



17 October 2023

Dear Shareholder

Annual General Meeting – Notice of Meeting and Proxies

Notice is given that the Annual General Meeting (**Meeting**) of Shareholders of Australian Silica Quartz Group Ltd (ACN 119 699 982) (**Company**) will be held as follows:

Time and date: 11.00am (Perth time) on Thursday, 23 November 2023
Location: Suite 10, 295 Rokeby Road, Subiaco, Western Australia

Notice of Meeting

In accordance with the *Corporations Act 2001* (Cth) the Company will not be dispatching physical copies of the Notice of Meeting unless individual shareholders have made a valid election to receive documents in hard copy. Instead, the Notice of Meeting and accompanying explanatory statement (**Meeting Materials**) are being made available to shareholders electronically and can be viewed and downloaded from:

- the Company's website at <https://asqq.com.au/announcements>; and
- the ASX market announcements page under the Company's code "ASQ".

If you have nominated an email address and have elected to receive electronic communications from the Company, you will also receive an email to your nominated email address with a link to an electronic copy of the Notice of Meeting.

Voting at the Meeting or by proxy

Shareholders are encouraged to vote by lodging a proxy form.

Proxy forms can be lodged:

- **Online:** <https://investor.automic.com.au/#/loginsah>
- **By mail:** Automic, GPO Box 5193, Sydney NSW 2001
- **In-person:** Automic, Level 5, 126 Phillip Street, Sydney NSW 2000
- **By email:** meetings@automicgroup.com.au
- **By fax:** +61 2 8583 3040
- **By mobile:** Scan the QR Code on your Proxy Form and follow the prompts

Your proxy voting instruction must be received by 11.00am (Perth time) on Tuesday, 21 November 2023 being not less than 48 hours before the commencement of the Meeting. Any proxy voting instructions received after that time will not be valid for the Meeting.

The Meeting Materials should be read in their entirety. If shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Authorised for release by:

Sam Middlemas
Company Secretary
Australian Silica Quartz Group Ltd



Australian Silica Quartz Group Ltd

ABN 72 119 699 982

NOTICE OF ANNUAL GENERAL MEETING

The Annual General Meeting of the Company will be held at the offices of the Company, Suite 10, 295 Rokeby Road, Subiaco, Western Australia on Thursday 23 November 2023 at 11.00am (WST).

The business of the Meeting affects your shareholding and your vote is important.

This Notice should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss any matter, please do not hesitate to contact the Company Secretary by telephone on (08) 9200 8200.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 10.00am on 21 November 2023.

Shareholders are urged to attend or vote by lodging the proxy form attached to the Notice

BUSINESS OF THE MEETING

AGENDA

1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2023 together with the declaration of the Directors, the Director's report, the Remuneration Report and the auditor's report.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

“That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2023.”

Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.

A voting prohibition statement applies to this Resolution. Please see below.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR LUKE ATKINS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purpose of clause 14.2 of the Constitution, Listing Rule 14.5 and for all other purposes, Mr Luke Atkins, a Director, retires by rotation, and being eligible, is re-elected as a Director.”

4. RESOLUTION 3 – RE-ELECTION OF DIRECTOR – MR NEIL LITHGOW

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purpose of clause 14.2 of the Constitution, Listing Rule 14.5 and for all other purposes, Mr Neil Lithgow, a Director, retires by rotation, and being eligible, is re-elected as a Director.”

5. RESOLUTION 4 – ADOPTION OF EMPLOYEE SECURITIES INCENTIVE PLAN

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of Listing Rule 7.2 (Exception 13(b)) and for all other purposes, approval is given for the Company to adopt an employee incentive scheme titled Employee Securities Incentive Plan and for the issue of a maximum of 14,000,000 securities under that Plan, on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement and voting prohibition statement apply to this Resolution. Please see below.

6. RESOLUTION 5 – ISSUE OF INCENTIVE PERFORMANCE RIGHTS TO MR ROBERT NASH

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, subject to the passing of Resolution 4, for the purposes of section 195(4) and section 208 of the Corporations Act, Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue 3,000,000 Performance Rights to Mr Robert Nash (or his nominee) under the Plan on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement and voting prohibition statement applies to this Resolution. Please see below.

7. RESOLUTION 6 – ISSUE OF INCENTIVE PERFORMANCE RIGHTS TO MR LUKE ATKINS

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, subject to the passing of Resolution 4, for the purposes of section 195(4) and section 208 of the Corporations Act, Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue 8,000,000 Performance Rights to Mr Luke Atkins (or his nominee) under the Plan on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement and voting prohibition statement applies to this Resolution. Please see below.

8. RESOLUTION 7 – ISSUE OF INCENTIVE PERFORMANCE RIGHTS TO MR NEIL LITHGOW

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, subject to the passing of Resolution 4, for the purposes of section 195(4) and section 208 of the Corporations Act, Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue 3,000,000 Performance Rights to Mr Neil Lithgow (or his nominee) under the Plan on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement and voting prohibition statement applies to this Resolution. Please see below.

9. RESOLUTION 8 – ISSUE OF INCENTIVE PERFORMANCE RIGHTS TO MR PENGFEI ZHAO

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, subject to the passing of Resolution 4, for the purposes of section 195(4) and section 208 of the Corporations Act, Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue 3,000,000 Performance Rights to Mr Pengfei Zhao (or his nominee) under the Plan on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement and voting prohibition statement applies to this Resolution. Please see below.

10. RESOLUTION 9 – AMENDMENT TO CONSTITUTION – RENEW PROPORTIONAL TAKEOVER BID APPROVAL PROVISIONS

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

“That, for the purposes of section 136(2) of the Corporations Act and for all other purposes, approval is given for the Company to amend its Constitution by renewing the proportional takeover bid approval provisions contained in clause 36 of the Constitution for a period of three years from the date of approval of this Resolution.”

Dated: 12 October 2023

By order of the Board

**Sam Middlemas
Company Secretary**

Voting Prohibition Statements

Resolution 1 – Adoption of Remuneration Report	<p>A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:</p> <ul style="list-style-type: none">(a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or(b) a Closely Related Party of such a member. <p>However, a person (the voter) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:</p> <ul style="list-style-type: none">(a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or(b) the voter is the Chair and the appointment of the Chair as proxy:<ul style="list-style-type: none">(i) does not specify the way the proxy is to vote on this Resolution; and(ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.
Resolution 4 – Adoption of Employee Securities Incentive Plan	<p>A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:</p> <ul style="list-style-type: none">(a) the proxy is either:<ul style="list-style-type: none">(i) a member of the Key Management Personnel; or(ii) a Closely Related Party of such a member; and(b) the appointment does not specify the way the proxy is to vote on this Resolution. <p>However, the above prohibition does not apply if:</p> <ul style="list-style-type: none">(a) the proxy is the Chair; and(b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.
Resolutions 5 to 8 – Issue of Incentive Performance Rights to Director	<p>In accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party (Resolution 5 to 8 Excluded Parties). However, the above prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 5 to 8 Excluded Party.</p> <p>In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:</p> <ul style="list-style-type: none">(a) the proxy is either:<ul style="list-style-type: none">(i) a member of the Key Management Personnel; or(ii) a Closely Related Party of such a member; and(b) the appointment does not specify the way the proxy is to vote on this Resolution. <p>Provided the Chair is not a Resolution 5 to 8 Excluded Party, the above prohibition does not apply if:</p> <ul style="list-style-type: none">(a) the proxy is the Chair; and(b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

Voting Exclusion Statements

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of the Resolutions set out below by or on behalf of the following persons:

Resolution 4 – Adoption of Employee Securities Incentive Plan	A person who is eligible to participate in the employee incentive scheme or an associate of that person or those persons.
Resolution 5 – Issue of Incentive Performance Rights to Mr Robert Nash	Any person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question (including Mr Robert Nash) or an associate of that person or those persons.
Resolution 6 – Issue of Incentive Performance Rights to Mr Luke Atkins	Any person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question (including Mr Luke Atkins) or an associate of that person or those persons.
Resolution 7 – Issue of Incentive Performance Rights to Mr Neil Lithgow	Any person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question (including Mr Neil Lithgow) or an associate of that person or those persons.
Resolution 8 – Issue of Incentive Performance Rights to Mr Pengfei Zhao	Any person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question (including Mr Pengfei Zhao) or an associate of that person or those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the Shareholder appoints two proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Voting in person

To vote in person, attend the Meeting at the time, date and place set out above.

You may still attend the Meeting and vote in person even if you have lodged appointed a proxy. If you have previously submitted a Proxy Form, your attendance will not revoke your proxy appointment unless you actually vote at the Meeting for which the proxy is proposed to be used, in which case, the proxy's appointment is deemed to be revoked with respect to voting on that Resolution.

Please bring your personalised Proxy Form with you as it will help you to register your attendance at the Meeting. If you do not bring your Proxy Form with you, you can still attend the Meeting but you will need to verify your identity. You can register from 10.00am on the day of the Meeting.

Should you wish to discuss the matters in this Notice please do not hesitate to contact the Company Secretary on +61 8 9200 8200.

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Corporations Act, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2023 together with the declaration of the Directors, the Directors' report, the Remuneration Report and the auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at www.asqg.com.au.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

2.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the directors of the company.

The remuneration report sets out the company's remuneration arrangements for the directors and senior management of the company. The remuneration report is part of the directors' report contained in the annual financial report of the company for a financial year.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

2.2 Voting consequences

A company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

2.3 Previous voting results

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Meeting.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR LUKE ATKINS

3.1 General

Listing Rule 14.5 provides that an entity which has directors must hold an election of directors at each annual general meeting.

The Constitution sets out the requirements for determining which Directors are to retire by rotation at an annual general meeting. Clause 14.2 of the Constitution provides that one-third of the Directors must retire from office at each annual general meeting or, if their number is not a multiple of 3, then the number nearest one-third (rounded upwards in case of doubt). In determining the number of Directors to retire, no account is to be taken of a Director who has been appointed as an addition to the Board throughout the year and who is facing election at the annual general meeting, or the Managing Director.

The Company currently has four Non-Executive Directors. Accordingly, two Directors are required to retire by rotation at this Meeting.

A Director who retires in accordance with clause 14.2 and Listing Rule 14.5 is eligible for re-election.

Non-Executive Director Mr Luke Atkins was last elected as a Director at the Annual General Meeting held on 25 November 2021. It has been agreed that Mr Atkins will also retire at this Meeting and being eligible, seek re-election pursuant to Resolution 2.

3.2 Qualifications and other material directorships

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 Chemicals Limited (8 May 2007 to current) and has interests in a number of enterprises including agriculture and property development.

Mr Atkins has acknowledged to the Company that he will have sufficient time to fulfil his responsibilities as a Director.

Mr Atkins is a Non-Executive Director of the Company and was first appointed as a Director of the Company on 15 May 2006.

3.3 Independence

If re-elected to the Board, the Board considers that Mr Atkins is not an independent director, due to his substantial shareholding, his consulting fees earned from the Company and the substantial period of his tenure as a Director.

3.4 Board recommendation

The Board considers that Mr Atkins' legal and corporate experience is integral to the Company and that Mr Atkins will continue to be instrumental in the growth of the Company at an important stage of development. Accordingly, the Board (with Mr Atkins abstaining) recommends that Shareholders vote in favour of Resolution 2.

4. RESOLUTION 3 – RE-ELECTION OF DIRECTOR – MR NEIL LITHGOW

4.1 General

The Constitution sets out the requirements for determining which Directors are to retire by rotation at an annual general meeting. Refer to Section 3.1 for a summary of clause 14.2 of the Constitution and Listing Rule 14.5.

Non-Executive Director Mr Neil Lithgow was last elected as a Director at the Annual General Meeting held on 25 November 2021. It has been agreed that Mr Lithgow will also retire at this Meeting and being eligible, seek re-election pursuant to Resolution 3.

4.2 Qualifications and other material directorships

Mr Lithgow is a geologist by profession with over 25 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 acknowledged to the Company that he will have sufficient time to fulfil his responsibilities as a Director.

Mr Lithgow is a Non-Executive Director of the Company and was first appointed as a Director of the Company on 15 May 2006.

4.3 Independence

If re-elected, the Board considers that Mr Lithgow is not an independent director, due to his substantial shareholding in the Company and the substantial period of his tenure as a Director.

4.4 Board recommendation

The Board considers that Mr Lithgow's geological experience is integral to the Company and that Mr Lithgow will continue to be instrumental in the growth of the Company at an important stage of development. Accordingly, the Board (with Mr Lithgow abstaining) recommends that Shareholders vote in favour of Resolution 3.

5. RESOLUTION 4 – ADOPTION OF EMPLOYEE SECURITIES INCENTIVE PLAN

5.1 General

Resolution 4 seeks Shareholder approval for the adoption of the employee incentive scheme titled "Employee Securities Incentive Plan" (**Plan**) and for the issue of up to a maximum of 14,000,000 securities, excluding issues approved by

Shareholders under Listing Rule 10.14 or Listing Rule 10.11, under the Plan in accordance with Listing Rule 7.2 (Exception 13(b)).

The objective of the Plan is to attract, motivate and retain key employees and the Company considers that the adoption of the Plan and the future issue of securities under the Plan will provide selected employees with the opportunity to participate in the future growth of the Company.

5.2 Listing Rule 7.1 and Listing Rule 7.2 Exception 13(b)

Broadly speaking, and subject to a number of exceptions set out in Listing Rule 7.2, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

Listing Rule 7.2 (Exception 13(b)) provides that Listing Rule 7.1 does not apply to an issue of securities under an employee incentive scheme if, within three years before the date of issue of the securities, the holders of the entity's ordinary securities have approved the issue of equity securities under the scheme as exception to Listing Rule 7.1.

Exception 13(b) is only available if and to the extent that the number of equity securities issued under the scheme does not exceed the maximum number set out in the entity's notice of meeting dispatched to shareholders in respect of the meeting at which shareholder approval was obtained pursuant to Listing Rule 7.2 (Exception 13(b)). Exception 13(b) also ceases to be available if there is a material change to the terms of the scheme from those set out in the notice of meeting.

If Resolution 4 is passed, the Company will be able to issue securities under the Plan to eligible participants over a period of 3 years from the date of the Meeting. The issue of any securities to eligible participants under the Plan (up to the maximum number of securities stated in Section 5.3(iv) below) will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

For the avoidance of doubt, the Company must seek Shareholder approval under Listing Rule 10.14 in respect of any future issues of securities under the Plan to a related party or a person whose relationship with the Company or the related party is, in ASX's opinion, such that approval should be obtained.

If Resolution 4 is not passed, the Company will be able to proceed with the issue of securities under the Plan to eligible participants, but any issues of securities will reduce, to that extent, the Company's capacity to issue equity securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the issue of those securities.

5.3 Technical information required by Listing Rule 7.2 (Exception 13)

Pursuant to and in accordance with Listing Rule 7.2 (Exception 13), the following information is provided in relation to Resolution 4:

- (a) a summary of the key terms and conditions of the Plan is set out in Schedule 1;
- (b) the Company has not issued any Securities under the Plan as this is the first time that Shareholder approval is being sought for the adoption of the Plan. The Company has issued a total of 9,000,000 securities under its previous plan titled 'Employee Securities Incentive Plan' which was

approved by shareholders on 30 November 2020 (**Previous Plan**), excluding issues approved by Shareholders under Listing Rule 10.14 or Listing Rule 10.11, under the Previous Plan;

- (c) The Company is seeking Shareholder approval to adopt the Plan to include the new terms and conditions required by Division 1A of Part 7.12 of the Corporations Act, which replaced the previous relief provided by ASIC Class Order 14/1000 (Employee Incentive Scheme); and
- (d) the maximum number of securities proposed to be issued under the Plan in reliance on Listing Rule 7.2 (Exception 13(b)), is 14,000,000 securities. It is not envisaged that the maximum number of securities for which approval is sought will be issued immediately.

6. RESOLUTIONS 5 TO 8 – ISSUE OF INCENTIVE PERFORMANCE RIGHTS TO DIRECTORS

6.1 General

The Company has agreed, subject to obtaining Shareholder approval and approval to adopt the Plan (refer to Resolution 4), to issue a total 17,000,000 Performance Rights to Messrs Robert Nash, Luke Atkins, Neil Lithgow and Pengfei Zhao (or their nominees) (**Related Parties**) pursuant to the Plan and on the terms and conditions set out below (**Incentive Performance Rights**).

The Incentive Performance Rights will be distributed amongst the Related Parties as follows:

- (a) 3,000,000 Incentive Performance Rights to Mr Robert Nash (or his nominee) (Resolution 5);
- (b) 8,000,000 Incentive Performance Rights to Mr Luke Atkins (or his nominee) (Resolution 6);
- (c) 3,000,000 Incentive Performance Rights to Mr Neil Lithgow (or his nominee) (Resolution 7); and
- (d) 3,000,000 Incentive Performance Rights to Mr Pengfei Zhao (or his nominee) (Resolution 8).

6.2 Director Recommendation

Each Director has a material personal interest in the outcome of Resolutions 5 to 8 on the basis that all of the Directors (or their nominees) are to be issued Incentive Performance Rights should Resolutions 5 to 8 be passed. For this reason, the Directors do not believe that it is appropriate to make a recommendation on Resolutions 5 to 8 of this Notice.

6.3 Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act requires that for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The issue of the Incentive Performance Rights to the Related Parties constitutes giving a financial benefit and each of the Related Parties is a related party of the Company by virtue of being a Director.

As the Incentive Performance Rights are proposed to be issued to all of the Directors, the Directors are unable to form a quorum to consider whether one of the exceptions set out in sections 210 to 216 of the Corporations Act applies to the issue of the Incentive Performance Rights. Accordingly, Shareholder approval for the issue of Incentive Performance Rights to the Related Parties is sought in accordance with Chapter 2E of the Corporations Act.

6.4 Listing Rule 10.14

Listing Rule 10.14 provides that an entity must not permit any of the following persons to acquire equity securities under an employee incentive scheme without the approval of the holders of its ordinary securities:

- 10.14.1 a director of the entity;
- 10.14.2 an associate of a director of the entity; or
- 10.14.3 a person whose relationship with the entity or a person referred to in Listing Rules 10.14.1 to 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by security holders.

The issue of Incentive Performance Rights to the Related Parties falls within Listing Rule 10.14.1 and therefore requires the approval of Shareholders under Listing Rule 10.14.

Resolutions 5 to 8 seek the required Shareholder approval for the issue of the Incentive Performance Rights under and for the purposes of Chapter 2E of the Corporations Act and Listing Rule 10.14.

6.5 Technical information required by Listing Rule 14.1A

Subject to the passing of Resolution 4, if Resolutions 5 to 8 are passed, the Company will be able to proceed with the issue of the Incentive Performance Rights to the Related Parties under the Plan within three years after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules). As approval pursuant to Listing Rule 7.1 is not required for the issue of the Incentive Performance Rights (because approval is being obtained under Listing Rule 10.14), the issue of the Incentive Performance Rights will not use up any of the Company's 15% annual placement capacity.

If Resolutions 5 to 8 are not passed, the Company will not be able to proceed with the issue of the Incentive Performance Rights to the Related Parties under the Plan in which case the Company may consider alternative methods to incentivise or remunerate the Directors.

Resolutions 5 to 8 are conditional on Resolution 4 also being passed. Therefore, if Resolution 4 is not passed, the Board will not be able to proceed with issuing the Incentive Performance Rights to the Related Parties pursuant to Resolutions 5 to 8.

6.6 Technical information required by Listing Rule 10.15 and section 219 of the Corporations Act

Pursuant to and in accordance with the requirements of Listing Rule 10.15 and section 219 of the Corporations Act, the following information is provided in relation to Resolutions 5 to 8:

- (a) the Incentive Performance Rights will be issued to the following persons:
 - (i) Mr Robert Nash (or his nominee) pursuant to Resolution 5;
 - (ii) Mr Luke Atkins (or his nominee) pursuant to Resolution 6;
 - (iii) Mr Neil Lithgow (or his nominee) pursuant to Resolution 7; and
 - (iv) Mr Pengfei Zhao (or his nominee) pursuant to Resolution 8,each of whom falls within the category set out in Listing Rule 10.14.1 by virtue of being a Director;
- (b) the maximum number of Incentive Performance Rights to be issued to the Related Parties (being the nature of the financial benefit proposed to be given) is 17,000,000 comprising:
 - (i) 3,000,000 Incentive Performance Rights to Mr Robert Nash (or his nominee) pursuant to Resolution 5;
 - (ii) 8,000,000 Incentive Performance Rights to Mr Luke Atkins or his nominee) pursuant to Resolution 6;
 - (iii) 3,000,000 Incentive Performance Rights to Mr Neil Lithgow (or his nominee) pursuant to Resolution 7; and
 - (iv) 3,000,000 Incentive Performance Rights to Pengfei Zhao (or his nominee) pursuant to Resolution 8;
- (c) as this is the first time that the Shareholder approval is being sought for the adoption of the Plan, no Performance Rights have been previously issued under the Plan;
- (d) a summary of the material terms and conditions of the Incentive Performance Rights is set out in Schedule 2;
- (e) the Incentive Performance Rights are unquoted securities. The Company has chosen to issue Incentive Performance Rights to the Related Parties for the following reasons:
 - (i) the Incentive Performance Rights are unquoted; therefore, the issue of the Incentive Performance Rights has no immediate dilutionary impact on Shareholders;
 - (ii) the milestones attaching to the Incentive Performance Rights will align the interests of the Related Parties with those of Shareholders; and
 - (iii) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Incentive Performance Rights on the terms proposed;

- (f) the number of Incentive Performance Rights to be issued to each of the Related Parties has been determined based upon a consideration of:
- (i) current market standards and/or practices of other ASX listed companies of a similar size and stage of development to the Company;
 - (ii) the remuneration of the Related Parties; and
 - (iii) incentives to attract and retain the service of the Related Parties who have appropriate knowledge and expertise, while maintaining the Company's cash reserves.

The Company does not consider that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Incentive Performance Rights upon the terms proposed;

- (g) the total remuneration package for each of the Related Parties for the previous financial year and the proposed total remuneration package for the current financial year are set out below:

Related Party	Current Financial Year Ending 30 June 2024	Previous Financial Year Ended 30 June 2023
Mr Robert Nash	118,790	127,319 ¹
Mr Luke Atkins	453,500	468,880 ²
Mr Neil Lithgow	75,500	87,539 ³
Mr Pengfei Zhao	48,860	62,124 ⁴

Notes:

1. Comprising Directors salary of \$60,000, subsidiary board and commitment fee of \$23,000, post-employment benefit of \$8,715 and share-based payments of \$35,604.
2. Comprising Directors salary of \$24,000, subsidiary board and commitment fee of \$23,000, consultancy fees of \$322,000, post-employment benefit of \$4,935 and share-based payments of \$94,945.
3. Comprising Directors salary of \$24,000, subsidiary board and commitment fee of \$23,000, post-employment benefit of \$4,935 and a and share-based payments of \$35,604
4. Comprising Directors' salary of \$24,000, post-employment benefit of \$2,520 and share-based payments of \$35,604.

- (h) the value of the Incentive Performance Rights and the pricing methodology is set out in Schedule 3;
- (i) the Incentive Performance Rights will be issued to the Related Parties no later than 3 years after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules) and it is anticipated the Incentive Performance Rights will be issued on one date;
- (j) the issue price of the Incentive Performance Rights will be nil, as such no funds will be raised from the issue of the Incentive Performance Rights;

- (k) the purpose of the issue of the Incentive Performance Rights is to provide a performance linked incentive component in the remuneration package for the Related Parties to align the interests of the Related Parties with those of Shareholders, to motivate and reward the performance of the Related Parties in their roles as Directors and to provide a cost effective way from the Company to remunerate the Related Parties, which will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to the Related Parties;
- (l) a summary of the material terms and conditions of the Plan is set out in Schedule 1;
- (m) no loans are being made to the Related Parties in connection with the acquisition of the Incentive Performance Rights;
- (n) details of any Performance Rights issued under the Plan will be published in the annual report of the Company relating to the period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14;
- (o) any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of Performance Rights under the Plan after Resolution 4 is approved and who were not named in this Notice will not participate until approval is obtained under Listing Rule 10.14;
- (p) the relevant interests of the Related Parties in securities of the Company as at the date of this Notice is set out below:

As at the date of this Notice

Related Party	Shares ¹	Options	Performance Rights
Mr Robert Nash	1,245,714 ²	-	1,000,000
Mr Luke Atkins	20,348,244 ³	-	2,666,667
Mr Neil Lithgow	22,385,148 ⁴	-	1,000,000
Mr Pengfei Zhao	1,000,000 ⁵	-	1,000,000

Notes:

1. Fully paid ordinary shares in the capital of the Company (ASX: ASQ).
2. Held indirectly by Mr Nash as trustee for the Nash Family Trust, an entity of which Mr Nash is both trustee and a beneficiary. Refer to the Appendix 3Y dated 17 July 2023.
3. Comprising Shares held by Tailrain Pty Ltd (The Childrens A/c), an entity of which Mr Atkins is a director and shareholder, and Shares held by L&A Atkins <Atkins Super>, of which Mr Atkins is a trustee and beneficiary. Refer to the Appendix 3Y dated 18 July 2023.
4. Held by Big Fish Nominees Pty Ltd and Spectral Investments Pty Ltd <Lithgow Family Trust>, entities of which Mr Lithgow is a director, shareholder, trustee and beneficiary. Refer to the Appendix 3Y dated 1 December 2022.
5. Held directly by Mr Zhao. Refer to the Appendix 3Y dated 1 December 2024.

- (q) if the milestones attaching to the Incentive Performance Rights issued to the Related Parties are met and the Incentive Performance Rights are converted, a total of 17,000,000 Shares would be issued. This will increase the number of Shares on issue from 281,660,377 (being the total number of Shares on issue as at the date of this Notice) to 293,660,377 (assuming

that no Shares are issued and no convertible securities vest or are exercised) with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of 6.14%, comprising 1.08% by each of Messrs Nash, Lithgow and Zhao and 2.89% by Mr Atkins;

- (r) the trading history of the Shares on ASX in the 12 months before the date of this Notice is set out below:

	Price	Date
Highest	\$0.079	19 September 2022
Lowest	\$0.030	20 May 2023
Last	\$0.049	4 October 2023

- (s) the Board is not aware of any other information that is reasonably required by Shareholders to allow them to decide whether it is in the best interests of the Company to pass Resolutions 5 to 8.

7. RESOLUTION 9 – AMENDMENT TO CONSTITUTION – RENEW PROPORTIONAL TAKEOVER BID APPROVAL PROVISIONS

7.1 Background

A company may modify or repeal its constitution or a provision of its constitution by special resolution of Shareholders.

The Company's Constitution contains proportional takeover bid approval provisions (**PTBA Provisions**) which enable the Company to refuse to register securities acquired under a proportional takeover bid unless a resolution is passed by Shareholders in general meeting approving the offer. Under the Corporations Act, proportional takeover provisions expire after three years from adoption or renewal and may then be renewed. The PTBA Provisions in the current Constitution were previously renewed with shareholder approval given at the Annual General Meeting held on 30 November 2020. Accordingly, the existing PTBA Provisions will expire on 30 November 2023 and cease to apply on that date unless renewed.

Resolution 8 is a special resolution which will enable the Company to amend its existing Constitution (**Amended Constitution**) to modify the Constitution by renewing the PTBA Provisions for a further three years under sections 648G(4) and 136(2) of the Corporations Act. The proposed PTBA Provisions set out in Schedule 4 are identical to those previously contained at clause 36 of the Constitution.

7.2 Partial (proportional) takeover provisions

A proportional takeover bid is a takeover bid where the offer made to each shareholder is only for a proportion of that shareholder's shares.

Pursuant to section 648G of the Corporations Act, the Company has included in the Constitution a provision whereby a proportional takeover bid for Shares may only proceed after the bid has been approved by a meeting of Shareholders held in accordance with the terms set out in the Corporations Act.

If Resolution 8 is passed, the proposed PTBA Provisions contained in the Amended Constitution will cease to have effect on the third anniversary of the date of this Meeting.

7.3 Information required by section 648G of the Corporations Act

The Corporations Act requires the Company to provide Shareholders with an explanation of the PTBA Provisions as set out below.

Effect of proposed proportional takeover provisions

Where offers have been made under a proportional off-market bid in respect of a class of securities in a company, the registration of a transfer giving effect to a contract resulting from the acceptance of an offer made under such a proportional off-market bid is prohibited unless and until a Resolution to approve the proportional off-market bid is passed.

Reasons for proportional takeover provisions

A proportional takeover bid may result in control of the Company changing without Shareholders having the opportunity to dispose of all their Shares. By making a partial bid, a bidder can obtain practical control of the Company by acquiring less than a majority interest. Shareholders are exposed to the risk of being left as a minority in the Company and the risk of the bidder being able to acquire control of the Company without payment of an adequate control premium. These amended provisions allow Shareholders to decide whether a proportional takeover bid is acceptable in principle, and assist in ensuring that any partial bid is appropriately priced.

Knowledge of any acquisition proposals

As at the date of this Notice, no Director is aware of any proposal by any person to acquire, or to increase the extent of, a substantial interest in the Company.

Potential advantages and disadvantages of proportional takeover provisions

The Directors consider that the proportional takeover provisions have no potential advantages or disadvantages for them and that they remain free to make a recommendation on whether an offer under a proportional takeover bid should be accepted.

The potential advantages of the proportional takeover provisions for Shareholders include:

- (a) the right to decide by majority vote whether an offer under a proportional takeover bid should proceed;
- (b) assisting in preventing Shareholders from being locked in as a minority;
- (c) increasing the bargaining power of Shareholders which may assist in ensuring that any proportional takeover bid is adequately priced; and
- (d) each individual Shareholder may better assess the likely outcome of the proportional takeover bid by knowing the view of the majority of Shareholders which may assist in deciding whether to accept or reject an offer under the takeover bid.

The potential disadvantages of the proportional takeover provisions for Shareholders include:

- (a) proportional takeover bids may be discouraged;

- (i) lost opportunity to sell a portion of their Shares at a premium; and
- (ii) the likelihood of a proportional takeover bid succeeding may be reduced.

7.4 Recommendation of the Board

Resolution 8 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

The Directors do not believe the potential disadvantages outweigh the potential advantages of adopting the proportional takeover provisions and as a result consider that the proportional takeover provision in the Amended Constitution is in the interest of Shareholders and unanimously recommend that Shareholders vote in favour of Resolution 8.

7.5 Copy of the Amended Constitution

A copy of the Amended Constitution is available for review by Shareholders at the office of the Company. A copy of the Amended Constitution can also be sent to Shareholders upon request to the Company Secretary. Shareholders are invited to contact the Company if they have any queries or concerns.

GLOSSARY

\$ means Australian dollars.

Amended Constitution has the meaning given under Section 7 of this Notice.

ASIC means the Australian Securities & Investments Commission.

Associated Body Corporate means an associated entity of the Company, where the associated entity is a body corporate (as that term is used in the ESS Regime).

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Chair means the chair of the Meeting.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

Company means Australian Silica Quartz Group Limited (ACN 119 699 982).

Constitution means the Company's constitution.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the current directors of the Company.

Eligible Participant means a person that is:

- (a) a 'primary participant' (as that term is defined in the ESS Regime) in relation to the Company or an Associated Body Corporate; and
- (b) has been determined by the Board to be eligible to participate in the Plan from time to time.

ESS Regime means Division 1A of Part 7.12 of the Corporations Act which comes into effect on 1 October 2022.

Explanatory Statement means the explanatory statement accompanying the Notice.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Listing Rules means the Listing Rules of ASX.

Meeting means the meeting convened by the Notice.

Milestone Hurdles means the milestones to be achieved for the conversion of the Performance Shares as set out in Schedule 2.

Notice means this notice of meeting including the Explanatory Statement and the Proxy Form.

Participant means an Eligible Participant who has been granted any Security under the Plan the subject of Resolution 4.

Performance Shares has the meaning given in Section 5.1.

Plan means the Company's Employee Incentive Securities Plan the subject of Resolution 4.

Proxy Form means the proxy form accompanying the Notice.

Remuneration Report means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2023.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

Section means a section of the Explanatory Statement.

Security means a security in the capital of the Company granted under the Plan the subject of Resolution 4.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a registered holder of a Share.

WST means Western Standard Time as observed in Perth, Western Australia.

SCHEDULE 1 – TERMS AND CONDITIONS OF EMPLOYEE SECURITIES INCENTIVE PLAN

A summary of the material terms of the Company's Employee Securities Incentive Plan (**Plan**) is set out below.

Eligible Participant	Eligible Participant means a person that is a 'primary participant' (as that term is defined in Division 1A of Part 7.12 of the Corporations Act) in relation to the Company or an Associated Body Corporate (as defined in the Corporations Act) and has been determined by the Board to be eligible to participate in the Plan from time to time.
Purpose	The purpose of the Plan is to: <ul style="list-style-type: none"> (a) assist in the reward, retention and motivation of Eligible Participants; (b) link the reward of Eligible Participants to Shareholder value creation; and (c) align the interests of Eligible Participants with shareholders of the Group (being the Company and each of its Associated Bodies Corporate), by providing an opportunity to Eligible Participants to receive an equity interest in the Company in the form of Performance Rights (Securities).
Maximum number of Convertible Securities	The Company will not make an invitation under the Plan which involves monetary consideration if the number of Shares that may be issued, or acquired upon exercise of Convertible Securities offered under an invitation, when aggregated with the number of Shares issued or that may be issued as a result of all invitations under the Plan during the 3 year period ending on the day of the invitation, will exceed 5% of the total number of issued Shares at the date of the invitation (unless the Constitution specifies a different percentage and subject to any limits approved by Shareholders under Listing Rule 7.2 Exception 13(b)). The maximum number of equity securities proposed to be issued under the Plan in reliance on Listing Rule 7.2 (Exemption 13(a)) following Shareholder approval, is 14,000,000 Securities. It is not envisaged that the maximum number of Securities will be issued immediately.
Plan administration	The Plan will be administered by the Board. The Board may exercise any power or discretion conferred on it by the Plan rules in its sole and absolute discretion (except to the extent that it prevents the Participant relying on the deferred tax concessions under Subdivision 83A-C of the <i>Income Tax Assessment Act 1997</i> (Cth)). The Board may delegate its powers and discretion.
Eligibility, invitation and application	The Board may from time to time determine that an Eligible Participant may participate in the Plan and make an invitation to that Eligible Participant to apply for any (or any combination of) the Securities provided under the Plan on such terms and conditions as the Board decides.

	<p>On receipt of an invitation, an Eligible Participant may apply for the Securities the subject of the invitation by sending a completed application form to the Company. The Board may accept an application from an Eligible Participant in whole or in part.</p> <p>If an Eligible Participant is permitted in the invitation, the Eligible Participant may, by notice in writing to the Board, nominate a party in whose favour the Eligible Participant wishes to renounce the invitation.</p>
Grant of Securities	<p>The Company will, to the extent that it has accepted a duly completed application, grant the Participant the relevant number and type of Securities, subject to the terms and conditions set out in the invitation, the Plan rules and any ancillary documentation required.</p>
Rights attaching to Convertible Securities	<p>A Convertible Security represents a right to acquire one or more Plan Shares in accordance with the Plan (for example, an Option or a Performance Right).</p> <p>Prior to a Convertible Security being exercised, the holder:</p> <ul style="list-style-type: none"> (a) does not have any interest (legal, equitable or otherwise) in any Share the subject of the Convertible Security other than as expressly set out in the Plan; (b) is not entitled to receive notice of, vote at or attend a meeting of the shareholders of the Company; (c) is not entitled to receive any dividends declared by the Company; and (d) is not entitled to participate in any new issue of Shares (see Adjustment of Convertible Securities section below).
Restrictions on dealing with Convertible Securities	<p>Convertible Securities issued under the Plan cannot be sold, assigned, transferred, have a security interest granted over or otherwise dealt with unless in Special Circumstances as defined under the Plan (including in the case of death or total or permanent disability of the holder) with the consent of the Board in which case the Convertible Securities may be exercisable on terms determined by the Board.</p> <p>A holder must not enter into any arrangement for the purpose of hedging their economic exposure to a Convertible Security that has been granted to them.</p>
Vesting of Convertible Securities	<p>Any vesting conditions applicable to the Convertible Securities will be described in the invitation. If all the vesting conditions are satisfied and/or otherwise waived by the Board, a vesting notice will be sent to the Participant by the Company informing them that the relevant Convertible Securities have vested. Unless and until the vesting notice is issued by the Company, the Convertible Securities will not be considered to have vested. For the avoidance of doubt, if the vesting conditions relevant to a Convertible Security are not satisfied and/or otherwise waived by the Board, that security will lapse.</p>
Forfeiture of Convertible Securities	<p>Convertible Securities will be forfeited in the following circumstances:</p> <ul style="list-style-type: none"> (a) in the case of unvested Convertible Securities only, where the holder ceases to be an Eligible Participant (e.g. is no

	<p>longer employed or their office or engagement is discontinued with the Company and any Associated Bodies Corporate (as defined in the Corporations Act) (the Group);</p> <p>(b) where a Participant acts fraudulently, dishonestly, negligently, in contravention of any Group policy or wilfully breaches their duties to the Group and the Board exercises its discretion to deem some or all of the Convertible Securities held by a Participant to have been forfeited;</p> <p>(c) where there is a failure to satisfy the vesting conditions in accordance with the Plan;</p> <p>(d) on the date the Participant becomes insolvent; or</p> <p>(e) on the Expiry Date.</p>
<p>Listing of Convertible Securities</p>	<p>Convertible Securities granted under the Plan will not be quoted on the ASX or any other recognised exchange. The Board reserves the right in its absolute discretion to apply for quotation of Convertible Securities granted under the Plan on the ASX or any other recognised exchange.</p>
<p>Exercise of Convertible Securities and cashless exercise</p>	<p>To exercise a security, the Participant must deliver a signed notice of exercise and, subject to a cashless exercise (see next paragraph below), pay the exercise price (if any) to or as directed by the Company, at any time following vesting of the Convertible Securities (if subject to vesting conditions) and prior to the expiry date as set out in the invitation or vesting notice.</p> <p>An invitation to apply for Convertible Securities may specify that at the time of exercise of the Convertible Securities, the Participant may elect not to be required to provide payment of the exercise price for the number of Convertible Securities specified in a notice of exercise, but that on exercise of those Convertible Securities the Company will transfer or issue to the Participant that number of Shares equal in value to the positive difference between the Market Value of the Shares at the time of exercise and the exercise price that would otherwise be payable to exercise those Convertible Securities.</p> <p>Market Value means, at any given date, the volume weighted average price per Share traded on the ASX over the 5 trading days immediately preceding that given date, unless otherwise specified in an invitation.</p> <p>Convertible Securities may not be exercised unless and until that security has vested in accordance with the Plan rules, or such earlier date as set out in the Plan rules.</p>
<p>Timing of issue of Shares and quotation of Shares on exercise</p>	<p>Within five business days after the issue of a valid notice of exercise by a Participant, the Company will issue or cause to be transferred to that Participant the number of Shares to which the Participant is entitled under the Plan rules and issue a substitute certificate for any remaining unexercised Convertible Securities held by that Participant.</p>

Restriction periods and restrictions on transfer of Shares on exercise	<p>If the invitation provides that any Shares issued upon the valid exercise of a Convertible Security are subject to any restrictions as to the disposal or other dealing by a Participant for a period, the Board may implement any procedure it deems appropriate to ensure the compliance by the Participant with this restriction.</p> <p>Additionally, Shares issued on exercise of the Convertible Securities are subject to the following restrictions:</p> <p>(a) if the Company is required but is unable to give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, Shares issued on exercise of the Convertible Securities may not be traded until 12 months after their issue unless the Company, at its sole discretion, elects to issue a prospectus pursuant to section 708A(11) of the Corporations Act;</p> <p>(b) all Shares issued on exercise of the Convertible Securities are subject to restrictions imposed by applicable law on dealing in Shares by persons who possess material information likely to affect the value of the Shares and which is not generally available; and</p> <p>all Shares issued on exercise of the Convertible Securities are subject to the terms of the Company's Securities Trading Policy.</p>
Rights attaching to Shares on exercise	<p>All Shares issued upon exercise of Convertible Securities will rank equally in all respects with the then Shares of the Company.</p>
Change of control	<p>If a change of control event occurs (being an event which results in any person (either alone or together with associates) owning more than 50% of the Company's issued capital), unvested Convertible Securities will vest unless the Board determines in its discretion otherwise. The Board's discretion in determining the treatment of any unvested Convertible Securities on a change of control event is limited to vesting or varying any vesting conditions in respect to the Convertible Securities and does not include a discretion to lapse or forfeit unvested Convertible Securities for less than fair value.</p>
Participation in entitlements and bonus issues	<p>Subject always to the rights under the following two paragraphs, Participants will not be entitled to participate in new issues of capital offered to holders of Shares such as bonus issues and entitlement issues.</p>
Adjustment for bonus issue	<p>If Shares are issued by the Company by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment), the Participant is entitled, upon exercise of the Convertible Securities, to receive an issue of as many additional Shares as would have been issued to the holder if the holder held Shares equal in number to the Shares in respect of which the Convertible Securities are exercised.</p>
Reorganisation	<p>If there is a reorganisation of the issued share capital of the Company (including any subdivision, consolidation, reduction, return or cancellation of such issued capital of the Company), the rights of each Participant holding Convertible Securities will be changed to the extent necessary to comply with the ASX Listing Rules applicable to a reorganisation of capital at the time of the reorganisation.</p>

Buy-Back	Subject to applicable law, the Company may at any time buy-back Securities in accordance with the terms of the Plan.
Employee Share Trust	The Board may in its sole and absolute discretion use an employee share trust or other mechanism for the purposes of holding Convertible Securities for holders under the Plan and delivering Shares on behalf of holders upon exercise of Convertible Securities.
Amendment of Plan	<p>Subject to the following paragraph, the Board may at any time amend any provisions of the Plan rules, including (without limitation) the terms and conditions upon which any Securities have been granted under the Plan and determine that any amendments to the Plan rules be given retrospective effect, immediate effect or future effect.</p> <p>No amendment to any provision of the Plan rules may be made if the amendment materially reduces the rights of any Participant as they existed before the date of the amendment, other than an amendment introduced primarily for the purpose of complying with legislation or to correct manifest error or mistake, amongst other things, or is agreed to in writing by all Participants.</p>
Plan duration	<p>The Plan continues in operation until the Board decides to end it. The Board may from time to time suspend the operation of the Plan for a fixed period or indefinitely and may end any suspension. If the Plan is terminated or suspended for any reason, that termination or suspension must not prejudice the accrued rights of the Participants.</p> <p>If a Participant and the Company (acting by the Board) agree in writing that some or all of the Securities granted to that Participant are to be cancelled on a specified date or on the occurrence of a particular event, then those Securities may be cancelled in the manner agreed between the Company and the Participant.</p>
Income Tax Assessment Act	The Plan is a plan to which Subdivision 83A-C of the <i>Income Tax Assessment Act 1997</i> (Cth) applies (subject to the conditions in that Act) except to the extent an invitation provides otherwise.
Withholding	Notwithstanding any other provision of the rules, and without limiting the amounts which may be deducted or withheld under Applicable Laws, if a member of the Group, a trustee or the Plan administrator is obliged, or reasonably believes that it may have an obligation to account for any Tax, or any superannuation amounts (or equivalent social security contributions, if applicable) in respect of a Participant (Withholding Amount), then that Group company, trustee or Plan administrator (as applicable) is entitled to withhold or be reimbursed by the Participant for the Withholding Amount payable or paid.

SCHEDULE 2 – SUMMARY OF THE INCENTIVE PERFORMANCE RIGHTS

A summary of the terms and conditions of the Performance Rights is below:

1. **(Vesting Conditions):** The Performance Rights shall vest as follows:

(a) Tranche 1 Performance Rights: upon:

- (i) the Company's Share Price reaching a 30 day VWAP which is 25% above the 5 day VWAP prior to the date of the Meeting, in the period from 10 December 2023 to 10 December 2024; and
- (ii) 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 2024,

and can be converted at the election of the recipient at any time prior to 1 December 2028 (Expiry Date).

The allocation of Tranche 1 Incentive Performance Rights amongst the Related Parties is detailed in Schedule 3.

(b) Tranche 2 Performance Rights: upon:

- (i) the Company's Shares reaching a 30 day VWAP which is 37.5% above the 5 day VWAP prior to the date of the Meeting in the period from 10 December 2024 to 10 December 2025; and
- (ii) 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,

and can be converted at the election of the recipient at any time prior to 1 December 2028 (Expiry Date).

The allocation of Tranche 2 Incentive Performance Rights amongst the Related Parties is detailed in Schedule 3.

(c) Tranche 3 Performance Rights: upon:

- (i) the Company's Shares reaching a 30 day VWAP which is 50% above the 5 day VWAP prior to the date of the Meeting in the period from 10 December 2025 to 10 December 2026; and
- (ii) 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,

and can be converted at the election of the recipient at any time prior to 1 December 2028 (Expiry Date).

The allocation of Tranche 3 Incentive Performance Rights amongst the Related Parties is detailed in Schedule 3.

2. **(Conversion):** Once vested, the Board will determine whether to settle the Performance Rights via cash or Shares, at any time prior to the Expiry Date. Upon this determination the Rights can be exercised at the election of the holder. The holder will be entitled to give notice to the Company Secretary in writing that the relevant Performance Rights have vested and, provided that the holder remains employed by the Company at the time of giving such notice, the Company shall, unless otherwise directed by the holder, issue the associated number of Shares within 5 Business Days of receipt of such notice.
3. **(Consideration):** The Performance Rights will be issued for nil cash consideration and no consideration will be payable upon the conversion of the Performance Rights.
4. **(Share ranking):** All Shares issued upon the conversion of the Performance Rights will upon issue rank pari passu in all respects with other Shares.
5. **(Quotation of Shares on ASX):** The Performance Rights will not be quoted on ASX. Upon conversion of the Performance Rights into Shares, the Company will apply for quotation of all Shares issued upon conversion of the Performance Rights within the period required by ASX.
6. **(Dividend and Voting Rights):** A Performance Right does not confer upon the holder an entitlement to notice of, or to vote or attend at, a meeting of the Shareholders of the Company or receive dividends declared by the Company.
7. **(Share Buy-back/ Capital Return):** In the event that there is a share buy-back or capital return to Shareholders undertaken by the Company which has a material impact on the Company's market capitalisation and upon the achievability of the performance criteria in respect of the Performance Rights, set out in paragraph 1 above, the parties will agree on a pro rata adjustment of the market capitalisation targets required to be met as part of the performance criteria. Any such changes to the performance criteria of the Performance Rights will be subject to Shareholder approval and any other restrictions imposed by ASX.
8. **(Participation in new issues):** There are no participation rights or entitlements inherent in the Performance Rights and holder will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Performance Rights.
9. **(Reorganisation of capital):** If, at any time, the issued capital of the Company is reorganised (including consolidation, subdivision, reduction or return), all rights of the holder of the Performance Rights are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reorganisation.
10. **(Change in Control Event):** Notwithstanding any other provision of these terms and conditions, if a Change in Control Event (as defined in the Plan) occurs, the Performance Rights will be deemed to have vested and must be converted into Shares within 5 Business Days of the Change in Control Event occurring.
11. **(Plan terms):** The Performance Rights are issued pursuant to and are subject to the Plan. In the event of conflict between a provision of these terms and conditions and the Plan, these terms and conditions prevail to the extent of that conflict.

SCHEDULE 3 – VALUATION OF INCENTIVE PERFORMANCE RIGHTS

The Incentive Performance Rights to be issued to the Related Parties pursuant to Resolutions 5 to 8 have been valued by internal management.

Using the Black & Scholes model and based on the assumptions set out below, the Incentive Performance Rights were ascribed the following value:

Item	Performance Rights		
	Tranche 1	Tranche 2	Tranche 3
Underlying security spot price (5 November 2023) ⁽¹⁾	\$0.048	\$0.048	\$0.048
Exercise price	Nil	Nil	Nil
Assumed grant date	10 December 2023	10 December 2023	10 December 2023
Expiration date	1 December 2028	1 December 2028	1 December 2028
Life of Performance Rights (years)	5	5	5
Volatility	82%	82%	82%
Risk free rate	4.13%	4.13%	4.13%

Notes:

- The assumed Share price at the grant date of \$0.048 is based on the Share price at the close of trading on 5 October 2023, the valuation date.

Using the above variables, the Company has calculated the value of the Performance Rights as follows:

Director	Performance Rights		Performance Rights		Performance Rights		TOTAL VALUE
	Tranche 1		Tranche 2		Tranche 3		
	Number	Value	Number	Value	Number	Value	
Robert Nash	1,000,000	\$48,000	1,000,000	\$48,000	1,000,000	\$48,000	\$144,000
Luke Atkins	2,666,666	\$128,000	2,666,667	\$128,000	2,666,667	\$128,000	\$384,000
Neil Lithow	1,000,000	\$48,000	1,000,000	\$48,000	1,000,000	\$48,000	\$144,000
Pengfei Zhao	1,000,000	\$48,000	1,000,000	\$48,000	1,000,000	\$48,000	\$144,000
TOTAL	5,666,666	\$272,000	5,666,667	\$272,000	5,666,667	\$272,000	\$816,000

Notes:

- The valuation noted above is not necessarily the market price that the Incentive Performance Rights could be traded at and is not automatically the market price for taxation purposes.

SCHEDULE 4 – CLAUSE 36 OF THE CONSTITUTION

36. PARTIAL TAKEOVER PLEBISCITES

36.1 Resolution to Approve Proportional Off-Market Bid

- (a) Where offers have been made under a proportional off-market bid in respect of a class of securities of the Company (**bid class securities**), the registration of a transfer giving effect to a contract resulting from the acceptance of an offer made under the proportional off-market bid is prohibited unless and until a resolution (in this clause 36 referred to as a **prescribed resolution**) to approve the proportional off-market bid is passed in accordance with the provisions of this Constitution.
- (b) A person (other than the bidder or a person associated with the bidder) who, as at the end of the day on which the first offer under the proportional off-market bid was made, held bid class securities is entitled to vote on a prescribed resolution and, for the purposes of so voting, is entitled to one vote for each of the bid class securities.
- (c) A prescribed resolution is to be voted on at a meeting, convened and conducted by the Company, of the persons entitled to vote on the prescribed resolution.
- (d) A prescribed resolution that has been voted on is to be taken to have been passed if the proportion that the number of votes in favour of the prescribed resolution bears to the total number of votes on the prescribed resolution is greater than one half, and otherwise is taken to have been rejected.

36.2 Meetings

- (a) The provisions of this Constitution that apply in relation to a general meeting of the Company apply, with modifications as the circumstances require, in relation to a meeting that is convened pursuant to this clause 36 as if the last mentioned meeting was a general meeting of the Company.
- (b) Where takeover offers have been made under a proportional off-market bid, the Directors are to ensure that a prescribed resolution to approve the proportional off market bid is voted on in accordance with this clause 36 before the 14th day before the last day of the bid period for the proportional off-market bid (the **resolution deadline**).

36.3 Notice of Prescribed Resolution

Where a prescribed resolution to approve a proportional off-market bid is voted on in accordance with this clause 36 before the resolution deadline, the Company is, on or before the resolution deadline:

- (a) to give the bidder; and
- (b) if the Company is listed – each relevant financial market (as defined in the Corporations Act) in relation to the Company;

a notice in writing stating that a prescribed resolution to approve the proportional off-market bid has been voted on and that the prescribed resolution has been passed, or has been rejected, as the case requires.

36.4 Takeover Resolution Deemed Passed

Where, at the end of the day before the resolution deadline, no prescribed resolution to approve the proportional off-market bid has been voted on in accordance with this clause 36, a resolution to approve the proportional off-market bid is to be, for the purposes of this clause 36, deemed to have been passed in accordance with this clause 36 .

36.5 Takeover Resolution Rejected

Where a prescribed resolution to approve a proportional off-market bid under which offers have been made is voted on in accordance with this clause 36 before the resolution deadline, and is rejected, then:

- (a) despite section 652A of the Corporations Act:
 - (i) all offers under the proportional off-market bid that have not been accepted as at the end of the resolution deadline; and
- (b) all offers under the proportional off-market bid that have been accepted and from whose acceptance binding contracts have not resulted as at the end of the resolution deadline,
 - (i) are deemed to be withdrawn at the end of the resolution deadline;
 - (ii) as soon as practicable after the resolution deadline, the bidder must return to each person who has accepted any of the offers referred to in clause 36 any documents that were sent by the person to the bidder with the acceptance of the offer;
- (c) the bidder:
 - (i) is entitled to rescind; and
 - (ii) must rescind as soon as practicable after the resolution deadline,
 - (iii) each binding takeover contract resulting from the acceptance of an offer made under the proportional off-market bid; and
- (d) a person who has accepted an offer made under the proportional off-market bid is entitled to rescind the takeover contract (if any) resulting from the acceptance.

36.6 Renewal

This clause 36 ceases to have effect on the third anniversary of the date of the adoption of the last renewal of this clause 36.

Australian Silica Quartz Group Ltd | ABN 72 119 699 982

Your proxy voting instruction must be received by **11.00am (AWST) on Tuesday, 21 November 2023**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY

Complete the form overleaf in accordance with the instructions set out below.

YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

STEP 1 – APPOINT A PROXY

If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chair of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chair of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

STEP 2 - VOTES ON ITEMS OF BUSINESS

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

SIGNING INSTRUCTIONS

Individual: Where the holding is in one name, the Shareholder must sign.

Joint holding: Where the holding is in more than one name, all Shareholders should sign.

Power of attorney: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

Companies: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

Email Address: Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

Lodging your Proxy Voting Form:

Online

Use your computer or smartphone to appoint a proxy at <https://investor.automic.com.au/#/loginsah> or scan the QR code below using your smartphone

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting Form.



BY MAIL:

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