

Project Caloola | Confidential Information Memorandum

High-Purity Quartz (HPQ) Capital Raising Opportunity

Deal Details

Asset	Exploration Licence EL9072
Location	Bathurst Region, NSW, Australia
Transaction	A\$10M Direct Equity Offering
Date	August 2026



The Institutional Blueprint

The Opportunity

Asset: 574kt JORC Inferred Resource (EL9072), peaking at 99.94% SiO₂ with no treatment.

Macro Thesis: Strategically positioned to supply critical silicon, solar PV, and semiconductor markets amidst urgent geopolitical supply concentration.

Strategic Advantage: NSW Gov recognized as top-2 HPS prospect in the state; 30km to rail, 231km to Sydney.



The Transaction

Issuer	Quartz Resources Pty Ltd
Raise Amount	A\$10.0 million
Instrument	Direct Equity
Pre-Money Valuation	A\$30.0 million
Implied Ownership Offered	33.3%
Primary Use of Proceeds	Drilling & resource upgrade (45%), metallurgical test work (20%), pilot production (15%)

Investment Highlights



Rare High-Purity Resource

Untreated assays up to 99.94% SiO₂. Validated by NSW DPI as one of the state's highest-quality quality HPS deposits.



Bankable JORC Baseline

574kt JORC (2012) Inferred Resource already defined on just two veins, providing a de-risked starting valuation floor.



>1Mt Exploration Upside

Massive, untested quartz reef system. Conceptual targets exceed 1,000,000 additional tonnes with only 417.5m drilled to date.



Staged Cash Flow

Unique structural advantage: near-term domestic revenue from decorative gravel (A\$200-300/t) mitigates HPQ capital risk.



Tier-1 Logistics & Approvals

231km to Sydney ports; adjacent to Omya Australia's operating marble quarries, proving district viability and infrastructure.



Macro Tailwinds

Silicon declared a Critical Mineral. Spruce Pine supply shock highlights urgent need for non-US/non-China semiconductor and solar crucible supply.

Asset Overview & Strategic Location

Logistics & Infrastructure

Location: Lachlan Orogen, ~30km SW of Bathurst.

Road/Rail: Direct access via Great Western Highway. 30km to Bathurst rail head.

Distances: Sydney (231km | ~3hr),
Wollongong (308km | ~3.5hr),
Newcastle (355km | ~4.5hr).

Established Mining District

Sits 6km from Omya Australia's McGills and Ponsonby Marble quarries (13Mt proven reserves), demonstrating proven local workforce, haulage, and regulatory precedent.



Geological Baseline: JORC Resource & Exploration Upside

Resource Pipeline

De-risked
(JORC 2014 Inferred)

Exploration Upside
(Conceptual)

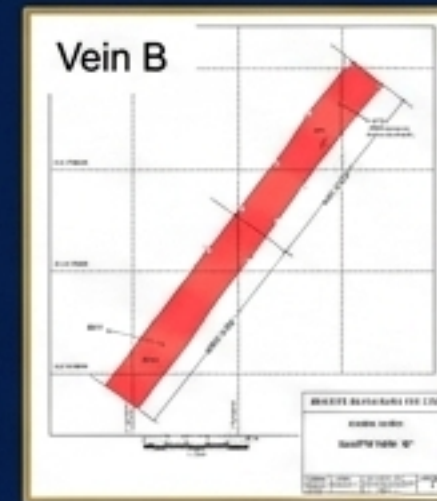
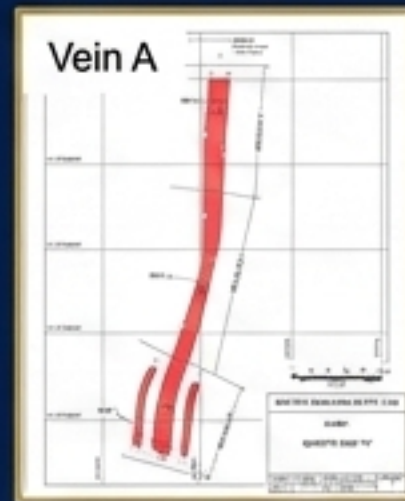
Calculated to
conservative 50m
depth at 2.5 SG.

Vein A
(232,000 t)

Vein B
(342,000 t)

Target:
>1,000,000
additional
tonnes

- Vein D (~1,200m strike, ~900kt conceptual target)
- Vein E (5km+ strike)
- Vein C (~500m)



Key Insight: The Project is materially under-explored: only 417.5m of reverse-circulation drilling has been completed across the entire licence to date.

Proven Product Quality: Assay Highlights

Sample ID	Vein	SiO ₂ %	Al ₂ O ₃ %	Fe ₂ O ₃ %
SC112	Vein H	99.94%	0.01%	0.042%
SC18	Vein A	99.89%	<0.01%	0.01%
OMQ-09	Vein C	99.89%	0.01%	<0.01%
OMQ-11	Vein B	99.87%	<0.01%	<0.01%

Top Assays, ALS Global / Nagrom

Geological Context

Untreated grades of >99.9% SiO₂ and sub-2000ppm key impurities immediately qualify Caloola for intermediate industrial tiers without beneficiation.

Next Catalyst: Characterising impurity habit (lattice vs. inclusion) via funded metallurgical test work to unlock hyper-pure 5N (99.999%) potential.



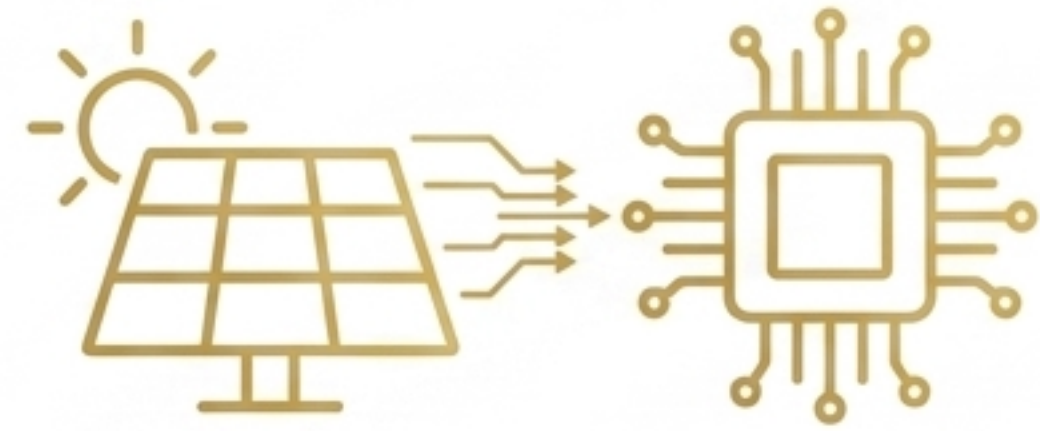
Macro Tailwinds: The HPQ Market & Supply Chain Shock

The Supply Shock



- **The Bottleneck:** Global supply of ultra-high-purity quartz (crucibles) is highly concentrated in the US (Spruce Pine, NC) and processed downstream in China.
- **The Catalyst:** Late 2024 hurricane disruption exposed the extreme fragility of this single-source supply chain.

The Structural Demand



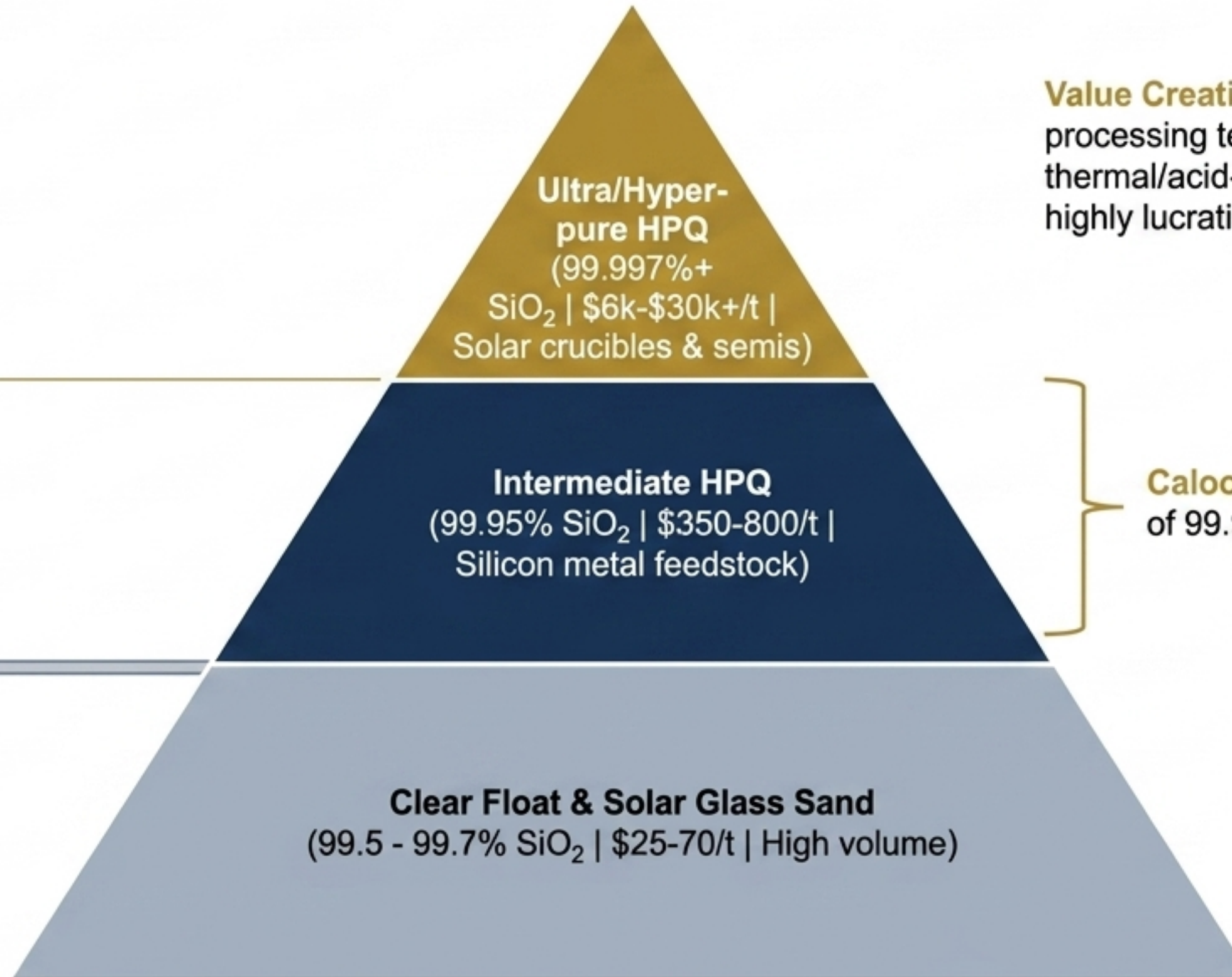
- **Solar Megatrend:** Achieving net-zero by 2050 requires a 40x increase in quartz feedstock.
- **Strategic Response:** Western and Asian tech buyers are actively seeking diversified, geopolitically safe (Tier-1 jurisdiction) supply sources.
- **Domestic Mandate:** Australian Silicon Action Plan (ASAP) explicitly calls for domestic quartz-to-silicon supply chains; Caloola previously identified as feedstock for a proposed Lithgow smelter.

Synthesis Matrix: The HPQ Value & Pricing Pyramid

Pricing Pyramid

Middle Tier Tier 2

Base Tier 1



Value Creation: The A\$10M raise funds the processing test work required to cross the thermal/acid-leaching threshold into the highly lucrative Tier 3.

Caloola Baseline: Untreated grades of 99.94% naturally land in Tier 2.

Commercial Strategy: Exporting to China & Beyond

Geopolitically Optimized Export Strategy

China (The Base/Mid-Tier Market)

- **Role:** The indispensable buyer. The world's largest market for solar PV glass and metallurgical silicon.
- **Advantage:** Accessible via existing ChAFTA zero-tariff frameworks and established bulk shipping from NSW ports.
- **Target:** High-volume Tier 1 & Tier 2 intermediate products.

Rest of World (The Premium HPQ Market)

- **Role:** The margin driver. China is actively seeking domestic HPQ self-sufficiency (Xinjiang/Henan discoveries). Therefore, reliance on China for premium HPQ is risky.
- **Advantage:** Premium Western/Asian buyers (Japan, Taiwan, US, Europe) are actively seeking non-US, non-China supply.
- **Target:** Diversified, highly qualified ultra-HPQ semiconductor/crucible supply at the top of the pyramid.

Phased Path to Cash Flow

Expanding Margin & Technical Complexity

Phase 1: Near-Term Cash Flow (Domestic)

- **Action:** Contract crushing of decorative gravel and landscaping feature boulders.
- **Economics:** A\$200–\$300/t wholesale. Low CapEx/OpEx. No export qualification required. Funds early overhead.

Phase 2: Industrial Silica (China Export)

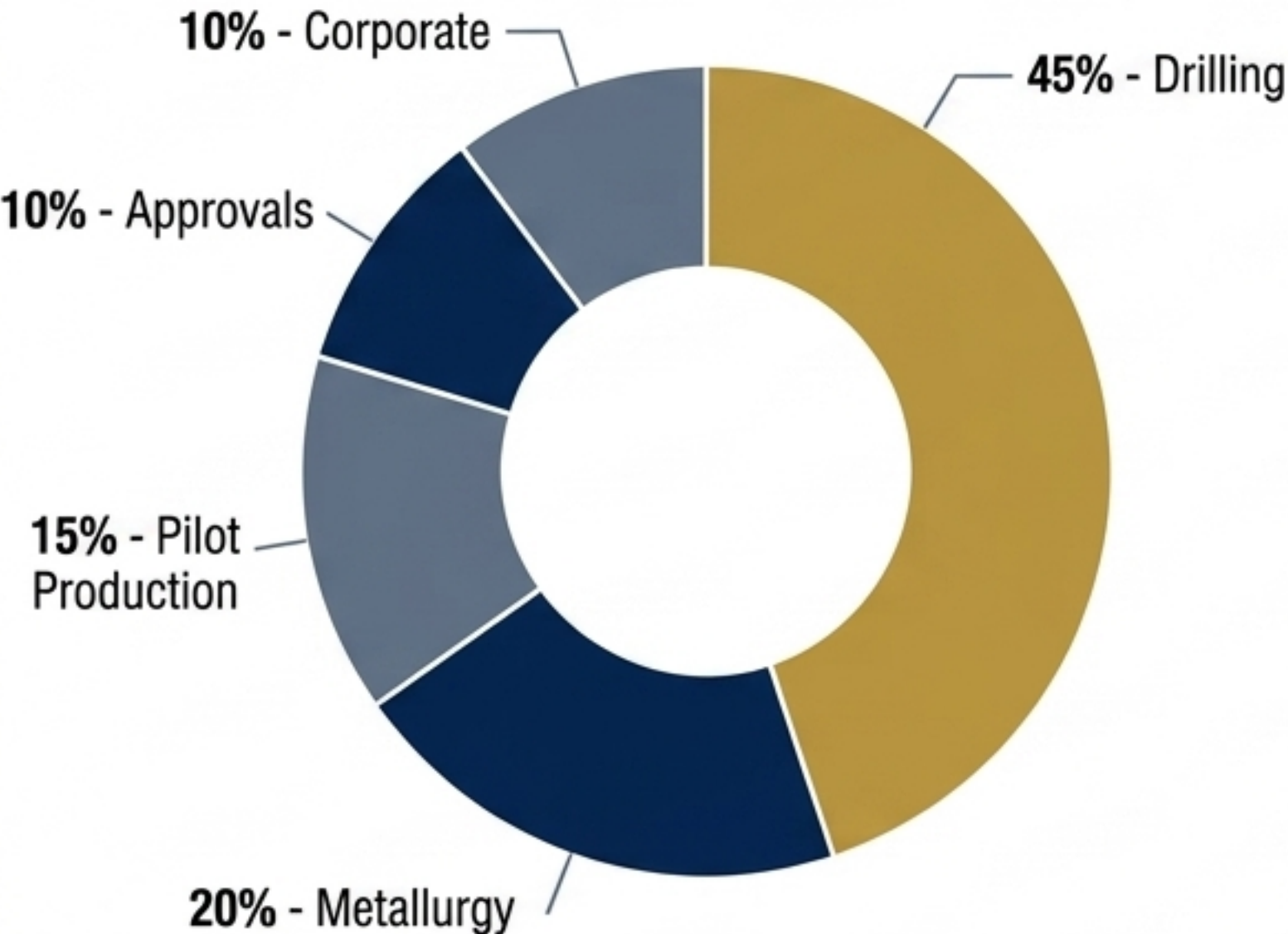
- **Action:** Beneficiated silica sand (3N5–4N) for glass and metallurgical silicon.
- **Economics:** Leverages existing Bathurst rail/Sydney port infrastructure. Captures high volume, moderate margin.

Phase 3: High-Purity Quartz (Global Export)

- **Action:** Capital-intensive thermal purification and acid leaching.
- **Economics:** Targets solar crucible/semiconductor buyers. Exponential pricing uplift (\$6k–\$30k/t) unlocked by 12–36 month qualification cycles.

Capital Raise & Use of Funds

A\$10.0M Direct Equity Raise | A\$30.0M Pre-Money Valuation



Allocation Area	Amount/ Percentage	Value-Creation Milestone
Diamond Drilling & JORC Upgrade	45% (A\$4.5m)	Milestone: Upgrade Inferred to Indicated/Measured.
Metallurgical & Beneficiation Study	20% (A\$2.0m)	Milestone: Confirm impurity habit and unlock Tier 3 pricing.
Decorative Gravel Pilot Production	15% (A\$1.5m)	Milestone: Immediate path to Phase 1 cash flow.
Tenements & Approvals	10% (A\$1.0m)	Milestone: De-risk regulatory baseline.
Corporate & Working Capital	10% (A\$1.0m)	

Key Risks & Mitigations

Risk Factor	Mitigant / Strategy
Resource Risk: Currently Inferred category (low confidence).	Mitigation: 45% of current raise dedicated to infill diamond drilling.
Processing Risk: Impurity habit (lattice vs inclusion) currently unknown, affecting economic viability of upgrading to Tier 3.	Mitigation: Near-term metallurgical test work explicitly funded; Phase 1/2 revenue not reliant on Tier 3 success.
Market Risk: Near-term China solar glass oversupply/glut.	Mitigation: Staged approach targeting domestic decorative cash flows first; diversifying high-end offtake to Japan/Taiwan/US.
Approvals Risk: General mining and environmental hurdles.	Mitigation: Project sits adjacent to Omya's active marble operations, proving district regulatory viability.

Next Steps & Contact

Process Timeline

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1. Execution of Non-Disclosure Agreement (NDA).
 2. Access to Electronic Data Room (EDR).
 3. Management Presentation & Site Visit.
 4. Submission of Binding Bids.

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