



## 2021 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 3:00pm on Thursday 25 November 2021.

Attached is a Notice of Meeting, proxy form 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](mailto: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.



20 October 2021

Dear Shareholder

Variscan Mines Limited (**Variscan** or the **Company**) is convening an Annual General Meeting (**Meeting**) to be held at, Suite 8, 7 The Esplanade, Mt Pleasant Western Australia on Thursday, 25 November 2021 at 3.00pm (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 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 3.00pm (AWST) on Tuesday, 23 November 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 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 Unit 8, 7 The Esplanade, Mount Pleasant, Western Australia on Thursday, 25 November 2021 at 3.00pm (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**  
**(Company)**

**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 Unit 8, 7 The Esplanade, Mount Pleasant, Western Australia on Thursday, 25 November 2021 at 3.00pm (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 Thursday, 25 November 2021.

Terms and abbreviations used in the Notice are defined in Schedule 1.

## **Agenda**

### **1 Annual Report**

To consider the Annual Report of the Company and its controlled entities for the financial year ended 30 June 2021, 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 – Re-election of Director – Dr Foo Fatt Kah**

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

*'That, in accordance with article 7.2(a) of the Constitution, Listing Rule 14.4 and for all other purposes, Dr Foo Fatt Kah, retires and, being eligible, is re-elected as a Director on the terms and conditions in the Explanatory Memorandum.'*

### **Resolution 3 – Election of Director – Mr Nicholas Farr-Jones OAM**

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(c) of the Constitution, Listing Rule 14.4 and for all other purposes, Nicholas Farr-Jones, a Director appointed 1 July 2021, retires and, being eligible and offering himself for election, is elected as a Director on the terms and conditions in the Explanatory Memorandum.'*

### **Resolution 4 – 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 5 – Approval of new Employee Securities Incentive Plan**

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 exception 13(b) of Listing Rule 7.2 and for all other purposes, Shareholders approve the employee incentive scheme of the Company known as the Variscan Mines Limited Employee Securities Incentive Plan and the issue of up to a total of 13,336,601 Securities under that plan, on the terms and conditions in the Explanatory Memorandum.'*

### **Resolution 6 – Approval of potential termination benefits under the Plan**

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

*'That, conditional on Resolution 5 being approved, for a period commencing from the date this Resolution is passed and ending upon the expiry of all Securities issued or to be issued under the Plan, approval be given for all purposes including Part 2D.2 of the Corporations Act for the giving of benefits to any current or future person holding a managerial or executive office of the Company or a related body corporate in connection with that person ceasing to hold such office, on the terms and conditions in the Explanatory Memorandum.'*

### **Resolution 7– 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 750,000 Options to Dr Foo Fatt Kah (or his nominees) on the terms and conditions in the Explanatory Memorandum.'*

## **Resolution 8– 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 1,500,000 Options to Mr Stewart Dickson (or his nominees) on the terms and conditions in the Explanatory Memorandum.'*

## **Resolution 9 – 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 750,000 Options to Mr Michael Moore (or his nominees) on the terms and conditions in the Explanatory Memorandum.'*

## **Resolution 10 – Grant of Incentive Options to Mr Nick Farr-Jones**

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 750,000 Options to Mr Nick Farr-Jones (or his nominees) 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 4 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; and
- (b) Resolution 5 by or on behalf of a person who is eligible to participate in the Plan, or any of their respective associates.
- (c) Resolution 7 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;
- (d) Resolution 8 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;
- (e) Resolution 9 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;

- (f) Resolution 10 by or on behalf of Mr Nick Farr-Jones (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;

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 on the resolution, 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 on the resolution, 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 5 and Resolution 6 and Resolutions 7 to 10: 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.

Further, in respect of Resolution 6, in accordance with section 200E(2A) of the Corporations Act, a vote on this Resolution must not be cast by any participants or potential participants in the Plan and their associates, otherwise the benefit of this Resolution will be lost by such a person in relation to that person's future retirement.

However, a vote may be cast by such a person if:

- (a) the person is appointed as proxy by writing that specifies the way the proxy is to vote on the Resolution; and
- (b) it is not cast on behalf of the person or an associate of the person.

**BY ORDER OF THE BOARD**

Mark Pitts  
**Company Secretary**  
**Variscan Mines Limited**  
Dated: 14 October 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 Unit 8, 7 The Esplanade, Mount Pleasant, Western Australia on Thursday, 25 November 2021 at 3.00pm (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 – Re-election of Director – Dr Foo Fatt Kah
Section 6	Resolution 3 – Election of Director – Mr Nicholas Farr-Jones OAM
Section 7	Resolution 4 – Approval of 10% Placement Facility
Section 8	Resolution 5 – Approval of new Employee Securities Incentive Plan
Section 9	Resolution 6 – Approval of potential termination benefits under the Plan
Section 10	Resolutions 7 – 10 Approval of Option issue to Directors
Schedule 1	Definitions
Schedule 2	Summary of Employee Securities Incentive Plan

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 5 and Resolution 6 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 2021.

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](http://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 2022 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 Additional information**

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 – Re-election of Director – Dr Foo Fatt Kah**

#### **5.1 General**

Article 7.2(a) of the Constitution and Listing Rule 14.4 both provide that a Director must not hold office without re-election past the third annual general meeting following that Director's appointment or three years, whichever is longer.

Article 7.2(b) of the Constitution and Listing Rule 14.4 provide that a Director who retires in accordance with article 7.2(a) and Listing Rule 14.4 (as applicable) is eligible for re-election.

Dr Foo was last elected at the general meeting held on 14 January 2019. Accordingly, Dr Foo retires at this Meeting and, being eligible, seeks re-election pursuant to Resolution 2.

#### **5.2 Dr Foo Fatt Kah**

Dr Foo was appointed a Director of the Company on 7 October 2009. Dr Foo is the Managing Director and co-founder of Luminor Capital, a private equity fund management company based in Singapore. He has over 20 years' experience in the investment banking, fund management and advisory businesses spanning Europe and Asia. He was previously Head of Asian Equities for SG Securities Asia covering 10 Asian countries ex-Japan. Since 2004 Dr Foo has been active as an investor, overseeing investments in resources energy and healthcare.

Dr Foo is qualified in medicine (MB, B Ch, BAO) and business administration (MBA) from the Queen's University, United Kingdom, with further continuing education qualifications from Insead business school on economic value added (EVA) and international project management. He has experience with listed companies in Singapore, being previously Executive Director of CyberVillage Holdings Ltd and currently Lead Independent Director of PEC Ltd.

During the past three years, Dr Foo has not served as a Director of any other ASX listed company.

#### **5.3 Board recommendation**

The Board (other than Dr Foo who has a personal interest in the outcome of this Resolution) supports the election of Dr Foo for the following reasons:

- (a) Dr Foo's qualifications and skills are complimentary and valuable to the Board's existing skills and experience and will be invaluable as the Company completes its planned exploration activities on its projects; and

- (b) Dr Foo's experience and existing knowledge of the Company over recent years will assist with the future direction of the Company.

#### **5.4 Additional information**

Resolution 2 is an ordinary resolution.

The board (other than Dr Foo) recommend that Shareholders vote in favour of Resolution 2.

### **6. Resolution 3 – Election of Director – Mr Nicholas Farr-Jones OAM**

#### **6.1 General**

Article 7.6(c) of the Constitution and Listing Rule 14.4 both provide that a Director appointed to fill a casual vacancy must not hold office without re-election past the next annual general meeting.

Article 7.6(c) of the Constitution and Listing Rule 14.4 provide that a Director who retires in accordance with article 7.6(c) and Listing Rule 14.4 (as applicable) is eligible for re-election.

Mr Farr-Jones was appointed as a Non-Executive Director on 1 July 2021. Accordingly, Mr Farr-Jones retires at this Meeting and, being eligible, seeks election pursuant to Resolution 3.

#### **6.2 Nicholas Farr-Jones OAM**

Mr Farr-Jones has over 25 years of experience in the global mining sector as a specialist in natural resources investment and corporate governance. Additionally, he is an experienced public company director.

Mr Farr-Jones qualified as a lawyer before pursuing a career in investment banking. Notably he was responsible for the metal derivative business of Societe Generale in Europe and Africa before leading its commodity finance business in Australia. He is currently a Director at Taurus Funds Management, headquartered in Sydney, which specializes in bespoke financing solutions for global mid-tier and junior mining companies.

Mr Farr-Jones holds a number of charitable appointments and is a highly regarded speaker on leadership. He was awarded the Order of Australia in 1992 for services to rugby union having captained the Australian rugby team to World Cup success in 1991.

The Company confirms that it took appropriate checks into Mr Farr-Jones background and experience and that these checks did not identify any information of concern.

If elected, Mr Farr-Jones is considered to be an independent Director. Mr Farr-Jones is not considered by the Board to hold any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect his capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the entity as a whole rather than in the interests of an individual security holder or other party.

#### **6.3 Board recommendation**

The Board (other than Mr Farr-Jones who has a personal interest in the outcome of this Resolution) supports the election of Mr Farr-Jones for the following reasons:

- (c) Mr Farr-Jones' qualifications and skills are complimentary and valuable to the Board's existing skills and experience and will be invaluable as the Company completes its planned exploration activities on its projects; and
- (d) Mr Farr-Jones' experience and knowledge with similar Companies, especially within Europe, will assist with the future direction of the Company.

#### **6.4 Additional information**

Resolution 3 is an ordinary resolution.

The Board (other than Mr Farr-Jones) recommend that Shareholders vote in favour of Resolution 3.

### **7. Resolution 4 – Approval of 10% Placement Facility**

#### **7.1 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 4 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 7.2(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 7.2(c) below).

If Resolution 4 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 4 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.

#### **7.2 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 \$16,270,653, based on the closing price of Shares \$0.061 on 11 October 2021.

##### **(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 one quoted classes of Equity Securities, being Ordinary Shares.

(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 any other fully paid ordinary securities issued in the relevant period with approval under Listing Rules 7.1 or 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 4?**

The effect of Resolution 4 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.

### 7.3 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	\$0.031 50% decrease in Current Market Price	\$0.061 Current Market Price	\$0.122 100% increase in Current Market Price
266,732,024 Shares Variable A	10% Voting Dilution	26,673,202 Shares	26,673,202 Shares	26,673,202 Shares
	Funds raised	\$826,869	\$1,627,065	\$3,254,131
400,098,036 Shares 50% increase in Variable A	10% Voting Dilution	40,009,804 Shares	40,009,804 Shares	40,009,804 Shares
	Funds raised	\$1,240,304	\$2,440,598	\$4,881,196
533,464,048 Shares 100% increase in Variable A	10% Voting Dilution	53,346,405 Shares	53,346,405 Shares	53,346,405 Shares
	Funds raised	\$1,653,739	\$3,254,131	\$6,508,261

Notes:

1. The table has been prepared on the following assumptions:
  - (a) the issue price is the current market price \$0.061, being the closing price of the Shares on ASX on 11 October 2021, being the latest practicable date before finalising this Notice;
  - (b) Variable A comprises of 266,732,024 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 26 November 2020.

During the 12 month period prior to the date of this Notice, the Company issued a total 21,298,202 Shares under this approval, representing approximately 8.88% of the total diluted number of Equity Securities on issue in the Company on 26 November 2020, being 239,762,847 Equity Securities.

In the 12 months preceding the date of the Meeting and as at the date of this Notice, the Company has issued the following Equity Securities under Listing Rule 7.1A:

Date of Appendix 2A / Date of issue	Number of Equity Securities issued under listing rule 7.1A	Class of Equity Securities and summary of terms	Names of recipients or basis on which recipients determined	Issue price of Equity Securities and discount to Market Price on the trading day prior to the issue	If issued for cash – the total consideration, what it was spent on and the intended use of any remaining funds  If issued for non-cash consideration – a description of the consideration and the current value of the consideration
28 June 2021	21,298,202	Ordinary fully paid shares	Shares issued to sophisticated investors under a placement as clients of Canaccord Genuity	Issue price \$0.08 per share. The market price on the trading day prior to issue was \$0.073	Shares were issued for \$0.08, raising a total of \$1,703,856. To date, nil has been spent by the Company. The Company intends to use these funds to facilitate its exploration programs in Spain and Chile, and for general working capital.

(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.

**7.4 Additional information**

Resolution 4 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 4.

**8. Resolution 5 – Approval of new Employee Securities Incentive Plan**

**8.1 General**

The Company considers that it is desirable to adopt a new employee incentive scheme pursuant to which the Company can issue Equity Securities to attract, motivate and retain key directors, employees and consultants and provide them with the opportunity to participate in the future growth of the Company.

Resolution 5 seeks Shareholder approval for the adoption of the new employee incentive scheme titled the Variscan Mines Limited Employee Securities Incentive Plan (Plan) in accordance with Listing Rule 7.2 exception 13(b).

Under the Plan, the Board may offer to eligible persons the opportunity to subscribe for such number of Equity Securities in the Company as the Board may decide and on the terms set out in the rules of the Plan, a summary of the key terms and conditions is in Schedule 2. In addition, a copy of the Plan is available for review by Shareholders at the registered office of the Company until the date of the Meeting. A copy of the Plan can also be sent to Shareholders upon request to the Company Secretary. Shareholders are invited to contact the Company if they have any queries or concerns.

## **8.2 Listing Rules 7.1 and 7.2, exception 13(b)**

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 shares it had on issue at the start of that period.

Listing Rule 7.2, exception 13(b), provides an exception to Listing Rule 7.1 such that issues of Equity Securities under an employee incentive scheme are exempt for a period of three years from the date on which Shareholders approve the issue of Equity Securities under the scheme as an exception to Listing Rule 7.1.

Listing Rule 7.2, exception 13(b), ceases to be available to the Company if there is a material change to the terms of the Plan from those set out in this Notice in Schedule 2.

If Resolution 5 is passed, the Company will be able to issue Equity Securities under the Plan pursuant to Listing Rule 7.2, exception 13(b), to eligible participants over a period of three years up to a nominated maximum amount without using the Company's 15% annual placement capacity under Listing Rule 7.1.

However, any future issues of Equity Securities under the Plan to a related party or a person whose relation with the Company or the related party is, in ASX's opinion, such that approval should be obtained will require additional Shareholder approval under Listing Rule 10.14 at the relevant time.

If Resolution 5 is not passed, the Company will elect not to adopt the plan.

## **8.3 Specific information required by Listing Rule 7.2, exception 13(b)**

Pursuant to and in accordance with Listing Rule 7.2, exception 13(b), the following information is provided in relation to the Plan:

- (a) A summary of the material terms of the Plan is in Schedule 2.
- (b) This is the first time the Company is seeking Shareholder approval of the Plan and no Equity Securities have been issued under the Plan as at the date of this Notice.
- (c) The maximum number of Equity Securities proposed to be issued under the Plan pursuant to Listing Rule 7.2, exception 13(b), following approval of Resolution 5 is 13,336,601 (subject to adjustment in the event of a reorganisation of capital and further subject to applicable laws and the Listing Rules). This number comprises 5% of the Company's Equity Securities currently on issue (being 5% of the number of the

Company's fully paid ordinary shares on issue as at the date of this Notice). However it is not proposed to issue the maximum number for which approval is sought immediately.

(d) A voting exclusion statement is included in the Notice.

#### **8.4 Additional Information**

Resolution 5 is an ordinary resolution.

The Board recommends Shareholders vote in favour of Resolution 5.

### **9. Resolution 6 – Approval of potential termination benefits under the Plan**

#### **9.1 General**

The Corporations Act contains certain limitations concerning the payment of 'termination benefits' to persons who hold a 'managerial or executive office'. The Listing Rules also provides certain limitations on the payment of termination benefits' to officers of listed entities.

As is common with employee incentive schemes, the Plan provides the Board with the discretion to, amongst other things, determine that some or all of the Equity Securities granted to a participant under the Plan (**Plan Securities**) will not lapse in the event of that participant ceasing their engagement with the Company before such Plan Securities have vested. This 'accelerated vesting' of Plan Securities may constitute a 'termination benefit' prohibited under the Corporations Act, regardless of the value of such benefit, unless Shareholder approval is obtained. Accordingly, the Board has resolved to seek Shareholder approval for the granting of such termination benefits in accordance with Resolution 6.

If Resolution 6 is not passed, the Company will not be able to offer 'termination benefits' to persons who hold a 'managerial or executive office' pursuant to the terms of the Plan.

#### **9.2 Part 2D.2 of the Corporations Act**

Under section 200B of the Corporations Act, a company may only give a person a benefit in connection with them ceasing to hold a 'managerial or executive office' (as defined in the Corporations Act) if an exemption applies or if the benefit is approved by Shareholders in accordance with section 200E of the Corporations Act.

Subject to Shareholder approval of Resolution 5, Shareholder approval is sought for the purposes of Part 2D.2 of the Corporations Act to approve the giving of benefits under the Plan to a person by the Company in connection with that person ceasing to be an officer of, or ceasing to hold a managerial or executive office in, the Company (or subsidiary of the Company) on the terms and conditions in this Explanatory Memorandum.

As noted above, under the terms of the Plan and subject to the Listing Rules, the Board possesses the discretion to vary the terms or conditions of the Plan Securities. Notwithstanding the foregoing, without the consent of the participant in the Plan, no amendment may be made to the terms of any granted Plan Security which reduces the rights of the participant in respect of that Plan Security, other than an amendment introduced primarily to comply with legislation, to correct any manifest error or mistake or to take into consideration possible adverse tax implications.

As a result of the above discretion, the Board has the power to determine that some or all of a participant's Plan Securities will not lapse in the event of the participant ceasing employment or office before the vesting of their Plan Securities.

The exercise of this discretion by the Board may constitute a 'benefit' for the purposes of section 200B of the Corporations Act. The Company is therefore seeking Shareholder approval for the exercise of the Board's discretion in respect of any current or future participant in the Plan who holds:

- (a) a managerial or executive office in, or is an officer of, the Company (or subsidiary of the Company) at the time of their leaving or at any time in the three years prior to their leaving; and
- (b) Plan Securities at the time of their leaving.

### **9.3 Valuation of the termination benefits**

Provided Shareholder approval is given, the value of the termination benefits may be disregarded when applying section 200F(2)(b) or section 200G(1)(c) of the Corporations Act (i.e. the approved benefit will not count towards the statutory cap under the legislation).

The value of the termination benefits that the Board may give under the Plan cannot be determined in advance. This is because various matters will or are likely to affect that value. In particular, the value of a particular benefit will depend on factors such as the Company's Share price at the time of vesting and the number of Plan Securities that will vest or otherwise be affected. The following additional factors may also affect the benefit's value:

- (a) the participant's length of service and the status of the vesting conditions attaching to the relevant Plan Securities at the time the participant's employment or office ceases; and
- (b) the number of unvested Plan Securities that the participant holds at the time they cease employment or office.

In accordance with Listing Rule 10.19, the Company will ensure that no officer of the Company or any of its child entities will, or may be, entitled to termination benefits if the value of those benefits and the terminations benefits that are or may be payable to all officers together exceed 5% of the equity interests of the Company as set out in the latest accounts given to ASX under the Listing Rules.

### **9.4 Additional information**

Resolution 6 is conditional on the passing of Resolution 5. If Resolution 5 is not approved at the Meeting, Resolution 6 will not be put to the Meeting.

Resolution 6 is an ordinary Resolution.

The Board decline to make a recommendation in relation to Resolution 6 due to their potential personal interests in the outcome of the Resolution.

## **10. Resolution 7, Resolution 8, Resolution 9 and Resolution 10 - Grant of Incentive Options to Directors**

### **10.1 General**

The Board has agreed, subject to obtaining Shareholder approval, to issue a total of 3,750,000 unquoted Options (**Incentive Options**) to the Directors as part of their remuneration as Directors of the Company as follows:

- (c) up to 750,000 Options to Dr Foo Fatt Kah;
- (d) up to 1,500,000 Options to Mr Stewart Dickson;
- (e) up to 750,000 Options to Mr Michael Moore; and
- (f) up to 750,000 Options to Mr Nick Farr-Jones.

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 \$0.095 and \$0.105 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 7, Resolution 8, Resolution 9 and Resolution 10 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.

### **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, Mr Moore and Mr Nick Farr-Jones 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 7, Resolution 8, Resolution 9 and Resolution 10 is passed, the Company will be able to proceed with the issue of Incentive Options to Dr Kah, Mr Dickson, Mr Moore and Mr Nick Farr-Jones (or their respective nominees) in the proportions set out in Section 7.1.

If Resolution 7, Resolution 8, Resolution 9 and Resolution 10 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 Mr Nick Farr-Jones (or their respective nominees) and the Company will consider other forms of performance-based remuneration.

### **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:

- (g) the Incentive Options will be issued to Dr Foo Fatt Kah, Mr Stewart Dickson, Mr Michael Moore and Mr Nick Farr-Jones (or their respective nominees);
- (h) Dr Kah, Mr Dickson, Mr Moore and Mr Nick Farr-Jones related parties of the Company by virtue of being Directors and fall into the category stipulated by Listing Rule 10.11.1;
- (i) up to a total of 3,750,000 Incentive Options are proposed to be issued, as follows:
  - (i) up to 750,000 Options to each of Dr Foo Fatt Kah, Mr Michael Moore and Mr Nick Farr-Jones split into three tranches to each director as follows:
    - (A) 250,000 Options with an issue price of \$0.095 each expiring on or before 30 November 2023;
    - (B) 250,000 Options with an issue price of \$0.10 each expiring on or before 30 November 2023; and
    - (C) 250,000 Options with an issue price of \$0.105 each expiring on or before 30 November 2023;
  - (ii) up to 1,500,000 Options to Mr Stewart Dickson split into three tranches to each director as follows:
    - (A) 500,000 Options with an issue price of \$0.095 each expiring on or before 30 November 2023;
    - (B) 500,000 Options with an issue price of \$0.10 each expiring on or before 30 November 2023; and
    - (C) 500,000 Options with an issue price of \$0.105 each expiring on or before 30 November 2023;(or their respective nominees);
- (j) the Incentive Options will be issued with an exercise price ranging between \$0.095 and \$0.105 each expiring on or before 30 November 2023, and otherwise will be issued on the terms and conditions as set out in Schedule 2;
- (k) the Incentive Options will be issued no later than one month after the date of the Meeting;
- (l) 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;
- (m) the Directors' current total remuneration package is as follows:

Director	Salary and fees inclusive of superannuation
Foo Fatt Kah (i)	\$78,148
Stewart Dickson (i)	\$268,357
Michael Moore (i)	\$64,148
Nick Farr-Jones	\$36,000

(i) Remuneration shown is inclusive of the value of share based payments

- (n) the Incentive Options will not be issued pursuant to an agreement; and
- (o) 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 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.

#### **10.5 Board Recommendation**

Resolution 7, Resolution 8, Resolution 9 and Resolution 10 are ordinary resolutions.

The Board declines to make a recommendation as to how Shareholders should vote in relation to Resolution 7 to Resolution 10 (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.

<b>\$ or A\$</b>	means Australian Dollars.
<b>10% Placement Facility</b>	has the meaning given in Section 6.1.
<b>10% Placement Period</b>	has the meaning given in Section 6.2(f).
<b>Annual Report</b>	means the Directors' Report, the Financial Report, and Auditor's Report, in respect to the year ended 30 June 2021.
<b>ASX</b>	means the ASX Limited (ABN 98 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX Limited.
<b>Auditor's Report</b>	means the auditor's report on the Financial Report.
<b>Board</b>	means the board of Directors.
<b>Chair</b>	means the person appointed to chair the Meeting of the Company convened by the Notice.
<b>Closely Related Party</b>	means: (a) a spouse or child of the member; or (b) has the meaning given in section 9 of the Corporations Act.
<b>Company</b>	means Variscan Mines Limited (ACN 003 254 395).
<b>Constitution</b>	means the constitution of the Company as at the date of the Meeting.
<b>Corporations Act</b>	means the <i>Corporations Act 2001</i> (Cth) as amended or modified from time to time.
<b>Director</b>	means a director of the Company.
<b>Directors' Report</b>	means the annual directors' report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.
<b>Equity Security</b>	has the same meaning as in the Listing Rules.
<b>Explanatory Memorandum</b>	means the explanatory memorandum which forms part of the Notice.
<b>Financial Report</b>	means the annual financial report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.
<b>Key Management Personnel</b>	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.

<b>Listing Rules</b>	means the listing rules of ASX.
<b>Meeting</b>	has the meaning given in the introductory paragraph of the Notice.
<b>Minimum Issue Price</b>	has the meaning given in Section 7.2(e).
<b>Notice</b>	means this notice of annual general meeting.
<b>Option</b>	means an option to acquire a Share.
<b>Plan</b>	has the meaning given in Section 8.1.
<b>Plan Securities</b>	has the meaning given in Section 9.1.
<b>Proxy Form</b>	means the proxy form attached to the Notice.
<b>Remuneration Report</b>	means the remuneration report of the Company contained in the Directors' Report.
<b>Resolution</b>	means a resolution referred to in the Notice.
<b>Schedule</b>	means a schedule to the Notice.
<b>Section</b>	means a section of the Explanatory Memorandum.
<b>Securities</b>	means any Equity Securities of the Company (including Shares, Options and Performance Rights).
<b>Shareholder</b>	means the holder of a Share.
<b>Strike</b>	means a 'no' vote of 25% or more on the resolution approving the Remuneration Report.
<b>VWAP</b>	means volume weighted average market price.
<b>WST</b>	means Western Standard Time, being the time in Perth, Western Australia.

## Schedule 2 Summary of Employee Securities Incentive Plan

A summary of the key terms of the Plan is set out below:

1. **(Eligible Participant): Eligible Participant means a person that:**
  - (a) is an "eligible participant" (as that term is defined in ASIC Class Order CO 14/1000) in relation to the Company or an Associated Body Corporate (as that term is defined in ASIC Class Order 14/1000); and
  - (b) has been determined by the Board to be eligible to participate in the Plan from time to time.
2. **(Purpose):** The purpose of the Plan is to:
  - (a) assist in the reward, retention and motivation of Eligible Participants;
  - (b) link the reward of Eligible Participants to Shareholder value creation; and
  - (c) align the interests of Eligible Participants with shareholders of the Group (being the Company and each of its Associated Bodies Corporate), by providing an opportunity to Eligible Participants to receive an equity interest in the Company in the form of Securities.
3. **(Plan administration):** The Plan will be administered by the Board. The Board may exercise any power or discretion conferred on it by the Plan rules in its sole and absolute discretion. The Board may delegate its powers and discretion.
4. **(Eligibility, invitation and application):** The Board may from time to time determine that an Eligible Participant may participate in the Plan and make an invitation to that Eligible Participant to apply for Securities on such terms and conditions as the Board decides. On receipt of an Invitation, an Eligible Participant may apply for the Securities the subject of the invitation by sending a completed application form to the Company. The Board may accept an application from an Eligible Participant in whole or in part. If an Eligible Participant is permitted in the invitation, the Eligible Participant may, by notice in writing to the Board, nominate a party in whose favour the Eligible Participant wishes to renounce the invitation.
5. **(Grant of Securities):** The Company will, to the extent that it has accepted a duly completed application, grant the Participant the relevant number of Securities, subject to the terms and conditions set out in the invitation, the Plan rules and any ancillary documentation required.
6. **(Terms of Convertible Securities):** Each 'Convertible Security' represents a right to acquire one or more Shares (for example, under an option or performance right), subject to the terms and conditions of the Plan. Prior to a Convertible Security being exercised a Participant does not have any interest (legal, equitable or otherwise) in any Share the subject of the Convertible Security by virtue of holding the Convertible Security. A Participant may not sell, assign, transfer, grant a security interest over or otherwise deal with a Convertible Security that has been granted to them. A Participant must not enter into any arrangement for the purpose of hedging their economic exposure to a Convertible Security that has been granted to them.
7. **(Vesting of Convertible Securities):** Any vesting conditions applicable to the grant of Convertible Securities will be described in the invitation. An invitation may specify that at the

time of exercise of the Convertible Securities, the Board will have the discretion to determine whether the Company with respect to each vested Convertible Security being exercised:

- (a) allot and issue, or transfer, one Plan Share to the Participant (**Equity Settled**); or
- (b) pay a cash amount to the Participant equivalent to the value of a Share as at the date of the Vesting Notice less the Exercise Price (if any) (**Cash Settled**).

If the invitation does not specify that the Board will have discretion as described above, the vested Convertible Securities being exercised are to be Equity Settled.

If all the vesting conditions are satisfied and/or otherwise waived by the Board, a vesting notice will be sent to the Participant by the Company informing them that the relevant Convertible Securities have vested. Unless and until the vesting notice is issued by the Company, the Convertible Securities will not be considered to have vested. For the avoidance of doubt, if the vesting conditions relevant to a Convertible Security are not satisfied and/or otherwise waived by the Board, that Convertible Security will lapse.

8. **(Exercise of Convertible Securities and cashless exercise):** To exercise a Convertible Security, the Participant must deliver a signed notice of exercise and, subject to a cashless exercise of Convertible Securities (see below), pay the exercise price (if any) to or as directed by the Company, at any time prior to the earlier of any date specified in the vesting notice and the expiry date as set out in the invitation. An invitation may specify that at the time of exercise of the Convertible Securities, the Participant may elect not to be required to provide payment of the exercise price for the number of Convertible Securities specified in a notice of exercise, but that on exercise of those Convertible Securities the Company will transfer or issue to the Participant that number of Shares equal in value to the positive difference between the Market Value of the Shares at the time of exercise and the exercise price that would otherwise be payable to exercise those Convertible Securities.

'Market Value' means, at any given date, the volume weighted average price per Share traded on the ASX over the 5 Trading Days immediately preceding that given date, unless otherwise specified in an invitation.

A Convertible Security may not be exercised unless and until that Convertible Security has vested in accordance with the Plan rules, or such earlier date as set out in the Plan rules.

9. **(Delivery of Shares on exercise of Convertible Securities):** As soon as practicable after the valid exercise of a Convertible Security by a Participant, the Company will issue or cause to be transferred to that Participant the number of Shares to which the Participant is entitled under the Plan rules and issue a substitute certificate for any remaining unexercised Convertible Securities held by that Participant.
10. **(Forfeiture of Convertible Securities):** Where a Participant who holds Convertible Securities ceases to be an Eligible Participant or becomes insolvent, all unvested Convertible Securities will automatically be forfeited by the Participant, unless the Board otherwise determines in its discretion to permit some or all of the Convertible Securities to vest. Where the Board determines that a Participant has acted fraudulently or dishonestly, or wilfully breached his or her duties to the Group, the Board may in its discretion deem all unvested Convertible Securities held by that Participant to have been forfeited.

Unless the Board otherwise determines, or as otherwise set out in the Plan rules:

- (a) any Convertible Securities which have not yet vested will be forfeited immediately on the date that the Board determines (acting reasonably and in good faith) that any applicable vesting conditions have not been met or cannot be met by the relevant date; and
  - (b) any Convertible Securities which have not yet vested will be automatically forfeited on the expiry date specified in the invitation.
11. **(Change of control):** If a change of control event occurs in relation to the Company, or the Board determines that such an event is likely to occur, the Board may in its discretion determine the manner in which any or all of the Participant's Convertible Securities will be dealt with, including, without limitation, in a manner that allows the Participant to participate in and/or benefit from any transaction arising from or in connection with the change of control event.
12. **(Rights attaching to Plan Shares):** All Shares issued under the Plan, or issued or transferred to a Participant upon the valid exercise of a Convertible Security, (**Plan Shares**) will rank pari passu in all respects with the Shares of the same class. A Participant will be entitled to any dividends declared and distributed by the Company on the Plan Shares and may participate in any dividend reinvestment plan operated by the Company in respect of Plan Shares. A Participant may exercise any voting rights attaching to Plan Shares.
13. **(Disposal restrictions on Plan Shares):** If the invitation provides that any Plan Shares are subject to any restrictions as to the disposal or other dealing by a Participant for a period, the Board may implement any procedure it deems appropriate to ensure the compliance by the Participant with this restriction.

For so long as a Plan Share is subject to any disposal restrictions under the Plan, the Participant will not:

- (a) transfer, encumber or otherwise dispose of, or have a security interest granted over that Plan Share; or
  - (b) take any action or permit another person to take any action to remove or circumvent the disposal restrictions without the express written consent of the Company.
14. **(Adjustment of Convertible Securities):** If there is a reorganisation of the issued share capital of the Company (including any subdivision, consolidation, reduction, return or cancellation of such issued capital of the Company), the rights of each Participant holding Convertible Securities will be changed to the extent necessary to comply with the Listing Rules applicable to a reorganisation of capital at the time of the reorganisation. If Shares are issued by the Company by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment), the holder of Convertible Securities is entitled, upon exercise of the Convertible Securities, to receive an allotment of as many additional Shares as would have been issued to the holder if the holder held Shares equal in number to the Shares in respect of which the Convertible Securities are exercised. Unless otherwise determined by the Board, a holder of Convertible Securities does not have the right to participate in a pro rata issue of Shares made by the Company or sell renounceable rights.
15. **(Participation in new issues):** There are no participation rights or entitlements inherent in the Convertible Securities and holders are not entitled to participate in any new issue of Shares of the Company during the currency of the Convertible Securities without exercising the Convertible Securities.

16. **(Amendment of Plan):** Subject to the following paragraph, the Board may at any time amend any provisions of the Plan rules, including (without limitation) the terms and conditions upon which any Securities have been granted under the Plan and determine that any amendments to the Plan rules be given retrospective effect, immediate effect or future effect. No amendment to any provision of the Plan rules may be made if the amendment materially reduces the rights of any Participant as they existed before.

## Schedule 3 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)**: The Options have an exercise price as set out below **(Exercise Price)** and vest on grant **(Vesting Date)**.

Class	Options	Exercise Price	Vesting On Grant
T1	1,250,000	\$0.095	1,250,000
T2	1,250,000	\$0.10	1,250,000
T3	1,250,000	\$0.105	1,250,000

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 cleansing notice, 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.

**All Correspondence to:**

- ✉ **By Mail** Boardroom Pty Limited  
GPO Box 3993  
Sydney NSW 2001 Australia
- 📠 **By Fax:** +61 2 9290 9655
- 💻 **Online:** www.boardroomlimited.com.au
- ☎ **By Phone:** (within Australia) 1300 737 760  
(outside Australia) +61 2 9290 9600

## YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before 3:00 pm (WST) on Tuesday 23 November 2021.**

### 🖥 TO VOTE ONLINE

- STEP 1: VISIT** <https://www.votingonline.com.au/varagm2021>
- STEP 2: Enter your Postcode OR Country of Residence (if outside Australia)**
- STEP 3: Enter your Voting Access Code (VAC):**

### 📱 BY SMARTPHONE



Scan QR Code using smartphone  
QR Reader App

### TO VOTE BY COMPLETING THE PROXY FORM

#### STEP 1 APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.

If you wish to appoint the Chair of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chair of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chair of the Meeting will be your proxy. A proxy need not be a securityholder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

#### Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by contacting the company's securities registry or you may copy this form.

To appoint a second proxy you must:

- complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- return both forms together in the same envelope.

#### STEP 2 VOTING DIRECTIONS TO YOUR PROXY

To direct your proxy how to vote, mark one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of securities are to be voted on any item by inserting the percentage or number that you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item for all your securities your vote on that item will be invalid.

#### Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

#### STEP 3 SIGN THE FORM

The form **must** be signed as follows:

**Individual:** This form is to be signed by the securityholder.

**Joint Holding:** where the holding is in more than one name, all the securityholders should sign.

**Power of Attorney:** to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form should be signed by that person. **Please indicate the office held by signing in the appropriate place.**

#### STEP 4 LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore by **before 3:00 pm (WST) on Tuesday 23 November 2021.** Any Proxy Form received after that time will not be valid for the scheduled meeting.

**Proxy forms may be lodged using the enclosed Reply Paid Envelope or:**

🖥 **Online** <https://www.votingonline.com.au/varagm2021>

📠 **By Fax** + 61 2 9290 9655

✉ **By Mail** Boardroom Pty Limited  
GPO Box 3993,  
Sydney NSW 2001 Australia

👤 **In Person** Boardroom Pty Limited  
Level 12, 225 George Street,  
Sydney NSW 2000 Australia

#### Attending the Meeting

If you wish to attend the meeting please bring this form with you to assist registration.

**PROXY FORM**

**STEP 1 APPOINT A PROXY**

I/We being a member/s of **Variscan Mines Limited** (Company) and entitled to attend and vote hereby appoint:

the **Chair of the Meeting** (mark box)

**OR** if you are **NOT** appointing the Chair of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered securityholder) you are appointing as your proxy below

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting as my/our proxy at the Annual General Meeting of the Company to be held at **Unit 8, 7 The Esplanade, Mount Pleasant, Western Australia on Thursday, 25 November, 2021 at 3:00 pm** (WST) and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

**Chair of the Meeting authorised to exercise undirected proxies on remuneration related matters:** If I/we have appointed the Chair of the Meeting as my/our proxy or the Chair of the Meeting becomes my/our proxy by default and I/we have not directed my/our proxy how to vote in respect of Resolutions 1,7,8,9 & 10 I/we expressly authorise the Chair of the Meeting to exercise my/our proxy in respect of these Resolutions (except where I/we have indicated a different voting intention below) even though Resolution 1 are connected directly or indirectly with the remuneration of a member of the key management personnel for the Company, which includes the Chair of the Meeting.

The Chair of the Meeting intends to vote all undirected proxies in favour of all Items of business (including Resolutions 1,7,8,9 & 10). If you wish to appoint the Chair of the Meeting as your proxy with a direction to vote against, or to abstain from voting on an item, you must provide a direction by marking the 'Against' or 'Abstain' box opposite that resolution.

**STEP 2 VOTING DIRECTIONS**  
 \* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your vote will not be counted in calculating the required majority if a poll is called.

		For	Against	Abstain*
Resolution 1	To Adopt the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	To re-elect Dr Foo Fatt Kah as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	To elect Mr Nicholas Farr-Jones OAM as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Approval of 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Approval of new Employee Securities Incentive Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Approval of potential termination benefits under the Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Grant of Incentive Options to Dr Foo Fatt Kah	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Grant of Incentive Options to Mr Stewart Dickson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9	Grant of Incentive Options to Mr Michael Moore	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 10	Grant of Incentive Options to Mr Nick Farr-Jones	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**STEP 3 SIGNATURE OF SECURITYHOLDERS**  
 This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1 <input style="width: 100%; height: 30px;" type="text"/> Sole Director and Sole Company Secretary	Securityholder 2 <input style="width: 100%; height: 30px;" type="text"/> Director	Securityholder 3 <input style="width: 100%; height: 30px;" type="text"/> Director / Company Secretary
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