

31 December 2020

ASX ANNOUNCEMENT

Market Update

Highlights:

- **Additional silica sand samples sent to potential offtake partners**
- **Interest for VRX silica sand products remains incredibly strong**
- **Sale and IPO of Biranup Project expected to complete Q1 2021**

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

Interest from potential customers remains incredibly strong, with silica sand samples shipped earlier this month to eight new potential customers.

VRX's Managing Director, Bruce Maluish said, "VRX is in an enviable position as we continue to engage with potential customers in South Korea, Japan, Philippines, Malaysia and Thailand. Demand is growing for high quality silica sand products across south-east Asia whilst the supply-side continues to be squeezed.

"Despite the inevitable slowdown earlier this year due to COVID-19, most organisations in south-east Asia we are engaging with have expressed positive sentiment towards stimulus spending and growth in construction in general across the region, and are gearing up their operations for 2021 and beyond.

"VRX has received a tremendous level of interest for offtake from both our Arrowsmith North and Muchea projects, and we are much closer to selecting our first offtake partner to underpin development. We expect to agree terms in early 2021."

The Company has also continued positive engagement with potential debt financiers for the projects, with interest received from groups based in Australia and overseas.

Biranup Project

On 1 July 2020, the Company announced to ASX that it had entered into a conditional agreement with New Energy Metals Limited (to be renamed NickelX Limited) for the sale of its Biranup Project and listing of that company on ASX.

Originally expected to complete by the end of 2020, increasing activity for new ASX listings generally has delayed progress on the IPO. The Company has agreed a new completion sunset date of 30 June 2021, subject to minimum exploration expenditure obligations being satisfied by the purchaser in Q1 2021. The IPO is scheduled for completion in early 2021.

ASX: VRX

Capital Structure

Shares on Issue:
502 million

Listed Options:
23.9 million

Unlisted Options:
51.9 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.

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.

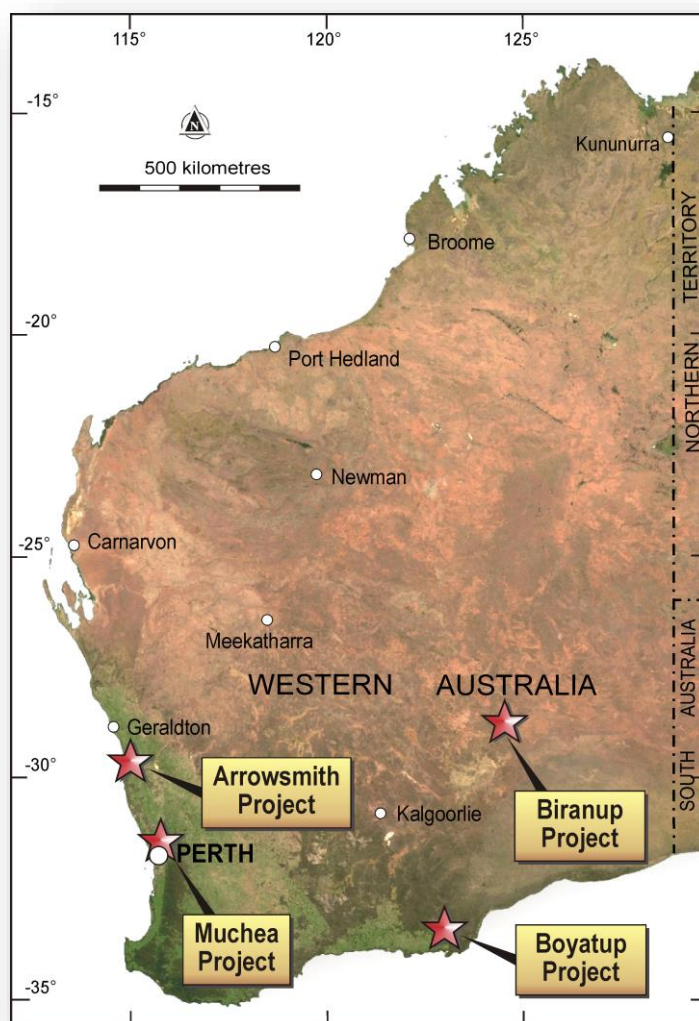
The Muchea Silica Sand Project, located 50km north of Perth, which includes a granted mining lease and exploration licence and two applications for exploration licences. Muchea is a world-class project with high purity silica sand *in situ*. A bankable feasibility study for the project has been released 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



VRX Silica Limited

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