



# VARISCAN MINES LIMITED

ACN 003 254 395

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## NOTICE OF ANNUAL GENERAL MEETING

### EXPLANATORY MEMORANDUM

### PROXY FORM

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**Date of Meeting**

Monday 5 November 2018

**Time of Meeting**

11.00 am (Sydney time)

**Place of Meeting**

HLB Mann Judd, Level 19, 207 Kent St, Sydney NSW 2000

This Notice of Meeting and Explanatory Memorandum should be read in their entirety. If you do not understand these documents or are in any doubt as to how to deal with them, you should consult your stockbroker, solicitor, accountant or other professional adviser immediately.



## NOTICE OF ANNUAL GENERAL MEETING

### VARISCAN MINES LIMITED

ACN 003 254 395

NOTICE IS HEREBY GIVEN that the 2018 Annual General Meeting (AGM) of the members of Variscan Mines (the "Company") will be held at HLB Mann Judd, Level 19, 207 Kent St, Sydney NSW on Monday 5 November 2018 commencing at 11.00 am (Sydney time).

The business to be considered at the meeting is set out below. This Notice of Meeting should be read in conjunction with the accompanying Explanatory Memorandum, which contains information in relation to each of the Resolutions. A Proxy Form also accompanies this Notice of Meeting.

### ORDINARY BUSINESS

#### 2018 Financial Statements

To receive the Reports of the Directors and Auditors, and the Financial Report for the year ended 30 June 2018

#### Resolution 1 - Remuneration Report

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

*"That the Remuneration Report of the Company for the year ended 30 June 2018 be adopted."*

#### Resolution 2 – Re-Election of Dr Foo Fatt Kah as a Director

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

*"That Dr Foo Fatt Kah, having retired as a director of the Company pursuant to clause 12.3(a) of the Company's Constitution and, being eligible, and having offered himself for re-election, be re-elected as a director of the Company."*

#### Resolution 3 – Re-Election of Mr Mark Pitts as a Director

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

*"That Mr Mark Pitts, having retired as a director of the Company pursuant to clause 12.7(b) of the Company's Constitution and, being eligible, and having offered himself for re-election, be re-elected as a director of the Company."*

#### Resolution 4 – Issue of ordinary Shares to Patrick Elliott in lieu of cash compensation

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

*"That for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the issue of 6,250,000 ordinary Shares to Chairman, Patrick Elliott (or his nominee) on the terms and conditions described in the Explanatory Memorandum which is attached to and forms part of this Notice."*

#### Resolution 5 – Issue of ordinary Shares to Stewart Dickson in lieu of cash compensation

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:



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*“That for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the issue of 8,218,043 ordinary Shares to Chief Executive Officer, Stewart Dickson (or his nominee) on the terms and conditions described in the Explanatory Memorandum which is attached to and forms part of this Notice.”*

### **Resolution 6 – Issue of ordinary Shares to Gregory Jones in lieu of cash compensation**

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

*“That for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the issue of 4,158,667 ordinary Shares to Executive Director, Gregory Jones (or his nominee) on the terms and conditions described in the Explanatory Memorandum which is attached to and forms part of this Notice.”*

### **Resolution 7 – Issue of ordinary Shares to Dr Foo Fatt Kah in lieu of cash compensation**

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

*“That for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the issue of 4,500,000 ordinary Shares to Non-Executive Director, Dr Foo Fatt Kah (or his nominee) on the terms and conditions described in the Explanatory Memorandum which is attached to and forms part of this Notice.”*

### **Resolution 8 – Issue of ordinary Shares to Kwan Chee Seng in lieu of cash compensation**

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

*“That for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the issue of 4,500,000 ordinary Shares to Non-Executive Director, Kwan Chee Seng (or his nominee) on the terms and conditions described in the Explanatory Memorandum which is attached to and forms part of this Notice.”*

### **Resolution 9 – Issue of ordinary Shares to Michael Moore in lieu of cash compensation**

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*“That for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the issue of 4,000,000 ordinary Shares to Non-Executive Director, Michael Moore (or his nominee) on the terms and conditions described in the Explanatory Memorandum which is attached to and forms part of this Notice.”*

### **Resolution 10 – Issue of Equity Securities up to an additional 10% of the Company’s Issued Capital**

To consider, and if thought fit, to pass the following as a special resolution:

*“That, for the purposes of ASX Listing Rule 7.1A and for all other purposes, approval is given for the issue of Equity Securities up to an additional 10% of the issued capital of the Company (at the time of issue), calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Memorandum which is attached to and forms part of this Notice.”*



## NOTICE OF ANNUAL GENERAL MEETING

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### Resolution 11 – Spill Resolution

**Important Note: Please note that the following resolution is a contingent resolution, and will only be put to the meeting if more than 25% of votes validly cast on Resolution 1 in this Notice of Meeting are cast AGAINST that Resolution. A vote for this Resolution 12 is a vote for a spill meeting.**

To consider and if thought fit pass the following Resolution as an ordinary resolution:

*That:*

- (a) a meeting of shareholders of Varsican Mines Limited be held within 90 days of this Annual General Meeting (“Spill Meeting”); and*
- (b) all of the Company’s Directors (other than the Managing Director) who were Directors of the Company when the resolution to adopt the remuneration report as contained in the Varsican Mines Limited Annual Financial Report for the period ended 30 June 2018 was passed, cease to hold office immediately before the end of the Spill Meeting; and*
- (c) resolutions to appoint persons to the offices that will be vacated immediately before the end of the Spill Meeting be put to the vote at the Spill Meeting.*

**BY ORDER OF THE BOARD**

**Mark Pitts**  
Company Secretary

Dated 3 October 2018



## NOTICE OF ANNUAL GENERAL MEETING

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### IMPORTANT INFORMATION

The Explanatory Memorandum accompanying this Notice of Annual General Meeting is incorporated in and comprises part of this Notice of Annual General Meeting, and should be read in conjunction with this Notice of Annual General Meeting.

Shareholders are specifically referred to the Glossary in the Explanatory Memorandum which contains definitions of capitalised terms used both in this Notice of Annual General Meeting and the Explanatory Memorandum.

### Voting Exclusions

#### Resolution 1

A vote on Resolution 1 must not be cast (in any capacity) by or on behalf of any of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person described above may cast a vote on Resolution 1 if:

- (c) the person does so as a proxy appointed by writing that specifies how the proxy is to vote on the proposed Resolution; and
- (d) the vote is not cast on behalf of a person described in paragraphs (a) or (b) above.

If a shareholder wishes to nominate the Chairman as their proxy for the purpose of Resolution 1 the shareholder can direct the Chairman to vote by marking one of the boxes for Resolution 1 on the Proxy Form. If a shareholder appoints the Chairman as proxy or the Chairman of the meeting is appointed as proxy by default but the shareholder does not mark a voting box for Resolution 1, the shareholder will be taken to have expressly authorised the Chairman of the meeting to exercise the proxy in respect of Resolution 1 even though the item is connected with the remuneration of Key Management Personnel.

The Chairman intends to vote all available proxies in favour of Resolution 1.

#### Resolutions 4 to 9

The Company will disregard any votes in favour of Resolutions 4 to 9 if they are cast by or on behalf of a person who is named in the relevant resolution or an associate of that named person as set out below:

- Resolution 4 – Patrick Elliott (or his nominee)
- Resolution 5 – Stewart Dickson (or his nominee)
- Resolution 6 – Gregory Jones (or his nominee)
- Resolution 7 – Dr Foo Fatt Kah (or his nominee)
- Resolution 8 – Kwan Chee Seng (or his nominee)
- Resolution 9 – Michael Moore (or his nominee)

The Company will disregard any votes in respect of Resolutions 4 to 9 if they are cast as proxy by a member of Key Management Personnel or their Closely Related Parties if no direction is given on the proxy form as to how to vote on Resolutions 4 to 9.

However, the Company need not disregard any vote by any such persons on Resolutions 4 to 9 if:

- (a) It is cast by any of them as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or
- (b) It is cast by the person who is chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides



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If a shareholder wishes to nominate the Chairman as their proxy for the purpose of Resolutions 4 to 9 the shareholder can direct the Chairman to vote by marking one of the boxes for each of Resolutions 4 to 9 on the Proxy Form. If a shareholder appoints the Chairman as proxy or the Chairman of the meeting is appointed as proxy by default but the shareholder does not mark a voting box for any of Resolutions 4 to 9, the shareholder will be taken to have expressly authorised the Chairman of the meeting to exercise the proxy in respect of Resolution 4 to 9 even though the items are connected with the remuneration of Key Management Personnel. The Chairman intends to vote all available proxies in favour of Resolutions 4 to 9.

Alternatively, shareholders can nominate as their proxy for the purpose of Resolutions 4 to 9 a proxy who is not a member of the Company's Key Management Personnel or their Closely Related Parties. That person would be permitted to vote undirected proxies.

### **Resolution 10**

The Company will disregard any votes cast in favour of Resolution 10 by or on behalf of:

- (a) A person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue of Equity Securities (except a benefit solely by reason of being a holder of ordinary securities in the Company); or
- (b) Any associate of those persons.

However, the Company need not disregard any vote by any such persons on Resolution 10 if:

- (c) It is cast by any of them as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or
- (d) It is cast by the person who is chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides

### **Resolution 11**

The Company will disregard any votes cast (in any capacity) on Resolution 11 by or on behalf of a Restricted Voter. However, the Company need not disregard a vote on Resolution 11 if:

- (a) it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the proposed Resolution; and
- (b) it is not cast on behalf of a Restricted Voter.

Further, a Restricted Voter who is appointed as a proxy will not vote on Resolution 11 unless:

- (c) the vote is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the proposed Resolution; or
- (d) the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

Shareholders should note that the Chair intends to vote any undirected proxies against Resolution 11. Shareholders may also choose to direct the Chair to vote for Resolution 11 or to abstain from voting.

### **Proxies**

- (a) Votes at the Annual General Meeting may be given personally or by proxy, attorney or representative;
- (b) Each shareholder has a right to appoint one or two proxies;
- (c) A proxy need not be a shareholder of the Company;
- (d) If a shareholder is a company it must execute under its common seal or otherwise in accordance with its constitution;



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- (e) Where a shareholder is entitled to cast two or more votes, the Shareholder may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise;
- (f) If a shareholder appoints two proxies, and the appointment does not specify the proportion or number of the Shareholder's votes, each proxy may exercise half of the votes. If a shareholder appoints two proxies, neither proxy may vote on a show of hands;
- (g) A proxy must be signed by the Shareholder or his or her power of attorney who has not received any notice of revocation of the authority. Proxies given by corporations must be signed in accordance with the Company's Constitution and the Corporations Act.
- (h) To be effective, proxy forms must be received by the Company's share registry (Boardroom Pty Limited) no later than 48 hours before the commencement of the Annual General Meeting, that is no later than 11.00am Sydney time on 3 November 2018. Any proxy form received after that time will not be valid for the scheduled meeting.

### **Hand Delivery**

Boardroom Pty Limited  
Level 12,  
225 George St  
SYDNEY NSW 2000

### **By Mail**

Boardroom Pty Limited  
GPO Box 3993  
SYDNEY NSW 2001

### **By Facsimile**

(02) 9290 9655

### **Record date**

The Company has determined, in accordance with regulation 7.11.37 of the Corporations Regulations 2001 (Cth), that the holders of shares of the Company recorded in the Company's register as at 7pm (Sydney time) on 3 November 2018 shall, for the purposes of determining voting entitlements at the Annual General Meeting, be taken to be held by the persons registered as holding the shares at that time.

### **Corporate Representative**

Any corporate Shareholder who has appointed a person to act as its corporate representative at the Meeting should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company's representative. The authority may be sent to the Company and/or registry in advance of the Meeting or handed in at the Meeting when registering as a corporate representative.



## EXPLANATORY MEMORANDUM

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This Explanatory Memorandum sets out information in connection with the business to be considered at the 2018 Variscan Mines Limited Annual General Meeting.

The Directors recommend Shareholders read this Explanatory Memorandum in full before making any decision in relation to the Resolutions. Terms used in this Explanatory Memorandum will, unless the context otherwise requires, have the meaning given to them in the Glossary to this Explanatory Memorandum.

The following information should be noted in respect of the various matters contained in the accompanying Notice of Meeting.

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### Financial Report

This item of business relates to the receipt and adoption of the Company's Financial Report for the year ended 30 June 2018. The 2018 Annual Report can be accessed on the Company's website at [www.variscan.com.au](http://www.variscan.com.au).

No Resolution is required to be moved in respect of this item. The Company's auditor will be in attendance to take questions about the conduct of the audit, the preparation and content of the auditor's report, the accounting policies adopted by the Company and the independence of the auditor in relation to the conduct of the audit.

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### Resolution 1

#### Adoption of Remuneration Report

The Remuneration Report is a section of the Directors Report contained in the 2018 Annual Report. It is a requirement of the Corporations Act that the Report be provided to shareholders and voted upon by a vote which is advisory only and does not bind the Directors or the Company. However, if 25% or more of the votes that are cast are voted against the adoption of the Remuneration Report at two consecutive AGM's, shareholders will be required to vote at the second of those AGM's on a resolution that another meeting be held within 90 days at which all of the Company's Directors who are subject to a re-election requirement must go up for re-election. At the 2017 AGM, over 25% of votes were cast against the approval of the Remuneration Report.

The Remuneration Report:

- explains the Board's policies relating to remuneration of directors, secretaries and executives of the Company;
- discusses the relationship between such policies and the Company's performance;
- provides details of any performance conditions attached to such remuneration; and
- sets out remuneration details for each director and certain named executives.

A number of changes were made to the Company's executive and Board remuneration over the past year.

**The total remuneration for Directors and Key Management Personnel for the year ended 30 June 2018 fell 21% year-on-year of which short-term benefits paid in cash reduced by 43% year-on-year**

For a period of 8 months during the reporting period, the Directors of the Company elected not to receive cash payments for Directors fees and remuneration. Pursuant to Resolutions 4 - 9 as set out in the Notice of AGM, shareholder approval is sought for the payment of certain unpaid fees and remuneration by the issue of Shares to the Directors as set out below. The equity based payments, if approved, result in approximately \$150,000 cash saving.

The Executive Officers of Variscan have continued to elect to receive 20% of their fees in Shares (subject to shareholder approval).

We will continue to engage with our shareholders to ensure that our remuneration policies, corporate governance and organization structures are appropriate for the size and scale of our operations."

If you choose to appoint a proxy you are encouraged to direct your proxy how to vote on Resolution 1 by either marking **For, Against or Abstain** on the voting form.

**Please note if you appoint the Chair of the Meeting as your proxy, the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. The Chairman of the meeting intends to vote undirected proxies that are able to be voted, in favour of the adoption of the Remuneration Report.**



## EXPLANATORY MEMORANDUM

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### Resolution 2

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

Pursuant to clause 12.3 of the Company's Constitution, at each annual general meeting of the Company 1/3 of all the directors must retire from office and are eligible for re-election.

The Company provides the following information concerning Dr Foo:

#### Biographical details

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 (the Asian Investment Banking business for Societe Generale) 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 (M.B.A.) from the Queen's University, United Kingdom, with further continuing education qualifications from Insead 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.

#### Details of relationships between the Candidate and the Company

Dr Foo is a non-executive Director of the Company

#### Details of relationships between the Candidate and Directors of the Company

Not applicable

#### Other directorships held

Lead Independent Director of PEC Ltd.

#### The term of office already served by Dr Foo

Dr Foo joined the Board on 7 October 2009.

The Directors (other than Dr Foo) do not have an interest in the outcome of Resolution 2 and recommend that shareholders vote in favour of Resolution 2.

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### Resolution 3

#### Re-election of Director – Mr Mark Pitts

Pursuant to clause 12.7 of the Company's Constitution, a Director appointed by the Company as an addition to the Board must retire and stand for re-election at the next annual general meeting of the Company.

The Company provides the following information concerning Mr Pitts:

#### Biographical details

Mark was appointed as Company Secretary in March 2018 and joined the Board in September 2018 as a Non-Executive Director. Mark holds a Bachelor degree in Business (Curtin University) and is a Fellow of the Institute of Chartered Accountants with more than 25 years' experience in statutory reporting and business administration. He has been directly involved with, and consulted to a number of public companies holding senior financial management positions.

Mark is a Partner in Corporate Advisory firm Endeavour Corporate. Endeavour Corporate provides company secretarial support; corporate, governance and compliance advice to a number of ASX listed public companies.

#### Details of relationships between the Candidate and the Company

Mr Pitts is the Company Secretary and a non-executive Director of the Company

#### Details of relationships between the Candidate and Directors of the Company

Not applicable

#### Other directorships held

Non-executive director of Mareterram Limited.

#### The term of office already served by Mr Pitts



## EXPLANATORY MEMORANDUM

Mr Pitts joined the Board on 30 September 2018.

The Directors (other than Mr Pitts) do not have an interest in the outcome of Resolution 3 and recommend that shareholders vote in favour of Resolution 3.

### **Resolutions 4 to 9 – Issue of ordinary Shares to Directors and former Directors in lieu of fees**

In accordance with Resolutions 4 to 9 shareholder approval is sought for the payment of certain unpaid fees and remuneration by the issue of Shares to the Directors and former Directors as set out below. The Company proposes to issue a total of 31,626,709 ordinary Shares.

		<b>Shares</b>
Patrick Elliott	Former Director	6,250,000
Stewart Dickson	Chief Executive Officer	**8,218,043
Gregory Jones	Former Director	**4,158,667
Dr Foo Fatt Kah	Chairman	4,500,000
Kwan Chee Seng	Former Director	4,500,000
Michael Moore	Non-Executive Director	4,000,000

The Directors are related parties of the Company. Under Chapter 2E of the Corporations Act a public company cannot give a financial benefit to a related party unless an exception applies or shareholders have, in a general meeting, approved the giving of that financial benefit to the related party.

It is the view of the Board that the issues of Shares constitute reasonable remuneration and do not require shareholder approval under Chapter 2E of the Corporations Act as the exemption in section 211(1) of the Corporations Act applies to the proposed issue of Shares as they represent a proportion of the cash compensation for which each of the Directors has agreed to be settled by the issue of the above Shares.

Accordingly, the Company is not seeking shareholder approval under Chapter 2E of the Corporations Act for the issue of Shares to the Directors and former Directors.

Shareholder approval for the issue of Shares is being sought for the purposes of ASX Listing Rule 10.11. If shareholder approval is given under ASX Listing Rule 10.11, shareholder approval is not required under ASX Listing Rule 7.1.

\*\*The Executive Officers of Variscan have continued to elect to receive 20% of their fees in Shares (subject to shareholder approval).

If Resolutions 4 to 9 are passed, it will permit the Company to issue the Shares to Messrs Elliott, Dickson, Jones, Foo, Kwan and Moore who are Director and former Directors, and therefore related parties of the Company.

### **Information required by the ASX Listing Rules for Resolutions 4 to 9**

Listing Rule 10.11 requires shareholder approval for an issue of equity securities to a related party. Approval is therefore being sought for the proposed issue of Shares to Directors.

Listing Rule 10.13 requires this Notice of Meeting to include the following specified information in relation to the Shares proposed to be issued to Directors:

#### *Names of the persons*

Patrick Elliott, Stewart Dickson, Gregory Jones, Dr Foo Fatt Kah, Kwan Chee Seng and Michael Moore or their nominees.

#### *The maximum number of securities to be issued*

The maximum number of Shares proposed to be issued to each Director is set out above and in total is 31,626,709

#### *The date by which the Company will issue the securities*

The Company intends to issue the Shares to as soon as practicable after the date of this Annual General Meeting but in any event, no later than one month after the date of the Meeting.

#### *The issue price of the securities and a statement of the terms of the issue*

The Shares will be issued at a price of 0.6 cents each. The market price prevailing at the date of this Notice is 0.2 cents.



## EXPLANATORY MEMORANDUM

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The allocation of the Shares and respective values are as follows:

Director and Former Directors*	Number of Shares	Value at 0.6 cent per Share
P Elliott*	6,250,000	37,500 <sup>1</sup>
S Dickson	8,218,043	33,726 <sup>2</sup>
G Jones*	4,158,667	21,952 <sup>2</sup>
Foo F K	4,500,000	27,000 <sup>1</sup>
Kwan C S*	4,500,000	27,000 <sup>1</sup>
M Moore	4,000,000	24,000 <sup>1</sup>

<sup>1</sup>. Fees owing for non-executives relate to the portion unpaid in cash for the financial year upto and including 30 June 2018.

<sup>2</sup>. Fees owing for executives relate to the portion unpaid in cash for the financial year upto 30 June 2018 and for the 3 months from 1 July 2018 to 30 September 2018.

### *Intended use of the funds raised*

No funds will be raised by the issue of the Shares. However, issue of the Shares will satisfy Director fees and former Director fees owing of \$189,760.

### **Directors' Recommendation**

Each of the Directors abstain from making a recommendation in respect of the Resolutions that relate to the issue of Share to themselves (or their nominees).

Dr Foo recommends that Shareholders vote in favour of the Resolutions relating to the issue of Shares to each other Director on the basis that the Shares are in lieu of cash consideration owing. The proposed issue of shares in lieu of fees saves the Company money and aligns the Directors with the aspirations of the shareholders.

Stewart Dickson recommends that Shareholders vote in favour of the Resolutions relating to the issue of Shares to each other Director on the same basis as Dr Fooks' recommendation.

Michael Moore recommends that Shareholders vote in favour of the Resolutions relating to the issue of Shares to each other Director on the same basis as Dr Fooks' recommendation.

Mr Pitts recommends that Shareholders vote in favour of the Resolutions relating to the issue of Shares to each Director on the same basis as Dr Fooks' recommendation.

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### **Resolution 10 - Issue of Equity Securities up to an additional 10% of the Company's Issued Capital**

Listing Rule 7.1A enables an eligible entity to seek shareholder approval to issue Equity Securities up to 10% of its issued share capital over a 12-month period commencing from the Annual General Meeting where shareholder approval is received. The 10% issue capacity allowed under Listing Rule 7.1A ("7.1A 10% Capacity") is in addition to the Company's 15% annual placement capacity under Listing Rule 7.1.

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.

The Company is now seeking shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 7.1A 10% Capacity.

The exact number of Equity Securities to be issued under the 7.1A 10% Capacity will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2.

a) Listing Rule 7.1A

Shareholder approval required



## EXPLANATORY MEMORANDUM

The ability to issue Equity Securities under Listing Rule 7.1A is subject to shareholder approval by way of special resolution at an Annual General Meeting.

### Class of equity securities issued

Any Equity Securities issued under the 7.1A 10% Capacity must be in the same class as an existing quoted class of Equity Securities of the Company.

The Company, as at the date of the Notice, has on issue two quoted classes of Equity Securities being fully paid ordinary Shares and Quoted Options to acquire ordinary shares.

### Calculating 7.1A 10% Capacity

Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an Annual General Meeting may issue or agree to issue during the period of the approval a number of Equity Securities calculated in accordance with the following formula:

$$(AxD)-E$$

Where:

**A** is the number of Shares on issue 12 months before the date of issue or agreement:

- **Plus** the number of fully paid Shares issued in the 12 months under an exception in Listing Rule 7.2;
- **Plus** the number of partly paid Shares that became fully paid in the 12 months;
- **Plus** the number of fully paid Shares issued in the 12 months with approval of holders of Shares under Listing Rule 7.1 or 7.4. This does not include an issue of fully paid Shares under the entity's 15% placement capacity without shareholder approval;
- **Less** the number of fully paid Shares cancelled in the 12 months.

*Note that A has the same meaning in Listing Rule 7.1 when calculating an entity's 15% issue 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 the approval of shareholders under Listing Rule 7.1 or 7.4.

### Effect of Listing Rule 7.1 with 7.1A

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% issue capacity under Listing Rule 7.1.

At the date of this Notice, the Company has on issue 1,239,446,875 Shares and therefore will have a capacity to issue:

- (i) 185,917,031 Equity Securities under Listing Rule 7.1; and
- (ii) Subject to shareholder approval being sought under this Resolution 11, 123,944,687 Equity Securities under Listing Rule 7.1A

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2.

### Minimum Issue Price

The issue price of Equity Securities issued under Listing Rule 7.1A must be 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 of Equity Securities were recorded immediately before:

- The date on which the price at which the Equity Securities are to be issued is agreed; or
- If the Equity Securities are not issued within 5 Trading Days of the date referred to above, the date on which the Equity Securities are issued.

### Approval Validity Period

Shareholder approval of the 7.1A 10% Capacity under Listing Rule 7.1A is valid from the date of the Annual General Meeting at which the approval is obtained and expires on the earlier to occur of:

- The date that is 12 months after the date of the Annual General Meeting at which the approval is obtained; or
- The date of the approval by shareholders 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).



## EXPLANATORY MEMORANDUM

### b) Specific Information required by Listing Rule 7.3A

The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities over the 15 Trading Days on which trading in that class of Equity Securities were recorded immediately before:

- (i) The date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) If the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

If Resolution 11 is approved by Shareholders and the Company issues Equity Securities under the 7.1A 10% Capacity, the existing Shareholders' voting power in the Company will be diluted as shown in the table below. 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 or the Equity Securities are issued as part of consideration for the acquisition of a new asset, which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The following table shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable 'A' calculated in accordance with the formula in Listing Rule 7.1A.2 as at the date of this Notice.

The table also shows:

- Two examples where variable 'A' has increased, by 50% and 100%. Variable 'A' is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- Two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

Variable 'A' in Listing Rule 7.1A2		Issue Price Assumptions		
		Less: 50% \$0.001	Base \$0.002	Plus: 100% \$0.004
<b>Current 1,239,446,875</b>	10% issue	123,446,875	123,446,875	123,446,875
	Funds raised	\$123,446	\$246,893	\$493,787
<b>Plus 50% 1,859,170,312</b>	10% issue	185,917,031	185,917,031	185,917,031
	Funds raised	\$185,917	\$371,834	\$743,668
<b>Plus 100% 2,478,893,750</b>	10% issue	247,889,375	247,889,375	247,889,375
	Funds raised	\$247,889	\$495,778	\$991,557

The table has been prepared on the following assumptions:

- The Company issues the maximum number of Equity Securities available under the 7.1A 10% Capacity.
- No Options are exercised which have converted into Shares before the date of issue of the Equity Securities.
- 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%.
- The table does not show an example of dilution that may be caused to a particular shareholder by reason of placements under the 7.1A 10% Capacity, based on that Shareholder's holding at the date of the Meeting.
- The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A and not under the 15% placement capacity under Listing Rule 7.1.
- The issue of Equity Securities under the 7.1A 10% Capacity consists only of Shares.



## EXPLANATORY MEMORANDUM

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- The base issue price is \$0.002 being the closing price of the Shares on ASX on 18 September 2018

The Company will only issue and allot the Equity Securities during 12 months following the approval of Resolution 11. The approval under Resolution 11 for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities or Listing Rule 11.2 (disposal of main undertaking)).

The Company may seek to issue the Equity Securities for the following purposes:

- Non-cash consideration for the acquisition of new resources assets and investments. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3; or
- Cash consideration. In such circumstances, the Company intends to use the funds raised towards an acquisition of new assets or investments (including expenses associated with such acquisition), continued exploration and feasibility study expenditure on the Company's current assets and/or general working capital.

The Company will comply with the disclosure obligations under Listing Rules 7.1A.4 and 3.10.5A upon issue of any Equity Securities.

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 7.1A 10% Capacity.

The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- The methods of raising funds that are available to the Company, including but not limited to, rights issues or other issues in which existing securities holders can participate;
- The effect of the issue of the Equity Securities on the control of the Company;
- The financial situation and solvency of the Company; and
- Advice from corporate, financial and broking advisers (if applicable).

The allottees under the 7.1A 10% Capacity have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.

Further, if the Company is successful in acquiring new resources assets or investments, it is likely that the allottees under the 7.1A 10% Capacity will be the vendors of the new resources assets of investments.

The Company previously obtained Shareholder approval under Listing Rule 7.1A on 6 November 2017.

The following table shows details of all issues of Equity Securities in the 12 months preceding the Annual General Meeting and other information required under Listing Rule 7.3A.

On 6 November 2017 the Company had on issue 674,088,999 ordinary Shares and 29,347,830 Options making a total of 703,436,829 equity securities. During the previous 12 months the Company issued 1,178,742,819 Equity Securities or 167.7% of the total on issue at 6 November 2017. None of these issues were made using the Company's Listing Rule 7.1A capacity.

The issue of the unlisted options in November 2017 were issued as part of the remuneration package of the CEO Mr Stewart Dickson they were issued for NIL consideration.

The issue of 1,972,933 ordinary shares in November 2017 were issued in lieu of Directors Fees owing of \$20,894.

An Entitlement Issue of 563,384,943 ordinary shares and 563,384,943 attaching options on the basis of 5 new shares for every 6 shares held at the record date was completed in June 2018. The funds raised from the Entitlement Issue have been used to advance the exploration and evaluation of the Rosario copper Project in Chile; accelerate project generation activities and provide working capital.

In July 2018 the Company issued 30,000,000 unlisted options pursuant to the Entitlement Issue and in conjunction with the Underwriter to the issue. The Options were issued for NIL consideration and on the same terms as the attaching options issued to applicants in the Entitlement Issue.



## EXPLANATORY MEMORANDUM

Date of Appendix 3b	Names of the persons to whom securities were issued or basis on which determined	Consideration if cash and what intended funds were spent on, if non cash, a description of the consideration and the current value	Number of Equity Securities	Class and terms	Issue Price and discount to Market Price on the trading day prior to the issue
20 Nov 2017	Stewart Dickson (CEO)	Nil, no current value option exercise price is in excess of the current share price	10,000,000	Unlisted Options exercise price 3 cents expiring 20 Nov 2022	\$Nil, issued as incentives to Director. The market price at the time of issue was \$0.008
20 Nov 2017	Stewart Dickson (CEO)	Nil, no current value option exercise price is in excess of the current share price	10,000,000	Unlisted Options exercise price 5 cents expiring 20 Nov 2021	\$Nil, issued as incentives to Director. The market price at the time of issue was \$0.008
5 Dec 2017	Issue to Directors - S Dickson - G Jones - J Testard	In Lieu of Director Fees to the value of \$20,894	1,972,933	Ordinary Shares	Issued at \$0.01 Market price on the day of issue was \$0.008
29 May 2018 and 8 June 2018	Renounceable Entitlement Issue	5 new shares and an attaching options for every 6 shares held at the record date at \$0.004 to raise \$2.2M	563,384,943 (shares) 563,384,943 (options)	Ordinary Shares Listed Options (Exercisable by payment of \$0.008 on or before 31/5/21)	\$0.004 Nil, free attaching to entitlement Market price on the day of issue was \$0.003
9 Jul 2018	Options issued to Entitlement Issue participants in consultation with Underwriter (No related Parties)	Nil, no current value option exercise price is in excess of the current share price	30,000,000	Listed Options (Exercisable by payment of \$0.008 on or before 31/5/21)	Nil, free attaching to entitlement Market price on the day of issue was \$0.003
		Total	1,178,742,819		

A voting exclusion statement is included in this Notice of Meeting. At the date of this Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.



## EXPLANATORY MEMORANDUM

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### Resolution 11 – Spill Resolution

As set out above in the Explanatory Memorandum relating to Resolution 1, the Annual Report for the year ended 30 June 2018 contains a Remuneration Report which sets out the policy for the remuneration of the Directors and executives of the Company (Remuneration Report). In accordance with section 250R(2) of the Corporations Act the Company is required to put the Remuneration Report to its Shareholders for adoption.

At the Company's 2017 Annual General Meeting, over 25% of the votes cast were against the adoption of the Remuneration Report. If at least 25% of the votes cast on Resolution 1 are against the adoption of the Remuneration Report, the Company will be required to put this Resolution 12 (Spill Resolution) to the 2018 Annual General Meeting, to approve calling a general meeting.

If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must convene a Spill Meeting within 90 days of the 2018 Annual General Meeting. All of the Directors who were in office when the relevant Directors' Report was approved, other than the Managing Director, cease to hold office immediately before the end of the Spill Meeting. Resolutions to appoint persons to offices that will be vacated immediately before the end of the Spill Meeting will be put to the vote at the Spill Meeting.

Shareholders should be aware that the convening of a spill meeting will result in the Company incurring material additional expense in conducting a meeting (including legal, printing, mail out and registry costs) as well as potential disruption to its focus on core business operations as a result of management distraction, the time involved in organising such a meeting and the diversion of resources.

Moreover shareholders should note that there are no voting exclusions applicable to resolutions appointing Directors at any subsequent meeting of Shareholders. This would mean there is no barrier to the existing major shareholders of the company exercising their voting rights to reappoint the existing Directors of the Company without any changes to the composition of the Board.

In the Board's view it would be inappropriate to remove all of the non-executive directors in the circumstances. However, the Board recognises that Shareholders can remove a director by a majority Shareholder vote at any time for any reason.

As a public company is required to have a minimum of three directors, the Corporations Act includes a mechanism to ensure that the Company will have at least three directors (including the Managing Director) after the Spill Meeting. If at the Spill Meeting, three Directors are not appointed by ordinary resolution, the persons taken to be appointed are those with the highest percentage of votes favouring their appointment cast at the Spill Meeting on the Resolution for their appointment (even if less than half the votes cast on the Resolution were in favour of their appointment).

As the Directors' have an interest in the outcome of Resolution 11, the Directors do not make any recommendation to Shareholders as to how the Shareholders should vote on Resolution 11.

### Voting

Note that a voting exclusion applies to Resolution 11 in the terms set out in the Notice of Meeting. In particular, the Directors and other Restricted Voters may not vote on this Resolution and may not cast a vote as proxy, unless the appointment gives a direction on how to vote or the proxy is given to the Chair and expressly authorises the Chair to exercise your proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. The Chair intends to use any such proxies **to vote against the Resolution**. In exceptional circumstances, the Chair of the Meeting may change his voting intention on Resolution 11, in which case an ASX announcement will be made.

Shareholders are urged to carefully read the Proxy Form and provide a direction to the proxy on how to vote on this Resolution.



## EXPLANATORY MEMORANDUM

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### GLOSSARY

In this Explanatory Memorandum and Notice of Annual General Meeting the following expressions have the following meanings unless stated otherwise or unless the context otherwise requires:

**ASX** means ASX Limited ACN 008 624 691;

**Board** means the board of Directors;

**Closely Related Party** of a member of the Key Management Personnel means:

- a) a spouse or child of the member;
- b) a child of the member's spouse;
- c) a dependant of the member or of the member's spouse;
- d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealings with the entity;
- e) a company the member controls; or
- f) a person prescribed by the *Corporations Regulations 2001* (Cth);

**Company** means Variscan Mines Limited ACN 003 254 395;

**Constitution** means the constitution of the Company;

**Corporations Act** means *Corporations Act 2001* (Cth);

**Directors** means the directors of the Company;

**Equity Securities** has the meaning given to that term in the ASX Listing Rules;

**Explanatory Memorandum** means the explanatory memorandum attached to and forming part of the Notice;

**Key Management Personnel** has the same meaning as in the accounting standards (so the term broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director, whether executive or otherwise, of the Company);

**Listing Rules** means the ASX Listing Rules as published by the ASX from time to time;

**Meeting** means the meeting of Shareholders convened by the Notice of Annual General Meeting;

**Notice or Notice of Annual General Meeting** means the notice of annual general meeting to which this Explanatory Memorandum is attached;

**Option** means an option to acquire a Share;

**Remuneration Report** means the report set out in the Directors' Report section of the Company's 2016 Annual Report detailing the remuneration of Key Management Personnel;

**Resolution** means each resolution to be considered at the Meeting as set out in this Notice;

**Share** means a fully paid share in the issued share capital of the Company; and

**Shareholder** means a holder of Shares in the Company who is eligible to attend the Meeting.

**VWAP** means in relation to particular securities for a particular period, the volume weighted average price of trading in those securities on the ASX and the Chi-X market over that period excluding block trades, large portfolio trades, permitted trades during the pre-trading hours period, permitted trades during the post-trading hours period, out of hours trades and exchange traded options.

- ✉ **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 11:00am (Sydney time) on Saturday 3 November 2018.

### 🖥 TO VOTE ONLINE

- STEP 1: VISIT <https://www.votingonline.com.au/varagm2018>
- 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:

(a) 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.

(b) 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 **11:00am (Sydney time) on Saturday 3 November 2018**. 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/varagm2018>
- 📠 **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.

**Your Address**

This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction in the space to the left. Securityholders sponsored by a broker should advise their broker of any changes.

**Please note, you cannot change ownership of your securities using this form.**

**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 **HLB Mann Judd, Level 19, 207 Kent St, Sydney NSW 2000 on Monday, 5 November 2018 at 11:00am (Sydney time)** 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, 4-9 (inclusive) & 11, I/we expressly authorise the Chair of the Meeting to exercise my/our proxy in respect of these Resolutions even though Resolutions 1, 4-9 (inclusive) & 11 are connected with the remuneration of a member of the key management personnel for the Company.

The Chair of the Meeting will vote all undirected proxies in favour of all Items of business except for Resolution 11 where the Chair of the meeting intends to vote against. If you wish to appoint the Chair of the Meeting as your proxy with a direction to vote for, against, or to abstain from voting on an item, you must provide a direction by marking the appropriate 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*		FOR	AGAINST	ABSTAIN*	
Res 1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Res 7	Issue of ordinary Shares to Dr Foo Fatt Kah in lieu of cash compensation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Res 2	Re-Election of Dr Foo Fatt Kah as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Res 8	Issue of ordinary Shares to Kwan Chee Seng in lieu of cash compensation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Res 3	Re-Election of Mr Mark Pitts as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Res 9	Issue of ordinary Shares to Michael Moore in lieu of cash compensation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Res 4	Issue of ordinary Shares to Patrick Elliott in lieu of cash compensation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Res 10	Issue of Equity Securities up to an additional 10% of the Company's Issued Capital	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Res 5	Issue of ordinary Shares to Stewart Dickson in lieu of cash compensation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Res 11	Spill Resolution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Res 6	Issue of ordinary Shares to Gregory Jones in lieu of cash compensation	<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

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director / Company Secretary

Contact Name.....

Contact Daytime Telephone.....

Date / / 2018