



ASX Code: VAR
 ACN: 003 254 395
 Issued Shares: 267m
 Unlisted Options: 19.5m
 Performance Rights: 2.5m

At 30 June 2022
 Cash Balance: \$1.95M

Directors

Dr Foo Fatt Kah
 Stewart Dickson
 Michael Moore
 Mr Nicholas Farr-Jones AM

Company Secretary

Mark Pitts

Top Shareholders

Citicorp Nominees
 Slipstream Resources
 Delphi
 FELDI Limited
 SL Hisbanibal
 Lightning Jack Pty Ltd
 Effective Investments Pty Ltd
 BNP Paribas

Top 20 Shareholders: 59.9%

Head Office

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NOVALES-UDIAS PROJECT ADVANCING, WITH POSITIVE DRILLING RESULTS AND SIGNIFICANT EXPLORATION TARGET POST QUARTER'S END

HIGHLIGHTS

Sizeable, preliminary JORC Exploration Target defined for the Zn-Pb Novales-Udias Project

- Announced after the end of June 2022 quarter, the Exploration Target indicates the potential for a mid-to-large scale, high-grade deposit;
- Variscan will further advance the project by:
 - publishing an initial modest, higher confidence Mineral Resource Estimate on the former producing San Jose Mine
 - commencing a Mine Re-Start Concept (Scoping) Study concurrently

Latest Phase 2 Drilling Programme assay results for the San Jose Mine reveal:

- Expanded zones of high-grade zinc mineralization in the La Caseta and Los Caracoles trends within the Mine's Central Zone;
- Extension of the 168 Trend, linking it up with the adjacent richly mineralized La Caseta and Los Caracoles trends;
- Newly discovered zones of mineralization in adjacent near-surface mines (Eloisa and El Eucaliptal), increasing scale potential close to the San Jose Mine.

Drilling Programme Update

- The Phase 2 underground drilling programme at the San Jose Mine completed in the June quarter, for a total of 2,278 metres;
- The final set of assay results from this drilling programme are pending, with encouraging zinc mineralization observed in samples;
- Buenahora license area drill campaign well progressed, with approximately 700 metres already completed. Phase 2 commences in August 2022.
- Underground drill-rig been deployed to test lower-lying targets on Buenahora licence area

Next steps:

- Advancement of studies for evaluation of restart of San Jose Mine
- Drilling at San Jose Mine (infill and resource definition) and Buenahora (discovery and extensional)

Variscan Mines Limited (“Variscan” or the “Company” or the “Group”) (ASX:VAR) is pleased to provide its Appendix 5B for the quarter ended 30 June 2022 along with the following operational update.

OPERATIONS

SPAIN – NOVALES-UDIAS ZINC PROJECT

Sizeable, preliminary JORC Exploration Target highlights scale potential and high grade of Novales-Udias project, announced after end of June quarter

On 28 July 2022, Variscan announced an initial JORC compliant Exploration Target of between **16.5Mt and 34Mt at grades ranging from 6.3% to 9.1% Zinc and 1.1 to 1.8% Lead** at the Novales-Udias Project, located in Cantabria, northern Spain.

The potential quantity and grade of the Exploration Target is conceptual in nature. There has been insufficient exploration to estimate a Mineral Resource for all target areas reported. It is uncertain if further exploration will result in the estimation of a Mineral Resource. The Exploration Target has been prepared and reported in accordance with the 2012 edition of the JORC Code.

The Exploration Target has been compiled by Wardell Armstrong International Limited (WAI), an independent, multidisciplinary consultancy

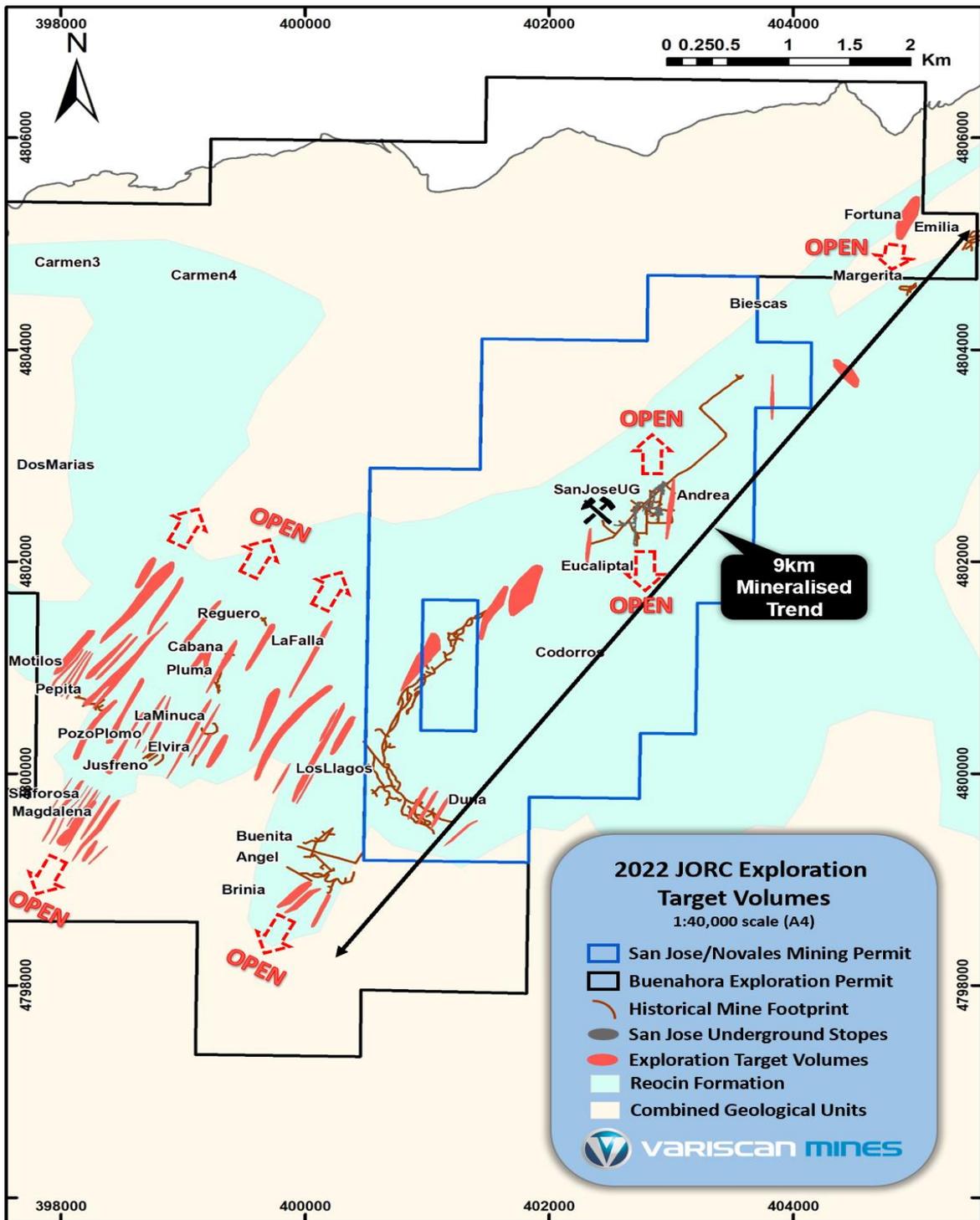
The Exploration Target ranges for the Novales-Udias Project are set out below:

Table 1. Tonnages and Grade Ranges for JORC Exploration Target

Range	Tonnage (Mt)	Zinc (%)	Lead (%)
Lower Estimate	16.5	6.3	1.1
Upper Estimate	34.0	9.1	1.8

The Exploration Target comprises 62 3D volumes of target zones that are expected to host mineralisation. Volumes have been generated utilising drilling data, soil geochemistry, rock chip samples and geophysical Direct Current Induced Polarisation (DCIP) anomalies. The San Jose underground mine has the most extensive and reliable dataset from recent drilling by Variscan supported by historical drillholes.

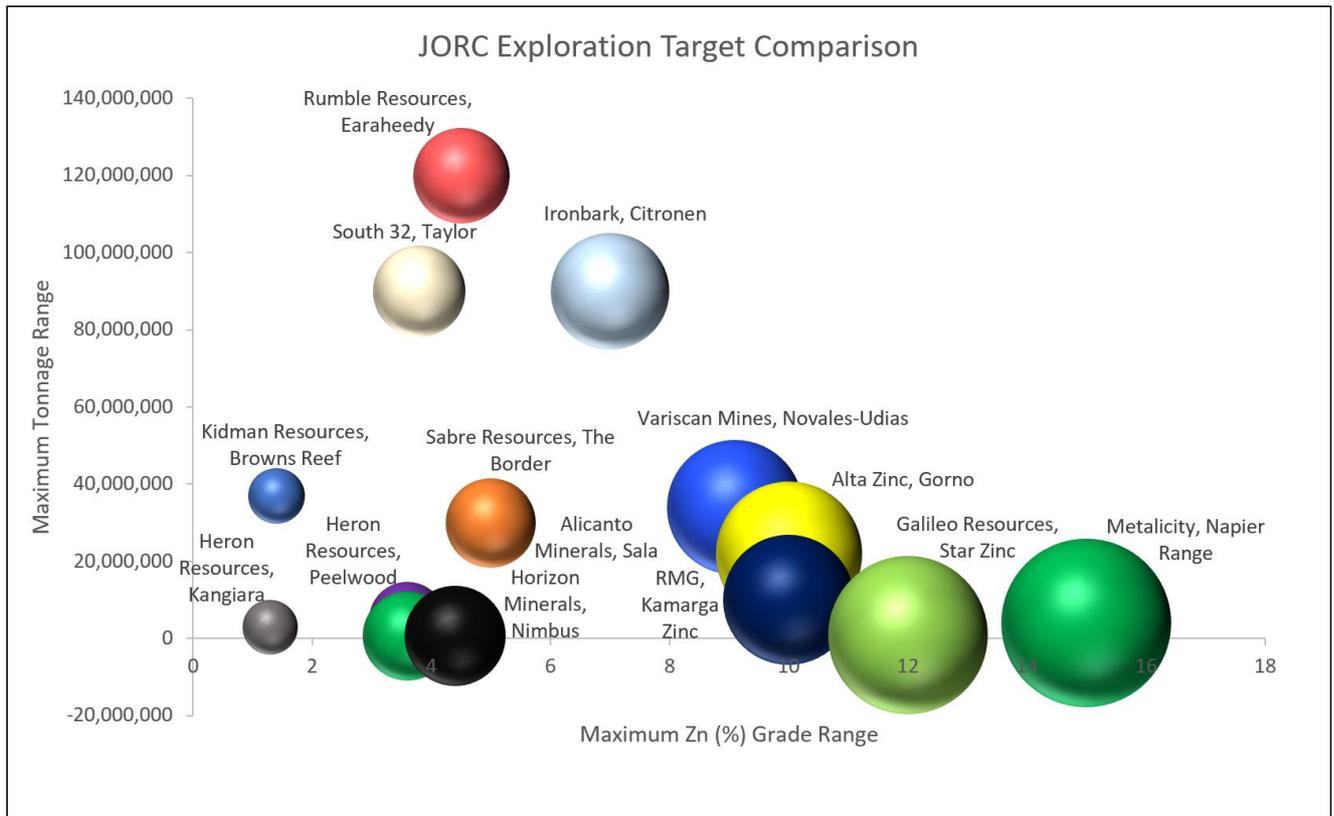
Figure 1. Plan view of Novales-Udias Project with Exploration Target areas (red)



Putting the Exploration Target in context

Benchmarking against a selection of other publicly reported Zn-Pb Exploration Targets indicates the Novales-Udias Project to have significant potential for a Mineral Resource over a mid-to-large scale, high-grade deposit.

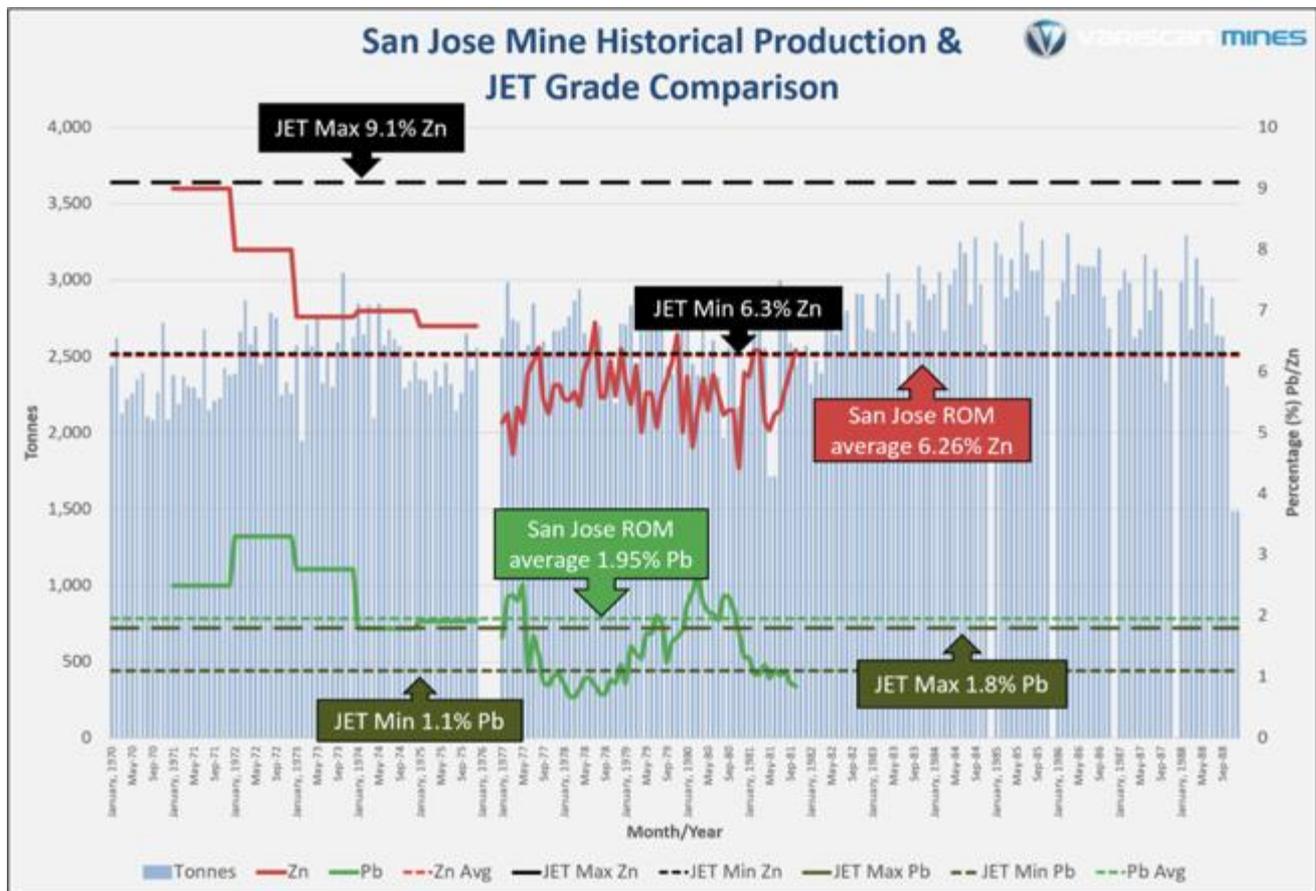
Figure 2. Graphical Comparison of Reported Zinc-Lead Exploration Targets (Maximum Tonnage & Maximum Grade) (Refer ASX announcement 28 July 2022).



Notes:

- Grades for certain projects are reported as Zn + Pb Equivalent or Zn Equivalent which increases those grade values when compared to those projects reporting Zn
- Whilst reasonable care has been taken to ensure a representative dataset, it is probable that not all Exploration Targets for Zn-Pb projects globally have been included
- Projects shown will have differing deposit types
- Underlying publicly available source data for comparative projects is set out in in ASX announcement of 28 July 2022
- The diameter of each circle represents the maximum Zn (%) grade

Figure 3. Graphical Comparison of Historical Production Run of Mine Grades at San Jose Mine (January 1970 to September 1988) and JORC Exploration Target (“JET”) Grade Ranges.

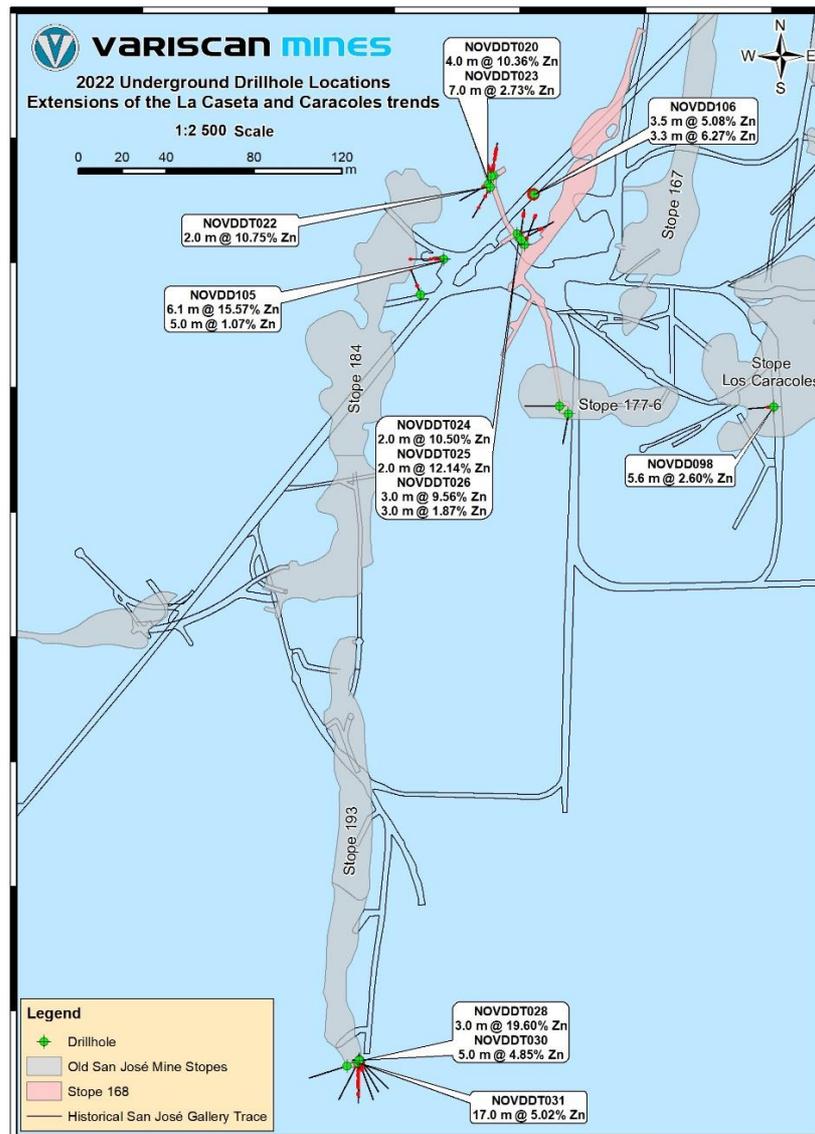


More positive assay results coming out of drilling programme

Soon after the end of the June 2022 quarter, Variscan informed the market of further positive results from the Phase 2 underground drilling programme at the San Jose Mine (see ASX announcement dated 7 July 2022).

The programme’s objective of expanding the footprint of zinc-lead mineralisation at the San Jose Mine and surrounding areas, had been achieved. Success here has, in turn, contributed positively to the evaluation of the mineral resource potential of this project.

Figure 4. Plan view of selected mineralised intersections from drilling in the La Caseta Trend, 168 Trend and the Los Caracoles Trend



The abovementioned 7 July 2022 announcement included positive step-out and infill drilling results that:

- Expand the regionally significant zones of high-grade zinc mineralization within the San Jose Mine's Central Zone;
- Extend the 168 Trend, with its area of significant high-grade zinc mineralisation now potentially linking the important La Caseta and Los Caracoles trends over multiple elevations;
- Identify new zones of mineralization in adjacent near-surface mines.

Selected drill results from the latest round of La Caseta & Los Caracoles (Central Zone) assays follow:

- DDH NOVDD105: 6.1m @ 15.6% Zn + 0.8% Pb
- DDH NOVDDT031: 17.0m @ 5.0% Zn + 0.4% Pb
- DDH NOVDDT028: 3.0m @ 19.6% Zn + 2.3% Pb
- DDH NOVDDT020: 4.0m @ 10.4% Zn + 1.0% Pb
- DDH NOVDDT026: 3.0m @ 9.6% Zn + 1.8% Pb
- DDH NOVDDT025: 2.0m @ 12.1% Zn + 1.1% Pb
- DDH NOVDDT030: 5.0m @ 4.9% Zn + 0.1% Pb
- DDH NOVDDT024: 2.0m @ 10.5% Zn + 0.1% Pb

Significant exploration potential remains at the San Jose Mine having completed the Phase 2 underground drilling programme:

- Testing of step-out targets in near-surface mines adjacent to the San Jose Mine in this programme confirmed zinc mineralisation, expanding the footprint of the mineralised system with strong prospectivity for further extensions;
- The underground drilling to date has occurred in a very small area – thus far the focus has been the San Jose Mine, which only represents approximately 15% of the entire strike length of the mineralised structure of the 9km Novales Trend.

Variscan is now intent on further growing the future resource estimates attached to the Project. To this end, the Company has already set in motion an application process with local authorities to commence surface drilling in the vicinity of San Jose and surrounding areas.

Step-out targets mineral trends in old near-surface mines

An exciting development in the latest round of assay results was the identification of new zones of mineralization detected in adjacent near-surface mines (Eloisa and El Eucaliptal), increasing scale potential.

Selected drill results from step-out testing of adjacent near-surface mines (Eloisa & El Eucaliptal) follow:

- DDH EUDDT02: 3.0m @ 5.5% Zn + 0.3% Pb
- DDH ELODDT01: 7.0m @ 2.0% Zn + 0.1% Pb
- DDH ELODDT01: 3.0m @ 3.7% Zn + 0.0% Pb
- DDH EUDDT02: 3.0m @ 1.5% Zn + 0.2% Pb

Figure 5. Plan view illustrating step-out mineral trends in old near-surface mines adjacent to San Jose Mine

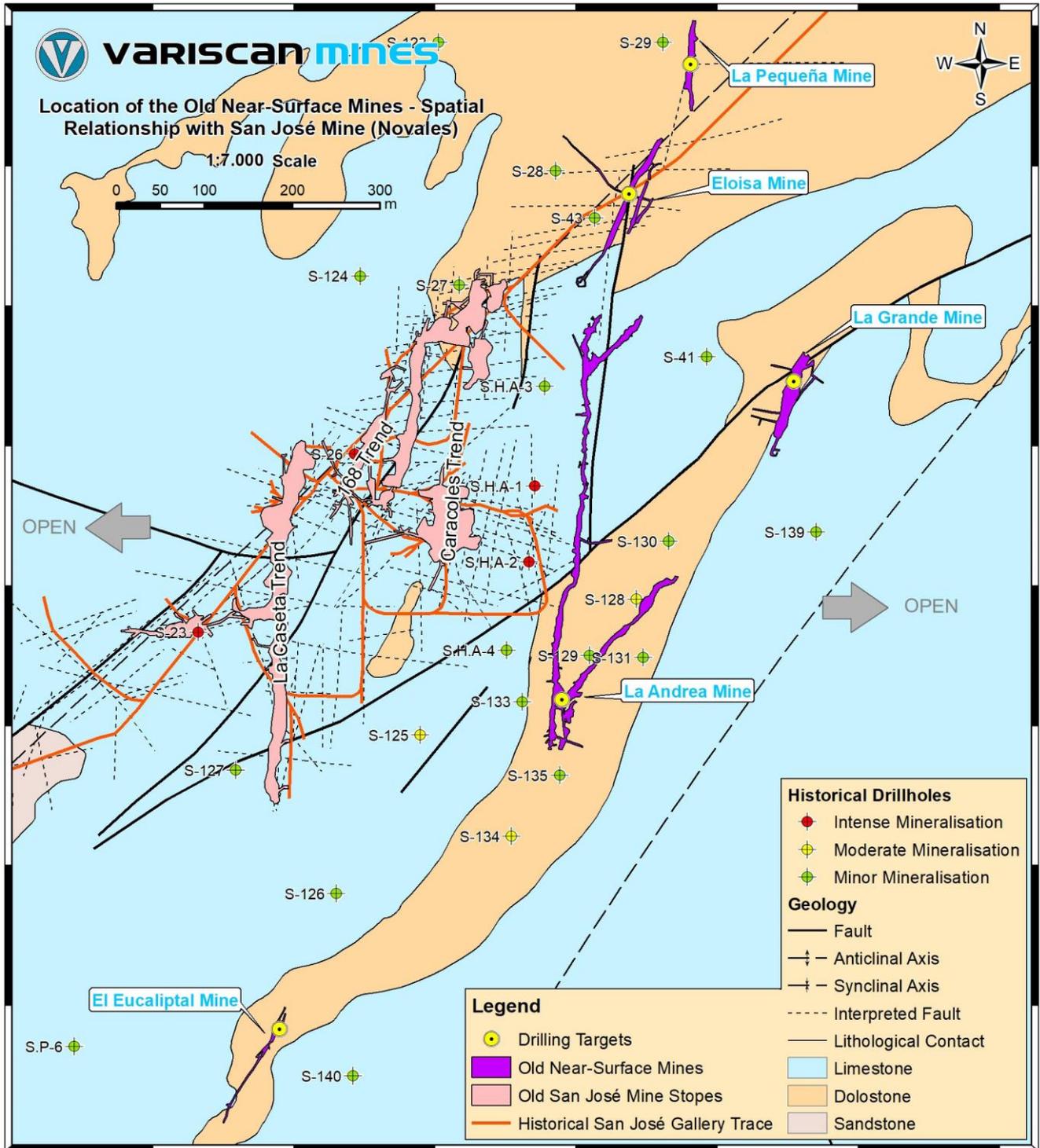


Figure 6. Plan view illustrating step-out mineral trends in old near-surface mines adjacent to San Jose Mine and drilling results from El Eucaliptal Mine

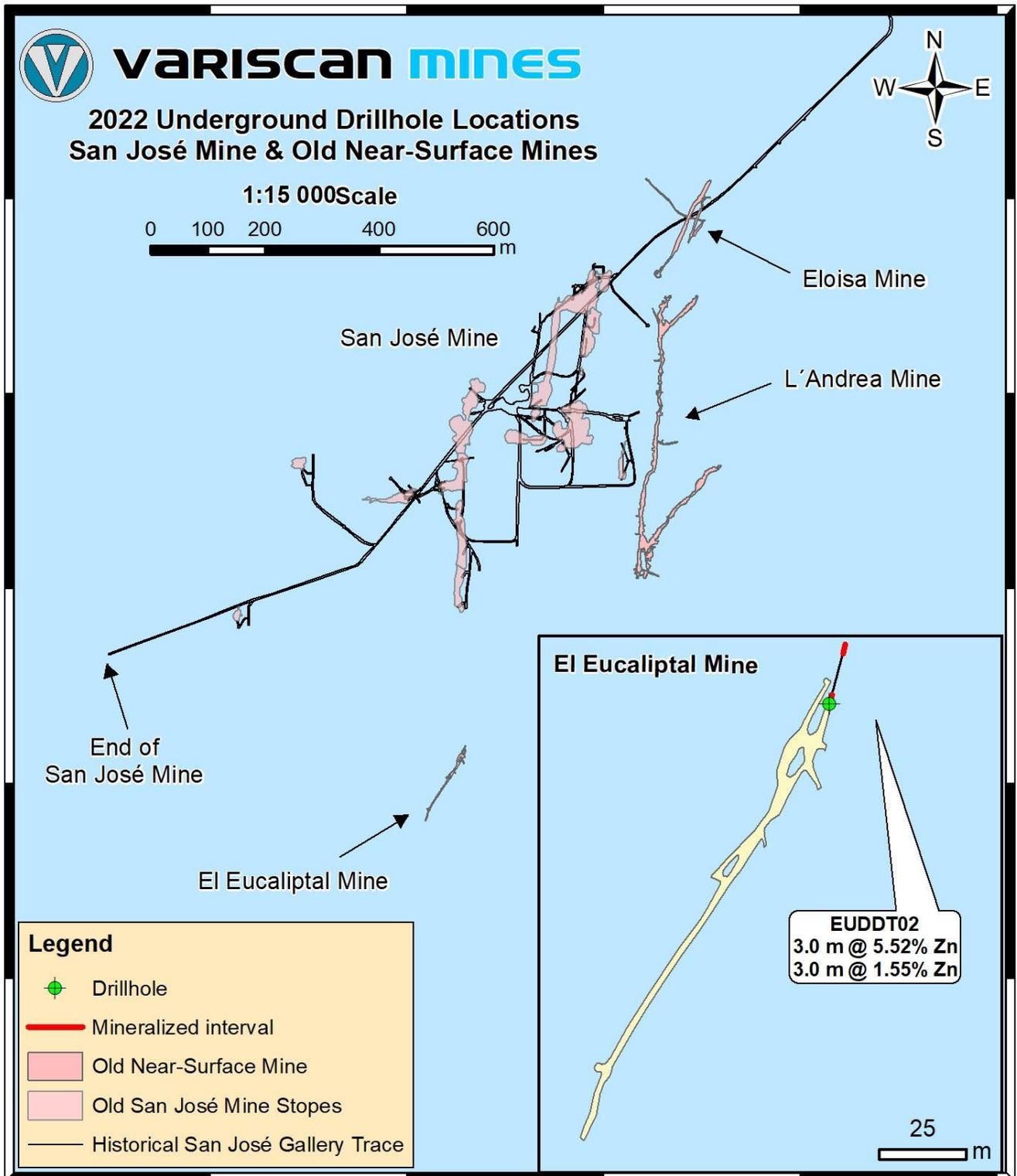
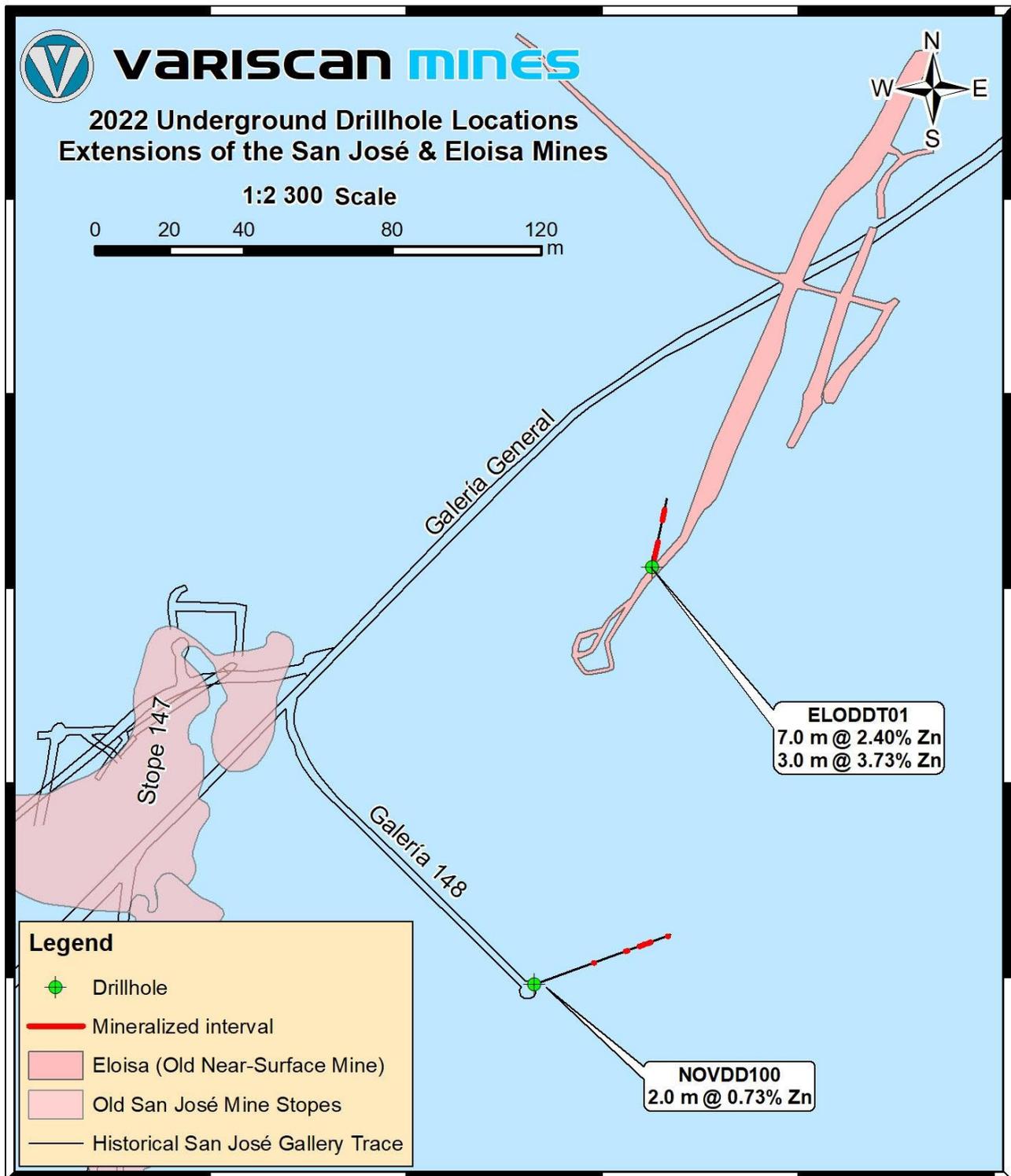


Figure 7. Plan view illustrating easterly extension of the San José Mine and drilling results from the Eloisa Mine



Drilling Commences at Buenahora Exploration License

Variscan commenced its initial surface drilling programme at the Buenahora Exploration License, within the Novales-Udias Zinc-Lead Project in Cantabria, northern Spain, in the June 2022 quarter (see ASX announcement, dated 11 May 2022). This represents an important step for Variscan’s efforts to establish the size and scale of mineralisation over the license areas.

Figure 8. Drill-rig located on Drill Target [B-04] on the Buenahora Exploration License



The significant untested geophysical IP anomalies Variscan has discovered in Buenahora clearly highlights the tenement's significant potential. The drilling programme the Company is now undertaking there will target:

- Interpreted anomalous chargeability zones derived from recent Direct Current Induced Polarization (DCIP) survey results;
- Zinc-rich mineralisation adjacent to known historical mine workings;
- New discoveries in untested areas of the exploration license.

Geophysical Survey identified multiple, nw, extensive and intense chargeable bodies over the Buenahora Exploration Licence.

Results coming out of the abovementioned DCIP survey work covering the previously untested areas of the Buenahora Exploration License were detailed in an earlier ASX announcement dated 4 May 2022. These results were highly significant for Variscan on multiple fronts. They:

- Identified multiple new zones of potentially elevated mineralisation;
- Confirmed planned drill targets and identified new drill targets;
- Detected a plethora of smaller anomalies scattered irregularly throughout the investigation area;
- Come with a lack of resistivity anomalies, indicating a strong possibility that IP anomalies are the result of linear, vein-style geological features, which is similar to the San Jose Mine;
- Provided Variscan with additional data to develop an integrated view of the exploration and development potential of the project.

Figure 9. Location of DCIP survey lines over the Buenahora Exploration License

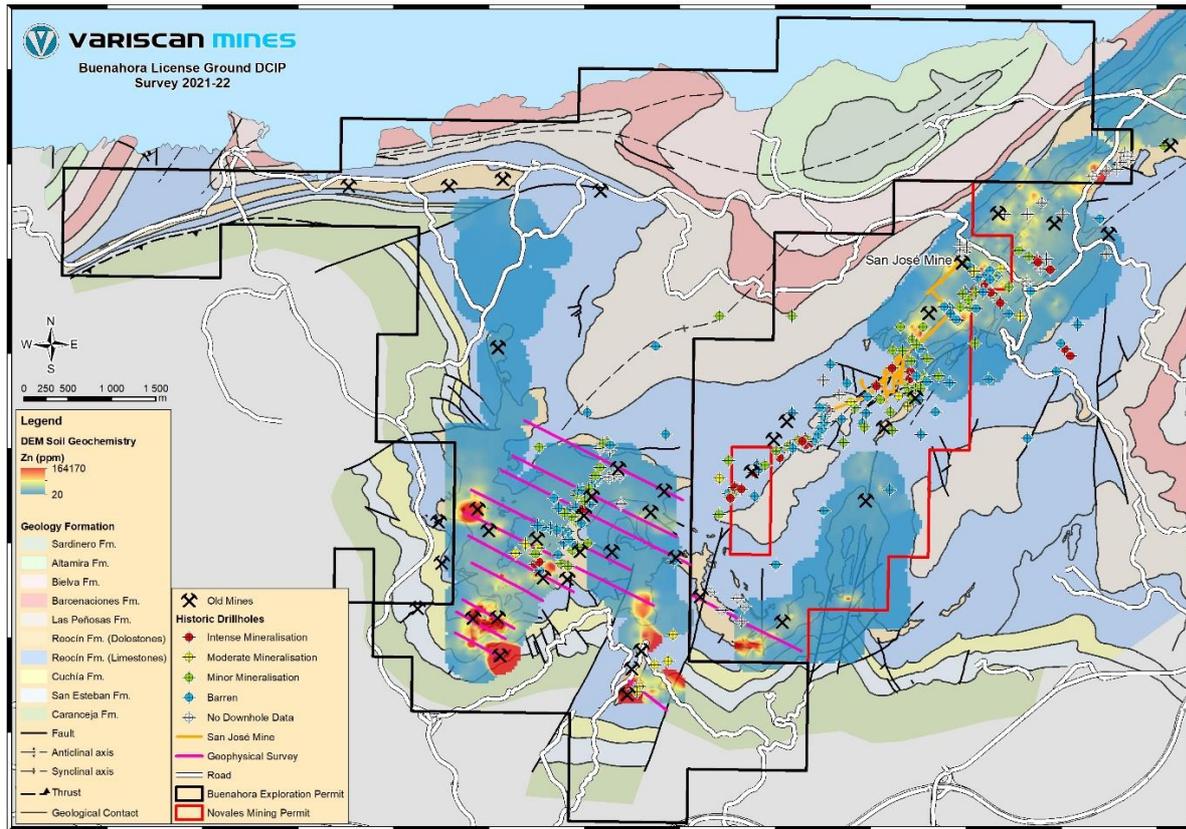
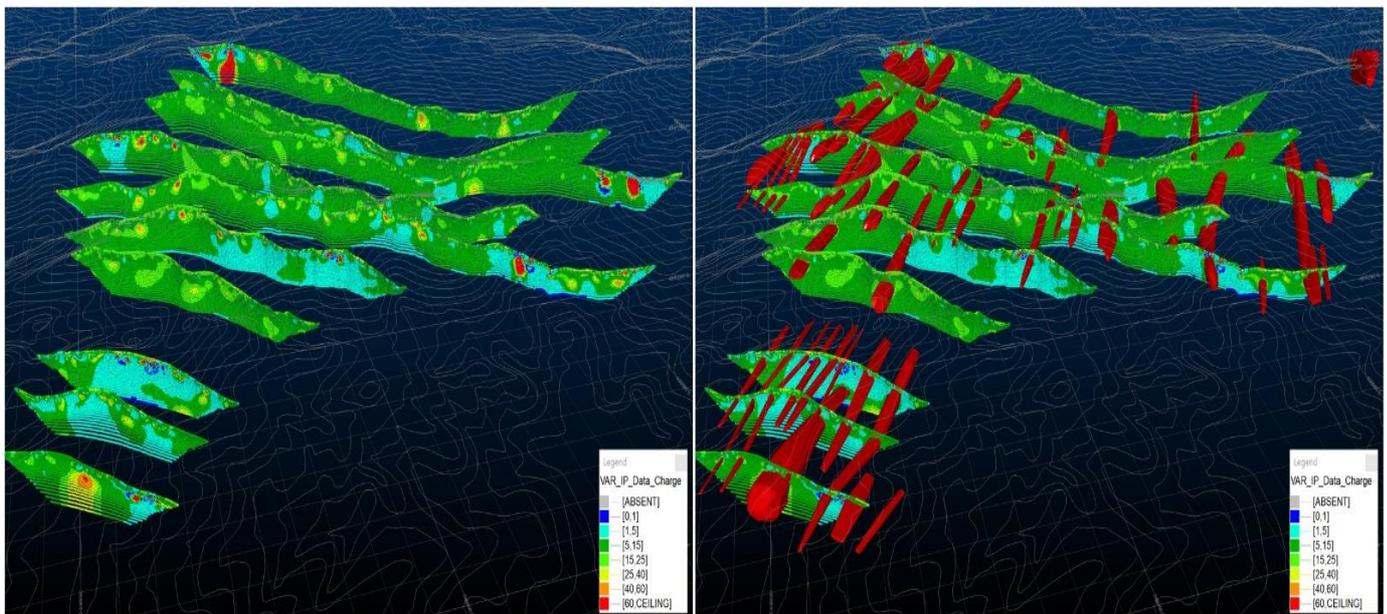


Figure 10. Isometric view of DCIP anomalies (LHS) and generated Target Volumes (red) in the Exploration Target (RHS)



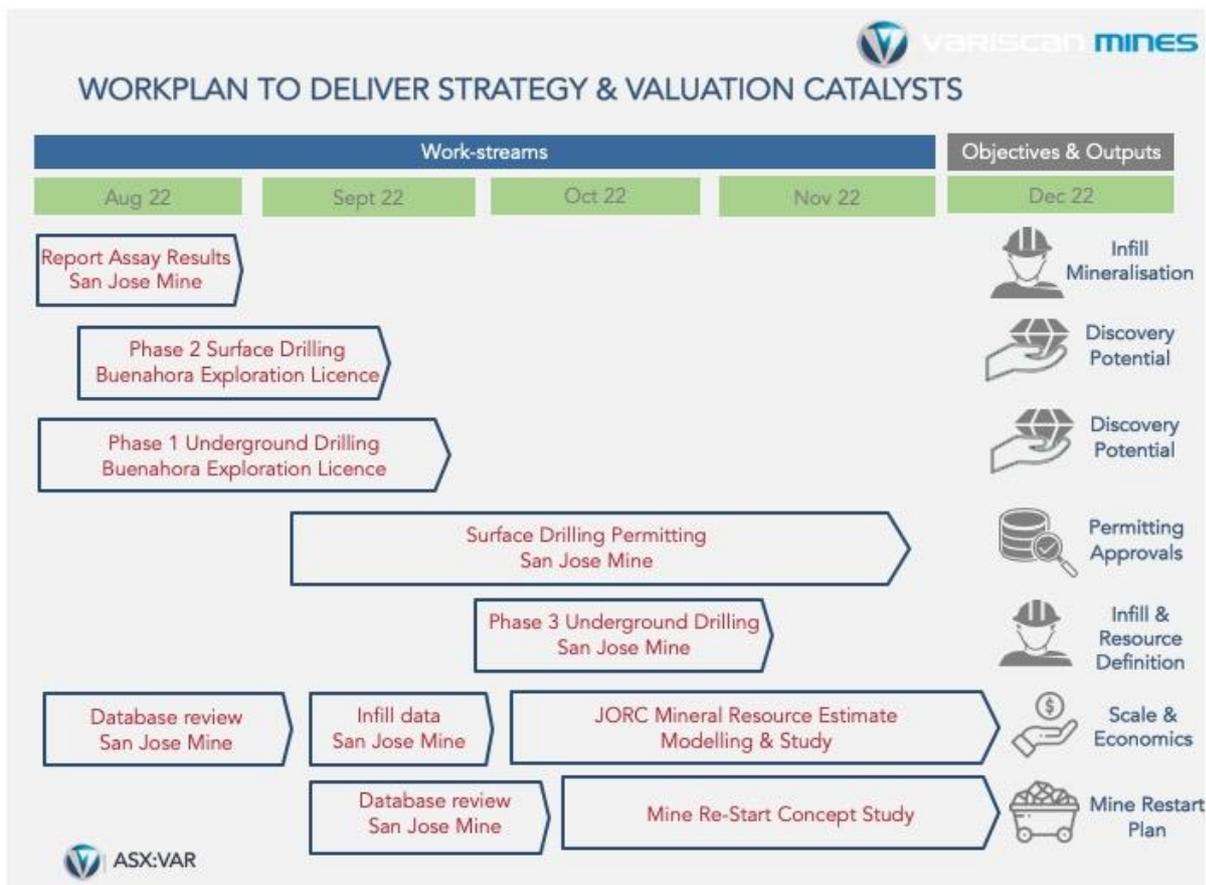
The DCIP survey represents another step in Variscan’s systematic approach to exploration. In combination, the geophysical, geological, geochemical and drilling data compiled continues to indicate the potential for multiple clusters of MVT-style zinc mineralisation to occur in much of the project area. Variscan had already defined 21 exploration target zones across this license area.

Next steps in Variscan’s exploration/development strategy

Variscan’s immediate focus is progressing with the following activities; all of which are expected to be completed by the end of calendar year 2022:

- Reporting final assay results from Phase 2 underground drilling campaign at San Jose Mine
- Publishing a focused JORC compliant Mineral Resource estimate for the San Jose Mine
- Reporting a Mine Re-Start Concept Study for San Jose Mine
- Returning assay results from the current Buenahora surface drilling campaign together with supplementary exploration results
- Delivery of approvals to undertake further surface drilling in and around the San Jose Mine to test step-out targets
- In support of the above activities, the delivery of associated environmental, social and governance (“ESG”) initiatives

Figure 11. Summary of Workplan for period ended 31 Dec 2022



SPAIN – GUARAJAZ ZINC-RICH POLYMETALLIC PROJECT

The Guajaraz Project is a prospective brown-field zinc-rich polymetallic opportunity with known mineral occurrences.

The project is located in the highly mineralised Central Zone of the Iberian Massif, which ranks as one of the most mineralised geological units globally and represents the internal zone of the prolific European Variscan Orogenic belt.

During the quarter, limited exploration activity was undertaken by the Company in connection with this project.

CHILE – ROSARIO COPPER PROJECT

The Rosario Project is located approximately 120 kilometres by road east of the port city of Chanaral in the Atacama Region of northern Chile. Chile is a proven mining jurisdiction and is the largest producer of copper globally. The Rosario project lies about 20 kilometres north of the El Salvador mine (owned by Codelco). It is one of the country's larger copper operations, within a region of dense mining activity (all scales) and good copper endowment.

The Rosario project comprises three granted exploitation concessions, Rosario 6, Rosario 7 and Salvadora, one granted mineral exploration license (Abandonara) and an exploration concession under application (Rosario 101). These concessions cover two outcropping copper trends (Zones A and B) over a combined strike length of approximately 6 kilometres.

No significant activities were conducted on the Rosario Copper project during the quarter.

AUSTRALIA

The Company continues to hold minority project and royalty interests in a number of areas of eastern and central Australia. No specific activities were undertaken by the Company in these areas during the quarter.

FINANCIAL & CORPORATE

CASH

Cash at bank at the end of the quarter was \$1.95 million.

SUMMARY OF EXPENDITURE ON EXPLORATION ACTIVITIES

For the quarter, the Group spent \$895,000 on exploration activities, substantively all of which related to the Group's Spanish zinc projects. These exploration activities related to:

- Surface drilling programmes;
- Underground drilling programmes;
- Structural geological mapping;
- Technical consulting fees;
- Geological mapping;
- Tenement administration, reporting and management; and
- Directly-attributable corporate overheads and administration costs.

In accordance with ASX Listing Rule 5.3.2, the Company advises that no Mining Development or Production activities were conducted during the quarter.

SHARE CAPITAL

The total number of shares on issue at the end of the quarter was 266,732,024.

Deferred settlement shares

In accordance with the acquisition of the Spanish Zinc projects, the Company must issue additional shares upon the satisfaction of certain exploration milestones. These milestones are for the definition, in accordance with JORC 2012, of an Inferred Mineral Resource (or greater) of:

- Milestone 1: 4 million tonnes at 7% Zn
- Milestone 2: 8 million tonnes at 7% Zn
- Upon satisfaction of each of these milestones, the Company must issue 27,500,000 ordinary shares to the vendors of Slipstream Spain Pty Ltd and Slipstream Spain 2 Pty Ltd, and 2,426,471 shares to Hispanibal S.L. as the vendor of the “Hispanibal Option”, for a total of 59,852,941 Ordinary Shares if both milestones are met.
- There is currently no obligation to issue the milestone shares.

OTHER

During the June 2022 quarter, the Company made payments to related parties of \$47,000, represented by remuneration paid to Directors.

Variscan Mines Managing Director & CEO Stewart Dickson said:

“The firm commitment of the entire Variscan team to prove up the viability of the Novales-Udias project is now well and truly starting to bear fruit. Their hard work has culminated in the release a JORC compliant Exploration Target for the Novales-Udias project after quarter’s end, which clearly points to the scale potential and quality of the Project.

This Exploration Target comes hot on the heels of a number of other very positive announcements issuing by the Company over the past few months. These ‘good news’ stories included the completion of the Phase 2 underground drilling programme, which has unambiguously met its primary objective of expanding the footprint of zinc-lead mineralisation at the San Jose Mine and surrounding areas. It has significantly expanded known zones of high-grade zinc mineralization, and materially extended others. Adding to our excitement here, the latest round of assay results has presented us with a multitude of opportunities to explore highly prospective new zones of mineralisation identified in adjacent near-surface mines that could add further to the already promising mineral resource potential of the San Jose Mine. Buoyed by this latest round of new assay information, we have now set in motion an application process with local authorities to commence surface drilling in the vicinity of San Jose and surrounding areas.

It was a significant milestone to commence drilling and see exploration activities ramp up at our Buenahora Exploration License within the Novales-Udias project over the June quarter. This drilling comes quickly after the release of very positive DCIP survey results over the previously untested areas of Buenahora Exploration License that identified multiple new zones of potentially elevated mineralisation, confirmed planned drill targets and identified new drill targets.

We look forward to soon updating the market on the final assay results coming out of our now complete Phase 2 underground drilling campaign. Further ahead, we will start providing investors with results from the Buenahora surface drilling campaign. At the same time, we are also ramping up our efforts to develop the re-start potential of the San Jose Mine.”

ENDS

This announcement has been authorised by Mr Stewart Dickson, Managing Director and CEO of Variscan Mines Limited

Variscan Mines Limited

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BACKGROUND

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.

COMPETENT PERSONS STATEMENT

Where Company refers to exploration results and historical data previously advised to the ASX it confirms that it is not aware of any new information or data that materially affects the information included in previous announcements and all material assumptions and technical parameters disclosed in those announcements continue to apply and have not materially changed.

LISTING OF TENEMENTS HELD AT 30 JUNE 2022

Tenement	Tenement No.	Interest	Joint Venture Details
SPAIN – Note 5			
<u>Cantabria</u>			
Buenahora Fraction 1	IP 16.662-01	100%	
Buenahora Fraction 2	IP 16.662-02	100%	
San José	EC 94	100%	
La Torra	EC 512	100%	
Tres Amigos	EC 1565	100%	
Torpeza	EC 2557	100%	
Andrea	EC5220	100%	
Andrea-demasía a	EC5374	100%	
Es	EC8049	100%	
Dudosa	EC8165	100%	
Cargadoiro	EC11589	100%	
Tres amigos-demasía a	EC11594	100%	
Flor del pueblo	EC12942	100%	
Torpeza-demasía a	EC12952	100%	
Torpeza-3ª demasía a	EC13079	100%	
Torpeza-2ª demasía a	EC13080	100%	
Flor del pueblo-demasía a	EC13154	100%	
Dudosa-demasía a	EC13170	100%	
Andrea-3ª demasía a	EC13175	100%	
Andrea-2ª demasía a	EC13176	100%	
Cargadoiro-demasía a	EC13260	100%	
Ampliación a Matilde	EC13641	100%	
Aumentada	EC14238	100%	
Campitos	EC14554	100%	
Campitos-demasía a	EC14640	100%	
Carmenchu	EC14945	100%	
Amelita	EC14949	100%	
Eloísa	EC14947	100%	
Ampliación a Matilde-demasía a	EC14948	100%	
Cargadoiro 2	EC14954	100%	
Amelita-demasía a	EC14979	100%	
Carmenchu-demasía a	EC14980	100%	
Eloísa-demasía a	EC14981	100%	
Carmenchu-2ª demasía a	EC14982	100%	
6º Aumento a porvenir	EC15672	100%	
Ampliación a Matilde-demasía a	EC13641-10	100%	
Campitos-segunda demasía a	EC14554-20	100%	
Cargadoiro 2- demasía a	EC14954-10	100%	
Carmenchu-tercera demasía a	EC14980-30	100%	
6º Aumento a porvenir-demasía a	EC15672-10	100%	
Torpeza-tercera demasía a	EC2557-30	100%	

Tenement	Tenement No.	Interest	Joint Venture Details
<u>Toledo</u> Guajaraz	IP 4.203	100%	

CHILE

Rosario			
Rosario 6 1-40	0310259624	10.4%	Note 4
Rosario 7 1-60	0310259632	10.4%	Note 4
Rosario 101	03102N2229	10.4%	Note 4
Salvadora	0310231355	10.4%	Note 4
Abandonara	0310248487	10.4%	Note 4

NEW SOUTH WALES

Willyama	EL 8075	0%	Note 1
Hillston	EL 6363	39.2%	Perilya can earn 80%, Eaglehawk 9.8%
Native Dog	EL 8236	0%	Note 1
Woodlawn South	ELs 7257 and 7469	0%	Royalty interest only

SOUTH AUSTRALIA

Junction Dam	EL 5682	0%	Marmota acquired 100% ownership. See Note 2
Callabonna	EL 5360	49%	Red Metal 51%, can earn 70%

FRANCE

St Pierre	PER	100%	
Beaulieu	PER	100%	

EL = Exploration License

PER = Permis Exclusif de Recherche (France)

IP = Investigation Permit (Spain)

EC = Exploration Concession (Spain)

Note 1: Under an agreement with Silver City Minerals Limited, Broken Hill Operations and Eaglehawk Geological Consulting Pty Ltd Variscan has converted its interest in parts of these tenements to a NSR (Net Smelter Return).

Note 2: Marmota has earned 100% of the uranium rights only in EL 5682. Variscan has a 0.5% net profits royalty on production from a uranium mine.

Note 3: The remaining exploration licenses owned by Variscan Mines SAS (excluding the Couflens PER) have been conditionally acquired by a new wholly owned subsidiary, Variscan Mines Europe Limited. Pursuant to the approval for the Subsidiary Sale, the Ministry of Economy and Finance has imposed, without prior consultation, the compulsory relinquishment of the remaining licenses. The Company has approved the relinquishment request and has yet to receive a response. The timetable for the completion of the relinquishment process is unknown.

Note 4: On 1 July 2019 the Company announced it had successfully renegotiated the terms of the existing Option Agreement to provide the Company with a participating interest of 10.4%. The Company can earn up to 90% of the project through payment of amounts totaling approximately US\$2.25 million.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Variscan Mines Limited

ABN

16 003 254 395

Quarter ended ("current quarter")

30 June 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	(43)	(174)
(e) administration and corporate costs	(84)	(335)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	1
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(126)	(508)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	(40)	(11)
(d) exploration & evaluation	(895)	(1,954)
(e) investments	-	-
(f) other non-current assets	-	-

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(935)	(1,965)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	50
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(62)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	(12)
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	3,012	4,432
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(126)	(508)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(935)	(1,965)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	(12)

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	4
4.6	Cash and cash equivalents at end of period	1,951	1,951

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	1,951	3,012
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,951	3,012

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	28
6.2	Aggregate amount of payments to related parties and their associates included in item 2	19
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>		
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(126)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(895)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(1,021)
8.4 Cash and cash equivalents at quarter end (item 4.6)	1,951
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	1,951
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	1.91
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: No. The current quarter included significant, one-off payments for exploration expenditure as noted in item 2.1(d) above.	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: Yes, Subsequent to the end of the quarter the Company received a VAT refund from the Spanish Taxation Authority in the amount of approximately AU\$138,000. In addition, the board continues to monitor cash forecasts and budgets, expenditure is largely discretionary, and the board will ensure it doesn't exceed available funding, the Company will seek to raise equity funds if and when required. It is expected that the Company will be successful in any future fund-raising activity.	

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8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Yes

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date:29 July 2022.....

Authorised by:The Board.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.