

VYSARN LIMITED

ACN 124 212 175

SUPPLEMENTARY PROSPECTUS

IMPORTANT INFORMATION

This is a supplementary prospectus (**Supplementary Prospectus**) intended to be read with the prospectus dated 11 July 2019 (**Prospectus**) issued by Vysarn Limited (**Company**) in relation to offers of Securities in the Company.

This Supplementary Prospectus is dated 26 July 2019 and was lodged with ASIC on that date. ASIC and its officers take no responsibility for the contents of this Supplementary Prospectus.

Other than as set out below, all details in relation to the Prospectus remain unchanged. Terms and abbreviations defined in the Prospectus have the same meaning in this Supplementary Prospectus. If there is a conflict between the Prospectus and this Supplementary Prospectus, this Supplementary Prospectus will prevail. This Supplementary Prospectus will be issued with the Prospectus and will be available in electronic form on the Company's website at www.vysarn.com.au, with hardcopies available upon request by contacting the Company Secretary by telephone on +61 8 9486 7244.

The Exposure Period for the Offers has expired and the Public Offer is now open. Applications after the date of this Supplementary Prospectus must be made using the Application Form (**Application Form**) that accompanies this Supplementary Prospectus and the Prospectus. The Application Form contains detailed instructions on how it is to be completed. This is an important document and should be read in its entirety. If you do not understand it, you should consult your professional advisers without delay. An investment in the Securities offered by the Prospectus (as supplemented by this Supplementary Prospectus) should be considered speculative.

The primary purpose of this Supplementary Prospectus is to advise potential investors that the Company has executed a deed of assignment in relation to the Hancock Contract.

1. Execution of Deed of Assignment of Hancock Drilling Services Contract

The Company is pleased to advise that it has entered into a deed of assignment with Pentium, Hancock and Ausdrill under which Ausdrill's rights and obligations under its existing drilling services contract with Hancock will be assigned to the Company and Pentium with effect from completion of the Asset Sale Agreement for Ausdrill's hydrogeological drilling assets.

As noted in the Prospectus, the Company was in advanced discussions regarding the assignment of the Hancock Contract, and the Company is delighted that these discussions have successfully concluded with the execution of the deed of assignment. As detailed in the Prospectus, the assignment of the Hancock Contract satisfies one of the key remaining conditions precedent to drawdown of the Company's \$8.8M Debt Facility with Westpac, moving the Company one step closer towards completion of the Asset Sale Agreement and reinstatement to Official Quotation on ASX.

The deed of assignment provides for the Company and Pentium to be assigned all of Ausdrill's rights and interests in the Hancock Contract on and from completion of the Asset Sale Agreement.

The Hancock Contract provides for Ausdrill to conduct a hydrogeological drilling program for Hancock at Hancock's Mulga Downs tenements located in the Pilbara region in Western Australia. The Company will take over conduct of this program from completion of the Asset Sale Agreement. The contract term ends on 31 December 2019. The fees payable by Hancock for the conduct of the program is based on a schedule of rates, with amounts payable dependent on meters drilled, time

spent, and the quantity of consumables used. The contract provides that the total amount payable by Hancock will not exceed \$2,500,000 (ex GST), however the Company understands that this amount has already been exceeded and Hancock has continued to direct Ausdrill to conduct works under the contract.

The Hancock Contract also contains other standard clauses customary for a contract of this nature, including the Company providing various covenants in relation to the conduct of the program (including in relation to occupational, health and safety requirements), maintaining adequate insurances, indemnifying Hancock for any loss arising in connection with its conduct of the program (unless caused by the negligence of Hancock or its personnel) and termination by either party providing 30 business days notice.

As part of the assignment, the Company has separately agreed with Ausdrill to release and indemnify Ausdrill for any loss in relation to the Hancock Contract resulting from conduct post assignment of the Hancock Contract.

2. Application for Shares

The Exposure Period for the Offers has expired and the Public Offer is now open. Applications for Shares under the Public Offer should be made using the Application Form provided with the Prospectus (as supplemented by this Supplementary Prospectus). The Application Form contains detailed instructions on how it is to be completed.

3. Consent

Each of the Directors has given his written consent to the lodgement of this Supplementary Prospectus with ASIC and has not withdrawn his consent.

4. General

This Supplementary Prospectus has been authorised by a resolution of the Directors.

This Supplementary Prospectus is signed for and on behalf of the Company by:



Mr Faldi Ismail
Director

Dated: 26 July 2019