

29 June 2021

ASX ANNOUNCEMENT

Arrowsmith North – Water Bore

Highlights:

- **Commenced drilling water bore**
- **Water production bore for 0.9Gl of processing water**
- **Pump testing to follow drilling for 5C licence application**

VRX Silica Limited (**ASX: VRX**) (**VRX** or **Company**) is pleased to provide an update on progress at its Arrowsmith North Silica Sand Project (**Arrowsmith North**).

The Company has commenced drilling of a water production bore which will be the source of water supply for the proposed processing plant at Arrowsmith North.

The location of the water bore is shown in Figure 1.

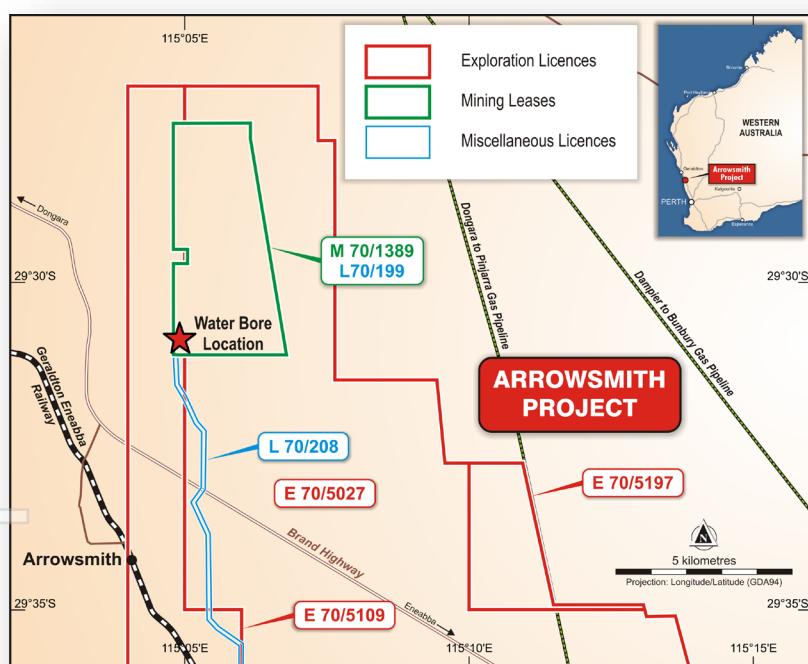


Figure 1: Water Bore Location

ASX: VRX

Capital Structure

Shares on Issue:

527.9 million

Listed Options:

23.5 million

Unlisted Options:

26.0 million

Corporate Directory

Paul Boyatzis

Non-Executive Chairman

Bruce Maluish

Managing Director

Peter Pawlowitsch

Non-Executive Director

John Geary

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 projects in Australia.

VRX Silica Limited

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VRX Managing Director Bruce Maluish said, *“The supply of good quality processing water is a critical step in the development of the Arrowsmith North Silica Sand Project.*

“Water is being sourced from the deep and plentiful Yarragadee North aquifer and doesn’t affect the local users of the shallower Eneabba basin surficial water supplies.”

Drilling is being undertaken by a licenced water bore driller, see Figure 2, under an approved Licence to Construct or Alter a Well, CAW205840(1), from the Department of Water and Environmental Regulation (**DWER**).

DWER has accepted the Company’s application for an allocation of 900,000 kilolitres. The 5C licence to take water will be applied for once the bore is constructed, see Figure 3, and logging and test pumping is complete.



Figure 2: Water Bore Rig onsite

Provisional Design 250NB Production Bore

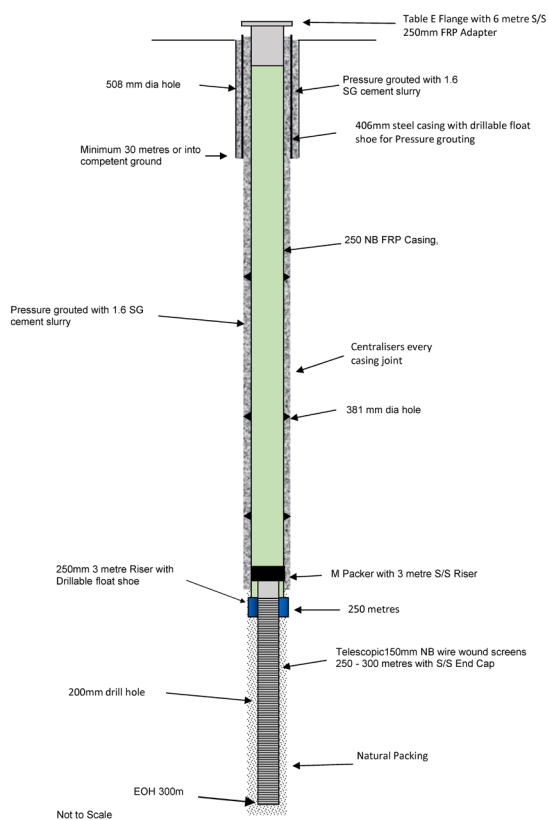


Figure 3: Production Water Bore Design

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

Further information:

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About VRX Silica

VRX Silica Ltd (**VRX Silica**) (ASX: VRX) has significant silica sand projects in Western Australia.

The Arrowsmith North and Arrowsmith Central Silica Sand Projects, located 270km north of Perth, comprise five granted exploration licences and two granted mining leases. Bankable feasibility studies for both projects have been released, each demonstrating exceptional financial metrics.

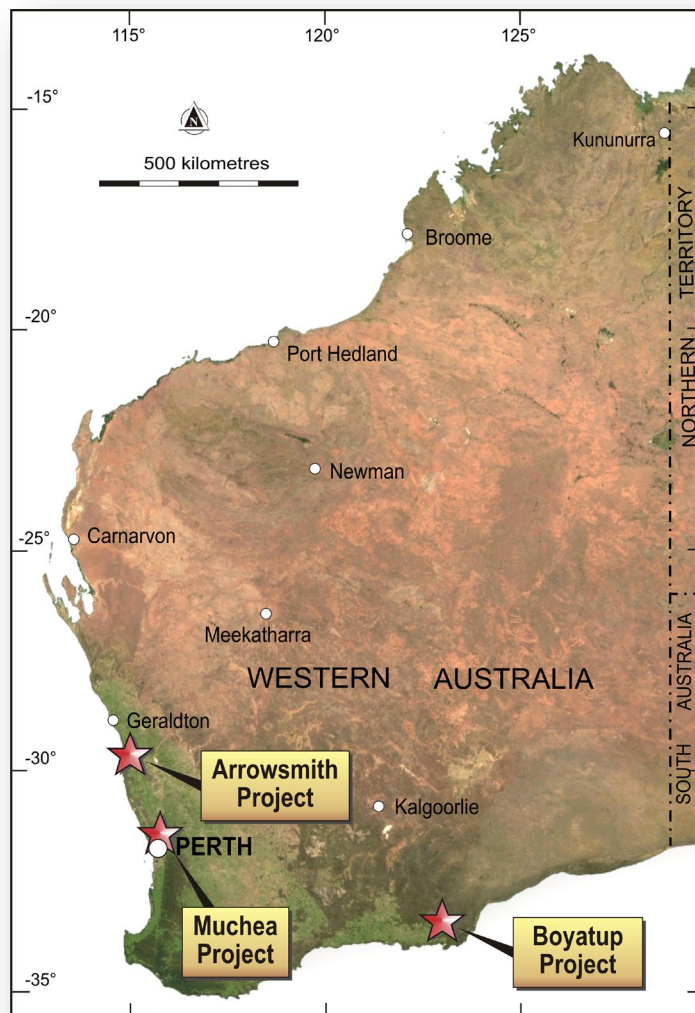
The Muchea Silica Sand Project, located 50km north of Perth, comprises two granted and one application for exploration licences, and one granted mining lease. Muchea is a world-class project with high purity silica sand in situ. A bankable feasibility study for the project has been released demonstrating outstanding financial metrics.

The Boyatup Silica Sand Project, located 100km east of Esperance, comprises two adjacent granted exploration licences. Initial indications are that this project will complement the Arrowsmith and Muchea projects while adding to the range of silica products capable of production.

Proven Management

The VRX Silica Board and management team have extensive experience in mineral exploration and mine development into production and in the management of publicly listed mining and exploration companies.

Project Locations



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