

31 October 2023

Update on Arrowsmith North Environmental Approvals Process

Highlights:

- ✓ **PER period closed and public submissions summarised by EPA**
- ✓ **VRX draft response to public submissions lodged with EPA**
- ✓ **Important next step progressing environmental approval for Arrowsmith North**

VRX Silica Limited (**VRX** or **Company**) (ASX: VRX) is pleased to provide an update on its application for environmental approval at its Arrowsmith North Silica Sand Project (**Proposal**) located 270km north of Perth, Western Australia.

On 9 June 2023 the Company announced to ASX that the Environmental Review Document (**ERD**) for the Proposal had been accepted by the Department of Water and Environmental Regulation (**DWER**) for publication and a four-week Public Environmental Review (**PER**).

The PER period closed on 16 July 2023.

On 7 September 2023 DWER provided the Company with a summary of the public submissions received during that period.

In a significant step forward, the Company has now lodged its response to those public submissions for consideration by the Environmental Protection Authority of Western Australia (**EPA**).

The EPA will now consider those responses and, subject to further consultation with the Company, will prepare an assessment report for the Western Australian Environment Minister in respect of the Proposal.

Environmental approval for Arrowsmith North is crucial and linked to VRX's ability to secure other necessary approvals for mining. This is yet another a significant step in Arrowsmith North's approvals process.

ASX: VRX

Capital Structure

Shares on Issue:
583 million

Unlisted Options:
59 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 projects in Australia.

VRX Managing Director Bruce Maluish said: *“We are pleased to have progressed to the next stage of the environmental approvals process for Arrowsmith North and appreciate the public interest in the proposal. The submissions received during the public review period were reflective of that interest.*

“The proposal has the potential to underpin a project lasting many decades and underscores the enormous economic contribution that could flow to the Irwin Shire in particular and Western Australia more broadly.

“We again thank shareholders for their continued patience as we have worked on securing the key approvals for Arrowsmith North.”

Background to the Proposal and Environmental Approvals Process

The Proposal includes the sequential block mining of silica sand, development of a mine feed plant, moveable surface conveyor, pipeline, processing plant, stockpiles, freshwater supply bore, access corridor, laydown, administration, water storage and associated infrastructure including a gas fired power station, communications equipment, offices, a workshop and additional laydown areas. Access to the site will be via an access road connecting the mine to Brand Highway. A freshwater supply bore, water pipeline and access road will be located within the Access Development Envelope (ADE). All other infrastructure will be located within the Mine Development Envelope (MDE).

The Proposal will result in clearing and rehabilitation of up to 353.8 ha of native vegetation, 14.5 ha of which will remain cleared for the life of the Proposal, and up to 339.3 ha of native vegetation that will be progressively rehabilitated via Vegetation Direct Transfer (**VDT**). The VDT methodology can be viewed at

<https://vrxsilica.com.au/miningandrehabilitationmethodology/>.

This process includes salvaging and translocating intact sods comprised of soil, sub soil and vegetation (mulched to a height) to already mined areas for planting. This approach results in minimal disturbance to plant roots and rapid recovery of native flora.

VRX has previously received confirmation from the Commonwealth Department of Climate Change, Energy, the Environment and Water for an accredited assessment under the *Environment Protection and Biodiversity Conservation Act 1999* (Cth) (**EPBC Act**). Accredited assessment means the Commonwealth can rely on environmental assessments undertaken by the EPA for the purpose of its approval decisions under the EPBC Act on proposals that may have a significant impact on a matter of national environmental significance.

VRX has conducted extensive environmental studies on its silica sand projects over a number of seasons since 2017 in anticipation of requirements of the State and Commonwealth environmental regulation authorities to undertake approvals assessments. These surveys commenced shortly after the tenements were acquired and the number and extent of these surveys have expanded following further consultation with these authorities. The Company has initially concentrated on gaining approval for development of Arrowsmith North.

The Proposal was referred to the EPA for assessment under Part IV, Section 38 of the *Environmental Protection Act 1986* (WA) (**EP Act**) in March 2021. The referral was reviewed and in May 2021 the EPA determined that the Proposal would be assessed. The EPA set the level of assessment for the Proposal at ‘Public Environmental Review’ or PER, with a requirement for a proponent-prepared Environmental Scoping Document (**ESD**) and a four-week public review period for the ERD.

The Company submitted its ESD to the EPA for assessment in September 2021. The ESD was approved in March 2022.

In May 2022 VRX lodged with the EPA the first-draft ERD for the Proposal. The ERD is a document required under the PER process. The ERD was prepared according to the EPA's Administrative Procedures Manual and other guidance documents and amendments. The ERD is a comprehensive summary of the Proposal's environmental setting, the physical elements of the proposed mine and infrastructure, operational elements, the extent of impacts on the environment and the proposed rehabilitation and closure plan. VRX received a request from DWER for further information in early July 2022 and submitted its response later that month.

In November 2022, DWER requested additional information. The Company lodged a revised ERD and response table in December 2022. VRX then received a request for further information in April 2023 and provided a final ERD to DWER in May 2023, which was accepted by DWER on 8 June 2023.

The final ERD, which comprises 341 pages and 32 appendices detailing a comprehensive environmental impact assessment of the Proposal, was published by the EPA for a four-week PER period, commencing on 19 June 2023.

Following completion of the four-week PER period DWER compiled public submissions for the Company to review and these were provided to the Company on 7 September 2023. The Company has today lodged its response to those public submissions for consideration by the EPA.

Upon acceptance and publication of the response to submissions, the EPA will prepare an assessment report that will include recommendations to the Western Australian Environment Minister on whether to approve the Proposal. If successful, the Minister will sign off on a Ministerial Statement that will serve as approval for the Proposal.

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

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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 and 11 November 2022 (Arrowsmith North) and 18 October 2019 (Muchea). The company is not aware of any new information or data that materially affects this information.

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