



REVIEW OF CEO TERMS AND CONDITIONS OF ENGAGEMENT

Variscan Mines Limited (“Variscan” or the “Company”) advises that the Board has reviewed the terms and conditions of the CEO’s engagement as part of the review of Board composition which has recently taken place.

Chief Executive Officer and Managing Director

Mr Stewart Dickson was engaged by the Company in April / May 2017 through his consulting company FELDI Limited. Mr Dickson has been instrumental in establishing and working through the Company’s strategic review and refocus. Following the conclusion of a recent review of Board composition the Company has renegotiated the terms of the Consultancy Agreement.

The changes reflect the change of the Company’s scope and scale of operations and include:

- a 39% reduction to contractual cash fees payable;
- an end of current arrangements to take 20% in equity in lieu of fees so as to limit further equity issuance;
- a change in remuneration mix

Key terms are set out in Appendix A.

Non Executive Chairman, Dr Foo Fatt Kah stated that, *“We are very pleased with Stewart’s performance and his willingness to engage in a constructive way to renegotiate his remuneration. The revised terms align with shareholder interests to reduce cash outflow and incentivise the completion of selective value-accretive acquisitions.”*

ENDS

For further information:

Mr Mark Pitts
Director / Company Secretary
Variscan Mines Limited
P: +61 2 9906 5220
E: info@variscan.com.au

APPENDIX A

Variscan Mines Limited (the “**Company**”) has entered into an amendment to an existing Consulting Agreement (“**Amendment Agreement**”) with FELDI Limited (“**Consultant**”) pursuant to which the Company has appointed the Consultant to provide the executive who is to act as the Managing Director and Chief Executive Officer of the Company (“**Services**”). The Consultant will ensure the Services are performed by the executive (which is Mr Dickson).

The Amendment Agreement provides for the following changes to key terms:

1. From 1 November 2018 the base fee payable per annum will be reduced from £172,500 to £105,000 with any applicable VAT thereon;
 - a. This amendment to apply until such time as the Company completes an acquisition of a Company business or assets (an “**Acquisition**”) after which time the base fee will revert to the original terms.
 - b. A short term incentive will apply following the completion of an Acquisition in the form of a bonus cash fee equating to £25,000, together with a further amount of £50,000 to satisfied by the issue of new ordinary shares (subject to the approval of shareholders at the time)

All other terms of the original Consulting Agreement remain in full force and effect.