



DEFINITIVE AGREEMENT SIGNED TO ACQUIRE ROSARIO COPPER PROJECT

- ✔ **Signed definitive Unilateral Purchase Option Agreement to acquire 100% interest over the Rosario Project.**
- ✔ **Acquisition is conditional on the payment of a total consideration of US\$5m over the next 5 years.**
- ✔ **Chilean geologists hired to commence field work immediately.**
- ✔ **Successful rock chip and grab sampling results announced by Variscan in April 2018 confirmed surface outcrops containing high grade copper (4.82% Cu) and silver grades up to 42g/t Ag.**
- ✔ **Active corporate development plan to acquire additional projects globally.**

Unilateral Purchase Option Agreement

Following on from the encouraging earlier fieldwork conducted, Variscan Mines Limited ("Variscan" or the "Company") (ASX:VAR) is pleased to have completed satisfactory due diligence and announces that it has signed a definitive, Unilateral Purchase Option Agreement to acquire 100% interest over the Rosario Project from the vendors Mr Jose Alberto Izquierdo Artigas and Mr Felipe Alejandro Izquierdo Frutos, for a total consideration of US\$5m over the next 5 years (the "Agreement").

Under the terms of the Agreement, for so long as Variscan make payments in accordance with the agreed schedule (set out in Appendix 2) it shall, upon the payment of the final instalment, acquire a 100% interest over the licences that constitute the Rosario Project.

Variscan retains full optionality with both up-side and down-side protections. Should future exploration results merit it, Variscan can accelerate payments so that it can secure 100% ownership quicker than envisaged. Conversely, Variscan has the right to terminate the Agreement at any stage without any additional liabilities. In doing so, it would forfeit all rights over the licences. Ownership of the licences is retained by the vendors until completion of the payment schedule.

Next steps & appointment of lead, in-country geologist

Variscan is also pleased to announce that it has contracted Eduardo Gonzalez to lead the field work at Rosario.

Eduardo is a Chilean national who has over 25 years experience in exploration, business development and evaluation of copper and gold deposits in Latin America. His recent professional experience includes appointments as General Exploration Manager for B&A Mineração (joint venture between BTG Pactual and Roger Agnelli (ex-CEO of Vale), Exploration Manager in Chile for Vale and Principal Geologist for Xstrata Copper (now Glencore). He has a proven track record of his work directly contributing to discovery success (e.g. Caspiche, Newcrest and Azules, Xstrata).

Eduardo and his team are commencing field work immediately.

Corporate Development Plan

Having completed the sale of the Company's French subsidiary the Board are actively seeking to make selective value-accretive acquisitions. The Board have an active corporate development plan to originate and acquire additional projects and have identified and evaluated a number projects globally already. This work will continue apace and further announcements will be made in due course.

ENDS

For further information:

Stewart Dickson, CEO
Variscan Mines Limited
Tel: +61 2 9906 5220
Email: info@variscan.com.au

Competent Persons Statement

Where Company refers to exploration results previously advised to the ASX on 11 April 2018 it confirms that it is not aware of any new information or data that materially affects the information included in that market announcement.

APPENDIX 1. ROSARIO PROJECT

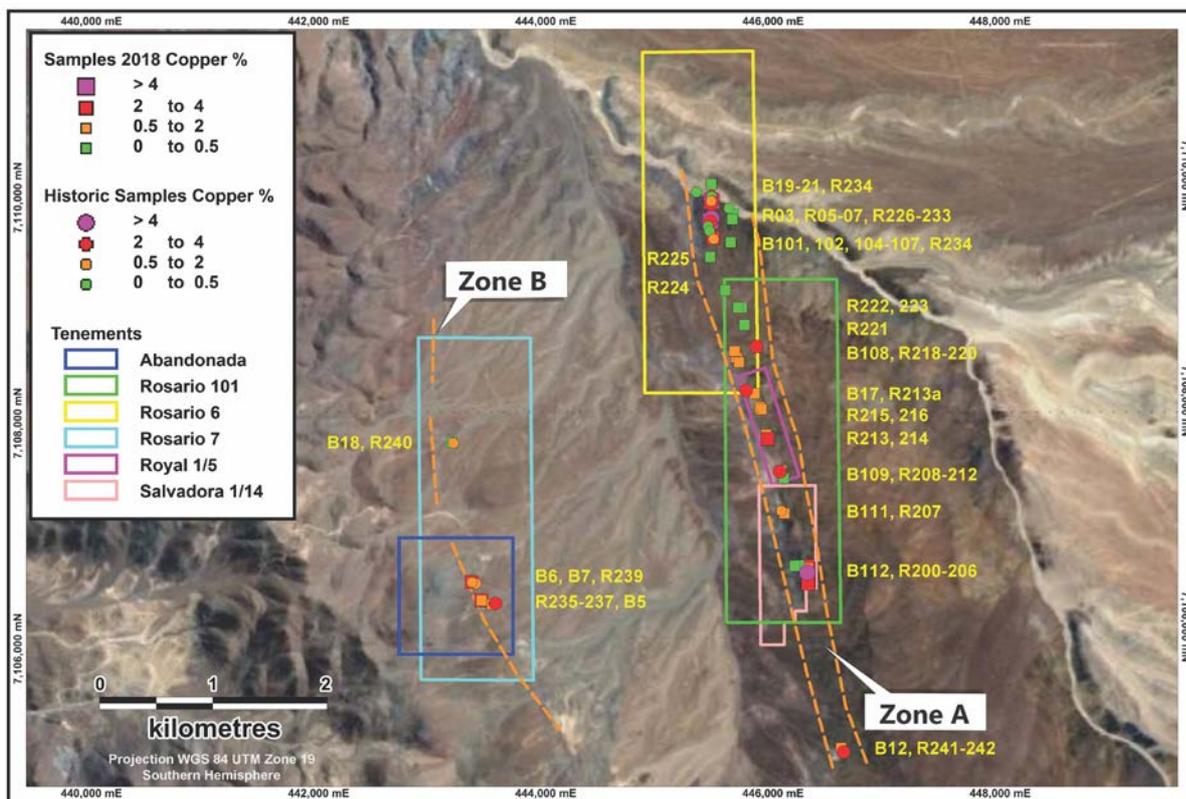
The Rosario project is located approximately 120 kilometres east of the port city of Chanaral in the Atacama Region of northern Chile. Chile is a proven mining jurisdiction and is the largest producer of copper globally.

The Rosario project lies about 20 kilometres north of the El Salvador mine (owned by CODELCO). It is one of the country's larger copper operations, within a region of dense mining activity (all scales) and good copper endowment.

Figure 1. Location of the Rosario Project

As announced on 11 April 2018, initial field work conducted by Variscan validated the high grade copper potential of the Rosario Project. Selective rock chip and grab sampling by Variscan confirmed surface outcrops containing high grade copper. Assay results of samples recorded copper grades up to 4.82% Cu and silver grades up to 42g/t Ag.

Figure 2. Plan of Rock Chip & Grab Sampling Results



The Rosario project comprises two large granted exploration concessions, Rosario 6 and Rosario 7, one exploitation concession (Salvadora) and an exploration concession under application (Rosario 101). These concessions cover two outcropping copper trends (Zones A and B) over a combined strike length of approximately 6 kilometres.

The project area has undergone historic modest informal mining and contains numerous shallow pits in areas of copper-stained outcrops. There are also indications of previous surface sampling and trenching. Site visit inspections also revealed 13 diamond drill holes within the adjacent licences to the Rosario project.

Whilst in the early stages of exploration, it is believed that the mineralization found at Rosario is consistent with the IOCG type. In the general region around Rosario, IOCG deposits are very numerous and support a number of mines and prospects. Important IOCG mines of the region include Mantoverde (440 Mt @ 0.56 % Cu, 0.12 g/t Au) (Figure 1) and the Mantos Blancos copper-silver deposit.

APPENDIX 2. SCHEDULE OF PAYMENTS DUE UNDER THE UNILATERAL PURCHASE OPTION AGREEMENT

Date	Payment (US\$)	Notes
30-Mar-18	20,000	Paid
30-Jun-18	30,000	Paid
30-Sept-18	50,000	Paid
30-Mar-19	150,000	
30-Sept-19	250,000	
30-Mar-20	250,000	
30-Sept-20	350,000	
30-Mar-21	350,000	
30-Sept-21	450,000	
30-Mar-22	450,000	
30-Sept-22	550,000	
30-Mar-23	550,000	
30-Sept-23	1,550,000	