18 March 2021

ASX ANNOUNCEMENT

VRX Submits Arrowsmith North EPA Referral

Highlights:

- ***EPA referral formally submitted for Arrowsmith North***
- ***Unique and progressive mining and rehabilitation method***
- ***Minimal environmental impact and low carbon footprint***
- ***Significant milestone for the development of Arrowsmith North***

VRX Silica Limited (**ASX: VRX**) (**VRX** or **Company**) is pleased to announce that it has submitted its referral to the Environmental Protection Authority (**EPA**), under Section 38 of the *Environmental Protection Act 1986*, for environmental approval for its 100%-owned Arrowsmith North Silica Sand Project (**Arrowsmith North**), located approximately 270km north of Perth, Western Australia.

The referral is the culmination of wide-ranging environmental studies undertaken by and for the Company over the past three years and extensive pre-referral consultation with the EPA.

VRX's Managing Director, Bruce Maluish, commented: "This is a significant milestone for the development of Arrowsmith North and our goal to become a leading supplier of high-quality silica sand to the global market.

"VRX has developed a unique and progressive mining and rehabilitation method specifically for Arrowsmith North and our other silica sand projects to minimise the environmental impact of our activities.

"Thorough planning will allow us to deliver our silica sand projects sustainably and efficiently, with a very low carbon footprint."

VRX's Vegetation Direct Transfer (**VDT**) method lends itself to rapid and extensive regeneration of affected areas based on continuous rehabilitation as silica sand mining progresses.

Root structures in the loose sand at Arrowsmith North are relatively shallow at 200-300mm in depth. The VDT method removes a 400mm deep sod, with the topsoil containing the vast majority of native flora and invertebrate fauna preserved and near-surface humus and its microbial contents remaining intact.

A video of the Company's proposed VDT method is available for viewing at: https://vrxsilica.com.au/miningandrehabilitationmethodology/

ASX: VRX

Capital Structure

Shares on Issue: 504.6 million

Listed Options: 23.5 million

Unlisted Options: 49.3 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 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.

VRX's referral, which incorporates pre-referral feedback received from the EPA in December 2020 to the Company's draft referral submitted in September 2020, concludes that Arrowsmith North can be developed without significant residual impacts on the environment given the implementation of mitigation measures, in particular the proposed mining and rehabilitation methodology.

VRX will use no chemicals and produce no dust while processing the mined silica sand, with efficient attritioning beneficiating the sand to glass-quality product for export.

The Company will recycle a substantial proportion of water used in processing, with preliminary engineering work targeting an up to 95% recycling rate and further investigations underway to recycle even more water. Water will be sourced from the deeper Yarragadee North aquifer.

All mining will be conducted well above the surficial water table.

The Arrowsmith North processing plant will ultimately be powered by a hybrid wind, solar and gas power system to minimise emissions.

The Company has already conducted Aboriginal heritage and ethnographic surveys with no significant sites recorded in the proposed mining area. Arrowsmith North will offer employment and contract opportunities to local Indigenous groups and VRX intends to support the local ranger program.

The EPA's environmental impact assessment will be conducted as an accredited assessment that will see it also assess the proposal on behalf of the Federal Department of Agriculture, Water and Environment.

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

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 granted mining leases. 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 two granted and one application for exploration licences, and one granted mining lease. 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

