November 2026, an ASQ delegation inspected KBC's facilities before the MOU was signed. Australian Kaolin Pty Ltd, a wholly owned subsidiary of ASQ, entered into a non-binding MOU with Guangdong Xianghe Kaolin Technology Co., Ltd (KBC) for the supply of a trial shipment of White Swan raw kaolin ore for evaluation and processing trials at KBC's plant.

Two containers with 40 tonnes of DSO White Swan kaolin have been packed and sealed for the trial shipment. The vessel is scheduled to sail on 2 December 2026 and is expected to arrive at Nansha Port, China, in the second half of December 2026.

If KBC's evaluation shows the material meets its requirements, the parties intend to negotiate in good faith a separate purchase agreement for ongoing supply. The MOU parameters for any ongoing supply are indicative only and commercial terms, including price, remain to be agreed. There is no certainty that a binding offtake agreement will be reached. The MOU is non-binding in respect of ongoing supply and does not constitute a binding offtake commitment.



Some of the KBC clay processing facilities in Guangdong Province, China

Next Steps

- Ship the two sealed containers of White Swan kaolin to KBC (sailing 2 December 2026, expected arrival at Nansha Port in the second half of December 2026) and support KBC's processing trials and evaluation.
- Negotiate in good faith a purchase agreement for ongoing supply with KBC if the trial evaluation is successful, and continue discussions with other potential customers.
- Continue technical testwork aimed at identifying higher-value end-use applications.
- Host the KBC White Swan site visit.

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About the White Swan Kaolin Project

ASQ holds the White Swan Kaolin Project near Esperance, Western Australia, through its wholly owned subsidiary Australian Kaolin Pty Ltd. The project covers 51.5 km² across granted mining and exploration tenure, approximately 35 km by sealed road from Esperance Port. Land access is secured, with an option to purchase the freehold land.

White Swan hosts a shallow Inferred Mineral Resource of 47 million tonnes at a 25% Al_2O_3 cut-off, reported under the JORC Code (2012 Edition).

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original resource announcement and that all material assumptions and technical parameters underpinning the Mineral Resource estimate continue to apply and have not materially changed.

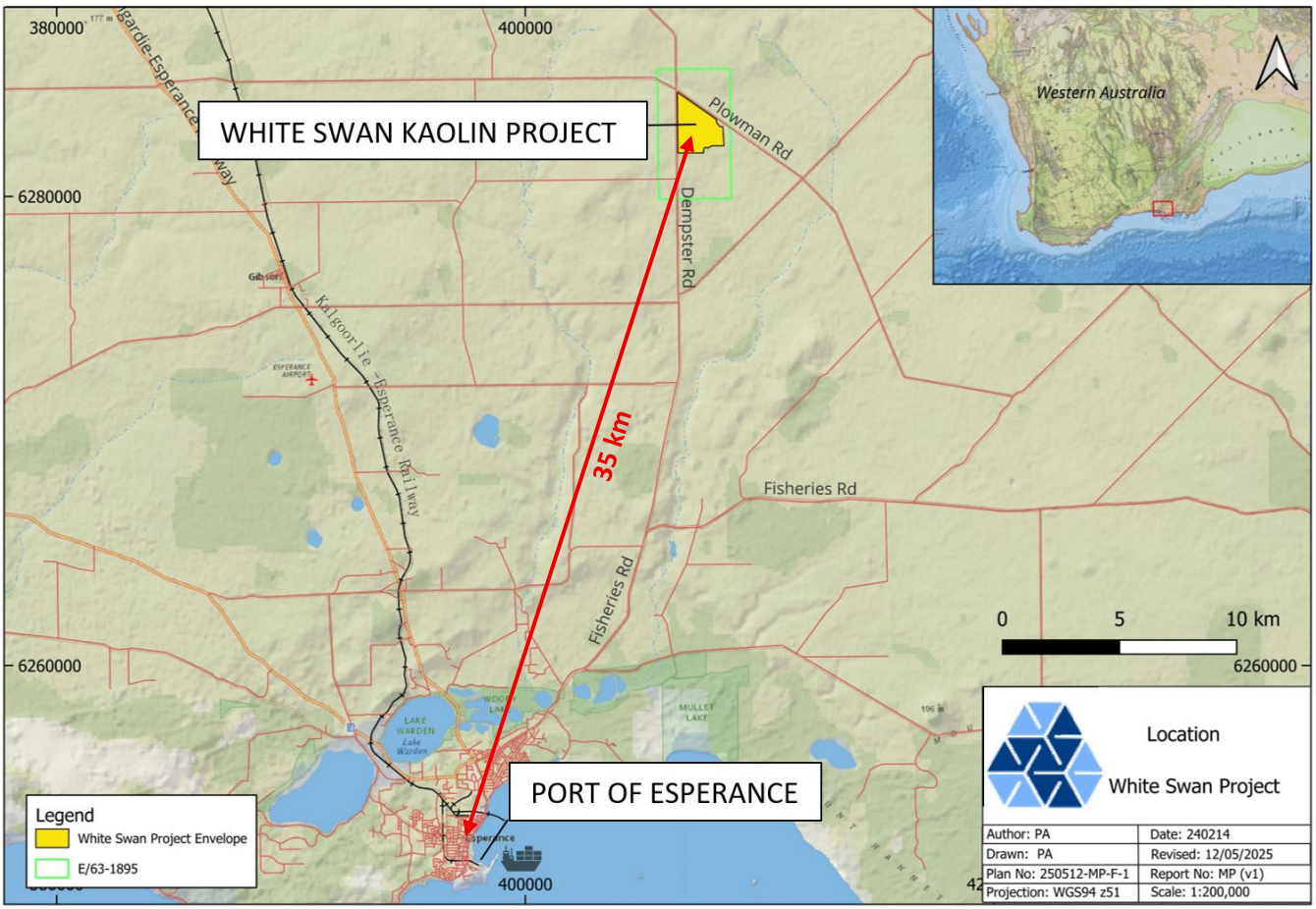


Figure 1: White Swan Kaolin Project Location

This announcement has been approved for release by the Board.

Cautionary Statement

The MOU is non-binding in respect of ongoing supply and the trial shipment is for evaluation purposes only. There is no certainty that KBC's evaluation will be successful or that a binding offtake agreement will be entered into. Further metallurgical, engineering, marketing and commercial studies are required before the Company can determine the economic viability of any future development pathway.

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Report References

Australian Silica Quartz Group Ltd (ASX:ASQ) ASX Announcement *"Purchase of Australian Kaolin Pty Ltd"* Released on 21 April 2026.

Australian Silica Quartz Group Ltd (ASX:ASQ) ASX Announcement *"DMPE Approval of White Swan Mine Development and Closure Plan"* Released on 27 May 2026.

Australian Silica Quartz Group Ltd (ASX:ASQ) ASX Announcement *"Completion of the purchase of Australian Kaolin Pty Ltd"* Released on 1 July 2026.

Australian Silica Quartz Group Ltd (ASX:ASQ) ASX Announcement *"Encouraging Preliminary Kaolin Testwork Results"* Released on 29 July 2026.

Australian Silica Quartz Group Ltd (ASX:ASQ) ASX Announcement *"White Swan Bulk Sample Ready for Customer Evaluation"* Released on 20 October 2026.

Australian Silica Quartz Group Ltd (ASX:ASQ) ASX Announcement *"White Swan Kaolin – Project Update"* Released on 29 October 2026.

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