



ABN 59 142 014 873

Notice of Annual General Meeting

Date of Meeting

Friday, 17 November 2023

Time of Meeting

11.00am (WST)

Place of Meeting

Suite 9, 110 Hay Street,
Subiaco WA 6008

**SEE OVERLEAF FOR IMPORTANT INFORMATION
REGARDING MEETING ATTENDANCE AND VOTING**

This document should be read in its entirety.

If Shareholders are in doubt as to how they should vote, they should seek advice from their independent professional advisers prior to voting.

Queries for the Company may be made to the Company Secretary by telephone on +61 (0)8 9388 8290.

IMPORTANT INFORMATION

Meeting attendance and voting

The 2023 Annual General Meeting of the Company will be held as a physical meeting. Shareholders will be able to attend the Meeting in person only.

Votes may be submitted during the Meeting by those Shareholders in attendance either in person or through a validly appointed corporate representative. Votes via validly submitted proxy forms will also be accepted.

Accordingly, the Company strongly encourages Shareholders to lodge a directed proxy form with the Company no later than 48 hours prior to the Meeting. A personalised proxy form has been despatched to Shareholders.

Voting Eligibility

The Directors have determined pursuant to regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 4.00pm (WST) on 15 November 2023.

Voting by poll

All votes taken at the Meeting will be conducted by way of a poll taken physically at the Meeting and from validly submitted proxy forms. Voting will not be conducted electronically. Shareholders are therefore strongly encouraged to submit a valid proxy form in accordance with the instructions below.

Voting by proxy

Shareholders should note that:

- a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- a proxy need not be a member of the Company; and
- a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The proxy form for the Meeting provides further details on appointing proxies and lodging proxy forms. To be valid, the proxy form (and any power of attorney under which it is signed) must be completed and returned by the time and in accordance with the instructions set out in the proxy form. Any proxy form received after that time will not be valid for the Meeting.

Subject to any voting restrictions set out in a voting exclusion statement in respect of the Resolutions, the Chair will vote undirected proxies on, and in favour of, each Resolution.

Corporate representatives

A body corporate may appoint an individual as its representative to exercise any of the powers the body may exercise at meetings of a company's members. The appointment may be a standing one. Unless the appointment states otherwise, the representative may exercise all of the powers that the appointing body could exercise at a meeting or in voting on a resolution.

The representative must, prior to the Meeting, provide evidence of his or her appointment, to the Company's company secretary by email to ianh@vrxsilica.com.au by no later than 5.00pm (WST) on 16 November 2023, the business day prior to the Meeting, noting any authority under which the appointment is signed, unless it has previously been given to the Company.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 2023 Annual General Meeting of Shareholders will be held on Friday, 17 November 2023, commencing at 11.00am (WST) at Suite 9, 110 Hay Street, Subiaco WA 6008.

The enclosed Explanatory Statement accompanies and forms part of this Notice of Annual General Meeting.

AGENDA

ORDINARY BUSINESS

Accounts and Reports

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2023, together with the reports by directors and auditors thereon.

1. Resolution 1: Adoption of Remuneration Report

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

“That for the purpose of section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report set out in the Company’s Annual Report for the financial year ended 30 June 2023 be adopted.”

Note: The vote on this resolution is advisory only and does not bind the Directors or the Company.

Voting Prohibition

In accordance with section 250R of the Corporations Act, a vote in favour of this Resolution must not be cast by, or on behalf of, a member of the Key Management Personnel whose remuneration details are included in the remuneration report, or a Closely Related Party of such member. However, a vote may be cast by such person if:

- (a) the person is acting as a proxy and the proxy form specifies how the proxy is to vote, and the vote is not cast on behalf of a person who is otherwise excluded from voting on this Resolution as described above; or
- (b) the person is the Chair voting an undirected proxy which expressly authorises the Chair to vote on a resolution connected with the remuneration of a member of the Key Management Personnel.

2. Resolution 2: Re-election of Director – David Welch

To consider, and if thought fit, to pass as an ordinary resolution the following:

“That David Welch, being a Director who retires by rotation in accordance with Clause 6.3 of the Constitution and, being eligible, offers himself for re-election, be re-elected as a Director.”

SPECIAL BUSINESS

3. Resolution 3: Approval of 10% Placement Capacity

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **special resolution**:

“That, for the purpose of Listing Rule 7.1A and for all other purposes, approval is given for the issue of Equity Securities totalling up to 10% of the Shares on issue, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Statement.”

4. Resolution 4: Ratification of prior issue of Shares – Placement

To consider and, if thought fit, to pass with or without amendment the following resolution as an **ordinary resolution**:

“That, for the purpose of Listing Rule 7.4 and for all other purposes, Shareholders ratify and approve the previous issue under Listing Rule 7.1 by the Company of 12,500,000 Shares to the parties and on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who received Shares in the Placement or an associate of that person. However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

5. Resolution 5: Ratification of prior issue of Options – Placement

To consider and, if thought fit, to pass with or without amendment the following resolution as an **ordinary resolution**:

“That, for the purpose of Listing Rule 7.4 and for all other purposes, Shareholders ratify and approve the previous issue under Listing Rule 7.1 by the Company of 6,250,002 Options to the parties and on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who received Options in the Placement or an associate of that person. However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

6. Resolution 6: Ratification of prior issue of Shares – SPP

To consider and, if thought fit, to pass with or without amendment the following resolution as an **ordinary resolution**:

“That, for the purpose of Listing Rule 7.4 and for all other purposes, Shareholders ratify and approve the previous issue under Listing Rule 7.1 by the Company of 10,416,696 Shares to the parties and on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who received Shares in the SPP or an associate of that person. However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

7. Resolution 7: Ratification of prior issue of Options – SPP

To consider and, if thought fit, to pass with or without amendment the following resolution as an **ordinary resolution**:

“That, for the purpose of Listing Rule 7.4 and for all other purposes, Shareholders ratify and approve the previous issue under Listing Rule 7.1 by the Company of 5,208,384 Options to the parties and on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who received Options in the SPP or an associate of that person. However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

8. Resolution 8: Approval for issue of Shares and Options – SPP Shortfall

To consider and, if thought fit, to pass with or without amendment the following resolution as an **ordinary resolution**:

“That, for the purpose of Listing Rule 7.1 and for all other purposes, Shareholders approve the issue by the Company of up to 2,083,334 Shares and free-attaching 1,041,667 Options (subject to rounding up of fractional entitlements) to the parties and on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person. However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

BY ORDER OF THE BOARD



Ian Hobson
Company Secretary

5 October 2023

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of Shareholders in connection with the business to be conducted at the Annual General Meeting of members to be held at Suite 9, 110 Hay Street, Subiaco WA 6008 on Friday, 17 November 2023, commencing at 11.00am (WST).

This Explanatory Statement forms part of and should be read in conjunction with the accompanying Notice of Annual General Meeting.

1. 2023 ANNUAL REPORT

In accordance with the requirements of the Constitution and the Corporations Act, the 2023 Annual Report will be tabled at the Annual General Meeting. Shareholders will have the opportunity of discussing the Annual Report and making comments and raising queries in relation to the Annual Report. There is no requirement for a formal resolution on this item.

Representatives from the Company's auditors, RSM Australia Partners, will be present to take Shareholders' questions and comments about the conduct of the audit and the preparation and content of the audit report.

2. ADOPTION OF REMUNERATION REPORT: RESOLUTION 1

The Corporations Act requires that, at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the Directors.

If at least 25% of the votes cast on Resolution 1 are voted against adoption of the Remuneration Report at the Annual General Meeting, and then again at the Company's next annual general meeting, the Company will be required to put to Shareholders a resolution proposing the calling of an extraordinary general meeting to consider the appointment of directors of the Company (**Spill Resolution**).

If more than 50% of the Shareholders vote in favour of the Spill Resolution, the Company must convene an extraordinary general meeting (**Spill Meeting**) within 90 days of the relevant annual general meeting. All of the Directors who were in office on the date when the Company's applicable Directors Report was approved, other than the managing director of the Company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting. Following the Spill Meeting those persons whose election or re-election as Directors is approved will become the Directors.

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this annual general meeting.

The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company. The Remuneration Report is part of the Directors' report contained in the annual financial report of the Company for the financial year ended 30 June 2023.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the Annual General Meeting.

3. RE-ELECTION OF DIRECTOR (DAVID WELCH): RESOLUTION 2

Resolution 2 relates to the re-election of David Welch as a Director.

In accordance with the requirements of clause 6.3 of the Constitution and the Corporations Act, one-third of the directors of the Company retire from office at this Annual General Meeting. Mr Welch retires by rotation and, being eligible, offers himself for re-election.

A summary of the qualifications and experience of Mr Welch is provided in the Annual Report.

The Directors, except for Mr Welch, recommend that Shareholders vote in favour of Resolution 2.

4. APPROVAL OF 10% PLACEMENT CAPACITY: RESOLUTION 3

4.1 General

Listing Rule 7.1A provides that an Eligible Entity may seek Shareholder approval at its annual general meeting to allow it to issue Equity Securities up to 10% of its issued capital over a period up to 12 months after the annual general meeting (**10% Placement Capacity**).

The number of Equity Securities the Eligible Entity may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (as set out in Section 4.2).

The effect of Resolution 3 will be to allow the Directors to issue Equity Securities up to 10% of the Company's fully paid ordinary securities on issue under the 10% Placement Capacity during the period up to 12 months after the Meeting, without subsequent Shareholder approval and without using the Company's 15% share issue capacity under Listing Rule 7.1.

If Shareholders approve Resolution 3, the number of Equity Securities the Eligible Entity may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (as set out in Section 4.2). If Shareholders do not approve Resolution 3, the Company will be unable to issue Equity Securities under the 10% Placement Capacity and will therefore require separate shareholder approval or be limited to the 15% share issue capacity under Listing Rule 7.1.

Resolution 3 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 3 for it to be passed.

4.2 Listing Rule 7.1A

Listing Rule 7.1A enables an Eligible Entity to seek shareholder approval at its annual general meeting to issue Equity Securities in addition to those under the Eligible Entity's 15% share issue capacity.

An Eligible Entity is one that, as at the date of the relevant annual general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) no greater than \$300,000,000.

The Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation (as at 3 October 2023) of approximately \$64.2 million.

Any Equity Securities issued must be in the same class as an existing class of quoted Equity Securities. The Company currently has one class of Equity Securities on issue, being the Shares (ASX Code: VRX).

The exact number of Equity Securities that the Company may issue under an approval under Listing Rule 7.1A will be calculated according to the following formula:

$$(A \times D) - E$$

Where:

- A** is the number of Shares on issue at the commencement of the relevant period:
- (i) plus the number of Shares issued in the relevant period under an exception in Listing Rule 7.2 other than exception 9, 16 or 17;
 - (ii) plus the number of Shares issued in the relevant period on the conversion of convertible securities within Listing Rule 7.2 exception 9 where:

- the convertible securities were issued or agreed to be issued before the commencement of the relevant period; or
 - the issue, or agreement to issue, the convertible securities was approved, or taken under the Listing Rules to have been approved, under Listing Rule 7.1 or 7.4;
- (iii) plus the number of Shares issued in the relevant period under an agreement to issue securities within Listing Rule 7.2 exception 16 where:
- the agreement was entered into before the commencement of the relevant period; or
 - the agreement or issue was approved, or taken under the Listing Rules to have been approved, under Listing Rule 7.1 or 7.4;
- (iv) plus the number of any other Shares issued in the relevant period with approval under Listing Rule 7.1 or 7.4;
- (v) plus the number of partly paid shares that became fully paid in the relevant period;
- (vi) less the number of Shares cancelled in the relevant period.
- D** is 10%.
- E** is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the relevant period where the issue or agreement has not been subsequently approved by Shareholders under Listing Rule 7.4.

4.3 Technical information required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, the information below is provided in relation to this Resolution 3:

(a) Period for which approval will be valid

The Equity Securities may be issued under the 10% Placement Capacity commencing on the date of the Meeting and expiring on the first to occur of the following:

- (i) 12 months after the date of this Meeting;
- (ii) the time and date of the Company's next annual general meeting; and
- (iii) the time and date of approval by Shareholders of any transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking),

(10% Placement Capacity Period).

(b) Minimum price at which Equity Securities may be issued

The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed by the Company and the recipient of the Equity Securities; or
- (ii) if the Equity Securities are not issued within ten ASX trading days of the date in paragraph (i), the date on which the Equity Securities are issued.

(c) Purposes for which funds may be raised under a Listing Rule 7.1A issue

The Company may issue Equity Securities under the 10% Placement Capacity for cash consideration only, and the Company intends to use any funds under such an issue raised for continued exploration and evaluation of the Company's exploration projects, further development of exploration projects into construction and production phases, and for general working capital.

(d) Risk of voting dilution

Any issue of Equity Securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 3 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in Listing Rule 7.1A(2), on the basis of the current market price of Shares and the number of Equity Securities currently on issue.

The table also shows the voting dilution impact where the number of Shares on issue (variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.

No. Shares on Issue*	Dilution			
	Issue price per Share	\$0.0550	\$0.1100	\$0.1650
		50% decrease in issue price	Current issue price	50% increase in issue price
583,319,725 (Current)	Shares issued	58,331,973	58,331,973	58,331,973
	Funds raised	\$3,208,258	\$6,416,517	\$9,624,775
874,979,588 (50% increase)	Shares issued	87,497,959	87,497,959	87,497,959
	Funds raised	\$4,812,388	\$9,624,775	\$14,437,163
1,166,639,450 (100% increase)	Shares issued	116,663,945	116,663,945	116,663,945
	Funds raised	\$6,416,517	\$12,833,034	\$19,249,551

*The number of Shares on issue (variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

The table above uses the following assumptions:

1. The current shares on issue are the Shares on issue as at 3 October 2023.
2. The issue price set out above is the closing price of the Shares on ASX on 3 October 2023.
3. The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
4. The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in Listing Rule 7.2 or with approval under Listing Rule 7.1.
5. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.

6. This table does not set out any dilution pursuant to approvals under Listing Rule 7.1.
7. Resolution 3 has been approved by Shareholders at the Meeting.

Shareholders should note that there is a risk of economic and voting dilution of existing ordinary security holders that may result from an issue of Equity Securities under Listing Rule 7.1A.2, including the risk that:

- (i) the market price for the Shares may be significantly lower on the issue date than on the date of the Meeting; and
- (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

(e) Allocation under the 10% Placement Capacity

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Capacity. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to a number of factors, including:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company; and
- (v) advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Capacity have not been determined as at the date of this Notice but may include existing Shareholders and/or new investors who are not related parties or associates of a related party of the Company.

(f) Previous Approval under Listing Rule 7.1A and Equity Securities Issued

The Company previously obtained approval under Listing Rule 7.1A at its 2021 annual general meeting held on 29 November 2021. Approval was not obtained at the 2022 annual general meeting.

In the 12 months preceding the date of the 2023 Annual General Meeting, the Company has not issued any Equity Securities pursuant to Listing Rule 7.1A.

4.4 Voting Exclusion

As at the date of this Notice, the Company is not proposing to make an issue of Equity Securities under Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 3.

5. RATIFICATION OF PRIOR ISSUE OF SHARES AND OPTIONS – PLACEMENT: RESOLUTIONS 4 AND 5

5.1 Background

On 28 August 2023, the Company announced to ASX that it had launched a \$3 million capital raising under a \$1.5 million placement (**Placement**) and \$1.5 million share purchase plan (**SPP**) via the issue of Shares and free-attaching Options on a one-for-two basis (subject to rounding up of fractional entitlements) (**Capital Raising**). Canaccord Genuity (Australia) Limited acted as lead manager of the Capital Raising.

The Placement comprised the issue of 12,500,000 Shares and 6,250,002 free-attaching Options to sophisticated and professional investors, none of whom are related parties of the Company.

The Company issued the Shares and Options within its 15% share issue capacity pursuant to Listing Rule 7.1 (described below). By issuing those Shares and Options under the Placement, the Company's capacity to issue further equity securities without Shareholder approval within that limit was accordingly reduced.

Resolutions 4 and 5 seek Shareholder approval for the prior issue of the Shares and Options to the placees under the Placement as noted below.

Resolutions 6 and 7 seek Shareholder approval for the prior issue of the Shares and Options to the eligible shareholders under the SPP. And Resolution 8 seeks Shareholder approval for the issue of Shortfall Shares and Options under the SPP. See Sections 6 and 7 for more information on those Resolutions.

Shareholders' attention is drawn to the voting exclusion statements in the Notice.

5.2 Listing Rules 7.1 and 7.4

Listing Rule 7.1 provides that a company must not, subject to certain exceptions, issue or agree to issue more equity securities in any 12 month period other than the amount which is equal to 15% of its fully paid ordinary securities on issue at the start of that 12 month period (**15% share issue capacity**). Listing Rule 7.4 provides that an issue of securities made without approval under Listing Rule 7.1 will be treated as having been made with shareholder approval for the purposes of those Listing Rules if shareholders subsequently ratify it and the issue did not breach Listing Rule 7.1.

Without Shareholder approval pursuant to Listing Rule 7.4, the issue will be counted towards the Company's 15% share issue capacity and will therefore reduce the Company's capacity to issue securities in the future without obtaining Shareholder approval.

The Company wishes to retain as much flexibility as possible to issue additional equity securities into the future without having to obtain shareholder approval for such issues under Listing Rule 7.1.

Accordingly, Resolutions 4 and 5 seek shareholder approval under and for the purposes of Listing Rule 7.4, allowing the Company to substantially refresh its 15% share issue capacity.

If Resolutions 4 and 5 are passed, the issues will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of equity securities it can issue without shareholder approval over the 12 month period following the date of issue.

If either or both of Resolutions 4 and 5 are not passed, the relevant issue or issues will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of equity securities it can issue without shareholder approval over the 12 month period following the date of issue.

Resolutions 4 and 5 are ordinary resolutions. They are separate and independent resolutions.

5.3 Specific Information Required by Listing Rule 7.5

In accordance with Listing Rule 7.5, the following information is provided for Shareholders:

- (1) The placees were sophisticated and professional investors identified by the Company including clients of the lead manager, Canaccord Genuity (Australia) Limited, and existing Shareholders including Sparta AG (a substantial shareholder of the Company). None of the placees are a related party of the Company; a member of the Company's key management personnel; a substantial holder in the Company (except for Sparta AG); an adviser to the Company; or an associate of any thereof.
- (2) 12,500,000 Shares and 6,250,002 Options were issued.

- (3) The Shares were issued on 1 September 2023. The Options were issued on 29 September 2023.
- (4) The Shares were issued at \$0.12 per Share. The Options were issued for nil cash consideration, being free attaching to the Options on a one-for-two basis and fractional entitlements rounded up.
- (5) The Shares rank equally with all other Shares on issue in the Company. The Options were issued on the terms and conditions set out in the Schedule.
- (6) The funds raised under the Capital Raising will be used to fund further work and equipment purchases ahead of expected approvals at the Company's Arrowsmith North Silica Sand Project and further work at the Muchea Silica Sand Project, and to fund general working capital and costs of the Capital Raising.

5.4 Recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolutions 4 and 5.

6. RATIFICATION OF PRIOR ISSUE OF SHARES AND OPTIONS – SPP: RESOLUTIONS 6 AND 7

6.1 Background

On 28 August 2023, the Company announced to ASX that it had launched the Capital Raising, which comprised the Placement and SPP. Further information about the Capital Raising is set out in Section 5.1.

Participation in the SPP was optional and open exclusively to Shareholders who were registered holders of Shares at the record date of 7.00pm AEST on 25 August 2023, with a registered address in Australia or New Zealand, including custodians (**Eligible Shareholders**).

It comprised an offer to Eligible Shareholders of up to a total of 12,500,000 Shares and free-attaching Options on a one-for-two basis (subject to rounding up of fractional entitlements). The Company reserved the right to scale-back any over-subscriptions or place any shortfall under the SPP.

The SPP closed on 22 September 2023, with Eligible Shareholders subscribing for 10,416,696 Shares and 5,208,384 free-attaching Options, raising \$1.25 million. The balance, namely 2,083,334 Shares and 1,041,667 free-attaching Options (subject to rounding up of fractional entitlements) (**Shortfall Securities**) was the SPP shortfall.

The Company issued the Shares and Options within its 15% share issue capacity pursuant to Listing Rule 7.1. The Company did not qualify for share purchase plan issue relief under exception 5 in Listing Rule 7.2 because the issue price was less than 80% of the 5-day VWAP before the trading day on which the SPP was announced. By issuing those Shares and Options under the SPP within its 15% share issue capacity, the Company's ability to issue further equity securities without Shareholder approval within that limit was accordingly reduced.

Resolutions 4 and 5 seek Shareholder approval for the prior issue of the Shares and Options to the places under the Placement. See Section 5.

Resolutions 6 and 7 seek Shareholder approval for the prior issue of the Shares and Options to the Eligible Shareholders who received those securities under the SPP.

Resolution 8 seeks Shareholder approval for the issue of the Shortfall Securities. See Section 7.

Shareholders' attention is drawn to the voting exclusion statements in the Notice.

6.2 Listing Rules 7.1 and 7.4

Information on Listing Rules 7.1 and 7.4 is set out in Section 5.2.

The Company wishes to retain as much flexibility as possible to issue additional equity securities into the future without having to obtain shareholder approval for such issues under Listing Rule 7.1.

Accordingly, Resolutions 6 and 7 seek shareholder approval under and for the purposes of Listing Rule 7.4, allowing the Company to substantially refresh its 15% share issue capacity.

If Resolutions 6 and 7 are passed, the issues will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of equity securities it can issue without shareholder approval over the 12 month period following the date of issue.

If either or both of Resolutions 6 and 7 are not passed, the relevant issue or issues will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of equity securities it can issue without shareholder approval over the 12 month period following the date of issue.

Resolutions 6 and 7 are ordinary resolutions. They are separate and independent resolutions.

6.3 Specific Information Required by Listing Rule 7.5

In accordance with Listing Rule 7.5, the following information is provided for Shareholders:

- (1) The placees were Eligible Shareholders who subscribed for securities under the SPP. None of the placees are a related party of the Company; a member of the Company's key management personnel; a substantial holder in the Company; an adviser to the Company; or an associate of any thereof.
- (2) 10,416,696 Shares and 5,208,384 Options were issued.
- (3) The Shares and Options were issued on 29 September 2023.
- (4) The Shares were issued at \$0.12 per Share. The Options were issued for nil cash consideration, being free attaching to the Options on a one-for-two basis and fractional entitlements rounded up.
- (5) The Shares rank equally with all other Shares on issue in the Company. The Options were issued on the terms and conditions set out in the Schedule.
- (6) The funds raised under the Capital Raising will be used to fund further work and equipment purchases ahead of expected approvals at the Company's Arrowsmith North Silica Sand Project and further work at the Muchea Silica Sand Project, and to fund general working capital and costs of the Capital Raising.

6.4 Recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolutions 6 and 7.

7. APPROVAL FOR ISSUE OF SHARES AND OPTIONS – SPP SHORTFALL: RESOLUTION 8

7.1 Background

On 28 August 2023, the Company announced to ASX that it had launched the Capital Raising, which comprised the Placement and SPP. Further information about the Capital Raising is set out in Section 5.1. Canaccord Genuity (Australia) Limited acted as lead manager of the Capital Raising.

Participation in the SPP was optional and open exclusively to Eligible Shareholders. The Company reserved the right to scale-back any over-subscriptions or place any shortfall under the SPP. The SPP closed on 22 September 2023, with Eligible Shareholders subscribing for 10,416,696 Shares and 5,208,384 free-attaching Options, raising \$1.25 million. The balance, namely 2,083,334

Shares and 1,041,667 free-attaching Options (subject to rounding up of fractional entitlements), being the Shortfall Securities, is the subject of Resolution 8.

Shareholders' attention is drawn to the voting exclusion statements in the Notice.

7.2 Listing Rules 7.1 and 7.4

Information on Listing Rule 7.1 is set out in Section 5.2.

The Company wishes to retain as much flexibility as possible to issue additional equity securities into the future without having to obtain shareholder approval for such issues under Listing Rule 7.1.

Resolution 8 seeks Shareholder approval under and for the purposes of Listing Rule 7.1 to allow the Company to issue the Shortfall Securities without utilising its 15% share issue capacity.

If Resolution 8 is passed, the Company will be able to proceed with the issue of the Shortfall Securities.

If Resolution 8 is not passed, the Company will still be able to issue the Shortfall Securities but the issue will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of equity securities it can issue without shareholder approval over the 12 month period following the date of issue.

Resolution 8 is an ordinary resolution.

7.3 Specific Information Required by Listing Rule 7.3

In accordance with Listing Rule 7.3, the following information is provided for Shareholders:

- (1) The Shortfall Securities will be issued to various professional and sophisticated investors to be identified by the Company in consultation with Canaccord Genuity (Australia) Limited. None of the placees will be a related party of the Company.
- (2) 2,083,334 Shares and 1,041,667 Options (subject to rounding up of fractional entitlements) will be issued.
- (3) The Shares will rank equally with all other Shares on issue in the Company. The Options will be issued on the terms and conditions set out in the Schedule.
- (4) The Shortfall Securities may be issued no later than three months after the date of the Meeting (or such later date to the extent permitted by an ASX waiver or modification of the Listing Rules).
- (5) The Shares will be issued at \$0.12 per Share. The Options will be issued for nil cash consideration, being free attaching to the Options on a one-for-two basis and fractional entitlements rounded up.
- (6) The funds raised under the Capital Raising will be used to fund further work and equipment purchases ahead of expected approvals at the Company's Arrowsmith North Silica Sand Project and further work at the Muchea Silica Sand Project, and to fund general working capital and costs of the Capital Raising.

7.4 Recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolution 8.

8. DEFINITIONS

10% Placement Capacity has the meaning set out in Section 4.1.

15% share issue capacity has the meaning set out in Section 5.2.

AEST means Australian Eastern Standard Time.

Annual General Meeting or **Meeting** means the meeting convened by the Notice.

Annual Report means the Directors' Report, the Financial Report, and the Auditor's Report in respect of the year ended 30 June 2023.

ASX means ASX Limited ABN 98 008 624 691.

Capital Raising has the meaning set out in Section 5.1.

Chair means chairperson of the Meeting.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the members spouse;
- (c) a dependent of the member or the members spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth).

Company or **VRX Silica** means VRX Silica Limited ABN 59 142 014 873.

Constitution means constitution of the Company.

Corporations Act means the Corporations Act 2001 (Cth).

Director means director of the Company.

Eligible Entity means an entity that, at the date of the relevant general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

Eligible Shareholders has the meaning set out in Section 6.1.

Equity Securities include a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

Explanatory Statement means this explanatory statement.

Key Management Personnel has the same meaning as in the accounting standards and broadly includes those person having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.

Listing Rules means the official listing rules of ASX.

Notice means the notice of Annual General Meeting which forms part of this Explanatory Statement.

Option means option to subscribe for a Share.

Placement has the meaning set out in Section 5.1.

Proxy Form means the proxy form attached to this Notice.

Remuneration Report means the remuneration report set out in the Directors' report section of the Company's annual financial report for the year ended 30 June 2023.

Schedule means schedule of this Explanatory Statement.

Section means section of this Explanatory Statement.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means the holder of a fully paid ordinary share in the capital of the Company.

Shortfall Securities has the meaning set out in Section 5.1.

SPP has the meaning set out in Section 5.1.

WST means Australian Western Standard Time.

SCHEDULE – TERMS AND CONDITIONS OF OPTIONS

(a) Entitlement

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) Exercise Price

The amount payable upon exercise of each Option will be \$0.18 (**Exercise Price**).

(c) Expiry Date

Each Option will expire at 5:00 pm (WST) on 31 August 2025 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) Exercise Period

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**). The Options are exercisable on any business day during the Option Exercise Period. An Option holder may only exercise Options in multiples of 25,000, unless the Option holder exercises all of their Options.

(e) Notice of Exercise

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the holding statement for the Options (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) Exercise Date

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) Timing of issue of Shares on exercise

Within 20 Business Days (as that term is defined in the ASX Listing Rules) after the Exercise Date (or such lesser time as required by the ASX Listing Rules), the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company; and
- (ii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

(h) Shares issued on exercise

Shares issued on exercise of the Options rank equally with the then issued Shares.

(i) Reconstruction of capital

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) Participation in new issues

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(k) Bonus Issue

If before the expiry of any Options, the Company makes a pro rata issue of Shares to Shareholders for no consideration (**Bonus Issue**), the number of Shares over which an Option is exercisable will be increased by the number of Shares which the holder would have received if the Option had been exercised before the record date for the Bonus Issue.

(l) No change in exercise price or number of underlying securities

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised in the event of the Company making a pro rata issue of Shares or other securities to shareholders (other than a Bonus Issue).

(m) Transferability

If the Options are not quoted on ASX, the Options are transferable subject to the prior approval of the Company's board of directors. If the Options become quoted on ASX, the Options are freely transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.



VRXSILICA

VRXRM

MR RETURN SAMPLE
123 SAMPLE STREET
SAMPLE SUBURB
SAMPLETOWN VIC 3030

Need assistance?



Phone:
1300 850 505 (within Australia)
+61 3 9415 4000 (outside Australia)



Online:
www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **11:00am (AWST) on Wednesday, 15 November 2023.**

Proxy Form

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

APPOINTMENT OF PROXY

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

SIGNING INSTRUCTIONS FOR POSTAL FORMS

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

PARTICIPATING IN THE MEETING

Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at www.investorcentre.com/au and select "Printable Forms".

Lodge your Proxy Form:

XX

By Mail:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia

Custodians:

For Intermediary Online subscribers only visit
www.intermediaryonline.com



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

You may elect to receive meeting-related documents, or request a particular one, in electronic or physical form and may elect not to receive annual reports. To do so, contact Computershare.

☐ **Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



IND

Proxy Form

Please mark ☒ to indicate your directions

Step 1

Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of VRX Silica Limited hereby appoint

☐ the Chairman of the Meeting

OR

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of VRX Silica Limited to be held at Suite 9, 110 Hay Street, Subiaco, WA 6008 on Friday, 17 November 2023 at 11:00am (AWST) and at any adjournment or postponement of that meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolution 1 (except where I/we have indicated a different voting intention in step 2) even though Resolution 1 is connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolution 1 by marking the appropriate box in step 2.

Step 2

Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

	For	Against	Abstain
Resolution 1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 Re-election of Director – David Welch	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 Approval of 10% Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 Ratification of prior issue of Shares – Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 Ratification of prior issue of Options – Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6 Ratification of prior issue of Shares – SPP	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7 Ratification of prior issue of Options – SPP	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8 Approval for issue of Shares and Options – SPP Shortfall	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

Step 3

Signature of Securityholder(s)

This section must be completed.

Individual or Securityholder 1

Sole Director & Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

/

/

Date

Update your communication details (Optional)

Mobile Number

Email Address

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically