



## COMPANY & OPERATIONS UPDATE

Variscan Mines Limited ("**Variscan**" or the "**Company**" or the "**Group**") (ASX:VAR) focused on the development of its high quality zinc assets in Spain, especially the Novales-Udias Project located in the Cantabria, northern Spain, provides an update on its response to the COVID-19 virus.

### Key Points

- **Spain's national state of emergency has been extended for a further period of 15 days**
- **The Cantabria region, where the Novales-Udias Project is located, is one of the least affected areas in Spain**
- **Variscan is in full compliance with the confinement measures implemented in Spain since Sunday, 15 March 2020**
- **The Company has a robust contingency plan to reduce costs and focus on maintaining shareholder value should the current market instability continue**
- **As a precautionary measure, staff are predominantly working remotely, with selected workforce in the office or at site only when necessary**
- **Work on the Novales-Udias Project continues where possible to ensure it is well positioned to quickly accelerate progress once restrictions are lifted and circumstances allow**
- **All non-essential activity, including travel, has been ceased or reduced to protect the Company's employees and assets, and conserve capital**
- **Further historic underground drill-hole results expected to be released shortly**

Spain has extended the state of emergency declared in response to the COVID-19 virus. Our project sites are now closed to non-essential visitors and strict social distancing procedures are in place. The Company has cancelled non-essential site visits and implemented travel restrictions and strict controls on site access. Where possible, Variscan continues its work on the Novales-Udias Project to ensure it is well prepared to quickly accelerate progress once restrictions are lifted and circumstances allow. Shareholders will be kept closely informed of progress.

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

*'The health and safety of our people is our key priority. Variscan is supportive of the action being taken by the Spanish national and regional authorities to address the threat of COVID-19. We have already taken steps to ensure that the safety of our employees and assets is ensured, and that our cash position is preserved should the volatility and uncertainty continue in the future. We remain confident of the value of our high quality zinc assets in Spain, and look forward to updating the market on further developments.'*

### 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 Novales 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 which include anomalies up to 2km long and close to 1km wide and up to 17% Zn.

Significantly, the Novales-Udias Project includes a number of granted mining tenements (refer ASX announcement dated 29 July 2019).

## *Novales-Udias Project Highlights*

- Near term zinc production opportunity (subject to positive exploratory work)
- Large tenement holding of 68.3 km<sup>2</sup> (including a number of granted mining tenements)
- Regional exploration potential for another discovery analogous to Reocin (total past production and remaining resource 62Mt @ 8.7% Zn and 1.0% Pb<sup>1,2</sup>)
- 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<sup>3</sup>
- Simple mineralogy of sphalerite – galena – calamine
- Ore is strata-bound, epigenetic, lenticular and sub-horizontal
- Reported historic production of super high grade ‘bolsas’ (ore bags) commonly 10-20% Zn and in some instances +30% Zn<sup>4</sup>
- Assay results of recent targeted grab samples taken from within the underground Novales Mine recorded 31.83% Zn and 62.3% Pb<sup>5</sup>
- Access and infrastructure all in place
- Local community and government support due to historic mining activity

### **ENDS**

*This announcement has been authorised for issue by Mr Stewart Dickson, Managing Director & CEO, Variscan Mines Limited.*

#### **For further information:**

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#### **Notes**

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 previous ASX Announcements relating to the Novales-Udias Project, and the historic exploration results and production data previously advised to the ASX, it confirms that it is not aware of any new information or data that materially affects the information included in that market announcement.

<sup>1</sup> 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.

<sup>2</sup> 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.

<sup>3</sup> Anecdotal evidence from original Novales miners interviewed during the WAI Due Diligence supported with historical production data from the School of Mines in Torrelavega historical archives.

<sup>4</sup> Anecdotal evidence from original Novales miners interviewed during the WAI Due Diligence.

<sup>5</sup> Refer to ASX Announcement of 19 December 2019