



13 March 2019

Drilling at Muchea and Arrowsmith Silica Sand Projects

Highlights:

- **Commencement of drill programs on three Company Silica Sand Projects**
- **Program to increase Resources and JORC confidence at Arrowsmith North and Central and Muchea**

VRX Silica Limited (**VRX Silica** or **Company**) (ASX: VRX) is pleased to announce it has commenced drilling at three of its project areas at the North and Central Arrowsmith Silica Sand Projects (**Arrowsmith**), located 270km north of Perth, WA, and its Muchea Silica Sand Project (**Muchea**), 50km north of Perth.

The aircore drilling program at the Arrowsmith projects follow the Company's initial shallow hand auger drilling. The drill program will be closer spaced and deeper than the initial work and is expected to increase the tonnage of sand and also the JORC confidence within the Mining Lease applications at both Arrowsmith project areas.

The program at the Muchea project will be closer spaced than the original aircore drilling and will both increase the tonnage within the area of Indicated Resource and also increase the JORC confidence within the area of the recently applied for Mining Lease.

Drilling will be undertaken with a Landcruiser mounted Mantis aircore drill rig which is capable of deeper drill holes than those previously drilled by hand auger.

The planned drill program consists of a total of 189 holes for 1,726 metres at Arrowsmith and 57 holes at Muchea for 887 metres and take approximately two weeks to complete.

Assays are expected to be available for new Resource estimations 3-4 weeks after completion of drilling.

VRX Silica Managing Director Bruce Maluish said: "These drill programs follow on from the initial drilling and Resource estimates with results from our extensive testwork programs justifying our investment to increase these Resources and our confidence level to estimate Reserves."

Testwork results and the catalogue of our potential products were announced 26 February 2019.

"Results from these drill programs will add substantial value to our inventory and confirm our previous assumptions about the extent and quality of our silica sand projects," said Maluish.

ASX ANNOUNCEMENT

ASX: VRX

Capital Structure

Shares on Issue:
366 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 HPQ Project south of Newman, WA.

The Company is actively assessing other silica sand projects in Australia.

VRX Silica Limited

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Drilling Programs

Aircore drilling is underway on the Company's three silica sand deposits at Muchea, and Arrowsmith North and Central, with planned drilling set out in Table 1.

Table 1: Planned Aircore Drilling

Project	Holes Planned	Total Metres	Average Hole Depth Metres
Muchea	57	887	15.6
Arrowsmith North	114	1,276	11.2
Arrowsmith Central	75	450	6

This drilling is planned to extend and upgrade the current dataset that has been used to estimate the Company's Silica Sand Resources as set out in Table 2.

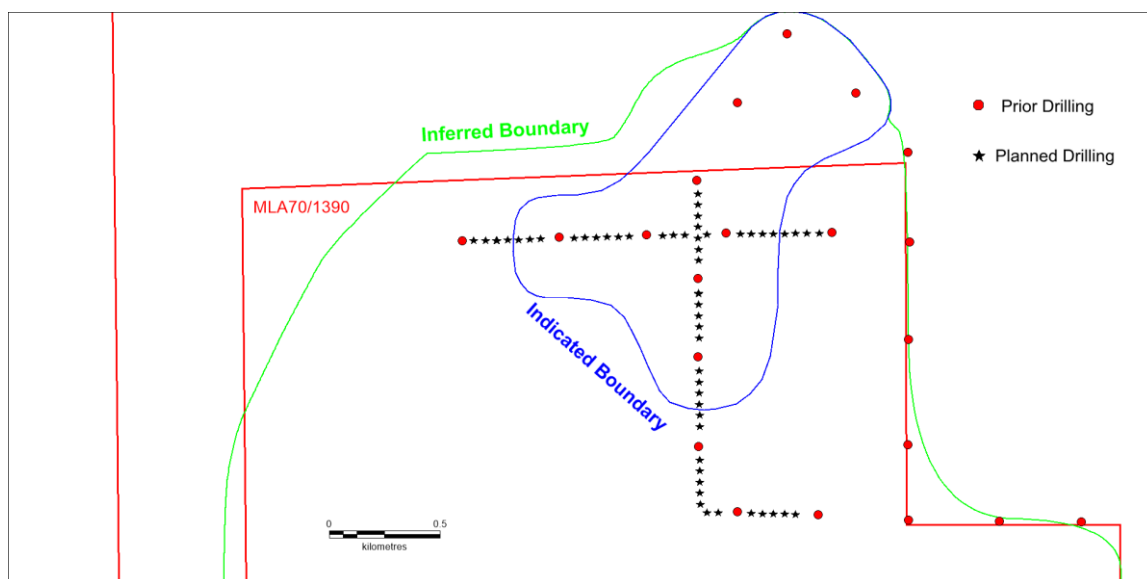
Table 2: Summary of Silica Sand Mineral Resources*

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

(*announced 20 November 2018, 2 October 2018, and 13 December 2018 respectively)

Muchea

The plan below shows the location of the planned drilling. This area is the most likely starting area for mining and the tight 50m spacing is intended to give a high confidence ahead of mining.



The planned drill program is being conducted only on existing tracks.



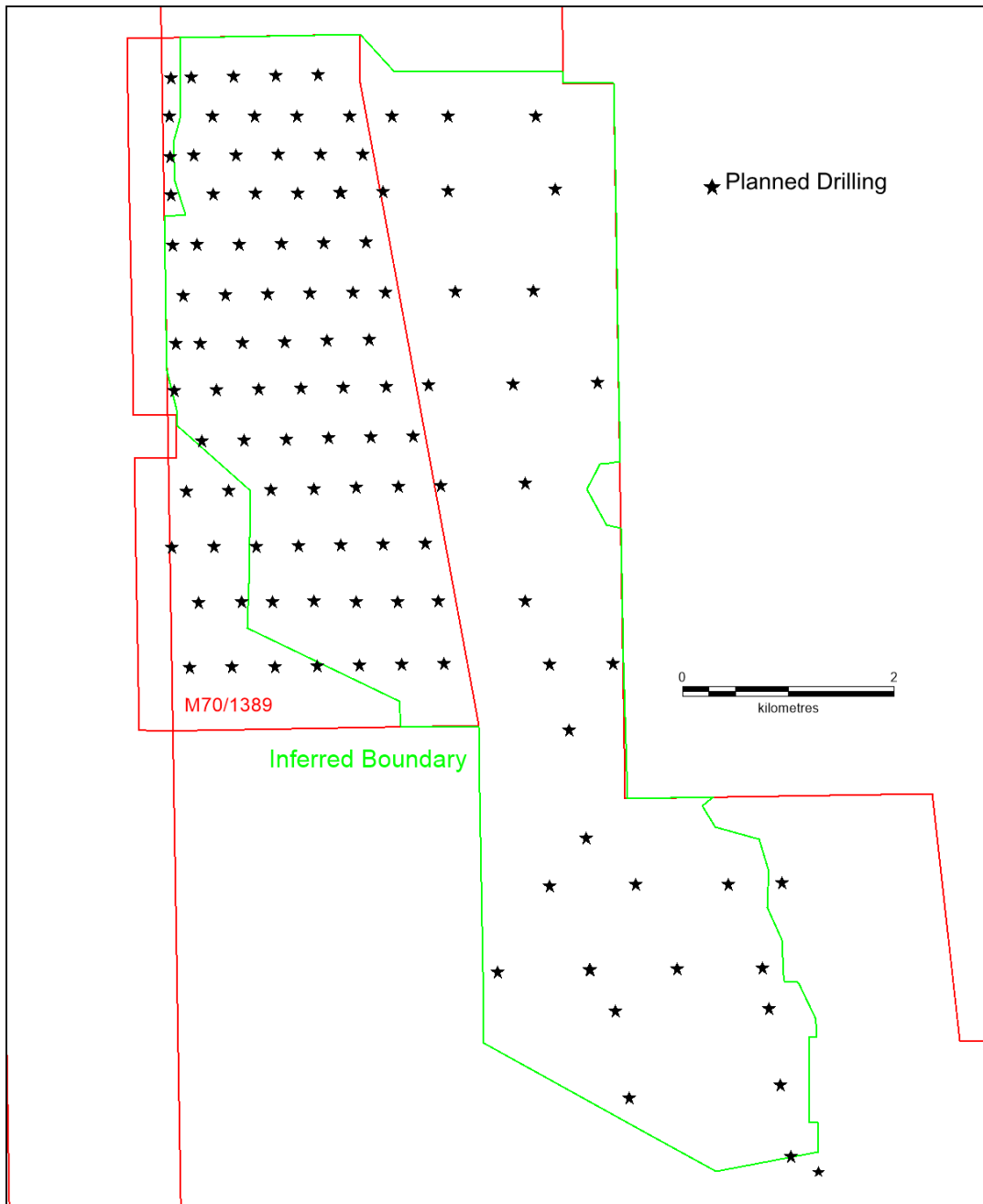
Arrowsmith North

The plan below shows the location of the planned drilling. This area has only been tested by shallow hand augering with an average depth of 3.8 metres. The drilling is planned to an average of 11.2 metres, maximum 26 metres. The purpose of the drilling is to significantly increase the volume of sand tested and to infill the mining lease area with the intention of estimating a JORC Compliant Indicated Resource.

VRX Silica Limited

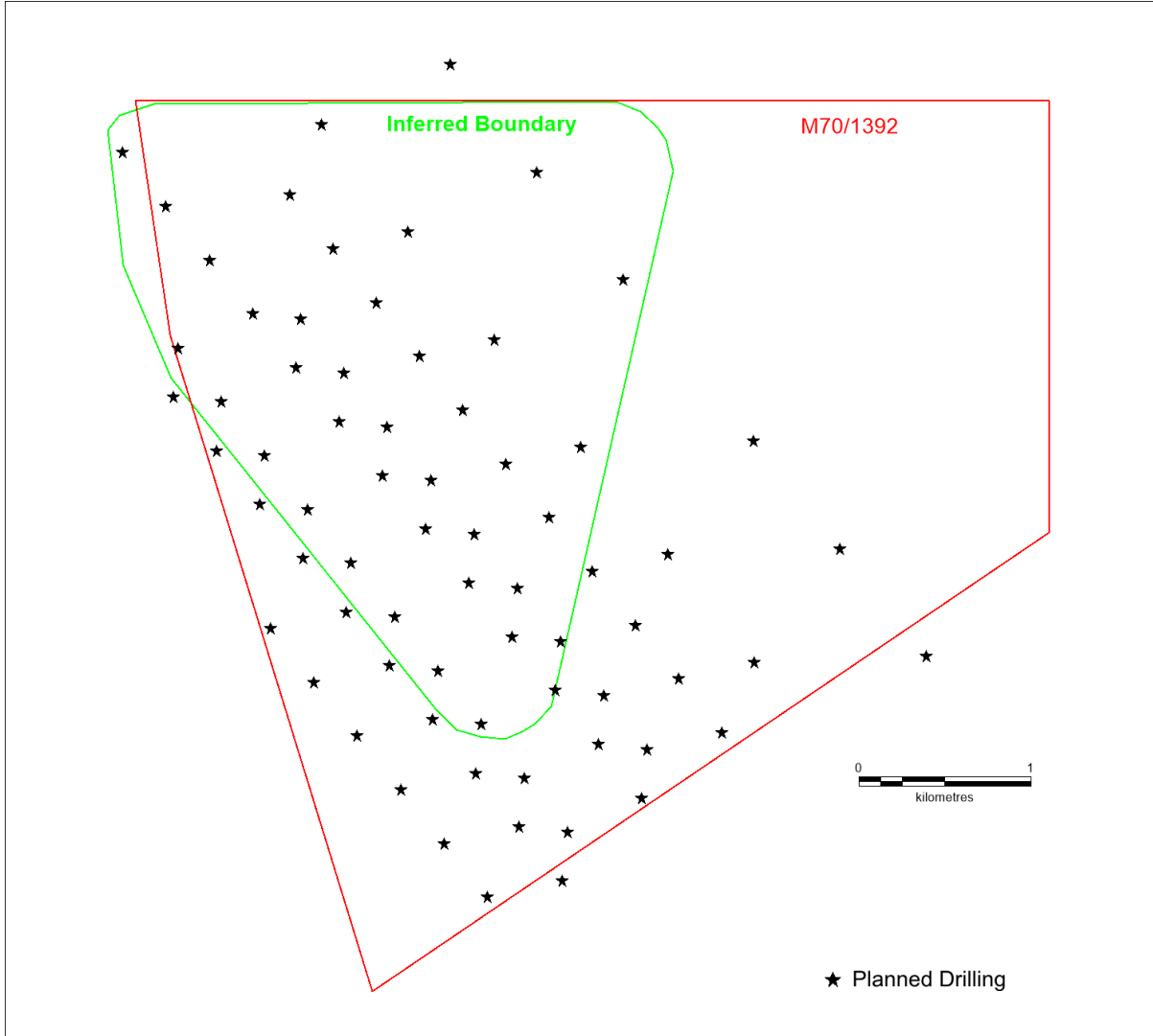
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Arrowsmith Central

The plan below shows the location of the planned drilling, this area has only been sparsely tested in the past with very shallow auger drilling along existing tracks. This new drilling will significantly increase the area that has been tested and will infill with the expectation of estimating a JORC Compliant Indicated Resource.



Competent Person's Statement

The information in this document that relates to exploration results and exploration targets 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.

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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. Testwork has confirmed a range of silica sand products which are capable of production at both projects. 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 granted exploration licence and since acquisition the Company has applied for an additional Exploration License to extend the holding. Initial indications are that this project will complement both Arrowsmith and Muchea while adding to the silica products VRX Silica will look to produce.

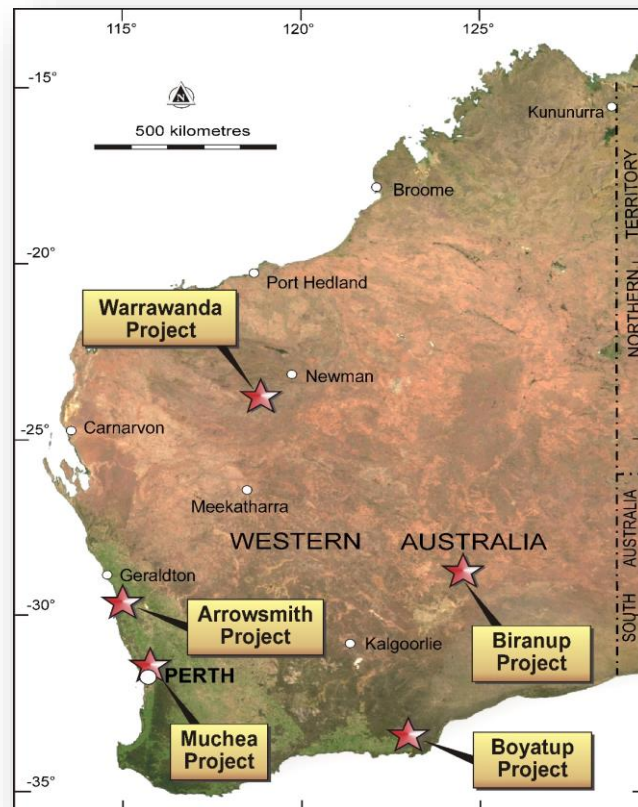
Also, in Western Australia, 40km south of Newman, is VRX Silica's Warrawanda HPQ Project, which is prospective for high purity quartz and nickel sulphides.

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.

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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