



15 July 2020

ASX ANNOUNCEMENT

Arrowsmith Silica Sand Projects Native Title Agreement Terms Approved

Highlights:

- **Southern Yamatji People Working Group approve terms of Native Title Mining Project Agreement for Arrowsmith Silica Sand Projects**
- **Clears pathway for grant of Mining Leases for Arrowsmith North and Arrowsmith Central**

VRX Silica Limited (**VRX** or **Company**) (ASX: VRX) is pleased to announce that it has received confirmation that the terms of its proposed Mining Project Agreement (**Agreement**) covering the areas of the Arrowsmith North and Arrowsmith Central Silica Sand Projects have been approved by the Working Group for the Southern Yamatji People, Native Title claimants over the project areas.

Delays caused by the COVID-19 crisis, particularly regulations prohibiting movement in and out of Aboriginal communities and restrictions on public gatherings significantly hampered progress and presented unique challenges for completing the negotiation process. However, the company worked constructively with the Yamatji Marlpa Aboriginal Corporation (**YMAC**) and the Southern Yamatji Working Group to reach consensus.

With the terms of the Agreement having now been accepted, the Agreement must now be formally signed by all 12 individual Native Title Applicants along with a separate State Deed between those individuals, the Company and the State. Once fully executed, these documents will be lodged with the Department of Mines, Industry Regulation and Safety (**DMIRS**) to finalise the grant of Mining Leases and associated Miscellaneous Licenses for Arrowsmith North and Arrowsmith Central.

VRX's Managing Director Bruce Maluish said, "We are delighted to have reached consensus with the native title claimants on the terms of the mining project agreement, which clears the pathway for grant of Mining Leases for both Arrowsmith projects. We look forward to working with the Southern Yamatji People."

"This is yet another step forward for VRX and its stated aim of becoming a global supplier of high-quality silica sand."

ASX: VRX

Capital Structure

Shares on Issue:
445.1 million

Listed Options:
23.9 million

Unlisted Options:
69.5 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
Project, 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.

VRX Silica Limited

A Level 1, 6 Thelma St, West Perth WA 6005 Australia • PO Box 1925, West Perth WA 6872 Australia • ABN 59 142 014 873
P +61 8 9226 3780 • E info@vrxsilica.com.au • W vrxsilica.com.au

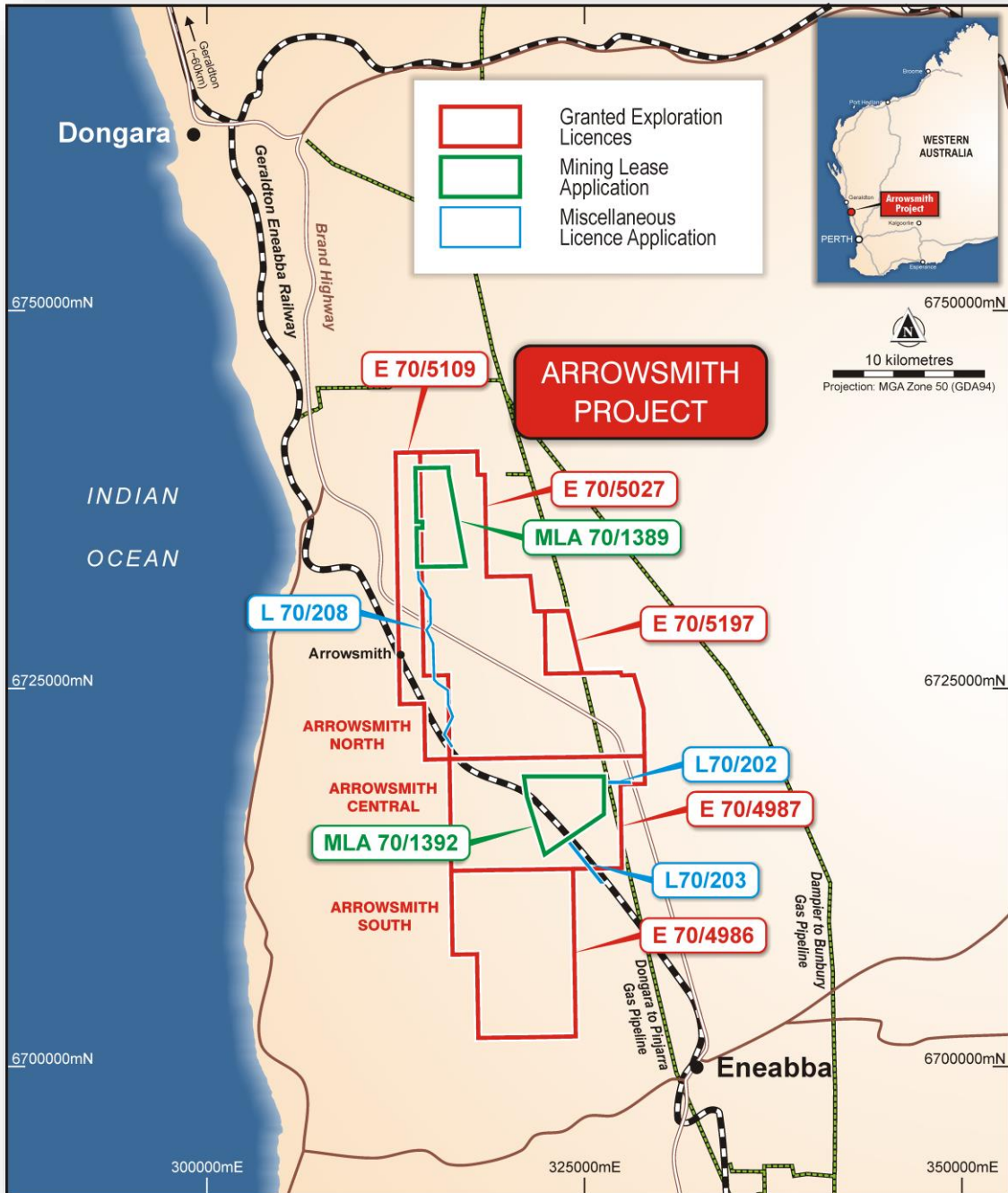


Figure 1. Plan of Arrowsmith project areas



The negotiated terms provide for a set of shared long-term objectives for the parties and a range of measures designed to achieve those objectives over the term of the Agreement (being the life of the Arrowsmith projects). These include:

- the preservation and management of Aboriginal heritage within the areas of the mining leases pursuant to an agreed heritage protocol;
- the promotion of awareness of the Southern Yamatji People's traditional laws and customs and facilitation of cross-cultural exchange between the members of the Southern Yamatji People and VRX and its employees and contractors;
- ensuring the environmental impact of agreed mining operations is managed in accordance with relevant statutory obligations;
- maximising employment and contracting opportunities for Southern Yamatji People contractors in connection with agreed mining operations; and
- the provision of agreed initial and ongoing compensation to the Southern Yamatji People for the effects on native title arising from the grant of the mining leases and miscellaneous licences within the native title claim area, the conduct of mining operations and the issue of agreed project approvals.

The Agreement remains subject to formal execution. The Company continues to work constructively with YMAC to complete this process as soon as reasonably possible given COVID-19 restrictions that remain in place, and will make a further announcement on this in due course.

Further information:

Bruce Maluish
Managing Director
brucem@vrxsilica.com.au
0418 940 417

Peter Klinger
Cannings Purple
pklinger@canningspurple.com.au
0411 251 540

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 mining lease applications pending. Bankable feasibility studies for both projects have been released, each demonstrating exceptional financial metrics.

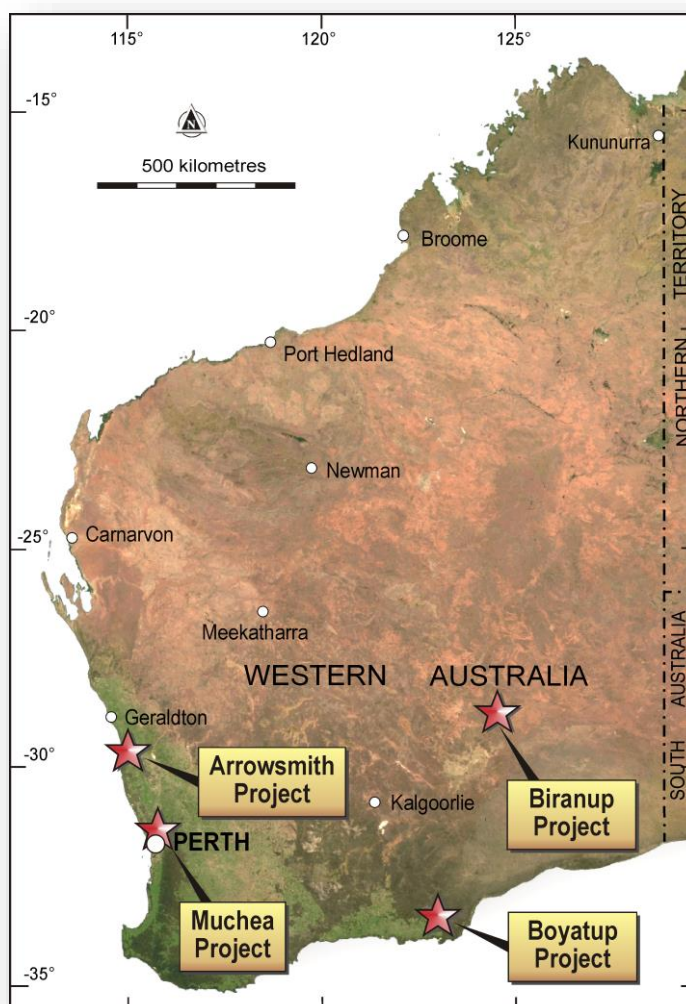
The Muchea Silica Sand Project, located 50km north of Perth, comprises one granted exploration licence, with one mining lease application pending. Muchea is a world-class project with high purity silica sand in situ. A bankable feasibility study for the project has been released demonstrating outstanding 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



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