



# **VARISCAN MINES LIMITED**

**ACN 003 254 395**

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## **NOTICE OF ANNUAL GENERAL MEETING**

### **EXPLANATORY MEMORANDUM**

### **PROXY FORM**

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#### **Date of Meeting**

Monday 6 November 2017

#### **Time of Meeting**

2.00 pm (Sydney time)

#### **Place of Meeting**

HLB Mann Judd, Level 19, 207 Kent St, Sydney NSW 2000

This Notice of Meeting and Explanatory Memorandum should be read in their entirety. If you do not understand these documents or are in any doubt as to how to deal with them, you should consult your stockbroker, solicitor, accountant or other professional adviser immediately.



## NOTICE OF ANNUAL GENERAL MEETING

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### **VARISCAN MINES LIMITED**

**ACN 003 254 395**

NOTICE IS HEREBY GIVEN that the 2017 Annual General Meeting (AGM) of the members of Variscan Mines (the "Company") will be held at HLB Mann Judd, Level 19, 207 Kent St, Sydney NSW 2000 on Monday 6 November 2017 commencing at 2.00 pm (Sydney time).

The business to be considered at the meeting is set out below. This Notice of Meeting should be read in conjunction with the accompanying Explanatory Memorandum, which contains information in relation to each of the Resolutions. A Proxy Form also accompanies this Notice of Meeting.

### **ORDINARY BUSINESS**

#### **2017 Financial Statements**

To receive the Reports of the Directors and Auditors, and the Financial Report for the year ended 30 June 2017

#### **Resolution 1 - Remuneration Report**

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

*"That the Remuneration Report of the Company for the year ended 30 June 2017 be adopted."*

#### **Resolution 2 – Re-Election of Mr Gregory Jones as a Director**

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

*"That Mr Gregory Jones, having retired as a director of the Company pursuant to clause 12.3 of the Company's Constitution and, being eligible, and having offered himself for re-election, be re-elected as a director of the Company."*

#### **Resolution 3 – Re-Election of Mr Michael Moore as a Director**

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

*"That Mr Michael Moore, having retired as a director of the Company pursuant to clause 12.3 of the Company's Constitution and, being eligible, and having offered himself for re-election, be re-elected as a director of the Company."*

#### **Resolution 4 – Issue of Options to Chief Executive Officer, Stewart Dickson**

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

*"That for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the issue of 20,000,000 options to Chief Executive Officer, Stewart Dickson (or his nominee) on the terms and conditions described in the Explanatory Memorandum which is attached to and forms part of this Notice."*



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### **Resolution 5 – Issue of ordinary Shares to Chief Executive Officer, Stewart Dickson in lieu of cash remuneration**

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

*“That for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the issue of 1,380,000 ordinary Shares to Chief Executive Officer, Stewart Dickson (or his nominee) on the terms and conditions described in the Explanatory Memorandum which is attached to and forms part of this Notice.”*

### **Resolution 6 – Issue of ordinary Shares to Executive Director, Gregory Jones in lieu of cash remuneration**

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

*“That for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the issue of 360,000 ordinary Shares to Executive Director, Gregory Jones (or his nominee) on the terms and conditions described in the Explanatory Memorandum which is attached to and forms part of this Notice.”*

### **Resolution 7 – Issue of ordinary Shares to Executive Director, Jack Testard in lieu of cash remuneration**

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

*“That for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the issue of 349,400 ordinary Shares to Executive Director, Jack Testard (or his nominee) on the terms and conditions described in the Explanatory Memorandum which is attached to and forms part of this Notice.”*

### **Resolution 8 – Approval to issue and allot ordinary Shares**

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

*“That for the purposes of ASX Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to that number of Shares which, when multiplied by the issue price, will raise up to \$2,000,000 on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice.”*

### **Resolution 9 – Issue of Equity Securities up to an additional 10% of the Company’s Issued Capital**

To consider, and if thought fit, to pass the following as a **special resolution**:

*“That, for the purposes of ASX Listing Rule 7.1A and for all other purposes, approval is given for the issue of Equity Securities up to an additional 10% of the issued capital of the Company (at the time of issue), calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Memorandum which is attached to and forms part of this Notice.”*

### **BY ORDER OF THE BOARD**

**Ivo Polovineo**

Company Secretary      Date: 26 September 2017



## NOTICE OF ANNUAL GENERAL MEETING

### IMPORTANT INFORMATION

The Explanatory Memorandum accompanying this Notice of Annual General Meeting is incorporated in and comprises part of this Notice of Annual General Meeting, and should be read in conjunction with this Notice of Annual General Meeting.

Shareholders are specifically referred to the Glossary in the Explanatory Memorandum which contains definitions of capitalised terms used both in this Notice of Annual General Meeting and the Explanatory Memorandum.

### Voting Exclusions

#### Resolution 1

A vote on Resolution 1 must not be cast (in any capacity) by or on behalf of any of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person described above may cast a vote on Resolution 1 if:

- (c) the person does so as a proxy appointed by writing that specifies how the proxy is to vote on the proposed Resolution; and
- (d) the vote is not cast on behalf of a person described in paragraphs (a) or (b) above.

If a shareholder wishes to nominate the Chairman as their proxy for the purpose of Resolution 1 the shareholder can direct the Chairman to vote by marking one of the boxes for Resolution 1 on the Proxy Form. If a shareholder appoints the Chairman as proxy or the Chairman of the meeting is appointed as proxy by default but the shareholder does not mark a voting box for Resolution 1, the shareholder will be taken to have expressly authorised the Chairman of the meeting to exercise the proxy in respect of Resolution 1 even though the item is connected with the remuneration of Key Management Personnel.

The Chairman intends to vote all available proxies in favour of Resolution 1.

#### Resolution 4

The Company will disregard any votes in respect of Resolution 4 if they are cast by or on behalf of Stewart Dickson, or any associate of Stewart Dickson. The Company will disregard any votes in respect of Resolution 4 if they are cast as proxy by a member of Key Management Personnel or their Closely Related Parties if no direction is given on the proxy form as to how to vote on Resolution 4.

However, the Company need not disregard any vote by any such persons on Resolution 4 if:

- (a) It is cast by any of them as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or
- (b) It is cast by the person who is chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

If a shareholder wishes to nominate the Chairman as their proxy for the purpose of Resolution 4 the shareholder can direct the Chairman to vote by marking one of the boxes for Resolution 4 on the Proxy Form. If a shareholder appoints the Chairman as proxy or the Chairman of the meeting



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is appointed as proxy by default but the shareholder does not mark a voting box for Resolution 4, the shareholder will be taken to have expressly authorised the Chairman of the meeting to exercise the proxy in respect of Resolution 4 even though the item is connected with the remuneration of Key Management Personnel. The Chairman intends to vote all available proxies in favour of Resolution 4.

Alternatively, shareholders can nominate as their proxy for the purpose of Resolution 4 a proxy who is not a member of the Company's Key Management Personnel or their Closely Related Parties. That person would be permitted to vote undirected proxies.

### **Resolutions 5 to 7**

The Company will disregard any votes in respect of Resolutions 5 to 7 if they are cast by or on behalf of a person who is named in the relevant resolution or an associate of that named person as set out below:

- Resolution 5 – Stewart Dickson
- Resolution 6 – Gregory Jones
- Resolution 7 – Jack Testard

The Company will disregard any votes in respect of Resolutions 5 to 7 if they are cast as proxy by a member of Key Management Personnel or their Closely Related Parties if no direction is given on the proxy form as to how to vote on Resolutions 5 to 7.

However, the Company need not disregard any vote by any such persons on Resolutions 5 to 7 if:

- (a) It is cast by any of them as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or
- (b) It is cast by the person who is chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides

If a shareholder wishes to nominate the Chairman as their proxy for the purpose of Resolutions 5 to 7 the shareholder can direct the Chairman to vote by marking one of the boxes for each of Resolutions 5 to 7 on the Proxy Form. If a shareholder appoints the Chairman as proxy or the Chairman of the meeting is appointed as proxy by default but the shareholder does not mark a voting box for any of Resolutions 5 to 7, the shareholder will be taken to have expressly authorised the Chairman of the meeting to exercise the proxy in respect of Resolution 5 to 7 even though the items are connected with the remuneration of Key Management Personnel. The Chairman intends to vote all available proxies in favour of Resolutions 5 to 7.

Alternatively, shareholders can nominate as their proxy for the purpose of Resolutions 5 to 7 a proxy who is not a member of the Company's Key Management Personnel or their Closely Related Parties. That person would be permitted to vote undirected proxies.

### **Resolution 8**

The Company will disregard any votes cast on Resolution 8 by any person who may participate in the proposed placements and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed and an associate of that person (or those persons).

However, the Company need not disregard a vote if:

- (a) It is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or



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- (b) It is cast by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

### Resolution 9

The Company will disregard any votes cast on Resolution 9 by:

- (a) A person who may participate in the proposed issue of Equity Securities and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of Shares, if the resolution is passed; and
- (b) Any associate of those persons.

However, the Company need not disregard any vote by any such persons on Resolution 9 if:

- (d) It is cast by any of them as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or
- (e) It is cast by the person who is chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides

### Proxies

- (a) Votes at the Annual General Meeting may be given personally or by proxy, attorney or representative;
- (b) Each shareholder has a right to appoint one or two proxies;
- (c) A proxy need not be a shareholder of the Company;
- (d) If a shareholder is a company it must execute under its common seal or otherwise in accordance with its constitution;
- (e) Where a shareholder is entitled to cast two or more votes, the Shareholder may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise;
- (f) If a shareholder appoints two proxies, and the appointment does not specify the proportion or number of the Shareholder's votes, each proxy may exercise half of the votes. If a shareholder appoints two proxies, neither proxy may vote on a show of hands;
- (g) A proxy must be signed by the Shareholder or his or her power of attorney who has not received any notice of revocation of the authority. Proxies given by corporations must be signed in accordance with the Company's Constitution and the Corporations Act.
- (h) To be effective, proxy forms must be received by the Company's share registry (Boardroom Pty Limited) no later than 48 hours before the commencement of the Annual General Meeting, that is no later than 2.00pm Sydney time on 4 November 2017. Any proxy form received after that time will not be valid for the scheduled meeting.

#### Hand Delivery

Boardroom Pty Limited  
Level 12,  
225 George St  
SYDNEY NSW 2000

#### By Mail

Boardroom Pty Limited  
GPO Box 3993  
SYDNEY NSW 2001

#### By Facsimile

(02) 9290 9655



## NOTICE OF ANNUAL GENERAL MEETING

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### **Record date**

The Company has determined, in accordance with regulation 7.11.37 of the *Corporations Regulations* 2001 (Cth), that the holders of shares of the Company recorded in the Company's register as at 7pm (Sydney time) on 4 November 2017 shall, for the purposes of determining voting entitlements at the Annual General Meeting, be taken to be held by the persons registered as holding the shares at that time.

### **Corporate Representative**

Any corporate Shareholder who has appointed a person to act as its corporate representative at the Meeting should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company's representative. The authority may be sent to the Company and/or registry in advance of the Meeting or handed in at the Meeting when registering as a corporate representative.



## EXPLANATORY MEMORANDUM

This Explanatory Memorandum sets out information in connection with the business to be considered at the 2017 Variscan Mines Limited Annual General Meeting.

### Financial Report

This item of business relates to the receipt and adoption of the Company's Financial Report for the year ended 30 June 2017. The 2017 Annual Report can be accessed on the Company's website at [www.variscan.com.au](http://www.variscan.com.au).

### Resolution 1

#### Adoption of Remuneration Report

The Remuneration Report is a section of the Directors Report contained in the 2017 Annual Report. It is a requirement of the Corporations Act that the Report be provided to shareholders and voted upon by a vote which is advisory only and does not bind the Directors or the Company. However, if 25% or more of the votes that are cast are voted against the adoption of the Remuneration Report at two consecutive AGM's, shareholders will be required to vote at the second of those AGM's on a resolution that another meeting be held within 90 days at which all of the Company's Directors who are subject to a re-election requirement must go up for re-election. At the 2016 AGM, 0.08% of votes were cast against approval of the Remuneration Report.

The Remuneration Report:

- explains the Board's policies relating to remuneration of directors, secretaries and executives of the Company;
- discusses the relationship between such policies and the Company's performance;
- provides details of any performance conditions attached to such remuneration; and
- sets out remuneration details for each director and certain named executives.

### Resolution 2

#### Re-election of Director - Mr Gregory Jones

Pursuant to clause 12.3 of the Company's Constitution, no director shall hold office for a continuous period in excess of three years or until the third annual general meeting following the director's appointment, whichever is the longer, without submitting for re-election.

Mr Jones was the Company's Managing Director until 1 May 2017 and has therefore previously been exempt from the requirements of clause 2.3 of the Company's Constitution.

Mr Jones was appointed Executive Technical Director effective from 1 May 2017.

The Company provides the following information concerning Mr Jones:

### Biographical details

Mr Jones was appointed Executive Technical Director on 1 May 2017 after serving as Managing Director from 20 April 2009. Mr Jones is a geologist with over 30 years of exploration and operational experience gained in a broad range of metalliferous commodities within Australia and overseas. He has held senior positions in a number of resource companies including Western Mining Corporation and Sino Gold Mining Limited. His experience spans the spectrum of exploration activity from grass-roots exploration through to resource definition and new project generation, as well as mine geology, ore resource/reserve generation and new mine development.

Mr Jones was awarded the Institute Medal for academic excellence whilst at university and is credited with several economic discoveries including the Blair nickel and the Orion gold deposits in Western Australia.

### Details of relationships between the Candidate and the Company

Mr Jones is Executive Technical Director of the Company

### Details of relationships between the Candidate and Directors of the Company

Not applicable

### Other directorships held

Mr Jones is a director of Eastern Iron Limited, Silver City Minerals Limited, Thomson Resources Ltd and Moly Mines Limited.

### The term of office already served by Mr Jones

Mr Jones was appointed a Director of the Company on 20 April 2009.

The Directors (other than Mr Jones) do not have an interest in the outcome of Resolution 2 and recommend that shareholders vote in favour of Resolution 2.

### Resolution 3

#### Re-election of Director – Mr Michael Moore

Pursuant to clause 12.3 of the Company's Constitution, no director shall hold office for a continuous period in excess of three years or until the third annual general meeting following the director's appointment, whichever is the longer, without submitting for re-election. Mr Moore was appointed a Non-Executive Director on 4 August 2015 and was re-elected at the 2015 AGM.

The Company provides the following information concerning Mr Moore:

### Biographical details

Mr Moore is a mining engineer from the Camborne School of Mines with over 15 years operational and executive management experience across a diverse range of commodities in Australia, West Africa and France. He has previously held senior and executive management roles with a number of companies including Rock Australia Mining & Civil Pty Ltd, Carnegie Minerals PLC and, more recently, with ASX listed Montezuma Mining Company Ltd where he was



## EXPLANATORY MEMORANDUM

CEO. Mr Moore's experience includes mine feasibility studies and mine operations, important in supporting Variscan's strategy to successfully advance its French projects towards production.

He has previously been a director of Carnegie Minerals Gambia Ltd and Cordier Mines SAS (France).

During the past three years Mr Moore has not served as a director any other ASX listed company.

### **Details of relationships between the Candidate and the Company**

Mr Moore is a non-executive Director of the Company

### **Details of relationships between the Candidate and Directors of the Company**

Not applicable

### **Other directorships held**

N/A

### **The term of office already served by Mr Moore**

Mr Moore joined the Board on 4 August 2015.

The Directors (other than Mr Moore) do not have an interest in the outcome of Resolution 3 and recommend that shareholders vote in favour of Resolution 3.

### **Resolution 4 – Issue of Options to Chief Executive Officer, Stewart Dickson**

In accordance with Mr Dickson's Term of Employment as Chief Executive Officer announced on 20 May 2017, Mr Dickson is entitled to be issued 10,000,000 options (or equivalent) as a long term incentive at a price to be agreed on the achievement of agreed KPI's subject to shareholders' approval.

The Board has decided to provide alternative long term incentives to Mr Dickson by the proposed issue of 20,000,000 Options with specific vesting periods and variable exercise prices. These Options will replace the 10,000,000 options announced on 20 May 2017.

Accordingly In accordance with Resolution 4 the Company proposes to grant a total of 20,000,000 Options to Stewart Dickson (or his nominee), as a component of his equity based remuneration.

The proposed Options to be issued consist of 2 tranches of 10,000,000 Options each with the following terms and conditions:

- 10,000,000 Options exercisable at 3 cents per share with an expiry date 4 years after the date of issue. These Options will vest at the rate of 25% per year for each year of employment service by Mr Dickson.
- 10,000,000 Options exercisable at 5 cents per share with an expiry date 5 years after the date of issue. These Options will vest at the rate of 25% per year for each year of employment service by Mr Dickson.

Further terms and conditions of the Options are set out in the schedule to this Explanatory Memorandum.

Mr Dickson is a related party of the Company due to the fact that he is a Director. The issue of Options constitutes a "financial benefit" as described in the Corporations Act.

Under Chapter 2E of the Corporations Act a public company cannot give a financial benefit to a related party unless an exception applies or shareholders have, in a general meeting, approved the giving of that financial benefit to the related party. It is the view of the Board that the issue of Options to Mr Dickson, as a component of his equity based remuneration, does not require shareholder approval under Chapter 2E of the Corporations Act and that the exemption in section 211(1) of the Corporations Act applies to the proposed issue of Options.

The Board considers that the issue of Options to Mr Dickson constitutes reasonable remuneration given the circumstances of the Company and the responsibilities involved in Mr Dickson's role as chief executive officer. In this respect, the Board has specifically considered the number of Options proposed to be granted to Mr Dickson. Accordingly, the Company is not seeking shareholder approval under Chapter 2E of the Corporations Act for the issue of Options to Mr Dickson.

Shareholder approval for the grant of Options is being sought for the purposes of ASX Listing Rule 10.11. If shareholder approval is given under ASX Listing Rule 10.11, shareholder approval is not required under ASX Listing Rule 7.1.

If Resolution 4 is passed, it will permit the Company to issue the Options to Mr Dickson who is a Director, and therefore a related party of the Company.

### **Disclosure for the purposes of Listing Rule 10.11**

The Company makes the following disclosures in respect of Resolution 4 in accordance with Listing Rule 10.13 and for the purposes of Listing Rule 10.11.

#### *Name of the person*

Mr Stewart Dickson, Chief Executive Officer of the Company or his nominee.

#### *The maximum number of securities to be issued*

The Company will issue a maximum of 20,000,000 Options to Mr Dickson.

#### *The date by which the Company will issue the securities*

The Company intends to grant the Options to Mr Dickson as soon as practicable after the date of this General Meeting but in any event, no later than one month after the date of the Meeting.

#### *The issue price of the securities and a statement of the terms of the issue*

The Options will be issued for no consideration.

The key terms of the Options are set out in the schedule to this Explanatory Memorandum.



## EXPLANATORY MEMORANDUM

### *Intended use of the funds raised*

No funds will be raised by the issue of the Options. Any funds raised by the exercise of the Options will be committed to the Company's working capital requirements.

### **Directors' Recommendation**

The Directors (other than Mr Dickson) because of his interest) recommend that shareholders vote in favour of resolution 4.

The Board (other than Mr Dickson) has approved the issue of 20,000,000 Options to Mr Dickson as part of the terms of his employment (subject to shareholders' approval) and in recognition of his contribution to the Company and his ongoing responsibilities is appropriate.

The Board has formed this view having regard to the nature of the role of the Chief Executive Officer and Mr Dickson's level of skill and experience, and to the circumstances of the Company. Additionally, the issue of Options to Mr Dickson allows him to further participate in the future growth and prosperity of the Company through share ownership, thus reinforcing his commitment to the Company.

### **Resolutions 5 to 7 – Issue of ordinary Shares to Executive Directors**

In accordance with Resolutions 5 to 7 the Company proposes to issue a total of 2,089,400 ordinary Shares to Executive Directors which are proposed to be issued in lieu of a proportion of the Directors' cash remuneration payable by the Company for the quarter commencing 1 October 2017 which each of the Directors has agreed to be settled by the issue of Shares.

The details of the Shares proposed to be issued are as follows:

		<b>Shares</b>
Stewart Dickson	Chief Executive Officer	1,380,000
Gregory Jones	Executive Director	360,000
Jack Testard	Executive Director	349,400

The Directors are related parties of the Company. Under Chapter 2E of the Corporations Act a public company cannot give a financial benefit to a related party unless an exception applies or shareholders have, in a general meeting, approved the giving of that financial benefit to the related party.

It is the view of the Board that the issues of Shares constitute reasonable remuneration and do not require shareholder approval under Chapter 2E of the

Corporations Act as the exemption in section 211(1) of the Corporations Act applies to the proposed issue of Shares as they represent a proportion of the Directors' cash remuneration payable by the Company for the quarter commencing 1 October 2017 which each of the Directors has agreed to be settled by the issue of Shares.

Accordingly, the Company is not seeking shareholder approval under Chapter 2E of the Corporations Act for the issue of Shares to the Directors.

Shareholder approval for the issue of Shares is being sought for the purposes of ASX Listing Rule 10.11. If shareholder approval is given under ASX Listing Rule 10.11, shareholder approval is not required under ASX Listing Rule 7.1.

If Resolutions 5 to 7 are passed, it will permit the Company to issue the Shares to Messrs Dickson, Jones and Testard who are Directors, and therefore related parties of the Company.

### **Information required by the ASX Listing Rules for Resolutions 5 to 7**

Listing Rule 10.11 requires shareholder approval for an issue of equity securities to a related party. Approval is therefore being sought for the proposed issue of Shares to Directors.

Listing Rule 10.13 requires this Notice of Meeting to include the following specified information in relation to the Shares proposed to be issued to Directors:

#### *Names of the persons*

Stewart Dickson, Gregory Jones and Jack Testard or their nominees.

#### *The maximum number of securities to be issued*

The maximum number of Shares proposed to be issued is 2,089,400

#### *The date by which the Company will issue the securities*

The Company intends to issue the Shares to as soon as practicable after the date of this Annual General Meeting but in any event, no later than one month after the date of the Meeting.

#### *The issue price of the securities and a statement of the terms of the issue*

The Shares will be issued at a deemed price of 1.0 cent each.

The allocation of the Shares and respective remuneration values are as follows:

Director	Number of Shares	Value at 1.0 cent per Share
S Dickson	1,380,000	\$13,800
G Jones	360,000	\$3,600
J Testard	349,400	\$3,494

### *Intended use of the funds raised*

No funds will be raised by the issue of the Shares. The Shares are proposed to be issued as a component of the Directors' remuneration.



## EXPLANATORY MEMORANDUM

### Directors' Recommendation

The non-participating directors in each of resolutions 5 to 7 recommend that shareholders vote in favour of resolutions 5 to 7 as the Shares proposed to be issued represent a component of the Directors' agreed cash compensation.

Where a director is participating in one of the resolutions 5 to 7 they do not make a recommendation in respect of that resolution due to their personal interest in the matter being considered.

### Resolution 8 – Issue of ordinary Shares

This resolution seeks approval to issue that number of Shares which, when multiplied by the issue price, will raise up to \$2,000,000. The effect of the Resolution will be to allow the Company to issue the Shares during the period of 3 months after the approval (or a longer period, if allowed by ASX) without utilising the Company's 15% capacity under Listing Rule 7.1.

In accordance with ASX Listing Rule 7.3 the following information is provided:

- (a) The maximum number of Shares to be issued is that number of Shares which, when multiplied by the issue price, equals \$2,000,000.
- (b) Subject to Shareholders' approval the Shares will be issued no later than 3 months after the Annual General Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated that the issue of the Shares may occur progressively.
- (c) The issue price will not be less than 80% of the volume weighted average market price of the Company's Shares on the ASX calculated over the last 5 days on which sales of Variscan Shares were recorded prior to the date on which such Shares are issued.
- (d) The proposed allottee(s) are not yet known but are likely to be institutional or sophisticated investors who are in a position to subscribe for shares without a disclosure document. No related party will participate in a placement made under the authority of this Resolution.

- (e) The shares will rank equally on all respects with existing Shares on Issue.
- (f) The funds raised under the issue of Shares will be utilised to progress the Variscan exploration programmes in France, to assess additional acquisition opportunities and for working capital.
- (g) A voting exclusion statement is included in this Notice.

The Board recommends Shareholders vote in favour of Resolution 8 as the effect of this approval will be that the Company's capacity to issue additional Equity Securities in the next 12 months up to 15% of its share capital in accordance with ASX Listing Rule 7.1 will not be diminished by the proposed issue of the Shares.

The Company's directors have indicated that they will each cast their votes in favour of this resolution.

The closing price of the Company' Shares on 25 September 2017, being the last trading day prior to the date of this Notice, was 0.09 cents.

As the issue price of the Shares will not be known at the time of the meeting, set out below are examples of the number of Shares that may be issued under the Resolution based on a range of share prices from 0.75 cents per share to 1.5 cents per share (assuming no options on issue over ordinary shares are exercised or other Shares issued).

The company notes that these calculations are an example only and the actual issue price may differ. This will result in the number of Shares to be issued and the dilution impact to also differ.

Assumed issue price (cents per share)	Maximum number of Shares which the Company could issue pursuant to the Resolution	Shares on issue at date of this Notice	Increase in the number of Shares on issue assuming the maximum issued pursuant to the Resolution	Dilution effect on existing shareholders
0.75	266,666,666	674,088,999	940,755,665	28.3%
1.00	200,000,000	674,088,999	874,088,999	22.9%
1.25	160,000,000	674,088,999	834,088,999	19.2%
1.50	133,333,333	674,088,999	807,422,332	16.5%



## EXPLANATORY MEMORANDUM

### Resolution 9 - Issue of Equity Securities up to an additional 10% of the Company's Issued Capital

Listing Rule 7.1A enables an eligible entity to seek shareholder approval to issue Equity Securities up to 10% of its issued share capital over a 12-month period commencing from the Annual General Meeting where shareholder approval is received. The 10% issue capacity allowed under Listing Rule 7.1A ("7.1A 10% Capacity") is in addition to the Company's 15% annual placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity.

The Company is now seeking shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 7.1A 10% Capacity.

The exact number of Equity Securities to be issued under the 7.1A 10% Capacity will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2.

#### a) Listing Rule 7.1A

##### Shareholder approval required

The ability to issue Equity Securities under Listing Rule 7.1A is subject to shareholder approval by way of special resolution at an Annual General Meeting.

##### Class of equity securities issued

Any Equity Securities issued under the 7.1A 10% Capacity must be in the same class as an existing quoted class of Equity Securities of the Company.

The Company, as at the date of the Notice, has on issue one quoted class of Equity Securities being fully paid ordinary Shares.

##### Calculating 7.1A 10% Capacity

Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an Annual General Meeting may issue or agree to issue during the period of the approval a number of Equity Securities calculated in accordance with the following formula:

**(AxD)-E**

Where:

**A** is the number of Shares on issue 12 months before the date of issue or agreement:

- **Plus** the number of fully paid Shares issued in the 12 months under an exception in Listing Rule 7.2;
- **Plus** the number of partly paid Shares that became fully paid in the 12 months;
- **Plus** the number of fully paid Shares issued in the 12 months with approval of holders of Shares under Listing Rule 7.1 or 7.4. This does not include an issue of fully paid Shares under the

entity's 15% placement capacity without shareholder approval;

- **Less** the number of fully paid Shares cancelled in the 12 months.

*Note that A has the same meaning in Listing Rule 7.1 when calculating an entity's 15% issue capacity.*

**D** is 10%.

**E** is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under Listing Rule 7.1 or 7.4.

##### Effect of Listing Rule 7.1 with 7.1A

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% issue capacity under Listing Rule 7.1.

At the date of this Notice, the Company has on issue 674,088,999 Shares and therefore will have a capacity to issue:

- (i) 101,113,349 Equity Securities under Listing Rule 7.1; and
- (ii) Subject to shareholder approval being sought under this Resolution 4, 67,408,899 Equity Securities under Listing Rule 7.1A

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2.

##### Minimum Issue Price

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 Trading Days on which trades in that class of Equity Securities were recorded immediately before:

- The date on which the price at which the Equity Securities are to be issued is agreed; or
- If the Equity Securities are not issued within 5 Trading Days of the date referred to above, the date on which the Equity Securities are issued.

##### Approval Validity Period

Shareholder approval of the 7.1A 10% Capacity under Listing Rule 7.1A is valid from the date of the Annual General Meeting at which the approval is obtained and expires on the earlier to occur of:

- The date that is 12 months after the date of the Annual General Meeting at which the approval is obtained; or



## EXPLANATORY MEMORANDUM

- The date of the approval by shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking).

The following table shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable 'A' calculated in accordance with the formula in Listing Rule 7.1A.2 as at the date of this Notice.

Variable 'A' in Listing Rule 7.1A2		Issue Price Assumptions		
		Less: 50% \$0.0045	Base \$0.009	Plus: 100% \$0.018
<b>Current 674,088,999</b>	10% issue	67,408,899	67,408,899	67,408,899
	Funds raised	\$303,340	\$606,680	\$1,213,360
<b>Plus 50% 1,011,133,498</b>	10% issue	101,113,349	101,113,349	101,113,349
	Funds raised	\$455,010	\$910,020	\$1,820,040
<b>Plus 100% 1,348,177,998</b>	10% issue	134,817,799	134,817,799	134,817,799
	Funds raised	\$606,680	\$1,213,360	\$2,426,720

### b) Specific Information required by Listing Rule 7.3A

The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities over the 15 Trading Days on which trading in that class of Equity Securities were recorded immediately before:

- (i) The date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) If the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

If Resolution 9 is approved by Shareholders and the Company issues Equity Securities under the 7.1A 10% Capacity, the existing Shareholders' voting power in the Company will be diluted as shown in the table below. There is a risk that:

- (i) The market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and
- (ii) The Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities are issued as part of consideration for the acquisition of a new asset, which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The table also shows:

- Two examples where variable 'A' has increased, by 50% and 100%. Variable 'A' is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- Two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

The table has been prepared on the following assumptions:

- The Company issues the maximum number of Equity Securities available under the 7.1A 10% Capacity.
- No Options are exercised which have converted into Shares before the date of issue of the Equity Securities.
- The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- The table does not show an example of dilution that may be caused to a particular shareholder by reason of placements under the 7.1A 10%



## EXPLANATORY MEMORANDUM

Capacity, based on that Shareholder's holding at the date of the Meeting.

- The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A and not under the 15% placement capacity under Listing Rule 7.1.
- The issue of Equity Securities under the 7.1A 10% Capacity consists only of Shares.
- The base issue price is \$0.009 being the closing price of the Shares on ASX on 25 September 2017

The Company will only issue and allot the Equity Securities during 12 months following the approval of Resolution 9. The approval under Resolution 9 for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities or Listing Rule 11.2 (disposal of main undertaking).

The Company may seek to issue the Equity Securities for the following purposes:

- Non-cash consideration for the acquisition of new resources assets and investments. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3; or
- Cash consideration. In such circumstances, the Company intends to use the funds raised towards an acquisition of new assets or investments (including expenses associated with such acquisition), continued exploration and feasibility study expenditure on the Company's current assets and/or general working capital.

The Company will comply with the disclosure obligations under Listing Rules 7.1A.4 and 3.10.5A upon issue of any Equity Securities.

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 7.1A 10% Capacity.

The identity of the allottees of allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- The methods of raising funds that are available to the Company, including but not limited to, rights issues or other issues in which existing securities holders can participate;
- The effect of the issue of the Equity Securities on the control of the Company;
- The financial situation and solvency of the Company; and

- Advice from corporate, financial and broking advisers (if applicable).

The allottees under the 7.1A 10% Capacity have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.

Further, if the Company is successful in acquiring new resources assets or investments, it is likely that the allottees under the 7.1A 10% Capacity will be the vendors of the new resources assets of investments.

The Company previously obtained Shareholder approval under Listing Rule 7.1A on 22 November 2016.

The following table shows details of all issues of Equity Securities in the 12 months preceding the Annual General Meeting and other information required under Listing Rule 7.3A.

On 22 November 2016 the Company had on issue 518,922,788 ordinary Shares and 187,297,058 Options making a total of 706,219,846 equity securities. During the previous 12 months the Company issued 167,666,211 Equity Securities or 23.7% of the total on issue at 22 November 2016.

The issue of the listed options in February 2017 were in consideration for corporate advisory services valued at \$37,500.

The funds raised by the Placement in March 2017 were utilised to expand the Company's exploration programmes over its high quality exploration licences in France and to continue with its strategy of identifying and securing advanced projects.

The funds raised from the issue of shares pursuant to the exercise of listed options between March 2017 and May 2017 were utilised to fund preliminary costs relating the Company's proposed listing on AIM, to expand the Company's exploration programmes over its exploration licences in France and for working capital.



## EXPLANATORY MEMORANDUM

Date	Names of the persons to whom securities were issued or basis on which determined	Consideration	Number	Class	Issue Price	Market	(Discount)/ Premium %
9 February 2017	Upsky Equity Pty Ltd and Schammer Pty Ltd	Nil	12,500,000	Listed Options exercise price 1.5 cents expiring 4 May 2017	\$0.003 (deemed issue price)	\$0.003	Nil
17 March 2017	Subscription agreements arranged by Patersons Securities Limited.	\$520,000	28,888,892	Ordinary Shares	\$0.018	0.023	(21.7)
8 March 2017 to 10 May 2017	Holders of Listed Options	\$1,894,160	126,277,319	Ordinary Shares	\$0.015	\$0.021 (average price)	(28.6)
		Total	<u>167,666,211</u>				

A voting exclusion statement is included in this Notice of Meeting. At the date of this Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.



## EXPLANATORY MEMORANDUM

### GLOSSARY

In this Explanatory Memorandum and Notice of Annual General Meeting the following expressions have the following meanings unless stated otherwise or unless the context otherwise requires:

**ASX** means ASX Limited ACN 008 624 691;

**Board** means the board of Directors;

**Closely Related Party** of a member of the Key Management Personnel means:

- a) a spouse or child of the member;
- b) a child of the member's spouse;
- c) a dependant of the member or of the member's spouse;
- d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealings with the entity;
- e) a company the member controls; or
- f) a person prescribed by the *Corporations Regulations 2001* (Cth);

**Company** means Variscan Mines Limited ACN 003 254 395;

**Constitution** means the constitution of the Company;

**Corporations Act** means *Corporations Act 2001* (Cth);

**Directors** means the directors of the Company;

**Equity Securities** has the meaning given to that term in the ASX Listing Rules;

**Explanatory Memorandum** means the explanatory memorandum attached to and forming part of the Notice;

**Key Management Personnel** has the same meaning as in the accounting standards (so the term broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director, whether executive or otherwise, of the Company);

**Listing Rules** means the ASX Listing Rules as published by the ASX from time to time;

**Meeting** means the meeting of Shareholders convened by the Notice of Annual General Meeting;

**Notice or Notice of Annual General Meeting** means the notice of annual general meeting to which this Explanatory Memorandum is attached;

**Option** means an option to acquire a Share;

**Remuneration Report** means the report set out in the Directors' Report section of the Company's 2016 Annual Report detailing the remuneration of Key Management Personnel;

**Resolution** means each resolution to be considered at the Meeting as set out in this Notice;

**Share** means a fully paid share in the issued share capital of the Company; and

**Shareholder** means a holder of Shares in the Company who is eligible to attend the Meeting.

**VWAP** means in relation to particular securities for a particular period, the volume weighted average price of trading in those securities on the ASX and the Chi-X market over that period excluding block trades, large portfolio trades, permitted trades during the pre-trading hours period, permitted trades during the post-trading hours period, out of hours trades and exchange traded option exercises.



## EXPLANATORY MEMORANDUM

### SCHEDULE

#### TERMS AND CONDITIONS OF OPTIONS (Resolution 4)

- The terms of the options are as follows:
  - (a) 10,000,000 options exercisable at 3 cents per share with an expiry date 4 years after the date of issue. The Options will vest at the rate of 25% per year for each year of employment service by Mr Dickson.
  - (b) 10,000,000 options exercisable at 5 cents per share with an expiry date 5 years after the date of issue. The Options will vest at the rate of 25% per year for each year of employment service by Mr Dickson.
- The options held by the optionholder are exercisable in whole or in part at any time during the exercise period. Options not exercised before the expiry of the exercise period will lapse.
- Options are exercisable by notice in writing to the Board delivered to the registered office of the Company and payment of the exercise price in cleared funds.
- The Company will not apply for official quotation on ASX of the options. The Company will make application for official quotation on ASX of new shares allotted on exercise of the options. Those shares will participate equally in all respects with existing issued ordinary shares, and in particular new shares allotted on exercise of the options will qualify for dividends declared after the date of their allotment.
- Options can only be transferred with Board approval, except that if at any time before expiry of the Exercise Period the optionholder dies, the legal personal representative of the deceased optionholder may:
  - (i) elect to be registered as the new holder of the options;
  - (ii) whether or not he becomes so registered, exercise those options in accordance with the terms and conditions on which they were granted; and
  - (iii) if the deceased has already exercised options, pay the exercise price in respect of those options.
- An optionholder may only participate in new issues of securities to holders of ordinary shares in the Company if the option has been exercised and shares allotted in respect of the option before the record date for determining entitlements to the

issue. The Company must give prior notice to the optionholder of any new issue before the record date for determining entitlements to the issue in accordance with the ASX Listing Rules.

- If there is a bonus issue to the holders of ordinary shares in the capital of the Company, the number of ordinary shares over which the option is exercisable will be increased by the number of ordinary shares which the holder of the option would have received if the option had been exercised before the record date for the bonus issue.
- If the Company makes a rights issue (other than a bonus issue), the exercise price of options on issue will be reduced according to the following formula:

$$A = O - \frac{E [P - (S + D)]}{(N + 1)}$$

Where:

- A = the new exercise price of the option;
  - O = the old exercise price of the option;
  - E = the number of underlying ordinary shares into which one option is exercisable;
  - P = the VWAP per ordinary share, calculated over the five trading days ending on the day before the ex rights date or ex entitlements date;
  - S = the subscription price for a security under the pro rata issue;
  - D = the dividend due but not yet paid on existing underlying securities (except those to be issued under the pro rata issue); and
  - N = the number of securities with rights or entitlements that must be held to receive a right to one new security.
- If, during the currency of the options the issued capital of the Company is reorganised, those options will be reorganised to the extent necessary to comply with ASX Listing Rules.

**All Correspondence to:**

- ✉ **By Mail:** Boardroom Pty Limited  
GPO Box 3993  
Sydney NSW 2001 Australia
- 📠 **By Fax:** +61 2 9290 9655
- 💻 **Online:** [www.boardroomlimited.com.au](http://www.boardroomlimited.com.au)
- ☎ **By Phone:** (within Australia) 1300 737 760  
(outside Australia) +61 2 9290 9600

**YOUR VOTE IS IMPORTANT**

For your vote to be effective it must be recorded **before 2:00pm (Sydney time) on Saturday, 4 November 2017.**

**TO VOTE ONLINE**

- STEP 1: VISIT** [www.votingonline.com.au/varagm2017](http://www.votingonline.com.au/varagm2017)
- STEP 2: Enter your Postcode OR Country of Residence (if outside Australia)**
- STEP 3: Enter your Voting Access Code (VAC):**

**BY SMARTPHONE**

Scan QR Code using smartphone  
QR Reader App

**TO VOTE BY COMPLETING THE PROXY FORM****STEP 1 APPOINTMENT OF PROXY**

Indicate who you want to appoint as your Proxy.  
If you wish to appoint the Chair of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chair of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chair of the Meeting will be your proxy. A proxy need not be a securityholder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

**Appointment of a Second Proxy**

You are entitled to appoint up to two proxies to attend the meeting and vote. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by contacting the company's securities registry or you may copy this form.

To appoint a second proxy you must:

- (a) complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- (b) return both forms together in the same envelope.

**STEP 2 VOTING DIRECTIONS TO YOUR PROXY**

To direct your proxy how to vote, mark one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of securities are to be voted on any item by inserting the percentage or number that you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item for all your securities your vote on that item will be invalid.

**Proxy which is a Body Corporate**

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

**STEP 3 SIGN THE FORM**

The form **must** be signed as follows:

**Individual:** This form is to be signed by the securityholder.

**Joint Holding:** where the holding is in more than one name, all the securityholders should sign.

**Power of Attorney:** to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form should be signed by that person. **Please indicate the office held by signing in the appropriate place.**

**STEP 4 LODGEMENT**

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore by **2:00pm (Sydney time) on Saturday, 4 November 2017.** Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged using the enclosed Reply Paid Envelope or:

- 💻 **Online** [www.votingonline.com.au/varagm2017](http://www.votingonline.com.au/varagm2017)
- 📠 **By Fax** +61 2 9290 9655
- ✉ **By Mail** Boardroom Pty Limited  
GPO Box 3993,  
Sydney NSW 2001 Australia
- 👤 **In Person** Boardroom Pty Limited  
Level 12, 225 George Street,  
Sydney NSW 2000 Australia

**Attending the Meeting**

If you wish to attend the meeting please bring this form with you to assist registration.

**Variscan Mines Limited**

ACN 003 254 395

**Your Address**

This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction in the space to the left. Securityholders sponsored by a broker should advise their broker of any changes. **Please note, you cannot change ownership of your securities using this form.**

**PROXY FORM**

**STEP 1 APPOINT A PROXY**

I/We being a member/s of **Variscan Mines Limited** and entitled to attend and vote hereby appoint:

the **Chair of the Meeting (mark box)**

**OR** if you are **NOT** appointing the Chair of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered securityholder) you are appointing as your proxy below

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting as my/our proxy at the Annual General Meeting of **Variscan Mines Limited** to be held at **HLB Mann Judd, Level 19, 207 Kent St, Sydney NSW 2000 on Monday, 6 November 2017 at 2:00pm (Sydney time)** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

Chair of the Meeting authorised to exercise undirected proxies on remuneration related matters: If I/we have appointed the Chair of the Meeting as my/our proxy or the Chair of the Meeting becomes my/our proxy by default and I/we have not directed my/our proxy how to vote in respect of Resolutions 1,4,5,6 & 7 I/we expressly authorise the Chair of the Meeting to exercise my/our proxy in respect of these Resolutions even though Resolutions 1,4,5,6 & 7 are connected with the remuneration of a member of the key management personnel for the Company.

The Chair of the Meeting will vote all undirected proxies in favour of all Items of business (including Resolutions 1,4,5,6 & 7). If you wish to appoint the Chair of the Meeting as your proxy with a direction to vote against, or to abstain from voting on an item, you must provide a direction by marking the 'Against' or 'Abstain' box opposite that resolution.

**STEP 2 VOTING DIRECTIONS**  
 \* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your vote will not be counted in calculating the required majority if a poll is called.

	FOR	AGAINST	ABSTAIN*		FOR	AGAINST	ABSTAIN*
<b>Resolution 1</b> To Adopt the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<b>Resolution 6</b> Issue of ordinary Shares to Executive Director, Gregory Jones in lieu of cash remuneration	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 2</b> Re-Election of Mr Gregory Jones as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<b>Resolution 7</b> Issue of ordinary Shares to Executive Director, Jack Testard in lieu of cash remuneration	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 3</b> Re-Election of Mr Michael Moore as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<b>Resolution 8</b> Approval to issue and allot ordinary Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 4</b> Issue of Options to Chief Executive Officer, Stewart Dickson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<b>Resolution 9</b> Issue of Equity Securities up to an additional 10% of the Company's Issued Capital	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 5</b> Issue of ordinary Shares to Chief Executive Officer, Stewart Dickson in lieu of cash remuneration	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

**STEP 3 SIGNATURE OF SECURITYHOLDERS**  
 This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1 <input style="width: 100%; height: 30px;" type="text"/> Sole Director and Sole Company Secretary	Securityholder 2 <input style="width: 100%; height: 30px;" type="text"/> Director	Securityholder 3 <input style="width: 100%; height: 30px;" type="text"/> Director / Company Secretary
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Contact Name..... Contact Daytime Telephone..... Date / / 2017