

# Appendix 3B

## New issue announcement, application for quotation of additional securities and agreement

*Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.*

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

Variscan Mines Limited

ABN

16 003 254 395

We (the entity) give ASX the following information.

### Part 1 - All issues

*You must complete the relevant sections (attach sheets if there is not enough space).*

- |   |   |  |
|---|---|--|
| 1 | +Class of +securities issued or to be issued  | a) Ordinary Shares<br>b) Listed Options  |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued   | a) Issue of up to approximately 563,384,943 Shares<br>b) Issue of up to approximately 563,384,943 Options  |
| 3 | Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | a) The shares will rank equally with existing fully paid ordinary shares<br>b) The Options have an exercise price of \$0.008 and expire on 31 May 2021 |

+ See chapter 19 for defined terms.

<p>4 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul>	<p>a) Yes – rank equally with existing Ordinary Shares</p> <p>b) No, Shares issued on exercise of Options will rank equally with existing Shares. The Options do not confer a right to the Option Holder for the payment of dividends.</p>
<p>5 Issue price or consideration</p>	<p>a) \$0.004 per Share</p> <p>b) The Options are free attaching on the basis of 1 Option for every New Share taken up in the Entitlement Issue</p>
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>Renounceable Entitlement Issue to fund planned exploration on the Company's European and South American prospects, review and identify other advanced projects and working capital.</p>
<p>6a Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p>	<p>Yes</p>
<p>6b The date the security holder resolution under rule 7.1A was passed</p>	<p>6 November 2017</p>
<p>6c Number of +securities issued without security holder approval under rule 7.1</p>	<p>Nil</p>
<p>6d Number of +securities issued with security holder approval under rule 7.1A</p>	<p>Nil</p>

6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	Nil						
6f	Number of +securities issued under an exception in rule 7.2	a) Issue of up to approximately 563,384,943 Shares b) Issue of up to approximately 563,384,943 Options (Note fully underwritten)						
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	N/A						
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A						
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	Refer Annexure 1						
7	+Issue dates  Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A.  Cross reference: item 33 of Appendix 3B.	29 May 2018						
8	Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)	<table border="1"> <thead> <tr> <th>Number</th> <th>+Class</th> </tr> </thead> <tbody> <tr> <td>1,239,446,875</td> <td>Ordinary Shares</td> </tr> <tr> <td>563,384,943</td> <td>Options to acquire Ordinary Shares (\$.0008 on or before 31 May 21)  (Note Entitlement Issue is fully underwritten)</td> </tr> </tbody> </table>	Number	+Class	1,239,446,875	Ordinary Shares	563,384,943	Options to acquire Ordinary Shares (\$.0008 on or before 31 May 21)  (Note Entitlement Issue is fully underwritten)
Number	+Class							
1,239,446,875	Ordinary Shares							
563,384,943	Options to acquire Ordinary Shares (\$.0008 on or before 31 May 21)  (Note Entitlement Issue is fully underwritten)							

+ See chapter 19 for defined terms.

	Number	+Class	
9	Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)	8,700,000	3 December 2018 Directors Options – exercise price 5 cents
		3,750,000	3 December 2018 Options – Employee Share Option Plan - exercise price 5 cents
		10,000,000	Options exercisable at 3 cents each expiring on 20 November 2021.
		10,000,000	Options exercisable at 5 cents each expiring on 20 November 2022.
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/A	

## Part 2 - Pro rata issue

11	Is security holder approval required?	No
12	Is the issue renounceable or non-renounceable?	Renounceable
13	Ratio in which the +securities will be offered	Five (5) new shares for every six (6) shares held on the Record Date, with one (1) free attaching listed Option for every one (1) share issued
14	+Class of +securities to which the offer relates	Shares
15	+Record date to determine entitlements	30 April 2018

16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	N/A
17	Policy for deciding entitlements in relation to fractions	Fractional Entitlements will be rounded down
18	Names of countries in which the entity has security holders who will not be sent new offer documents  Note: Security holders must be told how their entitlements are to be dealt with.  Cross reference: rule 7.7.	China; France; Hong Kong; Mozambique; Papua New Guinea; United Kingdom; USA
19	Closing date for receipt of acceptances or renunciations	23 May 2018
20	Names of any underwriters	Patersons Securities Limited
21	Amount of any underwriting fee or commission	4% of the Underwritten Amount
22	Names of any brokers to the issue	Patersons Securities Limited
23	Fee or commission payable to the broker to the issue	2% fee paid on the gross amount raised under the offer
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	N/A
25	If the issue is contingent on security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	3 May 2018
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	24 April 2018
28	Date rights trading will begin (if applicable)	27 April 2018

+ See chapter 19 for defined terms.

- |    |   |  |
|----|---|--|
| 29 | Date rights trading will end (if applicable)  | 16 May 2018  |
| 30 | How do security holders sell their entitlements <i>in full</i> through a broker?                            | Through a Broker (refer to instructions on Entitlement and Application Form)             |
| 31 | How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance? | Sell entitlements either in full or in part through a broker and accept balance, if any. |
| 32 | How do security holders dispose of their entitlements (except by sale through a broker)?                    | N/A  |
| 33 | +Issue date   | 29 May 2018  |

### Part 3 - Quotation of securities

*You need only complete this section if you are applying for quotation of securities*

34 Type of +securities  
(tick one)

(a)  +Securities described in Part 1

(b)  All other +securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

#### Entities that have ticked box 34(a)

#### Additional securities forming a new class of securities

**[NOTE WE WILL PROVIDE ADDITIONAL INFORMATION IN RELATION TO THE LISTED OPTIONS POST OFFER TO ENABLE QUOTATION]**

*Tick to indicate you are providing the information or documents*

35  If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

- 36  If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
- 1 - 1,000
  - 1,001 - 5,000
  - 5,001 - 10,000
  - 10,001 - 100,000
  - 100,001 and over
- 37  A copy of any trust deed for the additional +securities

### Entities that have ticked box 34(b)

- 38 Number of +securities for which +quotation is sought
- 39 +Class of +securities for which quotation is sought
- 40 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?
- If the additional +securities do not rank equally, please state:
- the date from which they do
  - the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
  - the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment
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- 41 Reason for request for quotation now
- Example: In the case of restricted securities, end of restriction period
- (if issued upon conversion of another +security, clearly identify that other +security)
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+ See chapter 19 for defined terms.

42 Number and +class of all +securities quoted on ASX (including the +securities in clause 38)

Number	+Class

### Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:



Company secretary

Date 24 April 2018

Print name:

Mark Pitts

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# Appendix 3B – Annexure 1

## Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

### Part 1

<b>Rule 7.1 – Issues exceeding 15% of capital</b>	
<b>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</b>	
<b>Insert</b> number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	616,730,827
<p><b>Add</b> the following:</p> <ul style="list-style-type: none"> <li>• Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2</li> <li>• Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval</li> <li>• Number of partly paid +ordinary securities that became fully paid in that 12 month period</li> </ul> <p><i>Note:</i></p> <ul style="list-style-type: none"> <li>• <i>Include only ordinary securities here – other classes of equity securities cannot be added</i></li> <li>• <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul>	<p>8,552,066 – issued on 26 April 2017            4,246,667 – issued on 28 April 2017            11,641,416 – issued on 3 May 2017            2,599,132 – Issued on 5 May 2017            1,429,999 – Issued on 10 May 2017</p> <p>28,888,892 – EGM held on 30 June 2017            1,972,933 – Issued on 5 Dec 2017</p> <p>563,384,943 – to be issued pursuant to the renounceable entitlement offer</p>
<b>Subtract</b> the number of fully paid +ordinary securities cancelled during that 12 month period	Nil
<b>“A”</b>	1,239,446,875

+ See chapter 19 for defined terms.

<b>Step 2: Calculate 15% of “A”</b>	
“B”,	0.15 <i>[Note: this value cannot be changed]</i>
<b>Multiply</b> “A” by 0.15	185,917,031
<b>Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used</b>	
<p><b>Insert</b> number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> <li>• Under an exception in rule 7.2</li> <li>• Under rule 7.1A</li> <li>• With security holder approval under rule 7.1 or rule 7.4</li> </ul> <p><i>Note:</i></p> <ul style="list-style-type: none"> <li>• <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i></li> <li>• <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul>	
“C”	-
<b>Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1</b>	
“A” x 0.15 <i>Note: number must be same as shown in Step 2</i>	185,917,031
<b>Subtract</b> “C” <i>Note: number must be same as shown in Step 3</i>	-
<b>Total</b> [“A” x 0.15] – “C”	<b>185,917,031</b> <i>[Note: this is the remaining placement capacity under rule 7.1]</i>

## Part 2

<b>Rule 7.1A – Additional placement capacity for eligible entities</b>	
<b>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</b>	
<b>“A”</b> <i>Note: number must be same as shown in Step 1 of Part 1</i>	1,239,446,875
<b>Step 2: Calculate 10% of “A”</b>	
<b>“D”</b>	0.10 <i>Note: this value cannot be changed</i>
<b>Multiply “A” by 0.10</b>	123,944,687
<b>Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used</b>	
<b>Insert</b> number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A  <b>Notes:</b> <ul style="list-style-type: none"> <li>• <i>This applies to equity securities – not just ordinary securities</i></li> <li>• <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul>	-
<b>“E”</b>	-

+ See chapter 19 for defined terms.

<b>Step 4: Subtract "E" from ["A" x "D"] to calculate remaining placement capacity under rule 7.1A</b>	
"A" x 0.10 <i>Note: number must be same as shown in Step 2</i>	123,944,687
<b>Subtract "E"</b> <i>Note: number must be same as shown in Step 3</i>	-
<b>Total</b> ["A" x 0.10] – "E"	<b>123,944,687</b> <i>Note: this is the remaining placement capacity under rule 7.1A</i>