



**VARISCAN MINES**

## **ANNUAL GENERAL MEETING & INVESTOR PRESENTATION**

Variscan Mines Limited ("**Variscan**" or the "**Company**" or the "**Group**") (ASX:VAR) is pleased to attach the presentation provided at the Company's Annual General Meeting.

**ENDS**

**For further information:**

Variscan Mines Limited

Stewart Dickson

T: +44 (0) 7799 694195

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

*This announcement has been authorised for issue by Mr Mark Pitts Company Secretary, Variscan Mines Limited.*

### **Notes**

Variscan Mines Limited (ASX:VAR) is a growth oriented, natural resources company focused on the acquisition, exploration and development of high quality strategic mineral projects. The Company has compiled a portfolio of high-impact base-metal interests in Spain, Chile and Australia.

The Company's name is derived from the Variscan orogeny which was a geologic mountain building event caused by Late Paleozoic continental collision between Euramerica (Laurussia) and Gondwana to form the supercontinent of Pangea.



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# Annual General Meeting Presentation

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November 2020

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Where the Company refers to exploration results and production data it refers to the that information previously advised to the ASX and it confirms that it is not aware of any new information or data that materially affects the information included in that market announcement.



# VARISCAN MINES

# VARISCAN MINES (ASX:VAR) CORPORATE SNAPSHOT

Shares on Issue	210.1 million
Share Price (25 Nov '20)	\$0.034
Market Capitalisation	\$7.14 million
Cash (30 Sep '20)	\$2.30 million
Enterprise Value	\$4.84 million
Options on Issue	30.7 million

## SIGNIFICANT VAR SHAREHOLDERS

Slipstream Resources	8.7% (+8.7% escrow)	
Citicorp Nominees Pty Ltd	9.3%	
Delphi	5.7%	
Effective Investments Pty Ltd	2.6% (+2.6% escrow)	
Lightning Jack Pty Ltd	3.4%	
Wainidiva Pty Limited	3.0%	
Rubi Holdings Pty Ltd	2.4%	
Scintilla Strategic Investments	2.0%	
FELDI Limited	2.0%	

- Tightly held share register: Top 20 account for 63%
- Significant Asian & European investor holdings
- Board have notable equity holdings

## VAR LEADERSHIP TEAM



**Dr. Foo Fatt Kah**  
Non-Executive Chairman



**Stewart Dickson**  
Managing Director & CEO



**Mike Moore**  
Non-Executive Director



**Dr. Susan Veamcombe**  
Non-Executive Director

# AGM: YEAR IN REVIEW: EXECUTING OUR STRATEGY



**TRANSFORMATIONAL  
ACQUISITION  
COMPLETE**



**TECHNICAL  
AGREEMENT WITH  
SCHOOL OF MINES,  
UNIV. OF  
CANTABRIA**



**RETAINED FORMER  
OPERATIONS  
DIRECTOR & MINER AT  
SAN JOSE MINE**

**100% SPANISH  
RESIDENT STAFF**



**COLLATED VALUABLE  
DATABASE:  
426 UNDERGROUND  
DRILLHOLES FOR  
~29,902M + 102  
SURFACE DRILLHOLES,  
TOTALING ~18,870M**



**ACCEPTED AS A  
MEMBER OF THE  
EUROPEAN  
BATTERY  
ALLIANCE**



**DELINEATED 9KM  
MINERALIZED  
TREND ACROSS  
BOTH THE  
BUENAHORA  
EXPLORATION AND  
NOVALES MINING  
PERMITS**



**\$3M PLACEMENT  
COMPLETED**



**NEW HIGH-GRADE  
INFILL  
GEOCHEMICAL  
SOIL SAMPLING  
RESULTS**



**3D LASER SURVEY  
OF THE SAN JOSE  
MINE COMPLETE:  
UNMINED HIGH  
GRADE ZINC IN-  
SITU**



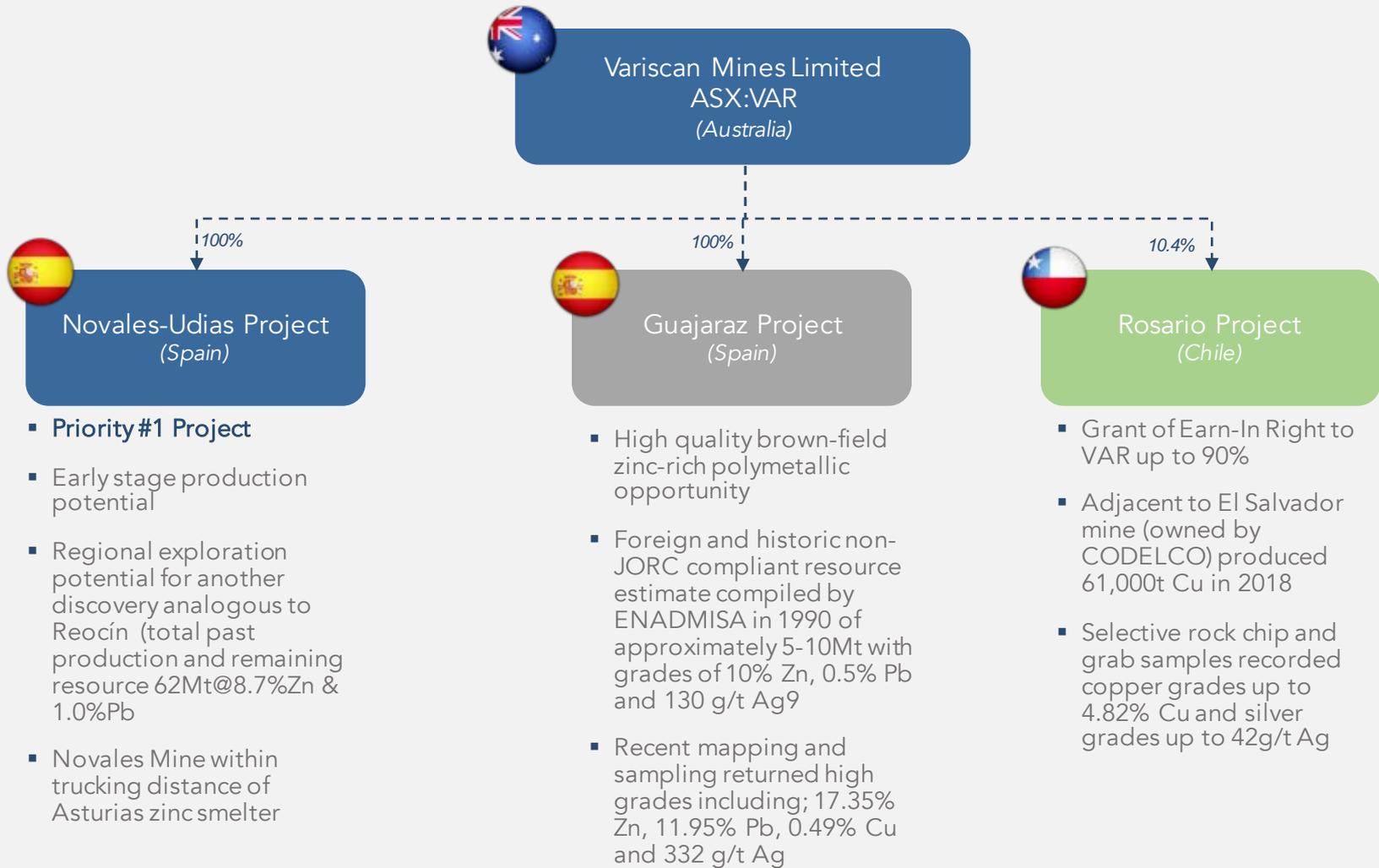
**PRACTICAL  
RESPONSE TO  
COVID INC. COST  
REDUCTIONS**

# MAINTAINING STRICT COST CONTROL & RESOURCE ALLOCATION\*

- Staff, Admin & Corporate costs well under control
- COVID cost cutting measures were effective



# HIGH IMPACT PORTFOLIO OF ASSETS



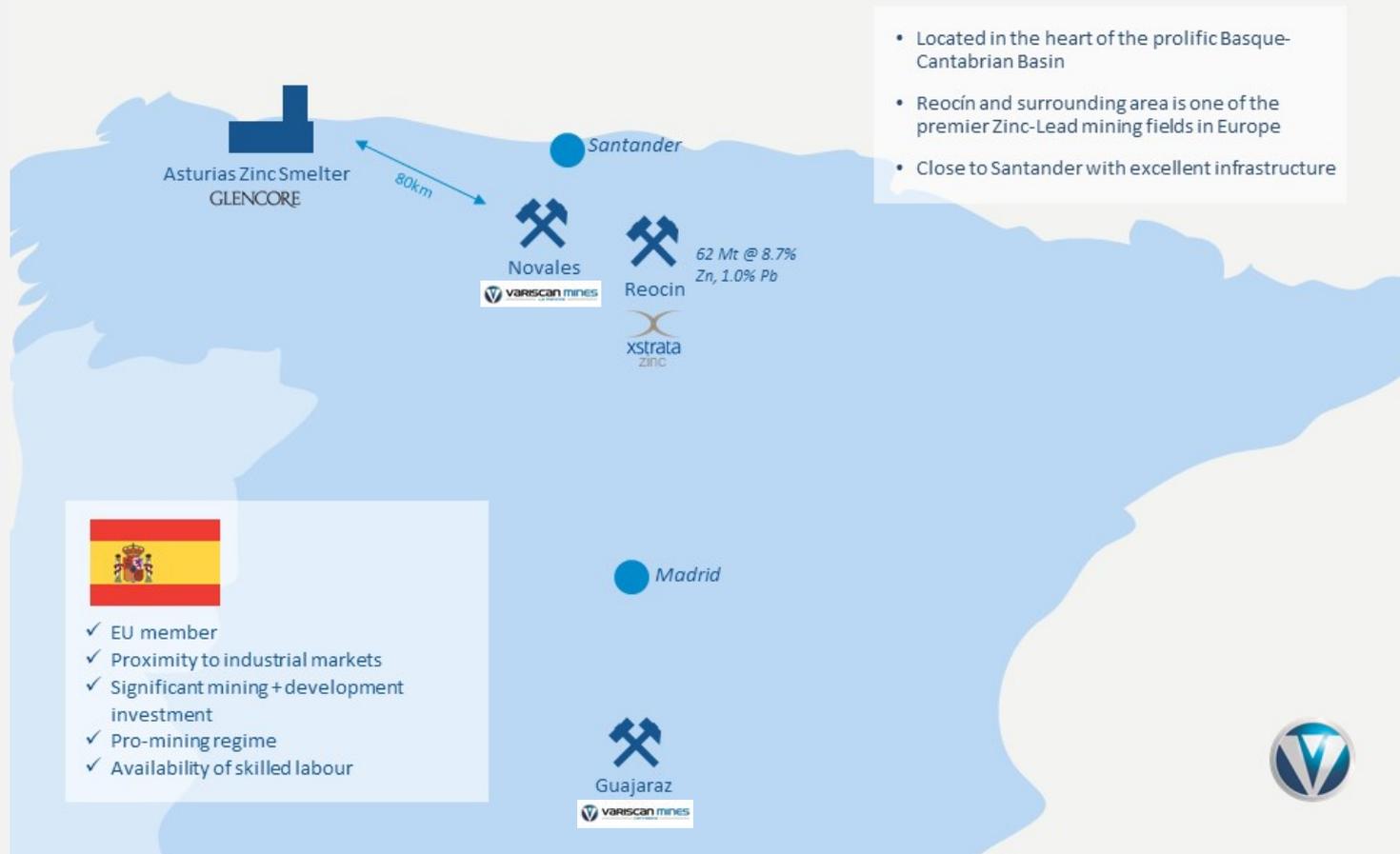
- **Priority #1 Project**
- Early stage production potential
- Regional exploration potential for another discovery analogous to Reocín (total past production and remaining resource 62Mt@8.7%Zn & 1.0%Pb)
- Novales Mine within trucking distance of Asturias zinc smelter

- High quality brown-field zinc-rich polymetallic opportunity
- Foreign and historic non-JORC compliant resource estimate compiled by ENADMISA in 1990 of approximately 5-10Mt with grades of 10% Zn, 0.5% Pb and 130 g/t Ag<sub>9</sub>
- Recent mapping and sampling returned high grades including; 17.35% Zn, 11.95% Pb, 0.49% Cu and 332 g/t Ag

- Grant of Earn-In Right to VAR up to 90%
- Adjacent to El Salvador mine (owned by CODELCO) produced 61,000t Cu in 2018
- Selective rock chip and grab samples recorded copper grades up to 4.82% Cu and silver grades up to 42g/t Ag

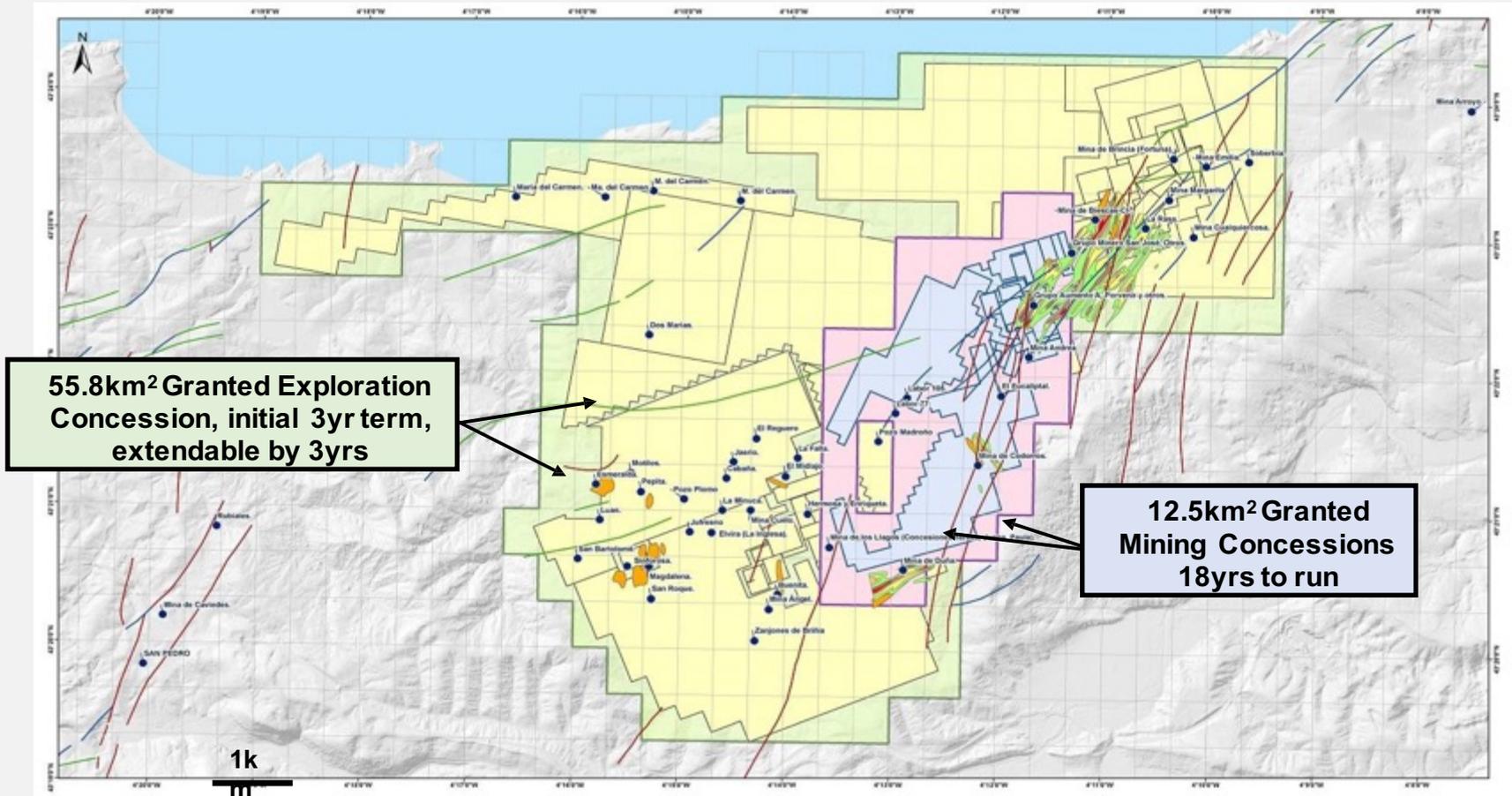
# HIGH GRADE SPANISH ZINC PROJECTS

## STRATEGICALLY LOCATED HIGH-GRADE ZINC PROJECT IN NORTHERN SPAIN



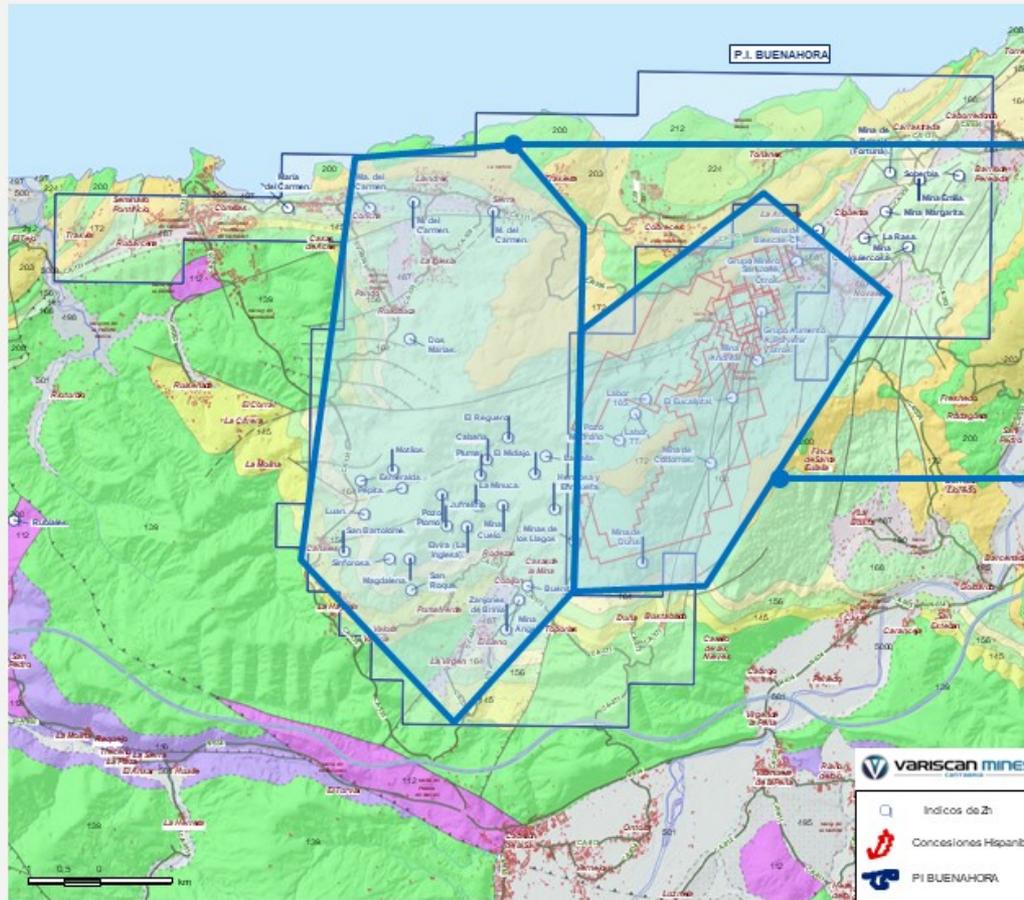
# NOVALES-UDIAS: 68.3km<sup>2</sup> OF CONTIGUOUS TENEMENT HOLDING

EXPLORATION & MINING CONCESSIONS ALREADY GRANTED\*



# EXPLOITING UPSIDE POTENTIAL FROM DE-RISKED PROVEN MINING AREAS

## STRATEGY: 2-FOLD OPPORTUNITY



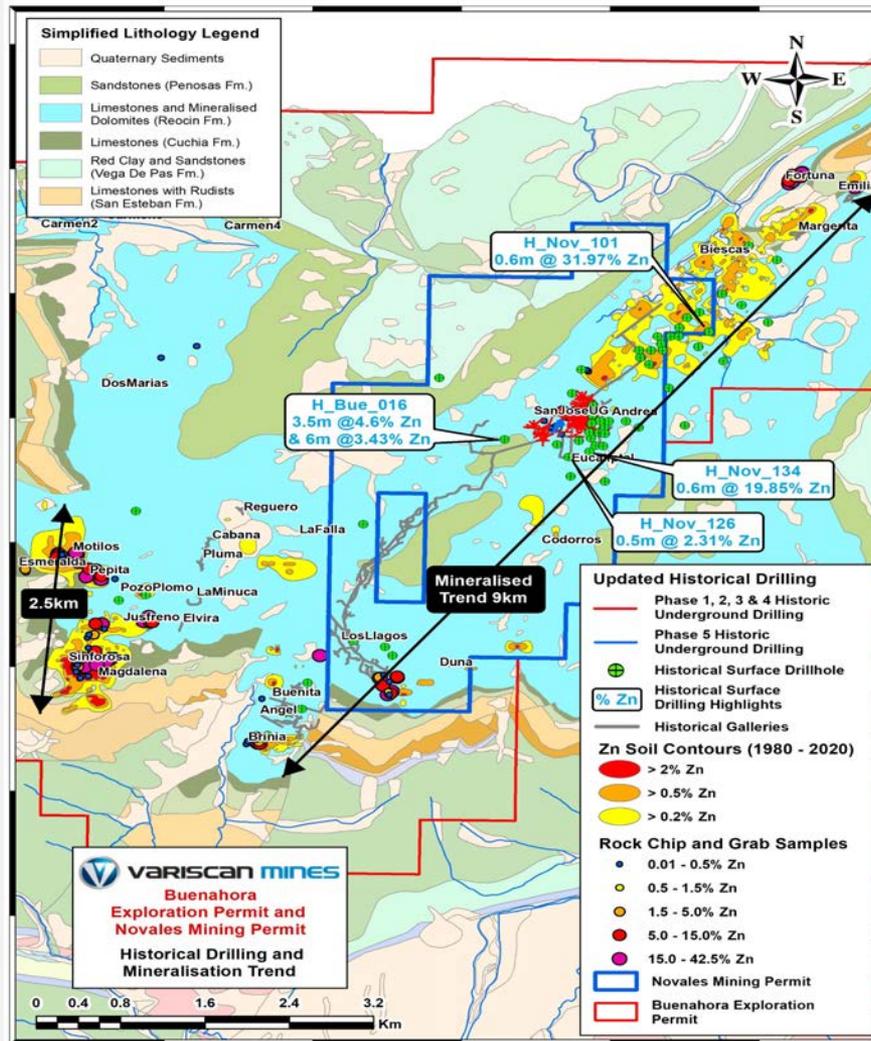
### UDIAS – BUENAHORA EXPLORATION

- Regional Resource of Significant Scale Potential
- Discover deposit akin to proximal Reocin Mine (62Mt @ 8.7%Zn & 1.0% Pb)

### SAN JOSE – NOVALES MINE

- Near Term Resource Potential
- Seeking Early Stage Production Opportunities

# 9KM MINERALISED TREND IDENTIFIED ACROSS THE TENEMENT HOLDING



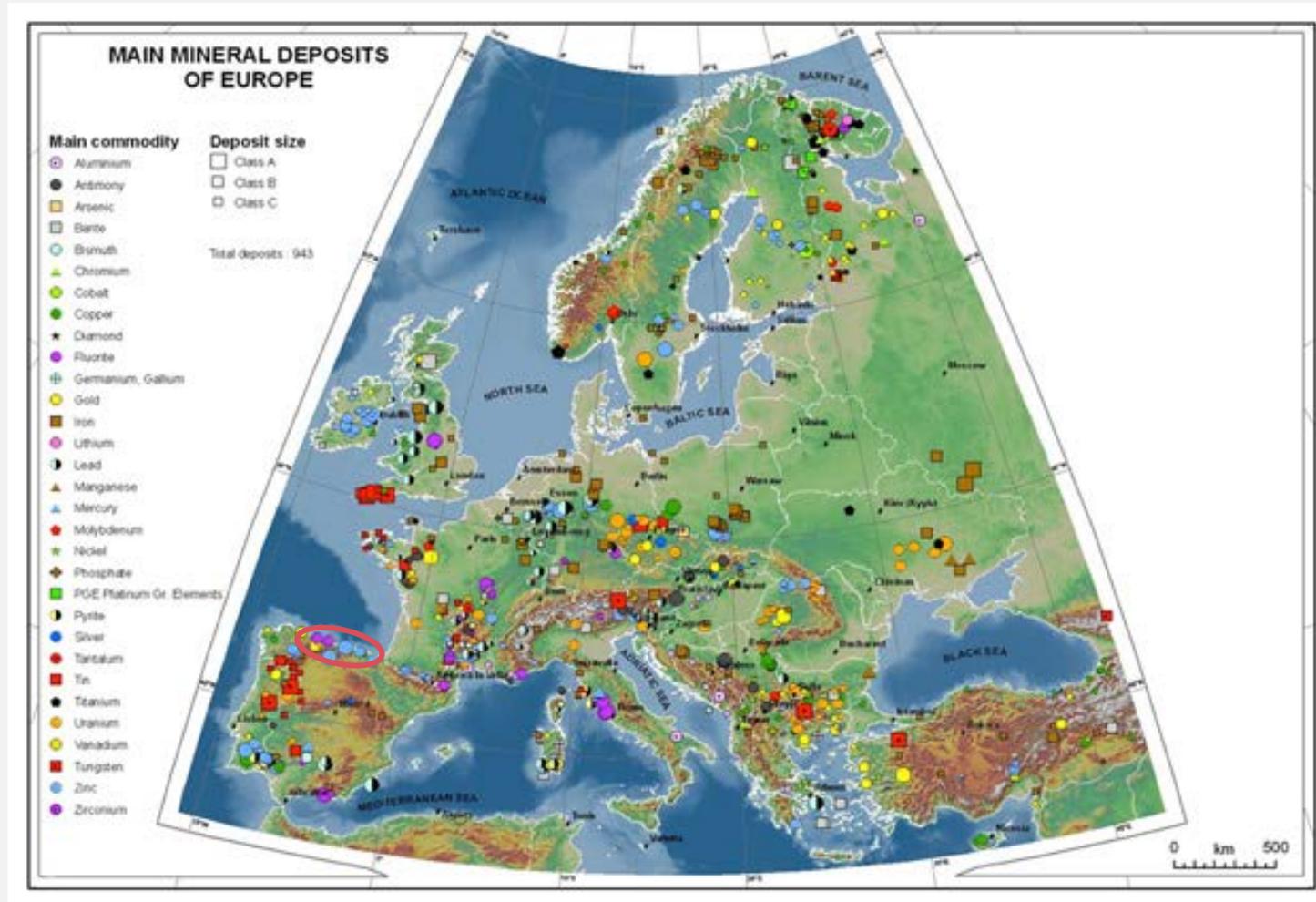
- Regional scale opportunity in Cantabria, Spain
- Significant 9km mineralised trend has been delineated from contemporary and historical exploration data across both Buenahora exploration and Novales mining permits
- Camp scale footprint identified on trend with the historic San Jose-Novales Mine; circa 10km from the world-class Reocin Zinc Mine (62Mt @ 8.7%Zn, 1%Pb)
- Historical surface drilling indicating proximal mineralisation to the northeast, south and southwest of the San Jose-Novales Mine

*Large areas near-mine and along trend are still open and untested providing significant exploration potential and value upside*

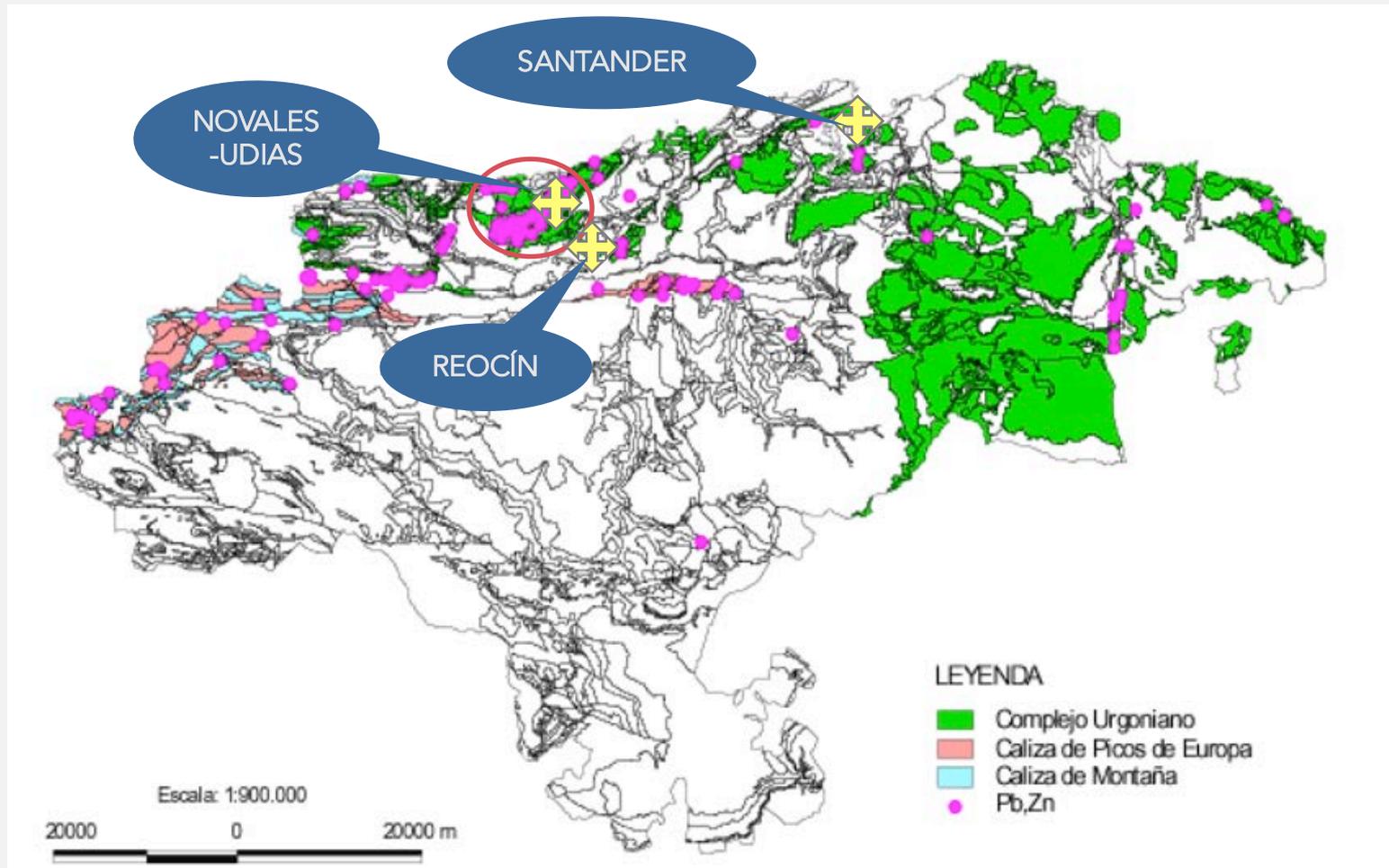


WORLD CLASS MINERAL  
ENDOWMENT

# CANTABRIA HOSTS MINERAL DEPOSITS OF EUROPEAN SIGNIFICANCE

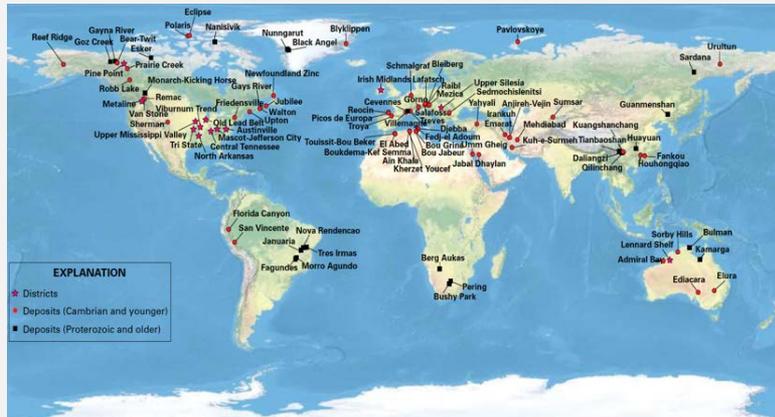


# ZINC-LEAD MINERALISATION (MVT) IN CANTABRIA

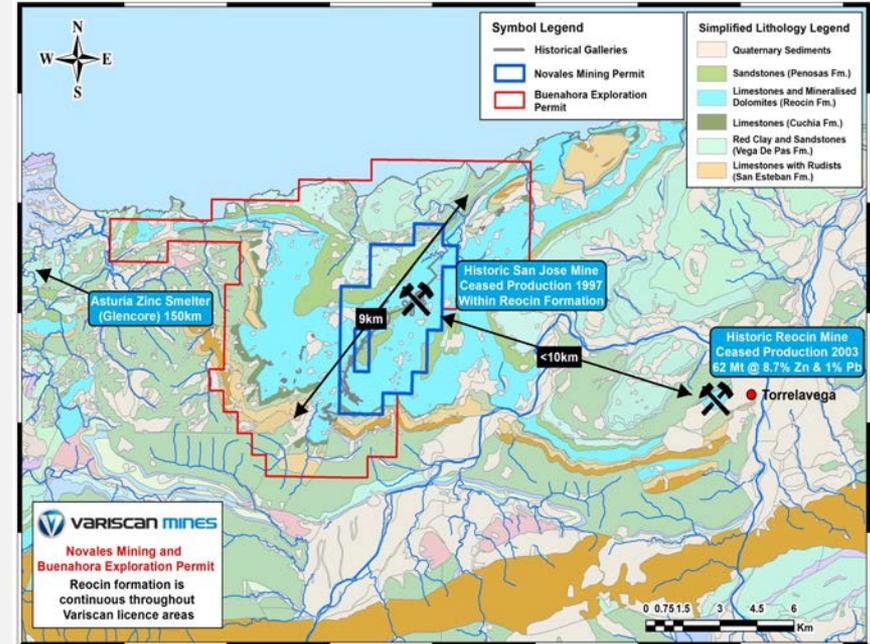


# CLOSE PROXIMITY TO ONE OF THE LARGEST MVT DEPOSITS: REOCÍN

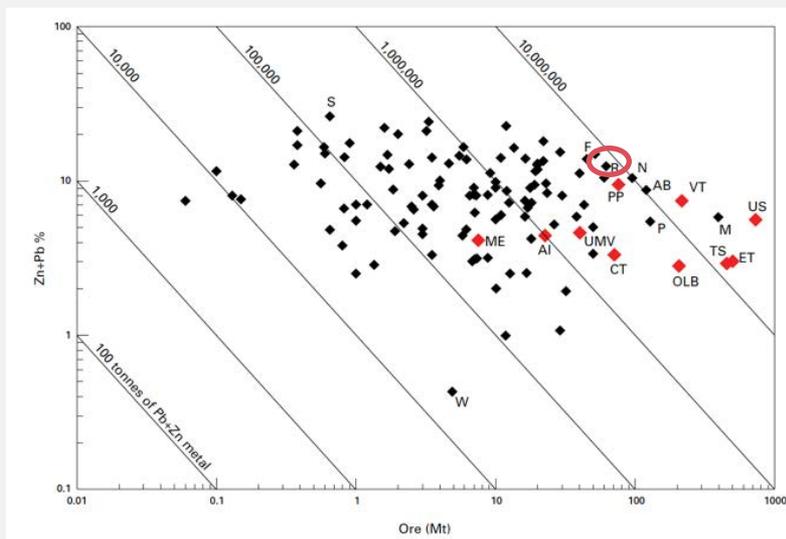
REOCÍN : A GLOBALLY SIGNIFICANT WORLD CLASS ZINC MINE



VARISCAN LICENCES LOCATED ON THE REOCÍN FORMATION



BENCHMARKING 113 MVT DEPOSITS: GRADE/TONNAGE CURVES



- Reocín is <10km from Novales
- Reocín Zinc Mine (62Mt @ 8.7%Zn, 1%Pb)
- Both are situated in the Basque-Cantabrian Basin
- Reocin formation is continuous throughout the licence areas: extending from Reocin to San Jose and right through the Buenahora licence area; **significant regional opportunity**



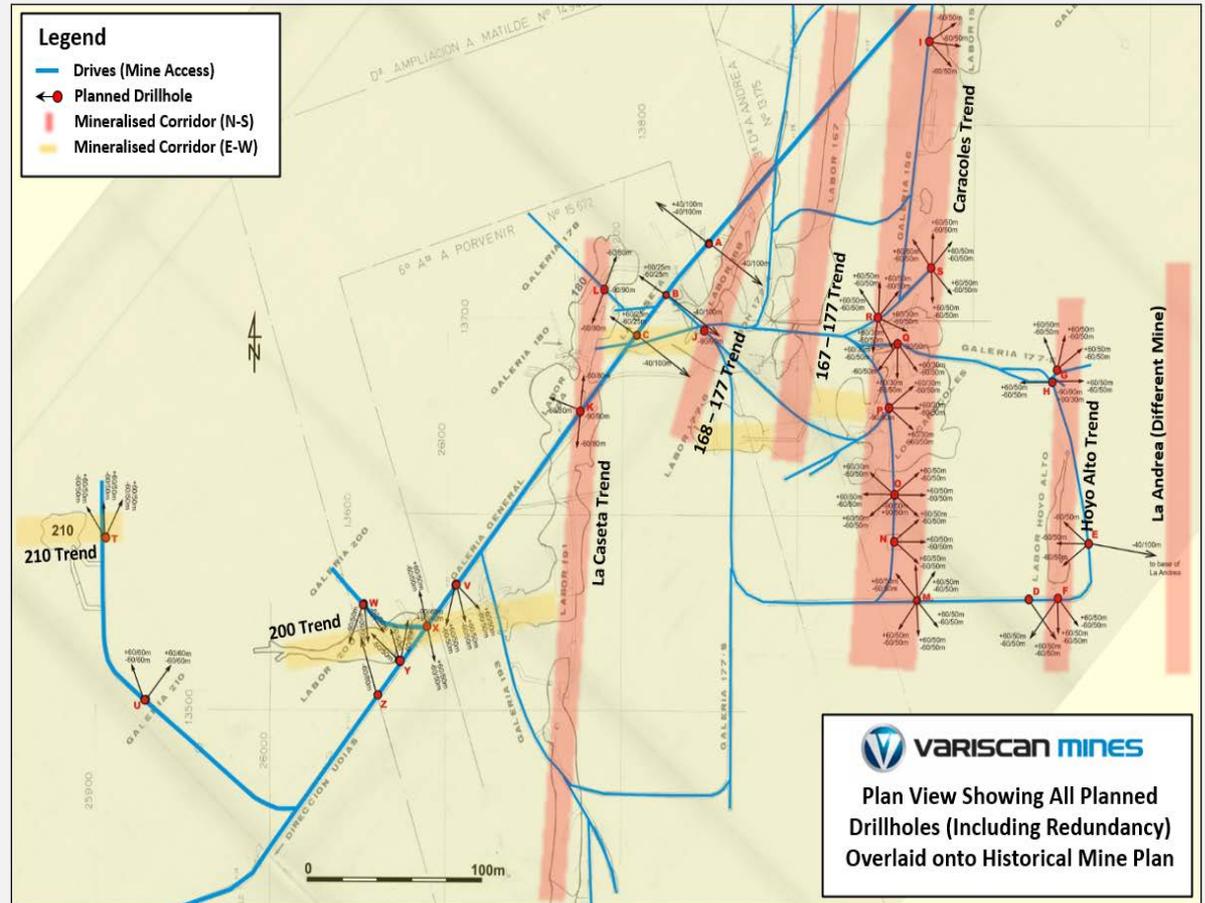
SAN JOSE - NOVALES MINE

# SAN JOSE MINE: CURRENT UNDERGROUND DRILLING PROGRAMME\*

- Initial 2,000m diamond drilling programme commenced

## Objectives:

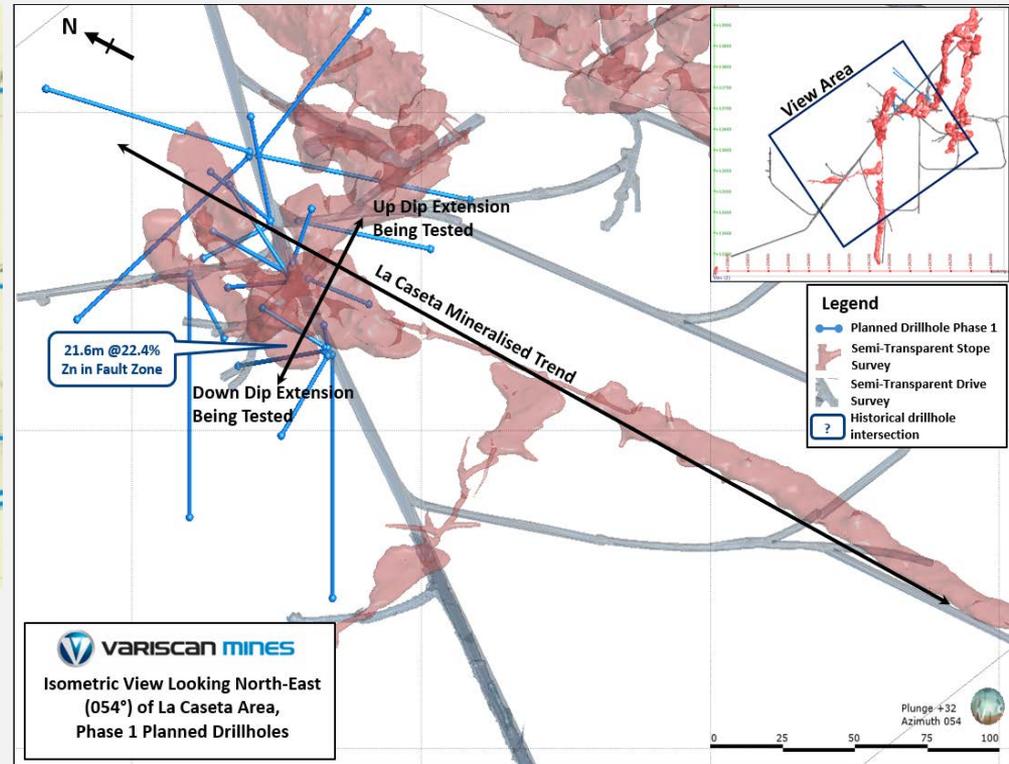
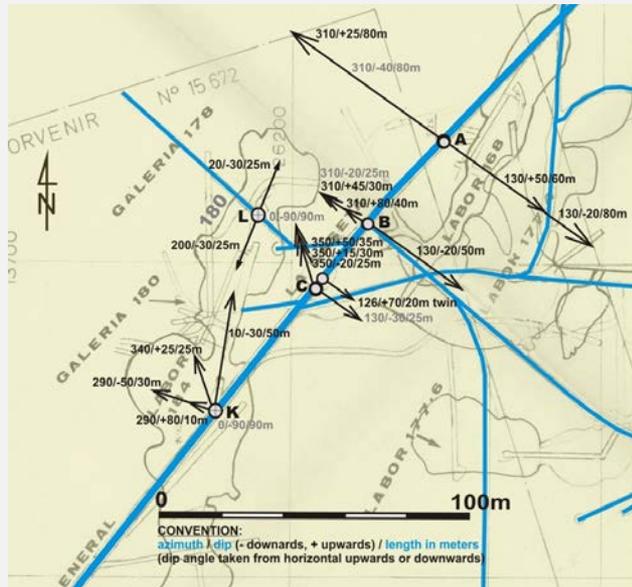
- Testing high-grade targets identified from historic drilling including potential extensions of mineralization:
  - along strike to the north and south of elongated existing stopes; and
  - along the near vertical mineralised structure planes, both above and below existing stopes.
- Further targets already identified for follow-on drill campaigns of ~4,000m.
- GEONOR appointed as drilling contractor; experienced Spanish firm with international mining clients
- 1x rig with BQTK core (41mm) with potential to increase to 2x rigs



# SAN JOSE MINE: 1<sup>st</sup> TARGETS FOR CURRENT DRILLING\*

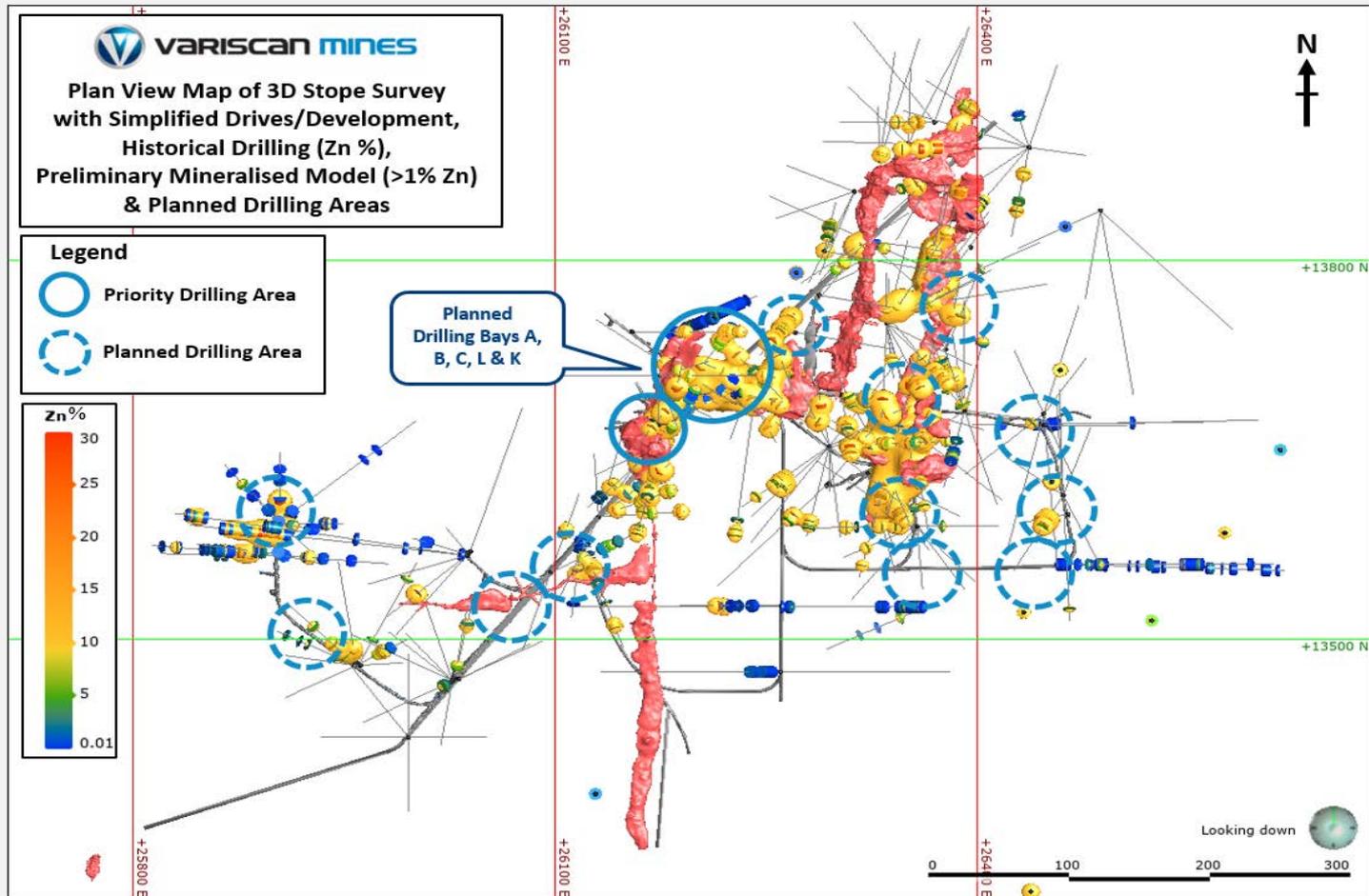
## EARLY DRILL TARGETS PLANNED

**"LA CASETA" TARGET:**  
 MULTIPLE HIGH GRADE HISTORICAL DRILL  
 INTERSECTIONS IN-SITU INC. 21.6m @22.4% Zn)

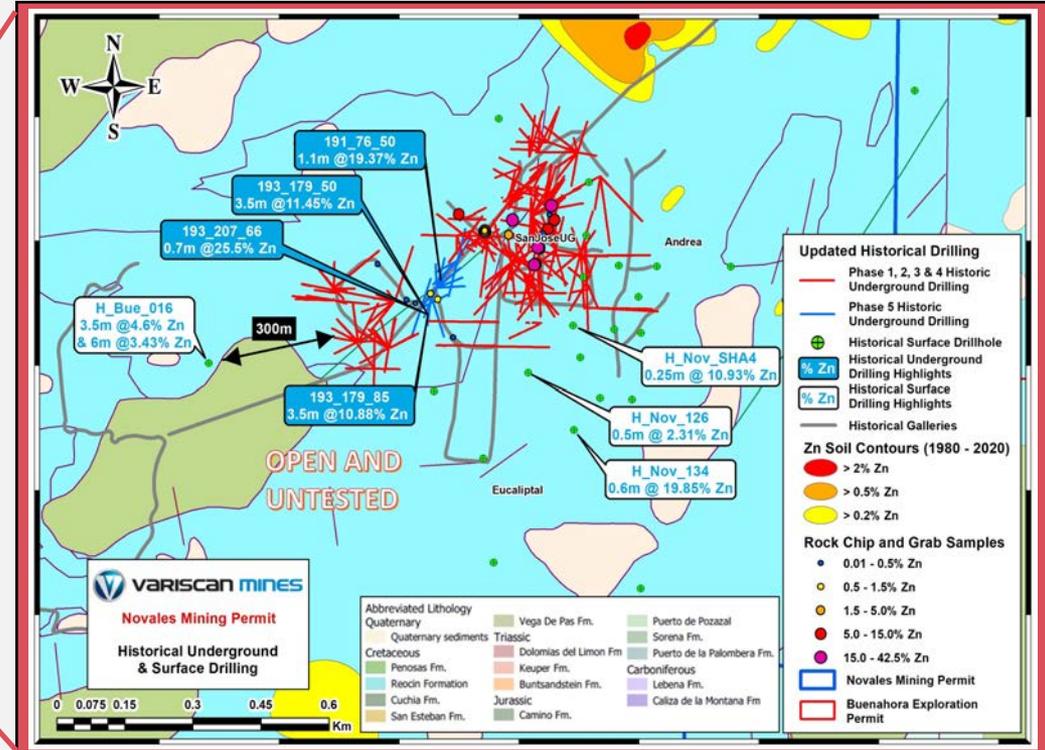
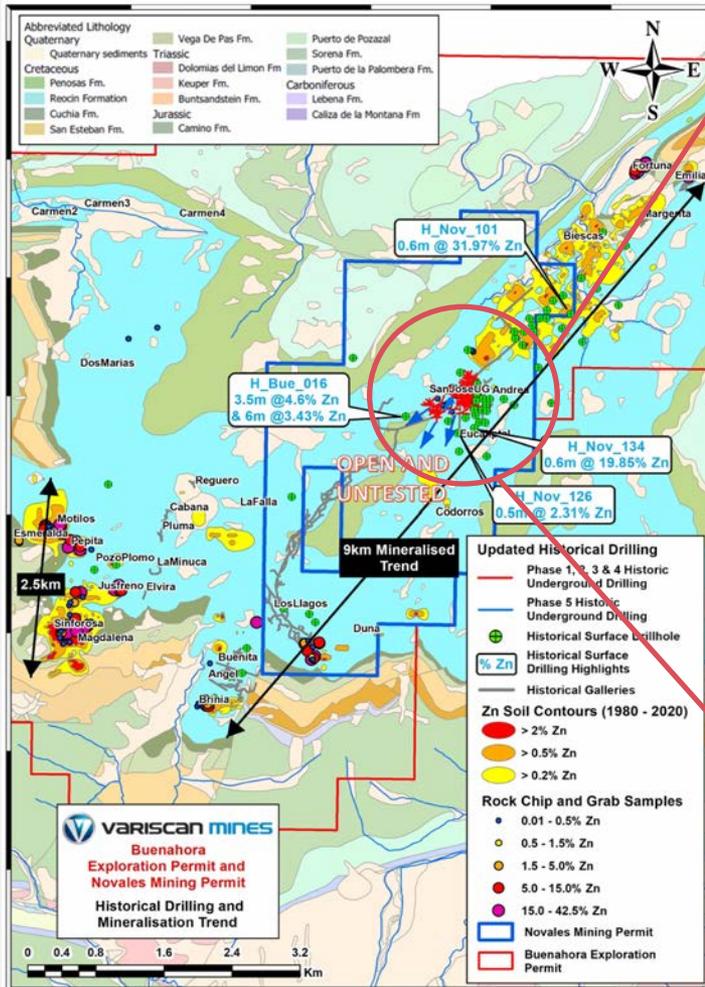


# SAN JOSE MINE: FUTURE DRILLING TARGETS & OPPORTUNITIES\*

SUFFICIENT TARGETS ALREADY IDENTIFIED FOR FOLLOW-ON DRILL CAMPAIGN OF ~4,000M

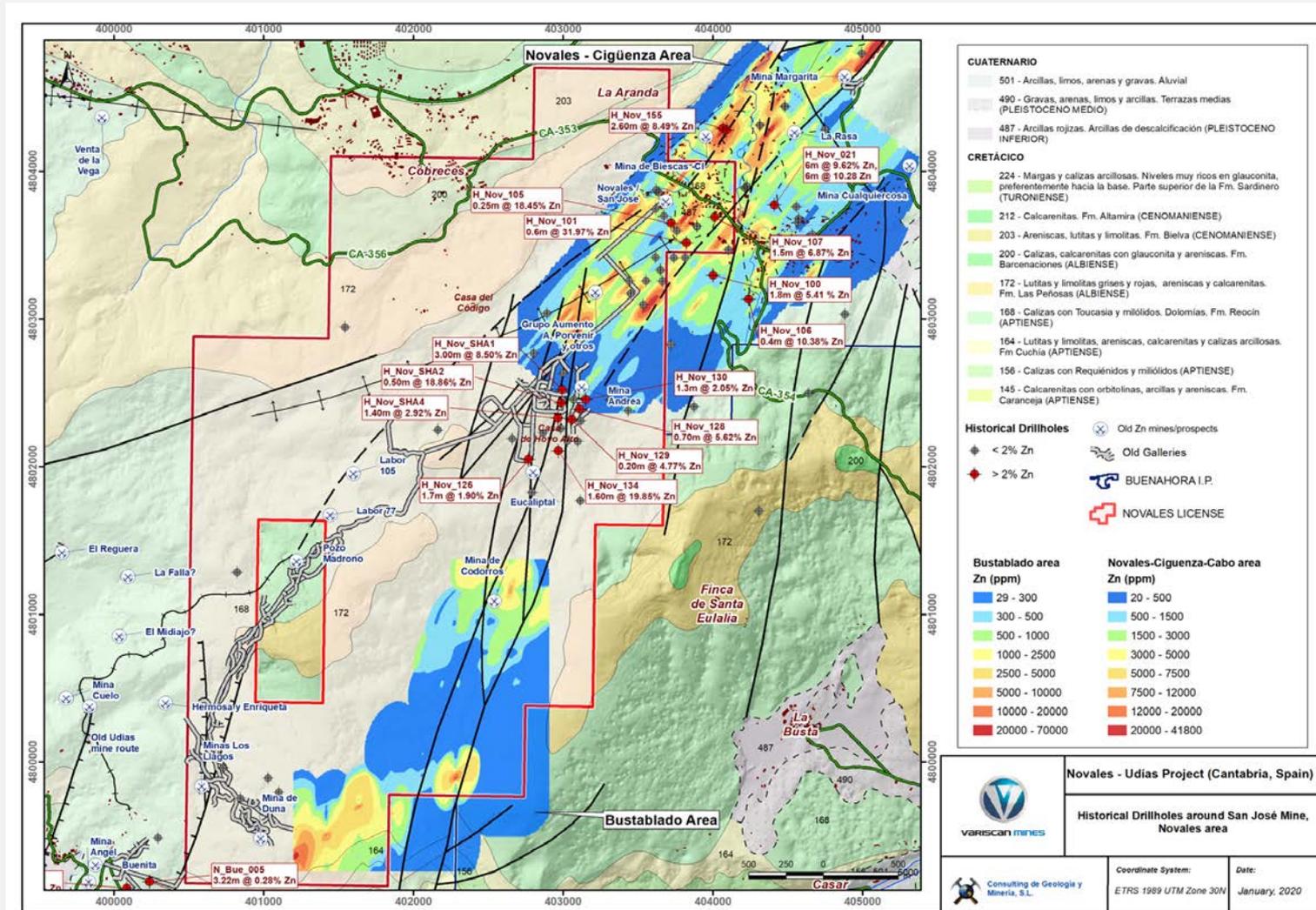


# HISTORICAL DRILLING DATA HAS SIGNIFICANTLY ENHANCED DRILL PLANS

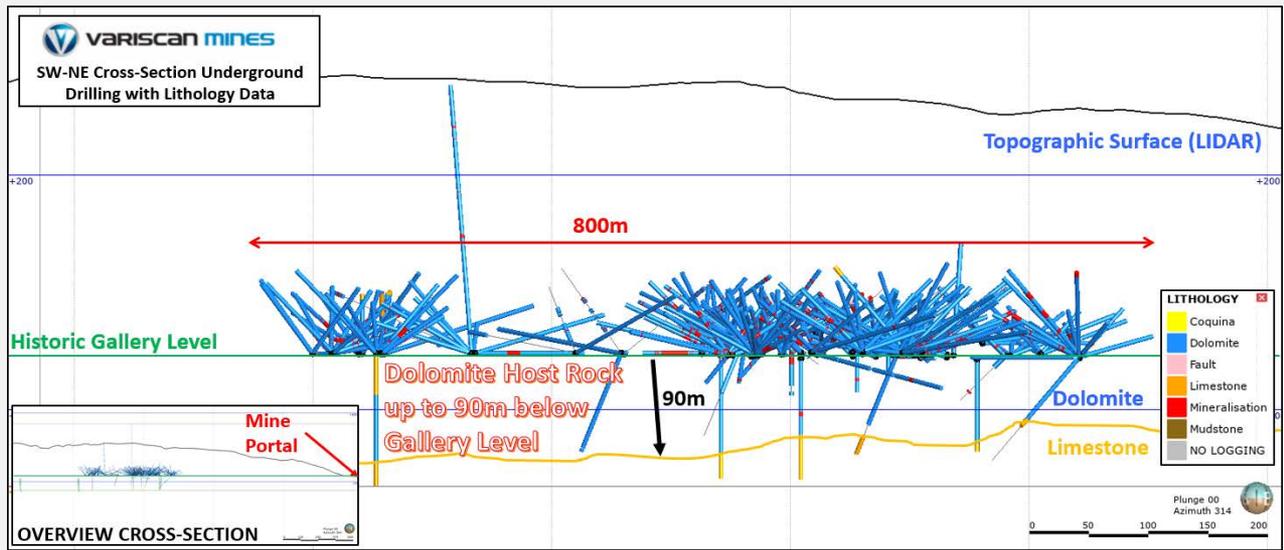
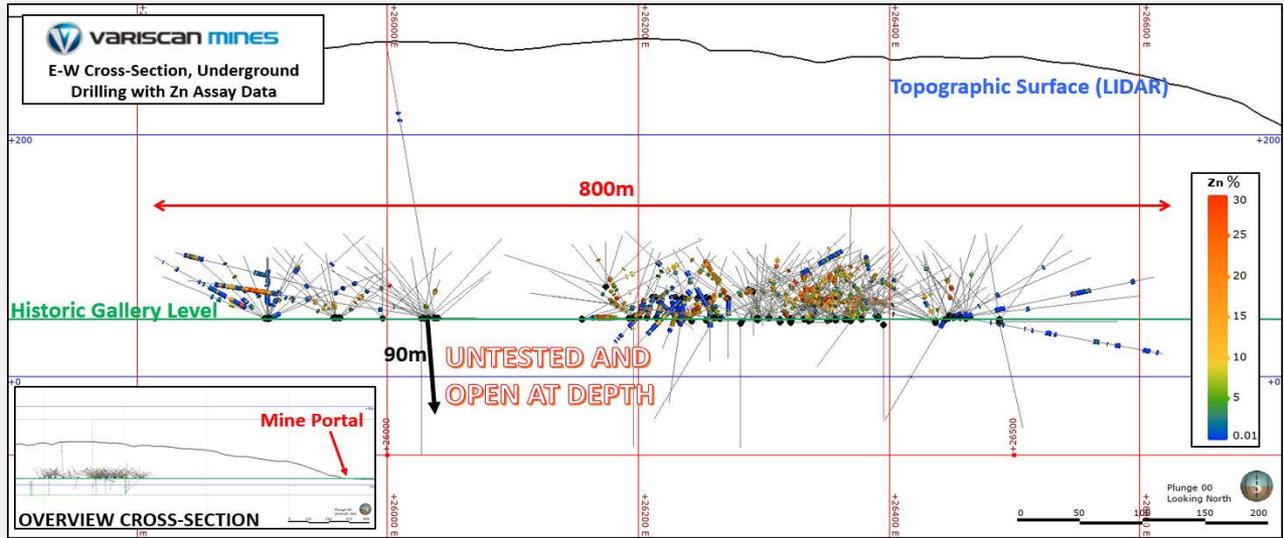


- Valuable database collated: 426 underground drillhole collars, for ~29,902m and 102 surface drillhole collars, totaling ~18,870m
- Unmined positive drilling intersections remaining
- 300m distance between historical underground drilling and surface drillhole H\_Bue\_016 to the west of 210 area i.e **step out hole showing potential for extension / continuation**

# HIGH GRADE HISTORIC SURFACE DRILLING RESULTS\*



# POTENTIAL ABOVE & BELOW EXISTING MINE DRIVE + LATERAL EXTENSIONS



## SAN JOSE – NOVALES MINE: LOCAL INFRASTRUCTURE IS IN PLACE



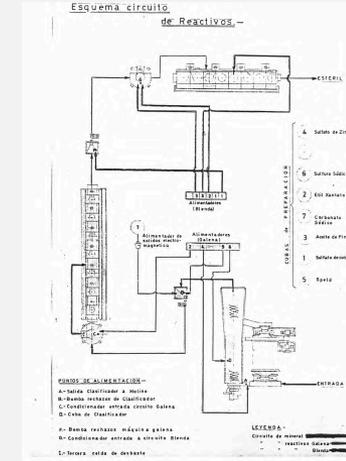
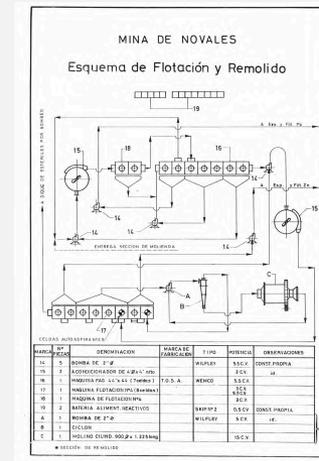
- Potential water supply from small river <100m from mine site
- Water treatment site <100m from mine site

# SAN JOSE – NOVALES MINE: INFRASTRUCTURE IS READY FOR DRILLING

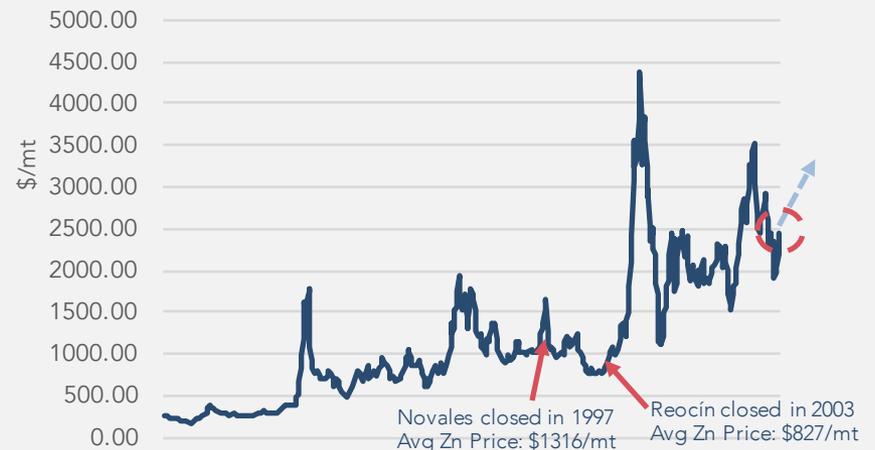


# PAST PRODUCER MEANS LOW RESTART CAPITAL: A HUGE ADVANTAGE

- Anticipated low CAPEX restart
- Significantly less restart capex required due to onsite infrastructure and extensive underground development
- Threshold for discovery is much smaller as low initial cap-ex requirements do not speak to the need for a predefined multimillion-tonne, multi-decade project up-front.
- Granted mining permit
- Near-surface, high-grade resources
- Mine was previously operated in a fashion colloquially known in the industry as “hand-to-mouth”. This effectively means there was no proper mine plan with no supporting robust technical study and no (or very little) mineral reserves.
- Access to historical data and know-how (e.g. process flowsheets etc) - vital to a quick, low cost restart plan = competitive advantage.



## ZINC PRICE OFFERS 2-3x UPSIDE TO MINE CLOSURE PREVALING PRICES : FAVOURABLE FOR RESTART



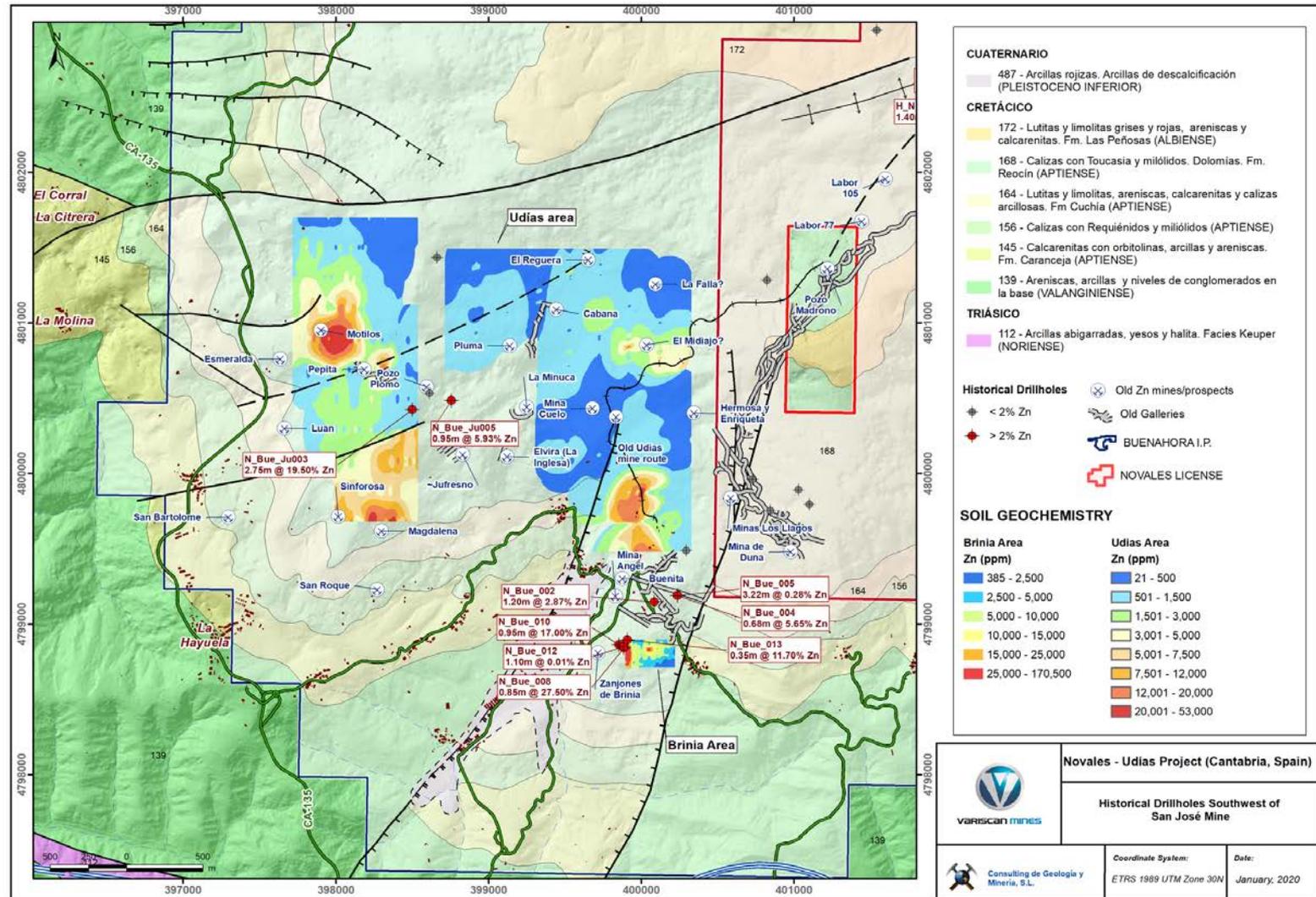
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# BUENAHORA - UDIAS

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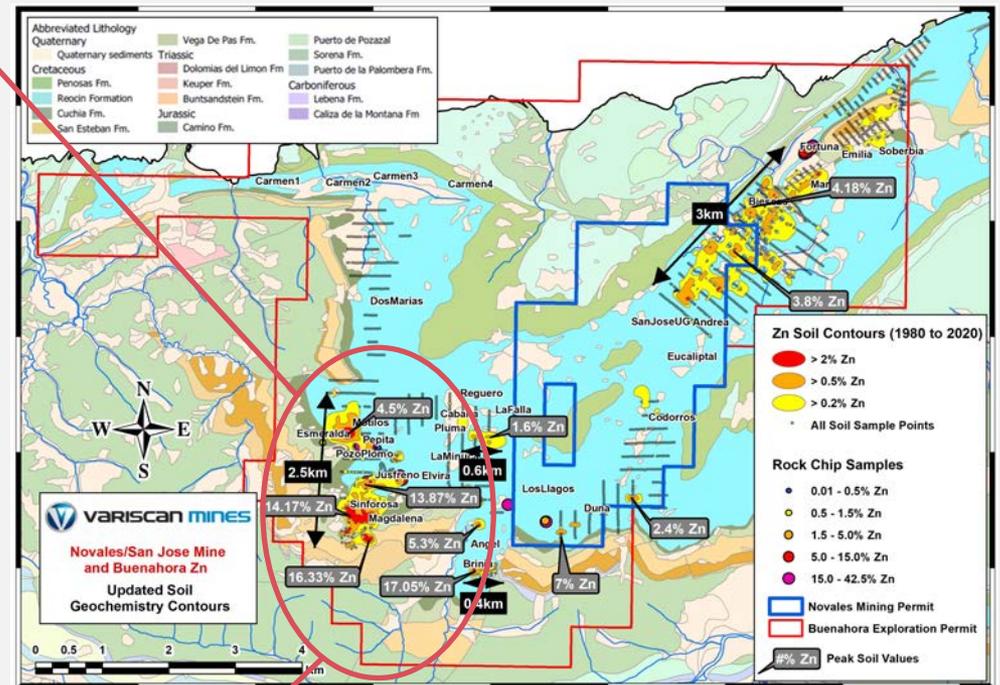
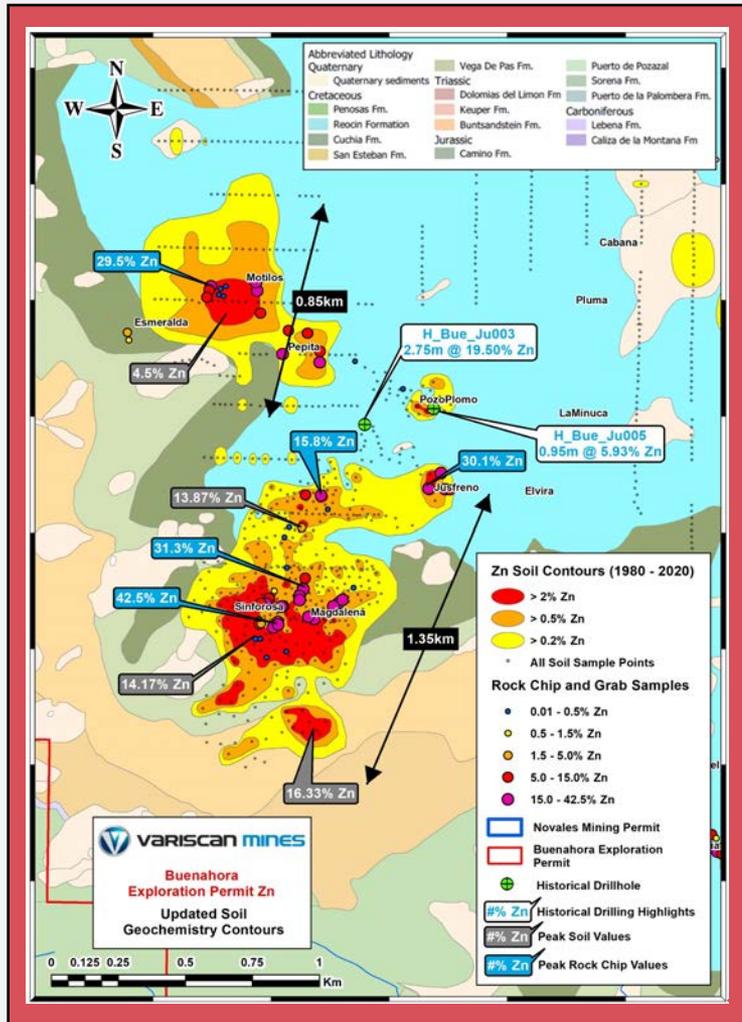


# UDIAS: HIGH GRADE HISTORIC DRILLING RESULTS\*

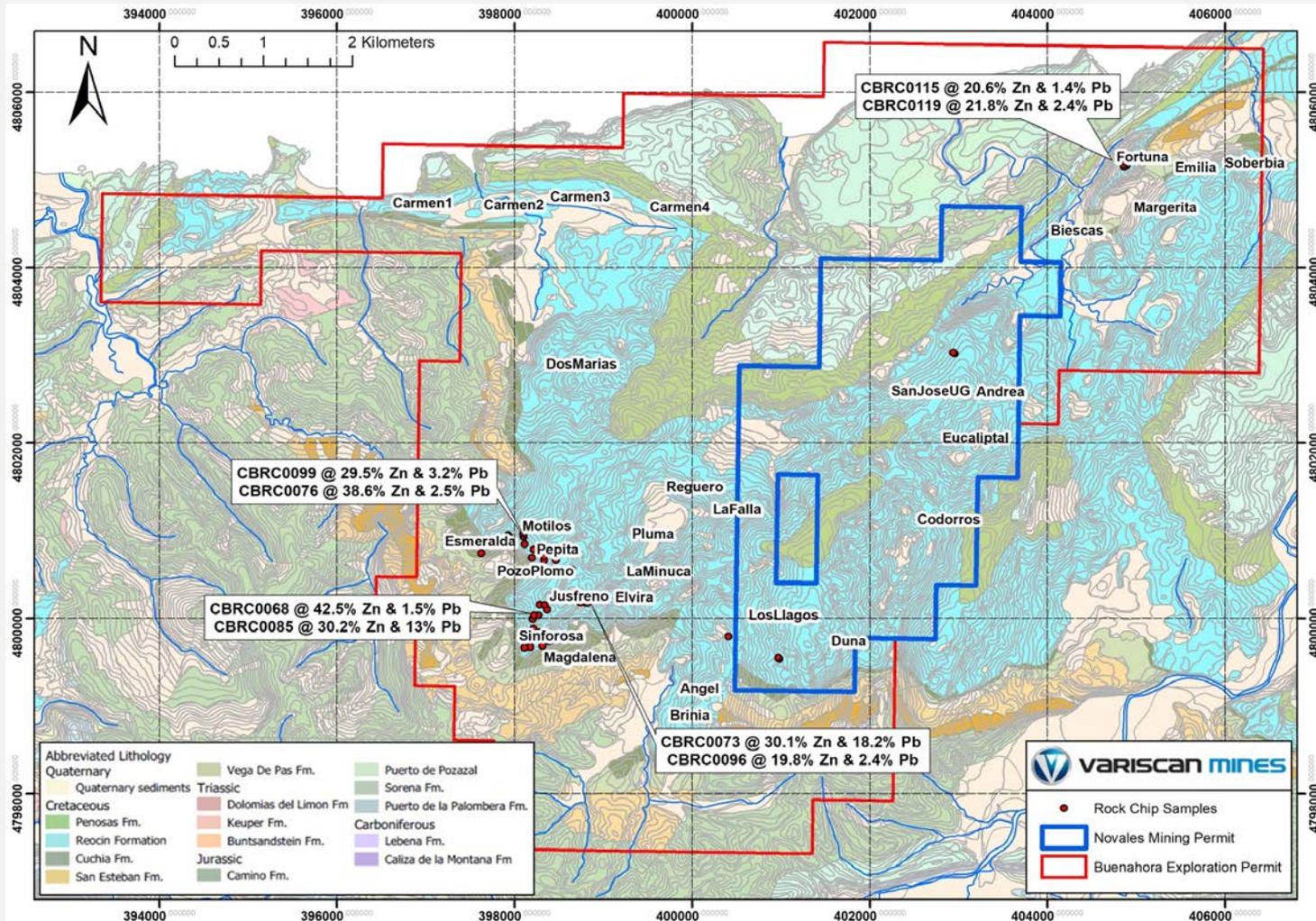


	<b>Novales - Udias Project (Cantabria, Spain)</b>	
	<b>Historical Drillholes Southwest of San José Mine</b>	
 Consulting de Geología y Minería, S.L.	Coordinate System: ETRS 1989 UTM Zone 30N	Date: January, 2020

# GEOCHEMISTRY – SOIL SAMPLE RESULTS\*

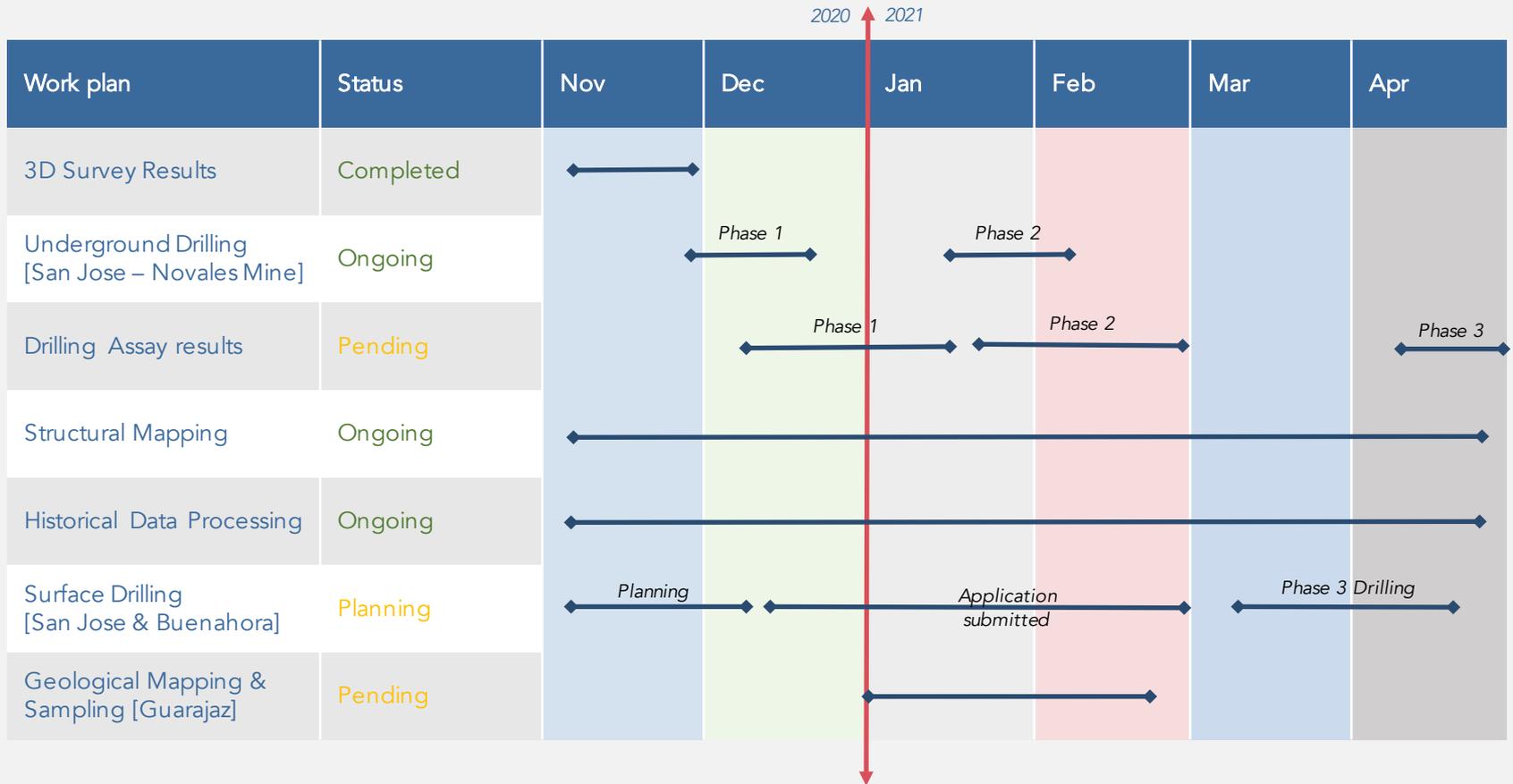


# GEOCHEMISTRY – ROCK CHIP RESULTS\*



# LOOKING AHEAD: FUTURE WORK PLAN – NEXT 6 MONTHS

HIGH IMPACT ACTIVITIES → RESULTS + PROJECT DEVELOPMENT + NEWSFLOW



30

Zn

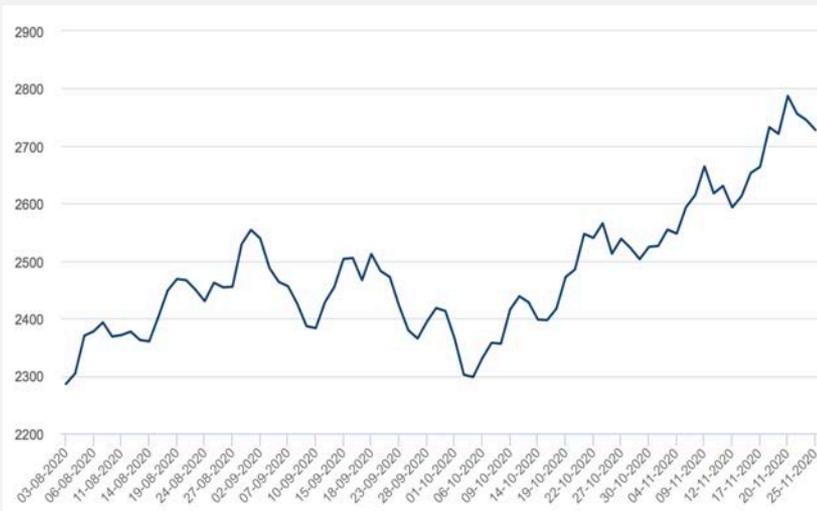
65.38

ZINC

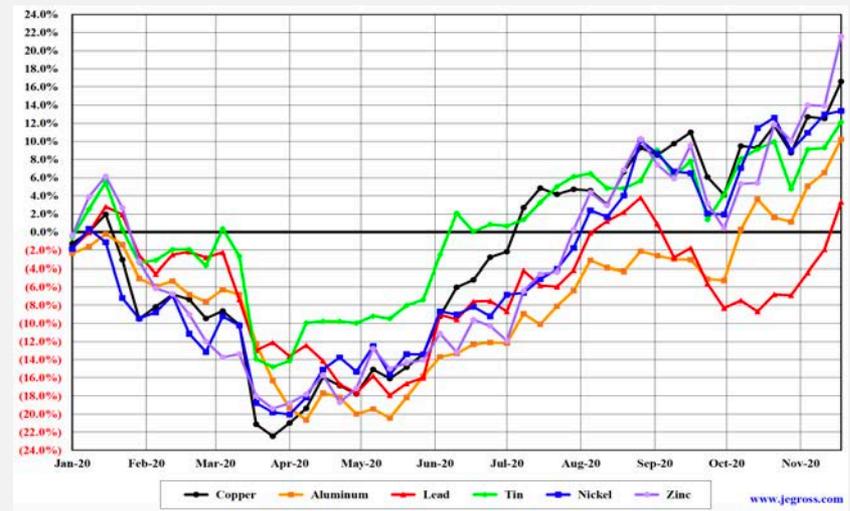
## ZINC: POSITIVE PRICE PERFORMANCE & OUTLOOK

- Zinc, along with the entire base metal complex, was materially affected by COVID-19 but has since recovered.
- Zinc market, which is principally driven by auto and construction demand for galvanised steel, is expected to recover strongly in conjunction with the economy as it recovers, supported by infrastructure-focused stimulus packages.

### L3M LME ZINC PRICE PERFORMANCE



### LME NON-FERROUS PRICE PERFORMANCE



### ZINC IS OUT-PERFORMING

## ZINC: A METAL FOR A GREENER FUTURE

### UNSUNG HERO OF THE CONSTRUCTION INDUSTRY

- ✓ Drive towards sustainable construction
- ✓ Zinc is rust and corrosion-resistant, weatherproof, ultra violet light proof and even earthquake proof → decades of service with virtually no degradation.
- ✓ Zinc uses very little energy to make, and is virtually maintenance-free
- ✓ Zinc is 100% recyclable. Zinc never ends up as landfill waste; it gets used again.
- ✓ We all want durability and sustainability from our materials

### BATTERY & ENERGY REVOLUTION

The New York Times

#### ***How Zinc Batteries Could Change Energy Storage***

Making the batteries rechargeable and lowering their cost are seen as important advances in enabling the electric grid to depend on power from renewable sources.

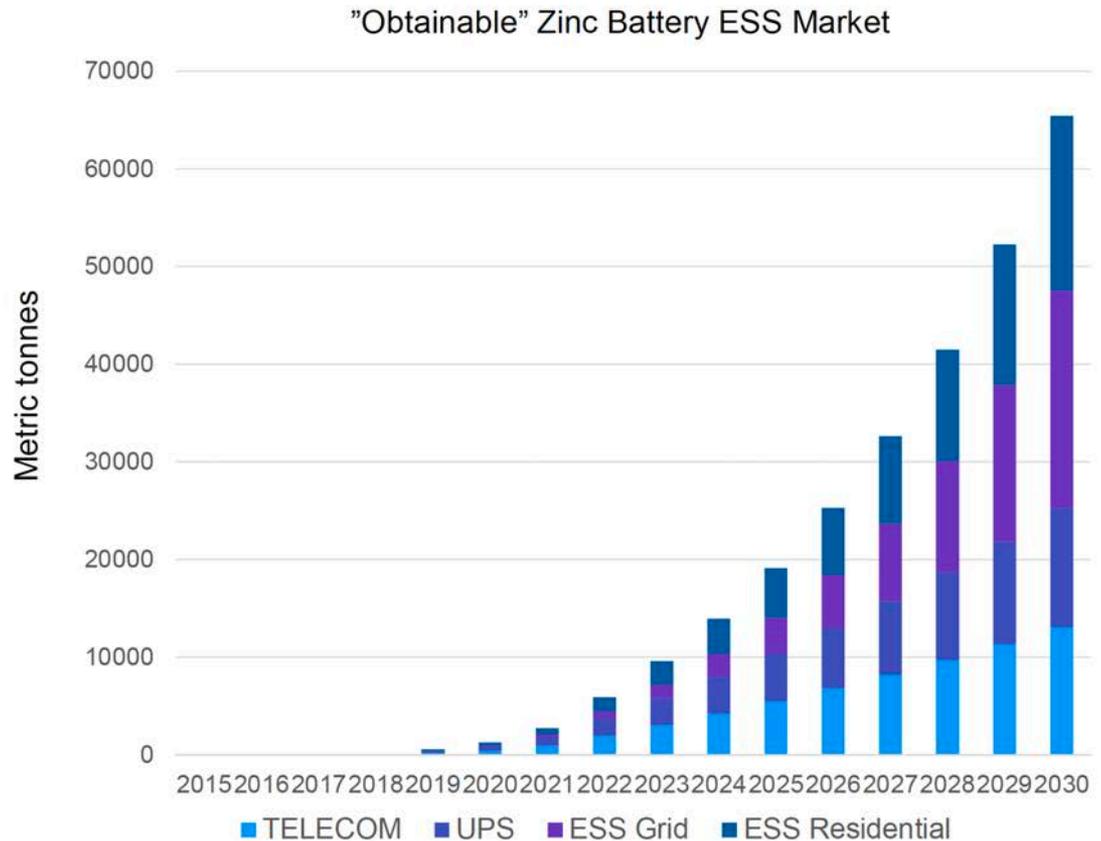


# ZINC BATTERIES POTENTIAL GAME CHANGERS IN ENERGY STORAGE



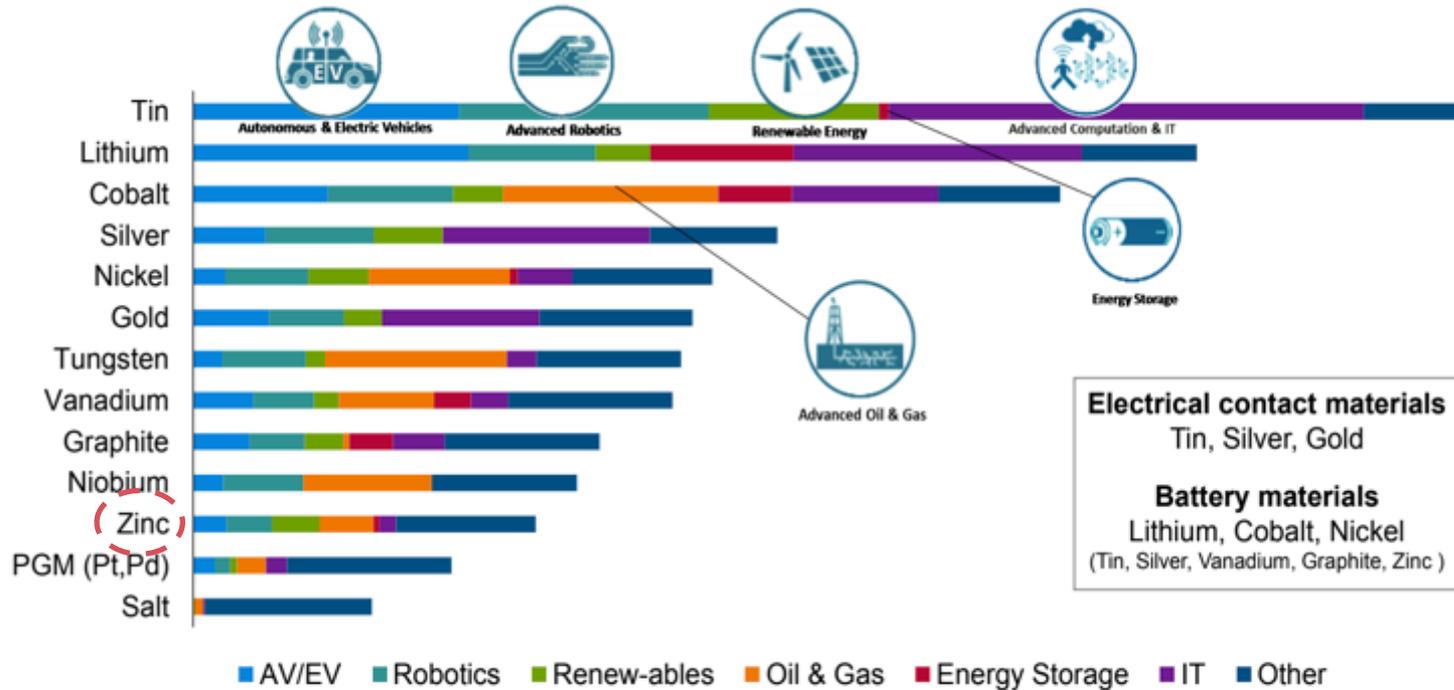
**Christophe PILLOT**

- If \$100/kwh reached, key price point
- If production increased to meet demand



# ZINC: POSITIVE IMPACT DUE TO NEW TECHNOLOGIES

## Metals most impacted by new technology



**Electrical contact materials**  
Tin, Silver, Gold

**Battery materials**  
Lithium, Cobalt, Nickel  
(Tin, Silver, Vanadium, Graphite, Zinc)

## STAY CONNECTED



### CONTACT THE MANAGING DIRECTOR



[stewart.dickson@variscan.com.au](mailto:stewart.dickson@variscan.com.au)  
[+44 7799694195](tel:+61893169100)



▪ [+61 8 93169100](tel:+61893169100) ▪ [info@variscan.com.au](mailto:info@variscan.com.au) ▪ [www.variscan.com.au](http://www.variscan.com.au)



**Variscan Mines Limited**  
Suite 8, 7 The Esplanade  
Mt Pleasant, Perth, WA 6153  
Australia



**Variscan Mines Cantabria, S.L.**  
Bo Ronaz, s/n Novales  
39526 Alfoz de Lloredo – Cantabria  
España



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