



CONTRACTOR APPOINTED FOR FOLLOW-UP UNDERGROUND DRILLING PROGRAMME AT SAN JOSE MINE

Highlights

- **Experienced Spanish drilling contractor Sondeos y Perforaciones Industriales de Bierzo SA has been appointed to conduct follow-up drilling at San Jose Mine**
- **Minimum of 2,000m diamond drilling planned with ability to upsize the campaign**
- **The objectives of this drill programme are to:**
 - **test vertical and lateral extensions**
 - **discover new lower lying mineralised lenses**
 - **infill drilling within identified mineralised lenses**
- **The mobilisation of these rigs will quickly occur, as they currently situated in a neighbouring region**
- **Three rigs will be deployed in the programme, a clear positive from the perspective of both time utilization and flexibility**
- **Drilling will commence before the end of August 2021**

Variscan Mines Limited (“Variscan” or the “Company” or the “Group”) (ASX:VAR) is pleased to announce its wholly owned Spanish subsidiary, Variscan Mines Cantabria, S.L. has appointed Sondeos y Perforaciones Industriales de Bierzo SA (“SPI”), as drilling contractor for a follow-up underground drilling programme at the San Jose Mine.

SPI has significant drilling experience, having worked with a number of international mining companies also located in northern Spain.

SPI will deploy three drilling rigs in this upcoming programme. This will deliver both increased utilisation time and enhanced flexibility. The Company will commence with one diamond drilling rig. It will then, subject to operational constraints, look to increase that over the drilling programme with the intention of ensuring the programme is completed as quickly as possible.

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

“Variscan continues to progress the exploration of its advanced Spanish zinc projects. We are excited to get another drill programme underway at the San Jose Mine. It has been brought together despite challenges of the pandemic, increased drilling rig demand and its timing across the European summer holiday period. SPI is a well-renowned drilling contractor. Their appointment means we have a highly experienced contractor with all of the technical knowledge and expertise required to deliver a safe and successful exploration campaign. SPI come with a track record of working with international companies including many globally listed resources businesses. Further, SPI's headquarters are located in the neighbouring region. This is expected to help us maintain cost efficiencies and ensure timely response to any operational matters.”

This is a very exciting time for Variscan as drilling is expected to commence in the next couple of weeks. We have a wealth of drill targets, as previously announced and there is the ability to upsize the drilling campaign as results are delivered. We look forward to providing updates on the drilling campaign as it progresses.”

Looking Ahead

Variscan’s immediate focus is progressing with the following key activities:

- The follow up underground drilling programme, which aims to:
 - Test vertical and lateral extensions
 - Discover new lower lying lenses
 - Infill drilling within identified mineralised lenses
- A geophysical survey of surface drill targets over the Buenahora license area
- Deliver a pending surface drilling application covering the Buenahora license area
- A surface drilling campaign to test step out extensions in the vicinity of the San Jose Mine
- The receipt and interpretation of assay results from sampling of drill targets over the Guajaraz Project in Castilla La Mancha

ENDS

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

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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. Its primary focus is the development of its advanced zinc projects in Spain.

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.