

18 October 2021

ASX ANNOUNCEMENT

ARROWSMITH NORTH AMENDMENT

Highlights:

- **EPA consents to amendment of Arrowsmith North Proposal**
- **Amendment reduces project footprint as approval process continues to be assessed by accredited assessment**
- **Plant engineering and design work moves to detailed design and documentation**

VRX Silica Limited (ASX:VRX) (**VRX** or **Company**) is pleased to provide this update on the development of its Arrowsmith North Silica Sand Project.

EPA consent to amend Arrowsmith North Proposal

VRX has sought consent from the Environmental Protection Authority (**EPA**) to amend the proposed development at Arrowsmith North during the assessment phase.

The amendment comprises the following:

- Relocation of the silica sand processing plant from the Access and Processing Development Envelope to within the Mine Development Envelope.
- Removal of the train loadout facilities.
- Removal of the solar farm area.
- A reduction in the extent of the Access and Processing Development Envelope from 447 hectares (ha) to 61 ha and renaming it the Access Development Envelope.
- An overall reduction in the extent of clearing from 412.2 ha to 366.5 ha.

Pursuant to section 43A of the *Environmental Protection Act 1986* (WA), the EPA has given its consent to the amendment, which will enable the proposed action to continue to be assessed by accredited assessment by the Department of Agriculture, Water and the Environment (**DAWE**).

The project will initially require a trucking transport solution to Geraldton Port given the unprecedented demand that iron ore exporting has placed on train unloading facilities at the Port. The Company is actively engaging with the rail owner and the Port operator for the construction of a dedicated silica sand train unloader, storage facilities and ship loader in the medium to long

ASX: VRX

Capital Structure

Shares on Issue:

552.9 million

Unlisted Options:

34.4 million

Corporate Directory

Paul Boyatzis

Non-Executive Chairman

Bruce Maluish

Managing Director

Peter Pawlowitsch

Non-Executive Director

David Welch

Non-executive Director

John Geary

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.

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

term. The amendment facilitates an alternative means for export in the short term.

Restricting the project to use of the southern access route for trucking in the short term removes the complexities surrounding the western access option and reduces the project footprint. The southern route will also provide for development of a rail loadout facility in the future.

The Company does not expect any material impact on plant design or capex for the project or on anticipated margins for sale of silica sand products as a consequence of this amendment.

VRX still intends to install a solar power facility with associated battery support in the medium term. The Company has completed its Green House Gas (GHG) Emissions study and confirmed that the level of emissions from Arrowsmith North are below the minimum emissions reporting level required for the National Pollutants Inventory. The Company will continue to monitor its expected emissions levels and undertake further studies to reduce its carbon footprint at Arrowsmith.

VRX Managing Director Bruce Maluish said:

“Amending the Arrowsmith North Silica Sand Project proposal following further consultation with the EPA allows VRX to proceed with its approvals process with a smaller footprint. It also provides for an interim transport solution for export of silica sand product.”

“Our goal in the medium to long term is to transport silica sand product via rail and provide for a solar-based power solution for the production plant at Arrowsmith North. We aim for a low carbon footprint and remain committed to the series of ESG initiatives released in VRX’s FY21 Sustainability Report.”

The Company has also continued its consultative process with the EPA to determine additional studies required in order for DAWE to finalise the environmental assessment of Arrowsmith North. Further details will be provided once this information becomes available.

Plant engineering and design

Engineering and design work has transitioned from the preliminary design phase to detailed design and documentation, currently in progress with industry specialists ProjX.

The processing plant design has advanced with key process equipment now specified and procurement of various long lead time and strategically selected process equipment now underway. Civil design including site access roads, plant civils, ponds and site drainage has progressed to detailed documentation. This includes a southern access road (approximately 6km) and also the Brand Highway intersection design.

ProjX have also completed capital cost estimating and project execution scheduling tasks, which will continue to be refined as the detailed design progresses. A 3D schematic will be available on the VRX website. Long lead items have been identified and final quotes assessed for procurement.



This announcement has been authorised for release to ASX by VRX Managing Director, Bruce Maluish.

Further information:

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About VRX Silica

VRX Silica Ltd (ASX: VRX) is developing world-class, high-grade silica sand projects in Western Australia.

The Arrowsmith North and Arrowsmith Central Silica Sand Projects, 270km north of Perth, comprise five granted exploration licences and two granted mining leases. Bankable feasibility studies for both projects have demonstrated exceptional financial metrics.

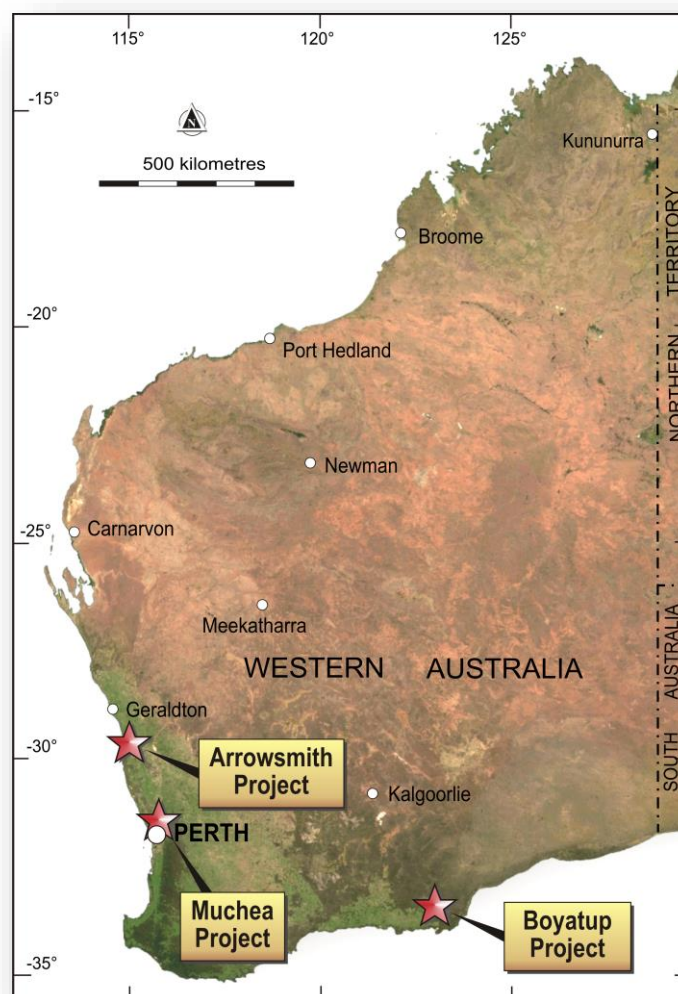
The Muchea Silica Sand Project, 50km north of Perth, comprises two granted and one under-application exploration licences as well as one granted mining lease. Muchea is a world-class project with high-purity silica sand in situ. A bankable feasibility study has demonstrated outstanding financial metrics.

The Boyatup Silica Sand Project, 100km east of Esperance, comprises two adjacent granted exploration licences. Initial indications are that this project can complement the Arrowsmith and Muchea projects and add to the range of silica products VRX Silica may be capable of producing.

Proven Management

VRX Silica's Board and Leadership Team have extensive experience in mineral exploration and mine development-to-production and in the management of publicly listed mining and exploration companies.

Project Locations



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