



11 December 2025

Additional Binding Offtakes and Financing Update for Arrowsmith North

Highlights:

-  ***Two additional binding offtake contracts signed***
-  ***Offtake customers are well-established, reputable and substantial suppliers into foundry and glassmaking industries in China***
-  ***Adds 550,000 tonnes of offtake commitments for Arrowsmith North silica sand for an aggregate of 960,000 tonnes per year***
-  ***Pareto Securities appointed to manage Arrowsmith North fixed income financing***

VRX Silica Limited (ASX:VRX) (**VRX** or **Company**) is pleased to announce that it has secured additional binding offtake contracts for its Arrowsmith North Silica Sand Project (**Arrowsmith North**) and appointed an international bank to manage financing.

Offtake

The two new offtake contracts are for the supply of an aggregate minimum of 550,000 tonnes per annum of high-quality silica sand products from Arrowsmith North to two well-established, reputable and substantial suppliers into the foundry and glassmaking industries in China.

These additional contracts follow VRX's announcement to ASX in October¹ of four binding contracts for the supply of a minimum of 410,000 tonnes of silica sand products from Arrowsmith North, equating to an aggregate 960,000 tonnes committed under contract.

It follows continued testing of samples of silica sand products from Arrowsmith North confirming that these would be sought-after products. In particular, the key features for preferred foundry sand are particle size distribution, grain shape and size and thermal stability, which all are attributes of Arrowsmith North silica sand to demonstrate its superior quality and ability to meet the highest stringent specifications.

ASX: VRX

Capital Structure

Shares:
778.3 million
Options:
43.7 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 and downstream processing projects in Australia.

¹ ASX announcement "Binding Offtake Contracts Secured for Arrowsmith North" dated 23 October 2025

VRX Managing Director Bruce Maluish said: *“These additional binding offtake contracts further demonstrate substantial interest in VRX’s Arrowsmith North silica sand foundry and glassmaking products. These offtake partners are well established companies in their industry and we expect them to be long term buyers as we diversify our customer base.*

“These contracts vindicate VRX’s strategy to ensure production of a unique Australian and highly sought-after product, and to secure the right customers for our silica sand products.

“They also provide confidence to VRX with regards to sales and revenue generation and form an important precondition for potential debt financiers.”

Arrowsmith North, 270km north of Perth, contains a globally significant deposit of high-quality silica sand underpinning a mining project that will enable long term production for the foundry, container glass and flat-glass markets in Asia. As detailed in the updated bankable feasibility study announced in March 2024, Arrowsmith North has a JORC-compliant Proved and Probable Ore Reserve of 221Mt @ 99.5% SiO₂.²

The contracts set out detailed terms and conditions for the supply by Ventnor Mining Pty Ltd, a 100% owned subsidiary of VRX and owner of the Arrowsmith North mining tenements, shipped FOB from the Port of Geraldton, of an aggregate minimum 550,000 tonnes per annum of Midwest premium glassmaking sand and AFS20, 35 & 55 certified foundry sand for a period of four years, with pricing fixed for the first two years within the range of the Company’s financial modelling for Arrowsmith North as provided in the March 2024 updated bankable feasibility study.

Key assumptions for the updated bankable feasibility study include a target price range of US\$38-43 per dry metric tonne, dependent on product type, product quality, contract terms and quantity, and a targeted production schedule of up to 2.2 million tonnes per annum over the full mine life with a conservative ramp up from a minimum 800,000 tonnes to 1.1 million tonnes per annum in years 1 and 2.

Each contract is subject to customary conditions precedent relating to commencement of the project, including the Company finalising project finance, receiving all remaining permits for the project, finalising logistics contracts for transport and port access and usage, commissioning of Arrowsmith North and its related infrastructure to achieve commercial production, and delivery of an initial trial shipment. The conditions must be satisfied by 31 December 2026 with a right for the Company to extend this date by up to four months.

The contracts are on terms and conditions that are customary for agreements of this nature and are in line with industry standard documentation including provisions around contract performance, delivery of product, quality control, weighing and sampling, shipping and laycan, force majeure, termination rights and the application of Incoterms® 2020 rules.

VRX considers that disclosing the specific identities of the counterparties to the offtake contracts is not information a reasonable person would expect to have a material effect on the price or value of its securities, given the counterparties’ standing and creditworthiness. VRX confirms that this announcement includes all material information relevant to assessing the impact of these offtake agreements on the price or value of the Company’s securities and is not misleading by omission.

With several binding offtake contracts now in place, the Company has sufficient sales of silica sand products committed for its initial production schedule and to move forward with financing.

² See the updated bankable feasibility study released to ASX in 2024 (ASX announcement “Arrowsmith North Updated BFS” dated 6 March 2024)

Debt Financing

VRX has appointed international investment bank and debt capital markets specialist Pareto Securities (**Pareto**) as Manager for fixed income debt financing to support the construction of the Arrowsmith North project.

The appointment follows a competitive process and reflects the strong interest in Arrowsmith North.

VRX looks forward to working with Pareto and its financial adviser, Argonaut, to progress the debt financing over the coming months.

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

Further information:

Bruce Maluish
Managing Director
brucem@vrxsilica.com.au

Peter Klinger
Purple
pklinger@purple.au



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VRX Silica Limited, Ground floor, 52 Kings Park Rd
WEST PERTH WA 6005

About VRX's target silica sand markets

Foundry

Silica sand is an essential part of both the ferrous and non-ferrous foundry industries. Metal parts ranging from engine blocks to sink faucets are cast in a sand-and-clay mould to produce their external shape, often using a resin coat to create the desired internal shape. Silica's high fusion point (1,760°C) and low rate of thermal expansion produce stable cores and moulds compatible with all pouring temperatures. Its chemical purity also helps prevent interaction with catalysts or affecting the curing rate of chemical binders, for that reason, customers are looking for high quality silica sand that meets their specifications for size and shape.

Another critical specification is the hardness of silica grains to deliver the required crush resistance to high pressure from molten metals.

Arrowsmith North is capable of producing multiple high quality sand products for the foundry industry as confirmed by potential offtake partners in Asia following extensive testwork.

Glassmaking

Silica sand is the primary component of all types of standard and specialty glass. It provides the essential SiO_2 component of glass formulation and its chemical purity is the primary determinant of colour, clarity and strength in glass. Silica sand is used to produce flat glass for building and automotive use, container glass for foods and beverages, and tableware. In its pulverised form, ground silica is required in the production of fibreglass insulation and for reinforcing glass fibres. Specialty glass applications include test tubes and other scientific tools, incandescent and fluorescent lamps, television and computer LCD/LED monitors. Glassmaking physical specifications focus on particle size, as it significantly impacts melting efficiency. Uniform grain size is preferred to reduce energy use and ensure complete melting. In fibreglass production, over 99.5% of raw material grains are smaller than 0.045 mm (45µm), and tighter limits are being considered. Coarse particles are hardest to melt and can cause defects. Grain shape also matters—if too many grains are coarser than specified, incomplete melting and poor product quality can result.

Refractory heavy minerals (RHM)—such as iron, zircon, corundum, chrome spinels, rutile, and staurolite—should generally be avoided in glassmaking because they do not melt at standard glass-making temperatures. This leads to solid inclusions or defects ("stones") in the final glass. Limits on RHM are typically based on their size and amount, with particles larger than 0.25 mm (10 mesh) being the most problematic. These may be restricted by weight percentage or particle count.

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.

Appendix

Arrowsmith North Ore Reserves and Grades

Project	Classification	Product	Mt	SiO ₂ %	Al ₂ O ₃ %	Fe ₂ O ₃ %	TiO ₂ %	LOI %
Arrowsmith North	Proved	AFS20	0.8	99.5	0.25	0.07	0.05	0.1
		AFS35	3.9	99.5	0.5	0.06	0.05	0.1
		AFS55	2.7	99.2	0.5	0.1	0.05	0.1
		Local	1.8					
	Proved Ore Reserve		9.2	Million Tonnes				
	Probable	AFS20	24.2	99.5	0.25	0.07	0.05	0.1
		AFS35	102.5	99.5	0.5	0.06	0.05	0.1
		AFS55	51.1	99.2	0.5	0.1	0.05	0.1
		Local	34.1					
	Probable Ore Reserve		212	Million Tonnes				
	Total Ore Reserves		221	Million Tonnes				

Compliance Statement – Ore Reserves and Grades

The information in this document that relates to the estimation and reporting of the Ore Reserves for the Arrowsmith North silica sand project is extracted from releases to ASX on 28 August 2019, 11 November 2022 and 6 March 2024. The Company confirms that it is not aware of any new information or data that materially affects the information included in this document and all material assumptions and technical parameters underpinning the estimates in those releases continue to apply and have not materially changed.

Compliance Statement – Production Target

The information in this document that relates to the Company's production target for the Arrowsmith North silica sand project is extracted from releases to ASX on 6 March 2024. The Company confirms that it is not aware of any new information or data that materially affects the information included in this document and all material assumptions underpinning the production target continue to apply and have not materially changed.

The Company also confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the relevant original market announcements.