



Acquisition of advanced Zinc projects in Spain

September – October 2019

Investor Presentation

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FOCUSED ON DISCOVERING A WORLD CLASS MVT ZINC DEPOSIT

NEAR TERM PRODUCTION POTENTIAL & MULTIPLE TARGETS

- Variscan Mines has agreed to acquire two advanced zinc projects in Spain.

The strategic acquisition:

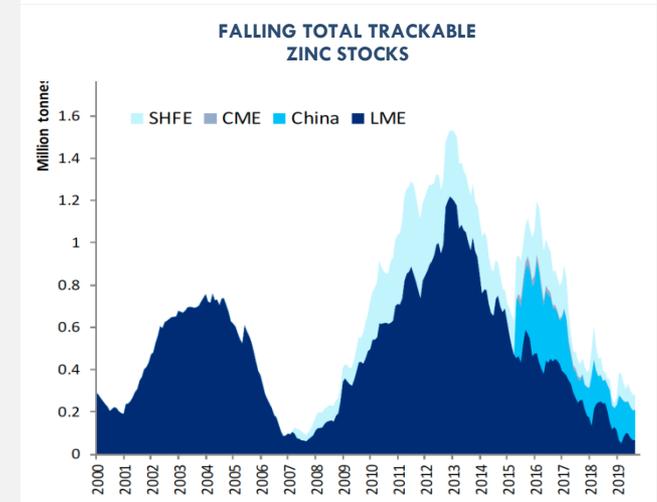
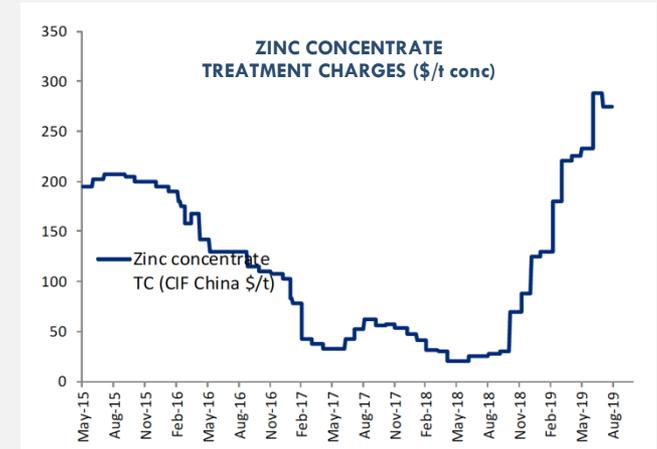
- is transformational and value accretive, and a catalyst for growth;
- delivers exposure to advanced projects in established mining provinces
- involves zinc, a metal strategic to Variscan’s existing portfolio and expertise;
- has already attracted specialist sector-specific investors;
- provides capital to commence work in the immediate-term as well access to potential additional capital in the future.

The Novales-Udias and Guajaraz advanced zinc projects:

- include granted mining tenements;
- are located in established mining jurisdictions;
- complement the Company’s existing portfolio of high-impact base metals interests.

“With mining tenements already granted, work will be underway shortly so that we may be in a position to evaluate early production opportunities. This is undoubtedly a highly strategic and valuable growth opportunity for Variscan”.

ASX Announcement 29 July 2019



Zinc is strategic to Variscan’s portfolio and expertise

TRANSFORMATIONAL DEAL

KEY STRENGTHS



KEY FACTS



Supportive, long-term shareholders:
Existing investor support



High-quality Zinc assets in Spain: Former mines with near term production potential



Conducting a capital raise: Minimum of \$3m



Tranche 1 of the capital raise complete;
High quality, sophisticated investors; a European investment fund and Australian family office.



Experienced leadership team:
MD / CEO is based in Europe



Positive outlook for Zinc: Declining mine supply & falling inventories while demand is robust



All-share deal: Alignment of interests and long-term investment horizon with voluntary escrow

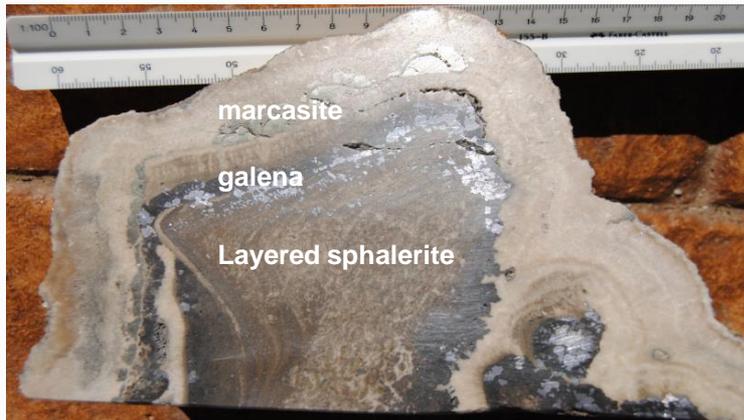


Strong local partner: Anibal Group (a shareholder) already provides services to mining companies in the region

TWO ADVANCED ZINC PROJECTS IN SPAIN

CANTABRIA: NOVALES-UDIAS ZINC PROJECT

- Largest most prospective zinc exploration footprint in Europe > 68.3km².
- Proximal to Reocin mine 62Mt @ 8.7%Zn.
- Walk up drill targets (17% Zn in soils).
- Contiguous holdings include Mining Licenses.
- World's second largest zinc smelter within trucking distance (Asturias).
- Excellent infrastructure and local support for future development.



Sample from Novales Mine

TOLEDO: GUAJARAZ ZINC PROJECT

- Excellent brown-fields opportunity with drill-ready targets.
- ENADIMSA in 1990 suggested potential mineralisation in the order of 5-10 Mt, with grades of 10% Zn, 0.5% Pb and 130 g/t Ag *
- Potential to deliver resources inside of 12 months.
- Recent mapping and sampling by vendors returned maximum results of 17.35% Zinc, 11.95% Pb, 0.49% Copper and 332g/t Silver (not same sample). *
- Excellent infrastructure and local support for future development.



La Union Mine Headframe

PROJECTS STRATEGICALLY LOCATED

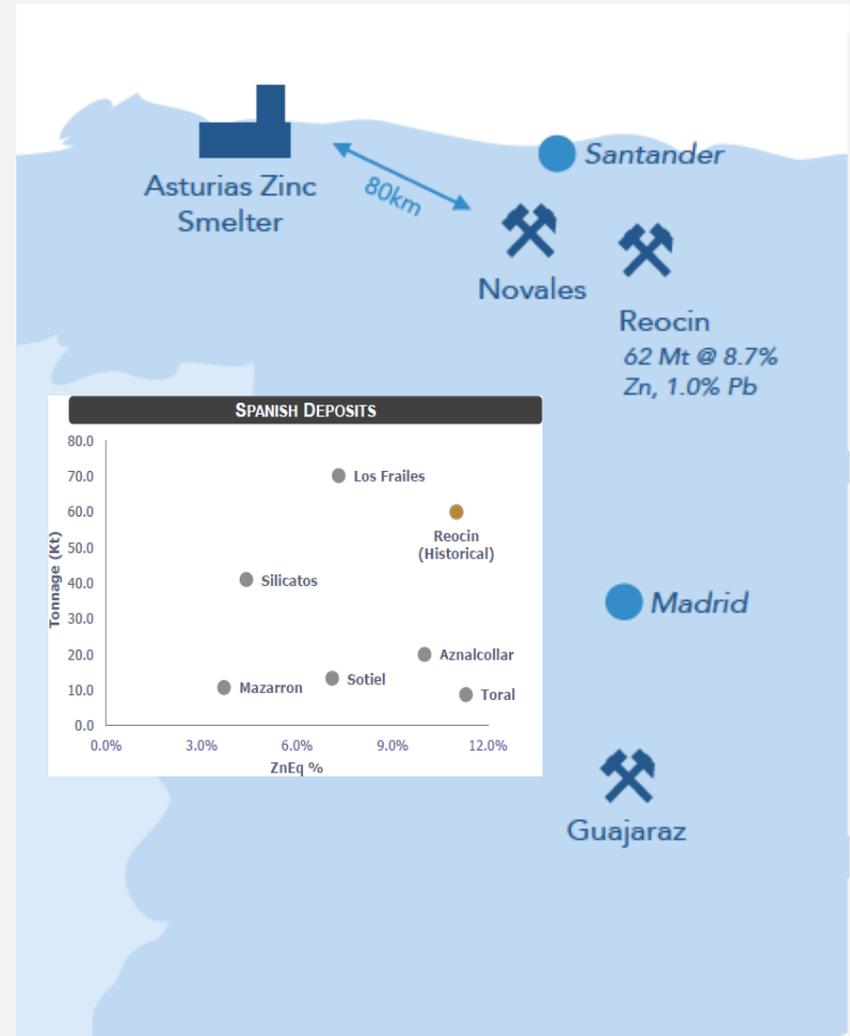
NOVALES-UDIAS

- Located in the heart of the prolific Basque-Cantabrian Basin
- Reocin and surrounding area is one of the premier zinc-lead mining fields in Europe
- Close to regional capital in Santander with established infrastructure

GUAJARAZ

- Located close to Toledo
- Former producing La Union Mine
- Close to national capital in Madrid with established infrastructure

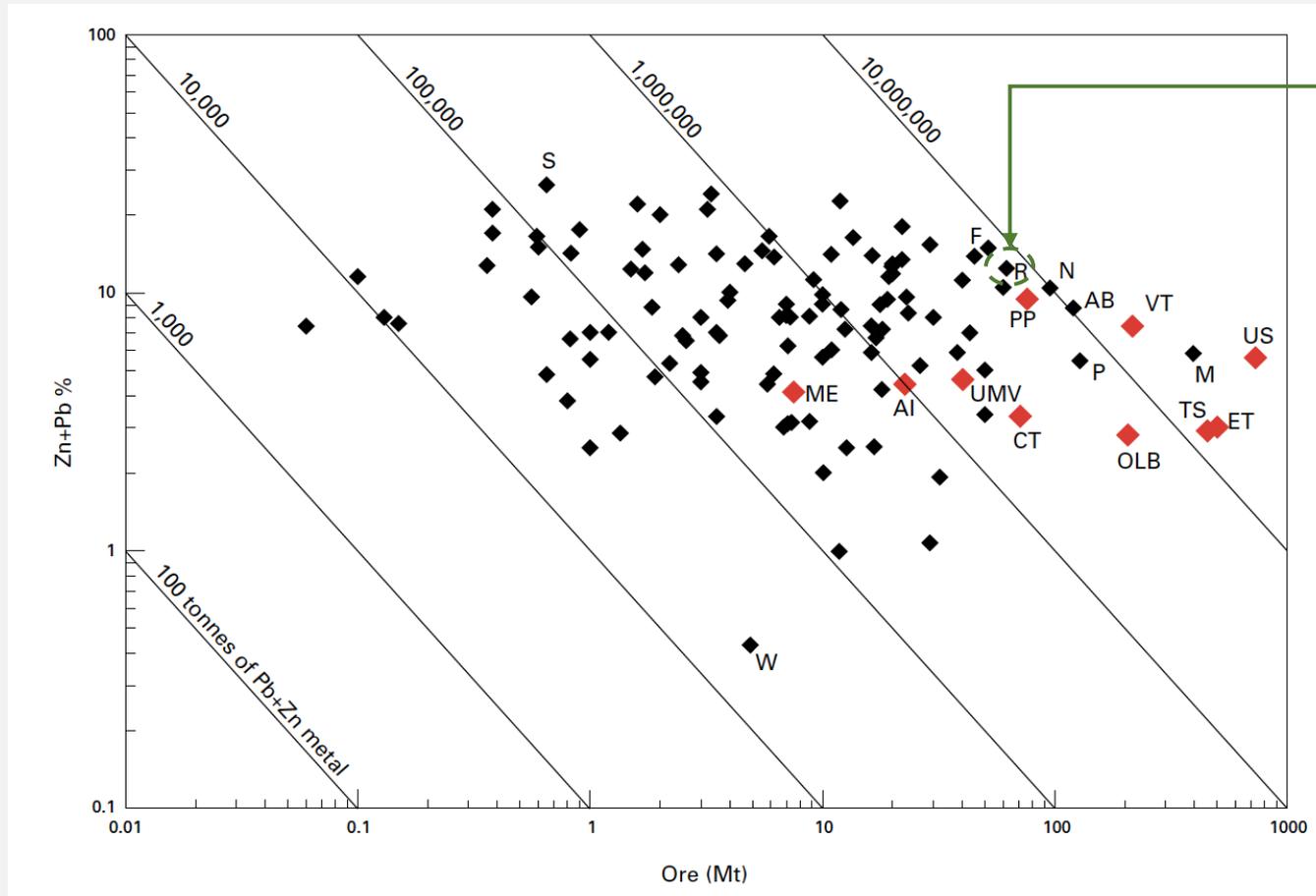
Spain is a desirable location for mining with increasing activity and in-bound investment, and this transformational acquisition provides Variscan shareholders with additional exposure to zinc, a commodity that continues to have a positive pricing outlook.



REOCIN IS ONE OF THE LARGEST MVT DEPOSITS GLOBALLY, EVER

NOVALES-UDIAS BENCHMARKING

113 MVT DEPOSITS & 10 DISTRICTS: GRADE/TONNAGE CURVES



- Reocin is <10km from Novales
- Both are situated in the Basque-Cantabrian Basin
- Diagonal line represents tonnage of Zn and Pb metal

SPAIN: KEY ADVANTAGES FOR MINING

STRONG REGIONAL GOVERNMENT SUPPORT

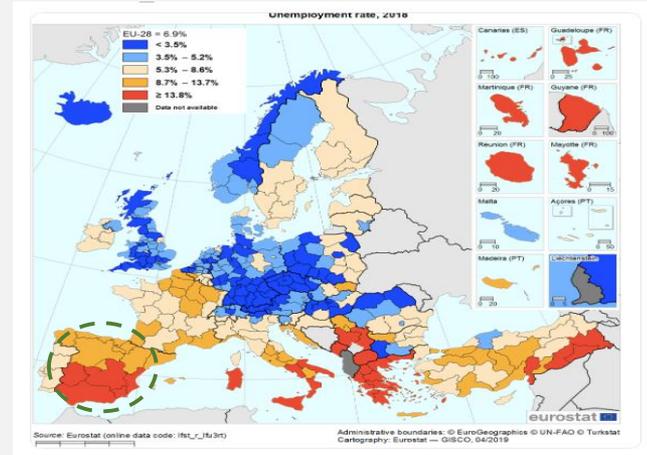


1st CLASS INFRASTRUCTURE ALREADY IN PLACE



Industrial Harbor, Santander

JOB & WEALTH CREATION IN AREAS OF HIGH UNEMPLOYMENT



2nd LARGEST ZINC SMELTER IN CLOSE PROXIMITY



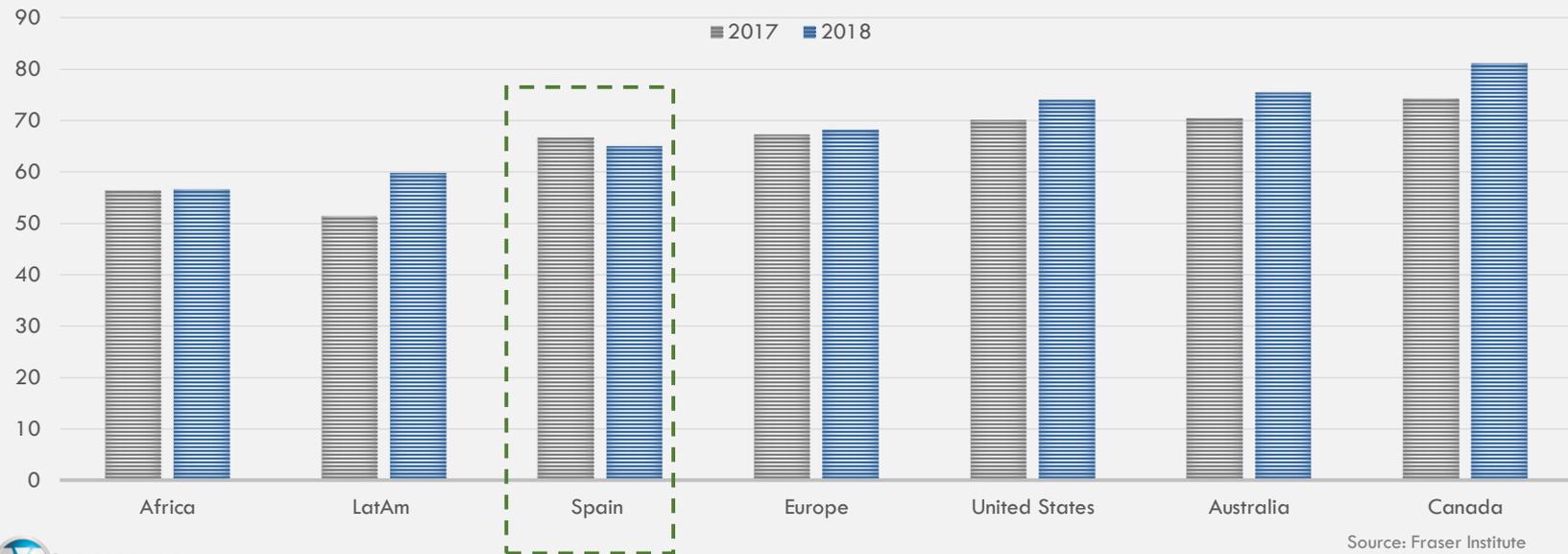
Zinc Smelter (Glencore), Santander

SPAIN: A FAVOURABLE MINING JURISDICTION



- ✓ EU & OECD member
- ✓ Close proximity to industrial markets
- ✓ Significant mining & development investment
- ✓ Regional autonomy for development of mining projects
- ✓ Available supply of highly skilled labour

HIGH INVESTMENT ATTRACTIVENESS RANKING



Source: Fraser Institute

CANTABRIA: ZINC MINING WELCOMED BY GOVERNMENT

‘CHALLENGES & OPPORTUNITIES OF ZINC IN CANTABRIA’ MARCH 2019

The President of Cantabria, Miguel Ángel Revilla, commented:

- that if the presence of sufficient material is confirmed, Cantabria will once again have mining activity which, in his opinion, will be "revitalising" for the region; and
- that the project "has been a miracle in rapidity". From initial discussions in 2016 and the tender in 2017, there have been "many hours of work" in the Ministries of Industry and the Environment, and where even the modification of the Land Law was necessary.

The President of the Federation of Municipalities of Cantabria and Mayor of Reocín, Pablo Diestro:

- expressed the importance of the projects for the future of the region of Besaya and Cantabria, adding the positive support of the neighbours.

The General Secretary of CC.OO (trade union) of Cantabria, Carlos Sánchez said:

- that this is an event that, if successful, will be "a very important step for our region", because, as he said, mining has been the historical economic base of Cantabria; and
- highlighted the favorable position of the union to these projects: saying once they are confirmed, CC.OO will demand sustainable projects, respectful of the environment and committed to local development.



Geoff Stewart (vendor representative) with President Revilla of Cantabria at 'Challenges and Opportunities of Zinc in Cantabria', organized by the trade union CC.OO, in the School of Mines of Torrelavega.

A photograph of a narrow, dimly lit underground tunnel. The walls are made of rough, layered rock. A railway track with wooden sleepers runs down the center of the tunnel. In the distance, a person is visible, illuminated by a light source. The overall atmosphere is dark and industrial.

NOVALES - UDIAS

OPPORTUNITIES FOR RESULTS

HIGH QUALITY, POTENTIAL TIER 1 ZINC PROJECTS WITH EXCELLENT NEAR TERM PRODUCTION POTENTIAL

- Dominant position in a proven zinc field with known Tier 1 deposits.
- Clear Exploration strategy with walk up drill targets.
- Low cost exploration with conventional techniques likely to be very effective.
- Near term opportunity to exploit high grade “ore bags” which are known to run to over 30% zinc in grade. *
- Excellent infrastructure, including 2nd largest zinc smelter in the world within easy trucking distance. *
- All the key ingredients for successful project development.



THE NEARBY REOCÍN DEPOSIT IS ONE OF THE LARGEST KNOWN ZINC-LEAD DEPOSITS IN EUROPE (62MT AT 8.7% ZINC) *

NOVALES-UDIAS - TIER 1 ZINC OPPORTUNITY

POSITIONED OVER A PROVEN MISSISSIPPI VALLEY TYPE (MVT) PROVINCE *

- **Past production:** Extensive mining with numerous deposits. Grades appear to be around 10% Zn-Pb.
- **No Modern Exploration:** Lead-zinc mines abandoned in the 1997 in the Novales zone and in 1973 in the Udias.
- **Known Deposit Type:** Mineralisation is classic MVT style with fault, karst and limestone host controls.
- **Clear Exploration Target:** Zn-Pb mineralisation is confined to a ferruginous dolomitised unit which crops out over large areas and is easy to identify, map and sample.
- **Near Term Potential Production:** Exploiting high grade ore bags (30% Zn) for DSO within existing mining licenses.
- **Cheap Conventional Exploration:** Soil sampling effective technique in locating metal anomalies.
- **Potential Large Scale Opportunity:** The many 'small' mines in Udias have substance and the distinct possibility that these mines link to each other in parallel zones.
- **Historical Data Available:** Hard copy data including some assays, plans and sections are available, but appear incomplete and have only been partly compiled or verified. Significant opportunity to digitise





TRANSFORMATIONAL DEAL

TRANSACTION HIGHLIGHTS: COMPELLING PROPOSITION



FORMER PRODUCING MINES

Novales mine;
historic production
~7% Zn



DATA ACQUISITION UNDERWAY

School of Mines at Torrelavega commenced data collation & digitisation



PATH TO POTENTIAL PRODUCTION

High grade 'bolsas' provide early production potential



POTENTIAL ROUTE TO MARKET

Close proximity (~80km) to Asturiana de Zinc; world's 2nd largest smelter operated by Glencore



PERMITTING IN PLACE

Exploration and mining licences in place



SIMPLE GEOLOGY

Well understood regional and local geology



ALL-SHARE DEAL

Alignment of interests and long-term investment horizon with voluntary escrow



FAVOURABLE COMMODITY

Zinc supply deficit expected with rising demand
Very low inventories potentially unable to meet demand.



STRONG LOCAL PARTNER

Anibal Group becomes a shareholder & local partner. They already provide services to mining companies in the region, such as Glencore & Emerita



INFRASTRUCTURE IN PLACE

All infrastructure requirements already in place and well maintained

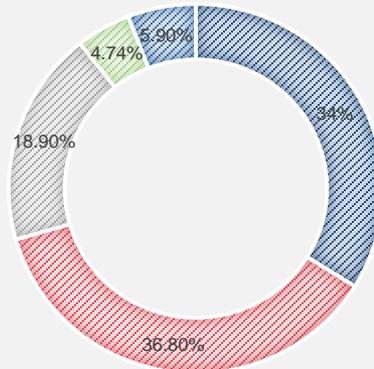
TRANSACTION SUMMARY

2x HIGH QUALITY ZINC PROJECTS + \$4M NEW CAPITAL

CAPITAL STRUCTURE

| | |
|--|---|
| Shares in currently in issue (inc. T1) | 1,558,573,585 |
| Shares in treasury | Nil |
| Share price | \$0.002 |
| Consideration Shares (\$3.4m raise) | 1,212,500,000 |
| Vendor Shares | 1,100,000,000 |
| Additional Shares Issuance | 274,088,235 |
| Options / Warrants in issue | 593,384,943 @ \$0.008 (31 May 2021) 10,000,000 @ \$0.03 (20 Nov 2021) 10,000,000 @ \$0.05 (20 Nov 2022) |

POST COMPLETION: SHAREHOLDER OWNERSHIP



- Existing Shareholders
- T2 Capital Raise Participants
- Slipstream
- Effective
- Other Share Issuance (Inc. HSP)

Pre Deal

- Mkt Cap ~\$2.5m
- Cash \$1m
- EV \$1.7m (incl \$0.5m listed investments)



Vendor Deal

- \$2.5m Completion Shares + \$575,000 loan repayments
- 4x milestone deferred share issuance each equal to 25% of the Completion Shares
- Completion Shares subject to Voluntary Escrow



Tranche 1 Capital Raise Closed

- \$0.6m closed with European Investment Fund (Delphi) and Australian Family Office



Tranche 2 Capital Raise

- Minimum of \$2.4m raise
- Existing shareholders & Directors participating



Post Deal

- Mkt Cap ~8.8m
- Cash \$4m
- EV \$4.8m (incl. \$0.5m listed investments)

NEXT STEPS & OPPORTUNITIES FOR IMMEDIATE-TERM RESULTS:

POTENTIAL FOR WORLD CLASS MVT DISCOVERY

The Cantabria tenure has multiple large, high order untested anomalies which present a realistic opportunity to discover a world class, tier one MVT (Mississippi Valley Type) zinc deposit.

NEAR TERM PRODUCTION POSSIBILITY

The Cantabria Project has the potential to contain several substantial, high grade zinc ore bags (previously mined at up to 30% Zn). These may potentially be mined and DSO (Direct Ship Ore) trucked to the nearby zinc smelter in Asturias

MULTIPLE RESOURCE TARGETS

Both Toledo and Cantabria have the right rocks to yield high grade Zinc discoveries.

Toledo has a drill ready target under the head frame of the old La Union mine at Guajaraz....

ADDITIONAL PROJECTS

We continue to be agile and alert to additional value-accretive projects that are complementary

...And the Cantabria tenure is studded with many historical high-grade zinc mines and has a geological setting similar to the nearby Reocin mine

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