

3 May 2024

Dear Shareholder

VRX SILICA LIMITED – ENTITLEMENT OFFER

As announced on 2 May 2024, VRX Silica Limited (**VRX** or **Company**) (ASX: VRX) advised it has withdrawn its pro-rata renounceable entitlement offer to eligible shareholders (**Original Entitlement Offer**) announced to ASX on 10 April 2024 (and made under a prospectus released on the same day (**Original Prospectus**)).

The Company will now undertake a new pro-rata renounceable entitlement issue to eligible shareholders on the basis of 1 new fully paid ordinary share in the Company (**Share**) (**New Shares**) for every 13 Shares held on the record date, at an offer price of \$0.055 per New Share, together with 1 free attaching option (**Attaching Option**) for every 2 New Shares subscribed for and issued with an exercise price of \$0.18 each and expiring on 31 August 2025 to raise approximately \$2.46 million (before expenses) (**New Entitlement Offer**).

The Company lodged a prospectus for the New Entitlement Offer (**Prospectus**) with ASIC and ASX on 3 May 2024. The New Entitlement Offer is fully underwritten by Canaccord Genuity (Australia) Limited (ACN 075 071 466) (**Underwriter**). The Company will offer up to one (1) sub-underwriting option for every two (2) New Shares sub-underwritten which will be issued on the same terms as the Attaching Options to the sub-underwriters of the New Entitlement Offer (**Sub-Underwriter Offer**). The New Entitlement Offer and Sub-Underwriter Offer are herein collectively referred to as the **Offers**. The Company must pay the Underwriter a fee of 6% of the total amount raised pursuant to the New Entitlement Offer and a corporate advisory fee of \$75,000. The Company must also reimburse the Underwriter for costs incidental to the New Entitlement Offer.

The Company intends to apply the funds raised from the New Entitlement Offer (less expenses) to the Company's Muchea project, Arrowsmith North project, VDT trials and environmental follow-up, working capital and expenses of the Offers. For further specifics of the use of funds please refer to section 3 of the Prospectus.

Following completion of the Offers, assuming any shortfall is subsequently placed and the full subscription is raised, the Company will have issued approximately 44,875,273 Shares and 44,875,274 Options resulting in total Shares on issue of 628,253,821 and total Options on issue of 103,583,660.

Ineligible shareholders

A Shareholder who has a registered address outside Australia, New Zealand, Germany and the United Kingdom (**Ineligible Shareholder**) will not be eligible to participate in the New Entitlement Offer. You are not eligible to participate in the New Entitlement Offer and you will not be sent a copy of the Prospectus. This decision has been made pursuant to Listing Rule 7.7.1(a) of the ASX Listing Rules after taking into consideration the costs of complying with legal and regulatory requirements in jurisdictions outside of Australia, New Zealand, Germany and the United Kingdom compared with the small number of Ineligible Shareholders and the number and value of Shares and Attaching Options to which they would otherwise be entitled.

If you have any queries concerning the Offers, please contact your financial adviser or Ian Hobson, VRX's Company Secretary, on +61 (08) 9226 3780.

Yours sincerely



Bruce Maluish
Managing Director
VRX Silica Limited