



6 October 2020

ASX Limited
Level 40 Central Park
152-158 St Georges Terrace
PERTH WA 6000

Attention: Belinda Giles

belinda.giles@asx.com.au

Dear Belinda,

ASX Query Letter

Further to your correspondence dated 2 October 2020 ("Variscan Mines Limited ('VAR'): General – Aware Query"), the Company's response is as follows:

1. The Company does not consider that the Information would be information that a reasonable person would expect to have a material effect on the price or value of its securities.
2. The Company refers to announcements made to the ASX Market Announcements Platform (the "Platform") dated 3 February 2020, 3 March 2020, 16 March 2020, 1 April 2020 and 26 August 2020, which each document the ongoing analysis of the historical drilling results. The Company has been compiling and analysing the historical data over the course of approximately nine months, and has provided regular market updates on its progress through the announcements referred to above. The announcement made to the Market Announcements Platform on 25 September was the sixth such announcement, and the results of historical drill data analysis are not considered, by themselves, to be of a nature which would be information that a reasonable person would expect to have a material effect on the price or value of its securities.
The announcement contained all the historic drilling data being collated onto a single map. This was considered by the Company as the primary purpose of the announcement, as it demonstrated, visually, the trend which has been identified through the culmination of the six announcements. The Company was pleased to provide this summation of previously released information in what is a historic mining area but does not consider this to be information that a reasonable person would expect to have a material effect on the price or value of its securities.
3. The Company has been compiling the most recent information for a number of weeks which is a laborious process involving the translation and interpretation of handwritten data, its digitisation and finally a review by an independent, UK-based Competent Person (Mr. Ché Osmond, Wardell Armstrong International). This announcement was finalised and circulated on 24 September 2020.
- 4.1 Not applicable
- 4.2 The Company was completing final verification and compilation procedures on this data in the two days leading to 24 September 2020. This process was finalised after the close of business, and the closure of the ASX Market Announcements Platform, on 24 September 2020. The announcement was uploaded to the Platform in the evening of 24 September 2020 and was subsequently released to the market upon

Variscan Mines Limited P: +61 8 9316 9100 E: info@variscan.com.au

Suite 8, 7 The Esplanade, Mt Pleasant, Western Australia, 6153

ASX Code: VAR **Web -** www.variscan.com.au

the reopening of the Platform on 25 September 2020. The Company believes it took all necessary and reasonable steps to ensure that the information was released promptly and without delay.

5. The Company confirms it is in compliance with the Listing Rules, in particular Listing Rule 3.1.
6. The Company confirms that the above response to the ASX queries have been approved in accordance with its published continuous disclosure policy.

Should you require any further clarification please do not hesitate to contact the undersigned.

Yours sincerely



Mark Pitts
Company Secretary

This response to an ASX query has been approved for issue by the Board of Variscan Mines Limited



2 October 2020

Reference: 25099

Mr Mark Pitts
Company Secretary
Variscan Mines Limited

By email

Dear Mr Pitts

Variscan Mines Limited ('VAR'): General – Aware Query

ASX refers to the following:

- A. ASX's Price and Volume Query letter sent to VAR on 18 September 2020, which asked whether VAR was aware of any information concerning it that had not been announced to the market and which, if known by some in the market, could explain the trading in its securities on that day.
- B. VAR's response to ASX's Price and Volume Query letter released on the ASX Market Announcements Platform ('MAP') on 18 September 2020, which disclosed that:

"The company is not aware of any information which, if it were known, would be an explanation for recent trading in its securities".

- C. VAR's announcement entitled "Major Step Change with 9km Strike Extension Identified" lodged on MAP and released on 25 September 2020, disclosing exploration results arising from VAR's analysis of contemporary and historical exploration data across its Buenahora and Novales-Udias projects ('Information').
- D. Listing Rule 3.1, which requires a listed entity to immediately give ASX any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities.
- E. The definition of "aware" in Chapter 19 of the Listing Rules, which states that:

"an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity" and section 4.4 in Guidance Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B "When does an entity become aware of information."

- F. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure, provided that each of the following are satisfied.

"3.1A Listing rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information:

3.1A.1 One or more of the following applies:

- *It would be a breach of a law to disclose the information;*
- *The information concerns an incomplete proposal or negotiation;*
- *The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
- *The information is generated for the internal management purposes of the entity; or*

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- *The information is a trade secret; and*
- 3.1A.2 *The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and*
- 3.1A.3 *A reasonable person would not expect the information to be disclosed.”*
- G. ASX’s policy position on the concept of “confidentiality”, which is detailed in section 5.8 of Guidance Note 8 *Continuous Disclosure*: Listing Rules 3.1 – 3.1B. In particular, the Guidance Note states that:

“Whether information has the quality of being confidential is a question of fact, not one of the intention or desire of the listed entity. Accordingly, even though an entity may consider information to be confidential and its disclosure to be a breach of confidence, if it is in fact disclosed by those who know it, then it ceases to be confidential information for the purposes of this rule.”

Request for information

Having regard to the above, ASX asks VAR to respond separately to each of the following questions and requests for information:

1. Does VAR consider the Information to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
2. If the answer to question 1 is “no”, please advise the basis for that view.
3. When did VAR first become aware of the Information?
4. If the answer to question 1 is “yes” and VAR first became aware of the Information before 25 September 2020, did VAR make any announcement prior to the relevant date which disclosed the information?
 - 4.1 If so, please provide details.
 - 4.2 If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe VAR was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps VAR took to ensure that the information was released promptly and without delay.
5. Please confirm that VAR is complying with the Listing Rules and, in particular, Listing Rule 3.1.
6. Please confirm that VAR’s responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of VAR with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **10:00 AM AWST Wednesday, 7 October 2020**. You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, VAR’s obligation is to disclose the information ‘immediately’. This may require the information to be disclosed before the deadline set out in the previous paragraph and may require VAR to request a trading halt immediately.

Your response should be sent to me by e-mail at **ListingsCompliancePerth@asx.com.au**. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in VAR's securities under Listing Rule 17.1. If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

Suspension

If you are unable to respond to this letter by the time specified above, ASX will likely suspend trading in VAR's securities under Listing Rule 17.3.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to VAR's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. It should be noted that VAR's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Release of correspondence between ASX and entity

We reserve the right to release a copy of this letter, your reply and any other related correspondence between us to the market under listing rule 18.7A.

Questions

If you have any questions in relation to the above, please do not hesitate to contact me.

Yours faithfully

Belinda Giles
Adviser, Listings Compliance (Perth)