

17 March 2022

ASX ANNOUNCEMENT

EPA approves Environmental Scoping Document, sets timetable for Arrowsmith North

Highlights:

- **EPA approves Environmental Scoping Document for Arrowsmith North**
- **Significant milestone and provides clarity on pathway to final environmental approval**
- **Cements Arrowsmith North's position as WA's most advanced silica sand development project**

VRX Silica Limited (**VRX** or **Company**) is pleased to announce that the Environmental Protection Authority of Western Australia (**EPA**) has approved the Company's Environmental Scoping Document (**ESD**) for proposed mining activities (**Proposal**) at its 100% owned Arrowsmith North Silica Sand Project (**Arrowsmith North**), approximately 270km north of Perth in Western Australia.

The approval required no amendments to the submitted ESD document which is testament to the process that VRX has undertaken in consultation with the EPA.

EPA approval of the ESD is a significant milestone in the environmental approvals process for Arrowsmith North and provides clarity for the Company on the pathway to development.

The ESD is a precursor to the Environmental Review Document (**ERD**), which is required under the EPA's public environmental review process and will be released for public review. The ESD was prepared according to the procedures in the EPA's *Environmental Impact Assessment* (EIA; Part IV Divisions 1 And 2) Procedures Manual (EPA, 2021b)

Importantly, VRX now has an indicative timetable for full assessment acceptance by the EPA, with a final report for Ministerial environmental approval scheduled for December 2022.

The indicative timetable, which is set out on the following page, enables VRX to plan and schedule key development activities for Arrowsmith North including financing, capital investment (in particular for long-lead items) and construction.

ASX: VRX

Capital Structure

Shares on Issue:

558.4 million

Unlisted Options:

35.3 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 already completed process engineering, site geotechnical works and bore installations while detailed engineering for fabrication is underway.

VRX's Managing Director Bruce Maluish said: *“EPA approval of our Environmental Scoping Document is the culmination of many months of hard work by both VRX and the EPA and we look forward to continued collaboration as we progress the development of the Arrowsmith North Silica Sand Project.*

“The ESD provides the scope of studies required for the next stage of the approvals process, the Environmental Review Document, the draft of which is well advanced, and gives us clarity on the pathway forward to full approval and development of Arrowsmith North.

“Arrowsmith North is the first of our three high-quality, world-scale projects and the most advanced pure silica sand development opportunity in Western Australia. I am confident the lessons from this approvals process will assist VRX as we progress approvals and development of the Arrowsmith Central and Muchea silica sand projects.

“Based on the indicative timetable now available to the Company, VRX expects to begin Arrowsmith North’s six-month construction period in January 2023.”

“I thank our shareholders for their ongoing support and patience as we progress our three 100%-owned, world-class, high-grade silica sand projects toward production and the delivery of sustained value.”

Key assessment milestones	Indicative date
Proponent submits first draft ERD	15 April 2022
EPA provides comment on first draft ERD <i>(6 weeks from receipt of ERD)</i>	27 May 2022
EPA accepts ERD (assumes no further revisions required)	27 May 2022
EPA authorises release of Environmental Review Document for public review <i>(2 weeks from EPA approval of ERD)</i>	10 June 2022
Proponent releases Environmental Review Document for public review for 4 weeks	10 June 2022
Close of public review period	8 July 2022
EPA provides Summary of Submissions <i>(3 weeks from close of public review period)</i>	29 July 2022
Proponent provides Response to Submissions	19 August 2022
EPA reviews the Response to Submissions <i>(4 weeks from receipt of Response to Submissions)</i>	16 September 2022
EPA accepts and publishes proponent’s response to submissions	16 September 2022
EPA prepares draft assessment report and completes assessment <i>(6 weeks from acceptance of proponent’s response to submissions)</i>	28 October 2022
EPA finalises Assessment report (including two-week consultation on draft conditions) and gives report to Minister <i>(6 weeks from completion of assessment)</i>	9 December 2022

In parallel to the approvals process, VRX has been busy advancing key aspects of Arrowsmith North's development including engineering design and financing discussions. Based on the indicative timetable provided by the EPA's sign-off of the ESD, the Company expects to be on the ground at Arrowsmith North and commence the six-month construction period in January 2023, subject to Ministerial approval.

Update on DMIRS approval process

VRX has commenced the Department of Mines, Industry, Regulation and Safety (**DMIRS**) approvals process for Arrowsmith North with a presentation of the Mining Proposal and Closure Plan to the relevant department assessment officers.

A final document will be lodged with DMIRS by the end of March 2022.

DMIRS has confirmed that its approvals process will run in parallel with the EPA approvals process and final approval will be subject to Ministerial approval.

Commonwealth Government approvals process

The Arrowsmith North Proposal had been referred to the Commonwealth Department of Agriculture, Water and the Environment (**DAWE**) and determined to be a controlled action under the Environment Protection and Biodiversity Conservation Act 1999 (**EPBC Act**). DAWE had also confirmed that the Proposal would be assessed under a Bilateral Agreement between the Commonwealth and the State of Western Australia under section 45 of the EPBC Act or an accredited process under section 87 of the Act.

The ESD completed by VRX, and approved by the EPA, includes work required to be carried out and reported on in the ERD in relation to 'Matters of National Environmental Significance'. The ERD will also address the matters in Schedule 4 of the regulations to the EPBC Act.

Update on Arrowsmith Central Approvals

VRX commenced the approvals process for the Arrowsmith Central Silica Sand Project with a referral submission to DAWE under the EPBC Act in October 2021. DAWE determined that under section 75 of the EPBC Act the proposed action is a controlled action and, as such, it requires assessment and a decision about whether approval for it should be given under the EPBC Act.

Furthermore, the Company lodged a Section 38 Referral and supporting documentation to the State Department of Water and Environmental Regulation (**DWER**) in September 2021, which has a description of the Arrowsmith Central proposal, affected areas, key environmental factors, impact assessments and identified approvals and regulations.

The EPA requested additional information which was provided with an updated Referral in February 2022. The Company has received no further notifications at this time.



This announcement has been authorised for release to the 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 North and Arrowsmith Central, and Muchea projects.

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

