



**VRXSILICA**

11 December 2018

**ASX ANNOUNCEMENT**

## Three LOIs for Silica Sand Offtake

- *Indicative interest from three different distributors to purchase a total of 590,000 tonnes of silica sand per year;*
- *All three interested parties have long-term associations with the silica sand supply sector in the Asia-Pacific region;*
- *Buyers in the Philippines, China and South Korea have requirements in three different industries.*

**VRX Silica Ltd (ASX:VRX) (VRX or Company)** (formerly Ventnor Resources) is pleased to announce that it has received three non-binding Letters of Intent (**LOIs**) for the offtake of an aggregate 590,000 tonnes of silica sand per annum from the Company.

The LOIs have been received from a diverse range of silica sand distributors in the Asia-Pacific region – the Company's primary target market for the supply of silica sand – to supply silica sand to different countries for a range of industries.

VRX Managing Director Bruce Maluish commented, "The receipt of these three LOIs supports the Company's research that there is significant demand for silica sand products of the type capable of production from the Company's Arrowsmith and Muchea silica sand projects. This is a solid foundation for the Company's initial aim of establishing demand for more than 1 million tonnes per annum from each individual project area."

Details of the distributors and the LOIs generally are set out below.

### The LOIs

#### **Si Resources Corporation – Philippines**

Si Resources Corporation (**SRC**) is a wholly owned subsidiary of Rock Energy International Corporation; during the last two decades it has been one of the leading distributors of imported silica sand within the Philippines.

SRC is located in Manila South Harbour, Philippines, and supplies the Philippine glass bottle manufacturing industry with 110,000 tonnes of silica sand annually as well as supplying other industrial users of silica sand, creating a total annual demand of 290,000 tonnes.

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#### **ASX: VRX**

##### **Capital Structure**

Shares on Issue:  
365 million

Unlisted Options:  
63 million

##### **Corporate Directory**

###### **Paul Boyatzis**

*Non-Executive Chairman*

###### **Bruce Maluish**

*Managing Director*

###### **Peter Pawlowitsch**

*Non-Executive Director*

###### **John Geary**

*Company Secretary*

##### **Company Projects**

*Arrowsmith Silica Sands Project, 270km north of Perth, WA.*

*Muchea Silica Sand Project, 50km north of Perth, WA.*

*Biranup base metals and gold Project adjacent to the Tropicana Gold Mine, WA, (subject to option with MCT).*

*Warrawanda Nickel Project south of Newman, WA.*

*The Company is actively assessing other projects in Australia.*

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#### **VRX Silica Limited**

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SRC's LOI covers the supply of this tonnage annually from the Company with pricing dependent on final specification.

The specification\* sought by SRC can be met from the **Arrowsmith Silica Sand Project** production.

#### **Shanghai GEEYEAH International Trading Co., Ltd – China**

Shanghai GEEYEAH International Trading Co., Ltd (**SGI**) is located in Pudong New District, Shanghai, China and is a leading supplier of silica sand for more than 15 years to the fibreglass market and more recently to the solar panel cover glass market.

SGI's LOI covers the supply of 200,000 tonnes per annum, subject to final price and specification, for a period of five years.

The specification\* sought by SGI can be met from the **Muchea Silica Sands Project** production.

#### **Dong A Heung-Eop Mining Co., Ltd – Republic of Korea**

Dong A Heung-Eop Mining Co., Ltd (**DAHEM**) of Busan, Republic of Korea, has been one of the leading suppliers of casting sand to the Korean foundry industry for more than 50 years.

DAHEM's LOI covers the supply of 100,000 tonnes of high purity silica sand per annum with pricing dependent on final specification.

The specification\* sought can be met from the **Arrowsmith Silica Sand Project** production.

#### **Capacity for Supply**

The Company is confident from exploration and testwork conducted to-date that it can readily meet the specifications\* and tonnage sought under the LOIs from the Company's two silica sand projects in Western Australia - Muchea and Arrowsmith - as set out in the table below.

On 2 October 2018, the Company announced to the ASX a maiden inferred mineral resource at its Arrowsmith Project of 193.6 million tonnes of silica sand at 98% SiO<sub>2</sub>. Further testwork demonstrated this can be upgraded using a simple process circuit to produce glass- grade silica sand (as announced earlier to the ASX on 20 September 2018).

On 20 November 2018, the Company announced to the ASX a maiden JORC compliant Inferred Resource at its Muchea Project of 191 million tonnes of silica sand at 99.6% SiO<sub>2</sub>, including 19 million tonnes at 99.7% SiO<sub>2</sub>. Testwork had confirmed the potential for a very high-quality product of 99.9% SiO<sub>2</sub> with less than 100ppm Fe<sub>2</sub>O<sub>3</sub>.

<b>Distributor</b>	<b>Muchea Project (annual tonnes)</b>	<b>Arrowsmith Project (annual tonnes)</b>
SRC		290,000
SGI	200,000	
DAHEM		100,000
<b>Total</b>	<b>200,000</b>	<b>390,000</b>

\* Specifications sought under each LOI are commercial-in-confidence.

For silica sand enquiries contact Mr Kim:

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## About VRX Silica

VRX Silica Ltd (**VRX Silica**) (**ASX: VRX**) has significant silica sand projects with four granted exploration licences and one application pending over the Arrowsmith Silica Sand Project, located 270km north of Perth, Western Australia, and one granted exploration licence and one application pending over the Muchea Silica Sand Project, 50km north of Perth, which complements Arrowsmith with additional significant silica sand resources. Initial testwork has confirmed that the silica sand at both Projects can be upgraded to glassmaking quality. Further work is underway on both projects to enable feasibility studies to be completed.

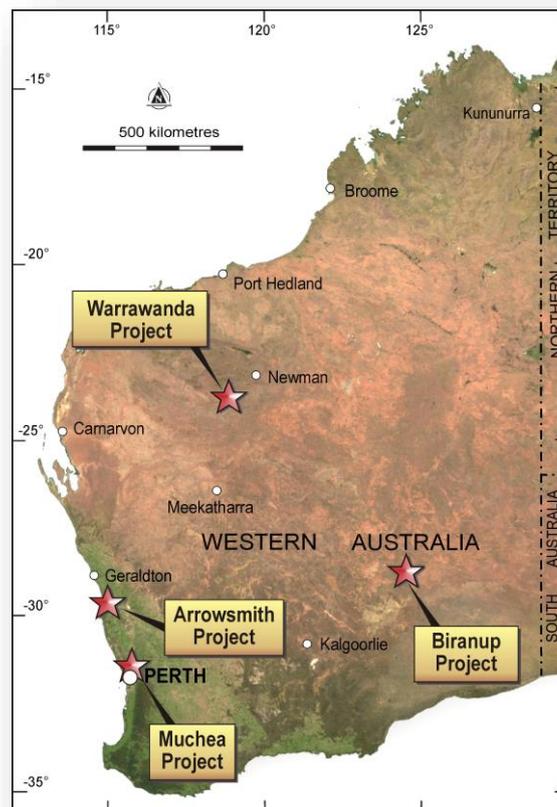
VRX Silica also has granted tenements at its Biranup Project, adjacent to the Tropicana Gold Mine in Western Australia's Goldfields that are prospective for gold and base metals, which are currently under option for partial sale and farm-in joint venture.

Also, in Western Australia, 40km south of Newman, is VRX Silica's Warrawanda Nickel Project, which is prospective for nickel sulphides.

## 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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