

22 June 2022

ASX ANNOUNCEMENT

Update on Arrowsmith Central EPA referral

Highlights:

- ✓ **Next stage reached in Arrowsmith Central environmental approval process**
- ✓ **EPA will undertake a Public Environmental Review (PER) level of assessment**

VRX Silica Limited (**VRX** or **Company**) is pleased to announce that its Arrowsmith Central Silica Sand Project (**Arrowsmith Central**) has moved to the next stage of the environmental approval process with the Environmental Protection Authority of Western Australia (**EPA**).

Consistent with the EPA's approach at VRX's Arrowsmith North Silica Sand Project and the Company's expectations for Arrowsmith Central, the EPA will assess the proposal at a Public Environmental Review (**PER**) level of assessment as required under section 40(2)(b) of the Environmental Protection Act 1986. The PER period is four weeks.

The Company is preparing an Environmental Scoping Document (**ESD**) which details the environmental studies that are required to inform the assessment of the project. These include:

- Flora and Fauna Studies
- Dieback Assessment
- Surface water and Hydrology Studies
- Cultural and Heritage Assessment
- Greenhouse Gas estimate
- High Level Air Quality Assessment

The Company has already commenced these studies and will finalise prior to the end of the PER period.

Preparation of the ESD is a fundamental step in the EPA administration procedures to inform the Environmental Impact Assessment of Arrowsmith Central. The Company is confident the project has addressed the Environmental Principles, Factors and Objectives of the guidelines for assessment.

Other government agencies will be restricted from approving any approvals related to the full development of the project until the EPA process is complete (noting exploration and investigations are not restricted). This does not impact upon the Company's current development plans.

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 Central of Perth, WA.

Muchea Silica Sand Project, 50km Central of Perth, WA.

Boyatup Silica Sand Project, 100km east of Esperance, WA.

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

The EPA’s decision will allow the Commonwealth Department of Agriculture, Water and Environment to also set its level of assessment at PER to align with the EPA decision.

VRX’s Managing Director Bruce Maluish said:

“This is yet another significant step in the development of our second silica sand project at Arrowsmith Central and we will progress the application as expeditiously as possible.

“Whilst we are not in a position at this stage to set a definitive timeline for the approval process, we are confident that our work-to-date with the EPA on seeking approval for the Company’s nearby and broadly similar Arrowsmith North Silica Sand Project will greatly assist in this application.”

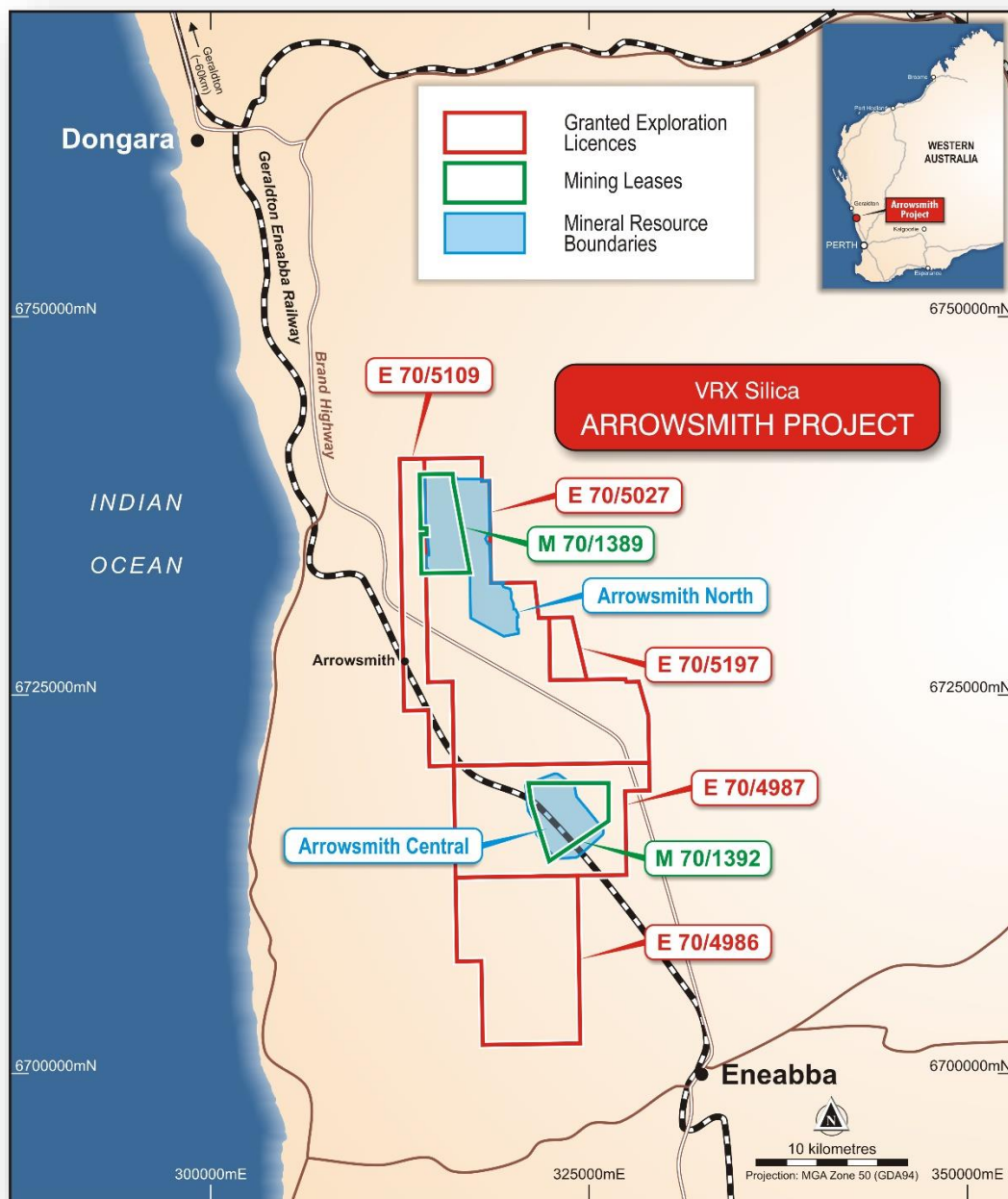


Figure 1 Arrowsmith Central Location



Figure 2 Arrowsmith Central Vegetation

The Arrowsmith Central mining development area has been selected to avoid environmentally sensitive areas, in particular so that no large trees suitable for Carnaby Cockatoo roosting or nesting are impacted.

VRX has developed a unique and progressive mining and rehabilitation method for its silica sand projects. The Vegetation Direct Transfer (**VDT**) method provides rapid and comprehensive regeneration of mined areas based on continuous rehabilitation as mining progresses. The VDT method is a made-for-purpose mining method which removes and replaces a 400mm-deep sod with topsoil to the mined area containing the vast majority of native flora and invertebrate fauna remaining intact.

At the VRX selected mine areas, the root structures in the loose sand are relatively shallow at 200-300mm in depth and ideally suited for the VDT system. The method has been developed to provide the best rehabilitation outcome for the recalcitrant sedges and grass species.

The VDT methodology can be viewed at:

<https://vrxsilica.com.au/miningandrehabilitationmethodology/>

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 Central 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 now underway.

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

