

24 March 2022

ASX ANNOUNCEMENT

Boyatup Drilling Commenced

Highlights:

- **Maiden aircore drill program at Boyatup Silica Sand Project**
- **Targeting a 2,000ha area for high grade silica sand**

VRX Silica Limited (**VRX** or **Company**) (ASX: VRX) is pleased to announce a 100 hole air core drill program has commenced at its Boyatup Silica Sand Project (**Boyatup**), located approximately 100km east of Esperance, Western Australia.

Results of early work undertaken by VRX and the previous tenement holder indicated in-situ sand grades up to 99.7% SiO₂ with potential to produce a very low Fe₂O₃ product.¹

Drilling is expected to take up to 10 days with assay results to follow in late April 2022. This drilling campaign is anticipated to enable a maiden mineral resource to be estimated. Drilling will also produce bulk material for metallurgical testwork to determine the product quality that the project can produce.

VRX's Managing Director Bruce Maluish said: *"We are able to use the expertise developed at our Arrowsmith and Muchea silica sand projects to quickly evaluate the product potential from this region."*

"Early work here indicates the in-situ sand is finer than our other projects and can produce a different product for a different market. This in turn would expand the market for our silica sand products."

The drilling is being undertaken pursuant to a program of work, or POW, approved by the Department of Mining, Industry and Regulation and Safety of Western Australia.

In addition, a heritage (site avoidance) survey undertaken by the Esperance Tjaltjraak Native Title Aboriginal Corporation (ETNTAC) has cleared the area for the proposed activity.

Environmental studies over the area have commenced.

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.

¹ ASX announcement of 4 February 2019, "Acquisition of Boyatup Silica Sand Project"

Location and environs

The project is located 100km east of the port town of Esperance, Western Australia (Figure 1 below) and is connected to the Esperance bulk port via the sealed road Fisheries Road which by-passes the city of Esperance. The Esperance bulk port is capable of handling Cape sized vessels of up to 200,000t.

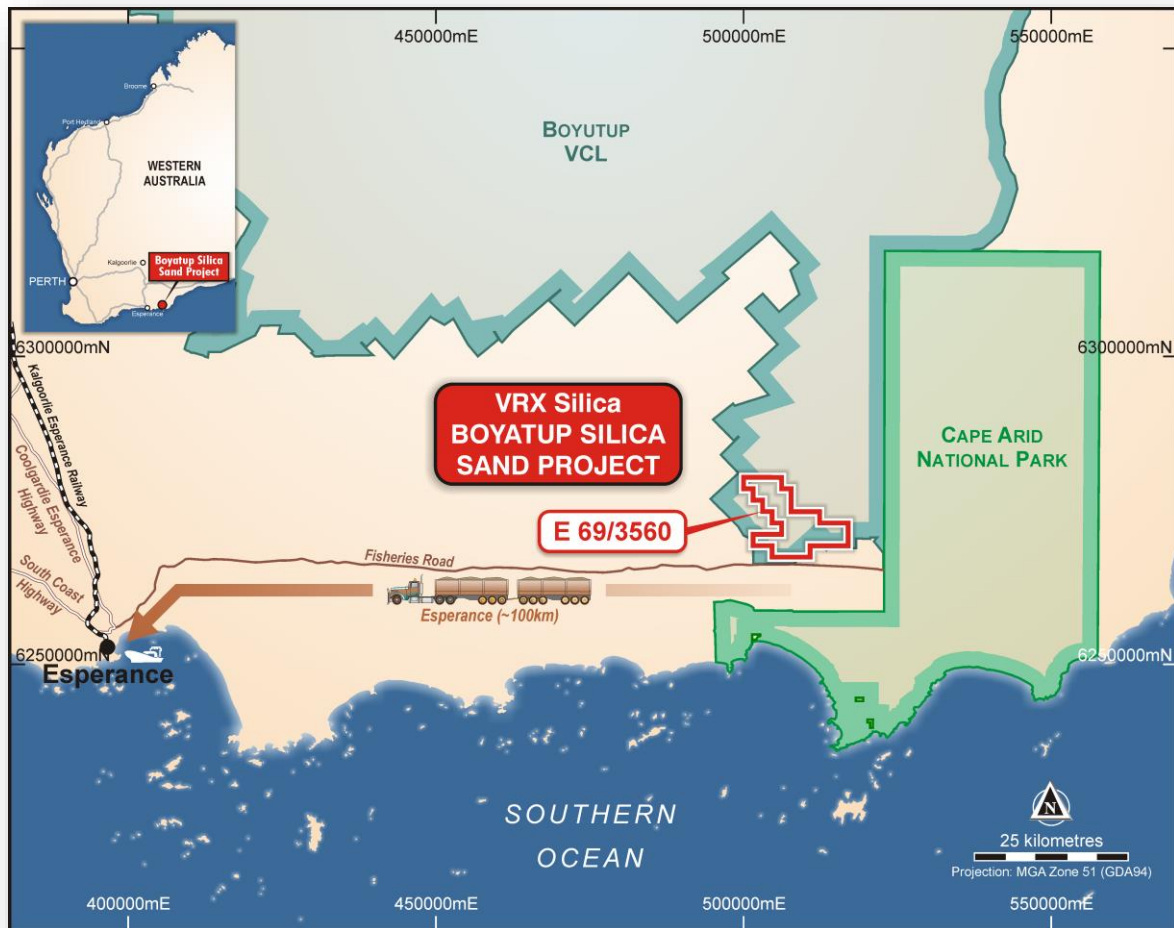


Figure 1: Boyatup Project Location and Drilling Target

The vegetation at Boyatup lends itself to the Company's unique environmental rehabilitation technique, known as vegetation direct transfer or VDT, that will be used at Arrowsmith and Muchea. For further information on this method, see:

<https://vrxsilica.com.au/miningandrehabilitationmethodology/>

VRX has commissioned an environmental desktop study to commence the compilation of required documents. A photograph of the general vegetation type at Boyatup is set out in Figure 2.



Figure 2: Boyatup Vegetation

Historic work

Boyatup was acquired by VRX in February 2019² with two different sand types having been sampled.

ELEMENTS	Al ₂ O ₃	CaO	Fe ₂ O ₃	K ₂ O	MgO	Na ₂ O	TiO ₂	SiO ₂ Calc.
	ppm	ppm	ppm	ppm	ppm	ppm	ppm	%
Yellow Sand	6,710	150	2,534	320	169	163	1,344	98.9
White Sand	1,478	<100	339	247	55	103	886	99.7

The particle size distribution of the silica sand samples, Figure 3, shows that both types of sand are very fine grained and +90% passing 300um. Typical glass sand specification requires a top size of <600um indicating glass grade products of this size will be desirable to end users.

² ASX announcement of 4 February 2019, "Acquisition of Boyatup Silica Sand Project"

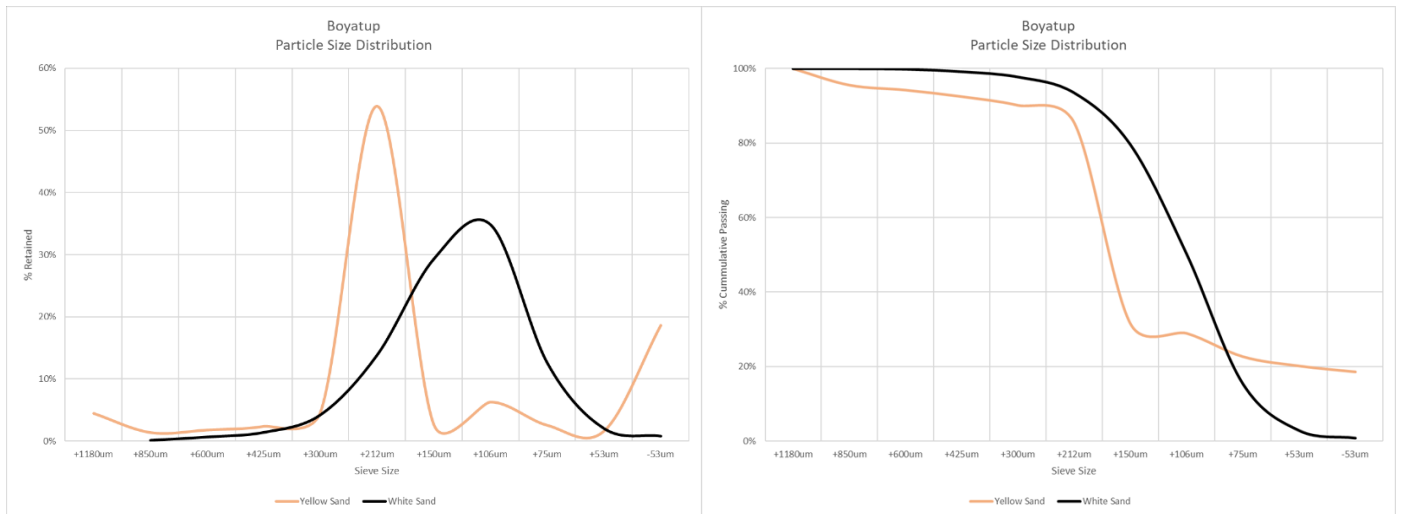


Figure 3: Particle size distribution graphs of sand

During the mid-1990's RGC Limited explored the Boyatup area for mineral sands. RGC targeted this area as it lay on an interpreted paleo coastline, Figure 4.

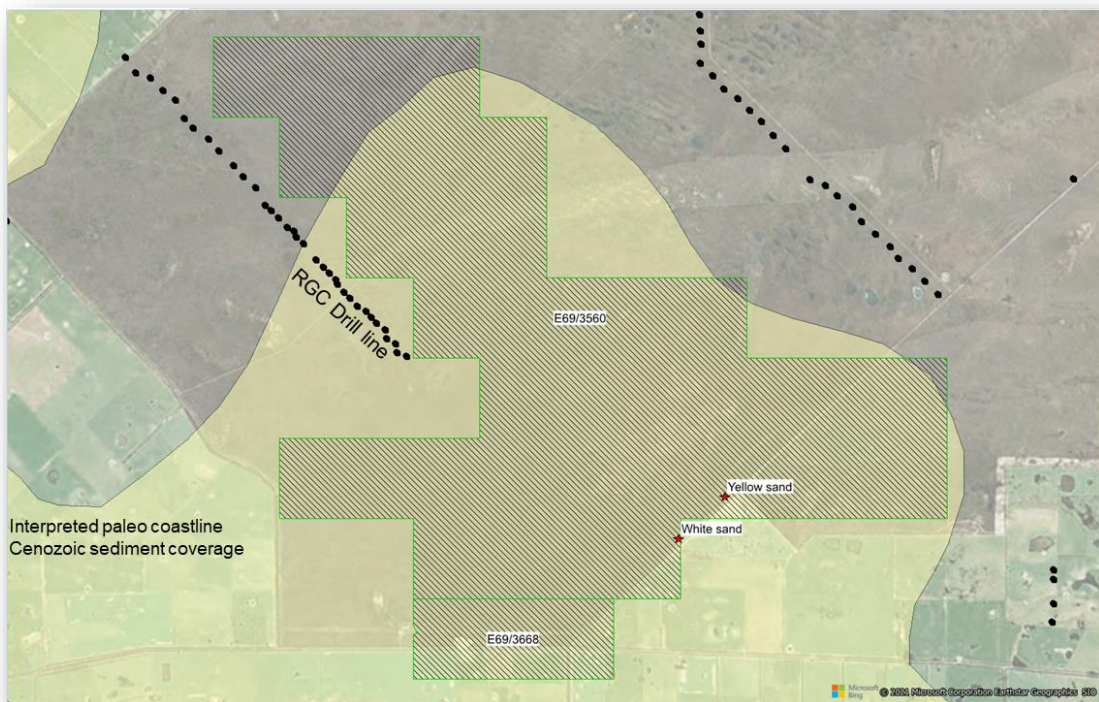


Figure 4: Cenozoic Sediments over Boyatup Project

The Pallinup Siltstone overlays the Werillup Formation sits unconformably on the Proterozoic granite basement. The Pallinup Siltstone is said to have 3 facies units; Spongolite, Sand/Silt and Siltstone (Johnson and Baddock, 1998). The RGC Section shown in Figure 5 shows the surface quaternary deposits of "Sand" and "Clayey Sand" sitting above weathered and then unweathered Pallinup Siltstone. The Pallinup siltstone therefore is the source of the targeted silica sand and the RGC logging is interpreted as equivalent to the sampled white and yellow sands respectively.

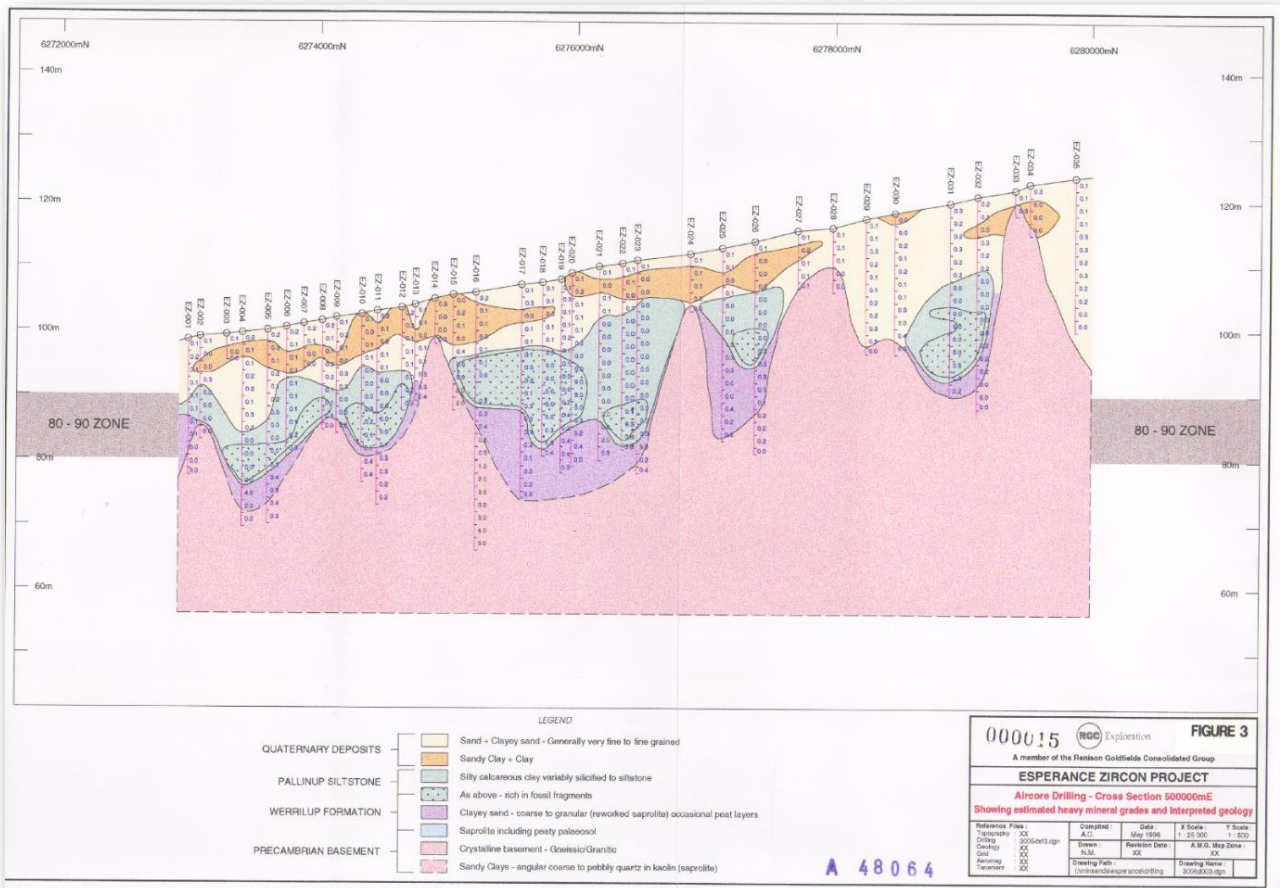


Figure 5: RGC Drill Section

Drilling Target

Figure 6 shows the location of the 2,000ha Drilling Target to be explored. This area makes up less than 20% of the Company's tenure, 100% of which is interpreted to have potential for high grade silica sand.

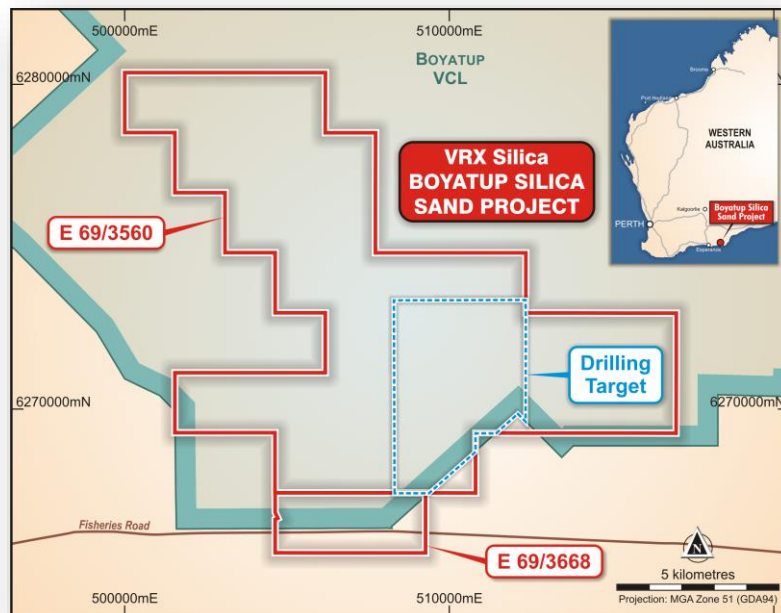


Figure 6: Drilling Target

Exploration Target

The Company has developed an Exploration Target for the area to be drilled at Boyatup that is estimated to contain **30Mt to 60Mt** of high grade silica sand at **98% to 99% SiO₂** grade.

The estimation is based on the following assumptions:

- Exploration Target area 2,000ha – the area being drill tested, see Figure 6.
- 1.6t/m³ in situ bulk density – the dry in situ bulk density is consistent with other VRX silica sand deposits and is considered appropriate here.
- 25% to 40% of the area contains high grade silica sand – the % of drill area that is silica sand is indicated by prior exploration in the area, see Figure 5
- Depth of high grade sand 4 to 5m – the range of sand depth is indicated by prior exploration in the area, see Figure 5
- In-situ grade ranges from 98% to 99% SiO₂ – the grade range reflects prior VRX sampling

The Exploration Target estimation is therefore estimated using the following calculation:

- 2,000ha x 1.6t/m³ x 25% (low) 40% (high) x 4m (low) 5m (high) = **30Mt to 60Mt**

Details of previous exploration work undertaken at Boyatup is set out in the Company's announcement released to ASX on 4 February 2019. The material assumptions underpinning the Exploration Target and detailed in that announcement continue to apply and have not materially changed.

The potential quality and grade of the Exploration Target is conceptual in nature. There has been insufficient exploration to estimate a Mineral Resource. It is uncertain if further exploration will result in the estimation of a Mineral Resource.

Competent Persons' Statement

The information in this document that relates to the Boyatup Silica Sand Project exploration results and exploration target is based on, and fairly represents, information compiled by Mr David Reid, who is a full-time employee of VRX Silica Limited. Mr Reid, BSc (Geology), is a registered member of the Australian Institute of Geoscientists and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and the activity being undertaken to qualify as a Competent Person under the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code). Mr Reid consents to the inclusion of the data in the form and context in which it appears.

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

Further information:

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About VRX Silica

VRX Silica Ltd (ASX: VRX) is developing world-class, high-grade silica sand projects in Western Australia.

The Arrowsmith North and Arrowsmith Central Silica Sand Projects, 270km north of Perth, comprise two granted mining leases. Arrowsmith North is at an advanced stage with an EPA approved Environmental Scoping Document. Bankable feasibility studies for both projects have demonstrated exceptional financial metrics.

The Muchea Silica Sand Project, 50km north of Perth, comprises three granted exploration licences as well as one granted mining lease. Muchea is a world-class project with high-purity silica sand in situ suitable for beneficiation to ultra-clear glassmaking quality particularly for solar panels. A bankable feasibility study has demonstrated outstanding financial metrics.

The Boyatup Silica Sand Project, 100km east of Esperance, comprises two adjacent granted exploration licences. Initial indications are that this project can complement the Arrowsmith and Muchea projects and add to the range of silica products VRX Silica may be capable of producing. Drilling is now underway.

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.

Project Locations

