

ASX Announcement | 26 October 2023
Variscan Mines Limited (ASX:VAR)

GUAJARAZ EXPLORATION LICENCE RENEWED FOR FURTHER 3 YEARS

Highlights

- 3 year extension to the Guajaraz Exploration License area has been granted by the Government of Castille-La Mancha in central Spain.
- Guajaraz Project is a de-risked, brownfield zinc-rich polymetallic (zinc-lead-silver-copper) project in a known resource-rich region
- Foreign and historic non-JORC compliant resource estimate compiled by ENADMISA¹ in 1990
- Work program designed with soil geochemistry to commence this quarter

Variscan Mines Limited (ASX:VAR) (“Variscan” or “the Company”) is pleased to report that the Consejería de Desarrollo Sostenible (Department of Sustainable Development) of the Junta de Comunidades de Castilla-La Mancha (the regional Government of Castile-La Mancha) has approved a 3 year extension of the “Guajaraz” Permiso de Investigación (Exploration License), located in central Spain.

The Guajaraz Project is located in a known resource-rich region

Variscan’s Guajaraz Project is located in the Central Zone of the Iberian Massif, approximately 60 km southwest from Madrid and is centered around the former producing La Union underground mine, which together with the adjacent La Blanca and Manolita mines form a large surrounding exploration opportunity.

The Guajaraz Project actually comprises seven mineral occurrences, with the largest and best known being the old Guajaraz Mine (also known as La Union Mine) located on the contact between Paleozoic (limestone) rocks and migmatitic rocks.

Production began at the La Union Mine in 1945 and ceased in in the mid-1980s, with limited exploration since that time.

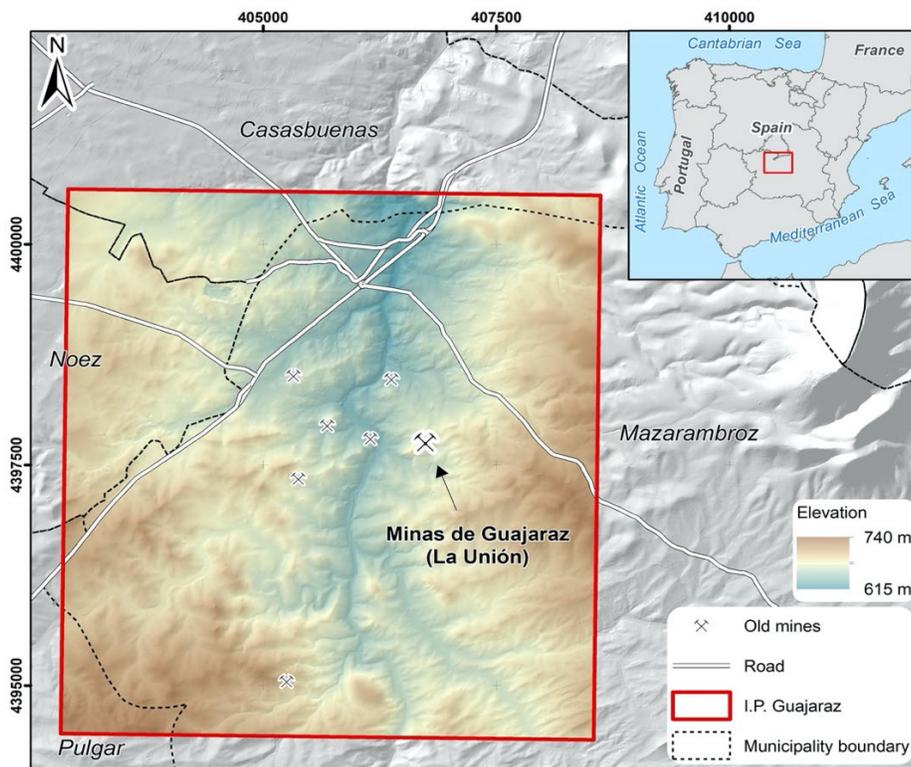
The mining complex is composed of a network of galleries and shafts extending to a depth of 380m. There are several kilometres of underground workings over 10 separate levels accessing ore. Historical records indicate that the mineralisation was only partially exploited and remains open both along strike and at depth.

¹ Spanish state owned company: Empresa Nacional Adaro Investigaciones Mineras s.a

Figure 1. Headframe of former producing La Unión Mine situated within the Guajaraz Project



Figure 2. Guajaraz Project location



Guajaraz's upside potential extends beyond historic resource estimates

The key exploration attractions of the Guajaraz Project are:

- High quality brownfield zinc-rich polymetallic opportunity.
- Seven (7) known mineral occurrences presenting potential for future drilling.
- Foreign and historic non-JORC compliant Zn-Pb-Ag resource estimate compiled by ENADMISA² in 1990
- A large permit area of 1,530 ha.
- Existing access (i.e. sealed roads) in place
- Local community and government support due to historic mining activity.

The geology of Guajaraz points to prospectivity

The Guajaraz Project is located in the 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 European Variscan Orogenic belt.

The project area lies within a primary igneous and metamorphic crystalline plateau that hosts abundant hydrothermal vein networks that have a long history of exploration. Brittle-fault related vein and silicified breccia ore deposits are of the BPGC type (zinc-galena-pyrite-chalcopyrite).

The reef structures at Guajaraz are generally consistent in position and strike extension. This holds an exploratory advantage, as drill-holes can be oriented at surface with the same or similar dip and azimuth to intersect the south-dipping mineralised contact between migmatites and Paleozoic sedimentary rocks perpendicular to the contact. This consistent geometry will assist with defining true thickness, as well as facilitate the delineation of ore-hosting units outside the known resource envelope in a more cost-effective manner.

Variscan's geochemical sampling returned high-grade zinc, lead and silver results

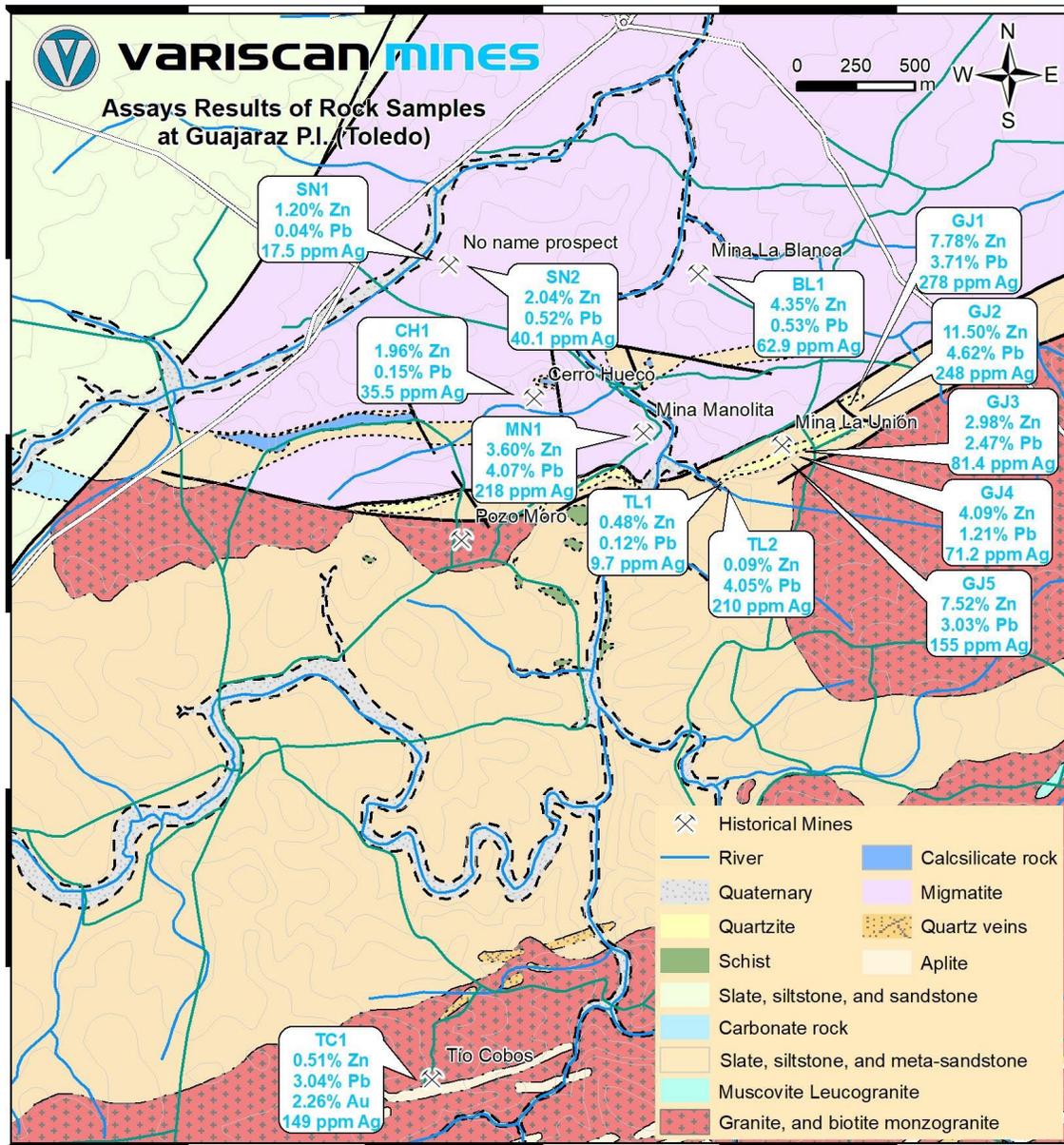
Prior to the submission of an application for a 3-year extension to the Exploration Licence, Variscan reported high-grade assay results from grab sampling conducted around former mine areas and new prospects (refer ASX announcement 27 September 2021).

Significant assay results with these samples included:

- | | |
|--|----------------|
| • 11.5% Zn, 4.6% Pb, 248ppm Ag | Sample ID: GJ2 |
| • 7.8% Zn, 3.7% Pb, 0.9% Cu, 278ppm Ag | Sample ID: GJ1 |
| • 7.5% Zn, 4.6% Pb, 115ppm Ag | Sample ID: GJ5 |
| • 3.6% Zn, 4.1% Pb, 218ppm Ag | Sample ID: MN1 |
| • 3.0% Zn, 2.5% Pb, 81ppm Ag | Sample ID: GJ4 |

² Spanish state owned company: Empresa Nacional Adaro Investigaciones Mineras s.a

Figure 3. Plan view of Guajaraz project area showing grab sample assay results for zinc, lead and silver (refer ASX announcement 27 September 2021)



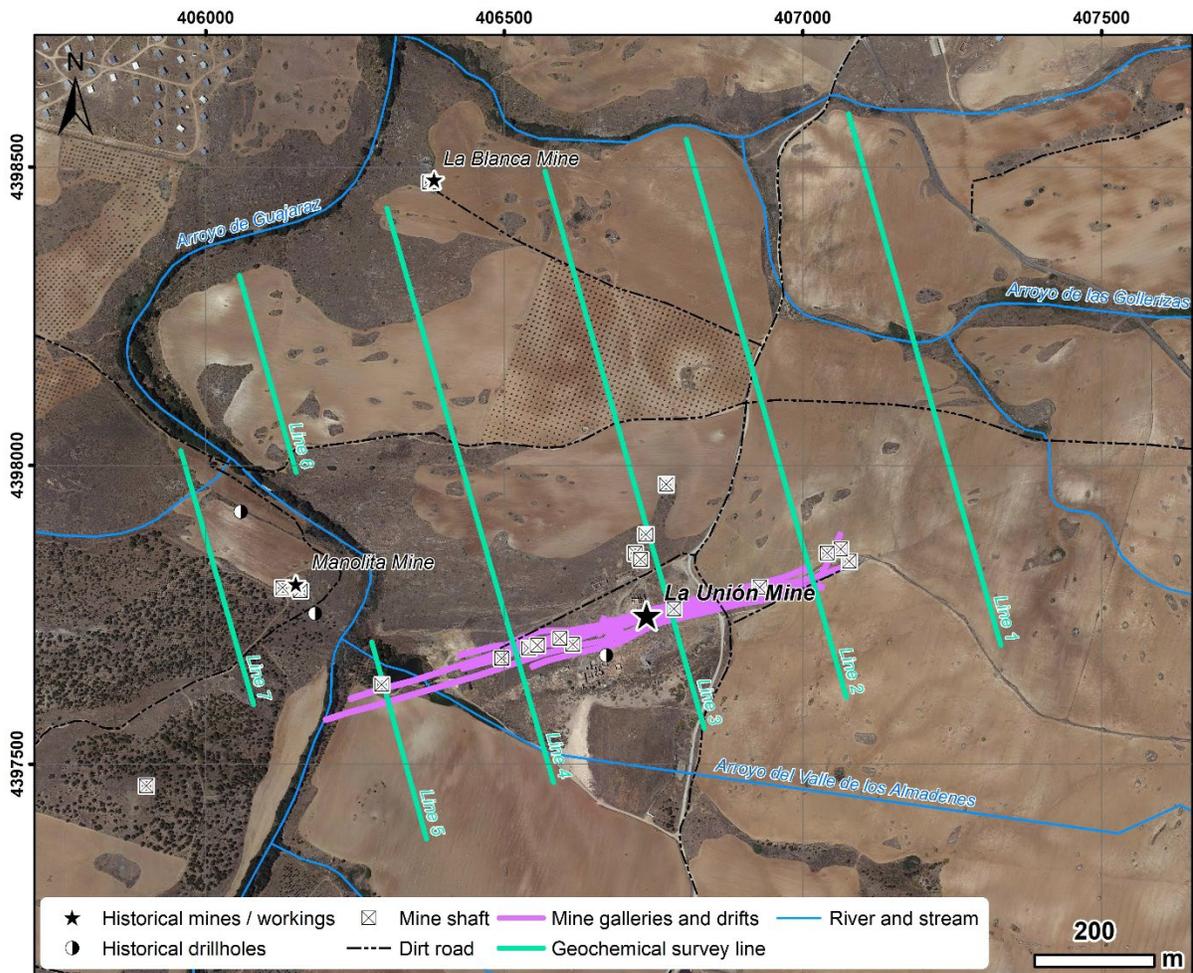
Exploration Program 2023 - 2026

The design of a future work program for the Guajaraz Project, during the term of the renewed Exploration Licence, includes:

- soil geochemistry
- geophysical survey
- initial drilling campaign

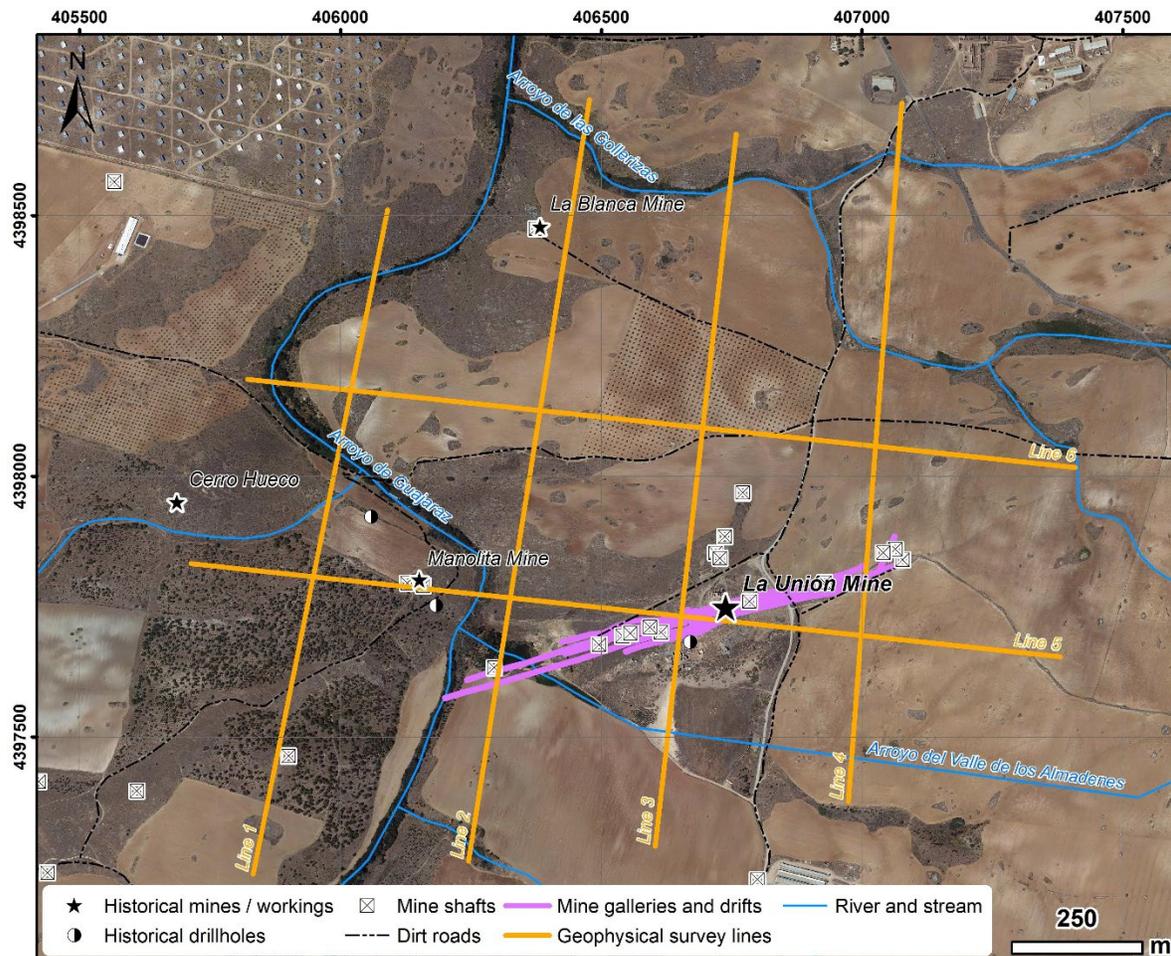
A geochemical soil prospecting campaign will be carried out this quarter in the central zone of the Guajaraz Exploration Licence with the objective of defining new geochemical anomalies. High Zn-Pb-Ag-Cu values could confirm an extension of mineralization in the area around the former producing La Unión Mine. A campaign has been designed to cover an area of 1.3 km² of land using seven parallel lines of between 345 and 1000 length, spaced approximately 250 meters apart, as shown in Figure 4. The lines are orientated on a NNW-SSE direction, determined from the geological mapping and grab sampling work carried out by Variscan Mines in two previous reconnaissance campaigns. Samples will be taken every 25 metres along each line,

Figure 4. Preliminary map of the soil geochemistry campaign projected in the area of the La Unión mine.



A geophysical campaign will be carried out covering the same areas included in the geochemical prospecting campaign. The main objective will be to discover polymetallic (Zn-Pb-Ag-Cu), deposits by recording anomalous chargeability and resistivity values utilising Direct Current Induced Polarization (DCIP). Initial planning anticipates the acquisition of chargeability and resistivity data along six profiles between 1.3 and 1.7 km in length. (see Figure 5). The total length of the campaign will be approximately 8500 metres.

Figure 5. Preliminary map of the geophysics campaign projected in in the area of the former La Unión Mine.

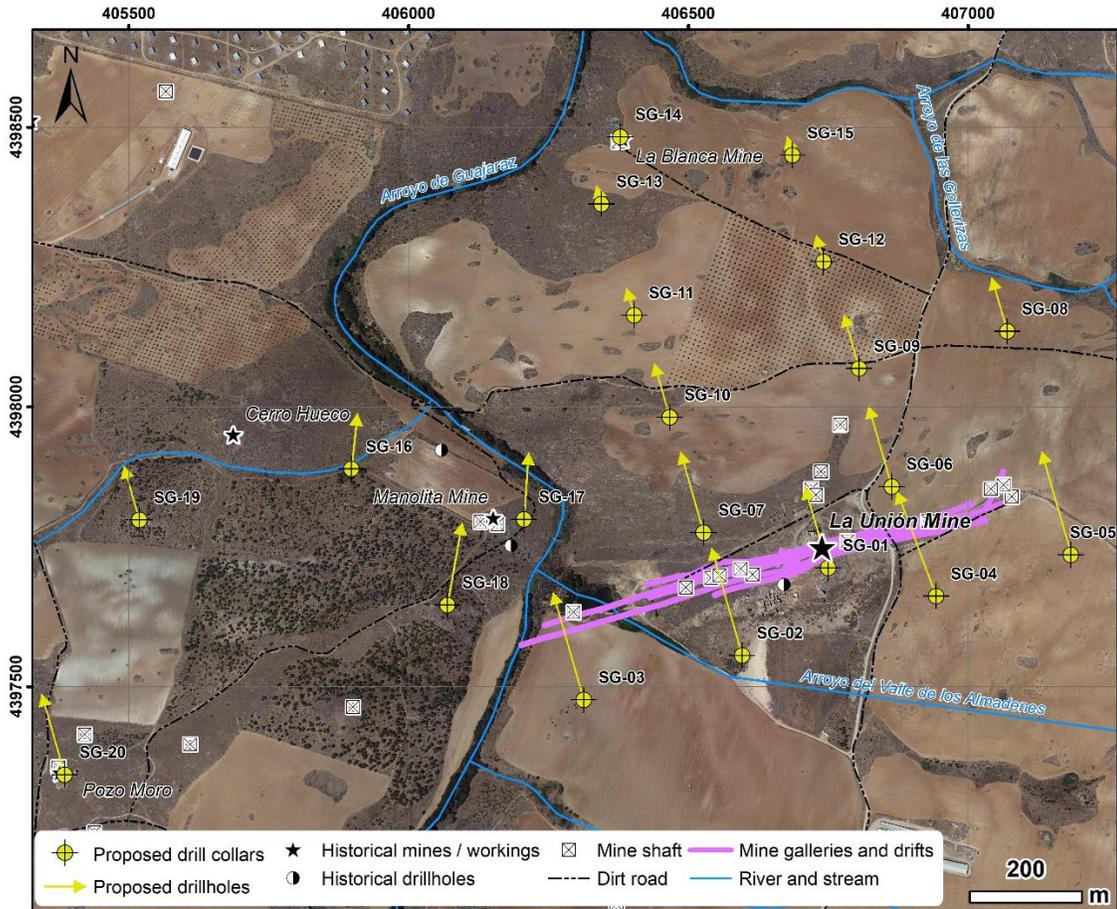


Depending on the results obtained in the proposed geochemical and geophysical surveys, capital allocation and permitting, a surface drilling campaign is anticipated be conducted to drill-test targets identified. The objective of the drilling would be to seek extensions of (Zn-Pb-Ag-Cu mineralization stepping out from the La Unión Mine.

Initial drill hole planning has been conducted based on the geological knowledge acquired to date. The final location of drill-holes will be refined by the results of the preceding geochemical and geophysical surveys.

The existence of a silicified calcareous level, with the potential to contain levels of sulfides, which dips towards the S-SE has informed the planned length of the drill-holes. The areas of greatest interest are expected to be found at greater depths in the surroundings of the La Unión Mine, and closer to the surface in more northern areas.

Figure 6. Preliminary map showing the indicative location of drilling over the Guajaraz Project.



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

"While the Novales-Udias Project in northern Spain remains our immediate and highest-priority focus, it is excellent to extend the tenure of this highly prospective project in our portfolio. Our belief that Guajaraz represents an excellent, de-risked brownfield polymetallic project remains unchanged, we have generated high-grade results previously and are pleased to set out our initial design for future exploration fieldwork".

ENDS

This ASX announcement has been approved by the Board and authorised for issue by Mr Stewart Dickson, Managing Director and CEO, Variscan Mines Limited

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About Variscan Mines Limited (ASX:VAR)

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.

For more information



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Competent Person Statement

The information in this document that relates to technical information about the Guajaraz project is based on, and fairly represents information and supporting documentation compiled and reviewed by Dr. Mike Mlynarczyk, Principal of the Redstone Exploration Services, a geological consultancy acting as an external consultant for Variscan Mines. Dr. Mlynarczyk is a Professional Geologist (PGeo) of the Institute of Geologists of Ireland, and European Geologist (EurGeol) of the European Federation of Geologists, as well as Fellow of the Society of Economic Geologists (SEG). With over 10 years of full-time exploration experience in MVT-style zinc-lead systems in several of the world's leading MVT provinces, Dr. Mlynarczyk 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'). Dr. Mlynarczyk consents to the inclusion in the report of the matters based upon the information in the form and context in which it appears.

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.

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.