ASX Announcement | 24 February 2025

Variscan Mines Limited (ASX:VAR)

MAIDEN DRILLING AT UDIAS INTERCEPTS SUBSTANTIAL HIGH-GRADE ZINC INTERVALS

Highlights

- **Maiden underground drilling campaign at Udias Mine has delivered exceptional high-grade zinc (Zn) and lead (Pb) intercepts from discovery targets.**
- **Assays from first 5 diamond drillholes confirm significant mineralisation:**
  - **UDDT004: 20.1m @ 8.22% Zn, 1.72% Pb**
  - **UDDT002: 16.5m @ 6.16% Zn, 0.87% Pb**
  - **UDDT001: 7.8m @ 7.41% Zn, 0.68% Pb**
  - **UDDT005: 11.4m @ 4.76% Zn, 0.24% Pb**
  - **UDDT003: 11.0m @ 4.92% Zn, 0.04% Pb**
- **Initial drilling has focused on targets in previously undrilled areas.**
- **Mineralised zones are interpreted to represent a more extensive trend, which remains open and has strong potential for Mineral Resource Estimate growth over San Jose – Udias.**
- **Drilling set to continue for remainder of H1 to test highly prospective and under-explored Zn mineralised system.**
- **More extensive underground and regional exploratory drilling plans for tenement package in the final planning and permitting stages.**

Variscan Mines Limited (ASX:VAR) ("Variscan" or "the Company") is pleased to announce assay results from its maiden drilling campaign at the Udias Mines, part of the Novales (San Jose)-Udias Project in northern Spain.

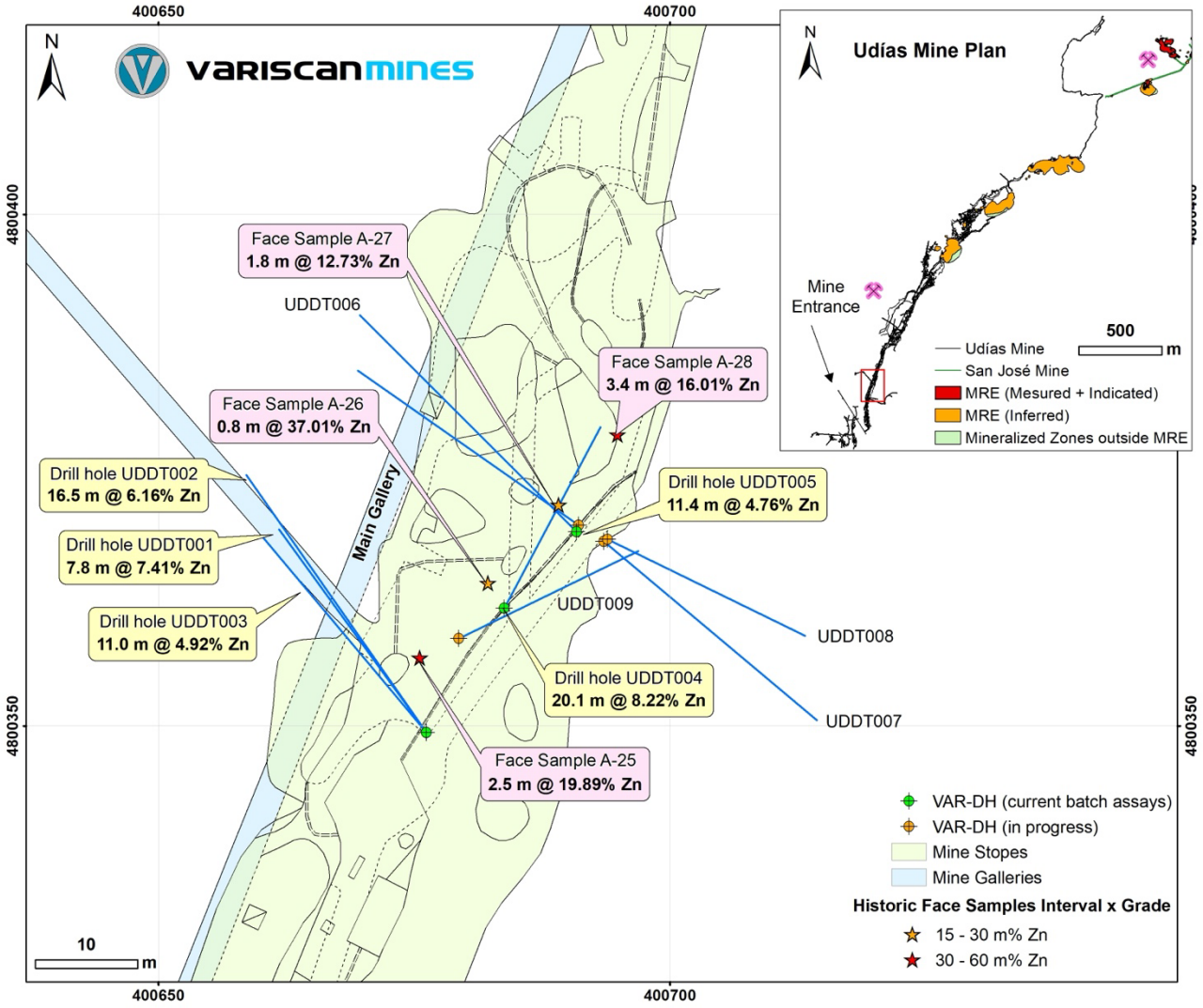
Outstanding drilling results highlight growth potential

The Udias Mine complex has a large footprint of under-explored workings (see insets of Figures 1 & 4). The maiden drilling campaign was designed to test priority discovery targets in previously undrilled areas. It has successfully discovered new zones of mineralisation and corroborates with historical face sampling data[1] to confirm that past production from Zn-oxide did not exploit the high-grade and zinc-rich primary sulphide mineralisation.

[1] Refer ASX Announcement 10 September 2024

Assay results from the diamond drilling indicate that mineralised zones extend well beyond the current geological and Mineral Resource Estimate (MRE) model and remain open. The drilling at Udias has also demonstrated strong geological similarity with mineralised zones in the San Jose Mine, indicating they are part of the same minerals system. Drilling is continuing to confirm the upside of this largely under-explored yet highly mineralised area.

Figure 1. Plan view of southern end of the Udias Mine indicating locations of underground diamond drillholes, mine development and historical face samples[2] Insert shows location relative to the size and scale of the Udias Mine, as well the continuation into the San Jose/Novales Mine to the northeast.



[2] Refer ASX Announcement 10 September 2024

Figure 2. Orientated view of southern end of the Udias Mine showing drillhole locations.

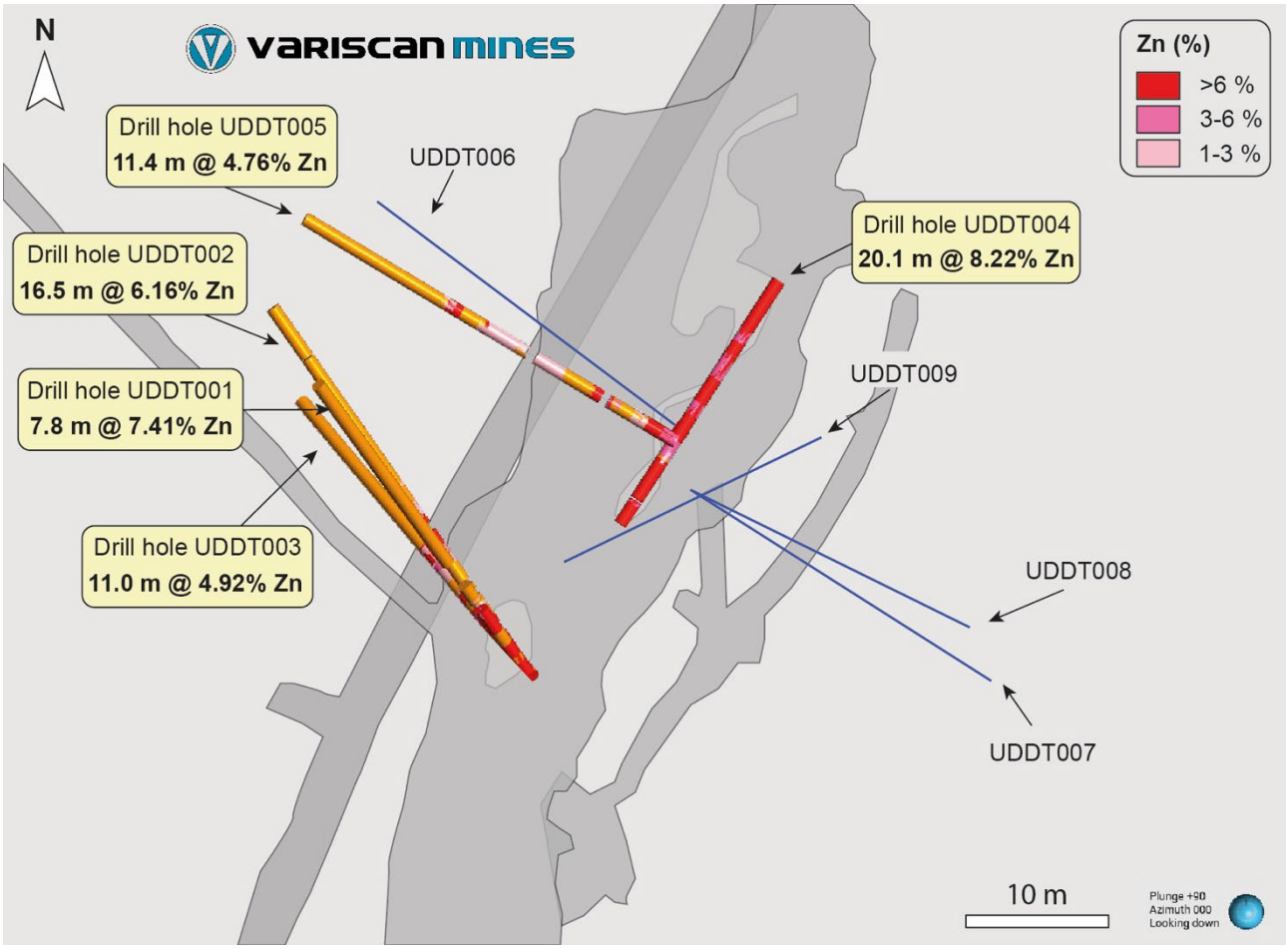


Figure 3. Diamond Drill Core from UDDT004 illustrating massive sphalerite hosted in dolostone

Note: Hole depth shown is from 0m to 20.1m

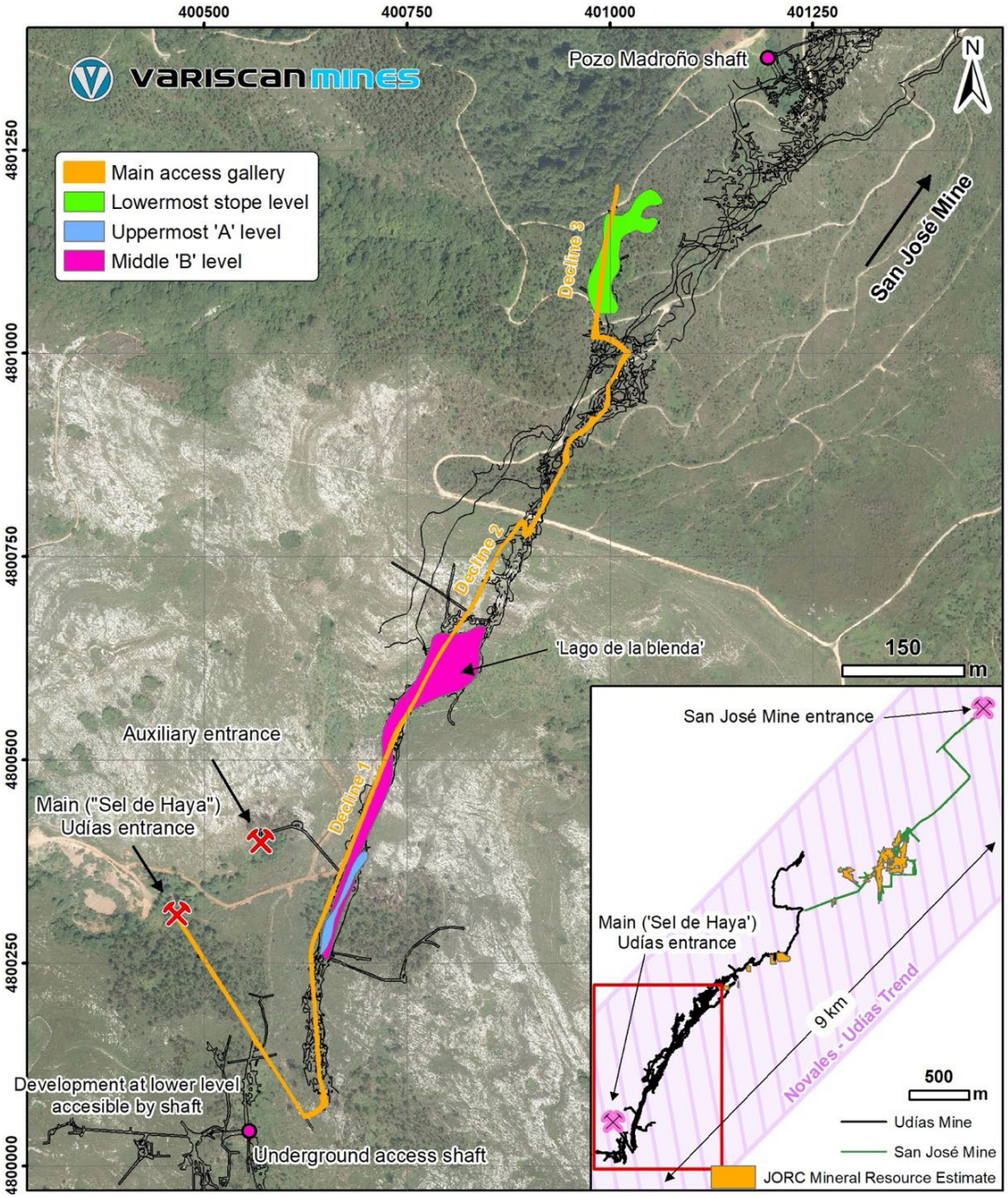
Drilling progressing according to plan

As recently advised, 9 diamond drill holes have been completed using the Company's own portable drill rig and staff[3]. Drilling reported in this announcement has been conducted in the southern end of the Udias Mine in the upper A Level (shown in blue in Figure 4). The drill has now moved to the middle B level (shown in pink in Figure 4) to drill test this underlying mineralised horizon. There has been no previous drilling on either A or B levels as the Udias Mine, which closed in 1930, was only historically exploited for calamine (a secondary Zn carbonate mineral formed by the oxidation of Zn sulphides), leaving zinc-

[3] Refer ASX Announcement 17 February 2025

rich sulphides in-situ. Access to the underground mine has allowed mapping, sampling and drilling short (up to ~30 m) , cost-effective drillholes. Drilling at Udias is expected to continue for the remainder of H1/25 to test this highly prospective and under-explored complex. The areas being drilled are all located outside of the existing MRE model and are expected to add to an updated MRE, anticipated for later in 2025.

Figure 4. Plan view of southern end of the Udias Mine indicating areas of drilling, development and mine access



Additional underground drilling and plans for exploration of wider project tenement areas also being finalised

Planning ahead, the management and geological teams are finalising priority drill targets to further upgrade the MRE and highlight the scale of the opportunity presented by the Novales-Udias Project. This will likely involve both surface and underground drilling, reinforcing the Company's Explorer-Producer strategy which is designed to leverage the advantages represented by our advanced, de-risked and high-grade former mines, while recognising the potential opportunities in and around surrounding areas that remain underexplored. Permitting for surface drilling is at a very advanced stage and subject to capital, could be actioned almost immediately.

Next Steps & Way Forward

The Novales-Udias Project continues to progress, with the following demonstrable milestones expected:

- Assay results from Q4/24 underground drilling at the San Jose Mine[4]
- Results from ongoing metallurgical and geotechnical test work
- Geophysical survey results at Guajaraz project
- Further assay results from underground drilling at the Udias Mine

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

"Drilling at the Udias Mine for the first time has certainly yielded fantastic results with an outstanding set of thick, high grade zinc intercepts.

We have been excited about the potential of Udias ever since we successfully acquired a license area to gain access to it. The Udias Mine complex is significantly larger than the San Jose Mine with the current drilling outside of the Mineral Resource Estimate, therefore there is genuine potential to add significant tonnage and scale to this high-quality project. These drilling results continue to reinforce the significant growth prospects at the Novales-Udias Project.

We are excited about the opportunity to extend the mineralisation footprint over the Udias Mines through our current campaign. We expect the drill rig to turn at Udias for the foreseeable future as we explore, define and expand our high-grade Mineral Resource Estimate. We have made a very successful start and have an exciting future as we look forward to reporting further drilling results as they become available.

We are delivering on our clear strategy to unlock value via re-starting production and exploration at one of the highest-grade, development stage zinc deposits in Europe, which is continuing to produce excellent results and make substantial progress."

[4] Refer ASX Announcement 17 February 2025

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.
To learn more, please visit: www.variscan.com.au

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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[5] and one of the world's richest MVT deposits[6]. 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[7].

Novales-Udias Project Highlights

- Near term zinc production opportunity (subject to positive exploration and development work)
- Updated JORC compliant Mineral Resource Estimate of 3.4Mt @ 7.6% Zn, 0.9 %Pb released in December 2024
- Large tenement holding of +100 km^2 (including a number of granted mining tenements)
- Regional exploration potential for further discoveries analogous to Reocin (total past production and remaining resource 62Mt @ 8.7% Zn and 1.0% Pb[8][9])
- Novales-Udias Project 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[10]
- 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[11]
- Access and infrastructure all in place
- Local community and government support due to historic mining activity

[5] 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.

[6] 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

[7] Refer to ASX announcement of 29 July 2019

[8] 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.

[9] 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.

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

[11] 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)

Figure 5. Map of Novales-Udias Project Licence Areas with Udias Mine highlighted

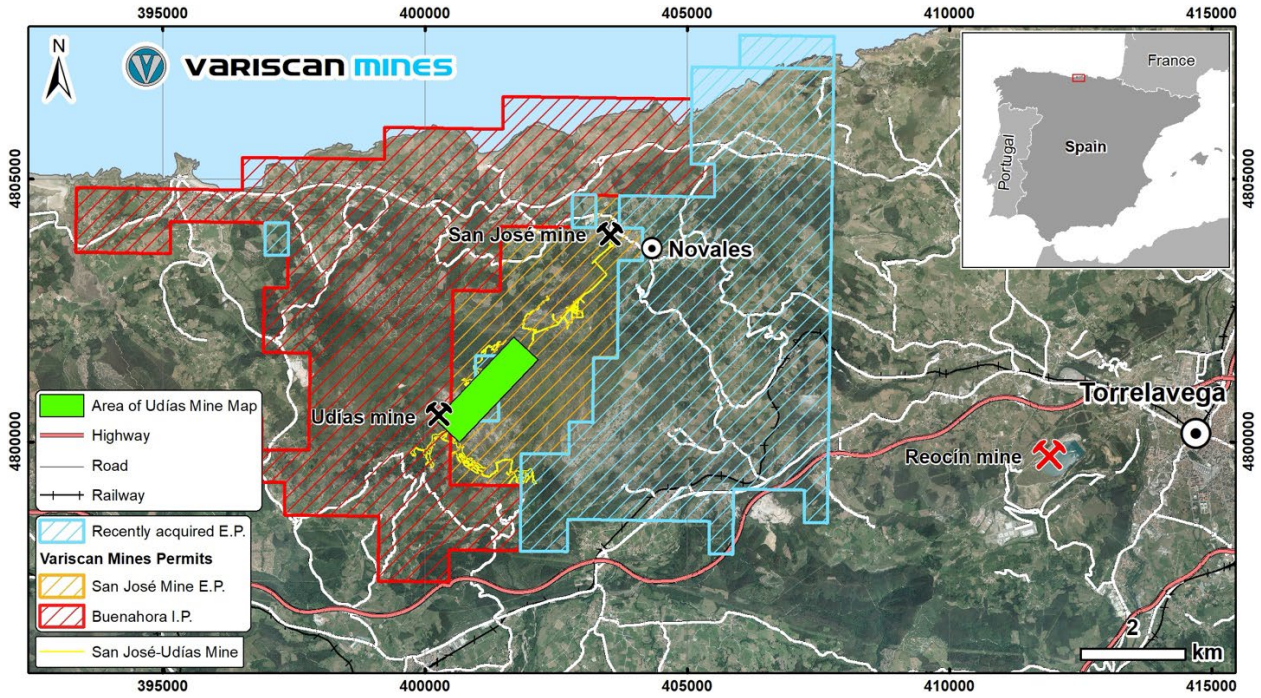
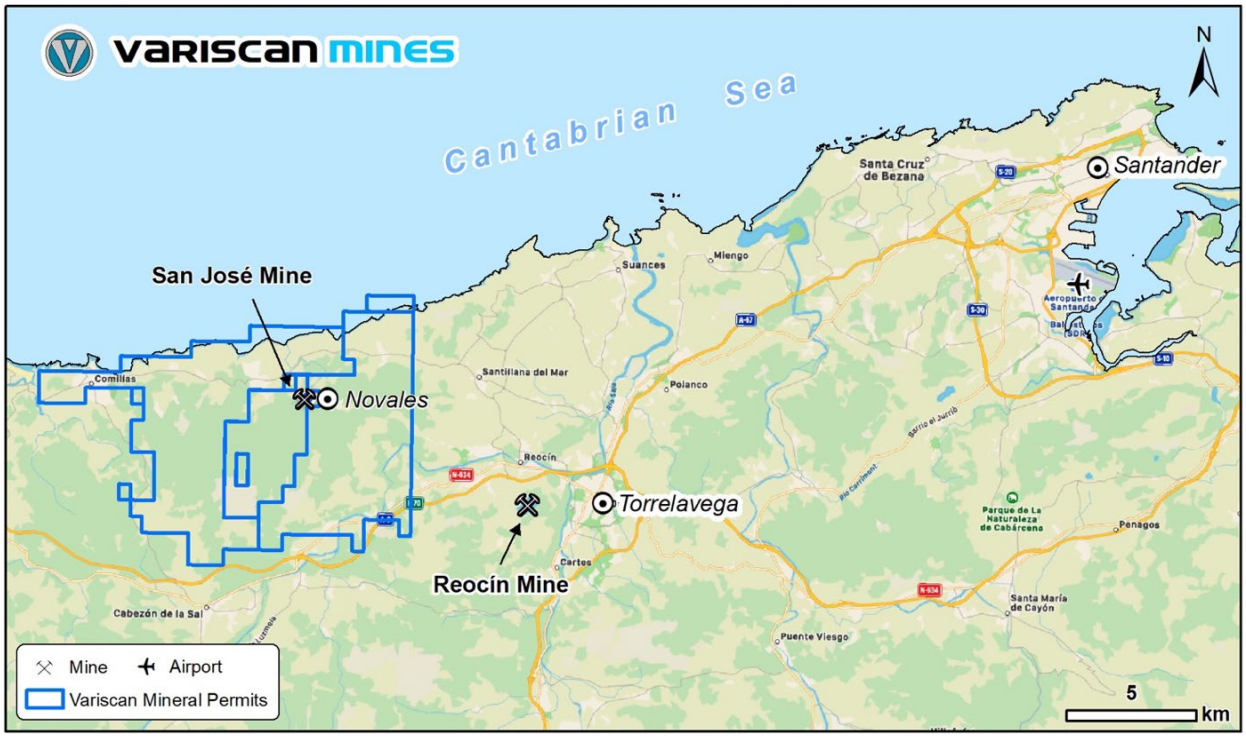


Figure 6. Map of Novales-Udias Project Licence Areas and local infrastructure



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 southern part of the Udias – San Jose complex of historic underground mines near Novales, Cantabria. Unlike the San Jose Mine, which produced zinc sulfide until the late 1990s, the much larger Udias mines closed down in 1930 and only produced calamine from the uppermost (oxidized) levels of mineralization, remaining largely undeveloped and under-explored • All the drill holes reported in this news release consist of underground diamond drillholes and were sampled as full core from 37cm to 1.48m 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.

Criteria	JORC Code explanation	Commentary
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 grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• Drill core recovery for this batch of underground drillholes was good, in the 87% – 99.0% range (average. 94.0%). Drill core recovery information has been formally recorded for all drillholes at this time, as it forms part of the detailed core logging. • 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 for the San Jose – Udias complex of historical underground mines, which was recently significantly upgraded, however, the reported drill holes are located outside of the resource area and additional drilling is required to be able to include this drilling area into the mineral resource. • 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 some of 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*	• 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, and full core was sampled. Samples were preferred at 1m lengths, although they were permitted flexibility from 37cm to 1.48m 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

Criteria	JORC Code explanation	Commentary
	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.*	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 full 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 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.*	• For the new drilling reported the sampling is considered total as no drill core 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 thirteen QAQC samples inserted into the sample stream (total of 77 drill core samples, not including QAQC). These included two high-grade CRM (OREAS 134B) inserted into the mineralised zone, one medium grade CRM (OREAS 133A) and two low grade CRMs (OREAS 130) inserted in between waste rock or barren samples, as well as four blanks. Also, internal duplicates were requested to ALS for four 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 14.4% of the sample population submitted for analysis. This frequency and variety of QAQC samples inserted into the sample stream is considered reasonable; with industry best practice typically requiring 10-20% 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*	• Analytical processes are being supervised by senior ALS staff experienced in mineral assaying. • The new diamond drillholes are located in the uppermost stopes of the southern part of the historic Udias underground mine. • 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

Criteria	JORC Code explanation	Commentary
	data.	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 reported here were surveyed 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 points, which was then tied to a reference point located at the mine entrance that was surveyed with a high-resolution GPS (+/- 1 cm). Checks were made with a Brunton compass to verify that there were no measurements errors. These are considered relatively accurate, yet a very detailed 3D laser survey of these mine stopes is currently under way. • All the maps and 3D models referenced in this report have been made with ETRS89.
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 various orientations (both downward and upward) from drilling pads underground, and their spacing is variable (see table in Appendix 1). At this stage there is no sufficient distribution of drillholes to support geological and grade continuity for the southern part of the Udias mine, however, underground geological mapping and visuals on zinc mineralization confirm it. Further drilling is required to improve geological confidence in this 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. There were 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.

Criteria	JORC Code explanation	Commentary
		• New drillholes have been oriented at a variety of orientations both drilling above and below (positive and negative dips) from the historical mine stopes, to intersect mineralised lenses located above and below. These orientations are considered appropriate for the geometry of this mostly lenticular MVT mineralisation at Udias.
Sample security	• *The measures taken to ensure sample security.*	• Samples were 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 geologists.
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 drilling reported in this release falls within the San Jose mining permit owned by Variscan Mines. The mining permit encompasses the totality of the historical San Jose mine and the bulk of the historical Udias mines directly adjacent to the south. • 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 any historical drilling, as the majority of the strike length of the Udias mine complex has never been drilled.
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.

Criteria	JORC Code explanation	Commentary
		• Underground geological mapping strongly suggests that the San Jose and Udias mines represent one and the same mineral system, consisting of vertically stacked lenses of zinc sulfide mineralization exhibiting a marked north-northeast oriented pluri-kilometric mineral trend. At the present stage of exploration there does not appear to be any significant vertical offsets in the elevation at which the mineral lenses occur.
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 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.*	• In total, 9 underground drillholes have been completed to date in this maiden underground drilling campaign of Variscan Mines at the Udias Mines. This press release presents new assay data for the first 5 drillholes from this campaign, see table in Appendix 2 for raw assay data from the laboratory. The remaining holes are pending assaying and the drill program is ongoing. • Drill 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.
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*	• 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.

Criteria	JORC Code explanation	Commentary
	values should be clearly stated.	
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 stope level. 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 stope 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 results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• No other exploration data referenced in this report is considered sufficiently meaningful or material to warrant further reference.
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*	• Variscan have exploration plans to advance the Novales-Udias Project. The exploration plan is likely to include: ○ An extensive drilling campaign at the historical Udias mines to test the lateral and vertical extensions of mineral lenses observed, and discover new

Criteria	JORC Code explanation	Commentary
	areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	underlying/overlying mineral lenses; ○ Surface drilling to test step out extensions and confirm the inferred existence of sub-parallel "blind" mineral trends ○ Development of a mineral resource model for the historical Udias mine area that will be linked with the existing San Jose mineral resource model.

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
UDDT001	400680.823	4800359.619	197.5	29.95	324	35
UDDT002	400680.880	4800359.587	197.2	30.90	325	6
UDDT003	400681.232	4800359.282	196.4	30.35	320	-35
UDDT004	400687.299	4800369.814	196.7	20.10	33	-4
UDDT005	400691.130	4800375.502	196.6	30.05	301	5
UDDT006	400691.710	4800376.015	196.1	30.40	307	-30
UDDT007	400692.225	4800371.976	196.9	27.15	122	25
UDDT008	400692.097	4800372.208	196.3	24.80	116	-30
UDDT009	400683.309	4800367.221	195.6	30.30	64	-50

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.%)
UDDT001	VAR526618	0.00	1.00	1.00	7.83	1.73	0.04	7.87
UDDT001	VAR526620	1.00	2.00	1.00	6.05	5.20	1.34	7.39
UDDT001	VAR526621	2.00	3.00	1.00	20.90	8.35	0.24	21.14
UDDT001	VAR526622	3.00	4.00	1.00	0.14	0.12	0.01	0.15
UDDT001	VAR526623	4.00	5.00	1.00	0.75	0.29	0.14	0.88
UDDT001	VAR526624	5.00	6.00	1.00	15.65	8.99	3.44	19.09
UDDT001	VAR526625	6.00	6.54	0.54	11.20	9.93	0.14	11.34
UDDT001	VAR526627	7.39	7.76	0.37	0.42	0.27	0.02	0.44
UDDT002	VAR526628	0.00	1.00	1.00	8.13	1.21	0.29	8.42
UDDT002	VAR526629	1.00	2.00	1.00	2.79	1.83	0.15	2.94
UDDT002	VAR526630	2.00	3.37	1.37	13.60	11.10	0.24	13.84
UDDT002	VAR526631	4.07	5.00	0.93	23.40	20.40	0.30	23.70
UDDT002	VAR526632	5.00	6.48	1.48	0.69	0.48	0.03	0.71
UDDT002	VAR526633	8.00	9.00	1.00	0.11	0.06	0.01	0.12
UDDT002	VAR526634	9.00	10.00	1.00	0.12	0.08	0.01	0.13
UDDT002	VAR526635	10.00	11.00	1.00	5.04	4.83	0.30	5.34
UDDT002	VAR526636	11.00	11.90	0.90	28.30	21.00	13.40	41.70
UDDT002	VAR526639	12.50	13.50	1.00	13.00	10.70	0.80	13.80
UDDT002	VAR526640	13.50	14.50	1.00	5.27	3.07	0.02	5.29
UDDT002	VAR526641	14.50	15.50	1.00	0.06	0.06	0.00	0.06
UDDT002	VAR526642	15.50	16.50	1.00	0.29	0.08	0.01	0.30

UDDT002	VAR526643	16.50	17.50	1.00	0.09	0.06	0.01	0.10
UDDT003	VAR526644	0.00	1.00	1.00	0.73	0.57	0.02	0.74
UDDT003	VAR526645	1.00	2.00	1.00	0.10	0.07	0.01	0.11
UDDT003	VAR526646	2.00	3.00	1.00	0.08	0.03	0.00	0.08
UDDT003	VAR526647	3.00	4.00	1.00	3.86	2.04	0.03	3.89
UDDT003	VAR526649	4.00	5.00	1.00	6.94	6.72	0.05	6.99
UDDT003	VAR526650	5.00	6.00	1.00	23.00	19.95	0.27	23.27
UDDT003	VAR526652	6.00	7.00	1.00	3.19	2.26	0.06	3.25
UDDT003	VAR526653	7.00	8.00	1.00	0.68	0.26	0.00	0.68
UDDT003	VAR526654	8.00	9.00	1.00	8.26	7.26	0.03	8.29
UDDT003	VAR526655	9.00	10.00	1.00	0.18	0.12	0.01	0.19
UDDT003	VAR526656	10.00	10.80	0.80	0.19	0.15	0.00	0.19
UDDT003	VAR526657	10.80	11.60	0.80	0.39	0.20	0.00	0.39
UDDT003	VAR526658	11.60	12.19	0.59	5.87	5.25	0.00	5.87
UDDT003	VAR526659	12.35	13.00	0.65	2.96	2.41	0.00	2.96
UDDT003	VAR526660	13.00	14.00	1.00	2.18	1.26	0.01	2.19
UDDT003	VAR526661	14.00	15.00	1.00	0.19	0.09	0.01	0.20
UDDT004	VAR526662	0.00	1.00	1.00	14.95	13.10	3.74	18.69
UDDT004	VAR526663	1.00	1.92	0.92	11.15	6.00	2.75	13.90
UDDT004	VAR526664	2.07	3.00	0.93	9.28	7.26	1.09	10.37
UDDT004	VAR526665	3.00	4.00	1.00	7.66	1.87	1.11	8.77
UDDT004	VAR526666	4.00	5.00	1.00	7.59	6.74	8.43	16.02
UDDT004	VAR526667	5.00	6.00	1.00	1.25	0.79	0.24	1.49
UDDT004	VAR526668	6.00	7.00	1.00	0.85	0.29	0.05	0.89
UDDT004	VAR526669	7.00	8.00	1.00	6.38	1.91	2.16	8.54
UDDT004	VAR526670	8.00	9.00	1.00	12.25	2.29	9.17	21.42
UDDT004	VAR526671	9.00	10.00	1.00	3.17	0.41	0.06	3.23
UDDT004	VAR526672	10.00	11.00	1.00	12.55	0.38	2.92	15.47
UDDT004	VAR526673	11.00	12.00	1.00	10.25	0.42	1.02	11.27
UDDT004	VAR526676	12.00	13.00	1.00	5.04	0.45	0.61	5.65
UDDT004	VAR526677	13.00	14.00	1.00	3.59	0.26	0.28	3.87
UDDT004	VAR526678	14.00	15.00	1.00	9.70	4.91	0.24	9.94
UDDT004	VAR526680	15.00	16.00	1.00	5.68	5.07	0.05	5.73
UDDT004	VAR526681	16.00	17.00	1.00	7.07	6.57	0.10	7.17
UDDT004	VAR526682	17.00	18.00	1.00	14.85	13.55	0.45	15.30
UDDT004	VAR526683	18.00	19.00	1.00	12.60	11.65	0.33	12.93
UDDT004	VAR526684	19.00	20.10	1.10	9.95	7.81	0.08	10.03
UDDT005	VAR526685	0.00	1.25	1.25	5.17	0.32	1.17	6.34
UDDT005	VAR526687	1.25	2.45	1.20	23.90	23.00	0.88	24.78

UDDT005	VAR526689	2.45	3.60	1.15	1.51	1.16	0.01	1.52
UDDT005	VAR526690	3.60	4.60	1.00	0.13	0.10	0.01	0.14
UDDT005	VAR526691	4.60	5.50	0.90	3.66	3.31	0.06	3.72
UDDT005	VAR526692	6.05	7.00	0.95	10.80	10.20	0.10	10.90
UDDT005	VAR526693	7.00	8.00	1.00	0.37	0.28	0.02	0.39
UDDT005	VAR526694	8.00	9.00	1.00	0.16	0.12	0.01	0.17
UDDT005	VAR526695	9.00	10.00	1.00	1.40	0.89	0.01	1.41
UDDT005	VAR526696	10.00	10.88	0.88	0.40	0.27	0.02	0.42
UDDT005	VAR526697	10.88	11.38	0.50	2.74	2.08	0.07	2.81
UDDT005	VAR526698	12.00	13.00	1.00	1.20	0.87	0.04	1.24
UDDT005	VAR526699	13.00	14.00	1.00	0.10	0.07	0.00	0.11
UDDT005	VAR526700	14.00	15.00	1.00	0.15	0.11	0.01	0.16
UDDT005	VAR526701	15.00	16.00	1.00	1.14	0.60	0.01	1.14
UDDT005	VAR526702	16.00	17.00	1.00	0.11	0.08	0.00	0.11
UDDT005	VAR526703	17.00	18.00	1.00	0.55	0.21	0.01	0.55
UDDT005	VAR526706	18.00	19.00	1.00	1.05	0.19	0.01	1.06
UDDT005	VAR526707	19.00	20.10	1.10	0.06	0.06	0.00	0.06