

6 September 2022

ASX ANNOUNCEMENT

Arrowsmith Central – Water Bore

Highlights:

- ✓ **Test holes completed for shallow and deep aquifers**
- ✓ **Production bore drilling underway**
- ✓ **Pump testing to follow for abstraction licence application**

VRX Silica Limited (**VRX** or the **Company**) (ASX: VRX) is pleased to provide an update on progress at its 100%-owned Arrowsmith Central Silica Sand Project (**Arrowsmith Central**), located approximately 270km north of Perth, Western Australia.

The Company has completed the test holes for 2 production water bores which will be the source of water supply for the proposed processing plant at Arrowsmith Central. The test holes are targeting 2 potential aquifers at 30 metre and 120 metre depth. Geological and geophysical logging of the holes indicate good potential for high flows of good quality ground water. Neither aquifer is believed to be connected to the superficial water table.

VRX Managing Director Bruce Maluish said:

“The supply of good quality processing water is a critical step in the development of the Arrowsmith Central Silica Sand Project.

Two potential aquifers are being tested and it is interpreted they are part of the plentiful Yarragadee North aquifer and therefore will not affect the superficial aquifer and any groundwater dependant ecosystems.”

Drilling is being undertaken by a licenced water bore driller, see Figure 2, under an approved Licence to Construct or Alter a Well, CAW207418(1), from the Department of Water and Environmental Regulation (DWER).

DWER has accepted the Company’s application for an allocation of 900,000 kilolitres. The 5C licence to take water will be applied for once the bores are constructed, see Figure 3, and logging and test pumping is complete.

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.

The location of the water bore is shown in Figure 1.

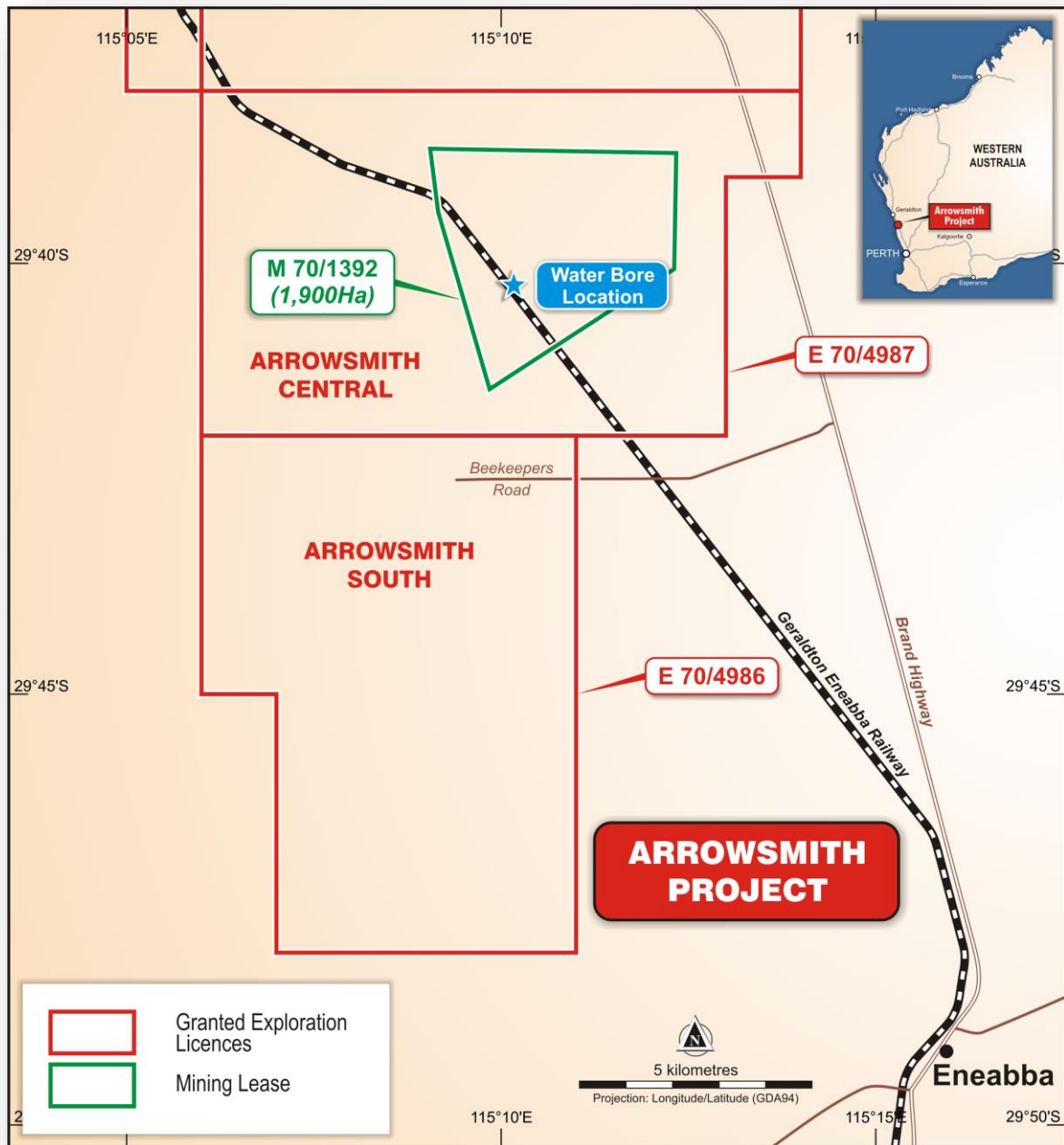


Figure 1: Water Bore Location



Figure 2: Water Bore Rig onsite

Provisional Design 250NB Production Bore

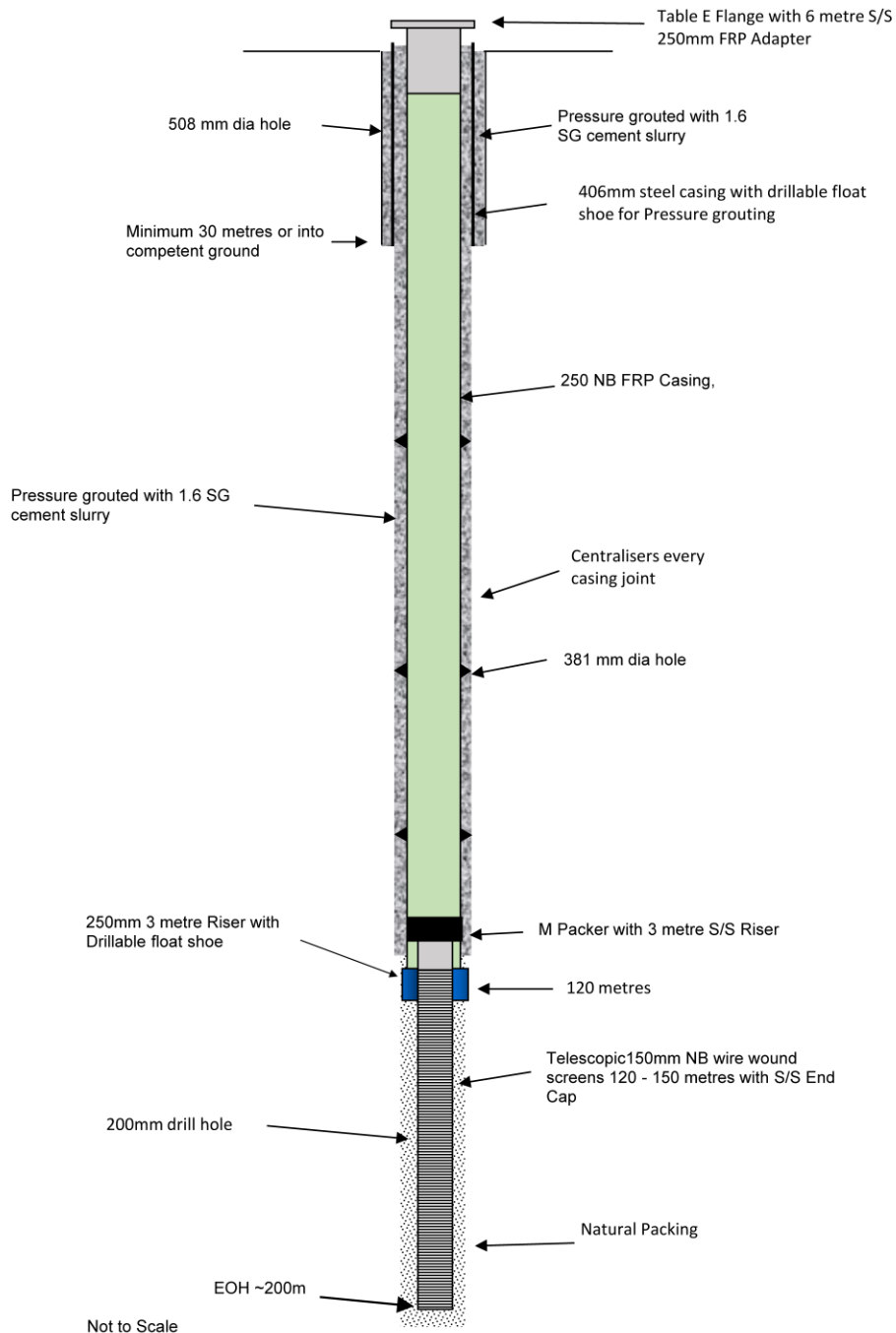


Figure 3: Deep Production Water Bore Design



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

