

# VRX Silica Ltd

## (VRX \$0.20) Speculative Buy

EUROZ HARTLEYS

Analyst	Date	Price Target
Trent Barnett	11 November 2020	\$0.38/sh

### Silica sands...imminent start

#### Investment case

VRX is developing very advanced silica sands projects near Perth and Geraldton, Western Australia. Silica sand is used in glass manufacture and as a component in foundry moulds. All three of VRX's projects are highly economic on BFS estimates with very low start-up capex. Key catalysts/risks are formal offtakes, financing, port/rail allocations and final permitting.

#### Key points

- VRX is progressing the Arrowsmith North silica sands project near Geraldton. The second project (with higher value sale products) is Muchea, near Perth northern suburbs.
- In general terms the project is for silica sands. Although the processing is very simple, it can produce several products (which are different) for each project.
- Therefore, there are several offtakes (or at least the same customer must want all products) based on the BFS. Tweaking the screens size though can change product mix to match customer demand.
- Silica sands is a low value product (~US\$30-60/t), and so cost structure is critical. The advantages of VRX are:
  1. Project located nearby population centres allowing for residential labour and maintenance;
  2. Projects can access rail allowing large tonnage despite being near population centres;
  3. Very large and long life resources give customer & supplier certainty;
  4. Rising prices (increasing end product demand / depleting supply) help economics (solar glass prices are up 71% since July – [source](#));
  5. Start-up capex is low (\$28.3m for 2Mtpa at Arrowsmith North).
- The Muchea project has the highest value assemblage;
- The Arrowsmith North project is nearest to production;
- We assume offtakes are fob Australia. If, instead, offtakes mean VRX shareholders incur ocean shipping costs then the risk of the project becomes extreme.
- Using our model (which relies heavily on company expectations for selling prices) the project is highly economic.
- Outstanding approvals include:
  1. Arrowsmith North environmental approvals (EPA draft lodgement imminent).
  2. Muchea environmental approvals (EPA draft lodgement imminent).
  3. Arrowsmith Central environmental approvals (EPA draft lodgement imminent).

VRX Silica Ltd	Year End 30 June	
Share Price	0.20	A\$/sh
Price Target	0.38	A\$/sh
Valuation	0.50	A\$/sh
		npv (12.0%)

Shares on issue	539	m, diluted *
Market Capitalisation	108	A\$m
Enterprise Value	106	A\$m
Debt (30 Sep 20a)	0	A\$m
Cash (30 Sep 20a)	2	A\$m
Largest Shareholder	Peter Pawlowsch	

Production F/Cast	2022f	2023f	2023f
Silica Sand	0.3	1.3	1.8
Other sand	0.0	0.1	0.1

Assumptions	2022f	2023f	2023f
AUDUSD	0.71	0.72	0.72

Key Financials	2022f	2023f	2023f
Revenue (A\$m)	20	75	104
EBITDA (A\$m)	4	19	30
NPAT (A\$m)	2	17	26
Cashflow (A\$m)	1	14	25

CFPS (Ac)	0.4	2.3	4.1
P/CFPS (x)	54.4	8.9	4.9

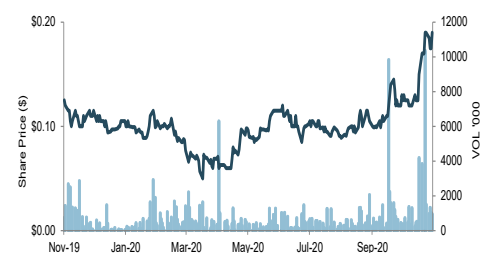
EPS (Ac)	0	3	4
EPS growth (%)	0%	0%	47%
PER (x)	61.4	7.7	5.2

EV:EBITDA (x)	36.2	6.6	4.6
EV:EBIT (x)	44.4	6.9	4.7

DPS (Ac)	0.0	0.0	0.0
Dividend Yield (%)	0%	0%	0%

ND:Net Debt+Equity (%)	8%	nm	1%
Interest Cover (x)	3.0	16.7	10.0

#### Share Price Chart



#### Disclaimer

Euroz Hartleys Securities declares that it has acted as underwriter to and/or arranged an equity issue in and/or provided corporate advice to VRX during the last year. Euroz Hartleys Securities has received a fee for these services.

This analyst declares that he has a beneficial interest in VRX.

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# VRX Silica Ltd

## (VRX \$0.20) Speculative Buy

- We have \$338mm NAV. We are conservative on equity dilution and assume -135m new shares (-\$28m) plus assume a working capital / debt facility / prepayment of ~\$10m. We assume Muchea is subsequently debt financed.
- Fully financed, and only assuming the first project, we estimate VRX trades on EV/EBITDA lom of 3.9x. At full run-rate (we assume FY28), we estimate VRX is on 1.8x EV/EBITDA lom using current market cap + capex. Using BFS estimates, multiples are 2.9x and 1.4x respectively.
- Key risk is the current low cash balance.

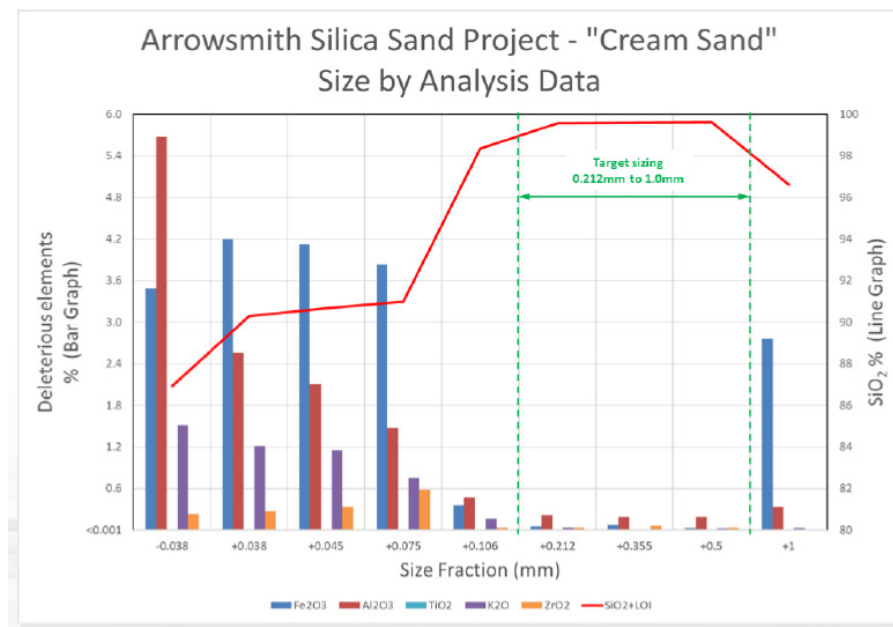
### Analysis

Silica sand is used in glass manufacture and as a component in foundry moulds, and hence should be >GDP growth. Additionally, current mines deplete and hence replacement supply is also required.

VRX products are intended for the flat glass and foundry markets. The higher end markets are not being pursued for the early projects, although Muchea has potential.

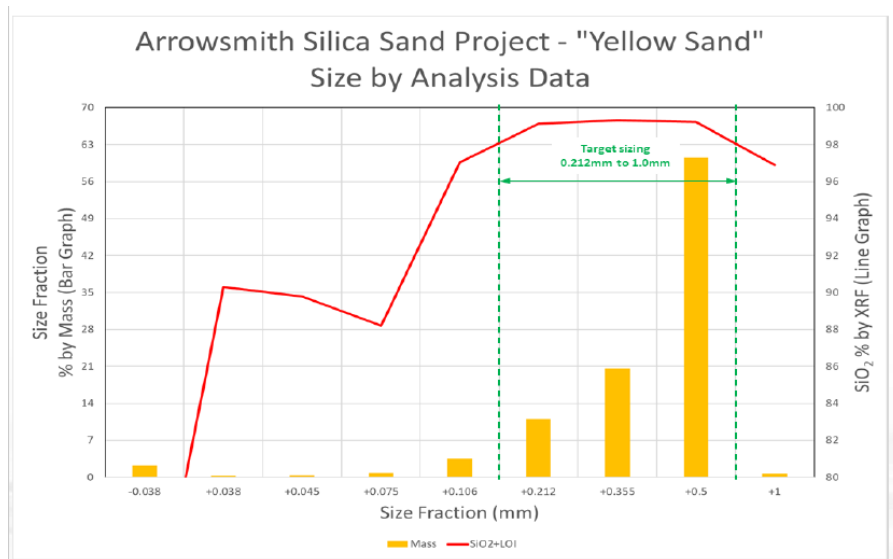
We assume a slow ramp-up for all projects. Remember, the products are niche, and some markets are small. Market penetration and market acceptance may take some time. BFS costs are based on 1mpta. Consequently, when 2mtpa target is reached operating costs should be lower, although this is not assumed by the BFS or our model.

### Impurities are in the slimes



Source: VRX

The slimes are a small proportion by mass.



Source: VRX

We are significantly more conservative than the company timetable on the second and third projects, which leaves meaningful upside to our valuation.

We are also more conservative on costs and selling prices. This is to err on the conservative side ahead of offtakes and commissioning.

Project	Company Timetable	Euroz Hartleys model assumption
Arrowsmith North	Production 2H CY21	Production 2H CY21
Muchea	Production CY23	Production CY24
Arrowsmith Central	Production CY24	Production CY26

**Infrastructure**

The Arrowsmith projects are expected to be railed to Geraldton Port on the Eneabba to Geraldton railway. The rail is yet to be allocated. Rail operations for Arrowsmith North would most likely use the Dongara passing bay. Port allocation in Geraldton is also yet to be determined.

Muchea is expected to be railed to Kwinana on the Moora-Kwinana railway. The rail is yet to be allocated, and the expectation in the BFS is that no rail siding is required. An allocation at Kwinana port is yet to be determined.

**VRX Silica Ltd**  
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Assumptions:	BFS 17 Sep 2019 (Arrowsmith North)	BFS 18 Oct 2019 (Muchea) inc inferred	BFS 17 Sep 2019 (Arrowsmith Central) inc inferred	BFS 18 Oct 2019 (Muchea) Reserve Only	BFS 17 Sep 2019 (Arrowsmith Central) Reserve Only
<b>Mining inventory</b>					
Mining inventory	57.2Mt	57.2Mt	57.2Mt	21.7Mt	29.8Mt
<b>Mining &amp; processing</b>					
Avg Mining Rate	2.3Mt pa	2.3Mt pa	2.3Mt pa	2.3Mt pa	2.3Mt pa
Mine Life	25.0yrs	25.0yrs	25.0yrs	9.5yrs	13.0yrs
<b>Recoveries</b>					
Recoveries 400 Glass	20%		17%		17%
Recoveries 80 Glass		48%		48%	
Recoveries 80C LCD		20%		20%	
Recoveries 150 Glass		20%		20%	
Recoveries 20 Foundry	24%		34%		34%
Recoveries 40 Foundry	40%				
Recoveries 50 Foundry			17%		17%
Recoveries TiO2 conc			9%		9%
Recoveries Local Sand	6%				
<b>Produced</b>					
Produced 400 Glass	0.46mt pa		0.4mt pa		0.4mt pa
Produced 80 Glass		1.1mt pa		1.1mt pa	
Produced 80C LCD		0.5mt pa		0.5mt pa	
Produced 150 Glass		0.5mt pa		0.5mt pa	
Produced 20 Foundry	0.55mt pa		0.8mt pa		0.8mt pa
Produced 40 Foundry	0.92mt pa				
Produced 50 Foundry			0.4mt pa		0.4mt pa
Produced TiO2 conc			0.2mt pa		0.2mt pa
Produced Local Sand	0.14mt pa				
Total production saleable product	2.06mt pa	2.0mt pa	1.8mt pa	2.0mt pa	1.8mt pa
LOM Production	47.7Mt	48.3Mt	39.6Mt	14.6Mt	19.0Mt
Annual	1.9Mt	1.9Mt	1.6Mt	1.5Mt	1.5Mt
Grade	99.70%	99.90%	99.60%	99.90%	99.60%
<b>Financials</b>					
Price 400 Glass	US\$32/t		US\$32/t		US\$32/t
Price 80 Glass		US\$48/t		US\$48/t	
Price 80C LCD		US\$55/t		US\$55/t	
Price 150 Glass		US\$43/t		US\$43/t	
Price 20 Foundry	US\$48/t		US\$48/t		US\$48/t
Price 40 Foundry	US\$42/t				
Price 50 Foundry			US\$31/t		US\$31/t
Price TiO2 conc (2% TiO2)			US\$10/t		US\$10/t
Price Local Sand	US\$23/t				
AUD/USD	0.70cents	0.70cents	0.70cents	0.70cents	0.70cents
<b>Revenue</b>					
400 Glass contrib. revenue	\$21m pa		\$18m pa		\$18m pa
80 Glass contrib. revenue		\$75m pa		\$75m pa	
80C LCD contrib. revenue		\$36m pa		\$36m pa	
150 Glass contrib. revenue		\$28m pa		\$28m pa	
20 Foundry contrib. revenue	\$38m pa		\$53m pa		\$53m pa
40 Foundry contrib. revenue	\$55m pa				
50 Foundry contrib. revenue			\$17m pa		\$17m pa
TiO2 conc contrib. revenue			\$3m pa		\$3m pa
Local Sand contrib. revenue	\$5m pa				
<b>Total</b>	<b>\$118m pa</b>	<b>\$139m pa</b>	<b>\$91m pa</b>	<b>\$139m pa</b>	<b>\$91m pa</b>
<b>Costs</b>					
LOM revenue	\$2,773m	\$3,345m	\$2,167m	\$1,011m	\$1,022m
Unit Revenue	\$53.9/t	\$66.4/t	\$49.2/t	\$52.8/t	\$44.6/t
EBITDA	\$47m pa	\$63m pa	\$31m pa	\$51m pa	\$28m pa
Total cash costs	\$31.1/t	\$35.2/t	\$31.9/t	\$27.8/t	\$28.9/t
C1 cash costs	\$30.2/t	\$32.7/t	\$27.7/t	\$33.8/t	\$28.2/t
Unit cash costs	\$64m pa	\$71m pa	\$56m pa	\$56m pa	\$51m pa
- t throughput	\$28.0/t	\$31.0/t	\$24.5/t	\$24.4/t	\$22.2/t
Unit EBITDA margins	42.3%	47.0%	35.2%	47.5%	35.3%
Rev./Cost Ratio	1.7x	1.9x	1.5x	1.9x	1.5x

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Assumptions:	Euroz Hartleys Base Arrow North	Euroz Hartleys difference v. BFS	Euroz Hartleys Base Muchea	Euroz Hartleys difference v. BFS	Euroz Hartleys Base Arrow Central	Euroz Hartleys difference v. BFS
<b>Mining inventory</b>						
Mining inventory	54.9Mt	-4.1%	54.7Mt	-4.4%	55.1Mt	-3.8%
<b>Mining &amp; processing</b>						
Avg Mining Rate	2.2Mt pa	-4.1%	2.2Mt pa	-4.4%	2.2Mt pa	-3.8%
Mine Life	25.0yrs	0.0%	25.0yrs	0.0%	25.0yrs	0.0%
Recoveries 400 Glass	20%	0.0%			17%	0.0%
Recoveries 80 Glass			48%	0.0%		
Recoveries 80C LCD			20%	0.0%		
Recoveries 150 Glass			20%	0.0%		
Recoveries 20 Foundry	24%	0.0%			34%	0.0%
Recoveries 40 Foundry	40%	0.0%				
Recoveries 50 Foundry					17%	0.0%
Recoveries TiO2 conc					9%	0.0%
Recoveries Local Sand	6%	0.0%				nm
Produced 400 Glass	0.4mt pa	-3.4%			0.4mt pa	-3.8%
Produced 80 Glass			1.0mt pa	-4.4%		
Produced 80C LCD			0.4mt pa	-4.4%		
Produced 150 Glass			0.4mt pa	-4.4%		
Produced 20 Foundry	0.5mt pa	-3.4%			0.7mt pa	-3.8%
Produced 40 Foundry	0.9mt pa	-3.4%				
Produced 50 Foundry					0.4mt pa	-3.8%
Produced TiO2 conc					0.2mt pa	-3.8%
Produced Local Sand	0.1mt pa	-3.4%				
Total production saleable product	2.0mt pa	-3.4%	1.9mt pa	-4.4%	1.7mt pa	-3.8%
<b>LOM Production</b>						
<b>Annual</b>						
<b>Grade</b>						
<b>Financials</b>						
Price 400 Glass	US\$32/t	0.0%			US\$32/t	0.0%
Price 80 Glass			US\$48/t	0.0%		
Price 80C LCD			US\$55/t	0.0%		
Price 150 Glass			US\$43/t	0.0%		
Price 20 Foundry	US\$48/t	0.0%			US\$48/t	0.0%
Price 40 Foundry	US\$42/t	0.0%				
Price 50 Foundry					US\$31/t	0.0%
Price TiO2 conc (2% TiO2)					US\$5/t	-48.0%
Price Local Sand	US\$2/t	-91.3%				
AUD/USD	0.72cents	2.8%	0.72cents	2.8%	0.72cents	2.8%
400 Glass contrib. revenue	\$20m pa	-6.1%			\$17m pa	-6.4%
80 Glass contrib. revenue			\$70m pa	-7.1%		
80C LCD contrib. revenue			\$33m pa	-7.1%		
150 Glass contrib. revenue			\$26m pa	-7.1%		
20 Foundry contrib. revenue	\$35m pa	-6.1%			\$50m pa	-6.4%
40 Foundry contrib. revenue	\$52m pa	-6.1%				
50 Foundry contrib. revenue					\$16m pa	-6.4%
TiO2 conc contrib. revenue					\$1m pa	-51.3%
Local Sand contrib. revenue	\$0m pa	-91.8%				
Total	\$106m pa	-10.0%	\$130m pa	-7.1%	\$84m pa	-7.9%
LOM revenue	\$2,656m	-4.2%	\$3,238m	-3.2%	\$2,103m	-3.0%
Unit Revenue	\$53.4/t	-0.9%	\$67.3/t	1.3%	\$49.6/t	0.8%
EBITDA	\$38m pa	-18.4%	\$58m pa	-7.8%	\$21m pa	-30.1%
Total cash costs	\$34.2/t	9.9%	\$37.2/t	5.6%	\$37.0/t	16.1%
<b>C1 cash costs</b>						
Unit cash costs	\$68m pa	6.2%	\$72m pa	0.9%	\$63m pa	11.8%
- t throughput	\$31.0/t	10.7%	\$32.7/t	5.6%	\$28.5/t	16.1%
Unit EBITDA margins	36.0%	-14.8%	44.8%	-4.8%	25.4%	-27.9%
Rev./Cost Ratio	1.6x	-9.8%	1.8x	-4.1%	1.3x	-13.2%

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**Royalties**

Arrowsmith: The State Royalty rate is A\$1.17 per dry metric tonne and reviewed every 5 years with the next review due in 2025. There are no other royalties payable (including private).

Muchea: The State Royalty rate is A\$1.17 per dry metric tonne and reviewed every 5 years with the next review due in 2025. There is a 1% NSR vendor royalties payable plus a royalty with Native Title claimants.

**Silica Sands Industry**

Like VRX’s business plan, many operations have a wide spread of products between construction and high value export. For example Hanson’s Gaskel operation near Gnangara.

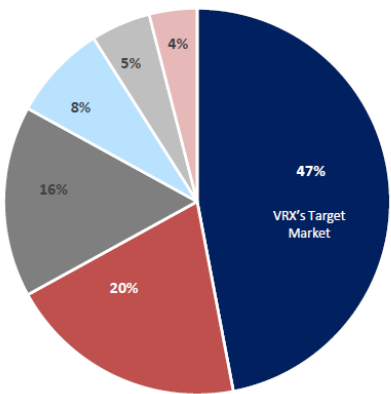
There are several operating high purity silica sands operations already in WA. Hanson has a 400ktpa operation near Gin Gin, as well has several other operations around Perth (<https://www.hanson.com.au/products/aggregate-sand/sand-products-by-location/#/16802>). KSS (Toyota/Tochu) has a high purity silica operation producing (capacity ~500ktpa) in Kemerton and there is the Austsand operation (also Toyota/Tochu) near Albany (capacity 250ktpa).

The largest high quality silica sands project in Australia is Mitsubishi’s Cape Flattery project in Queensland, exporting ~2Mtpa (mainly to Japan and Sth Korea).

After SiO<sub>2</sub> purity, in general terms, the glass market is measured by iron content, whilst the foundry market is measured by particle size.

**Asian glass making production increasing 5-6% per year (~8 - 10Mtpa Growth)**

Glassmaking silica sand demand by region\*



- Asia Pacific
- Western Europe
- Africa/Middle East
- North America
- Eastern Europe
- Central and South America

Use	Spec	Market in Asia	Growth in Asia
Float (Plate) Glass	99.5% SiO <sub>2</sub>	60 - 65Mt	5% - 6%
Container Glass	99.5% SiO <sub>2</sub>	70 - 75Mt	5% - 6%
Cover Glass (Solar Panels)	99.95% SiO <sub>2</sub> & Low Fe	8-10 Mt	+30%
Smart Glass (Ultra Clear)	99.97% SiO <sub>2</sub> & Low Fe	1 - 2Mt	5% - 6%
Specialist Glass (Thin Screen)	99.97% SiO <sub>2</sub>	500 - 600kt	+10%

Source: Stratum Resources / VRX

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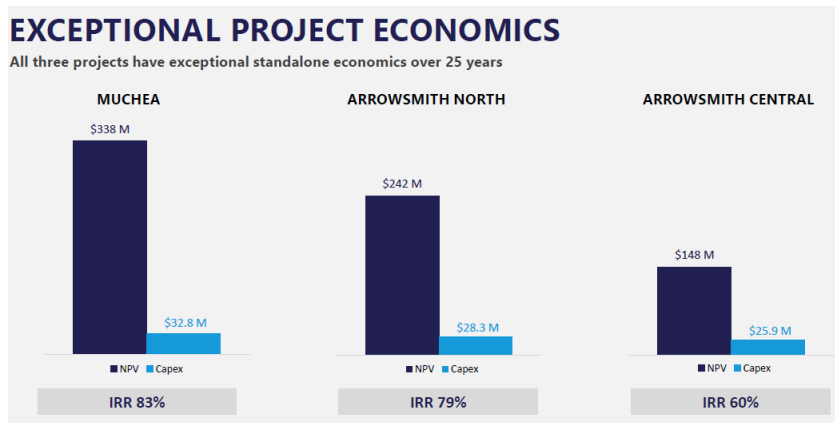


## Price Target

We have a \$0.38 twelve month price target. Our valuation is \$0.50/shr, but our price target is risked heavily given potential for delays due to the short timetable to coordinate financing, offtakes, infrastructure and approvals. Our upside case is an NPV8 valuation, which gives a larger benefit to the long life nature of the assets, and is a potential re-rating level in steady state.

Price Target Methodology	Weighting	Spot	12 mth out
NPV12	55%	\$0.50	\$0.60
NPV8	5%	\$0.86	\$0.96
Net cash backing	40%	\$0.00	\$0.00
Risk weighted composite		\$0.32	
12 Months Price Target		\$0.38	
Shareprice - Last		\$0.200	
<b>12 mth total return</b>		<b>90%</b>	
		<i>Price target implied EV / FY23 EBITDA</i>	<i>13.4x</i>
		<i>Price target implied EV / FY25 EBITDA</i>	<i>7.0x</i>
		<i>Price target implied EV / FY28 EBITDA</i>	<i>1.6x</i>

## Company Estimated NPV



Source: VRX

# VRX Silica Ltd

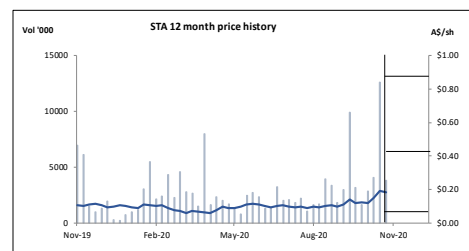
(VRX \$0.20) Speculative Buy

## Key Variables

Val/ Sh		Selling prices								
\$0.13		-20%	-15%	-10%	-5%	0%	5%	10%	15%	20%
AUDUSD	15%	\$0.00	\$0.02	\$0.10	\$0.18	\$0.26	\$0.34	\$0.42	\$0.50	\$0.58
	10%	\$0.00	\$0.08	\$0.16	\$0.25	\$0.33	\$0.42	\$0.50	\$0.59	\$0.67
	5%	\$0.06	\$0.15	\$0.24	\$0.32	\$0.41	\$0.50	\$0.59	\$0.68	\$0.77
	0%	\$0.13	\$0.22	\$0.32	\$0.41	\$0.50	\$0.59	\$0.69	\$0.78	\$0.87
	-5%	\$0.21	\$0.31	\$0.40	\$0.50	\$0.60	\$0.70	\$0.79	\$0.89	\$0.99
	-10%	\$0.29	\$0.40	\$0.50	\$0.60	\$0.71	\$0.81	\$0.91	\$1.02	\$1.12
	-15%	\$0.39	\$0.50	\$0.61	\$0.72	\$0.83	\$0.94	\$1.05	\$1.16	\$1.26

Euroz Forecast	FY'22	FY'23	FY'24	FY'25	FY'26
AUDUSD	0.71	0.72	0.72	0.72	0.72
Price 400 Glass	\$26	\$26	\$26	\$26	\$26
Price 80 Glass	\$38	\$38	\$38	\$38	\$38
Price 80C LCD	\$44	\$44	\$44	\$44	\$44
Price 150 Glass	\$34	\$34	\$34	\$34	\$34
Price 20 Foundry	\$38	\$38	\$38	\$38	\$38
Price 40 Foundry	\$34	\$34	\$34	\$34	\$34
Price 50 Foundry	\$25	\$25	\$25	\$25	\$25
Price TiO2 conc (2% TiO2)	\$4	\$4	\$4	\$4	\$4
Price Local Sand	\$2	\$2	\$2	\$2	\$2

## Our Share Price Sensitivity



## Our Market Sensitivity

**Valuation - \$0.50/sh**  
**Target Price - \$0.38/sh**

**Bull Scenario - \$0.86/sh**  
 NPV8, base case commodity prices.

**Base Scenario - \$0.50/sh**  
 Base case valuation (NPV12).

**Bear Scenario - \$0.05/sh**  
 Project development is drastically deferred and selling prices fall.

## Company Summary

VRX has potential to build substantial silica sands business.

## Disclaimer

The projections and information above is based on the set assumptions outlined. Due care and attention has been used in the preparation of this information. However actual results may vary from forecasts and any variation may be materially positive or negative. Forecasts by their very nature, are subject to uncertainty and contingencies, many of which are outside the control of Euroz.



# VRX Silica Ltd

## (VRX \$0.20) Speculative Buy

EUROZ HARTLEYS

### Market Statistics Year End 30 June

Share Price	\$0.200	A\$/sh	Directors	
Issued Capital	445.1	m	Michael Boyatzis	NE Chair
Options	93.4	m	Bruce Maluish	MD
Fully diluted	538.5	m	Peter Pawlowitsch	NE
Fully diluted & financed	674.8	m		
<b>Shareholders</b>				
Mkt Capital'n (dil.)	107.7	\$m	Peter Pawlowitsch	5.8%
Enterprise Value	105.7	\$m		
Debt	0.0	\$m		
Cash	2.0	\$m		
EV inc. assumed new cap	138.0	\$m		

### Asset Valuation

	A\$m	A\$/sh
100% ArrowNth (pre-tax NAV at disc. rate of 12%)	209	0.31
100% Muchea (pre-tax NAV at disc. rate of 12%)	235	0.35
100% ArrowCentral (pre-tax NAV at disc. rate of 12%)	78	0.12
Other Assets/Exploration	5	0.01
Forwards	0	0.00
Corporate Overheads	-61	-0.09
Net Cash (Debt)	3	0.00
Tax (NPV future liability)	-141	-0.21
Options & Other Equity	10	0.01
<b>Total</b>	<b>338</b>	<b>0.50</b>

### F/Cast Production (A\$m) Jun 21e Jun 22e Jun 23e Jun 24e

	Jun 21e	Jun 22e	Jun 23e	Jun 24e
Mill Throughput	0.0	0.4	1.6	2.2
Produced 400 Glass	0.0	0.1	0.3	0.4
Produced 20 Foundry	0.0	0.1	0.4	0.5
Produced 40 Foundry	0.0	0.2	0.6	0.9
Produced Local Sand	0.0	0.0	0.1	0.1
<b>TOTAL Production</b>	<b>0.0</b>	<b>0.4</b>	<b>1.4</b>	<b>1.9</b>

### Ratio Analysis (A\$m) Jun 21e Jun 22e Jun 23e Jun 24e

	Jun 21e	Jun 22e	Jun 23e	Jun 24e
CF (A\$m)	(2)	2	15	28
CF / Sh (Ac/sh)	(0)	0	2	4
CF Ratio (x)	(61)	54	9	5
Earnings (A\$m)	(3)	2	17	26
EPS (Ac/sh)	(0)	0	3	4
EPS Growth (%)				47%
Earnings Ratio (x)	(41)	61	8	5
E'prise Val. (A\$m) full funded	129	138	128	136
EV : EBITDA (x)	nm	36	7	5
EV : EBIT (x)	nm	44	7	5
Net Debt / ND+Eq (%)	nm	8%	nm	1%
Interest Cover (x)	na	3.0	16.7	10.0
EBIT Margin (%)	nm	16%	25%	27%
ROE (%)	nm	6%	37%	38%
ROA (%)	nm	4%	28%	25%
Div. (Ac/sh)	-	-	-	-
Div. payout ratio (x)	-	-	-	-
Div. Yield (%)	0.0%	0.0%	0.0%	0.0%
Div. Franking (%)	100%	100%	100%	100%

### Profit and Loss (A\$m)

	Jun 21e	Jun 22e	Jun 23e	Jun 24e
<b>Net Revenue</b>	<b>0.0</b>	<b>19.6</b>	<b>75.3</b>	<b>104.0</b>
<b>Total Costs</b>	<b>-1.7</b>	<b>-15.8</b>	<b>-55.9</b>	<b>-74.3</b>
EBITDA	-1.7	3.8	19.4	29.8
- margin	-	19%	26%	29%
Depreciation/Amort	-0.4	-0.7	-0.9	-1.2
<b>EBIT</b>	<b>-2.0</b>	<b>3.1</b>	<b>18.5</b>	<b>28.6</b>
Net Interest	-0.5	-1.1	-1.1	-2.9
<b>Pre-Tax Profit</b>	<b>-2.5</b>	<b>2.1</b>	<b>17.4</b>	<b>25.7</b>
Tax Expense	0.0	0.0	0.0	0.0
<b>Normalised NPAT</b>	<b>-2.5</b>	<b>2.1</b>	<b>17.4</b>	<b>25.7</b>
Abnormal Items	0.0	0.0	0.0	0.0
Reported Profit	-2.5	2.1	17.4	25.7
Minority	0.0	0.0	0.0	0.0
<b>Profit Attrib</b>	<b>-2.5</b>	<b>2.1</b>	<b>17.4</b>	<b>25.7</b>

### Cash Flow (A\$m)

	Jun 21e	Jun 22e	Jun 23e	Jun 24e
Operating Cashflow	-1.7	2.3	15.1	27.5
Income Tax Paid	0.0	0.0	0.0	0.0
Interest & Other	-0.5	-1.1	-1.1	-2.9
<b>Operating Activities</b>	<b>-2.2</b>	<b>1.3</b>	<b>14.0</b>	<b>24.7</b>
Property, Plant & Equip.	-21.0	-9.5	-2.9	-30.9
Exploration and Devel.	-1.3	-1.1	-1.2	-1.2
Other	0.0	0.0	0.0	0.0
<b>Investment Activities</b>	<b>-22.3</b>	<b>-10.6</b>	<b>-4.1</b>	<b>-32.1</b>
Borrowings	10.0	1.1	0.0	35.0
Equity or "tbc capital"	28.1	0.0	0.0	0.0
Dividends Paid	0.0	0.0	0.0	0.0
<b>Financing Activities</b>	<b>38.1</b>	<b>1.1</b>	<b>0.0</b>	<b>35.0</b>
<b>Net Cashflow</b>	<b>13.6</b>	<b>-8.2</b>	<b>9.9</b>	<b>27.5</b>

### Balance Sheet (A\$m)

	Jun 21e	Jun 22e	Jun 23e	Jun 24e
<b>Cash</b>	<b>16.2</b>	<b>8.0</b>	<b>17.8</b>	<b>45.4</b>
Other Current Assets	0.2	3.4	12.6	17.1
<b>Total Current Assets</b>	<b>16.3</b>	<b>11.4</b>	<b>30.4</b>	<b>62.5</b>
Property, Plant & Equip.	20.8	29.5	31.6	61.3
Exploration	9.0	10.1	11.3	12.5
Investments/other	0.0	0.0	0.0	0.0
<b>Tot Non-Curr. Assets</b>	<b>29.8</b>	<b>39.6</b>	<b>42.9</b>	<b>73.8</b>
<b>Total Assets</b>	<b>46.1</b>	<b>51.0</b>	<b>73.3</b>	<b>136.3</b>
Short Term Borrowings	-	-	-	-
Other	0.3	2.1	7.0	9.3
<b>Total Curr. Liabilities</b>	<b>0.3</b>	<b>2.1</b>	<b>7.0</b>	<b>9.3</b>
Long Term Borrowings	10.0	11.1	11.1	46.1
Other	0.1	0.1	0.1	0.1
<b>Total Non-Curr. Liabil.</b>	<b>10.1</b>	<b>11.1</b>	<b>11.1</b>	<b>46.1</b>
<b>Total Liabilities</b>	<b>10.4</b>	<b>13.2</b>	<b>18.2</b>	<b>55.4</b>
Net Assets	35.7	37.8	55.2	80.9
Net Debt	-6.2	3.1	-6.8	0.7

### Reserves and Resources

Reserves & Resources	Mt	SiO2	Glass	Foundry	LCD
<b>Total Resource</b>	<b>1056</b>	<b>98.2%</b>			
Arrowsmith Cent (WA)	77	96.8%			
Muchea (WA)	208	99.6%			
Arrowsmith North (WA)	771	98.0%			
<b>Total Reserve</b>	<b>274</b>		<b>65%</b>	<b>26%</b>	<b>2%</b>
Arrowsmith Cent (WA)	30		44%	44%	0%
Muchea (WA)	22		77%	0%	23%
Arrowsmith North (WA)	223		67%	27%	0%

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