

10 April 2024

VRX Launches \$3.1m Renounceable Entitlement Offer

Highlights:

- ✓ **Renounceable Entitlement Offer on the basis of 1 new Share for every 13 Shares held at \$0.07 per Share to raise approx. \$3.14 million (before expenses).**
- ✓ **For every 2 Shares subscribed under the Offer, participants will be issued with 1 free attaching option, exercisable at \$0.18 each on/before 31 August 2025.**
- ✓ **Partially underwritten up to \$2.6 million by Lead Manager and Underwriter Canaccord**

VRX Silica Limited (**VRX** or **Company**) (ASX: VRX) is undertaking a renounceable pro-rata entitlement issue to eligible shareholders on the basis of 1 new fully paid ordinary share in the Company (**New Shares**) for every 13 Shares held on the record date, at \$0.07 per New Share, together with 1 free attaching option (**Attaching Option**) for every 2 New Shares subscribed for and issued with an exercise price of \$0.18 each and expiring on 31 August 2025 to raise up to approx. \$3.14 million (before expenses) (**Entitlement Offer**).

Canaccord Genuity (Australia) Limited (AFSL 234666) (**Canaccord** or **Lead Manager**) has been appointed as lead manager and underwriter to the Entitlement Offer. The Entitlement Offer is partially underwritten up to \$2.6 million by Canaccord.

The proceeds of the Entitlement Offer will be applied towards the Company's Muchea project, Arrowsmith North project, VDT trials and environmental follow-up, working capital and expenses of the Entitlement Offer.

Offer Details

The Company will undertake a renounceable rights issue of one 1 New Share for every 13 Shares held by Eligible Shareholders on the record date, at \$0.07 per New Share (**Issue Price**), to raise up to approximately \$3.14 million (before expenses).

Eligible Shareholders will also receive one (1) free Attaching Option for every two (2) New Shares subscribed and issued. Each Option will have an exercise price of \$0.18 each with an expiry date of 31 August 2025.

ASX: VRX

Capital Structure

Shares on Issue:
583 million

Unlisted Options:
58.7 million

Corporate Directory

Paul Boyatzis

Non-Executive Chairman

Bruce Maluish

Managing Director

Peter Pawlowitsch

Non-Executive Director

David Welch

Non-Executive Director

Ian Hobson

Company Secretary

Silica Sand Projects

Arrowsmith Silica Sand Projects, 270km north of Perth, WA.

Muchea Silica Sand Project, 50km north of Perth, WA.

Boyatup Silica Sand Project, 100km east of Esperance, WA.

Geothermal Energy

Dandaragan Geothermal Energy Permit, 145km north of Perth, WA

The Company is actively assessing other silica sand and downstream processing projects in Australia.

The Issue Price represents:

- a 22.2% discount to the Company's last share price of A\$0.09 at market close on 5 April 2024;
- an 18.7% discount to the Company's 5-day VWAP up to and including 5 April 2024; and
- a 19.9% discount to the Company's 15-day VWAP up to and including 5 April 2024.

Canaccord will act as Lead Manager and Underwriter to the Entitlement Offer. Canaccord is entitled to an aggregate fee of 6% of the gross proceeds under the Entitlement Offer, plus a corporate advisory fee of \$75,000.

The prospectus lodged by the Company in respect to the Entitlement Offer also contains an offer for the issue of a further one (1) Option for every two (2) New Shares subscribed for by sub-underwriters of the Entitlement Offer (**Sub-Underwriting Options**).

The Sub-Underwriting Options will be issued within the Company's existing placement capacity under ASX Listing Rule 7.1.

The Entitlement Offer is available to all shareholders registered at 5.00pm (Perth time) on Monday, 15 April 2024 (**Record Date**) whose registered address is in Australia, New Zealand, Germany or the United Kingdom (**Eligible Shareholders**). The Entitlement Offer will close at 3.00pm (Perth time) on Tuesday, 30 April 2024 (unless extended).

Use of funds

Funds from the Entitlement Offer are intended to be applied as follows:

Proceeds of the Entitlement Offer	Min. Subscription (\$)	%	Max. Subscription (\$)	%
Muchea drilling, testwork, environmental studies and referral	\$900,000	34.5%	\$1,200,000	38%
Arrowsmith North access roads, final engineering and final permitting	\$750,000	29%	\$850,000	27%
VDT trials and environmental follow-up	\$200,000	7.5%	\$250,000	8%
Working capital	\$409,682	16%	\$467,488	15%
Expenses of the Entitlement Offer ¹	\$340,318	13%	\$373,781	12%
Total	\$2,600,000	100%	\$3,141,269	100%

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Timetable

The following indicative timetable has been prepared for the Offers. The timetable is subject to change at the Company's discretion and subject to compliance with applicable laws and ASX Listing Rules.

Announcement of Offers and lodgement of Appendix 3B with ASX	Wednesday, 10 April 2024
Lodgement of Prospectus with the ASIC and ASX	Wednesday, 10 April 2024
Ex date	Friday, 12 April 2024
Rights start trading	Friday, 12 April 2024
Record Date for determining Entitlements as at 5:00pm WST	Monday, 15 April 2024
Entitlement Offer opening date, Prospectus sent out to Eligible Shareholders and Company announces this has been completed	Thursday, 18 April 2024
Rights stop trading at close of trading	Monday, 22 April 2024
Securities quoted on a deferred settlement basis	Tuesday, 23 April 2024
Last day to extend the Closing Date of the Entitlement Offer	Wednesday, 24 April 2024
Closing Date as at 3:00pm WST	Tuesday, 30 April 2024
Underwriter notified of under subscriptions	Thursday, 2 May 2024
Sub-Underwriting Options Offer Opens	Thursday, 2 May 2024
Announcement of results of Offers	Friday, 3 May 2024
Underwriter subscribes for Shortfall under terms of Underwriting Agreement	Monday, 6 May 2024
Sub-Underwriting Options Offer Closing Date	Monday, 6 May 2024
Issue date and lodgement of Appendix 2A with ASX applying for quotation of the New Shares	Tuesday, 7 May 2024
Issue date of Options and Sub-Underwriting Options	Tuesday, 7 May 2024

*The above dates are indicative only and subject to change. The Directors may extend the Closing Date by giving at least 3 Business Days' notice to ASX prior to the Closing Date. Accordingly, the date the Securities are expected to commence trading on ASX may vary.

This announcement has been authorised for release to ASX by the Board of Directors.

Further information:

Bruce Maluish
 Managing Director
brucem@vrxsilica.com.au
 0418 940 417

Peter Klinger
 Cannings Purple
pklinger@canningspurple.com.au
 0411 251 540

About VRX Silica Limited

VRX Silica Limited (ASX: VRX) is the most advanced pureplay silica sand company listed on the ASX, developing its 100% owned silica sand projects at Arrowsmith (North, Brand and Central), Muchea and Boyatup in Western Australia.

Silica sand is the most used commodity on the planet after air and water. It is the main ingredient in all types of glassmaking, including specialty solar panel and high-tech glass, and foundry casting. It is a finite resource that is running out, with the Asia-Pacific region experiencing an ever-growing supply shortfall that is driving up prices.

Arrowsmith is located 270km north of Perth. Arrowsmith North boasts a minimum 25-year mine life capable of producing more than 2Mt tonnes per year of high-grade (99.7% SiO₂)* silica sand for export to the foundry, container glass and flat glass markets in Asia, with permitting well advanced, and will lead production.

Muchea, located 50km north of Perth, is an ultra-high-grade (99.9% SiO₂)* silica sand project capable of producing sand required for ultra-clear glass for solar panels and other high-tech glass applications.

Boyatup, located 100km east of Esperance, is under development and capable of producing sand for the glass market.



*Information relating to grades are extracted from releases to ASX on 28 August 2019 and 11 November 2022 (Arrowsmith North) and 18 October 2019 (Muchea). The company is not aware of any new information or data that materially affects this information.