



28 July 2025

June 2025 Quarterly Activities Report

Highlights:

- Office of the Appeals Convenor confirms completion of appeal process for Arrowsmith North
- WA Minister for Environment confirms adequacy of EPA assessment process and Arrowsmith North Silica can proceed without further assessment
- Awaiting formal notification from Minister approving the Arrowsmith North project Proposal

VRX Silica Limited (**VRX** or **Company**) is pleased to provide this activities report for the June 2025 quarter.

Arrowsmith North Environmental Approval

VRX has continued to focus on progressing approvals for the development of the Company's 100% owned Arrowsmith North Silica Sand Project (**Proposal**), approximately 270km north of Perth in Western Australia.

In early January 2025 the Environmental Protection Authority of Western Australia (**EPA**) published its Assessment Report (**Report**) for the Proposal and recommended to the Minister for the Environment that the Proposal may be implemented, subject to conditions that had been accepted by VRX following consultation with the EPA.

Publication of the Report triggered commencement of a three-week review period during which appeals against the content and recommendations in the Report may be submitted to the Office of the Appeals Convenor (**OAC**). An appeal was lodged in late January 2025, and the OAC commenced its investigation on behalf of the Minister for the Environment, in consultation with the appellant, EPA, the Company and other public authorities or individuals with an interest in the subject matter of the appeal.

ASX: VRX

Capital Structure

Shares on Issue:

747 million

Options on issue:

92 million

Corporate Directory

Paul Boyatzis

Non-Executive Chairman

Bruce Maluish

Managing Director

Peter Pawlowitsch

Non-Executive Director

David Welch

Non-Executive Director

Ian Hobson

Company Secretary

Silica Sand Projects

Arrowsmith Silica Sand Projects, 270km north of Perth, WA.

Muchea Silica Sand Project, 50km north of Perth, WA.

Boyatup Silica Sand Project, 100km east of Esperance, WA.

Geothermal Energy

Dandaragan Geothermal Energy Permit, 145km north of Perth, WA

The Company is actively assessing other silica sand and downstream processing projects in Australia.

During the quarter, in early May 2025, the OAC confirmed to VRX that its investigation into the appeal was complete and the OAC had provided its report to the Minister for Environment. The report by the OAC can be downloaded at:

<https://appeals-system.appealsconvenor.wa.gov.au/search-appeals/>

In late June 2025, VRX received confirmation from the Minister for the Environment that he had determined the EPA assessment of the Proposal was adequate, consistent with the policy framework and implementation of the Proposal can proceed without further assessment. The Minister advised that he had considered the information available, including the EPA response to the appeal, the appellant's submissions, VRX's response to the appeal, advice from the Department of Biodiversity, Conservation and Attractions, and the OAC's report and recommendation. The Minister allowed the appeal in part and accepted the OAC's recommendations to amend conditions addressing dieback. VRX had previously considered and accepted the amendment.

This determination by the Minister is final and cannot be appealed. It serves as an important step in the environmental approvals process as VRX moves towards development of Arrowsmith North.

The Company now awaits formal notification from the Minister to approve the Proposal under Part IV of the Environmental Protection Act 1986.

Arrowsmith North has the potential to support a new, long-term industry for Western Australia with substantial benefits to the State and Mid West region including long-term direct and indirect employment opportunities and royalties. The project has considerable support from a range of stakeholders, including local indigenous groups, local shires, the Mid West Development Commission, the Mid West Chamber of Commerce & Industry and State and Federal Governments. It boasts robust economic metrics for the supply of multiple silica sand products for a growing Asian market.

Arrowsmith North Offtake

VRX has offtake interest under non-binding term sheets for the supply of an aggregate of 640,000 tonnes of AFS20, 35 and 55 certified foundry sand and Mid Wst Premium glass sand. Indicative pricing is within the range of the Company's financial modelling for Arrowsmith North as provided in the updated bankable feasibility study (**BFS**) for the project announced to ASX on 6 March 2024.

Key assumptions for the BFS include a target price range of US\$38-43 per dry metric tonne, dependent on product type, product quality, contract terms and quantity, and a targeted production schedule of 2.2 million tonnes per annum over the full mine life with a conservative ramp up from a minimum 800,000 tonnes to 1.1 million tonnes per annum in years 1 and 2.

The offtake parties are all significant suppliers in their respective countries. Namgwang Casting Materials Ind Co., Ltd and Woori Corporation, are leading suppliers of sand to the foundry industry in South Korea. Yamakawa Sangyo Co., Ltd is a leading supplier to the foundry industry in Japan. FarnHwa Enterprise Co., Ltd is a leading supplier of foundry and glassmaking sand in Taiwan.

Strong interest in silica sand products from Arrowsmith North remains, as potential offtake partners await final approvals. Discussions continued during the quarter with existing and new potential partners.

Arrowsmith North Project Financing

During the quarter the Company continued to explore project financing alternatives, including debt and offtake finance for Arrowsmith North.

VRX has mandated Argonaut PCF to act as the Company's financial advisor in connection with potential debt financing for Arrowsmith North.

In the light of progress towards conclusion of the environmental approvals process for Arrowsmith North, interest from potential debt financiers has increased markedly and the Company is finalising an independent technical review for the project.

ASX Listing Rule 5.3 Disclosures

Details of mining exploration activities:

Payments for exploration & evaluation under operating activities of \$57,000 related mainly to tenement rents.

Payments for exploration & evaluation under investing activities of \$63,000 consists mainly of environmental approval and referral costs.

There were no substantive mining production and development activities during the quarter.

Details of tenement activities:

Exploration Licence E70/4987 was surrendered during the quarter.

Details of related party payments:

The aggregate amount of payments to related parties and their associates of \$86,000 represents directors' fees and salaries paid during the quarter.

This quarterly activities report has been approved for release by the Managing Director.

Further information:

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Combined 1.4Bn tonne Mineral Resource

Table 1 Mineral Resource Statement (as at 30 June 2025)

Project	Classification	Mt	SiO ₂ %	Al ₂ O ₃ %	Fe ₂ O ₃ %	TiO ₂ %	LOI %
Muchea	Indicated	29	99.6	0.1	0.03	0.1	0.2
	Inferred	179	99.6	0.1	0.02	0.1	0.2
	Total	208	99.6	0.1	0.02	0.1	0.2
Arrowsmith North	Measured	10	95.9	1.9	0.7	0.3	0.7
	Indicated	237	97.7	1.0	0.4	0.2	0.5
	Inferred	266	98.4	0.7	0.3	0.2	0.4
	Total	513	98.0	0.9	0.3	0.2	0.4
Arrowsmith Brand	Inferred	523	97.3	1.4	0.4	0.2	0.6
	Total	523	97.3	1.4	0.4	0.2	0.6
Arrowsmith Central	Indicated	28.2	96.6	1.7	0.4	0.2	0.7
	Inferred	48.3	96.9	1.5	0.4	0.2	0.7
	Total	76.5	96.8	1.5	0.4	0.2	0.7
Boyatup	Inferred	60	97.8	0.8	0.2	0.1	0.9
	Total	60	97.8	0.8	0.2	0.1	0.9

Total Mineral Resource 1,381 Million Tonnes

Table 2 Ore Reserve Statement (as at 30 June 2025)

Project	Classification	Product	Mt	SiO ₂ %	Al ₂ O ₃ %	Fe ₂ O ₃ %	TiO ₂ %	LOI %
Muchea	Probable	F80	10.2	99.9	0.02	0.008	0.03	0.1
		F80C	4.25					
		F150	4.25	99.8	0.07	0.015	0.035	0.1
Muchea Ore Reserve			18.7	Million Tonnes				
Arrowsmith North	Proved	AFS20	0.8	99.5	0.25	0.07	0.05	0.1
		AFS35	3.9	99.5	0.5	0.06	0.05	0.1
		AFS55	2.7	99.2	0.5	0.1	0.05	0.1
		Local	1.8					
	Proved Ore Reserve		9.2	Million Tonnes				
	Probable	AFS20	24.2	99.5	0.25	0.07	0.05	0.1
		AFS35	102.5	99.5	0.5	0.06	0.05	0.1
		AFS55	51.1	99.2	0.5	0.1	0.05	0.1
		Local	34.1					
	Probable Ore Reserve		212	Million Tonnes				
Arrowsmith North Ore Reserve			221	Million Tonnes				
Arrowsmith Central	Probable	CF400	4.2	99.6	0.25	0.04	0.03	0.1
		C20	8.4					
		C40	4.2					
		High TiO ₂	2.2			<1%	2%	
Arrowsmith Central Ore Reserve			18.9	Million Tonnes				
Total Ore Reserve			259	Million Tonnes				

Compliance Statement

The information in this document that relates to the estimation and reporting of the Mineral Resource and Ore Reserves for the Company's silica sand projects is extracted from releases to ASX on 28 August 2019, 11 November 2022 and 6 March 2024 (Arrowsmith North), 17 September 2019 (Arrowsmith Central), 9 May 2023 (Arrowsmith Brand), 18 October 2019 (Muchea) and Boyatup (18 August 2022). The Company confirms that it is not aware of any new information or data that materially affects the information included in this document and all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.

The information in this announcement that relates to the previous exploration results have been cross referenced to the original announcement. The Company is not aware of any new information or data that materially affects the previous exploration results.

The Company confirms that the form and context in which the Competent Persons' findings are presented have not been materially modified.

Interests in Mining Tenements (Western Australia)

Arrowsmith Project – Silica Sand

Tenement	Status	Interest at beginning of quarter	Interests relinquished, reduced or lapsed	Interests acquired or increased	Interest at end of quarter
E70/4987	Surrendered	100%	100%	-	-
E70/5027	Granted	100%	-	-	100%
E70/5817	Granted	100%	-	-	100%
M70/1389	Granted	100%	-	-	100%
R70/64	Granted	100%	-	-	100%
R70/65	Granted	100%	-	-	100%
L70/198	Granted	100%	-	-	100%
L70/199	Granted	100%	-	-	100%
L70/202	Granted	100%	-	-	100%
L70/203	Granted	100%	-	-	100%
L70/208	Granted	100%	-	-	100%
L70/229	Application	-	-	-	-
L70/230	Granted	100%	-	-	100%
G70/264	Granted	100%	-	-	100%
G70/265	Granted	100%	-	-	100%

Muchea Project – Silica Sand

Tenement	Status	Interest at beginning of quarter	Interests relinquished, reduced or lapsed	Interests acquired or increased	Interest at end of quarter
E70/4886	Granted	100%	-	-	100%
E70/5651	Application	-	-	-	-
M70/1390	Granted	100%	-	-	100%
M70/1414	Application	-	-	-	-
L70/200	Granted	100%	-	-	100%
L70/204	Granted	100%	-	-	100%
L70/205	Application	-	-	-	-
L70/206	Granted	100%	-	-	100%

Boyatup Project – Silica Sand

Tenement	Status	Interest at beginning of quarter	Interests relinquished, reduced or lapsed	Interests acquired or increased	Interest at end of quarter
E69/3560	Retention	100%	-	-	100%

About VRX Silica Limited

VRX Silica Limited (ASX: VRX) is the most advanced pureplay silica sand company listed on the ASX, developing its 100% owned silica sand projects at Arrowsmith (North, Brand and Central), Muchea and Boyatup in Western Australia.

Silica sand is the most used commodity on the planet after air and water. It is the main ingredient in all types of glassmaking, including specialty solar panel and high-tech glass, and foundry casting. It is a finite resource that is running out, with the Asia-Pacific region experiencing an ever-growing supply shortfall that is driving up prices.

Arrowsmith is located 270km north of Perth. Arrowsmith North boasts a minimum 25-year mine life capable of producing more than 2Mt tonnes per year of high-grade (99.7% SiO₂)* silica sand for export to the foundry, container glass and flat glass markets in Asia, with permitting well advanced, and will lead production.

Muchea, located 50km north of Perth, is an ultra-high-grade (99.9% SiO₂)* silica sand project capable of producing sand required for ultra-clear glass for solar panels and other high-tech glass applications.

Boyatup, located 100km east of Esperance, is under development and capable of producing sand for the glass market.



*Information relating to grades are extracted from releases to ASX on 28 August 2019, 11 November 2022 and 6 March 2024 (Arrowsmith North) and 18 October 2019 (Muchea). The company is not aware of any new information or data that materially affects this information.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

VRX SILICA LTD

ABN

59 142 014 873

Quarter ended ("current quarter")

30 June 2025

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(57)	(690)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(246)	(944)
	(e) administration and corporate costs	(361)	(1,297)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	39	94
1.5	Interest and other costs of finance paid (on lease liability)	(5)	(20)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	344
1.8	Other (provide details if material)	-	-
1.9	Net cash from / (used in) operating activities	(630)	(2,513)
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(3)	(26)
	(d) exploration & evaluation	(63)	(273)
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (bonds deposit)	-	-
2.6	Net cash from / (used in) investing activities	(66)	(299)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	5,000
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(308)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (repayment of lease liability)	(24)	(90)
3.10	Net cash from / (used in) financing activities	(24)	4,602

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	4,823	2,313
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(630)	(2,513)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(66)	(299)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(24)	4,602

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	4,103	4,103

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	1,030	1,786
5.2	Call deposits	3,073	3,037
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	4,103	4,823

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	86
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(630)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(63)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(693)
8.4 Cash and cash equivalents at quarter end (item 4.6)	4,103
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	4,103
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	5.92
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: Not applicable	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: Not applicable	

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Not applicable

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

28 July 2025

Date:

THE BOARD

Authorised by:
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.