

7 March 2023

## LOI for Power Supply at Arrowsmith North

### Highlights:

- ✓ **Proposal to supply gas-fired power supply**
- ✓ **Electricity transmitted directly from well head powerhouse**
- ✓ **Fit-for-purpose design**
- ✓ **Potentially lower footprint and reduced emissions**

VRX Silica Limited (ASX: VRX) (**VRX** or **Company**) is pleased to announce it has executed a letter of intent with ResourcesWA to investigate a proposed power supply solution for the Company's Arrowsmith North Silica Sand Project utilising gas directly from a local wellhead.

The purpose of the LOI is to investigate the potential to establish a powerhouse, with containerised gas reciprocating engines, at a nearby gas wellhead site with direct offtake from the existing gas plant and reticulation to the Arrowsmith North site via a dedicated transmission line.

ResourcesWA has a fully resourced and operational project development, delivery and asset management team. The proposal is inclusive of all design, construction and operational requirements to provide a 100% turn key Build, Own and Operate solution.

VRX Silica Managing Director Bruce Maluish said: *"We have been considering for some time how we can best take advantage of the abundant supply of gas from nearby gas fields to meet our power requirements at Arrowsmith North."*

*"Our desktop modelling indicates that a gas-driven powerhouse and transmission solution is not only cost effective but will reduce our project footprint and expected greenhouse gas emissions."*

The LOI sets out details of the proposal and is a statement of the parties' current intentions over a six-month term. It is on terms customary for a document of this nature and is non-binding.

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

### Further information:

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### ASX: VRX

#### Capital Structure

Shares on Issue:  
558.4 million

Unlisted Options:  
35.3 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.

*The Company is actively  
assessing other silica sand  
projects in Australia.*

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## About VRX Silica

VRX Silica Ltd (ASX: VRX) is developing world-class, high-grade silica sand projects in Western Australia.

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

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

The Boyatup Silica Sand Project, 100km east of Esperance, comprises two adjacent granted exploration licences. Initial indications are that this project can complement the Arrowsmith and Muchea projects and add to the range of silica products VRX Silica may be capable of producing.

## Proven Management

VRX Silica's Board and Leadership Team have extensive experience in mineral exploration and mine development-to-production and in the management of publicly listed mining and exploration companies.

## Silica Sand Projects Locations

