

30 August 2022

ASX ANNOUNCEMENT

Metallurgical drill program at Muchea

Highlights:

- ✓ **Metallurgical drill program underway at Muchea for additional pilot plant test work**
- ✓ **Extra samples produced for interested offtake buyers**

VRX Silica Limited (**VRX** or the **Company**) (ASX: VRX) has commenced a three-day drilling program at its 100%-owned Muchea Silica Sand Project (**Muchea**), located approximately 50km north of Perth, Western Australia.

A tractor-mounted vacuum drill rig will drill a minimum of 100 holes to produce a five-tonne sample to be used in an additional pilot plant metallurgical test work program.

The program will determine if selective mining and processing of the differentiated layers, identified in previous test work, can produce a higher-purity product, therefore significantly enhancing Muchea's project economics.

VRX will also generate further samples for testing following overwhelming interest from potential offtake partners.

VRX Managing Director Bruce Maluish said:

"The outcome of this program has the potential to significantly improve Muchea's robust financial metrics and will provide the additional bulk samples needed to advance discussions with interested buyers.

"The production of ultra-clear glass for the solar panel industry is experiencing phenomenal growth and, with it, demand for high-quality silica sand is soaring.

"VRX is receiving strong inbound interest in Muchea's silica sand. The Company is in active discussions with potential offtake partners who realise that Muchea is one of only a handful of ultra-high purity silica sand projects suited for the manufacture of ultra-clear flat glass."

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.



Muchea Cleared Track

The drill program at Muchea will be undertaken along existing cleared tracks, with an approved Program of Work from the Department of Mines, Industry Regulation and Safety.

VRX has previously undertaken an Aboriginal Heritage survey to clear the proposed program area. Representatives of the Whadjuk People will accompany the drill crew.

In March 2019¹, VRX conducted a drilling program of 57 50m-spaced air core holes. This drilling resulted in an updated Mineral Resource Estimate² of **208 Million Tonnes** (29Mt Indicated & 179 Mt Inferred) and a maiden Probable Ore Reserve³ of **18.7 Million Tonnes**.

¹ ASX announcement of 13 March 2019, "*Drilling at Muchea and Arrowsmith Silica Sand Projects*"

² ASX announcement of 17 June 2019, "*Muchea Mineral Resource Estimate Upgrade*"

³ ASX announcement of 18 October 2019, "*Muchea BFS and Maiden Ore Reserve*"

Analysis of the 2019 Resource estimates (see ASX announcements released 13 March 2019 and 17 June 2019) indicated that ore within 5m of the surface was consistently lower in contaminants than deeper material.

Prior test work on the full column of ore resulted in a very high-grade silica sand product. The drill program announced today will delineate the variation in these layers.



Muchea Drill Rig

Separate bulk metallurgical testing will be undertaken on composites representing these layers to determine if a higher-purity product can be produced by selective mining and processing of the differentiated layers. Near-surface, lower-contaminant ore may have the potential to produce a higher-value product, further enhancing the economics of this world-class silica sand project. The drill program will be contained within the current Mineral Resource Estimate area.

Competent Persons Statement

Information that relates to the estimation and reporting of the Mineral Resources and Ore Reserves for the Muchea Silica Sand Project is extracted from releases to ASX on 17 June 2019 and 18 October 2019, respectively. The Company confirms that it is not aware of any new information or data that materially affects the information included in these documents and all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.

The information in this announcement that relates to prior exploration results have been referenced to the original announcement date. The Company confirms that it is not aware of any new information or data that materially affects previous exploration results referred to in this announcement. The Company also confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the relevant original market announcements.

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

Further information:

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About VRX Silica

VRX Silica Ltd (ASX: VRX) is developing a portfolio of 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 and one under application mining leases. 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. Indications from a recent drill program and Mineral Resource Estimate indicate that this project can complement the Arrowsmith and Muchea projects and add to VRX's range of potential silica products.

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

