



MONETISATION OF NON-CORE INVESTMENT

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, announces the sale of its entire shareholding in Thompson Resources Ltd (ASX:TMZ).

Key Points

- **Clear focus on advancement of Spanish zinc assets**
- **Non-dilutive cash inflow of A\$0.48m**
- **Additional funds allocated to enhance work programme towards maiden mineral resources estimate and early production at the San Jose – Novales Mine**
- **Early cash-flow would be used to sustainably fund the exploration of the contiguous Buenahora tenement area**

Having been a long-term substantial shareholder in Thomson Resources Ltd ('Thompson'), the Board has decided to take advantage of improved liquidity in the trading of Thompson shares and realise the value of the investment. The net proceeds of approximately A\$0.48 million will be allocated to the development of Variscan's high quality zinc assets in Spain.

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

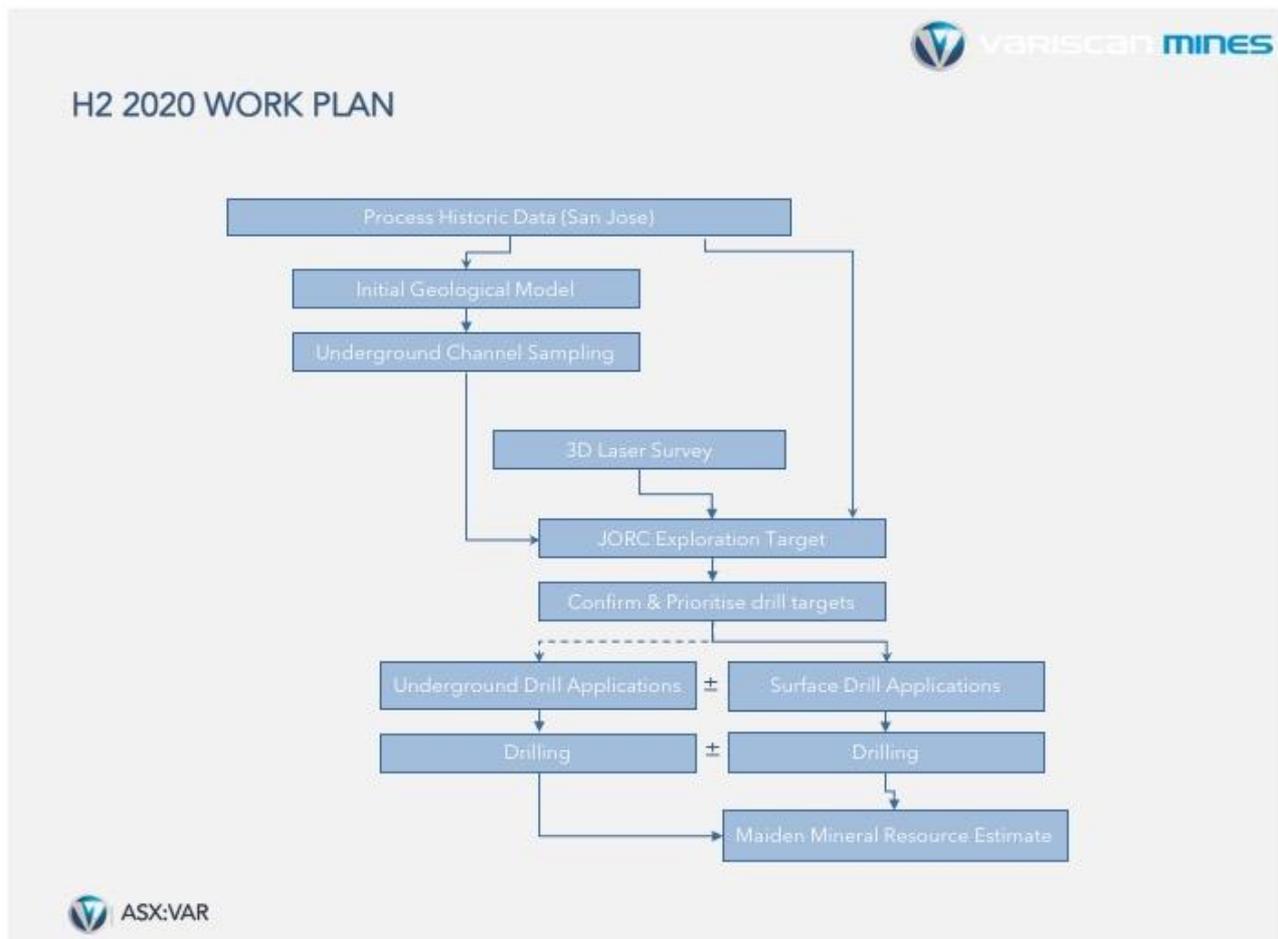
'Variscan is on track towards a maiden mineral resource estimate at the San Jose-Novales Mine. These additional funds, raised without diluting shareholders, ensure that we remain well-funded and will allow us to enhance the work programme for H2 2020. We look forward to reporting the results of our fieldwork and desktop studies shortly'.

Work Plan

The work plan for H2 200 published by Variscan (refer ASX Announcement dated 02 June 2020) is on track. The work-streams and activities are specifically designed to progress towards defining a maiden mineral resource estimate at the San Jose- Novales Mine in a logical and step-wise approach.

Variscan is committed to its strategy of seeking to establish early production at the former Novales Mine and use cash flow to sustainably fund the exploration of the contiguous Buenahora tenement area situated on the Reocín Formation and hosts multiple historic workings.

Figure 2. Plan of field work and desktop work for H2 2020



ENDS

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

For further information:

Variscan Mines Limited

Stewart Dickson

T: +61 2 9906 5220

E: info@variscan.com.au

FUNDEXA

Bill Kemmery

T: +61 400 122 449

E: Bill@fundexa.com

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.