



NOTICE OF GENERAL MEETING OF SHAREHOLDERS

Variscan Mines Limited ("**Variscan**" or the "**Company**" or the "**Group**") (ASX:VAR) is pleased to advise that it will hold a General Meeting of Shareholders at 10:00am on Friday, 3 September 2021.

Attached is a Notice of Meeting and a letter sent 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.



4 August 2021

Dear Shareholder

Variscan Mines Limited (**Variscan** or the **Company**) is convening a General Meeting (**Meeting**) to be held at Suite 8, 7 The Esplanade Mt Pleasant, Perth Western Australia on Friday, 3 September 2021 at 10am (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 addition and in accordance with the ASIC 'No-Action Position' letter, the Company will not be dispatching physical copies of the Notice of 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 10am (AWST) on Wednesday, 1 September 2021, 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 9600 (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 General Meeting

The General Meeting of the Company will be held at Suite 8, 7 The Esplanade, Mt Pleasant, Western Australia on 3 September 2021 at 10am (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 General Meeting should be read in its entirety. If Shareholders are in doubt as to how to vote, they should seek advice from their suitably qualified professional adviser prior to voting.

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

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

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Variscan Mines Limited
ACN 003 254 395
(Company)

Notice of General Meeting

Notice is hereby given that a general meeting of Shareholders of Variscan Mines Limited (**Company**) will be held at Suite 8, 7 The Esplanade, Mt Pleasant, Western Australia on 3 September 2021 at 10am (WST) (**Meeting**).

The Board is closely monitoring the rapidly changing coronavirus (COVID-19) pandemic. The health of the Company's Shareholders, employees and other stakeholders is of paramount importance.

While the Board would like to host all Shareholders in person, in order to minimise the risk to Shareholders and to the Company the Directors strongly encourage all Shareholders to lodge Proxy Forms prior to the Meeting.

The Board will continue to monitor Australian Government restrictions on public gatherings. If it becomes necessary or appropriate to make alternative arrangements to those set out in this Notice, the Company will notify Shareholders accordingly via the Company's website at <https://www.variscan.com.au> and the ASX announcement platform.

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 1 September 2021.

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.

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

Agenda

1 Resolutions

Resolution 1 – Ratification of issue of Placement Shares

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 7.4 and for all other purposes, Shareholders ratify the issue of:

- (a) *31,826,798 Shares issued using the Company's placement capacity under Listing Rule 7.1; and*
- (b) *21,298,202 Shares issued using the Company's placement capacity under Listing Rule 7.1A,*

on the terms and conditions in the Explanatory Memorandum.'

Resolution 2 – Approval of issue of Director Placement Shares

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 10.11, section 195(4) of the Corporations Act and for all other purposes, Shareholders approve the issue of up to 625,000 Shares to Managing Director, Stewart Dickson (or his nominees), on the terms and conditions in the Explanatory Memorandum.'

Resolution 3 – Approval of issue of LM Options

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 and for all other purposes, Shareholders approve the issue of up to 2,500,000 LM Options, on the terms and conditions in the Explanatory Memorandum.'

Voting exclusions

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

- (a) Resolution 1 by or on behalf of any person who participated in the issue of the Placement Shares, or any of their respective associates;
- (b) Resolution 2 by or on behalf of Stewart Dickson (and his nominees), and any other person who will obtain a material benefit as a result of the issue of the Director Placement Shares (except a benefit solely by reason of being a Shareholder), or any of their respective associates;
- (c) Resolution 3 by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue of the LM Options (except a benefit solely by reason of being a Shareholder), or any of their respective associates; and

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;
- (b) 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
- (c) 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.

BY ORDER OF THE BOARD

Mark Pitts
Company Secretary
Variscan Mines Limited
Dated: 30 July 2021

Variscan Mines Limited
ACN 003 254 395
(Company)

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 Suite 8, 7 The Esplanade Mt Pleasant, Western Australia on 3 September 2021 at 10am (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	Voting and attendance information
Section 3	Resolution 1(a) and (b) – Ratification of issue of Placement Shares
Section 4	Resolution 2 – Approval of issue of Director Placement Shares
Section 5	Resolution 3 – Approval of issue of LM Options
Schedule 1	Definitions
Schedule 2	Terms and Conditions of LM Options

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

2. Voting and attendance information

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

To vote in person, attend the Meeting on the date and at the place set out above.

2.3 Voting by proxy

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- (i) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (ii) a proxy need not be a member of the Company; and
- (iii) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, if it does:

- (i) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed);
- (ii) if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands;
- (iii) if the proxy is the Chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- (iv) if the proxy is not the Chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Section 250BC of the Corporations Act provides that, if:

- (iv) an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members;
- (v) the appointed proxy is not the chair of the meeting;
- (vi) at the meeting, a poll is duly demanded on the resolution; and
- (vii) either the proxy is not recorded as attending the meeting or the proxy does not vote on the resolution,

the Chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the 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.

2.5 Submitting questions

Shareholders may submit questions in advance of the Meeting to the Company. Questions must be submitted by emailing the Company Secretary at markp@endeavourcorp.com.au by 27 August 2021.

Shareholders will also have the opportunity to submit questions during the Meeting in respect to the formal items of business. In order to ask a question during the Meeting, please follow the instructions from the Chair.

The Chair will attempt to respond to the questions during the Meeting. The Chair will request prior to a Shareholder asking a question that they identify themselves (including the entity name of their shareholding and the number of Shares they hold).

3. Resolution 1(a) and (b) – Ratification of issue of Placement Shares

3.1 General

On 21 June 2021, the Company announced that it had received binding commitments for a placement to raise \$4,250,000 (before costs) by the issue of up to 53,125,000 Shares at \$0.08 each (**Placement**). The Placement is comprised of the following tranches:

- (c) 31,826,798 Shares issued using the Company's placement capacity under Listing Rule 7.1; and
- (d) 21,298,202 Shares issued using the Company's placement capacity under Listing Rule 7.1A,

(together, the **Placement Shares**).

In addition to the above, the Company is proposing to issue up to 625,000 Shares to Managing Director, Stewart Dickson (or his nominees), subject to the prior receipt of Shareholder approval (the subject of Resolution 2) (**Director Placement Shares**).

On 28 June 2021, the Company issued the Placement Shares using the Company's placement capacity under Listing Rules 7.1 and 7.1A.

Resolution 1(a) and (b) seeks Shareholder approval pursuant to Listing Rule 7.4 to ratify the issue of the Placement Shares.

3.2 Listing Rules 7.1, 7.1A and 7.4

Broadly speaking, Listing Rule 7.1 limits the ability of a listed entity from issuing or agreeing to issue Equity Securities over a 12 month period which exceeds 15% of the number of fully paid ordinary Shares it had on issue at the start of the 12 month period.

Listing Rule 7.1A provides that an eligible entity may seek shareholder approval at its annual general meeting to allow it to issue Equity Securities comprising up to 10% of its issued capital. The Company obtained this approval at its annual general meeting held on 26 November 2020.

The issue of the Placement Shares does not fit within any of the exceptions to Listing Rules 7.1 and 7.1A and, as it has not yet been approved by Shareholders, effectively uses up part of the Company's 15% placement capacity under Listing Rule 7.1 and 10% placement capacity under Listing Rule 7.1A. This reduces the Company's capacity to issue further Equity Securities without Shareholder approval under that Listing Rule for the 12 month period following the issue of the Placement Shares.

Listing Rule 7.4 provides an exception to Listing Rules 7.1 and 7.1A. It provides that where a company in a general meeting ratifies the previous issue of securities made pursuant to Listing Rules 7.1 and 7.1A (and provided that the previous issue did not breach Listing Rules 7.1 and 7.1A), those securities will be deemed to have been made with shareholder approval for the purpose of Listing Rules 7.1 and 7.1A.

The effect of Shareholders passing Resolution 1 will be to allow the Company to retain the flexibility to issue Equity Securities in the future up to the 15% annual placement capacity set out in Listing Rule 7.1 and the 10% additional placement capacity set out in Listing Rules 7.1 and 7.1A, without the requirement to obtain prior Shareholder approval.

If Resolution 1(a) and (b) is passed:

- (a) 31,826,798 Placement Shares will be excluded in calculating the Company's 15% limit in Listing Rule 7.1; and
- (b) 21,298,202 Placement Shares will be excluded in calculating the Company's 10% limit in Listing Rule 7.1A,

effectively increasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the issue date.

If Resolution 1(a) and (b) is not passed:

- (a) 31,826,798 Placement Shares will continue to be included in the Company's 15% limit under Listing Rule 7.1; and
- (b) 21,298,202 Placement Shares will continue to be included in the Company's 10% limit under Listing Rule 7.1A,

effectively decreasing the number of Equity Securities the Company can issue or agree to issue without obtaining prior Shareholder approval, to the extent of 53,125,000 Equity Securities for the 12 month period following the issue of the Placement Shares (and assuming the Company's approval under Listing Rule 7.1A remains in force for this period).

3.3 Specific information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to the ratification of the issue of the Placement Shares:

- (a) The Placement Shares were issued to institutional and sophisticated investors, none of whom is a related party of the Company or a Material Investor. The placement participants were identified through a bookbuild process, which involved the Lead

Manager seeking expressions of interest to participate in the Placement from existing contacts of the Company and clients of the Lead Manager.

- (b) A total of 53,125,000 Placement Shares were issued as follows:
 - (i) 31,826,798 Shares were issued within the Company's 15% limit permitted under Listing Rule 7.1, without the need for Shareholder approval; and
 - (ii) 21,298,202 Shares were issued within the Company's 10% limit permitted under Listing Rule 7.1A, without the need for Shareholder approval.
- (c) The Placement Shares are fully paid ordinary shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue.
- (d) The Placement Shares were issued on 28 June 2021.
- (e) The Placement Shares were issued at \$0.08 each.
- (f) The proceeds from the issue of the Placement Shares have been or are intended to be used to:
 - (i) receiving and interpreting assay results from drilling at the South West Zone of the San Jose Mine;
 - (ii) mapping and sampling of surface drill targets over the Buenahora license area;
 - (iii) surface and/or follow-up underground drilling;
 - (iv) mapping and sampling of drill targets over the Guajaraz Project in Castilla La Mancha; and
 - (v) provide general working capital.
- (g) There are no other material terms to the agreement for the subscription of the Placement Shares.
- (h) A voting exclusion statement is included in the Notice.

3.4 Additional information

Resolution 1(a) and (b) are separate ordinary resolutions.

The Board recommends that Shareholders vote in favour of Resolution 1(a) and (b).

4. Resolution 2 – Approval of issue of Director Placement Shares

4.1 General

The background to the proposed issue of the Director Placement Shares is in Section 3 above.

Resolution 2 seeks the approval of Shareholders pursuant to Listing Rule 10.11 for the proposed issue of the Director Placement Shares.

4.2 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 any of the following persons without the approval of its Shareholders:

- (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).

Stewart Dickson is a related party of the Company by virtue of being a Director. Shareholder approval pursuant to Listing Rule 10.11 is therefore 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.

Approval pursuant to Listing Rule 7.1 is not required for the issue of the Director Placement Shares as approval is being obtained under Listing Rule 10.11. Accordingly, the issue of the Director Placement Shares to Stewart Dickson (or his nominees), will not be included in the Company's 15% annual placement capacity pursuant to Listing Rule 7.1.

The effect of Shareholders passing Resolution 2 will be to allow the Company to issue the Director Placement Shares, raising a further \$50,000 (before costs).

If Resolution 2 is not passed, the Company will not be able to proceed with the issue of the Director Placement Shares, and the Company will not receive the additional funds committed by Stewart Dickson. The Company considers that it has adequate working capital to achieve its stated objectives at this time and therefore does not intend to seek a further approval or raise further capital at this stage, if this Resolution is not passed.

4.3 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 Director Placement Shares:

- (a) The Director Placement Shares will be issued to Managing Director, Stewart Dickson (or his nominees).
- (b) Stewart Dickson falls into the category stipulated by Listing Rule 10.11.1 by virtue of being a Director of the Company.
- (c) Up to a maximum of 625,000 Director Placement Shares will be issued to Stewart Dickson (or his nominees).

- (d) The Director Placement Shares will be fully paid ordinary shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue.
- (e) The Director Placement Shares will be issued no later than one month after the date of the Meeting.
- (f) The Director Placement Shares are proposed to be issued at an issue price of \$0.08 each, being the same price at which the Placement Shares were issued.
- (g) The proceeds from the issue of the Director Placement Shares are intended to be used to advance the Company's projects and provide general working capital as described in Section 3.3(f) above.
- (h) The proposed issue of the Director Placement Shares are not intended to remunerate or incentivise Stewart Dickson.
- (i) There are no other material terms to the proposed issue of the Director Placement Shares.
- (j) A voting exclusion statement is included in the Notice.

4.4 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 proposed issue of the Director Placement Shares constitutes giving a financial benefit to related parties of the Company.

The Board (other than Stewart Dickson who has a personal interest in the outcome of this Resolution) considers that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the Director Placement Shares because the Shares will be issued on the same terms as the Shares issued to non-related party participants in the Placement and as such the giving of the financial benefit is on arm's length terms.

4.5 Additional information

Resolution 2 is an ordinary resolution.

The Board (other than Stewart Dickson who has a personal interest in the outcome of this Resolution) recommends that Shareholders vote in favour of Resolution 1.

5. Resolution 3 – Approval of issue of LM Options

5.1 General

Refer to Section 3 above for the background to the Placement.

Canaccord Genuity (Australia) Limited acted as lead manager and bookrunner to the Placement (**Lead Manager**). As part consideration for the provision of lead manager services, the Company agreed to issue the Lead Manager (or its nominees) 2,500,000 Options exercisable at \$0.12 each and expiring 3 years from the date of issue (**LM Options**).

Resolution 3 seeks the approval of Shareholders pursuant to Listing Rule 7.1 to approve the issue of the LM Options.

5.2 Summary of LM Mandate

The Company entered into a mandate with the Lead Manager for the provision of lead manager services and bookrunner services, including the coordination and management of the Placement as well as marketing services (**LM Mandate**).

Under the LM Mandate, the Company agreed to pay the Lead Manager a management fee of 2% and a capital raising fee of 4%, plus GST, where applicable, of the total funds raised under the Placement, plus the LM Options.

The Lead Manager shall be entitled to reimbursement of reasonable expenses as required to perform their role, provided that approval of the Company is obtained prior to incurring expenses above \$500.00.

The LM Mandate contains additional provisions, including warranties and indemnities in respect of the Company, which are considered standard for agreements of this nature.

5.3 Listing Rule 7.1

A summary of Listing Rule 7.1 is in Section 3.2 above.

The issue of the LM Options does not fit within any of the exceptions to Listing Rule 7.1, and were it not for an approval under Resolution 3, would be required to be issued using the Company's 15% placement capacity under Listing Rule 7.1. This would effectively reduce the Company's capacity to issue further Equity Securities without Shareholder approval under that Listing Rule for the 12 month period following the issue of the LM Options.

The effect of Shareholders passing Resolution 3 will be to allow the Company to retain the flexibility to issue Equity Securities in the future up to the 15% annual placement capacity set out in Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

If Resolution 3 is passed, the Company will be able to proceed with the issue of the LM Options.

If Resolution 3 is not passed, the Company will not be able to proceed with the issue of LM Options and will have to consider alternative commercial means to pay the Lead Manager for its services, which may include issuing the Placement Options using any available 15% placement capacity permitted under Listing Rule 7.1.

5.4 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 issue of the LM Options:

- (a) The LM Options will be issued to the Lead Manager (or its nominees), which is an advisor to the Company.
- (b) A maximum of 2,500,000 LM Options will be issued.
- (c) The LM Options are exercisable at \$0.12 each and expire 3 years from the date of issue.
- (d) The LM Options are subject to the terms and conditions in Schedule 2.
- (e) The LM Options will be issued no later than 3 months after the date of the Meeting.
- (f) The LM Options will be issued for cash consideration of \$50 only, no further funds will be raised by their issue.
- (g) A summary of the material terms of the LM Mandate is in Section 5.2 above.
- (h) A voting exclusion statement is included in the Notice.

5.5 Additional information

Resolution 3 is an ordinary resolution.

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

Schedule 1 Definitions

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

\$	means Australian Dollars.
ASX	means the ASX Limited (ABN 98 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX Limited.
Board	means the board of Directors.
Chair	means the person appointed to chair the Meeting of the Company convened by the Notice.
Company	means Variscan Mines Limited (ACN 003 254 395).
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.
Director Placement Shares	means the 625,000 Shares to be issued to Stewart Dickson (or his nominees), the subject of Resolution 2.
Equity Security	has the same meaning as in the Listing Rules.
Explanatory Memorandum	means the explanatory memorandum which forms part of the Notice.
Lead Manager	means Canaccord Genuity (Australia) Limited.
LM Mandate	means the mandate between the Company and Lead Manager for the provision of joint lead manager services and bookrunner services in relation to the Placement.
LM Options	means the 2,500,000 Options to be issued to the Lead Manager, the subject of Resolution 3.
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.
Material Investor	means, in relation to the Company: (a) a related party; (b) Key Management Personnel;

- (c) a substantial Shareholder;
- (d) an advisor; or
- (e) an associate of the above,

who received Shares which constituted more than 1% of the Company's capital structure at the time of issue.

Meeting	has the meaning given in the introductory paragraph of the Notice.
Notice	means this notice of general meeting.
Option	means an option, giving the holder the right, but not an obligation, to acquire a Share at a predetermined price and at a specified time in the future.
Performance Rights	means a right to be issued a Share, subject to the satisfaction or waiver of specified vesting conditions.
Placement	has the meaning in Section 3.
Placement Shares	means the 53,125,000 Shares issued under the Placement, the subject of Resolution 1.
Proxy Form	means the proxy form attached to the Notice.
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/or Performance Rights).
Share	means a fully paid ordinary share in the capital of the Company.
Shareholder	means the holder of a Share.
WST	means Western Standard Time, being the time in Perth, Western Australia.

Schedule 2 Terms and Conditions of LM Options

The terms and conditions of the LM Options are as follows:

1. **(Entitlement)**: Each Option entitles the holder to subscribe for one Share upon exercise of the Option.
1. **(Issue Price)**: No cash consideration is payable for the issue of the Options.
2. **(Exercise Price)**: The Options have an exercise price of \$0.12 per Option (**Exercise Price**).
3. **(Expiry Date)**: The Options expire at 5.00 pm (WST) on three years from date of issue (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
4. **(Exercise Period)**: The Options are exercisable at any time and from time to time on or prior to the Expiry Date.
5. **(Quotation of the Options)**: The Company will not apply for quotation of the Options on ASX.
6. **(Transferability of the Options)**: The Options are not transferable, except with the prior written approval of the Company.
7. **(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 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**).

8. **(Timing of issue of Shares on exercise)**: Within 5 Business Days after the Exercise Date the Company will:
 - (a) allot and issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
 - (b) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act; and
 - (c) 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 Options.
9. **(Restrictions on transfer of Shares)**: If the Company is required but unable to give ASX a notice under paragraph 8(b), 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.

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