

ASX Announcement | 2 June 2025
Variscan Mines Limited (ASX:VAR)

DRILLING AT UDÍAS MINE CONTINUES TO DELIVER HIGH-GRADE ZINC INTERVALS

Highlights

- **Underground drilling campaign at the Udías Mine has continued to deliver high-grade zinc (Zn) and lead (Pb) intercepts targeting zones with no historical drilling.**
- **Assays from diamond drillholes confirm significant mineralisation:**
 - **UDDT016: 8.00m @ 9.60% Zn, 0.02%Pb & 10.00m @ 5.58% Zn, 0.52% Pb**
 - **UDDT009: 7.10m @ 3.85% Zn, 0.47%Pb & 5.00m @ 5.32% Zn, 0.59% Pb**
 - **UDDT010: 5.40m @ 5.06% Zn, 0.20% Pb**
 - **UDDT017: 4.00m @ 4.93% Zn, 0.04% Pb**
- **Intervals correlate well with exceptionally high-grade historical face sampling results and lie outside the current Mineral Resource Estimate (MRE)**
- **Drilling set to continue along mine development targeting new untested zones to link up with existing MRE zones and beyond to the San Jose Mine**
- **Drilling results reported from Udías confirm significant growth potential**

Variscan Mines Limited (ASX:VAR) (“Variscan” or “the Company”) is pleased to announce a second batch of assay results from its underground drilling campaign at the Udías Mine, part of the Novales (San Jose)- Udías Project in northern Spain.

Continued drilling success confirms growth potential

This maiden underground drilling campaign within the Udías Mine has been designed to test priority discovery targets in previously undrilled areas. It has successfully discovered new zones of mineralisation and corroborates well with historical face sampling data¹ to confirm that past production from Zn-oxide did not fully exploit the high-grade and zinc-rich primary sulphide mineralisation.

The Udías Mine complex has a large footprint of under-explored workings which is along strike from, but currently outside of the existing MRE. Assay results returned from the latest round of diamond drilling indicate that mineralised zones extend well beyond the current geological and MRE model and remain open.

¹ Refer ASX Announcement 10 September 2024

The drilling at Udías has also demonstrated strong geological similarity with mineralisation in the San Jose Mine, indicating they are part of the same mineral system. Drilling is continuing to confirm the upside of this largely under-explored yet highly mineralised area. The future drilling plan is move systematically into new target zones along the existing mine development to link up with areas within the existing MRE and the San Jose/Novales Mine.

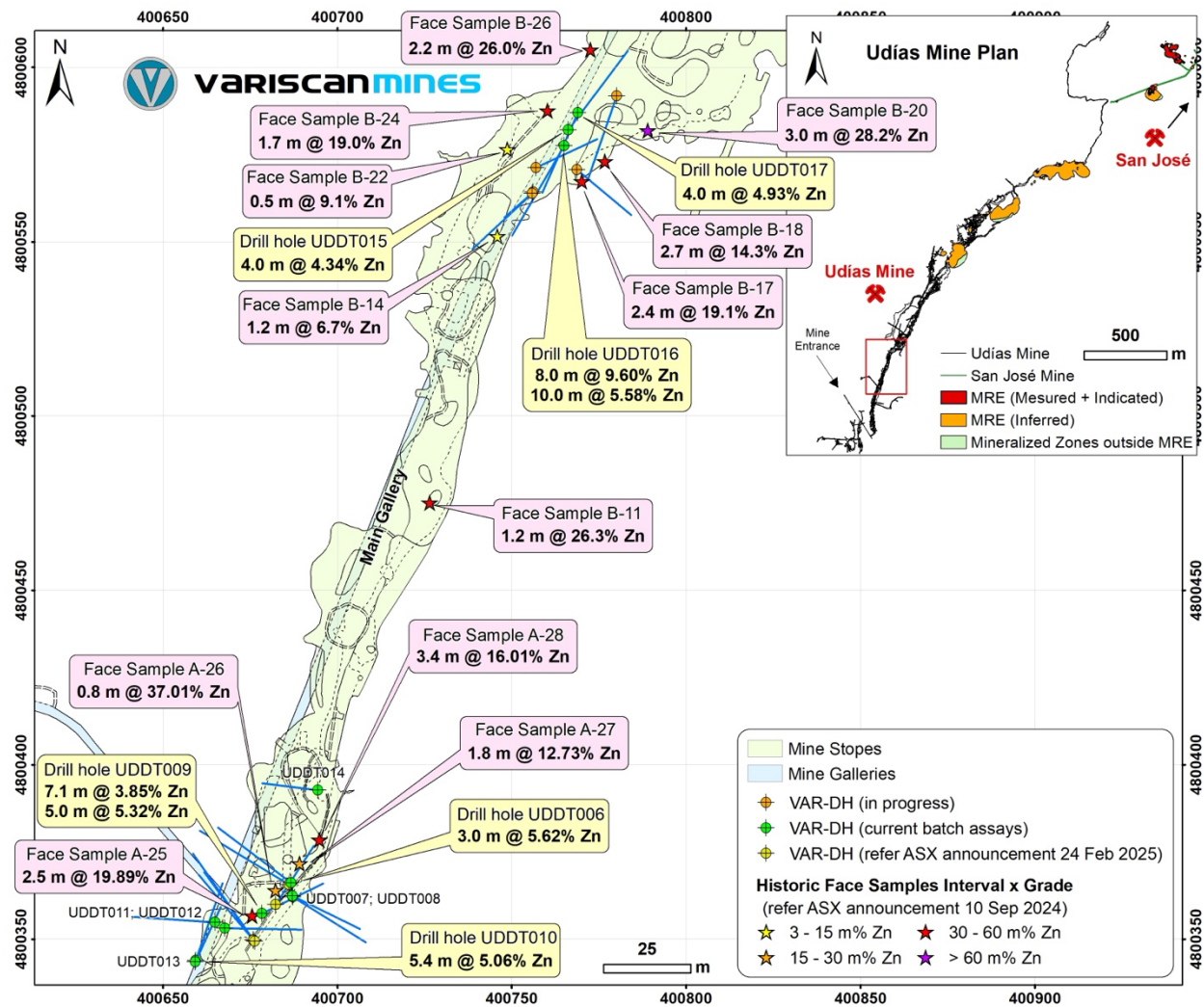


Figure 1. Plan view of southern part of the Udías Mine indicating locations of underground diamond drillholes (new results shown in yellow boxes), mine development and historical face samples² Insert shows location relative to the size and scale of the Udías Mine, as well the continuation into the San Jose/Novales Mine to the northeast.

² Refer ASX Announcement 10 September 2024

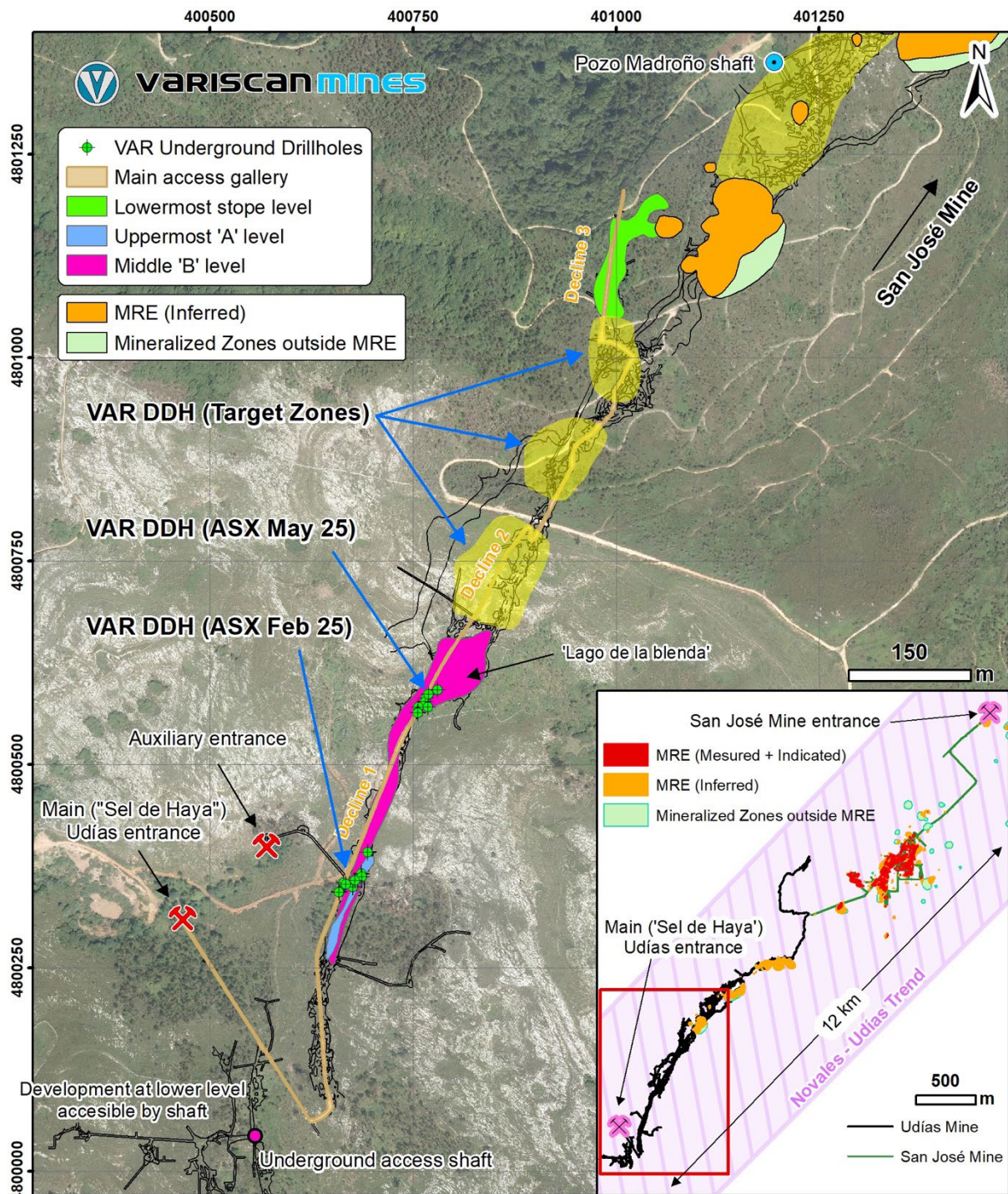


Figure 2. Plan view of southern part of the Udías Mine indicating areas of drilling results, mine development , future drilling targets to link with zones of current Mineral Resources in north-eastern Udías and beyond to the San Jose Mine

Current & planned drilling at Udías mine outside of existing MRE

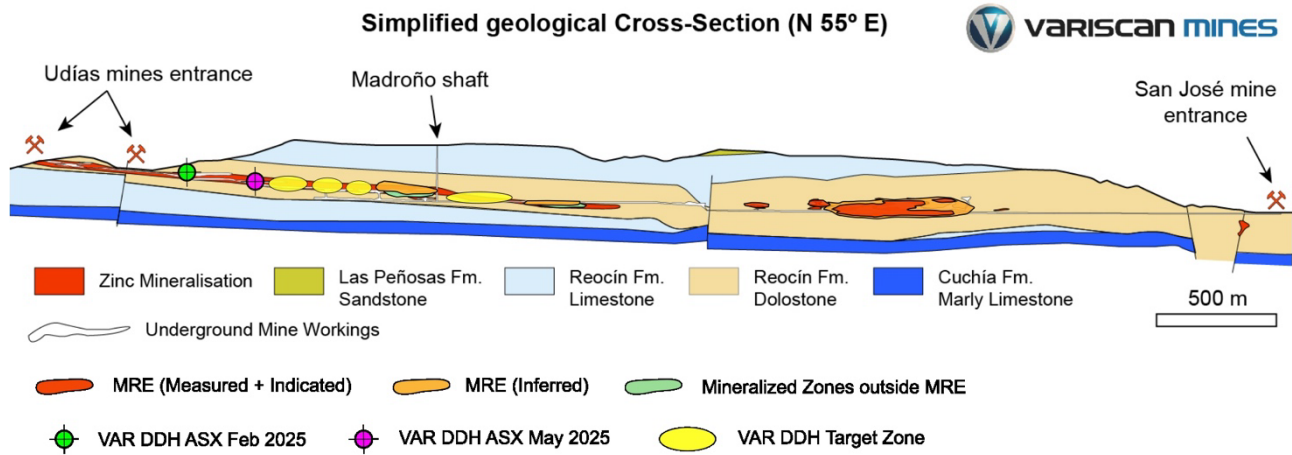


Figure 3. Section view indicating Udías Mine drilling results, future drilling target zones to link with the current Mineral Resources and San Jose Mine.

Drilling to continue to link to Mineral Resource Estimate and San Jose Mine

Drilling at Udías is planned to continue. The Udías Mine is highly prospective and under-explored. The target areas are all located outside of the existing MRE model and are expected to add to an updated MRE, anticipated for later in 2025. Access to the underground mine has allowed mapping, sampling and drilling short (up to ~30 m), cost-effective drillholes.

Next Steps & Way Forward

The San Jose/Novales-Udías Project continues to progress, with the following demonstrable milestones expected:

- Results from metallurgical test work for inclusion in the Mine Re-Start (Scoping) Study
- Results from geotechnical test work for inclusion in the Mine Re-Start (Scoping) Study
- Further assay results from underground drilling at the Udías Mine

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

"We have always thought that the Udías Mine had potential to grow the Project significantly. Following on from the first batch of outstanding thick, high grade zinc intercepts, this second batch has continued to deliver high-grade results along mine development. With the current drilling outside of the Mineral Resource Estimate, there is genuine potential to add significant tonnage and scale to this high-quality project."

Drilling will continue at Udías for the foreseeable future as we explore, define new zones of mineralisation and seek to link up with our existing high-grade Mineral Resource Estimate. It is pleasing to report continued drilling success and 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.”

ENDS

To ask questions directly to the Variscan management team and access media content, visit our interactive investor website at: <https://variscan.com.au/s/aa7e61>

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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We encourage all investors to share questions on this announcement via our interactive investor hub: <https://variscan.com.au/s/0e58e7>

Or scan the QR code.

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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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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 Spain³ and one of the world's richest MVT deposits⁴. 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 tenements⁵.

Novales-Udias Project Highlights

- Near term zinc production opportunity (subject to positive exploratory & development work)
- Updated JORC compliant Mineral Resource Estimate of 3.4Mt @ 7.6% Zn, 0.9 %Pb released in December 2024⁶
- Expanded tenement holding of 111 km² (including a number of granted mining tenements)
- Regional exploration potential for another discovery analogous to Reocin Mine (total past production and remaining resource 62Mt @ 8.7% Zn and 1.0% Pb^{7 8})
- Trucking distance (~ 80km) from the San Juan de Nieva smelter (Glencore owned)
- Classic MVT carbonate hosted Zn-Pb district
- Historic production of high-grade zinc from San Jose Mine; average grade reported as ~7% Zn⁹ with super high grade 'bolsas' (mineralised pods and lenses) commonly 10-20% Zn and in some instances +30% Zn¹⁰
- Maiden drilling at Udias Mine
- Simple mineralogy of sphalerite – galena – calamine
- Mineralisation is strata-bound, epigenetic, lenticular and sub-horizontal
- Access and infrastructure all in place
- Local community and government support due to historic mining activity

³ 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.

⁴ 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

⁵ Refer to ASX announcement of 29 July 2019

⁶ Refer to ASX announcement of 9 December 2024

⁷ 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.

⁸ 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.

⁹ These figures have been taken from historical production data from the School of Mines in Torrelavega historical archives.

¹⁰ 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)

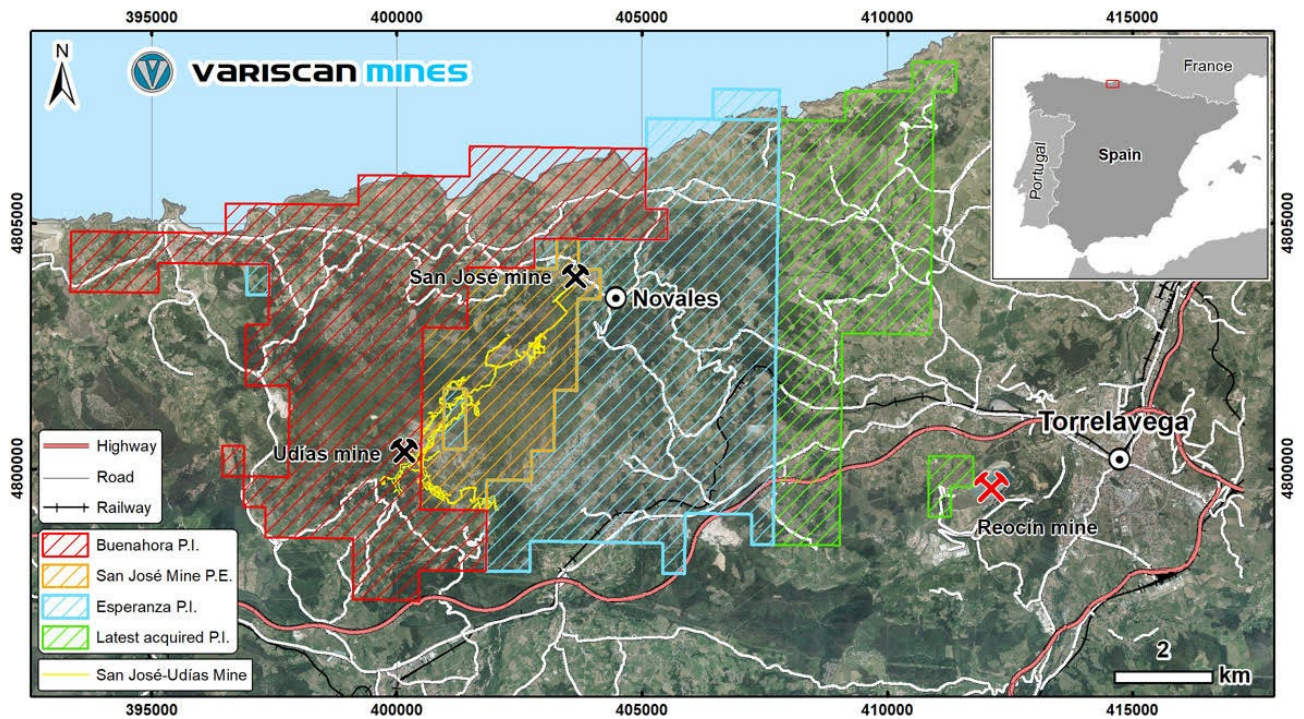


Figure 4. Map of Novales-Udias Project Licence Areas

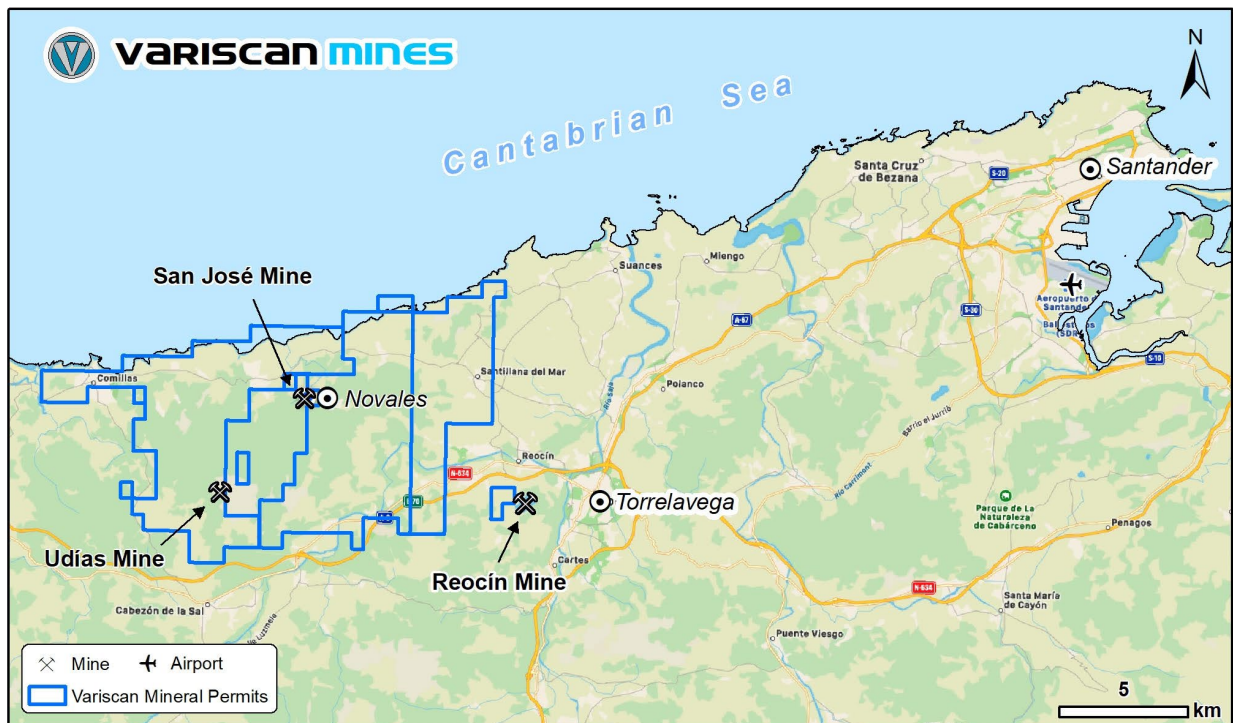


Figure 5. Map of Novales-Udias Project Licence Areas and local infrastructure

Mineral Resource Estimate for Novales-Udias Project

JORC Mineral Resource Estimate for San Jose Mine and north-eastern Udías by deposit and classification reported above at 2% Zn+Pb cut-off (ASX announcement 9 December 2024)

Deposit	Mineral Resource Classification	Tonnage (t)	Zinc (%)	Grade		Contained Metal		
				Lead (%)	Zinc + Lead (%)	Zinc (t)	Lead (t)	Zinc + Lead (t)
San Jose	Measured	480,254	9.18	1.80	10.98	44,064	8,654	52,718
	Indicated	641,881	8.69	1.50	10.19	55,782	9,607	65,389
	<i>Measured & Indicated</i>	<i>1,122,135</i>	<i>8.90</i>	<i>1.63</i>	<i>10.53</i>	<i>99,845</i>	<i>18,262</i>	<i>118,107</i>
	Inferred	615,304	8.15	1.03	9.18	50,121	6,356	56,477
	<i>Sub-total</i>	<i>1,737,439</i>	<i>8.63</i>	<i>1.42</i>	<i>10.05</i>	<i>149,966</i>	<i>24,618</i>	<i>174,584</i>
San Jose (NE)	Inferred	931,608	5.72	0.20	5.92	53,306	1,860	55,165
Udías* (NE)	Inferred	709,533	7.60	0.47	8.07	53,915	3,316	57,232
Total	Measured	480,254	9.18	1.80	10.98	44,064	8,654	52,718
	Indicated	641,881	8.69	1.50	10.19	55,782	9,607	65,389
	<i>Measured & Indicated</i>	<i>1,122,135</i>	<i>8.90</i>	<i>1.63</i>	<i>10.53</i>	<i>99,845</i>	<i>18,262</i>	<i>118,107</i>
	Inferred	2,256,445	6.97	0.51	7.48	157,342	11,532	168,874
Total		3,378,580	7.61	0.88	8.49	257,187	29,794	286,981

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 14 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 reference is made to previous releases of exploration results and mineral resource estimates in this announcement, and in particular the ASX announcement dated 9 December 2024 "*Three Fold Increase in the High Grade Mineral Resource Estimate for Novales – Udías Project*" the Company confirms that it is not aware of any new information or data that materially affects the information included in those announcements and all material assumptions and technical parameters underpinning the exploration results and mineral resource estimates included in those announcements continue to apply and have not materially changed.

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.

JORC Table 1, Sections 1 and 2

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> • <i>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.</i> • <i>Include reference to measures taken to ensure sample representativity and the appropriate calibration of any measurement tools or systems used.</i> • <i>Aspects of the determination of mineralisation that are Material to the Public Report.</i> • <i>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.</i> 	<ul style="list-style-type: none"> • 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 30cm to 1.45m 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	<ul style="list-style-type: none"> • <i>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).</i> 	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • <i>Method of recording and assessing core and chip sample recoveries and results assessed.</i> • <i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i> • <i>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.</i> 	<ul style="list-style-type: none"> • Drill core recovery for this batch of underground drillholes was good, in the 82.3% – 100.0% range (average 97.2%). 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	<ul style="list-style-type: none"> • <i>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.</i> • <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i> • <i>The total length and percentage of the relevant intersections logged.</i> 	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i> • <i>If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.</i> • <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i> • <i>Quality control procedures adopted for all sub-sampling stages to maximise representativity of samples.</i> • <i>Measures taken to ensure that the sampling is representative of the in-situ material collected,</i> 	<ul style="list-style-type: none"> • 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 30cm to 1.45m 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

Criteria	JORC Code explanation	Commentary
	<p><i>including for instance results for field duplicate/second-half sampling.</i></p> <ul style="list-style-type: none"> <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i> 	<p>sampling techniques are considered appropriate for this deposit and drilling type.</p> <ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i> <i>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.</i> <i>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.</i> 	<ul style="list-style-type: none"> 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 twenty-five QAQC samples inserted into the sample stream (total of 148 drill core samples, not including QAQC). These included three high-grade CRMs (OREAS 134B) inserted into the mineralised zone, five medium grade CRMs (OREAS 133A) and five low grade CRMs (OREAS 130) inserted in between waste rock or barren samples, as well as six blanks. Also, internal duplicates were requested to ALS for six 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 16.9% 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	<ul style="list-style-type: none"> <i>The verification of significant intersections by either independent or alternative company personnel.</i> <i>The use of twinned holes.</i> <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i> <i>Discuss any adjustment to assay data.</i> 	<ul style="list-style-type: none"> Analytical processes are being supervised by senior ALS staff experienced in mineral assaying. The new diamond drillholes are located in 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 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).

Criteria	JORC Code explanation	Commentary
Location of data points	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • The underground drillhole collars reported here were surveyed using a high-resolution SatLab Cygnus Lite handheld SLAM scanner, with the survey tied to reference points located along the main gallery of the Udias mine and surveyed using a total station Leica TS16 P 1'R500 by an external contractor. • All the maps and 3D models referenced in this report were made with ETRS89.
Data spacing and distribution	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • 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 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.

Criteria	JORC Code explanation	Commentary
Sample security	<ul style="list-style-type: none"> The measures taken to ensure sample security. 	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> The results of any audits or reviews of sampling techniques and data. 	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> This report does not refer to any historical drilling, as the southern part of the Udias mine complex has never been drilled.
Geology	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. 	<ul style="list-style-type: none"> 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. 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	<ul style="list-style-type: none"> A summary of all information material to the understanding of the exploration results including a 	<ul style="list-style-type: none"> In total, 24 underground drillholes have been completed to date in this maiden underground drilling campaign of Variscan Mines at the Udias Mines. This press release

Criteria	JORC Code explanation	Commentary
	<p><i>tabulation of the following information for all Material drill holes:</i></p> <ul style="list-style-type: none"> ○ <i>easting and northing of the drill hole collar</i> ○ <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i> ○ <i>dip and azimuth of the hole</i> ○ <i>down hole length and interception depth</i> ○ <i>hole length.</i> ● <i>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.</i> 	<p>presents new assay data for 11 new 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.</p> <ul style="list-style-type: none"> ● 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	<p><i>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</i></p> <ul style="list-style-type: none"> ● <i>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.</i> ● <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i> 	<ul style="list-style-type: none"> ● 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	<ul style="list-style-type: none"> ● <i>These relationships are particularly important in the reporting of Exploration Results.</i> ● <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i> ● <i>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').</i> 	<ul style="list-style-type: none"> ● 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.

Criteria	JORC Code explanation	Commentary
Diagrams	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> No other exploration data referenced in this report is considered sufficiently meaningful or material to warrant further reference.
Further work	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Variscan have exploration plans to advance the Novales-Udias Project. The exploration plan is likely to include: <ul style="list-style-type: none"> An extensive drilling campaign at the historical Udias mines to test the lateral and vertical extensions of mineral lenses observed, and discover new 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
UDDT007	400692.225	4800371.976	196.888	27.15	122	25
UDDT008	400692.097	4800372.208	196.279	24.80	116	-30
UDDT009	400683.309	4800367.221	195.605	30.30	64	-50
UDDT010	400664.278	4800353.767	175.252	30.10	19	39
UDDT011	400669.869	4800364.727	173.570	30.40	274	40
UDDT012	400672.508	4800363.025	173.906	30.05	91	43
UDDT013	400664.036	4800353.396	173.685	30.35	25	-55
UDDT014	400694.719	4800391.006	177.741	19.55	277	35
UDDT015	400770.863	4800592.220	162.742	30.35	42	-21
UDDT016	400769.404	4800587.577	162.599	30.75	210	-14
UDDT017	400774.069	4800596.586	164.338	30.25	215	-34

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.%)
UDDT007	VAR530801	0.00	1.00	1.00	0.88	0.55	0.04	0.92
UDDT007	VAR530802	1.00	2.00	1.00	0.27	0.12	0.00	0.27
UDDT007	VAR530803	2.00	3.00	1.00	1.08	0.40	0.02	1.10
UDDT007	VAR530805	3.00	4.00	1.00	1.53	0.49	0.01	1.53
UDDT007	VAR530806	4.00	5.00	1.00	1.06	0.51	0.01	1.06
UDDT007	VAR530808	5.00	6.00	1.00	0.09	0.05	0.00	0.09
UDDT008	VAR530809	0.00	1.00	1.00	9.06	1.27	0.26	9.32
UDDT008	VAR530811	1.00	2.00	1.00	0.13	0.09	0.00	0.13
UDDT008	VAR530812	2.00	3.00	1.00	0.21	0.08	0.00	0.21
UDDT008	VAR530813	3.00	4.00	1.00	0.07	0.04	0.00	0.07
UDDT013	VAR530814	3.00	4.00	1.00	0.51	0.34	0.04	0.55
UDDT013	VAR530815	4.00	5.00	1.00	0.04	0.03	0.00	0.04
UDDT014	VAR530816	0.00	1.00	1.00	3.83	0.21	0.02	3.85
UDDT014	VAR530818	1.00	2.00	1.00	0.05	0.04	0.00	0.05
UDDT014	VAR530819	14.00	15.00	1.00	0.24	0.18	0.01	0.25
UDDT014	VAR530820	15.00	16.00	1.00	0.96	0.65	0.02	0.97
UDDT014	VAR530822	16.00	17.00	1.00	2.04	1.39	0.05	2.09
UDDT011	VAR530823	0.00	1.00	1.00	0.38	0.24	0.09	0.47
UDDT011	VAR530824	1.00	2.00	1.00	0.04	0.04	0.00	0.05
UDDT011	VAR530825	5.00	6.00	1.00	0.02	0.02	0.00	0.02
UDDT011	VAR530826	6.00	7.00	1.00	0.09	0.06	0.00	0.09
UDDT011	VAR530827	7.00	8.00	1.00	0.08	0.06	0.00	0.08

UDDT011	VAR530828	8.00	9.00	1.00	0.13	0.09	0.00	0.13
UDDT011	VAR530829	9.00	10.00	1.00	0.02	0.02	0.00	0.02
UDDT011	VAR530830	10.00	11.00	1.00	0.28	0.13	0.00	0.28
UDDT011	VAR530831	11.00	12.00	1.00	0.02	0.02	0.00	0.02
UDDT012	VAR530832	0.00	1.00	1.00	5.30	0.76	0.17	5.47
UDDT012	VAR530833	1.00	2.00	1.00	0.51	0.23	0.03	0.54
UDDT012	VAR530835	2.00	3.00	1.00	4.62	1.53	0.01	4.63
UDDT012	VAR530836	3.00	4.00	1.00	0.04	0.04	0.01	0.05
UDDT012	VAR530837	13.00	14.00	1.00	0.13	0.10	0.01	0.14
UDDT012	VAR530838	14.00	15.00	1.00	1.15	0.87	0.15	1.30
UDDT012	VAR530840	15.00	16.00	1.00	0.24	0.15	0.02	0.25
UDDT012	VAR530841	16.00	17.00	1.00	0.11	0.08	0.01	0.12
UDDT012	VAR530842	17.00	18.00	1.00	0.05	0.04	0.01	0.05
UDDT012	VAR530843	18.00	19.10	1.10	0.08	0.05	0.01	0.09
UDDT006	VAR530844	0.00	1.00	1.00	7.26	3.70	0.02	7.28
UDDT006	VAR530845	1.00	2.00	1.00	1.80	1.30	0.01	1.81
UDDT006	VAR530846	2.00	3.00	1.00	7.79	7.47	0.03	7.82
UDDT006	VAR530847	3.00	4.00	1.00	0.15	0.12	0.01	0.15
UDDT006	VAR530849	6.00	7.00	1.00	0.07	0.06	0.00	0.07
UDDT006	VAR530850	7.00	8.00	1.00	0.54	0.33	0.01	0.55
UDDT006	VAR530851	8.00	9.00	1.00	5.27	4.93	0.02	5.29
UDDT006	VAR530852	9.00	9.70	0.70	2.38	1.83	0.03	2.41
UDDT006	VAR530853	10.50	11.05	0.55	7.06	6.46	0.28	7.34
UDDT006	VAR530854	11.05	12.50	1.45	1.68	1.28	0.06	1.74
UDDT006	VAR530855	12.50	13.60	1.10	0.16	0.12	0.01	0.17
UDDT006	VAR530856	13.60	14.50	0.90	0.88	0.53	0.01	0.89
UDDT006	VAR530857	14.50	15.50	1.00	0.46	0.35	0.00	0.46
UDDT006	VAR530858	15.50	15.92	0.42	4.82	3.84	0.04	4.86
UDDT006	VAR530859	16.72	17.76	1.04	0.20	0.13	0.03	0.23
UDDT006	VAR530860	21.35	22.35	1.00	0.15	0.10	0.01	0.17
UDDT009	VAR530861	0.00	1.00	1.00	1.90	1.52	0.01	1.91
UDDT009	VAR530862	1.00	2.00	1.00	12.20	10.80	2.62	14.82
UDDT009	VAR530864	3.35	3.65	0.30	26.70	25.00	0.95	27.65
UDDT009	VAR530865	3.65	4.85	1.20	0.39	0.23	0.01	0.40
UDDT009	VAR530866	4.85	6.15	1.30	0.25	0.18	0.04	0.28
UDDT009	VAR530867	6.15	7.10	0.95	4.64	3.23	0.40	5.04
UDDT009	VAR530869	7.10	8.00	0.90	0.56	0.47	0.02	0.58
UDDT009	VAR530870	16.00	17.00	1.00	0.20	0.09	0.02	0.22
UDDT009	VAR530871	17.00	18.13	1.13	0.32	0.23	0.08	0.40

UDDT009	VAR530873	18.90	20.00	1.10	6.93	5.90	1.80	8.73
UDDT009	VAR530874	20.00	21.20	1.20	15.30	12.15	0.72	16.02
UDDT009	VAR530876	21.20	22.00	0.80	0.31	0.22	0.02	0.34
UDDT009	VAR530877	22.00	22.90	0.90	0.37	0.25	0.02	0.39
UDDT010	VAR530878	0.00	1.00	1.00	7.29	5.78	0.11	7.40
UDDT010	VAR530879	1.00	2.00	1.00	0.14	0.09	0.01	0.15
UDDT010	VAR530880	6.00	6.70	0.70	0.10	0.06	0.01	0.10
UDDT010	VAR530881	6.70	7.20	0.50	26.50	23.70	1.50	28.00
UDDT010	VAR530882	8.10	9.10	1.00	0.27	0.23	0.03	0.30
UDDT010	VAR530883	9.10	10.10	1.00	0.12	0.06	0.01	0.13
UDDT010	VAR530884	10.10	11.10	1.00	0.13	0.09	0.01	0.14
UDDT010	VAR530885	11.10	12.10	1.00	13.55	7.33	0.31	13.86
UDDT010	VAR530886	12.10	13.10	1.00	0.15	0.11	0.02	0.16
UDDT010	VAR530887	13.10	14.10	1.00	0.19	0.14	0.02	0.21
UDDT010	VAR530888	14.10	15.10	1.00	0.08	0.05	0.01	0.08
UDDT010	VAR530889	15.10	16.05	0.95	1.98	1.16	0.01	1.99
UDDT010	VAR530890	16.05	17.05	1.00	2.09	0.32	0.01	2.10
UDDT010	VAR530891	17.05	18.05	1.00	1.08	0.47	0.00	1.08
UDDT010	VAR530892	20.00	21.00	1.00	0.19	0.14	0.01	0.21
UDDT010	VAR530893	21.00	22.00	1.00	1.28	0.86	0.02	1.29
UDDT010	VAR530894	22.00	23.00	1.00	1.49	1.19	0.05	1.54
UDDT015	VAR530895	0.00	1.00	1.00	0.34	0.19	0.02	0.36
UDDT015	VAR530896	1.00	2.00	1.00	0.79	0.53	0.01	0.80
UDDT015	VAR530897	2.00	3.00	1.00	0.64	0.43	0.01	0.65
UDDT015	VAR530899	3.00	4.00	1.00	0.25	0.13	0.01	0.26
UDDT015	VAR530900	4.00	5.00	1.00	0.06	0.04	0.00	0.06
UDDT015	VAR530901	5.00	6.00	1.00	0.08	0.05	0.01	0.09
UDDT015	VAR530902	6.00	7.00	1.00	0.07	0.04	0.00	0.08
UDDT015	VAR530903	7.00	8.00	1.00	0.47	0.16	0.01	0.48
UDDT015	VAR530904	8.00	9.00	1.00	0.51	0.13	0.01	0.51
UDDT015	VAR530906	9.00	10.00	1.00	1.17	0.43	0.01	1.17
UDDT015	VAR530907	10.00	11.00	1.00	9.03	1.79	0.02	9.05
UDDT015	VAR530908	11.00	12.00	1.00	6.59	0.69	0.01	6.60
UDDT015	VAR530909	12.00	13.00	1.00	0.56	0.30	0.01	0.56
UDDT015	VAR530911	13.00	14.00	1.00	0.67	0.32	0.02	0.68
UDDT015	VAR530913	14.00	15.00	1.00	0.66	0.44	0.09	0.74
UDDT015	VAR530914	15.00	16.00	1.00	0.02	0.01	0.01	0.03
UDDT017	VAR530915	0.00	1.00	1.00	4.12	3.73	0.05	4.17
UDDT017	VAR530916	1.00	2.00	1.00	6.56	5.25	0.03	6.59

UDDT017	VAR530917	2.00	3.00	1.00	0.29	0.19	0.01	0.30
UDDT017	VAR530918	3.00	4.00	1.00	8.76	2.16	0.06	8.82
UDDT017	VAR530920	4.00	5.00	1.00	0.24	0.14	0.01	0.25
UDDT017	VAR530921	5.00	6.00	1.00	0.09	0.07	0.01	0.10
UDDT017	VAR530922	6.00	7.00	1.00	0.10	0.09	0.00	0.11
UDDT017	VAR530923	7.00	8.00	1.00	0.03	0.03	0.00	0.04
UDDT017	VAR530924	8.00	9.00	1.00	1.33	0.33	0.01	1.33
UDDT017	VAR530926	9.00	10.00	1.00	0.99	0.31	0.01	1.00
UDDT017	VAR530927	10.00	11.00	1.00	0.04	0.03	0.01	0.05
UDDT017	VAR530928	11.00	12.00	1.00	0.25	0.11	0.01	0.26
UDDT017	VAR530929	12.00	13.00	1.00	0.51	0.20	0.13	0.63
UDDT017	VAR530930	13.00	14.00	1.00	0.13	0.11	0.01	0.14
UDDT017	VAR530931	14.00	15.00	1.00	0.08	0.06	0.01	0.09
UDDT017	VAR530932	15.00	16.00	1.00	1.69	0.67	0.09	1.78
UDDT017	VAR530933	20.00	21.00	1.00	0.04	0.03	0.01	0.05
UDDT017	VAR530934	21.00	22.00	1.00	0.42	0.15	0.07	0.49
UDDT017	VAR530936	22.00	23.00	1.00	2.20	0.28	0.03	2.23
UDDT017	VAR530937	23.00	24.00	1.00	0.50	0.39	0.08	0.58
UDDT016	VAR530938	0.00	1.00	1.00	28.70	0.65	0.05	28.75
UDDT016	VAR530939	1.00	2.00	1.00	22.30	0.75	0.02	22.32
UDDT016	VAR530940	2.00	3.00	1.00	2.76	0.38	0.02	2.78
UDDT016	VAR530941	3.00	4.00	1.00	9.79	0.58	0.04	9.83
UDDT016	VAR530943	4.00	5.00	1.00	6.35	0.59	0.04	6.39
UDDT016	VAR530945	5.00	6.00	1.00	4.81	0.47	0.00	4.81
UDDT016	VAR530946	6.00	7.00	1.00	1.72	0.78	0.01	1.72
UDDT016	VAR530947	7.00	8.00	1.00	0.36	0.16	0.00	0.36
UDDT016	VAR530948	8.00	9.00	1.00	0.04	0.03	0.00	0.04
UDDT016	VAR530950	9.00	10.00	1.00	0.09	0.06	0.01	0.09
UDDT016	VAR530951	10.00	11.00	1.00	0.15	0.11	0.01	0.16
UDDT016	VAR530952	11.00	12.00	1.00	0.04	0.02	0.02	0.06
UDDT016	VAR530953	12.00	13.00	1.00	0.17	0.09	0.01	0.18
UDDT016	VAR530954	13.00	14.00	1.00	0.04	0.02	0.00	0.04
UDDT016	VAR530955	14.00	15.00	1.00	3.88	0.47	0.24	4.12
UDDT016	VAR530957	15.00	15.90	0.90	32.30	16.35	5.04	37.34
UDDT016	VAR530958	17.55	18.50	0.95	2.99	1.96	0.05	3.04
UDDT016	VAR530960	18.50	19.65	1.15	5.11	4.45	0.14	5.25
UDDT016	VAR530961	19.65	20.50	0.85	4.30	3.43	0.20	4.50
UDDT016	VAR530962	20.50	21.15	0.65	0.05	0.03	0.01	0.05
UDDT016	VAR530963	21.15	22.00	0.85	0.03	0.01	0.00	0.04

UDDT016	VAR530964	22.00	23.05	1.05	1.08	0.75	0.02	1.10
UDDT016	VAR530965	23.05	24.00	0.95	9.75	7.61	0.03	9.78
UDDT016	VAR530966	24.00	25.00	1.00	0.07	0.04	0.01	0.08
UDDT016	VAR530967	25.00	26.15	1.15	0.32	0.19	0.06	0.38
UDDT016	VAR530968	26.15	26.60	0.45	3.08	2.29	0.48	3.56
UDDT016	VAR530969	27.05	28.00	0.95	1.01	0.58	0.04	1.05
UDDT016	VAR530970	28.00	29.00	1.00	0.26	0.18	0.02	0.28
UDDT016	VAR530971	29.00	30.00	1.00	0.01	0.01	0.00	0.02
UDDT016	VAR530972	30.00	30.75	0.75	0.12	0.05	0.02	0.13