



9 June 2023

MAJOR ADVANCE IN ARROWSMITH NORTH ENVIRONMENTAL APPROVALS PROCESS

Highlights:

- ✓ **Environmental Review Document for Arrowsmith North accepted by DWER for publication and public review**
- ✓ **To be published on 19 June 2023 for a four-week public review period**
- ✓ **Marks a significant milestone in Arrowsmith North environmental approvals process**

VRX Silica Limited (**VRX** or **Company**) is pleased to announce that the Environmental Review Document (**ERD**) for its Arrowsmith North Silica Sand Project (**Proposal**) has been accepted by the Department of Water and Environmental Regulation (**DWER**) for publication and a four-week Public Environmental Review (**PER**).

The PER process, which will commence on 19 June 2023, includes a requirement for VRX to respond to all comments received. This PER and response process is the final step before the Environmental Protection Authority of Western Australia (**EPA**) prepares an assessment report including recommendations to the Western Australian Environment Minister on whether the Proposal should be approved.

Environmental approval for Arrowsmith North is crucial and linked to VRX's ability to secure other necessary approvals for mining. The PER milestone therefore is a significant step in Arrowsmith North's approvals process.

VRX Managing Director Bruce Maluish said: "We are delighted that the environmental approvals process has moved to this next important stage. This is a significant milestone for the process.

"VRX has proposed a unique method for rehabilitation of the mined area that provides for the best possible outcome for regeneration of native vegetation.

"The ERD seeks approval for 30 years of mining. The development area has the potential to underpin a project lasting up to 60 years (subject to further approvals), underscoring the enormous economic contribution that could flow to the Irwin Shire in particular and Western Australia more broadly.

ASX: VRX

Capital Structure

Shares on Issue:

560.4 million

Unlisted Options:

48.5 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.

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

“VRX has engaged fully and openly with regulators at every stage of the approvals process and appreciates the thoroughness of the process. We also thank shareholders for their patience as we have worked on securing the key approvals for Arrowsmith North.”

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, will now be published by the EPA for a four-week PER period, commencing on 19 June 2023.

An important feature of the Proposal is the implementation of progressive rehabilitation using the unique Vegetation Direct Transfer (**VDT**) method, which is estimated to result in the best restoration of the vegetation and habitats within the mine area.

The VDT methodology can be viewed at:

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

Following completion of the four-week PER period, DWER will compile public submissions for the Company to review. The Company will then prepare a response to 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.

Importantly this stage of the environmental approvals process for Arrowsmith North will establish the credentials for the use of VDT in Kwongan Heath which is the vegetation encountered at Arrowsmith North and also for the grasses and sedges within Banksia Woodland at our other projects.

The ERD can be viewed on the EPA website at:

<https://www.epa.wa.gov.au/proposals/arrowsmith-north-silica-sand-project>

And also the Company website from 19 June 2023.

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

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.