



14 June 2024

Significant reduction in corporate overheads and costs management

Key points:

- ✓ **Completion of top-down review of corporate overheads and expenditure**
- ✓ **Director fees and salaries reduced by 50% together with costs control measures introduced across exploration activities, personnel and admin**
- ✓ **VRX well-funded following recent fully underwritten entitlement offer with Arrowsmith North environmental approvals process nearing completion**

VRX Silica Limited (**VRX** or **Company**) (ASX:VRX) announces completion of a top-down review of corporate overheads and expenditure, following its recent \$2.46m fully underwritten entitlement offer.

The Company has introduced cost saving initiatives across the business, with director fees and salaries reduced by 50% and significant cost control measures implemented on non-critical exploration activities and project development costs, personnel and corporate administration. The changes take effect immediately.

The Company continues to progress as its main priority the environmental approvals process for its Arrowsmith North Silica Sand project, which is now in its final stages. An update in this regard was provided to ASX on 30 May 2024.¹

The Company expects these cost control measures will remain in place through to completion of this process.

VRX Chairman, Paul Boyatzis commented, "*Pleasingly VRX is through to the final stages of the environmental approvals process for Arrowsmith North and management continues its dialogue with both State and Federal authorities to complete this process.*"

¹ ASX announcement dated 30 May 2024, *Arrowsmith North Environmental Approval Update*

ASX: VRX

Capital Structure

Shares on Issue:
628 million

Unlisted Options:
104 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.

“Whilst the Company is well funded following its recent capital raising, the Board is cognisant of the need to preserve capital as the regulatory approvals process continues beyond originally expected timeframes. These cost control measures form part of a prudent capital management program for the Company and have been implemented to ensure that VRX is best positioned to advance Arrowsmith North into development and production.

“Shareholder frustration at industry-wide delays in the approvals process is evident and understandable, and the Board thanks shareholders for their continued support and patience.”

In accordance with ASX listing rule 3.16.4, the Company advises that the annual base salary of VRX Managing Director, Bruce Maluish, will reduce from \$340,000 to \$170,000 (plus statutory superannuation). There are no other changes to his employment terms.

This announcement has been authorised for release to ASX by the Chairman, Paul Boyatzis.

Further information:

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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.

VRX Silica Limited

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