



VRXSILICA

ASX ANNOUNCEMENT

17 January 2019

Muchea Mining Lease Application

Highlights:

- **Mining Lease Application MLA70/1390 submitted for Muchea Silica Sand Project**
- **Includes Mineral Resource for silica sand within the MLA boundary of 175.2 Mt @ 99.6% SiO₂**
- **Prior testwork demonstrates that the Resource can be processed to high-quality glass-making sand**

VRX Silica Limited (**VRX Silica** or **Company**) (ASX: VRX) is pleased to announce the Company has lodged an application for its second silica sand Mining Lease at its Muchea Silica Sand Project, which is located 50km north of Perth.

The mining lease application includes 92% of the total previously announced Resource of 191 Mt @ 99.6% SiO₂ (*Muchea Maiden Resource of 20 November 2018*) but is expected to increase with deeper drilling than the hand-auger sampling previously undertaken to estimate the Resource.

VRX Silica Managing Director Bruce Maluish said: *“This application for a Mining Lease at Muchea is a very extensive application of nearly 3,000 hectares and covers the prospective Resource for very long-term future mining.”*

“Significant environmental studies have already been undertaken and will be finalised to lodge an application for a Mining Permit as soon as possible this year”, said Maluish.

This is the second of three Mining Lease applications that the Company will lodge in the short term with an application at Arrowsmith Central to be lodged imminently to complete the silica sand project applications.

The Company continues to field enquiries from interested customers for silica sand sales and is undertaking due diligence and testwork programs to confirm quality requirements. The Company has previously announced the receipt of Letters of Intent, *“Three LOIs for Silica Sand Offtake”* of 11 December 2018.

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 silica sand projects in Australia.

VRX Silica Limited

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The Muchea Mining Lease Application MLA70/1390 has an area of 2,918Ha, see Table 1 below, and covers part of the Exploration Licence E70/4886, Figure 1, which was granted on 27/03/2017.

Table 1: Muchea tenement application details

Tenement	Holders	Application date	Area (km ²)
MLA70/1390	Wisecat Pty Ltd	14/01/2019	29.2

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

Table 2: Muchea Silica Sand Mineral Resource estimate within MLA

Classification	Million Tonnes	SiO ₂ %	Al ₂ O ₃ %	Fe ₂ O ₃ %	LOI%	TiO ₂ %
Indicated	12.5	99.7	0.04	0.04	0.2	0.09
Inferred	162.7	99.6	0.04	0.02	0.2	0.08
Indicated + Inferred	175.2	99.6	0.04	0.02	0.2	0.08

* Note: Mineral Resources are reported only from within the VRX nominated MLA and form a subset of the total Muchea Project Mineral Resources as reported to the ASX on 20 November 2018. Differences may occur due to rounding.

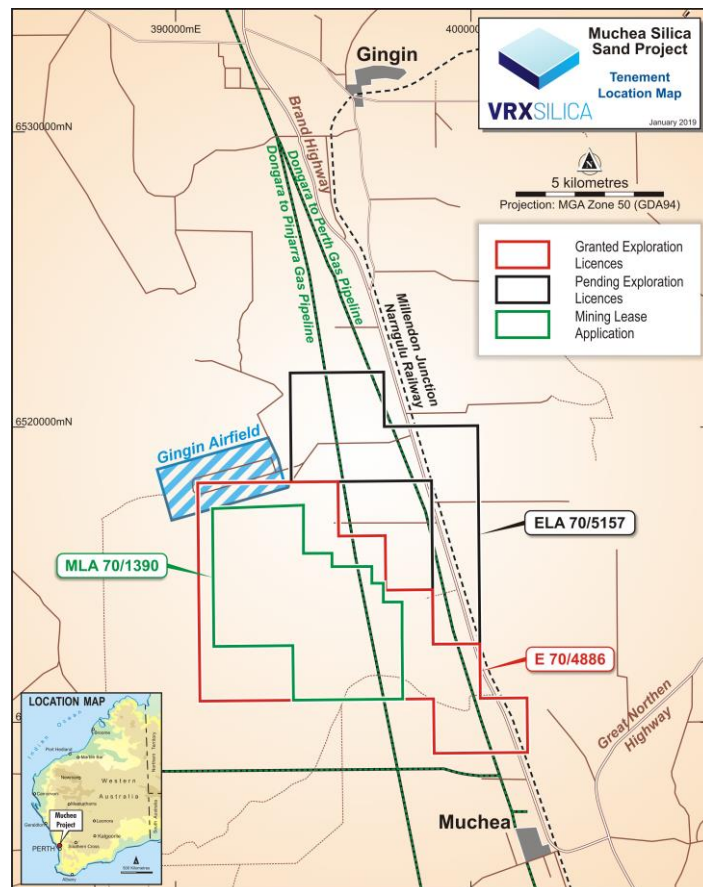


Figure 1: Muchea Silica Sand Project Location

Future Work

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

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 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

