



# **VARISCAN MINES LIMITED**

**ACN 003 254 395**

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**NOTICE OF GENERAL MEETING**

**EXPLANATORY MEMORANDUM**

**PROXY FORM**

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**Date of Meeting**

29 January 2016

**Time of Meeting**

2.00 pm (Sydney time)

**Place of Meeting**

Level 1, 80 Chandos Street St Leonards NSW 2065

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 GENERAL MEETING

### **VARISCAN MINES LIMITED**

**ACN 003 254 395**

NOTICE IS HEREBY GIVEN that a General Meeting of the members of Variscan Mines Limited (the "Company") will be held at Level 1, 80 Chandos Street St Leonards NSW on Friday 29 January 2016 commencing at 2.00 pm (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.

### **BUSINESS**

#### **Resolution 1 – Approval of Prior Placement of Shares on 1 December 2015**

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

*"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, the Shareholders of the Company approve the prior issue on 1 December 2015 of 58,695,652 fully paid ordinary shares in the Company at an issue price of \$0.023 per share to sophisticated shareholders pursuant to the subscription agreements dated 25 November 2015 arranged by Patersons Securities Limited on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice."*

#### **Resolution 2 – Approval of Issue of Unlisted Options**

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

*"That for the purposes of ASX Listing Rule 7.1 and for all other purposes, Shareholders approve the issue and allotment of 29,347,830 Unlisted Options for nil consideration to sophisticated shareholders pursuant to the subscription agreements dated 25 November 2015 arranged by Patersons Securities Limited under Resolution 1 with an exercise price of 5 cents each, expiring two years after the date of issue and otherwise on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice."*

**BY ORDER OF THE BOARD**

**Ivo Polovineo**  
Company Secretary

Date: 23 December 2015



## NOTICE OF GENERAL MEETING

### IMPORTANT INFORMATION

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

### Voting Exclusions

#### Resolution 1

The Company will disregard any votes in respect of Resolution 1 if they are cast by or on behalf of any subscribers to the issue of Shares as detailed in the Explanatory Memorandum (including Patersons Securities Limited), or any associate of those persons.

However the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the relevant proxy form; or
- (b) it is cast by the person chairing the meeting as a 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 2

The Company will disregard any votes cast on Resolution 2 by:

- (a) any person who may participate in the proposed issue of Options and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of Shares if the resolution is passed; and
- (b) Any associate of that person (or those persons).

However, the Company need not disregard any vote by any such persons on Resolution 2 if:

- (d) 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
- (e) 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

### Proxies

- (a) Votes at the 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;
- (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;



## NOTICE OF GENERAL MEETING

- (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 General Meeting, that is no later than 2.00pm Sydney time on 27 January 2016. 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 27 January 2016 shall, for the purposes of determining voting entitlements at the 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

This Explanatory Memorandum sets out information in connection with the business to be considered at the General Meeting.

### ORDINARY BUSINESS

#### Resolution 1

#### Approval of Prior Placement of Shares on 1 December 2015

A total of 58,695,652 Shares were issued on 1 December 2015 under Variscan's existing capacity to issue Shares. Of the total Shares issued 45,967,189 of the Shares were issued pursuant to the Company's remaining capacity under Listing Rule 7.1 and the balance, being 12,728,493 Shares, were issued under Listing Rule 7.1A.

The Shares were issued to sophisticated shareholders pursuant to subscription agreements arranged by Patersons Securities Limited as disclosed in the ASX announcement dated 25 November 2015.

ASX Listing Rule 7.1 prohibits a listed company from issuing, or agreeing to issue, equity securities (which includes shares) that exceed 15% of the total number of fully paid ordinary securities on issue in any 12 month period, unless approval is obtained from the holders of the company's ordinary securities.

ASX Listing Rule 7.1A provides that an eligible company may seek shareholder approval at its AGM to issue up to a further 10% of its fully paid ordinary securities on issue at the start of the 12 month period commencing on the date of the AGM ("10% share issue capacity"). The Company is an eligible company and sought and received shareholder approval to the 10% share issue capacity at its AGM on 25 November 2015. The shareholder approval is valid for 12 months from the date of the AGM (that is, until 25 November 2016).

ASX Listing Rule 7.4 provides that an issue of securities made without approval under Listing Rule 7.1 will be treated as having been made with shareholder approval for the purposes of that Listing Rule if shareholders subsequently approve it and the issue did not breach Listing Rule 7.1. Issues made with approval under Listing Rule 7.1A can similarly be ratified under Listing Rule 7.4. Accordingly, the Company is seeking shareholder approval for the issue of:

- 45,967,189 ordinary Shares issued under the Company's 15% share issue capacity; and
- 12,728,493 ordinary Shares issued under the Company's 10% share issue capacity.

If Shareholders approve Resolution 1, the issue of 45,967,189 Shares will be excluded from the calculations of the 15% limit under ASX Listing Rule 7.1 and the issue of 12,728,493 Shares will be excluded from the calculations of the 10% limit under ASX Listing Rule 7.1A.

In accordance with ASX Listing Rule 7.5 the following information is provided:

- (a) A total of 58,695,652 ordinary fully paid shares were allotted on 1 December 2015 at an issue price of \$0.023 per share.
- (b) The securities were ordinary fully paid shares ranking equally in all respects with the Company's issued shares.
- (c) The shares were issued to sophisticated shareholders pursuant to subscription agreements arranged by Patersons Securities Limited
- (d) The shares were issued to fund the completion of a JORC Compliant Resource for the company's high grade Porte-aux-Moines zinc deposit (located within the Merleac licence), progress the Company's exploration activities within its key tenements in France and provide working capital.

The Board recommends Shareholders vote in favour of Resolution 1 as it allows the Company greater flexibility to issue further securities representing up to 15% (under ASX Listing Rule 7.1) and 10% (under ASX Listing Rule 7.1A) of the total number of Shares on issue in any 12 month period without Shareholder approval (in the case of Listing Rule 7.1) or in the period to 25 November 2016 (in the case of Listing Rule 7.1A).

#### Resolution 2

#### Approval of Issue of Unlisted Options

Pursuant to the Placement of Shares set out in Resolution 1 and as announced on 25 November 2015 the Placement entitled the subscribers to one unlisted option (exercisable at 5 cents per share with a two year expiry) for every two shares issued. The issue of the options is subject to approval by shareholders at this General Meeting.

In accordance with ASX Listing Rule 7.3 the following information is provided:

- (a) A maximum of 29,347,830 Options will be issued with exercise price of 5 cents each, expiring two years after the date of issue.
- (b) Subject to Shareholders' approval the Options will be issued as soon as practicable after the date of this General Meeting but in any event no later than 3 months after the General Meeting.
- (c) The Options will be issued for no consideration noting that they are proposed to be issued as an entitlement to the subscribers to the Placement as set out in Resolution 1.
- (d) The 29,347,830 Options will be issued to the subscribers of the Placement in Resolution 1 and as announced on 25 November 2015 pursuant to



## EXPLANATORY MEMORANDUM

subscription agreements arranged by Patersons Securities Limited.

- (e) The Options will have an exercise price of 5 cents each, expiring two years after the date of issue. The key terms of the Options are set out in the Schedule to this Explanatory Memorandum.
- (f) The Options will be issued for no consideration noting that they are proposed to be issued as an entitlement to the subscribers to the Placement as set out in Resolution 1. The Placement Shares were issued to fund the completion of a JORC Compliant Resource for the company's high grade Porte-aux-Moines zinc deposit (located within the Merleac licence), progress the Company's exploration activities within its key tenements in France and provide working capital. Funds raised on exercise of the Options will be utilised for additional exploration work on the Company's tenements and for working capital.
- (g) A voting exclusion statement is included in this Notice.

The Board recommends Shareholders vote in favour of Resolution 2 as the effect of this approval will be that the Company's capacity to issue additional Equity Securities in the next 12 months up to 15% of its share capital in accordance with ASX Listing Rule 7.1 will not be diminished by the proposed issue of the Options.

### GLOSSARY

In this Explanatory Memorandum and Notice of 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;

**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;

**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 General Meeting;

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

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

**Placement** means the placement of Shares as announced to ASX on 25 November 2015;

**Placement Shares** means the 58,695,652 Shares issued on 1 December 2015;

**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.



## EXPLANATORY MEMORANDUM

### SCHEDULE

#### TERMS AND CONDITIONS OF OPTIONS

- The options held by the optionholder are exercisable in whole or in part at any time during the exercise period. Options not exercised before the expiry of the exercise period will lapse.
- Options are exercisable by notice in writing to the Board delivered to the registered office of the Company and payment of the exercise price in cleared funds.
- The Company will not apply for official quotation on ASX of the options. The Company will make application for official quotation on ASX of new shares allotted on exercise of the options. Those shares will participate equally in all respects with existing issued ordinary shares, and in particular new shares allotted on exercise of the options will qualify for dividends declared after the date of their allotment.
- Options can only be transferred with Board approval, except that if at any time before expiry of the Exercise Period the optionholder dies, the legal personal representative of the deceased optionholder may:
  - (i) elect to be registered as the new holder of the options;
  - (ii) whether or not he becomes so registered, exercise those options in accordance with the terms and conditions on which they were granted; and
  - (iii) if the deceased has already exercised options, pay the exercise price in respect of those options.
- An optionholder may only participate in new issues of securities to holders of ordinary shares in the Company if the option has been exercised and shares allotted in respect of the option before the record date for determining entitlements to the issue. The Company must give prior notice to the optionholder of any new issue before the record date for determining entitlements to the issue in accordance with the ASX Listing Rules.
- If there is a bonus issue to the holders of ordinary shares in the capital of the Company, the number of ordinary shares over which the option is exercisable will be increased by the number of ordinary shares which the holder of the option would have received if the option had been exercised before the record date for the bonus issue.
- If the Company makes a rights issue (other than a bonus issue), the exercise price of options on issue will be reduced according to the following formula:
$$A = O - \frac{E [P - (S + D)]}{(N + 1)}$$
Where:
  - A = the new exercise price of the option;
  - O = the old exercise price of the option;
  - E = the number of underlying ordinary shares into which one option is exercisable;
  - P = the volume weighted average market price per ordinary security recorded on the stockmarket of ASX during the five trading days immediately preceding the ex-rights date or ex entitlements date (excluding special crossings and overnight sales and exchange traded option exercises);
  - S = the subscription price for a security under the pro rata issue;
  - D = the dividend due but not yet paid on existing underlying securities (except those to be issued under the pro rata issue); and
  - N = the number of securities with rights or entitlements that must be held to receive a right to one new security.
- If, during the currency of the options the issued capital of the Company is reorganised, those options will be reorganised to the extent necessary to comply with ASX Listing Rules.





Variscan Mines Limited

**All Correspondence to:**

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

Level 12,  
225 George Street,  
Sydney NSW 2000 Australia

📠 **By Fax:** +61 2 9290 9655

💻 **Online:** [www.boardroomlimited.com.au](http://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 2.00 pm (Sydney Time) on Wednesday 27 January 2016.**

### 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 security holder 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 **2.00 pm (Sydney time) on Wednesday, 27 January 2016.** 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:

📠 **By Fax** +61 2 9290 9655

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

👤 **In Person** Level 12,  
225 George St  
SYDNEY NSW 2000

#### Attending the Meeting

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



**Variscan Mines Limited**

ABN 16 003 254 395

**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 shareholder) 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 General Meeting of the Company to be held at Level 1, 80 Chandos Street, St Leonards NSW 2065 on Friday 29 January 2016 commencing at 2.00 pm (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.

The Chair of the Meeting will vote all undirected proxies in favour of both Items of business. 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 'For', '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	<b>Approval of Prior Placement of Shares on 1 December 2015</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	<b>Approval of Issue of Unlisted Options</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**STEP 3 SIGNATURE OF SHAREHOLDERS**

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 / /