



GOVERNMENT APPROVES SALE OF FRENCH SUBSIDIARY

- ✔ **Approval granted by the Ministry of Economy and Finance for the sale of Variscan Mines SAS and 20% interest in Couflens PER, to Apollo Minerals (ASX:AON) for total consideration of up to \$4.25m.**
- ✔ **Final steps to legal completion being taken with transaction closing expected shortly**
- ✔ **Without prior consultation, the Ministry of Economy and Finance has imposed the compulsory relinquishment of the remaining licences owned by Variscan Mines SAS (excluding Couflens PER) within 4 months**
- ✔ **Final and clean exit from France providing substantial cost-savings**
- ✔ **Clear focus and capital allocation on new projects in Chile; a proven mining jurisdiction.**
- ✔ **Strategy of re-balancing the Company's sovereign exposure fully vindicated**

Variscan Mines Limited ("Variscan" or the "Company") (ASX:VAR) announces that it has received approval from the French Ministry of Economy and Finance of the proposed sale of the Company's wholly owned French subsidiary, Variscan Mines SAS, to Apollo Minerals (ASX:AON) ("Apollo") for a total consideration of up to \$4.25m payable in cash and deferred shares (the "Subsidiary Sale").

The approval, which was a Condition Precedent to the legal completion of the Subsidiary Sale, required the Ministry of Economy and Finance to confirm compatibility of the proposed transaction with decree 2006-648 of 2 June 2006 relating to mining titles.

Under the Share Sale and Purchase Agreement, the Couflens PER will be acquired by Apollo. The remaining exploration licences owned by Variscan Mines SAS (excluding the Couflens PER) were to be subject to an Asset Sale and Purchase Agreement whereby a new wholly owned subsidiary, Variscan Mines Europe Limited, would purchase the licences and assume beneficial ownership (the "Asset Transfer"). Pursuant to the approval for the Subsidiary Sale, the Ministry of Economy and Finance has imposed, without prior consultation, the compulsory relinquishment of the remaining licences owned by Variscan Mines SAS (excluding Couflens PER) within 4 months from 22 June 2018. Variscan is reviewing its options in relation to this matter.

The details of the consideration payable and commercial terms (save for the Asset Transfer) of the transaction, as set out in the announcement made on 8 March 2018, remain unchanged.

Stewart Dickson, CEO of Variscan said,

'We are pleased that the French Government have provided approval for the transaction, which was a Condition Precedent to legal completion. The transaction with Apollo delivers a number of benefits to our shareholders. In addition to the cash consideration and upside potential through Apollo shares, our shareholders will benefit from a substantial cost savings.

The decision to impose the compulsory relinquishment of our remaining licences in Brittany is very disappointing. The simplified portfolio now allows us to concentrate our focus and capital on our new projects in Chile.'

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