



VRX SILICA LIMITED
ACN 142 014 873

Notice of General Meeting and Explanatory Statement

Date of Meeting
30 May 2019

Time of Meeting
11.00am (AWST)

Place of Meeting
The Celtic Club
48 Ord Street
West Perth WA 6005

This Notice of General Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

Should you wish to discuss any matter please do not hesitate to contact the Company by telephone on +61 8 9226 3780

NOTICE OF GENERAL MEETING

Notice is hereby given that a general meeting of Shareholders of VRX Silica Limited (**Company**) will be held at The Celtic Club, 48 Ord Street, West Perth WA 6005 on 30 May 2019 at 11.00am (AWST) (**Meeting**).

The Explanatory Statement to this Notice provides additional information on matters to be considered at the Meeting. The Explanatory Statement and the Proxy Form form part of this Notice.

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 as Shareholders on 28 May 2019 at 5.00pm (AWST).

Terms and abbreviations used in this Notice and Explanatory Statement are defined in Section 6.

AGENDA

1. Resolution 1 – Ratification of prior issue of Shares (Capital Raising)

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 the prior issue by the Company of 33,333,333 Shares pursuant to Listing Rule 7.1 to the parties and on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion

The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who participated in the Capital Raising or any associates of such a person.

However, the Company will not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

2. Resolution 2 – Approval for issue of Shares to Mr Paul Boyatzis

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 10.11 and for all other purposes, Shareholders approve and authorise the Company to issue to Mr Paul Boyatzis (and/or his nominees) up to 500,000 Shares at an issue price of \$0.06 each on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr Paul Boyatzis and his nominees or any associates of those persons.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

3. Resolution 3 – Approval for issue of Shares to Mr Bruce Maluish

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 10.11 and for all other purposes, Shareholders approve and authorise the Company to issue to Mr Bruce Maluish (and/or his nominees) up to 500,000 Shares at an issue price of \$0.06 each on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr Bruce Maluish and his nominees or any associates of those persons.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

4. Resolution 4 – Approval for issue of Shares to Mr Peter Pawlowitsch

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 10.11 and for all other purposes, Shareholders approve and authorise the Company to issue to Mr Peter Pawlowitsch (and/or his nominees) up to 3,333,333 Shares at an issue price of \$0.06 each on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr Peter Pawlowitsch and his nominees or any associates of those persons.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

5. Resolution 5 – Ratification of prior issue of Lead Manager Options

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 the prior issue by the Company of 5,000,000 Options exercisable at \$0.09 each (**Lead Manager Options**) to the party and on the terms and conditions set out in the Explanatory Statement."*

Voting Exclusion

The Company will disregard any votes cast in favour of the Resolution by or on behalf of Hartleys (or its nominee) or any of their associates.

However, the Company will not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Dated 26 April 2019

BY ORDER OF THE BOARD



John Geary
Company Secretary

EXPLANATORY STATEMENT

1. Introduction

This Explanatory Statement has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at The Celtic Club, 48 Ord Street, West Perth WA 6005 on 30 May 2019 at 11.00am (AWST).

This Explanatory Statement should be read in conjunction with, and forms part of, the accompanying Notice. The purpose of this Explanatory Statement is to provide information to Shareholders in deciding whether or not to pass the Resolutions set out in the Notice.

Shareholders should read the Notice and this Explanatory Statement carefully before deciding how to vote on the Resolutions.

2. Proxies

A Proxy Form is located at the end of the Explanatory Statement.

This is to be used by Shareholders if they wish to appoint a representative (a **proxy**) to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- (a) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company; and
- (c) 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 enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

3. Resolution 1 – Ratification of prior issue of Shares (Capital Raising)

3.1 General

On 9 April 2019 the Company issued 33,333,333 Shares to professional and sophisticated investors at an issue price of \$0.06 per Share to raise approximately \$2 million before costs. As announced on 2 April 2019, this placement formed part of an aggregate \$2.26 million capital

raising (**Capital Raising**) with approximately \$260,000 committed by Directors (approval for which is the subject of Resolutions 2 to 4).

The Company issued the Shares (to non-Directors) utilising the 15% annual limit set out in Listing Rule 7.1 (described below). By issuing those Shares utilising these rules, the Company's capacity to issue further equity securities without Shareholder approval within those limits was accordingly reduced.

Resolution 1 seeks Shareholder approval for the prior issue of the Shares to the placees noted below. It is proposed as an ordinary resolution and will be passed if more than 50% of the votes cast by Shareholders entitled to vote are in favour of the Resolution.

3.2 Listing Rules 7.1 and 7.4

Subject to a number of exceptions, in general terms, Listing Rule 7.1 limits the number of Equity Securities (for example, shares, options and convertible notes) that a listed company may issue or agree to issue without shareholder approval in any 12 month period to 15% of its issued ordinary shares (**15% share issue capacity**).

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.

Accordingly, this resolution seeks shareholder approval to allow the Company to substantially refresh its 15% share issue capacity.

3.3 Specific Information required by Listing Rule 7.5

The following information is provided for the purposes of Listing Rule 7.5:

- (a) 33,333,333 Shares were issued under the Company's Listing Rule 7.1 (15%) capacity on 9 April 2019.
- (b) The Shares were issued at \$0.06 per Share.
- (c) The Shares rank equally with all other Shares on issue in the Company.
- (d) The Shares were issued to either "Sophisticated Investors" or "Professional Investors" within the meaning of sections 708(8) and 708(11) of the Corporations Act or other investors to whom the Company may issue Shares without a disclosure document pursuant to section 708 of the Corporations Act, including clients of Hartleys.
- (e) Funds raised from the Capital Raising have been allocated to completion of feasibility studies and progression of environmental approvals and mining lease applications at the Company's Arrowsmith and Muchea Silica Sand Projects. In addition, a portion of the funds are allocated towards exploration activities at the Company's Boyatup Silica Sand Project and Warrawanda HPQ Project and for general working capital and administration, and costs associated with the Capital Raising.

A voting exclusion statement is included in the Notice.

4. Resolutions 2 to 4 – Authority for Issue of Shares to Directors (Capital Raising)

4.1 General

Mr Paul Boyatzis, Mr Bruce Maluish and Mr Peter Pawlowitsch and/or their nominees, have subscribed for Shares under the Capital Raising, subject to Shareholder and regulatory approval. Further details of the Capital Raising are set out in Section 3. Mr Paul Boyatzis, Mr Bruce Maluish and Mr Peter Pawlowitsch wish to obtain Shareholder approval to subscribe for up to 4,333,333 Shares in aggregate (**Director Capital Raising Shares**).

Listing Rule 10.11 provides that a company must not (subject to specified exceptions) issue or agree to issue equity securities to a related party without the approval of shareholders. Mr Paul Boyatzis, Mr Bruce Maluish and Mr Peter Pawlowitsch are each a related party of the Company by virtue of them being Directors. Therefore approval is required under Listing Rule 10.11 for the issue of the Director Capital Raising Shares to them.

Resolutions 2 to 4 seek Shareholder approval pursuant to Listing Rule 10.11 for the issue of the Director Capital Raising Shares to the Directors. If approval is given under Listing Rule 10.11, Shareholder approval is not required under Listing Rule 7.1.

Furthermore, Shareholder approval of the issue of the Director Capital Raising Shares means that these issues will not reduce the Company's 15% placement capacity under Listing Rule 7.1.

Resolutions 2 to 4 are ordinary resolutions.

4.2 Specific Information Required by Listing Rule 10.13

The following information is provided for the purposes of Listing Rule 10.13:

- (a) The maximum number of Shares to be issued to the Directors (and/or their nominees) is:
 - (i) Mr Paul Boyatzis (and/or his nominees) – up to 500,000 Shares;
 - (ii) Mr Bruce Maluish (and/or his nominees) – up to 500,000 Shares; and
 - (iii) Mr Peter Pawlowitsch (and/or his nominees) – up to 3,333,333 Shares.
- (b) The issue of the Director Capital Raising Shares will occur no later than one month after the date of the Meeting. It is intended that the Director Capital Raising Shares will be issued on the same date.
- (c) Each recipient is a related party of the Company by virtue of being a Director.
- (d) The Director Capital Raising Shares will be issued at an issue price of \$0.06 per Share.
- (e) The Director Capital Raising Shares will comprise fully paid ordinary shares of the Company ranking equally with all other fully paid ordinary shares of the Company.
- (f) The funds raised from the issue of the Director Capital Raising Shares will be aggregated with and used for the same purpose as the funds raised from the Capital Raising. See Section 3 for further details.

- (g) As Shareholder approval is sought under Listing Rule 10.11, approval under Listing Rule 7.1 is not required.

A voting exclusion statement is included in the Notice.

5. Resolution 5 – Approval to issue Lead Manager Options

5.1 General

As set out in the Company's announcement of 2 April 2019, the Company appointed Hartleys to act as lead manager for the Capital Raising. The Company agreed to pay to Hartleys an aggregate cash fee of 6% on funds raised under the Capital Raising and issue to Hartleys (or nominee) an aggregate 5 million Options, comprising 2 million Options for its role as lead manager for the Capital Raising and 3 million Options for ongoing corporate advisory services.

The Company issued the Options utilising the 15% annual limit set out in Listing Rule 7.1 (described above). By issuing the Lead Manager Options utilising these rules, the Company's capacity to issue further equity securities without Shareholder approval within those limits was accordingly reduced.

Resolution 5 seeks Shareholder approval for the prior issue of the Lead Manager Options. It is proposed as an ordinary resolution and will be passed if more than 50% of the votes cast by Shareholders entitled to vote are in favour of the Resolution.

A summary of Listing Rules 7.1 and 7.4 is provided in Section 3.2.

5.2 Specific information required by Listing Rule 7.5

The following information is provided for the purposes of Listing Rule 7.3 in relation to the Lead Manager Options:

- (a) An aggregate of 5,000,000 Options were issued under the Company's Listing Rule 7.1 (15%) capacity on 9 April 2019.
- (b) The Lead Manager Options are being issued as consideration for Hartleys providing lead manager services in connection with the Capital Raising and ongoing corporate advisory services to the Company. The issue price was nil.
- (c) The Lead Manager Options are each exercisable at \$0.09 each on or before 30 November 2021. Further terms and conditions of the Lead Manager Options are set out in the Schedule. Shares issued on exercise of the Lead Manager Options will be fully paid ordinary shares in the capital of the Company ranking equally in all respects with the Company's existing Shares on issue.
- (d) The Lead Manager Options were issued to Zenix Nominees Pty Ltd ACN 107 391 908, a nominee of Hartleys neither of whom is a related party of the Company.
- (e) No funds were raised from the issue of the Lead Manager Options.

A voting exclusion statement is included in the Notice.

6. Definitions

\$ means Australian Dollars.

ASX means ASX Limited (ACN 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX.

AWST means Australian Western Standard Time, being the time in Perth, Western Australia.

Board means the board of Directors as constituted from time to time.

Capital Raising has the meaning in Section 3.4.

Chairman means the chairman of the Meeting.

Company or **Ventnor** means VRX Silica Limited (ACN 142 014 873).

Constitution means the current constitution of the Company.

Corporations Act means the *Corporations Act 2001* (Cth).

Director means a director of the Company.

Explanatory Statement means the explanatory statement attached to the Notice.

Hartleys means Hartleys Limited (AFSL No 230052).

Lead Manager Options has the meaning in Resolution 5.

Listing Rules means the listing rules of ASX.

Meeting has the meaning in the introductory paragraph of the Notice.

Notice means this notice of meeting.

Option means an option to acquire a Share.

Proxy Form means the proxy form attached to the Notice.

Resolution means a resolution contained in this Notice.

Schedule means a schedule to this Notice.

Section means a section contained in this Explanatory Statement.

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

Shareholder means a shareholder of the Company.

In this Notice, words importing the singular include the plural and vice versa.

Schedule
Terms and Conditions of the Lead Manager Options

The terms and conditions of the options (**Options**) are as follows:

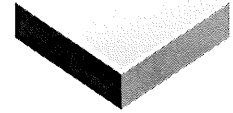
- (a) Each Option entitles the holder to subscribe for and be allotted one ordinary fully paid share (**Share**) in VRX Silica Limited (ACN 142 014 873) (**Company**).
- (b) Each Option is exercisable at \$0.09 each (**Exercise Price**).
- (c) The Options will expire on 30 November 2021 (**Expiry Date**).
- (d) The Options are exercisable at any time on or prior to the Expiry Date by notice in writing to the Company accompanied by payment of the exercise price.
- (e) The Options are freely transferable in accordance with the Corporations Act 2001.
- (f) All Shares issued upon exercise of the Options will rank *pari passu* in all respects with the then existing Shares. The Options shall not be quoted on ASX, however the Company will apply for Official Quotation by the ASX of all Shares issued upon exercise of the Options.
- (g) There are no participating rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to the Company's shareholders during the currency of the Options. However, if from time to time on or prior to the Expiry Date the Company makes an issue of new Shares to its shareholders, the Company will if practicable given the timetable for the issue send a notice to each holder of Options as soon as reasonably practicable before the record date referable to that issue to give holders an opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.
- (h) If from time to time on or prior to the Expiry Date the Company makes an issue of Shares to its shareholders by way of capitalisation of profits or reserves (a **Bonus Issue**), then upon exercise of their Options, Optionholders will be entitled to have issued to them (in addition to the Shares which would otherwise be issued to them upon such exercise) the number of Shares of the class which would have been issued to them under that Bonus Issue (**Bonus Shares**) if on the record date for the Bonus Issue they have been registered as holder, if, immediately prior to that date, they had fully exercised their Options and the Shares the subject of such exercise had been duly allotted and issued to them. The Bonus Shares will be paid up by the Company out of profits or reserves (as the case may be) in the same manner as was applied in relation to the Bonus Issue and upon issue will rank *pari passu* in all respects with the other Shares allotted upon exercise of the Options.
- (i) There is no right to a change in the exercise price of the Options or to the number of Shares over which the Options are exercisable in the event of a new issue of capital (other than a Bonus Issue) during the currency of the Options.
- (j) In the event of any reorganisation of the issued capital of the Company on or prior to the Expiry Date, the rights of an Optionholder will be changed to the extent necessary to comply with the applicable ASX Listing Rules in force at the time of the reorganisation.

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VRXSILICA

PROXY FORM



VRXSILICA

The Secretary
VRX Silica Limited
Level 1, 6 Thelma Street
West Perth WA 6005

[Name/Address 1]
[Name/Address 2]
[Name/Address 3]
[Name/Address 4]

[Barcode]

being a member(s) of VRX Silica Limited ACN 142 014 873 (**Company**), hereby appoint as my/our proxy

of _____
or, failing him/her the Chair of the Meeting to attend and vote for me/us at the General Meeting of the Company to be held at 11.00am (AWST) on 30 May 2019 and at an adjournment thereof in respect of _____% of my/our shares or, failing any number being specified, ALL of my/our shares in the Company.

RESOLUTIONS	FOR	AGAINST	ABSTAIN
1 Ratification of prior issue of Shares (Capital Raising)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Approval for issue of Shares to Mr Paul Boyatzis	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Approval for issue of Shares to Mr Bruce Maluish	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Approval for issue of Shares to Mr Peter Pawlowitsch	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Ratification of prior issue of Lead Manager Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If you mark the abstain box for a particular item, you are directing your proxy not to vote on that item on a show of hands or on a poll and that your shares are not to be counted computing the required majority on a poll.

Where permitted, the Chair intends to vote all undirected proxies in favour of all resolutions.

If the member is an individual or joint holder:

Signature

Signature

Dated _____ 2019.

If the member is a company:

Signed in accordance with the constitution of the company in the presence of:

Director/Sole Director

Director/Secretary

Sole Director/Secretary

Dated _____ 2019.

VRX Silica Limited

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INSTRUCTIONS FOR COMPLETING PROXY FORM

1. A member entitled to attend and vote is entitled to appoint not more than two proxies.
2. Where more than one proxy is appointed and that appointment does not specify the proportion or number of the member's votes, each proxy may exercise half of the votes.
3. A proxy need not be a member of the Company.
4. If the member is a company it must execute under its common seal or otherwise in accordance with its constitution.

LODGING YOUR PROXY FORM

To be valid, your proxy form (and any power of attorney under which it is signed) must be received at the address, email address or fax number given below no later than 11.00am (AWST) on 28 May 2019. Any proxy form received after that time will not be valid for the scheduled meeting.

In person: VRX Silica Limited
Level 1
6 Thelma Street
West Perth WA 6005

By mail: VRX Silica Limited
Level 1
6 Thelma Street
West Perth WA 6005

By email: johng@vrxsilica.com.au

By fax: (08) 9226 3764