MAIDEN ASSAY RESULTS
DRILLING PROGRAMME UPDATE

Highlights

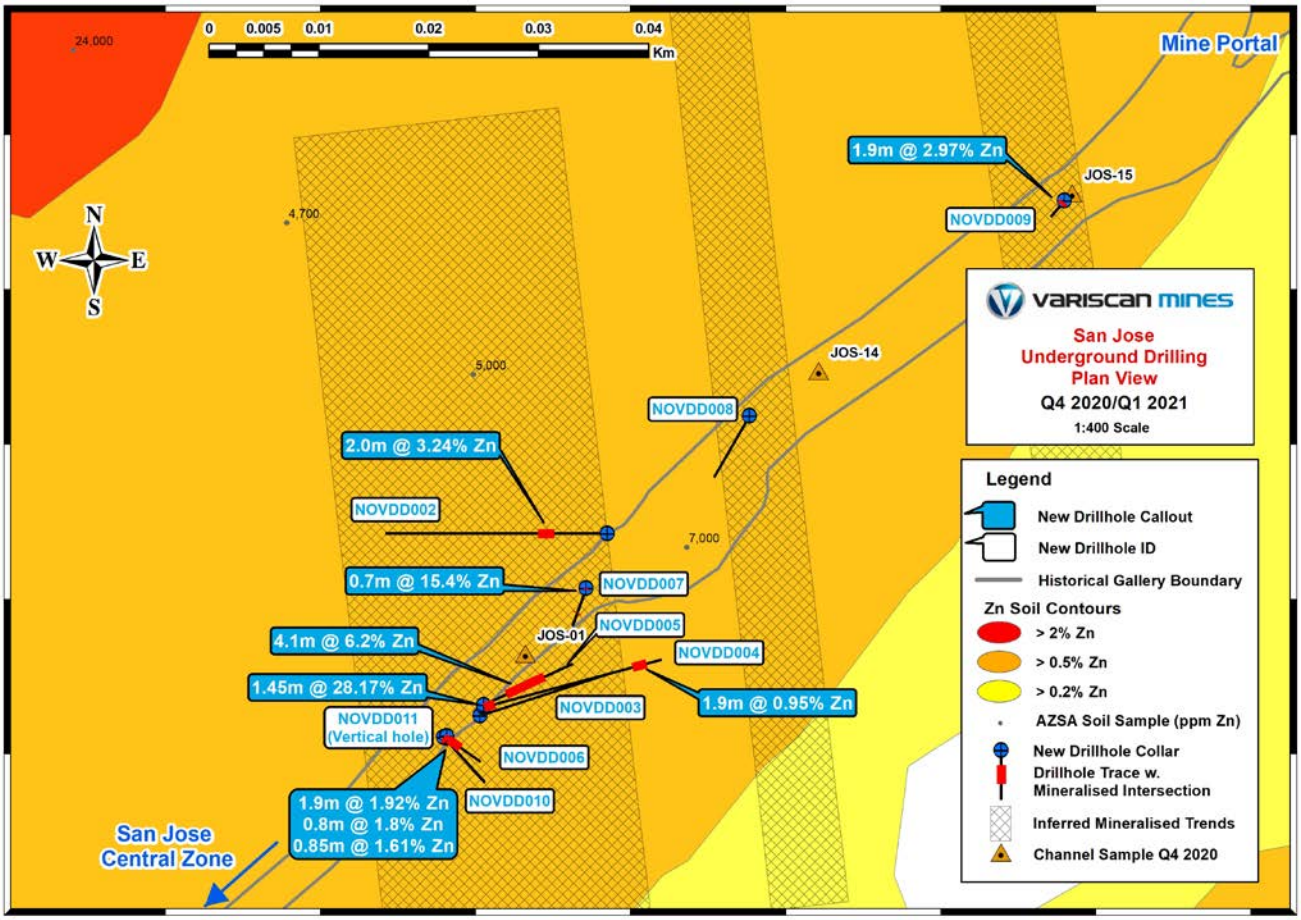
- **Maiden assay results from underground drilling at the San Jose-Novales Mine show intersections of high-grade zinc mineralisation near the mine portal, including:**
  - **1.5m @ 28.2% Zn** **Hole ID NOVDD005**
  - **4.1m @ 6.2% Zn** **Hole ID NOVDD004**
  - **1.6m @ 5.9% Zn** **Hole ID NOVDD002**
  - **2.0m @ 3.2% Zn** **Hole ID NOVDD001**
  - **1.9m @ 3.0% Zn** **Hole ID NOVDD009**
- **This area is a step-out target 1,000m NE from the central zone of the San Jose Mine, suggesting previously under-explored mineralised systems in between have discovery potential**
- **Drill testing potential extensions to the central and southwestern mineralised zones is ongoing**
- **Next batch of drill core samples to be submitted for assay analysis shortly**
- **Second drill rig is operational, with further near-term news-flow expected**

Variscan's Managing Director & CEO, Stewart Dickson said,

"We are pleased to report our maiden drilling results at San Jose. The mineralisation style is typical of the deposit with very limited mining activity undertaken in this particular area. We are pressing on with drilling the central and southwest zones, which exhibit positive signs of zinc mineralisation and is one of the more important target areas for the drilling campaign."

Variscan Mines Limited ("**Variscan**" or the "**Company**" or the "**Group**") (ASX:VAR) is pleased to present its first batch of assay results from the underground drilling programme and also provide an update on the current drilling programme designed to test the high grade extensions of zinc mineralisation at the underground San Jose-Novales Mine.

Figure 1. Map showing drillholes completed near the mine entrance.



Notes: Channel Sampling results shown: JOS-01, 1.0m@8.5%Zn; JOS-14, 2.0m@10%Zn; JOS-15, 1.3m@13.1%Zn (refer 2 Feb 2021 release)

Key Findings

- A new mineralised area, approximately 1km from the central zone of San Jose has been successfully drill-tested indicating a significant step-out target
- Results suggest that the known mineralised systems may have extensions and merits further exploration work
- Results confirm mineralised near N-S trends identified, with potential for E-W cross cutting trends and extensions; historic surface drillholes located 380-630m to the southeast recorded multiple high-grade zinc intersections (14% Zn to 23% Zn)
- Sulphide mineralisation consistent with the high-grade zones observed in the stopes of the central zone
- Brownfield project potential growing with consistent high-grade exploration results.

Figure 2. NE-SW section showing mineralised intersections from new drillholes

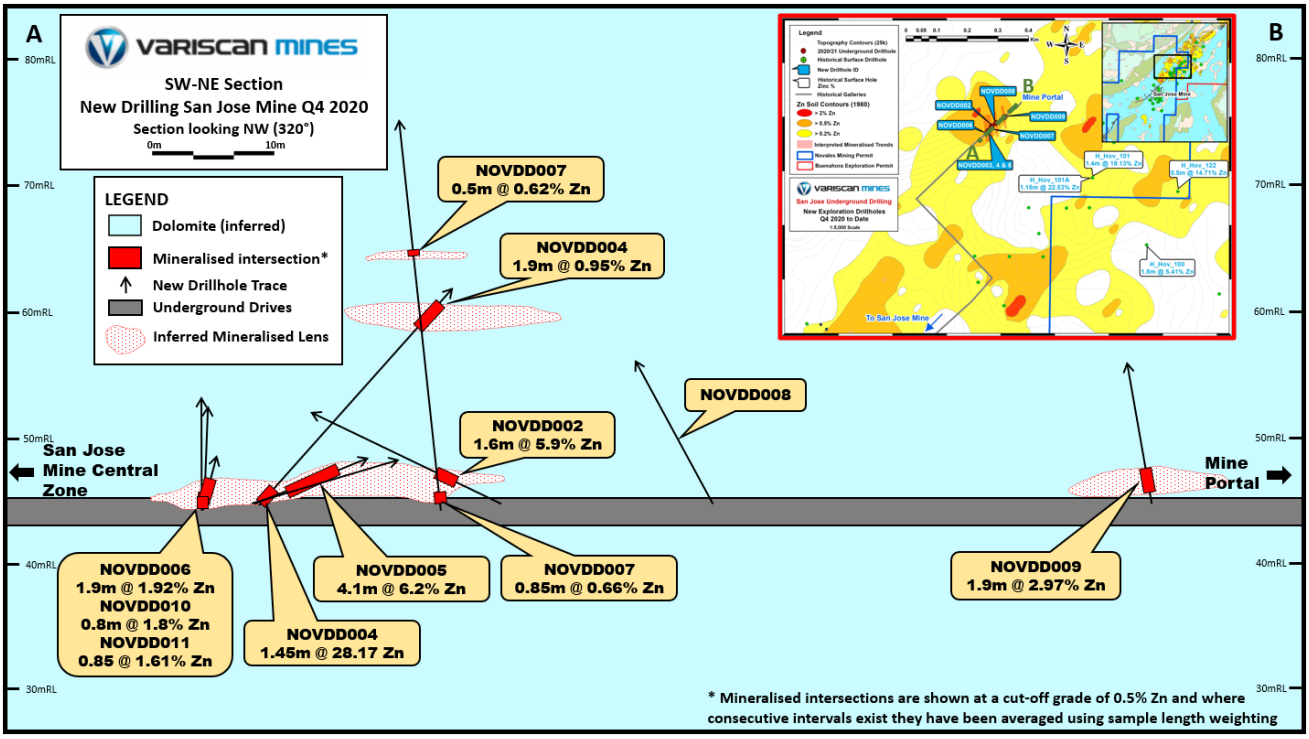


Figure 3. NW-SE cross-section showing mineralised intersections from new drillholes

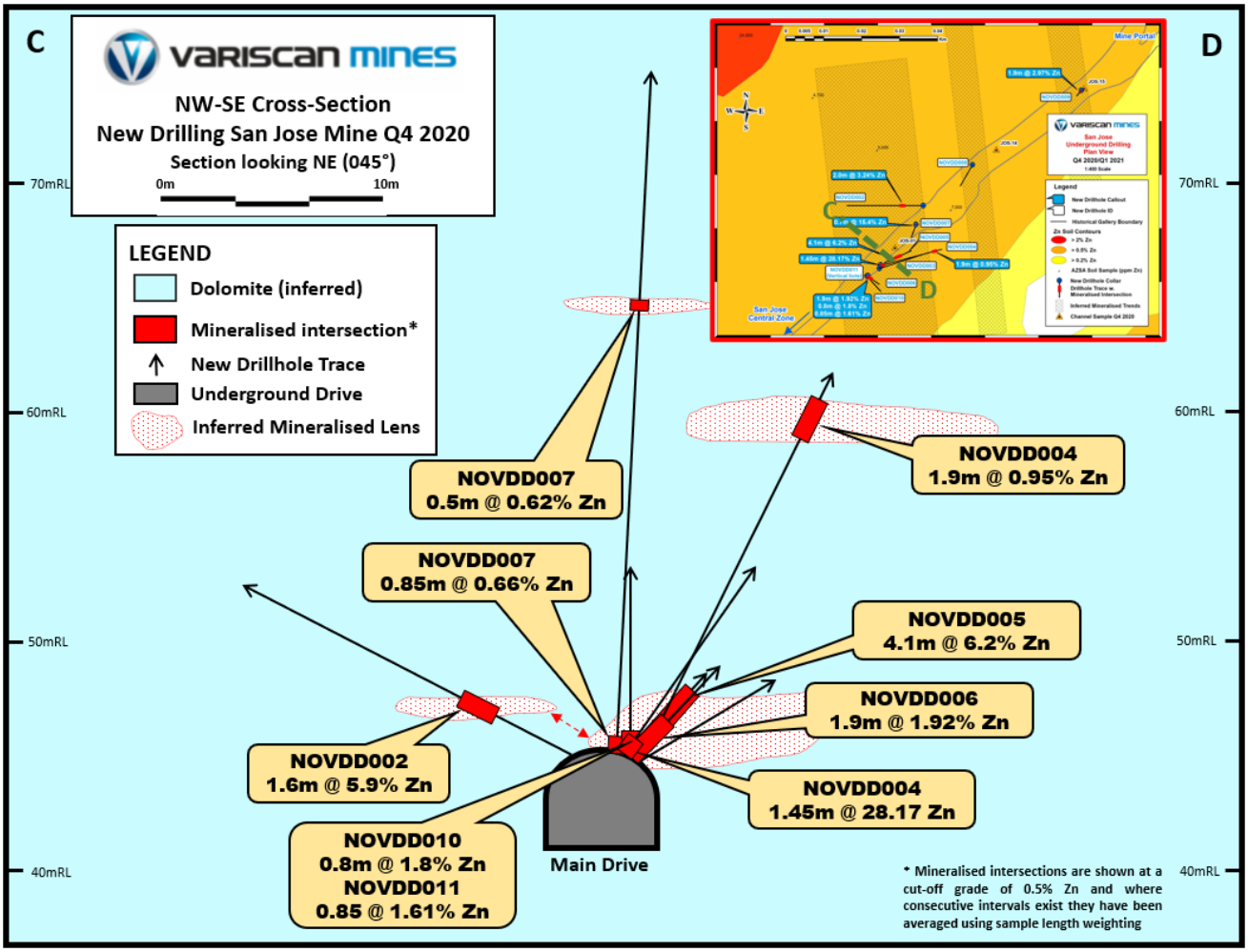
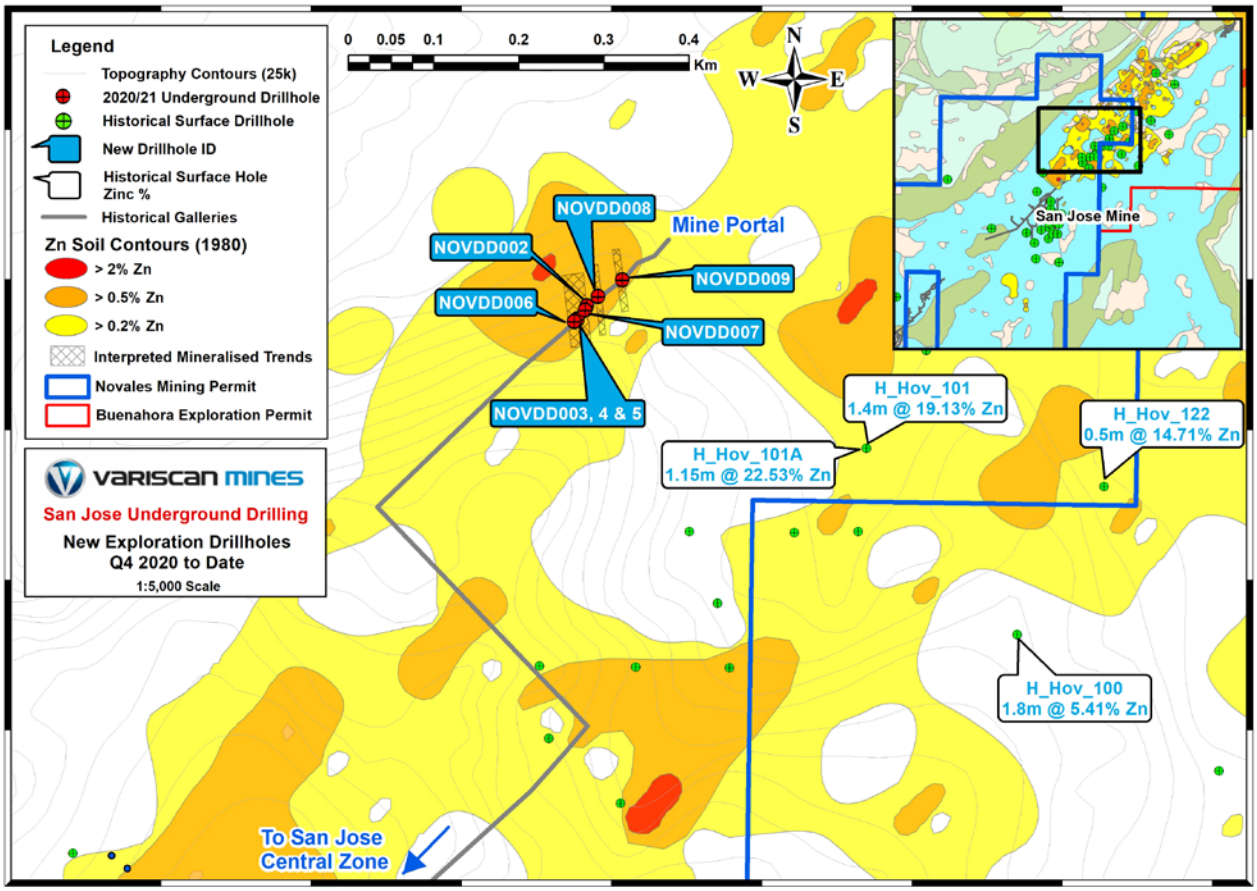


Figure 4. Map of NE part of San Jose mine showing new drillholes overlain on historical (AZSA) soil geochemical anomalies and with historical surface drilling.



The mineralisation style from the drill core is consistent with sulphide rich carbonate hosted (Mississippi Valley Type) lenses observed in the stopes in the central zone of the San Jose Mine. This area is easily accessible and has seen very little historical mining activity. Together with positive historical surface drilling data this area has the potential for mineralisation to be extended. Drilling is typically conducted from underground bays with most holes inclined upwards, above the main drive level (approx. +45 to +48m RL). These hole orientations are designed to target mineralisation presenting as sub-horizontal lenses above the main drive level, as such, most drillholes will encounter lenticular sulphide accumulations at oblique angles, therefore mineralised intersections may not always present as true thickness (unless drilled vertically, i.e. NOVDD011).

Table 1 below provides the assay data for the nine drillholes[1] that include zinc grades above a cut-off grade of 0.5% Zn. Consecutive downhole intervals have been averaged using length weighting method to provide the significant intersections.

Table 1. Assay Data >0.5% Zn with Aggregated Significant Intersections

Hole ID	From (m)	To (m)	Length (m)	Zn (%)	Pb (%)	Interval Length (m)	Mean Grade (Zn %)
NOVDD001	3.70	4.70	1.00	5.70	0.01	2.00	3.24
NOVDD001	4.70	5.70	1.00	0.77	0.00		
NOVDD002	5.10	6.10	1.00	1.97	0.08	1.60	5.90
NOVDD002	6.10	6.70	0.60	12.45	0.08		
NOVDD006	0.30	1.35	1.05	0.51	0.01	1.90	1.92
NOVDD006	1.35	2.20	0.85	3.67	0.03		
NOVDD004	0.00	0.70	0.70	32.20	0.02	1.45	28.17
NOVDD004	0.70	1.45	0.75	24.40	0.03		
NOVDD004	19.80	20.70	0.90	1.41	0.00	1.90	0.95
NOVDD004	20.70	21.70	1.00	0.53	<0.002		
NOVDD005	2.40	3.10	0.70	3.48	0.03	4.10	6.20
NOVDD005	3.10	3.95	0.85	3.78	0.03		
NOVDD005	3.95	4.80	0.85	13.85	0.09		
NOVDD005	4.80	5.40	0.60	12.10	0.03		
NOVDD005	5.40	6.50	1.10	0.69	0.00		
NOVDD011	0.00	0.85	0.85	1.61	0.09	0.85	1.61
NOVDD010	0.00	0.80	0.80	1.80	0.03	0.80	1.80
NOVDD007	0.00	0.85	0.85	0.66	0.01	0.85	0.66
NOVDD007	19.60	20.10	0.50	0.62	<0.002	0.50	0.62
NOVDD009	0.80	1.70	0.90	4.07	0.03	1.90	2.97
NOVDD009	1.70	2.70	1.00	1.98	0.03		

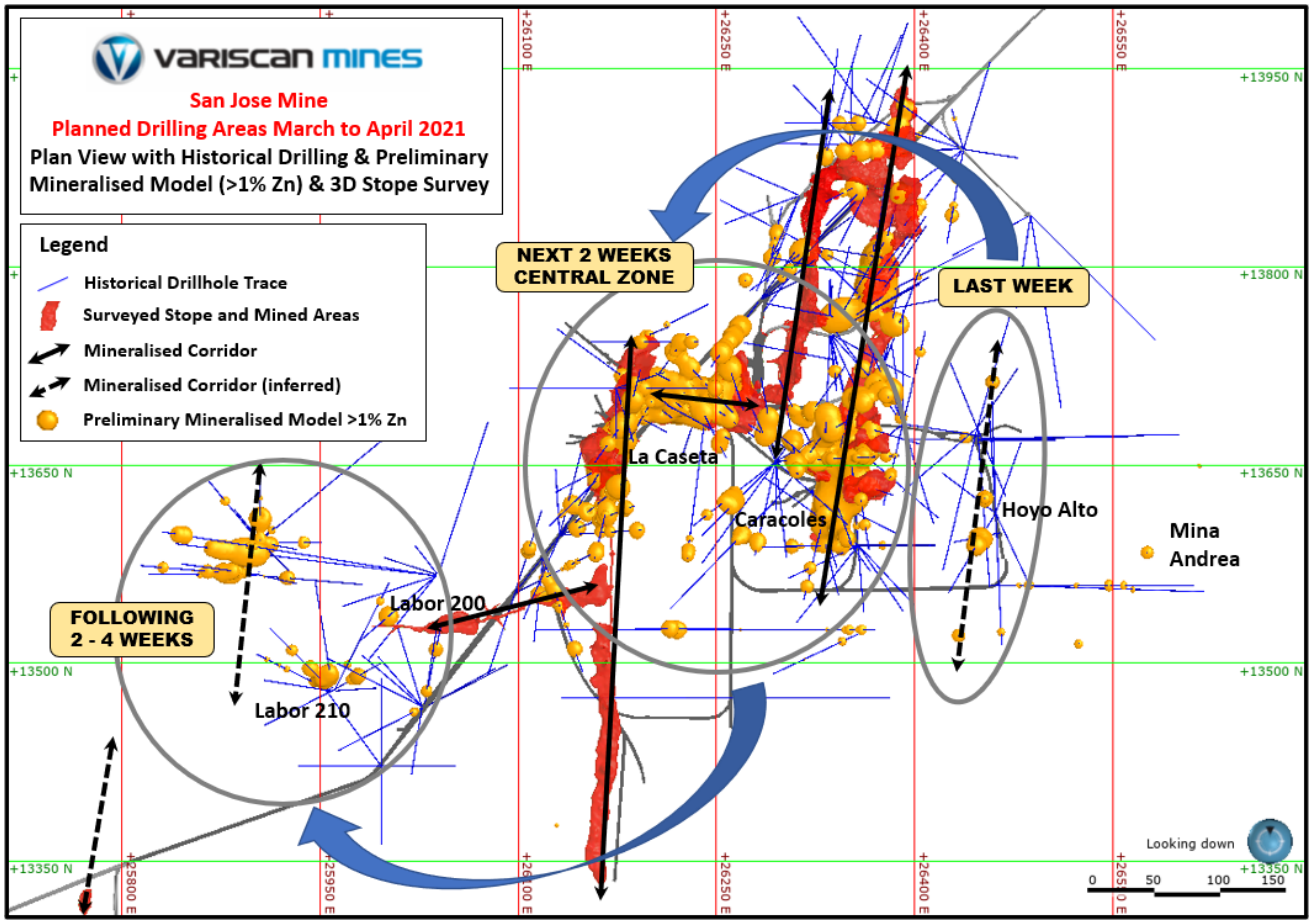
Drill Programme Update

Working constructively with our local Spanish drilling contractor a second drill rig has been mobilised and is already operational. Subject to equipment serviceability, this will notably accelerate drilling meterage achieved.

We have a clear plan to be drilling for the next 5 weeks to achieve approximately 1,000m which will drill-test the central and southwest zones of the San Jose Mine, focusing on areas exhibiting mineralisation that has never been mined previously. The south western areas, in particular, are considered to be highly prospective and exhibit discovery potential.

[1] Assay results for NOVDD001 have been included in Table 1, this located in the Central zone of San Jose and is not shown in any of the figures, additional details available in JORC Table 1 Sections 1 and 2.

Figure 4. Overview Plan view Map of Drill Plan Focus Areas



Looking Ahead

The Company's immediate focus is progressing with underground drilling at the San Jose Mine. Key activities include:

- Drilling central and southwestern zones;
- Mapping of drill targets over the Buenahora licence area; and
- Surface drilling permitting applications.

ENDS

This announcement has been authorised for issue by Mr Stewart Dickson, Managing Director & CEO, Variscan Mines Limited.

For further information:

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Project Summary

The Novales-Udias Project is located in the Basque-Cantabrian Basin, some 30km southwest from the regional capital, Santander. The project is centred around the former producing Novales underground mine with a large surrounding area of exploration opportunities which include a number of satellite underground and surface workings and areas of zinc anomalism identified from recent and historic geochemical surveys. Variscan has delineated a significant 9km mineralised trend from contemporary and historical data across both the Buenahora exploration and Novales mining permits.

Significantly, the Novales-Udias Project includes a number of granted mining tenements[2].

Novales-Udias Project Highlights

- Near term zinc production opportunity (subject to positive exploratory work)
- Large tenement holding of 68.3 km^2 (including a number of granted mining tenements)
- Regional exploration potential for another discovery analogous to Reocin (total past production and remaining resource 62Mt @ 8.7% Zn and 1.0% Pb[3][4])
- Novales Mine is within trucking distance (~ 80km) from the Asturias zinc smelter
- Classic MVT carbonate hosted Zn-Pb deposits
- Historic production of high-grade zinc; average grade reported as ~7% Zn[5]
- Simple mineralogy of sphalerite – galena – calamine
- Mineralisation is strata-bound, epigenetic, lenticular and sub-horizontal
- Reported historic production of super high grade 'bolsas' (mineralised pods and lenses) commonly 10-20% Zn and in some instances +30% Zn[6]
- Assay results of recent targeted grab samples taken from within the underground Novales Mine recorded 31.83% Zn and 62.3% Pb[7]
- Access and infrastructure all in place
- Local community and government support due to historic mining activity

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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[2] Refer to ASX announcement of 29 July 2019

[3] Velasco, F., Herrero, J.M., Yusta, I., Alonso, J.A., Seebold, I. and Leach, D., 2003 - Geology and Geochemistry of the Reocin Zinc-Lead Deposit, Basque-Cantabrian Basin, Northern Spain: in Econ. Geol. v.98, pp. 1371-1396.

[4] Cautionary Statement: references in this announcement to the publicly quoted resource tonnes and grade of the Project are historical and foreign in nature and not reported in accordance with the JORC Code 2012, or the categories of mineralisation as defined in the JORC Code 2012. A competent person has not completed sufficient work to classify the resource estimate as mineral resources or ore reserves in accordance with the JORC Code 2012. It is uncertain that following evaluation and/or further exploration work that the foreign/historic resource estimates of mineralisation will be able to be reported as mineral resources or ore reserves in accordance with the JORC Code 2012.

[5] Anecdotal evidence from original Novales miners interviewed during the WAI Due Diligence supported with historical production data from the School of Mines in Torrelavega historical archives.

[6] Anecdotal evidence from original Novales miners interviewed during the WAI Due Diligence. In addition, reports of the super high grade mineralisation are supported with historical production data from the School of Mines in Torrelavega historical archives. (Refer ASX release 29 July 2019)

[7] Refer to ASX Announcement of 19 December 2020

Competent Person Statement

The information in this document that relates to technical information about the Novales-Udias project is based on, and fairly represents information and supporting documentation compiled and reviewed by Mr. Ché Osmond, an employee of Wardell Armstrong International. Mr. Osmond is a Chartered Geologist (CGeol) and Fellow of the Geological Society of London, and European Geologist (EurGeol) of the European Federation of Geologists, and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the December 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" ('JORC Code'). Mr Osmond consents to the inclusion in the report of the matters based upon the information in the form and context in which it appears.

Forward Looking Statements

Forward-looking statements are only predictions and are not guaranteed. They are subject to known and unknown risks, uncertainties and assumptions, some of which are outside the control of the Company. Past performance is not necessarily a guide to future performance and no representation or warranty is made as to the likelihood of achievement or reasonableness of any forward-looking statements or other forecast. The occurrence of events in the future are subject to risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements to differ from those referred to in this announcement. Given these uncertainties, recipients are cautioned not to place reliance on forward looking statements. Any forward-looking statements in this announcement speak only at the date of issue of this announcement. Subject to any continuing obligations under applicable law and the ASX Listing Rules, the Company, its directors, officers, employees and agents do not give any assurance or guarantee that the occurrence of the events referred to in this announcement will occur as contemplated.

JORC Table 1, Sections 1 and 2 in reference to Historic Underground Drilling, 3D Survey and Recent drillholes (Q4 2020 to Q1 2021) at the Novales-San Jose Mine

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representativity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• Drilling completed between Q4 2020 and Q1 2021 has been sampled with industry best practice methods (diamond drilled core cut along its length to produce half core) and samples were sent to the accredited ALS Seville laboratory for analysis. The samples are considered representative and include waste intervals on the periphery of mineralised intersections. It is assumed that the equipment used was calibrated correctly as per the internal SOP's at ALS. • These new drillholes (Q4 2020/Q1 2021) near the mine portal are underground drillholes and were sampled as half core from 30cm to 1m sample length with at least a single 1m sample either side to cover the periphery of the mineralised intersection. The analytical method used by ALS was Zn-OG62h for Zinc and Pb-OG62h for Lead, these are considered appropriate for the deposit type. • Details of any historical drilling referenced in this document can be found in prior ASX press releases by Variscan Mines from the following dates: 3rd Feb 2020, 3rd March 2020, 16th March 2020 and 1st April 2020 on the website www.variscanmines.com.au
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• The new drillholes detailed in this press release (Q4 2020/Q1 2021) near the mine portal are underground diamond drillholes (core) completed using a Hagby Onram 100 rig at a core diameter 40.7mm (BQTK). • These new drillholes have not employed methods to orient the core. • Details of any historical drilling referenced in this document can be found in prior ASX press releases by Variscan Mines from the following dates: 3rd Feb 2020, 3rd March 2020, 16th March 2020 and 1st April 2020 on the website www.variscanmines.com.au
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• Core recovery for the recent Variscan drillholes (Q4 2020/Q1 2021) have been high >90% as observed by drillers, this data has not been formally recorded and sent to WAI for review at present. This will form part of the detailed logging which will be conducted very soon. • WAI is not aware of any methods used to maximise sample recovery; however, with recovery over 90% reported for all holes detailed in this release the methods currently employed appear sufficient. • Without access to recovery drillhole data (Q4 2020/Q1 2021) it is not possible to assess the relationship between sample recovery and grade. • Details of any historical drilling referenced in this document can be found in prior ASX press releases by Variscan Mines from the following dates: 3rd Feb 2020, 3rd March 2020, 16th March

Criteria	JORC Code explanation	Commentary
		2020 and 1st April 2020 on the website www.variscanmines.com.au
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• Only preliminary (qualitative) logging of mineralised intervals for sample selection has been undertaken for the new Q4 2020 to Q1 2021 diamond drillholes. Detailed geological and geotechnical logging is yet to be carried out but will follow shortly. Therefore, there is insufficient data to support a Mineral Resource estimate, mining study or metallurgical study at this stage. • Total percentage of metres that have preliminary mineralisation logging is 100% and the total percentage of new drillholes that has detailed geological and geotechnical logging is 0% at this stage. • No logging has taken place of the cut channels. Only sample intervals were recorded. • Details of any historical drilling referenced in this document can be found in prior ASX press releases by Variscan Mines from the following dates: 3rd Feb 2020, 3rd March 2020, 16th March 2020 and 1st April 2020 on the website www.variscanmines.com.au
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representativity of samples.* • *Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• New drillholes (Q4 2020/Q1 2021) have been sampled using reasonable industry procedures for logging (of mineralisation), sampling and QAQC for this project. In the opinion of WAI, it would be preferable to have all holes logged for mineralisation, geology and geotechnical parameters before sampling. • Samples were selected by geologists for these new drillholes based on logging of mineralised intervals, core was cut using a rotary diamond saw along the long axis in halves. Samples were preferred at 1m lengths, although they were permitted flexibility from 30cm to 1m typically where geological boundaries exist. In the Variscan SOP for sampling drillholes it was stated that a minimum of three samples were taken for any mineralised intersection, the first sample will encompass the mineralised zone and the other two samples will be selected either side to ensure waste intervals were sampled to define the boundaries of mineralisation. Also, when a zone or rubble or broken core begins a new sample will be taken and when solid core resumes the next samples will be selected. In zones of poor recovery <50% the default sample interval will be the drillers depth markers. The nature and quality of sampling techniques are considered appropriate for this deposit and drilling type. • All half core samples are sent directly to ALS Seville laboratory for preparation and subsequent analysis according to industry standards crushing, pulverizing and splitting prior to sample analysis. • Sample sizes taken for the new drilling in Q4 2020/Q1 2021 are considered suitable for the deposit type and style of mineralisation and at this stage of exploration.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.*	• For the Q4 2020/Q1 2021 diamond drilling the sampling is considered partial as half core remains. The laboratory is accredited (ALS Seville) and the techniques for Zn/Pb (Zn-OG62h and Pb-OG62h) are considered suitable. • No handheld or downhole geophysics data were collected during this campaign. • QAQC Procedures adopted for new drilling (Q4 2020/Q1 2021) include four QAQC samples inserted into the sample stream every batch of 40-50 samples. These included one high or medium grade CRM (OREAS 134B or OREAS 133A) inserted into the mineralised zone, one low grade CRM (OREAS 130) inserted in between waste rock or barren samples, one coarse

Criteria	JORC Code explanation	Commentary
	• *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	blank (limestone from Qijas quarry) and one pulp blank (OREAS). Also, internal duplicates were requested to ALS for one mineralised zone sample and one from either weakly mineralised or barren rock and these sample ID's were indicated to the laboratory. This frequency and variety of QAQC samples inserted into the sample stream is considered industry best practice. The QAQC sample results have not yet been interpreted; however, the samples WAI have access to show good repeatability thus far. Additional interpretation will be carried out once more data is available from the laboratory.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Analytical analysis was supervised by senior ALS staff experienced in mineral assaying. • Q4 2020 to Q1 2021 diamond drillholes are located in a new area of the San Jose mine close to the portal and there are no other historical drillholes within sufficient proximity to verify historical drilling and sampling accuracy or reliability. Twinned holes have been planned during the ongoing drilling campaign, however, these have yet to be drilled. • Primary data for the Q4 2020 to Q1 2021 drilling is currently stored in excel and WAI have not been given access to the original results CSV typically provided by ALS Seville or the signed sampling certificates to verify with the original sample data. • Assay data for Q4 2020 to Q1 2021 drillholes are reported in two ways within this press release, the first are raw assay values unchanged or altered and the second are calculated significant intercepts or aggregated consecutive sample intervals using sample length weighted mean grades for Zn and Pb.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• New drillhole (Q4 2020 to Q1 2021) collars and survey data around the mine portal in GIS maps have been located using a known surveyed point outside the mine portal (visually selected on aerial imagery 83m outside the portal) and taking orientations, distances and angles from that point with a Leica Disto X310 and a checking dip readings with a Brunton compass clinometer. The method is considered sufficient at this stage for determination of approximate locations; however, it has been strongly recommended that going forward Variscan employ the use of professional survey equipment (DGPS or total station) to determine exact collar XYZ co-ordinates for new holes in ETRS89 CRS. In the absence of downhole survey for the new drillholes at the mine portal due to the short length of the holes and upward dipping angles it is considered imperative to have accurate and reliable collar positions before these holes can be considered within a mineral resource estimate. Elevations for cross-sections have been taken as +48m RL which is consistent with estimations made by 3DMSI while one site in 2020 performing the underground 3D lidar survey. • Surface topography was provided by CNIG (IGN) as topographic contours at 25k scale, the contours were used to generate a digital terrain model in 3D after transformation to the local mine grid to conform to the majority of drillhole data in Leapfrog Geo and Datamine StudioRM. It is considered satisfactory for these purposes.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and*	• Recent drillholes (Q4 2020 to Q1 2021) have been drilled in a fan pattern from drilling pads underground. These holes have mostly been oriented upwards and their spacing varies significantly. This drillhole campaign is yet to be completed and therefore at this stage there is insufficient distribution of drillholes to support geological and grade continuity for the main San Jose mine area. However, drilling at the mine portal has ceased and all assay data is reported in this press release,

Criteria	JORC Code explanation	Commentary
	classifications applied. • *Whether sample compositing has been applied.*	there is sufficient data in some areas to infer small-scale geological continuity to mineralisation here, although more drilling is required to better interpret the geometry of mineralised lenses. • Assay data for Q4 2020 to Q1 2021 drillholes are reported in two ways within this press release, the first are raw assay values unchanged or altered and the second are calculated significant intercepts or aggregated consecutive sample intervals using sample length weighted mean grades for Zn and Pb.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Mineralisation at the project has been reported as following subvertical structures and more commonly as stratiform, sub horizontal and lenticular with lateral and vertical bleeding. Some mineralisation has been reported as faulted and fractured, with a significant influence with the development of karsts. Mineralisation in this setting presents as Bolsas (translated as 'bags') with lenticular form. Due to the irregular and or variable nature of the mineralisation, an estimated of potential bias through orientation of sampling has not been made. • While the location of mineralisation centres on the Novales trend follows a broad NNE strike, the orientation of distinct orebodies on this trend is understood to be irregular and highly variable both in terms of strike and dip. UG drilling is often radial in nature, and no comment can be made on the orientation of drilling in respect of mineralisation orientation. Surface drilling is often vertical and dipping steeply. • New drillholes (Q4 2020 to Q1 2021) have been oriented upwards from the main gallery level at present, similar to those drilled historically to intersect mineralised lenses and corridors above the main gallery level. These orientations are considered appropriate for the geometry of this mostly lenticular MVT mineralisation at San Jose. However, in some cases faulting is perceived to provide structural pathways for mineralising fluids and are also being targeted as observed underground as both N-S and E-W orientations. The results of these holes are not available currently; thus, it is not possible to comment on the relationship between drilling orientation and the orientation of key mineralised structures or sampling bias. • New drillholes (Q4 2020 to Q1 2021) at the mine portal detailed in this press release typically encounter mineralised lenses consistent with the deposit type and other historical holes at the San Jose mine. As these holes are oriented upwards, +15 to +90 degrees dip with a mean of +51 degrees. These angles mean that the sub-horizontal mineralised lenses are drilled oblique to their shortest axis (vertical axis) and therefore may not represent true thickness.
Sample security	• *The measures taken to ensure sample security.*	• Drilling conducted between Q4 2020 to Q1 2021 at the mine portal have had samples securely stored at the on-site core shed and were handed directly to a courier for transport to ALS Seville. Samples were logged and collected on site under supervision of the responsible Variscan geologist.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• No detailed audits have taken place regarding the sampling techniques for new drillholes.

Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and	• *Type, reference name/number, location and ownership*	• The exploration permit "Buenahora" is held by Variscan Mines. • The author is not aware, at the time of writing this, of any

<table>
<tr><th>Criteria</th><th>JORC Code explanation</th><th>Commentary</th></tr>
<tr><td>land tenure status</td><td>including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.
• The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</td><td>environmental issues that could affect ongoing works within these licences.
• The exploitation permit for the Novales-Udias historic mine area is owned by Variscan Mines.
• The author is not aware, at the time of writing this, of any issues with tenure or permission to operate in this region.</td></tr>
<tr><td>Exploration done by other parties</td><td>• Acknowledgment and appraisal of exploration by other parties.</td><td>• The historical data referenced in this report refer to exploration undertaken by historic mining companies operating the Project from the 1950's to the mid 1980's. The previous workers include Hispanibal and Asturiana de Zinc (previously a subsidiary of Xstrata / Glencore).
• The historic data referenced in this report and undertaken by the historic workers is held at the School of Mines and Energy Engineering at Torrelavega, a faculty of the University of Cantabria.</td></tr>
<tr><td>Geology</td><td>• Deposit type, geological setting and style of mineralisation.</td><td>• The mineralisation at the project is considered a Mississippi Valley Type Lead-Zinc type deposit with associated structural and stratigraphic controlled carbonate dissolution and replacement Lead-Zinc type mineralisation.
• Mineralisation at the project has been reported as following sub-vertical structures and more commonly as stratiform, sub horizontal and lenticular with lateral and vertical bleeding. Some mineralisation has been reported as faulted and fractured, with a significant influence with the development of karsts. Mineralisation in this setting presents as 'bags' with sub-horizontal lenticular form.</td></tr>
<tr><td>Drill hole Information</td><td>• A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:
o easting and northing of the drill hole collar
o elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar
o dip and azimuth of the hole
o down hole length and interception depth
o hole length.
• If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</td><td>• In total, 11 underground diamond drillholes from Q4 2020 to Q1 2021 are reported in this press release, 10 of which are located at the mine portal. Table 1 of assay results and Appendix 1 of raw assay data includes records for 9 drillholes, 8 located at the portal and 1 located in the central zone of San Jose (NOVDD001). Hole NOVDD001 is a short drillhole and it is planned to be redrilled due to technical challenges that have since been resolved. No samples were taken from drillholes NOVDD003 and NOVDD008 that were drilled at the mine portal, thus no data is available to report within Table 1 and Appendix 1. The hole co-ordinates, EOH length, azimuth, dip and estimated elevation (based on 3D survey) for all 11 drillholes is summarised in the table below:
<table>
<tr><th>BHID</th><th>X</th><th>Y</th><th>Z (Estimated)</th><th>Azimuth (°)</th><th>Dip (°)</th><th>Length (m)</th></tr>
<tr><td>NOVDD001</td><td>402744.354</td><td>4802497.775</td><td>48</td><td>268</td><td>78</td><td>13.7</td></tr>
<tr><td>NOVDD002</td><td>403496.6322</td><td>4803682.179</td><td>45</td><td>270</td><td>20</td><td>21.5</td></tr>
<tr><td>NOVDD003</td><td>403485.0762</td><td>4803665.6</td><td>45</td><td>72</td><td>15</td><td>12.65</td></tr>
<tr><td>NOVDD004</td><td>403485.3962</td><td>4803666.36</td><td>45</td><td>75</td><td>45</td><td>23.7</td></tr>
<tr><td>NOVDD005</td><td>403485.4162</td><td>4803666.58</td><td>45</td><td>65</td><td>22</td><td>9.6</td></tr>
<tr><td>NOVDD006</td><td>403481.9962</td><td>4803663.55</td><td>45</td><td>125</td><td>45</td><td>5.35</td></tr>
<tr><td>NOVDD007</td><td>403494.7062</td><td>4803677.21</td><td>45</td><td>200</td><td>83</td><td>30.2</td></tr>
<tr><td>NOVDD008</td><td>403509.5974</td><td>4803692.94</td><td>45</td><td>210</td><td>60</td><td>13.05</td></tr>
<tr><td>NOVDD009</td><td>403538.2282</td><td>4803712.529</td><td>45</td><td>220</td><td>80</td><td>11.1</td></tr>
<tr><td>NOVDD010</td><td>403481.7528</td><td>4803663.634</td><td>45</td><td>138</td><td>56</td><td>10</td></tr>
<tr><td>NOVDD011</td><td>403482.0505</td><td>4803663.734</td><td>45</td><td>30</td><td>90</td><td>7.95</td></tr>
</table>
• No information is excluded.</td></tr>
</table>

Criteria	JORC Code explanation	Commentary
Data aggregation methods	*In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated* • *Where aggregate intercepts incorporate short lengths of high-grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• Aggregated intersections stated in Table 1 and raw data is available in Appendix 1 has only been undertaken for consecutive intervals with reported assay data, these aggregated intersections have been calculated as a weighted average based on the sample lengths. • No metal equivalent grades have been stated. • New drillhole assays (Q4 2020 to Q1 2021) have been reported both as raw assays from ALS Sevilla and also as aggregated consecutive intersections using length weighted averaging method. • Details of any historical drilling referenced in this document can be found in prior ASX press releases by Variscan Mines from the following dates: 3rd Feb 2020, 3rd March 2020, 16th March 2020 and 1st April 2020 on the website www.variscanmines.com.au
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• Both historical and recent drilling (Q4 2020 to Q1 2021) are drilled typically inclined upwards (positive dip) in a fan pattern from single and multiple bays to intersect sub horizontal mineralised lenses present at the San Jose mine. These angles vary significantly, and it is expected that mineralisation is encountered at oblique angles and therefore cannot represent true thickness unless drilled vertically upwards into a lens directly above the main drive level.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• The information in this news release does not refer to a significant discovery; however, maps and figures have been included to illustrate the location of the results reported. • Figure 1 provides a plan view map of the San Jose-Novales underground mine portal and the locations of all new drillholes at 1:400 scale. Mineralised intersections have been provided >0.5% Zn for single intervals and consecutive intervals averaged using length weighting. • Figure 2 is a section that has been drawn manually using an output section from Datamine StudioRM (to scale). This shows both the San Jose mine portal with inferred lithology and drillhole elevations have been estimated due to lack of collar survey at this time. • Figure 3 shows a cross-section of the San Jose mine portal area with selected drillholes that are in close proximity to each other. This cross-section was drawn manually on top of section generated in Datamine StudioRM. Drillhole collar elevations have been estimated due to the lack of survey at this time. • Figure 4 provides a plan view map derived from Leapfrog Geo. It includes the current broad drill plan areas with interpreted mineralised corridors, the 3D underground stope and drive surveys and the preliminary 3D model generated in Leapfrog Geo >1% Zn using only historical drilling data (numeric interpolant with a flat plane structural control), this model is not considered to reflect reality and will be subject to further refinement once more data is available in the Central Zone.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of*	• Details of any historical drilling referenced in this document can be found in prior ASX press releases by Variscan Mines from the following dates: 3rd Feb 2020, 3rd March 2020, 16th March 2020 and 1st April 2020 on the website www.variscanmines.com.au

Criteria	JORC Code explanation	Commentary
	both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	• New drillhole assay results including both low and high-grade intersections have been included in the raw data in Table 1
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• Details of any historical drilling referenced in this document can be found in prior ASX press releases by Variscan Mines from the following dates: 3rd Feb 2020, 3rd March 2020, 16th March 2020 and 1st April 2020 on the website www.variscanmines.com.au • Reference to channel samples taken by Variscan are detailed in the ASX release on the 2nd February 2021 available on the website www.variscanmines.com.au • No other exploration data referenced in this report is considered sufficiently meaningful or material to warrant further reference.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Variscan are planning a series of exploration plans to advance the Novales-Udias Project. The exploration plan is likely to include: o Further analysis of historical drilling data o Structural mapping o Continuation of the 2000m drilling campaign which began in Q4 2020. • Diagrams illustrating the geological interpretations and possible extensions to mineralisation have been provided in Figure 1, 2, 3 and 4

Appendix 1: Table of Raw Assay Results for All New Drillholes, Including QAQC Samples

Hole ID	Sample ID	From (m)	To (m)	Length (m)	Zn	Pb
NOVDD001	VAR000001	2.1	3	0.9	0.215	0.044
NOVDD001	VAR000002	3	3.7	0.7	0.134	0.005
NOVDD001	VAR000003	3.7	4.7	1	5.7	0.006
NOVDD001	VAR000004	4.7	5.7	1	0.773	0.003
NOVDD002	VAR000005	3.15	4.1	0.95	0.101	0.017
NOVDD002	VAR000006	4.1	5.1	1	0.311	0.014
NOVDD002	VAR000007	5.1	6.1	1	1.965	0.084
NOVDD002	VAR000008	6.1	6.7	0.6	12.45	0.082
NOVDD002	VAR000009	6.7	7.5	0.8	0.48	0.027
NOVDD002	VAR000010	17.7	18.7	1	0.043	<0.002
NOVDD002	VAR000011	19.9	21.05	1.15	0.068	0.002
NOVDD006	VAR000012	0.3	1.35	1.05	0.507	0.005
NOVDD006	VAR000013	1.35	2.2	0.85	3.67	0.031
NOVDD006	VAR000014	2.2	3	0.8	0.352	0.006
NOVDD006	VAR000015	3	4	1	0.164	0.007
NOVDD004	VAR000016	0	0.7	0.7	32.2	0.023

NOVDD004	VAR000017	0.7	1.45	0.75	24.4	0.029
DUPLICATE	VAR000018	0.7	1.45	0.75	24.6	0.03
NOVDD004	VAR000019	1.45	2.5	1.05	0.092	<0.002
NOVDD004	VAR000020	11.75	12.75	1	0.151	0.003
NOVDD004	VAR000021	12.75	13.85	1.1	0.194	0.005
NOVDD004	VAR000022	19.8	20.7	0.9	1.41	0.002
NOVDD004	VAR000023	20.7	21.7	1	0.529	<0.002
NOVDD004	VAR000024	21.7	23	1.3	0.21	0.003
NOVDD005	VAR000025	2.4	3.1	0.7	3.48	0.034
NOVDD005	VAR000026	3.1	3.95	0.85	3.78	0.033
LOW STD	VAR000027				1.705	0.126
NOVDD005	VAR000028	3.95	4.8	0.85	13.85	0.088
NOVDD005	VAR000029	4.8	5.4	0.6	12.1	0.032
NOVDD005	VAR000030	5.4	6.5	1.1	0.687	0.004
NOVDD005	VAR000031	6.5	7.9	1.4	0.421	0.003
NOVDD005	VAR000032	7.9	9.25	1.35	0.295	0.003
NOVDD011	VAR000033	0	0.85	0.85	1.61	0.093
NOVDD011	VAR000034	0.85	1.85	1	0.06	0.012
NOVDD010	VAR000035	0	0.8	0.8	1.795	0.026
NOVDD010	VAR000036	0.8	1.9	1.1	0.063	<0.002
NOVDD010	VAR000037	6.25	7.45	1.2	0.057	<0.002
NOVDD007	VAR000038	0	0.85	0.85	0.657	0.01
NOVDD007	VAR000039	0.85	1.85	1	0.051	0.003
NOVDD007	VAR000040	5.6	6.65	1.05	0.044	0.003
NOVDD007	VAR000041	6.65	7.8	1.15	0.042	0.004
NOVDD007	VAR000042	7.8	8.65	0.85	0.031	<0.002
NOVDD007	VAR000043	15.05	16.05	1	0.129	0.003
LOW STD	VAR000044				1.695	0.138
NOVDD007	VAR000045	19.6	20.1	0.5	0.615	<0.002
NOVDD007	VAR000046	23.45	24.5	1.05	0.324	<0.002
NOVDD007	VAR000047	28.6	30.2	1.6	0.209	<0.002
NOVDD009	VAR000048	0	0.8	0.8	0.235	0.008
NOVDD009	VAR000049	0.8	1.7	0.9	4.07	0.026
MED STD	VAR000050				10.8	4.88
NOVDD009	VAR000051	1.7	2.7	1	1.98	0.032
NOVDD009	VAR000052	9.1	10.35	1.25	0.193	0.014