



## PHASE 2 UNDERGROUND DRILLING PROGRAMME AT SAN JOSE MINE COMMENCES

### Highlights

- **The Phase 2 underground diamond drilling programme at the San Jose Mine has now commenced**
- **New step-out trends 500m from San Jose Mine identified for drill-testing**

Variscan Mines Limited (“Variscan” or the “Company” or the “Group”) (ASX:VAR) is pleased to announce the commencement of the Phase 2 underground diamond drilling programme at its San Jose Mine, located in Cantabria, northern Spain.

**Figure 1. Modified Diamec 252 underground core drilling rig operating at the San Jose Mine**



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

*“Variscan is entering another exciting phase of fieldwork at San Jose. The phase 2 underground drill campaign, to be undertaken by Spanish contractor Sondeos y Perforaciones Industriales de Bierzo SA, is aiming to build on the outstanding results we reported from the San Jose Mine in the second quarter of calendar 2021. We are confident that the drill targets provide multiple opportunities for further discoveries*

of new mineralised lenses and trends adjacent to and along strike. In particular the discovery of a number of small mine workings and access points stepping out from the mine is very encouraging. They are a useful vector for further exploration and suggest additional scale potential. The Company's strong funding position means this next phase of our San Jose drill campaign will have added flexibility. We are in the position to deliver an upsized campaign if warranted. We look forward to providing updates on the drilling campaign as it progresses."

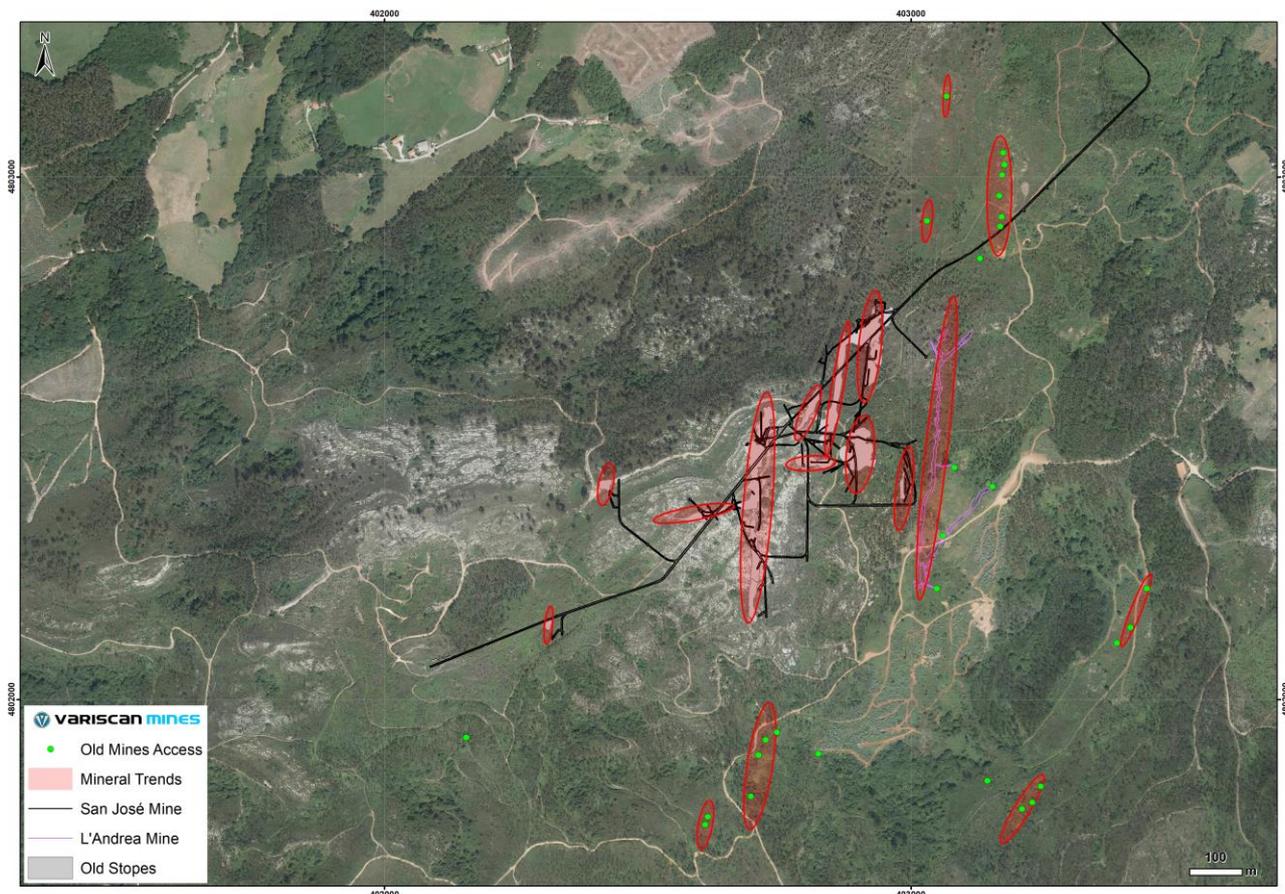
## Drill Programme to target new and recently discovered trends and extensions

The synthesis and analysis of Variscan's recent drilling and structural geological fieldwork augmented by the evaluation of the historical drilling database at its disposal has expanded the Company's prospective drill targets.

Recent fieldwork has identified a number of small mine workings and access points surrounding the San Jose Mine (see Figure 2). Whilst investigations are at an early stage, the Variscan team appears to have identified new step-out mineral trends and extensions.

Preliminary exploration suggests that these workings are shallow, under-exploited and not drill-tested, yet high grade zinc mineralisation has been visually confirmed in several of them. They extend over 500m from the San Jose mine and are assessed to belong to the same mineral system. This provides a strong indication that the system extends well beyond the existing mine stopes. Where possible these new targets will be drilled during the forthcoming Phase 2 campaign.

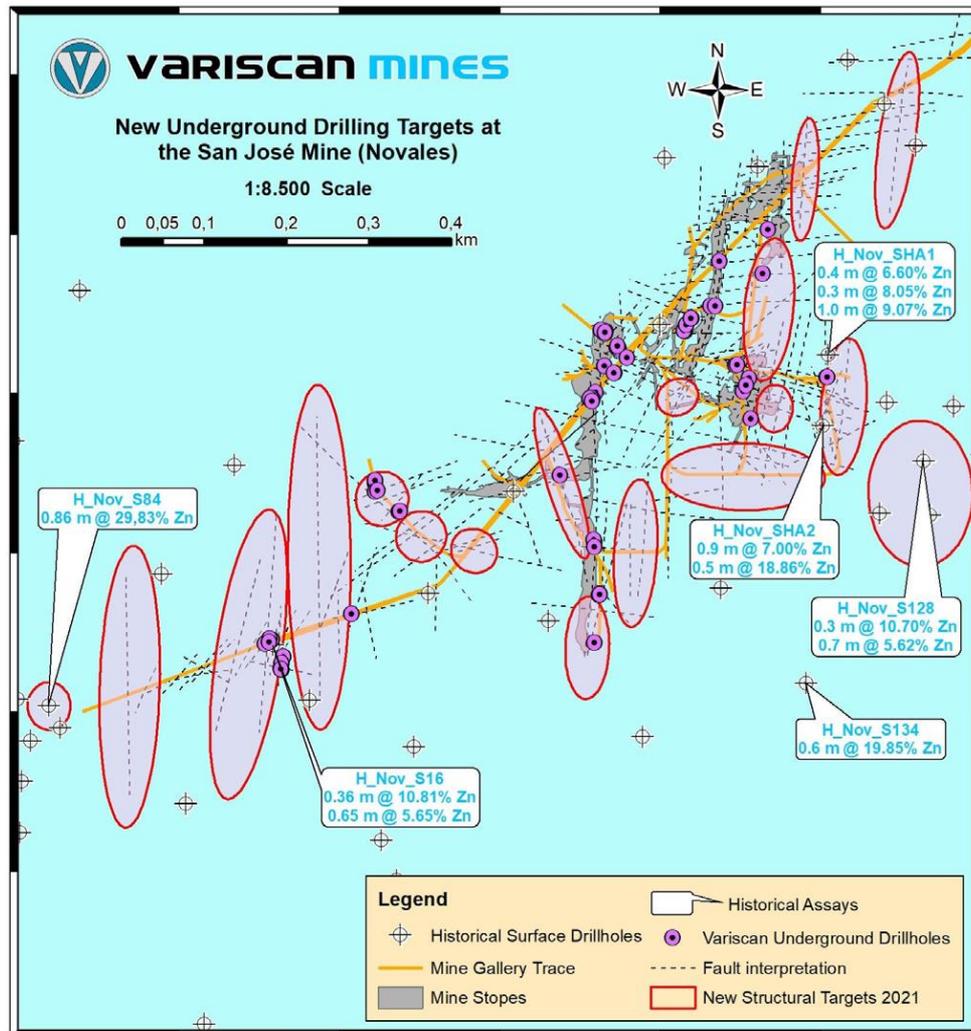
**Figure 2. Satellite view of the San Jose Mine illustrating potential new step-out mineral trends**



The just started Phase 2 underground drilling programme aims to:

- Test vertical and lateral extensions
- Discover new lower lying lenses
- Undertake infill drilling within identified mineralised lenses.

**Figure 3. Plan view of the San Jose Mine illustrating new drilling targets<sup>1</sup>**



### Targeting further positive results from Los Caracoles Trend

The first phase of the programme will follow up on prior positive results from the Los Caracoles Trend in the Central Zone. The most recent drilling results (refer ASX Announcement 4 August 2021) reported a 180m plus extension of on-trend strike as drilling intersected mineralised lenses below the main gallery level. Notable drilling results included:

- DDH NOVDD072: 7.0m @ 6.44% Zn
  - including 3.0m @ 9.10% Zn
- DDH NOVDD073: 4.0m @ 5.72% Zn

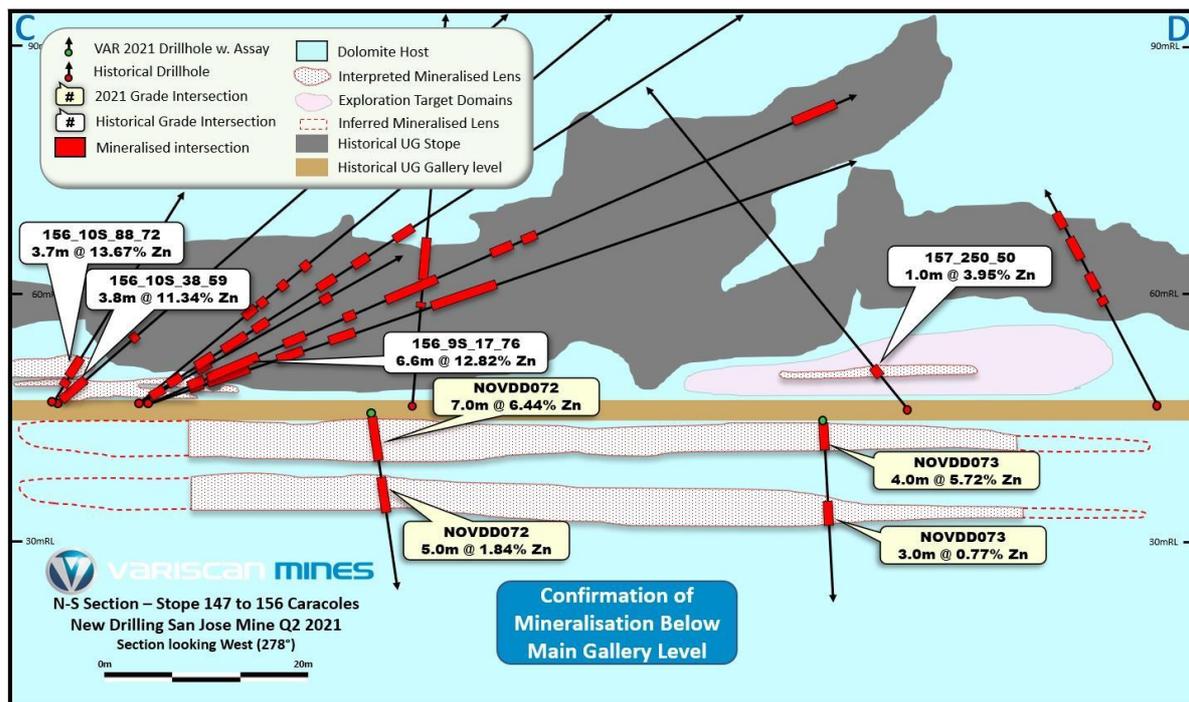
<sup>1</sup> Refer ASX Announcement 15 July 2021

Drilling reported in Q2 CY21 (refer ASX announcement 15 June 2021) confirmed mineralised lenses above the main gallery level. Significant results included:

- DDH NOVDD031: 9.0m @ 8.45% Zn
- DDH NOVDD031: 5.0m @ 5.12% Zn

The discovery of mineralised lenses above and below the main gallery level justifies the infill drilling now being conducted. Additionally, a number of prospective step-out targets will be drilled.

**Figure 4. North-South Long Section of underground drilling at La Caracoles<sup>2</sup>**



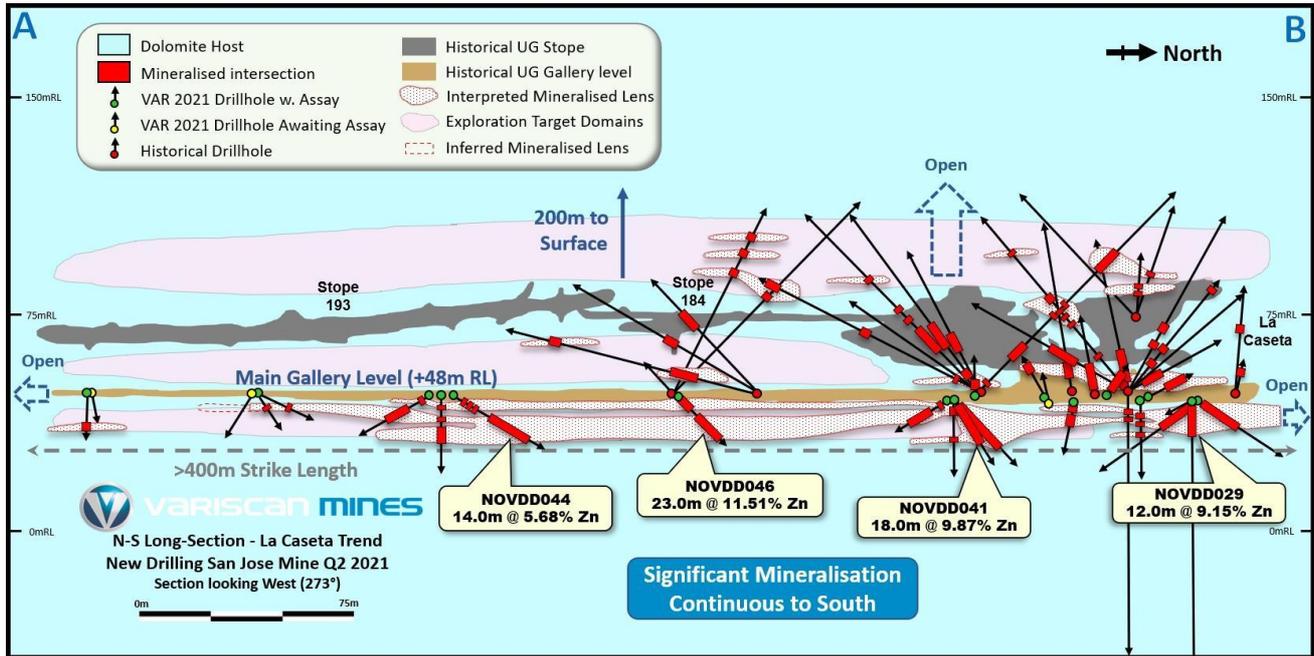
### La Caseta Trend a high priority target

The La Caseta Trend is a high priority target in the current Phase 2 drill campaign due to the multiple high-grade drilling intersections from Variscan's earlier campaign there, which delineated a new 400m plus laterally extensive mineralised lens below the main gallery level, which remains open (refer ASX announcements 25 May 2021 and 15 June 2021). Selected results included:

- DDH NOVDD027: 16.9m @ 12.50% Zn
- DDH NOVDD046: 23.0m @ 11.51% Zn
- DDH NOVDD041: 18.0m @ 9.87% Zn
- DDH NOVDD037: 11.0m @ 9.95% Zn
- DDH NOVDD029: 12.0m @ 9.15% Zn
- DDH NOVDD040: 21.0m @ 5.56% Zn
- DDH NOVDD028: 15.6m @ 3.20% Zn

<sup>2</sup> Refer ASX Announcement 4 August 2021

**Figure 5. North-South Long Section of underground drilling at La Caseta<sup>3</sup>**



## Spanish Drilling Contractor appointed

Variscan, through its wholly owned Spanish subsidiary, Variscan Mines Cantabria, S.L. has appointed Sondeos y Perforaciones Industriales de Bierzo SA (“**SPI**”)<sup>4</sup>, as drilling contractor for the follow-up underground drilling programme (refer ASX announcement 4 August 2021).

SPI has worked with a number of international mining companies also located in northern Spain.

SPI will provide up to three drilling rigs in this upcoming programme. This will deliver both increased utilisation time and enhanced flexibility. The Company will commence the campaign with one diamond drilling rig. It will then, subject to operational constraints, look to increase that as this phase of the San Jose drill programme progresses. This strategy, made possible by Variscan’s strong funding position, opens the way for an upsized campaign if warranted or, alternatively, a quicker completion of the programme currently planned.

<sup>3</sup> Refer ASX Announcement 15 June 2021

<sup>4</sup> Further information available at: <https://www.spibierzo.com>

## Looking Ahead

Variscan's immediate focus is progressing with underground drilling at the San Jose Mine and returning results as soon as possible.

Additionally, the Company will be advancing a number of follow-up activities and deliverables including:

- A geophysical survey of surface drill targets over the Buenahora license area
- Delivery of 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.

## Competent Person Statement

Where the Company references exploration results previously released it confirms that it is not aware of any new information or data that materially affects the information included in those announcements, and all material assumptions and technical parameters underpinning the results within those announcements continue to apply and have not materially changed. In addition, the form and context in which the Competent Persons findings are presented have not been materially modified from the original reports.

The information in this document that relates to historic exploration results, was prepared pre-2012 JORC code. It is the opinion of Variscan that the exploration data is reliable. Although some of the data is incomplete, nothing has come to the attention of Variscan that causes it to question the accuracy or reliability of the historic exploration.