



## Notice Letter despatched to Shareholders

Variscan Mines Limited (“Variscan” or “Company”) advises that the attached letter was sent to shareholders today 26 April 2018, in accordance with the notice requirements for the recently announced renounceable entitlement issue to raise \$2.25 million. (Rights Issue)

The Rights Issue is being made to Eligible Shareholders on the basis of five (5) New Shares for every six (6) shares held by Eligible Shareholders registered at 5pm (Sydney) Monday, 30 April 2018 (the “Record Date”). Each New Share has an offer price of 0.4c. Eligible Shareholders are also offered one (1) free attaching New Option for every one (1) New Share subscribed for and issued under the Offer.

The Offer has been fully underwritten.

The Company notes a typographical error in section 2.1 of the Prospectus released to the market and confirms that the New Options are exercisable by payment of 0.8 cents on or before 31 May 2021.

As a reminder the following table sets out the key dates for the Rights Issue

Event	Date
Lodgement of Prospectus with ASIC and lodgement of Appendix 3B, Notice to Optionholders	24 April 2018
Notice to security holders	26 April 2018
Shares quoted on an ex basis - Entitlement commence trading	27 April 2018
Record Date for determining Entitlements	30 April 2018
Opening date and despatch of Prospectus to Shareholders	3 May 2018
Entitlement trading ends	16 May 2018
New securities quoted on a deferred settlement basis	17 May 2018
Closing Date of Entitlement Offer – 5.00pm AEST	23 May 2018
Notify ASX of under subscriptions (if any)	25 May 2018
Despatch date	29 May 2018

### For further information:

Variscan Mines Limited

P: +61 2 9906 5220

E: [info@variscan.com.au](mailto:info@variscan.com.au)



26 April 2018

Dear Shareholder,

## **RENOUNCEABLE ENTITLEMENT OFFER**

On 24 April 2018, Variscan Mines Limited (ACN 006 391 948) (Company) announced that the Company would be conducting a renounceable entitlement offer of up to approximately 563,384,943 fully paid ordinary shares in the capital of the Company (Shares) on the basis of five (5) Shares for every six (6) Shares held at 5.00pm (EST) on 30 April 2018 (Record Date).

The issue will have a free attaching Option and will raise up to a maximum of \$2,253,540 (before issue costs) (Entitlement Offer).

Proceeds of the Offer will contribute towards further identifying and acquiring advanced projects and initiating work programmes to advance projects in Europe and South America. Specifically, proceeds of the Offer will be used to:

- Advance the exploration and evaluation of the highly-prospective Rosario copper project in Chile which will include early reconnaissance drilling;
- Maintain its evaluation and exploration work over its other licences in Europe;
- Accelerate project generation activities; and
- General working capital purposes.

### **Rights Issue Details**

Variscan shareholders are being offered the opportunity to acquire new ordinary shares in the capital of the Company via a renounceable pro rata entitlement issue.

The Rights Issue is being made to Eligible Shareholders on the basis of five (5) New Shares for every six (6) shares held by Eligible Shareholders on the Record Date. Each New Share has an offer price of 0.4c. Eligible Shareholders are also offered one (1) free attaching New Option for every one (1) New Share subscribed for and issued under the Offer.

The Offer has been fully underwritten.

The New Options are exercisable at 0.8c and have an expiry date of 31 May 2018. The Company will make application to ASX for quotation of the New Options.

Eligible Shareholders will also be given the opportunity to apply for additional new shares in excess of their entitlement. Further details of the Offer including how to apply for entitlement and additional shares will be set out in a prospectus to be dated 24 April 2018 (“Prospectus”) which will be lodged shortly with the ASIC and ASX and which will be made available to all Eligible Shareholders in accordance with the indicative timetable set out below.

Patersons Securities Limited has been appointed as Lead Manager and Underwriter to the Rights Issue.

Assuming all entitlements are accepted, or if all shortfall shares are placed, following completion of both the Offer, the Company will have issued approximately 563.3 million New Shares, resulting in a total of approximately 1,239.4 million fully paid ordinary shares on issue.

The Company only has one register on which Entitlements will be calculated.

The Company reserves the right to reduce the number of Shares and Options allocated to Eligible Shareholders, or persons claiming to be Eligible Shareholders, if their claims prove to be overstated or they fail to provide information to substantiate their claims.

The Shares will rank equally with the existing ordinary shares from the date of issue. Shares issued on the exercise of Options will rank equally with existing ordinary shares from the date of issue.

The current number of Shares on issue in the Company is 676,061,932. Under the Entitlement Offer, up to approximately 563,384,943 Shares will be issued. The number of Shares on issue at the completion of the Entitlement Offer will be up to approximately 1,239,446,875.

There are currently 32,450,000 Options on issue in the Company. Under the Entitlement Offer, up to approximately 563,384,943 Options will be issued. The number of Options on issue at the completion of the Entitlement Offer will be up to approximately 625,834,943 (of which 30,000,000 Options, which do not form part of the Entitlement Offer will be issued in consultation with the Underwriter.

## **Eligible Shareholders**

The eligible shareholders to whom the Offer is being made are those shareholders who are:

- (a) registered as a holder of Variscan’s Shares as at the Record Date;
- (b) have a registered address in Australia, New Zealand or Singapore;
- (c) not in the United States, are not a “U.S. person”, as defined in Regulation S under the U.S. Securities Act of 1933 (“U.S. Person”), and are not acting for the account or benefit of any person in the United States or any “US Person”; and
- (d) eligible under all applicable securities laws to receive an offer under the Entitlement Offer.

Shareholders with registered addresses outside Australia, New Zealand and Singapore are considered Ineligible Shareholders and cannot participate in the Offer.

The Company has determined that it is not practicable for Ineligible Shareholders to participate in the Offer having regard to the number of Ineligible Foreign Shareholders, the number and value of New Shares they would be offered and the costs of complying with the regulatory requirements of those jurisdictions.

## Indicative timetable

The indicative timetable for the Entitlement Offer is as follows:

Event	Date
Lodgement of Prospectus with ASIC and lodgement of Appendix 3B, Notice to Optionholders	24 April 2018
Notice to security holders	26 April 2018
Shares quoted on an ex basis - Entitlement commence trading	27 April 2018
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Notify ASX of under subscriptions (if any)	25 May 2018
Despatch date	29 May 2018

*The above timetable is indicative only and subject to change. The Company reserves the right to amend any or all of these events, dates and times subject to the Corporations Act 2001 (Cth), the ASX Listing Rules and other applicable laws.*

## Brief instructions for Eligible Shareholders

If you are an Eligible Shareholder, you may do the following:

- take up all of your entitlement and apply for additional shares
- sell all of your entitlement
- take up part of your entitlement and sell the difference
- transfer your entitlement to another person

Steps to be taken if you wish to sell your entitlement in whole or in part are set out in the Prospectus.

If you wish to take up all or part of your entitlement, complete the entitlement and acceptance form accompanying the Prospectus (Entitlement and Acceptance Form) in accordance with the instructions set out in the form. Forward your completed Entitlement and Acceptance Form, together with payment for the amount shown on the form or for such lesser amount as you wish to apply for, so as to reach the Company's share registry no later than 5.00 pm (WST) on 30 May 2017 (Closing Date). Cheques should be made payable to "Variscan Mines Limited" and crossed "Not Negotiable". **BPAY®**

**payments do not require completion of the Entitlement and Acceptance Form and are to be made using the BPAY® code and personalised reference number indicated on your Entitlement and Acceptance Form.** Funds must be received before 5:00pm (WST) on the Closing Date.

If you do not wish to accept part or all of your entitlement, you are not obliged to do anything.

### **More information**

Before making a decision whether to apply for Shares, please read the Prospectus carefully in its entirety when you receive it. The Entitlement Offer is scheduled to close at 5:00pm (EST) on 23 May 2018.

This letter is not a prospectus and does not constitute an offer of securities. An offer of Shares and Options under the Entitlement Offer will only be made in, or accompanied by, a copy of the Prospectus sent to all Eligible Shareholders.

The Prospectus is available on the Company's website at [www.variscan.com.au](http://www.variscan.com.au) or on the ASX website (company announcements section, ASX code: VAR) at [www.asx.com.au](http://www.asx.com.au). A Prospectus will be sent to all shareholders in Australia, New Zealand and Singapore on the Despatch Date.

The Directors of the Company recommend that if you are in doubt as to the value of the Entitlement Offer then you should contact your financial adviser.

Shareholders who have questions relating to the Rights Issue should call the Company Secretary on +61 8 9316 9100 between 9:00am and 5:00pm (Perth time) on business days during the offer period for the Rights Issue.

For enquiries in relation to Variscan Mines corporate matters, please contact the Company by email at: [info@variscan.com.au](mailto:info@variscan.com.au)

Yours faithfully



Mark Pitts  
Company Secretary