



VRXSILICA

Supplying Global Demand **Presentation**

≡ Sydney Resources Round-up

May 2021





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Competent Persons Statement

The information in this report that relates to Arrowsmith North, Arrowsmith Central and Muchea Exploration Results and Muchea Aircore Drilling Area Mineral Resources are based on data collected and compiled under the supervision of Mr David Reid, who is a full-time employee of VRX Silica. Mr Reid, BSc (Geology), is a registered member of the Australasian Institute of Geoscientists and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and the activity being undertaken to qualify as a Competent Person under the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code). Mr Reid consents to the inclusion of the data in the form and context in which it appears.

The information in this report that relates to Arrowsmith North, Arrowsmith Central and Muchea Auger area Mineral Resources is based on information compiled by Mr Grant Louw who is a full-time employee of CSA Global, under the direction and supervision of Dr Andrew Scogings, who is an Associate of CSA Global. Dr Scogings is a Member of the Australasian Institute of Mining and Metallurgy and a Member of the Australasian Institute of Geoscientists. He is a Registered Professional Geologist in Industrial Minerals. Dr Scogings has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as Competent Person as defined in the 2012 edition of the Australasian Code for the Reporting of Exploration Results, Mineral Resources, and Ore Reserves (JORC Code). Dr Scogings consents to the disclosure of information in this report in the form and context in which it appears.

The information in this report that relates to Arrowsmith North, Arrowsmith Central and Muchea Probable Ore Reserves is based on data collected and compiled under the supervision of Mr David Reid, who is a full-time employee of VRX Silica. Mr Reid, BSc (Geology), is a registered member of the Australasian Institute of Geoscientists and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and the activity being undertaken to qualify as a Competent Person under the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code). Mr Reid consents to the inclusion of the data in the form and context in which it appears.



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Investment highlights

Only ASX-listed, pure-play silica sand stock with advanced development assets with 100+ year production life

1. 100% owner of three high value Silica Sand Projects in Western Australia - Tier 1 mining region.
2. Multi-decade-scale contiguous sand deposits with combined 1,056Mt Resource, SiO₂ grade 99.6% to 99.9%.
3. Strong interest from potential customers in SE Asia at time of rising global demand imbalance
4. 3-project BFS declared post-tax NPV₁₀ of \$728m, capex of just \$87m, annual EBIT of \$137m and IRR of 83%*
5. Arrowsmith North to lead staggered/disciplined development – first production late 2021
– followed by Muchea and Arrowsmith Central
6. Mining Leases and Miscellaneous Licenses granted; environmental permitting well advanced
7. Scale of VRX projects could prove trigger for long-term opportunity for glass manufacturing industry in Western Australia.

* See note on page 14

** All currencies Australian dollars unless otherwise indicated



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Corporate Summary



Capital Structure

Share Price	28.5cps *
Ordinary Shares on Issue	508 million
Options on Issue	69 million
Market Capitalisation	\$145 million*
Cash	\$9 million
Debt	Nil
Enterprise Value	\$136 million

Shareholders

Board and Management	15.1%
Top 20 Total	29.3%

Broker Coverage

Argonaut	
Euroz Hartleys	

* Closing share price on 5 May 2021

Person	Role	Experience
Paul Boyatzis	Chairman	Governance: Over 30 years experience in investment, equity markets and managing public companies
Bruce Maluish	Managing Director	Technical and Finance: Over 35 years in mining industry including previous roles as ASX MD and General Manager
Peter Pawlowitsch	Director	Finance and Corporate: Mining and software executive
Steven Papadopoulos	Commercial Manager	Legal and Commercial: Over 20 years experience as corporate lawyer and commercial advisor in resources and other industries
Yoonil Kim	Marketing Manager	Marketing: 16 years' experience selling silica sand in the Asian market



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*“Sand is the main material
that modern cities are made of”*

Vince Beiser

“The World in a Grain” 2018

The story of sand and how it
transformed Civilisation



Silica sand

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The foundation of modern cities

- 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.
- Silica sand is also the main ingredient in concrete.
- It is a finite resource that is running out.
- Around 47% of the world's glass is made in Asia, and the glass manufacturing industry is increasing at a rate of 5-6% per year – or about 8-10 million tonnes.
- The Asia-Pacific region is currently experiencing a supply shortfall driving the price up enough to make mining in Australia and shipping to Asia profitable.





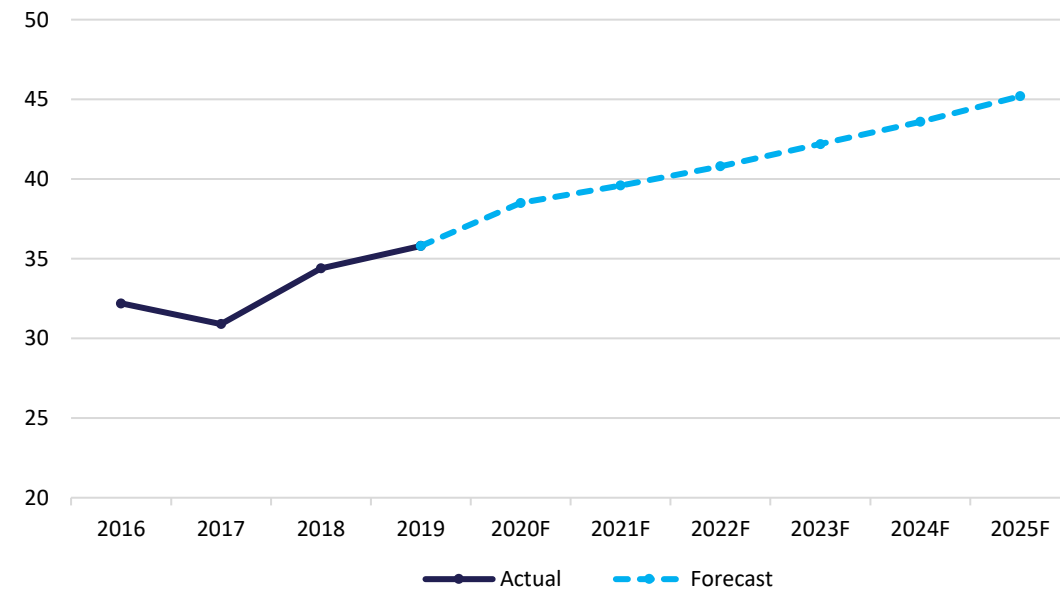
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Silica sand price and demand dynamics

Silica Sand is forecast to increase in price across Asia-Pacific countries in line with rising demand and supply constraints due to depletion and environmental restrictions on dredging

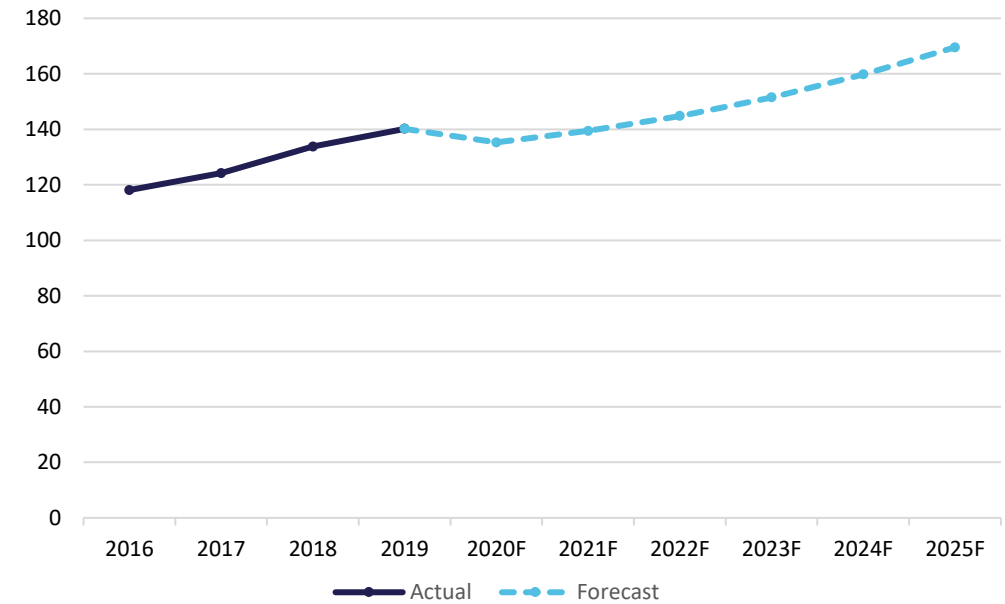
Historic and Forecast Silica Sand Pricing

Flat & Container Glass, Average Price, \$US/ tonne FOB



Asia Pacific Silica Sand Consumption

Flat & Container Glass Silica (millions of tonnes)



Source: IMARC Group



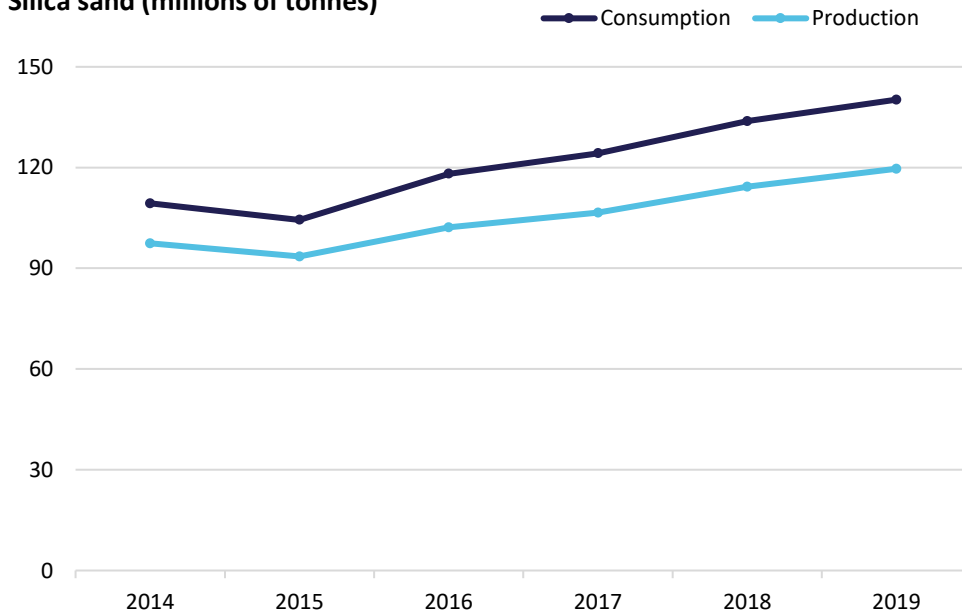
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Demand not met by existing production

Key countries in the Asia Pacific region have unmet demand from local production only

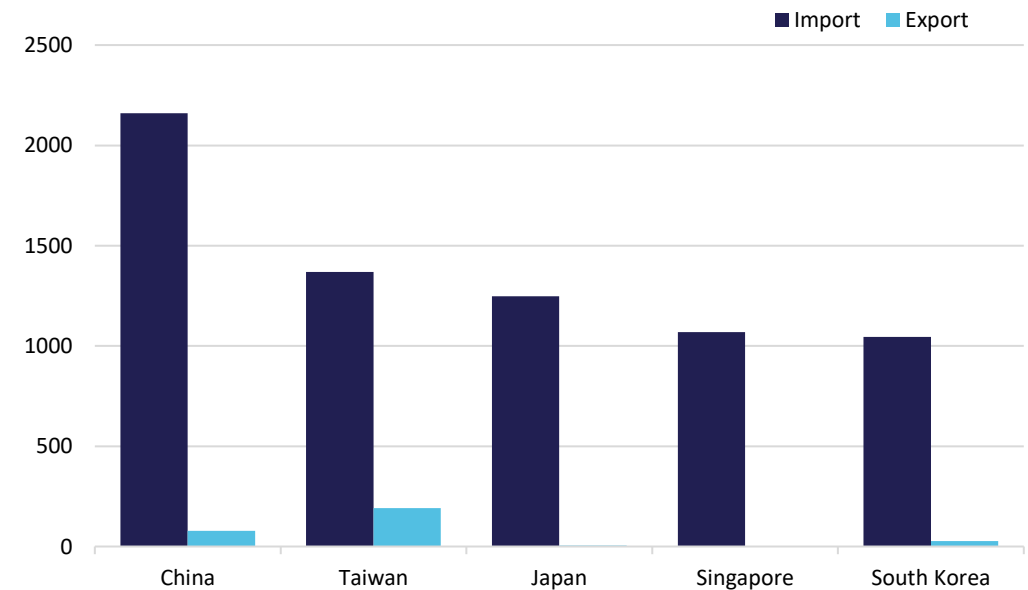
Asia Pacific Silica Sand Market

Silica sand (millions of tonnes)



Largest Net Importers of Silica Sand in Asia Pacific Region

Silica (thousands of tonnes)



Source: IMARC Group

1. Production aggregated from China, India, Malaysia, South Korea, Japan and Australia



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Silica Sand – World Class Portfolio



Project development pipeline to ensure disciplined, staged development of world-class assets

- 100% ownership
- Three large scale, high grade and low impurity silica sands projects – Arrowsmith North, Arrowsmith Central and Muchea
- Each project can be run independently
- BFSs for all three projects completed late 2019 following:
 - Exploration and Mineral Resource Estimation
 - Metallurgical testwork
 - Process circuit design
 - Design engineering
 - Capital estimate
- Simple and environmentally friendly mining process
- Access to established infrastructure (logistics, power, water) – rail lines to port run adjacent to all project tenements
- Granted Mining Leases with secure tenure
- Permitting well-advanced

1. Source: VRX Bankable Feasibility Studies



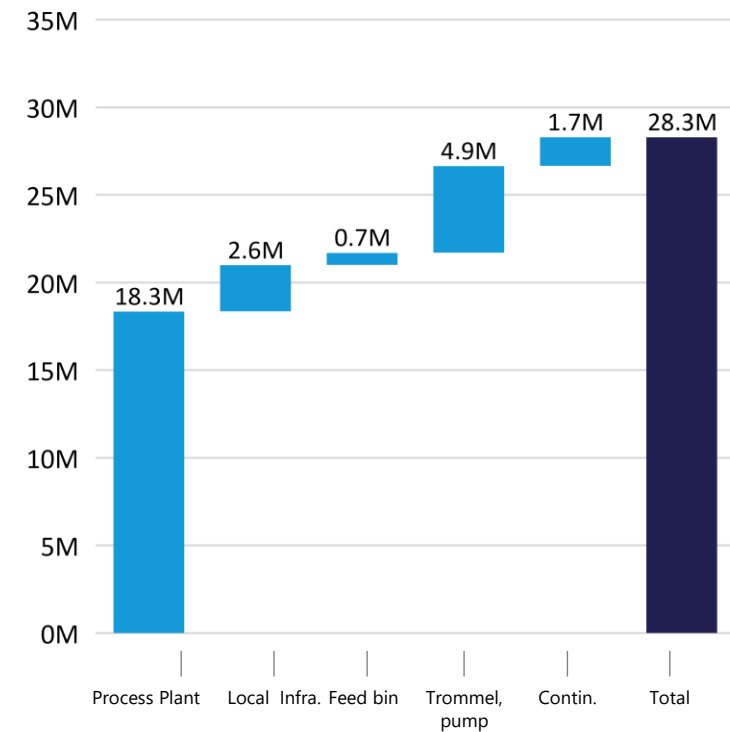
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Arrowsmith North

Near-term development opportunity on a world-class silica sand project

- Production forecast to commence in late CY2021
- 25 years' production with potential for 100+ year minelife
- 223Mt ore reserve @99.7% SiO₂
- ~\$30m for simple “off the shelf” 2Mtpa processing plant.
- Access to established infrastructure (rail, port) – rail lines run adjacent to project tenements
- Water from Yarragadee North
- Adjacent to Brand Highway
- Hybrid gas and solar power supply

Arrowsmith North Capex



Capex **\$28.3m**

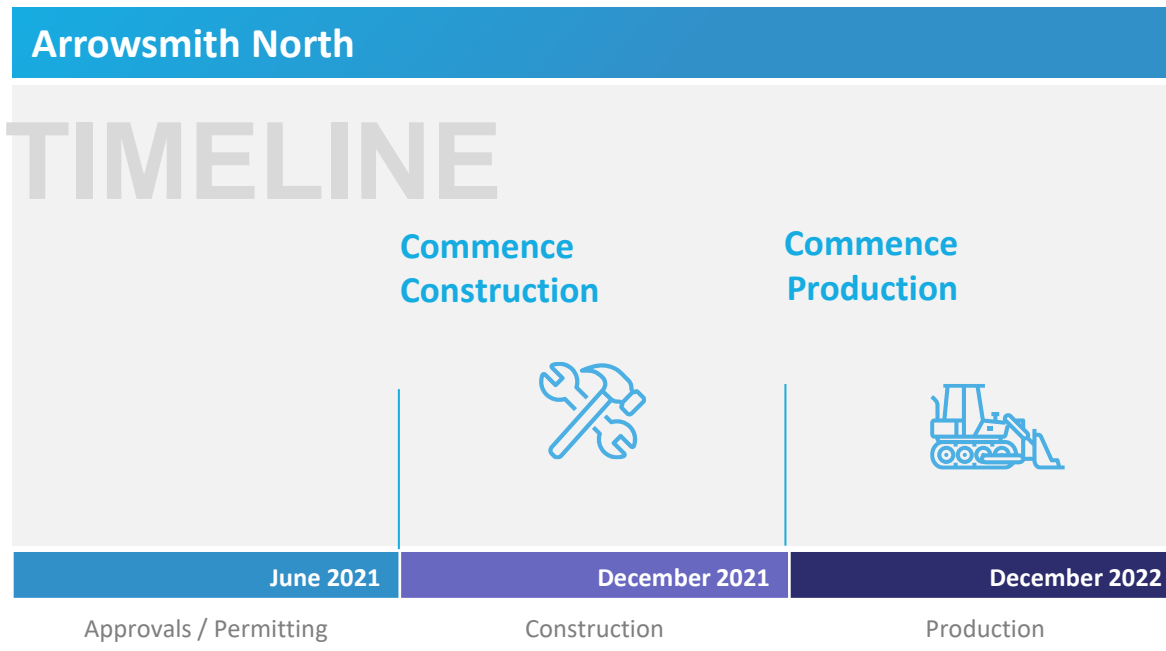
25 Year EBIT **\$1,144m (av. \$46m/yr)**

Source: VRX Bankable Feasibility Studies



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Arrowsmith North



Arrowsmith North

To date

- Bankable Feasibility Study complete
- Mining Lease granted
- Miscellaneous Licences for access granted
- Native Title ILUA in place
- Water licences ready
- Processing plant access negotiations underway

Next steps 2021

- Finalise offtake agreements
- Results from completed grade control drilling
- EPA and mining approval
- MOU Geraldton Port
- MOU rail access
- Financing
- Construction
- First production



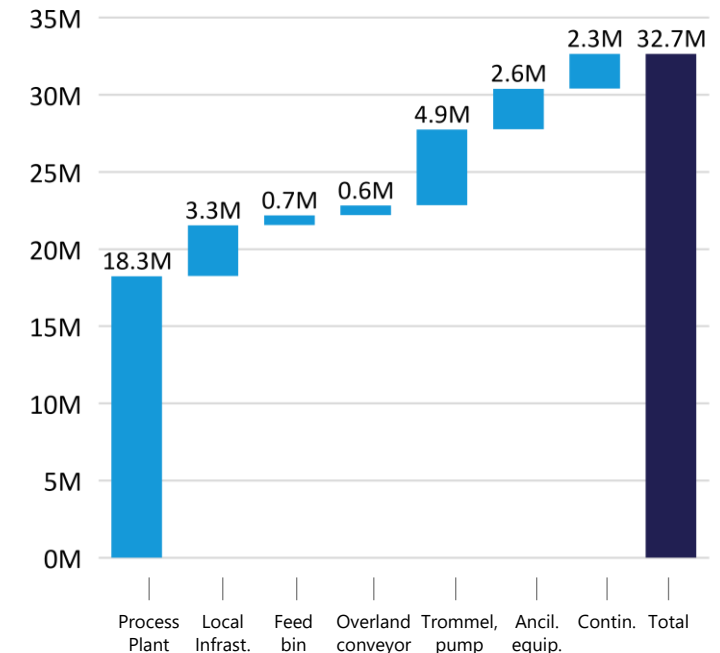
Muchea

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Large scale, high-grade and low impurity silica sand project

- Construction/Production forecast to commence late 2022
- 99.9% SiO₂ - Fe₂O₃ <100ppm after processing
- Access to the premium ultra-clear glass market
- Off-the-shelf mining method and ~\$30m plant
- Access to established infrastructure
 - Grid power
 - Water from Yaragadee aquifer
 - Adjacent to Brand Highway
 - Underutilised railway connects to Kwinana (100km)
- Formal agreement reached with representatives of the Whadjuk People Native Title Claim Group
- Granted Mining Lease and Miscellaneous Licences for access

Muchea Capex



Capex **\$32.7m**
25 Year EBIT **\$1,540m (av. \$62m/yr)**

Source: VRX Bankable Feasibility Studies

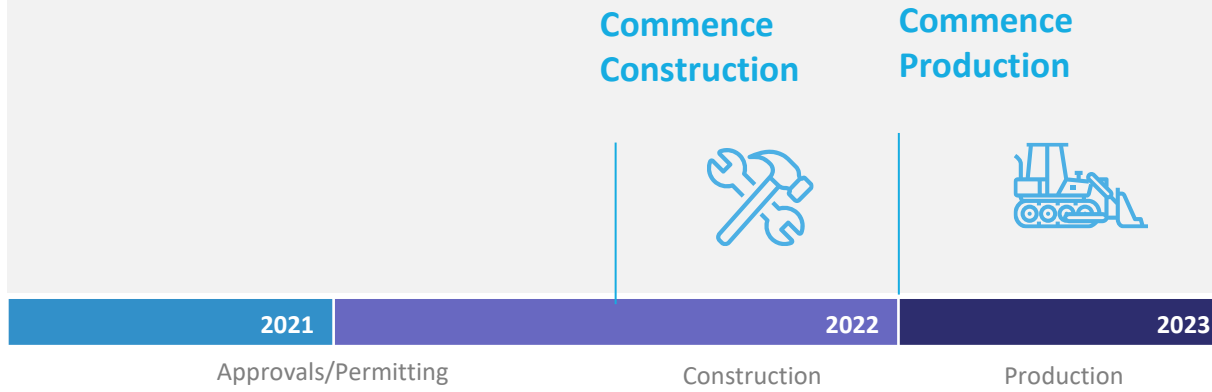


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Muchea

Project Timeline

TIMELINE



Muchea

To date

- Bankable Feasibility Study complete
- Native Title agreement in place
- Mining lease granted
- Miscellaneous Licences for access granted
- Environmental studies undertaken

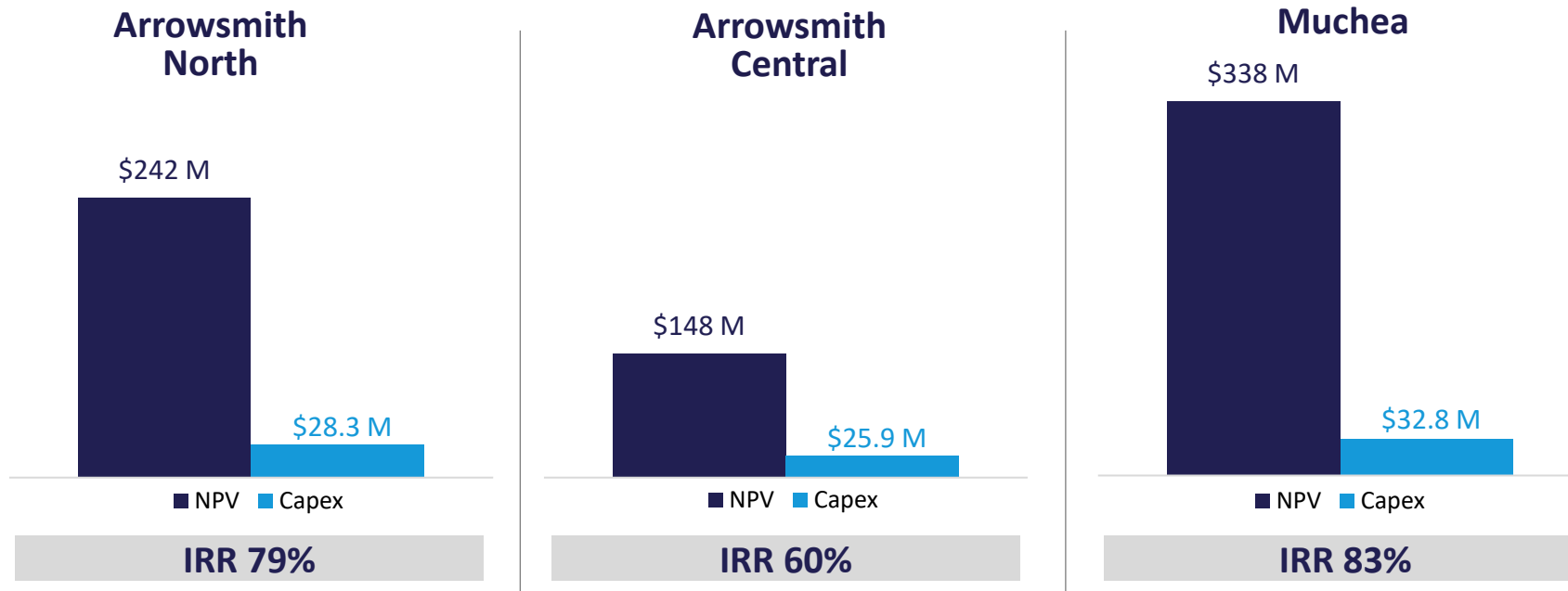
Next steps 2021-23

- Grade control drilling POW application
- Finalise and submit EPA referral
- Secure offtake agreements
- MOU Kwinana Port
- MOU rail access
- Financing
- Construction
- First production



Exceptional Project Economics

All three projects have exceptional standalone economics over the first 25 years*

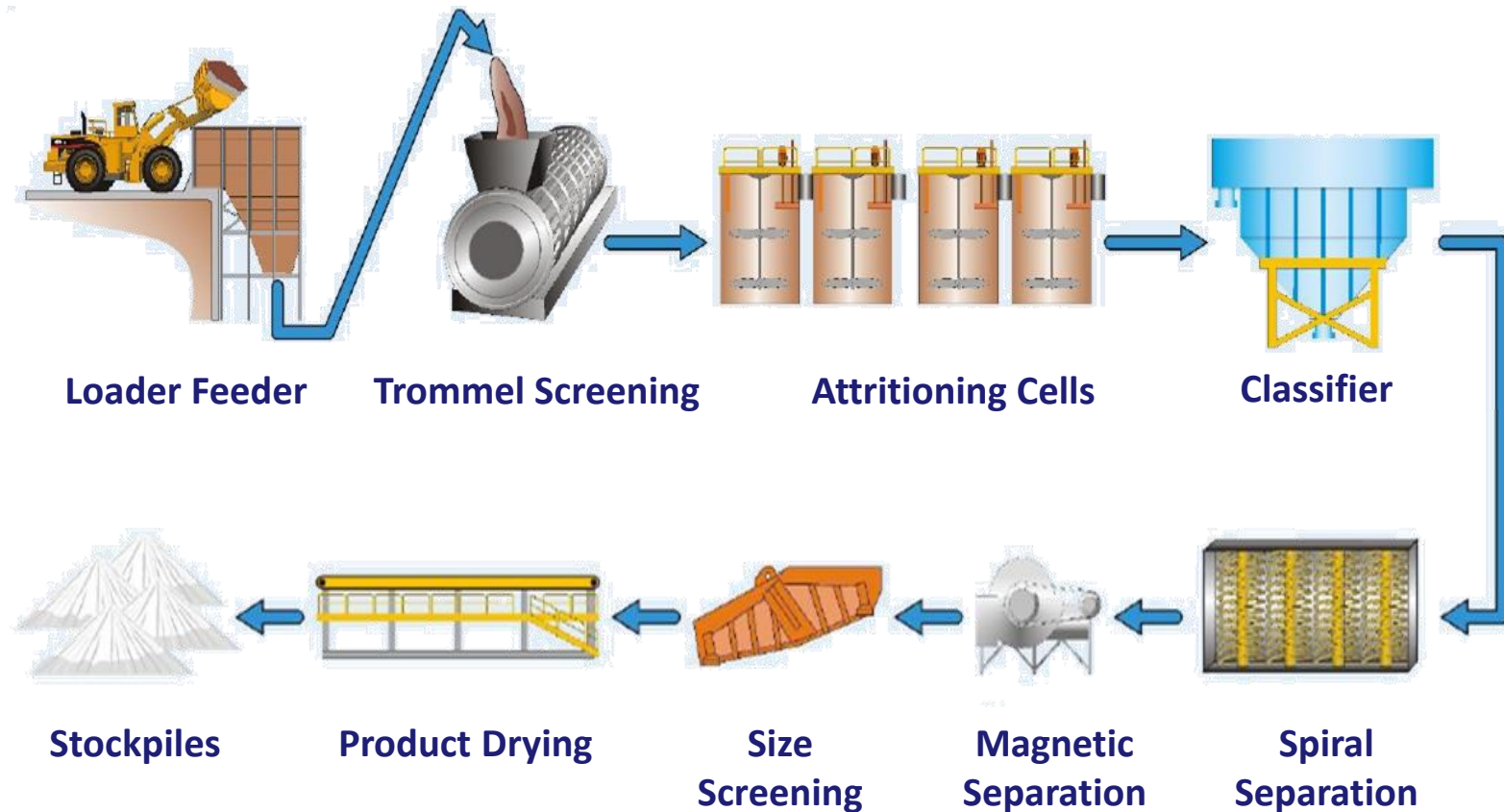


*Full details of the bankable feasibility studies for the Arrowsmith North, Arrowsmith Central and Muchea Silica Sand Projects, including material assumptions, are contained in VRX’s ASX announcements of 28 August 2019, 17 September 2019 and 18 October 2019, respectively. All such material assumptions continue to apply and have not materially changed. Whilst VRX considers all of the material assumptions to be based on reasonable grounds, there is no certainty that they will be correct or that the range of outcomes indicated within the studies will be achieved.



Processing Flowsheet identical across all three projects

Simple processing, no chemicals and no dust, 2mtpa processing plant at each site



Processing Plant Design



- Arrowsmith North, Arrowsmith Central and Muchea to each have 2 Mtpa processing capacity
- No chemicals required



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Responsible Mining – The VRX Way

A made-for-purpose mining method designed around instant rehabilitation

- VRX has developed a unique and progressive mining method for its silica sand projects
- The Vegetation Direct Transfer (VDT) method lends itself to rapid and extensive regeneration of affected areas based on continuous rehabilitation as silica sand mining progresses
- Root structures in the loose sand are relatively shallow at 200-300mm in depth.
- The VDT method removes a 400mm-deep sod with topsoil containing the vast majority of native flora and invertebrate fauna remaining intact
- See a video demonstration [here](#)





Sustainability Environmental, Social and Governance (ESG)

VRX is delivering on its ESG responsibilities aligned to the UN's Sustainable Development Goals

SUSTAINABLE DEVELOPMENT GOALS



CLEAN ENERGY

Utilising reliable, renewable modern energy



ECONOMIC GROWTH

Enhancing economic and productive employment



INDUSTRY INNOVATION

Building resilient infrastructure and fostering innovation



SUSTAINABLE COMMUNITIES

Respecting heritage values



RESPONSIBLE PRODUCTION

Employing sustainable mining methods



CLIMATE ACTION

Reducing emissions from production



REHABILITATION PLAN

Employing direct vegetation transfer as a unique rehabilitation method



The right place to mine and the right time to invest

- 1. Access to very long life, high-grade 100% owned silica sand supply**
- 2. Access to the lucrative high-tech ultra clear glass market**
- 3. No restrictions on export from a low sovereign risk country**
- 4. Strong offtake interest from potential South East Asia at a time of global supply imbalance**
- 5. Strong project economics with low start up Capex**
- 6. Long life Mining Leases, subject to final environmental permitting processes**
- 7. Opportunity to build a glass manufacturing industry in Western Australia**



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Thank you

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