



VARISCAN MINES LIMITED
ACN 003 254 395

NOTICE OF ANNUAL GENERAL MEETING

The Annual General Meeting of the Company will be held at the offices of HLB Man Judd, at Level 4, 130 Stirling Street Perth, Western Australia 6000 on 14th November 2019 at 3:30pm (WST).

The Notice of Annual General Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

Should you wish to discuss any matter please do not hesitate to contact the Company Secretary by telephone on + 61 8 9316 9100

Shareholders are urged to attend or vote by lodging the proxy form attached to the Notice

VARISCAN MINES LIMITED

ACN 003 254 395

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the annual general meeting of Shareholders of Variscan Mines Limited (**Company**) will be held at the offices of HLB Man Judd, at Level 4, 130 Stirling Street Perth, Western Australia 6000 on Thursday, 14 November 2019 at 3:30pm (WST) (**Meeting**).

The Explanatory Memorandum provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form form part of the Notice.

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on Tuesday, 12 November 2019 at 5:00pm (WST).

Terms and abbreviations used in the Notice are defined in Schedule 1.

AGENDA

1. Annual Report

To consider the Annual Report of the Company and its controlled entities for the financial year ended 30 June 2019, which includes the Financial Report, the Directors' Report and the Auditor's Report.

2. Resolution 1 - Remuneration Report

To consider and, if thought fit, to pass with or without amendment, as a **non-binding** ordinary resolution the following:

"That the Remuneration Report be adopted by Shareholders on the terms and conditions in the Explanatory Memorandum."

Voting Prohibition

In accordance with sections 250BD and 250R of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a member of the Key Management Personnel details of whose remuneration are included in the Remuneration Report, or a Closely Related Party of such a member.

A vote may be cast by such person if the vote is not cast on behalf of a person who is excluded from voting on this Resolution, and:

- (a) the person is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy does not specify the way the proxy is to vote on this Resolution, but expressly authorises the Chair to exercise the proxy even if this Resolution is connected with the remuneration of a member of the Key Management Personnel.

3. Resolution 2 - Re-election of Director - Mr Michael Moore

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

"That Mr Michael Moore, who retires in accordance with Clause 12.3 of the Constitution, Listing Rule 14.4 and for all other purposes, retires and, being eligible and offering himself for re-election, is re-elected as a Director on the terms and conditions in the Explanatory Memorandum."

4. Resolution 3 - Approval to issue Slipstream Consideration Shares

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

"That, subject to each of the other Interconditional Resolutions being passed and pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 1,100,000,000 Slipstream Consideration Shares (on a pre-Consolidation basis) to the Vendors (or their respective nominees) on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of the Vendors and their respective nominees, and any person who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a Shareholder), or any of their respective associates.

However, the Company need not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the Chair 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.

5. Resolution 4 - Approval to issue Slipstream Milestone Shares

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

"That, subject to each of the other Interconditional Resolutions being passed and pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 1,100,000,000 Slipstream Milestone Shares (on a pre-Consolidation basis) to the Vendors (or their respective nominees) on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of the Vendors and their respective nominees, and any person who will obtain a

material benefit as a result of, the proposed issue (except a benefit solely by reason of being a Shareholder), or any of their respective associates.

However, the Company need not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the Chair 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.

6. Resolution 5 - Approval to issue Hispanibal Consideration Shares

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

"That, subject to each of the other Interconditional Resolutions being passed and pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 145,588,235 Hispanibal Consideration Shares (on a pre-Consolidation basis) to Hispanibal (or its nominees) on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Hispanibal and its nominees, and any person who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a Shareholder), or any of their respective associates.

However, the Company need not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the Chair 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.

7. Resolution 6 - Approval to issue Hispanibal Milestone Shares

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

"That, subject to each of the other Interconditional Resolutions being passed and pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 97,058,824 Hispanibal Milestone Shares (on a pre-Consolidation basis) to Hispanibal (or its nominees) on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Hispanibal and its nominees, and any person who will obtain a material benefit as a

result of, the proposed issue (except a benefit solely by reason of being a Shareholder), or any of their respective associates.

However, the Company need not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the Chair 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.

8. Resolution 7 - Ratification of issue of Tranche 1 Placement Shares under Listing Rule 7.1

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

"That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 160,392,641 Tranche 1 Placement Shares at \$0.002 per Share under Listing Rule 7.1 on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of any person (and any nominee of such a person) who participated in the issue, or any of their respective associates.

However, the Company need not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the Chair 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.

9. Resolution 8 - Ratification of issue of Tranche 1 Placement Shares under Listing Rule 7.1A

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

"That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 127,107,359 Tranche 1 Placement Shares at \$0.002 per Share under Listing Rule 7.1A on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of any person (and any nominee of such a person) who participated in the issue, or any of their respective associates.

However, the Company need not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the Chair 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.

10. Resolution 9 - Approval of 10% Placement Facility

To consider and, if thought fit, to pass with or without amendment, as a special resolution the following:

"That, pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities totalling up to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of any persons who are expected to participate in, or who will obtain a material benefit as a result of, an issue under the 10% Placement Facility (except a benefit solely by reason of being a holder of Shares) or any associate of those persons.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as a 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 Chair 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.

11. Resolution 10 - Approval to issue Tranche 2 Placement Shares

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

"That, subject to each of the other Interconditional Resolutions being passed and pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 1,712,500,000 Tranche 2 Placement Shares at \$0.002 each (on a pre-Consolidation basis) to raise up to approximately \$3.4 million (before costs) on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of any person who is expected to participate in the issue of the Tranche 2 Placement Shares, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a Shareholder), or any of their respective associates.

However, the Company need not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the Chair 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.

12. Resolution 11 - Approval to issue Commission Shares

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

"That, subject to each of the other Interconditional Resolutions being passed and pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 14,375,000 Commission Shares for nil cash as consideration for services (on a pre-Consolidation basis) to raise up to approximately \$3.4 million (before costs) on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of any person who is expected to participate in the issue of the Commission Shares, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a Shareholder), or any of their respective associates.

However, the Company need not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the Chair 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.

13. Resolution 12 - Approval to issue Advisor Shares

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

"That, subject to each of the other Interconditional Resolutions being passed and pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 69,375,000 Advisor Shares (on a pre-Consolidation basis) to Risely Resources Pty Ltd (or its nominees) on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Risely Resources Pty Ltd and its nominees, and any person who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a Shareholder), or any of their respective associates.

However, the Company need not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the Chair 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.

14. Resolution 13 - Approval to issue Bonus Shares to Mr Stewart Dickson

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

"That, pursuant to and in accordance Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of up to 48,104,500 Bonus Shares (on a pre-Consolidation basis) to Mr Stewart Dickson (or his nominee/s) on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr Stewart Dickson and his nominee/s, or any of their respective associates.

However, the Company need not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the Chair 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.

Voting Prohibitions

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either a member of the Key Management Personnel or a Closely Related Party of such member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

15. Resolution 14 - Approval to issue Tranche 2 Placement Shares to Mr Stewart Dickson

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

"That, subject to each of the other Interconditional Resolutions being passed and pursuant to and in accordance Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of up to 25,000,000 Tranche 2 Placement Shares at \$0.002 each (on a pre-Consolidation basis) to Mr Stewart Dickson (or his nominee/s) on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr Stewart Dickson and his nominee/s, or any of their respective associates.

However, the Company need not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the Chair 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.

16. Resolution 15 - Approval to issue Tranche 2 Placement Shares to Mr Kwan Chee Seng

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

"That, subject to each of the other Interconditional Resolutions being passed and pursuant to and in accordance Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of up to 50,000,000 Tranche 2 Placement Shares at \$0.002 each (on a pre-Consolidation basis) to Mr Kwan Chee Seng (or his nominee/s) on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr Kwan Chee Seng and his nominee/s, or any of their respective associates.

However, the Company need not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the Chair 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.

17. Resolution 16 - Approval to issue Tranche 2 Placement Shares to Dr Foo Fatt Kah

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

"That, subject to each of the other Interconditional Resolutions being passed and pursuant to and in accordance Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of up to 40,000,000 Tranche 2 Placement Shares at \$0.002 each (on a pre-Consolidation basis) to Dr Foo Fatt Kah (or his nominee/s) on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Dr Foo Fatt Kah and his nominee/s, or any of their respective associates.

However, the Company need not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the Chair 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.

18. Resolution 17 - Approval to issue Tranche 2 Placement Shares to Mr Michael Moore

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

"That, subject to each of the other Interconditional Resolutions being passed and pursuant to and in accordance Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of up to 10,000,000 Tranche 2 Placement Shares at \$0.002 each (on a pre-Consolidation basis) to Mr Michael Moore (or his nominee/s) on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr Michael Moore and his nominee/s, or any of their respective associates.

However, the Company need not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the Chair 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.

19. Resolution 18 - Consolidation of capital

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

"That, subject to each of the other Interconditional Resolutions being passed and conditional upon the Company completing the Transaction, pursuant to section 254H of the Corporations Act and for all other purposes, Shareholders approve and authorise the Company to consolidate the issued capital of the Company on the terms and conditions in the Explanatory Memorandum, on the basis that:

- (a) every 20 Shares in the Company be consolidated into 1 Share; and*
- (b) all Options on issue be adjusted in accordance with Listing Rule 7.22,*

And, where this consolidation results in a fraction of a Security being held by a Security holder, the Directors be authorised to round that fraction up to the nearest whole Security."

20. Resolution 19 - Replacement of Constitution

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a special resolution:

"That for the purposes of section 136(2) of the Corporations Act and for all other purposes, approval is given for the Company to repeal its existing Constitution and adopt a new constitution in its place in the form as signed by the Chairman for identification purposes."

21. Resolution 20 - Approval of appointment of auditor

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

"That, pursuant to and in accordance with section 327B(1)(b) of the Corporations Act and for all other purposes, HLB Mann Hudd (WA Partnership), having consented in writing to act in the capacity of auditor of the Company, be appointed as auditor of the Company effective from the date of the Meeting."

BY ORDER OF THE BOARD



Mark Pitts
Director and Company Secretary
Variscan Mines Limited

Dated: 11 October 2019

VARISCAN MINES LIMITED

ACN 003 254 395

EXPLANATORY MEMORANDUM

1. Introduction

The Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the offices of HLB Man Judd, at Level 4, 130 Stirling Street, Perth, Western Australia on Thursday, 14 November 2019 at 3:30pm (WST).

The Explanatory Memorandum forms part of the Notice which should be read in its entirety. The Explanatory Memorandum contains the terms and conditions on which the Resolutions will be voted.

The Explanatory Memorandum includes the following information to assist Shareholders in deciding how to vote on the Resolutions:

Section 2	Action to be taken by Shareholders
Section 3	Interconditional Resolutions
Section 4	Background to proposed acquisition of the Novales-Udias and Guajaraz Projects in Spain
Section 5	Annual Report
Section 6	Resolution 1 - Remuneration Report
Section 7	Resolution 2 - Re-election of Director - Mr Michael Moore
Section 8	Resolution 3 - Approval to issue Slipstream Consideration Shares
Section 9	Resolution 4 - Approval to issue Slipstream Milestone Shares
Section 10	Resolution 5 - Approval to issue Hispanibal Consideration Shares
Section 11	Resolution 6 - Approval to issue Hispanibal Milestone Shares
Section 12	Resolutions 7 & 8 - Ratification of issue of Tranche 1 Placement Shares
Section 13	Resolution 9 - Approval of 10% Placement Facility
Section 14	Resolution 10 - Approval to issue Tranche 2 Placement Shares
Section 15	Resolution 11 - Approval to issue Commission Shares
Section 16	Resolution 12 - Approval to issue Advisor Shares

Section 17	Resolution 12 - Approval to issue Bonus Shares to Mr Stewart Dickson
Section 18	Resolutions 14, 15, 16 & 17 - Approval to issue Tranche 2 Placement Shares to Mr Dickson, Mr Kwan and Dr Foo
Section 19	Resolution 18 - Consolidation of capital
Section 20	Resolution 19 - Replacement of Constitution
Section 21	Resolution 20 - Approval of appointment of auditor
Schedule 1	Definitions
Schedule 2	Securities issued in the previous 12 months
Schedule 3	Nomination of Auditor Letter

A Proxy Form is located at the end of the Explanatory Memorandum.

2. Action to be taken by Shareholders

2.1 Voting in person

To vote in person, attend the Meeting on the date and at the place set out above.

2.2 Proxies

(a) Voting by proxy

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- (i) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (ii) a proxy need not be a member of the Company; and
- (iii) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

(b) Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, if it does:

- (i) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed);
- (ii) if the proxy has 2 or more appointments that specify different ways to vote on the resolution - the proxy must not vote on a show of hands;
- (iii) if the proxy is the chair of the meeting at which the resolution is voted on - the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- (iv) if the proxy is not the chair - the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

(c) Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- (i) an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members;
- (ii) the appointed proxy is not the chair of the meeting;
- (iii) at the meeting, a poll is duly demanded on the resolution; and
- (iv) either the proxy is not recorded as attending the meeting or the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

2.3 Voting Prohibition by Proxy Holders (Remuneration of Key Management Personnel)

In accordance with sections 250BD of the Corporations Act, votes on Resolutions 1 and 12 must not be cast (in any capacity) by, or on behalf of:

- (a) a member of the Key Management Personnel; or
- (b) a Closely Related Party of such member.

However, a person described above may cast a vote on Resolutions 1 and 12 if the vote is not cast on behalf of a person who is excluded from voting on the relevant Resolution and:

- (a) the person is appointed as proxy by writing that specifies the way the proxy is to vote on the Resolution; or
- (b) the person is the Chair and the appointment of the Chair as proxy does not specify the way the proxy is to vote on the resolution, but expressly authorises

the Chair to exercise the proxy even if the Resolution is connected with the remuneration of a member of the Key Management Personnel.

2.4 Chair's voting intentions

The Chair intends to exercise all available proxies in favour of *all* Resolutions, unless the Shareholder has expressly indicated a different voting intention.

If the Chair is appointed as your proxy and you have not specified the way the Chair is to vote on Resolutions 1 and 12 by signing and returning the Proxy Form, you are considered to have provided the Chair with an express authorisation for the Chair to vote the proxy in accordance with the Chair's intention, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel of the Company.

3. Interconditional Resolutions and Board voting intentions

The Interconditional Resolutions are inter-conditional, meaning that each of them will only take effect if all of them are approved by the requisite majority of Shareholders' votes at the Meeting. If any one of the Interconditional Resolutions is not approved at the Meeting, none of the Interconditional Resolutions will take effect and the Acquisition and other matters contemplated by the Interconditional Resolutions will not be completed pursuant to this Notice.

For the avoidance of doubt, Resolutions 3, 4, 5, 6, 10, 11, 12, 14, 15, 16, 17 and 18 (being all the Resolutions except Resolutions 1, 2, 7, 8, 19 and 20) are referred to as the Interconditional Resolutions throughout this Notice.

The Directors of the Company have each signed a statement of voting intention, confirming that they will vote, or cause to be voted, any Shares they own, control or represent in favour of the Interconditional Resolutions (other than where their votes are excluded). These holdings amount in aggregate to 438,453,235 Shares, representing approximately 28.1%.

4. Background to proposed acquisition of the Novales-Udias and Guajaraz Projects in Spain

4.1 Existing activities of Variscan Mines Limited

The Company was admitted to the Official List of ASX on 20 August 1987. The Company is an exploration and development Company.

The Company's current projects include a Chilean copper project, a number of joint ventures in eastern Australia and beneficial interest over a portfolio of mineral licences in France. The Company has advised the market that it is proceeding with a staged withdrawal from France and proceeding to explore its Chilean project as well as reviewing a number of new base metal opportunities.

4.2 Acquisition of Slipstream Spain Pty Ltd and Slipstream Spain 2 Pty Ltd

On 29 July 2019, the Company announced that it had entered into the following conditional binding term sheets (**Term Sheets**) with Slipstream Resources Investments Pty Ltd as trustee for Slipstream Capital Trust (**Slipstream**) and Effective Investments Pty Ltd as trustee for the Vearncombe Superannuation Fund (**Effective**) (together, the **Vendors**) to acquire:

- (a) 100% of the issued share capital in Slipstream Spain Pty Ltd (**SS**), which is the sole shareholder of Slipstream Resources Spain, S.L.U. (**SRS**), the registered holder of exploration concessions over the Novales-Udias Project in Cantabria, Spain (**Cantabria Concessions**); and
- (b) 100% of the issued share capital in Slipstream Spain 2 Pty Ltd (**SS2**), which is the sole shareholder of Slipstream Guajaraz S.L., the registered holder of exploration concessions over the Guajaraz Project in Toledo, Spain (**Toledo Concessions**),

(together, the **Acquisition**).

The Novales-Udias and Guajaraz Projects (together, the **Projects**) are both prospective for zinc and other minerals.

Slipstream holds 80% of the issued share capital of each of SS and SS2, and Effective holds 20% of the issued share capital of each of SS and SS2.

A third party, Hispanibal S.L., holds an option to receive a fully paid-up, non-dilutable shareholding of 15% of SRS exercisable at any time, at nil cost, until authorisation to commence mining at the Novales-Udias Project is granted (**Hispanibal Option**), but is not a party to the Term Sheets. The Company has entered into a separate agreement with Hispanibal, SS, SRS and Slipstream to terminate the Hispanibal Option (**Hispanibal Agreement**).

A summary of the material terms and conditions of the Term Sheets and the Hispanibal Agreement is set out in Sections 4.3 and 4.4.

In conjunction with the Acquisition, the Company is conducting a placement of Shares at \$0.002 each to raise a minimum of \$3 million, with the potential to accept oversubscriptions for a further \$1 million (before costs) (**Placement**). The Placement comprises two tranches, with the first tranche of 287.5 million Shares (**Tranche 1 Placement Shares**) issued on 2 August 2019 to raise \$575,000 (before costs). The Company intends to issue the second tranche of up to 1,712.5 million Shares (**Tranche 2 Placement Shares**) to raise a minimum of \$2.425 million (**Minimum Subscription**) and up to \$3.425 million (**Maximum Subscription**) (before costs) following Shareholder approval at the Meeting.

Funds raised by the Placement will be used for exploration activities at the Novales-Udias and Guajaraz Projects, for repayment of loans provided by SS and SS2 to the Vendors and for general corporate purposes.

This Notice sets out the Resolutions necessary to complete the Acquisition. Accordingly, the Company is seeking Shareholders' approval at the Meeting to:

- (a) issue 1,100,000,000 Shares to the Vendors (or their respective nominees) at completion of the Acquisition (**Completion**) as part consideration for the Acquisition (**Slipstream Consideration Shares**) (Resolution 3);
- (b) issue up to 1,100,000,000 Shares to the Vendors (or their respective nominees) upon satisfaction of certain milestones (refer to Section 4.3(a)) as deferred consideration for the Acquisition (**Slipstream Milestone Shares**) (Resolution 4);
- (c) issue 145,588,235 Shares to Hispanibal (or its nominees) at Completion as part consideration for the termination of the Hispanibal Option (**Hispanibal Consideration Shares**) (Resolution 5);

- (d) issue up to 97,058,824 Shares to Hispanibal (or its nominees) upon satisfaction of certain milestones (refer to Sections 4.3(a) and 4.4) as deferred consideration for the termination of the Hispanibal Option (**Hispanibal Milestone Shares**) (Resolution 6)
- (e) ratify the issue of the 287,500,000 Tranche 1 Placement Shares (Resolutions 7 and 8);
- (f) issue up to 1,712,500,000 Tranche 2 Placement Shares (Resolution 10), including up to 175,000,000 Tranche 2 Placement Shares to Directors of the Company (Resolutions 14, 15, 16 and 17);
- (g) issue up to 14,375,000 Shares to unrelated parties for consideration for services (**Commission Shares**) (Resolution 11);
- (h) issue up to 69,375,000 Shares to Risely Resources Pty Ltd (or its nominees) on Completion as consideration for the provision of introductory, facilitation and advisory services in connection with the Acquisition (**Advisor Shares**) (Resolution 12);
- (i) issue up to 48,104,500 Shares to Director Stewart Dickson on Completion as a short term incentive (**Bonus Shares**) (Resolution 13);
- (j) consolidate the issued capital of the Company on a 20 for 1 basis (**Consolidation**) (Resolution 18); and
- (k) replace the Company's constitution (Resolution 19).

For the avoidance of doubt, all Securities in the Notice are on a pre-Consolidation basis, unless otherwise stated.

4.3 Term Sheets

(a) Consideration

Under the Term Sheets and subject to the satisfaction of certain conditions precedent, in consideration for the Vendors agreeing to sell the 100% of the issued share capital of SS and SS2 free of encumbrances, the Company will:

- (i) pay a non-refundable cash deposit of \$75,000 on signing, to be applied to the repayment of loans from Slipstream to SS and SS2;
- (ii) reimburse Slipstream for loans provided to SS and SS2 up to a maximum of \$500,000 (less the deposit of \$75,000 already paid) at Completion;
- (iii) pay to Slipstream an amount equal to 35,000€, which was previously provided to SRS as a security deposit;
- (iv) issue a total of 1,100,000,000 Slipstream Consideration Shares to the Vendors at Completion; and
- (v) issue up to a total of 1,100,000,000 Slipstream Milestone Shares to the Vendors, subject to Completion and upon the achievement of the following milestones (together, the **Milestones**):
 - (A) 275,000,000 Shares upon the Company successfully disclosing on the ASX market announcements platform, if

admitted to the ASX Official List, or otherwise defining an Inferred Mineral Resource (as defined by a Competent Person in accordance with JORC Code 2012) or greater, which may be a combination of a Mineral Resource and an Ore Reserve, on one or more of the Cantabria Concessions, of a minimum of 4Mt at 7% zinc (**SS Milestone 1**);

- (B) 275,000,000 Shares upon the Company successfully disclosing on the ASX market announcements platform if admitted to the ASX Official List, or otherwise defining an Inferred Mineral Resource (as defined by a Competent Person in accordance with JORC Code 2012) or greater, which may be a combination of a Mineral Resource and an Ore Reserve, on one or more of the Cantabria Concessions, of a minimum total of 8Mt at 7% zinc (**SS Milestone 2**);
- (C) 275,000,000 Shares upon the Company successfully disclosing on the ASX market announcements platform, or otherwise defining an Inferred Mineral Resource (as defined by a Competent Person in accordance with JORC Code 2012) or greater, which may be a combination of a Mineral Resource and an Ore Reserve, on one or more of the Toledo Concessions, of a minimum of 4Mt at 7% zinc (**SS2 Milestone 1**); and
- (D) 275,000,000 Shares upon the Company successfully disclosing on the ASX market announcements platform, or otherwise defining an Inferred Mineral Resource (as defined by a Competent Person in accordance with JORC Code 2012) or greater, which may be a combination of a Mineral Resource and an Ore Reserve, on one or more of the Toledo Concessions, of a minimum total of 8Mt at 7% zinc (**SS2 Milestone 2**).

The Vendors have voluntarily entered into escrow arrangements whereby half of the Slipstream Consideration Shares will be locked up for a period of 6 months from the date of issue and the other half will be locked up for a period of 12 months from the date of issue.

If any of the Concessions or relevant subsidiary companies are sold, the Company shall retain the liability to the Vendors for the Slipstream Milestone Shares, unless the parties agree with any transferee on equivalent consideration.

In the event that Shareholders do not approve the issue of the Slipstream Milestone Shares, the Company has agreed to pay a cash amount to the Vendors within 5 business days of the Meeting which equal to the number of Milestone Consideration Shares multiplied by the volume weighted average price of Shares calculated from the date of the Notice to the date of the Meeting.

(b) **Conditions precedent**

Completion of the Term Sheets will occur within 5 business days of satisfaction or waiver of the following outstanding conditions precedent:

- (i) the Company or its broker (with assistance from Slipstream which must provide access to its investor network) obtaining irrevocable commitments to raise \$3,425,000 under Tranche 2 of the Placement;
- (ii) the Company obtaining all necessary Shareholder approvals to implement the Acquisition and the Placement, by the first week of November 2019 (or such other date agreed in writing);
- (iii) the Company obtaining all necessary waivers by ASX to facilitate the issue of the Slipstream Consideration Shares and Slipstream Milestone Shares;
- (iv) the Company obtaining any approval required for the Acquisition by any Spanish authority; and
- (v) there being no material breach of any of the obligations under the Term Sheets regarding the maintenance of the status quo.

The conditions in (iii) and (iv) above are not capable of being waived, and the remaining conditions are capable of mutual waiver only. If the conditions precedent are not satisfied or waived by 5.00pm (Sydney time) on 1 November 2019 (or such other date as agreed in writing), the Term Sheets will be at an end and the parties will be released from their obligations thereunder.

(c) **Other terms**

Pursuant to the Term Sheets, the Company has also:

- (i) procured the resignation of Mr Mark Pitts as a Director with effect from Completion, on the basis that Slipstream's nominee, Mr Simon Fyfe, will be appointed to the Board with effect at Completion;
- (ii) included Resolution 18 to seek Shareholder approval for the proposed 20 for 1 Consolidation of the Company's capital; and
- (iii) procured the agreement of the Directors and the substantial holders of the Company to include in the Notice statements of intent to vote in favour of the Acquisition in respect of any Shares held by them (refer to Section 3).

The Term Sheets also contain usual warranties provided by the parties associated with an acquisition of this nature.

4.4 Hispanibal Agreement

On 24 April 2018, Hispanibal, SS, SRS and Slipstream entered into an acquisition agreement whereby Hispanibal sold certain assets within the Novales-Udias Project to SRS. Under the terms of that agreement, Hispanibal was granted the Hispanibal Option. If the Hispanibal Option is not exercised prior to the commencement of mining operations, or if the Hispanibal Option is exercised but Hispanibal elects to return the shareholding to SS, Hispanibal will receive a 2% net smelter royalty for an indefinite period.

In accordance with the Hispanibal Agreement and subject to Shareholders' approval, Hispanibal has agreed to the termination of the Hispanibal Option and any net smelter royalty in consideration for the Company issuing to Hispanibal (or its nominees):

- (a) 145,588,235 Hispanibal Consideration Shares at Completion;

- (b) 48,529,412 Hispanibal Milestone Shares upon the satisfaction of SS Milestone 1; and
- (c) 48,529,412 Hispanibal Milestone Shares upon the satisfaction of SS Milestone 2.

Hispanibal has voluntarily entered into escrow arrangements whereby half of the Hispanibal Consideration Shares will be locked up for a period of 6 months from the date of issue and the other half will be locked up for a period of 12 months from the date of issue.

Also under the Hispanibal Agreement, Hispanibal has agreed, inter alia, to provide the Company with unfettered access to the land, buildings and property (especially the Novales mine) owned by it for nil consideration and the Company shall grant Hispanibal a right of first refusal to provide transportation, logistics and associated activities on normal commercial terms (or better).

4.5 Waiver

The Company has received a waiver of Listing Rule 7.3.2 to permit the issue of the Slipstream Milestone Shares and Hispanibal Milestone Shares up to 48 months from Completion of the Acquisition and subject to the Company meeting the Milestones.

The waiver has been granted subject to the following conditions:

- (a) The Notice seeks approval for a stated maximum number of Deferred Consideration Shares that will be issued.
- (b) The Notice states that the Deferred Consideration Shares will be issued the earlier of 1 December 2023 and 48 months from the date of completion of the Company's acquisition of 100% of the issued share capital in both SS and SS2 from the Vendors.
- (c) If the Company releases an annual, half-year or quarterly report during the period in which Deferred Consideration Shares are issued or remain to be issued, periodic report discloses details of the Deferred Consideration Shares issued in that reporting period, the number of Deferred Consideration Shares that remain to be issued and the basis on which they may be issued.
- (d) The Company immediately releases the terms of the waiver to the market.

4.6 Composition of the Board of Directors

At Completion, the Board of Directors of the Company will comprise the following:

- (a) Mr Stewart Dickson - Managing Director;
- (b) Mr Foo Fatt Kah - Non-Executive Chairman;
- (c) Mr Michael Moore - Non-Executive Director; and
- (d) Mr Simon Fyfe - Non-Executive Director.

Mr Mark Pitts will resign as a Director at Completion but will remain as Company Secretary.

4.7 Pro forma capital structure

The pro forma capital structure following completion of the Acquisition and Consolidation (subject to rounding) is set out below:

	Shares		Options
	Minimum Subscription	Maximum Subscription	
Existing Securities ¹	1,558,573,585	1,558,573,585	613,384,943
Consideration Shares (Resolution 3)	1,000,000,000	1,100,000,000	-
Hispanibal Consideration Shares (Resolution 5)	145,588,235	145,588,235	-
Tranche 2 Placement Shares (Resolutions 10, 11, 14, 15, 16 and 17)	1,212,500,000	1,712,500,000	-
Advisor Shares (Resolution 11)	69,375,000	69,375,000	-
Bonus Shares (Resolution 12)	48,104,500	48,104,500	-
Commission Shares	14,375,000	14,375,000	-
Total pre-Consolidation	4,048,516,320	4,648,516,320	613,384,943
Total post-Consolidation (Resolution 18)^{2, 3,}	202,425,816	232,425,816	30,669,247
Milestone Shares (Resolution 4) ³	55,000,000	55,000,000	-
Hispanibal Milestone Shares (Resolution 6) ³	4,852,942	4,852,942	-
Total upon completion of all Resolutions³	262,278,758	292,278,758	30,669,247

Notes:

1. Existing Shares include the Tranche 1 Placement Shares and existing Options are comprised of:
 - a. 593,384,943 quoted Options exercisable at \$0.008 each on or before 31 May 2021;
 - b. 10,000,000 unquoted Options exercisable at \$0.03 each on or before 20 November 2021; and
 - c. 10,000,000 unquoted Options exercisable at \$0.05 each on or before 20 November 2022.
2. Post-consolidation Options comprised of:
 - a. 29,669,247 quoted Options exercisable at \$0.16 each on or before 31 May 2021;
 - b. 500,000 unquoted Options exercisable at \$0.60 each on or before 20 November 2021; and

- c. 500,000 unquoted Options exercisable at \$1.00 each on or before 20 November 2022.

3. Figures given on a post-Consolidation basis and subject to rounding.

4.8 Effect on control

Neither the Vendors nor Hispanibal (nor any of their associates) currently hold any Shares in the Company.

The indicative shareholdings of the Vendors and Hispanibal (and their associates) following Completion and the Consolidation, subject to rounding and assuming Shareholders approve the Interconditional Resolutions and no further Securities are issued or exercised, will be as follows:

	Shares		% shareholding	
	Minimum Subscription	Maximum Subscription	Minimum Subscription	Maximum Subscription
Slipstream	40,000,000	44,000,000	19.8	18.9
Effective	10,000,000	11,000,000	4.9	4.7
Hispanibal	7,278,412	7,278,412	3.6	3.1

None of the Vendors or Hispanibal and their respective associates will have an interest in more than 20% of the issued Share capital following Completion. In the event that minimum subscription is raised, Slipstream will be issued 40,000,000 Shares and Effective will be issued 10,000,000 Shares (on a post-Consolidation basis). The remaining Slipstream Consideration Shares that would otherwise be issued to the Vendors under Resolution 3 will be deferred for a period of time, and will be subject to a future shareholder approval, or repayable in cash.

Assuming all of the Milestones are met and all of the Slipstream Milestone Shares and Hispanibal Milestone Shares are then issued, the indicative shareholdings of the Vendors and Hispanibal (and their associates) will be as follows:

	Shares assuming conversion of Milestone Shares		% shareholding	
	Minimum Subscription	Maximum Subscription	Minimum Subscription	Maximum Subscription
Slipstream	84,000,000	88,000,000	33.6*	30.1*
Effective	21,000,000	22,000,000	8.39	7.5
Hispanibal	12,132,354	12,132,354	4.6	4.2

*Section 606 of the Corporations Act prohibits a person acquiring a "relevant interest" (as defined by the Corporations Act) in the issued voting shares of the Company if, because of the acquisition, that person's or another person's voting power in the Company increases from:

- (a) 20% or below to more than 20%; or

- (b) a starting point that is above 20% and below 90%.

Section 611 of the Corporations Act has exceptions to the prohibition in section 606 of the Corporations Act. Item 7 of section 611 of the Corporations Act provides a mechanism by which shareholders may approve an issue of shares to a person which would otherwise be prohibited pursuant to section 606 of the Corporations Act.

In the event that the issue of the Slipstream Milestone Shares would cause Slipstream (and its associated entities) to have a relevant interest equal to or greater than 20% in the Company, under the Term Sheets the Company has agreed to issue the maximum number of Slipstream Milestone Shares that may be issued without seeking approval under item 7 section 611 of the Corporations Act. Following this, the Company must then use its best endeavours to seek approval under that section of the Corporations Act in respect of the unissued Slipstream Milestone Shares as soon as reasonably practicable after the relevant Milestone has been achieved.

4.9 Indicative timetable

In the event Shareholders approve the Interconditional Resolutions, it is anticipated that the Acquisition and the Consolidation will take effect in accordance with the timetable below (with the Consolidation following the timetable set out in Appendix 7A (paragraph 8) of the Listing Rules):

Description	Date
Company announces Consolidation and sends out Notice	11 October 2019
Shareholder Meeting	14 November 2019
Complete Tranche 2 Placement	18 November 2019
Complete Acquisition - issue of Slipstream Consideration Shares, Hispanibal Consideration Shares, Advisor Shares and Bonus Shares	18 November 2019
Notify ASX of Day 0 of the Consolidation	19 November 2019
Commence Consolidation - Day 0	20 November 2019
Last day for trading in pre-Consolidation Shares	21 November 2019
Trading in consolidated Shares on a deferred settlement basis commences	22 November 2019
Last day to register transfers on a pre-Consolidation basis	25 November 2019
Registration of Securities on a post-Consolidation basis	26 November 2019
Issue of new holding statements Deferred settlement trading ends	2 December 2019
Normal trading starts on a post-Consolidation basis	3 December 2019
Issue Slipstream Milestone Shares and Hispanibal Milestone Shares (if applicable)	Unknown

5. Annual Report

In accordance with section 317 of the Corporations Act, Shareholders will be offered the opportunity to discuss the Annual Report, including the Financial Report, the Directors' Report and the Auditor's Report for the financial year ended 30 June 2019.

There is no requirement for Shareholders to approve the Annual Report.

At the Meeting, Shareholders will be offered the opportunity to:

- (a) discuss the Annual Report which is available online at www.variscan.com.au;
- (b) ask questions about, or comment on, the management of the Company; and
- (c) ask the auditor questions about the conduct of the audit and the preparation and content of the Auditor's Report.

In addition to taking questions at the Meeting, written questions to the Chair about the management of the Company, or to the Company's auditor about:

- (a) the preparation and content of the Auditor's Report;
- (b) the conduct of the audit;
- (c) accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- (d) the independence of the auditor in relation to the conduct of the audit,

may be submitted no later than 5 business days before the Meeting to the Company Secretary at the Company's registered office.

6. Resolution 1 - Remuneration Report

In accordance with subsection 250R(2) of the Corporations Act, the Company must put the Remuneration Report to the vote of Shareholders. The Directors' Report contains the Remuneration Report which sets out the remuneration policy for the Company and the remuneration arrangements in place for the executive Directors, specified executives and non-executive Directors.

In accordance with subsection 250R(3) of the Corporations Act, Resolution 1 is advisory only and does not bind the Directors. If Resolution 1 is not passed, the Directors will not be required to alter any of the arrangements in the Remuneration Report.

If the Company's Remuneration Report receives a 'no' vote of 25% or more (**Strike**) at two consecutive annual general meetings, Shareholders will have the opportunity to remove the whole Board, except the managing director (if any).

Where a resolution on the Remuneration Report receives a Strike at two consecutive annual general meetings, the Company will be required to put to Shareholders at the second annual general meeting a resolution on whether another meeting should be held (within 90 days) at which all Directors (other than the managing director, if any) who were in office at the date of approval of the applicable Directors' Report must stand for re-election.

The Company's Remuneration Report received a Strike at the 2018 annual general meeting. If the Remuneration Report receives a Strike at this Meeting, Shareholders should be aware that this may result in the re-election of the Board.

The Chair will allow a reasonable opportunity for Shareholders as a whole to ask about, or make comments on the Remuneration Report.

Resolution 1 is an ordinary resolution.

7. Resolution 2 - Re-election of Director - Mr Michael Moore

7.1 General

Clause 12.3 of the Constitution and Listing Rule 14.4 both provide that a Director (excluding the Managing Director) must not hold office without re-election past the third annual general meeting following that Director's appointment or 3 years, whichever is longer.

Clause 12.11(a) of the Constitution provides that a Director who retires in accordance with Clause 12.3 is eligible for re-election.

Non-Executive Director Mr Michael Moore was last elected at the annual general meeting held on 6 November 2017. Accordingly, Mr Moore retires at this Meeting and, being eligible, seeks re-election pursuant to Resolution 2.

If elected, the Board considers Mr Moore to be an independent director.

Resolution 2 is an ordinary resolution.

The Board (other than Mr Moore) recommends that Shareholders vote in favour of Resolution 2.

7.2 Mr Michael Moore

Mr Michael Moore was appointed a Non-Executive Director on 4 August 2015. Mr Moore is a mining engineer from the Camborne School of Mines with over 20 years operational and executive management experience across a diverse range of commodities in Australia, Indonesia, West Africa and Europe.

Mr Moore has previously held senior and executive management roles with a number of companies including Rock Australia Mining & Civil Pty Ltd, Carnegie Minerals PLC and with ASX listed Montezuma Mining Company Ltd where he was CEO.

Mr Moore is a member of the Australian Institute of Company Directors and the Australian Institute of Mining and Metallurgy. He is currently serving as Managing Director of Golden State Mining Limited as well as serving on the board of Cape Care. During the past three years, Mr Moore has not served as a director any other ASX listed company

8. Resolution 3 - Approval to issue Slipstream Consideration Shares

8.1 General

Resolution 3 seeks Shareholder approval pursuant to Listing Rule 7.1 for the issue of up to 1,100,000,000 Slipstream Consideration Shares to the Vendors (or their respective nominees) at Completion as part consideration for the Acquisition. Half of the Slipstream Consideration Shares will be subject to 12 months' voluntary escrow and half will be subject to 6 months' voluntary escrow from the date of issue.

Resolution 3 is an Interconditional Resolution and is subject to Shareholders passing each of the other Interconditional Resolutions.

Resolution 3 is an ordinary resolution.

The Board recommends that Shareholders vote in favour of Resolution 3.

8.2 Listing Rule 7.1

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more Equity Securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

The effect of Resolution 3 will be to allow the Company to issue the Slipstream Consideration Shares during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity under Listing Rule 7.1.

8.3 Specific information required by Listing Rule 7.3

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the proposed issue of the Slipstream Consideration Shares:

- (a) up to a maximum of 1,100,000,000 Shares are to be issued as Slipstream Consideration Shares to the Vendors (or their respective nominees), as follows:
 - (i) 660,000,000 Slipstream Consideration Shares to Slipstream as part consideration for the acquisition of SS;
 - (ii) 220,000,000 Slipstream Consideration Shares to Slipstream as part consideration for the acquisition of SS2;
 - (iii) 165,000,000 Slipstream Consideration Shares to Effective as part consideration for the acquisition of SS; and
 - (iv) 55,000,000 Slipstream Consideration Shares to Effective as part consideration for the acquisition of SS2;
- (b) the Slipstream Consideration Shares will be issued no later than 3 months after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules);

- (c) the Slipstream Consideration Shares will be issued for nil cash consideration as part consideration for the Acquisition;
- (d) the Slipstream Consideration Shares will be issued to the Vendors (or their respective nominees), none of whom is a related party of the Company;
- (e) the Slipstream Consideration Shares will be fully paid ordinary shares in the capital of the Company and will rank equally in all respects with the Company's existing Shares on issue;
- (f) no funds will be raised from the Slipstream Consideration Shares as they will be issued for nil cash consideration;
- (g) it is intended that the issue of the Slipstream Consideration Shares will occur on the same date, being the date of Completion; and
- (h) a voting exclusion statement is included in the Notice.

9. Resolution 4 - Approval to issue Slipstream Milestone Shares

9.1 General

Resolution 4 seeks Shareholder approval pursuant to Listing Rule 7.1 for the issue of up to 1,100,000,000 Slipstream Milestone Shares to the Vendors (or their respective nominees) upon satisfaction of the relevant Milestones as part consideration for the Acquisition.

Resolution 4 is an Interconditional Resolution and is subject to Shareholders passing each of the other Interconditional Resolutions and Completion occurring.

Resolution 4 is an ordinary resolution.

The Board recommends that Shareholders vote in favour of Resolution 4.

In the event that Shareholders do not approve the issue of the Slipstream Milestone Shares, the Company has agreed to pay a cash amount to the Vendors within 5 business days of the Meeting which equal to the number of Milestone Consideration Shares multiplied by the volume weighted average price of Shares calculated from the date of the Notice to the date of the Meeting.

9.2 Listing Rule 7.1

A summary of Listing Rule 7.1 is contained in Section 8.2 above.

The effect of Resolution 4 will be to allow the Company to issue the Slipstream Milestone Shares during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity under Listing Rule 7.1.

9.3 Specific information required by Listing Rule 7.3

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the proposed issue of the Slipstream Milestone Shares:

- (a) a maximum of 1,100,000,000 Shares are to be issued as Slipstream Milestone Shares to the Vendors (or their respective nominees), in the proportions and subject to the Milestones set out below:

Milestone	Slipstream	Effective
SS Milestone 1	220,000,000 Shares	55,000,000 Shares
SS2 Milestone 1	220,000,000 Shares	55,000,000 Shares
SS Milestone 2	220,000,000 Shares	55,000,000 Shares
SS2 Milestone 2	220,000,000 Shares	55,000,000 Shares
TOTAL	880,000,000 Shares	220,000,000 Shares

- (a) the Slipstream Milestone Shares will be issued no later than:
- (i) 48 months from Completion; or
 - (ii) 1 December 2023,
- subject to the Company meeting the Milestones. If the Milestones are not achieved and the Slipstream Milestone Shares are not issued within this time period, the Company may need to seek further Shareholder approval at an appropriate time for the issue of the Slipstream Milestone Shares;
- (b) the Slipstream Milestone Shares will be issued for nil cash consideration as part consideration for the Acquisition;
- (c) the Slipstream Milestone Shares will be issued to the Vendors (or their respective nominees), none of whom is a related party of the Company;
- (d) the Slipstream Milestone Shares will be fully paid ordinary shares in the capital of the Company and will rank equally in all respects with the Company's existing Shares on issue;
- (e) no funds will be raised from the Slipstream Milestone Shares as they will be issued for nil cash consideration;
- (f) it is intended that the issue of each tranche of the Slipstream Milestone Shares will occur on a fixed date, being a date shortly after satisfaction of the relevant Milestone; and
- (g) a voting exclusion statement is included in the Notice.

10. Resolution 5 - Approval to issue Hispanibal Consideration Shares

10.1 General

Resolution 5 seeks Shareholder approval pursuant to Listing Rule 7.1 for the issue of up to 145,588,235 Hispanibal Consideration Shares to Hispanibal (or its nominees) at Completion as part consideration for the cancellation of the Hispanibal Option. Half of the Hispanibal Consideration Shares will be subject to 12 months' voluntary escrow and half will be subject to 6 months' voluntary escrow from the date of issue.

Resolution 5 is an Interconditional Resolution and is subject to Shareholders passing each of the other Interconditional Resolutions.

Resolution 5 is an ordinary resolution.

The Board recommends that Shareholders vote in favour of Resolution 5.

10.2 Listing Rule 7.1

A summary of Listing Rule 7.1 is contained in Section 8.2 above.

The effect of Resolution 5 will be to allow the Company to issue the Hispanibal Consideration Shares during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity under Listing Rule 7.1.

10.3 Specific information required by Listing Rule 7.3

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the proposed issue of the Hispanibal Consideration Shares:

- (a) up to a maximum of 145,588,235 Shares are to be issued as Hispanibal Consideration Shares to Hispanibal (or its nominees);
- (b) the Hispanibal Consideration Shares will be issued no later than 3 months after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules);
- (c) the Hispanibal Consideration Shares will be issued for nil cash consideration as part consideration for the cancellation of the Hispanibal Option;
- (d) the Hispanibal Consideration Shares will be issued to Hispanibal (or its nominees), none of whom is a related party of the Company;
- (e) the Hispanibal Consideration Shares will be fully paid ordinary shares in the capital of the Company and will rank equally in all respects with the Company's existing Shares on issue;
- (f) no funds will be raised from the Hispanibal Consideration Shares as they will be issued for nil cash consideration;
- (g) it is intended that the issue of the Hispanibal Consideration Shares will occur on the same date, being the date of Completion; and
- (h) a voting exclusion statement is included in the Notice.

11. Resolution 6 - Approval to issue Hispanibal Milestone Shares

11.1 General

Resolution 6 seeks Shareholder approval pursuant to Listing Rule 7.1 for the issue of up to 97,058,824 Hispanibal Milestone Shares to Hispanibal (or its nominees) upon satisfaction of the relevant Milestones as part consideration for the cancellation of the Hispanibal Option. Half of the Hispanibal Milestone Shares will be subject to 12 months' voluntary escrow and half will be subject to 6 months' voluntary escrow from the date of issue.

Resolution 6 is an Interconditional Resolution and is subject to Shareholders passing each of the other Interconditional Resolutions and Completion occurring.

Resolution 6 is an ordinary resolution.

The Board recommends that Shareholders vote in favour of Resolution 6.

11.2 Listing Rule 7.1

A summary of Listing Rule 7.1 is contained in Section 8.2 above.

The effect of Resolution 6 will be to allow the Company to issue the Hispanibal Milestone Shares during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity under Listing Rule 7.1.

11.3 Specific information required by Listing Rule 7.3

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the proposed issue of the Hispanibal Milestone Shares:

- (a) up to a maximum of 97,058,824 Shares are to be issued as Hispanibal Milestone Shares to Hispanibal (or its nominees), subject to the Milestones set out below:

Milestone	Hispanibal
SS Milestone 1	48,529,412 Shares
SS Milestone 2	48,529,412 Shares
TOTAL	97,058,824 Shares

- (b) the Hispanibal Milestone Shares will be issued no later than:

- (i) 48 months from Completion; or
(ii) 1 December 2023,

subject to the Company meeting the Milestones. If the Milestones are not achieved and the Hispanibal Milestone Shares are not issued within this time period, the Company may need to seek further Shareholder approval at an appropriate time for the issue of the Hispanibal Milestone Shares;

- (c) the Hispanibal Milestone Shares will be issued for nil cash consideration as part consideration for the cancellation of the Hispanibal Option;
- (d) the Hispanibal Milestone Shares will be issued to Hispanibal (or its nominees), none of whom is a related party of the Company;
- (e) the Hispanibal Milestone Shares will be fully paid ordinary shares in the capital of the Company and will rank equally in all respects with the Company's existing Shares on issue;
- (f) no funds will be raised from the Hispanibal Milestone Shares as they will be issued for nil cash consideration;
- (g) it is intended that the issue of each tranche of the Hispanibal Milestone Shares will occur on a fixed date, being a date shortly after satisfaction of the relevant Milestone; and
- (h) a voting exclusion statement is included in the Notice.

12. Resolutions 7 & 8 - Ratification of issue of Tranche 1 Placement Shares

12.1 General

On 2 August 2019, the Company announced the issue of 287,500,000 Tranche 1 Placement Shares at \$0.002 each to raise \$575,000 (before costs) to partially fund the Acquisition, provide working capital and for exploration activities at the Novales-Udias and Guajaraz Projects. The Tranche 1 Placement Shares were issued to sophisticated investors using the Company's placement capacity under Listing Rules 7.1 and 7.1A.

Resolutions 7 and 8 seek the approval of Shareholders pursuant to Listing Rule 7.4 to ratify the issue of the Tranche 1 Placement Shares.

Resolutions 7 and 8 are ordinary resolutions.

The Board recommends that Shareholders vote in favour of Resolutions 7 and 8.

12.2 Listing Rules 7.1 and 7.1A

A summary of Listing Rule 7.1 is contained in Section 8.2 above.

Listing Rule 7.1A provides that an eligible entity may seek shareholder approval at its annual general meeting to allow it to issue Equity Securities comprising up to 10% of its issued capital. The Company obtained this approval at its annual general meeting held on 5 November 2018.

12.3 Listing Rule 7.4

Listing Rule 7.4 provides an exception to Listing Rules 7.1 and 7.1A. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to Listing Rules 7.1 and 7.1A (and provided that the previous issue did not breach Listing Rules 7.1 and 7.1A), those securities will be deemed to have been made with shareholder approval for the purpose of Listing Rules 7.1 and 7.1A, as applicable.

The effect of Shareholders passing Resolutions 7 and 8 will be to allow the Company to retain the flexibility to issue Equity Securities in the future up to the 15% annual placement capacity set out in Listing Rule 7.1 and the additional 10% annual placement capacity set out in Listing Rule 7.1A without the requirement to obtain prior Shareholder approval.

12.4 Specific information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to the ratification of the issue of the Tranche 1 Placement Shares:

- (a) a total of 287,500,000 Tranche 1 Placement Shares were issued on 2 August 2019 as follows:
 - (i) 160,392,641 Tranche 1 Placement Shares were issued within the 15% annual limit permitted under Listing Rule 7.1, without the need for Shareholder approval; and
 - (ii) 127,107,359 Tranche 1 Placement Shares were issued within the 10% limit permitted under Listing Rule 7.1A, without the need for Shareholder approval;
- (b) the Tranche 1 Placement Shares were issued at \$0.002 per Share;
- (c) the Tranche 1 Placement Shares issued were fully paid ordinary shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue;
- (d) the Tranche 1 Placement Shares were issued to two sophisticated investors identified by Slipstream, neither of whom is a related party or associate of the Company or Slipstream: Delphi Unternehmensberatung Aktiengesellschaft and Wainidiva Pty Ltd;
- (e) the proceeds from the issue of the Tranche 1 Placement Shares are intended to be used towards:
 - (i) the costs of the Acquisition and the Tranche 1 Placement;
 - (ii) exploration on the Cantabria and Toledo Concessions; and
 - (iii) general working capital; and
- (f) a voting exclusion statement is included in the Notice.

13. Resolution 9 - Approval of 10% Placement Facility

13.1 General

Listing Rule 7.1A enables an eligible entity to issue Equity Securities up to 10% of its issued share capital through placements over a 12 month period after the annual general meeting (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% annual placement capacity under Listing Rule 7.1.

Resolution 9 seeks Shareholder approval by way of a special resolution to provide the Company the ability to issue Equity Securities under the 10% Placement Facility during the 10% Placement Period (refer to Section 13.2(f) below). The number of Equity Securities to be issued under the 10% Placement Facility will be determined in

accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 13.2(c) below).

Resolution 9 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

The Board recommends that Shareholders vote in favour of Resolution 9.

13.2 Listing Rule 7.1A

(a) Is the Company an eligible entity?

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 as it is not included in the S&P/ASX 300 Index and has a market capitalisation of approximately \$3.1 million, based on the closing price of Shares (\$0.002) on 11 October 2019.

(b) What Equity Securities can be issued?

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the company.

As at the date of the Notice, the Company has on issue two quoted class of Equity Securities, Shares and Options.

(c) How many Equity Securities can be issued?

Listing Rule 7.1A.2 provides that under the approved 10% Placement Facility, the Company may issue or agree to issue a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

Where:

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

(A) plus the number of fully paid Shares issued in the 12 months under an exception in Listing Rule 7.2;

(B) plus the number of partly paid shares that became fully paid in the 12 months;

(C) plus the number of fully paid Shares issued in the 12 months with Shareholder approval under Listing Rule 7.1 and 7.4. This does not include any issue of Shares under the Company's 15% annual placement capacity without Shareholder approval; and

(D) 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 the Company's 15% annual placement 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 Shareholder approval under Listing Rule 7.1 or 7.4.

(d) What is the interaction with Listing Rule 7.1?

The Company's ability to issue Equity Securities under Listing Rule 7.1A will be in addition to its 15% annual placement capacity under Listing Rule 7.1.

(e) At what price can the Equity Securities be issued?

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 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,

(Minimum Issue Price).

(f) When can Equity Securities be issued?

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A will be valid from the date of Meeting and will expire on the earlier to occur of:

- (i) the date that is 12 months after the date of the Meeting; or
- (ii) the date of Shareholder approval 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),

(10% Placement Period).

(g) What is the effect of Resolution 9?

The effect of Resolution 9 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without further Shareholder approval or using the Company's 15% annual placement capacity under Listing Rule 7.1.

13.3 Specific information required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, the following information is provided in relation to the 10% Placement Facility:

(a) **Minimum issue price**

If the Company issues Equity Securities for cash consideration under the 10% Placement Facility, then the issue price will be not less than the Minimum Issue Price.

If the Company issues Equity Securities for non-cash consideration under the 10% Placement Facility, then, in accordance with the Listing Rules, the Company will provide a valuation of the non-cash consideration to the market that demonstrates that the issue price of the Equity Securities complies with Listing Rule 7.1A.3.

(b) **Risk of economic and voting dilution**

If this Resolution is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' economic and voting power in the Company will be diluted as shown in the below table (in the case of Options, only if the Options are converted into Shares).

The below table shows:

- (i) the dilution of existing Shareholders based on the current market price of Shares and the current number of Shares for "A" calculated in accordance with the formula in Listing Rule 7.1A.2 (see Section 13.2(c)) as at the date of the Notice (**Variable A**);
- (ii) two examples where Variable A has increased, by 50% and 100%; and
- (iii) two examples of where the issue price of Shares has decreased by 50% and increased by 100% as against the current market price.

Share on issue Variable A in Listing Rule 7.1A.2	Dilution			
	Issue price per Share	\$0.001 50% decrease in Issue Price	\$0.002 Issue Price	\$0.004 100% increase in Issue Price
4,343,286,820 Shares Current Variable A	10% Voting Dilution	434,328,682 Shares	434,328,682 Shares	434,328,682 Shares
	Funds raised	\$434,328	\$868,657	\$1,737,314
2,337,860,378 Shares 50% increase in current Variable A	10% Voting Dilution	651,493,023 Shares	651,493,023 Shares	651,493,023 Shares
	Funds raised	\$651,493	\$1,302,986	\$2,605,972
3,117,147,170 Shares 100% increase in current Variable A	10% Voting Dilution	868,657,364 Shares	868,657,364 Shares	868,657,364 Shares
	Funds raised	\$868,657	\$1,737,314	\$3,474,629

Notes:

1. The table has been prepared on the following assumptions:
 - (a) the issue price is \$0.002 being the closing price of the Shares on ASX on 10 October 2019, being the last day that the Company's Shares traded on the ASX before the date of this Notice;
 - (b) Variable A is 4,343,286,820, comprising:
 - (i) 1,558,573,585 existing Shares on issue as at the date of this Meeting, assuming the Company has not issued any Shares in the 12 months prior to the Meeting that were not issued under an exception in Listing Rule 7.2 or with Shareholder approval under Listing Rule 7.1 and 7.4; and
 - (ii) a total of 3,075,567,735 Shares issued if Resolution/s 3, 4, 5, 6, 10, 11, 12, 13, 14, 15, 16 and 17 are passed at the Meeting;
 - (c) the Company issues the maximum number of Equity Securities available under the 10% Placement Facility;
 - (d) no convertible securities (including any issued under the 10% Placement Facility) are exercised or converted into Shares before the date of the issue of the Equity Securities; and
 - (e) the issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes Options, it is assumed that those Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
2. The number of Shares on issue (i.e. Variable A) may increase as a result of issues of Shares that do not require Shareholder approval (for example, a pro rata entitlements issue, scrip issued under a takeover offer or upon exercise of convertible securities) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting.
3. 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%.
4. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting.
5. The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.

Shareholders should note that there is a risk that:

- (iv) 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
- (v) 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.

(c) **Final date for issue**

The Company will only issue the Equity Securities under the 10% Placement Facility during the 10% Placement Period.

Shareholder approval of the 10% Placement Facility will cease to be valid if Shareholders approve a transaction under Listing Rule 11.1.2 or 11.2.

(d) **Purposes of issues under 10% Placement Facility**

The Company may seek to issue Equity Securities under the 10% Placement Facility for the following purposes:

- (i) cash consideration, in which case the Company intends to use funds raised for continued investment in the Company's current assets, the acquisition of new assets or investments (including expenses associated with such an acquisition), and/or for general working capital; or
- (ii) non-cash consideration for the provision of services to the Company or the acquisition of new projects, assets and investments. In such circumstances the Company will provide a valuation of the non-cash consideration as required under Listing Rule 7.1A.3.

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

(e) **Allocation policy**

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

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

The allottees under the 10% Placement Facility have not been determined as at the date of the Notice but may include existing substantial Shareholders and/or new Shareholders who are not a related party or an associate of a related party of the Company.

Further, if the Company is successful in acquiring new projects, assets or investments, it is possible that the allottees under the 10% Placement Facility will be the vendors of the new projects, assets or investments.

(f) **Issues in the past 12 months**

The Company has previously obtained Shareholder approval under Listing Rule 7.1A at its annual general meeting held on 5 November 2018.

In the 12 months preceding the date of the Meeting and as at the date of this Notice, the Company has issued 319,126,710 Equity Securities. This represents 17.1% of the total number of Equity Securities on issue at the commencement of that 12-month period.

Details of each issue of Equity Securities by the Company during the 12 months preceding the date of the Meeting are set out in Schedule 2.

(g) **Voting exclusion statement**

A voting exclusion statement is included in the Notice.

At the date of the 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.

14. Resolution 10 - Approval to issue Tranche 2 Placement Shares

14.1 General

Resolution 10 seeks Shareholder approval for the issue of up to 1,712,500,000 Tranche 2 Placement Shares at an issue price of \$0.002 each to raise up to \$3,425,000 (before costs).

Resolution 10 is an Interconditional Resolution and is subject to Shareholders passing each of the other Interconditional Resolutions.

Resolution 10 is an ordinary resolution.

The Board recommends that Shareholders vote in favour of Resolution 10.

14.2 Listing Rule 7.1

A summary of Listing Rule 7.1 is contained in Section 8.2 above.

The effect of Resolution 10 will be to allow the Company to issue the Tranche 2 Placement Shares during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

14.3 Specific information required by Listing Rule 7.3

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the Tranche 2 Placement Shares:

- (a) the maximum number of Tranche 2 Placement Shares to be issued is 1,712,500,000 Shares;

- (b) the Tranche 2 Placement Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that the issue of the Shares will occur on the same date, shortly after Completion;
- (c) the issue price of the Tranche 2 Placement Shares will be \$0.002 per Share;
- (d) the Tranche 2 Placement Shares will be issued to sophisticated and professional investors, none of whom will be related parties of the Company. Patersons Securities Limited has been mandated as lead manager to the Tranche 2 Placement;
- (e) the Tranche 2 Placement Shares will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (f) the Company intends to use the funds raised from the Tranche 2 Placement towards:
 - (i) the costs of the Acquisition and the Tranche 2 Placement;
 - (ii) exploration on the Cantabria and Toledo Concessions; and
 - (iii) general working capital; and
- (g) a voting exclusion statement is included in the Notice.

15. Resolution 11 - Approval to issue Commission Shares

15.1 General

Resolution 11 seeks Shareholder approval for the issue of up to 14,375,000 Commission Shares under the Tranche 2 Placement at an issue price of nil as consideration for subscriptions under the Tranche 1 Placement.

Resolution 11 is an Interconditional Resolution and is subject to Shareholders passing each of the other Interconditional Resolutions.

Resolution 11 is an ordinary resolution.

The Board recommends that Shareholders vote in favour of Resolution 11.

15.2 Listing Rule 7.1

A summary of Listing Rule 7.1 is contained in Section 8.2 above.

The effect of Resolution 11 will be to allow the Company to issue the Commission Shares during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

15.3 Specific information required by Listing Rule 7.3

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the Commission Shares:

- (a) the maximum number of Commission Shares to be issued is 14,375,000 Shares;

- (b) the Commission Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that the issue of the Shares will occur on the same date, shortly after Completion;
- (c) the issue price of the Commission Shares will be nil, as the Commission Shares are issued as consideration for services under the Tranche 1 Placement;
- (d) the Commission Shares will be issued to Delphi Unternehmensberatung Aktiengesellschaft and Wanidiva, neither of whom will be related parties of the Company;
- (e) the Tranche 2 Commission Shares will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (f) no funds will be raised through the issue of the Commission Shares as the Commission Shares were issued as consideration for services; and
- (g) a voting exclusion statement is included in the Notice.

16. Resolution 12 - Approval to issue Advisor Shares

16.1 General

Resolution 12 seeks Shareholder approval for the issue of up to 69,375,000 Advisor Shares to Risely Resources Pty Ltd (or its nominees) on Completion in lieu of a cash fee of \$138,750. Half of the Advisor Shares will be subject to 12 months' voluntary escrow and half will be subject to 6 months' voluntary escrow from the date of issue.

Resolution 12 is an Interconditional Resolution and is subject to Shareholders passing each of the other Interconditional Resolutions.

Resolution 12 is an ordinary resolution.

The Board recommends that Shareholders vote in favour of Resolution 12.

16.2 Listing Rule 7.1

A summary of Listing Rule 7.1 is contained in Section 8.2 above.

The effect of Resolution 12 will be to allow the Company to issue the Advisor Shares during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

16.3 Specific information required by Listing Rule 7.3

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the Advisor Shares:

- (a) a maximum of 69,375,000 Shares are to be issued as Advisor Shares;
- (b) the Advisor Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules);

- (c) the Advisor Shares will be issued for nil cash consideration in lieu of cash consideration for the provision of introductory, facilitation and advisory services in connection with the Acquisition;
- (d) the Advisor Shares will be issued to Risely Resources Pty Ltd (or its nominees), none of whom is a related party of the Company;
- (e) the Advisor Shares will be fully paid ordinary shares in the capital of the Company and will rank equally in all respects with the Company's existing Shares on issue;
- (f) no funds will be raised from the Advisor Shares as they will be issued for nil cash consideration;
- (g) it is intended that the issue of the Advisor Shares will occur on the same date, being the date of Completion; and
- (h) a voting exclusion statement is included in the Notice.

17. Resolution 13 - Approval to issue Bonus Shares to Mr Stewart Dickson

17.1 General

As announced on 26 October 2018, the Board has agreed, subject to obtaining Shareholder approval, to issue £50,000 worth of Bonus Shares to Mr Stewart Dickson (or his nominees). The Company agreed to issue such Shares as a short term incentive following the completion of an acquisition such as the Acquisition under the Term Sheets. The agreement was made in conjunction with a reduction in the base fee payable to Mr Dickson until Completion.

The number of Bonus Shares to be issued has been calculated based on a deemed issue price of \$0.002 per Share (being the issue price under the Placement) and a GBP/AUD exchange rate of 1.00GBP:1.92AUD based on the Westpac quoted rate on 1 October 2019.

Resolution 13 seeks the approval of Shareholders pursuant to Listing Rule 10.11 for the issue of up to 48,140,500 Bonus Shares to Mr Dickson (or his nominees).

Resolution 13 is an ordinary resolution.

The Board (excluding Mr Dickson) recommends that Shareholders vote in favour of Resolution 13.

The Board considers that remuneration in the form of Bonus Shares is a prudent means of conserving the Company's available cash reserves. However, in the event Shareholders do not approve the issue of Bonus Shares under Resolution 13, the £50,000 will be payable to Mr Dickson (or his nominees) in cash.

17.2 Listing Rule 10.11

Listing Rule 10.11 requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained, unless an exception in Listing Rule 10.12 applies.

Mr Dickson is a related party of the Company by virtue of being a Director. As the issue involves the issue of Shares to a related party of the Company, Shareholder approval pursuant to Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that none of the exceptions set out in Listing Rule 10.12 apply in the current circumstances.

Approval pursuant to Listing Rule 7.1 is not required for the Participation as approval is being obtained under Listing Rule 10.11. Accordingly, the issue of Shares to Mr Dickson (or his nominees) will not be included in the use of the Company's 15% annual placement capacity pursuant to Listing Rule 7.1.

17.3 Specific information required by Listing Rule 10.13

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to the proposed issue of Bonus Shares:

- (a) up to a maximum of 48,140,500 Bonus Shares will be issued to Mr Stewart Dickson (or his nominees), a Director of the Company;
- (b) the Bonus Shares will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules);
- (c) the Bonus Shares will be issued for nil cash consideration as a short-term incentive component of Mr Dickson's remuneration package;
- (d) the Bonus Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (e) the Bonus Shares will be issued for nil cash consideration and therefore no funds will be raised as a result of the issue; and
- (f) a voting exclusion statement is included in the Notice.

17.4 Chapter 2E of the Corporations Act

In accordance with Chapter 2E of the Corporations Act, in order to give a financial benefit to a related party, the Company must:

- (a) obtain Shareholder approval in the manner set out in section 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The issue of Bonus Shares constitutes giving a financial benefit and Mr Dickson is a related party of the Company by virtue of being a Director.

The Board (other than Mr Dickson, who has a material personal interest in Resolution 13) considers that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of Bonus Shares as the Bonus Shares are considered reasonable remuneration in the circumstances.

18. Resolutions 14, 15, 16 & 17 - Approval to issue Tranche 2 Placement Shares to Mr Dickson, Mr Kwan, Dr Foo and Mr Moore

18.1 General

Pursuant to Resolution 10, the Company is seeking Shareholder approval for the Tranche 2 Placement, being the issue of up to 1,712,500,000 Tranche 2 Placement Shares at an issue price of \$0.002 each to raise up to \$3,425,000 (before costs).

Mr Stewart Dickson, Mr Kwan Chee Seng, Dr Foo Fatt Kah and Mr Michael Moore (together, the **Related Party Participants**) wish to participate in the Tranche 2 Placement, subject to Shareholder approval being obtained.

Resolutions 14, 15, 16 and 17 seek the approval of Shareholders pursuant to Listing Rule 10.11 for the issue of up to 125,000,000 Tranche 2 Placement Shares to the Related Party Participants (or their respective nominees) arising from their participation in the Placement (**Participation**).

Resolutions 14, 15, 16 and 17 are Interconditional Resolutions and are subject to Shareholders passing each of the other Interconditional Resolutions.

Resolutions 14, 15, 16 and 17 are ordinary resolutions.

The Board (other than the Related Party Participants, who have a material personal interest in the outcome of the Resolutions) recommends that Shareholders vote in favour of Resolutions 14, 15, 16 and 17.

18.2 Listing Rule 10.11

A summary of Listing Rule 10.11 is set out at Section 17.2.

The Related Party Participants are related parties of the Company by virtue of being Directors (or in the case of Mr Kwan, an alternate Director). As the Participation involves the issue of Shares to related parties of the Company, Shareholder approval pursuant to Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that none of the exceptions set out in Listing Rule 10.12 apply in the current circumstances.

Approval pursuant to Listing Rule 7.1 is not required for the Participation as approval is being obtained under Listing Rule 10.11. Accordingly, the issue of Shares to the Related Party Participants (or their respective nominees) will not be included in the use of the Company's 15% annual placement capacity pursuant to Listing Rule 7.1.

18.3 Specific information required by Listing Rule 10.13

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to the proposed Participation:

- (a) a maximum of 125,000,000 Shares will be issued to the Related Party Participants, who are Directors (noting that Mr Kwan Chee Seng is an alternate director) of the Company, or their respective nominees, as follows:
 - (i) up to 25,000,000 Tranche 2 Placement Shares to Mr Stewart Dickson (or his nominee);

- (ii) up to 50,000,000 Tranche 2 Placement Shares to Mr Kwan Chee Seng (or his nominee); and
 - (iii) up to 40,000,000 Tranche 2 Placement Shares to Dr Foo Fatt Kah (or his nominee);
 - (iv) up to 10,000,000 Tranche 2 Placement Shares to Mr Michael Moore (or his nominee);
- (b) the Shares will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules);
 - (c) the issue price will be \$0.002 per Share, being the same as all other Shares issued under the Placement;
 - (d) the Tranche 2 Placement Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
 - (e) the funds raised will be used for the same purposes as all other funds raised under the Tranche 2 Placement as set out in Section 14.3(f); and
 - (f) a voting exclusion statement is included in the Notice.

18.4 Chapter 2E of the Corporations Act

A summary of Chapter 2E of the Corporations Act is set out at Section 17.4.

The Participation will result in the issue of Shares which constitutes giving a financial benefit and the Related Party Participants are related parties of the Company by virtue of being Directors.

The Board considers that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the Participation because the Shares will be issued to the Related Party Participants (or their nominees) on the same terms as Shares issued to non-related party participants in the Placement and as such the giving of the financial benefit is on arm's length terms.

19. Resolution 18 - Consolidation of capital

19.1 General

Resolution 18 seeks Shareholder approval for the Company to undertake the Consolidation of its capital on a 20 for 1 basis.

The Directors propose the Consolidation as it will result in a more appropriate and effective capital structure for the Company and a Share price more appealing to a wider range of investors.

Resolution 18 is an Interconditional Resolution and is subject to Shareholders passing each of the other Interconditional Resolutions.

Resolution 18 is an ordinary resolution.

The Board recommends that Shareholders vote in favour of Resolution 18.

19.2 Legal requirements

Clause 9.1 of the Constitution provides that the Company in general meeting may increase, divide, consolidate or reduce its Share capital if it complies with the Corporations Act and the Listing Rules.

Section 254H of the Corporations Act provides that a company may, by resolution passed in a general meeting, convert all or any of its shares into a larger or smaller number.

Listing Rule 7.22.1 requires that when a listed entity undertakes a consolidation of capital, the number of its options must be consolidated in the same ratio as the ordinary capital and the exercise price must be amended in inverse proportion to that ratio.

19.3 Fractional entitlements

Not all Security holders will hold that number of Shares and Options which can be evenly divided by 20. Where a fractional entitlement occurs, the Company will round that fraction up to the nearest whole Security.

19.4 Taxation

It is not considered that any taxation implications will exist for Security holders arising from the Consolidation. However, Security holders are advised to seek their own tax advice on the effect of the Consolidation and neither the Company, nor the Directors (or the Company's advisors) accept any responsibility for the individual taxation implications arising from the Consolidation.

19.5 Holding statements and certificates

From the date of the Consolidation, all holding statements for Securities will cease to have any effect, except as evidence of entitlement to a certain number of Securities on a post-Consolidation basis.

After the Consolidation becomes effective, the Company will arrange, in accordance with the timetable below, for new holding statements for Securities to be issued to holders of those Securities.

It is the responsibility of each Security holder to check the number of Securities held prior to disposal or exercise (as the case may be).

19.6 Effect on capital structure

The effect that the Consolidation will have on the Company's capital structure is set out in Section 4.7.

19.7 Timetable

If Shareholders approve Resolution 18, the Consolidation will take effect following an announcement by the Company that it has completed the issue of Tranche 2 Placement Shares. The Company will release a timetable in accordance with the Listing Rules following satisfaction of this condition. However, an indicative timetable for the Acquisition and the Consolidation is located at Section 4.9.

20. Resolution 19 - Replacement of Constitution

20.1 General

A company may modify or repeal its constitution or a provision of its constitution by special resolution of Shareholders.

Resolution 19 is a special resolution which will enable the Company to repeal its existing Constitution and adopt a new constitution (**Proposed Constitution**).

The Company's current Constitution was adopted in 2013. The Constitution was updated at the general meeting held on 30 June 2017, but has not otherwise been updated.

There have been a number of changes to the Corporations Act and the Listing Rules since the Constitution was first adopted. There have also been significant developments in corporate governance principles and general corporate and commercial practice for ASX listed entities. As a result, the Board proposes that the Company adopt the Proposed Constitution which reflects these changes to the legislation and current market practice.

In addition, changes to the Listing Rules will commence on 1 December 2019 which will require a listed entity's constitution to contain certain provisions regarding Restricted Securities if the entity has any Restricted Securities on issue. Although the Company does not presently have any Restricted Securities on issue and does not have any present intentions to undertake a transaction which would result in the issue of Restricted Securities, the Board considers it prudent to take this opportunity to update the Constitution to ensure it complies with these new requirements.

The Directors believe that it is preferable in the circumstances to replace the existing Constitution with the Proposed Constitution rather than to amend a multitude of specific provisions.

The Proposed Constitution is broadly consistent with the provisions of the existing Constitution. Many of the proposed changes are administrative or minor in nature.

The Directors believe these amendments are not material nor will they have any significant impact on Shareholders. It is not practicable to list all of the changes to the Constitution in detail in this Explanatory Memorandum, however, a summary of the proposed material changes is set out below.

A copy of the Proposed Constitution is available for review by Shareholders at the Company's website (www.variscan.com.au) or at the office of the Company. A copy of the Proposed Constitution can also be sent to Shareholders upon request to the Company Secretary. Shareholders are invited to contact the Company if they have any queries or concerns.

A copy of the proposed Constitution is available for Shareholders to review and will be available at the Meeting. It will be marked by the Chair at the Meeting in order to identify it as the Constitution approved by Shareholders.

20.2 Summary of material proposed changes

(a) Restricted Securities

With effect from 1 December 2019, ASX intends to apply a two-tier escrow regime where ASX can require certain more significant holders of Restricted

Securities and their controllers to execute a formal escrow agreement in the form of Appendix 9A of the Listing Rules, as is currently the case. However, for less significant holdings, ASX will instead permit entities to rely on a provision in their constitution imposing appropriate escrow restrictions on the holders of restricted securities and to simply give a notice to the holders of Restricted Securities in the form to be set out in an appendix to the Listing Rules, advising them of those restrictions.

To facilitate the operation of the new two-tier escrow regime, certain changes are required to the customary provisions of constitutions of ASX-listed entities regarding Restricted Securities. These changes require that:

- (i) a holder of Restricted Securities must not dispose of, or agree or offer to dispose of, the securities during the escrow period applicable to those securities except as permitted by the Listing Rules or ASX;
- (ii) if the Restricted Securities are in the same class as quoted securities, the holder will be taken to have agreed in writing that the Restricted Securities are to be kept on the entity's issuer sponsored subregister and are to have a holding lock applied for the duration of the escrow period applicable to those securities;
- (iii) the entity will refuse to acknowledge any disposal (including, without limitation, to register any transfer) of Restricted Securities during the escrow period applicable to those securities except as permitted by the Listing Rules or ASX;
- (iv) a holder of Restricted Securities will not be entitled to participate in any return of capital on those securities during the escrow period applicable to those securities except as permitted by the Listing Rules or ASX; and
- (v) if a holder of Restricted Securities breaches a restriction deed or a provision of the constitution restricting a disposal of those securities, the holder will not be entitled to any dividend or distribution, or to exercise any voting rights, in respect of those securities for so long as the breach continues.

(b) Forfeiture

The Proposed Constitution provides that the cancellation of forfeiture is to be on such terms as the Directors think fit and the surrender of any shares will be taken to be a forfeited share.

(b) Transfer of shares

The Company has included clauses in the Proposed Constitution relating to the transfer of shares as provided by the Operating Rules, of an applicable CS Facility or by any other method of transfer which is required or permitted by the Corporations Act and any relevant Stock Exchange.

(c) Proceedings at general meetings

The existing Constitution provides that a quorum consists of three members, however the Proposed Constitution has amended the quorum to two members. In addition, if a quorum is not present within 15 minutes after the time

appointed for the meeting, the meeting is dissolved and adjourned to another time.

(d) Voting on a poll for partly paid shares

If a member holds partly paid shares, the Proposed Constitution provides a formula to determine the number of votes that member has in the event of a poll. Any fractions resulting from the formula will be disregarded.

(e) Proceedings at director meetings

The Proposed Constitution provides that if the chair is not present within 15 minutes after the time appointed for the holding of the meeting, or is unable or unwilling to act, the deputy chair will be the chair of the meeting. In addition, the Proposed Constitution also provides that in the event there is an equality of votes, the chair of a meeting of Directors will have a casting vote.

(f) Dividends and reserves

The Proposed Constitution provides the Directors the right to grant members the right to elect to reinvest cash dividends paid by the Company.

(g) Plans

The existing Constitution provides that Directors may adopt and implement any plans such as a dividend reinvestment plan or bonus Share plan. However, these clauses are not present in the Proposed Constitution.

(h) Less than marketable parcels of shares

The Company has included clauses in the Proposed Constitution relating to marketable parcels, which is a parcel of securities of not less than \$500. Pursuant to these clauses, the Company may notify a member in writing that the Company intends to sell Shares that have a value of less than \$500 unless, the member notifies the Company in writing that the member would like to retain those Shares.

20.3 Additional information

The Board unanimously recommends that Shareholders vote in favour of Resolution 18.

Resolution 19 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

The Chairperson intends to exercise all available proxies in favour of Resolution 18.

21. Resolution 20 - Approval of appointment of auditor

Consistent with the transition of the Company's administrative functions to Western Australia, the Board has resolved to appoint HLB Mann Judd (WA Partnership) as the Company's auditor.

As a consequence, HLB Mann Judd (NSW Partnership) applied to ASIC under subsection 329(5) of the Corporations Act for consent to resign as auditor of the Company. Following ASIC approval of the resignation of HLB Mann Judd (NSW

Partnership), the appointment of HLB Mann Judd (WA Partnership) as auditor of the Company became effective pursuant to section 372C(1) of the Corporations Act.

Under section 327C(2), any auditor appointed under section 327C(1) of the Corporations Act holds office until the company's next annual general meeting. The Company must therefore appoint an auditor of the Company to fill the vacancy in the office of auditor at this annual general meeting pursuant to section 327B of the Corporations Act

In accordance with section 328B of the Corporations Act, the Company has received written notice of nomination from a member of the Company for HLB Mann Judd (WA Partnership) to be appointed as the Company's auditor. A copy of the notice of nomination is attached to this Explanatory Memorandum as Schedule 3.

HLB Mann Judd (WA Partnership) has given its written consent to act as the Company's auditor.

The Board recommends that Shareholders vote in favour of Resolution 20.

Resolution 20 is a special resolution.

The Chairman intends to exercise all available proxies in favour of Resolution 20.

Schedule 1 - Definitions

In the Notice, words importing the singular include the plural and vice versa.

10% Placement Facility has the meaning given in Section 13.1.

10% Placement Period has the meaning given in Section 13.2(f).

\$ or A\$ means Australian Dollars.

Acquisition means the acquisition of 100% share capital in SS and SS2 by the Company pursuant to the Term Sheets.

Advisor Shares means up to 69,375,000 Shares (on a pre-Consolidation basis) to be issued to Risely Resources Pty Ltd (ACN 147 700 052) (or its nominees) on Completion as consideration for the provision of introductory, facilitation and advisory services in connection with the Acquisition, which are the subject of Resolution 11.

Annual Report means the Directors' Report, the Financial Report, and Auditor's Report, in respect to the year ended 30 June 2019.

ASX means the ASX Limited (ABN 98 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX Limited.

Auditor's Report means the auditor's report on the Financial Report.

Board means the board of Directors.

Bonus Shares means up to 48,104,500 Shares (on a pre-Consolidation basis) to be issued to Mr Stewart Dickson (or his nominee/s) as a short-term incentive on Completion, which are the subject of Resolution 12.

Cantabria Concessions means the exploration concessions in Cantabria, Spain which comprise the Novalés-Udías Project.

Chair means the person appointed to chair the Meeting of the Company convened by the Notice.

Clause means a clause of the Constitution.

Closely Related Party means:

- (a) a spouse or child of the member; or
- (b) has the meaning given in section 9 of the Corporations Act.

Company means Variscan Mines Limited (ACN 003 254 395).

Commission Shares means:

- (a) 11,375,000 Shares issued to Delphi Unternehmensberatung Aktiengesellschaft; and
- (b) 3,000,000 Shares issued to Wanidiva,

as consideration for services in conjunction with the Tranche 1 Placement.

Competent Person has the meaning given in the JORC Code 2012.

Completion means completion of the Acquisition pursuant to the Term Sheets.

Concessions means the Cantabria Concessions and the Toledo Concessions.

Consolidation means the proposed consolidation of the Company's Securities on a 20 for 1 basis as described in Resolution 15.

Constitution means the current constitution of the Company.

Corporations Act means the *Corporations Act 2001* (Cth).

CS Facility has the same meaning as prescribed CS facility in the Corporations Act.

Deferred Consideration Shares means, for the purposes of the ASX waiver set out in Section 4.5, the Slipstream Milestone Shares and the Hispanibal Milestone Shares.

Director means a director of the Company.

Directors' Report means the annual directors' report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.

Effective means Effective Investments Pty Ltd as trustee for the Vearncombe Superannuation Fund (ACN 068 207 081).

Equity Securities has the meaning given in the Listing Rules.

Explanatory Memorandum means the explanatory memorandum which forms part of the Notice.

Financial Report means the annual financial report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.

Hispanibal means Hispanibal, S.L. (a company incorporated in Spain with VAT No B39347703).

Hispanibal Agreement means the amendment deed between Hispanibal, SS, SRS, Slipstream and the Company for the termination of the Hispanibal Option.

Hispanibal Consideration Shares means up to 145,588,235 Shares (on a pre-Consolidation basis) to be issued to Hispanibal (or its nominees) at Completion pursuant to the Hispanibal Agreement, which are the subject of Resolution 5.

Hispanibal Milestone Shares means up to 97,058,824 Shares (on a pre-Consolidation basis) to be issued to Hispanibal (or its nominees) subject to the satisfaction of the Milestones pursuant to the Hispanibal Agreement, which are the subject of Resolution 6.

Hispanibal Option means Hispanibal's option to receive a fully paid-up, non-dilutable shareholding of 15% of SRS exercisable at any time, at nil cost, until authorisation to commence mining at the Novales-Udias Project is granted, pursuant to an agreement between Hispanibal, SS, SRS and Slipstream dated 24 April 2018.

Inferred Mineral Resource has the meaning given in the JORC Code 2012.

Interconditional Resolutions means Resolutions 3, 4, 5, 6, 10, 11, 12, 14, 15, 16 and 17.

JORC Code 2012 means the 2012 edition of the "Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" prepared by the Joint Ore Reserves Committee of The Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any Director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Listing Rules means the listing rules of ASX.

Maximum Subscription means the proposal to raise a maximum of \$3,425,000 under the Tranche 2 Placement via the issue of up to 1,712,500,000 Tranche 2 Placement Shares at \$0.002 each (on a pre-Consolidation basis).

Meeting has the meaning given in the introductory paragraph of the Notice.

Milestones means SS Milestone 1, SS Milestone 2, SS2 Milestone 1 and SS2 Milestone 2.

Mineral Resource has the meaning given in the JORC Code 2012.

Minimum Issue Price has the meaning given in Section 13.2(e).

Minimum Subscription means the proposal to raise a minimum of \$2,425,000 under the Tranche 2 Placement via the issue of at least 1,212,500,000 Shares at \$0.002 each (on a pre-Consolidation basis).

Notice means this notice of annual general meeting.

Official List means the official list of ASX.

Operating Rules means the operating rules of a CS Facility regulating the settlement, clearing and registration of uncertificated shares as amended, varied or waived (whether in respect of the Company or generally) from time to time.

Option means an option to acquire a Share.

Ore Reserve has the meaning given in the JORC Code 2012.

Participation means the proposed participation of the Related Party Participants in the Tranche 2 Placement and the issue of Tranche 2 Placement Shares to such parties (or their nominees), which is the subject of Resolutions 13 and 14.

Placement means the Tranche 1 Placement and the Tranche 2 Placement.

Projects means the Novales-Udias Project and the Guajaraz Project in Spain.

Proposed Constitution has the meaning given in Section 20.1.

Proxy Form means the proxy form attached to the Notice.

Related Party Participants means Mr Stewart Dickson, Mr Kwan Chee Seng and Dr Foo Fatt Kah.

Remuneration Report means the remuneration report of the Company contained in the Directors' Report.

Resolution means a resolution referred to in the Notice.

Restricted Securities has the same meaning as in the Listing Rules.

Schedule means a schedule to the Notice.

Section means a section of the Explanatory Memorandum.

Securities means any Equity Securities of the Company (including Shares and Options).

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means the holder of a Share.

Slipstream means Slipstream Resources Investments Pty Ltd as trustee for Slipstream Capital Trust (ACN 600 237 625).

Slipstream Consideration Shares means up to 1,100,000,000 Shares (on a pre-Consolidation basis) to be issued to the Vendors (or their respective nominees) at Completion pursuant to the Term Sheets, which are the subject of Resolution 3.

Slipstream Guajaraz S.L. means Slipstream Guajaraz S.L. (a company incorporated in Spain with VAT No B87916839).

Slipstream Milestone Shares means up to 1,100,000,000 Shares (on a pre-Consolidation basis) to be issued to the Vendors (or their respective nominees) subject to the satisfaction of the Milestones pursuant to the Term Sheets, which are the subject of Resolution 4.

SRS means Slipstream Resources Spain S.L.U. (a company incorporated in Spain with VAT No B84837558).

SS means Slipstream Spain Pty Ltd (ACN 614 045 751).

SS Milestone 1 means the Company successfully disclosing on the ASX market announcements platform, if admitted to the Official List, or otherwise defining an Inferred Mineral Resource (as defined by a Competent Person in accordance with JORC Code 2012) or greater, which may be a combination of a Mineral Resource and an Ore Reserve, on one or more of the Cantabria Concessions, of a minimum of 4Mt at 7% zinc.

SS Milestone 2 means the Company successfully disclosing on the ASX market announcements platform if admitted to the Official List, or otherwise defining an Inferred Mineral Resource (as defined by a Competent Person in accordance with JORC Code 2012) or greater, which may be a combination of a Mineral Resource and an Ore Reserve, on one or more of the Cantabria Concessions, of a minimum total of 8Mt at 7% zinc.

SS2 means Slipstream Spain 2 Pty Ltd (ACN 619 401 124).

SS2 Milestone 1 means the Company successfully disclosing on the ASX market announcements platform, or otherwise defining an Inferred Mineral Resource (as defined by a Competent Person in accordance with JORC Code 2012) or greater, which may be a combination of a Mineral Resource and an Ore Reserve, on one or more of the Toledo Concessions, of a minimum of 4Mt at 7% zinc.

SS2 Milestone 2 means the Company successfully disclosing on the ASX market announcements platform, or otherwise defining an Inferred Mineral Resource (as defined by a Competent Person in accordance with JORC Code 2012) or greater, which may be a combination of a Mineral Resource and an Ore Reserve, on one or more of the Toledo Concessions, of a minimum total of 8Mt at 7% zinc.

Strike means a 'no' vote of 25% or more on the resolution approving the Remuneration Report.

Term Sheets means the term sheets between the Vendors and the Company, for the acquisition by the Company of 100% of the issued share capital in SS and SS2 from the Vendors free of encumbrances.

Toledo Concessions means the exploration concessions in Toledo, Spain which comprise the Guajaraz Project.

Trading Day has the meaning given in the Listing Rules.

Tranche 1 Placement means the Company's private placement of Tranche 1 Placement Shares on 2 August 2019 to raise \$575,000 (before costs), the ratification of which is the subject of Resolutions 7 and 8.

Tranche 1 Placement Shares means 287,500,000 Shares issued at \$0.002 each under the Tranche 1 Placement.

Tranche 2 Placement means the Company's proposal under Resolution 10 to raise a minimum of \$2,425,000 and up to \$3,425,000 (before costs) via a private placement of Shares.

Tranche 2 Placement Shares means up to 1,712,500,000 Shares (on a pre-Consolidation basis) to be issued at \$0.002 each under the Tranche 2 Placement.

Vendors means Slipstream and Effective.

VWAP means volume weighted average market price.

WST means Western Standard Time being the time in Perth, Western Australia.

Schedule 2 - Securities issued in the previous 12 months

Details of each issue of Equity Securities by the Company during the 12 months preceding the date of the Meeting are set out in the table below:

Date of Issue	Number of Securities	Type of Security	Recipient of Security	Issue Price and details of any discount to Market Price ¹ (if applicable)	Consideration, Use of Funds and Current Value ² as at the date of this Notice
<i>PLACEMENT</i>					
2 August 2019	287,500,000	Shares	Sophisticated and professional investors under the Placement	\$0.002 per Share, equal to the Market Price on the date of issue	\$575,000 (before costs) was raised, of which none has been expended. The funds are expected be spent on exploration, acquisition of the Spanish tenements and for working capital requirements.
<i>SECURITIES ISSUED IN LIEU OF REMUNERATION</i>					
21 November 2018	31,626,710	Shares	Directors and former directors	Nil issue price (nil cash consideration). The Market Price on the date of issue was \$0.002, and the conversion rate of the liability was \$0.006, representing a premium of 300%	In satisfaction of outstanding directors' fees of \$189,760. The fair value of securities issued was \$63,253 Current Value: \$63,253

Notes:

1. "Market Price" means the closing price on ASX (excluding special crossings, overnight sales and exchange traded option exercises). For the purposes of this table the discount is calculated on the Market Price on the last trading day on which a sale was recorded prior to the date of issue of the relevant Equity Securities.
2. In respect of quoted Equity Securities the current value is based on the closing price of the Shares (\$0.002) on ASX on 26 September 2019.

Schedule 3 Nomination of Auditor letter

Variscan Mines Limited
Suite 8, 7 The Esplanade
Mount Pleasant
Australia

I, Michael Moore, being a member of Variscan Mines Limited (**Company**), nominate HLB Mann Judd (WA Partnership) in accordance with section 328B(1) of the *Corporations Act 2001* (Cth) (**Act**) to fill the office of auditor of the Company.

Please distribute copies of this notice of this nomination as required by section 328B(3) of the Act.

Signed and dated 11 October 2019:

A handwritten signature in black ink, appearing to read "M. J. Moore", with a horizontal line drawn underneath it.

Michael Moore

All Correspondence to:

-  **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 3:30pm (WST) on Tuesday 12 November 2019.**

TO VOTE ONLINE

- STEP 1: VISIT** <https://www.votingonline.com.au/varagm2019>
- 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 **3:30pm (WST) on Tuesday 12 November 2019.** Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged as follows:

-  **Online** <https://www.votingonline.com.au/varagm2019>
-  **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.

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 Man Judd, Level 4, 130 Stirling St, Perth WA 6000 on Thursday, 14 November 2019 at 3:30pm (WST)** 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, 13 - 17, I/we expressly authorise the Chair of the Meeting to exercise my/our proxy in respect of these Resolutions even though Resolutions 1, 13 - 17 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 (including Resolutions 1, 13 - 17). If you wish to appoint the Chair of the Meeting as your proxy with a direction to vote against, or to abstain from voting on an item, you must provide a direction by marking the '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*			FOR	AGAINST	ABSTAIN*
Res 1	Adoption of the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Res 11	Approval to issue Commission Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Res 2	Re-election of Mr Michael Moore as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Res 12	Approval to issue Advisor Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Res 3	Approval to issue Slipstream Consideration Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Res 13	Approval to issue Bonus Shares to Mr Stewart Dickson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Res 4	Approval to issue Slipstream Milestone Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Res 14	Approval to issue Tranche 2 Placement Shares to Mr Stewart Dickson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Res 5	Approval to issue Hispanibal Consideration Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Res 15	Approval to issue Tranche 2 Placement Shares to Mr Kwan Chee Seng	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Res 6	Approval to issue Hispanibal Milestone Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Res 16	Approval to issue Tranche 2 Placement Shares to Dr Foo Fatt Kah	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Res 7	Ratification of issue of Tranche 1 Placement Shares under Listing Rule 7.1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Res 17	Approval to issue Tranche 2 Placement Shares to Mr Michael Moore	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Res 8	Ratification of issue of Tranche 1 Placement Shares under Listing Rule 7.1A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Res 18	Consolidation of Capital	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Res 9	Approval of 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Res 19	Replacement of Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Res 10	Approval to issue Tranche 2 Placement Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Res 20	Appointment of Auditor	<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	Securityholder 2	Securityholder 3
Sole Director and Sole Company Secretary	Director	Director / Company Secretary