

14 February 2019

Arrowsmith Central Mining Lease Application

Highlights:

- **Mining Lease Application MLA70/1392 submitted for Arrowsmith Central Prospect**
- **Includes Mineral Resource for silica sand within the MLA boundary of 27 Mt @ 97.7% SiO₂.**
- **Prior testwork demonstrates that the Resource can be processed to high-quality glass-making sand**
- **Third Mining Lease Application lodged covering a combined 6,546 Ha. The Company's total silica sand resources are 412.6 million tonnes over two Projects at an average 98.7% SiO₂**

VRX Silica Limited (**VRX Silica** or **Company**) (ASX: VRX) is pleased to announce the Company has lodged an application for its third silica sand Mining Lease at its Arrowsmith Central prospect, which is contained within Arrowsmith Silica Sand Project, located 270km north of Perth.

The mining lease application includes 96% of the total previously announced Resource of 28 Mt @ 97.7% SiO₂ (Arrowsmith Central Maiden Mineral Resource of 13 December 2018).

VRX Silica Managing Director Bruce Maluish said: "This application for a Mining Lease at Arrowsmith Central is another extensive application of 1,900 hectares and substantially covers the previously identified Mineral Resource. The combined Mining Lease Applications over the Company's Arrowsmith and Muchea Silica Sand Projects now amount to 6,546 Ha with a significant inventory of over 400 Mt of Silica Sand at an average 98.7% SiO₂, which we expect to increase with planned drilling deeper than the hand-auger sampling previously undertaken to estimate the Resources. Drilling on all three Mining Lease Application areas is planned to be undertaken in this March quarter and is expected to increase the confidence and JORC Resource status at each project."

"Environmental baseline surveys have been completed over the application area to support an application for a Mining Permit this March quarter", said Maluish.

This is the last of three Mining Lease Applications that the Company is planning to lodge this year to complete its silica sand project mining lease applications.

ASX ANNOUNCEMENT

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 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

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 silica sand
projects in Australia.

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The Arrowsmith Central Mining Lease Application MLA70/1392 has an area of 1,900Ha, see Table 1 below, and covers part of the Exploration Licence E70/4987, Figure 1 below, which was granted on 6 April 2018.

Table 1: Arrowsmith Central tenement application details

Tenement	Holders	Application date	Area (km ²)
MLA70/1392	Ventnor Mining Pty Ltd	13/02/2019	19.0

CSA Global has reported the Mineral Resource which is located within the MLA boundary and is summarised in Table 2, below.

Table 2: Arrowsmith Central Silica Sand Mineral Resource estimate within MLA

Classification	Million Tonnes	SiO ₂ %	Al ₂ O ₃ %	Fe ₂ O ₃ %	LOI%	TiO ₂ %
Inferred	27	97.7	1.2	0.3	0.5	0.2

* Note: Mineral Resources are reported only from within the VRX nominated MLA and form a subset of the total Arrowsmith Central Project Mineral Resources as reported to the ASX on 13 December 2018. Differences may occur due to rounding.

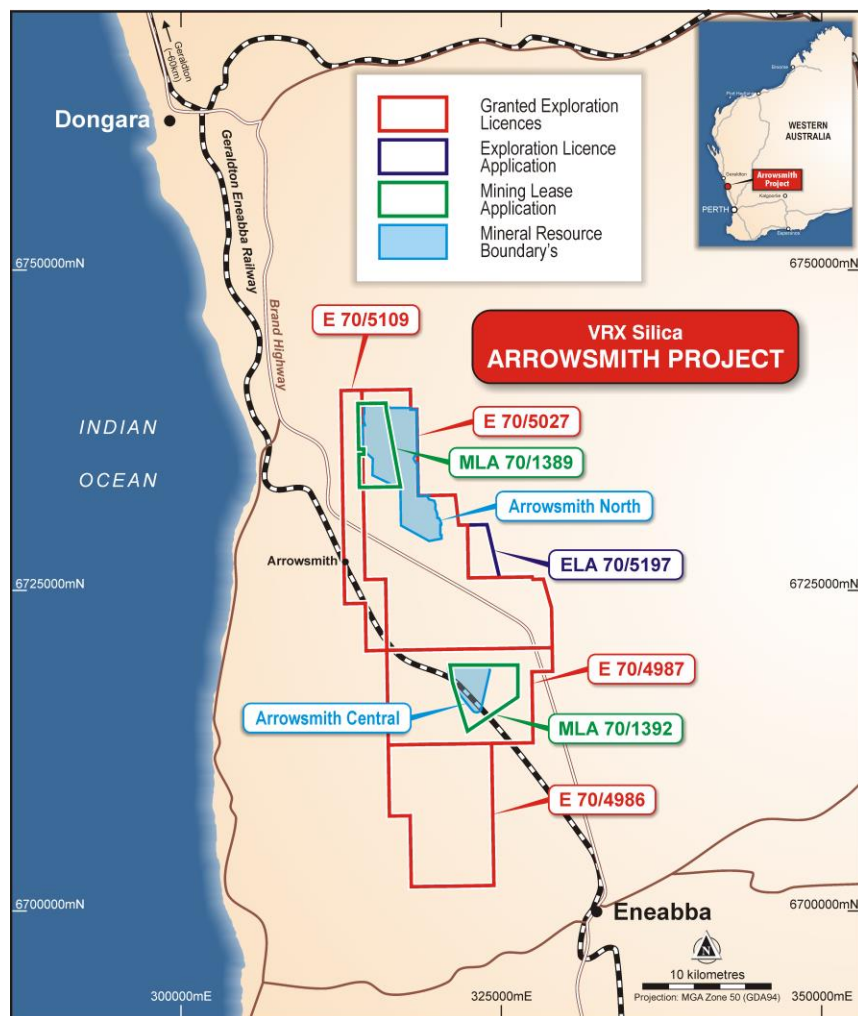


Figure 1: Arrowsmith Silica Sand Project Location

Future Work

A Programme of Works for infill aircore drilling has been approved by DMIRS and the Aboriginal Heritage and Ethnographic Survey has been completed over the drill program area. This drilling, which will extend and deepen the current Mineral Resource, is expected to be completed in the March Quarter 2019.

VRX Silica Limited – Summary of Silica Sand Mineral Resources

Project Name	Indicated		Inferred		Total	
	Mt	SiO ₂ %	Mt	SiO ₂ %	Mt	SiO ₂ %
Arrowsmith North			193.6	98.0%	193.6	98.0%
Arrowsmith Central			28	97.7%	28	97.7%
Muchea	19	99.7%	172	99.6%	191	99.6%
Total	19	99.7%	393.6	98.8%	412.6	98.7%

Competent Persons Statements

The information in this Report that relates to Arrowsmith Exploration Results is based on data collected under the supervision of Mr David Reid, in his capacity as Exploration Manager. 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”. Mr Reid consents to the inclusion of the data in the form and context in which it appears.

The information in this report that relates to Mineral Resources is based on information compiled by Mr Grant Louw who is a full-time employee of CSA Global, under the direction and supervision of Dr Andrew Scogings who is an Associate of CSA Global. Dr Scogings is a Member of the Australasian Institute of Mining and Metallurgy and a Member of the Australian Institute of Geoscientists. He is a Registered Professional Geologist in Industrial Minerals. Dr Scogings has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as Competent Person as defined in the 2012 Edition of the Australasian Code for the Reporting of Exploration results, Mineral Resources, and Ore Reserves (JORC Code). Dr Scogings consents to the disclosure of information in this report in the form and context in which it appears.

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About VRX Silica

VRX Silica Ltd (**VRX Silica**) (**ASX: VRX**) has significant silica sand projects in Western Australia.

The Arrowsmith Silica Sand Project, located 270km north of Perth, comprises four granted exploration licences with one exploration licence and two mining lease applications pending. The Muchea Silica Sand Project, located 50km north of Perth, comprises one granted exploration licence with one exploration licence and one mining lease applications pending. Initial testwork has confirmed that the silica sand at both Projects can be upgraded to glassmaking quality and further work is underway to enable feasibility studies to be completed.

The recently purchased Boyatup Silica Sand Project, located 100kms east of Esperance, comprises one exploration licence and initial indications are that this project will complement both Arrowsmith and Muchea and add to the silica products VRX Silica will look to produce.

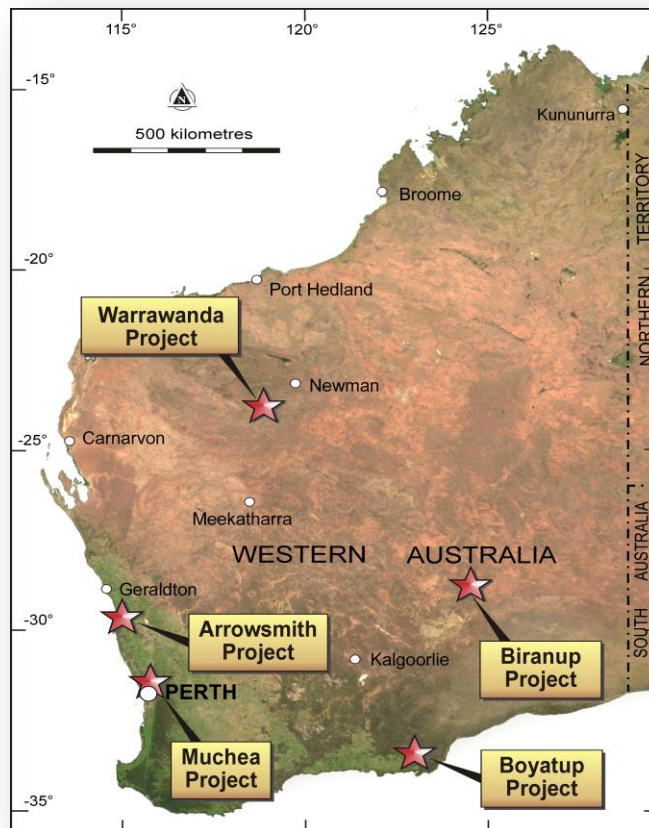
VRX Silica also has granted tenements at its Biranup Project, adjacent to the Tropicana Gold Mine in Western Australia's Goldfields that are prospective for gold and base metals, which are currently under option for partial sale and farm-in joint venture.

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



VRX Silica Limited

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