IN-SITU HIGH-GRADE ZINC MINERALISATION IDENTIFIED OUTSIDE OF MINE WORKINGS SURVEYED

MULTIPLE DRILLING TARGET AREAS IDENTIFIED

Highlights

- **Integration of the 3D underground laser survey at San Jose-Novales mine with historical drilling database confirms unmined positive historical drilling intersections remaining;**
- **The 3D survey of stopes, workings and mine development confirms the wide lateral and vertical extent of mineralization (past and present) within the mine;**
- **Extensive mine development amenable for future production scenarios;**
- **Identified multiple drilling target areas; and**
- **Maiden drilling program to test priority targets commencing this month.**

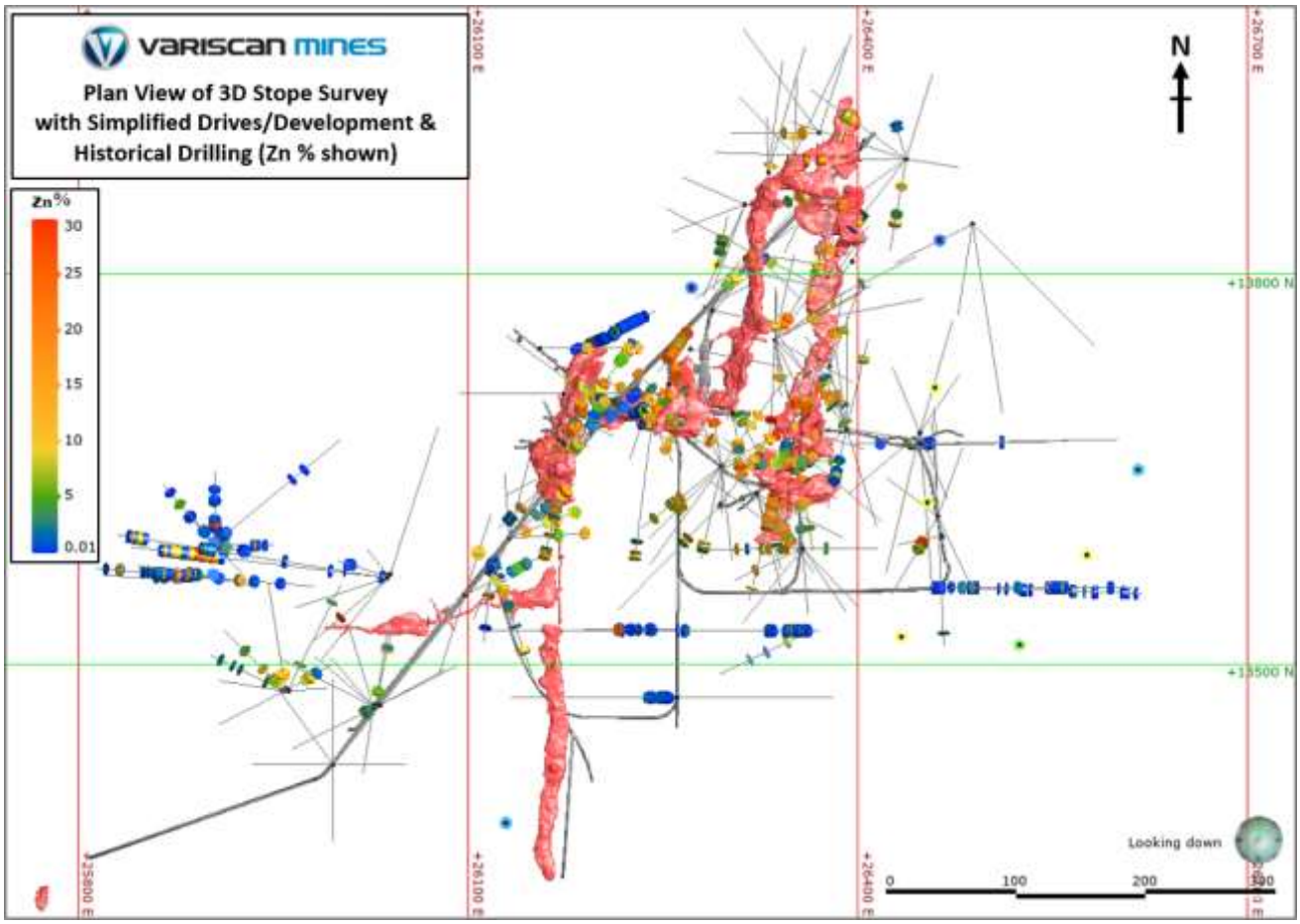
Variscan's Managing Director & CEO, Stewart Dickson said,

"The 3D survey provides us with a clear, digital picture of the extent of historical mining activity at the San Jose mine. It does confirm that significant high-grade zinc mineralised intersections from historical drilling campaigns remain unmined, some of which present viable targets for the imminent drilling campaign.

The 3D survey has significantly improved our geospatial understanding of the mine and enabled us to better execute a high impact underground drilling programme starting shortly.

Drill testing of these targets seek to establish extensions to existing stopes and discovery of further economic mineralisation.

Figure 1. Plan view integrating 3D stope Survey (red wireframes), survey of drives and mine development (grey), historical drilling (% Zn grade shown along drill traces)



Variscan Mines Limited ("**Variscan**" or the "**Company**" or "**Group**") (ASX:VAR) is pleased to announce the results of the 3D laser survey and its integration with the significant historical dataset of 426 underground drillhole collars, for approximately 29,902m[1] and 102 surface drillhole collars, totaling approximately 18,870m[2].

Most striking is the presence of potentially mineralised, unmined material surrounding the stopes in the centre of the San Jose-Novales mine. Some outer zones still appear to have mineralisation in-situ, specifically in the southwestern area of the mine, and other areas have potentially mineralised zones along strike extensions. In several areas of the mine outside of the surveyed stopes exist high-grade intersections from historical drilling. These provide drill target areas in addition to seeking extensions of mined stopes on north-south parallel structures.

Key Findings and Next Steps

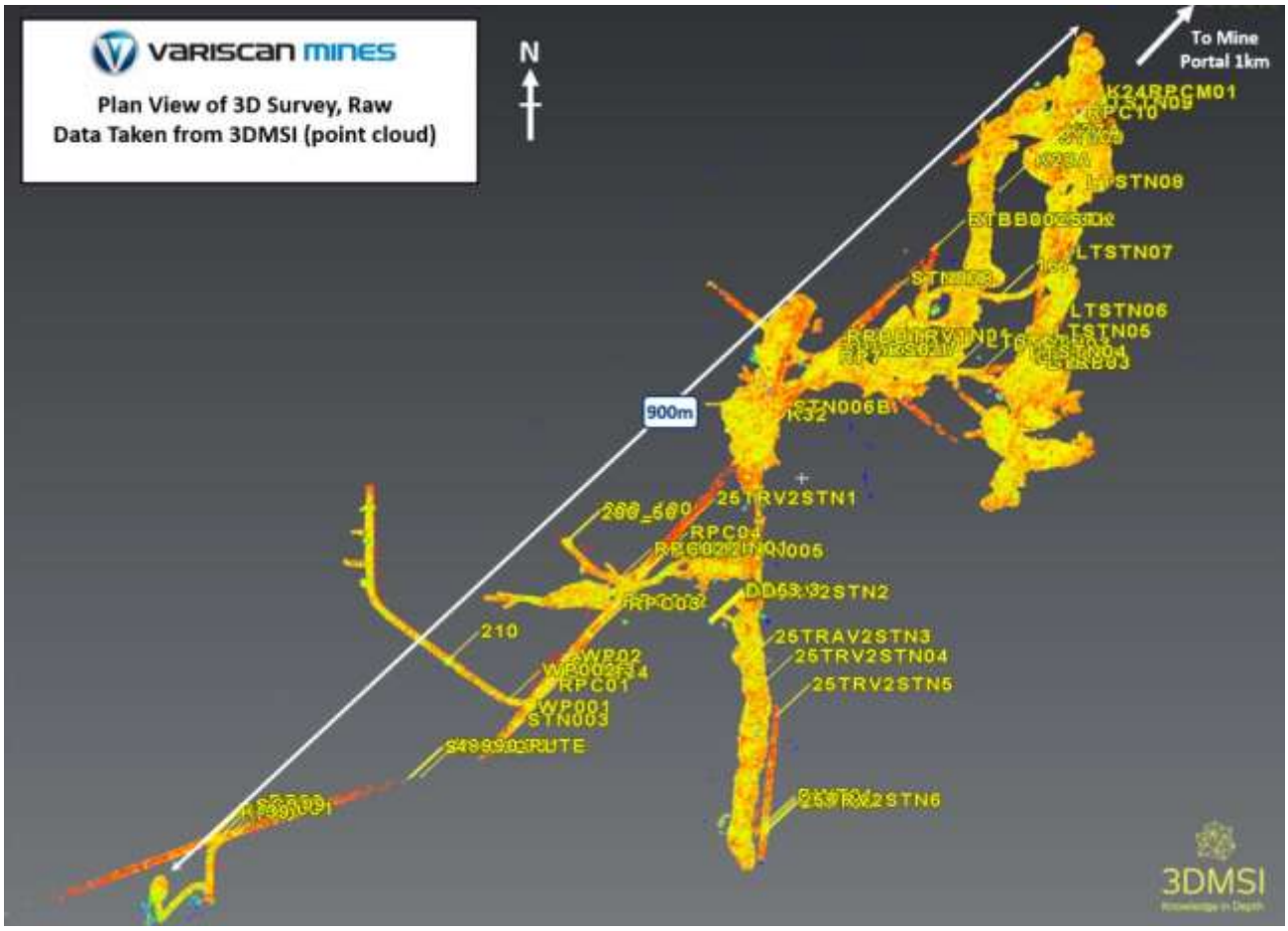
- The laser survey has produced a highly detailed 3D model of the workings and mine development at the San Jose–Novales Mine; it provides the accurate detail required for an

[1] This number includes all drillholes in the current underground database with corresponding downhole data, not all these holes have sufficient collar data to plot in 3D and require further verification and corroboration with historical plans
[2] Refer to ASX Announcement of 3 February 2020

underground drilling programme, aimed at assessing extensions and repetitions of mineralisation;

- Surveyed stopes are in clear N-S parallel elongated orientations with lesser E-W oriented linking stopes;
- The orientation of the existing stopes supports the geological interpretation of parallel N-S oriented mineralised structures with E-W linkages, advancing future exploration plans and extensions to existing mine footprint;
- Now that the 3D survey has enabled validation of mined mineralisation, the geological data shows where there are unmined targets and the 3D survey has provided the certainty to these positions to give proposed drill collar and drilling direction targets;
- The 3D underground survey has identified multiple drilling bays and extensive access to existing stopes (drives and ore passes);
- Geospatial information from the survey is critical to plan for a potential restart of operations; saving considerable time and cost for the company; and
- Drilling target areas identified for upcoming programme, commencing this month.

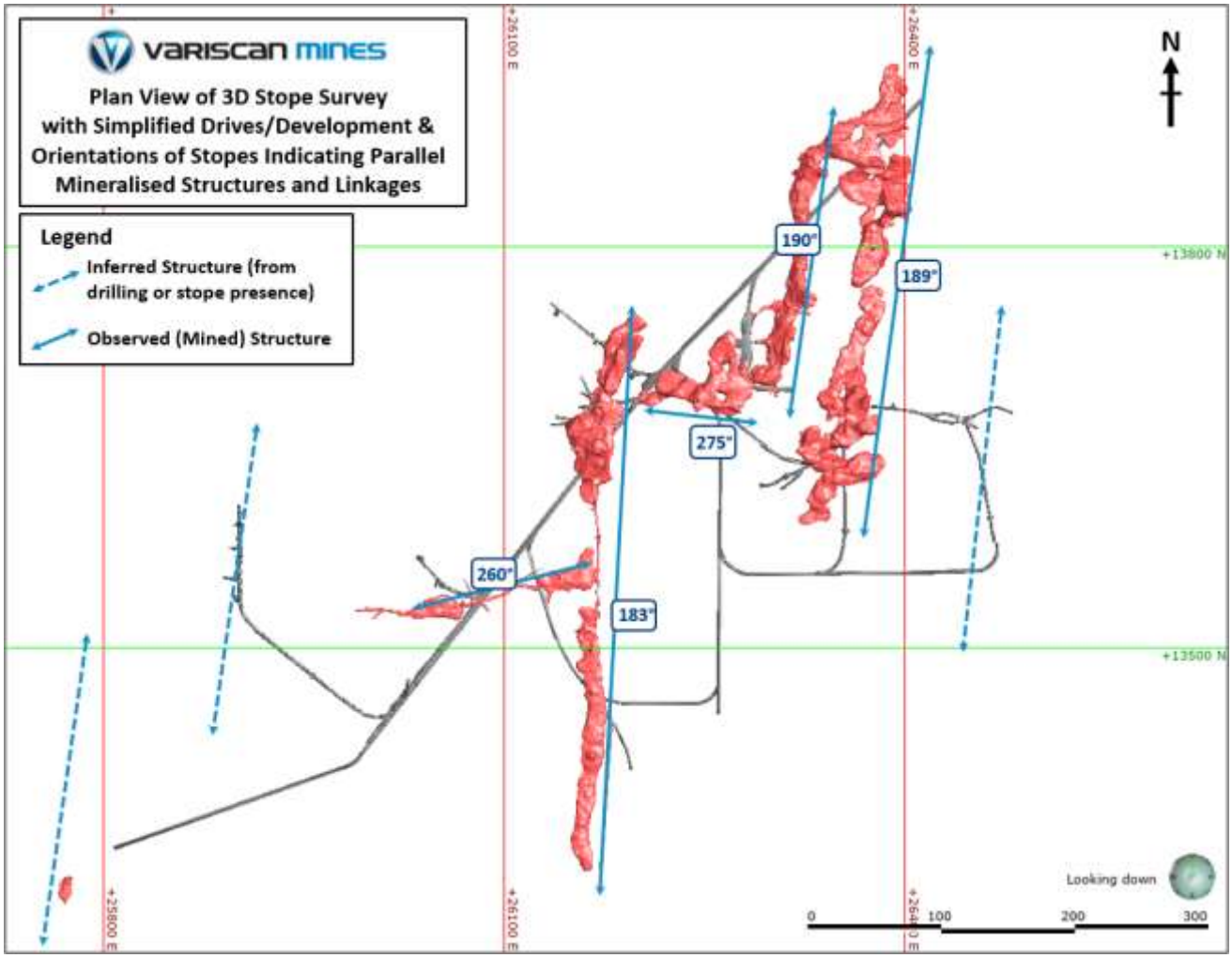
Figure 2. 3D Survey (raw point cloud data) showing the San Jose mined stopes, galleries, and mine development



Drill target areas identified

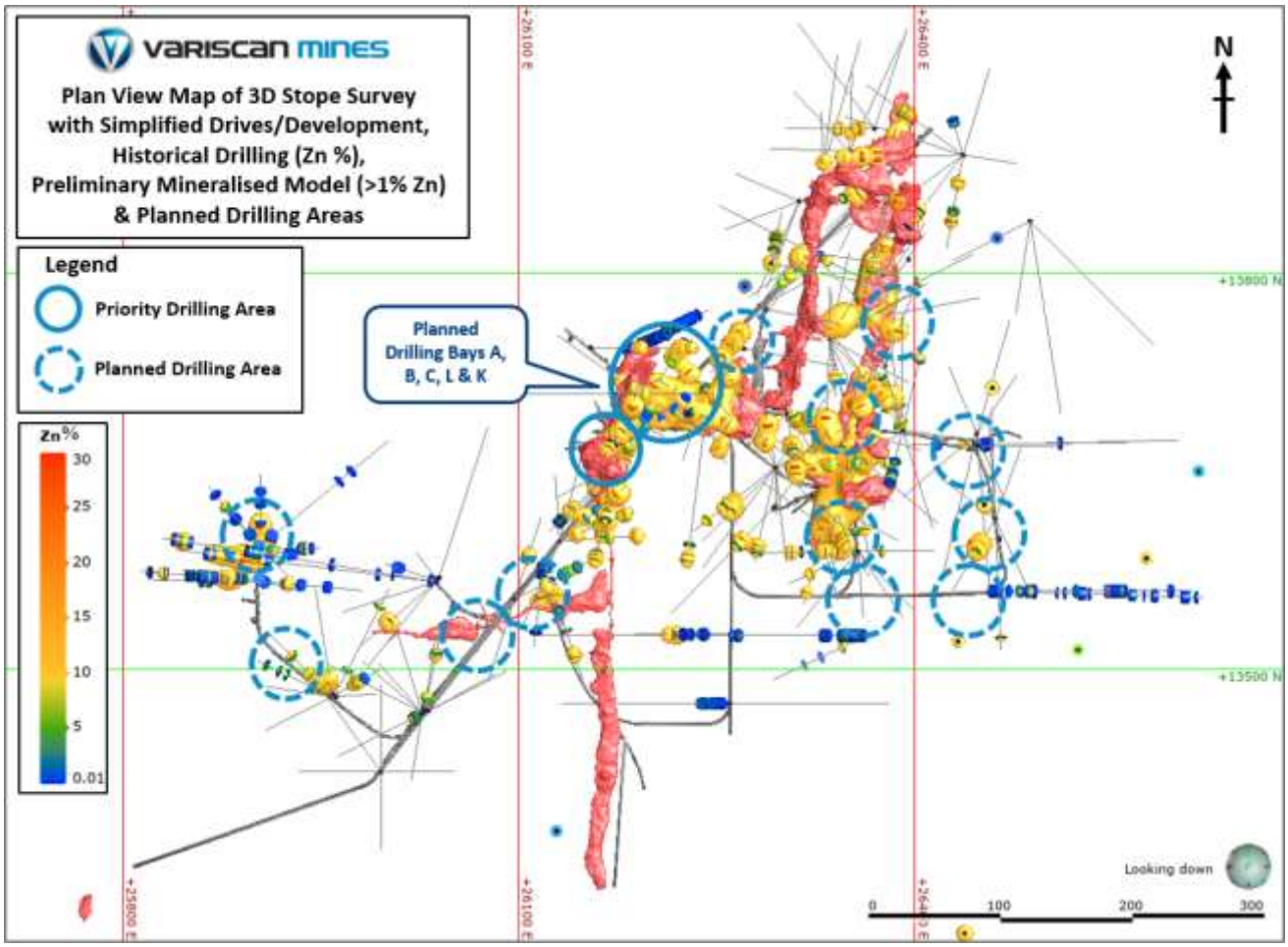
The survey of existing stopes indicates clear N-S parallel structures (see Figure 3). The stopes appear as conjugate (parallel) structures that are oblique to the primary orientation of the regional structures of 020°, 040° and 140°. The southern and northern extremities of stopes and the E-W linkage structures are considered as prospective for potential mineralised strike extensions.

Figure 3. 3D Survey of San Jose mined areas, stopes, galleries, and mine development with orientations of elongate structures and inferred zones annotated (stopes in red and drives in grey)



By combining the drilling database, the 3D mine survey and the preliminary mineralised model, Variscan has identified 24 potential drilling bays underground, these areas are shown in Figure 4. The two priority areas (inclusive of five drilling bays) are highlighted in Figure 4, these are the impending drilling targets considered most prospective.

Figure 4. Potential drill target areas (blue) at San Jose – Novales Mine shown with preliminary mineralised model (yellow) >1% Zn with the mined-out stope survey (red) and drives (grey)



Survey & Geospatial Development

The 3D laser survey was conducted by 3DMSI Limited[3]. The survey utilised a combination of traditional precision surveying, mobile mapping for contextual 3D surveying and high-resolution laser scanning to create accurate sealed mesh data that has been used to produce a 3D model of the main workings of the mine.

The survey covered the major historical works areas and exceeded 2,500 metres, resulting in a preliminary estimation of greater than 180,000 m^3 having been extracted from the San Jose-Novales Mine[4]. For the future, there are further areas to potentially survey on-trend. The area directly to the southwest of the San Jose mine (2.7km length) is devoid of exploratory work apart from sporadic historical surface drillholes and the evidence of historical underground workings extending far as the De Dûna underground workings in the southern part of the Buenahora permit.

The creation of the preliminary mineralised model (>1% Zn and >3% Zn) has been integrated with the 3D survey of existing stopes. These initial volumes are shown in Figure 1 (in yellow) and indicate that even with historical data alone, there are potential areas of in-situ mineralisation outside of the survey

[3] Further information available at: http://www.3dmsi.com

[4] This volume is indicative of what was surveyed. Some areas were inaccessible and therefore omitted from this volumetric calculation.

of historical workings and stopes[5]. This model indicates that there is mineralisation along strike to the north and south of elongated stopes. Furthermore, this model demonstrates potential mineralisation along the near vertical structure plane both above and below existing stopes, further supporting the presence of structurally controlled Pb-Zn mineralisation at San Jose-Novales.

Additionally, the geospatial information generated from the 3D survey when combined with the historical drillhole database has been valuable for:

- the development of drill targets to test in-situ mineralisation and potential extensions to known mineralisation;
- mitigating geospatial risk in the exploration and evaluation phases; and
- informing the geological context of the deposit

Looking Ahead

The Company's immediate focus is progressing with underground drilling at the San Jose Mine; that is expected to commence in November.

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: +44 (0) 7799 694195
E: stewart.dickson@variscan.com.au

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. Variscan has delineated a significant 9km mineralised trend from contemporary and historical data across both the Buenahora exploration and Novales mining permits.

Significantly, the Novales-Udias Project includes a number of granted mining tenements[6].

Novales-Udias Project Highlights

- Near term zinc production opportunity (subject to positive exploratory work)
- Large tenement holding of 68.3 km^2 (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[7][8])

[5] The mineralised model (>1% Zn) has not been created in accordance with the JORC code, thus any volumes from these generated solids are not reported within this document. This model requires additional geological data to support and reflect the inherent geological nature and structural control on mineralisation at the San Jose-Novales mine.
[6] Refer to ASX announcement of 29 July 2019
[7] 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.
[8] 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

- 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[9]
- Simple mineralogy of sphalerite – galena – calamine
- Mineralisation is strata-bound, epigenetic, lenticular and sub-horizontal
- Reported historic production of super high grade 'bolsas' (mineralised pods and lenses) commonly 10-20% Zn and in some instances +30% Zn[10]
- Assay results of recent targeted grab samples taken from within the underground Novales Mine recorded 31.83% Zn and 62.3% Pb[11]
- Access and infrastructure all in place
- Local community and government support due to historic mining activity

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

The information in this document that relates to technical information about the Novales-Udias project is based on, and fairly represents information and supporting documentation compiled and reviewed by Mr. Ché Osmond, an employee of Wardell Armstrong International. Mr. Osmond is a Chartered Geologist (CGeol) and Fellow of the Geological Society of London, and European Geologist (EurGeol) of the European Federation of Geologists, and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the December 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" ('JORC Code'). Mr Osmond consents to the inclusion in the report of the matters based upon the information in the form and context in which it appears.

Forward Looking Statements

Forward-looking statements are only predictions and are not guaranteed. They are subject to known and unknown risks, uncertainties and assumptions, some of which are outside the control of the Company. Past performance is not necessarily a guide to future performance and no representation or warranty is made as to the likelihood of achievement or reasonableness of any forward-looking statements or other forecast. The occurrence of events in the future are subject to risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements to differ from those referred

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.

[9] 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.

[10] Anecdotal evidence from original Novales miners interviewed during the WAI Due Diligence. In addition, reports of the super high grade mineralisation are supported with historical production data from the School of Mines in Torrelavega historical archives. (Refer ASX release 29 July 2019)

[11] Refer to ASX Announcement of 19 December 2020

to in this announcement. Given these uncertainties, recipients are cautioned not to place reliance on forward looking statements. Any forward-looking statements in this announcement speak only at the date of issue of this announcement. Subject to any continuing obligations under applicable law and the ASX Listing Rules, the Company, its directors, officers, employees and agents do not give any assurance or guarantee that the occurrence of the events referred to in this announcement will occur as contemplated.

JORC Table 1, Sections 1 and 2 in reference to Historic Underground Drilling at the Novales-San Jose Mine

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representativity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• The data referenced in this report relates to exploration undertaken by mining companies operating the Project from the 1950's to the late 1990's. This historical data is held at the School of Mines and Energy Engineering at Torrelavega, a faculty of the University of Cantabria. It is understood that all historic drilling was core drilling. • Due to the incomplete nature of the historic drill data and records, including procedures, a comment on the sample representativity or calibration of measurement tools or systems used by historic workers cannot be made. Further comment regarding specific components of the historic drilling is provided in subsequent sections of this table. The data cannot be considered 'industry standard' by modern standards • It has been assumed that all reported assays are representative of technology available at the time, but no reliance has been put on it.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• The historic surface and underground drilling reported here is understood to be all core drilling. No details of the drilling techniques employed have been identified in the historic data. This includes reference to core diameter(s), core orientation methods, nor down hole survey data. • This release relates to all 426 historic underground drill holes (1965 to 1991) collated to date, only 335 of which have been projected in 3D due to minor errors in the database or missing values that require verification with historic maps and sections before plotting in 3D reliably. • This release also relates to 102 historical surface drillholes (1957 to 1983), only 30 of which have sufficient data to be projected in 3D with downhole data (assay only). These holes consist of 57 vertical, 32 inclined and 13 holes with no dip indicated. • No records of the type of drill rig used have been identified.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias*	• No records of core recovery have been identified from the historic data. • Given the absence of core recovery data, it is not possible to assess the potential of a relationship between sample recovery and grade. • The absence of drill recovery data means that reported grades may be subject to either over or underreporting. No assessment or estimation of these effects has been made due to the lack of data.

Criteria	JORC Code explanation	Commentary
	may have occurred due to preferential loss/gain of fine/coarse material.	
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• No geotechnical logs have been identified. The drill hole information reported here is not of a sufficient level of detail too support a Mineral Resource Estimation, mining or metallurgical study. • In the absence of detailed data, no comment on whether the logging, where observed, is qualitative or quantitative has be made. No core photography has been identified. • The geological logs have varying degrees of detail. However, basic intervals were digitized. All 335 holes plotted in 3D have at least assay or lithology downhole data. • Of the 102-total surface drillholes there are only 39 with assay data and 30 that correspond to holes with dip/depth/azimuth in the collar file. No lithological data was available from historic records to supplement the database during the digitisation process.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representativity of samples.* • *Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Historic approach to sampling appears selective, guided by geological observation and no "apparent" waste was sampled. • No details of the sub-sampling or sample preparation techniques have been identified from the historic records, and no supporting sampling procedures have been identified. It is not known whether ¼, ½ or whole core was submitted for analysis. • In the absence this data, and other data related to the sub-sampling techniques and sample preparation, no cannot comment on the appropriateness of the sample preparation techniques has been made. • No evidence of Quality Control procedures nor results have been identified. This includes evidence of field duplicates or other current industry standard quality control procedures, such as Certified Reference Materials and blanks. • In the absence of sample size data, no comment on whether the sample size is appropriate to the grain size of the sampled material has been made.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• No descriptions of the assaying and laboratory procedures used have been found. It is unknown whether the techniques used are partial or total, nor the laboratory used. • No descriptions of quality control procedures adopted by the laboratory, nor any results of any related Quality Control data, has been identified. No comment can be made on whether acceptable accuracy or precision of results has been established.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.*	• Due to the historic nature of the results reported, it has not been possible to verify significant intersections. It is not known whether verification of intersections was undertaken by previous operators at the time of drilling. No remaining core from these programmes have been identified to date, however

Criteria	JORC Code explanation	Commentary
	• *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	investigations are ongoing. • The historic data does not include any twinned holes. It is understood that Variscan may consider twinning historic drill holes as part of the companies upcoming exploration plans. • No documentation or records of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols have been identified. • Historic records consist largely of handwritten drill hole summaries. This data was identified and transcribed to Microsoft Excel © and then imported into Leapfrog Geo and Datamine Studio RM for drill hole database validation, significant intersections, and 3D viewing. It is understood that Variscan intend to transfer this data to an industry standard drill hole database during their ongoing exploration of the project. • Given the absence of detailed historical information relating to the assay data, no adjustment to the assay data has been made. The data has been reported as it was recorded in the original documentation. Variscan have no reason to disbelieve the data as presented in the historical logs, however, understand the limitations of the data for use in reliable and classified mineral resource estimations going forward until assay verification has been achieved to a satisfactory standard. • This release relates to all 426 historic underground drill holes collated to date with downhole data, only 335 of which have been projected in 3D due to minor errors in the database or missing values that require verification with historic maps and sections before plotting in 3D reliably. There is a total of 615 holes in the collar file, 366 holes have sufficient XYZ, dip, depth or azimuth data to project in 2D or 3D. However, of the total 504 holes in the downhole file (assay and lithology combined) only 335 of these have corresponding drillhole collar information with all necessary data to plot these holes. Therefore, 335 is the final number plotted in 3D which excludes any drillhole without at least one key data (i.e. dip, azimuth, depth, XYZ) in the database. • Of the 102-total surface drillholes there are only 39 with assay data and 30 that correspond to holes with dip/depth/azimuth in the collar file. No lithological data was available from historic records to supplement the database during the digitisation process.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• The method of recording collar coordinates by the historic operating companies has not been identified. It is noted that much of the drilling was undertaken prior to the ubiquitous use of modern GPS by industry. The accuracy of reported drill hole collars has not been determined. Some historic drill hole collars have been verified in the field, although there are still some holes that require field verification underground in drilling bays. • Collar coordinates relating to the historic drill holes reported were identified in a local grid and transformed to the European Terrestrial Reference System 1989 (ETRS89), an earth-centre, earth-fixed geodetic Cartesian reference frame for GIS work. Thus, 2D maps (Figures) used in this report have been made with ETRS89. • 3D projected data (shows as 2D cross-sections in this press release) have utilised the local mine grid co-ordinates. This was decided to allow more holes to be displayed as not all collars have both XY co-ordinates in Local and ETRS89 format, a transformation was calculated using the collars that have both Local and ETRS89 co-ordinates and was determined as unreliable and requires further investigation. To allow XY co-ordinates to be used for the holes with only ETRS89 co-ordinates a transformation was applied using the QGIS function GDAL Vector Conversion based on a selection of collars which have

Criteria	JORC Code explanation	Commentary
		both Local and ETRS89 co-ordinates, the transformed holes align well with the georeferenced plan "30_26_P1_02" with a 1-2m discrepancy. This is sufficient for this level of study but should be improved significantly in the future by Variscan along with twinned hole verification to provide reliability for a Mineral Resource Estimate using these holes. • Ideally going forward a selection of the historic underground control points (i.e. K-21 found on historic plans) should be surveyed underground with a differential GPS to provide a robust transformation for all local mine grid data into ETRS89 for consistency. • The quality and adequacy of the topographic control on the location of collar points has not been assessed. • Collation and cross-reference of historic map, level plan and log/tabular hardcopy datasets show a reasonable degree of relative geospatial correlation. • The 3D underground survey was conducted by 3DMSI using initially a robotic total station to take the in-situ pre-existing historical survey pin locations to use as reference points. A "Z+F Imager 5010C laser scanner" was used to capture data inside stopes and drives at San Jose and these data were registered as a point cloud. The point cloud was simplified, and wireframes created from this data set. • It is important to note that the survey was re-located and scaled to fit a historical mine plan (30.26 P1_02.jpg) and therefore remaining within the local mine grid rather than a more typical CRS such as ETRS89. This method of transformation of the survey using the historical survey pins has caused inherent errors in the survey between 1 to 2.5m in some cases when compared with historical plans. This must be considered when planning drillholes and going forward a surveyor with a DGPS should re-survey the underground survey pins in ETRS89 and transform the whole survey to this CRS.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• The underground and surface drillholes are not located in a grid pattern, it is considered likely that drillholes were sighted based on accessibility underground. • Underground collars are generally within 30-40 m of each other with numerous holes from each collar in a radial pattern (fanned out from UG drilling bays). The data is very closely spaced due to accessibility underground. • Surface drillholes are sporadically spaced between 50m and 2km in and around the Buenahora exploration permit and the Novales mining permit. • An assessment of the data spacing with regards to its use in the estimation of a Mineral Resource or Ore Reserve has not been made, as the quality of the drill hole data precludes its use for these estimations. • It is not known whether sample compositing was applied.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Mineralisation at the project has been reported as following subvertical structures and more commonly as stratiform, sub horizontal and lenticular with lateral and vertical bleeding. Some mineralisation has been reported as faulted and fractured, with a significant influence with the development of karsts. Mineralisation in this setting presents as 'bags' with lenticular form. Due to the irregular and or variable nature of the mineralisation, an estimated of potential bias through orientation of sampling has not been made. • It is unknown if the core sampling in the historic campaigns will have introduced a significant bias. • While the location of mineralisation centres on the Novales trend follows a broad NNE strike, the orientation of distinct orebodies

Criteria	JORC Code explanation	Commentary
		on this trend is understood to be irregular and highly variable both in terms of strike and dip. UG drilling is often radial in nature, and no comment can be made on the orientation of drilling in respect of mineralisation orientation. Surface drilling is often vertical and dipping steeply.
Sample security	• *The measures taken to ensure sample security.*	• No records relating to the sample security have been identified.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• No audits or reviews of the sampling techniques and data have been undertaken for the historical records.

Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• The exploration permit "Buenahora" is held by Variscan Mines. • The author is not aware, at the time of writing this, of any environmental issues that could affect ongoing works within these licences. • The exploitation permit for the Novales-Udias historic mine area is owned by Variscan Mines. • The author is not aware, at the time of writing this, of any issues with tenure or permission to operate in this region.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• The data referenced in this report refer to exploration undertaken by historic mining companies operating the Project from the 1950's to the mid 1980's. The previous workers include Hispanibal and Asturiana de Zinc (previously a subsidiary of Xstrata / Glencore). • The historic data referenced in this report and undertaken by the historic workers is held at the School of Mines and Energy Engineering at Torrelavega, a faculty of the University of Cantabria.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The mineralisation at the project is considered a Mississippi Valley Type Lead-Zinc type deposit with associated structural and stratigraphic controlled carbonate dissolution and replacement Lead-Zinc type mineralisation. • Mineralisation at the project has been reported as following subvertical structures and more commonly as stratiform, sub horizontal and lenticular with lateral and vertical bleeding. Some mineralisation has been reported as faulted and fractured, with a significant influence with the development of karsts. Mineralisation in this setting presents as 'bags' with lenticular form.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* ○ *easting and northing of the drill hole collar* ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* ○ *dip and azimuth of the hole* ○ *down hole length and interception depth* ○ *hole length.* • *If the exclusion of this information is justified on the basis that the*	• Historical surface drilling (102 holes) can be summarised as follows regarding Easting/Northing/RL/dip/azimuth: ○ ETRS89 Easting range 398,502 to 404,995m ○ RL range 37.98 to 388.45m ○ Dip range -45 to -90 ○ Azimuth range 0 to 328° ○ Hole depth ranges 18 to 686.7m ○ Interception depth ranges 0 to 484.8m • Historical underground drilling (335 holes that have both collar and downhole data that are plotted in 3D) can be summarised as follows regarding Easting/Northing/RL/dip/azimuth: ○ Local Mine Grid Easting range 20,037.55 to 29,958.05m ○ RL range 42 to 74m

Criteria	JORC Code explanation	Commentary
	information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	○ Dip range -90 to +90 ○ Azimuth range 0 to 358.2° ○ Hole depth ranges 7 to 232m ○ Interception depth ranges 0 to 231.4m • No records of specific gravity or density measurements have been identified. • It is noted that some of the drilling was undertaken prior to the cessation of mining activities on the project, and as such some of the mineralisation referenced in this announcement may have been mined out. It is understood that this area will be assessed under the proposed exploration activities which include further assessment of historic mining records and the completion of an underground survey (completed, with results pending) in order to understand the extent of mining activity and to the scale of in-situ mineralisation remaining in those zones.
Data aggregation methods	*In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated* • *Where aggregate intercepts incorporate short lengths of high-grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• Historic drill hole data in this announcement has been reported as it was presented in historic records. • No records relating to the use of weighted averaging techniques, maximum and / or minimum grade truncations (e.g. cutting of high grades) has been identified. It is noted that this may be material to the results however no comment in this regard has been made owing to the level of detail of the historic data. • Aggregated intersections stated in Table 1 and Table 2 has only been undertaken for consecutive intervals with reported assay data, these aggregated intersections have been calculated as a weighted average based on the sample lengths. • No metal equivalent grades have been stated.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• Due to the irregular form of the mineralisation style which can range from horizontal and gently dipping stratiform mineralisation to vertical structural mineralisation, and the absence (or records) of orientated core, true widths cannot be reported for the historic drilling. • Therefore, interval widths reported refer to downhole length not true width.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• The information in this news release does not refer to a significant discovery; however, maps and figures have been included to illustrate the location of the results reported. • Figure 1 and 4 illustrate the relative position of the drillholes in plan view with the underground 3D mine survey. Figure 4 also shows the conceptual Leapfrog Geo generated mineralisation model which is classified as preliminary and does not include any structural data influence or manual adjustments at this stage. This Leapfrog model was created using a numeric interpolant above a 1% Zn cut-off grade. • Figure 2 provides a plan view map of the raw 3D survey data prior to processing. • Figure 3 illustrates a 2D plan of the 3D mine survey with annotated known orientation of mined out stopes and inferred zones based on drilling data and known stopes and historical

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		development.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• Drillhole intercepts and grades from historical holes have not been widely reported within this press release, instead they have been covered by prior ASX press releases from Variscan Mines Ltd and can be found on the website www.variscan.com.au
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• This report relates primarily to the 335 historic underground drill holes reported and 30 surface drillholes that have been plotted in 3D in and around the San Jose-Novales. • No other exploration data referenced in this report is considered sufficiently meaningful or material to warrant further reference.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Variscan are planning a series of exploration plans to advance the Novales-Udias Project. The exploration plan is likely to include: ○ Further analysis of historical drilling data ○ Structural mapping ○ 2000m underground drilling campaign commencing in November 2020 to test primary mineralised zones and N-S stope/structure extensions at San Jose-Novales • A diagram illustrating the geological interpretations and possible extensions to mineralisation has been provided in Figure 3.