

VRX SILICA LIMITED

ABN 59 142 014 873

INTERIM FINANCIAL REPORT

FOR HALF-YEAR ENDED

31 DECEMBER 2025

CORPORATE DIRECTORY

DIRECTORS

Paul Boyatzis (Non-Executive Chairman)
Bruce Maluish (Managing Director)
Peter Pawlowitsch (Non-Executive Director)
David Welch (Non-Executive Director)

SECRETARY

Ian Hobson

REGISTERED AND PRINCIPAL OFFICE

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SHARE REGISTRY

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AUDITORS

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AUSTRALIAN SECURITIES EXCHANGE

VRX Silica Limited shares (VRX) are listed on the
Australian Securities Exchange

DIRECTORS' REPORT

Your directors submit the financial report of the consolidated entity for the half-year ended 31 December 2025. In order to comply with the provisions of the *Corporations Act 2001*, the directors report as follows:

DIRECTORS

The names of the Directors who held office during or since the end of the half-year and until the date of this report are noted below. Directors were in office for this entire period unless otherwise stated:

Paul Boyatzis (Non-Executive Chairman)
Bruce Maluish (Managing Director)
Peter Pawlowitsch (Non-Executive Director)
David Welch (Non-Executive Director)

PRINCIPAL ACTIVITIES

The principal continuing activities during the half-year of entities within the consolidated entity was mineral exploration.

REVIEW OF OPERATIONS

The net loss for the half-year attributable to members of VRX Silica Limited (**VRX** or **Company**) was \$2,206,866 (2024: loss of \$1,845,391).

The following is a summary of the activities conducted by VRX during the half year to 31 December 2025 at its silica sand projects at Arrowsmith North, Central and Brand (located 270 km north of Perth), Muecha (located 50 km from Perth) and Boyatup (located 100 km east of Esperance), all situated in Western Australia.

Arrowsmith North Silica Sand Project

VRX's 100%-owned Arrowsmith North Silica Sand Project, located approximately 270km north of Perth, hosts a globally significant deposit of high-quality silica sand.

The project is underpinned by a JORC-compliant Proved and Probable Ore Reserve of 221Mt at 99.5% SiO₂, supporting the potential for long-term production into the foundry, container glass and flat-glass markets, primarily servicing growing demand in Asia.

Arrowsmith North has the potential to establish a new, long-term silica sand industry in Western Australia, delivering substantial economic benefits to the State and the Mid West region. These benefits include sustained direct and indirect employment, royalties, and regional economic development.

The project has strong support from key stakeholders, including local Traditional Owner groups, local shires, the Mid West Development Commission, the Mid West Chamber of Commerce and Industry, and both State and Federal Governments. Economic studies demonstrate robust project metrics across a range of silica sand products.

Globally, the silica sand market continues to experience strong growth, driven by increasing demand from the construction sector — particularly flat glass used in residential and commercial buildings — and rising consumption of automotive glass in Asia's expanding automotive industry. The foundry sector is also exhibiting strong growth, supported by increasing demand in established markets such as South Korea, Japan and China, as well as emerging markets including Thailand and India, against a backdrop of industry-wide expansion and tightening supply across Asia.

Australia is currently the largest exporter of silica sand in the Asia-Pacific region, with exports dominated by multinational producers. Total exports exceeded 2.3 million tonnes in the previous year.

Key Approvals Received for Arrowsmith North

During the half year the Company received a number of key approvals paving the way for development of Arrowsmith North.

In August 2025 VRX received approval from the Western Australian Department of Mines, Petroleum and Exploration from the Mining Proposal at Arrowsmith North. This allows for the commencement of mining operations at Arrowsmith North, subject to standard mining and closure conditions including environmental approval.

In September 2025 VRX received environmental approval for Arrowsmith North with the Western Australian Minister for the Environment, Hon Matthew Swinbourn MLC, approving the proposed development of the project through the issue of a Statement That A Proposal May Be Implemented. This followed an earlier appeal process and subsequent confirmation in the previous financial year that the Minister had determined the Environmental Protection Authority of Western Australia's (EPA's) assessment of Arrowsmith North was adequate, and further assessment is not required.

Conditions attached to State environmental approval include staged mining, achievement of specified environmental outcomes, rehabilitation and ongoing reporting, which have been previously agreed and align with VRX's commitment to safe, sustainable and responsible operations at Arrowsmith North.

In September 2025 VRX also received Works approval from the Department of Water and Environmental Regulation for the proposed development of Arrowsmith North. The Works approval allows for the construction of the processing plant.

Binding Offtake Contracts for Arrowsmith North

During the half year, VRX secured six binding offtake contracts for the supply of silica sand from Arrowsmith North. The contracts provide for the supply of an aggregate minimum of 960,000 tonnes per annum of high-quality silica sand products to established and reputable customers supplying the foundry and glassmaking industries across Asia. The customer base comprises two major suppliers into the South Korean foundry sector, a leading supplier of foundry, glassmaking, water filtration media and sized dry sand in Taiwan, a glass manufacturer supplier in the Philippines, and two glass manufacturing and foundry suppliers in China. Collectively, these customers are recognised suppliers to the Asian foundry and glassmaking markets.

VRX plans to progressively ramp up production at Arrowsmith North from an initial production rate of approximately 1 million tonnes per annum (Mtpa) to more than 2 Mtpa, supporting an operating life of several decades. The aggregate contracted volumes under the binding offtake agreements broadly align with the proposed initial production capacity at project commencement.

Purchase of Arramall Farm Site

During the half year, the Company entered into a conditional binding contract to purchase the Arramall farm site, which sits on freehold land adjacent to Arrowsmith North. Comprising approximately 2,091 hectares over two separate lots, Arramall contains tracts of both cleared land and native vegetation, bordered to the east by the Company's mining lease at Arrowsmith North and to the west by Brand Highway.

The site is suitable for locating the proposed silica sand processing plant and associated infrastructure for Arrowsmith North with easy access to Brand Highway for transportation of products to Geraldton Port. The site is also highly suited for locating a solar farm and a potential future renewable power solution for Arrowsmith North.

The contract provides for the purchase from an unrelated party with the purchase price within the range for capital expenditure on land acquisitions for the project provided for in the Company's financial model for Arrowsmith North, and it is proposed that the site will form part of the Company's overall environmental offset strategy for the project.

Given the site's location there are significant cost savings for the Company both in the construction phase and once in production, based on the Company's financial modelling for Arrowsmith North. In addition, locating the plant on cleared, freehold land close to Brand Highway will reduce the overall environmental impact of Arrowsmith North as less native vegetation will be disturbed both for the plant and roads to the highway.

DIRECTORS' REPORT

During the half year the Company completed a number of targeted environmental and technical surveys required to support the relocation of the processing plant from its originally approved location within the Arrowsmith North Mine Development Envelope (**MDE**) and environmental offset strategy.

The surveys included flora mapping, vegetation assessments and targeted orchid studies associated with a proposed new access road. Additional vegetation studies were also undertaken for an alternative access road alignment and a northern extension to the MDE. Vegetation mapping was completed for the proposed alternative offset site, including a Carnaby's Cockatoo habitat assessment. Technical surveys include detailed imaging and topography and geotechnical testing on the plant site.

Subsequent to the end of the half year, VRX lodged an amendment application with the EPA to relocate the processing plant and access road to Brand Highway. The revised layout significantly reduces permanent clearing, affects substantially fewer priority species, and provides scope to lower emissions through the incorporation of a solar farm to be developed on previously cleared land within the Arramall farm site. The amendment represents a substantial reduction in environmental impact and is not expected to materially affect timing for commencement of project construction. During the half year, the Company also engaged with the Federal environmental agency, the Department of Climate Change, Energy, the Environment and Water, for approval of the revised offset strategy. This separate process will run in parallel with the EPA amendment process.

The contract to purchase the Arramall farm site is conditional on VRX and its advisers completing detailed due diligence on the site and its suitability for the project, including satisfying the requirements of all relevant government authorities, and the VRX Board of Directors approving a final investment decision (FID) for the project, each within six months. Subject to satisfaction or waiver of those conditions, settlement is to occur within three months thereafter. The contract is otherwise on standard terms and conditions for a transaction of this nature.

Implementation of succession plan and new CEO appointment

During the half year, VRX announced the implementation of a succession plan in relation to the chief executive role at the Company and appointment of Tony Swiericzuk as new Chief Executive Officer.

With Managing Director, Bruce Maluish, indicating that he was unlikely to remain in his current role for the long term, during the half year the Board commenced a strategic exercise to allow for an orderly transition to new leadership as the Company progresses development of Arrowsmith North.

Mr Swiericzuk is a seasoned mining executive with over 30 years of leadership experience and a distinguished career including in large scale mines and bulk ports. He brings strong expertise in mining operations, exploration, project development, contractor management, sales and marketing, and financing, along with a strong track record of engaging with Federal, State, Local, and First Nation authorities. His deep industry knowledge spans exploration, construction, mining, bulk ports, and manufacturing, providing him with a comprehensive, end-to-end supply chain perspective. As general manager of the Christmas Creek Mine for FMG, he oversaw the construction, commissioning and ramp-up of this project from 15Mtpa to 60Mtpa, then proceeded to optimise the operation and help drive FMG to become the world's lowest cost iron ore producer.

Mr Swiericzuk commenced with the Company on 1 February 2026 on a part-time basis as he winds down his current engagements and will commence in the CEO role on a full-time basis by 1 July 2026. Mr Maluish will remain with the Company as Managing Director during this interim period and will phase out of that role into a Non-Executive Director role during that time.

Project Finance for Arrowsmith North – Debt Proposals Received

During the half year, VRX mandated Argonaut PCF to act as the Company's financial adviser in connection with potential debt financing for Arrowsmith North.

An independent technical review of the project was completed during the half year and will form a key component of financiers' due diligence when assessing potential support for the project's development.

VRX appointed international investment bank and debt capital markets specialist Pareto Securities as Manager for fixed income debt financing to support construction of the Arrowsmith North project. The appointment followed a competitive selection process and reflects the strong level of interest in the project.

DIRECTORS' REPORT

Mining and Logistics Contracts for Arrowsmith North in Progress

During the half year VRX continued progress on all infrastructure agreements relating to the development of Arrowsmith North including port logistics, transport, mining services, power supply and construction contracts. These are expected to be concluded prior to a FID.

Equity Placement

VRX conducted an equity capital raising from sophisticated professional investors of \$2.1 million (before costs) under a placement of fully paid ordinary shares (**Placement**).

The Placement comprised an issue of approximately 28.5 million new shares equating to approximately \$2.05 million within the Company's placement capacity under ASX Listing Rule 7.1 and a conditional placement of approximately 0.7 million new shares equating to approximately \$50,000 to VRX Directors subject to obtaining shareholder approval at a future general meeting.

The Placement was supported by existing shareholders and new institutional investors. Unified Capital Partners Pty Ltd acted as sole lead manager and bookrunner to the Placement.

DIRECTORS' REPORT

Combined 1.4Bn tonne Mineral Resource

Table 1 Mineral Resource Statement (as at 31 December 2025)

Project	Classification	Mt	SiO ₂ %	Al ₂ O ₃ %	Fe ₂ O ₃ %	TiO ₂ %	LOI %
Muchea	Indicated	29	99.6	0.1	0.03	0.1	0.2
	Inferred	179	99.6	0.1	0.02	0.1	0.2
	Total	208	99.6	0.1	0.02	0.1	0.2
Arrowsmith North	Measured	10	95.9	1.9	0.7	0.3	0.7
	Indicated	237	97.7	1.0	0.4	0.2	0.5
	Inferred	266	98.4	0.7	0.3	0.2	0.4
	Total	513	98.0	0.9	0.3	0.2	0.4
Arrowsmith Brand	Inferred	523	97.3	1.4	0.4	0.2	0.6
	Total	523	97.3	1.4	0.4	0.2	0.6
Arrowsmith Central	Indicated	28.2	96.6	1.7	0.4	0.2	0.7
	Inferred	48.3	96.9	1.5	0.4	0.2	0.7
	Total	76.5	96.8	1.5	0.4	0.2	0.7
Boyatup	Inferred	60	97.8	0.8	0.2	0.1	0.9
	Total	60	97.8	0.8	0.2	0.1	0.9

Total Mineral Resource 1,381 Million Tonnes

Table 2 Ore Reserve Statement (as at 31 December 2025)

Project	Classification	Product	Mt	SiO ₂ %	Al ₂ O ₃ %	Fe ₂ O ₃ %	TiO ₂ %	LOI %	
Muchea	Probable	F80	10.2	99.9	0.02	0.008	0.03	0.1	
		F80C	4.25						
		F150	4.25						
Muchea Ore Reserve			18.7	Million Tonnes					
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					
Arrowsmith North Ore Reserve			221	Million Tonnes					
Arrowsmith Central	Probable	CF400	4.2	99.6	0.25	0.04	0.03	0.1	
		C20	8.4						
		C40	4.2						
		High TiO ₂	2.2			<1%	2%		
Arrowsmith Central Ore Reserve			18.9	Million Tonnes					
Total Ore Reserve			259	Million Tonnes					

DIRECTORS' REPORT

Compliance Statement

The information in this document that relates to the estimation and reporting of the Mineral Resource and Ore Reserves for the Company's silica sand projects is extracted from releases to ASX on 28 August 2019, 11 November 2022 and 6 March 2024 (Arrowsmith North), 17 September 2019 (Arrowsmith Central), 9 May 2023 (Arrowsmith Brand), 18 October 2019 (Muchea) and Boyatup (18 August 2022). 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 continue to apply and have not materially changed.

The information in this document that relates to the economics and development of the Arrowsmith North silica sand project have been extracted from the Arrowsmith North Bankable Feasibility Study Update (6 March 2024).

The information in this document that relates to the previous exploration results have been cross referenced to original announcements. The Company is not aware of any new information or data that materially affects the previous exploration results.

The Company confirms that the form and context in which the Competent Persons' findings are presented have not been materially modified.

CHANGES IN STATE OF AFFAIRS

During the half-year ended 31 December 2025 there was no significant change in the consolidated entity's state of affairs other than that referred to in the half-year financial statements or notes thereto.

AUDITOR'S DECLARATION OF INDEPENDENCE

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 in relation to the review for the half-year ended 31 December 2025 is included within this financial report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



Bruce Maluish
Director

Perth, 11 March 2026

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the Half-year ended 31 December 2025

	Note	Consolidated	
		31 December 2025 \$	31 December 2024 \$
Revenue		46,700	19,153
Exploration and evaluation expenditure		(495,692)	(611,993)
Depreciation		(58,097)	(57,672)
Directors' fees and benefits expense		(288,580)	(142,475)
Finance costs		(7,563)	(10,609)
Impairment of deferred exploration expenditure	3	(10,644)	(9,687)
Gain/(loss) on revaluation of equity instruments	2	62,500	(31,250)
Share-based payments	6	(346,742)	(244,800)
Superannuation		(41,250)	(32,970)
Other expenses		(1,067,498)	(723,088)
Loss before income tax expense		(2,206,866)	(1,845,391)
Income tax expense		-	-
Net loss for the period		(2,206,866)	(1,845,391)
Other comprehensive income		-	-
Other comprehensive income for the period, net of tax		-	-
Total comprehensive loss attributable to members of VRX Silica Limited		(2,206,866)	(1,845,391)
Basic and diluted loss per share (cents per share)		(0.29)	(0.29)

The accompanying notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION
As at 31 December 2025

		Consolidated	
		31 December 2025	30 June 2025
		\$	\$
	Note		
ASSETS			
Current Assets			
Cash and cash equivalents		3,854,550	4,102,615
Trade and other receivables		187,535	99,045
Total Current Assets		4,042,085	4,201,660
Non-Current Assets			
Trade and other receivables		104,827	102,722
Financial assets at fair value through profit or loss	2	137,500	75,000
Property, plant and equipment		2,511,733	2,523,043
Right-of-use assets		171,552	218,339
Deferred exploration expenditure	3	13,924,787	13,526,676
Total Non-Current Assets		16,850,399	16,445,780
Total Assets		20,892,484	20,647,440
LIABILITIES			
Current Liabilities			
Trade and other payables		276,557	174,560
Provisions		285,281	276,838
Lease liabilities		104,343	99,301
Total Current Liabilities		666,181	550,699
Non-Current Liabilities			
Lease liabilities		94,839	148,155
Total Non-Current Liabilities		94,839	148,155
Total Liabilities		761,020	698,854
Net Assets		20,131,464	19,948,586
EQUITY			
Issued capital	4	61,365,741	59,322,739
Reserves	5	8,396,968	8,050,226
Accumulated losses		(49,631,245)	(47,424,379)
Total Equity		20,131,464	19,948,586

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
For the Half-year ended 31 December 2025

Consolidated	Issued Capital \$	Reserves \$	Accumulated Losses \$	Total Equity \$
Balance at 1 July 2025	59,322,739	8,050,226	(47,424,379)	19,948,586
Loss for period	-	-	<u>(2,206,866)</u>	<u>(2,206,866)</u>
Total comprehensive loss for period	-	-	<u>(2,206,866)</u>	<u>(2,206,866)</u>
Securities issued during the period	2,148,085	-	-	2,148,085
Capital raising costs	(105,083)	-	-	(105,083)
Cost of share-based payments	-	346,742	-	346,742
Balance at 31 December 2025	61,365,741	8,396,968	(49,631,245)	20,131,464
Balance at 1 July 2024	54,630,239	7,805,425	(44,364,063)	18,071,601
Loss for period	-	-	<u>(1,845,391)</u>	<u>(1,845,391)</u>
Total comprehensive loss for period	-	-	<u>(1,845,391)</u>	<u>(1,845,391)</u>
Securities issued during the period	4,850,000	-	-	4,850,000
Capital raising costs	(298,275)	-	-	(298,275)
Cost of share-based payments	-	244,800	-	244,800
Balance at 31 December 2024	59,181,964	8,050,225	(46,209,454)	21,022,735

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS
For the Half-year ended 31 December 2025

	Consolidated	
	31 December 2025	31 December 2024
	\$	\$
Cash flows from operating activities		
Payments to suppliers and employees	(1,848,264)	(1,538,596)
Interest received	47,389	12,285
Interest and other finance costs paid	(7,563)	(10,609)
Net cash outflows from operating activities	(1,808,438)	(1,536,920)
Cash flows from investing activities		
Payments for property, plant and equipment	(50,000)	(20,000)
Payments on deferred exploration expenditure	(290,355)	(339,563)
Receipt of refund of environmental referral fees	-	291,200
Government grants received on exploration interests	-	143,765
Net cash (outflows)/inflows from investing activities	(340,355)	75,402
Cash flows from financing activities		
Proceeds from issue of shares	2,054,085	4,850,000
Payment of capital raising costs	(105,083)	(298,275)
Repayment of lease liabilities	(48,274)	(43,602)
Net cash inflows from financing activities	1,900,728	4,508,123
Net (decrease)/increase in cash held	(248,065)	3,046,605
Cash at beginning of the half-year	4,102,615	2,313,067
Cash at end of the half-year	3,854,550	5,359,672

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the Half-year ended 31 December 2025

1. MATERIAL ACCOUNTING POLICIES

Basis of Preparation

These general purpose interim financial statements for the half-year reporting period ended 31 December 2025 have been prepared in accordance with Australian Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Act 2001*. The consolidated entity is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

This interim financial report does not include full disclosures of the type normally included in an annual report. It is recommended that this financial report to be read in conjunction with the annual financial report for the year ended 30 June 2025 and any public announcements made by VRX Silica Limited during the half-year reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

2. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 December 2025 \$	30 June 2025 \$
Listed ordinary shares – designated at fair value through profit or loss	137,500	75,000
Reconciliation		
Fair value at beginning of half-year	75,000	
Revaluation increment	62,500	
Fair value at end of half-year	137,500	

Refer to Note 11 for further information on fair value measurement.

NOTES TO THE FINANCIAL STATEMENTS
For the Half-year ended 31 December 2025

3. DEFERRED EXPLORATION EXPENDITURE

Costs carried forward in respect of areas of interest in the following phases:

	31 December 2025 \$	30 June 2025 \$
Exploration and evaluation phase – at cost	13,924,787	13,526,676
Movement		
Balance at beginning of half-year	13,526,676	
Expenditure incurred	408,755	
Impairment of mining tenements relinquished during the period	(10,644)	
Total deferred exploration expenditure	13,924,787	

Ultimate recoupment of exploration and evaluation expenditure carried forward is dependent on successful development and commercial exploitation or, alternatively, sale of the relevant areas of interest, at amounts at least equal to book value.

4. ISSUED CAPITAL

	31 December 2025 \$	30 June 2025 \$
Issued Capital		
Ordinary shares – fully paid	61,365,741	59,322,739
Movement in ordinary shares on issue	Number	\$
<i>Ordinary shares – fully paid</i>		
Balance at beginning of half-year	747,303,288	59,322,739
Issued for cash upon exercise of options	20,470	3,685
Issued on exercise of options through cashless exercise facility	1,528,955	-
Issued pursuant to a mining project agreement	1,000,000	94,000
Issued for cash pursuant to placement to investors	28,477,778	2,050,400
Capital raising costs	-	(105,083)
Balance at end of half-year	778,330,491	61,365,741

NOTES TO THE FINANCIAL STATEMENTS
For the Half-year ended 31 December 2025

5. RESERVES

	31 December 2025	30 June 2025
	\$	\$
Option issue reserve	8,396,968	8,050,226
Movements in reserve		
Balance at beginning of half-year	8,050,226	
Issue and vesting of incentive-based share options (Note 6)	346,742	
Balance at end of half-year	8,396,968	

6. SHARE-BASED PAYMENTS

During the half-year period, the following share-based payments were incurred:

Expensed:

	Value per Option	Number	Value \$
<i>Options granted during the period:</i>			
Unlisted options exercisable at \$0.15 each on or before 31 December 2028, issued to the Directors and vesting on the following conditions:			
Vesting on issue	\$0.0380	9,000,000	342,000
Vesting when the 5-day VWAP of VRX shares is \$0.15	\$0.0443	1,000,000	44,300
Vesting when the 5-day VWAP of VRX shares is \$0.22	\$0.0441	1,000,000	44,100
Vesting when the 5-day VWAP of VRX shares is \$0.30	\$0.0431	1,000,000	43,100
Less value of options not vested at 31 December 2025			(126,758)
Recognised in the statement of profit or loss and other comprehensive income			346,742

Deferred exploration expenditure:

	Value per Share	Number	Value \$
<i>Shares issued during the period:</i>			
Fully paid ordinary shares issued pursuant to a commitment under the mining project agreement with the Whadjuk People for the Muchea silica sand project:			
Vesting on issue, escrowed until 14 October 2026	\$0.094	1,000,000	94,000
Recognised on the statement of financial position			94,000
Total share-based payments			440,742

NOTES TO THE FINANCIAL STATEMENTS

For the Half-year ended 31 December 2025

6. SHARE-BASED PAYMENTS (CONTINUED)

The 12,000,000 unlisted options issued to the Directors for nil consideration were approved by shareholders on 20 November 2025. The options were valued using an underlying share price of \$0.087, volatility of 95% and an interest rate of 3.763%. The options vesting on issue were valued using the Hoadley ESO2 trinomial valuation model with an early exercise multiple of 2.5X. The options subject to market-based vesting conditions of specific 5-day VWAP price hurdles were valued using the Hoadley Barrier 1 valuation model.

The fully paid ordinary shares issued to the Whadjuk People were valued using the share price on grant date.

7. SEGMENT INFORMATION

The Group has identified its operating segments based on the internal reports that are used by the Board (the chief operating decision makers) in assessing performance and in determining the allocation of resources.

The operating segments are identified by the Board based on the phase of operation within the mining industry. For management purposes, the Group has organised its operations into two reportable segments on the basis of stage of development as follows:

- Development assets; and
- Exploration and evaluation assets, which includes assets that are associated with the determination and assessment of the existence of commercial economic reserves.

The Board as a whole will regularly review the identified segments in order to allocate resources to the segment and to assess its performance.

During the half-year ended 31 December 2025, the Group had no development assets. The Board considers that it has only operated in one segment, being mineral exploration within Australia.

Where applicable, corporate costs, finance costs, interest revenue and foreign currency gains and losses are not allocated to segments as they are not considered part of the core operations of the segments and are managed on a Group basis.

The consolidated entity is domiciled in Australia. All revenue from external customers is generated from Australia only. Segment revenues are allocated based on the country in which the customer is located.

Revenues of approximately Nil (2024: Nil) are derived from a single external customer.

8. DIVIDENDS

There have been no dividends declared or recommended and no distributions made to shareholders or other persons during the period. (2024: Nil)

NOTES TO THE FINANCIAL STATEMENTS
For the Half-year ended 31 December 2025

9. COMMITMENTS

There have been no material changes in commitments since the last annual reporting date.

10. CONTINGENT LIABILITIES AND ASSETS

There have been no material changes in contingent liabilities and assets since the last annual reporting date.

11. FAIR VALUE MEASUREMENT

Fair value hierarchy

The following tables detail the consolidated entity's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
31 December 2025				
<i>Assets</i>				
Ordinary shares and options at fair value through profit or loss	137,500	-	-	137,500
Total assets	137,500	-	-	137,500

30 June 2025

Assets

Ordinary shares and options at fair value through profit or loss	75,000	-	-	75,000
Total assets	75,000	-	-	75,000

Assets and liabilities held for sale are measured at fair value on a non-recurring basis.

There were no transfers between levels during the financial half-year.

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

NOTES TO THE FINANCIAL STATEMENTS
For the Half-year ended 31 December 2025

12. EVENTS SUBSEQUENT TO REPORTING DATE

There are no matters or circumstances which have arisen since the end of the half-year which significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in subsequent financial periods, other than as follows:

On 1 February 2026, Mr Tony Swiericzuk commenced as the Company's new Chief Executive Officer on a part time basis and will commence full-time duties on 1 July 2026. Mr Bruce Maluish continues as the Managing Director of the Company until becoming a non-executive director on 1 July 2026.

DIRECTORS' DECLARATION

In the opinion of the directors of VRX Silica Limited:

1. The financial statements and notes thereto of the consolidated entity, as set out within this financial report, are in accordance with the *Corporations Act 2001* including:
 - a. Complying with Accounting Standard AASB 134: Interim Financial Reporting, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - b. Giving a true and fair view of the consolidated entity's financial position as at 31 December 2025 and of its performance for the half-year then ended.
2. There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



Bruce Maluish
Director

Perth, 11 March 2026

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF VRX SILICA LIMITED

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of VRX Silica Limited which comprises the statement of financial position as at 31 December 2025, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising material accounting policy information and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of VRX Silica Limited is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2025 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Half-Year Financial Report* section of our report. We are independent of VRX Silica Limited in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of VRX Silica Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

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Directors' Responsibility for the Half-Year Financial Report

The directors of VRX Silica Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Half-Year Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2025 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of VRX Silica Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

RSM

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A handwritten signature in black ink that reads 'A Whyte'.

ALASDAIR WHYTE
Partner

Perth, WA
Dated: 11 March 2026



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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of VRX Silica Limited for the half-year ended 31 December 2025, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

RSM

RSM AUSTRALIA

A handwritten signature in black ink that reads 'A Whyte'.

ALASDAIR WHYTE
Partner

Perth, WA
Dated: 11 March 2026

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