



VARISCAN PARTNERS WITH LOCAL SCHOOL OF MINES AND COMMENCES DATA DIGITISATION

Variscan Mines Limited ("Variscan" or the "Company") (ASX:VAR) is pleased to announce that the Company's proposed acquisition of two advanced zinc projects in Spain (the "Transaction") has been enhanced following the signing of a Technical Memorandum and a Cooperation Agreement with the University of Cantabria in Torrelavega in northern Spain.

The Cooperation Agreement and Technical Memorandum provide the framework for a mutually-beneficial relationship between Slipstream Resources Spain ('SRS') and the Leonardo Torres Quevedo Foundation from the University of Cantabria. SRS will become a subsidiary of Variscan on completion of the Transaction. It is expected that the results of initial work will already be available to Variscan next quarter.

Key highlights include:

- **Spanish subsidiaries that Variscan has conditionally agreed to acquire have entered into a Technical Memorandum & Cooperation Agreement ("Agreement") with the University of Cantabria.**
- **The Agreement provides access to a large historical archive relating to the Reocín Mine and its surrounding area.**
- **Novales-Udías project is located approximately 10km from the Reocín Mine**
- **Reocín Mine (62Mt @ 8.7%Zn, 1%Pb) is one of the largest known Zinc-Lead deposits in Europe.**
- **Digitisation of the relevant data, augmented by additional data that the Company has sourced is well advanced. Preliminary results are expected in the coming weeks.**
- **The School of Mines at the University of Cantabria is very well regarded with an established 65year history and a deep understanding of mining and exploration activity in the Basque-Cantabrian Basin.**

The School of Mines has been mandated to collate, digitise and analyse the relevant information contained within the Documentary and Bibliographic Funds of the Reocín Mine, known as "Fondo Documental Mina Reocín". It is a large historical archive composed of administrative, technical, cartographic, geological and mining documentation covering the exploration and mining activity of the first company to develop the Reocín Mine (Real Compañía Asturiana de Minas), and all of the mining exploration work that the Asturian company of Zinc S.A. carried out throughout the region from 1981 to 2003, the year of the mine's closure.

Work has already commenced on the analysis of the information relating to both the mining concessions around the Novales Mine and also the Buenahora exploration licences. It is expected that the results of the work in connection with the Novales Mine will be available in the coming weeks.

Variscan's CEO, Stewart Dickson said Variscan is pleased to have developed a relationship with the well-regarded School of Mines at the University of Cantabria. The Technical Memorandum and Cooperation Agreement is the formal expression of the good local relations that have already been established in a short period of time in Spain.

"We believe that this is another important step to maintaining momentum whilst the acquisition closes. It is also a demonstration of our commitment to fostering long-term, local partnerships in Spain. We look forward to seeing the results of this desktop work in the coming weeks and expect to augment its findings with field work shortly thereafter."

Project Summary:

The Novales-Udías Project is located in the Basque-Cantabrian Basin, some 30km south west from the regional capital, Santander. The advanced zinc project is centred around the former producing Novales underground mine with a large surrounding area of exploration opportunities which include zinc soil anomalies over 2km long and close to 1km wide and up to 17% Zn. Significantly, the Novales-Udías Project includes a number of granted mining tenements.

*Novales-Udías Project Highlights **

- Near term zinc production opportunity (subject to positive exploratory work)
- Large tenement holding of 68.3 km² (including a number of granted mining tenements)
- Regional exploration potential for another discovery analogous to Reocin (total past production and remaining resource 62Mt @ 8.9% Zn and 1.0% Pb)
- Novales Mine is within trucking distance (~ 80km) from the Asturias zinc smelter
- Classic MVT carbonate hosted Zn-Pb deposits
- Historic production of high grade zinc; average grade reported as ~7% Zn
- Simple mineralogy of sphalerite – galena – calamine
- Ore is strata-bound, epigenetic, lenticular and horizontal
- Historic production of super high grade 'bolsas' (ore bags) commonly 10-20% Zn and in some instances +30% Zn
- Access and infrastructure all in place
- Local community and government support due to historic mining activity

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*Refer ASX Announcement 29 July 2019

Corporate Summary

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.

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.

Competent Person Statement

Where the Company refers to the Novales-Udías Project and the historic exploration results and production data previously advised to the ASX on 29 July 2019 it confirms that it is not aware of any new information or data that materially affects the information included in that market announcement.