



VARISCAN SECURES 3 YEAR EXTENSION FOR THE BUENAHORA EXPLORATION LICENSE

Highlights

- **3 year extension to the Buenahora Exploration License area has been granted by the Government of Cantabria, northern Spain.**
- **Variscan has recently completed a geophysical survey over the Buenahora Exploration License to generate additional regional prospects and augment drill targeting – results are pending.**
- **Surface drilling permits for the Buenahora Exploration License are also pending with drilling expected to commence this Quarter.**

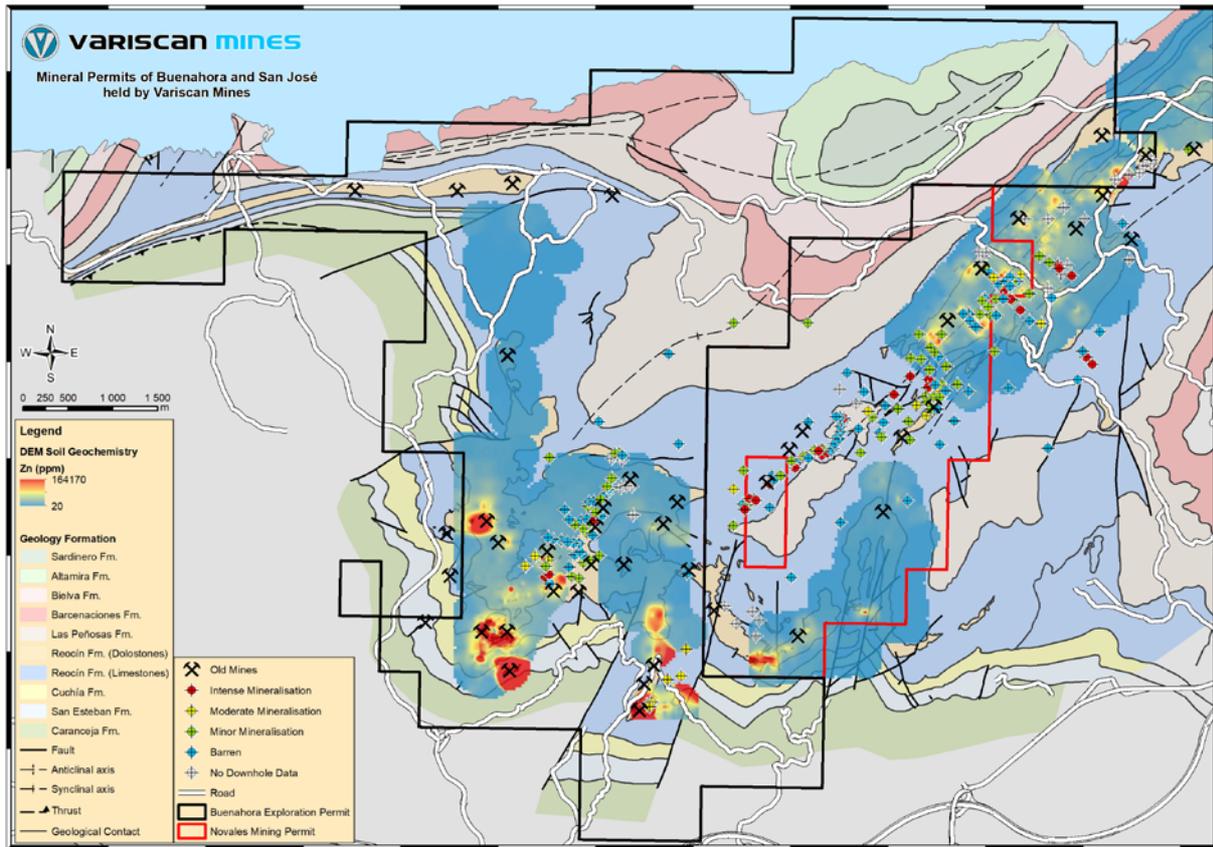
Variscan Mines Limited (“Variscan” or the “Company” or the “Group”) (ASX:VAR) is pleased to advise that the Consejería De Industria, Turismo, Innovación, Transporte y Comercio - del Gobierno de Cantabria (the Government of Cantabria, in northern Spain) has approved a 3 year extension of the Buenahora Exploration License, within the Novales-Udias Project in northern Spain.

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

“Securing the renewal of the Buenahora Exploration Licence is another very important milestone in Variscan’s efforts to explore and ultimately develop its Spanish zinc assets. In anticipation of the award of final permits, we are gearing up for surface drilling of this highly prospective licence area, previously controlled by Asturiana de Zinc (Xstrata-Glencore) until 2003.”

The tenement area has extensive MVT style carbonate-hosted zinc mineralisation featuring high-grade zinc and lead deposits across a multitude of historical workings. Our own field sampling has returned high-grade results. We recently completed a geophysical survey over the Buenahora Exploration License area and expect it to deepen our understanding of already known drill targets and also identify new prospects. We look forward to reporting the survey results and updating the market on the progress of our planned drilling programme.”

Figure 1. Novales-Udias Project Licence Areas



Government approval is another milestone towards maiden surface drilling

The renewal of the Buenahora Exploration License is another milestone in the ongoing exploration of Variscan’s flagship zinc project in northern Spain. The Company has been closely engaged with the local authorities to secure the municipal approvals needed before drilling can commence. Whilst these approvals are pending, informal feedback is encouraging.

Planned surface drilling to target new and extensional zones of high grade zinc

Surface drilling to test regional targets over the Buenahora Exploration Licence is anticipated to commence this Quarter, subject to permitting approvals. It will overlap with the current underground drilling at the San Jose Mine.

The Buenahora Licence area hosts part of the 9km Novales Trend and the 3km sub-parallel Udias Trend over the Company’s Novales-Udias Project area.

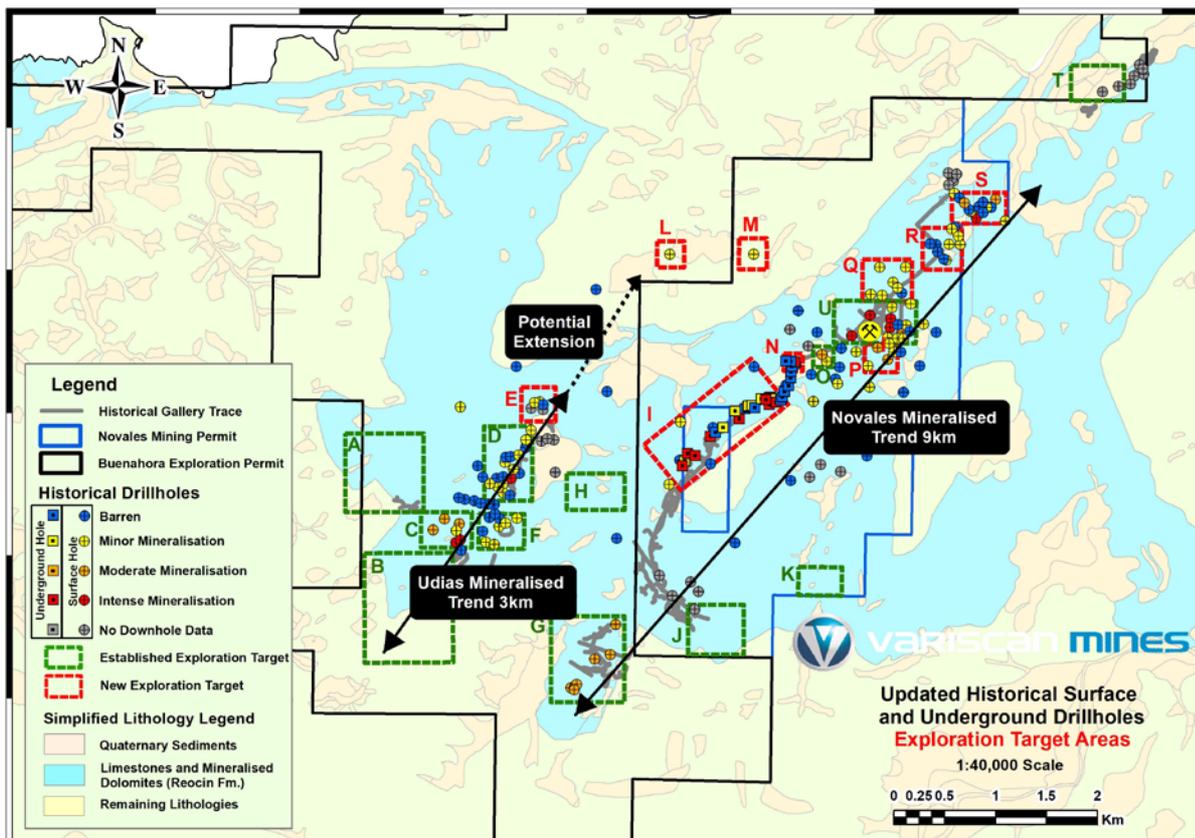
The Udias area in the southwest of the Buenahora Exploration License area has multiple, highly prospective, yet untested, drill targets including Magdalena, Sinforosa, Motilos and Pepita. These are situated on strong geochemical anomalies and along extended trends which include former small-scale mines (operational in c. 1930s) and/or high-grade historical drilling intersections.

Variscan has currently defined 21 exploration target zones across the Udias area via examination of historical data and fieldwork conducted by the Company (see Figure 1). Soil sampling of these drill targets conducted in Q3 2020, returned a peak soil result of 16.33% Zn with 30% of soil samples + 1% Zn and 18% of soil samples +2% Zn.¹

Historical surface drilling has recorded high-grade zinc intersections in the vicinity of the surface drilling targets. Selected historical drillhole results include¹:

- | | |
|---------------------|-----------------|
| • 2.75m @ 19.5% Zn | Hole ID Ju-3 |
| • 1.0m @ 27.0% Zn | Hole ID S-9 |
| • 4.2m @ 4.96% Zn | Hole ID S-30 |
| • 3.3m @ 5.5% Zn | Hole ID S-31 |
| • 4.2m @ 4.96% Zn | Hole ID S-30 |
| • 1.52m @ 30.89% Zn | Hole ID Buen-8 |
| • 1.4m @ 22.46% Zn | Hole ID Buen-12 |
| • 0.95m @ 5.93% Zn | Hole ID Buen-5 |

Figure 2. Surface drilling exploration targets over the Novales-Udias Project²



Note: The cut-off grades for drillholes classified by Variscan are as follows: Minor Mineralisation = 0-2% Zn, Moderate Mineralisation = 2-5% Zn, Intense Mineralisation = >5% Zn. Please note the holes classified historically by AZSA without grades or logging data do not conform to these ranges and are only indications of mineralisation.

¹ Refer ASX announcement 12 August 2020

² Refer ASX announcement 6 April 2021

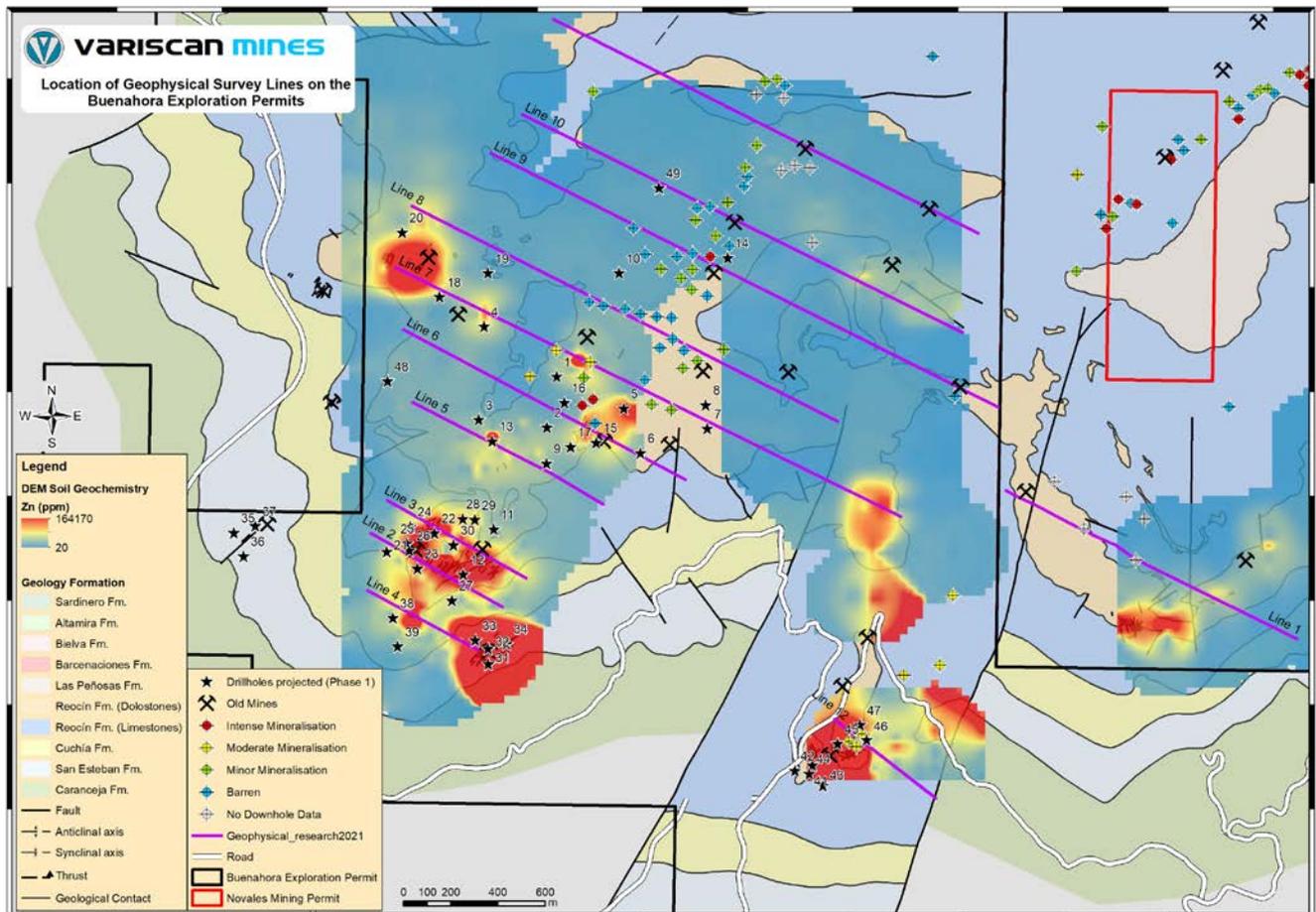
Results are pending for the recently completed Buenahora geophysical survey

A geophysical survey over the Buenahora Exploration License area has recently been completed. The survey performed electrical resistivity tomography and induced polarisation (IP) over 12 lines amounting to a total line length of 17.6km. The objectives of this survey were to:

- augment the Company’s understanding of planned drill targets;
- identify new drill targets;
- generate additional regional prospectivity and increase the project’s scale; and
- add additional data to assist with developing an integrated view of the exploration and development potential of the project

Results of the geophysical survey are expected to be available shortly.

Figure 3. Geophysical Survey Lines over the Buenahora Exploration Licence showing existing geochemistry highlights



Looking Ahead

Variscan’s immediate focus is progressing with underground drilling now underway at the San Jose Mine and returning the next batch of assay results as soon as possible.

Additionally, the Company plans to:

- release of results from the geophysical survey over the Buenahora Exploration License
- secure the local municipal approvals required for the surface drilling over the Buenahora Exploration License
- conduct a surface drilling campaign to test step out extensions in the vicinity of the San Jose Mine
- secure the license renewal pending over the Guarajaz Project.

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.