

# TRANSFORMATIONAL ACQUISITION

## OVERVIEW

Variscan Mines (ASX:VAR) is a growth oriented natural resources company focused on the acquisition, exploration and development of high quality strategic mineral projects the company's portfolio now includes high quality strategic mineral projects (zinc) in Spain.

## KEY FACTS

-  Strategic portfolio of high impact base metal projects in proven mining jurisdictions
-  Transformational acquisition of advanced projects in Spain
-  +\$3m in funding for next stage of development
-  Strategic, long-term shareholders in Australia, Europe and Singapore with experienced leadership team
-  Further growth through value-accretive acquisitions and deal-making

## LEADERSHIP TEAM



**Dr. Foo Fatt Kah**  
Non-Executive Chairman



**Stewart Dickson**  
Managing Director  
+ Chief Executive Officer

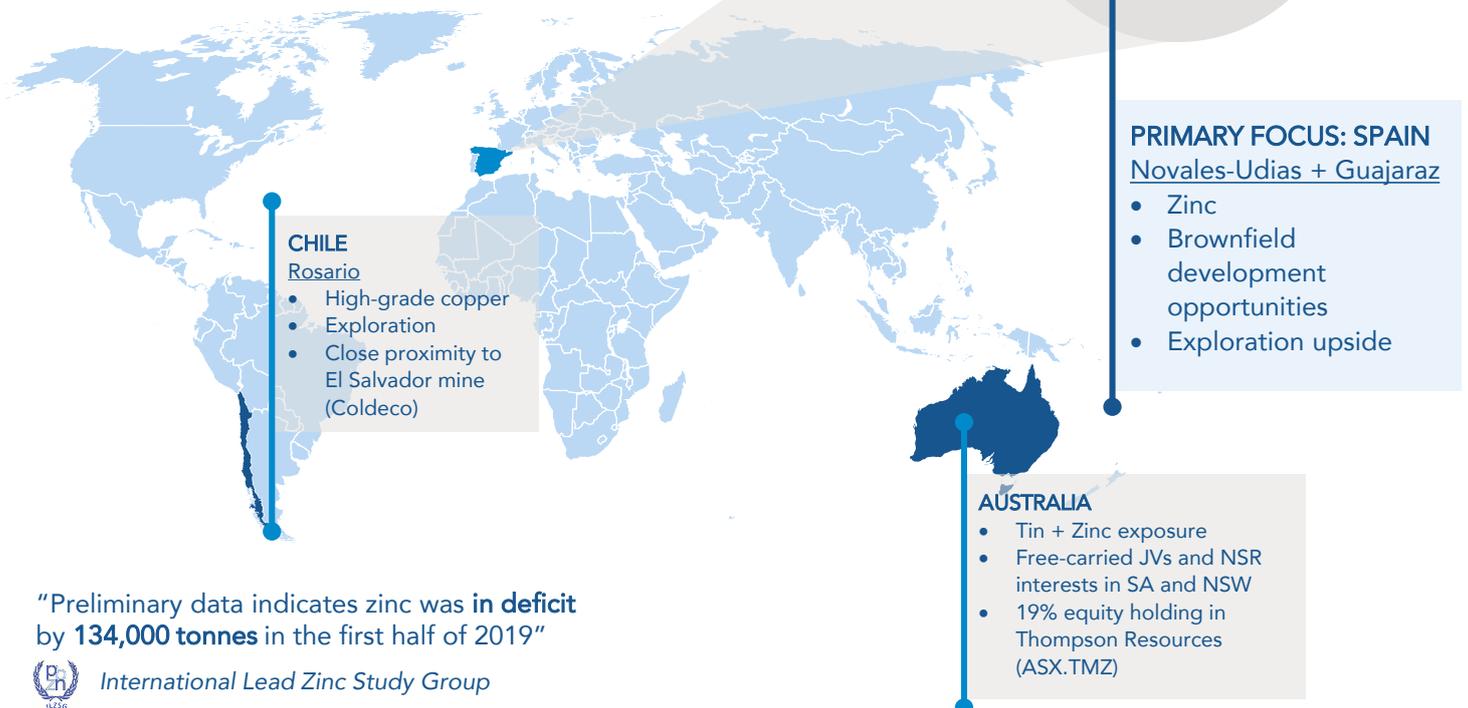


**Mike Moore**  
Non-Executive Director



**Mark Pitts**  
Non-Executive Director  
+ Company Secretary

## HIGH IMPACT PORTFOLIO IN PROVEN MINING JURISDICTIONS



“Preliminary data indicates zinc was **in deficit** by **134,000 tonnes** in the first half of 2019”

 International Lead Zinc Study Group

# FOCUS ON: SPAIN

La Union Mine



- ✓ EU member
- ✓ Proximity to industrial markets
- ✓ Significant mining + development investment
- ✓ Pro-mining regime
- ✓ Availability of skilled labour

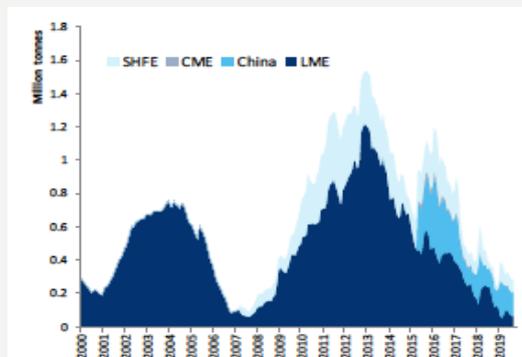
## NOVALES-UDIAS (ZINC)

- Near term production opportunity
- Former producing Novales mine; historic production ~7% Zn
- Large tenement holding: 68.3km<sup>2</sup>
- ~10km from Reocin deposit (62Mt @8.7% Zn, 1.0%Pb)
- Trucking distance to world's 2nd largest zinc smelter (Glencore owned)
- Access & infrastructure all in place

## GUAJARAZ (ZINC)

- High quality brown-field zinc-rich polymetallic opportunity
- Former producing La Union Mine
- Historic ENADMISA resource 5-10Mt @ 10% Zn, 0.5%Pb, 130g/t Au
- Large permit area of 1,530 Ha
- Existing access & infrastructure in place

## POSITIVE OUTLOOK FOR ZINC



- Large drawdowns of refined zinc stocks → exchange inventories at critical levels
- Global concentrate market → surplus due to decreased refined production in China and Rest of the World
- Zinc market currently estimated to be moving into a smelter bottleneck in 2019, with concentrate surpluses and continued refined deficits;
- Reduced mine guidance, flooding in Queensland and environmental restrictions on small mines in China is putting the concentrate surplus at risk
- Additional mine and smelter production needed to satisfy the zinc market.

## TRANSACTION HIGHLIGHTS



Acquired assets vended in by resources sector fund, Slipstream Resources, who have an established track-record of developing mineral assets globally



All-share deal → alignment of interests and long-term investment horizon



Vendors have agreed to voluntary escrow arrangements



Commitments received for \$3m in total. Tranche 1 (\$0.6) completed with a European investment fund and Australian family office. Tranche 2 (\$2.4m) including institutional and sophisticated investors, to be issued on shareholder approval



Expected closing in October 2019