



\$0.34M LOAN FROM MAJOR SHAREHOLDERS

Variscan Mines Limited ("Variscan" or the "Company") (ASX:VAR) announces that it has entered into an agreement with its major shareholder to provide the Company with a loan for A\$340,000.

The loan is being provided by Dr. Foo Fatt Kah and Mr. Kwan Chee Seng (the "Lenders") who are each directors of the Company and who, in aggregate, own approximately 34% of the Company's issued share capital.

Key Terms:

Loan Amount	A\$340,000
Maturity Date	6 months from the Draw Down Date (expected to be within next 7 days)
Security	The Company will grant security to the Lenders over a proportion of ordinary shares in Thompson Resources Ltd (ASX:TMZ) currently held by Variscan equal to the value of the Loan Amount
Interest	Interest is payable on the Maturity Date. Amounts prepaid between Draw Down Date and the Maturity Date will attract an interest rate of 18% per annum (the "Lower Rate"). Any part of the Loan Amount outstanding from the Maturity Date will attract an interest rate of 30% per annum (the "Higher Rate")
Prepayment	The Company can prepay all or part of the Loan Amount at any time before the Maturity Date without premium or penalty
Fees	Nil

The Loan Agreement contains standard representations and warranties in favour the Lenders and other normal commercial terms.

Stewart Dickson, CEO of Variscan Mines said,

'We are pleased to have the continued support of our major shareholders. The Company has announced today the potential acquisition of highly prospective copper projects in Chile. The proceeds of the loan will be used to fund the commencement of preliminary field work, enabling activities in Chile and general corporate purposes. Our change process is well underway and we look forward to making further announcements shortly.'

ENDS

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