

23 September 2020

Belinda Giles
Adviser, Listings Compliance (Perth)
ASX Limited

By email: ListingsCompliancePerth@asx.com.au

Dear Belinda

Price and Volume Query

We refer to your letter of 23 September 2020 to VRX Silica Limited (**Company**) and adopting similar paragraph numbering as contained therein we respond as follows:

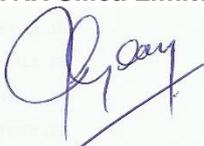
1. No.
2. N/A.
3. The Company is the owner of three large scale, high-grade and low impurity silica sands projects at Muchea and Arrowsmith in Western Australia, all of which are in the permitting stage.

Whilst the Company cannot explain the recent trading activity in the Company's shares on ASX, the Company does note that it has made considerable progress in developing these projects, with all material advances having been announced on the ASX Markets Announcements Platform. Bankable feasibility studies have been completed, terms have been agreed with affected Native Title parties for consent to mining, and the Company is progressing environmental approval and mining permit processes.

In addition, overnight in the US co-founder and CEO of Tesla, Elon Musk, announced a fundamental change in Tesla's next-generation technology by way of using raw silicon in battery anodes, designed to withstand the expanding nature of the element after many charge-discharge cycles. Whilst there is no connection between the Company and Tesla, this could also explain the enhanced market interest in the Company's shares and increases in trading price and volume on ASX.

4. The Company is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.
5. The responses as noted above have been authorised and approved by the Board of Directors.

Yours faithfully
VRX Silica Limited



John Geary
Company Secretary



23 September 2020

Reference: 24757

Mr John Geary
Company Secretary
VRX Silica Limited

By email

Dear Mr Geary

VRX Silica Limited ('VRX'): Price and Volume Query

ASX refers to the following:

- A. The change in the price of VRX's securities from a low of \$0.11 on 22 September 2020 to an intraday high of \$0.145 today.
- B. The significant increase in the volume of VRX's securities traded today.

Request for information

In light of this, ASX asks VRX to respond separately to each of the following questions and requests for information:

1. Is VRX aware of any information concerning it that has not been announced to the market which, if known by some in the market, could explain the recent trading in its securities?
2. If the answer to question 1 is "yes".
 - (a) Is VRX relying on Listing Rule 3.1A not to announce that information under Listing Rule 3.1? Please note that the recent trading in VRX's securities would suggest to ASX that such information may have ceased to be confidential and therefore VRX may no longer be able to rely on Listing Rule 3.1A. Accordingly, if the answer to this question is "yes", you need to contact us immediately to discuss the situation.
 - (b) Can an announcement be made immediately? Please note, if the answer to this question is "no", you need to contact us immediately to discuss requesting a trading halt (see below).
 - (c) If an announcement cannot be made immediately, why not and when is it expected that an announcement will be made?
3. If the answer to question 1 is "no", is there any other explanation that VRX may have for the recent trading in its securities?
4. Please confirm that VRX is complying with the Listing Rules and, in particular, Listing Rule 3.1.
5. Please confirm that VRX's responses to the questions above have been authorised and approved under its published continuous disclosure policy or otherwise by its board or an officer of VRX with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **11:15 AM AWST Wednesday, 23 September 2020**. You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does

not fall within the exceptions mentioned in Listing Rule 3.1A, VRX's obligation is to disclose the information 'immediately'. This may require the information to be disclosed before the deadline set out in the previous paragraph and may require VRX to request a trading halt immediately.

Your response should be sent to me by e-mail at **ListingsCompliancePerth@asx.com.au**. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Trading halt

If you are unable to respond to this letter by the time specified above, or if the answer to question 1 is "yes" and an announcement cannot be made immediately, you should discuss with us whether it is appropriate to request a trading halt in VRX's securities under Listing Rule 17.1. If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

Suspension

If you are unable to respond to this letter by the time specified above, ASX will likely suspend trading in VRX's securities under Listing Rule 17.3.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to VRX's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. It should be noted that VRX's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Release of correspondence between ASX and entity

We reserve the right to release a copy of this letter, your reply and any other related correspondence between us to the market under Listing Rule 18.7A.

Questions

If you have any questions in relation to the above, please do not hesitate to contact me.

Yours faithfully

Belinda Giles
Adviser, Listings Compliance (Perth)