

23 May 2022

ASX ANNOUNCEMENT

VRX secures key plant equipment for Arrowsmith North

Highlights:

- ✓ **Commencement of project capital expenditure at Arrowsmith North**
- ✓ **Purchase of second-hand major capital equipment will generate substantial lead time and cost savings**
- ✓ **Refurbishment of equipment underway**

VRX Silica Limited (**VRX** or **Company**) is pleased to announce the start of project capital expenditure for its Arrowsmith North Silica Sand Project (**Arrowsmith North**), 270km north of Perth, with the purchase of two major items of capital equipment.

The local purchase of a high-quality, second-hand feed trommel and a vibrating screen – which are being refurbished – will reduce the lead time and capital costs for Arrowsmith North.

With the support of specialist engineering consultancy ProjX, VRX purchased a 3m diameter x 8m long RCR-designed feed trommel and a 3.6 x 8.5m Schenck “banana” vibrating screen.

The trommel was previously part of a mineral sands operation and is now at Hotweld Engineering, a Bunbury based mechanical & fabrication workshop. The screen was previously in used at a lithium processing plant and has been relocated to RCR, a Bunbury based mechanical equipment workshop.

VRX Silica Managing Director Bruce Maluish said:

“VRX is delighted to have secured these two key pieces of plant equipment for the Arrowsmith North Silica Sand Project.

“Our strategy to purchase and refurbish high-quality second-hand major plant equipment has both pre-empted any lead time issues associated with ongoing global supply chain disruption and delivered more than \$1 million in capital savings.

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.

“Arrowsmith North is on track to gain final EPA approval in December, with the six-month construction phase scheduled to commence in January 2023.

“VRX will continue to pursue other lead time and cost-saving opportunities to capitalise on our first-mover advantage in Western Australia’s emerging silica sand sector, at a time when there is fast-rising global demand for high-quality, responsibly sourced silica sand volumes.”



Image 1: The operating feed trommel

The trommel is a key piece of process equipment, comprising a rotating screening barrel mounted over a large sump on a structural steel-base frame. Mined sand passes through the screen panels and is pumped to the processing plant. The trommel is in excellent condition structurally and an ideal fit-for-purpose item of major process equipment for the project.



Image 2: The trommel barrel is loaded for transport



Image 3: The Schenck screen

The screen has undergone strip and assessment by the OEM (Original Equipment Manufacturer) and refurbishment is well underway. Non-destructive testing has revealed no structural issues and the extent of refurbishment required is now likely to be far less than originally anticipated.



Image 3: The Schenck screen being refurbished at RCR

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

Further information:

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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 two granted mining leases. Arrowsmith North is at an advanced stage with an EPA approved Environmental Scoping Document. Bankable feasibility studies for both projects have demonstrated exceptional financial metrics.

The Muchea Silica Sand Project, 50km north of Perth, comprises three granted exploration licences as well as one granted mining lease. Muchea is a world-class project with high-purity silica sand in situ suitable for beneficiation to ultra-clear glassmaking quality particularly for solar panels. 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. Drilling is completed and assays are pending.

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.

Project Locations

