ASX Announcement | 4 March 2024

Variscan Mines Limited (ASX:VAR)

FURTHER HIGH-GRADE ZINC DRILL RESULTS AT SAN JOSE MINE

Highlights

- **High grade zinc assay results from current underground drilling campaign**
- **Selected drilling results:**
  - NDDT027 **14.5 m @ 8.93% Zn, 0.50% Pb**
  - NDDT029 **11.6 m @ 8.43% Zn, 1.61% Pb**
  - NDDT026 **7.0 m @ 5.30% Zn, 0.04% Pb**
  - NDDT028 **6.0 m @ 6.59% Zn, 0.62% Pb**
  - NDDT020 **3.0 m @ 5.55% Zn, 0.41% Pb**
- **Existing Mineral Resource Estimate model is well supported by these infill drill intercepts**
- **New results confirm the potential for additional lenses below the existing model and further extensions**
- **Current drilling is testing new structural targets defined from recently completed structural geology study, and which are outside the existing Mineral Resource Estimate model**
- **Upscaled drilling will continue until mid 2024 calendar year, and is designed to:**
  - **upgrade existing Indicated and Inferred resources**
  - **discover new zones of mineralization to increase overall size of current mineral resource tonnage**

Variscan Mines Limited (ASX:VAR) ("Variscan" or "the Company") is pleased to report further high-grade zinc intercepts from the ongoing underground diamond drilling program at the San Jose Mine, near Novales, located in Cantabria, northern Spain.

The underground drilling program at the San Jose Mine has been upscaled in duration and meterage. It is focused on expanding known zones of mineralization and discovering new zones with a view to supporting an upgraded Mineral Resource Estimate in the future. Ongoing drilling is testing:

1. prospective zones that have been identified from the development of our 3D modelling;
2. structures within and beyond the defined Mineral Resource Estimate ("MRE") area which have seen limited exploration drilling; and
3. above or below previously-mined stopes where historical production had ceased

Drilling supports existing structural interpretation and Mineral Resource Estimate model in the Central Zone of the San Jose Mine

The drilling results reported here have targeted areas of known Zn-Pb structures that were previously underexplored or underexploited. The high-grade intercepts are mainly associated with the La Caseta Trend within the Central Zone of the San Jose Mine.

Figure 1. Plan view of new drill-hole data over the Central Zone, San Jose Mine

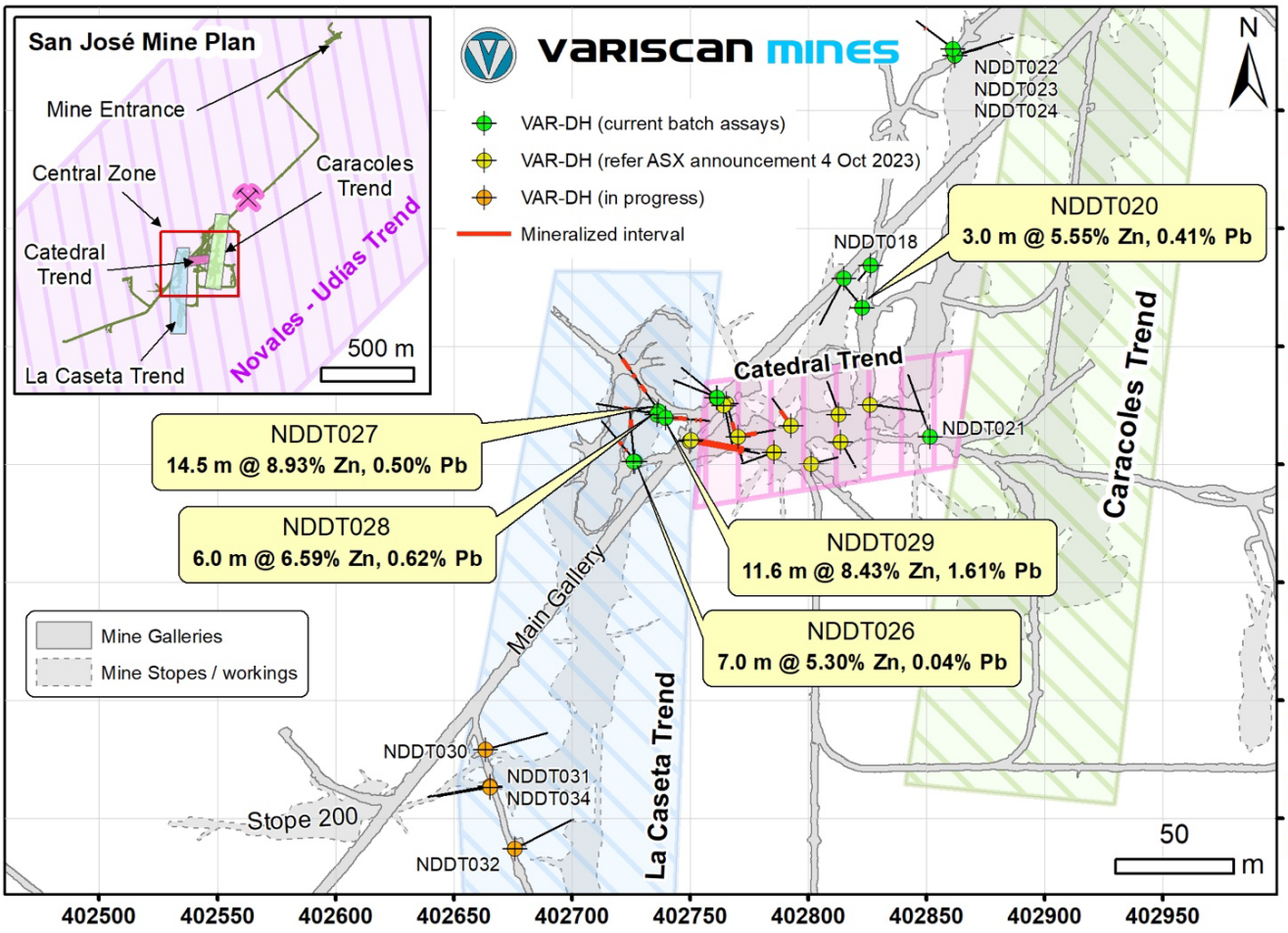


Figure 2. Plan view of new, planned and recently completed drill-hole locations in relation to the Mineral Resource Estimate over the Central Zone, San Jose Mine

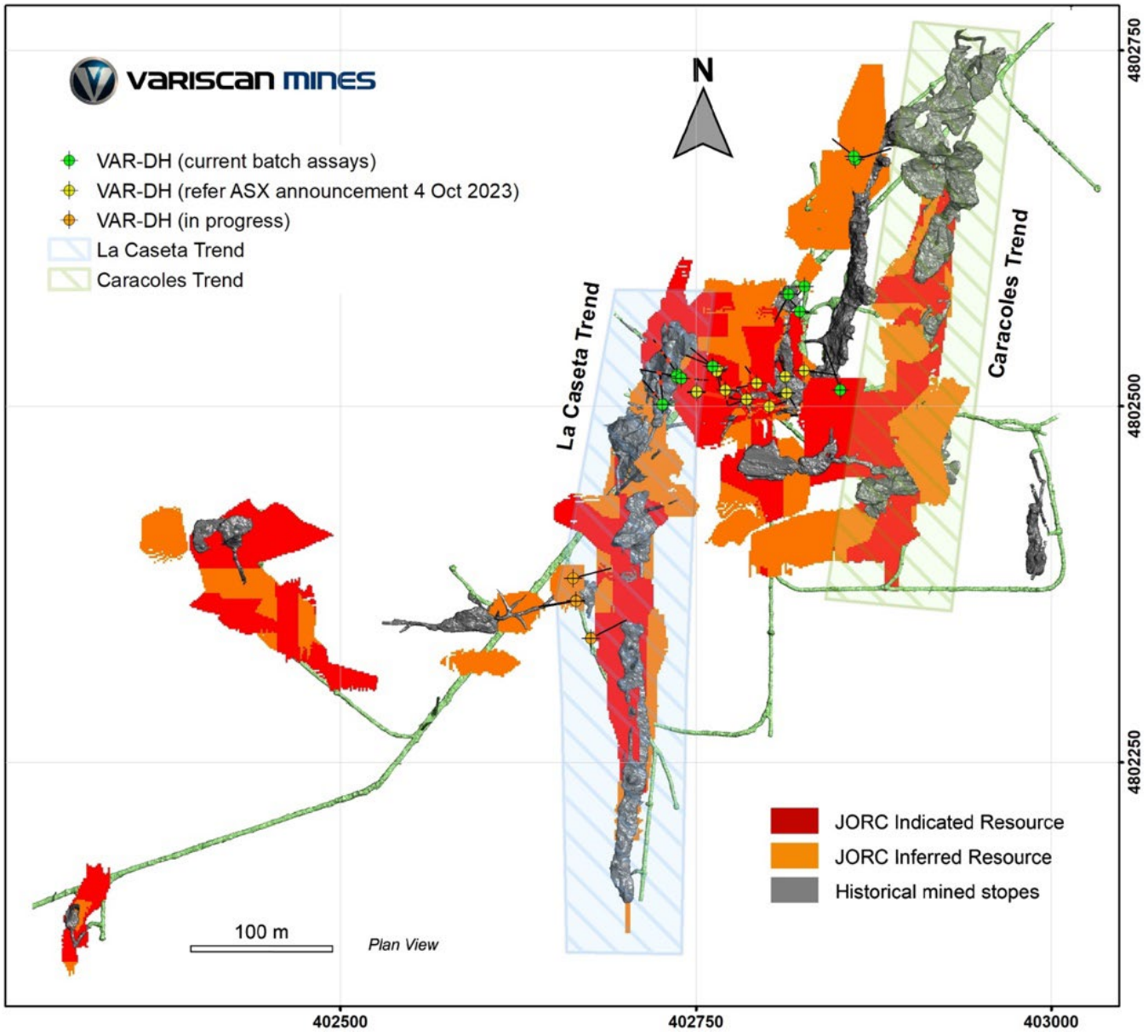
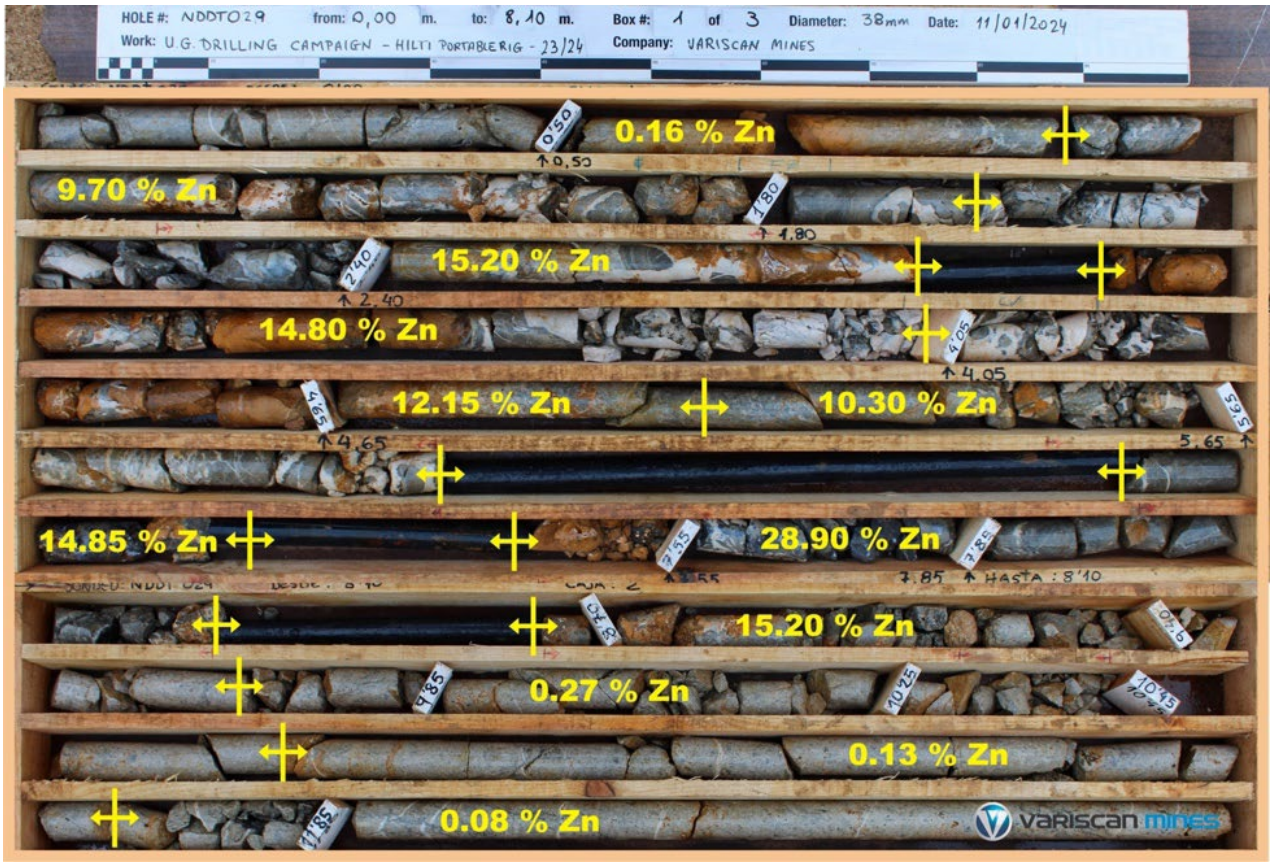


Figure 3. Diamond Drill Core from NDDT029 illustrating interval of massive sphalerite hosted in dolostone



Note: Hole depth shown is from 0m to 12.5m

Current drilling is testing new structural targets in the San Jose Mine

The recently released geological assessment and structural targeting study (refer ASX announcement 19 February 2024) resulted in a significantly improved understanding of the controls on multi-phase Zn-Pb mineralization at the San Jose Mine.

The new assay results from the La Caseta trend were obtained from the intercept of a prominent D2 structure. Newly identified targets within the San Jose Mine arising from the study are being drill-tested as part of the ongoing underground drilling campaign. In particular the cross-cutting D2 structure linking Stope 200 and the La Caseta trend is being drilled currently (refer Figures 4 and 5). This target area lies outside of the existing MRE model.

Figure 4. Plan view of drill-hole locations in relation to the structural trends over the Central Zone, San Jose Mine

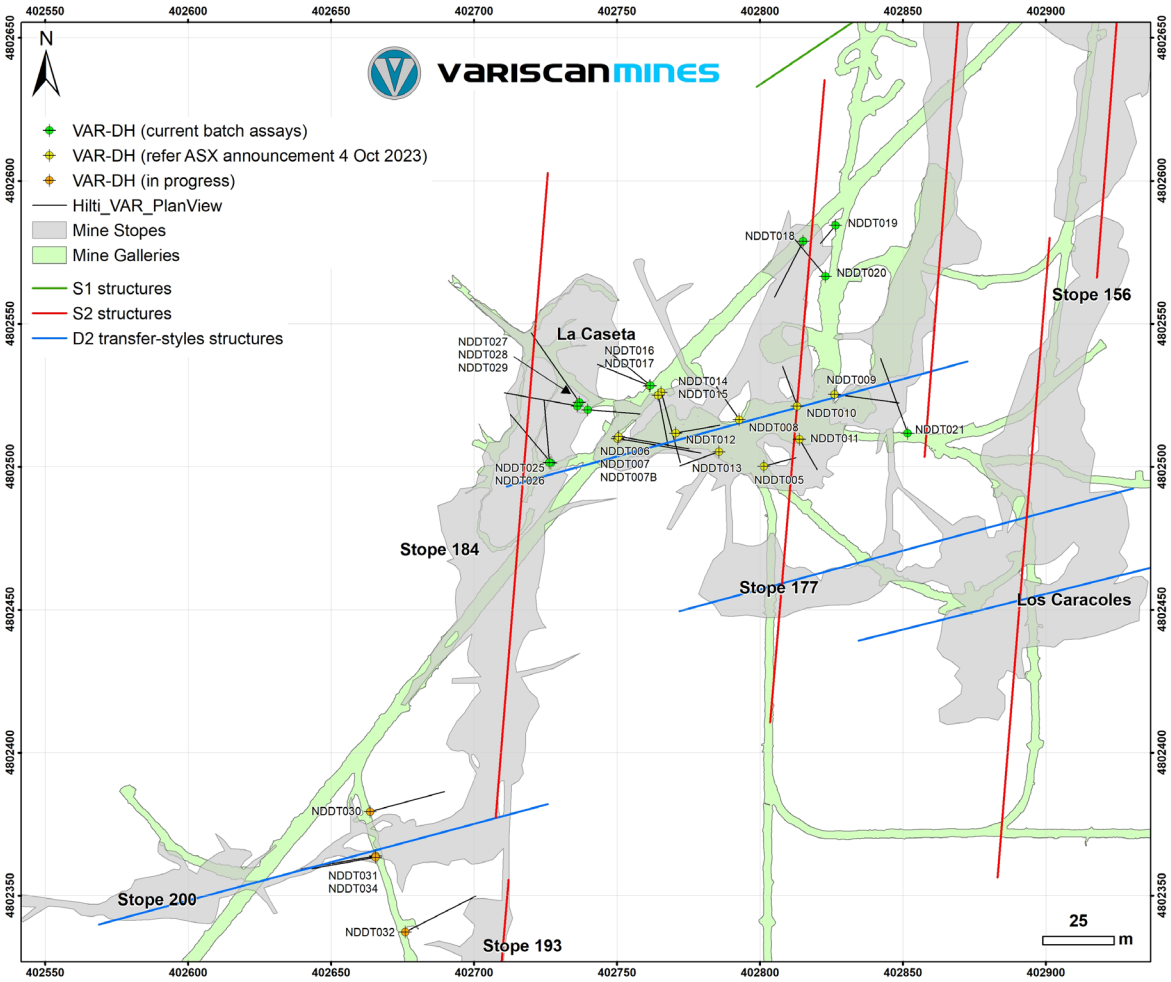
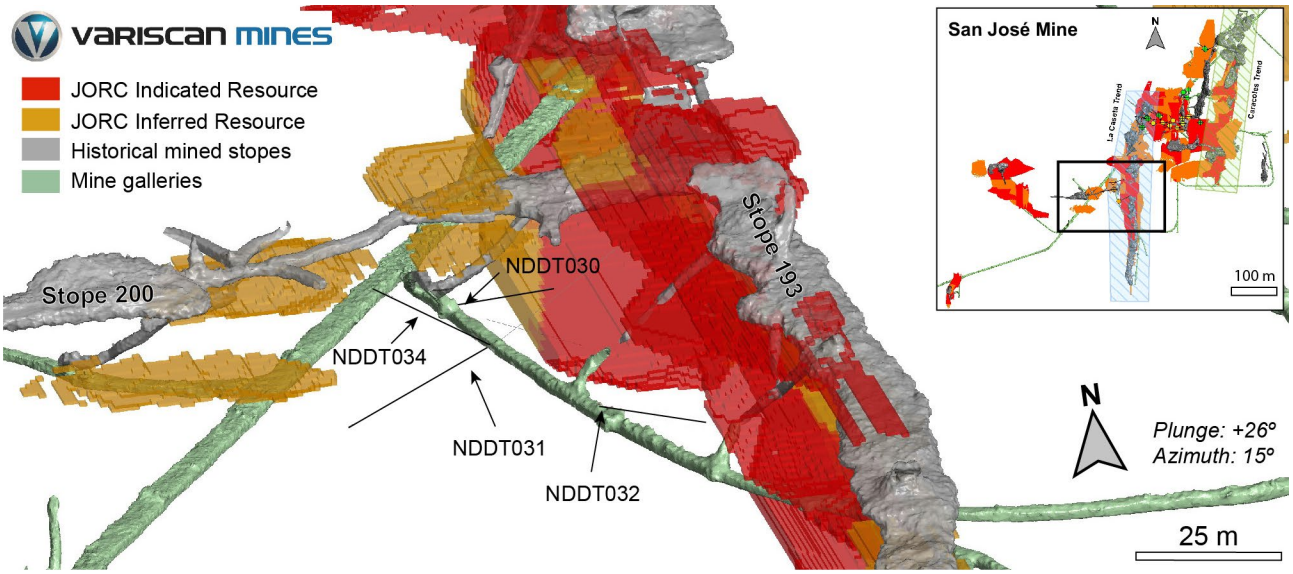


Figure 5. 3D view of drill-hole locations testing D2 structural targets between Stope 200 and the La Caseta Trend in the San Jose Mine



Summary of key findings

- Assay results released herein are from drill holes targeting structurally controlled zones of mineralization within the San Jose Mine
- Drilling has continued to return thick intercepts of significant zinc mineralization and consequently expand and infill zones of high-grade zinc mineralization within the Central Zone of the San Jose Mine
- Positive drilling continues to indicate:
    - the current MRE model is well supported by the infill drilling
    - mineralized intervals extending beyond the current MRE model, highlighting the potential for a broader mineralized envelope and significantly increased tonnage.

Way Forward

Variscan continues to deliver on its stated drilling plan and is pleased to confirm that its upscaled underground drilling program will continue well in 2024. Together with a planned surface drilling campaign in Q2/2024, the objective of delivering a MRE upgrade later this year remains extant.

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

"Today we announced additional high-grade results from the ongoing underground drilling campaign at the San Jose Mine. The new assay results from drillholes continue to display significant zinc grades over substantial thicknesses as we continue to define and develop one of the highest-grade, development stage zinc deposits in Europe.

The Board have decided that the underground drilling campaign will continue until mid 2024. Using our own portable drill rig and staff enables us to conduct this program efficiently, cost effectively and with a high degree of flexibility. This is in contrast to the wider junior mining sector which is signaling reduced drilling activity. In short, we are drilling when others aren't or can't.

We look forward to reporting our next batch of assays from testing cross-cuttings structures beyond the existing Mineral Resource Estimate model. Our drilling campaign together with other exploration activities continue to support our overarching objective to assess the re-start potential of the San Jose Mine".

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.
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Competent Person Statement

The information in this document that relates to technical information about the Novales-Udias 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.

The information in this document that relates to previous 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.

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.

JORC Table 1, Sections 1 and 2

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representativity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• Drilling being reported has been sampled with industry best practice methods (for the sake of representativeness - as full core, because of its comparatively small diameter of 38 mm), and the samples were sent to the accredited ALS Seville laboratory for analysis. The samples are considered representative and include waste intervals on the periphery of mineralised intersections. It is assumed that the equipment used was calibrated correctly as per the internal SOP's at ALS. • The new drillholes reported are located in the central part of the San Jose Mine. All holes consist of underground diamond drillholes and were sampled as full core from 25cm to 1.25m sample length (average 1.00m) with at least a single 1m sample either side to cover the periphery of the mineralised intersection. The analytical method used by ALS is Zn-OG62h for Zinc and Pb-OG62h for Lead, as well as Zn-AA07 for non-sulphide ('oxide') zinc. These are considered appropriate for the deposit type.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• The new drillholes referred to in this press release are underground diamond drillholes (core) completed using a Hilti portable drill, at a core diameter of 38mm. • These new holes have not employed oriented core methods.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and*	• The core recovery for this batch of underground drillholes has been quite variable, with two holes in the 70-80% range, owing to the presence of large open fractures and vugs. Drill core recovery information has been formally recorded for all drillholes at this time, as it forms part of the detailed core logging. The lowest recovery recorded for an entire drillhole from this batch is 73.9% mean recovery; however, this is anomalous compared to the other holes with logged recovery generally being in the range

Criteria	JORC Code explanation	Commentary
	grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	90-97%. • No special methods have been used to maximise sample recovery; as its occasionally low values are not caused by core loss, but are related to presence of natural voids. • The relationship between sample recovery and grade has not been assessed thus far.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• Detailed geological and geotechnical logging has been carried out for all reported drillholes. Currently there is sufficient geotechnical and geological logging data to support a Mineral Resource estimate, which was recently completed. • Total percentage of holes that have been logged for lithology, veins, alteration, and mineralisation is 100% and the total percentage of new drillholes that has detailed recovery and geotechnical logging is 100% at this stage (based on all logs available). All of the drill core from the reported batch was photographed before sampling, which was especially important, as unlike the previous underground drilling campaigns of Variscan Mines, full core was assayed this time.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representativity of samples.* • *Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• New drillholes have been sampled using reasonable industry procedures for logging (of mineralisation), sampling, and QAQC for this project. • The samples were selected by geologists for these new drillholes based on logging of mineralised intervals, core was sampled as full core. Samples were preferred at 1m lengths, although they were permitted flexibility from 25cm to 1.25m sample lengths where geological boundaries existed. A minimum of three samples were taken for any mineralised intersection, the first sample encompassing the mineralised zone and the other two samples selected either side to ensure waste intervals were sampled to define the boundaries of mineralisation. Additionally, when a separate geological zone of rubble or broken core began, a new sample was taken and when solid core resumed the next samples were selected. In zones of poor recovery <80% the default sample intervals were the drillers depth markers. The nature and quality of sampling techniques are considered appropriate for this deposit and drilling type. • All half core samples were sent directly to ALS Seville laboratory for preparation and subsequent analysis, according to industry standards with crushing, pulverizing and splitting prior to sample analysis. • Sample sizes taken for the drilling reported (i.e., full core) are considered suitable for the deposit type and style of mineralisation at this stage of exploration.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used*	• For the new drilling reported the sampling is considered total as no drillcore remains. The laboratory is accredited (ALS Seville) and the techniques for Zn/Pb (Zn-OG62h, Pb-OG62h, and Zn-AA07) are considered suitable for the elements in question. • No handheld or downhole geophysics data were collected during this campaign. • QAQC Procedures adopted for this batch of drilling results included a total of twenty QAQC samples inserted into the sample

Criteria	JORC Code explanation	Commentary
	in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	stream (total of 106 drill core samples, not including QAQC). These included three high-grade CRMs (OREAS 134B) inserted into the mineralised zone, three medium grade CRMs (OREAS 133A) and five low grade CRM (OREAS 130) inserted in between waste rock or barren samples, as well as three blanks. Also, internal duplicates were requested to ALS for three mineralised samples and these sample ID's were indicated to the laboratory. In total, for the batch of samples reported within this press release the QAQC samples comprised 16% of the sample population submitted for analysis. This frequency and variety of QAQC samples inserted into the sample stream is considered adequate; with industry best practice typically requiring 15-20% of the sample population to be QAQC samples in the sample stream. The QAQC sample results were interpreted and showed good repeatability.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Analytical processes are being supervised by senior ALS staff experienced in mineral assaying. • The new diamond drillholes are mostly located below the historic stopes of the northern and central part of the San Jose underground mine. Some of the holes are located near existing historical drillholes, however, they cannot be considered twinned holes at this stage. • Primary data for this underground drilling campaign is currently stored in excel and all assay certifications and final assay results provided by ALS Seville have been reviewed. • Assay data are reported in two ways within this press release, the first are raw assay values unchanged or altered, and the second are calculated significant intercepts or aggregated consecutive sample intervals using sample length weighted mean grades for Zn and Pb, assuming an ore grade of zero for the intervals with missing drill core (natural voids).
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• The underground drillhole collars from the Variscan Mines drilling campaigns were initially surveyed using the Nortop Ingenieros S.L.U Total Station determined points and using an 'all-in-one' laser disto device (incorporating digital compass, clinometer and distance meter) placed on a 4kg tripod to avoid movements and a topographic rod (with bubble level) to mark the position of the Nortop points. Checks were made with a Brunton compass to verify that there were no measurements errors. Several checks were made with Nortop points bases obtaining the same results. These are considered relatively accurate. • Subsequently, both the Variscan Mines and all of the historical underground drill collars were systematically resurveyed by physical in-situ inspection and using the data cloud of the 3D laser survey of the San Jose mine drifts and stopes realized by Variscan Mines in the years 2020-2022. All of the collar locations were then cross-checked with detailed historical mine plans. In addition, for every drill collar surveyed, the drill trace azimuth and inclination were measured in situ using a Brunton compass and checked across the historical drill records. • All the maps and 3D models referenced in this report have been made with ETRS89. • Surface topography was provided by CNIG (IGN) as

Criteria	JORC Code explanation	Commentary
		topographic contours at 25k scale, the contours were used to generate a digital terrain model in 3D after transformation to the local mine grid to conform to the majority of drillhole data in Leapfrog Geo and Datamine StudioRM. It is considered satisfactory for these purposes. • The San Jose mine 3D underground laser survey was conducted by 3DMSI using a robotic total station to take the in-situ pre-existing historical survey pin locations to use as reference points. A "Z+F Imager 5050C laser scanner", as well as a "Leica Geosystems TS16 01 total station" for controlling positional accuracy and a "Leica geosystems BLK-2-GO" for detailed mapping of the tunnels and drives were used to capture data inside stopes and drives at San Jose, and these data were registered as a point cloud. The BLK-2-GO was controlled with targets positioned with the TS16 on the corners of the drives.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• The reported drillholes have been drilled in a fan pattern from drilling pads underground. These holes have been drilled in various orientations (both downward and upward) and their spacing varies to some extent (see table in Appendix 1). At this stage there is sufficient distribution of drillholes to support geological and grade continuity for the main San Jose mine area. However, the smaller peripheral zones require further exploration to improve geological confidence in interpretation. • Assay data for the new drillholes are reported in two ways within this press release, the first are raw assay values unchanged or altered and the second are calculated significant intersections or aggregated consecutive sample intervals using sample length weighted mean grades for Zn and Pb. Please note, there are occasional sample intervals where drill core could not be obtained due to the presence of natural cavities, these intervals were manually set to 0% Zn and 0% Pb prior to calculating mean grades for intersections.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Mineralisation at the project occurs as stratabound, sub-horizontal and lenticular, following sub-vertical trends, and with lateral and vertical extensions with a significant control by steeply-dipping feeder fault zones. Mineralisation in this setting presents as 'bags' (pods) with sub-horizontal lenticular form. Due to the irregular and/or variable nature of the mineralisation, an estimate of potential bias through orientation of sampling has not been made. • While the location of mineralisation centres on the Novales trend follows a broad NNE strike, the orientation of distinct orebodies on this trend is understood to be variable both in terms of strike and dip. Underground drilling is often radial in nature, and no comment can be made on the orientation of drilling in respect of mineralisation orientation. • New drillholes have been oriented at a variety of orientations both drilling above and below (positive and negative dips) from the main gallery level at present, similar to those drilled historically to intersect mineralised lenses and corridors above and below the main gallery level. These orientations are considered appropriate for the geometry of this mostly lenticular MVT mineralisation at San Jose.

Criteria	JORC Code explanation	Commentary
Sample security	• *The measures taken to ensure sample security.*	• Samples are securely stored at the locked on-site core shed and were handed directly to a courier for transport to ALS Seville. Samples were logged and collected on site under supervision of the responsible Variscan geologist.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• No detailed 3rd party audits have taken place regarding the sampling techniques for new drillholes.

Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• The exploitation permit for the San Jose historic mine area near Novales is owned by Variscan Mines. • The author is not aware, at the time of writing this, of any issues with tenure or permission to operate in this region.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• This report does not refer to historical drilling undertaken by historic mining companies operating the Project from the 1950's to the mid 1980's, i.e., Hispanibal and Asturiana de Zinc, which have been described in detail in previous news releases.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The mineralisation at the project is considered a Mississippi Valley Type Lead-Zinc type deposit with associated structural- and stratigraphy-controlled carbonate dissolution and replacement Lead-Zinc type mineralisation. • Mineralisation at the project occurs as stratiform, sub-horizontal and lenticular, following sub-vertical trends, and with lateral and vertical extensions, with a significant control by steeply-dipping feeder faults. Mineralisation in this setting presents as 'bags' (pods) with sub-horizontal lenticular form.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* ○ *easting and northing of the drill hole collar* ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* ○ *dip and azimuth of the hole* ○ *down hole length and interception depth* ○ *hole length.* • *If the exclusion of this information is*	• In total, 29 underground drillholes have been completed to date in this latest underground drilling campaign of Variscan Mines started in Q2 2021. This press release presents new assay data for 13 drillholes from this campaign, see table in Appendix 2 for raw assay data from the laboratory. The remaining holes lacked visible mineralisation and were not assayed. • All 13 collar co-ordinates, hole depths, and orientations for the holes reported in this announcement have been provided in the table in Appendix 1. • No information has been excluded.

Criteria	JORC Code explanation	Commentary
	justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	
Data aggregation methods	*In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated* • *Where aggregate intercepts incorporate short lengths of high-grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• Aggregated intersections stated in the main body of this announcement have only been undertaken for consecutive downhole intervals with reported assay data, these aggregated intersections have been calculated as a weighted average based on the sample lengths. All raw assay data on which these were based is shown in Appendix 2. • No metal equivalent grades have been stated. • New drillhole assays have been reported both as raw assays from ALS Sevilla and also as aggregated consecutive intersections using length weighted averaging method. • Where drilling has encountered a void or cavity, an artificial interval was inserted, prior to compositing, with a zero (0) % value for Zn and Pb.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• Recent drillholes have been drilled both upwards (positive dip) and downwards (negative dip), and inclined at varied dips and azimuths' in between to target mineralisation above and below the main mine drive levels. These angles vary significantly, and it is expected that mineralisation is encountered at oblique angles and therefore cannot represent true thickness unless drilled vertically upwards/downwards into a lens directly above or below the main drive level.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• The information in this news release refers to a discovery below and above the main gallery level. Maps and figures have been included to illustrate the location of the drilling reported.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• New drillhole raw assay results including both low and high-grade intersections have been included in the table within Appendix 2
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey*	• No other exploration data referenced in this report is considered sufficiently meaningful or material to warrant further reference.

Criteria	JORC Code explanation	Commentary
	results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Variscan have exploration plans to advance the Novales-Udias Project. The exploration plan is likely to include: ○ Drilling campaign from surface to test step out extensions ○ Drilling campaign underground to test: ○ Extensions of mineralised lenses ○ Follow up underground drilling to test: ○ vertical extensions ○ new lower lying lenses ○ infill mineralised lenses

Appendix 1: Table of Underground Drillhole Collar Co-ordinates and Orientations of New Drillholes Presented in this News Release

HOLE ID	X	Y	Z (m a.s.l.)	LENGTH (m)	AZIMUTH	DIP
NDDT017	402761,72	4802528,44	45,80	24,10	309	35
NDDT018	402815,12	4802578,98	47,04	25,50	207	30
NDDT019	402826,47	4802584,45	44,84	9,05	220	-25
NDDT020	402823,01	4802566,64	44,75	27,65	320	-26
NDDT021	402851,68	4802511,83	45,43	30,40	340	-25
NDDT022	402862,18	4802673,44	45,05	26,30	73	-15
NDDT023	402862,18	4802673,44	45,05	15,15	75	-40
NDDT024	402861,81	4802676,28	46,79	25,15	307	+40
NDDT025	402726,96	4802501,36	45,13	26,90	320	-35
NDDT026	402726,41	4802501,53	45,27	23,00	355	-18
NDDT027	402736,88	4802522,57	45,03	30,55	325	-15
NDDT028	402736,21	4802521,30	44,96	30,65	280	-32
NDDT029	402739,85	4802519,98	45,94	20,15	95	+25

Appendix 2: Table of New Raw Drillhole Analytical Results from ALS Laboratory Seville

HOLE ID	Sample No	From (m)	To (m)	Length (m)	Zn (wt.%)	Zn ox (wt.%)	Pb (wt.%)	Zn+Pb (wt.%)
NDDT 020	526196	0,00	1,00	1,00	12,85	0,32	0,95	13,80
NDDT 020	526197	1,00	2,00	1,00	3,75	0,26	0,29	4,04
NDDT 020	526199	2,00	3,00	1,00	0,04	0,04	0,00	0,04
NDDT 017	526200	10,00	11,00	1,00	0,17	0,10	0,06	0,23
NDDT 017	526201	11,00	11,70	0,70	0,27	0,10	0,02	0,29
NDDT 017	526203	11,70	12,55	0,85	0,10	0,04	0,01	0,11
NDDT 017	526204	12,55	13,60	1,05	0,05	0,02	0,00	0,05
NDDT 017	526205	13,60	14,75	1,15	0,20	0,05	<0.002	0,20
NDDT 017	526206	14,75	15,55	0,80	0,05	0,02	<0.002	0,05
NDDT 017	526207	15,55	16,30	0,75	0,24	0,04	<0.002	0,24
NDDT 017	526208	16,30	16,85	0,55	0,01	0,01	<0.002	0,01
NDDT 017	526209	16,85	17,70	0,85	0,07	0,02	<0.002	0,07
NDDT 017	526210	17,70	18,70	1,00	0,05	0,02	<0.002	0,05
NDDT 017	526211	18,70	19,70	1,00	0,43	0,05	<0.002	0,43
NDDT 017	526212	19,70	20,95	1,25	0,09	0,02	<0.002	0,09
NDDT 017	526213	20,95	21,80	0,85	0,01	0,01	<0.002	0,01
NDDT 017	526214	21,80	22,80	1,00	0,03	0,02	<0.002	0,03
NDDT 018	526215	7,50	8,50	1,00	0,23	0,04	0,01	0,24
NDDT 018	526216	8,50	9,50	1,00	0,21	0,07	0,03	0,24

NDDT 018	526217	9,50	10,50	1,00	0,02	0,02	0,01	0,03
NDDT 018	526218	10,50	11,55	1,05	0,01	0,01	<0.002	0,01
NDDT 018	526219	11,55	12,55	1,00	0,00	0,01	<0.002	0,00
NDDT 018	526220	12,55	13,55	1,00	0,43	0,04	1,36	1,78
NDDT 018	526221	13,55	14,65	1,10	0,34	0,08	0,04	0,38
NDDT 018	526222	21,30	22,30	1,00	0,01	0,01	<0.002	0,01
NDDT 018	526223	22,30	23,30	1,00	0,05	0,03	<0.002	0,05
NDDT 018	526224	23,30	24,30	1,00	0,01	0,01	<0.002	0,01
NDDT 024	526225	15,90	17,00	1,10	0,00	0,01	<0.002	0,00
NDDT 024	526226	17,00	18,25	1,25	0,82	0,12	0,06	0,88
NDDT 024	526228	18,25	19,30	1,05	2,27	0,25	0,13	2,40
NDDT 024	526229	19,30	20,30	1,00	0,05	0,03	<0.002	0,05
NDDT 025	526230	6,00	7,00	1,00	0,63	0,31	0,04	0,67
NDDT 025	526231	7,00	8,00	1,00	7,15	3,08	0,76	7,91
NDDT 025	526233	8,00	9,00	1,00	0,22	0,15	0,03	0,25
NDDT 025	526235	9,00	10,00	1,00	0,55	0,36	0,09	0,63
NDDT 025	526236	10,00	11,10	1,10	0,21	0,16	0,04	0,25
NDDT 025	526238	11,10	12,25	1,15	7,16	0,53	0,44	7,60
NDDT 025	526239	12,25	13,25	1,00	2,93	0,17	0,05	2,98
NDDT 025	526240	13,25	14,35	1,10	0,94	0,10	0,01	0,95
NDDT 025	526241	14,35	15,35	1,00	0,04	0,02	0,01	0,04
NDDT 025	526242	15,35	16,35	1,00	0,12	0,09	0,02	0,14
NDDT 025	526243	16,35	17,05	0,70	0,07	0,06	0,01	0,09
NDDT 025	526244	18,00	18,25	0,25	11,60	0,32	2,44	14,04
NDDT 025	526245	18,25	19,25	1,00	0,26	0,14	0,03	0,30
NDDT 025	526246	19,25	20,45	1,20	0,11	0,06	0,02	0,12
NDDT 026	526247	13,45	14,45	1,00	0,01	0,01	<0.002	0,01
NDDT 026	526248	14,45	15,40	0,95	3,66	0,20	0,01	3,67
NDDT 026	526250	15,40	16,40	1,00	20,20	0,33	0,18	20,38
NDDT 026	526253	16,40	17,40	1,00	10,90	0,32	0,11	11,01
NDDT 026	526254	17,40	18,40	1,00	2,14	0,14	0,01	2,15
NDDT 026	526255	18,40	19,45	1,05	0,33	0,06	0,00	0,34
NDDT 026	526256	19,45	20,45	1,00	0,02	0,01	0,00	0,02
NDDT 027	526257	6,15	7,15	1,00	0,03	0,02	0,00	0,03
NDDT 027	526258	7,15	8,25	1,10	0,71	0,13	<0.002	0,71
NDDT 027	526259	8,25	9,25	1,00	0,60	0,09	0,00	0,60
NDDT 027	526261	9,25	10,30	1,05	0,47	0,09	0,01	0,47
NDDT 027	526262	10,30	11,25	0,95	8,95	0,27	0,01	8,96
NDDT 027	526264	11,25	12,20	0,95	4,07	0,21	<0.002	4,07

NDDT 027	526265	12,20	13,05	0,85	1,54	0,15	0,01	1,55
NDDT 027	526266	13,05	14,05	1,00	2,23	0,13	0,00	2,23
NDDT 027	526267	14,05	15,05	1,00	0,04	0,03	0,00	0,05
NDDT 027	526268	15,05	16,05	1,00	0,03	0,02	0,00	0,03
NDDT 027	526269	16,05	17,05	1,00	0,04	0,03	0,01	0,04
NDDT 027	526270	17,05	18,05	1,00	0,03	0,04	0,00	0,03
NDDT 027	526272	18,05	19,05	1,00	8,62	0,32	0,02	8,64
NDDT 027	526274	19,05	20,05	1,00	4,68	0,40	0,04	4,72
NDDT 027	526275	20,05	21,05	1,00	0,53	0,30	0,05	0,58
NDDT 027	526276	21,05	22,05	1,00	0,31	0,15	0,02	0,33
NDDT 027	526277	22,05	23,05	1,00	8,70	0,56	0,76	9,46
NDDT 027	526278	23,05	24,05	1,00	39,40	0,57	2,06	41,46
NDDT 027	526281	24,05	25,05	1,00	30,40	0,44	0,86	31,26
NDDT 027	526283	25,05	26,10	1,05	16,20	0,40	1,27	17,47
NDDT 027	526284	26,10	27,10	1,00	16,05	0,41	1,97	18,02
NDDT 027	526286	27,10	28,10	1,00	2,92	0,29	0,08	3,00
NDDT 027	526287	28,10	29,00	0,90	0,73	0,15	0,03	0,76
NDDT 027	526288	29,00	29,75	0,75	0,11	0,06	0,02	0,13
NDDT 027	526289	29,75	30,55	0,80	0,16	0,04	0,01	0,17
NDDT 029	526290	0,00	1,00	1,00	0,16	0,08	0,02	0,18
NDDT 029	526291	1,00	2,00	1,00	9,70	0,79	0,11	9,81
NDDT 029	526292	2,00	2,90	0,90	15,20	0,60	0,38	15,58
NDDT 029	526293	3,25	4,05	0,80	14,80	3,35	0,17	14,97
NDDT 029	526294	4,05	5,00	0,95	12,15	2,19	0,18	12,33
NDDT 029	526295	5,00	6,00	1,00	10,30	0,63	0,73	11,03
NDDT 029	526296	6,65	6,90	0,25	14,85	6,94	30,70	45,55
NDDT 029	526297	7,45	8,20	0,75	28,90	4,90	12,60	41,50
NDDT 029	526298	8,65	9,65	1,00	15,20	3,21	0,13	15,33
NDDT 029	526299	9,65	10,65	1,00	0,27	0,10	0,02	0,28
NDDT 029	526300	10,65	11,65	1,00	0,13	0,08	0,01	0,14
NDDT 029	526301	11,65	12,65	1,00	0,08	0,05	0,01	0,09
NDDT 029	526302	12,65	13,65	1,00	0,08	0,06	0,01	0,09
NDDT 029	526303	13,65	14,65	1,00	6,76	1,66	0,07	6,83
NDDT 029	526304	14,65	15,65	1,00	0,28	0,08	0,01	0,29
NDDT 029	526306	15,65	16,65	1,00	1,16	0,24	0,01	1,17
NDDT 029	526307	16,65	17,65	1,00	0,05	0,04	0,01	0,06
NDDT 028	526308	11,00	12,00	1,00	0,02	0,01	0,00	0,02
NDDT 028	526309	12,00	13,00	1,00	0,23	0,03	0,00	0,23
NDDT 028	526310	13,00	14,00	1,00	3,95	0,17	0,03	3,98

NDDT 028	526311	14,00	15,00	1,00	18,65	0,31	1,39	20,04
NDDT 028	526314	15,00	16,00	1,00	11,00	0,26	2,15	13,15
NDDT 028	526316	16,00	17,00	1,00	5,54	0,18	0,17	5,71
NDDT 028	526317	17,00	18,00	1,00	0,15	0,03	0,00	0,15
NDDT 028	526318	18,00	19,00	1,00	0,01	0,01	0,00	0,01
NDDT 028	526319	19,00	20,00	1,00	0,01	0,01	0,00	0,02
NDDT 028	526320	20,00	21,00	1,00	0,01	0,01	0,00	0,02
NDDT 028	526321	21,00	22,00	1,00	0,12	0,03	0,01	0,13

Project Summary

The Novales-Udias Project is located in the Basque-Cantabrian Basin, some 30km southwest from the regional capital, Santander. The project is centred around the former producing San Jose underground mine with a large surrounding area of exploration opportunities which include a number of satellite underground and surface workings and areas of zinc anomalism identified from recent and historic geochemical surveys. Variscan has delineated a significant 9km mineralised trend and a sub-parallel 3km trend from contemporary and historical data across both the Buenahora exploration and Novales mining permits.

The San Jose Mine is nearby (~9km) to the world class Reocin Mine which is the largest known strata-bound carbonate-hosted Zn-Pb deposit in Spain[1] and one of the world's richest MVT deposits[2]. Further it is within trucking distance (~80km) from the San Juan de Nieva zinc smelter operated by Asturiana de Zinc (100% owned by Glencore).

Significantly, the Novales-Udias Project includes a number of granted mining tenements[3].

Novales-Udias Project Highlights

- Near term zinc production opportunity (subject to positive exploratory work)
- Large tenement holding of 68.3 km^2 (including a number of granted mining tenements)
- Regional exploration potential for another discovery analogous to Reocin (total past production and remaining resource 62Mt @ 8.7% Zn and 1.0% Pb[4][5])
- Novales Mine is within trucking distance (~ 80km) from the zinc smelter in Asturias
- Classic MVT carbonate hosted Zn-Pb deposits
- Historic production of high-grade zinc; average grade reported as ~7% Zn[6]
- Simple mineralogy of sphalerite – galena – calamine
- Mineralisation is strata-bound, epigenetic, lenticular and sub-horizontal
- Reported historic production of super high grade 'bolsas' (mineralised pods and lenses) commonly 10-20% Zn and in some instances +30% Zn[7]
- Assay results of recent targeted grab samples taken from within the underground Novales Mine recorded 31.83% Zn and 62.3% Pb[8]
- Access and infrastructure all in place
- Local community and government support due to historic mining activity
- Maiden MRE of 1.08 Mt at 10% Zn established in Q4/2023

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[1] Velasco, F., Herrero, J.M., Yusta, I., Alonso, J.A., Seebold, I. and Leach, D., (2003) 'Geology and Geochemistry of the Reocin Zinc-Lead Deposit, Basque-Cantabrian Basin, Northern Spain' Econ. Geol. v.98, pp. 1371-1396.

[2] Leach, D.L., Sangster, D.F., Kelley, K.D., Large, R.R., Garven, G., Allen, C.R., Gutzner, J., Walters, S., (2005) 'Sediment-hosted lead-zinc deposits: a global perspective'. Econ. Geol. 100th Anniversary Special Paper 561 607

[3] Refer to ASX announcement of 29 July 2019

[4] Velasco, F., Herrero, J.M., Yusta, I., Alonso, J.A., Seebold, I. and Leach, D., 2003 - Geology and Geochemistry of the Reocin Zinc-Lead Deposit, Basque-Cantabrian Basin, Northern Spain: in Econ. Geol. v.98, pp. 1371-1396.

[5] Cautionary Statement: references in this announcement to the publicly quoted resource tonnes and grade of the Project are historical and foreign in nature and not reported in accordance with the JORC Code 2012, or the categories of mineralisation as defined in the JORC Code 2012. A competent person has not completed sufficient work to classify the resource estimate as mineral resources or ore reserves in accordance with the JORC Code 2012. It is uncertain that following evaluation and/or further exploration work that the foreign/historic resource estimates of mineralisation will be able to be reported as mineral resources or ore reserves in accordance with the JORC Code 2012.

[6] These figures have been taken from historical production data from the School of Mines in Torrelavega historical archives.

[7] Reports of the super high-grade mineralisation are supported with historical production data from the School of Mines in Torrelavega historical archives. (Refer ASX release 29 July 2019)

[8] Refer to ASX Announcement of 19 December 2020