HIGH GRADE DRILL RESULTS STEPPING-OUT FROM SAN JOSE MINE

Variscan Mines Limited ("**Variscan**" or the "**Company**" or the "**Group**") (ASX:VAR) is pleased to report high grade zinc assay results from surface diamond drilling on the San Jose mining licence, located in Cantabria, northern Spain. The step-out holes are located c.1,200m north-east along strike from the Main Zone of the underground San Jose Mine stopes. The intersected zinc mineralisation is interpreted to be a continuation of the same mineral system and on strike along the 7km Novales Trend.

Highlights

Selected surface diamond drilling results from the San Jose permit:

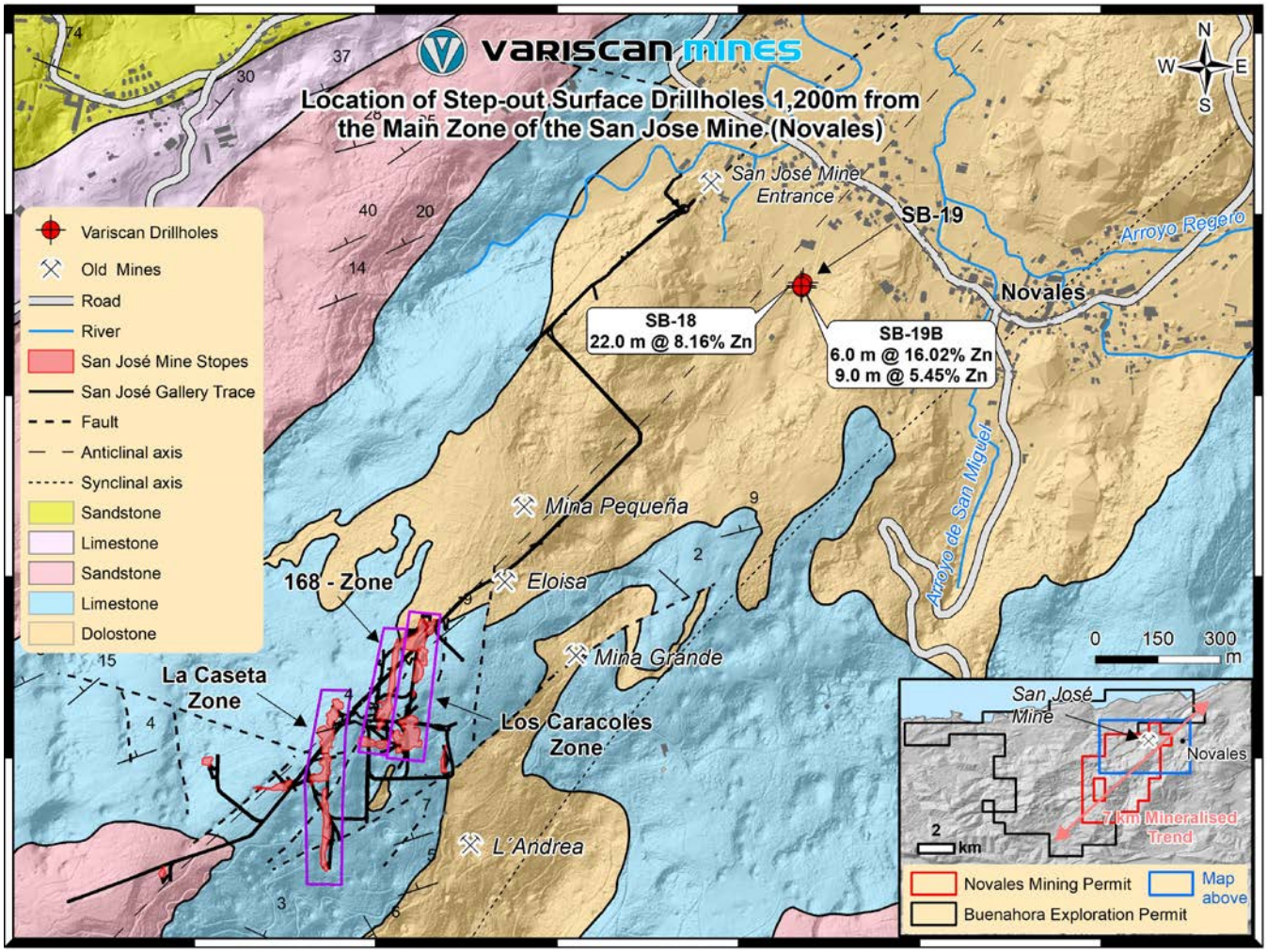
- **SB-18:** **22.00m @ 8.16% Zn + 0.23% Pb**
- **SB-19B:** **6.00m @ 16.02% Zn + 0.71% Pb**
- **SB-19B:** **9.00 m @ 5.45% Zn + 0.07% Pb**

- **Confirmation of thick, high-grade, sulfide zinc-mineralised lenses, representing the same style of mineralisation as the main zone of the undergound San Jose Mine and along strike**
- **Step-out drilling indicates that further expansion drilling is strongly warranted**
- **Modelling of drilling data from recent campaigns together with an extensive historical drilling database, is well advanced to develop an extensively revised geological model as we progress towards publishing a maiden JORC-compliant Mineral Resource Estimate for the San Jose Mine in 2023**

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

"When we reported drilling results at Buenahora towards the end of January 2023, I mentioned our expectation for reporting promising assay results from the step-out drill-holes at San Jose Mine. These results published less than a month later, strongly indicate continuity of the mine's mineralisation being part of the same, extensive mineralised system. These results have made it clear that additional exploration drilling is merited.

Figure 1. Location of step-out surface drilling 1,200m north-east of the Main Zone of the San Jose Mine in Novales



Key Findings: Step-Out Drilling at San Jose Mine

Variscan's recently completed surface drilling campaign included 3 holes (totalling 322.12m) stepping-out approximately 1,200m north-east along the strike of the San Jose Mine stopes, in an area deemed highly prospective, but with very limited historic drilling. One of these holes, SB-18, was vertical and intersected in excess of 22m of semi-continuous zinc mineralisation grading on average 8.16% Zn (sulphide; see Appendix 2). Due to the flat-lying, predominantly stratiform character of the mineralised lenses, the intercepts in SB-18 are considered to reflect more or less 'true thicknesses', occurring at a very shallow depth (36.40-58.40m) – see Figures 2, 3.

A second (angled) hole, aimed to test the southward extension of the lens, intersected two high grade intervals of zinc mineralisation (6.00m @ 16.02% Zn, followed by 9.00m @ 5.45% Zn; Appendix 2) at the same corresponding shallow depth – see Figures 2, 3. These assay results are unprecedented among historic surface drilling conducted in the wider region and confirm significant strike potential of the San Jose mineralised system towards the north-east.

The style of mineralisation intersected appears to be very similar to that observed at the San Jose Mine, i.e., comparatively narrow, yet elongated zones with a sizeable vertical extent, as evidenced by the fact that hole SB-19, directed towards the NE, missed the mineral lenses, inferred to trend north-south (in a similar fashion to those from the San Jose Mine).

Figure 2. Detailed plan view of the new surface diamond drillhole locations, with reference to past historic drilling in the area. (refer also ASX announcement 6 April 2021)

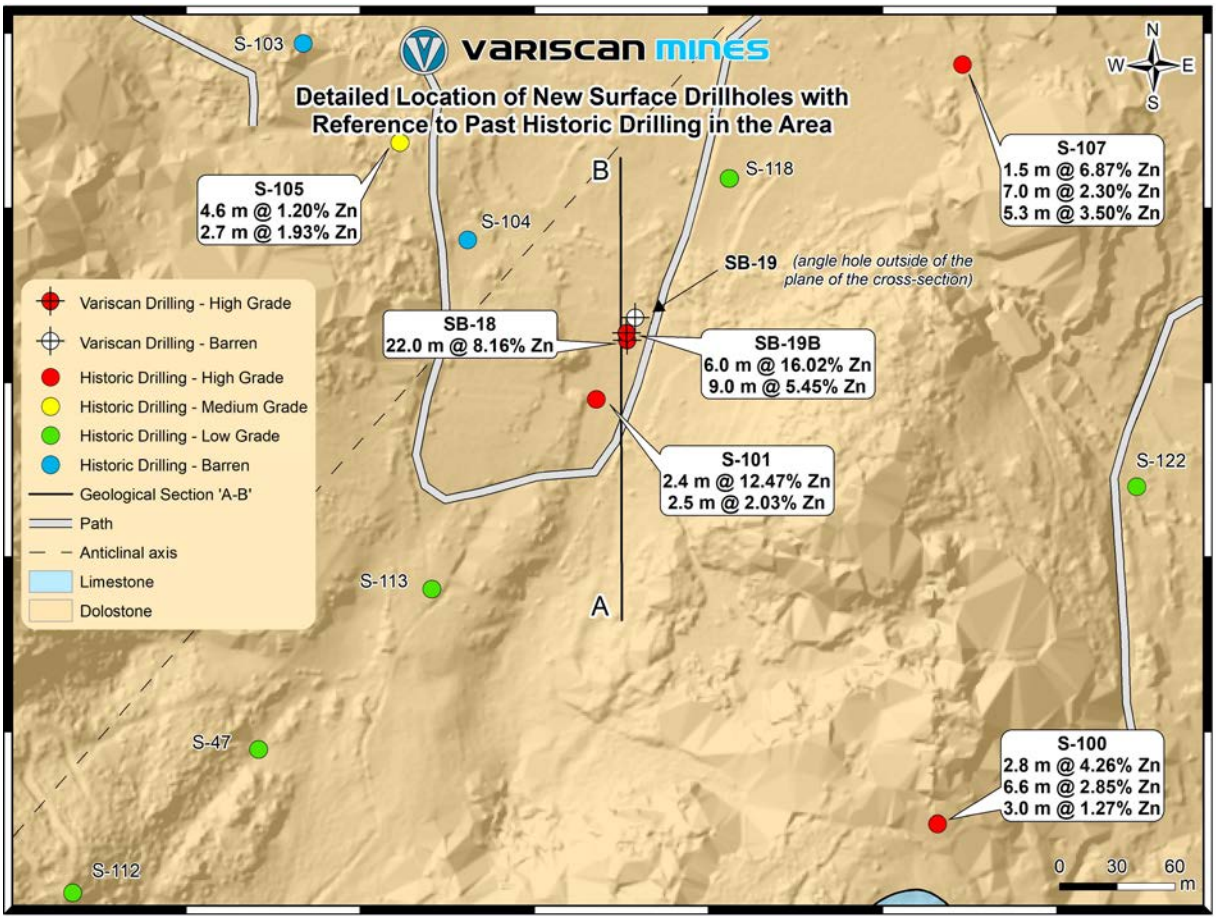


Figure 3. Geological cross-section of the drilled area (looking west), with a spatial interpretation of the zinc sulphide lenses. (refer also ASX announcement 6 April 2021)

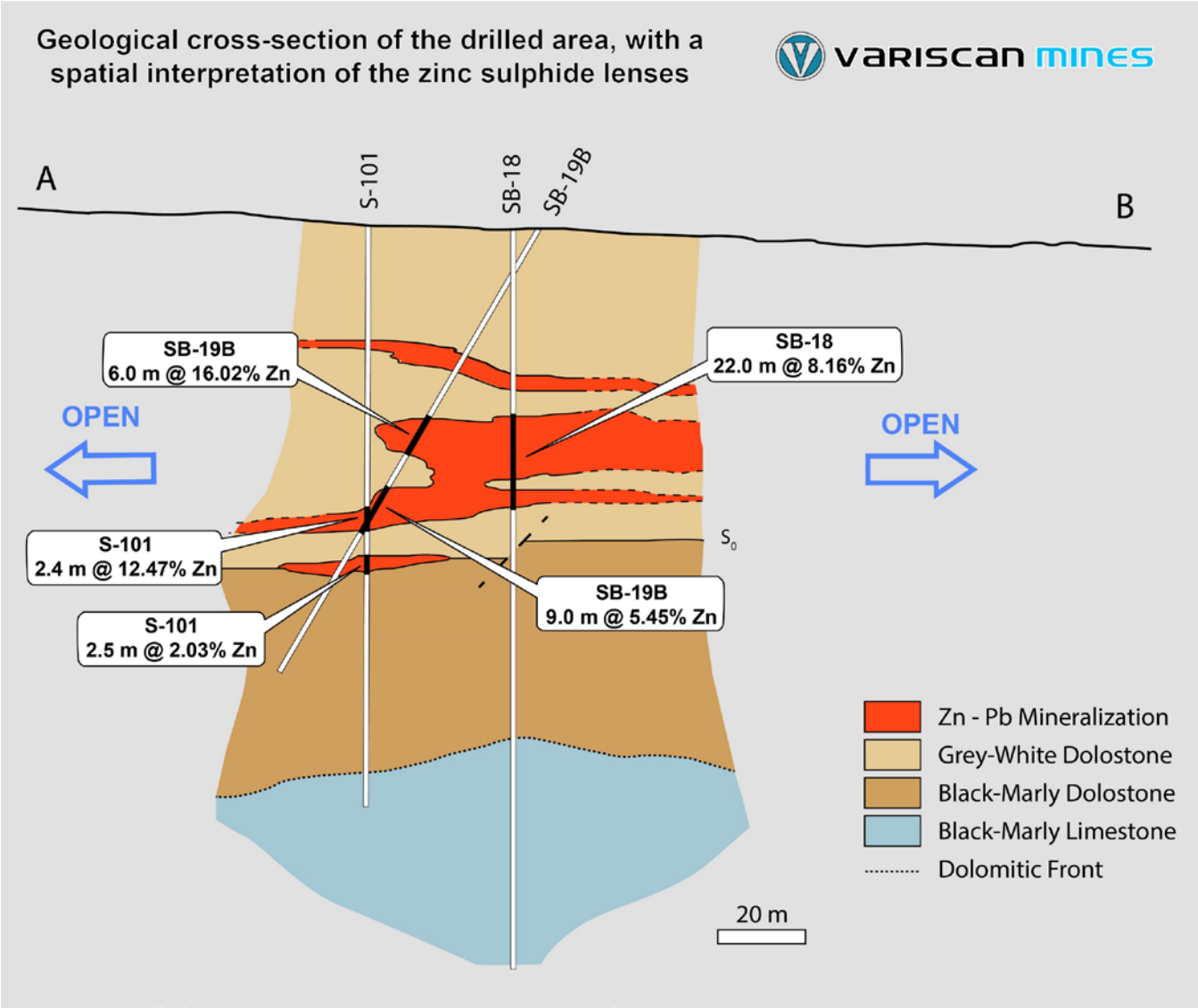


Figure 4. Photograph of mineralised core intervals from drill hole SB-18, with overlain zinc assay results. (Hole depth shown from 36.4m to 58.4m)

Looking Ahead & H1 Workplan

The Company is now progressing the following activities all of which are focused on the San Jose Mine and are expected to be completed by the end of the first half of calendar year 2023:

- Delivery of approvals to undertake further surface drilling in and around the San Jose Mine to test promising step-out targets
- Phase 3 underground infill and resource definition drilling at the San Jose Mine
- Finalising the ongoing comprehensive 3D wireframe model of all historic and present-day drilling at and around the San Jose Mine
- Publishing a focused JORC-compliant maiden Mineral Resource estimate for the San Jose Mine
- Reporting a Mine Re-Start Concept Study for San Jose Mine
- In support of the above activities, the delivery of associated environmental, social and governance ("ESG") initiatives

ENDS

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

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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. Its primary focus is the development of its advanced zinc projects in Spain.

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.

To learn more, please visit: www.variscan.com.au

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 Dr. Mike Mlynarczyk, Principal of the Redstone Exploration Services, a geological consultancy acting as an external consultant for Variscan Mines. Dr. Mlynarczyk is a Professional Geologist (PGeo) of the Institute of Geologists of Ireland, and European Geologist (EurGeol) of the European Federation of Geologists, as well as Fellow of the Society of Economic Geologists (SEG). With over 10 years of full-time exploration experience in MVT-style zinc-lead systems in several of the world's leading MVT provinces, Dr. Mlynarczyk 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'). Dr. Mlynarczyk consents to the inclusion in the report of the matters based upon the information in the form and context in which it appears.

The information in this document that relates to previous exploration results was prepared pre-2012 JORC code. It is the opinion of Variscan that the exploration data is reliable. Although some of the data is incomplete, nothing has come to the attention of Variscan that causes it to question the accuracy or reliability of the historic exploration.

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 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

Criteria	JORC Code explanation	Commentary
Sampling techniques	_ *Nature and quality of sampling (e.g., 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 (e.g., '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 (e.g., submarine nodules) may warrant disclosure of detailed information.*	_ Surface drilling being reported has been sampled with industry best practice methods - diamond drilled core of PQ and HQ diameter was cut lengthwise to produce half core. Then, samples were sent to the accredited ALS Seville laboratory for analysis. The samples are considered representative and include waste intervals on the periphery of mineralised intersections. It is assumed that the equipment used was calibrated correctly as per the internal SOP's at ALS. _ The new drillholes reported are located in the northern part of the San Jose mining permit, south of the village of Novales. The holes consist of three diamond drillholes, two of which were mineralized and were sampled as half core from 100cm to 125cm sample length (average 1.00m) with at least a single 1m sample either side to cover the periphery of the mineralised intersection. _ The analytical method used by ALS is Zn-OG62h for Zinc and Pb-OG62h for Lead, as well as Zn-AA07 for non-sulphide ('oxide') zinc. These are considered appropriate for the deposit type.
Drilling techniques	_ *Drill type (e.g., core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g., 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 new drillholes referred to in this press release are surface diamond drillholes (core) completed using a Rolatec RL-1000 drill rig, at a core diameter of PQ and HQ. _ These new holes have not employed oriented core methods.
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 may have occurred due to preferential loss/gain of fine/coarse material.*	_ Core recovery for the drillholes reported has been very high, ranging from 92.7-96.6%, as observed by drillers and geologists, this data has been formally recorded for all drillholes at this time, as it forms part of the detailed logging. _ No other methods have been used to maximise sample recovery; however, with recovery >92% reported for the holes detailed in this release the methods currently employed appear sufficient. _ The relationship between sample recovery and grade has not been assessed thus far.
Logging	_ *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining*	_ Detailed geological and geotechnical logging has been carried out for all drillholes. Currently there is insufficient data to support a Mineral Resource estimate, mining study or metallurgical study for the area in question. _ Total percentage of holes that have been logged for lithology,

Criteria	JORC Code explanation	Commentary
	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.*	veins, alteration, and mineralisation is 100% and the total percentage of new drillholes that has detailed recovery and geotechnical logging is 100% at this stage (based on all logs available). All drillholes were photographed before and after cutting core.
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.*	_ New drillholes have been sampled using accepted industry procedures for logging (of mineralisation), sampling, and QAQC for this project. _ Samples were selected by geologists for these new drillholes based on logging of mineralised intervals. The PQ-HQ diamond drill core from surface drilling was cut lengthwise using a rotary diamond saw in two equal halves, one of which was sent for assaying. Samples were preferred at 1m lengths, although they were permitted flexibility from 100cm to 125cm sample lengths typically where geological boundaries exist. In the Variscan SOP for sampling drillholes it was stated that, whenever possible, a minimum of three samples were taken for any mineralised intersection, the first sample will encompass the mineralised zone and the other two samples will be selected either side to ensure waste intervals were sampled to define the boundaries of mineralisation. Additionally, when a separate geological zone or rubble or broken core begins, a new sample will be taken and when solid core resumes the next samples will be selected. In zones of poor recovery <50% the default sample interval will be the drillers depth markers. The nature and quality of sampling techniques are considered appropriate for this deposit and drilling type. _ All half core samples were sent directly to ALS Seville laboratory for preparation and subsequent analysis according to industry standards with crushing, pulverizing and splitting prior to sample analysis. _ Sample sizes taken for the drilling reported are considered suitable for the deposit type and style of mineralisation at this stage of exploration.
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 (e.g., standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e., lack of bias) and precision have been established.*	_ Half-core samples were sent to the accredited ALS Seville laboratory to be analysed for Zn/Pb with analytical methods (Zn-OG62h, Pb-OG62h, and Zn-AA07) that are considered suitable for the elements and style of mineralisation in question. For the new drilling reported the sampling was partial as half core remained. The sample sizes and weights used are considered appropriate in relation to the grain size of the mineralised samples _ No handheld or downhole geophysics data were collected during this campaign. _ The 69 assay results reported herein were processed by the lab as part of a larger sample batch, with the remaining results already published in the previous news release. The sample batch comprised QAQC samples (e.g., duplicates, standards, and blanks) inserted in the sample stream. The standards included both high-grade CRMs (OREAS 134B) and medium grade CRMs (OREAS 133A) inserted into the mineralised zone, as well as low grade CRMs (OREAS 130) inserted in between barren or weakly mineralised samples. Coarse blanks were typically inserted following high-grade mineralisation to check for proper lab equipment clean-up following the successive sample preparation steps. Also, in-line duplicates were requested to ALS for a selection of mineralised samples and these sample ID's were indicated to the laboratory as samples where the coarsely crushed sample material from the sample bearing the preceding number had to be resampled again, following the full procedure of fine crushing, grinding, and subsequent analytics to ensure a high accuracy of the assay

Criteria	JORC Code explanation	Commentary
		results. The statistics of the QAQC are the following: the batch of drill core assays comprised 6 blanks, 17 CRMs and 9 duplicates for a total of 147 samples (including QAQC), meaning that QAQC samples comprised 21.8% of the sample population for this batch. Therefore, the frequency and variety of QAQC samples inserted into the sample stream is considered fully compliant with industry best practice.
Verification of sampling and assaying	_ *The verification of significant intersections by either independent or alternative company personnel.* _ *The use of twinned holes.* _ *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* _ *Discuss any adjustment to assay data.*	_ The new diamond drillholes are located in the northern part of the San Jose mining permit and consist of 3 surface diamond drilled holes drilled with a Rolatec RL-1000 drill rig, at a core diameter of PQ and HQ. _ Primary data for the drilling campaign on the San Jose mining license is currently stored in excel, with suitable assay certifications issued by ALS Seville, and the assay values obtained match well drill core visuals observed and photographed during drill core processing. _ Analytical processes at the ALS Labs are being supervised by senior ALS staff experienced in mineral assaying and the lab is a renowned, internationally accredited laboratory. _ Assay data for H2 2022 drillholes are reported in two ways within this press release, the first are raw assay values unchanged and unaltered, and the second are calculated significant intercepts or aggregated consecutive sample intervals using sample length weighted mean grades for Zn and Pb.
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.*	_ Surface drill hole collars from the present campaign were surveyed using an ultra-high resolution Hi-target Inno1 GPS unit, and are thus considered highly accurate. _ Surface topography was provided by CNIG (IGN) as topographic contours at 25k scale in CRS ETRS89 30N grid, and the contours were used to generate a digital terrain model in 3D in Leapfrog Geo. This is considered satisfactory for the purpose of this news release.
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 reported surface diamond drillholes have been drilled (using a Rolatec RL-1000 drill rig) from drill pads duly prepared on the surface. These holes have been drilled downward, with one vertical and the remaining two dipping 60 degrees - see table in Appendix 1 and Figure 3. At this stage there is insufficient distribution of drillholes to support geological and grade continuity for the areas investigated. _ Assay data for the new drillholes are reported in two ways within this press release, the first are raw assay values unchanged and unaltered, and the second are calculated significant intersections or aggregated consecutive sample intervals using sample length weighted mean grades for Zn and Pb.
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 area investigated occurs as stratabound, sub-horizontal and lenticular, following sub-vertical trends, and with lateral and vertical extensions with a significant control by steeply-dipping feeder fault zones. Mineralisation in this setting presents as 'bags' (pods) with sub-horizontal lenticular form. Due to the variable nature of the mineralisation, an estimate of potential bias through orientation of sampling has not been made. _ The new drillholes have been oriented downward, dipping at either -90 or -60 degrees. These orientations are considered appropriate for the geometry of this mostly lenticular MVT mineralisation. In the case of the vertical downward drill hole, the sample interval lengths within the sub-horizontal lenticular morphology of the mineralisation are considered to be representative of true thickness and are not considered to

Criteria	JORC Code explanation	Commentary
		include a sampling bias.
Sample security	_ *The measures taken to ensure sample security.*	_ Samples are securely stored at the locked on-site core shed and were handed directly to a courier for transport to ALS Seville. Samples were logged and collected on site under close supervision of the responsible Variscan geologist.
Audits or reviews	_ *The results of any audits or reviews of sampling techniques and data.*	_ No detailed 3rd party audits have taken place regarding the sampling techniques for new drillholes.

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" and the adjacent exploitation permit for the Novales-Udias historic mine area are both held by Variscan Mines and are both in good standing. _ The author is not aware, at the time of writing this, of any environmental or social license issues that could affect ongoing works within these licences, nor any issues with tenure or permission to operate in this region. On the contrary, the socially and environmentally responsible mineral development undertaken by Variscan Mines has resulted to date in an outstanding social license to operate.
Exploration done by other parties	_ *Acknowledgment and appraisal of exploration by other parties.*	_ Historic exploration and mining in the San Jose area were undertaken by historic mining companies operating from post-WW2 to the late 1990's. The previous workers include Hispanibal and Asturiana de Zinc (previously a subsidiary of Xstrata / Glencore) and partial records of their work are held at the School of Mines and Energy Engineering at Torrelavega, a faculty of the University of Cantabria. _ Historic exploration in the San Jose area included surface diamond drilling, which was either vertical or drilled at an angle. Historic logs with lithology descriptions and assay data are available for most of the holes, and the location of the drill collars can be constrained reasonably well, with concrete slabs preserved in some cases.
Geology	_ *Deposit type, geological setting and style of mineralisation.*	_ The mineralisation at the project bears all the type features of textbook Mississippi Valley Zinc-Lead type, strongly zinc-dominant, with associated structural- and stratigraphy-controlled carbonate dissolution and sulphide replacement. _ Mineralisation at the project occurs as stratiform, sub-horizontal and lenticular / podiform, following sub-vertical trends, and with lateral and vertical extensions, with a key control by steeply-dipping feeder faults.
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:* o *easting and northing of the drill hole collar* o *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* o *dip and azimuth of the hole* o *down hole length and interception depth* o *hole length.* _ *If the exclusion of this information is*	_ In total, 20 surface and 11 underground diamond drillholes have been completed in the drilling campaign of Variscan Mines executed on the Buenahora and San Jose permits in H2 2022. This press release presents new assay data for the remaining three drillholes from this campaign, see table in Appendix 2 for raw assay data from the laboratory. _ The collar co-ordinates, hole depths and orientations for all three holes drilled in this campaign have been provided in the table in Appendix 1. _ No information regarding drilling on the San Jose mining permit has been excluded.

Criteria	JORC Code explanation	Commentary
	justified on the basis that the 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.	
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.*	_ Aggregated intersections stated in the main body of this announcement have only been undertaken for consecutive downhole intervals with reported assay data. These aggregated intersections have been calculated as a weighted average based on the sample lengths. All raw assay data on which these were based is shown in Appendix 2. _ No metal equivalent grades have been stated. _ New drillhole assays have been reported both as raw assays from ALS Seville and also as aggregated consecutive intersections using length weighted averaging method.
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').*	_ The new drillholes have been oriented steeply downward, at either -90 or -60 degrees, resulting in negative dips (see Appendix 1). These orientations are considered appropriate for the geometry of this mostly flat-lying, stratiform, lenticular MVT mineralisation at San Jose. In the case of the vertical downward drill hole, the sample interval lengths within the sub-horizontal lenticular morphology of the mineralisation are considered to be representative of true thickness of the sub-horizontal lenticular mineralisation and are not considered to include a sampling bias.
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 refers to diamond drilling on the San Jose mining permit of Variscan Mines. Maps and figures have been included to illustrate the location of the drilling reported. _ Figure 1. Location of surface drilling within the San Jose mining permit and its spatial relationship to the San Jose mine. _ Figure 2. Close-up of the new surface drill collar locations, with reference to past historic drilling in the area. _ Figure 3. Geological cross-section of the drilled area with a spatial interpretation of the zinc sulphide lenses _ Figure 4. Photograph of the mineralised drill core from drill hole SB-18 with overlain zinc assay results.
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.*	_ New drillhole raw assay results including both low and high-grade intersections have been included in the table within Appendix 2
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*	_ No other new exploration data referenced in this report is considered sufficiently meaningful or material to warrant further reference.

Criteria	JORC Code explanation	Commentary
	substances.	
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 have exploration plans to advance the Novales-Udias Project. The exploration plan is likely to include: o Drilling campaign from surface to test step out extensions o Drilling campaign underground to test: o Extensions of mineralised lenses o Follow up underground drilling to test: o vertical extensions o new sulphide lenses o infill mineralised lenses

Appendix 1: Table of Surface Drillhole Collar Co-ordinates and Orientations Presented in this News Release. The dip is measured from the horizontal plane down (minus sign).

BHID	X	Y	Z	LENGTH (m)	AZIMUTH	DIP
SB-18	403842,435	4803545,491	50.32	151.30	n.a.	-90
SB-19	403846,503	4803557,348	49.83	65.65	40	-60
SB-19B	403841,965	4803549,313	49.84	105.20	190	-60

Appendix 2: Table of New Raw Drillhole Analytical Results from ALS Laboratory Seville

BHID	Sample No	From (m)	To (m)	Length (m)	Zn % (sulf)	Zn % (ox)	Pb %	Zn+Pb (%) (sulfide)
SB-18	VAR001570	30.15	31.40	1.25	0.06	0.03	<0.002	0.06
SB-18	VAR001571	31.40	32.40	1.00	0.11	0.03	<0.002	0.11
SB-18	VAR001572	32.40	33.40	1.00	0.23	0.09	<0.002	0.23
SB-18	VAR001573	33.40	34.40	1.00	0.10	0.06	<0.002	0.10
SB-18	VAR001574	34.40	35.40	1.00	0.03	0.03	<0.002	0.03
SB-18	VAR001575	35.40	36.40	1.00	0.09	0.06	0.01	0.10
SB-18	VAR001576	36.40	37.40	1.00	1.23	0.48	0.01	1.24
SB-18	VAR001578	37.40	38.40	1.00	0.33	0.07	<0.002	0.33
SB-18	VAR001579	38.40	39.40	1.00	0.09	0.09	0.01	0.10
SB-18	VAR001580	39.40	40.40	1.00	**8.89**	0.40	0.07	8.96
SB-18	VAR001581	40.40	41.40	1.00	**10.35**	0.76	0.03	10.38
SB-18	VAR001583	41.40	42.40	1.00	**18.85**	1.22	0.14	18.99
SB-18	VAR001585	42.40	43.40	1.00	**4.12**	2.14	0.03	4.15
SB-18	VAR001586	43.40	44.40	1.00	**2.39**	1.71	0.06	2.45
SB-18	VAR001587	44.40	45.40	1.00	2.00	1.41	0.10	2.10
SB-18	VAR001588	45.40	46.40	1.00	0.41	0.33	0.02	0.43
SB-18	VAR001590	46.40	47.40	1.00	**13.70**	1.44	1.50	15.20
SB-18	VAR001591	47.40	48.40	1.00	**27.60**	1.16	2.51	30.11
SB-18	VAR001592	48.40	49.40	1.00	**18.45**	8.26	0.39	18.84
SB-18	VAR001594	49.40	50.40	1.00	**19.25**	2.07	0.06	19.31
SB-18	VAR001595	50.40	51.40	1.00	**34.50**	0.41	0.08	34.58
SB-18	VAR001597	51.40	52.40	1.00	1.11	0.55	0.01	1.11
SB-18	VAR001598	52.40	53.40	1.00	0.59	0.12	0.00	0.59
SB-18	VAR001599	53.40	54.40	1.00	0.08	0.05	0.01	0.09
SB-18	VAR001601	54.40	55.40	1.00	**9.80**	1.80	0.03	9.83
SB-18	VAR001603	55.40	56.40	1.00	**1.48**	0.35	0.00	1.48
SB-18	VAR001604	56.40	57.40	1.00	**3.64**	1.74	0.01	3.65
SB-18	VAR001606	57.40	58.40	1.00	0.59	0.48	0.01	0.59
SB-18	VAR001607	58.40	59.40	1.00	0.28	0.18	0.01	0.28
SB-18	VAR001608	59.40	60.55	1.15	0.23	0.15	0.01	0.23
SB-19B	VAR001610	9.05	10.05	1.00	0.10	0.02	0.00	0.10
SB-19B	VAR001611	10.05	11.05	1.00	0.18	0.01	0.00	0.18
SB-19B	VAR001612	11.05	12.05	1.00	0.02	<0.01	0.00	0.02
SB-19B	VAR001614	29.65	30.65	1.00	0.00	<0.01	0.00	0.01
SB-19B	VAR001615	30.65	31.65	1.00	0.02	<0.01	0.00	0.02
SB-19B	VAR001616	31.65	32.65	1.00	0.32	0.09	0.00	0.32
SB-19B	VAR001618	32.65	33.65	1.00	0.06	<0.01	0.00	0.06
SB-19B	VAR001619	33.65	34.65	1.00	0.24	0.09	<0.002	0.24
SB-19B	VAR001620	34.65	35.65	1.00	0.11	0.03	0.00	0.11
SB-19B	VAR001621	46.15	47.15	1.00	0.11	0.06	0.00	0.11

SB-19B	VAR001622	47.15	48.15	1.00	**8.79**	2.52	0.04	8.83
SB-19B	VAR001624	48.15	49.15	1.00	**28.20**	17.65	0.79	28.99
SB-19B	VAR001627	49.15	50.15	1.00	**46.30**	21.10	2.39	48.69
SB-19B	VAR001628	50.15	51.15	1.00	**9.60**	3.18	0.98	10.58
SB-19B	VAR001629	51.15	52.15	1.00	**1.51**	0.20	0.01	1.52
SB-19B	VAR001630	52.15	53.15	1.00	**1.75**	0.63	0.02	1.77
SB-19B	VAR001632	53.15	54.15	1.00	0.14	0.13	0.00	0.14
SB-19B	VAR001633	54.15	55.15	1.00	0.04	0.04	<0.002	0.04
SB-19B	VAR001635	55.15	56.15	1.00	0.21	0.16	<0.002	0.21
SB-19B	VAR001636	56.15	57.15	1.00	1.00	0.68	0.01	1.00
SB-19B	VAR001637	57.15	58.15	1.00	0.23	0.19	0.01	0.24
SB-19B	VAR001638	58.15	59.15	1.00	0.03	0.02	<0.002	0.03
SB-19B	VAR001639	59.15	60.15	1.00	0.12	0.09	0.00	0.12
SB-19B	VAR001640	60.15	61.15	1.00	0.02	0.01	<0.002	0.02
SB-19B	VAR001641	61.15	62.15	1.00	0.12	0.08	<0.002	0.12
SB-19B	VAR001642	62.15	63.15	1.00	0.38	0.28	0.01	0.38
SB-19B	VAR001643	63.15	64.15	1.00	**16.95**	2.30	0.45	17.40
SB-19B	VAR001645	64.15	65.15	1.00	**13.35**	3.22	0.08	13.43
SB-19B	VAR001647	65.15	66.15	1.00	0.31	0.20	0.01	0.32
SB-19B	VAR001648	66.15	67.15	1.00	0.41	0.22	<0.002	0.41
SB-19B	VAR001649	67.15	68.15	1.00	0.17	0.12	0.00	0.18
SB-19B	VAR001651	68.15	69.15	1.00	**1.50**	0.75	0.03	1.53
SB-19B	VAR001652	69.15	70.15	1.00	**4.15**	3.20	0.03	4.18
SB-19B	VAR001653	70.15	71.15	1.00	**11.80**	10.85	0.05	11.85
SB-19B	VAR001654	80.15	81.15	1.00	0.09	0.06	0.00	0.09
SB-19B	VAR001655	81.15	82.15	1.00	0.75	0.13	0.01	0.75
SB-19B	VAR001657	82.15	83.15	1.00	**3.92**	0.38	0.02	3.94
SB-19B	VAR001658	83.15	84.15	1.00	0.47	0.10	0.00	0.47
SB-19B	VAR001660	84.15	85.15	1.00	0.03	0.02	<0.002	0.03

Novales-Udias Project - 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 San Jose 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 and a sub-parallel 3km trend from contemporary and historical data across both the Buenahora exploration and Novales mining permits.

The San Jose Mine is nearby (~9km) to the world class Reocin Mine which is the largest known strata-bound carbonate-hosted Zn-Pb deposit in Spain[1] and one of the world's richest MVT deposits[2]. Further it is within trucking distance (~80km) from the San Juan de Nieva zinc smelter operated by Asturiana de Zinc (100% owned by Glencore).

Significantly, the Novales-Udias Project includes a number of granted mining tenements[3].

Novales-Udias 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 @ 8.7% Zn and 1.0% Pb45)
- Novales Mine is within trucking distance (~ 80km) from the zinc smelter in Asturias
- Classic MVT carbonate hosted Zn-Pb deposits
- Historic production of high-grade zinc, average grade reported as ~7% Zn6
- 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[7]
- Assay results of recent targeted grab samples taken from within the underground Novales Mine recorded 31.83% Zn and 62.3% Pb8
- Access and significant infrastructure already in place
- Local community and government support due to historic mining activity

[1] 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' Econ. Geol. v.98, pp. 1371-1396.
[2] Leach, D.L., Sangster, D.F., Kelley, K.D., Large, R.R., Garven, G., Allen, C.R., Gutzner, J., Walters, S., (2005) 'Sediment-hosted lead-zinc deposits: a global perspective'. Econ. Geol. 100th Anniversary Special Paper 561 607
[3] Refer to ASX announcement of 29 July 2019
[4] 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.
[5] 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.
[6] These figures have been taken from historical production data from the School of Mines in Torrelavega historical archives.
[7] 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)
[8] Refer to ASX Announcement of 19 December 2020