



## FULLY UNDERWRITTEN RIGHTS ISSUE TO FUND CORPORATE & PROJECT DEVELOPMENT

- ❖ **5 for 6 renounceable pro rata entitlement offer to raise approximately \$2.25m**
- ❖ **Funds to be used to accelerate the development of existing and new mineral projects in Europe and South America**
- ❖ **Significant support from Variscan's major shareholders and Directors to take up respective entitlements for a total of approximately \$0.756m**

### **Variscan Mines CEO, Stewart Dickson, commented on the Rights Issue:**

*"We have continued to reorganise the Company most notably with the recent sale of Couflens, re-structuring of our assets in France and potential acquisition of the highly prospective Rosario copper project in Chile. With the evaluation of further opportunities, we have a new path towards potential growth and value realisation in the short to medium term.*

*The Company requires additional capital to complete its reorganisation and execute its development program in a timely manner. Whilst there are several possible ways to access additional funding, the Board considers an attractively priced rights issue will allow all shareholders to participate equally in our future growth."*

### **Overview**

Variscan Mines Limited ("Variscan" or "Company") is pleased to announce a 5 for 6 renounceable entitlement offer ("Rights Issue" or "Offer") to raise approximately A\$2.25m (before costs) to accelerate the development of its existing and new mineral projects in Europe and South America.

Proceeds of the Offer will contribute towards further identifying and acquiring advanced projects and initiating work programmes to advance projects in Europe and South America. Specifically, proceeds of the Offer will be used to:

- Advance the exploration and evaluation of the highly-prospective Rosario copper project in Chile which will include early reconnaissance drilling;
- Maintain its evaluation and exploration work over its other licences in Europe;
- Accelerate project generation activities; and
- General working capital purposes.

## **Rights Issue Details**

Variscan shareholders are being offered the opportunity to acquire new ordinary shares in the capital of the Company via a renounceable pro rata entitlement issue.

The Rights Issue is being made to Eligible Shareholders on the basis of five (5) New Shares for every six (6) shares held by Eligible Shareholders registered at 5pm (Sydney) Monday, 30 April 2018 (the "Record Date"). Each New Share has an offer price of 0.4c. Eligible Shareholders are also offered one (1) free attaching New Option for every one (1) New Share subscribed for and issued under the Offer. The Offer has been fully underwritten.

The New Options are exercisable at 0.8c and have an expiry date of 31 May 2018. The Company will make application to ASX for quotation of the New Options.

Eligible Shareholders will also be given the opportunity to apply for additional new shares in excess of their entitlement. Further details of the Offer including how to apply for entitlement and additional shares will be set out in a prospectus to be dated 24 April 2018 ("Prospectus") which will be lodged shortly with the ASIC and ASX and which will be made available to all Eligible Shareholders in accordance with the indicative timetable set out below.

Patersons Securities Limited has been appointed as Lead Manager and Underwriter to the Rights Issue.

Assuming all entitlements are accepted, or if all shortfall shares are placed, following completion of both the Offer, the Company will have issued approximately 563.3 million New Shares, resulting in a total of approximately 1,239.4 million fully paid ordinary shares on issue.

## **Major Shareholder & Directors Participation**

Two of the Company's largest shareholders, Mr Kwan Chee Seng and Dr Foo Fat Kah (both of whom are Directors) have each confirmed their support for this capital raising and together with certain Directors have confirmed to the Company that they intend to take up their full entitlements under the Offer. This intended support would account for a total subscription of approximately \$0.756m in entitlements.

In addition, the Chairman Mr Pat Elliott has committed to underwriting up to \$100,000 in addition to his entitlement.

## **Eligible Shareholders**

The eligible shareholders to whom the Offer is being made are those shareholders who are:

- (a) registered as a holder of Variscan's Shares as at the Record Date;
- (b) have a registered address in Australia, New Zealand or Singapore;

(c) not in the United States, are not a “U.S. person”, as defined in Regulation S under the U.S. Securities Act of 1933 (“U.S. Person”), and are not acting for the account or benefit of any person in the United States or any “US Person”; and

(d) eligible under all applicable securities laws to receive an offer under the Entitlement Offer.

Shareholders with registered addresses outside Australia, New Zealand and Singapore are considered Ineligible Shareholders and cannot participate in the Offer.

The Company has determined that it is not practicable for Ineligible Shareholders to participate in the Offer having regard to the number of Ineligible Foreign Shareholders, the number and value of New Shares they would be offered and the costs of complying with the regulatory requirements of those jurisdictions.

### Indicative Timetable

The proposed timetable for the Offer is set out below. The dates are indicative only and the Company reserves the right to vary the dates including the right to extend the closing date.

Event	Date
Lodgement of Prospectus with ASIC and lodgement of Appendix 3B, Notice to Optionholders	24 April 2018
Notice to security holders	26 April 2018
Shares quoted on an ex basis - Entitlement commence trading	27 April 2018
Record Date for determining Entitlements	30 April 2018
Opening date and despatch of Prospectus to Shareholders	3 May 2018
Entitlement trading ends	16 May 2018
New securities quoted on a deferred settlement basis	17 May 2018
Closing Date of Entitlement Offer – 5.00pm AEST	23 May 2018
Notify ASX of under subscriptions (if any)	25 May 2018
Despatch date	29 May 2018

## **Enquiries**

Eligible Shareholders will be sent further details about the Rights Issue in the Prospectus.

Shareholders should read the Prospectus carefully before making any investment decision regarding the Rights Issue.

The Prospectus and associated ASX releases will be made available shortly on the Company's website at: [www.variscan.com.au](http://www.variscan.com.au) and on ASX.

Shareholders who have questions relating to the Rights Issue should call the Company Secretary on +61 8 9316 9100 between 9:00am and 5:00pm (Perth time) on business days during the offer period for the Rights Issue.

For enquiries in relation to Variscan Mines corporate matters, please contact the Company by email at: [info@variscan.com.au](mailto:info@variscan.com.au)

**ENDS**

**Stewart Dickson**

**CEO**

[info@variscan.com.au](mailto:info@variscan.com.au)