



23 October 2025

Binding Offtake Contracts Secured for Arrowsmith North

Highlights:

- Four binding offtake contracts signed with customers in in South Korea, Taiwan and the Philippines***
- Offtake customers are well-established, reputable and substantial suppliers into the foundry, glassmaking and filter industries***
- Aggregate 410,000tpa committed, close to half of Arrowsmith North's start-up capacity, with further binding offtake contracts pending***

VRX Silica Limited (ASX: VRX) (**VRX** or **Company**) is pleased to announce that it has secured four binding offtake contracts for the supply of silica sand from its Arrowsmith North Silica Sand Project (**Arrowsmith North**).

The offtake contracts are for the supply of an aggregate minimum of 410,000 tonnes per annum of high-quality silica sand products to two well-established, reputable and substantial suppliers into the foundry industries in South Korea, a leading supplier of foundry, glassmaking, water filter media and sized dry sand in Taiwan, and a glass manufacturer supplier in the Philippines.

This follows announcements in August and September that the Company has received environmental, works and mining proposal approvals for Arrowsmith North allowing for the development of Arrowsmith North, in particular the commencement of construction and operation of the processing plant and associated infrastructure as well as mining activity¹.

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

¹ ASX announcement "DMPE Approves Mining Proposal for Arrowsmith North Silica Sand Project" dated 8 August 2025; ASX announcement "Environmental Approval for Arrowsmith North Silica Sand Project" dated 2 September 2025; and ASX announcement "Works Approval for Arrowsmith North Silica Sand Project" dated 5 September 2025.

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

ASX: VRX

Capital Structure

Shares on Issue:

749.9 million

Unlisted Options:

31.7 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.

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.

VRX proposes to gradually ramp up production at Arrowsmith North from a starting level of approx. 1Mtpa to more than 2Mtpa of silica sand, with an operating life of several decades. These binding offtake deals in aggregate account for close to half of Arrowsmith North's proposed commencement capacity.

VRX's strategic significance is its position as a near-term, long-life and stable supplier of high-quality silica sand products from a Tier 1 jurisdiction.

VRX's marketing strategy is to secure a portfolio of long-term offtake contracts with reputable partners to underpin a steady ramp-up of production while balancing price exposure and revenue stability amid the continuing strong inbound interest from a number of market participants across the Asia-Pacific region.

Extensive testing by potential buyers of samples of silica sand foundry products from Arrowsmith North confirmed that these would be sought-after products. 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.

The contracted customers are decades long-established, leading suppliers into the automobile foundry industry and glassmaking industries in their respective countries and throughout Asia.

The Company is in discussions with several other prospective customers and negotiating additional binding offtake contracts, with announcements in that regard expected to be made later this quarter.

VRX Managing Director Bruce Maluish said: *"We are delighted with the support from our offtake partners as we secure initial binding offtakes for Arrowsmith North. VRX is seen as a reliable supplier of high-grade silica sand products and Australia as a dependable jurisdiction."*

"These contracts further vindicate VRX's strategy to ensure production of a unique Australian highly sought-after product and secure the right customers for our silica sand products for what we expect to be long-term relationships."

"We remain focused on converting the remaining offtake term sheets and new interest into binding offtake agreements. With key project approvals in place, our marketing team is actively engaging with interested parties involved in the foundry sand and glass-making industries and responding to a number of new enquiries as our high-quality silica sand products and surety of supply become recognised in the marketplace."

VRX is targeting first production in late 2026 following a final investment decision and commencement of construction of the processing plant and associated infrastructure expected in the first half of 2026.

VRX has mandated Argonaut to act as the Company's financial advisor in connection with potential debt financing for Arrowsmith North. An independent technical review of the project has been completed. Interest from potential debt financiers has increased markedly following the granting of key approvals, with a shortlist of debt finance proposals to be evaluated in the coming weeks.

These foundation offtake contracts are all for four-year terms, with pricing fixed for the first two years within the range of the Company's financial modelling for Arrowsmith North³. They provide certainty to VRX with regards to sales and revenue generation, an important precondition for potential debt financiers.

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, of a minimum tonnage of silica sand products according to pre-determined technical specifications, shipped FOB from the Port of Geraldton. They 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.

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.

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.

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

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Visit <https://investorhub.vrxsilica.com.au/auth/signup> for VRX Silica's interactive InvestorHub

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³ See the updated bankable feasibility study released to ASX in 2024 (ASX announcement "Arrowsmith North Updated BFS" dated 6 March 2024)

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 SiO₂ 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 foundry casting and in all types of glassmaking, including specialty solar panel and high-tech glass. It is a finite resource that is running out, with the Asia-Pacific region experiencing an ever-growing supply shortfall that will drive up prices in the long term.

VRX has significant Resources to underpin very long-life silica sand projects.

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.