



VRX SILICA LIMITED
ACN 142 014 873

PROSPECTUS

For an offer of Options, on the basis of one Option for every two Shares issued, to participants in the Placement (**Placement Option Offer**); and

For an offer of Options, on the basis of one Option for every two Shares issued, to investors under the SPP and the SPP Shortfall Offer (**SPP Option Offer**),

together the **Offers**.

The Offers are not open to the general public.

IMPORTANT NOTICE

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the securities being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

The securities offered under this Prospectus should be considered as speculative.

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IMPORTANT NOTICES

Prospectus

This Prospectus relates to the offer of Options by VRX Silica Limited (**VRX** or **Company**) under the Offers.

The Offers made under this Prospectus are only being made to participants in the Placement and SPP (including the SPP Shortfall Offer). They are not being made to the general public.

This Prospectus is dated 4 September 2023 and was lodged with the Australian Securities and Investments Commission (**ASIC**) on that date. The expiry date of the Prospectus is 5.00pm (AEST) on the date that is 13 months after the date of this Prospectus (**Expiry Date**). No Options will be issued on the basis of this Prospectus after the Expiry Date.

This Prospectus is a transaction specific prospectus for an offer of options to acquire continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus, regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and their professional advisers.

None of ASIC and ASX, and their respective officers, take any responsibility for the contents of this Prospectus or the merits of the securities to which this Prospectus relates.

ASX maintains a database of publicly available information issued by the Company as a disclosing entity.

Applications for Options offered pursuant to this Prospectus can only be submitted (physically or digitally) as provided for in this Prospectus on an Application Form that accompanies this Prospectus.

Exposure period

No exposure period applies to this Prospectus by operation of ASIC Corporations (Exposure Period) Instrument 2016/74.

ASIC Instrument 2016/80

This Prospectus has been prepared, in part, to ensure that the relief provided under ASIC Corporations (Sale Offers That Do Not Need Disclosure) Instrument 2016/80 (**Instrument 2016/80**) is available in respect of the Options. Instrument 2016/80 provides relief from the on-sale provisions of section 707 of the Corporations Act and will relieve the need for any further disclosure to be made prior to the on-sale of Shares issued following the exercise of Options, within 12 months of their date of issue. Shares issued on exercise of the Options will be able to be immediately traded on ASX (subject to the grant of quotation).

ASIC Instrument 2019/547

The offer of Shares under the SPP is being made in accordance with ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547 (**Instrument 2019/547**) via an SPP offer booklet. Instrument 2019/547 allows a share purchase plan to be conducted without the use of a prospectus once in every 12-month period. The Company satisfies the conditions of Instrument 2019/547 for the issue of Shares under the SPP, however the Company is unable to rely on Instrument 2019/547 for the SPP Option Offer because the Options to be issued under the SPP Option Offer are a new class of securities not currently quoted on the ASX.

Accordingly, the Company is undertaking the SPP Option Offer under this Prospectus.

No cooling off rights

Cooling off rights do not apply to an investment in Options. You cannot withdraw your application once it has been accepted.

No representation other than in this Prospectus

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

Except as required by law, and only to the extent so required, neither VRX nor any other person warrants or guarantees the future performance of the Company or any return on any investment made pursuant to this Prospectus, or on the exercise of the Options issued under this Prospectus.

Prospectus does not contain investment advice

The information provided in this Prospectus is not investment advice and has been prepared without taking into account your investment objectives, financial situation or particular circumstances. It is important that you read and consider the information in this Prospectus in full before deciding to apply for Options and consider the risks that could affect the performance of Options and Shares issued on exercise of the Options.

If you have any questions, you should seek advice from your financial or other professional adviser.

Obtaining a Prospectus and Application Form

Paper copies of this Prospectus and an Application Form can be obtained free of charge before the Closing Date by contacting Computershare, the Company's share registry, from 8.30am to 5.00pm AEST, Monday to Friday, on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia).

Risk Factors

Applicants should be aware that subscribing for and exercising Options involves a number of risks. The key risk factors which investors should be aware of are set out in Section 6. These risks, together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Options, and underlying Shares, in the future.

Restrictions on Foreign Jurisdictions

This Prospectus does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

It is the responsibility of any Applicant who is a resident outside Australia to ensure compliance with all laws of any country relevant to their application, and any such Applicant should consult their professional adviser as to whether any government or other consents are required, or whether any formalities need to be observed to enable them to apply for and be issued New Securities. Submission (physically or digitally) of a duly completed Application Form will constitute a representation and warranty by an Applicant that there has not been any breach of such regulations.

No action has been taken to register or qualify the Options being offered under the Offers or otherwise permit a public offering of the Options in any jurisdiction other than Australia and New Zealand.

In particular, this Prospectus, the Offers and the Options to be issued under the Prospectus have not been, and will not be, registered under the US Securities Act of 1933 (as amended) and the Offers may not be offered or sold in the United States except in transactions exempt from, or not subject to, registration under the US Securities Act and applicable US state securities laws.

Information for New Zealand investors

This offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act 2001 (Aust) and regulations made under that Act. In New Zealand, this is subpart 6 of Part 9 of the Financial Markets Conduct Act 2013 and Part 9 of the Financial Markets Conduct Regulations 2014.

This offer and the content of the offer document are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act 2001 (Aust) and the regulations made under that Act set out how the offer must be made.

There are differences in how financial products are regulated under Australian law. For example, the disclosure of fees for managed investment schemes is different under the Australian regime.

The rights, remedies, and compensation arrangements available to New Zealand investors in Australian financial products may differ from the rights, remedies, and compensation arrangements for New Zealand financial products.

Both the Australian and New Zealand financial markets regulators have enforcement responsibilities in relation to this offer. If you need to make a complaint about this offer, please contact the Financial Markets Authority, New Zealand (<http://www.fma.govt.nz>). The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of Australian financial products is not the same as for New Zealand financial products. If you are uncertain about whether this investment is appropriate for you, you should seek the advice of a financial advice provider.

The offer may involve a currency exchange risk. The currency for the financial products is not New Zealand dollars. The value of the financial products will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant.

If you expect the financial products to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

If the financial products are able to be traded on a financial product market and you wish to trade the financial products through that market, you will have to make arrangements for a participant in that market to sell the financial products on your behalf. If the financial product market does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the financial products and trading may differ from financial product markets that operate in New Zealand.

The dispute resolution process described in this offer document is available only in Australia and is not available in New Zealand.

Financial information and forward looking statements

Section 4.3 sets out in detail the financial information referred to in this Prospectus and the basis of preparation of that information.

Any discrepancies between totals and sums of components in tables contained in this Prospectus are due to rounding. This Prospectus contains forward looking statements which are identified by words such as “may”, “could”, “believes”, “estimates”, “expects”, “intends” and other similar words that involve risks and uncertainties. Any forward looking statements are subject to various risk factors that could cause the Company’s actual results to differ materially from the results expressed or anticipated in these statements. Forward looking statements should be read in conjunction with risk factors as set out in Section 6 and other information in this Prospectus.

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

Privacy

If you apply for Options, you will provide personal information to the Company and the Share Registry. The Company and the Share Registry collect, hold and use your personal information in order to assess your application, service your needs as a Shareholder and Option holder, provide facilities and services that you request and carry out appropriate administration. Company and tax laws require some of the information to be collected. If you do not provide the information requested, your application may not be able to be processed efficiently, or at all.

Each of the Company and the Share Registry may disclose your personal information for purposes related to your shareholding or optionholding to each other and to their respective agents and services providers including those listed below or as otherwise authorised under the Privacy Act 1988 (Cth) (**Privacy Act**):

- in the case of the Company, to the Share Registry for ongoing administration of the share register; and
- in the case of the Company and the Share Registry, to printers and mailing houses for the purposes of preparation and distribution of Shareholder and Option holder information and for handling of mail.

Under the Privacy Act, you may request access to your personal information held by (or on behalf of) the Company or the Share Registry. You can request access to your personal information by contacting Computershare, the Company's share registry, from 8.30am to 5.00pm AEST, Monday to Friday, on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia) or by email at privacy@computershare.com.au.

Target Market Determination

The new product design and distributions obligations under the Corporations Act (**DDO Obligations**) took effect on 5 October 2021. The DDO Obligations are intended to help consumers obtain appropriate financial products by requiring issuers and distributors to have a consumer-centric product. The DDO Obligations require product issuers to make publicly available a target market determination that explains the target market for certain securities, any distribution conditions and any information related to reviewing and monitoring conduct in relation to the target market determination. The Company has prepared a target market determination in respect of the Options which is available on the Company's website at <https://investorhub.vrxsilica.com.au/announcements>.

Taxation Implications

The Directors do not consider that it is appropriate to give potential Applicants advice regarding the taxation consequences of applying for New Securities under this Prospectus, as it is not possible to provide a comprehensive summary of the possible taxation positions for potential Applicants.

Neither the Company nor any of its advisers or officers accept any responsibility or liability for any taxation consequences to potential Applicants in relation to the Offers. Potential Applicants should, therefore, consult their own tax adviser in connection with the taxation implications of the Offers.

CHES and issuer sponsorship

The Company participates in the Clearing House Electronic Sub-register System (**CHES**), operated by ASX Settlement (a wholly owned subsidiary of ASX), in accordance with the Listing Rules and ASX Settlement Rules. The Company operates an electronic issuer-sponsored sub-register and an electronic CHES sub-register. The two sub-registers together make up the Company's principal register of its securities.

Under CHES, the Company does not issue certificates to the holders of securities. Instead, the Company provides holders with a Holding Statement (similar to a bank account statement) that sets out the number of securities allotted and issued to them under this Prospectus.

This Holding Statement also advises investors of either their Holder Identification Number (**HIN**) in the case of a holding on the CHES sub-register or Security Holder Reference Number (**SRN**) in the case of a holding on the issuer sponsored sub-register.

A Holding Statement is routinely sent to holders at the end of any calendar month during which their holding changes. A holder may request a statement at any other time; however, a charge may be incurred for additional statements.

Defined words and expressions

Some words and expressions used in this Prospectus have defined meanings. These words and expressions are capitalised and are defined throughout the Prospectus or in the Glossary in Section 9.

A reference to \$ or cents in this Prospectus is a reference to Australian currency (unless otherwise stated). A reference to time in this Prospectus is a reference to AEST.

1. KEY DETAILS

1.1 Summary of Offer details

Key SPP and SPP Option Offer details

Terms of SPP	Details
SPP Offer Price	The SPP Offer Price is \$0.12.
Maximum amount to be raised under the SPP	The SPP is seeking to raise a maximum of \$1,500,000.
Total number of Shares to be issued under SPP*	12,500,000 Shares will be issued under the SPP, assuming the SPP is fully subscribed.
Total number of Options to be issued under SPP Option Offer*	Approximately 6,250,000 Options will be issued under the SPP Option Offer, assuming 12,500,000 Shares are issued under the SPP.
Total amount raised if all Options are issued and exercised in respect of the Share Purchase Plan*	Approximately \$1,125,000, which will be used to help fund the Company's development of its resources projects and for working capital.
Quotation of Options	The Options will not be quoted on ASX however the Company reserves the right to seek quotation at a later date at its discretion.

* Subject to rounding of fractional entitlements under the SPP.

Key Placement details

Terms of Placement	Details
Offer Price under the Placement	\$0.12 per Share
Total Shares to be issued under the Placement	12,500,000 Shares utilising the Company's existing placement capacity under ASX Listing Rule 7.1.
Total amount to be raised under the Placement	\$1,500,000
Total number of Options to be issued under the Placement*	6,250,000 Options
Total amount raised if all Options are issued and exercised in respect of the Placement*	\$1,125,000, which will be used to fund the Company's development of its silica sand projects and for working capital.
Quotation of Options	The Options will not be quoted on ASX however the Company reserves the right to seek quotation at a later date at its discretion.

* Subject to rounding of fractional entitlements under the Placement Option Offer.

Capital structure on completion of the Offers

Assuming that all of the Shares are issued under the Placement and SPP, and all of the Options are issued under the Offers, the Company's capital structure will be as follows:

Security	No.*
Fully paid ordinary shares	585,403,029
Options**	62,250,000

* Subject to rounding of fractional entitlements under the SPP and Placement Option Offer.

** Various exercise prices and expiry dates. See Section 4.4 for further details.

1.2 Indicative Timetable

The key dates in respect of the Offers are as follows.

Event	Date (2023)
SPP Record Date (7.00pm)	Friday, 25 August
Capital raising announced to ASX	Monday, 28 August
Settlement of Placement	Thursday, 31 August
Issue and trading of New Shares under Placement	Friday, 1 September
SPP Offer Booklet lodged with ASX Prospectus lodged with ASIC and ASX Opening Date of Offers Letters sent to Eligible Shareholders	Monday, 4 September
Closing Date (5.00pm) of Offers	Friday, 22 September
Announcement of results of SPP	Thursday, 28 September
Issue and trading of New Shares under SPP (other than SPP Shortfall Shares, if any)	Friday, 29 September
Allotment of Options (other than those Options to be issued in connection with the SPP Shortfall Offer, if any)	Friday, 29 September

* Times are AEST. These times and dates are indicative only and may change without notice.
The Directors reserve the right to vary these dates, including the closing dates, without notice.

2. DETAILS OF THE OFFERS

2.1 Background

On 28 August 2023, the Company announced a capital raising and issue of Shares and free attaching Options (**Capital Raising**) comprising the following components.

(a) Placement

A placement to professional and sophisticated investors to raise \$1.5 million (**Placement**) through the issue of 12,500,000 new Shares at an offer price of \$0.12 per Share (**Offer Price**).

The terms of the Placement provided that one free-attaching Option will be issued for every two Shares subscribed for under the Placement (**Placement Option Offer**).

The Company has engaged Canaccord Genuity (Australia) Limited as lead manager of the Placement. The Placement is not underwritten.

(b) Share Purchase Plan

A share purchase plan to accompany the Placement (**Share Purchase Plan** or **SPP**), under which **Eligible Shareholders** (being Shareholders with an address in Australia or New Zealand, or otherwise as determined by the Directors, who are on the register as at 7.00pm on 25 August 2023) will be entitled to acquire up to \$30,000 worth of new Shares at the SPP Offer Price. The Company is seeking to raise a maximum of \$1,500,000 under the SPP.

The offer price for Shares under the SPP is \$0.12 per Share (**SPP Offer Price**).

The SPP is not underwritten.

The terms of the SPP provide that one free-attaching Option will be issued for every two Shares subscribed for under the SPP (**SPP Option Offer**).

The Directors have reserved the right to place all of the SPP Shortfall Shares (and attaching Options) under the SPP to any other sophisticated and professional investors (who are not related parties) as a separate placement at the SPP Offer Price (**SPP Shortfall Offer**).

(c) Options

Shares issued under the Placement and SPP are being offered with free attaching options, expiring on 31 August 2025 and with an exercise price of \$0.18 (**Options**).

The terms of issue of the Options are set out in Section 5.1.

The Options are being offered at a ratio of one Option for every two new Shares issued under the Placement and SPP (including the SPP Shortfall Offer).

The Options are being offered under this Prospectus.

The Options will not be quoted on ASX however the Company reserves the right to seek quotation at a later date at its discretion.

Only those Shareholders who participated in the Placement, or who participate in the SPP (or the SPP Shortfall Offer), will be entitled to subscribe for Options under this Prospectus.

2.2 Placement Option Offer

Investors under the Placement (**Placement Subscribers**) are being offered one free attaching Option, for nil consideration, for every two Shares issued to each investor under the Placement.

The Placement Option Offer to Placement Subscribers is being made in this Prospectus and will result in the issue of 6,250,000 Options to the Placement Subscribers (subject to rounding of fractional entitlements under the Placement Option Offer).

The issue of Options to Placement Subscribers will be made within the Company existing 15% placement capacity under ASX Listing Rule 7.1.

2.3 SPP Option Offer

Eligible Shareholders who subscribe for Shares under the SPP, and any investors who subscribe for Shares under the SPP Shortfall Offer (together **SPP Subscribers**), are being offered, subject to Shareholder approval, one free attaching Option, for nil consideration, for every two Shares issued to them in connection with the SPP and the SPP Shortfall Offer.

No more than \$1,500,000 worth of new Shares (at the SPP Offer Price) will be issued under the SPP.

The offer of Options to SPP Subscribers (**SPP Option Offer**) is being made in this Prospectus and will result in the issue of approximately 6,250,000 Options to the SPP Subscribers (subject to rounding of fractional entitlements under the SPP).

The issue of Options to SPP Subscribers will be made within the Company existing 15% placement capacity under ASX Listing Rule 7.1.

2.4 Use of funds

The funds raised under the Placement and SPP will be used to fund further work and equipment purchases ahead of anticipated approvals at Arrowsmith North and further work at Muchea, and to fund general working capital and costs of the Capital Raising.

The Options offered under this Prospectus will be issued to the Subscribers for nil cash consideration. No funds will be raised from the issue of the Options offered under this Prospectus, however any funds raised from the exercise of these Options will be applied to fund the Company's continued development of its silica sand projects and for working capital.

2.5 Terms of Options

Each Option offered under this Prospectus will have the same terms.

The Options will have an exercise price of \$0.18 and expire on 31 August 2025. Upon exercise, each Option will entitle the holder to one Share.

The terms and conditions attaching to the Options are set out in Section 5.1.

2.6 Minimum and Maximum Subscription

There is no minimum subscription under the Offers.

No person may apply for (and the Company will not issue) Options under the Offers in excess of their entitlement to Options.

2.7 Non-renounceable offer

The Offers are non-renounceable. Accordingly, a Subscriber may not sell or transfer all or part of their entitlement to subscribe for Options.

2.8 Rounding

In the event that a person is entitled to a fraction of an Option, that fractional entitlement will be rounded up.

2.9 Lead Manager and underwriting

The Capital Raising is being lead managed by the Lead Manager. The Placement and SPP (and the Offers) are not underwritten.

See Section 7.5 for details of the fees payable to the Lead Manager.

2.10 Enquiries

Any questions concerning the Offers should be directed to Computershare, the Company's share registry, from 8.30am to 5.00pm AEST, Monday to Friday, on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia).

3. HOW TO APPLY

3.1 SPP Option Offer

If you are participating in the SPP Option Offer, details of how to apply and pay for your Shares under the SPP are included in the SPP offer booklet.

If you are eligible to subscribe for Options pursuant to the SPP Option Offer and wish to subscribe, please complete an Application Form which accompanies this Prospectus.

If the number of Options subscribed for is more than the number of Options to which the relevant Subscriber is entitled under the SPP Option Offer, the Company reserves the right to accept the application in respect of the lesser number of Options to which the Subscriber is entitled. Once an application has been made it cannot be revoked. No notice of acceptance of an application will be provided.

Completed Application Forms must be submitted (physically or digitally) by no later than 5:00pm (AEST) on the Closing Date (or, where applicable, the SPP Shortfall Offer Closing Date as provided for in Section 3.3).

3.2 Placement Option Offer

Applications for Options under the Placement Option Offer may only be submitted by the Placement Subscribers (or their nominees) and must be made using the Placement Option Offer Application Form that accompanies this Prospectus and is provided directly to the Placement Subscribers. The Placement Option Offer Application Form must be completed in accordance with instructions provided to Placement Subscribers.

Completed Placement Option Offer Application Forms must be received by the Company by no later than 5:00pm (AEST) on the Closing Date.

Where the amount applied for results in a fraction of an Option, the number of Options issued will be rounded up to the nearest whole Option.

3.3 Offer Period

The Offers will open on the Opening Date and applications for Options under the Offers close at 5:00pm (AEST) on the Closing Date (other than in respect of the SPP Shortfall Offer, which will close 3 months after the Closing Date or earlier at the Company's discretion (**SPP Shortfall Offer Closing Date**)).

The Opening Date and Closing Date for the Offers are indicative only and subject to change without notice. The Company may vary these dates, including to close the Offers early or extend the Closing Date, at any time prior to the issue of Options under the Offers (subject to the Corporations Act and ASX Listing Rules). The Company may also accept late applications at its discretion.

If any of the dates are changed, subsequent dates may also change. You are encouraged to submit your Application Form as provided for in this Prospectus as soon as possible after the Opening Date.

3.4 Lodgement instructions and effect of making an Application

The Company encourages Applicants to make applications for Options under the SPP Option Offer using the online Application Form at www.computersharecas.com.au/vrxspp. The Application Form must be completed in accordance with the instructions set out on that website.

A submitted (physically or digitally) Application Form constitutes a binding and irrevocable offer to subscribe for the number of Options specified in that Application Form and, once submitted, cannot be revoked. An Application Form does not need to be signed to be valid.

If an Application Form is not completed or submitted correctly, it may be treated by the Company as valid at its discretion. The Directors' decision as to whether to treat such an application as valid and how to construe, amend or complete a form is final. However, an Applicant will not be treated as having applied for more Options than they are entitled to under the Placement or SPP, as the case may be.

Brokerage or transfer/stamp duty is not payable in relation to the Offer.

The Company reserves the right to refuse an Application Form if it has reason to believe that an Applicant has not received a copy of this Prospectus in paper or electronic form, or the Prospectus or Application Form provided to the Applicant has been altered or tampered with in any way.

If a person makes an application, that person:

- (a) irrevocably and unconditionally agrees to the terms of the relevant Offer set out in this Prospectus;
- (b) acknowledges that their application is irrevocable and unconditional;
- (c) if the application has been made under the SPP Option Offer, warrants and represents to the Company that they are an Eligible Shareholder entitled to participate in the SPP and that, notwithstanding the application made, acknowledges and agrees the number of Options they have applied for may be subject to any scale back as provided for under the SPP terms and conditions; and
- (d) where they are not a 'wholesale client', within the meaning of the Corporations Act, acknowledges that they have read and understood the Target Market Determination and that they fall within the target market set out in the Target Market Determination.

4. PURPOSE AND EFFECT OF THE OFFERS

4.1 Purpose of the Offers

The Offers are being made in accordance with the Company's announced intention to offer free attaching Options to Subscribers under the Placement, SPP and SPP Shortfall Offer.

No funds will be raised from the Offers.

4.2 Effect of the Offers

The principal effect of the Offers, assuming all Options offered under the Prospectus are subscribed for and granted, will be to issue approximately:

- (a) 6,250,000 Options under the Placement Option Offer; and
- (b) 6,250,000 Options under the SPP Option Offer.

In the event that all of the Options offered under this Prospectus are issued, the Company will issue a total of approximately 12,500,000 Options under the Offers (and approximately 12,500,000 Shares if all of the Options are exercised).

One Option will be offered for every two Shares issued under the SPP. The final number of Options issued under the Offers will depend on the level of applications received under the SPP and the rounding of fractional entitlements both under the SPP and Placement Options Offer.

See Section 4.4 for further details on the effect of the Offers on the capital structure of the Company.

4.3 Pro-forma balance sheet

This section contains a summary of the historical financial information for the Company as at 31 December 2022 (**Historical Financial Information**) and a pro-forma balance sheet as at 31 December 2022 (**Pro-Forma Balance Sheet**) (collectively, **Financial Information**).

The Pro-Forma Balance Sheet has been prepared on the basis of the following key assumptions:

- (a) an amount of \$1,500,000 is raised by the issue of 12,500,000 Shares under the Placement;
- (b) an amount of \$1,500,000 is raised by the issue of 12,500,000 Shares under the SPP; and
- (c) all Options offered under the Prospectus are subscribed for and granted.

The Financial Information has been prepared to illustrate the effect of the Offers.

The stated basis of preparation for the Historical Financial Information is in accordance with the recognition and measurement principles of the Australian Accounting Standards.

The stated basis of preparation for the Pro-Forma Balance Sheet is in a manner consistent with the recognition and measurement principles of the Australian Accounting Standards applied to the Historical Financial Information and the events or transactions to which the pro forma adjustments relate, as described below, as if those events or transactions had occurred as at 31 December 2022.

VRX SILICA LIMITED
BALANCE SHEET

	31 Dec 2022	Subsequent Events	Pro-forma Adjustments	Pro-forma 31 Dec 2022
	\$	\$	\$	\$
ASSETS				
Current Assets				
Cash and cash equivalents	5,109,488	1,420,329	1,397,363	7,927,180
Trade and other receivables	368,933	-	-	368,933
Total Current Assets	5,478,421	1,420,329	1,397,363	8,296,113
Non-Current Assets				
Trade and other receivables	115,896	-	-	115,896
Financial assets at fair value through profit or loss	537,500	-	-	537,500
Plant and equipment	801,031	-	-	801,031
Right-of-use assets	452,273	-	-	452,273
Deferred exploration expenditure	13,726,675	-	-	13,726,675
Total Non-Current Assets	15,633,375	-	-	15,633,375
Total Assets	21,111,796	1,420,329	1,397,363	23,929,488
LIABILITIES				
Current Liabilities				
Trade and other payables	998,085	-	-	998,085
Provisions	212,818	-	-	212,818
Lease liabilities	76,764	-	-	76,764
Total Current Liabilities	1,287,667	-	-	1,287,667
Non-Current Liabilities				
Lease liabilities	378,882	-	-	378,882
Total Non-Current Liabilities	378,882	-	-	378,882
Total Liabilities	1,666,549	-	-	1,666,549
Net Assets	19,445,247	1,420,329	1,397,363	22,262,939
EQUITY				
Issued capital	49,906,519	1,427,760	1,470,000	52,804,279
Reserves	7,199,709	458,035	-	7,657,744
Accumulated losses	(37,660,981)	(465,466)	(72,637)	(38,199,084)
Total Equity	19,445,247	1,420,329	1,397,363	22,262,939

Subsequent events

The following events occurred subsequent to 31 December 2022:

- under the Company's employee incentive scheme, on 30 May 2023 the Company issued 7,200,000 options (15c 31-Dec-26) and on 31 August 2023 the Company issued 1,250,000 options (18c 31-Aug-25) to employees and contractors under the Company's employee incentive scheme; and
- on 1 September 2023 the Company issued 12,500,000 Shares under the Placement raising \$1.5 million less costs (see Section 2.1(a)).

Pro-forma Adjustments

The pro forma balance sheet has been prepared based on the reviewed but unaudited balance sheet as at 31 December 2022 that has been adjusted to reflect the following transactions and events:

- issue of 12,500,000 Shares under the SPP raising \$1,500,000 less costs (see Section 2.1(b));
- issue of 6,250,000 Options under this Prospectus pursuant to the Placement Option Offer (see Section 2.2); and
- issue of 6,250,000 Options under this Prospectus pursuant to the SPP Option Offer (see Section 2.3).

4.4 Effect on capital structure

The effect of the Offers on the capital structure of the Company, assuming all Options offered under the Prospectus are issued, is set out below.

Shares

	No.
Shares on issue (immediately prior to the Capital Raising)	560,403,029
Shares issued pursuant to the Placement	12,500,000
Shares offered pursuant to the SPP*	12,500,000
Total Shares on issue after completion of the Offers	585,403,029

* Subject to rounding of fractional entitlements under the SPP.

Options

Class	No.
<i>Options currently on issue:</i>	
Unquoted, exercisable at \$0.15 on or before 23 October 2023	2,500,000
Unquoted, exercisable at \$0.15 on or before 31 December 2026	7,200,000
Unquoted, exercisable at \$0.18 on or before 31 August 2025	1,250,000
Unquoted, exercisable at \$0.20 on or before 31 December 2025	10,000,000
Unquoted, exercisable at \$0.30 on or before 31 August 2024	28,800,000
<i>New Options offered pursuant to the Placement Option Offer:</i>	
Unquoted, exercisable at \$0.18 on or before 31 August 2025	6,250,000
<i>New Options offered pursuant to the SPP Option Offer:</i>	
Unquoted, exercisable at \$0.18 on or before 31 August 2025*	6,250,000
Total Options on issue after completion of the Offers	62,250,000

* Subject to rounding of fractional entitlements under the SPP.

The capital structure, on a fully diluted basis, as at the date of this Prospectus, is 622,653,029 Shares and on completion of the Offers (assuming the SPP is fully subscribed) would be 647,653,029 Shares (subject to rounding of fractional entitlements under the SPP and Placement Options Offer, and no further issues of securities occurring in the meantime).

4.5 Effect on control of the Company

The Offers will not have a material impact on the control of the Company (as defined in section 50AA of the Corporations Act).

The maximum number of Options proposed to be issued under the Offers is approximately 12,500,000 Options, assuming the SPP is fully subscribed and subject to rounding of fractional entitlements under the SPP and Placement Option Offer.

Assuming that all Options are issued under the Offers and all of the Shares are issued under the Placement and SPP (noting that the Options are free attaching to the Shares), a total of 585,403,029 Shares and 62,250,000 Options will be on issue, and the Options offered under this Prospectus will represent 2.1% of the total number of Shares on issue at the time.

4.6 Details of substantial holders

Based on the most recent filings and the Company's share register, the persons who (together with their Associates) will have a relevant interest in 5% or more of the Company's issued shares (assuming completion of the Capital Raising and no acquisitions or disposals of Shares from the date of this Prospectus until completion) are set out below:

Name	No. Shares as at date of this Prospectus	%	No. Shares as at Completion of Capital Raising	%
Sparta AG	49,200,000	8.78	51,200,000	8.75

5. RIGHTS AND LIABILITIES ATTACHING TO SECURITIES

5.1 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.

5.2 Shares

The following is a summary of the more significant rights and liabilities attaching to Shares being the underlying securities of the Options to be issued pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

(a) General meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution of the Company.

(b) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

(c) Dividend rights

Subject to the rights of any preference shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

(d) Winding-up

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any shares or other securities in respect of which there is any liability.

(e) **Shareholder liability**

As the Shares issued will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(f) **Transfer of shares**

Generally, shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the ASX Listing Rules.

(g) **Future increase in capital**

The allotment and issue of any new Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of Securities contained in the ASX Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

(h) **Variation of rights**

Under section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(i) **Alteration of constitution**

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

(j) **Proportional Takeover Provisions**

The Constitution contains provisions in relation to proportional takeover approval. The effect of these provisions will be to prohibit the transfer of Shares as a result of acceptance of an offer made under a proportional takeover bid unless and until a resolution is passed by the Company approving the proportional takeover bid.

6. RISK FACTORS

6.1 Introduction

The Options offered under this Prospectus are considered highly speculative. An investment in the Company is not risk free and the Directors strongly recommend potential investors to consider the risk factors described below, together with information contained elsewhere in this Prospectus and to consult their professional advisers before deciding whether to apply for Options pursuant to this Prospectus.

There are specific risks which relate directly to the Company's business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the Shares.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

6.2 Specific Risks

(a) Title risk

The ability of the Company to carry out successful exploration and mining activities on its tenements will depend on it obtaining and maintaining the appropriate approvals and permits to operate, including exploration licences, programs of work, environmental approvals, mining leases, mining permits and other approvals and permits necessary to carry out these activities.

The grant, maintenance and renewal of such licences, permits and approvals is regulated by the applicable State legislation, such as the Mining Act 1978 (WA) as amended. No guarantee can be given that any such licence, permit or approval will be granted and/or maintained or, if granted, any attaching conditions are acceptable to the Company or their grant is not overturned or restricted. There is also no guarantee that a renewal will be automatically granted other than in accordance with the applicable mining legislation or granted without new conditions, including relinquishment of ground.

Each tenement carries with it annual expenditure and reporting commitments as well as other conditions requiring compliance. There is a risk that the Company could lose title to one or more of its tenements if tenement conditions or annual expenditure commitments are not met.

(b) Granting of licences, permits etc

The Company requires numerous governmental, environmental, mining permits, water rights and approvals authorising operations for mining and processing facilities. A decision by a governmental agency or other third party to deny or delay issuing a new or renewed permit or approval, or to revoke or substantially modify an existing permit or approval, could have a material adverse effect on the ability to continue operations. Furthermore, state and local governments could impose a moratorium on mining operations in certain areas. Expansion of operations is also predicated on securing the necessary environmental or other permits, water rights or approvals, which may not be received in a timely manner or at all.

(c) Exploration and Development Risks

Mineral exploration, development and mining are high-risk enterprises, only occasionally providing high rewards. In addition to the normal competition for prospective ground, and the high average costs of discovery of an economic deposit, factors such as demand for commodities, stock market fluctuations

affecting access to new capital, sovereign risk, environmental issues, labour disruption, project financing difficulties, foreign currency fluctuations and technical problems all affect the ability of a company to profit from any discovery.

There is no assurance that exploration of the mineral interests currently held by the Company, or any other projects that may be acquired in the future will result in the discovery of an economically viable mineral deposit. Even if an apparently viable mineral deposit has been identified, there is no guarantee that it can be profitably exploited.

(d) **Resource and Reserve Estimates**

Resource estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates that are valid when made may change significantly when new information becomes available through drilling, sampling, economic conditions and similar examinations.

In addition, resource estimates are necessarily imprecise and depend to some extent on interpretations, which may prove to be inaccurate. Should the Company encounter mineralisation or formations different from those predicted, resource estimates may have to be adjusted and mining plans may have to be altered in a way which could adversely affect the Company's operations.

Reserve and resource estimates are expressions of judgment based on drilling results and other exploration observations, along with a competent person's experience working with relevant mining properties, and other factors. Estimates based on available data and interpretations and thus estimations may prove to be inaccurate or may change substantially when new information becomes available. The actual quality and characteristics of mineral deposits cannot be known until mining takes place and will almost always differ from the assumptions used to develop resources.

Reserves are value based financial and operational forecasts and, consequently, the actual reserves, resources and economic conditions may differ from those estimated either positively or negatively.

(e) **Capital costs estimates**

The Company has undertaken feasibility studies on, among other things, the capital costs to develop its silica sand projects through to production. These studies are undertaken at a point in time.

If the Company proceeds with a decision to mine at one or more of its projects, during the construction phase prices of goods and services in connection with that mine's development may increase substantially, resulting in an increase in the cost to develop the mine. As a consequence the Company may need to raise additional capital to complete the construction and there is no guarantee that the Company will be able to achieve this.

(f) **Operational Risks**

The operations of the Company may be affected by various factors including failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration or mining, operational and technical difficulties encountered in mining, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment, fire, explosions and other incidents beyond the control of the Company.

These risks and hazards could also result in damage to, or destruction of, production facilities, personal injury, environmental damage, business interruption, monetary losses and possible legal liability. While the Company currently intends to maintain insurance within ranges of coverage consistent with industry practice, no assurance can be given that the Company will be able to obtain such insurance coverage at reasonable rates (or at all), or that any coverage it obtains will be adequate and available to cover any such claims.

(g) **Environmental Risks**

The operations and proposed activities of the Company are subject to regulations concerning the environment. The government and other authorities that administer and enforce environmental laws determine these requirements. As with all exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if mine development proceeds, and the Company will require approval from the relevant authorities before it can undertake such activities. The Company intends to conduct its activities in an environmentally responsible manner and in accordance with best industry practice and applicable laws.

The cost and complexity of complying with the applicable environmental laws and regulations may prevent the Company from being able to develop potentially economically viable mineral deposits.

Environmental matters applicable to the Company's silica sand projects are within the remit of Commonwealth and State authorities, including under legislation in the form of the Environment Protection and Biodiversity Conservation Act 1999 (Cth) (**EPBC Act**) and the Environmental Protection Act 1986 (WA). The Company will need to seek pre-approval on environmental matters for any mining operations and the Environmental Protection Authority (**EPA**) will, among other things, assess the impact of proposed activities on flora and fauna and matters of national environmental significance under the EPBC Act as part of an accredited assessment.

The assessment process requires interaction between Commonwealth and State authorities and there is no fixed time for the process to complete. Significant delays in the process can potentially have a material adverse effect on the Company's business, financial condition and operations and affect the Company's ability to pursue the projects. In addition, there is no guarantee that the assessments undertaken by these authorities will be favourable or the approvals sought will be granted. Failure to obtain such approvals will prevent the Company from undertaking its desired activities and this will have a material adverse effect on the Company's business, financial condition and operations.

The Environmental Review Document (**ERD**) for Arrowsmith North has been accepted by the Department of Water and Environmental Regulation (**DWER**) for publication and a four-week Public Environmental Review (**PER**) completed in mid-July 2023. The Company is awaiting a formal notification from DWER of comments on the PER and the Company is required to respond to all such comments. This PER and response process are the final steps before the EPA prepares an assessment report including recommendations to the Western Australian Environment Minister on whether the proposal should be approved. There is no guarantee that such approval will be forthcoming.

Environmental approval will be required for the Company's other silica sand projects, including Muchea. There is no guarantee that such approval will be forthcoming.

Future State and Federal legislation and regulations governing mineral exploration and production may impose significant environmental obligations on the Company.

The Company is unable to predict the effect of additional environmental laws and regulations, which may be adopted in the future, including whether any such laws or regulations would materially increase the Company's cost of doing business or affect its operations in any area. There can be no assurances that new environmental laws, regulations or stricter enforcement policies, once implemented, will not oblige the Company to incur significant expenses and undertake significant investments in such respect which could have a material adverse effect on the Company's business, financial condition and results of operations.

Any failure by the Company to comply with applicable environmental laws and regulations may cause governmental authorities to take actions that could adversely impact operations and financial condition, including issuance of administrative, civil, and criminal penalties denial, modification, or revocation of permits or other authorisations, imposition of injunctive obligations or other limitations on operations, including cessation of operations; and requirements to perform site investigatory, remedial, or other corrective actions.

(h) **Metallurgy**

Mineral recoveries are dependent upon the metallurgical process, and by its nature contain elements of significant risk such as:

- (i) identifying a metallurgical process through test work to produce a saleable product;
- (ii) developing an economic process route to produce a product; and
- (iii) changes in mineralogy in the deposit can result in inconsistent recovery, affecting the economic viability of a project.

(i) **Changes to glassmaking and foundry industries in Asia**

Prices for silica sand will be subject to glass and foundry demand in Asia, among other industries. A reduction in glass production or foundry activity would generally depress the demand, development, production, and mining activity for silica sand the Company may produce. Such a decline could have a material adverse effect on the Company's business, results of operations and financial conditions generally.

(j) **Changes to demand for silica sand generally**

Demand for silica sand products can be affected generally by advances in industry and the development and use of new technology or new processes that reduce or eliminate the need for silica sand products, including as a material for glass-making, metal casting, metallurgical processes, chemical production, paint and coatings, ceramics, filtration and water production and proppant.

Such events could cause a decline in demand for the products produced and could have a material adverse effect on the Company's business, results of operations and financial conditions generally.

(k) **Fluctuations in market pricing**

Supply agreements involving the sale of silica sand products may be fixed or have market-based pricing mechanisms, or a combination of both. Accordingly, in periods with decreasing prices, results of operations may be lower if prices under these agreements are not fixed. In periods with increasing prices, some agreements may permit an increase in prices; however, some customers may elect to cease purchasing products if they do not agree with price increases or are able to find alternative, cheaper sources of supply. Furthermore, certain volume-based supply agreements may influence the ability to fully capture current market pricings.

Depending on the pricing provisions, there may be significant variability in results of operations and cash flows from period to period.

(l) **A significant reduction in purchases by major buyers**

Major customers may not continue to purchase the same levels of products in the future due to a variety of reasons. The Company is likely to sell products to customers on a purchase order basis and pursuant to supply agreements that will contain customary termination provisions for bankruptcy related events and uncured breaches of the applicable agreement. If any of these major customers substantially reduces or altogether ceases purchasing products and the Company is not able to generate replacement sales into the market, the business, financial condition, and results of operations could be adversely affected for a short-term period until such time as the Company can generate replacement sales in the market.

(m) **Credit risk of major international export customers**

The Company is subject to the risk of loss resulting from non-payment or non-performance by customers, many of whose operations are concentrated solely in the Asian market which is subject to volatility and therefore credit risk. Credit procedures and policies may not be adequate to fully reduce customer credit risk. If the Company fails to adequately assess the creditworthiness of customers or unanticipated deterioration in their creditworthiness, any resulting increase in non-payment or non-performance by them and the inability to re-market or otherwise use the production could have a material adverse effect on the Company's business, financial condition, and results of operations.

(n) **Increasing logistics costs for rail, port and shipping**

Transportation and handling costs are a significant component of the total delivered cost of products. In many instances, transportation costs can represent 50% to 60% of the delivered cost of silica sand. The high relative cost of transportation could favour suppliers located in close proximity to the customer. The Company will contract with rail, wharf and ship services to move products from the production facilities to customers. Labour disputes, derailments, adverse weather conditions or other environmental events and other changes to rail freight systems could interrupt or limit available transportation services or result in a significant increase in transportation service rates. Increased costs resulting from these types of events that the Company is not able to pass on to customers could impair the ability to deliver the products economically to customers or to expand the markets.

(o) **Maintaining effective quality control at the mining and processing operation**

The performance and quality of the products are critical to the success of the business. These factors depend significantly on the effectiveness of the quality control systems, the quality-training program, and the ability to ensure that employees adhere to the quality control policies and guidelines. Any significant failure or deterioration of the quality control systems could have a material adverse effect on the Company's business, financial condition, results of operations, and reputation.

(p) **Interruptions or failures in information technology systems**

The Company's operations may rely on sophisticated information technology systems and infrastructure to support the business, including process control technology. Any of these systems may be susceptible to outages due to fire, floods, power loss, telecommunications failures, usage errors by employees, computer viruses, cyber-attacks or other security breaches, or similar events. The failure of any of the information technology systems may cause disruptions in operations, which could adversely affect product supply, sales and profitability.

(q) Extreme seasonal weather conditions

Unexpected weather conditions may result in damage to plant, equipment and transport infrastructure or the Company having insufficient stockpiles to supply feedstock for rail and ship operations, and result in being unable to satisfy customer requirements during these periods.

As a consequence of potential seasonal supply impacts, cash flows from operations can fluctuate if plant operations must remain shut down due to extreme weather conditions.

(r) Insurance Risks

The Company intends to adequately insure its operations in accordance with industry practice. However, in certain circumstances, the Company's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company.

Insurance of all risks associated with mineral exploration and production is not always available and, where available, the costs can be prohibitive.

(s) Key personnel

The ability of the Company to achieve its objectives depends on the retention of key employees and contractors who provide technical expertise. If the Company cannot secure technical expertise (for example to carry out drilling) or if the services of the present technical panel cease to become available to the Company, this may affect the Company's ability to achieve its objectives either fully or within the timeframes and the budget the Company has decided upon.

Whilst the ability of the Company to achieve its objectives may be affected by the matters mentioned above, the Company believes that appropriately skilled and experienced professionals would be available to provide services to the Company at market levels of remuneration in the event key external contractors cease to be available.

(t) Shortage of labour or labour disputes

Efficient mining using modern techniques and equipment requires skilled operators, preferably with several years of experience and proficiency in multiple mining tasks, including processing of mined minerals. If a shortage of experienced labour is encountered or subject to labour disputes or if the Company is unable to train the necessary number of skilled operators, there could be an adverse impact on productivity and costs and the ability to maintain production. An inability to maintain good relations with the workforce could cause a material adverse effect on the operations and financial position.

(u) No Profit To-Date

The Company has incurred losses since its inception and it is therefore not possible to evaluate its prospects based on past performance. As the Company intends to continue investing in exploration and development programs, the Company anticipates making further losses in the foreseeable future.

While the Company has confidence in the future revenue-earning potential of the Company, there can be no certainty that the Company will achieve or sustain profitability or achieve or sustain positive cash flow from its operating activities.

(v) Changes in laws and regulations related to mining and processing

Mining operations are subject to a variety of Federal, State and Local regulatory legislative requirements affecting the mining and mineral processing industry, including among others, those relating to employee health and safety, environmental permitting and licensing, air and water emissions, greenhouse gas emissions, water pollution, waste management, remediation of soil and groundwater contamination, land use, reclamation and restoration of properties, hazardous materials, and natural resources.

Some environmental laws impose substantial penalties for non-compliance, and liability for the remediation of releases of hazardous substances. Liability under Federal and State laws may be imposed as a result of conduct that was lawful at the time it occurred or for the conduct of, or conditions caused by, prior operators or other third parties. Failure to properly handle, transport, store or dispose of hazardous materials or otherwise conduct operations in compliance with environmental laws could expose the Company to liability for governmental penalties, cleanup costs and civil or criminal liability associated with releases of such materials into the environment, damages to property or natural resources and other damages, as well as potentially impair the ability to conduct operations.

In addition, future environmental laws and regulations could restrict the ability to expand the facilities or extract mineral reserves or could require the Company to acquire costly equipment or to incur other significant expenses in connection with business. Future events, including changes in any environmental requirements (or their interpretation or enforcement) and the costs associated with complying with such requirements, could have a material adverse effect on the Company.

(w) Foreign Exchange Risk

International prices of silica sand products are denominated in United States Dollars, whereas the income and expenditure of the Company are and will be taken into account in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States Dollar and the Australian Dollar as determined in international markets.

(x) Native title and Aboriginal Heritage

The Native Title Act recognises and protects the rights and interests in Australia of Aboriginal and Torres Strait Islander people in land and waters, according to their traditional laws and customs. There is significant uncertainty associated with Native Title in Australia and this may impact on the Company's operations and future plans.

Native Title can be extinguished by valid grants of land (such as freehold title) or waters to people other than the Native Title holders or by valid use of land or waters. It can also be extinguished if the indigenous group has lost its connection with the relevant land or waters. Native Title is not necessarily extinguished by the grant of mining leases, although a valid mining lease prevails over Native Title to the extent of any inconsistency for the duration of the title.

Tenements granted before 1 January 1994 are valid or validated by the Native Title Act. For tenements to be validly granted (or renewed) after 1 January 1994, the future act regime established by the Native Title Act must be complied with. The existence of a Native Title claim is not an indication that Native Title in fact exists on the land covered by the claim, as this is a matter ultimately determined by the Federal Court.

The Company must also comply with Aboriginal Cultural Heritage legislation requirements, which require certain due diligence investigations to be undertaken ahead of the commencement of exploration and mining. Whilst no sites of Aboriginal heritage have been uncovered in surveys conducted to-date on the Company's projects, in the event the Company subsequently discovers evidence of Aboriginal heritage on land accessed by the Company, the Company must comply with regulations prohibiting the disturbance of physical evidence of prehistoric or historical significance without statutory permission and legislation prohibiting or restricting access to Aboriginal cultural heritage or native title land. Accordingly, delays or additional costs in the exploration or production of the Company's business may be experienced. Further, the disturbance of any such land or objects may expose the Company to additional fines or other penalties.

(y) **Future Capital Needs and Additional Funding**

There can be no guarantees that the Company's cash reserves will be sufficient to successfully achieve all the objectives of the Company's overall business strategy.

Any additional equity financing may be dilutive to the Company's existing shareholders and any debt financing, if available, may involve restrictive covenants, which limit the Company's operations and business strategy, and may restrict the ability to finance future operations or capital needs or to engage in, expand, or pursue the business activities. The ability to obtain financing or to access the capital markets for future equity or debt offerings may be limited by the financial conditions at the time of any such financing or offering, the covenants contained in credit facilities, term loans or future debt agreements, adverse market conditions or other contingencies and uncertainties that are beyond our control. Failure to obtain the funds necessary to maintain, develop, and increase the asset base, could adversely impact the Company's growth and profitability. Even if the Company is able to obtain financing or access the capital markets, incurring debt will incur interest expense and increase financial leverage, and the level of indebtedness could restrict the ability to fund future development and acquisition activities.

6.3 General risks

(a) **Economic Risk**

Changes in the general economic climate in which the Company will operate may adversely affect the financial performance of the Company. Factors that may contribute to that general economic climate include the level of direct and indirect competition against the Company, industrial disruption and the rate of growth of gross domestic product in Australia and other jurisdictions in which the Company may acquire mineral assets.

(b) **Changes in Government Policies and Legislation**

Any material adverse changes in government policies or legislation of Australia or any other country that the Company may acquire economic interests may affect the viability and profitability of the Company.

(c) **Changing political environment**

Changes in the political relationship between Australia and its trading parties can affect the demand for the Company's products. Examples of this might be trade embargos or increased tariffs on the Company's goods or economic sanctions against the countries that are buying the Company's products or war between countries to which the Company exports its products.

(d) **Risk of litigation, claims and disputes**

The Company is exposed to the risk of actual or threatened litigation or legal disputes in the form of claims by contract counterparties, personal injury and property damage claims, environmental and indemnity claims, employee claims and other litigation and disputes. There is a risk that such litigation, claims and disputes could materially and adversely affect the Company's operating and financial performance due to the cost of defending and/or settling such claims, and could affect the Company's reputation.

The Company is not aware of any legal proceedings pending or threatened against it or any of its subsidiary companies.

(e) **Global credit and investment markets**

Global credit, commodity and investment markets can experience a high degree of uncertainty and volatility. The factors which lead to this situation are outside the control of the Company and may result in volatility and uncertainty in world stock markets (including ASX). This may impact the price at which the Company's shares trade regardless of operating performance and affect the Company's ability to raise additional equity and/or debt to achieve its objectives, if required. The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general, and resources securities in particular. Neither the Company, nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

6.4 Speculative investment

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Options offered under this Prospectus.

Therefore, the Options be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Options.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Options pursuant to this Prospectus.

7. ADDITIONAL INFORMATION

7.1 Continuous disclosure obligations

The Company is a “disclosing entity” (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company’s securities.

This Prospectus is a “transaction specific prospectus”. In general terms a “transaction specific prospectus” is only required to contain information in relation to the effect of the issue of securities on a company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a securities exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the three months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the securities market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - (i) the annual financial report most recently lodged by the Company with ASIC;
 - (ii) any half-year financial report lodged by the Company with ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with ASIC; and
 - (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with ASIC.

Copies of all documents lodged with ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

Details of documents lodged by the Company with ASX since the date of lodgement of the Company's latest annual financial report and before the lodgement of this Prospectus with ASIC are set out in the table below.

Date	Description of Announcement
01/09/2023	Cleansing Notice
01/09/2023	Application for quotation of securities – VRX
31/08/2023	Notification regarding unquoted securities – VRX
28/08/2023	Proposed issue of securities – VRX
28/08/2023	VRX Silica Launches \$3 million Capital Raising
24/08/2023	Trading Halt
31/07/2023	Quarterly Activities/Appendix 5B Cash Flow Report
28/07/2023	Geothermal Exploration Permit Granted at Dandaragan WA
19/07/2023	Grant of Arrowsmith Brand Mining Lease
18/07/2023	\$2m Grant to Produce High Grade Silica Sand
29/06/2023	Strategic Research Initiative with UNSW
19/06/2023	Arrowsmith North Public Environmental Review Period Commence
09/06/2023	Major Advance in Arrowsmith North Environmental Approvals
30/05/2023	Notification regarding unquoted securities - VRX
29/05/2023	Engineering Completed on Arrowsmith North Processing Plant
09/05/2023	RIU Sydney Resources Round Up Presentation
09/05/2023	Arrowsmith Brand Mineral Resource Estimate
28/04/2023	Quarterly Activities/Appendix 5B Cash Flow Report
05/04/2023	Livestream Access to Conference Presentation
05/04/2023	Presentation at Future Facing Commodities Conference
13/03/2023	Half Year Accounts
07/03/2023	LOI for Power Supply at Arrowsmith North
01/03/2023	Investor Webinar Presentation
17/01/2023	Quarterly Activities/Appendix 5B Cash Flow Report
19/12/2022	Notification regarding unquoted securities - VRX
16/12/2022	VRX Projects in Austrade Critical Minerals Prospectus
02/12/2022	Application for quotation of securities - VRX
22/11/2022	Re-Lodged Recording of AGM Presentation with Correct Link
22/11/2022	Recording of AGM Presentation
18/11/2022	Results of Meeting
18/11/2022	AGM Presentation
11/11/2022	Arrowsmith North Mineral Resource and Ore Reserve Update
03/11/2022	Change of Address
28/10/2022	Quarterly Activities/Appendix 5B Cash Flow Report
17/10/2022	Annual General Meeting Notice and Access

ASX maintains files containing publicly available information for all listed companies that is available for inspection at ASX during normal office hours. The announcements are also available on the Company's website at <https://investorhub.vrxsilica.com.au/announcements>.

7.2 Market price of shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest, lowest and last market sale prices of the Shares on ASX during the 12 months immediately preceding the date of lodgement of this Prospectus with ASIC and the respective dates of those sales were:

	\$	Date
Highest	0.180	26 and 27 July 2023
Lowest	0.093	28 March 2023
Last	0.115	1 September 2023

7.3 Interests of Directors

Other than as set out in this Prospectus, no Director or proposed Director holds, or has held within the 2 years preceding lodgement of this Prospectus with ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offers; or
- (c) the Offers,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed Director:

- (d) as an inducement to become, or to qualify as, a Director; or
- (e) for services provided in connection with:
 - (i) the formation or promotion of the Company; or
 - (ii) the Offers.

Security holdings

The relevant interest of each of the Directors in the securities of the Company as at the date of this Prospectus is set out in the table below.

Director ⁽¹⁾	Shares	Options ⁽²⁾
Paul Boyatzis	5,180,000	3,900,000
Bruce Maluish	13,810,535	5,400,000
Peter Pawlowitsch	23,841,769	3,000,000
David Welch	Nil	3,000,000

Notes:

1. Securities are held directly or indirectly by the Director or a related party of the Director.
2. Unlisted options each exercisable at \$0.30 on or before 31 August 2024.

None of the Directors are taking part in the Offers.

Remuneration

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$250,000 per annum.

A Director may be paid fees or other amounts (ie. non-cash performance incentives such as Options, subject to any necessary Shareholder approval) as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. In addition, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The following table shows the total (and proposed) annual remuneration paid to both executive and non-executive directors.

Director	Year	Salary and fees \$	Super-annuation \$	Share based payments Options \$	Total \$
Paul Boyatzis	2023/2024	76,800	-	-	76,800
	2022/2023	76,800	-	47,778	124,578
	2021/2022	72,000	-	172,442	244,442
Bruce Maluish	2023/2024	340,000	27,500	-	367,500
	2022/2023	340,000	27,500	66,155	433,655
	2021/2022	322,500	27,500	238,766	588,766
Peter Pawlowitsch	2023/2024	51,351	5,649	-	57,000
	2022/2023	51,584	5,416	36,753	93,753
	2021/2022	49,091	4,909	132,647	186,647
David Welch	2023/2024	57,000	-	-	57,000
	2022/2023	57,000	-	36,753	93,753
	2021/2022	45,000	-	132,647	177,647

7.4 Interests of experts and advisers

Other than as set out in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with ASIC, any interest in:

- (d) the formation or promotion of the Company;
- (e) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or
- (f) the Offers,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (g) the formation or promotion of the Company; or
- (h) the Offers.

7.5 Lead Manager Mandate Agreement

The Company and the Lead Manager are parties to a mandate letter dated 22 August 2023 (**Mandate Agreement**) by which the Lead Manager agrees to act as lead manager and bookrunner to Capital Raising.

Under the Mandate Agreement, the Lead Manager is entitled to:

- (a) a capital raising fee of 4% of the proceeds raised under the Placement (excluding from investors introduced by the Company); and
- (b) a management fee of 2% of the proceeds raised under the Capital Raising.

The Company agrees to give standard representations and warranties to the Lead Manager in the Mandate Agreement and agrees to provide a standard indemnity for the benefit of the Lead Manager and pay the Lead Manager's reasonable expenses. It also agrees to conduct the Offers in accordance with applicable law.

7.6 Legal Adviser

Milcor Legal has acted as the legal adviser to the Company in relation to the Offers. The Company estimates fees for these services at \$12,000 (excluding GST and disbursements).

7.7 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the Securities), the Directors, the persons named in the Prospectus with their consent as Proposed Directors, any underwriters, persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus, Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this section;
- (b) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this section.

Canaccord Genuity (Australia) Limited has given, and has not withdrawn prior to the lodgment of this Prospectus with ASIC, its written consent to be named in this Prospectus as the lead manager (but not underwriter) of the Capital Raising in the form and context in which it is named.

Milcor Legal has given, and has not withdrawn prior to the lodgment of this Prospectus with ASIC, its written consent to be named in this Prospectus as the Company's legal adviser in the form and context in which it is named.

7.8 Expenses

The total expenses of the Capital Raising (which includes the Offers) are estimated to be approximately \$182,308 (excluding GST) and are expected to be applied towards the items set out in the table below:

	\$
ASIC fees	3,206
ASX fees	14,862
Legal fees	12,000
Lead Manager fees	102,240
Registry, printing, mail and miscellaneous	50,000
Total	\$182,308

7.9 Electronic prospectus

If you have received this Prospectus as an electronic prospectus, please ensure that you have received the entire Prospectus accompanied by an Application Form. If you have not, please contact Computershare, the Company's share registry, from 8.30am to 5.00pm AEST, Monday to Friday, on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia) and the Company will send you, for free, either a hard copy or an electronic copy of the Prospectus, or both.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that, when the person was given access to the Application Form, it was not provided together with the Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

7.10 Governing Law

This Prospectus, the Offers and the contracts formed on acceptance of applications under the Offers are governed by the laws applicable in Western Australia. Each applicant for Options submits to the non-exclusive jurisdiction of the courts of Western Australia.

8. DIRECTORS' AUTHORISATION

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with ASIC.



Bruce Maluish
Managing Director

9. GLOSSARY

\$ means the lawful currency of Australia.

AEST means Australian Eastern Standard Time.

Applicant means an applicant who applies for Options pursuant to one or both of the Offers.

Application Form means the relevant application form annexed to or accompanying this Prospectus for the Offers.

Arrowsmith North means the silica sand project known as the “Arrowsmith North Silica Sand Project” comprising Western Australia mining lease M70/1389 and other tenements.

ASIC means the Australian Securities and Investments Commission.

ASX Listing Rules means the listing rules of the ASX.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

ASX Settlement Operating Rules means the settlement rules of the securities clearing house which operates CHESSE.

Board means the board of Directors unless the context indicates otherwise.

Business Day means Monday to Friday inclusive, except New Year’s Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day.

Capital Raising is defined in Section 2.1.

Closing Date means the date set out in the timetable in Section 1.2 (unless extended).

Company means VRX Silica Ltd ACN 142 014 873.

Constitution means the constitution of the Company as at the date of this Prospectus.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the directors of the Company as at the date of this Prospectus.

Lead Manager means Canaccord Genuity (Australia) Limited.

Muchea means the silica sand project known as the “Muchea Silica Sand Project” comprising Western Australia mining lease M70/1390 and other tenements.

Offers means the Placement Option Offer and the SPP Option Offer.

Official Quotation means official quotation on ASX.

Opening Date means the date set out in the timetable in Section 1.2.

Option means option to acquire a Share on the terms and conditions set out in Section 6.1.

Optionholder means a holder of an Option.

Placement is defined in Section 2.1.

Placement Option Offer is defined in Section 2.1.

Placement Option Offer Application Form means the application form for Options specifically for Placement Subscribers entitled to apply for Options.

Placement Subscribers is defined in Section 2.2.

Prospectus means this prospectus.

Section means a section of this Prospectus.

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

Shareholder means a holder of a Share.

SPP Option Offer is defined in Section 2.1.

SPP Shortfall Offer Closing Date is defined in Section 3.3.

SPP Subscribers is defined in Section 2.3.

Subscribers means Placement Subscribers and SPP Subscribers.

Target Market Determination means the target market determination in respect of the Options which is available on the Company's website at <https://investorhub.vrxsilica.com.au/announcements>.

WST means Western Standard Time.

CORPORATE DIRECTORY



Directors

Paul Boyatzis (Non-Executive Chairman)
Bruce Maluish (Managing Director)
Peter Pawlowitsch (Non-Executive Director)
David Welch (Non-Executive Director)

Company Secretary

Ian Hobson

Registered and Principal Office

52 Kings Park Road
West Perth WA 6005

T: +61 (0)8 9226 3780

ASX Code

VRX

Website

www.vrxsilica.com.au

Lead Manager

Canaccord Genuity (Australia) Limited
Level 42, 101 Collins Street
Melbourne Vic. 3000

Legal Adviser

Milcor Legal
52 Kings Park Road
West Perth WA 6005

Auditor*

RSM Australia Partners
Level 32, Exchange Tower
2 The Esplanade
Perth WA 6000

Share Registry*

Computershare Investor Services Pty Ltd
Level 11, 172 St Georges Terrace
West Perth WA 6000

* These entities are included for information purposes only. They have not been involved in the preparation of this Prospectus and have not consented to being named in this Prospectus.