



**ABN 59 142 014 873**

## **Notice of Annual General Meeting**

**Date of Meeting**

Friday, 29 November 2024

**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 2024 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 27 November 2024.

### 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](mailto:ianh@vrxsilica.com.au) by no later than 5.00pm (WST) on 28 November 2024, 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 2024 Annual General Meeting of Shareholders will be held on Friday, 29 November 2024, 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 2024, 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 2024 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 – Paul Boyatzis

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

*“That Paul Boyatzis 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: ADOPTION OF EMPLOYEE SECURITIES INCENTIVE PLAN

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

*“That, for the purposes of Listing Rule 7.2 (Exception 13(b)) and for all other purposes, approval is given for the Company to adopt an employee incentive scheme titled Employee Securities Incentive Plan and for the issue of a maximum of 95,000,000 securities under that Plan, on the terms and conditions set out in the Explanatory Statement.”*

##### **Voting Prohibition**

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
  - (i) a member of the Key Management Personnel; or
  - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

##### **Voting Exclusion**

The Company will disregard any votes cast in favour of this Resolution by or on behalf of:

- a) a person who is eligible to participate in the Employee Securities Incentive Plan; or
- b) an Associate of that person or those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the proxy or attorney to vote on the Resolution in that way; or
- b) The Chair as a 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 excused 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**

16 October 2024

## 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, 29 November 2024, 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. 2024 ANNUAL REPORT

In accordance with the requirements of the Constitution and the Corporations Act, the 2024 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 2024.

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

### 3. RE-ELECTION OF DIRECTOR - PAUL BOYATZIS: RESOLUTION 2

Resolution 2 relates to the re-election of Paul Boyatzis 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 Boyatzis who was previously re-elected by Shareholders on 29 November 2021, retires by rotation and, being eligible, offers himself for re-election.

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

The Directors, except for Mr Paul Boyatzis, 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 16 October 2024) of approximately \$25 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 listed 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.

Number of Shares on Issue	Dilution			
	Issue Price (per Share)	\$0.021 50% decrease in Issue Price	\$0.041 Current Issue Price	\$0.062 50% increase in Issue Price
628,255,668 (Current)	Shares issued	62,825,567 Shares	62,825,567 Shares	62,825,567 Shares
	Funds raised	\$1,287,924	\$2,575,848	\$3,863,772
942,383,502 (50% increase)	Shares issued	94,238,350 Shares	94,238,350 Shares	94,238,350 Shares
	Funds raised	\$1,931,886	\$3,863,772	\$5,795,659
1,256,511,336 (100% increase)	Shares issued	125,651,134 Shares	125,651,134 Shares	125,651,134 Shares
	Funds raised	\$2,575,848	\$5,151,696	\$7,727,545

\*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 16 October 2024.
2. The issue price set out above is the closing price of the Shares on ASX on 16 October 2024.



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 or 2023 annual general meeting.

In the 12 months preceding the date of the 2024 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. ADOPTION OF EMPLOYEE SECURITIES INCENTIVE PLAN: RESOLUTION 4**

### **5.1 Background**

Resolution 4 seeks Shareholder approval for the adoption of the Incentive Plan and for the issue of up to a maximum of 95,000,000 securities (which represents approximately 15% of the Company's issued share capital as at the date of this Notice), excluding issues approved by Shareholders under Listing Rule 10.14 or Listing Rule 10.11, under the Incentive Plan in accordance with Listing Rule 7.2 (Exception 13(b)).

The objective of the Incentive Plan is to attract, motivate and retain key employees and the Company considers that the adoption of the Incentive Plan and the future issue of securities under the Incentive Plan will provide selected employees with the opportunity to participate in the future growth of the Company.

### **5.2 Listing Rule 7.1 and Listing Rule 7.2 Exception 13(b)**

As summarised in Section 4.1 above, and subject to a number of exceptions set out in Listing Rule 7.2, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period (**15% share issue capacity**).

Listing Rule 7.2 (Exception 13(b)) provides that Listing Rule 7.1 does not apply to an issue of securities under an employee incentive scheme if, within three years before the date of issue of the securities, the holders of the entity's ordinary securities have approved the issue of equity securities under the scheme as exception to Listing Rule 7.1.

Exception 13(b) is only available if and to the extent that the number of equity securities issued under the scheme does not exceed the maximum number set out in the entity's notice of meeting dispatched to shareholders in respect of the meeting at which shareholder approval was obtained pursuant to Listing Rule 7.2 (Exception 13(b)). Exception 13(b) also ceases to be available if there is a material change to the terms of the scheme from those set out in the notice of meeting.

If Resolution 4 is passed, the Company will be able to issue securities under the Incentive Plan to eligible participants over a period of 3 years from the date of the Meeting. The issue of any securities to eligible participants under the Incentive Plan (up to the maximum number of securities stated in Section 5.3(d) below) will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

For the avoidance of doubt, the Company must seek Shareholder approval under Listing Rule 10.14 in respect of any future issues of securities under the Incentive Plan to a related party or a person whose relationship with the Company or the related party is, in ASX's opinion, such that approval should be obtained.

If Resolution 4 is not passed, the Company will be able to proceed with the issue of securities under the Incentive Plan to eligible participants, but any issues of securities will reduce, to that extent, the Company's capacity to issue equity securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the issue of those securities.

### **5.3 Technical information required by Listing Rule 7.2 (Exception 13)**

Pursuant to and in accordance with Listing Rule 7.2 (Exception 13), the following information is provided in relation to Resolution 4:

- (a) a summary of the key terms and conditions of the Incentive Plan is set out in Schedule 1;
- (b) the Company has issued 32,200,000 Options under its previous plan titled "VRX Silica Employee Incentive Plan" which was approved by shareholders at the Annual General Meeting on 29 November 2021;
- (c) the Company is seeking Shareholder approval to adopt the Incentive Plan to include the new terms and conditions required by Division 1A of Part 7.12 of the Corporations Act, which

replaced the previous relief provided by ASIC Class Order 14/1000 (Employee Incentive Scheme); and

- (d) the maximum number of securities proposed to be issued under the Incentive Plan in reliance on Listing Rule 7.2 (Exception 13(b)), is 95,000,000 securities. It is not envisaged that the maximum number of securities for which approval is sought will be issued immediately.

## 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 2024.

**ASX** means ASX Limited ABN 98 008 624 691.

**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

**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.

**Incentive Plan** means the Company's employee incentive plan titled "Employee Securities Incentive Plan" having the terms and conditions set out in Schedule 1.

**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.

**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 2024.

**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.

**WST** means Australian Western Standard Time.

---

## SCHEDULE 1 – SUMMARY OF TERMS AND CONDITIONS OF EMPLOYEE SECURITIES INCENTIVE PLAN

---

A summary of the material terms of the Company's Employee Securities Incentive Plan (**Plan**) is set out below.

<b>Eligible Participant</b>	<b>Eligible Participant</b> means a person that is a 'primary participant' (as that term is defined in Division 1A of Part 7.12 of the Corporations Act) in relation to the Company or an Associated Body Corporate (as defined in the Corporations Act) and has been determined by the Board to be eligible to participate in the Plan from time to time.
<b>Purpose</b>	<p>The purpose of the Plan is to:</p> <ul style="list-style-type: none"> <li>(a) assist in the reward, retention and motivation of Eligible Participants;</li> <li>(b) link the reward of Eligible Participants to Shareholder value creation; and</li> <li>(c) align the interests of Eligible Participants with shareholders of the Group (being the Company and each of its Associated Bodies Corporate), by providing an opportunity to Eligible Participants to receive an equity interest in the Company in the form of Share, Option or Performance Right (<b>Securities</b>).</li> </ul>
<b>Maximum number of Convertible Securities</b>	<p>The Company will not make an invitation under the Plan which involves monetary consideration if the number of Shares that may be issued, or acquired upon exercise of Convertible Securities offered under an invitation, when aggregated with the number of Shares issued or that may be issued as a result of all invitations under the Plan during the 3 year period ending on the day of the invitation, will exceed 5% of the total number of issued Shares at the date of the invitation (unless the Constitution specifies a different percentage and subject to any limits approved by Shareholders under Listing Rule 7.2 Exception 13(b) (refer to <b>Error! Reference source not found.</b>)).</p> <p>The maximum number of equity securities proposed to be issued under the Plan in reliance on Listing Rule 7.2 (Exemption 13(a)), following Shareholder approval, is 95,000,000 Securities (refer to <b>Error! Reference source not found.</b>). It is not envisaged that the maximum number of Securities will be issued immediately.</p>
<b>Plan administration</b>	The Plan will be administered by the Board. The Board may exercise any power or discretion conferred on it by the Plan rules in its sole and absolute discretion (except to the extent that it prevents the Participant relying on the deferred tax concessions under Subdivision 83A-C of the <i>Income Tax Assessment Act 1997</i> (Cth)). The Board may delegate its powers and discretion.
<b>Eligibility, invitation and application</b>	<p>The Board may from time to time determine that an Eligible Participant may participate in the Plan and make an invitation to that Eligible Participant to apply for any (or any combination of) the Securities provided under the Plan on such terms and conditions as the Board decides.</p> <p>On receipt of an invitation, an Eligible Participant may apply for the Securities the subject of the invitation by sending a completed application form to the Company. The Board may accept an application from an Eligible Participant in whole or in part.</p> <p>If an Eligible Participant is permitted in the invitation, the Eligible Participant may, by notice in writing to the Board, nominate a party in whose favour the Eligible Participant wishes to renounce the invitation.</p>
<b>Grant of Securities</b>	The Company will, to the extent that it has accepted a duly completed application, grant the Participant the relevant number and type of Securities, subject to the terms and conditions set out in the invitation, the Plan rules and any ancillary documentation required.
<b>Rights attaching to Convertible Securities</b>	<p>A <b>Convertible Security</b> represents a right to acquire one or more Plan Shares in accordance with the Plan (for example, an Option or a Performance Right).</p> <p>Prior to a Convertible Security being exercised, the holder:</p> <ul style="list-style-type: none"> <li>(a) does not have any interest (legal, equitable or otherwise) in any Share the subject of the Convertible Security other than as expressly set out in the Plan;</li> <li>(a) is not entitled to receive notice of, vote at or attend a meeting of the shareholders of the Company;</li> <li>(b) is not entitled to receive any dividends declared by the Company; and</li> </ul>

	(c) is not entitled to participate in any new issue of Shares (see Adjustment of Convertible Securities section below).
<b>Restrictions on dealing with Convertible Securities</b>	<p>Convertible Securities issued under the Plan cannot be sold, assigned, transferred, have a security interest granted over or otherwise dealt with unless in Special Circumstances as defined under the Plan (including in the case of death or total or permanent disability of the holder) with the consent of the Board in which case the Convertible Securities may be exercisable on terms determined by the Board.</p> <p>A holder must not enter into any arrangement for the purpose of hedging their economic exposure to a Convertible Security that has been granted to them.</p>
<b>Vesting of Convertible Securities</b>	Any vesting conditions applicable to the Convertible Securities will be described in the invitation. If all the vesting conditions are satisfied and/or otherwise waived by the Board, a vesting notice will be sent to the Participant by the Company informing them that the relevant Convertible Securities have vested. Unless and until the vesting notice is issued by the Company, the Convertible Securities will not be considered to have vested. For the avoidance of doubt, if the vesting conditions relevant to a Convertible Security are not satisfied and/or otherwise waived by the Board, that security will lapse.
<b>Forfeiture of Convertible Securities</b>	<p>Convertible Securities will be forfeited in the following circumstances:</p> <ul style="list-style-type: none"> <li>(a) in the case of unvested Convertible Securities only, where a Participant acts fraudulently, dishonestly, negligently, in contravention of any Group policy or wilfully breaches their duties to the Group and the Board exercises its discretion to deem some or all of the Convertible Securities held by a Participant to have been forfeited;</li> <li>(b) where there is a failure to satisfy the vesting conditions in accordance with the Plan;</li> <li>(c) on the date the Participant becomes insolvent; or</li> <li>(d) on the Expiry Date,</li> </ul> <p>subject to the discretion of the Board.</p>
<b>Listing of Convertible Securities</b>	Convertible Securities granted under the Plan will not be quoted on the ASX or any other recognised exchange. The Board reserves the right in its absolute discretion to apply for quotation of Convertible Securities granted under the Plan on the ASX or any other recognised exchange.
<b>Exercise of Convertible Securities and cashless exercise</b>	<p>To exercise a security, the Participant must deliver a signed notice of exercise and, subject to a cashless exercise (see next paragraph below), pay the exercise price (if any) to or as directed by the Company, at any time following vesting of the Convertible Securities (if subject to vesting conditions) and prior to the expiry date as set out in the invitation or vesting notice.</p> <p>An invitation to apply for Convertible Securities may specify that at the time of exercise of the Convertible Securities, the Participant may elect not to be required to provide payment of the exercise price for the number of Convertible Securities specified in a notice of exercise, but that on exercise of those Convertible Securities the Company will transfer or issue to the Participant that number of Shares equal in value to the positive difference between the Market Value of the Shares at the time of exercise and the exercise price that would otherwise be payable to exercise those Convertible Securities.</p> <p><b>Market Value</b> means, at any given date, the volume weighted average price per Share traded on the ASX over the 5 trading days immediately preceding that given date, unless otherwise specified in an invitation.</p> <p>Convertible Securities may not be exercised unless and until that security has vested in accordance with the Plan rules, or such earlier date as set out in the Plan rules.</p>
<b>Timing of issue of Shares and quotation of Shares on exercise</b>	Within five business days after the issue of a valid notice of exercise by a Participant, the Company will issue or cause to be transferred to that Participant the number of Shares to which the Participant is entitled under the Plan rules and issue a substitute certificate for any remaining unexercised Convertible Securities held by that Participant.
<b>Restriction periods and restrictions on transfer of Shares on exercise</b>	If the invitation provides that any Shares issued upon the valid exercise of a Convertible Security are subject to any restrictions as to the disposal or other dealing by a Participant for a period, the Board may implement any procedure it deems appropriate to ensure the compliance by the Participant with this restriction.

Additionally, Shares issued on exercise of the Convertible Securities are subject to the following restrictions:

- (a) if the Company is required but is unable to give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, Shares issued on exercise of the Convertible Securities may not be traded until 12 months after their issue unless the Company, at its sole discretion, elects to issue a prospectus pursuant to section 708A(11) of the Corporations Act;
- (b) all Shares issued on exercise of the Convertible Securities are subject to restrictions imposed by applicable law on dealing in Shares by persons who possess material information likely to affect the value of the Shares and which is not generally available; and
- (c) all Shares issued on exercise of the Convertible Securities are subject to the terms of the Company's Securities Trading Policy.

<b>Rights attaching to Shares on exercise</b>	All Shares issued upon exercise of Convertible Securities will rank equally in all respects with the then Shares of the Company.
<b>Change of control</b>	If a change of control event occurs (being an event which results in any person (either alone or together with associates) owning more than 50% of the Company's issued capital), the Board may in its discretion determine the manner in which any or all of the holder's Convertible Securities will be dealt with, including, without limitation, in a manner that allows the holder to participate in and/or benefit from any transaction arising from or in connection with the change of control event. The Board may specify in the Invitation how the Convertible Securities will be treated on a change of control event occurring, or the Board determining that such event is likely to occur, which may vary depending upon circumstances in which the Participant becomes a leaver and preserve some or all of the Board's discretion under this rule.
<b>Participation in entitlements and bonus issues</b>	Subject always to the rights under the following two paragraphs, Participants will not be entitled to participate in new issues of capital offered to holders of Shares such as bonus issues and entitlement issues.
<b>Adjustment for bonus issue</b>	If Shares are issued by the Company by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment), the Participant is entitled, upon exercise of the Convertible Securities, to receive an issue of as many additional Shares as would have been issued to the holder if the holder held Shares equal in number to the Shares in respect of which the Convertible Securities are exercised.
<b>Reorganisation</b>	If there is a reorganisation of the issued share capital of the Company (including any subdivision, consolidation, reduction, return or cancellation of such issued capital of the Company), the rights of each Participant holding Convertible Securities will be changed to the extent necessary to comply with the ASX Listing Rules applicable to a reorganisation of capital at the time of the reorganisation.
<b>Buy-Back</b>	Subject to applicable law, the Company may at any time buy-back Securities in accordance with the terms of the Plan.
<b>Employee Share Trust</b>	The Board may in its sole and absolute discretion use an employee share trust or other mechanism for the purposes of holding Convertible Securities for holders under the Plan and delivering Shares on behalf of holders upon exercise of Convertible Securities.
<b>Amendment of Plan</b>	<p>Subject to the following paragraph, the Board may at any time amend any provisions of the Plan rules, including (without limitation) the terms and conditions upon which any Securities have been granted under the Plan and determine that any amendments to the Plan rules be given retrospective effect, immediate effect or future effect.</p> <p>No amendment to any provision of the Plan rules may be made if the amendment materially reduces the rights of any Participant as they existed before the date of the amendment, other than an amendment introduced primarily for the purpose of complying with legislation or to correct manifest error or mistake, amongst other things, or is agreed to in writing by all Participants.</p>
<b>Plan duration</b>	The Plan continues in operation until the Board decides to end it. The Board may from time to time suspend the operation of the Plan for a fixed period or indefinitely and may end any suspension. If the Plan is terminated or suspended for any reason, that termination or suspension must not prejudice the accrued rights of the Participants.



If a Participant and the Company (acting by the Board) agree in writing that some or all of the Securities granted to that Participant are to be cancelled on a specified date or on the occurrence of a particular event, then those Securities may be cancelled in the manner agreed between the Company and the Participant.

---

**Income Tax  
Assessment Act**

The Plan is a plan to which Subdivision 83A-C of the *Income Tax Assessment Act 1997* (Cth) applies (subject to the conditions in that Act) except to the extent an invitation provides otherwise.

---

**Withholding**

If the Company, a trustee or the Plan administrator is obliged, or reasonably believes that it may have an obligation to account for any tax, or any superannuation amounts (or equivalent social security contributions, if applicable) in respect of a Participant (**Withholding Amount**), then the Company, trustee or Plan administrator (as applicable) is entitled to withhold or be reimbursed by the Participant for the Withholding Amount payable or paid.

---



**VRX**SILICA



**VRXSILICA**

VRX Silica Limited  
ABN 59 142 014 873

VRX

MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

## Need assistance?



**Phone:**

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



**Online:**

[www.investorcentre.com/contact](http://www.investorcentre.com/contact)



## YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **11:00am (WST) on Wednesday, 27 November 2024.**

# 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](http://www.investorcentre.com/au) and select "Printable Forms".

## Lodge your Proxy Form:

**XX**

### Online:

Lodge your vote online at [www.investorvote.com.au](http://www.investorvote.com.au) using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



**Control Number: 999999**

**SRN/HIN: I9999999999**

**PIN: 99999**

For Intermediary Online subscribers (custodians) go to [www.intermediaryonline.com](http://www.intermediaryonline.com)

### 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



**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.

MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

☐

**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.



I 9999999999

I ND

# 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, 29 November 2024 at 11:00am (WST) 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 Resolutions 1 and 4 (except where I/we have indicated a different voting intention in step 2) even though Resolutions 1 and 4 are 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 Resolutions 1 and 4 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 – Paul Boyatzis	<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	Adoption of Employee Securities Incentive Plan	<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