



2020 NOTICE OF ANNUAL GENERAL MEETING

Variscan Mines Limited ("**Variscan**" or the "**Company**" or the "**Group**") (ASX:VAR) is pleased to advise that its Annual General Meeting will be held at 4:30pm on Thursday 26 November 2020.

Attached is a Notice of Meeting and a letter to shareholders advising further details of the meeting and access to meeting documents.

ENDS

For further information:

Variscan Mines Limited

Stewart Dickson

T: +61 8 9316 9100

E: info@variscan.com.au

This announcement has been authorised for issue by Mr Mark Pitts Company Secretary, Variscan Mines Limited.

Notes

Variscan Mines Limited (ASX:VAR) is a growth oriented, natural resources company focused on the acquisition, exploration and development of high quality strategic mineral projects. The Company has compiled a portfolio of high-impact base-metal interests in Spain, Chile and Australia.

The Company's name is derived from the Variscan orogeny which was a geologic mountain building event caused by Late Paleozoic continental collision between Euramerica (Laurussia) and Gondwana to form the supercontinent of Pangea.



26 October 2020

Dear Shareholder

Variscan Mines Limited (**Variscan** or the **Company**) is convening an Annual General Meeting (**Meeting**) to be held at the offices of HLB Mann Judd, Level 4, 130 Stirling Street, Perth Western Australia on Thursday, 26 November 2020 at 4.30pm (AWST).

The Company and the Board are very aware of the current circumstances resulting from COVID-19 and the impact it is having, and is likely to continue to have, on physical meetings. Accordingly, the Board has made the decision that it will hold a physical Meeting with any appropriate social gathering and physical distancing measures in place to comply with the State and Federal Government's current restrictions for physical gatherings.

In accordance with subsection 5(f) of the Corporations (Coronavirus Economic Response) Determination (No. 1) 2020, the Company will not be dispatching physical copies of the Notice of Annual General Meeting (**Notice**). Instead, a copy of the Notice will be available under the "ASX announcements" section of Variscan's website at <https://www.variscan.com.au/site/investor-centre/asx-announcements>

As you have not elected to receive notices by email, a copy of your personalised proxy form is enclosed for your convenience. **Shareholders are encouraged to complete and lodge their proxies online or otherwise in accordance with the instructions set out in the proxy form and the Notice.**

Your proxy voting instruction must be received by 4.30pm (AWST) on Tuesday, 24 November 2020, being not less than 48 hours before the commencement of the Meeting. Any proxy voting instructions received after that time will not be valid for the Meeting.

The Notice is important and should be read in its entirety. If you are in doubt as to the course of action you should follow, you should consult your financial adviser, lawyer, accountant or other professional adviser. If you have any difficulties obtaining a copy of the Notice of Meeting please contact the Company's share registry, Boardroom Pty Limited, on 1300 737 760 (within Australia) or +61 2 9290 9655 (overseas).

Circumstances relating to COVID-19 are changing rapidly. The Company will update shareholders if changing circumstances will impact the planning or arrangements for the Meeting by way of announcement on ASX and the details will also be made available on our website at <https://www.variscan.com.au/site/investor-centre/asx-announcements>

The Company appreciates the understanding of shareholders during this time.

Mark Pitts
Company Secretary
Variscan Mines Limited



Variscan Mines Limited

ACN 003 254 395

Notice of Annual General Meeting

The Annual General Meeting of the Company will be held at the offices of HLB Man Judd, at Level 4, 130 Stirling Street Perth, Western Australia 6000 on Thursday, 26 November 2020 at 4:30pm (WST).

THE COMPANY IS TAKING PRECAUTIONS TO FACILITATE AN IN PERSON MEETING IN ACCORDANCE WITH COVID-19 RESTRICTIONS. IF THE SITUATION IN RELATION TO COVID-19 CHANGES IN A WAY AFFECTING THE ABILITY TO FACILITATE AN IN PERSON MEETING, THE COMPANY WILL PROVIDE AN UPDATE AHEAD OF THE MEETING BY WAY OF AN ASX ANNOUNCEMENT.

The Notice of Annual General Meeting should be read in its entirety. If Shareholders are in doubt as to how to vote, they should seek advice from their accountant, solicitor or other professional advisor prior to voting.

Should you wish to discuss any matter, please do not hesitate to contact the Company Secretary by telephone on (08) 9316 9100.

Shareholders are urged to attend or vote by lodging the proxy form attached to the Notice

Variscan Mines Limited
ACN 003 254 395

Notice of Annual General Meeting

Notice is hereby given that the annual general meeting of Shareholders of Variscan Mines Limited (**Company**) will be held at the offices of HLB Mann Judd, at Level 4, 130 Stirling Street Perth, Western Australia 6000 on Thursday, 26 November 2020 at 4:30pm (WST) (**Meeting**).

The Explanatory Memorandum provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form, form part of the Notice.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 5.00pm (WST) on Tuesday, 24 November 2020.

Terms and abbreviations used in the Notice are defined in the Schedule.

Agenda

1 Annual Report

To consider the Annual Report of the Company and its controlled entities for the financial year ended 30 June 2020, which includes the Financial Report, the Directors' Report and the Auditor's Report.

2 Resolutions

Resolution 1 – Remuneration Report

To consider and, if thought fit, to pass with or without amendment, as a **non-binding** ordinary resolution the following:

'That the Remuneration Report be adopted by Shareholders.'

Resolution 2 – Election of Director – Dr Susan Vearncombe

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

'That, in accordance with article 7.6 of the Constitution, Listing Rule 14.4 and for all other purposes, Dr Susan Vearncombe, a Director who was appointed on 21 August 2020, retires and, being eligible, is elected as a Director on the terms and conditions in the Explanatory Memorandum.'

Resolution 3– Approval of 10% Placement Facility

To consider and, if thought fit, to pass with or without amendment, as a **special** resolution the following:

'That pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities totalling up to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Memorandum.'

Resolution 4 – Grant of Incentive Options to Dr Foo Fatt Kah

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

'That, pursuant to and in accordance Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of 2,250,000 Options to Dr Foo Fatt Kah (or his nominees) on the terms and conditions in the Explanatory Memorandum.'

Resolution 5 – Grant of Incentive Options to Mr Stewart Dickson

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

'That, pursuant to and in accordance Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of 3,000,000 Options to Mr Stewart Dickson (or his nominees) on the terms and conditions in the Explanatory Memorandum.'

Resolution 6 – Grant of Incentive Options to Mr Michael Moore

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

'That, pursuant to and in accordance Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of 2,250,000 Options to Mr Michael Moore (or his nominees) on the terms and conditions in the Explanatory Memorandum.'

Resolution 7 – Grant of Incentive Options to Dr Susan Vearncombe

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

'That, pursuant to and in accordance Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of 2,250,000 Options to Dr Susan Vearncombe (or her nominees) on the terms and conditions in the Explanatory Memorandum.'

Resolution 8- Grant of Incentive Options to Mark Pitts

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

'That, pursuant to and in accordance with Listing Rule 7.1, Shareholders approve the issue of 2,250,000 Options to Mr Mark Pitts (or his nominees), on the terms and conditions in the Explanatory Memorandum.'

Resolution 9 - Grant of Performance Rights to Mr Stewart Dickson

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

'That, pursuant to and in accordance Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of 2,500,000 Performance Rights to Mr Stewart Dickson (or his nominees) on the terms and conditions in the Explanatory Memorandum.'

Resolution 10- Issue of Ordinary Shares to Dr Foo Fatt Kah in lieu of cash compensation

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

'That, pursuant to and in accordance Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of 130,258 ordinary Shares to Dr Foo Fatt Kah (or his nominee) on the terms and conditions described in the Explanatory Memorandum.'

Resolution 11- Issue of Ordinary Shares to Mr Stewart Dickson in lieu of cash compensation

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

'That, pursuant to and in accordance Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of 2,570,643 ordinary Shares to Mr Stewart Dickson (or his nominee) on the terms and conditions described in the Explanatory Memorandum.'

Resolution 12- Issue of Ordinary Shares to Mr Michael Moore in lieu of cash compensation

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

'That, pursuant to and in accordance Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of 93,786 ordinary Shares to Mr Michael Moore (or his nominee) on the terms and conditions described in the Explanatory Memorandum.'

Resolution 13- Issue of Ordinary Shares to Mr Simon Fyfe in lieu of cash compensation

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

'That, pursuant to and in accordance Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of 93,786 ordinary Shares to Mr Stewart Dickson (or his nominee) on the terms and conditions described in the Explanatory Memorandum.'

Voting exclusions

Pursuant to the Listing Rules, the Company will disregard any votes cast in favour of:

- (a) Resolution 3 if at the time of the Meeting, the Company is proposing to make an issue of Equity Securities under the 10% Placement Facility, by or on behalf of any persons who are expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a Shareholder), or any associate of those persons;
- (b) Resolution 4 by or on behalf of Dr Foo Fatt Kah, (or his nominees) and any other person who will obtain a material benefit as a result of the issue of the Incentive

Options (except a benefit solely by reason of being a Shareholder), or any of their respective associates;

- (c) Resolution 5 by or on behalf of Mr Stewart Dickson, (or his nominees) and any other person who will obtain a material benefit as a result of the issue of the Incentive Options (except a benefit solely by reason of being a Shareholder), or any of their respective associates;
- (d) Resolution 6 by or on behalf of Mr Michael Moore (or his nominees) and any other person who will obtain a material benefit as a result of the issue of the Incentive Options (except a benefit solely by reason of being a Shareholder), or any of their respective associates;
- (e) Resolution 7 by or on behalf of Dr Susan Vearncombe (or her nominees) and any other person who will obtain a material benefit as a result of the issue of the Incentive Options (except a benefit solely by reason of being a Shareholder), or any of their respective associates;
- (f) Resolution 8 by Mr Mark Pitts (or his nominees) or a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a Shareholder);
- (g) Resolution 9 by or on behalf of Mr Stewart Dickson (or his nominees) and any other person who will obtain a material benefit as a result of the issue of the Performance Rights (except a benefit solely by reason of being a Shareholder), or any of their respective associates; and
- (h) Resolution 10 by or on behalf of Dr Foo Fatt Kah (or his nominees) and any other person who will obtain a material benefit as a result of the issue of the Shares (except a benefit solely by reason of being a Shareholder), or any of their respective associates;
- (i) Resolution 11 by or on behalf of Mr Stewart Dickson (or his nominees) and any other person who will obtain a material benefit as a result of the issue of the Shares (except a benefit solely by reason of being a Shareholder), or any of their respective associates;
- (j) Resolution 12 Mr Michael Moore (or his nominees) and any other person who will obtain a material benefit as a result of the issue of the Shares (except a benefit solely by reason of being a Shareholder), or any of their respective associates;
- (k) Resolution 13 by or on behalf of Mr Simon Fyfe (or his nominees) and any other person who will obtain a material benefit as a result of the issue of the Shares (except a benefit solely by reason of being a Shareholder), or any of their respective associates;

The above voting exclusions do not apply to a vote cast in favour of the relevant Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way;
- (a) the Chair as proxy or attorney for a person who is entitled to vote, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (b) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:

- (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
- (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting prohibitions

Resolution 1: In accordance with sections 250BD and 250R of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a member of the Key Management Personnel details of whose remuneration are included in the Remuneration Report, or a Closely Related Party of such a member.

A vote may be cast by such person if the vote is not cast on behalf of a person who is excluded from voting on this Resolution, and:

- (a) the person is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy does not specify the way the proxy is to vote on this Resolution, but expressly authorises the Chair to exercise the proxy even if this Resolution is connected with the remuneration of a member of the Key Management Personnel.

Resolution 4, Resolution 5, Resolution 6, Resolution 7, Resolution 9, Resolution 10, Resolution 11, Resolution 12 and Resolution 13, : In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either a member of the Key Management Personnel or a Closely Related Party of such member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

BY ORDER OF THE BOARD



Mark Pitts
Company Secretary
Variscan Mines Limited
Dated: 26 October 2020

Variscan Mines Limited
ACN 003 254 395

Explanatory Memorandum

1. Introduction

The Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at the offices of HLB Man Judd, at Level 4, 130 Stirling Street Perth, Western Australia 6000 on Thursday, 26 November 2020 at 4:30pm (WST) (**Meeting**).

The Explanatory Memorandum forms part of the Notice which should be read in its entirety. The Explanatory Memorandum contains the terms and conditions on which the Resolutions will be voted.

The Explanatory Memorandum includes the following information to assist Shareholders in deciding how to vote on the Resolutions:

Section 2	Action to be taken by Shareholders
Section 3	Annual Report
Section 4	Resolution 1 – Remuneration Report
Section 5	Resolution 2 – Election of Director – Dr Susan Vearncombe
Section 6	Resolution 3 – Approval of 10% Placement Facility
Section 7	Resolution 4, Resolution 5, Resolution 6 and Resolution 7 - Grant of Incentive Options to Directors
Section 8	Resolution 8 - Grant of Incentive Options to Mark Pitts
Section 9	Resolution 9 - Grant of Performance Rights to Mr Stewart Dickson
Section 10	Resolution 10, 11, 12 and 13 – Issue of ordinary Shares in lieu of cash compensation
Schedule 1	Definitions
Schedule 2	Terms and Conditions of Incentive Options
Schedule 3	Terms and Conditions of Performance Rights

A Proxy Form is located at the end of the Explanatory Memorandum.

2. Action to be taken by Shareholders

Shareholders should read the Notice including the Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

2.1 Impact of COVID-19 on the Meeting

The health and safety of members and personnel, and other stakeholders, is the highest priority and the Company is acutely aware of the current circumstances resulting from COVID-19.

Based on the best information available to the Board at the time of the Notice, the Board considers it will be in a position to hold an 'in-person' meeting to provide Shareholders with a reasonable opportunity to participate in and vote at the Meeting, while complying with the COVID-19 restrictions regarding gatherings. The Company, however, strongly encourages Shareholders to submit proxies prior to the Meeting.

If the situation in relation to COVID-19 were to change in a way that affected the position above, the Company will provide a further update ahead of the Meeting by releasing an ASX announcement.

2.2 Voting in person

Given the current COVID-19 circumstances and in the interests of public health and safety of our Shareholders, the Company will implement arrangements to allow Shareholders to physically attend the Meeting in accordance with COVID-19 protocols and government advice.

The Company will strictly comply with applicable limitations on indoor gatherings in force at the time of the Meeting. If you attend the Meeting in person, you will be required to adhere to COVID-19 protocols in place at the time of the Meeting.

2.3 Proxies

Shareholders are encouraged to vote by voting online or by completing a Proxy Form.

Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Lodgement instructions (which include the ability to lodge proxies electronically) are set out in the Proxy Form to the Notice of Meeting.

2.4 Chair's voting intentions

The Chair intends to exercise all available proxies in favour of all Resolutions, unless the Shareholder has expressly indicated a different voting intention.

If the Chair is appointed as your proxy and you have not specified the way the Chair is to vote on Resolution 1, Resolution 4, Resolution 5, Resolution 6, Resolution 7 and Resolution 9 by signing and returning the Proxy Form, you are considered to have provided the Chair with an express authorisation for the Chair to vote the proxy in accordance with the Chair's intention, even though the Resolutions are connected directly or indirectly with the remuneration of a member of the Key Management Personnel of the Company.

3. Annual Report

In accordance with section 317 of the Corporations Act, Shareholders will be offered the opportunity to discuss the Annual Report, including the Financial Report, the Directors' Report and the Auditor's Report for the financial year ended 30 June 2020.

There is no requirement for Shareholders to approve the Annual Report.

At the Meeting, Shareholders will be offered the opportunity to:

- (a) discuss the Annual Report which is available online at www.variscan.com.au;
- (b) ask questions about, or comment on, the management of the Company; and
- (c) ask the auditor questions about the conduct of the audit and the preparation and content of the Auditor's Report.

In addition to taking questions at the Meeting, written questions to the Chair about the management of the Company, or to the Company's auditor about:

- (a) the preparation and content of the Auditor's Report;
- (b) the conduct of the audit;
- (c) accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- (d) the independence of the auditor in relation to the conduct of the audit,

may be submitted no later than five business days before the Meeting to the Company Secretary at the Company's registered office.

4. Resolution 1 – Remuneration Report

4.1 General

In accordance with subsection 250R(2) of the Corporations Act, the Company must put the Remuneration Report to the vote of Shareholders. The Directors' Report contains the Remuneration Report which sets out the remuneration policy for the Company and the remuneration arrangements in place for the executive Directors, specified executives and non-executive Directors.

In accordance with subsection 250R(3) of the Corporations Act, Resolution 1 is advisory only and does not bind the Directors. If Resolution 1 is not passed, the Directors will not be required to alter any of the arrangements in the Remuneration Report.

If the Company's Remuneration Report receives a 'no' vote of 25% or more (Strike) at two consecutive annual general meetings, Shareholders will have the opportunity to remove the whole Board, except the managing director (if any).

Where a resolution on the Remuneration Report receives a Strike at two consecutive annual general meetings, the Company will be required to put to Shareholders at the second annual general meeting a resolution on whether another meeting should be held (within 90 days) at which all Directors (other than the managing director, if any) who were in office at the date of approval of the applicable Directors' Report must stand for re-election.

If the Remuneration Report receives a Strike at this Meeting, Shareholders should be aware that if a second Strike is received at the 2021 annual general meeting, this may result in the re-election of the Board.

The Chair will allow a reasonable opportunity for Shareholders as a whole to ask about or make comments on the Remuneration Report.

4.2 Board recommendation

Resolution 1 is an ordinary resolution.

Given the personal interests of all Directors in this Resolution, the Board makes no recommendation to Shareholders regarding this Resolution.

5. Resolution 2 – Election of Director – Dr Susan Vearncombe

5.1 General

Article 7.6(a) of the Constitution allows the Board to appoint at any time a person to be a Director either to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Pursuant to article 7.6(c) of the Constitution, any Director so appointed holds office until the conclusion of the next annual general meeting of the Company but is eligible for election by Shareholders at that meeting.

In addition, Listing Rule 14.4 provides that a Director appointed as an addition to the Board must not hold office (without re-election) past the next annual general meeting.

On 21 August 2020, Dr Vearncombe was appointed as a Non-Executive Director of the Company.

Accordingly, Dr Vearncombe resigns as a Director at the Meeting and, being eligible, seeks approval to be elected as a Director pursuant to Resolution 2.

5.2 Susan Vearncombe

Dr Vearncombe has over 30 years' experience in the exploration and mining sectors. Dr Vearncombe has a very strong technical background that spans projects across Australasia, North and South America, Asia, Africa and Europe. She has held former executive managerial and non-executive positions and most recently has been involved with the identification and commercialisation of projects on the Iberian Peninsula. Dr Vearncombe was key in the origination and incubation of the high-quality zinc assets in Spain acquired by the Company and as co-vendor of these properties has a significant, indirect shareholding in the Company.

Dr Vearncombe holds the following qualifications Ph.D; MSc (Hons) B.Soc.Sci, MAIG; RPGeo, Economic Geology, Volcanology, Geochemistry.

5.3 Board recommendation

Resolution 2 is an ordinary resolution.

Dr Vearncombe provides the Board with extensive experience in exploration and mining, particularly in relation to the commercialisation of projects on the Iberian Peninsula. For these reasons, the Board (other than Dr Vearncombe) recommends that Shareholders vote in favour of Resolution 2.

If Resolution 2 is passed, Dr Vearncombe will be appointed as a Non-Executive Director of the Company.

If Resolution 2 is not passed, Dr Vearncombe will not be appointed as a Non-Executive Director of the Company.

6. Resolution 3 – Approval of 10% Placement Facility

6.1 General

Listing Rule 7.1A enables an eligible entity to issue Equity Securities up to 10% of its issued share capital through placements over a 12 month period after the annual general meeting (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% annual placement capacity under Listing Rule 7.1.

Resolution 3 seeks Shareholder approval by way of a special resolution to provide the Company the ability to issue Equity Securities under the 10% Placement Facility during the 10% Placement Period (refer to Section 6.2(f) below). The number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 6.2(c) below).

If Resolution 3 is passed, the Company will be able to issue Equity Securities up to the combined 25% limit in the Listing Rules 7.1 and 7.1A during the 10% Placement Period without any further Shareholder approval.

If Resolution 3 is not passed, the Company will not be able to access the 10% Placement Facility to issue Equity Securities without Shareholder approval provided for in Listing Rule 7.1A. The Company will therefore remain subject to the 15% limit on issuing Equity Securities without Shareholder approval set out in Listing Rule 7.1.

6.2 Listing Rule 7.1A

(a) Is the Company an eligible entity?

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less.

The Company is an eligible entity as it is not included in the S&P/ASX 300 Index and has a market capitalisation of approximately \$7.6 million, based on the closing price of Shares \$0.037 on 16 October 2020.

(b) What Equity Securities can be issued?

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the eligible entity.

As at the date of the Notice, the Company has on issue two quoted classes of Equity Securities; Shares and Options.

(c) How many Equity Securities can be issued?

Listing Rule 7.1A.2 provides that under the approved 10% Placement Facility, the Company may issue or agree to issue a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

Where:

- A** is the number of Shares on issue at the commencement of the relevant period:
- (A) plus the number of fully paid Shares issued in the relevant period under an exception in Listing Rule 7.2 other than exception 9, 16 or 17;
 - (B) plus the number of fully paid Shares issued in the relevant period on the conversion of convertible securities within Listing Rule 7.2 exception 9 where:
 - (1) the convertible securities were issued or agreed to be issued before the commencement of the relevant period; or
 - (2) the issue of, or agreement to issue, the convertible securities was approved, or taken under these rules to have been approved, under Listing Rule 7.1 or Listing Rule 7.4;
 - (C) plus the number of fully paid Shares issued in the relevant period under an agreement to issue securities within Listing Rule 7.2 exception 16 where:
 - (1) the agreement was entered into before the commencement of the relevant period; or
 - (2) the agreement or issue was approved, or taken under these rules to have been approved, under Listing Rule 7.1 or Listing Rule 7.4;
 - (D) plus the number of partly paid Shares that became fully paid in the relevant period;
 - (E) plus the number of fully paid Shares issued in the relevant period with approval under Listing Rules 7.1 and 7.4; and
 - (F) less the number of fully paid Shares cancelled in the relevant period.
- Note that 'A' has the same meaning in Listing Rule 7.1 when calculating the Company's 15% annual placement capacity.
- D** is 10%.
- E** is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with Shareholder approval under Listing Rule 7.1 or 7.4.

(d) **What is the interaction with Listing Rule 7.1?**

The Company's ability to issue Equity Securities under Listing Rule 7.1A will be in addition to its 15% annual placement capacity under Listing Rule 7.1.

(e) **At what price can the Equity Securities be issued?**

Any Equity Securities issued under Listing Rule 7.1A must be issued for a cash consideration per security which is not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 Trading Days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed by the Company and the recipient of the Equity Securities; or
- (ii) if the Equity Securities are not issued within 10 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued,

(Minimum Issue Price).

(f) When can Equity Securities be issued?

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A will be valid from the date of Meeting and will expire on the earlier to occur of:

- (i) the date that is 12 months after the date of the Meeting;
- (ii) the time and date of the Company's next annual general meeting; or
- (iii) the time and date of Shareholder approval of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

(10% Placement Period).

(g) What is the effect of Resolution 3?

The effect of Resolution 3 will be to allow the Directors of the Company to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without further Shareholder approval or using the Company's 15% annual placement capacity under Listing Rule 7.1.

6.3 Specific information required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, the following information is provided in relation to the 10% Placement Facility:

(a) Final date for issue

The Company will only issue the Equity Securities under the 10% Placement Facility during the 10% Placement Period (refer to Section 6.2(f) above).

(b) Minimum issue price

Where the Company issues Equity Securities under the 10% Placement Facility, it will only do so for cash consideration and the issue price will be not less than the Minimum Issue Price (refer to Section 6.2(e) above).

(c) Purposes of issues under 10% Placement Facility

The Company may seek to issue Equity Securities under the 10% Placement Facility for cash consideration in order to raise funds for continued investment in the Company's current assets, the acquisition of new assets or investments (including expenses associated with such an acquisition), and/or for general working capital.

(d) Risk of economic and voting dilution

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and

- (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

If this Resolution is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' economic and voting power in the Company may be diluted as shown in the below table (in the case of Options, only if the Options are converted into Shares).

The below table shows the dilution of existing Shareholders based on the current market price of Shares and the current number of Shares for 'A' calculated in accordance with the formula in Listing Rule 7.1A.2 (see Section 7.2(c) above) as at the date of the Notice (**Variable A**), with:

- (i) two examples where Variable A has increased, by 50% and 100%; and
(ii) two examples of where the issue price of Shares has decreased by 50% and increased by 100% as against the current market price.

Share on issue (Variable A in Listing Rule 7.1A.2)	Dilution			
	Issue price per Share	[\$[0.019] 50% decrease in Current Market Price	[\$[0.037] Current Market Price	[\$[0.074] 100% increase in Current Market Price
210,093,551 Shares Variable A	10% Voting Dilution	21,009,355 Shares	21,009,355 Shares	21,009,355 Shares
	Funds raised	\$388,673	\$777,346	\$1,554,692
315,140,327 Shares 50% increase in Variable A	10% Voting Dilution	31,514,033 Shares	31,514,033 Shares	31,514,033 Shares
	Funds raised	\$583,009	\$1,166,019	\$2,332,038
420,187,102 Shares 100% increase in Variable A	10% Voting Dilution	42,018,710 Shares	42,018,710 Shares	42,018,710 Shares
	Funds raised	\$777,346	\$1,554,692	\$3,109,384

Notes:

1. The table has been prepared on the following assumptions:
 - (a) the issue price is the current market price \$0.037, being the closing price of the Shares on ASX on 16 October 2020, being the latest practicable date before finalising this Notice;
 - (b) Variable A comprises of 210,093,551 existing Shares on issue as at the date of this Meeting, assuming the Company has not issued any Shares in the 12 months prior to the Meeting that were not issued under an exception in Listing Rule 7.2 or with Shareholder approval under Listing Rule 7.1 and 7.4;
 - (c) the Company issues the maximum number of Equity Securities available under the 10% Placement Facility;

- (d) no convertible securities (including any issued under the 10% Placement Facility) are exercised or converted into Shares before the date of the issue of the Equity Securities; and
 - (e) the issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes quoted Options, it is assumed that those quoted Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
2. The number of Shares on issue (ie Variable A) may increase as a result of issues of Shares that do not require Shareholder approval (for example, a pro rata entitlements issue, scrip issued under a takeover offer or upon exercise of convertible securities) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting.
 3. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
 4. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting.
 5. The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.

(e) **Allocation policy**

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to the following factors including but not limited to:

- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;
- (ii) the effect of the issue of the Equity Securities on the control of the Company;
- (iii) financial situation and solvency of the Company; and
- (iv) advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of the Notice but may include existing substantial Shareholders and/or new investors who are not related parties of or associates of a related party of the Company.

(f) **Issue of Equity Securities in the past 12 months**

The Company obtained Shareholder approval under Listing Rule 7.1A at its previous annual general meeting, held on 14 November 2019.

In the 12 months preceding the date of the Meeting and as at the date of this Notice, the Company has not issued or agreed to issue Equity Securities under Listing Rule 7.1A.

(g) **Voting exclusion statement**

At the date of the Notice, the Company is not proposing to make an issue of Equity Securities under Listing Rule 7.1A and has not approached any particular existing

Shareholder or security holder or an identifiable class of existing security holder to participate in any such issue.

However, in the event that between the date of the Notice and the date of the Meeting, the Company proposes to make an issue of Equity Securities under Listing Rule 7.1A to one or more existing Shareholders, those Shareholders' votes will be excluded under the voting exclusion statement in the Notice.

6.4 Additional information

Resolution 3 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

The Board recommends that Shareholders vote in favour of Resolution 3.

7. Resolution 4, Resolution 5, Resolution 6 and Resolution 7 - Grant of Incentive Options to Directors

7.1 General

The Board has agreed, subject to obtaining Shareholder approval, to issue a total of 9,750,000 unquoted Options (**Incentive Options**) to the Directors as part of their remuneration as Directors of the Company as follows:

- (a) up to 2,250,000 Options to Dr Foo Fatt Kah;
- (b) up to 3,000,000 Options to Mr Stewart Dickson;
- (c) up to 2,250,000 Options to Mr Michael Moore; and
- (d) up to 2,250,000 Options to Dr Susan Vearncombe.

The Incentive Options provide an incentive component to the Director's remuneration package, and align their interests with those of Shareholders. The Board considers that the number of Incentive Options to be granted to the Directors is commensurate with their value to the Company and is an appropriate method to provide cost effective remuneration.

The Incentive Options will be issued for nil cash consideration, with an exercise price ranging between \$0.08 and \$0.055 each expiring on or before 30 November 2023 and subject to various vesting conditions. The full terms and conditions of the Incentive Options are set out in Schedule 2.

Resolution 4, Resolution 5, Resolution 6 and Resolution 7 seeks the approval of Shareholders pursuant to Listing Rule 10.11 for the issue of the Incentive Options to the Directors or their respective nominees.

7.2 Listing Rule 10.11

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue Equity Securities to:

- (a) a related party (Listing Rule 10.11.1);
- (b) a person who is, or was at any time in the 6 months before the issue or agreement, a substantial holder (30%+) in the company (Listing Rule 10.11.2);
- (c) a person who is, or was at any time in the 6 months before the issue or agreement, a substantial holder (10%+) in the company and who has nominated a director to the

board of the company pursuant to a relevant agreement which gives them a right or expectation to do so (Listing Rule 10.11.3);

- (d) an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3 (Listing Rule 10.11.4); or
- (e) a person whose relation with the company or a person referred to in Listing Rule 10.11.1 or 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders (Listing Rule 10.11.5),

unless it obtains the approval of its shareholders.

Dr Kah, Mr Dickson, Mr Moore and Dr Vearncombe are related parties of the Company by virtue of being Directors. As the issue involves the issue of Options to a related party of the Company, Shareholder approval pursuant to Listing Rule 10.11 is required unless an exception applies. It is the view of the Board that the exceptions in Listing Rule 10.12 do not apply in the current circumstances.

As Shareholder approval is sought under Listing Rule 10.11, approval under Listing Rule 7.1 is not required. Accordingly, the issue of Incentive Options will not be included under the Company's 15% annual placement capacity pursuant to Listing Rule 7.1.

If Resolution 4, Resolution 5, Resolution 6 and Resolution 7 is passed, the Company will be able to proceed with the issue of Incentive Options to Dr Kah, Mr Dickson, Mr Moore and Dr Vearncombe (or their respective nominees) in the proportions set out in Section 7.1.

If Resolution 4, Resolution 5, Resolution 6 and Resolution 7 is not passed, the Company will not be able to proceed with the issue of Incentive Options to Dr Kah, Mr Dickson, Mr Moore and Dr Vearncombe (or their respective nominees) and the Company will consider other forms of performance-based remuneration.

7.3 Specific information required by Listing Rule 10.13

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to the proposed issue of the Incentive Options:

- (a) the Incentive Options will be issued to Dr Foo Fatt Kah, Mr Stewart Dickson, Mr Michael Moore and Dr Susan Vearncombe (or their respective nominees);
- (b) Dr Kah, Mr Dickson, Mr Moore and Dr Vearncombe are related parties of the Company by virtue of being Directors and fall into the category stipulated by Listing Rule 10.11.1;
- (c) up to a total of 9,750,000 Incentive Options are proposed to be issued, as follows:
 - (i) up to 2,250,000 Options to each of Dr Foo Fatt Kah, Mr Michael Moore and Dr Susan Vearncombe split into three tranches to each director as follows:
 - (A) 750,000 Options with an issue price of \$0.055 each expiring on or before 30 November 2023;
 - (B) 750,000 Options with an issue price of \$0.065 each expiring on or before 30 November 2023; and
 - (C) 750,000 Options with an issue price of \$0.08 each expiring on or before 30 November 2023;
 - (ii) up to 3,000,000 Options to Mr Stewart Dickson split into three tranches to each director as follows:
 - (A) 1,000,000 Options with an issue price of \$0.055 each expiring on or before 30 November 2023;
 - (B) 1,000,000 Options with an issue price of \$0.065 each expiring on or before 30 November 2023; and

(C) 1,000,000 Options with an issue price of \$0.08 each expiring on or before 30 November 2023;

(or their respective nominees);

- (d) the Incentive Options will be issued with an exercise price ranging between \$0.08 and \$0.055 each expiring on or before 30 November 2023 and subject to various vesting conditions, and otherwise will be issued on the terms and conditions as set out in Schedule 2;
- (e) the Incentive Options will be issued no later than one month after the date of the Meeting;
- (f) the issue is intended to incentivise the Directors. As such, the Incentive Options will be issued for nil consideration as they will be issued as part of the Directors' remuneration package. Accordingly no funds will be raised as a result of the issue;
- (g) the Directors' current total remuneration package is as follows:

Director	Salary and fees inclusive of superannuation
Foo Fatt Kah	\$50,000
Stewart Dickson (i)	\$366,766
Michael Moore	\$36,000
Susan Vearncombe (ii)	\$Nil

(i) Remuneration paid to Mr Dickson includes once-off bonus payments made in accordance with his contract

(ii) Dr Vearncombe was appointed on 21 August 2020, Director fees payable are in the order of \$36,000 per annum.

- (h) the Incentive Options will not be issued pursuant to an agreement; and
- (i) a voting exclusion statement is included in this Notice.

7.4 Chapter 2E of the Corporations Act

In accordance with Chapter 2E of the Corporations Act, in order to give a financial benefit to a related party, the Company must:

- (a) obtain Shareholder approval in the manner set out in section 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The issue of Incentive Options will result in the giving of a financial benefit and the Directors are related parties of the Company by virtue of being Directors.

The Board considers that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the Incentive Options as the agreement to grant the Incentive Options, reached as part of the remuneration package for the Directors, is considered reasonable remuneration in the circumstances and was negotiated on arm's length terms.

7.5 Board Recommendation

Resolution 4, Resolution 5, Resolution 6 and Resolution 7 are ordinary resolutions.

The Board declines to make a recommendation as to how Shareholders should vote in relation to Resolution 4 to Resolution 7 (inclusive) due to their personal interests in the outcome of the Resolutions.

8. Resolution 8 - Grant of Incentive Options to Mark Pitts

8.1 General

The Board has agreed, subject to obtaining Shareholder approval, to issue a total of 2,250,000 Incentive Options to Mr Mark Pitts (or his nominees) as part of his remuneration as Company Secretary of the Company.

The Incentive Options will be issued for nil cash consideration, with an exercise price ranging between \$0.08 and \$0.055 each expiring on or before 30 November 2023 and subject to various vesting conditions. The full terms and conditions of the Incentive Options are set out in Schedule 2.

Resolution 8 seeks Shareholder approval pursuant to Listing Rule 7.1 for the issue of the Incentive Options to Mr Pitts (or his nominees).

8.2 Listing Rule 7.1

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of Equity Securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

The Incentive Options do not fit within any of these exceptions. While the issue does not exceed the 15% limit in Listing Rule 7.1 and can therefore be made without breaching that rule, the Company wishes to retain as much flexibility as possible to issue additional Equity Securities into the future without having to obtain Shareholder approval under Listing rule 7.1. To do this, the Company is asking shareholders to approve the issue of the Incentive Options under Listing Rule 7.1 so that it does not use up any of the 15% limit on issuing Equity Securities without shareholder approval set out in Listing Rule 7.1.

Resolution 8 seeks shareholder approval to the issue of Incentive Options under and for the purposes of Listing Rule 7.1.

If Resolution 8 is passed, the issue of the Incentive Options can proceed without using up any of the Company's 15% limit on issuing Equity Securities without Shareholder approval set out in Listing Rule 7.1.

If Resolution 8 is not passed, the issue of the Incentive Options can still proceed but it will reduce, to that extent, the Company's capacity to issue Equity Securities without Shareholder approval under Listing Rule 7.1 for 12 months following the issue.

8.3 Specific information required by Listing Rule 7.3

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the proposed issue of the Incentive Options:

- (a) the Incentive Options will be issued to Mr Pitts (or his nominees). Mr Pitts is the Company Secretary;
- (b) a total of 2,250,000 Incentive Options will be issued as follows:

- (i) 750,000 Options with an issue price of \$0.055 each expiring on or before 30 November 2023;
- (ii) 750,000 Options with an issue price of \$0.065 each expiring on or before 30 November 2023; and
- (iii) 750,000 Options with an issue price of \$0.08 each expiring on or before 30 November 2023;
- (c) the Incentive Options will be issued with an exercise price ranging between \$0.08 and \$0.055 each expiring on or before 30 November 2023 and subject to various vesting conditions, and otherwise on the terms and conditions set out in Schedule 2;
- (d) the Incentive Options will be issued no later than 3 months after the date of the Meeting;
- (e) the Incentive Options will be issued for nil cash consideration. Accordingly no funds will be raised as a result of the issue;
- (f) the Incentive Options will not be issued pursuant to an agreement; and
- (g) a voting exclusion statement is included in the Notice.

8.4 Board recommendation

Resolution 8 is an ordinary resolution.

The Board recommends that Shareholders vote in favour of Resolution 8.

9. Resolution 9 - Grant of Performance Rights to Mr Stewart Dickson

9.1 General

The Board has agreed, subject to obtaining Shareholder approval, to issue a total of 2,500,000 Performance Rights to Mr Stewart Dickson (or his nominees) as part of his remuneration as Director of the Company (**Performance Rights**).

The Performance Rights provide an incentive component to Mr Dickson's remuneration package, and align his interests with those of Shareholders. The Board considers that the number of Performance Rights to be granted to Mr Dickson is commensurate with his value to the Company and is an appropriate method to provide cost effective remuneration.

The Performance Rights will be issued for nil cash consideration, with a 3 year term and vesting in two equal tranches. The full terms and conditions of the Performance Rights are set out in Schedule 3.

Resolution 9 seeks the approval of Shareholders pursuant to Listing Rule 10.11 for the issue of the Performance Rights to Mr Dickson (or his nominees).

9.2 Listing Rule 10.11

A summary of Listing Rule 10.11 is in Section 7.2.

Mr Dickson is a related party of the Company by virtue of his position as a Director. As the issue of Performance Rights to Mr Dickson (or his nominees) involves the issue of Performance Rights to a related party of the Company, Shareholder approval pursuant to Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in Listing Rule 10.12 do not apply in the current circumstances.

As Shareholder approval is sought under Listing Rule 10.11, approval under Listing Rule 7.1 is not required. Accordingly, the issue of Performance Rights will not be included under the Company's 15% annual placement capacity pursuant to Listing Rule 7.1.

If Resolution 9 is passed, the Company will be able to proceed with the issue of Performance Rights to Mr Dickson (or his nominees).

If Resolution 9 is not passed, the Company will not be able to proceed with the issue of Performance Rights to Mr Dickson (or his nominees) and the Company will consider other forms of performance-based remuneration.

9.3 Specific information required by Listing Rule 10.13

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to the proposed issue of the Performance Rights:

- (a) the Performance Rights will be issued to Mr Stewart Dickson (or his nominees);
- (b) Mr Dickson is a related party of the Company by virtue of being a Director and falls into the category stipulated by Listing Rule 10.11.1;
- (c) a total of 2,500,000 Performance Rights are proposed to be issued;
- (d) the Performance Rights will be issued on the terms and conditions as set out in Schedule 3;
- (e) the Performance Rights will be issued no later than one month after the date of the Meeting;
- (f) the issue is intended to incentivise Mr Dickson. As such, the Performance Rights will be issued for nil consideration as they will be issued as part of Mr Dickson's remuneration package. Accordingly no funds will be raised as a result of the issue;
- (g) Mr Dickson's current total remuneration is in Section 7.3(g);
- (h) the Performance Rights will not be issued pursuant to an agreement; and
- (i) a voting exclusion statement is included in this Notice.

9.4 Chapter 2E of the Corporations Act

A summary of Chapter 2E of the Corporations Act is in Section 7.4.

The issue of Performance Rights will result in the giving of a financial benefit and Mr Dickson is a related party of the Company by virtue of being a Director.

The Board (other than Mr Dickson, who has a personal interest in Resolution 9) considers that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the Performance Rights as the agreement to grant the Performance Rights, reached as part of the remuneration package for Mr Dickson, is considered reasonable remuneration in the circumstances and was negotiated on arm's length terms

9.5 Board Recommendation

Resolution 9 is an ordinary resolution.

The Board (excluding Mr Dickson) recommends that Shareholders vote in favour of Resolution 9.

10. Resolution 10, Resolution 11, Resolution 12 and Resolution 13 - Issue of Shares in lieu of cash compensation

10.1 General

The Board has agreed, subject to obtaining Shareholder approval, to issue a total of 2,888,473 ordinary shares (**Shares**) to the Directors in lieu of cash compensation for certain unpaid fees and remuneration as follows:

- (j) up to 130,258 Shares to Dr Foo Fatt Kah;
- (k) up to 2,570,643 Shares to Mr Stewart Dickson;
- (l) up to 93,786 Shares to Mr Michael Moore; and
- (m) up to 93,786 Shares to Mr Simon Fyfe.

The Board agreed to defer a proportion of the accrued fees for the period from 1 May 2020 to 30 September 2020 for the Non-Executive Directors (40%). In addition, the Managing Director had agreed to defer a greater portion of his salary during the same period from 1 May 2020 to 30 September 2020.

The Board took these actions to preserve cash and ensure there was sufficient funding to enable exploration activities.

Resolution 10, Resolution 11, Resolution 12 and Resolution 13 seeks the approval of Shareholders pursuant to Listing Rule 10.11 to allow 35% of the outstanding portion of the Directors' fees for Non-Executive Directors and 55% of the outstanding portion of the Managing Directors' remuneration for the period 1 May 2020 to 30 September 2020 to be satisfied through the issue of Shares, as set out in the table below (**Accrued Remuneration**) to be satisfied by the issue of the number of Shares set out in the table below (**Shares**).

Directors	Outstanding fees accrued per month for the period 1 Oct 2019 to 30 June 2020	Total Accrued Remuneration for the period	Amount Proposed to be satisfied by the issue of Shares	Number of Remuneration Shares to be issued to satisfy Total Accrued Remuneration
Foo Fatt Kah	\$1,666.67	\$8,333.33	\$2,916.67	130,258
Stewart Dickson	\$21,319.99**	\$104,456.86	\$57,451,.27	2,570,643
Michael Moore	\$1,200.00	\$6,000.00	\$2,100.00	93,786
Simon Fyfe	\$1,200.00	\$6,000.00	\$2,100.00	93,786
Total		\$145,439.00	\$64,567,94	2,888,473

** Mr Dicksons salary is payable in GBP and as a result the monthly amount deferred of GBP11,500 has been calculated and totalled on the basis of the following FOREX conversion (May 0.5394; Jun 0.5586; Jul 0.5497; Aug 0.5512; Sep 0.5538) The amount shown above is based on the May FOREX rate.

10.2 Listing Rule 10.11

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue Equity Securities to:

- (a) a related party (Listing Rule 10.11.1);

- (b) a person who is, or was at any time in the 6 months before the issue or agreement, a substantial holder (30%+) in the company (Listing Rule 10.11.2);
- (c) a person who is, or was at any time in the 6 months before the issue or agreement, a substantial holder (10%+) in the company and who has nominated a director to the board of the company pursuant to a relevant agreement which gives them a right or expectation to do so (Listing Rule 10.11.3);
- (d) an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3 (Listing Rule 10.11.4); or
- (e) a person whose relation with the company or a person referred to in Listing Rule 10.11.1 or 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders (Listing Rule 10.11.5),

unless it obtains the approval of its shareholders.

Dr Kah, Mr Dickson, and Mr Moore are related parties of the Company by virtue of being Directors. Mr Fyfe is a related party of the Company by virtue of having been a Director with the last six months. As the issue involves the issue of Shares to a related party of the Company, Shareholder approval pursuant to Listing Rule 10.11 is required unless an exception applies. It is the view of the Board that the exceptions in Listing Rule 10.12 do not apply in the current circumstances.

As Shareholder approval is sought under Listing Rule 10.11, approval under Listing Rule 7.1 is not required. Accordingly, the issue of Shares will not be included under the Company's 15% annual placement capacity pursuant to Listing Rule 7.1.

If Resolution 10, Resolution 11, Resolution 12 and Resolution 13 is passed, the Company will be able to proceed with the issue of Shares to Dr Kah, Mr Dickson, Mr Moore and Mr Fyfe (or their respective nominees) in the proportions set out in Section 10.1.

If Resolution 10, Resolution 11, Resolution 12 and Resolution 13 is not passed, the Company will not be able to proceed with the issue of Shares to Dr Kah, Mr Dickson, Mr Moore and Mr Fyfe (or their respective nominees) and the Company will instead make payment of the outstanding amounts.

10.3 Specific information required by Listing Rule 10.13

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to the proposed issue of the Incentive Options:

- (n) the Shares will be issued to Dr Foo Fatt Kah, Mr Stewart Dickson, Mr Michael Moore and Mr Fyfe (or their respective nominees);
- (o) Dr Kah, Mr Dickson, Mr Moore and Mr Fyfe are related parties of the Company by virtue of being Directors (or former Directors) and fall into the category stipulated by Listing Rule 10.11.1;
- (p) up to a total of 2,888,473 Shares are proposed to be issued, as follows:
 - (i) up to 130,258 Shares to Dr Foo Fatt Kah;
 - (ii) up to 2,570,643 Shares to Mr Stewart Dickson;
 - (iii) up to 93,786 Shares to Mr Michael Moore; and
 - (iv) up to 93,786 Shares to Mr Fyfe,
 (or their respective nominees);

- (q) the proposed issue price of the Shares was calculated on a monthly basis using the 5 day VWAP at the end of each month for the period 1 May to 30 September as follows:

May VWAP	\$0.015
June VWAP	\$0.0179
July VWAP	\$0.023
August VWAP	\$0.0309
September VWAP	\$0.0395

- (r) the Shares will be fully paid and will rank equally in all respects with existing Shares. issued no later than one month after the date of the Meeting;
- (s) No funds will be raised from the issue of the Shares, which will be issued in lieu of unpaid director fees and remuneration, however the Company's liability in relation to accrued remuneration will be fully satisfied
- (t) the Directors' current total remuneration package is as follows:

Director	Salary and fees inclusive of superannuation
Foo Fatt Kah	\$50,000
Stewart Dickson (i)	\$366,766
Michael Moore	\$36,000
Simon Fyfe (ii)	\$19,800

(i) Remuneration paid to Mr Dickson includes once-off bonus payments made in accordance with his contract

(ii) Mr Fyfe resigned as a director on 21 August 2020.

- (u) the Shares will not be issued pursuant to an agreement; and
- (v) a voting exclusion statement is included in this Notice.

10.4 Chapter 2E of the Corporations Act

In accordance with Chapter 2E of the Corporations Act, in order to give a financial benefit to a related party, the Company must:

- (a) obtain Shareholder approval in the manner set out in section 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The issue of Shares will result in the giving of a financial benefit and the Directors are related parties of the Company by virtue of being Directors.

The Board considers that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required and that the exception in Section 211 is relevant to the financial benefits to be granted. Each Director is of the view that the proposed Share issue in relation to each of the other Directors is part of reasonable remuneration for that Director, given that the Share issue is in lieu of the payment of cash director's fees or salary.

10.5 Board Recommendation

Resolution 10, Resolution 11, Resolution 12 and Resolution 13 are ordinary resolutions.

The Board declines to make a recommendation as to how Shareholders should vote in relation to Resolution 10 to Resolution 13 (inclusive) due to their personal interests in the outcome of the Resolutions.

Schedule 1 Definitions

In the Notice, words importing the singular include the plural and vice versa.

\$ or A\$	means Australian Dollars.
10% Placement Facility	has the meaning given in Section 6.1.
10% Placement Period	has the meaning given in Section 6.2(f).
Annual Report	means the Directors' Report, the Financial Report, and Auditor's Report, in respect to the year ended 30 June 2020.
ASX	means the ASX Limited (ABN 98 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX Limited.
Auditor's Report	means the auditor's report on the Financial Report.
Board	means the board of Directors.
Chair	means the person appointed to chair the Meeting of the Company convened by the Notice.
Closely Related Party	means: <ul style="list-style-type: none">(a) a spouse or child of the member; or(b) has the meaning given in section 9 of the Corporations Act.
Company	means Variscan Mines Limited (ACN 003 254 395).
Constitution	means the constitution of the Company as at the date of the Meeting.
Corporations Act	means the <i>Corporations Act 2001</i> (Cth) as amended or modified from time to time.
Director	means a director of the Company.
Directors' Report	means the annual directors' report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.
Equity Security	has the same meaning as in the Listing Rules.
Explanatory Memorandum	means the explanatory memorandum which forms part of the Notice.
Financial Report	means the annual financial report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.
Incentive Options	means the issue of up to 12,000,000 Options, the subject of Resolution 4, Resolution 5, Resolution 6, Resolution 7 and Resolution 8.
Key Management Personnel	has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any Director (whether executive or otherwise) of the Company,

or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Listing Rules	means the listing rules of ASX.
Meeting	has the meaning given in the introductory paragraph of the Notice.
Minimum Issue Price	has the meaning given in Section 6.2(e).
Notice	means this notice of annual general meeting.
Option	means an option to acquire a Share.
Performance Rights	means up to 2,500,000 performance rights to be issued to Mr Stewart Dixon (or his nominee) on the terms and conditions set out in Schedule 3, which are the subject of Resolution 9.
Proxy Form	means the proxy form attached to the Notice.
Remuneration Report	means the remuneration report of the Company contained in the Directors' Report.
Resolution	means a resolution referred to in the Notice.
Schedule	means a schedule to the Notice.
Section	means a section of the Explanatory Memorandum.
Securities	means any Equity Securities of the Company (including Shares, Options and Performance Rights).
Shares	means a fully paid ordinary share in the capital of the Company.
Shareholder	means the holder of a Share.
Strike	means a 'no' vote of 25% or more on the resolution approving the Remuneration Report.
VWAP	means volume weighted average market price.
WST	means Western Standard Time, being the time in Perth, Western Australia.

Schedule 2 Terms and Conditions of Incentive Options

The terms of the Incentive Options are as follows:

1. **(Entitlement):** Each Option entitles the holder to subscribe for one Share upon exercise of the Option.
2. **(Issue Price):** No cash consideration is payable for the issue of the Options.
3. **(Exercise Price and Vesting Date):** The Options have an exercise price (**Exercise Price**) and vest on the tranches set out below (**Vesting Date**) or otherwise in accordance with clause 15.

Class	Options	Exercise Price	Vesting On Grant	Vesting on 30/11/2021	Vesting on 30/11/2022
T1	4,000,000	\$0.055	1,333,333	1,333,333	1,333,334
T2	4,000,000	\$0.065	1,333,333	1,333,333	1,333,334
T3	4,000,000	\$0.08	1,333,333	1,333,333	1,333,334

4. **(Expiry Date):** The Options expire at 5.00 pm (WST) on 30 November 2023 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
5. **(Exercise Period):** Subject to the Vesting Date occurring, the vested Options are exercisable at any time and from time to time on or prior to the Expiry Date.
6. **(Quotation of the Options):** The Company will not apply for quotation of the Options on ASX.
7. **(Transferability of the Options):** The Options are not transferable, except with the prior written approval of the Company.
8. **(Notice of Exercise):** The Options may be exercised by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and, subject to clause 9, payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

Any Notice of Exercise of an Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

9. **(Restrictions on transfer of Shares):** If the Company is required but unable to give ASX a notice under paragraph 9(b) above, or such a notice for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, Shares issued on exercise of Options may not be traded and will be subject to a holding lock until 12 months after their issue unless the Company, at its sole discretion, elects to issue a prospectus pursuant to section 708A(11) of the Corporations Act.

10. **(Shares issued on exercise):** Shares issued on exercise of the Options will rank equally with the then Shares of the Company.
11. **(Quotation of Shares on exercise):** If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options in accordance with the Listing Rules.
12. **(Reconstruction of capital):** If at any time the issued capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the Listing Rules at the time of the reconstruction.
13. **(Participation in new issues):** There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.
14. **(Adjustment for bonus issues of Shares):** If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):
 - (a) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Option holder would have received if the Option holder had exercised the Option before the record date for the bonus issue; and
 - (b) no change will be made to the Exercise Price.
15. **Change in control**
 - (a) If prior to the Vesting Date a Change in Control Event occurs, then each Option will automatically vest.
 - (b) A Change of Control Event occurs when:
 - (i) **takeover bid:** the occurrence of the offeror under a takeover offer in respect of all shares announcing that it has achieved acceptances in respect of more than 50.1% of shares and that takeover bid has become unconditional; or
 - (ii) **scheme of arrangement:** the announcement by the Company that the Company's shareholders (**Shareholders**) have at a Court-convened meeting of Shareholders voted in favour, by the necessary majority, of a proposed scheme of arrangement under which all Company securities are to be either cancelled transferred to a third party, and the Court, by order, approves the proposed scheme of arrangement.

Schedule 3 Terms and Conditions of Performance Rights

The following terms and conditions apply to the Performance Rights of the Company:

1. Milestones

The Performance Rights are issued as part of the remuneration package of the Company's Managing Director under the ordinary course of business of the entity, and accordingly, vest upon the Managing Director remaining employed by the Company at the relevant vesting date.

Class	Performance Rights	Exercise Price	Vesting On Grant	Vesting on 30/11/2021	Vesting on 30/11/2022
T1	1,250,000	\$Nil	Nil	1,250,000	Nil
T2	1,250,000	\$Nil	Nil	Nil	1,250,000

2. Vesting

Subject to the satisfaction of the Vesting Condition, the Company will notify the Holder in writing (**Vesting Notice**) within 3 Business Days of becoming aware that the relevant Milestone has been satisfied.

3. Exercise

Upon receipt of a Vesting Notice, the Holder may apply to exercise Performance Rights by delivering a signed notice of exercise to the Company Secretary. The Holder is not required to pay a fee in order to exercise the Performance Rights

4. Milestone Date

To the extent that a Milestone for a Performance Right has not been satisfied by the milestone date as specified in condition 1 (**Milestone Date**), each Performance Right will lapse on the Milestone Date.

5. Expiry Date

Any Performance Rights that has not been exercised prior to 5.00 pm (WST) on 30 November 2023 (**Expiry Date**) will expire and lapse on the Expiry Date.

6. Transfer

The Performance Rights are not transferable.

7. Entitlements and bonus issues

Subject always to the rights under condition 8 (Reorganisation of Capital), Holders will not be entitled to participate in new issues of capital offered to shareholders such as bonus issues and entitlement issues.

8. Reorganisation of capital

In the event that the issued capital of the Company is reconstructed, all the Holder's rights will be changed to the extent necessary to comply with the Listing Rules at the time of reorganisation provided that, subject to compliance with the Listing Rules, following such reorganisation the Holder's economic and other rights are not diminished or terminated.

9. Right to receive Notices and attend general meetings

Each Performance Right confers on the Holder the right to receive notices of general meetings and financial reports and accounts of the Company that are circulated to shareholders. A Holder has the right to attend general meetings of the Company.

10. Voting rights

A Performance Right does not entitle the Holder to vote on any resolutions proposed at a general meeting of the Company, subject to any voting rights provided under the Corporations Act or the Listing Rules where such rights cannot be excluded by these terms.

11. Dividend rights

A Performance Right does not entitle the Holder to any dividends.

12. Return of capital rights

The Performance Rights do not confer any right to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.

13. Rights on winding up

The Performance Rights have no right to participate in the surplus profits or assets of the Company upon a winding up of the Company.

14. Change in control

- (a) If prior to the earlier of the conversion or the Expiry Date a Change in Control Event occurs, then each Performance Right will automatically and immediately convert into a Share. However, if the number of Shares to be issued as a result of the conversion of the Performance Rights is in excess of 10% of the total fully diluted share capital of the Company at the time of the conversion, then the number of Performance Rights to be converted will be reduced so that the aggregate number of Shares to be issued on conversion of the Performance Rights is equal to 10% of the entire fully diluted share capital of the Company.
- (b) A Change of Control Event occurs when:
 - (i) **takeover bid:** the occurrence of the offeror under a takeover offer in respect of all shares announcing that it has achieved acceptances in respect of more than 50.1% of shares and that takeover bid has become unconditional; or
 - (ii) **scheme of arrangement:** the announcement by the Company that the Company's shareholders (**Shareholders**) have at a Court-convened meeting of Shareholders voted in favour, by the necessary majority, of a proposed scheme of arrangement under which all Company securities are to be either

cancelled transferred to a third party, and the Court, by order, approves the proposed scheme of arrangement.

- (c) The Company must ensure the allocation of shares issued under sub-paragraph (a) is on a pro rata basis to all Holders in respect of their respective holdings of Performance Rights and all remaining Performance Rights held by each Holder will remain on issue until conversion or expiry in accordance with the terms and conditions set out herein.

15. Issue of Shares

As soon as practicable after the later of the following:

- (a) the Company receives a Notice of Exercise or the Performance Rights convert under condition 14(a); and
- (b) when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information,

the Company will:

- (c) issue the Shares specified in the Notice of Exercise;
- (d) give ASX a notice that complies with section 708A(5)(e) of the Corporations Act (to the extent required); and
- (e) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Performance Rights.

If the Company is unable to deliver a notice under condition (d) or such a notice for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Shares issued on exercise of the Performance Rights may not be traded and will be subject to a holding lock until 12 months after their issue unless the Company, at its sole discretion, elects to issue a prospectus pursuant to section 708A(11) of the Corporations Act.

All Shares issued upon the conversion of Performance Rights will upon issue rank pari passu in all respects with other Shares.

16. Quotation

Performance Rights will not be quoted on ASX. On conversion of Performance Rights into Shares, the Company will apply for quotation in accordance with condition 15(d).

17. No other rights

A Performance Right does not give a Holder any rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.

18. Amendments required by ASX

The terms of the Performance Rights may be amended as considered necessary by the Board in order to comply with the Listing Rules, or any directions of ASX regarding the terms provided that, subject to compliance with the Listing Rules, following such amendment, the economic and other rights of the Holder are not diminished or terminated.